



**PREESALL UNDERGROUND GAS STORAGE FACILITY,  
LANCASHIRE**

**Infrastructure Planning Commission (IPC) Application  
Reference Number: EN030001**

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STATEMENT OF COMMON GROUND BETWEEN HALITE  
ENERGY GROUP LIMITED AND WYRE BOROUGH  
COUNCIL ON THE TOPIC OF SUSTAINABILITY OF THE  
WORKING/DISPOSAL OF MINERAL SALT

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**PLANNING ACT 2008**

Underground Gas Storage Facility Preesall, Lancashire  
In respect of an application for a Development Consent Order  
By Halite Energy Group Limited  
Application Reference: EN030001

**STATEMENT OF COMMON GROUND BETWEEN HALITE ENERGY GROUP  
LIMITED AND WYRE BOROUGH COUNCIL  
ON THE TOPIC OF SUSTAINABILITY OF THE  
WORKING/DISPOSAL OF MINERAL SALT**

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## **STATEMENT OF COMMON GROUND: SUSTAINABILITY OF THE WORKING/DISPOSAL OF MINERAL SALT**

1. This Statement of Common Ground (SOCG) is made between Barton Willmore LLP on behalf of Halite Energy Group Limited (Halite) and Wyre Borough Council (WBC) in relation to Halite's application for a Development Consent Order (DCO) for an Underground Gas Storage (UGS) facility at Preesall (the 'Project'). This SOCG deals with the issue of the sustainability of the working/disposal of mineral salt.
2. The impact of the disposal of brine is set out by Halite in paragraphs 3.124 – 3.133 of the Planning and Sustainability Statement (Doc Ref 9.1.1).

### **National Policy Statements (NPS)**

3. It is agreed that NPS EN-4 (2011) requires the applicant to 'provide an assessment of the effect of abstracting water for solution mining on groundwater resources, the natural environment and the public water supply. The applicant should assess whether water abstraction for the new development is likely to result in the loss or reduction of water available to any licensed or unlicensed groundwater abstractions or ecological receptors such as rivers and wetlands dependent upon groundwater. The applicant should also assess the impact of the mobilisation of salt and other pollutants, with respect to groundwater quality. This should form part of the ES' (para 2.10.3). Applicants are also advised to make contact with the Environment Agency to discuss the requirements of the abstraction licence and other environmental permits and consents that may be required (para 2.10.6).
4. In respect of the disposal of brine, it is agreed that NPS EN-4 states that 'the ES should include measures to dispose of brine which mitigate its potential adverse environmental effects. Where pipelines are required to carry the brine away, these should be located outside of source protection zones 1 and 2. If it is not possible to avoid these zones, the applicant will need to demonstrate the use of best available techniques for pollution prevention (details of pollution control

regimes are set out in Section 4.10 of EN-1). Wherever possible, measures should include disposing of the brine for commercial use by industry so that mineral resources are used sustainably. Applicants should only propose disposing of brine to an underground reservoir (for example, a disused salt mine) or to the sea as a last resort where there is no practical option for re-use. Where the proposed development involves any discharges to water bodies, including to groundwater or to the sea, the EA should be contacted early on in the process, at or before the pre-application consultation stage, to discuss the requirements (including the information required from the applicant)' (para 2.11.2).

5. In making its decision on this issue, it is agreed that NPS EN-4 states that the 'IPC should liaise with the EA over any arrangements for discharging brine into a reservoir or the sea to ensure that any discharges can be adequately regulated. The IPC should not refuse consent unless it has good reason to believe that any necessary environmental permits or discharge consents will not subsequently be granted (see Section 4.10 of EN-1)' (para 2.11.3).

### **Assessment**

6. **Sea-water Abstraction** : Having regard to the NPS, it is agreed that abstracting sea water from the Fleetwood Fish Dock means that it is not necessary to use water from ground sources or the public water supply. Halite has made an application to the Environment Agency for an abstraction licence.
7. It is agreed that the discharge of brine following the cavern washing process will have an adverse impact on marine ecology. However, it is also agreed that under the Environmental Permitting (England and Wales) Regulations 2010, the Environment Agency has issued a Permit (No 017290628) and a subsequent Notice of Variation for the discharge of brine at the proposed outfall. A condition on the Notice of Variation states that there 'shall be not discharge under the terms of the permit until 1 January 2014 or the start of commissioning of the solution mining facility, whichever is sooner'. There are a number of conditions which seek to control water quality but no end date by which discharge should be

completed. It is agreed that a copy of the permit is attached to the application documentation at Appendix 2.1 of the Environmental Statement (Doc ref 5.1).

8. **Use of the Preesall Salt** : It is agreed that the sustainable use of the salt is a matter that has been raised previously by both the Secretary of State and LCC in the determination of past planning applications. It has also been raised by WBC as part of the formal Section 42 and 56 consultations on the Halite proposals.
9. It is agreed that in the appeal decision in 2007, the Secretary of State considered that the appeal proposals did not constitute sustainable mineral development and would be contrary to policy RE9 of the Regional Spatial Strategy and policy 42 of the Lancashire Minerals and Waste Local Plan. However, it is agreed that the Secretary of State took the view that this was not a 'significant objection' as an adequate assessment of the potential for the beneficial use of brine had been undertaken and in the absence of a market for this common by-product this was not a matter which could be addressed. (para 19)
10. It is agreed that in the last planning application submitted by Canatxx Gas Storage Limited (CGS) for a much larger UGS Facility, LCC concluded in its Committee Report that 'whilst the Secretary of State's decision on the previous Canatxx appeal concluded the disposal of salt was unsustainable, it also concluded that this was not a significant objection. Since that decision, discharge consent to dispose of salt into the Irish Sea has been granted by the Environment Agency. In light of the publication of further guidance that accepts the principle of disposing of minerals in this way where there is no unacceptable environmental impact and the disbenefits are overridden by other circumstances, and in light of the King Street decision, it is concluded that whilst the disposal of salt in the way proposed is unsustainable and contrary to policy, there are other material considerations which would outweigh the loss of reserves and that such conflict with policy does not constitute an overriding objection to the proposal or a reason for refusing the application, even though it plainly weighs against the grant of permission' (p52). LCC confirm that their stance has not changed for the Halite Project.

11. WBC consider that 'the decision to ignore the sustainable use of salt on cost grounds presupposes that the cavity has been washed, and a large body of salt (6.5 million tons /annum) has been produced, for which there is no economic market. Where in fact we do not know the future requirements of industry for this mineral, and to judge future needs by the requirement to dispose of a mineral as a by product today, is short sighted and may lead to future shortages of said minerals. Preesall salt is not an underused resource, and certainly wasn't up until the start of the twenty first century, when it was used to make many important chemicals. To try to judge this on a geological scale is fatuous, because judged on a geological scale, the human race may not exist for much longer. Put simply we should not waste mineral resources because they occupy a space needed for something else' (e-mail to Barton Willmore of the 31 August 2011 of which a copy is attached.)
  
12. Halite takes the view that there is no obvious commercial use for the brine/salt at Preesall and set out their considerations at paras 3.127-131 of the Planning and Sustainability Assessment. This states that Halite has undertaken a study of possible uses for the brine that would be extracted from the salt caverns. Generally, salt production in the UK is declining from around 9 million tonnes/annum in the 1970s to about 6 million tonnes/annum now. Over the period of the proposed construction of the gas storage caverns at Preesall, the weight of pure salt that would be carried by the brine is estimated to approach 19,000 tonnes/day or about 6.8 million tonnes/annum i.e. more than that currently used in the UK on an annual basis. Such a large production rate is almost impossible to utilise on a national scale and any use of the product would have to be at locations overseas where total demand is greater than in the UK. The closest and largest user of brine to the Project is Ineos Chlor situated near Runcorn. Ineos Chlor could only use about 50% of the Preesall brine for their market share, leaving 50% to be used or disposed of elsewhere. In order to make use of the brine it would be necessary to lay a pipeline from Preesall to Runcorn. The pipeline would need to be routed around or through the Merseyside conurbation complex at an estimated cost in excess of £50 million. None of the major UK producers of brine, salt or other downstream produces are interested in receiving the brine from the Project even if it is at no cost to them. This is due to the fact

that the leading UK salt companies are developing their own gas storage caverns, and the costs of laying connecting pipelines and the operational costs of pumping are prohibitive. In order to be used beneficially, the brine from the Project would need to be exported, preferably in the form of dried salt or high value products such as chlorine, to increase marketability and reduce shipping costs. The cost of transporting so much brine to any likely location of beneficial use is, however, impractical and uneconomic. The huge capital and operating cost investments required to convert the brine into a more marketable product for a period of six years or so is unattractive. This is exacerbated by the costs of constructing port facilities and shipping salt or other products processed from the brine to areas of the world where there is an identified demand of sufficient size is not economically viable. The Preesall salt is, therefore, 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.

13. WBC is not able to agree or disagree with the statements being made in the Planning and Sustainability Assessment on this matter and, therefore, this aspect cannot be agreed.
  
14. In conclusion, it is agreed that the Secretary of State previously accepted that whilst the disposal of salt in the way proposed was not sustainable, it was not a significant objection. At the time of the last application, LCC was of the view that the disposal of salt conflicted with policy but that this did not constitute an overriding objection to the proposal or a reason for refusing the application, even though it weighed against the grant of permission. LCC remains of the view that, in the light of current guidance that accepts the principle of disposing of minerals in the way proposed where there is no unacceptable environmental impact and the dis-benefits are overridden by other circumstances, whilst the disposal of salt in the way proposed would be unsustainable and contrary to policy, accepts there are other material considerations which would outweigh the loss of reserves and that such conflict with policy would not constitute an overriding objection to the

proposal or a reason for refusing the application, even though it weighs against the grant of permission.

15. WBC remain concerned that just because there is no need for the mineral today it does not mean that we do not know the future requirements of industry for this mineral, and to judge future needs by the requirement to dispose of a mineral as a by product today, is short sighted and may lead to future shortages of this mineral.
  
16. Halite disagrees and takes the view as set out in the Planning and Sustainability Statement that there is no obvious commercial use for the salt and the cost of transporting so much brine to any likely location of beneficial use is impractical and uneconomic. The huge capital and operating cost investments required to convert the brine into a more marketable product for a period of six years or so is unattractive. This is exacerbated by the costs of constructing port facilities and shipping salt or other products processed from the brine to areas of the world where there is an identified demand of sufficient size is not economically viable. The Preesall salt is, therefore, 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.



**STATEMENT OF COMMON GROUND**

**This statement of common ground on the topic of Sustainability of the Working/Disposal of Mineral Salt has been prepared by Barton Willmore LLP, on behalf of Halite Energy Group limited, and agreed by Wyre Borough Council.**

Signed:



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Adrian James  
on behalf of Barton Willmore LLP

Date: 29 May 2012

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Signed:



Councillor David Henderson  
Planning Committee Chairman  
on behalf of Wyre Borough Council

Date: 29<sup>th</sup> May 2012