

**From:** [Dan Lewis](#)  
**Sent:** 05/09/2014 13:58  
**To:** '[Mpst.hancock@bis.gsi.gov.uk](mailto:Mpst.hancock@bis.gsi.gov.uk)'  
**Cc:** [PS Edward Davey](#); [PS Amber Rudd \(DECC\)](#); [Scott Giles \(Energy Development\)](#)  
**Subject:** RE: Halite Gas Storage Project Redetermination

Rt. Hon Matthew Hancock MP  
Minister of State for Business and Enterprise  
Department for Business, Innovation and Skills  
1 Victoria Street  
London

Dear Minister,

Today I'm writing to you in my capacity as Senior Infrastructure Adviser to the Institute of Directors to ask for your support of Halite Energy's proposed gas storage project currently in redetermination with DECC post the decision by Judicial Review in January 2014 which overturned the Secretary of State for Energy and Climate Change's decision against the project in April 2013.

I don't think there's any real doubt that our North Sea reserves have been declining since 2000, gas imports are rising and that shale gas from the Bowland Basin in Lancashire is taking much longer to explore and bring to market than anticipated. Back in 2001, OFGEM recommended that the UK would need 10 billion cubic metres (bcm) of gas storage facilities by 2010. However, up until now there has been no increase at all from 5 bcm. Halite's project at 0.9 bcm would make a useful contribution to that deficit, not least because it will have fast injection capacity, that would serve much better to combat gas price volatility and reach all parts of the country quickly. This all matters because whilst it's true we do not yet import any Russian gas we are affected by how Russia acts upstream both strategically and commercially. Equally, an unexpected and long period of cold weather can run down our storage capacity very fast and Liquefied Natural Gas tankers cannot fill the gap as quickly. Such events make us very vulnerable as downstream price-takers at the end of the European gas pipeline network. Additional gas storage such as this, which is not asking for a taxpayer subsidy, would therefore be a useful additional hedge and insurance policy to what might ever happen in the future.

Furthermore, there is the matter of jobs that this project could create in a region that does not have enough of them. A Halite commissioned study put the number of jobs created at peak at over 2,000 and a spend of £660 million in the local and local Lancashire economy. That is why our North West regional IoD branch is formally in favour of the project and has written to you already to ask for your support. Finally, it may have excellent synergies with shale gas when it comes online as the Bowland Basin is very nearby.

For reasons of energy security, jobs, re-balancing the economy and building an infrastructure pathway to a lower carbon future with gas, we believe it would be in the national interest for the government to give the green light and hope you feel able to support this important project.

Yours sincerely,

**Dan Lewis**

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