10th March 2014

The Rt. Hon Edward Davey
Department of Energy and Climate Change
3 Whitehall Place
London
SW1A 2AW

Dear Secretary of State

Proposed Underground Gas Storage Facility at Preesall, Lancashire

I am writing in relation to the Preesall gas storage project.

I understand that Halite Energy Group are currently seeking permission from DECC to construct and operate this facility.

There are significant advantages from the proposed project.

Clearly, storing more gas is good for Security of Supply and will help to give the UK more insurance in relation to possible supply disruptions or adverse impacts from (for example) diversion of Norwegian gas to replace Russian supplies.

In addition, the shallow salt concept is highly attractive in providing flexible gas that matches the flexibility increasingly needed from CCGTs to back-up wind. Shallow salt means there is much less energy associated with movement of gas both into and out of store.

With environmental and safety concerns addressed in the planning process, there is no reason not to allow the development to proceed. If the owners are able to raise around £600 million to help the UK economy move towards a lower carbon future then that is very good news and should be encouraged.

Yours sincerely

John Baldwin
Managing Director

Cc: Giles Scott, Anne Stuart; Will Cutler
    BIS: Chris Pook; Denis Walker; Nigel Goulty
    Ofgem: Dermot Nolan