

Preesall Underground Gas Storage Facility – Political Brief

Executive Summary

Halite Energy Group (“Halite”) is developing a world class fast-cycle underground gas storage facility at Preesall, Lancashire (“Preesall”) which will be one of the largest onshore facilities ever constructed in the UK. An application for Development Consent Order (DCO) approval for Preesall is being considered by DECC and is in the final stage of the approval process. The Planning Inspectorate have examined Preesall and confirmed it can be safely operated. DECC also commissioned an independent expert report into geological matters and the capacity of Preesall. This confirms the analysis of Halite, led by the British Geological Survey, that site geology is suitable for underground gas storage and can accommodate a very large fast-cycle project. Ministers will deliver a final decision in the coming weeks on whether to approve Preesall.

Key Points

DECC commenced re-determination of the Preesall application in April 2014. The central issue in the re-determination is confirmation of the suitability of the site geology for a significant gas storage facility. To assess this key question facing Ministers, DECC commissioned a report from independent geological consultants Senergy (GB) Limited (“Senergy”) to provide expert opinion on geological matters.

The recently published Senergy report provides clear independent confirmation that the geology of the Preesall site is suitable for the type of gas storage proposed, and that the geology can accommodate a very large gas storage facility of 19 caverns that can be operated on a fast-cycle basis.

Preesall meets a policy priority of successive governments concerning the need for underground gas storage facilities in the UK, embodied in Government National Policy Statements EN-1 and EN-4.

The Senergy report reinforces the case that Preesall complies with relevant planning National Policy Statements (NPS). This is highly significant as under the Planning Act 2008 when a development is in accordance with the relevant NPS; there is a presumption in favour of development consent being granted.

Preesall would be of huge national significance. On the analysis provided by Senergy, considered conservative by Halite, an effective annual capacity of 2434 mcm could be achieved. This would be one of the very largest UK gas storage facilities and as a fast-cycle facility would be able to release gas quickly into the national grid to help reduce damaging price spikes impacting industrial and domestic consumers. Existing large UK facilities operate mainly on a seasonal basis and cannot react to short-term price spikes.

The only material adverse impact of Preesall concerns visual impacts on a landscape that is not protected by any special landscape designations. The NPS recognises that visual impacts should not generally be a reason for refusing consent for infrastructure.

Private sector investment totalling £600 million will be injected into the UK economy if Preesall was approved. The facility will be built over eight years and create significant employment locally.

The independent expert Senergy report commissioned by DECC confirms the geological suitability of the Preesall site for gas storage and removes the final planning hurdle remaining for the approval of Preesall. DECC Ministers will be making a decision imminently on a project of huge national significance.

From: [Eleanor O'Riordan](#)
To: [Green Connie \(DECC Private Office Group\)](#)
Subject: RE: Gas Storage
Date: 07 October 2014 18:07:48
Attachments: [image002.jpg](#)
[image003.jpg](#)

Dear Connie,

Many thanks for your email.

Kind regards,
Eleanor

From: Green Connie (DECC Private Office Group) [mailto:connie.green@decc.gsi.gov.uk]
Sent: 07 October 2014 17:54
To: Eleanor O'Riordan
Subject: RE: Gas Storage

Dear Eleanor,

Many thanks for your email to Maria and for sending over the briefing note.

Unfortunately, for propriety reasons it would be inappropriate for Maria to meet with you and make any representations about this project.

Kind Regards,

Connie



Connie Green

Assistant Private Secretary to Maria Allen, Special Adviser to
Amber Rudd MP and Baroness Verma

3 Whitehall Place, London SW1A 2AW

Tel: 0300 068 2824

From: Eleanor O'Riordan [mailto:Eleanor.O'Riordan@Finsbury.com]
Sent: 07 October 2014 14:55
To: Allen Maria (DECC Private Office Group)
Subject: Gas Storage

Dear Maria,

It was good to meet you at conference.

I am writing to you today on behalf of Halite Energy Group, who are seeking to build an underground gas storage facility in Preesall, Lancashire. The facility will be one of the largest of its kind, increasing the UK's gas storage capacity by 20%. It will be a major national asset once built and, in particular, as a fast cycle facility it will help protect consumers, both households and businesses, from steep energy price rises resulting from gas shortages. An application for Development Consent Order (DCO) approval for Preesall is being considered by DECC and is in the final stage of the approval process.

Please find attached a briefing note for your information, setting out the considerable benefits the facility will bring to the UK.

If you think it would be useful then I would be happy to meet to discuss the detail of the facility with you.

Best wishes,
Eleanor

Eleanor O'Riordan
Associate



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