



Mr Giles Scott
Head, National Infrastructure Consents
Department of Energy and Climate Change
3 Whitehall Place
London SW1A 2AW

24 July 2014

Dear Mr. Scott

Underground Gas Storage facility – Preesall Lancashire

I am writing, as a property owner and energy consumer in North and North West of England, to express my support for Halite Energy Group's underground gas storage facility at Preesall, which I understand is currently being examined by you for planning permission.

It is clear that there is a need for flexible gas storage capacity in the UK, which is the world's seventh largest gas market. There has been a dramatic decline of UK Continental Shelf (UKCS) gas production from a year 2000 peak of 100 bcm to 50 bcm in 2013. The UK significantly lags behind other countries with respect to gas storage capacity, with its current storage capacity of less than five per cent of annual consumption compared to approximately 15 percent from other industrialised economies. The UK has just 14 days of gas storage compared with many months in the rest of Europe. Within the past 18 months this has dropped to just a few hours at peak times. Almost every day that goes by, there are new issues arising in the key geographical areas (Russia and the Middle East) upon which the UK depends for gas. This further exacerbates political instability and the risk of gas supply problems and price rises.

Investment in new UK storage such as Preesall is required to ensure security of supply and to provide the flexibility required as a result of UKCS decline and the Government's renewable energy policy.

For Lancashire, Halite's project would generate demand for a wide range of skills and occupations. I have spoken to a number of Halite executives and I know that Halite is committed to buying in certain types of activity during the construction phase that will create business opportunities for local firms.

Lancashire has strengths across a range of sectors but particular concentrations of businesses in engineering and building construction. A £600m injection of private capital is substantial; I would respectfully ask that DECC and the Secretary of State grant this project consent.

Yours sincerely



Steve Fountain