THE INFRASTRUCTURE PLANNING (EXAMINATION PROCEDURE) RULES 2010
Preesall Underground Gas Storage Facility, Lancashire

HALITE’S COMMENTS ON FIRST ROUND REDETERMINATION REPRESENTATIONS

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INTRODUCTION

1.1 This document has been prepared on behalf of Halite Energy Group Limited ("Halite") in respect of its proposals to construct and operate an Underground Gas Storage ("UGS") Facility with a total capacity equivalent to 900 million cubic metres of gas to provide an operational working capacity of up to 600 million standard cubic metres and associated infrastructure ("the Project") at Preesall, Lancashire.

1.2 An application for a Development Consent Order ("DCO") for the Project was submitted by Halite in November 2011 and was subject to examination by The Planning Inspectorate ("PINS") as the ‘Examining Authority’ ("ExA") between April and October 2012. The ExA’s ‘Report of Findings and Conclusions and Recommendation to the Secretary of State’ (the "ExA Report") was provided to the Secretary of State in January 2013 and the ExA recommended that ‘the Order be made, subject to modifications’.

1.3 The Secretary of State rejected the application in his letter of 9 April 2013 (the "SoS Decision Letter").

1.4 The High Court (Patterson J) quashed the decision of the Secretary of State on 17 January 2014 because, in particular, of (i) unfairness in the manner in which the ExA had reached its conclusions as to what the ExA had regarded as inadequate geological information and (ii) an incorrect interpretation of policy in paragraph 2.8.9 of EN-4. The application for development consent now falls to be re-determined by the Secretary of State.

1.5 In accordance with Rule 20(2) of The Infrastructure Planning (Examination Procedure) Rules 2010, on 8 April 2014 the Secretary of State notified Interested Parties of the matters on which he required further representations to be submitted by 9 May 2014.

1.6 Halite submitted the following documents on 9 May 2014 in response to the Secretary of State’s letter of 8 April 2014:

1.6.1 **H26** - Response to the Statement of Matters Raised by the Secretary of State pursuant to Rule 20(2) of the Infrastructure Planning (Examination Procedure) Rules 2010 prepared by Barton Willmore dated 8 May 2014 ("Halite’s Response to the SoS Statement of Matters")

1.6.2 **H27A** - Report with reference “CR/13/122” entitled “Results of an interpretation of newly acquired seismic lines over the Preesall Saltfield, NW Lancashire: their relevance to proposed areas for salt cavern gas storage development (‘planning polygons’)" prepared by the British Geological Survey dated 9 May 2014 (the "Updated BGS Report")

1.6.3 **H27B** - Appendices to report with reference “CR/13/122” entitled “Results of an interpretation of newly acquired seismic lines over the Preesall Saltfield, NW Lancashire: their relevance to proposed areas for salt cavern gas storage development (‘planning polygons’)" prepared by the British Geological Survey dated 9 May 2014 (the "Appendices to the Updated BGS Report")

1.6.4 **H28** - Report with reference GKF/0/J/0002 entitled Halite Energy Gas Storage; Preesall Gas Storage Project; Revision of Cavern Field Layout prepared by Geostock dated 9 May 2014 (the "Geostock Cavern Field Layout Report")
1.6.5 **H29** - Report with reference GKF/0/J/0003 entitled Halite Energy Gas Storage; Preesall Gas Storage Project; Revision of Working Gas Volume prepared by Geostock dated 9 May 2014 (the "**Geostock Working Gas Volume Report**")

1.6.6 **H30** - Updated Geological Summary Report prepared by Mott MacDonald dated 9 May 2014 ("**Updated GSR**")

1.7 A number of representations were received by the Secretary of State by 9 May 2014 from other Interested Parties in response to his letter of 8 April 2014.

1.8 On 31 July 2014 the Department of Energy and Climate Change wrote to interested parties, including Halite, to request representations on:

1.8.1 the Independent Geological Assessment dated July 2014 (the "**Senergy Report**"); and

1.8.2 the representations which the Secretary of State had received by 9 May 2014, i.e. during the first consultation round.

1.9 This document sets out Halite's response to those first round representations. A full list of those first round representations is provided at Appendix 1. This document also offers clarification for the Secretary of State at Section 5 (**Corporate Responsibility Fund** below in respect of his reference to a Corporate Responsibility Fund at paragraph 11 of the SoS Decision Letter.

1.10 Halite’s response to the Senergy Report can be found in the separate document entitled “Halite Response to the 'Independent Geological Assessment' produced by Senergy (GB) Limited”, given document reference H43, and which has been submitted on the same date as this document.

2 **DEFINED TERMS AND CROSS-REFERENCES**

2.1 For ease, this document uses the following defined terms:

"**Appendices to the Updated BGS Report**" Appendices to report with BGS reference “CR/13/122” entitled “Results of an interpretation of newly acquired seismic lines over the Preesall Saltfield, NW Lancashire: their relevance to proposed areas for salt cavern gas storage development (‘planning polygons’)” prepared by the British Geological Survey dated 9 May 2014 and given DCO application reference "**H27B**"

"**COMAH**" The Control of Major Accident Hazards (COMAH) Regulations

"**DCO**" development consent order

"**ExA Report**“ the ExA’s 'Report of Findings and Conclusions and Recommendation to the Secretary of State’ published in January 2013

"**GCC**“ gas compressor compound


Halite’s response to the representations submitted by Interested Parties further to the Secretary of State’s letter of 8 April 2014 is provided in the following order:

- WBC and LCC as the LPAs;
- Protect Wyre Group as a principal community objector; and
- Other agencies and individuals.

For each party, the main issues raised are set out along with Halite’s response. The application for the DCO has, save for the matter of capacity, already been subject to detailed examination by the ExA. In the interests of avoiding repetition of submissions made during that examination, this document provides the relevant references to the ExA Report and SoS Decision Letter where:

- an issue raised has already been fully addressed in the ExA Report and SoS Decision Letter; and
since issue of the SoS Decision Letter, there has been no material change in circumstance raised in a representation or otherwise requiring a reconsideration of the issue.

The representations submitted by the following contained no issues requiring a response and Halite, therefore, provides no response in this document: The Environment Agency; Natural England; English Heritage; the Coal Authority; The Equality and Human Rights Commission; the Yorkshire Dales National Park Authority; Network Rail; Utility Grid Installations, GTC, Independent Pipelines, Quadrant Pipelines and The Electricity Network jointly; and the Highways agency.

Halite notes that PINS has received a number of representations supporting the Project. These are listed at Appendix 2 to this document. The key points arising from these representations are summarised for ease at Section 4 (Representations in Support) below.

Note that responses to in this document to representations in respect of geology, capacity and national need should be read in conjunction with Halite’s response to the Senergy Report in the separate document entitled “Halite Response to the 'Independent Geological Assessment' produced by Senergy (GB) Limited”, given document reference H43, and which has been submitted on the same date as this document.

Wyre Borough Council

3.6 Issue 1: Request for future minor realignment of brine discharge pipeline to accord with WBC’s sea defence scheme at Rossall

3.7 Halite response: As described in the exchange of correspondence of 10 September 2014 between Rowena Gornall, Senior Estates Surveyor of WBC, and Will Bashall, Halite’s agent, and the appended agreed meeting note at Appendix 3, WBC and Halite continue to engage in positive dialogue on this matter and have agreed in principle (subject to contract) an approach which would address WBC’s concerns.

3.8 By way of background to this issue, as set out at paragraph 3.10 of “Halite’s Comments on Local Impact Reports, Relevant Representations, Written Representations and Comments on Responses to the Examining Authority’s First Round of Written Questions” of 3 July 2012 (document reference H3), WBC noted during the Examination that it had secured funding to carry out a coastal defence scheme between Rossall and Fleetwood which would include the area of the proposed sea wall crossing for the brine pipeline outfall comprised in the Project. WBC shared design detail for its revetment works and construction of a new slipway at Rossall and Halite provided design detail of the proposed sea wall crossing for the brine pipeline. As a result, the DCO which the ExA recommended be made (and appended at Appendix D of the ExA Report) contained the following provisions:

(a) Article 3 (development consent etc. granted by the Order) and Schedule 1 (authorised development) granted development consent for the authorised development, which included Work No. 16J as follows:

“Work No. 16J— A brine discharge pipeline within and adjacent to Rossall Promenade including a pressure pipeline laid in trench beneath the promenade; all to be constructed not less than 1 metre below ground surface and not more than 10 metres below ground surface, or affixed to the existing modified
sea wall to descend to and beneath the foreshore to a depth of not less than 1 metre below the foreshore and not more than ten metres beneath the foreshore; and pipe protection where appropriate, all permanent or temporary, full or partial, removal of the existing promenade surfacing, access ramps and retaining walls from the landward and seaward sides of the promenade, modifications to and breaking through the sea wall to allow the passage of the pipeline beneath the promenade to the foreshore, modifications to the promenade rear flood wall including the provision of flood gates and the construction of an observation platform/shelter, including new steps, retaining walls and revetments to access the foreshore.” [emphasis added]

(b) As it was envisaged at the time that WBC might progress its proposed sea defence scheme at Rossall before Halite commenced the Project, Halite and WBC agreed Requirement 4 in Schedule 9 (requirements), which states as follows:

"4.—(1) The authorised development shall not be carried out otherwise than in accordance with the approved development plans.

(2) Notwithstanding sub-paragraph (1), no works to the sea wall crossing and observation platform comprising part of Work No. 16J of Schedule 1 (authorised development) shall commence until details of the layout, scale, external appearance and means of access of the sea wall and crossing and observation platform have been submitted to and approved by the relevant planning authority. Works to the sea wall crossing and observation platform must be carried out in accordance with the approved details.” [emphasis added]

(c) Under article 5 (limits of deviation), Work No. 16J must be constructed within the limits of deviation set out on Sheet 2 of 23 of the Works Plans (document reference 2.3)

(d) The ExA Report considered and recommended approval of the book of reference and land plans which, amongst other things, contain necessary rights for Halite to modify the sea wall at Rossall to accommodate the brine outfall and the observation platform.

3.9 The DCO which the ExA Report recommended be made therefore contained provision for the necessary consents and land rights for the construction, operation and maintenance of the above alignment of Halite’s brine discharge pipeline. It also contained provision for WBC to approve the details of the layout, scale, external appearance and means of access of the sea wall and crossing and observation platform in respect of the alignment of the brine discharge pipeline which the ExA had recommended be approved.

3.10 However, as indicated at item 1 of WBC’s representation of 8 May 2014, WBC has since the close of the Examination issued planning permission for its sea defence works and commenced construction, and therefore expresses a preference for a different alignment of Halite’s brine discharge pipeline to that in the DCO which was the subject of the Examination.

3.11 Further to a series of constructive, recent meetings between Halite, WBC Engineering Services and Balfour Beatty, the approved contractors carrying out the
works to WBC's sea defence scheme at Rossall, WBC has identified a minor realignment of the brine discharge pipe at the point it crosses the sea wall which would result in the pipeline passing through the transition section of the new sea wall defences and the old sea wall defences, so as to reduce disturbance to the new sea defence works. WBC prefers this revised alignment.

3.12 Nevertheless, the revised alignment would be outwith the limits of deviation and land rights in the DCO which the ExA recommended be approved.

3.13 In accordance with the certainty required by a nationally significant infrastructure project, Halite proposes constructing, operating and maintaining the brine discharge pipeline along the alignment set out in the DCO which the ExA recommended be made and subject to its terms. However, as described in the agreed meeting note at Appendix 3, Halite would be willing, in principle, to construct the brine discharge pipeline along WBC's preferred alternative alignment on the basis of an agreement covering the following matters:

(a) Agreement of the exact route of WBC's preferred alternative alignment;

(b) Construction along WBC's preferred alternative alignment would be conditional on:

(i) receipt of planning permission issued by WBC for that alternative alignment (as the brine pipeline is not itself a nationally significant infrastructure project which needs development consent under the Planning Act 2008). WBC would not need to fetter its discretion in this matter – if it decided not to grant planning permission for its preferred alternative alignment, then Halite would construct the brine discharge pipe in accordance with the DCO which the ExA recommended be approved and which WBC agreed during the Examination;

(ii) Halite being granted all necessary land rights for the construction, operation and maintenance required for that alternative alignment. It is understood that WBC is the landowner of the relevant land with the Duchy of Lancaster having the benefit of other rights. The title position would need to be considered in more detail;

(iii) all other necessary consents required for the alternative alignment being in place.

3.14 The above principles of the proposed agreement have been agreed by WBC and Halite, as set out in Appendix 3. Given that there is an agreed way forward on this matter, Halite considers that it has been adequately addressed for the purposes of the re-determination process.

3.15 **Issue 2:** Request for agreed noise limits should be based on the cumulative noise created by Halite’s operations and the sea defence works

3.16 **Halite response:** As stated in paragraph 6.68 of the ExA Report, Schedule 9 (requirements) of the draft DCO at Appendix D of the ExA Report provides for a written scheme for noise management to be approved by WBC for each stage of the works (Requirement 26(1)). However, notwithstanding Requirement 26(1), Requirements 26(6) and 26(7) prescribe specified noise limits during drilling under the river Wyre at “Harbour Village”, “Kneps Farm Holiday Park” and “Flints Caravan Park” (as defined in Schedule 9) respectively. These specified noise limits were discussed and agreed with WBC. They were based on the noise from Halite’s
proposed drilling operations under the river Wyre in isolation and not on the cumulative noise impact of Halite’s operations and WBC’s ongoing sea defence works at Rossall.

3.17 Halite does not consider it appropriate for noise limits previously agreed in Requirements 26(6) and 26(7) to be altered to be based on the cumulative noise impact from Halite’s drilling operations under the river Wyre and WBC’s sea defence scheme at Rossall. Halite’s proposed drilling operations associated with the northern river Wyre crossing are approximately 2.5 kilometres from WBC’s sea defence scheme at Rossall (at the nearest point). Halite’s proposed drilling operations associated with the southern river Wyre crossing are approximately 4.5 kilometres from WBC’s sea defence scheme at Rossall (at the nearest point). Based on the respective noise assessments undertaken for the Project and WBC’s sea defence scheme, it is considered that unmitigated noise from Halite’s proposed drilling operations and from WBC’s sea defence scheme would be confined to 300m to 350m from source. With mitigation, together with screening from intervening land uses and topographical features, these distances would be reduced. However, the distances between Halite’s proposed drilling operations and WBC’s sea defence scheme at Rossall alone would ensure that there would be no possibility of cumulative effects at any given receptor location.

3.18 To the extent that any works in respect of other stages of the Project might be carried out at the same time as the construction of WBC’s sea defence scheme at Rossall, but where the ExA did not require specific noise limits to be agreed, so far as appropriate, WBC could take into account cumulative effects in the written scheme for noise management to be approved by WBC for that stage under Requirement 26(1).

Lancashire County Council

3.19 **Issue 1:** Reference to LCC’s previous representation that the ExA should be satisfied that the Project can be carried out safely

3.20 **Halite response:** The ExA Report and SoS Decision Letter expressed satisfaction on the matter of safety for the purposes of considering whether the DCO should be made.

3.21 In respect of “Gas Leakage from Below Ground Infrastructure”, the ExA Report stated as follows:

> “5.152 This site would be covered by strict monitoring and regulation by the Competent Authority as part of the COMAH process. Our conclusion therefore is that, subject to the location of faults and possible wild brine runs that might act as escape routes for the gas being identified in advance of the cavern design stage by a suitable site investigation, the risk of gas leakage from below ground infrastructure is acceptable.” [emphasis added]

3.22 In respect of “Gas Leakage from Above Ground Infrastructure”, the ExA Report stated as follows:

> “5.159 We note that the fire safety equipment is an aspect of the design that will be addressed as part of the Competent Authority review of the COMAH safety reports. We agree therefore that the risks from the above ground infrastructure are acceptable for the purposes of considering whether the Order should be made.” [emphasis added]
In respect of “Risks from Historic Salt Workings on Project Infrastructure”, the ExA Report stated as follows:

“5.173 The Applicant proposes to monitor the “at risk” brinewells and other brinewells that pose a potential influence on the proposed UGS infrastructure (APP36, table 3.1). The s106 agreement with WBC provides for a brinewell monitoring and maintenance scheme, to be approved by WBC. We accept that this scheme would enable the Applicant, the Competent Authority and WBC to keep track of developing risks from the existing and proposed caverns.” [emphasis added]

In respect of local properties, the ExA Report stated as follows:

“5.183 In view of the SoCGs signed between the LCC, WBC and HSE, and the risk assessment undertaken by the Applicant, we consider that risk to local residential properties would be low. A comprehensive risk assessment would need to be done at the cavern design stage to satisfy the COMAH requirements.” [emphasis added]

In conclusion, the ExA Report stated as follows:

“5.210 Our assessment of other matters regarding associated UGS risks at Preesall – geological risks, risks associated with the gas infrastructure at the site, and risks that impact on the community and local amenities – is that they are not sufficient to refuse the Order. We understand and appreciate the public fear concerning safety. However, because detailed design of both the site subject to the COMAH Regulations and the interconnector pipeline will require consultation with HSE and EA, as the Competent Authority, we are confident that safe operating practices will be properly enforced.

[...]”

7.27 In our view, provided the Applicant can demonstrate that the suitability of the salt in the two polygon areas is as high as it is assumed for the purposes of the application, there is no reason to suppose that the stringent safety requirements which would be imposed upon the operation of the scheme by the Competent Authority under the COMAH Regulations would not lead to an entirely safe and stable UGS facility, examples of which exist in other parts of the UK, and indeed in much larger numbers elsewhere in the world.” [emphasis added]

The Secretary of State agreed that the Project could be constructed and operated safely and, in accordance with policy, was entitled to draw this conclusion:

“20. The Secretary of State is satisfied that, as stated in section 4.11 of NPS EN-1, an underground gas storage site would be subject to stringent safety standards covering the life cycle of a facility from design and build through to decommissioning under the Control of Major Accident Hazards (COMAH) Regulations 1999 and enforced by the Health and Safety Executive and Environment Agency jointly.” [emphasis added]

Issue 2: LCC welcomes the opportunity for further geological information to demonstrate that anticipated gas storage capacity in the proposed UGS facility can be achieved
Halite response: Halite has supplied in response to issue (i) of the Secretary of State’s letter of 8 April 2014 geological information to demonstrate its case that the anticipated static total storage capacity of up to 900 million cubic metres and static working storage capacity of up to 600 million cubic metres at standard temperature and pressure in the area for cavern development (shown on development plan A-1000-030 Rev B) can be achieved. When cycling of caverns is considered, the effective (12 month) operational working gas capacity is 3888 million cubic metres. This is very significant in terms of the Project’s contribution to national need. Additionally, the Project’s fast response and peak deliverability capabilities will result in a much greater contribution to meeting national need than is reflected by static working gas capacity alone.

For further details, see paragraph 2.0 of Halite’s Response to the SoS Statement of Matters (document reference H26). That paragraph refers to further detail in the following documents submitted to the Secretary of State on the issue of capacity:

H27A - Report with reference “CR/13/122” entitled “Results of an interpretation of newly acquired seismic lines over the Preesall Saltfield, NW Lancashire: their relevance to proposed areas for salt cavern gas storage development (‘planning polygons’)” prepared by the British Geological Survey dated 9 May 2014

H27B - Appendices to report with reference “CR/13/122” entitled “Results of an interpretation of newly acquired seismic lines over the Preesall Saltfield, NW Lancashire: their relevance to proposed areas for salt cavern gas storage development (‘planning polygons’)” prepared by the British Geological Survey dated 9 May 2014

H28 - Report with reference GKF/0/J/0002 entitled Halite Energy Gas Storage; Preesall Gas Storage Project; Revision of Cavern Field Layout prepared by Geostock dated 9 May 2014


H30 - Updated Geological Summary Report prepared by Mott MacDonald dated 9 May 2014

Issue 3: Request for Requirement 6 of the Draft Development Consent Order as recommended by the ExA to be reviewed in line with the additional geological information submitted by Halite

Halite response: Halite agrees that Requirement 6 of the Draft Development Consent Order, as recommended by the ExA, needs to be reviewed in line with the additional geological information submitted by Halite which is summarised at paragraph 2.0 of Halite’s Response to the SoS Statement of Matters (document reference H26).

Halite proposes a revised Requirement 6 for the Secretary of State’s consideration at paragraph 4.5 of Halite’s Response to the SoS Statement of Matters (document reference H26), with the rationale for that proposed revision set out more generally in paragraph 4 of H26.

Protect Wyre Group

Issue 1: PWG considers that the geology of the salt field is unproven.
3.34 **Halite response:** Halite produced a very substantial amount of geological data in support of its DCO application, which was summarised in a comprehensive Geological Summary Report (document reference 9.2.2). Indeed, at the time of the application the geological data that had been collected for the DCO scheme was of sufficient quantity and quality for agreement to be reached with LCC on geology and cavern development.

3.35 On 1 June 2012, Halite agreed a statement of common ground on geology (document reference SoCG1) with LCC (advised by Atkins) and WBC, which stated as follows:

> "The Geological Summary Report presents an adequate representation of the geology which is sufficiently well defined to establish areas in which it is possible to locate caverns. An indicative layout of caverns has been prepared to fit within the defined areas. The geology has been sufficiently defined for an analysis of the risks from gas migration to be assessed and surface subsidence to be calculated." [emphasis added]

3.36 At the Issue Specific Hearing in respect of "the relationship between the development proposed to be granted by the Order and the subsequent detailed approvals to be obtained from the Competent Authority (HSE and EA) within the COMAH Regulations", held on 19 September 2012, Halite stated its intention to undertake additional surveys to provide further detail about the geological structure of the halite prior to the commencement of the COMAH process (see paragraph 9.18 of the ExA Report). To remain on programme, in August 2013 Halite undertook the planned additional seismic reflection survey that added some 19.6km of good quality seismic lines within and adjacent to the Planning Polygons.

3.37 The 2013 seismic reflection lines together with the previously available data provide a substantial body of information consisting of some 44km of seismic reflection lines, 4 scheme specific salt exploration boreholes, other geological investigation boreholes and numerous brinewells from the historic workings. This substantial body of data has enabled a detailed interpretation of the salt beds within the planning polygons in terms of the structure, depth, thickness of the salt body and the distribution of mudstone interbeds. This very substantial body of data has been subject to expert interpretation and written up in the various geological reports set out at paragraph 1.6 above.

3.38 There is clearly a comprehensive suite of geological reports before the Secretary of State which provide evidence to support the application for the DCO. These provide detail on the acquisition and interpretation of new seismic lines and indicative cavern design. These include:

(a) comprehensive reports on the geology, namely the Updated BGS Report (document reference H27A) and its appendix (document reference H27B) and the Updated GSR (document reference H30); and

(b) a specific cavern layout to suit the geology in the Geostock Cavern Field Layout Report (document reference H28) and Geostock Working Gas Volume Report (document reference H29).

3.39 Halite notes, that many of the comments in the PWG representation refer back to previous applications for different schemes and, indeed, earlier stages of this DCO application. Since then the latest seismic data has become available and PWG's comments do not, therefore, reflect the findings of the Updated GSR and other geological reports identified at paragraph 1.6 above.
3.40 Halite does not accept PWG’s comment that the geology of the Planning Polygons is unproven.

3.41 **Issue 2:** PWG considers that a N-S fault underlies the southern polygon which would prevent caverns being located there

3.42 **Halite response:** The 3D geological model has been refined following the acquisition of the 2013 seismic reflection data (see paragraphs 3.34 to 3.40 above with respect to the additional survey material and the refined geological model as presented in the Update BGS Report (document references H27A and H27B) and the Updated GSR (document reference H30)).

3.43 The Updated GSR (document reference H30) provides an assessment of geological hazards; Section 4.5 specifically deals with faulting. A refined cavern layout and working gas volume have been prepared by Geostock that takes account of the geological and historic hazards, including faulting (see the Geostock Cavern Field Layout Report (document reference H28) and Geostock Working Gas Volume Report (document reference H29)). The conclusions of these documents are that the data shows that no post-depositional N-S faults, within the southern polygon impact on the refined cavern layout.

3.44 **Issue 3:** PWG considers that the thickness of the halite bed underlying Barnaby’s Sands to the west of the Burrows Marsh Bore Hole has been overestimated, which would reduce the size of caverns that could be constructed

3.45 **Halite response:** The 3D geological model has been refined following the acquisition of the 2013 seismic reflection data (see paragraphs 3.34 to 3.40 above with respect to the additional survey material and the refined geological model as presented in the Updated BGS Report (document references H27A and H27B) and the Updated GSR (document reference H30)).

3.46 The Burrows Marsh (Middle Deviated) borehole is located adjacent to seismic line HEG13-02. Section 5.3 of the Updated BGS Report (document references H27A) provides a summary of the interpretation of the seismic lines, with Section 5.3.2.2 and Fig 15 being specific to line HEG13-02 and the deviated borehole, which demonstrate the nature and structure of the halite beds in this area.

3.47 This means that the thickness of the salt at the Burrows Marsh borehole is now confirmed by the 2013 seismic lines and the thickness of the salt to the west of the Burrows Marsh fault can be determined from the seismic reflection data tied to the deviated Burrows Marsh borehole. This data confirms the BGS interpretation that:

(a) the Burrows Marsh Fault is a syn-depositional fault, i.e. one which has developed during salt deposition and does not pose the same design issues for cavern development as post depositional faults; and

(b) the salt thickness increases significantly to the west of the Burrows Marsh Fault.

3.48 Accordingly, PWG’s assertion that the thickness of the halite bed underlying Barnaby’s Sands to the west of the Burrows Marsh Borehole has been overestimated is not consistent with the latest data. In fact the halite thickens significantly. The refined cavern design has taken into account the salt thickness derived from a cautious assessment of the seismic reflection data.

3.49 For further information the Updated GSR (document reference H30) provides a summary assessment of salt thickness.
3.50 **Issue 4:** PWG considers that there is an East-West Fracture Zone which would prevent the construction of certain caverns

3.51 **Halite response:** See paragraphs 3.34 to 3.40 above with respect to the additional survey material and the refined 3D geological model as presented in the Updated BGS Report (document references H27A and H27B) and the Updated GSR (document reference H30).

3.52 The Updated GSR (document reference H30) provides an assessment of geological hazards, with Section 4.5 specifically on faulting.

3.53 There are a number of new seismic lines, running both N-S and E-W in the region in which PWG has postulated an E-W fracture zone, that image the structure of the halite beds.

3.54 These data provide no evidence for a connection between the main syn-depositional Barnaby Sands Fault (note the Updated BGS Report terms it the “Burrows Marsh Fault”) and the smaller Arm Hill Fault. Neither is there any geological or structural reason why such a fracture zone should be present.

3.55 This means that PWG’s assertion that there is an East-West Fracture Zone which would prevent the construction of certain caverns is inconsistent with the data.

3.56 **Issue 5:** PWG considers that there is a discrepancy in the height calculations for Northern Polygon caverns 8, 10 and 11.

3.57 **Halite response:** The 3D geological model has been refined following the acquisition of the 2013 seismic reflection lines. The interpretations and updates to the 3D geological model are presented in detail in Sections 5 and 6 of the Updated BGS Report (document references H27A and H27B).

3.58 Geostock, international experts in cavern design and with UK experience, have determined indicative cavern locations, designs and storage volumes that fit within the refined version of the 3D geological model. The results are detailed in the Geostock Cavern Field Layout Report (document reference H28) and Geostock Working Gas Volume Report (document reference H29).

3.59 As the cavern layout and dimensions have been revised in line with the refined model, with the working gas volume calculated accordingly, PWG’s assertion that there is any discrepancy in heights in the previous, indicative layout is no longer relevant to discussion about capacity.

3.60 **Issue 6:** PWG considers that its interpretation of Borehole E1 (Hackensall Hall) means that caverns 1 – 6 cannot be constructed.

3.61 **Halite response:** See paragraphs 3.34 to 3.40 above with respect to the additional survey material and the refined 3D geological model as presented in the Updated BGS Report (document references H27A and H27B) and the Updated GSR (document reference H30).

3.62 The Updated GSR (document reference H30) provides an assessment of salt thickness.

3.63 As presented in the Updated BGS Report (document reference H27A) and its appendix (document reference H27B) on the 2013 seismic reflection lines and its interpretation, the halite beds are imaged as being thin in the area of the E1
Borehole, but then quickly thicken and deepen to the east and south of this location.

3.64 Geostock then took the revised 3D geological model of the halite body presented in the Updated BGS Report (document reference H27A), which is based upon maps for top and base halite generated from the 2013 seismic lines, to locate and design caverns where the halite body permits, as set out in the Geostock Cavern Field Layout Report (document reference H28) and the Updated GSR (document reference H30).

3.65 In other words, the cavern layout and cavern dimensions have been revised by Geostock to provide caverns that take account of the updated and refined understanding of the geology and structure of the halite beds in the area of caverns 1 to 6 and Borehole E1, referred to by PWG above.

3.66 Note that Geostock’s revised cavern layout and dimensions are based on a worst credible assessment of the depth for the salt base (see sections 5.2, 5.3.2.8 and 6 of the Updated BGS Report (document reference H27A)).

3.67 Hence, the interpretation of the thickness of the salt at Borehole E1 is the most cautious and the one on which the revised indicative cavern locations, and thus working gas volume, have been calculated.

3.68 The concerns expressed by the PWG that up to 6 caverns cannot be constructed because of anything indicated by any interpretation of Borehole E1 are therefore not valid and have no bearing on the capacity figures indicated in the Geostock Working Gas Volume Report (document reference H29). This is because the revised indicative cavern location reflects that the halite beds are imaged as being thin in the area of the E1 Borehole and then quickly thicken and deepen to the east and south of it.

3.69 Halite notes separately that in light of its adoption of the worst credible assessment of the depth for the salt base, that further investigation in the area of Borehole E1 if development consent is granted, might in fact show that the salt is indeed thicker even here than concluded as a result of the cautious interpretation used of the seismic data, allowing greater capacity than that indicated in the Geostock Working Gas Volume Report (document reference H29).

3.70 **Issue 7:** PWG considers that the size of the Project is similar to previous applications made by Canatxx for UGS facilities in Preesall

3.71 **Halite response:** The size of this Project compared to previous projects is a matter of record. The ExA summarised the previous planning applications and the current application for the DCO in paragraph 4.33 of the ExA Report, from which it is clear that this application is very different in scale to previous applications.

3.72 Furthermore, the ExA Report noted at paragraph 5.17 that “we [the ExA] consider that this application should be assessed on its own merits.” The Secretary of State’s determination of the DCO application is to be based upon the evidence before him in respect of it, which includes the updated 3D geological model, based upon the interpretation of newly acquired seismic lines, which has informed the revised cavern design and which, together, form the basis for the current the Updated GSR (document reference H30).

3.73 **Issue 8:** PWG considers that its own estimate of the minimum volume of working gas is significantly below the 300Mcm referred to in the ExA’s Report.
3.74 **Halite response:** Neither the methodology of how PWG calculate cavern volumes nor the calculations for the revised estimate quoted by PWG have been disclosed to or appraised by Halite’s professional team, or indeed any other specialist expert, so far as Halite is aware.

3.75 The updated 3D geological model, based upon the interpretation of seismic lines acquired in 2013 has informed the revised cavern design and storage volumes calculations undertaken by Geostock, a company with international experience in these matters, including operational salt cavern-hosted gas storage facilities in Cheshire.

3.76 There is thus a comprehensive suite of geological reports before the Secretary of State which clearly demonstrate the ability of the scheme to deliver at least 300 million cubic metres per annum. These provide detail on the acquisition and interpretation of 2013 seismic lines and indicative cavern design. These include:

(a) comprehensive reports on the geology, namely the Updated BGS Report (document reference H27A) and its appendix (document reference H27B) and the Updated GSR (document reference H30); and

(b) a specific cavern layout to suit the geology in the Geostock Cavern Field Layout Report (document reference H28) and Geostock Working Gas Volume Report (document reference H29).

3.77 The updated 3D geological model, based upon the interpretation of seismic lines acquired in 2013 has informed the revised cavern design and storage volumes calculations undertaken by Geostock, a company with international experience in these matters, including operational salt cavern-hosted gas storage facilities in Cheshire. See paragraphs 5.6.4 to 5.6.15 of the Senergy Response Document (document reference H43) regarding the relevance of the 300 Mcm threshold identified by the ExA.

3.78 The working gas capacities demonstrated in Halite’s Updated GSR (document reference H30) and the alternative capacities put forward by Senergy in the Senergy Report are both very significant in terms of the Project’s contribution to national need.

3.79 Additionally, the Project’s fast response and peak deliverability capabilities will result in a much greater contribution to meeting national need than is reflected by static working gas capacity alone. See Halite’s Response to the Senergy Report (document reference H43) for further consideration of the capacity of the Project and contribution to national need generally.

3.80 **Issue 9:** PWG does not accept that Halite is entitled to submit evidence in respect of capacity in the course of the Secretary of State’s redetermination of the application for the DCO, following the High Court’s quashing of his refusal of the application due to unfairness in the consideration of the issue of capacity. PWG submits that a new application should instead be submitted and the impact of fracking and environmental concerns to be considered. PWG requests the ability to consider the submissions made by Halite on capacity.

3.81 **Halite response:**

3.82 PWG raises three separate points in this issue, namely the submission of evidence in respect of capacity, fracking and environmental concerns and its ability to consider the submissions made by Halite on capacity. These are dealt with in turn below under individual headings for each.
The submission of evidence in respect of capacity

3.83 The High Court (Patterson J) quashed the decision of the Secretary of State on 17 January 2014 because, in particular, of unfairness in the manner in which the ExA had reached its conclusions as to what it regarded as inadequate geological information. The judgment states as follows:

"101. In [24] the defendant [i.e. the Secretary of State] concluded that there was a significant possibility that either no development would be possible or the project as ultimately constructed could have a much smaller storage working capacity than was envisaged in the application before him. The defendant's conclusion as to significant possibility, in the absence of any other reasoning, can only have been based upon the ExA's evaluation of beyond reasonable doubt. But even the ExA's approach did not conclude that no development would be possible or that there would be a much smaller gas storage working capacity save in what it described as extreme circumstances. In respect of those extreme circumstances, though, no exploration as to their likelihood had been made with the claimant.

102. For those reasons, in my judgment, there was a distinct lack of fairness both in terms of the process of the ExA and in the decision of the Secretary of State. The claimant was shut out from having the opportunity to respond on certain matters which might have made a difference to the ultimate decision.

103. In conclusion, there was a lack of fair and transparent process in certain parts of the examination on the part of the ExA. Because the defendant adopted the approach of the Panel to the evaluation of the geological evidence that lack of fair process infected his decision. His decision letter, therefore, cannot stand. The challenge on the basis of fairness succeeds" [emphasis added]

3.84 On 20 January 2014, Patterson J ordered that Halite’s application for the DCO be remitted back to the Secretary of State for redetermination pursuant to rule 20 of the Infrastructure Planning (Examination Procedure) Rules 2010.

3.85 Rule 20 (Procedure following quashing of decision) requires the Secretary of State, in respect of a decision in respect of an application for a DCO which has been quashed, to write to interested parties with a written statement of the matters with respect to which further representations in writing are invited for the purposes of his further consideration of the application. In other words, it falls to the Secretary of State to consider how errors of law raised in the relevant judgment ought to be addressed, so that these do not reoccur in his redetermination.

3.86 On 8 April 2014, the Secretary of State wrote to Interested Parties pursuant to Rule 20. The first matter in his letter was “Further geological information to demonstrate the Applicant’s case that the anticipated total storage capacity of up to 900 million cubic metres and working storage capacity of up to 600 million cubic metres at standard temperature and pressure in the area for cavern development (shown on development plan A-1000-030 Rev B) can be achieved” [emphasis added].

3.87 Halite considers it entirely appropriate for the Secretary of State to have asked for further geological information in respect of capacity in light of Patterson J’s judgment, particularly her paragraph 102 (quoted at paragraph 3.83 above).
3.88 Following the Examination, in accordance with its intended work programme, Halite undertook further geological investigation of the Preesall halite, including the provision of further seismic surveys. This information would assist the Secretary of State in understanding the capacity which could be achieved within the areas set out in the application for the UGS Facility in Preesall and Halite can see no good reason for withholding it.

3.89 Halite has, therefore, supplied to the Secretary of State further geological information which is clearly a material consideration in the DCO application and which complies with his request pursuant to rule 20. It is entirely appropriate for Halite to submit the information requested of it by the Secretary of State. The information is set out in the documents listed at paragraph 1.6 above.

The consideration of fracking and environmental concerns

3.90 The ExA Report has already considered the issue of fracking and concluded as follows:

“5.135 Concerns have also been raised by a number of IPs, including PWG, about the impact of hydrofracturing (commonly referred to as “fracking”) in the area, and how this might allow stored gas to escape and migrate (REP170, paragraphs 5.156 to 5.158). […]”

“We consider that the risks from hydrofracturing would not materially change the risks from seismic events as long as the operator of the hydrofracturing process takes the presence of the caverns into account in its risk assessment and adopts safe operating practices. **We do not consider therefore that there is reason to refuse the Order on account of any proposals being developed for hydrofracturing in the area.**” [emphasis added]

3.91 The environmental effects of the Project were considered in detail by the ExA.

3.92 On landscaping, the ExA Report concluded as follows:

“7.14 The main landscape issue in our minds is the GCC [gas compressor compound]. […] This is one of the principal reasons that we suggest the verification of the geology to enable the UGS caverns to be constructed, in order to fully justify the size and scale of the surface infrastructure as proposed. **If that is achieved, with the safeguards provided by the requirements in terms of future landscaping details, and particularly the continuing refinement of the LEMSP, we are satisfied that the landscape and design disbenefits of the proposal do not outweigh the presumption of need.**” [emphasis added]

3.93 Halite’s “verification of the geology”, which it considers justifies the size and scale of the infrastructure proposed, is summarised at paragraph 2.0 of Halite’s Response to the SoS Statement of Matters (document reference H26). Accordingly, Halite considers that the Secretary of State may be satisfied on the landscape effects of the Project.

3.94 This would be in keeping with the Secretary of State’s conclusions on landscape in the SoS Decision Letter:

“Although noting under the Examining Authority’s consideration of Landscape, Visual Impacts and Design (ER 6.1-6.33) that the likely visual impact of the Gas Compressor Compound would be “an overall serious
disbenefit of the proposal” (ER 6.330), the Secretary of State considers if the proposed Development were certainly capable of delivering an underground gas storage facility capable of the kind and scale which Halite hopes, the landscape, visual impacts and design disbenefits would not outweigh the presumption of need (ER 7.14).”

3.95 On flood risk, the ExA Report concluded as follows:

“7.15 The application was accompanied by a Flood Risk Assessment as required by NPS EN-1. An agreement has been reached between the Applicant and the EA to cover any impact on the existing flood protection embankments. We are satisfied therefore that these matters have been adequately provided for.” [emphasis added]

3.96 On brine discharge, the ExA Report concluded as follows:

“7.17 The project will require substantial volumes of brine to be discharged to the Irish Sea. Despite several representations against this proposal being made, the EA [Environment Agency] has extended the discharge consent granted in connection with a previous planning application to permit the discharge of brine at this location in the Irish Sea, and on that basis we see no reason to consider the proposed arrangements are unacceptable.”

3.97 At paragraph 7.18, the ExA Report concludes that “that noise mitigation is adequately provided for in the Order.”

3.98 The ExA Report concludes at paragraph 7.19 that “there are no significant effects from the project on European sites” and that “As far as European and nationally protected species are concerned, we [the ExA] are satisfied that there are no major issues arising and we find no reason why the Order should not be confirmed in relation to these impacts.” [emphasis added]

3.99 On traffic issues, the ExA Report concluded as follows:

“6.136 Traffic volumes during construction and particularly once operational would be very low, despite the representations suggesting that construction traffic would create a substantial adverse impact (REP203, answers to Q7/2, Q7/3 and Q7/4). [emphasis added]

[...]

6.144 In reaching our conclusions on access arrangements and traffic impacts, we have had regard to the SoCGs agreed with LCC as the local highway authority and the Highways Agency (SoCGs 6 and 24). We see no access and traffic grounds for the Order not to be confirmed.” [emphasis added]

3.100 The SoS Decision Letter adopted the ExA’s Report’s conclusions on environmental effects:

“12. The Secretary of State also agrees with the Examining Authority’s findings and conclusions on other matters in section 6 of the ER covered under the following headings: Flooding and Surface Water Drainage; Pipelines; Brine Discharges to the Irish Sea; Noise; Habitats Regulation Assessment and Ecology; Disposal of Insoluble Wastes in
3.101 In the Secretary of State’s letter of 8 April 2014, he asked Halite for a representation on “whether further or updated environmental information is now necessary”, i.e. following the High Court’s quashing of the SoS Decision Letter. This has been provided at Annex 1 of Halite’s Response to the SoS Statement of Matters (document reference H26). Paragraph 3.1.3 of Annex 1 concludes “that there are no likely significant effects materially different to those reported in the ES, and therefore no further or updated environmental information is necessary.”

3.102 Halite therefore considers that the environmental effects of the Project have been adequately considered.

*The ability to consider the submissions made by Halite on capacity*

3.103 The representations made by Halite on 9 May 2014 in respect of capacity, referred to at paragraph 1.6 above, have been published on PINS’s website, which states as follows:

“Please note that the first round of consultation closed on Friday 9 May 2014 and no further representations are invited by the Secretary of State at this stage. However, as indicated in the Statement of Matters, an opportunity to comment on the representations received and other relevant information, including the independent Geological Assessor’s Report (once available), will be given to interested parties in due course.”

3.104 In other words, PWG has copies of Halite’s submissions on capacity. It also has a copy of the independent Geological Assessor’s Report. PWG has been provided with an opportunity to make representations on these by 11 September 2014.

3.105 **Issue 10:** PWG considers there currently to be a decreased importance of the Project in meeting national need for security of supply. PWG suggests that the availability of new natural gas supplies from Norway, the consenting of other underground natural gas facilities elsewhere in the UK and the imminent supply of natural gas from ‘fracking’ reduces the importance of the need for the Project. PWG also has concerns whether the National Transmission System has ‘the volumetric ability’ to transport the increased volume of gas around the network, particularly when the already approved storage schemes come on-line.

3.106 **Halite response:** The ExA Report accurately captures the Secretary of State’s position on the need for UGS facilities such as the Project in the UK:

> “7.1 As noted above at paragraph 4.4 the relevant NPSs were formally designated in July 2011. They provide the primary basis for decisions about NSIPs falling within their scope. Our conclusions on the case for development contained in the application before us are therefore underpinned by the advice therein.

7.2 NPS EN-1 requires the ExA to assess all applications for development consent: ‘on the basis that the Government has demonstrated that there is a need for (the types of infrastructure covered by the NPSs) and that the scale and urgency of that need is as described for each of them...’ (paragraph 3.13), and that the ExA ‘should give substantial weight to the contribution which projects would make towards satisfying this need’ when considering applications for development consent under the Planning Act 2008’ (paragraph 3.14).
7.3 NPS EN -4 reaffirms the principle that the ExA: 'should act on the basis that the need for infrastructure covered by this NPS has been demonstrated' (paragraph 2.1.2).” [emphasis added]

3.107 The SoS Decision Letter accepted the need for the Project and was consistent with the ExA Report on the subject:

"9. The Secretary of State considers that, if the proposed Development were shown to be certainly capable of delivering a gas storage facility of the kind and scale which Halite hopes, it would be consistent with energy Overarching National Policy Statement EN-1 ("EN-1") to grant it development consent (in the absence of any adverse impacts which made it unacceptable in planning terms), given the need for this type of Development and the contribution such projects can make to ensuring the UK's security of supply (Parts 3.8.8 - 3.8.13 of EN-1 refers).

10. In particular, as is explained in Part 3.8.9 of EN-1, as United Kingdom Continental Shelf gas production declines, a range of infrastructure is likely to be required including increased gas storage capacity. Gaseous gas in underground gas storage facilities or Liquid Natural Gas in tanks is required to provide close-to-market 'swing supply' to help meet peak demand. Demand varies considerably throughout the day and it is necessary for some sources to be close to market so that gas is quickly available. Gas supply infrastructure will also need to keep pace with any changes in the regional demand for gas across the UK — which may change due to changes in location of population and/or commercial or industrial demand." As also explained in Part 3.8.12 of EN-1, "Close-to-market capacity has advantages complementary to import capacity" and "Medium range storage" typically gas stored in caverns in salt strata deep underground has faster withdrawal and refill rates helping gas supply companies to respond to changing market conditions from day to day ("diurnal") and week to week.” [emphasis added]

3.108 Halite has supplied geological information to demonstrate that the anticipated static total storage capacity of up to 537 million cubic metres and static working storage capacity of up to 324 million cubic metres at standard temperature and pressure can be achieved. When cycling of caverns is considered, the effective (12 month) operational working gas capacity is 3888 million cubic metres. This is very significant in terms of the Project's contribution to national need. Additionally, the Project's fast response and peak deliverability capabilities will result in a much greater contribution to meeting national need than is reflected by static working gas capacity alone.

3.109 No revisions have been made to the NPSs described above since the close of the Examination of the application for the DCO which would warrant a different approach to that set out in the ExA Report and the SoS Decision Letter.

3.110 Halite therefore suggests that the representations on need made by PWG are to be viewed in the policy context captured by the ExA Report and the SoS Decision Letter and in the context of the static working gas capacity and fast cycling rates described in the Updated GSR.

3.111 Separately, Halite notes that it provided details of the need for the Project in its application document entitled 'Preesall Need Case' (document reference 9.1.5). This makes the point that imports from Norway are forecast to decline post 2015 (paragraph 1.3.4 of document reference 9.1.5) and that even, in the unlikely event
that all permitted and planned UGS projects in the UK are completed (including Preesall), then the UK would still be well behind many of its European neighbours in terms of overall gas storage (see Section 2.3.6 and Figure 15 of document reference 9.1.5). Fracking could make a significant contribution to gas supply in the UK but, at present, there are many uncertainties, including planning and environmental permitting. Notwithstanding this potential source of additional gas supply, the ‘Preesall Need Case’ points out that gas will remain the predominant source of domestic heating in the UK for the foreseeable future and that electricity demand is set to rise significantly over the next 40 years, with around 50% generated in the short to medium term from natural gas (see paragraph 1.3.5 of document reference 9.1.5).

3.112 **Issue 11:** PWG considers there to be a need for further environmental information regarding proposed brine discharge

3.113 **Halite response:** Halite has considered PWG’s assertion that its calculations of the volume of salt which would be discharged into the sea over a ten year period differ from what has been offered by Halite and PWG’s suggestion that it would be nearer to 60 – 65 million tonnes as opposed to the 45 million tonnes referred to in “the application”. Halite notes that there is, however, no reference to 45 million tonnes in its application for the DCO and it is not clear what the origin of this figure is. The terms of Halite’s Brine Discharge Consent issued by the Environment Agency require that "The maximum brine discharge must not exceed 80,000 cu metres per day and the flow rate should not exceed 926 litres per second". This volume and flow rate have been assessed in the Environmental Statement (Document Reference 5.1). Halite must comply with the terms and conditions of the Discharge Consent and fully intends to do so.

3.114 Halite responded to representations regarding the validity of the dispersion modelling and the rock armouring of the Rossall outfall pipeline in Question 3/1 of the ExA’s First Written Questions (document reference H1) as follows:

"The proposed brine outfall is located over 2km to the south of the sewage outfall so it is very unlikely that the rock armour would cause a change to the flowfield at the brine discharge location. The results of the existing near and mid-field dispersion modelling are considered to be still applicable. The presence of the rock armour is likely to cause some variation in the local flowfield close to the brine outfall pipeline due to the vertical extent of the structure and the local shallow water depths. However, the dispersion modelling shows very low concentrations, less than 1% above the ambient summer salinity, at the intersect between the predicted brine plume path and the sewage outfall. This is within the natural variability of the local salinity, which is generally lower than offshore values due to river inputs. It is therefore very unlikely that ponds of elevated salinity would be found in the sewage pipeline vicinity. The Environment Agency and Hyder (Halite’s environmental consultants) therefore didn’t consider the change warranted a reassessment. There have been no other changes in circumstances since issue of the 2007 consent to discharge". [emphasis added]

3.115 Accordingly, the Statement of Common Ground between Hyder Consulting (UK) Limited (on behalf of Halite Energy Group Limited) and Natural England on the Topic of Ecology and Habitats Regulations Assessment (document reference SoCG 2) concluded:
Paragraph 3.1.15 It is agreed that the new rock armoured sewage outfall would not alter the dispersion modelling of the hypersaline plume and therefore that would not alter the conclusion of the HRA. It is agreed that the previous modelling is still sound and there is unlikely to be any significant effect on offshore European sites or adverse effect to the wider marine environment from the hypersaline brine discharge. [emphasis added]

3.116 The impact of the brine discharge on the Liverpool Bay Special Protection Area (SPA) has been assessed within the “Information to Support a Habitats Regulations Assessment - Morecambe Bay SAC, Liverpool Bay SPA, Shell Flat and Lune Deep SAC” (document reference 3.2), the findings of which concluded:

Paragraph 10.2.4 there would be no significant effects on Liverpool Bay/Bae Lerpwl SPA as a result of the Project, and it would not affect the European site’s ability to achieve its conservation objectives”. [emphasis added]

3.117 The findings of this assessment were agreed with Natural England, as outlined in SoCG 2:

Paragraph 3.1.21 The conclusion of no likely significant effects is agreed”.

3.118 The ExA Report therefore concluded as follows:

“7.19 ......We conclude that in the light of the advice from NE there are no significant effects from the Project on European Site ....”. [emphasis added]

3.119 Brine discharge was therefore a matter considered in detail during the Examination. The ExA Report concluded as follows:

“7.17 The project will require substantial volumes of brine to be discharged to the Irish Sea. Despite several representations against this proposal being made, the EA has extended the discharge consent granted in connection with a previous planning application to permit the discharge of brine at this location in the Irish Sea, and on that basis we see no reason to consider the proposed arrangements are unacceptable.” [emphasis added]

3.120 Issue 12: PWG’s comments on the ExA Report’s reference to the number of relevant and written representations received during the Examination

3.121 Halite response: Halite notes PWG’s comments on the background to its approach to making relevant and written representations in the course of the Examination of Halite’s application for the DCO.

3.122 Halite has no comment on this, save to note that the ExA Report entirely accurately characterises the number of relevant and written representations made in relation to the Project and PWG’s approach of appending pro forma responses to its representations:

“2.2 As Appendix C illustrates, we received just under 200 relevant and written representations concerning the proposal. This is not a large number compared with other controversial development proposals, but needs to be seen in the context of:
• three previous planning applications for similar UGS proposals in the area

• the coordination role performed by the Protect Wyre Group (PWG).

2.3 PWG’s role is set out in the organisation’s written representations (REP170). PWG has been closely involved in organising opposition to previous proposals, and consequently to this application for development consent. PWG in turn organised pro forma responses from over 10,800 residents inviting respondents to agree with 10 major points of objection put forward by PWG as well as enabling individuals to set out specific matters of concern to them. PWG analysed this response as part of their representation (REP170). These pro forma responses are not themselves individual representations, a point we discussed with PWG at the preliminary meeting held in Fleetwood on 24 April 2012.

2.4 The representation submitted by Paul Maynard MP also contained 496 pro forma responses expressing opposition to this application (REP160).

2.5 Perhaps not surprisingly, many representations repeated points made in opposition to earlier planning applications for UGS and indeed represented material submitted to the public inquiry held in 2007. Although it is important to recognise the history of previous proposals for UGS in this locality, we were concerned from the outset to treat the application for development consent as a fresh proposal.” [emphasis added]

3.123 Halite notes that representations have been made in support of the Project and would refer the Secretary of State to:

(a) the list of those letters of support provided for ease at Appendix 2 of this document; and

(b) a summary of key points raised in those letters at Section 4 (Representations in Support) of this document, with which Halite agrees.

Preesall Town Council

3.124 **Issue 1:** The Town Council considers that the redetermination should be based on the information available at the time of the Secretary of State’s original determination

3.125 **Halite response:** Please see Halite’s response on the same point raised by PWG at paragraphs 3.83 to 3.88 above.

Stalmine with Stynall Parish Council

3.126 **Issue 1:** The Parish Council considers there to be a lack of a thorough geological site investigation, particularly on cavern size and faulting

3.127 **Halite response:** The seismic investigation and the geological assessment that have now been undertaken by BGS in the Updated BGS Report (document reference H27A and H27B) provide evidence of the characteristics of the halite in terms of the top and bottom of the salt body, its thickness and to the location and classification of faults and other hazards.
The geological information is summarised in paragraph 2.0 of Halite's Response to the SoS Statement of Matters (document reference H26). In particular, paragraphs 2.11 to 2.13 of H26 summarise the nature and relevance of faults in the Planning Polygons, i.e. that there are two types of fault within the Preesall halite:

(a) the 2013 seismic reflection data has confirmed the absence of any significant post-depositional faults within the Planning Polygons;

(b) syn-depositional faults which can be considered as part of the sediment body instead of a discrete discontinuity related to later tectonism. These faults have healed within the salt body during the subsequent deposition, compaction and diagenesis of the halite. This type of fault is common in salt bodies and does not pose the same design issues for cavern development as post depositional faults.

Further detail on faulting types can be found in the Updated BGS Report (document reference H27A).

Further detail on the implications of faulting for cavern distances to faults, and thus on cavern size, can be found in paragraph 2.3 of the Geostock Cavern Field Layout Report (document reference H28). This is based on Geostock's overall cavern design expertise and specific experience at similar salt bodies in Cheshire. Cavern design and layout will of course be subject to consideration by the Competent Authority (the HSE and the EA) under the COMAH regime.

The Geostock Revision of Working Gas Volume Report (document reference H29), which is based upon their cavern design and layout using the revised 3D geological model, provides estimated free volumes and estimated gas capacities of the 19 caverns, namely a total free cavern volume of 6.8 million cubic metres and 324 million cubic metres working gas.

There is now a considerable body of information on the geology to support the planning of the facility. The data on geology will be built up further during detailed design and then construction as additional information is obtained either through further investigation or from construction works. The level of information obtained has to be sufficient to satisfy the Competent Authority to enable pre-construction and pre-operation approvals to be obtained. In other words, the Secretary of State can have a high degree of confidence in work carried out by Halite and its team on determining the structure of the halite beds, including any faulting, cavern locations and sizes.

**Issue 2:** Safety considering proximity to population centres and Hillhouse International Business Park

**Halite response:** See paragraphs 3.19 to 3.26 above, which provide detail on where the ExA Report and SoS Decision Letter expressed satisfaction on the matter of safety for the purposes of considering whether the DCO should be made.

Furthermore, Chapter 13 of the Environmental Statement (document reference 5.1) assessed the potential safety risks within a 1km study area, and concluded that such risks to identified receptors were ‘extremely low’. As Hillhouse International Business Park is located in Thornton-Cleveleys, some distance beyond the 1km study area, it is considered that the safety risks upon the Business Park would be even lower.

**Issue 3:** The Parish Council considers there to be a lack of information about the effect the Project will have on the Wyre Estuary SSSI
3.137 **Halite response:** The ExA Report states as follows:

"6.117 In response to the Panel’s initial questions (PD2), NE [Natural England] confirmed that for the purposes of the WCA [Wildlife and Countryside Act 1981], the project is not likely to damage the interest features of the Wyre Estuary SSSI. NE is satisfied that there are no additional SSSI features which are separate from and different in nature to the SPA features that require additional mitigation measures (REP202).

[...] 

6.119 We are of the view that the mitigation measures agreed in the context of considering the Morecambe Bay SPA and Ramsar sites at paragraphs 6.109 and 6.112 would avoid the risk of disturbance to the designated features of Wyre Estuary SSSI. **We conclude therefore that there would not be damage to the protected features of the Wyre Estuary SSSI and thus notification under the WCA is not required for this designated site.**” [emphasis added]


**Hambleton Parish Council**

3.139 **Issue 1:** Concern about whether fracking and gas storage are compatible in the area

3.140 **Halite response:** As described in more detail at paragraph 3.90 above, the ExA Report considered the issue of fracking and concluded that there was no reason to refuse the DCO on account of any proposals being developed for fracking in the area, the success of which is not, in any case, guaranteed.

**Stalmine with Staynall Residents’ Association**

3.141 **Issue 1:** Concern about whether fracking and gas storage are compatible in the area

3.142 **Halite response:** As described in more detail at paragraph 3.90 above, the ExA Report considered the issue of fracking and concluded that there was no reason to refuse the DCO on account of any proposals being developed for fracking in the area.

3.143 **Issue 2:** Concern about a lack of infrastructure for large scale evacuation and emergency plans and procedures

3.144 **Halite response:** The ExA Report states as follows:

"5.201 The Applicant has not provided any preliminary assessment of how large an area might need to be evacuated, either in the event of a real incident or as a contingency precaution, or how an evacuation might be managed. This is because the evacuation plan will be part of the off-site emergency plan which is generated as part of the COMAH approval for the site (COMAH Regulation 10). The preparation of the plan is triggered by the Competent Authority, and this will occur when the facility is close to being operational (REP198, paragraph 3.265). The responsibility for defining the offsite emergency plan lies with LCC who are required to
communicate the necessary information to the public and to the emergency services and authorities concerned in the area.

5.202 [...] in view of the fact that any emergency evacuation procedures will be assessed by LCC and the Competent Authority, and the risk assessment shows that the likelihood of a major emergency is very low, we conclude that the possible evacuation of the public is not a significant factor whether or not the Order should be made.” [emphasis added]

3.145 The Secretary of State agreed that the Project could be constructed and operated safely in accordance with COMAH and, in accordance with policy, was entitled to draw this conclusion:

“20. The Secretary of State is satisfied that, as stated in section 4.11 of NPS EN-1, an underground gas storage site would be subject to stringent safety standards covering the life cycle of a facility from design and build through to decommissioning under the Control of Major Accident Hazards (COMAH) Regulations 1999 and enforced by the Health and Safety Executive and Environment Agency jointly.”

Ribble Fisheries Consultative Association

3.146 Issue 1: Concern about effect of brine discharge on marine life and environment including on the migration and breeding patterns of wild Atlantic salmon and sea trout

3.147 Halite response: On brine discharge, the ExA Report concluded as follows:

“7.17 The project will require substantial volumes of brine to be discharged to the Irish Sea. Despite several representations against this proposal being made, the EA has extended the discharge consent granted in connection with a previous planning application to permit the discharge of brine at this location in the Irish Sea, and on that basis we see no reason to consider the proposed arrangements are unacceptable.”

3.148 Paragraph 12 of the SoS Decision Letter agrees with the ExA’s findings and conclusions on “Brine Discharges to the Irish Sea”.

3.149 Potential effects of the brine discharge on the migration and breeding patterns of wild Atlantic salmon and sea trout were assessed within Chapter 9 of Volume 1A of the Environmental Statement (document reference 5.1). The assessment concluded that there would be no significant effects on these species. The findings of this assessment were agreed with Natural England and the Environment Agency (see paragraph 2.1.16 of the Statement of Common Ground between Hyder Consulting (UK) Limited (on behalf of Halite) and Natural England on the Topic of Ecology and Habitats Regulations Assessment (document reference SoCG 2) and paragraph 2.1.13 of the Statement of Common Ground between Hyder Consulting (UK) Limited (on behalf of Halite) and the Environment Agency on the Topic of Ecology (document reference SoCG 11).

3.150 Issue 2: Concern about effect on local fisheries industry

3.151 Halite response: The ExA Report states as follows:

“6.63 Several local residents, fishermen and their representatives submitted representations regarding the proposals for discharging brine
extracted from the caverns to the Irish Sea as part of the solution mining process. The application proposes a pipeline from Rossall extending to a point 2.3km westwards where brine would be discharged at the seabed through two diffusers. **Concern was expressed about the potential for concentrations of brine to adversely impact on water quality and in turn the health of the local fish stocks.** These issues are explored in the ES (APP17, Chapter 8) which concludes that any impact would be very small.

6.64 The EA granted a consent in connection with the previous planning application in 2007 to permit the discharge of brine of up to 80,000m3 per day at this location in the Irish Sea, subject to conditions governing the quantity and content of the brine, including its salinity and presence of other elements. This was amended by the EA in 2011 to update the effective start date, and is therefore valid for this application for development consent (see paragraph 1.10 of this report). Representations were made requesting that the Agency should reconsider the discharge consent, but the response to our question is that the Agency does not consider there have been any changes since the intention to grant the discharge consent to warrant a reassessment (REP177).

6.65 We understand and appreciate these concerns about the potential for threatening the integrity of fish stocks in the Irish Sea, and the small inshore shellfish industry, but we are satisfied there is no evidence to suggest that the impact of brine discharge will be perceptible beyond 50m of the end of the brine discharge pipeline.

6.66 Given this and the clear advice in NPS EN-1 at paragraph 4.10.13, **we are satisfied that the measures necessary to ensure that the arrangements for brine discharge to the Irish Sea including the requirements for monitoring, are matters for the EA to consider and regulate through the discharge consent.**” [emphasis added]

3.152 Paragraph 12 of the SoS Decision Letter agrees with the ExA’s findings and conclusions on “Brine Discharges to the Irish Sea”.

3.153 **Issue 3: Effect of brine discharge on local beaches and water purity**

3.154 **Halite response:** The Marine Dispersion Modelling Report (presented in Appendix 2.2 of Volume 1B (Binder 1) of the Environmental Statement (document reference 5.2)) concludes at Chapter 5 that the brine plume should not impact upon the local shoreline or upon Morecambe Bay as the predicted salinity levels following modelling are considered to be within normal (natural) spatial and temporal salinity variations within the area.

3.155 See paragraphs 3.151 and 3.152 above, which details that the ExA and Secretary of State were satisfied on the subject of brine discharges for the purposes of the making of the DCO.

3.156 In terms of the socio-economic effect on tourism, the ExA Report concluded as follows:

“6.157 Turning to the possible socio-economic disadvantages, the areas of greatest concern for a number of IPs were the impact of the development on [...] tourism. However, paragraph 5.12 of EN-1 advises
that limited weight should be given to assertions of socio-economic impacts that are not supported by evidence. In this regard assertions that [...] tourism and local business would suffer have not been supported with factual evidence. Accordingly we take the view that these concerns should not attract significant weight. “ [emphasis added]

3.157 Again, paragraph 12 of the SoS Decision Letter agrees with the ExA's findings and conclusions on “Brine Discharges to the Irish Sea”

3.158 **Issue 4: Safety and stability of caverns**

3.159 **Halite response:** See paragraphs 3.19 to 3.26 above, which provide detail on where the ExA Report and SoS Decision Letter expressed satisfaction on the matter of safety for the purposes of considering whether the DCO should be made.

3.160 **Issue 5: Assertion that Halite has failed to answer unspecified questions previously lodged by Protect Wyre Group**

3.161 **Halite response:** There is insufficient detail for Halite to provide a substantive response. Halite has throughout the Examination of the DCO application provided responses to issues raised by PWG and will continue endeavouring to do so.

**Persimmon Homes**

3.162 **Issue 1: Concern about the effects of construction on living conditions of nearby residents, including location of the construction compound at Harbour Village**

3.163 **Halite response:** Requirement 26 (Control of noise during construction and maintenance) in Schedule 9 (Requirements) of the draft DCO provides that no stage of the authorised development shall commence until a written scheme for noise management during construction and maintenance of that stage has been submitted to and approved by WBC. The scheme has to set out the particulars of, amongst other things:

(i) the works, and the method by which they are to be carried out;

(ii) the noise attenuation measures to be taken to minimise noise resulting from the works, including any noise limits (however, very specific noise limits during drilling under the river Wyre for the nearest occupied residential property at Harbour Village are set in Requirement 26(6);

(iii) a scheme for monitoring the noise during the works to ensure compliance with the noise limits and the effectiveness of the attenuation measures;

(iv) a scheme for the handling of complaints in respect of noise resulting from the works including a designated point of contact to which such complaints may be submitted;

3.164 The ExA Report therefore concluded at paragraph 6.81 that it considered that with these amendments to Requirement 26, the mitigation of noise impacts at Harbour Village was now adequately provided for in the DCO. Halite does not object to the amendments recommended by the ExA to Requirement 26.

3.165 Paragraph 12 of the SoS Decision Letter adopts the ExA’s findings and conclusions on noise.
Annex 1 of Halite’s Response to the SoS Statement of Matters (document reference H26) considered whether further or updated environmental information was now necessary in light of the redetermination of the DCO application by the Secretary of State. A site visit carried out on behalf of Halite identified several new receptors associated with the development of Harbour Village. This included new properties within the south east quadrant of the development. However, residential properties associated with Harbour Village (including the (then) potential new receptors) were identified and assessed preconstruction within the Environmental Statement (see paragraphs 2.1.27 and 2.1.37 of Annex 1), so these do not constitute a change to the baseline information that might affect the assessment and do not require further assessment.

Mitigation for dust generated by the construction works proposed near Harbour Village would be secured under Requirement 28 of the DCO at Appendix D of the ExA Report, which states as follows:

“Control of dust emissions

28.—(1) No stage of the authorised development shall commence until a written scheme for the management and mitigation of dust emissions for that stage has been submitted to and approved by the relevant planning authority.

(2) The approved scheme for the management and mitigation of dust emissions must be implemented before and maintained during the construction phase, operational phase and decommissioning phase (as appropriate) of the relevant stage of the authorised development.”

On 4 August 2014, following discussions between Halite and Persimmon in respect of the contents of Requirement 26, Andy Pepper, Planning and Strategic Manager of Persimmon Homes Lancashire, wrote to the National Infrastructure Consents Team of DECC to confirm as follows:

“I refer to your letter dated 8 April 2014 in connection with the above and my subsequent response of 7 May 2014.

Since our previous representation, we have reviewed the draft Development Consent Order in more detail. The conditions contained therein place obligations on Halite in respect of construction hours and obligations on them to agree a noise management scheme. I am satisfied that these represent sufficient controls to protect the amenity of residents, providing that they are adequately enforced.

As such, Persimmon Homes Lancashire wish to remove their objection, but wish to be kept informed on progress with the Secretary of State’s consideration of the application, and reserve the right to make future representations as and when further information is provided.”

A full copy of the letter is provided at Appendix 4.

Ben Wallace (MP)

Issue 1: Contention that Halite is not entitled to submit evidence in respect of capacity in the course of the Secretary of State’s redetermination of the application
for the DCO, following the High Court’s quashing of his refusal of the application due to unfairness in the consideration of the issue of capacity

3.171 **Halite response:** Please see paragraphs 3.83 to 3.89 above, where Halite addresses the point, raised also by PWG.

3.172 **Issue 2:** Concern about the suitability of the geology of site for gas storage of any scale

3.173 **Halite response:** Please see paragraphs 3.34 to 3.40 above where this matter is addressed in response to representations by PWG.

3.174 **Issue 3:** Safety

3.175 **Halite response:** See paragraphs 3.19 to 3.26 above, which provide detail on where the ExA Report and SoS Decision Letter expressed satisfaction on the matter of safety for the purposes of considering whether the DCO should be made.

3.176 **Issue 4:** Concern about effects of brine discharge on marine ecosystem

3.177 **Halite response:** See paragraphs 3.96 and 3.100 above, which provide detail on where the ExA Report and SoS Decision Letter expressed satisfaction on the matter of brine discharge.

3.178 **Issue 5:** Concern about the appropriateness of LCC determining applications to discharge Requirement 6 in respect of geological information and capacity

3.179 **Halite response:** The Secretary of State’s letter of 8 April 2014 requested representations on “whether, if the Secretary of State decides on redetermination to grant development consent for the development, he should do subject to the terms of requirement 6 of the draft development consent order as recommended by the examining authority in its report of 21 January 2013”.

3.180 Halite’s representation on the subject can be found at paragraph 4.0 of Halite’s Response to the SoS Statement of Matters (document reference H26). Halite notes that it is pleased to share its data with LCC and has made available to it the geology reports and survey work referred to in this document. Halite also confirms that it would be willing to discuss the contents of the reports with LCC and its consultants but considers that the requirement to obtain LCC’s approval is unnecessary because it represents a duplication of the consenting process: not only because the Secretary of State is now able to consider this data, but also because it will be considered by the Competent Authority during the COMAH process (for further detail see paragraph 4.4 of Halite’s Response to the SoS Statement of Matters (document reference H26)).

3.181 **Issue 6:** Effect of above-ground development on rural character of the area

3.182 **Halite response:** See Halite’s response to the same point raised by PWG at paragraphs 3.92 and 3.93 above

3.183 **Issue 7:** Concern about effects on the Preesall salt marsh as a special conservation area on the grounds that the Project will adversely affect the integrity of the site and there are alternative sites available for underground gas storage elsewhere in the UK

3.184 **Halite response:** The potential effects of the Project on the Morecambe Bay Special Area of Conservation were assessed in accordance with the requirements of
the Habitats Directive, the Conversation of Habitats and Species Regulations 2010 and Advice Note Ten: Habitat Regulations Assessment relevant to nationally significant infrastructure projects. The findings of this assessment are outlined in ‘Information to Support a Habitats Regulations Assessment – Morecambe Bay SAC, Liverpool Bay SPA, Shell Flat and Lune Deep cSAC’ (document reference 3.2), the conclusions of which state:

“10.1.4 Overall there would be no significant effects on Morecambe Bay SAC as a result of the Project, and it would not affect the European site's ability to achieve its conservation objectives”.

3.185 The conclusions of this assessment were agreed with Natural England, as outlined in the Statement of Common Ground between Hyder Consulting (UK) Limited (on behalf of Halite) and Natural England on the Topic of Ecology and Habitats Regulations Assessment (document reference SoCG2):

“Paragraph 3.1.21 The conclusion of no likely significant effects is agreed”.

3.186 The ExA Report therefore concluded as follows:

“7.19 ...We conclude that in the light of the advice from NE there are no significant effects from the Project on European Sites ...”.

3.187 Issue 8: Concern that Natural England relied upon environmental and habitats information prepared by Hyder without its own modelling

3.188 Halite response: The representation misunderstands the role of Natural England. An applicant for a DCO is obliged to provide sufficient information to the Competent Authority (the Secretary of State) to enable that Authority to determine whether the requirements of the EU Habitats Directive, and the domestic Habitats Regulations, are satisfied. The nature conservation body, which in this case is Natural England, gives advice to the Secretary of State as to the adequacy of the information provided by the applicant. It is then for the Secretary of State to decide whether or not he agrees with the conclusions reached by the applicant’s assessment. There is no requirement for Natural England to undertake their own surveying, modelling, or assessment. PINS guidance confirms that this is the position: see PINS Advice Note 10: ‘Habitat Regulations Assessment relevant to nationally significant infrastructure projects’, at pages 5, 7, 8, 11, 12, 13 and 15. See also Planning Inspectorate Advice Note 11: “Working with Public Bodies”, Annex C – ‘Natural England and the Planning Inspectorate’, at page 8:

“Anyone applying for development consent for a NSIP must provide the competent authority with such information as may reasonably be required for the purposes of the assessment’ or ‘to enable them to determine whether an appropriate assessment is required’ (PINS Advice note ten: ‘Habitat Regulations Assessment relevant to nationally significant infrastructure projects’, page 5; emphasis added).

“When considering whether a proposal has the potential to significantly affect European sites it is advised that the applicant commences consultation with the relevant non-statutory and statutory nature conservation bodies at the earliest point in the pre-application process. Whilst this is the applicant’s responsibility during the pre-application stage of the process, in due course the competent authority will need to be satisfied that it agrees with the applicant’s conclusions, having regard to the views of the [Statutory Nature Conservation Bodies]” (PINS Advice note ten: ‘Habitat Regulations Assessment relevant to nationally significant infrastructure projects’, page 7;
"The ExA will use the information provided in the [Applicant’s] screening and integrity matrices submitted with the application to inform their initial assessment of the principal issues, i.e. whether there are significant effects leading to an adverse affect on the integrity of European sites" (PINS Advice note ten: 'Habitat Regulations Assessment relevant to nationally significant infrastructure projects', page 12).

"The Habitats Regulations place a responsibility on competent authorities (including the relevant Secretary of State where they are a ‘decision maker’) to consult the appropriate nature conservation bodies in the assessment of the implications of an application for European sites and require Natural England to provide advice and assistance or make representations, to any competent authority on any matter in England" (Planning Inspectorate Advice Note 11: ‘Working with Public Bodies’, page 8; emphasis added).

3.189 Issue 9: No national need for gas storage and any perceived need has greatly reduced since the application was determined in April 2013

3.190 Halite response: See paragraphs 3.106 to 3.111 above, where the question of need is addressed.

3.191 Issue 10: The representation states that it wishes to challenge a purported suggestion in Halite's application that the Project would create “thousands of jobs in the local area” when the figure is closer to 35

3.192 Halite response: Halite confirms that it expects the Project to generate 200 to 300 full time jobs during construction and 35 to 40 full time jobs during operation. This is as set out in Halite's application documentation for the DCO. Chapter 11 (land use and socio-economics) of volume 1A of the environmental statement (document reference 5.1) states as follows:

"11.7.5 [...] the Project would generate approximately 300 jobs during construction (years 0-3).

[...]

11.7.56 [...] the Project would employ approximately 35 permanent members of staff during the operation phase (years 8-40).” [emphasis added]

3.193 This is entirely in keeping with the basis on which the ExA Report made its recommendation to the Secretary of State:

"7.23 Finally, there are limited socio-economic effects. Job creation during construction would be modest at 200 to 300 FTE jobs, and 35 to 40 FTE jobs once operational. We conclude therefore that socio-economic matters should have little bearing on whether or not the Order should be made.” [emphasis added]

3.194 It is also in keeping with the approach adopted by the Secretary of State at paragraph 11 of the SoS Decision Letter, in the section entitled "The case for making the Development Consent Order": “In respect of the Examining Authority's consideration of Socio-Economic Effects (6.153-6.158), the Secretary notes that the Project would: generate 200 to 300 full-time jobs during construction and 35 to 40 full-time jobs during operation [...]."
Separately, the ExA reviewed the socio-economic impact assessment of the Project and concluded that there were no grounds to refuse the Order on the socio-economic impact of the proposals (see paragraph 6.158 of the ExA Report).

**Eric Ollerenshaw (MP)**

3.196 **Issue 1:** Concern about adequate evidence of the safety of the geology of the site

3.197 **Halite response:** See paragraphs 3.19 to 3.26 above, which provide detail on where the ExA Report and SoS Decision Letter expressed satisfaction on the matter of safety for the purposes of considering whether the DCO should be made.

3.198 **Issue 2:** Any new seismic data should form the basis of a new planning application and not be considered when the Secretary of State determines the current application

3.199 **Halite response:** Please see paragraphs 3.83 to 3.89 where Halite addresses the same point raised by PWG.

3.200 **Issue 3:** Non-compliance with paragraph 2.8.9 of National Policy Statement for Gas Supply Infrastructure and Gas and Oil Pipelines (EN-4) in respect of the suitability of the geology at the site for the type of underground gas storage proposed

3.201 **Halite response:** As set out in paragraph 3.0 of Halite’s Response to the SoS Statement of Matters (document reference H26), the geological data supporting Halite’s application demonstrates that each of the requirements of paragraph 2.8.9 of NPS EN-4 are met.

3.202 **Issue 4:** The safety standards in Requirement 6 of the draft DCO should be met prior to the granting of the order

3.203 **Halite response:** See paragraphs 3.25 and 3.26 above, which provide detail on where the ExA Report and SoS Decision Letter conclude that it can appropriately be assumed for the purposes of the DCO application that there is no reason to suppose that the stringent safety requirements which would be imposed upon the operation of the scheme by the Control of Major Accident Hazards Regulations 1999, as enforced by the Health and Safety Executive and Environment Agency jointly, would not lead to an entirely safe and stable UGS facility. In other words, safety is appropriately a matter for COMAH and not Requirement 6.

3.204 **Issue 5:** Impact of the brine discharge into the Wyre Estuary has not been fully considered

3.205 **Halite response:** The representation does not substantiate the assertion that the brine discharge into the Wyre Estuary has not been fully considered. See paragraphs 3.96 and 3.100 above, which provide detail on where the ExA Report and SoS Decision Letter expressed satisfaction on the matter of brine discharge.

3.206 **Issue 6:** Shale gas negates the need for the Project

3.207 **Halite response:** See paragraphs 3.106 to 3.111 above, where the question of need is addressed.
**Paul Maynard (MP)**

3.208 **Issue 1:** Failure to demonstrate that the Project can be safely achieved in the area of a SSSI

3.209 **Halite response:** See paragraphs 3.19 to 3.26 above, which provide detail on where the ExA Report and SoS Decision Letter expressed satisfaction on the matter of safety for the purposes of considering whether the DCO should be made.

3.210 See paragraphs 3.137 and 3.138 above, which provide detail on where the ExA Report and SoS Decision Letter expressed satisfaction that there would not be damage to the protected features of the Wyre Estuary SSSI.

3.211 **Issue 2:** Lack of geological data demonstrating suitability pursuant to the NPS

3.212 **Halite response:** As set out in paragraph 3.0 of Halite’s Response to the SoS Statement of Matters (document reference H26), the geological data supporting Halite’s application demonstrates that each of the requirements of paragraph 2.8.9 of NPS EN-4 are met.

3.213 **Issue 3:** Natural England has relied on environmental information provided by Hyder on behalf of Halite

3.214 **Halite response:** See paragraph 3.188 above, where the same representation was made by Mr Wallace MP and has been addressed.

3.215 **Issue 4:** Assertion that there are many other potential sites with more suitable geology

3.216 **Halite response:** Preesall is one of the few areas of salt strata in the UK where UGS projects are not already operating, being built or planned. As set out in the application documentation and, in particular, the ‘Preesall Need Case’ (document reference 9.1.5) there is a need for UGS in the UK and that the Project could contribute to ensuring the UK’s security of supply in accordance with para 3.8.8-3.8.13 of EN-1 (paragraph 9 of the SoS Decision Letter). See also Halite’s response to the Senergy Report in the separate document entitled “Halite Response to the ‘Independent Geological Assessment’ produced by Senergy (GB) Limited”, given document reference H43.

**Alf Clempson (County Councillor for Poulton-le-Fylde)**

3.217 **Issue 1:** Concern about insufficient evidence to demonstrate the suitability of the area for gas storage

3.218 **Halite response:** As set out in paragraph 3.0 of Halite’s Response to the SoS Statement of Matters (document reference H26), the geological data supporting Halite’s application demonstrates that each of the requirements of paragraph 2.8.9 of NPS EN-4 in respect of the suitability of the geology at the site for the type of underground gas storage proposed are met.

3.219 **Issue 2:** Concern about the safety of gas storage

3.220 **Halite response:** See paragraphs 3.19 to 3.26 above, which provide detail on where the ExA Report and SoS Decision Letter expressed satisfaction on the matter of safety for the purposes of considering whether the DCO should be made.
**Dr MD Connaughton**

3.221 **Issue 1:** Concern about increased household insurance costs

3.222 **Halite response:** This matter was considered by the Inspector at paragraph 20.11.6 of his Report following an appeal to the Secretary of State made historically by Canaxx (Ref APP/Q2371/A/05/1183799 & APP/HSC/05/07), where he concluded that:

"the concerns relating to the indirect financial impacts of the proposal, including the possibility of increases in residential insurance premiums or a decline in property values, are widely and sincerely held. However, no gas storage would or could take place until the HSE, through the COMAH process, had been satisfied that a facility, including the provision of storage caverns, had been satisfactorily designed and constructed, and that it had been tested and pronounced fit for purpose. At that point, it would be no different to any other major hazard site, such as the former ICI Hillhouse site at Thornton, and there was no suggestion that the presence of that site had resulted in locally depressed house values or unaffordable domestic insurance policies""

3.223 Although the ExA Report did not specifically address insurance, on socio-economic impacts more generally, it stated that in accordance with paragraph 5.12 of EN-1 ‘limited weight should be given to assertions of socio-economic impacts that are not supported by evidence’ (see paragraph 6.157 of ExA Report).

3.224 Halite considers that the conclusion of the Inspector’s Report from the planning appeal remain pertinent today and, in accordance with the conclusion reached in the ExA Report, is not aware of any evidence that suggests that there would be an increase in insurance costs for households in the vicinity of a UGS facility. Accordingly, Halite considers that this matter should be given little weight.

3.225 **Issue 2:** Devaluation of local residents’ property

3.226 **Halite response:** The ExA report accorded little weight to representations on the devaluation of local residents’ property for the following reasons:

“6.157 Turning to the possible socio-economic disadvantages, the areas of greatest concern for a number of IPs were the impact of the development on house prices and tourism. However, paragraph 5.12 of EN-1 advises that limited weight should be given to assertions of socio-economic impacts that are not supported by evidence. In this regard assertions that house prices would be damaged, and tourism and local business would suffer have not been supported with factual evidence. Accordingly we take the view that these concerns should not attract significant weight.”

3.227 Nothing in the representation from Mr Connaughton alters that analysis.

3.228 **Issue 3:** Deterioration of roads caused by increased traffic

3.229 **Halite response:** The ExA Report concluded as follows:

“6.136 Traffic volumes during construction and particularly once operational would be very low, despite the representations suggesting that construction traffic would create a substantial adverse impact (REP203, answers to Q7/2, Q7/3 and Q7/4)."
6.144 In reaching our conclusions on access arrangements and traffic impacts, we have had regard to the SoCGs agreed with LCC as the local highway authority and the Highways Agency (SoCGs 6 and 24). We see no access and traffic grounds for the Order not to be confirmed.”

A K Beniston

3.230 **Issue 1:** Development will not reduce gas prices or contribute significantly to long term gas supplies

3.231 **Halite response:** See paragraphs 3.106 to 3.111 above, where the question of need is addressed.

3.232 **Issue 2:** Safety, including potential brine well incidents

3.233 **Halite response:** See paragraphs 3.19 to 3.26 above, which provide detail on where the ExA Report and SoS Decision Letter expressed satisfaction on the matter of safety for the purposes of considering whether the DCO should be made.

3.234 In respect of brinewells, the ExA Report stated as follows:

“5.173 The Applicant proposes to monitor the “at risk” brinewells and other brinewells that pose a potential influence on the proposed UGS infrastructure (APP36, table 3.1). The s106 agreement with WBC provides for a brinewell monitoring and maintenance scheme, to be approved by WBC. **We accept that this scheme would enable the Applicant, the Competent Authority and WBC to keep track of developing risks from the existing and proposed caverns.**” [emphasis added]

3.235 **Issue 3:** Inadequacy of seismic and other data

3.236 **Halite response:** Please see paragraphs 3.34 to 3.40 above where this matter is addressed in response to representations by PWG.

3.237 There are some 44km of seismic line data within and adjacent to the two planning polygons in which the caverns comprised in the DCO application are located. These have been tied to boreholes and geological details recorded from historic brinewells. This extensive database has been used to update the 3D geological model as set out in the Updated BGS Report (document reference H27A and H27B). Accordingly, it would be inaccurate to describe the data as inadequate.

3.238 **Issue 4:** Deterioration of local roads

3.239 **Halite response:** See paragraph 3.229 above, where Halite has addressed the same point on the effect of the Project on local roads raised by Dr Connaughton by reference to the ExA Report’s conclusion at paragraph 6.136 that “Traffic volumes during construction and particularly once operational would be very low, despite the representations suggesting that construction traffic would create a substantial adverse impact (REP203, answers to Q7/2, Q7/3 and Q7/4)”.

3.240 In respect of the assertion that since the Examination the roads have deteriorated further, Halite notes as follows:
(a) the condition of the local road network was considered in the Transport Assessment presented in Appendix 16.1 of Volume 1B (Binder 3) of the Environmental Statement (document reference 5.2);

(b) the Transport Assessment applied an appropriate traffic growth factor to the baseline of assessment to reflect forecast background traffic volumes and the characteristics of the highway network that surrounds the development sites at Preesall and Fleetwood (Chapter 7);

(c) the Transport Assessment concluded that no highway improvements needed to be funded as the Transport Assessment concluded that the period of maximum construction activity will be minimal (Chapter 8); operational and maintenance traffic for development sites at Preesall and Fleetwood would also be minimal (Chapter 7), thus similarly requiring no highway improvements;

(d) no evidence as to any material change in circumstances in road conditions is presented for the assertion that roads have deteriorated further to an extent which would alter the analysis above and the ExA Report’s conclusion at paragraph 6.136.

3.241 Issue 5: Concern about the effects on the Project of an increased risk of flooding and extreme rainfall due to climate change

3.242 Halite response:

3.243 Chapter 17 of the Environmental Statement (document reference 5.1) considers future potential flood risk as a result of future sea levels associated with climate change, with predicted sea level rises for the coast at Fleetwood and within the Wyre Estuary presented.

3.244 Comparison of predicted flood levels and Environment Agency defence levels indicates that the coastal defences at Fleetwood would provide protection of the land adjacent to the seawall at West Way to 2115.

3.245 In relation to the Preesall area, the predicted flood levels and Environment Agency defence levels indicate that the defences on the eastern side of the Wyre Estuary would protect the land to a 1 in 200 year standard over the full lifetime of the Project (2056).

3.246 The assessment concludes that throughout the lifetime of the Project, it is considered that coastal climate change would not have a significant impact at the application site. The ExA Report concludes:

"6.41 Although there is also a potential fluvial flood risk to the project, the mitigation of the coastal flooding, (which presents the worst case scenario), would ensure that the project is safe from fluvial sources of flooding and would not increase the flood risk elsewhere during the operational phase (APP18, Appendix 17.1, paragraph 6.3.6). The FRA [Flood Risk Assessment] also confirms that with appropriate groundwater protection measures in place (for example vulnerable assets raised slightly above ground levels) the risk of groundwater flooding to key infrastructure is considered to be low (APP18, Appendix 17.1, paragraph 6.4.4).

6.42 We conclude that the Applicant has complied with the requirements of EN-1. Some infrastructure will be located in Flood Zone 3, but we agree
that this element of the infrastructure passes the Exception Test (EN-1, paragraph 5.7.17) and there will be no increase in flood risk elsewhere”.

3.247 In other words, the issue of flooding, including as a result of climate change, was considered during the Examination and the ExA has expressed satisfaction on the subject for the purposes of the making of the DCO. There has been no material change in circumstances since that time.

3.248 **Issue 6:** Effect of fracking on cavern stability

3.249 **Halite response:** See Halite’s response on this point, raised by PWG, at paragraph 3.90 above.

**Mr D Barker**

3.250 **Issue 1:** Safety

3.251 **Halite response:** See paragraphs 3.19 to 3.26 above, which provide detail on where the ExA Report and SoS Decision Letter expressed satisfaction on the matter of safety for the purposes of considering whether the DCO should be made.

3.252 **Issue 2:** Impact of nearby fracking on Project

3.253 **Halite response:** See Halite’s response on this point, raised by PWG, at paragraph 3.90 above.

**DS, MJ & RS Jackson**

3.254 **Issue 1:** Risk of gas migration

3.255 **Halite response:** See paragraph 3.21 above, where Halite has addressed the point, raised by PWG, by reference to conclusions in the ExA Report that “the risk of gas leakage from below ground infrastructure is acceptable.” The Secretary of State concurred with the approach to safety (see paragraph 20 of the SoS Decision Letter).

3.256 **Issue 2:** Suitability of geology

3.257 **Halite response:** Please see paragraphs 3.34 to 3.40 above where this matter is addressed in response to representations by PWG.

3.258 There is a comprehensive suite of geological reports which provide evidence to support the application for the DCO. These provide detail on the acquisition and interpretation of new seismic lines and indicative cavern design. These include:

(a) comprehensive reports on the geology, namely the Updated BGS Report (document reference H27A) and its appendix (document reference H27B) and the Updated GSR (document reference H30); and

(b) a specific cavern layout to suit the geology in the Geostock Cavern Field Layout Report (document reference H28) and Geostock Working Gas Volume Report (document reference H29).

3.259 Amongst other things, these detail that there are some 44km of seismic line data within and adjacent to the two Panning Polygons in which the caverns comprised in the DCO application are located. These have been tied to boreholes and geological details recorded from historic brinewells. This extensive database has been used to
update the 3D geological model as set out in the Updated BGS Report (document reference H27A and H27B).

3.260 There is thus a comprehensive suite of geological reports before the Secretary of State which clearly demonstrate the ability of the scheme to deliver at least 300 million cubic metres per annum. These provide detail on the acquisition and interpretation of new seismic lines and indicative cavern design. These include:

(a) comprehensive reports on the geology, namely the Updated BGS Report (document reference H27A) and its appendix (document reference H27B) and the Updated GSR (document reference H30); and

(b) a specific cavern layout to suit the geology in the Geostock Cavern Field Layout Report (document reference H28) and Geostock Working Gas Volume Report (document reference H29).

3.261 The Updated GSR (document reference H30) summarises the working gas volumes based on the refined 3D geological model which has used the worst credible interpretation of the base salt, giving the thinnest probable salt thickness and hence lowest likely working gas volume. Even this results in an anticipated static total storage capacity of up to 537 million cubic metres and static working storage capacity of up to 324 million cubic metres at standard temperature and pressure. When cycling of caverns is considered, the effective (12 month) operational working gas capacity is 3888 million cubic metres.

3.262 Separately, Halite notes that it is industry practice to avoid locating exploratory holes within planned cavern areas because they sterilise areas for cavern construction. Boreholes will be drilled at the location of each of the finalised cavern locations, at which point the exact nature of the halite beds will be confirmed prior to commencing cavern construction. On completion of a cavern, the Competent Authority (namely the HSE) through the COMAH process will determine cavern integrity and when first gas fill can commence.

3.263 Accordingly, Halite considers that it has demonstrated that the geology is suitable for the Project.

3.264 **Issue 3: Inadequate decommissioning and subsidence measures**

3.265 **Halite response:** In respect of decommissioning, the ExA Report concludes as follows:

"5.101 The Order provides that a decommissioning, restoration and aftercare plan must be approved by WBC before any stage of the construction commences. The funding of the decommissioning work is subject to a s106 agreement between the Applicant and WBC as set out in Appendix A. **We consider therefore that decommissioning of the caverns and other project infrastructure has been adequately provided for.**"

3.266 In respect of subsidence, the ExA Report concludes as follows:

"5.94 The Order requires that a ground subsidence monitoring scheme is developed by the Applicant (Requirement 35), details of which are to be agreed with WBC. If subsidence is identified then mitigation measures are also required to be submitted to WBC for approval. The inclusion of monitoring points on the surface of Knott End golf course is part of the unilateral undertaking offered by the Applicant to the Club. **In view of**
the proposed monitoring scheme, we consider the risk from general subsidence is acceptable.”

3.267 **Issue 4:** Geology

3.268 **Halite response:** The comments in this representation in respect of geology largely relate to previous applications for gas storage in Preesall and cavern layouts which are no longer relevant. The 3D geological model has been refined based on additional information obtained from the 2013 seismic survey in and adjacent to the proposed planning polygons in which the caverns comprised in the DCO application are located and a revised cavern design has been prepared. It is usual to avoid locating exploratory holes within planned cavern areas because they sterilise areas for cavern construction. The Updated BGS Report (document reference H27) and the Updated GSR (document reference H30) provide a detailed interpretation of the geology.

3.269 Halite considers it noteworthy that:

3.269.1 LCC have been advised since a previous 2005 application for a UGS facility in Preesall by their technical experts, Atkins;

3.269.2 In respect of applications that preceded the DCO application, Atkins had previously considered that insufficient geological evidence existed to support the schemes then proposed;

3.269.3 In respect of the DCO application, however, LCC/WBC agreed a statement of common ground (document reference SoCG1 with Halite, with support from Atkins, on the basis of the geological evidence with respect to the currently proposed Project.

3.270 **Issue 5:** The effect of brine bursts

3.271 **Halite response:** The phenomenon of brine bursts is associated with the mechanical failure of historic brinewell installations. Consequently, this does not affect the caverns and risers proposed in the Project and also does not have any bearing on capacity.

3.272 **Issue 6:** Concern about lack of knowledge of:

3.272.1 historic wild brining operations;

3.272.2 extent of lower mine working;

3.272.3 existing caverns in the Preesall salt field, in the absence of a full survey

3.273 **Halite response:**

3.274 In relation to historic wild brining: Halite and its geological advisors are aware that weak brine was initially encountered in boreholes 21 and 23 and also in Shaft 2. This weak brine was not of sufficient quantity or quality for commercial wild brining to have occurred. Instead, records suggest that forced brine, consisting of pumping fresh water down boreholes and recovering at adjacent boreholes/shafts, became the established method of producing brine (Thompson 1927). In any event, these boreholes and the shaft are over 500m from the eastern most extent of the Planning Polygons. Accordingly, no evidence has been presented to show that wild brining has been undertaken or is likely to affect the Project; certainly, none is referred to in this representation to which Halite responds.
In relation to lower mine extent: there is a survey plan of the lower mine working prepared by ICI. Due to needs during the Second World War, forced brine pumping commenced at Preesall in 1941. Eight boreholes were drilled into the mine with water injected at shallower levels in seven and brine extracted from one (MW3). No record of pumping from the mine in the 1960s is confirmed by evidence available or submitted, and given circa 55 years since its consideration and the monitoring of stable water levels in various shafts/wells since 2012 the likelihood is that the brine is at, or close to, equilibrium and not moving to cause further dissolution of the mine levels or surrounding areas, particularly in the down-dip western region. Accordingly, Halite does not consider that there is insufficient knowledge of lower mine extent. Nor does it consider that this is a matter which is likely to affect the Project and no evidence has been submitted to the contrary.

In relation to existing caverns that have not been surveyed: many of the last caverns leached were to the west of the ICI brine cavern field and many have been surveyed as these are closest to the area in which it is proposed to construct caverns. It is intended that any brinewell adjacent to the proposed areas for cavern construction would be surveyed in detail as part of COMAH compliance reporting, no matter whether they have been surveyed in the past or not. This is consistent with the conclusions of the ExA Report and SoS Decision Letter - the ExA Report concluded that the risks from historic workings were adequately provided for, were not a sufficient reason for the Order not to be made, were properly a matter for compliance with COMAH or the Pipeline Safety Regulations 1996, would be manageable and that monitoring and maintenance schemes would enable Halite and the relevant authorities to keep track of any developing risks. Accordingly, the SoS Decision Letter expressed no concerns on these matters and confirmed that safety was appropriately a matter for COMAH.

It is therefore not accurate to say there are issues in respect of:

3.277.1 historic wild brining operations;
3.277.2 extent of lower mine working;
3.277.3 existing caverns in the Preesall salt field not surveyed.

Issue 7: Inappropriate siting of roads, infrastructure and Project facilities on sites affected by subsidence and brine wells

Halite response: The ExA Report specifically reviewed the risks from historic salt working on Project infrastructure (see paragraphs 5.160 to 5.173), with particular consideration given to:

3.279.1 the gas interconnector (paragraph 5.166);
3.279.2 the gas pipeline within the scheme boundary (paragraph 5.168);
3.279.3 the proposed new access road (5.169);
3.279.4 the proposed 132kv electricity cable(5.170);
3.279.5 Higher Lickow Farm building (5.171); and
3.279.6 other above ground infrastructure (5.172).

The ExA Report concluded that the risks from historic workings were adequately provided for, were not a sufficient reason for the Order not to be made, were
properly a matter for compliance with COMAH or the Pipeline Safety Regulations 1996, would be manageable and that monitoring and maintenance schemes would enable Halite and the relevant authorities to keep track of any developing risks. Accordingly, the SoS Decision Letter expressed no concerns on these matters.

3.281 **Issue 8**: Concerns about the effect mine workings may have on the route of the proposed gas inter-connector

3.282 **Halite response**: The ExA Report expressed satisfaction on this matter, as set out at paragraph 3.25 above.

3.283 **Issue 9**: Unsuitability of proposed electricity supply route due to subsidence

3.284 **Halite response**: The ExA Report expressed satisfaction on this matter, as set out at paragraph 3.25 above.

3.285 **Issue 10**: Assertion that WBC lists BW 107 as contaminated land and should be taken into account as a material planning consideration because, it is asserted, it contains waste

3.286 **Halite response**: No explanation, nor any evidence for it, is presented to demonstrate how BW107 would impact the Project. In any event, BW107 is owned and maintained by NPL, whose responsibility it remains to manage, should it be potentially contaminated land, in accordance with all applicable legal safety regimes. Further, BW107 is some 800m from the proposed areas of cavern construction and thus well away from the proposed caverns. The locations of the planning polygons and Brinewell 107 are shown on drawing MMD-277663-G-DR-00-XX-1001 within the Updated GSR (document reference H30).

3.287 **Issue 11**: Project does not comply with the objectives of the Seveso II Directive

3.288 **Halite response**: The Control of Major Accident Hazard Regulations 1999 is the UK legislation implementing European Community Council Directive 96/82/EC, which is often referred to as the Seveso II directive. See paragraphs 3.25 and 3.26 above, which provide detail on where the ExA Report and SoS Decision Letter conclude that it can appropriately be assumed for the purposes of the DCO application that there is no reason to suppose that the stringent safety requirements which would be imposed upon the operation of the scheme by the Control of Major Accident Hazards Regulations 1999, as enforced by the Health and Safety Executive and Environment Agency jointly, would not lead to an entirely safe and stable UGS facility.

3.289 **Issue 12**: Impact of the Project on the Hackinsall Sewage Treatment Works

3.290 **Halite response**: The ExA Report states as follows:

"5.90 We were concerned about the potential impact of 50mm settlement on Hackensall STW [Sewage Treatment Works] as SoCG44 did not include an agreement on settlement although United Utilities (UU) had stated their concern to the Applicant (letter dated 24 June 2011 appended to SoCG44). As a result of our questions, protective provisions were included in the Order at Schedule 8. These provide for UU infrastructure with regard to the impact of settlement on Hackensall STW. The impact of settlement on the flood defences has been provided for in a separate agreement with the EA (REP281, Appendix 26). **We are satisfied that these risks are adequately covered.**" [emphasis added]
3.291 **Issue 13:** Lack of proposals for monitoring the caverns underneath the estuary

3.292 **Halite response:** The extent and precision required for the monitoring of settlement of the salt marsh will be decided in detailed design with the Competent Authority pursuant to COMAH. The Secretary of State agreed that the Project could be constructed and operated safely in accordance with COMAH and, in accordance with policy, was entitled to draw this conclusion:

“20. The Secretary of State is satisfied that, as stated in section 4.11 of NPS EN-1, an underground gas storage site would be subject to stringent safety standards covering the life cycle of a facility from design and build through to decommissioning under the Control of Major Accident Hazards (COMAH) Regulations 1999 and enforced by the Health and Safety Executive and Environment Agency jointly.”

3.293 **Issue 14:** Risk of using Higher Lickow farm

3.294 **Halite response:** The ExA expressed satisfaction with the use of Higher Lickow Farm for the purposes of the authorised development in terms of risks from brinewells and settlement:

“5.171 Higher Lickow Farm would house the administrative offices and the security gatehouse. It is close to the “at risk” BW 50 (APP38, Appendix A, drawing number MMD-277663-0007). However, we consider that consequences of future settlement on the above ground infrastructure at the gatehouse and farm buildings would be manageable as the facilities could be moved elsewhere.

5.172 The other above ground infrastructure proposed would be more distant from the existing mine workings and we consider therefore that they would not be at risk.

5.173 The Applicant proposes to monitor the “at risk” brinewells and other brinewells that pose a potential influence on the proposed UGS infrastructure (APP36, table 3.1). The s106 agreement with WBC provides for a brinewell monitoring and maintenance scheme, to be approved by WBC. We accept that this scheme would enable the Applicant, the Competent Authority and WBC to keep track of developing risks from the existing and proposed caverns.” [emphasis added]

3.295 See paragraphs 3.19 to 3.26 above, which provide detail on where the ExA Report and SoS Decision Letter expressed satisfaction on the matter of safety more generally for the purposes of considering whether the DCO should be made. This would apply to Higher Lickow Farm so far as other risks are relevant to it.

3.296 **Issue 15:** Risk given population density on the Fylde Coast Peninsula

3.297 **Halite response:** See paragraphs 3.19 to 3.26 above, which provide detail on where the ExA Report and SoS Decision Letter expressed satisfaction on the matter of safety for the purposes of considering whether the DCO should be made.

3.298 **Issue 16:** Effect on tourism on the Fylde Coast Peninsula

3.299 **Halite response:** The ExA Report concluded as follows:

“6.157 Turning to the possible socio-economic disadvantages, the areas of greatest concern for a number of IPs were the impact of the development
on house prices and tourism. However, paragraph 5.12 of EN-1 advises that limited weight should be given to assertions of socio-economic impacts that are not supported by evidence. In this regard assertions that house prices would be damaged, and tourism and local business would suffer have not been supported with factual evidence. Accordingly we take the view that these concerns should not attract significant weight.” [emphasis added]

3.300 **Issue 17:** Effect on the Hillhouse International Business Park

3.301 **Halite response:** The Hillhouse International Business Park is located on the west bank of the Wyre Estuary and is being marketed by Wyre Borough Council and NPL Estates as a strategic location for industrial, commercial and residential development in accordance with the Fleetwood-Thornton Area Action Plan. As the majority of the proposed development in situated on the opposite bank (the east bank) of the Wyre Estuary, the LPAs, the ExA and the SoS did not raise concerns about the effects of the Project on the Hillhouse International Business Park.

3.302 As set out at paragraph 3.299 above, the ExA Report concluded that in accordance with policy, limited weight should be given to assertions of socio-economic impacts that are not supported by evidence and, in this regard, assertions that local business would suffer have not been supported with factual evidence and should not attract significant weight. Halite considers that this approach applies to assertions made in respect of Hillhouse International Business Park and that this matter should be accorded limited weight.

3.303 **Issue 18:** Appendix of “salt cavern storage incidents”

3.304 **Halite response:** Appendix 1 of the representation from DS, MJ & RS Jackson sets out a list of incidents (the “List of Incidents”) that have occurred as a result of an escape of gaseous hydrocarbons from underground storage in salt caverns.

3.305 The list is, in the main, taken from two documents:

(a) The 2008 HSE report RR605; and

(b) A 2009 peer-reviewed paper by DJ Evans in the Geological Society, London Special Publication Nos. 313 on Underground Gas Storage (UGS) and future requirements (the “2009 Paper”).

3.306 However, Appendix 1 of the representation makes no reference to the fact that the 2009 Paper describes the incidents at UGS sites on one hand against incidents in other areas of the energy supply chain on the other hand. The List of Incidents merely summarises cases where gas storage has occurred and leaves unchallenged implications that:

(a) gas migration represents a major problem; and

(b) UGS in salt caverns has high numbers of casualties associated with it.

3.307 This is not the case: the 2009 Paper provides data for incidents and casualty rates for other areas of the gas/fuel supply chain, illustrating rates and numbers of casualties over years and decades which are many orders of magnitude higher than for UGS in salt caverns, or other forms of underground geological storage.

3.308 The subject of risks associated with UGS Project infrastructure, both below and above ground, was addressed in Halite’s 2011 GSR document (Mott MacDonald,
2011 – document reference 9.2.2). This was discussed in the ExA Report (paragraphs 5.140 – 5.159):

(a) The ExA report states at paragraph 5.143:

“The risk of gas migration has been considered by the Applicant in a source–pathway-receptors analysis (utilising and developing methodologies and leak scenarios developed by HSE) and considering actual site data (APP43). Pathways included fractured mudstone interbeds, fault planes, existing underground working, wet rockhead, or matrix flow through pores. Receptors included occupied properties, project infrastructure, users of public rights of way and open land. The highest risk was shown to be to an individual within a public right of way from accidental breaching of an operational cavern by a new or existing unknown borehole. The highest risk to residential property was concluded to be from a fracture in a pipeline in the superficial soils. The likelihood of occurrence of the highest ranking scenario is calculated to be less than 1 in 10 million, which CIRIA ranks as of no concern in their Report 152, 1995 “Risk assessment for methane and other gases from the ground” (APP43, paragraphs S6 to S10).” [emphasis added]

(b) In answer to questions raised during the Examination, the ExA report comments at paragraph 5.144:

“A serious risk that was not assessed according to one representation is the slow leakage of small amounts of gas behind or through a poor joint in the casing. This could then find its way into one of the more permeable beds in the overburden mudstones, work its way eastwards in the up direction and accumulate in a basement or old mine workings. Slow leaking gas is very hard to identify in a rapid response UGS facility of this nature (REP176). However, we consider that this risk is largely dependent on the quality of the design and operation and would be subject to COMAH control processes.” [emphasis added]

(c) With regards the independent report by Atkins, consultants to LCC, the ExA Report determines at paragraph 5.145:

“We note that the Applicant’s quantification of risk is considered to be unrealistic by Atkins, geological advisors to LCC. However, Atkins is satisfied that it has been done on a conservative basis and that even if the figures do not accurately represent the true risk, the risks are nevertheless extremely low (REP204, page 2).” [emphasis added]

(d) On taking into account previous incidents at gas storage sites (paragraphs 5.146 – 5.148), the ExA Report continues at paragraph 5.149:

“We have reviewed these cases and note that in the UK, salt caverns are built and operated under stringent safety controls under the COMAH Regulations. Further, we are reassured by the HSE statement that UGS has an excellent safety record (HSE RR605 page 131). We note that from the reports on worldwide incidents a key risk to the underground
infrastructure is from leakage into old mine workings and faults (HSE RR605). For this reason, the separation distances given in paragraph 5.69 of this report have been included as Requirement 6 in the Order for the planning of the cavern layouts.” [emphasis added]

(e) The ExA Report continues at paragraph 5.150:

“HSE has reviewed the Applicant’s risk assessment (APP43) and the application for a deemed HSC (APP15). HSE has assessed the risks from the maximum quantities of hazardous substances identified in the proposed project and are satisfied that the deemed HSC can be granted (SoCG8).” [emphasis added]

(f) Finally, concluding its consideration of risk associated with underground infrastructure, the ExA report states at paragraph 5.152:

“This site would be covered by strict monitoring and regulation by the Competent Authority as part of the COMAH process. Our conclusion therefore is that, subject to the location of faults and possible wild brine runs that might act as escape routes for the gas being identified in advance of the cavern design stage by a suitable site investigation, the risk of gas leakage from below ground infrastructure is acceptable.” [emphasis added]

3.309 This conclusion is in keeping with the report prepared by the Inspector to the 2007 Caythorpe gas storage application and the subsequent decision by the Secretaries of State for Communities and Local Government and Business, Innovation & Skills. Objectors had given evidence at a public inquiry arguing that the gas storage plan would damage the Wolds environment and present an unacceptable danger to lives and property. East Ridings of Yorkshire Council provided a record of Incidents associated with underground gas storage (core documents cited in Newman 2007).

3.310 However, regarding safety, the Inspector concluded (2007: IR11.73):

“Drawing these points together, I conclude that, although the project does involve the use of hazardous materials, the risk of accident is very low and the risk of its causing serious harm or worse at nearby properties is even lower. The site would be regulated and inspected by the HSE. It is in no-one’s interest to do anything which might cause an accident and very much in CGSL’s interest to avoid one. Risk cannot be entirely eliminated, but that is true of any form of onshore gas storage, whether on the surface or underground. One could decide that such risks were unwarranted, and, as a matter of policy, confine storage to offshore facilities. At times this seemed to be [Wolds Residents Against Gas Storage’s] argument, for it is far from clear, given the geological constraints, that an underground onshore site free from risks to nearby people could be found. But on the assumption that there is no such policy, I conclude that there are not such risks to human health and safety, nor such evidence to justify the fears expressed, as to warrant rejecting this particular site. Local Plan policy ECS would be complied with, subject to the proposal being also acceptable in its effect on the open countryside, the water environment and nature conservation, as analysed elsewhere in this report.” [emphasis added]
When granting planning permissions, the Secretaries of State (CLG/BERR) agreed with the Inspector and stated that fears over public safety could be addressed (DCLG 2008).

Lesley and Michael Jeynes

**Issue 1: Safety**

**Halite response:** See paragraphs 3.19 to 3.26 above, which provide detail on where the ExA Report and SoS Decision Letter expressed satisfaction on the matter of safety for the purposes of considering whether the DCO should be made.

**Issue 2: Concerns about traffic being unsustainable on country lanes**

**Halite response:** See paragraph 3.99 above which sets out Halite’s response where PWG raised this point - the ExA Report concluded that it could not see any access and traffic grounds for the DCO not to be made.

**Issue 3: Impact of nearby fracking**

**Halite response:** See Halite’s response on this point, raised by PWG, at paragraph 3.90 above. The ExA Report considered the impact of seismic activity and concluded at paragraph 5.134 as follows:

“SoCG1 [the statement of common ground with WBC/LCC in respect of geology] states that the risk of seismic activity to the development of UGS at Preesall is low. We agree with this conclusion.”

**Issue 4: Inconsistency with the National Policy Statement EN-4**

**Halite response:** As set out in paragraph 3.0 of Halite’s Response to the SoS Statement of Matters (document reference H26), the geological data supporting Halite’s application demonstrates that each of the requirements of paragraph 2.8.9
of NPS EN-4 are met; the ExA Report and SoS Decision letter identified no other inconsistencies.

3.324 **Issue 3:** Inadequate environmental information requiring further information

3.325 **Halite response:** See paragraphs 3.91 to 3.102 above, which set out where the environmental effects of the Project were considered in detail by the ExA and it, and the Secretary of State, concluded that they were satisfied with the matters considered.

3.326 See paragraph 3.1.3 of Annex 1 of Halite’s Response to the SoS Statement of Matters (document reference H26), which concludes “that there are no likely significant effects materially different to those reported in the ES, and therefore no further or updated environmental information is necessary.”

**Mr G Parkinson and Mrs V Parkinson**

3.327 **Issue 1:** “The 20 metre path of the proposed gas transport pipeline is marked ‘permanent access road’ on the Halite map - why?”

3.328 **Halite response:** It is not clear which “Halite map” is referred to. Nevertheless, it is clear that both the land plans (document reference 2.2) and the work plans (document reference 2.3), in so far as they affect plot 165, owned by Mr and Mrs Parkinson, make no reference to ‘permanent access road’. The ExA Report clarifies in paragraph 8.75 that Halite responded on this point at the Compulsory Acquisitions Hearing on Tuesday 9th October 2012 that “access to the plot would be linear from the existing road system”; and this is the case. The book of reference (document reference 7.3) sets out that the rights sought by Halite through this plot and all other plots on the NTS interconnector pipeline are for an easement and not for a permanent access road.

3.329 **Issue 2:** “In view of the fact that the proposed gas transport pipeline runs through the area of previously mined salt caverns (some of which may be unsafe) what indemnities will Halite be offering farmers in the event of any accident involving the gas transport pipeline or Halite infrastructure?”

3.330 **Halite response:** The only plot in the book of reference (document reference 7.3) in which the NTS gas interconnector pipeline runs adjacent to previously mined salt caverns is plot 106. Plot 106 is owned by Preesall Energy Services Ltd and not by Mr Parkinson. The land is currently occupied by an agricultural tenant, again who is not Mr Parkinson.

3.331 Further, the issue was considered in the NTS Interconnector at Preesall Pipeline Subsidence Assessment Report (document reference 9.2.3 dated November 2011). This confirms in the summary (paragraphs S8 and S9) the suitability of the route of the NTS interconnector gas pipeline in relation to existing salt caverns. The Gas Interconnector Pipeline to NTS (document reference 9.2.6) also deals with this issue in Section 11 (paragraph 11.3), stating that “there are extensive records for the brinewells and the stability of individual wells in general have been the subject of specific reports by the British Geological Survey (BGS) in 2010 incorporating data from both ICI (hooking and dipping records) and SOCON sonar survey results. Further work has been done by Mott MacDonald and this has been issued in their Pipeline Subsidence Assessment Report of November 2011”.

3.332 The ExA Report expressed satisfaction in respect of “risks from historic salt workings on project infrastructure”, stating as follows:
“5.173 The Applicant proposes to monitor the “at risk” brinewells and other brinewells that pose a potential influence on the proposed UGS infrastructure (APP36, table 3.1). The s106 agreement with WBC provides for a brinewell monitoring and maintenance scheme, to be approved by WBC. We accept that this scheme would enable the Applicant, the Competent Authority and WBC to keep track of developing risks from the existing and proposed caverns.” [emphasis added]

3.333 The ExA Report expressed satisfaction at paragraphs 5.167 and 5.168 on the safety of the NTS interconnector gas pipeline route for the purposes of making the DCO. This was because it noted “that the pipeline route and design will be subject to the Pipeline Safety Regulations 1996 (APP30, paragraph 9.5) which will ensure that the gas interconnector pipeline is designed, constructed and operated safely. HSE will be notified of the route prior to construction under Regulation 20” and “as the safety of the pipeline would be governed by the Pipeline Safety Regulations 1996, the ground will be monitored and mitigation measures are possible, [the ExA does] not consider that this risk is sufficient reason not to confirm the Order.”

3.334 In light of the above, it is not appropriate for an indemnity to be provided in respect of the landowner of plot 106, Preesall Energy Services Ltd or its agricultural tenant.

3.335 **Issue 3:** “I pointed out to the panel that the main watercourse from Preesall and Stalmine and from our farm ran directly in a westerly direction into the river Wyre until 1974 when the Agglbys salt cavern collapsed - the main drainage ditch now runs into a large lake and out of the other side. I asked the Panel if Halite could guarantee that no further collapse of salt caverns would occur in the proposed forty year period of the gas storage facility?”

3.336 **Halite response:** There are some legacy brinewells which have either salt or marl (mudstone) roofs. Salt roofs tend to be stable; whereas brinewells with marl roofs are less stable and the roof surface can spall and fall into the cavern floor. This mechanism can lead to the roof gradually rising towards the ground surface. From the monitoring undertaken it is known that some cavern roofs are rising in this way. It is therefore possible that this could lead to further surface subsidence. Where this is relevant to the Project, mitigation measures have been considered and will form part of the assessment of the Competent Authority under the COMAH process.

3.337 As set out at paragraph 3.279 above, the ExA Report concluded that the risks from historic workings on Project infrastructure were adequately provided for, were not a sufficient reason for the Order not to be made, were properly a matter for compliance with COMAH or the Pipeline Safety Regulations 1996, would be manageable and that monitoring and maintenance schemes would enable Halite and the relevant authorities to keep track of any developing risks.

3.338 In particular, in respect of “Risks from Historic Salt Workings on Project Infrastructure”, the ExA Report stated as follows:

“5.173 The Applicant proposes to monitor the “at risk” brinewells and other brinewells that pose a potential influence on the proposed UGS infrastructure (APP36, table 3.1). The s106 agreement with WBC provides for a brinewell monitoring and maintenance scheme, to be approved by WBC. We accept that this scheme would enable the Applicant, the Competent Authority and WBC to keep track of developing risks from the existing and proposed caverns.” [emphasis added]
3.399 As a generality, the SoS Decision Letter expressed satisfaction with the operation and applicability of the COMAH process:

"20. The Secretary of State is satisfied that, as stated in section 4.11 of NPS EN-1, an underground gas storage site would be subject to stringent safety standards covering the life cycle of a facility from design and build through to decommissioning under the Control of Major Accident Hazards (COMAH) Regulations 1999 and enforced by the Health and Safety Executive and Environment Agency jointly."

3.340 **Issue 4:** "How long would Halite envisage that the farmers land would be out of production whilst the proposed gas transport pipeline was under construction? (Mr W Bashall did reply on this one but pointed out that it would be entirely up to the contractors - he said probably 12-18 months minimum). These points may be relatively minor however they may have a considerable bearing on the environmental impact of any future installation of the proposed gas pipeline."

3.341 **Halite response:** This issue was discussed at the Compulsory Acquisition Hearing on Tuesday 9th October 2012. Halite expressed its answer in terms of a minimum range as the exact period would be influenced by, amongst others, the following variable factors:

3.341.1 the time of year at which entry to the land was taken;

3.341.2 the prevailing weather conditions during the time the gas pipeline was laid in the ground; and

3.341.3 the stocking or cropping pattern of the land concerned.

3.342 Halite's intention would be to take access at a time of year when the works would cause minimal disruption and allow for reinstatement of the land to full agricultural production. This would be a minimum of 12 to 18 months.

3.343 The "Gas Interconnector Pipeline to the NTS Report" (document reference 9.2.6) states in paragraph 13.2 as follows:

"Pipeline construction invariably commences in April when lands have dried out and are trafficable. In the case of the proposed pipeline from Preesall to Nateby the construction period is estimated at 26 weeks which would give completion of construction in early October and commissioning by early November."

3.344 This covers the construction phase and does not allow for reinstatement, which is included in the 12 – 18 month minimum estimate so that is a fair estimate of the period when land would be out of production.

3.345 The ExA Report concluded at paragraph 8.105 that Mr Parkinson will be able to continue farming the land once reinstated and will be able to claim compensation for any compensatable losses which arise during the period of disruption (however long that period might be, be it 12 – 18 months or otherwise). In other words, this is a matter of appropriate compensation pursuant to the compulsory acquisition compensation code or, as Halite hopes, pursuant to voluntary agreement with Mr Parkinson.

3.346 The ExA expressed satisfaction on this matter, so far as it affected Mr Parkinson:
“8.105 Having considered and acknowledging all the concerns raised by Mr Parkinson, none in our view outweigh the public benefits arising from the implementation of the scheme. We are mindful that many of the issues raised can be addressed by negotiation and the conclusion of an agreement in similar form to that produced by the Applicant (REP281, Appendices 9 and 10). Further, subject to the rights in relation to access for maintenance sought by the Applicant, Mr Parkinson will be able to continue farming the land once reinstated and will be able to claim compensation for any losses which arise during the period of disruption.” [emphasis added]

3.347 Issue 5: “How would Halite manage and correct the disruption to the drainage system caused by the building of the gas transport pipeline? (Mr Bashall again replied that it would be up to the contractors, therefore no definite answer to the question - it is unlikely that the contractors would tell Halite what to do!).”

3.348 Halite response: This was raised by Mr and Mrs Parkinson in their Section 56 Written Representation (numbers 12 and 13 of 15th January 2012):


(b) The issue was further raised at the Compulsory Acquisition Hearing Tuesday 9th October 2012, where the ExA and Mr Parkinson were referred to paragraphs 6.15 to 6.22 of the “Gas Interconnector Pipeline to the NTS Report” (document reference 9.2.6), which sets out the approach to water courses and drains during construction of the gas pipeline.

(c) The ExA Report further deals with the issue by reference to the standard form of easement produced by Halite (REP281, Appendices 9 and 10): paragraph 8.73 states at the fourth bullet point “where owners are prepared to negotiate, agreements entered into provide considerable detail on how matters such as soil, drainage, compensation and accommodation works would be dealt with” [emphasis added]

(d) The ExA concluded by expressing satisfaction on this matter, so far as it affected Mr Parkinson:

“8.105 Having considered and acknowledging all the concerns raised by Mr Parkinson, none in our view outweigh the public benefits arising from the implementation of the scheme. We are mindful that many of the issues raised can be addressed by negotiation and the conclusion of an agreement in similar form to that produced by the Applicant (REP281, Appendices 9 and 10). Further, subject to the rights in relation to access for maintenance sought by the Applicant, Mr Parkinson will be able to continue farming the land once reinstated and will be able to claim compensation for any losses which arise during the period of disruption.” [emphasis added]

3.349 Issue 6: “What would Halite propose to do with the narrow strips of land that are left in many farmers fields where the gas transport pipeline runs parallel to and close to the main watercourses?”
3.350 **Halite response:** This issue was raised at the Compulsory Acquisition Hearing on Tuesday 9th October 2012 and concerns narrow parcels of land that are severed from the main farm holding by the fenced pipeline corridor during construction. The ExA Report refers to Halite’s response in paragraph 8.73, stating at the second bullet point “with regard to severed land, whilst there was no statutory obligation to provide accommodation works, the Applicant sought to make ongoing farming as easy as possible and tried to accommodate owner’s requirements wherever possible and thus minimising compensation”.

3.351 The ExA expressed satisfaction on this matter, so far as it affected Mr Parkinson:

“8.105 Having considered and acknowledging all the concerns raised by Mr Parkinson, none in our view outweigh the public benefits arising from the implementation of the scheme. We are mindful that many of the issues raised can be addressed by negotiation and the conclusion of an agreement in similar form to that produced by the Applicant (REP281, Appendices 9 and 10). Further, subject to the rights in relation to access for maintenance sought by the Applicant, Mr Parkinson will be able to continue farming the land once reinstated and will be able to claim compensation for any losses which arise during the period of disruption.” [emphasis added]

3.352 **Issue 7:** “Have Halite taken into account that significant underground water movement occurs between our land at Moss View and the Preesall Salt field? (I pointed out that ICI had a measuring facility to ascertain underground water movements when they were managing the Preesall Salt field)”

3.353 **Halite response:** Notwithstanding the assertion by Mr Parkinson, Halite is not aware of any evidence of ground water monitoring undertaken by ICI or subsequently by NPL Estates. Nonetheless, Halite has independently considered the hydrogeology of the area in detail (see Section 4.4 of the Updated GSR (document reference H30), including groundwater risks relevant to the Project, and no significant effect was identified.

3.354 **Issue 8:** "The proposed access/pipeline agreement which Halite have offered farmers is ambiguous - it could mean anything - Why?”

3.355 **Halite response:** Halite has negotiated and agreed a draft form of easement with land owners and occupiers along the route of the NTS gas interconnector pipeline. At the time of the close of the Examination, Halite was in detailed discussion with 20 of the 26 occupiers along the route with a view to concluding agreement. A draft form of the easement was submitted to the ExA (REP281). There has been no suggestion from any of the 20 land occupiers or their agents of the ExA that the draft Deed of Grant of Easement is ambiguous. The ExA Report expressed satisfaction on this draft form of easement so far as it addresses concerns raised by Mr Parkinson, acknowledging in paragraph 8.105 that “[…] many of the issues raised [by Mr Parkinson] can be addressed by negotiation and the conclusion of an agreement in similar form to that produced by the applicant”.

3.356 **Issue 9:** Concerns about safety

3.357 **Halite response:** See paragraphs 3.19 to 3.26 above, which provide detail on where the ExA Report and SoS Decision Letter expressed satisfaction on the matter of safety for the purposes of considering whether the DCO should be made.

3.358 **Issue 10:** Effect of erosion of Agglbys Lake on brinewells
Halite response: As set out at paragraph 3.279 above, the ExA Report concluded that the risks from historic workings on Project infrastructure were adequately provided for, were not a sufficient reason for the Order not to be made, were properly a matter for compliance with COMAH or the Pipeline Safety Regulations 1996, would be manageable and that monitoring and maintenance schemes would enable Halite and the relevant authorities to keep track of any developing risks. Accordingly, the SoS Decision Letter expressed no concerns on these matters.

The rate of erosion at Agglbys Lake is relatively minor and is remote from the proposed caverns and supporting infrastructure comprised in the Project.

Accordingly, Halite does not consider that the analysis of the ExA Report in respect of subsidence or brinewells is altered by unsubstantiated assertions about erosion at Agglbys Lake.

Issue 11: Concerns about vulnerability of Higher Lickow Farm to old wellheads and proposed Halite gas pipeline

Halite response: The ExA Report considered the risks to Project infrastructure, in particular with respect to Higher Lickow farm at paragraph 5.163.

The ExA concluded at paragraph 5.171 as follows:

“Higher Lickow Farm would house the administrative offices and the security gatehouse. It is close to the “at risk” BW 50 (APP38, Appendix A, drawing number MMD-277663-0007). However, we consider that consequences of future settlement on the above ground infrastructure at the gatehouse and farm buildings would be manageable as the facilities could be moved elsewhere.” [emphasis added]

See paragraphs 3.20 to 3.26, which summarise the ExA Report’s conclusions on safety, namely that “geological risks, risks associated with the gas infrastructure at the site, and risks that impact on the community and local amenities [...] are not sufficient to refuse the Order [...] because detailed design of both the site subject to the COMAH Regulations and the interconnector pipeline will require consultation with HSE and EA, as the Competent Authority”. The ExA concluded that there was “no reason to suppose that the stringent safety requirements which would be imposed upon the operation of the scheme by the Competent Authority under the COMAH Regulations would not lead to an entirely safe and stable UGS facility, examples of which exist in other parts of the UK, and indeed in much larger numbers elsewhere in the world.” The Secretary of State adopted this conclusion.

Issue 12: Secretary of State’s geological assessor to consider existing salt caverns

Halite response: As set out at paragraph 3.279 above, the ExA Report concluded that the risks from historic workings on Project infrastructure were adequately provided for, were not a sufficient reason for the Order not to be made, were properly a matter for compliance with COMAH or the Pipeline Safety Regulations 1996, would be manageable and that monitoring and maintenance schemes would enable Halite and the relevant authorities to keep track of any developing risks.

In particular, at paragraph 5.173, the ExA Report noted that “The Applicant proposes to monitor the “at risk” brinewells and other brinewells that pose a potential influence on the proposed UGS infrastructure (APP36, table 3.1). The s106 agreement with WBC provides for a brinewell monitoring and maintenance scheme, to be approved by WBC. We accept that this scheme would enable the Applicant, the Competent Authority and WBC to keep track of developing risks from
the existing and proposed caverns.” Accordingly, Halite does not consider it necessary for the Secretary of State’s geological assessor to revisit the matter.

3.369 **Issue 13:** Concerns about ambiguity and bias in the voluntary agreements proposed by Halite with landowners, including query about 20 metre strip and right to drill boreholes

3.370 **Halite response:** Assertions of ambiguity and bias in the voluntary agreements are addressed in paragraph 3.355 above. The right to drill bore holes is one of a number of rights set out in the draft Deed of Grant of Easement (REP281) in connection with site investigation works. Site investigation works (whether they be topographical surveys, trial pits or bore holes) are commonly carried out prior to the installation of a pipeline of any size to ensure there is a complete understanding of the constraints of the land into which the pipe is to be laid. This enables suitable methodology to be adopted which mitigates the impact on the land owner.

3.371 **Issue 14:** Infringement of human rights

3.372 **Halite response:** The ExA Report summarises the points raised by Mr Parkinson and Halite’s responses at paragraphs 8.62, 8.63, 8.73 and 8.105. The ExA Report concludes as follows on human rights:

“8.96 Having regard to the relevant provisions of the Human Rights Act 1998 we have considered the individual rights interfered with and are satisfied that in relation to Article 1 of the First Protocol and Article 8 the proposed interference with the individuals’ rights would be lawful, necessary, proportionate and justified in the public interest.

8.97 In relation to Article 6 we are satisfied that all objections which have been made have either been resolved by the Applicant with the objectors or they have had the opportunity to present their cases before us at the CA hearing.”

3.373 Halite considers it helpful to set out a brief history of its contact with Mr Parkinson. Written and telephone communication occurred as follows:

(a) Initial correspondence – May 2011;
(b) Follow up correspondence – July 2011, February 2012, May 2012 and September 2012;
(c) Telephone contact – September 2012;
(d) Halite offered meetings, including sight of standard legal documents which contained undertakings in favour of landowners on matter such as drainage and subsidence etc.

3.374 Halite never received any response to any of the contact it sought to make above. The agents referred to in Mr Parkinson’s representation, Crombie – Wilkinson of York, are a firm of solicitors with whom Halite’s agent spoke on one occasion, following which they were dis-instructed. No land agent was ever appointed to negotiate with Halite.

3.375 Mr Parkinson makes a number of criticisms of Halite and its representatives in his representation. Halite considers that there is no reasonable basis for these and does not accept them.
The ExA concluded after Mr Parkinson’s representations, including those made during his discussions with the ExA during the compulsory acquisition hearing of 9 October 2012, that “many of the issues” he has raised could be resolved by negotiation of an appropriate agreement (see paragraph 8.105, as summarised at paragraph 3.348(d) above). Halite agrees and would urge Mr Parkinson to enter into such negotiations, as is the case with other landowners in a similar position to his own.

Marilyn Mulroy

Issue 1: Project causes fear and anxiety among local residents

Halite response: The ExA Report concluded as follows:

“5.210 Our assessment of other matters regarding associated UGS risks at Preesall – geological risks, risks associated with the gas infrastructure at the site, and risks that impact on the community and local amenities – is that they are not sufficient to refuse the Order. We understand and appreciate the public fear concerning safety. However, because detailed design of both the site subject to the COMAH Regulations and the interconnector pipeline will require consultation with HSE and EA, as the Competent Authority, we are confident that safe operating practices will be properly enforced.”

The Secretary of State agreed with this analysis at paragraph 20 of the SoS Decision Letter. Safety is paramount to Halite and it is committed to compliance with COMAH.

Roy Pickup

Issue 1: Safety and fracking

Halite response: See paragraphs 3.19 to 3.26 above in respect of safety and 3.90 above in respect of fracking.

Irene Horner

Issue 1: Safety

Halite response: See paragraphs 3.19 to 3.26 above.

Michael Tucker

Issue 1: Insufficient information about previous salt extraction works

Halite response: See paragraphs 3.19 to 3.26, paragraphs 3.274 to 3.280 and paragraph 3.308 in respect of previous salt extraction works and where the ExA Report and SoS Decision Letter expressed satisfaction on the matter of safety and existing mine workings at Preesall.

Issue 2: Seismic data from testing carried out in the area of Knott End Golf Course was not made public and should not be used in the application

Halite response: The results of the seismic reflection survey were made available in the Updated BG Report (document references H27A and H27) on 9th May 2014 and are contained in the documents referred to at paragraph 1.6 above, which can be found on the Halite Project page of the PINS website.
3.388 **Issue 3:** Inadequate consideration of evacuation plans

3.389 **Halite response:** See paragraphs 3.144 and 3.145, where Halite has addressed the point raised by PWG, by reference to the ExA’s conclusion that the possible evacuation of the public is not a significant factor whether or not the DCO should be made in light of the stringent COMAH requirements in that regard.

3.390 **Issue 4:** Impact of fracking on safety of caverns

3.391 **Halite response:** See paragraph 3.90 above, where Halite has addressed the point raised by PWG.

3.392 **Issue 5:** Concern that the Project is too close to centres of population

3.393 **Halite response:** See paragraphs 3.19 to 3.26 above, which provide detail on where the ExA Report and SoS Decision Letter expressed satisfaction on the matter of safety for the purposes of considering whether the DCO should be made. See in particular paragraph 3.21, where reference is made to where the ExA Report concluded that “the risk of gas leakage from below ground infrastructure is acceptable”.

**Susan Tucker**

3.394 **Issue 1:** Concern that cavern depths are shallow making leakage more likely

3.395 **Halite response:** See paragraphs 3.19 to 3.26 above, which provide detail on where the ExA Report and SoS Decision Letter expressed satisfaction on the matter of safety for the purposes of considering whether the DCO should be made. See in particular paragraph 3.21, where reference is made to where the ExA Report concluded that “the risk of gas leakage from below ground infrastructure is acceptable”.

3.396 **Issue 2:** Impossible to inspect the caverns prior to use

3.397 **Halite response:** There are British and European industry standards that detail required practices and surveys for the examination and testing of caverns, results of which also form part of the necessary COMAH Pre-construction and Pre-operational Safety Plan reports required by the Competent Authority.

3.398 **Issue 3:** Effective evacuation of the area in an emergency impossible

3.399 **Halite response:** See paragraphs 3.144 and 3.145, where Halite has addressed the point raised by PWG, by reference to the ExA’s conclusion that because any emergency evacuation procedures will be assessed by LCC and the Competent Authority under COMAH, and the risk assessment shows that the likelihood of a major emergency is very low, the possible evacuation of the public is not a significant factor whether or not the DCO should be made.

3.400 **Issue 5:** Effect of earthquakes caused by fracking on salt caverns cannot be predicted

3.401 **Halite response:** See paragraph 3.90 above, where Halite has addressed the point of fracking raised by PWG.

3.402 **Issue 6:** Safety

3.403 **Halite response:** See paragraphs 3.19 to 3.26 above, which provide detail on where the ExA Report and SoS Decision Letter expressed satisfaction on the matter of safety for the purposes of considering whether the DCO should be made.
Ann Moore

3.404 Issue 1: Insufficient geological evidence that the proposed number of caverns and volume of gas can be safely achieved

3.405 Halite response: See paragraphs 3.19 to 3.26 above, which provide detail on where the ExA Report and SoS Decision Letter expressed satisfaction on the matter of safety for the purposes of considering whether the DCO should be made. See paragraphs 3.28 to 3.29 above, which refer to Halite’s representations submitted on capacity and paragraphs 3.106 to 3.111 on the need for such capacity

3.406 Issue 2: Development is inconsistent with National Policy Statement EN-4

3.407 Halite response: As set out in paragraph 3.0 of Halite’s Response to the SoS Statement of Matters (document reference H26), the geological data supporting Halite’s application demonstrates that each of the requirements of paragraph 2.8.9 of NPS EN-4 are met; the ExA Report and SoS Decision letter identified no other inconsistencies.

3.408 Issue 3: Inadequate environmental information

3.409 Halite response: See paragraphs 3.91 to 3.102 above, which set out where the environmental effects of the Project were considered in detail by the ExA and it, and the Secretary of State, concluded that they were satisfied with the matters considered.

3.410 See paragraph 3.1.3 of Annex 1 of Halite’s Response to the SoS Statement of Matters (document reference H26), which concludes “that there are no likely significant effects materially different to those reported in the ES, and therefore no further or updated environmental information is necessary.”

3.411 Issue 4: Safety concerns due to proximity of the Project to densely populated area

3.412 Halite response: See paragraphs 3.19 to 3.26 above, which provide detail on where the ExA Report and SoS Decision Letter expressed satisfaction on the matter of safety for the purposes of considering whether the DCO should be made.

Gordon McCann

3.413 Issue 1: Waste of salt

3.414 Halite response: Halite addressed the disposal of salt within the Planning and Sustainability Statement (paragraphs 3.127-3.113 of document reference 9.1.1) and the statements of common ground in respect of the ‘Use of Salt’ and ‘Land Use’ (SOCGs 27 and 28).

3.415 Following a review of potential uses, it was concluded that the Preesall salt is an under-utilised resource for which there is no apparent use. The Project, however, makes good use of the resource in the short–term (particularly when measured in geological time) for gas storage for which there is an identified national need. Notwithstanding the above, the amount of salt at Preesall which would be ‘lost’ to the development proposals is an extremely low proportion of the total.

3.416 The ExA Report did not raise any objections to the disposal of salt and acknowledged that a permit had already been obtained from the Environment Agency for its discharge to the Irish Sea. The Secretary of State agreed with the
ExA Report and conclusions on the brine discharge to the Irish Sea (see paragraph 11 of the SoS Decision Letter).

3.417 **Issue 2: Impact of brine discharge on Morecambe Bay SSSI, SPA and Ramsar site**

3.418 **Halite response:** See paragraphs 3.96 and 3.100 above, which summarise where the ExA Report and SoS Decision Letter confirm satisfaction on the issue of brine discharge.

*Joseph Cooper*

3.419 **Issue 1: Lack of plans for emergency evacuation**

3.420 **Halite response:** See paragraphs 3.144 and 3.145, where Halite has addressed the point raised by PWG, by reference to the ExA’s conclusion that the possible evacuation of the public is not a significant factor whether or not the DCO should be made in light of the stringent COMAH requirements in that regard.

3.421 **Issue 2: Request that Halite enter into a bond for decommissioning and aftercare in respect of the Project**

3.422 **Halite response:** The ExA Report confirms as follows:

> “5.101 The Order provides that a decommissioning, restoration and aftercare plan must be approved by WBC before any stage of the construction commences. The funding of the decommissioning work is subject to a s106 agreement between the Applicant and WBC as set out in Appendix A. We consider therefore that decommissioning of the caverns and other project infrastructure has been adequately provided for.” [emphasis added]

*First representation of Kenneth Penswick*

3.423 **Issue 1:** Noise, dust and air pollution caused by increased traffic on local roads

3.424 **Halite response:** The ExA concluded as follows:

> “6.136 Traffic volumes during construction and particularly once operational would be very low, despite the representations suggesting that construction traffic would create a substantial adverse impact (REP203, answers to Q7/2, Q7/3 and Q7/4).”

> [...] 6.144 In reaching our conclusions on access arrangements and traffic impacts, we have had regard to the SoCGs agreed with LCC as the local highway authority and the Highways Agency (SoCGs 6 and 24). We see no access and traffic grounds for the Order not to be confirmed.”

3.425 Requirement 26 (*Control of noise during construction and maintenance*) in Schedule 9 (*Requirements*) of the draft DCO provides that no stage of the authorised development may commence until a written scheme for noise management during construction and maintenance of that stage has been submitted to and approved by WBC. The scheme has to set out the particulars of, amongst other things:
(i) the works, and the method by which they are to be carried out;

(ii) the noise attenuation measures to be taken to minimise noise resulting from the works, including any noise limits;

(iii) a scheme for monitoring the noise during the works to ensure compliance with the noise limits and the effectiveness of the attenuation measures;

(iv) a scheme for the handling of complaints in respect of noise resulting from the works including a designated point of contact to which such complaints may be submitted.

3.426 Accordingly, at paragraph 7.18, the ExA Report concludes “that noise mitigation is adequately provided for in the Order.” Paragraph 12 of the SoS Decision Letter adopts the ExA’s findings and conclusions on noise.

3.427 Mitigation for dust generated by construction traffic would be secured under Requirement 28 of the DCO at Appendix D of the ExA Report, which states as follows:

“Control of dust emissions

28.—(1) No stage of the authorised development shall commence until a written scheme for the management and mitigation of dust emissions for that stage has been submitted to and approved by the relevant planning authority.

(2) The approved scheme for the management and mitigation of dust emissions must be implemented before and maintained during the construction phase, operational phase and decommissioning phase (as appropriate) of the relevant stage of the authorised development.”

3.428 Issue 2: Project will take 9 – 10 years to build (not 1 – 3) and will be in operation for more than 40 years.

3.429 Halite response: The estimated total build time for the Project is up to 8 years with major construction activity occurring during the first 3 years. Years 4 – 8 involve cavern leaching (i.e. creation of the caverns) which does not constitute major construction activity. The ExA understood this and concluded as follows in respect of landscape effects:

"6.28 The Landscape and Ecological Management Strategy Plan (LEMSP) covers the east side of the Estuary, an area of approximately 93ha, and includes land functionally linked to the adjacent Wyre Estuary SSSI which is an integral part of the Morecambe Bay SPA. It seeks to minimise the effects of the project on landscape character and local views as set out in the ES and would be implemented over a phased programme during the construction phase i.e. years 1 to 3. The LEMSP is a working document produced in consultation with NE, EA, Lancashire Wildlife Trust, RSPB, LCC, WBC and tenant farmers. The version submitted as part of the application was revised in May 2012 (REP203, Appendix 25) and has been the subject of SoCGs agreed with all the bodies (SoCGs 4,5,35 to 38).

6.29 The construction phase (years 1 - 3) and the construction and operation combined phase (years 4 - 8) of the project would result in a significant effect on the character of this landscape."
But over time we consider the mitigation proposals in the LEMSP would reduce these effects so that early in the operational phase (year 10) they would be considered not significant for most elements of surface infrastructure.” [emphasis added]

3.430 Issue 3: Concerns that a proposed haul road is unsafe due to Agglebys subsidence and nearby brinewells.

3.431 Halite response: The ExA expressed satisfaction on this matter:

“5.169 The proposed new access road onto the site follows a similar route to the pipeline. A catastrophic failure of BW50 into a large crown hole collapse would also impact on the access road. However, there is an alternative emergency route onto the site (Acres Lane) which could be used temporarily while an alternative access is constructed in the event of access road subsidence, so we agree that the risk of road failure is adequately provided for.”

3.432 Issue 4: Concern about proximity of existing brinewells to the Project

3.433 Halite response: See paragraphs 3.19 to 3.26, paragraphs 3.274 to 3.280 and paragraph 3.308 in respect of previous salt extraction works and where the ExA Report and SoS Decision Letter expressed satisfaction on the matter of safety and existing mine workings at Preesall.

3.434 Issue 5: Effect of Project on nearby sewage works

3.435 Halite response: See paragraph 3.290 above where Halite summarises where the ExA Report concluded that it was satisfied that risks to the Hackensall sewage treatment works are adequately covered.

3.436 Issue 6: Insufficient consideration of report by Ruth Allington in respect of earlier applications by Canatxx

3.437 Halite response: Halite considers that the approach adopted by the ExA, as summarised in its report in the quotation below, is appropriate:

“4.35 Clearly, there is a substantial history of previous planning applications submitted under the TCPA for similar proposals for UGS at Preesall which provides an important context for examining the application for development consent, not least for many of the representations which have been submitted. However, it is also important to recognise that the application before us is different from previous proposals in terms of both geography and scale. We have therefore sought to examine the proposal on its own merits.” [emphasis added]

3.438 Issue 7: Assertion that the area is riddled with old pipework which may lead to gas migration

3.439 Halite response: The risk of migrating gas was addressed in the comprehensive Risk Assessment (document reference 9.3.1) and summarised in Section 4.6 of the Updated GSR.

3.440 The ExA Report specifically considered the risk of gas leakage from below ground infrastructure in 5.142 to 5.152. The ExA noted in 5.150 that HSE had assessed risks and were satisfied that the direction granting hazardous substances consent could be made. In paragraph 5.151, the ExA noted that the statement of common
ground (document reference SoCG1) had included agreement on the gas risk assessment with LCC/WBC and concluded within 5.152 that “the risk of gas leakage from below ground infrastructure is acceptable.”

3.441 **Issue 8:** Dust, noise and visual impact

3.442 **Halite response:** Mitigation for dust generated by construction traffic would be secured under Requirement 28 of the DCO at Appendix D of the ExA Report, which prevents any stage of the authorised development commencing until a written scheme for the management and mitigation of dust emissions has been submitted to and approved by WBC and requires compliance with it.

3.443 At paragraph 7.18, the ExA Report concludes “that noise mitigation is adequately provided for in the Order.” As summarised at paragraphs 3.92 to 3.94 the ExA Report and SoS Decision Letter confirmed that the effects on visual effects would be outweighed by Halite’s “verification of the geology”. Such verification is summarised at paragraph 2.0 of Halite’s Response to the SoS Statement of Matters (document reference H26). Accordingly, Halite considers that the Secretary of State may be satisfied on the landscape effects of the Project.

3.444 **Issue 9:** Risk from historic brinewells

3.445 **Halite response:** See paragraphs 3.19 to 3.26, paragraphs 3.274 to 3.280 and paragraph 3.308 in respect of previous salt extraction works and where the ExA Report and SoS Decision Letter expressed satisfaction on the matter of safety and existing mine workings at Preesall. In particular, at paragraph 5.173, the ExA Report noted that “The Applicant proposes to monitor the “at risk” brinewells and other brinewells that pose a potential influence on the proposed UGS infrastructure (APP36, table 3.1). The s106 agreement with WBC provides for a brinewell monitoring and maintenance scheme, to be approved by WBC. We accept that this scheme would enable the Applicant, the Competent Authority and WBC to keep track of developing risks from the existing and proposed caverns.”

3.446 **Issue 9:** Effect of Project on property prices

3.447 **Halite response:** See paragraph 3.299 above, which sets out where the ExA Report concluded that due to lack of evidence and policy, concerns about house prices “should not attract significant weight”

3.448 **Issue 10:** Fear and concern of residents

3.449 **Halite response:** See paragraphs 3.19 to 3.26 above, which provide detail on where the ExA Report and SoS Decision Letter expressed satisfaction on the matter of safety for the purposes of considering whether the DCO should be made. The ExA Report noted that it understood and appreciated the public fear concerning safety. However, because detailed design of both the site subject to COMAH and the interconnector pipeline will require consultation with HSE and EA, as the Competent Authority, it was confident that safe operating practices would be properly enforced (see also paragraph 3.378 above).

**Second representation of Kenneth Penswick (dated 23 May 2014)**

3.450 **Issue 1:** Concern about the Abbeystead disaster

3.451 **Halite response:** Reference is made to the Abbeystead disaster, which it is asserted had very similar safety related problems to gas storage. However, the Abbeystead disaster was caused by gas in water transfer tunnels and did not relate
to underground gas storage. The tunnels were for a completely different purpose and controlled under completely different safety regimes. Further, as included in paragraphs 3.19 to 3.26 above, the ExA Report and SoS Decision Letter expressed satisfaction on the matter of safety for the purposes of considering whether the DCO should be made. The ExA Report noted that it understood and appreciated the public concern for safety. However, because detailed design of both the site subject to COMAH and the interconnector pipeline will require consultation with HSE and EA, as the Competent Authority, it was confident that safe operating practices would be properly enforced (see also paragraph 3.364 above).

J Crean

3.452 **Issue 1: Safety**

3.453 **Halite response:** See paragraphs 3.19 to 3.26 above, which provide detail on where the ExA Report and SoS Decision Letter expressed satisfaction on the matter of safety for the purposes of considering whether the DCO should be made.

3.454 **Issue 2: Concern about detriment to the environment**

3.455 **Halite response:** See paragraphs 3.91 to 3.102 above, which set out where the environmental effects of the Project were considered in detail by the ExA and it, and the Secretary of State, concluded that they were satisfied with the matters considered.

3.456 **Issue 3: Concern about Halite’s financial position given that the company filed a pre-tax loss in 2011/2012 with significant liabilities to its majority shareholder, DE Shaw and risk related to the granting of consent for the Project**

3.457 **Halite response:** The Annual Report and Financial Statement for Halite for the year ended 31 December 2012, prepared by PricewaterhouseCoopers LLP ("PWC"), as required by the Companies Act 2006 for all such companies, records that:

(a) PWC’s responsibility was to audit and express an opinion on the financial statements in accordance with applicable law;

(b) Halite incurred a net loss of £22,028,350 in that year;

(c) net liabilities exceeded net assets by £102,702,182;

(d) “These conditions, along with uncertainty over the outstanding planning application and the requirement to obtain additional funds to continue its activities, indicate the existence of material uncertainty which may cast significant doubt on the company’s ability to continue as a going concern.”;

(e) Halite’s future is dependent on the granting of development consent for the Project and the availability of sufficient funding to finance the ongoing application and the Project itself following the making of the DCO (if the Secretary of State is so minded).

3.458 This is a reasonable and accurate summary of the position for the purposes of an auditor compiling an Annual Report and Financial Statement in accordance with the Companies Act 2006. In the context of land use planning and for the purposes of the making of the DCO:
(a) It is typical in projects of this nature for the promoter to engage in project financing efforts only after receipt of the necessary major planning consents required.

(b) The application for the Project was submitted in November 2011 and the Examination closed in October 2012, roughly the same year as reflected in the Annual Report and Financial Statement - a period of significant activity for the company. During the planning stage, it is to be expected that a company promoting nationally significant infrastructure projects will incur net losses in the absence of significant income (which is to follow the grant of relevant consents). It is therefore also to be expected that during this time such a company would incur significant liabilities to the investors supporting that project. In this context, the significant sums owing to Halite’s investors are in fact a clear demonstration of the longstanding and ongoing commitment which these investors have to the Project;

(c) Clearly there is development risk in obtaining any planning permission (or development consent) and this is reflected by PWC in its Annual Report and Financial Statement, in accordance with its obligations under the Companies Act 2006. However, Halite suggests that the risk of consent, and thus the risk recorded by PWC in respect of the company, should be viewed in the context that:

(i) The ExA Report recommended that the DCO be made;

(ii) The Secretary of State’s refusal (currently being redetermined) related to one point alone: perceived uncertainty as to the proposed working gas capacity of the Project and whether he was able to determine whether the visual effects of above ground infrastructure on the landscape outweigh the need for the Project;

(iii) Halite has provided geological information from world-leading specialists, including seismic reflective data, and the Secretary of State has commissioned an independent geological report, the Senergy Report, all of which demonstrate that a very large underground gas storage facility can be built and operated in this location.

(iv) It is clear that the benefits of the Project hugely outweigh its adverse impact on an undesignated landscape, which is insufficient to overcome the legal and policy presumption in favour of development consent being granted.

3.459 The above is entirely consistent with Halite’s approach to funding as set out in its Application Funding Statement (document reference 7.2), which the ExA concluded was acceptable:

“8.93 On the basis that the s106 agreement would secure funding for both compulsory acquisition compensation and decommissioning costs, we consider the Funding Statement (APP25) and the provisions set out in the s106 agreement are adequate to support a compelling case for the grant of compulsory acquisition powers.” [emphasis added]

3.460 In other words, the ExA was aware of the position and its conclusion followed detailed consideration of appropriate legal mechanisms in respect of the funding for decommissioning and compulsory acquisition:
3.460.1 In respect of decommissioning, the ExA concluded as follows:

“5.58 [...] The decommissioning fund provided for in the s106 agreement is there to protect WBC in case the operator went into liquidation during construction.[...]

“5.101 The Order provides that a decommissioning, restoration and aftercare plan must be approved by WBC before any stage of the construction commences. The funding of the decommissioning work is subject to a s106 agreement between the Applicant and WBC as set out in Appendix A. We consider therefore that decommissioning of the caverns and other project infrastructure has been adequately provided for.” [emphasis added]

3.460.2 In respect of compulsory acquisition monies, the ExA concluded as follows:

“8.88 We are required to make a judgment as to whether adequate funding would be available to meet compensation claims in the event of compulsory acquisition powers being granted. In doing so we have had regard to the powers of the PA 2008, Guidance and the Human Rights Act 1998. Guidance requires that an application for a DCO authorising compulsory acquisition powers must be accompanied by a statement explaining how it will be funded and should include information about the resource implications of both Preesall Underground Gas Storage Facility Panel’s Report to the Secretary of State 122 acquiring the land and implementing the project for which the land is required.

8.89 The Applicant submitted a Funding Statement (APP25) setting out how it proposed to finance both land and construction costs. We sought clarification from the Applicant on the corporate structure of the companies involved in the ownership of land within the project site and evidence of the Applicant’s ability to meet all the residual liabilities of the project including decommissioning (PD2 and REP203).

8.90 Paragraphs 8.32 to 8.34 refer to the discussions which took place with the Applicant regarding our concerns in relation to funding. We subsequently pursued with the Applicant the security of the funds which would be paid into the two dedicated accounts to meet compulsory acquisition compensation and decommissioning costs respectively and we were satisfied with the explanations provided (REP278, paragraph 5).

8.91 On 18 October 2012 the Applicant concluded with WBC an agreement under s106 of the TCPA (REP281, Appendix 24). The agreement provides that no powers of compulsory acquisition shall be exercised under the DCO until a compulsory purchase monies fund in the sum of £2.5million is in place and a legal charge over it has been granted to a security trustee (yet to be determined).

8.92 Further, the agreement also provides that the development shall not be implemented until the Applicant has:

- obtained WBC’s approval of a decommissioning scheme fund plan
- paid into the fund the amount specified prior to the commencement of the development
8.93 On the basis that the s106 agreement would secure funding for both compulsory acquisition compensation and decommissioning costs, we consider the Funding Statement (APP25) and the provisions set out in the s106 agreement are adequate to support a compelling case for the grant of compulsory acquisition powers. “[emphasis added]

3.461 In other words, the ExA were aware of the relevant financial position at the planning stage and were satisfied with it for the purposes of the DCO being made. There has been no material change of circumstances since that time.

Edward Greenwood

3.462 Issue 1: Faults in Preesall Salt could cause gas migration

3.463 Halite response: See paragraph 3.21 above, where Halite has addressed the point, raised by PWG, by reference to conclusions in the ExA Report that “the risk of gas leakage from below ground infrastructure is acceptable.” The Secretary of State concurred with the approach to safety (see paragraph 20 of the SoS Decision Letter).

3.464 The assessment of risks due to gas migration and faulting was specifically considered by LCC/WBC when agreeing the statement of common ground on geology (document reference SoCG1). SoCG1 states that:

“The Geological Summary Report presents an adequate representation of the geology which is sufficiently well defined to establish areas in which it is possible to locate caverns. An indicative layout of caverns has been prepared to fit within the defined areas. The geology has been sufficiently defined for an analysis of the risks from gas migration to be assessed and surface subsidence to be calculated.” [emphasis added]

3.465 LCC/WBC have been advised since the 2005 Canatxx application by their technical experts, Atkins, who had previously considered that insufficient geological evidence existed to support the schemes then proposed. SoCG1 was agreed by LCC/WBC, with support from Atkins, on the basis of the geological evidence submitted with the DCO application for the current scheme.

3.466 The newly acquired seismic reflection survey and the geological assessment that have now been undertaken and reported by BGS in the Updated BGS Report (document references H27A and H27B) provide evidence of the characteristics of the halite in terms of the top and bottom of the salt body, its depth, thickness and the location and classification of faults and other hazards.

3.467 The geological information is summarised in paragraph 2.0 of Halite’s Response to the SoS Statement of Matters (document reference H26). In particular, paragraphs 2.11 to 2.13 of H26 summarise the nature and relevance of faults in the Planning Polygons, i.e. that there are two types of fault within the Preesall halite:

3.467.1 The 2013 seismic reflection survey has confirmed the absence of any significant post-depositional faults within the Planning Polygons;

3.467.2 Syn-depositional faults, which can be considered as part of the sediment body instead of a discrete discontinuity related to later tectonism. These faults have healed within the salt body during the subsequent deposition, compaction and
diagenesis of the halite. This type of fault in salt bodies does not pose the same design issues for cavern development as post-depositional faults.

3.468 Further detail on faulting types can be found in the Updated BGS Report (document reference H27A).

3.469 The maps for top and base halite, halite thickness and faults updated the 3D geological model in the Updated BGS Report were provided to Geostock for it to consider indicative cavern location, design and storage volumes. Further detail on the implications of faulting for cavern distances to faults, and thus on cavern size, can be found in paragraph 2.3 of the Geostock Cavern Field Layout Report (document reference H28). This is based on Geostock’s overall cavern design expertise and specific experience at similar salt bodies in Cheshire. Cavern design and layout will of course be subject to consideration by the Competent Authority (the HSE and the EA) under the COMAH regime.

3.470 Based on Geostock’s cavern design and layout, the Geostock Working Gas Volume Report (document reference H29) provides estimated free volumes of the 19 caverns and the estimated gas capacities, namely a total free cavern volume of 6.8 million cubic metres and 324 million cubic metres working gas. In other words, the Secretary of State can have a high degree of confidence in work carried out by Halite and its team on faulting.

3.471 Issue 2: Project should be designed to withstand earthquakes

3.472 Halite response: The ExA Report stated as follows:

“5.129 The Applicant has submitted a Seismic Desk Study which shows that the Preesall UGS facility would be located in an area of low seismic activity (APP42). Furthermore, due to the depth of the UGS facilities they would not be subject to large forces during a seismic event. A greater risk may apply to subsurface pipelines particularly near surface liquefiable deposits and the possible failure of the wells connecting the storage caverns to the surface (APP42, paragraphs S2 and S3). The seismic hazard is low given the proposed location of the storage caverns (i.e. away from known active faults) and the low level of earthquake activity in the surrounding region (APP42, paragraph S2).” [emphasis added]

3.473 It should be noted that the recorded seismic events occur at depths of greater than 4kms and are related to known deep crustal structures distant to the area of the Project.

3.474 The ExA Report continues as follows:

5.133 The Applicant has also stated that in the event of a seismic event, it would be possible to monitor parameters such as gas pressure, flow rate, fluid pressure in the annulus and gas composition to assess casing integrity. Pipeline design, with the capacity to accommodate some ground displacement, and a monitoring regime to detect leakage would be developed as part of the technical justification within the COMAH process (REP207, paragraphs 5.84 and 5.85).

5.134 SoCG1 states that the risk of seismic activity to the development of UGS at Preesall is low. We agree with this conclusion.” [emphasis added]

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3.475 The detailed design of the facility would have to be in accordance with the standards operating at the time and Halite would need to justify the design to the Competent Authority through the COMAH process, prior to approval to construct and then to operate.

3.476 **Issue 3:** Preesall salt could be put to better use

3.477 **Halite response:** See paragraphs 3.414 to 3.416, where Halite addresses this point.

3.478 **Issue 4:** Alternative site at Stublach in Cheshire is much safer

3.479 **Halite response:** The application for the DCO is to be determined on its own merits. Nevertheless, Stublach is no more inherently safe than other areas and no evidence is provided to the contrary.

3.480 See paragraphs 3.19 to 3.26 above, which provide detail on where the ExA Report and SoS Decision Letter expressed satisfaction on the matter of safety for the purposes of considering whether the DCO should be made.

3.481 **Issue 5:** Proposed caverns are too close to faults

3.482 **Halite response:** LCC/WBC, supported by LCC’s technical adviser Atkins, agreed a statement of common ground (document reference SoCG1) with Halite in respect of geology and cavern design. This concluded that:

“The Geological Summary Report presents an adequate representation of the geology which is sufficiently well defined to establish areas in which it is possible to locate caverns. An indicative layout of caverns has been prepared to fit within the defined areas. The geology has been sufficiently defined for an analysis of the risks from gas migration to be assessed and surface subsidence to be calculated. The risk of seismic activity has been assessed by international experts as negligible. The risks from historic salt abstraction have been assessed and will not impact on the proposed scheme. An indicative cavern layout has been defined which has a working gas capacity of 600m³.” [emphasis added]

3.483 A new cavern layout has been prepared by Geostock, an international firm of geologists and cavern designers (see the Geostock Cavern Field Layout Report (document reference H28). See also the response to Issue 1 at paragraph 3.462 above, which sets out why the Secretary of State can have a high degree of confidence in work carried out by Halite and its team on faulting.

3.484 **Issue 6:** Applying GDF and Eon rules about the positioning of caverns near fault lines, the site could only hold a working gas volume of 80 million cubic metres

3.485 **Halite response:** As far as Halite is aware, there are no published GDF or Eon rules about cavern positioning and no evidence is presented in the representation in question to suggest what these rules might be. Furthermore no evidence is provided regarding the methodology for the calculation of 80 million cubic metres.

3.486 A new cavern layout has been prepared by Geostock, an international firm of geologists and cavern designers, that takes accounts of cavern proximity to faults (see the Geostock Cavern Field Layout Report (document reference H28). Geostock has experience within the UK and Europe and has worked with many companies. Geostock has also provided an estimate of the working gas volume for the revised
cavern layout (the Geostock Working Gas Volume Report (document reference H29)).

3.487 The Updated GSR (document reference H30) summarises the working gas volumes based on the refined 3D geological model which has used the worst credible interpretation of the base salt, giving the thinnest probable salt thickness and hence lowest likely working gas volume. Even this results in an anticipated static total storage capacity of up to 537 million cubic metres and static working storage capacity of up to 324 million cubic metres at standard temperature and pressure. When cycling of caverns is considered, the effective (12 month) operational working gas capacity is 3888 million cubic metres.

3.488 **Issue 7:** Assertion that Professor Rokahr’s rules erode conventional approaches by safety taken by other gas storage companies

3.489 **Halite response:** As far as Halite is aware, there are no conventional rules for cavern design. Each facility is project specific. No evidence is presented in the representation in question to demonstrate what these rules might be and how they would be eroded by the Rokahr design rules.

3.490 LCC/WBC, supported by LCC’s technical adviser Atkins, agreed a statement of common ground (document reference SoCG1) with Halite in respect of geology and cavern design. This concluded that:

“The Geological Summary Report presents an adequate representation of the geology which is sufficiently well defined to establish areas in which it is possible to locate caverns. An indicative layout of caverns has been prepared to fit within the defined areas. The geology has been sufficiently defined for an analysis of the risks from gas migration to be assessed and surface subsidence to be calculated. The risk of seismic activity has been assessed by international experts as negligible. The risks from historic salt abstraction have been assessed and will not impact on the proposed scheme. An indicative cavern layout has been defined which has a working gas capacity of 600m$^3$.” [emphasis added]

3.491 Professor Rokahr is an acknowledged expert in cavern construction in salt. He has advised many companies on cavern design and construction (see appendix 5 of “Halite’s Response to Examining Authority’s Further Written Questions” (document reference H5 for a summary of his curriculum vitae. His conservative preliminary recommendations for the location and design of caverns were considered to be cautious, appropriate for the planning consent stage of the Project. After the planning consent stage, specific numerical analysis would be undertaken for each cavern as part of the preparation of pre-construction and pre-operational safety plans submitted to the Competent Authority under COMAH. The Secretary of State approved the principle of this approach so far as it related to safety (see paragraph 20 of the SoS Decision Letter).

3.492 The ExA Report agreed that the design recommendations were acceptable for the planning stage, stating as follows:

“5.70 We asked the Applicant for evidence of which international geological bodies have endorsed the recommendations intended for cavern design and examples where they have been applied to UGS. The Applicant has not provided any examples and responded that there are no international or national standards for the design of caverns, and that the design recommendations were developed by Professor Rokahr based on
his 30 years’ experience of cavern design in salt (REP207, paragraph 5.38).

[...]

5.72 In view of the detailed involvement of the Competent Authority in the structural design of the caverns as part of the COMAH process, we consider that the design recommendations and the indicative layout provided are acceptable for planning purposes at this stage, but with the important proviso that the layout is subject to the validation of the 3D model." [emphasis added]

3.493 As the seismic investigation and the geological assessment that have now been undertaken by BGS in the Updated BGS Report (document reference H27A and H27B) provide evidence of the characteristics of the halite in terms of the top and bottom of the salt body, its thickness and the distance to faults and other hazards, the result is that Halite has progressed beyond the initial cavern layout for which the Rokahr design recommendations were appropriate.

3.494 In respect of comparison with other schemes, the ExA Report did not consider that this was appropriate (see paragraph 5.1) and concluded that the DCO application scheme should be considered on its own merits. Nevertheless, it is deeply inaccurate for the representation to assert that Professor Rokahr’s rules “erode conventional approaches by safety taken by other gas storage companies”. In any event, the comprehensive suite of geological documents referred to in paragraph 3.29 above in respect of the capacity of the Project, and the Secretary of State’s confirmation in accordance with policy that safety is appropriately a matter for the stringent processes of COMAH, mean that such an unsubstantiated assertion is no longer relevant.

3.495 Issue 8: The Project will not create 3000 new jobs and to promote the Project as a creator of significant employment for Fleetwood residents is misleading

3.496 Halite response: See paragraph 3.192 above where Halite has addressed the point made by Ben Wallace MP. Again, this representation does not accurately reflect Halite’s application submissions on employment: no reference is made to thousands of jobs or to the Project as a creator of significant employment in the locality. The ExA Report and SoS Decision Letter, however, capture the position accurately.

3.497 Issue 9: Further sites in Cheshire are a better alternative

3.498 Halite response: Halite notes that permission has been granted for a UGS facility at King Street, Cheshire in the same salt body that extends to Preesall. Construction at King Street has not, however, commenced and as set out in Halite’s response at paragraphs 3.106 to 3.111 above there is a need for all UGS projects in the UK to come forward i.e. there is a need for King Street, Preesall and all other consented UGS facilities to be implemented if the security of supply is to be provided.

3.499 Further, as part of a robust, flexible, distributed energy grid, storage points need to be embedded around the system and not simply located in one place. As the then Department for Business, Enterprise and Regulatory Reform stated on pages 10 and 11 of its document entitled “Gas Storage in your area – your questions answered” of 2007:

"Where can gas be stored?"
The storage of gas onshore and offshore is only possible in certain areas with the required geology and geological structures. These are present in a limited number of locations in Great Britain.

[...] 

Further important factors will be the ease of access to the ‘gas grid’, either the National Transmission System (NTS) or the local pipeline network, as a pipeline will need to connect the facility to the NTS, as well as the availability of suitable surface sites for the well heads and gas processing plants, environmental and planning constraints, and obviously the cost and economic viability of the project.

[...] 

Why are some areas seeing multiple storage developments?

As above, there are only limited regions in the UK where it is possible to store gas underground, due to geological suitability. In these areas a number of suitable storage facilities may exist, and for this reason they can be more prone to development. Equally other parts of the UK may be more prone to other types of gas infrastructure development, for example import facilities for Liquefied Natural Gas (LNG) in deep harbours along the UK coastline."

In other words, the clear message is that if regions have the potential to add to the energy grid, and with it increase security of energy supply, then it is critical that they should do so.

3.501 Issue 11: No immediate need for additional gas storage

3.502 Halite response: See paragraphs 3.106 to 3.111 above, where the question of need is addressed.

3.503 Issue 12: It would be preferable to use the site for compressed air energy storage from tidal power generation offshore

3.504 Halite response: As there are no off-shore tidal power generation projects in the vicinity of the site, Halite is not aware of any requirement for compressed air storage at Preesall. Even if there were such a need, this is not the application that is before the Secretary of State for his determination.

D Myerscough

3.505 Issue 1: Suitability of the geology and risk of gas migration

3.506 Halite response: As set out in paragraph 3.0 of Halite’s Response to the SoS Statement of Matters (document reference H26), the geological data supporting Halite’s application demonstrates that each of the requirements of paragraph 2.8.9 of NPS EN-4 in respect of the suitability of the geology at the site for the type of underground gas storage proposed are met.

3.507 See paragraph 3.21 above, where Halite has addressed the point on gas migration, raised by PWG, by reference to conclusions in the ExA Report that “the risk of gas leakage from below ground infrastructure is acceptable” because of the nature of the risk and the stringent COMAH safety regime enforced by the Competent
Authority. The Secretary of State concurred with the approach to safety (see paragraph 20 of the SoS Decision Letter).

3.508 **Issue 3:** Environmental impact is guesswork

3.509 Halite response: See paragraphs 3.91 to 3.102 above, which set out where the environmental effects of the Project were considered in detail by the ExA and it, and the Secretary of State, concluded that they were satisfied with the matters considered.

3.510 See paragraph 3.1.3 of Annex 1 of Halite’s Response to the SoS Statement of Matters (document reference H26), which concludes “that there are no likely significant effects materially different to those reported in the ES, and therefore no further or updated environmental information is necessary.”

3.511 **Issue 5:** Impact of nearby fracking

3.512 **Halite response:** See paragraph 3.90 above, where Halite has addressed the point of fracking raised by PWG.

**S Etchells**

3.513 The representation is identical to that of J Crean at paragraph 3.452 above, where the issues raised are addressed.

**P J Etchells**

3.514 The representation is identical to that of J Crean at paragraph 3.452 above, where the issues raised are addressed.

4 **REPRESENTATIONS IN SUPPORT OF THE PROJECT**

125 representations have been received by PINS in support of the Project to date. These are listed at Appendix 2 of this document. To assist, Halite has considered these letters and summarises the main reasons for support as follows:

- Creation of local jobs;
- Benefits to the local economy in terms of direct and indirect investment;
- Need for more natural gas storage in the UK to reduce the reliance on imported gas;
- Assisting the local supply chain;
- More reliable energy supply;
- Reduction in energy prices;
- Greater security of supply;
- Protection against geo-political risk;
- Proximity to the National Transmission System and ease of connection;
- The Project supports the green agenda;
• Promoting the country’s energy potential;
• Making best use of largely derelict land;
• The Project is economically and financially viable;
• A new facility would be better than existing older and outdated UGS facilities.

5 CORPORATE RESPONSIBILITY FUND

5.1 The ExA Report summarised accurately the position on the Corporate Responsibility Fund as follows:

"6.154 The SoCGs agreed with LCC and WBC (SoCG39 and SoCG40) list the principal socio-economic benefits stated by the Applicant, namely:

• [...] 
• a Corporate Social Responsibility Fund will be established to promote and fund activities that support the sustainability of the local community (particularly safety, security, heritage and education)
• the Applicant will contribute a sum of £50k during year 1 and amount not less than this for each year of the construction period
• [...]"

6.155 We note that the Corporate Responsibility Fund was included in the draft Heads of Terms for the s106 agreement (APP31), but was excluded from the final version (REP281, Appendix 24) by mutual agreement between the Applicant and WBC.” [emphasis added]

5.2 As set out at paragraph 3.3 of Halite’s document with reference H10 this was for the following reason:

"WBC and Halite agree that the proposed corporate social responsibility fund is not necessary to make the Application acceptable in planning terms. WBC has requested to be removed as a party from the formerly proposed agreement under section 111 of the Local Government Act 1972, which set out steps for the creation of the corporate social responsibility fund. Removing WBC would make the agreement redundant, as it had been drafted to be in favour of WBC. Accordingly, that agreement will not be progressed and other options will be explored outside of the Application.” [emphasis added]

5.3 We note, however, that the SoS Decision Letter states as follows:

"11. In respect of the Examining Authority's consideration of Socio-Economic Effects (ER 6.153-6.158), the Secretary notes that the project would: generate 200 to 300 full-time jobs during construction and 35 to 40 full-time jobs during operation; where possible, opportunities would be provided for apprenticeships, graduate placements and young people not in education or training; a Corporate Responsibility Fund would be established; and an observation platform on the sea wall at Rosswill"
would be constructed for those using the coastal path at that location (ER 6.154). [...]” [emphasis added]

5.4 In other words, Halite invites the Secretary of State to have regard to the fact that WBC considered that a Social Responsibility Fund is not necessary to make the Project acceptable in planning terms. One is therefore not proposed.

10 September 2014
### Appendix 1
#### Complete List of Representations

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<tr>
<th>RR No.</th>
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# Appendix 2

List of Letters in Support of the Project

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Appendix 3
Correspondence between Rowena Gornall of WBC and Halite of 10 September 2014 and meeting note
Hi Will,

Sorry I should have made myself a bit clearer in my last email. The note was forwarded to management team and they have agreed this (subject to contract).

Is that ok?

I will look at the HOTs as soon as I can in order to progress.

thanks

Rowena Gornall
Senior Estates Surveyor
Wyre Council

Rowena.Gornall@wyre.gov.uk
01253 887233
Civic Centre, Breck Road, Poulton-le-Fylde, Lancashire, FY6 7PU

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notwithstanding your confirmation that the principle of the realigned route is acceptable to WBC, at least at an officer level.

Many thanks and hope you are feeling better.

Kind regards

Will

William Bashall MRICS FAAV
07850 009109

William Bashall Associates
Stoup Hill
Little Salkeld
Penrith
CA10 1NN
A meeting was held on 27th August 2014 at the offices of Wyre Borough Council. This was to discuss scope for achieving WBC’s preferred revised alignment of Halite’s brine discharge pipe where it crosses the sea wall at Rossall after the grant of development consent order (DCO) for Halite’s proposed underground gas storage facility.

By way of background, it was envisaged at the time of the application that WBC might progress its proposed sea defence scheme at Rossall before Halite commenced its project. Halite and WBC agreed Requirement 4 in the DCO so that details could be agreed as to how the brine discharge pipe along the alignment set by the DCO would cross the sea defences.

WBC has since the DCO Examination issued planning permission for its sea defence works and commenced construction. Further to a series of meetings in April and May 2014 between Halite, WBC Engineering Services and Balfour Beatty, WBC has identified a preferred minor revised alignment of the brine discharge pipe at the point it crosses the sea wall which would result in the pipeline passing through the transition section of the new sea wall defences and the old sea wall defences, so as to reduce disturbance to the new sea defence works. WBC prefers this revised alignment.

However, the revised alignment would be outside of the limits of deviation and land rights in the DCO which the Examining Authority recommended be approved, so a solution outside of the DCO process would need to be explored.

WB explained that certainty for nationally significant infrastructure projects is critical. WB therefore suggested that if following the making of the DCO WBC wishes Halite to adhere to WBC’s preferred revised alignment, to which Halite does not object in principle provided that this does not impede the project, this might be achieved by way of a legal agreement between Halite and WBC.

WB explained that the outline of a legal agreement would be:

i. Agreement of the route of the revised alignment of Halite’s brine pipeline.
ii. Construction of the pipeline along that revised alignment but conditional on:
   (a) The granting of planning permission by WBC for the revised alignment following a
       planning application by Halite which would be determined within the usual statutory
       planning process and without fettering WBC’s discretion.
   (b) Halite would need to be granted by WBC all the necessary land rights i.e. easements
       and rights of access for repair maintenance and replacement, as have been set out in
       Standard Easement documentation submitted to PINS during the Examination in 2012.
       The rights set out in the standard document are no less than those in the draft DCO.
   (c) Any other consents or necessary land rights that would be required for the revised
       alignment would also need to be obtained and this would include rights from the Duchy
       of Lancaster who own the mines and minerals beneath the beach.

WB explained that if, through the statutory planning process, WBC decided not to grant planning
consent for its preferred revised alignment, or separately not to grant the necessary land rights for
it, Halite would need to rely on the consent and rights granted to it in the DCO for the alignment
approved by the Examining Authority.

WB explained that SIM searches have been carried out confirming that the surface ownership along
the route of the revised alignment was no different to the route approved by the Examining
Authority and there were no third party owners that needed to be consulted on the above approach
(agreement outside of the DCO with the Duchy of Lancaster is needed anyway as it is part of the
Crown). RG requested copies of the SIM searches.

RG requested copies of the Standard Option and Deed of Grant of Easement presented to PINS at
the Examination and WB agreed.

DT had made reference to Requirement 4 of draft DCO agreed between Halite and WBC during the
Examination in his representation of the 8th May 2014 to the Secretary of State but WB explained
that Requirement 4 would not extend to WBC’s preferred revised alignment as it was outside of the
limits of deviation within which the pipeline approved by the Examining Authority must be built.

RG explained that whilst at an officer level there was agreement in principle to the revised alignment
and an understanding of the process under an agreement by which that might be achieved, she
would require approval from her management team. That was unlikely to be forthcoming prior to
the 11th September 2014, the deadline for representations having to be made to the Secretary of
State, but it was agreed that some broad Heads of Terms might be circulated setting out how an
agreement might be structured.

DT explained that the second point in his representation of 8th May related to the cumulative noise
of the construction of the new sea wall defence and the construction of the brine pipeline at any of
the residential receptors adjacent to the sea wall defence. WB explained that if was unlikely that the
two construction activities would be happening simultaneously given that the sea wall work is
currently being undertaken and that as yet, no DCO was in place for the Halite project. The seawall
defence work has commenced at the southern end and is moving north, away from the Rossall sea
defence crossing point. WB has since considered the Requirements of the DCO and notes that, in any
case, to the extent that any of Halite’s works might be carried out at the same time as the
construction of WBC’s sea defence scheme at Rossall, so far as appropriate, WBC could take into
account cumulative effects in the written scheme for noise management to be approved by WBC for that stage under Requirement 26(1).

The following actions were agreed:

i. WB to send SIM searches to RG. (1st Sept 2014)
ii. WB to send Standard Option and Deed of Grant of Easement to RG (29th August 2014).
iii. WB to draft meeting note and circulate.
iv. RG to discuss proposal in principle with management team.

W. J Bashall
2nd September 2014
Appendix 4
Letter dated 4 August 2014 from Persimmon Homes Lancashire to DECC
Our ref:
04 August 2014

National Infrastructure Consents Team
Department of Energy and Climate Change
2nd Floor Kings Buildings
3 Whitehall Place
London
SW1A 2 AW

Dear Sir/Madam

Re: PREESALL UNDERGROUND GAS STORAGE FACILITY

I refer to your letter dated 8 April 2014 in connection with the above and my subsequent response of 7 May 2014.

Since our previous representation, we have reviewed the draft Development Consent Order in more detail. The conditions contained therein place obligations on Halite in respect of construction hours and obligations on them to agree a noise management scheme. I am satisfied that these represent sufficient controls to protect the amenity of residents, providing that they are adequately enforced.

As such, Persimmon Homes Lancashire wish to remove their objection, but wish to be kept informed on progress with the Secretary of State’s consideration of the application, and reserve the right to make future representations as and when further information is provided.

Yours Faithfully

Andy Pepper MSc MRTPI
Planning and Strategic Manager