

24 June 2014

Mr Giles Scott
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Dear Mr Scott

Underground Gas Storage Facility, Preesall

East Lancashire Chamber of Commerce has been following the application by Halite Energy Group for an underground gas storage facility on behalf of our members. We are the **collective voice for business** in the area, representing the views and interests of our members at local, county, regional and national levels, **many of whom will benefit** directly from increased gas storage.

I therefore write in support of the proposal and urge ministers to recognise the benefits it will bring both to the North West, and to the wider UK.

The economy in the North West, as in the rest of the UK, is now recovering but unemployment rates remain higher than the UK average at 7.6% for the first quarter of 2014. The Chamber operates in an area with one of the highest concentrations of manufacturing in the UK, and indeed chairs the NW Manufacturing Forum (we are also on the Lancashire LEP Board); but while the economy is strengthening and recovering, productivity gains mean that there is generally relatively 'jobless growth' in the sector. Accordingly the proposed site at Preesall, which would bring over 3,000 much needed jobs, during its eight year construction period, and stable jobs during its 40 year operational phase, to an area which has so far by its semi-rural nature not benefitted as fully as the more urbanized areas, is of great interest. It would also diversify what is often viewed as an over-reliance on public sector jobs by releasing private sector investment into the area totaling £600 million.

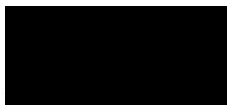
Our members have concerns about energy: supply, security, price and supply chains. We are therefore extremely supportive of the increased gas storage which the proposal will add to the UK's current capacity. Whilst we recognize that the UK benefits from a diverse source of energy, the current 15 days of gas storage is well below that of other European countries, especially France and Germany. We welcomed the Secretary of State's comments in April regarding improving Europe's energy security and hope that he will view this proposal as an opportunity to guarantee domestic gas security for the UK in the coming decades, benefitting both domestic and industrial consumers.

It will be particularly welcome to those members who form part of the energy-intensive manufacturing sector in Lancashire, who are particularly exposed to unpredictable energy prices, as it has the ability to react quickly to increased demand, unlike other storage facilities.

It may also help reassure future inward investors that the UK can compete on 'energy- provision' reliability.

I hope that the Government will look closely at the proposal and will recognise the multiple benefits it will bring to both the local, and national, economies as well as delivering increased energy security.

Yours sincerely



Michael Damms MBE
Chief Executive East Lancashire Chamber of Commerce

cc Rt Hon Michael Fallon MP, Minister of State for Business and Energy
cc James Wild, Special Adviser to the Minister of State for Business and Energy



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