



Department for Energy Security & Net Zero

Rt Hon Graham Stuart MP
Minister of State at the Department for
Energy Security & Net Zero

**Department for Energy Security & Net
Zero**
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Rt Hon Sir George Howarth MP
House of Commons
London
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3 May 2023

Dear George,

Thank you for your email of 1 April, on behalf of a number of your constituents, about subsidies received by Drax and biomass sustainability. I am responding as this matter falls under my Ministerial portfolio.

I can reassure your constituents that the Government only supports the use of sustainable biomass. Generators only receive financial support for the energy produced, they must demonstrate compliance with biomass sustainability criteria to the regulator (Ofgem) to receive the support, and their evidence is independently audited. Sustainable biomass is considered a renewable, low carbon energy source, because its inherent energy comes from the sun, it removes CO₂ from the atmosphere as it grows, and it can be used directly to displace oil, coal, and natural gas. This view is supported by the Committee on Climate Change.

The UK's stringent sustainability criteria include requirements under land criteria and Greenhouse Gas (GHG) criteria. The GHG criteria require that biomass used to generate energy does not exceed a set GHG threshold compared to emissions from a fossil fuel comparator for electricity and includes a minimum percentage lifecycle GHG emission savings. The UK's land criteria account for a range of social, economic, and environmental issues, including protecting and maintaining biodiversity and land use rights. Where biomass is sourced from forests, the land criteria include requirements around regeneration rates and sustainable harvesting in the sourcing regions, requiring that the carbon stock of the forest from which biomass is derived is not decreased.

Biomass used for energy is typically a co-product of existing harvesting activities in managed forests for markets outside of biomass. Managed forests are managed at a landscape level, and not at individual tree level. Therefore, in a managed forest, there will be stands of trees each of different ages, which will be harvested in gradual sequence to provide a constant source of timber and forestry residues. It is the combination of areas of newly established forest area, growing forest area, mature forests and harvested areas that creates a constant carbon store overall at landscape level. Providing that forests are managed sustainably, which our criteria require, the productivity and carbon stock of the forestlands can be maintained decade after decade. Where biomass is sourced from the USA, there are US Federal laws relating to biodiversity that suppliers will need to adhere to (e.g. the Endangered Species Act). We have no intention of removing support prior to 2027 for biomass generating stations that are already supported under the Renewables Obligation (RO) and the Contract for Difference (CfD). Such generators undertook their investments in establishing their stations under these

schemes and have a statutory right to their existing support, as set out in the schemes' implementing legislation.

Your constituents may be interested to know that the Government has committed to publishing a Biomass Strategy, which is intended to be published in June 2023. As part of the strategy, we are reviewing the UK's existing biomass sustainability criteria and the strategy will set out a series of recommendations for enhancing these. The strategy will also review the amount of sustainable biomass available to the UK and how this resource could be best utilised across the economy to help achieve the Government's net zero and wider environmental commitments while also supporting energy security.

Your constituents mention biomass with carbon capture and storage (BECCS). The Department recognises the importance of power BECCS in the context of reaching net zero and its potential to deliver low carbon electricity and negative emissions, no matter the weather. It is important to our 2030 ambition of 5MT of engineered removals per year.

Power BECCS is one of a suite of engineered Greenhouse Gas Removals (GGR) technologies the Government believes can play a significant role in meeting the level of engineered GGR required by the Net Zero Strategy. An evaluation of GGR technology readiness levels (TRL) performed by Vivid Economics found that power BECCS has TRL of six out of a maximum of nine and is therefore a priority technology to deploy in an engineered GGR portfolio. Neither bioenergy nor CCUS are new technologies. CCUS has been working safely and effectively since 1972 to capture CO₂ from a wide range of industries and sectors. BECCS in industrial applications has been demonstrated at two plants under development in Norway.

We are still developing the details of the power BECCS business model. We intend to follow CCUS precedents and include contractual mechanisms within the model which ensure that projects deliver a high rate of carbon capture. As a result of these contractual mechanisms, a project will not receive payments if it does not demonstrate a high standard of CO₂ capture and may face termination if it fails to maintain a high standard of capture rates.

The Government already provides ongoing support to large-scale renewable generation in the Contracts for Difference (CfD) scheme, which is the Government's main mechanism for incentivising large-scale renewable electricity. In July 2022, the Government published the results of the fourth round of the CfD Scheme. The results confirmed this was by far the most successful CfD auction yet. Onshore wind and solar played a key part in this auction, with around 1.5GW and 2.2GW of power secured respectively. Allocation Round 5 opened in March 2023 and will be the first in a series of annual CfD auctions. Increased CfD round frequency underlines Government's commitment to accelerating low carbon electricity generation to achieve a fully decarbonised electricity system by 2035, subject to security of supply.

Thank you again for taking the time to write.

Yours ever,

A handwritten signature in black ink, appearing to be 'G. Stuart', enclosed within a large, hand-drawn oval shape.

Rt Hon Graham Stuart MP

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