

Dear Sir or Madam,

I am writing to request information under the Freedom of Information Act 2000.
Under the Act I am requesting the following:

1. DECC's estimates of the spending envelope for policies that fall under the Levy Control Framework for the period 2015-2020, in total and on an annualised basis;
2. DECC's estimates of the spending envelope for policies that fall under the Levy Control Framework for the period 2020-2030, in total and on an annualised basis;
3. The modeling underpinning estimates in (1) and (2) above.

I would be interested in any information your organisation holds regarding the above request. I understand that I do not have to specify specific files or documents and that it is the department's responsibility to provide the information I require.

If my request is declined in whole or part I ask that you justify all deletions by reference to specific exemption of the act.

Reference: 12/1550

I am writing in response to your request for information under the Freedom of Information Act 2000, sent on 2nd November 2012.

The Levy Control Framework currently covers the following policies: the Renewables Obligation, Feed-In Tariffs for small scale generation, and the Warm Home Discount. The future scope of the Levy Control Framework has yet to be determined, but is likely to include contract for difference payments under arrangements set out in the Energy Bill.

Estimated spend for the Renewables Obligation, Feed-In Tariffs and the Warm Home Discount can be found in the attached spreadsheets for those years for which estimates are available.

Warm Home Discount

- Expenditure on the Warm Home Discount is specified explicitly in the associated regulation.
- This expenditure is currently agreed to March 2015.
- All projected expenditure from April 2015 onwards has yet to be agreed.
- Projected expenditure for the years 2015/16 onwards assumes that the funding envelope stays constant at the 2014/15 level, with adjustments made for anticipated inflation in future years.

- The Warm Home Discount covers Great Britain only.

Renewables Obligation

- DECC does not have up-to-date spending estimates for the Renewables Obligation after 2020/21.
- The modelling approach that informs the Renewable Obligation estimates underpinning the Levy Control Framework discussions is as presented in the Impact assessment accompanying the RO Banding Review Government Response published on 27/7/12 and found at:
<http://www.decc.gov.uk/assets/decc/11/consultation/ro-banding/5945-renewables-obligation-government-response-impact-a.pdf>

Feed-In Tariffs

- The Feed-In Tariff projections assume that Feed-In Tariff uptake continues to 2020.
- The modelling approaches that inform the Feed-in-Tariff estimates underpinning the Levy Control Framework discussions are as presented in the Impact Assessments accompanying the Feed-in-Tariff Review 2a (solar PV) and 2b (non-solar PV) published on 24/5/12 and 20/7/12 respectively, and found at: <http://www.decc.gov.uk/assets/decc/11/meeting-energy-demand/renewable-energy/5391-impact-assessment-government-response-to-consulta.pdf>, <http://www.decc.gov.uk/assets/decc/Consultations/fits-review/5903-impact-assessment-govt-response-to-consultation-f.pdf>

Estimated spend on future policy, such as contract for difference payments, relates to the formulation or development of government policy. This information is exempt under Section 35 of the Freedom of Information Act and is therefore being withheld.

Detailed decisions on contract for difference payments and cost control mechanisms are still being made. In order that these decisions benefit from impartial advice and proper consideration, they should be made without fear of premature disclosure. While the department recognises that there is a general public interest in the disclosure of information, as greater transparency makes Government more accountable, there is also a public interest in ensuring that Ministers and officials feel able to discuss policy options as frankly as possible. If this information were made public, we believe frankness and policy development would be inhibited and the Department would be prevented from taking decisions based on the fullest understanding of the issues involved. Having considered the public interest, the Department's decision is therefore to withhold the information.

However, the overall Levy Control Framework cap for 2020/21 has now been set at £7.6bn (real 2011/12 prices). Further detail on the indicative costs of public support were originally published in the Electricity Market Reform (EMR) White Paper Impact Assessment (available at <http://www.decc.gov.uk/assets/decc/11/policy-legislation/emr/2180-emr-impact-assessment.pdf>, see section 3.7 on p.43) and a revised EMR impact assessment, which accounts for recent decisions on the Levy Control Framework envelope, will be published in the new year.

If you are dissatisfied with the handling of your request, you have the right to ask for an internal review. Internal review requests should be submitted within two months of the date of receipt of the response to your original letter and should be addressed to the DECC Information Rights Unit (foi@decc.gsi.gov.uk).

Please remember to quote the reference number above in any future communications.

If you are not content with the outcome of the internal review, you have the right to apply directly to the Information Commissioner for a decision. The Information Commissioner can be contacted at: Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF