

**TENANT FARMERS MEETING – EXTRAORDINARY MEETING TO DISCUSS THE KEUPER GAS STORAGE PROJECT (KGSP) – 15 OCTOBER 2014**

PRESENT:

Fred Green, [REDACTED]  
James Bennion, [REDACTED]  
Wilf Oakes, [REDACTED]  
David Griffiths, [REDACTED]  
Joan Hollinshead, [REDACTED]  
Robert Hodson, [REDACTED]  
Sue Murphy, [REDACTED]  
Jeremy Platt, [REDACTED]  
Alan Oakes, [REDACTED]  
Janet Ward, [REDACTED]  
Richard Stevenson, [REDACTED]  
Peter Downes, [REDACTED]  
David Peterson, [REDACTED]  
Andy Murphy, [REDACTED]

APOLOGIES:

Reg Griffiths, [REDACTED]

WELCOME AND INTRODUCTIONS

Richard Stevenson ran through the agenda and attendees introduced themselves.

PROJECT DESCRIPTION

Richard Stevenson provided an overview of the relationship between all parties associated with the Keuper Gas Storage Project. A brief overview on the upcoming Joint Venture between INEOS and Solvay was also provided and the use of the new company name – INOVYN and confirmation that the Brine & Water Business will be part of the Joint Venture.

Richard Stevenson gave an overview of the history of solution mining in the area and INEOS' involvement in the solution mining business along with the end uses for brine.

Richard Stevenson provided an overview on the existing gas storage projects.

Richard Stevenson provided an overview of why gas storage is required in the UK. Even for those people who don't have gas directly, as electricity generation is very dependent on gas and that this is recognised by the UK Government.

Mr Stevenson talked about the Nationally Significant Infrastructure Project (NSIP) process and the determination process.

Mr Stevenson talked about KGSP and why it was appropriate to happen in Cheshire.

Mr Stevenson talked about the benefits of the project eg. employment during construction and operation, which is directly related to the project and also the indirect employment benefits to customers within and outside of INEOS.

Mr Stevenson provided information about the redline boundary, how the redline boundary was decided upon and the different elements of the development including what work would take place at Lostock Works, Whitley Pumping Station off Marsh Lane and the extension of the existing brine outfall pipe from the Weaver Navigation to the Manchester Ship Canal, which would involve a 20m high pipebridge.

Mr Stevenson explained how the project planned to use the existing King Street entrance and how this currently services the existing Storengy gas storage project and the fact that this proposal would mean that no traffic would have to travel through Byley. Mr Stevenson described the location of the cavities and that there were ongoing discussions with the third party farmers where cavities would need to be located on non-INEOS owned land.

Mr Stevenson discussed the solution mining process and the difference between normal brine winning cavities and a gas storage cavity. Information was also provided on the gas processing plant and its purpose along with the gas marshalling compounds.

Mr Stevenson provided an overview of the Development Consent Order (DCO) application process and the consultation process required. He provided details on the forthcoming Information Days, what had been completed during the non-statutory consultation period and still needed to be done.

Mr Stevenson provided an overview of the environmental surveys that had been carried out to date and also talked about the Preliminary Environmental Information Report (PEIR) and talked about the fact that all documents, maps and plans are available on the website. Mr Stevenson also provided the Group with copies of the latest newsletter and provided background information on PPS, the company running the consultation process on behalf of KGSP.

Mr Stevenson reiterated the benefits the project would provide including the community fund, which would be available during the years of construction.

#### ONWARD COMMUNICATION

Mr Stevenson described the requirement to consult with all stakeholders as part of the planning application process and asked all tenant farmers to share the information provided during this meeting to all family members and anyone else that had an interest in the land including farm labourers etc. so that they would have the chance to have their say and their views would be very welcome.

#### IMPACT ON FARMS

Mr Stevenson offered to share the maps relating to the project and discuss the potential impacts on individual farms.

## Q&A

Mrs Hollinshead stated that she would be interested in seeing where the planned wellheads were going to be situated since there had been some changes.

Mr Stevenson shared the map and explained the changes to the location of various wellheads.

Ms Murphy enquired whether the KGSP was anything to do with the oil on Ken Webb's' land or was that project completely separate.

Mr Stevenson confirmed that that was not related to KGSP and that was a completely separate project being managed by OPA and Essar.

Mr Bennion talked about the structure of the businesses and enquired whether this would mean that INEOS would be running the KGSP plant once it had been developed.

Mr Stevenson confirmed that it was too early to say and that INEOS may develop the project themselves or partner with another energy company in a similar arrangement as before, but there was certainly no third party in the frame at present

Mr Platt enquired why the discharge pipe was required at Runcorn.

Mr Stevenson explained that the brine discharge pipe was required to cater for the variability of brine requirements by customers particularly given that gas storage projects require steady rates of brine winning. There is currently a brine discharge pipe in place at Runcorn into the Weston Canal and there is an environmental permit in place for discharge into the Manchester Ship Canal, which hadn't been used to date but having this option adds flexibility. Mr Stevenson confirmed that it was KGSP's intention to use as much of the brine as possible to supply customers, however if all businesses were to shut down and there was no home for the brine it would allow the gas storage to continue, but any discharge would be limited to a third of the brine typically produced.

Mr Platt enquired whether the limit of a third applied to KGSP.

Mr Stevenson confirmed that there is a maximum rate set in the environmental permit which is lower than our historical brine rates. KGSP would be bound by this rate but added that he hoped that any brine discharged would be a lot less than the permit. This activity was only available to provide comfort and the plans for the project are based on having customers to take the brine. The discharge was really there to accommodate the times of imbalance when customers required less than the gas storage project would be producing.

Mr Platt enquired whether if fracking were to proceed in the UK whether this would have any impact on gas storage.

Mr Stevenson stated that it was hard to say. In the USA they are currently carrying out fracking and there is an abundance of gas as a result but there still remained a need for short term gas storage for day/ night as opposed to winter/ summer. He believed there would always be a balance to find that would require some gas storage. Mr Stevenson stated that he believed if the UK were to go down the shale gas route then there would still be a need for gas storage, but in his personal opinion he didn't believe that fracking and shale gas extraction at a significant scale would happen for some time.

Mr Green enquired whether the cavities on his farm would ever be used for gas storage.

Mr Stevenson stated that existing brine winning caverns were not suited to gas storage due to their shape, size and location. A gas cavern is more spherical than the ordinary brine winning caverns and the brine winning caverns wouldn't be suited to gas storage as they couldn't take the pressure cycling involved. Mr Stevenson said he believed it would always make sense for new cavities to be created for gas storage but never say never, but it wouldn't make sense.

Mrs Hollinshead stated that the planned cavity on her farm was in a very wet part of the field and she believed it would not be very easy to dig.

Mr Stevenson confirmed that the Project would be required to install pre-construction land drains so that issue would be sorted prior to any drilling taking place.

Mrs Hollinshead enquired how the new roads would be built and whether they would be one-way.

Mr Stevenson confirmed that they had learned from the Stublach project and have taken on board the issues they faced and adapted the KGSP proposal accordingly.

Mr Stevenson shared the traffic map with the group and explained the route in detail.

Mrs Hollinshead enquired whether the road would be tarmac or stone.

Mr Stevenson confirmed that the road would be tarmac from the beginning.

Mrs Hollinshead stated that she was pleased about that.

Mr Platt asked whether it was possible for the solution mining compound by the gorse to be avoided, instead share the existing Storengy compound as he believed it to be an eye sore.

Mr Stevenson stated that in theory this was possible but in reality it would not be suitable as they are too far apart and would need some really large pipes. Mr Stevenson confirmed that the compound Mr Platt referred to was currently under the management of Storengy but that it would revert to INEOS. Mr Stevenson added that the 2 projects would need to dovetail but it would be difficult to do so in terms of the solution mining compound so a new one would need to be built but it would be done as sympathetically as possible with additional landscaping measures.

Mr Oakes enquired whether INEOS Enterprises was going to stop having shift men at night and if so, if there was a leak, who would turn it off.

Mr Stevenson stated that changes to shift patterns were not related to KGSP and were something totally separate but he confirmed the Brine & Water business at Holford was looking at its manning levels and would be changing shift patterns. Mr Stevenson confirmed that he didn't know all of the detail but he was aware that it was going from 3 to 2 men at night but this would result in more people working in the day. Mr Stevenson added that there would still be coverage at night as there are operators who would be able to travel from the plant at Lostock who could deal with an incident.

Mrs Hollinshead enquired whether there would be a security man at the top of the drive.

Mr Stevenson stated that he didn't know at this stage but that during construction a security guard may be a possibility but unfortunately it was too early to say. Alternatively there may be an option

to use automatic barriers but that would be considered in terms of the detail about how traffic is managed to ensure that they don't take incorrect routes but that would be further down the line in terms of planning. Mr Stevenson confirmed that there would be procedures in place to control that sort of issue and there would have to be security to stop thefts so this option will all be considered.

Mrs Hollinshead enquired whether INEOS knew what was happening to halfway house as she believed that it had been sold now and did INEOS know if this was the case.

Mr Stevenson stated that he found this information interesting, as he had been to see the owner and had entered into detailed discussions regarding some remediation such as screening and the re-routing of roads but he hadn't heard anything since.

There were no further questions raised so Mr Stevenson closed the meeting with an offer of answering any questions or providing clarification outside of the meeting if it was necessary once all attendees had reviewed the information provided at the meeting and contact details were provided.

The next Tenant Farmer meeting would be arranged for February 2015.