

CENTRAL OFFICE

KC/son
26th June 2014

Rt. Hon. Michael Fallon, MP
Minister of State for Business & Energy
Department for Business, Innovation & Skills
1 Victoria Street
London
SW1H 0ET
SENT ELECTRONICALLY

Dear Minister

Unite the Union supports Halite Energy Group's proposal for an underground gas storage facility at Preesall, Lancashire.

Unite is Britain and Ireland's largest trade union with over 1.4 million members working across all sectors of the economy, including energy intensive industries, as well as in related distribution, network and retail operations.

The UK's energy intensive industries; iron and steelmaking, cement and lime manufacture, chemicals, ceramics, glass, non-ferrous metals, pulp and paper, coke and refined petroleum products form the foundation of UK manufacturing, producing primary inputs for much of the UK's infrastructure and consumable products. They contribute enormously to our social and economic make up and are vital to our green and sustainable future, providing products that include steel for wind turbines, glass for double glazing and fibres for loft insulation.

These industries use large amounts of energy in their manufacturing processes, or as raw material, and require the right government policies so that they can continue to offer increased economic benefits to the UK, through both their profits and the wider contribution made by supporting smaller suppliers. Their combined turnover of £95 billion provides direct employment for 160,000 people and an estimated four times that number indirectly.

The cost of energy and potential volatility in both supply and price is of significant concern to these industries. The aim of the government to 'rebalance the economy' in support of them was recognised in the Budget this year which addressed, to some extent, the financial burden these industries are facing with regards to energy. A vital element in achieving that rebalancing is ensuring that proposals to increase our domestic energy supply, adding increased security into the market, will be carefully considered by the Government so that our vital manufacturing industries can make strategic decisions for the long term.

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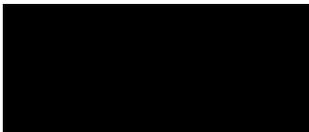
Proposals such as Halite Energy Group's underground gas storage facility at Preesall, Lancashire would we understand, add 20% to the UK's worryingly low levels of gas storage, building both additional energy capacity and security for industrial consumers. The proposed facility would operate as a fast-cycle plant, as opposed to the majority of UK storage which is seasonal, meaning it would be a highly valuable and strategic asset for the UK. Using advanced and internationally proven fast-cycle technology, energy would be injected into the grid at times of high demand or falling supply, cushioning the effect of any volatile and damaging price spikes on UK industries at a rate which seasonal plants are unable to achieve.

In addition, we were advised the facility would create over 3,000 jobs during its 8 year construction period, without any cost to the public purse, at a time when unemployment in the North West is still above the national average.

Accordingly, Unite supports the Halite Energy Group proposal; to secure a stable energy supply for our energy intensive industries and to ensure a rebalancing of our economy, supporting British manufacturing and the potential for thousands of jobs which will be created.

We would urge the Government therefore, to consider this proposal carefully.

Yours sincerely,



KEVIN COYNE
NATIONAL COORDINATING OFFICER
CONSTRUCTION, ENERGY & UTILITIES

cc: James Wild, Special Adviser to the Minister of State for Business and Energy
cc: Giles Scott, Head of National Infrastructure Consents