

Appendix 3.2

Schedule of Consents



Preesall Underground Gas Storage Facility, Lancashire

SCHEDULE OF CONSENTS

Author:	Halite Energy Group Limited Unit 5, St Georges Court St Georges Park Kirkham PR4 2EF
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1 INTRODUCTION

Halite Energy Group Limited (Halite) is applying to the Infrastructure Planning Commission (IPC) for a Development Consent Order (DCO) to construct and operate an underground gas storage facility at Preesall, Lancashire and associated infrastructure (the Project).

This schedule sets out the consents which will be required from the regulatory authorities after project approval but before the project becoming operational.

The relevant regulatory authorities have been contacted and made aware of the Project and subsequent consent requirements. Their comments have been included into the schedule.

The consents identified in this schedule are not being applied for as part of the DCO.

The consents listed in this schedule are:

- Pre-Construction Safety Report (PCSR) and Pre-Operational Safety Report (POSR)
- Environmental Permit for Releases into Air, Releases into Water, Waste Management
- Brine Discharge Licence
- Water Abstraction Licence
- OFGEM Exemption
- PGT Exemption and Pipeline Operators Licence
- National Grid Connection Agreement (Formerly) / National Grid Storage Connection Agreement
- Nature Conservation Licences
- Building Regulations

It should be noted the usual construction related consents e.g. Flood Defence Consents in order to cross watercourses are not included as they would be obtained by the contractor during the construction phase.

For ease of reference, each section is structured in the same way and split into simple questions and answers. The questions are:

- What is the consent?
- Why is the consent needed for the Project?
- Who is the regulator?
- What is the present position?

2 PRE-CONSTRUCTION SAFETY REPORT (PCSR) AND PRE-OPERATIONAL SAFETY REPORT (POSR)

2.1 What is the consent?

A PCSR has to be approved prior to construction beginning on the site, thereafter a POSR has to be approved before dangerous substances can enter the site. The Control of Major Accident Hazards Regulations (COMAH) 1999 sets out the reporting requirements.

2.2 Why is the consent needed for the project?

The consent is needed to permit gas infrastructure to be constructed which consists of a Gas Compressor Compound (GCC), the gas distribution Pipelines and Manifolds connecting the Wellheads to the GCC and an Interconnector Pipeline which links the GCC to the National Transmission System (NTS) near Nateby, approximately 12 km away.

2.3 Who is the Regulator?

The Competent Authorities under COMAH are the Health and Safety Executive (HSE) and the Environment Agency (EA). The HSE is the lead authority.

Health and Safety Executive
Redgrave Court
Merton Road
Bootle
Merseyside
L20 7HS

Tel: 0845 345 0055
Email: hse.infoline@santia.co.uk

Environment Agency
Richard Fairclough House
Knutsford Road
Latchford
Warrington
WA4 1HG

Tel: 03708 506 506
Email: enquiries@environment-agency.gov.uk

2.4 What is the present position?

The application for the Consents will be made after approval of the DCO by the IPC. HSE and the EA have been consulted pursuant to section 42 Planning Act 2008.

3 ENVIRONMENTAL PERMIT FOR RELEASES INTO AIR, RELEASES INTO WATER, WASTE MANAGEMENT

3.1 What is the Consent?

The consent is an Environmental Permit through the Environmental Permitting Regulations 2010 which is required in order to legally operate the process by controlling emissions into the atmosphere, to prevent the operation of the process causing a nuisance to occupiers of other premises and to permit the deposit of wastes.

3.2 Why is the consent needed for the Project?

The activity that involves removal of water from the gas is an IPPC Directive activity and will require an Environmental Permit. This type of activity is classed as 'refining' and therefore falls under Section 1.2A (1)(a) of schedule 1 to the Environmental Permitting Regulations 2010. The emissions would be continuous during the operation. The dehydration unit is contained in the Gas Compressor Compound (GCC) with combustion products venting to atmosphere via a local vent stack on the Unit.

The size of the combustion plant associated with the proposed combustion activity would be below the thresholds for an A(1) activity but would fit within the descriptions in Part B of Section 1.1. Part B activities are regulated by the Local Authority; in this case Wyre Borough Council although the ability to transfer regulatory responsibility of the Part B from the Local Authority to the Environment Agency exists. In Defra's Environmental Permitting Core Guidance

(<http://archive.defra.gov.uk/environment/policy/permits/documents/ep2010guidance.pdf> pgs 22 & 23) it is made clear in paragraph 4.13 that as long as the Operator, the Environment Agency and the Local Authority agree then the Secretary of State should agree to transfer responsibility for the Part B so the EA can issue a single permit entirely regulated by the Agency.

The deposit of insoluble residues from the leaching process that are intended for disposal in salt caverns nos 118-123 will also require an Environmental Permit for the deposit of wastes from the Environment Agency.

3.3 Who is the Regulator?

The processes are regulated by the EA and by the local authority, which in this case is Wyre Borough Council.

Wyre Borough Council
Civic Centre
Breck Road
Poulton-le-Fylde
Lancashire
FY6 7PU

Tel: 01253 891000
Fax: 01253 899000

Environment Agency
Lutra House
Dodd Way
Off Seedlee Road
Walton Summit
Bamber Bridge
Preston
Lancashire
PR5 8BX

Tel: 0370 8506506

As described in Section 3.2 above, the transfer of regulatory responsibility to the Environment Agency will be discussed with the Local Authority before an application for the Environmental Permit is made.

3.4 What is the present position?

The EA and WBC have been consulted pursuant to section 42 Planning Act 2008. The EA response to the section 42 consultation acknowledged "*the deposit of insoluble residues from the leaching process that are intended for disposal in salt caverns nos 118-123 will require an Environmental Permit for the deposit of wastes from the Environment Agency*".

In addition, further consultations have taken place with the EA in connection with the refining and combustion activities that will require a permit as well as the waste disposal activity.

An application would be forthcoming after project approval.

4 BRINE DISCHARGE LICENCE

4.1 What is the consent?

A consent to discharge, which allows the mined brine from the salt rock cavity to be discharged into the Irish Sea. The Environmental Permitting (England and Wales) Regulations 2010 provides the legal basis for the permits system.

4.2 Why is the consent needed for the Project?

The outfall pipeline will be used for transport of brine and will discharge via a twin-port diffuser approximately 2.3 km offshore at Fleetwood, UK. The discharge volume of the outfall will be up to 80 mega-litres per day.

4.3 Who is the Regulator?

Environment Agency
Permitting Support Centre
Environmental Permitting Team
Quadrant 2
99 Parkway Avenue
Parkway Business Park
Sheffield
S9 4WF

Tel: 03708 506 506

Email: enquiries@environment-agency.gov.uk

4.4 What is the present position?

Halite holds a Environment Agency consent to discharge brine into the Irish Sea. The licence is valid until 2015.

Appendix 2.1 of Volume 1B of the Environmental Statement contains a copy of the Consent to Discharge Licence.

5 WATER ABSTRACTION LICENCE

Note: This Consent will be applied for after project approval by the IPC.

5.1 What is the Consent?

This licence is required by anyone abstracting more than 20 cubic metres of water per day from a river, dock or canal etc. The legal basis for the abstraction licenses is s.34 - s.59D of the Water Resources Act 1991 and s.1 of the Water Act 2003.

5.2 Why is the consent needed for the Project?

In order to carry out solution mining to create the caverns, a supply of water is required, together with pumps and pipelines to take it to the caverns and from there to the brine disposal point. The amount of water required is very large (up to 80 mega-litres a day). Fleetwood Fish Dock has been selected as a suitable source of seawater.

5.3 Who is the Regulator?

The Authorisation Officer
Environment Agency
N.W. Central Area Office
PO Box 519
PR5 8GD

5.4 What is the present position?

The EA has been consulted pursuant to section 42 PA 2008. Application for the consent will be made after the grant of the DCO.

6 OFGEM EXEMPTION

6.1 What is the Exemption?

This exemption exempts a person from the requirement to hold a gas transporter licence when conveying gas from a gas storage facility (other than a storage facility that stores gas in natural porous strata underground) through pipes (not exceeding 16.093 km) to a pipeline system operated by a licensed gas transporter.

6.2 Why is the Exemption Needed?

A gas transporter licence is not necessary for the gas interconnector pipeline forming part of the proposed Project. DECC was consulted in 2010 and confirmed that the proposed gas storage facilities did not need a gas transporter licence.

6.3 Who is the Regulator

Office of Gas and Electricity Markets ("OFGEM")
9 Mill Bank
London
SW1P 3GE

Tel: 020 79017000

6.4 What is the present position?

The exempt person must comply with directions to give information to the operator of the pipeline into which the gas is transported. Directions will be given by the Secretary of State (SoS) after the SoS has consulted the exempt person, the operator of the pipeline into which the gas is transported, GEMA and the HSE. In practice this means that Halite must enter into a Storage Connection Agreement with National Grid. This would take place after the DCO is granted.

7 PGT EXEMPTION AND PIPELINE OPERATORS LICENCE

7.1 What is the Consent?

This is a licence to convey gas through pipes to premises authorised by the licence, or to convey gas to other pipeline systems. The Gas Act 1986 and The Gas (Applications for Licences and Extensions and Restrictions of Licences) Regulations 2010 govern this area.

7.2 Why is the consent needed for the Project?

The gas infrastructure for the project consists of a Gas Compressor Compound (GCC), the gas distribution pipelines and manifolds connecting the wellheads to the GCC and an interconnector pipeline which links the GCC to the NTS near Nateby, approximately 12 km away.

7.3 Who is the Regulator?

Office of Gas and Electricity Markets ("OFGEM")
9 Millbank
London
SW1P 3GE

Tel: 020 7901 7000
Email: licensing@ofgem.gov.uk

7.4 What is the present position?

A Section 42 consultation pack was sent to Ofgem on the 4th April 2011. No response has been received to date.

8 NATIONAL GRID CONNECTION AGREEMENT (FORMERLY) / NATIONAL GRID STORAGE CONNECTION AGREEMENT

8.1 What Agreements are Required with National Grid?

In order to connect the interconnector gas pipeline to the National Transmission System (NTS), Halite must enter into a Design and Build Agreement with National Grid. This is a standard form of contract and covers the work required to provide a hot tap connection to the NTS, at an estimated capex of £1.5 million. Discussions have been held with National Grid and a timetable agreed to provide the connection ahead of requirement to take gas for cavern de-watering

In order to be able to flow gas, Halite must enter into a Storage Connection Agreement (SCA) with National Grid. This covers such things as gas metering standards, flow-rates, rate variations and operator to operator communication. The SCA is a standard form with limited room for negotiation.

Finally, to flow gas, shippers using Halite's facility must buy entry/exit capacity into and from the NTS.

8.2 Why is the consent needed for the Project?

8.2.1 The proposed UGS would consist of a number of underground caverns, which would be created to store Natural Gas. The gas will be supplied and stored in the caverns from the National Grid and in peak demand periods supplied to the gas network via the gas supply inter-connector.

8.3 Who is the Regulator?

National Grid
Gas Distribution
Lakeside House
The Lakes
Northampton
NN4 7HD

Tel: 0845 0700 203

Email: customersupport@uk.ngrid.com

8.4 What is the present position?

Halite is currently in discussions with National Grid. A 'Comfort Letter' has been received from National Grid which acknowledges the proposal. In addition, a UNC Modification (0373) is being progressed that will simplify the process of getting a connection to the NTS, see <http://www.gasgovernance.co.uk/0373>. Halite is supportive of this modification which is expected to be approved in Q1

2012. It will provide greater cost certainty and should reduce the time required for a connection.

9 NATURE CONSERVATION LICENCES

Note: Draft European Protected Species Mitigation Licences will be applied for within 3 months of submission of the DCO Application.

9.1 What is the Consent?

A licence to authorise actions that what would otherwise be an offence under relevant wildlife legislation, created by the Conservation of Habitats and Species Regulations 2010, regulation 53-56.

9.2 Why is the consent needed for the Project?

To ensure that no offence is committed under the Conservation of Habitats and Species Regulations 2010, and to ensure the favourable conservation status of European Protected Species is maintained.

9.3 Who is the Regulator?

Natural England
Wildlife Licensing Unit
First Floor
Temple Quay House
2 The Square
Bristol
BS1 6EB

Tel: 0845 601 4523

Email: wildlife@naturalengland.org.uk

9.4 What is the present position?

A letter received from Natural England on 4 October 2011 represents the current position in terms of nature conservation licences (see Appendix 9.19 of Volume 1B of the Environmental Statement).

10 BUILDING REGULATIONS

Note: These Consents will be applied for after project approval by the IPC.

10.1 What is the Consent?

The Building Regulations contain sections which set out the requirements with which the individual aspects of building design must comply.

10.2 Why is the consent needed for the project?

There are a number of new and refurbished buildings which need to be constructed to facilitate the construction and operation of the underground gas storage facility, pipelines and electric cabling.

10.3 Who is the Regulator?

Building Control
Wyre Borough Council
Civic Centre
Breck Road
Poulton-le-Fylde
Lancashire
FY6 7PU

Tel: 01253 891000
Fax: 01253 899000

10.4 What is the present position?

This consent will be applied for after project approval by the IPC.