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M. Hancock DECC

Wednesday, 03 September 2014

Rt. Hon Matthew Hancock MP  
Minister of State for Business and Enterprise  
Department for Business, Innovation and Skills  
1 Victoria Street  
London  
SW1H 0ET

Institute of Directors  
North West Regional Office - Floor 14  
Lowry House,  
17 Marble Street,  
Manchester,  
M2 3AW

Dear Minister

### **Preesall Saltfield Underground Gas Storage by Halite Energy Group Ltd**

The Institute of Directors (IoD) in the North West Region is writing to you to provide our support for an underground gas storage planning application in Preesall in Lancashire that is currently being redetermined by the Secretary of State in the Department of Energy & Climate Change (DECC).

The IoD concentrates on the issues which are of most concern to business, examining them in depth and drawing substantially on our members' experience. Where appropriate, the IoD works in partnership with industry in the UK, to maximise the impact from a business point of view.

In October 2011 an Energy and Climate Change Select Committee report on the UK's Energy Supply outlined the need for more gas storage in the UK. To minimise the risk of gas supply interruptions and increased prices and to provide back up for intermittent electricity generated by our wind farms, the report recommends that the UK should double its existing storage facilities by 2020.

Underground fast cycle gas storage at Preesall would provide much-needed security of energy supply for the whole country. The proposed site occupies a strategic location in close proximity to the National Transmission System (NTS) – the network which delivers gas to homes and businesses across the country. Preesall enters the NTS at a location that is close to five existing and three planned Combined Cycle Gas Turbine (CCGT's) power plants which will be increasingly important in the provision of electricity if the UK is to meet its climate change targets by 2020.

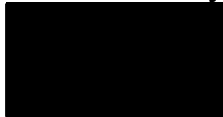


Preesall has the capability at its maximum delivery rate of 30 million cubic meters a day to provide 20 percent of the deliverability for fast cycle storage and 13.7 percent of all storage deliverability; supporting electricity demand at short notice should there be insufficient wind, which is very likely. In addition should there be supply disruption from Russia or Qatar Preesall would be an essential element of the storage deliverability required to bridge the gap between non-storage supplies and the peak day demand.

The Institute of Directors (IoD) in the North West Region supports the Preesall application not only because the UK has a national need for fast cycle gas storage, but also because an investment of £600m into primarily the North West represents a significant opportunity for the economy here to grow. Many regional and local businesses will benefit as a result, which can only mean more jobs.

Your assistance in the granting of a development consent order for Preesall to be built would be much appreciated.

Yours sincerely



Rachel Smith  
Regional Director  
Institute of Directors North West Region

Cc: John Kersey, IoD Lancashire chair