

Cynulliad Cenedlaethol Cymru Pwyllgor Amgylchedd a Chynaliadwyedd	National Assembly for Wales Environment and Sustainability Committee
Dyfodol Ynni Craffach i Gymru?	A Smarter Energy Future for Wales?
Ymateb gan South Hook LNG Terminal Company Ltd (Saesneg yn unig)	Response from South Hook LNG Terminal Company Ltd
SEFW 18	SEFW 18



Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales

South Hook Business Use

Dear Sir / Madam

NAW Environment and Sustainability Committee Consultation: A Smarter Energy Future for Wales

We welcome the Welsh Assembly's Environment and Sustainability Committee inquiry into 'A Smarter Energy Future for Wales' and appreciate the opportunity to make the following comments for consideration:

1. The energy mix and need to enhance energy security in Wales

The South Hook LNG Terminal Company Ltd. (South Hook LNG Terminal) notes the need for Wales to achieve a smarter energy future, including low carbon energy supply, energy demand management and energy storage, at a sufficient pace to achieve the necessary reductions in emissions. However, the importance of non-renewable sources of energy, such as natural gas and other conventional fossil fuels, should not be forgotten or underestimated, as these continue to play an important role in ensuring energy security in Wales, which requires reliance on a diverse mix of energy sources. Natural gas, specifically, plays a significant role in the future energy mix for Wales and will provide a valuable contribution in the move towards a low carbon energy system.

The South Hook Terminal continues to contribute a significant daily contribution to UK energy needs, a recent highlight being that, on 18 August 2015, South Hook LNG Terminal was responsible for delivering just over 30% of the UK's gas requirements. Such figures are reflective of a significant, safe and reliable operation that plays an important role in supporting the Country's energy infrastructure, and demonstration of a strong insurance against supply disruptions.

Based at the Port of Milford Haven, South Hook LNG Terminal is an important facility contributing not only to the energy mix but to the employment and social development of the region.

2. The Grid - How does the grid distribution network in Wales enable or restrict the development of a new smarter energy system?

The South Hook Terminal is one of the major contributors to the diversity of UK energy security. The decision to build South Hook LNG Terminal, underpinned by a very significant financial investment, demonstrates the long term commitment of our Shareholders to the UK energy market. Therefore, in order to provide safe and reliable services to our Users, South Hook LNG Terminal's reliance has always been and continues to be, on the effective transmission services provided by the NTS (The Grid).

3. Energy efficiency and demand reduction

We support the initiatives for improving energy efficiency measures across Wales. In addition, we would like to highlight that, it would be more effective and efficient to

incorporate any opportunities for improved energy efficiency at the design stage of new builds. This would enable more efficient implementation at design and planning stages as opposed to retrofit of such measures later on or when an existing installation is substantially refurbished.

Two additional recommendations from a business perspective is the importance of ensuring continual improvements and consistency of service delivery in:

- Clear and consistent energy policy; and
- Streamlined and clear planning regimes and regulations.

In the meantime, we thank you for the opportunity to contribute to this inquiry.

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Health, Safety, Security, Environmental & Quality Manager

South Hook LNG Terminal Company Ltd