



Mr. Giles Scott
Department of Energy & Climate Change
3 Whitehall Place,
London SW1A 2AW



Sent by email to: giles.scott@decc.gsi.gov.uk

10th June 2014

Dear Mr. Scott,

Halite Energy Group's Underground Gas Storage Facility at Preesall

I am writing to support the Halite Energy Group's underground gas storage facility at Preesall and to request the Secretary of State to grant a Development Consent Order to approve the project.

I have worked in the UK gas industry for over 25 years in various upstream, commercial and trading roles at a senior level. I now provide consultancy services to the industry and have contributed to a number of projects and studies on the future energy mix. My experience in this area leads me to the conclusion that it is vital that projects such as Preesall are approved. This is both to protect the UK's security of supply, and to ensure the UK's competitive advantage through access to affordable energy. In summary projects such as Preesall should be approved because:

1. UK continental shelf (UKCS) production is in decline and imports have been rising to meet demand. By 2025 the UK will be reliant on imports for 75 percent of its gas. Gas storage will be a vital part of the supply mix and be required to:
 - a. Provide additional price security at times of high world prices – the UK will increasingly become part of the world gas market where supplies will in effect go to the highest bidder
 - b. Allow for gas to be injected at times when prices and demand are lower, such as in the summer. This gas can then be used during periods of higher demand and prices
 - c. Protect the UK against Geo-political risks which are outside of the its' control
2. The depletion of North Sea fields has resulted in a reduction in the sources of flexible gas available at short notice and gives rise to the need for new storage options such as Preesall.

3. The UK government is promoting the development of renewable energy, particularly offshore wind. Given the intermittent nature of wind, flexible gas fired power generation will be required to produce electricity when there is no wind. This will be a short notice within day requirement. Fast cycle facilities such as Preesall will be crucial in managing the volatility of demand and price that wind intermittency will create.
4. Specifically Preesall has a number of benefits which make it an attractive project both from a performance and on a capital cost basis. These include:
 - a. It's location close to the National Transmission System
 - b. The suitability of the salt strata, which provides for high flexibility at low costs
 - c. Availability of electricity supply and water washing infrastructure.
 - d. Preesall is unique in that it will provide both size as well as high cycle short notice flexibility

I understand that DECC is currently re-determining the Preesall application for a Development Consent Order. The UK faces growing uncertainty over the future energy supply mix and how to source energy at competitive prices. Projects like Preesall take considerable time to be built and brought on line, and it is therefore imperative that action is taken now to bring significant new gas storage facilities onto the system to meet our future requirements.

Yours sincerely,

Sonia Youd
Sonia Youd Associates Limited