

Biofuelwatch Media Release – for immediate use Thursday 27th June 2013

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Biofuelwatch targets Green Bank with banner protest and questions at first year review over biomass concerns

Today the Green Investment Bank held first Annual Review. Vince Cable and Chairperson Lord Smith addressed the event. Biofuelwatch held a banner protest and distributed leaflets at the venue to voice serious concerns over funding for destructive biomass projects. Photographs are available [1]. In particular, campaigners expressed concern that three large-scale biomass power stations in Scotland proposed by Forth Energy will be next in line for finance from the bank.

So far the Green Investment Bank has contributed £100 million to Drax Group plc's coal to biomass conversion. The net effect of this loan (admitted by the minister, Vince Cable[2]) is to keep an old inefficient power station, that would have had to close in 2016, open and burning coal and wood at 37% efficiency till 2027. Science shows that the biomass burning will not save any carbon emissions and may indeed increase them.[3] Biofuelwatch questions the Bank's and the government's understanding of 'Green'.

Despite a campaign supported by over 1000 email petitions calling on the bank to commit to end finance for biomass developments, the bank continues to defend its position [4]. Green Investment Bank chairperson Lord Smith is also Chairperson of Scottish and Southern Energy, one of the two companies behind joint-venture Forth Energy who recently gained consent for the first of three new plants [5].

The three Forth Energy plants in Scotland would require 3 million tonnes of mostly imported wood annually. Forth Energy have said that this could come from North America, where pellet production is increasing to satisfy demand from UK power stations and where recent investigations have revealed that biodiverse forests are being clear-cut and replaced with industrial plantations [6].

Biofuelwatch Campaigner Duncan Law said: "The Green Bank was set up to help promote low-carbon developments, but has so far given £100 million to Drax – the UK's most polluting power station – and we now believe it is gearing up to finance three unpopular and polluting biomass plants in Scotland. Surely there will be a conflict of interest if Lord Smith's Green Investment Bank finances Forth Energy's plants, as we suspect will happen."

Questioned about this Lord Smith said that he was not party to any investment negotiations or decisions in either of his roles so there was no conflict of interest. Shaun Kingsbury GIB Chief Executive, refused to comment on any pending investment decisions but said with reference to the Drax decision that due diligence had been done to ensure the supply chain was sustainable.

Biofuelwatch campaigner Richard Harkinson said: "Drax has been telling everyone they only burn waste wood. We know from a Freedom of Information request that the GIB knows they need 'clean biomass' with a low bark content. We have evidence that suppliers of biomass to Drax are using whole trees, sometimes from biodiverse, old-growth forests in the US [5]. A carbon calculator developed by David Mackay, energy advisor to DECC shows that this feedstock is in the 'worse than coal' category. This is not Green. The GIB should not be funding the growth of this dangerous industry which does not even contribute to energy security."

Biofuelwatch was recently able to reveal through a Freedom of Information request to DECC that Drax Group plc have been misleading the UK public on claims that their biomass is sourced sustainably. The information showed conclusively that power station conversions require wood from whole trees and cannot burn a large proportion of residues or wastes [7]. Drax is also happy to call its feedstock 'zero-carbon bio-mass' in its submission to the Carbon Disclosure Project. [8]

Notes to editors:

[1] Photos of the protest outside the Green Investment Bank's Annual Review can be found here: <https://www.dropbox.com/sh/igtzginc8a3pj7b/ZGTuZCmnE7>

[2] <http://www.ft.com/cms/s/0/d46bfe86-b7e9-11e2-bd62-00144feabdc0.html#axzz2XQqSf4Y7>

[3] Dirtier than Coal report: http://www.rspb.org.uk/Images/biomass_report_tcm9-326672.pdf and the European Environment Agency Scientific Committee report on greenhouse gas emissions from bio-energy, 2011: <http://www.eea.europa.eu/about-us/governance/scientific-committee/sc-opinions/opinions-on-scientific-issues/sc-opinion-on-greenhouse-gas/view>

[4] Biofuelwatch met with representatives of the bank to discuss their investments into big biomass. A write-up can be found here: <http://www.biofuelwatch.org.uk/2013/thegreen-investment-bank-still-banking-on-big-biomass/>

[5] For reaction to Scottish Energy Minister Fergus Ewing's decision to approve the Forth Energy Grangemouth application see here: <http://www.biofuelwatch.org.uk/2013/grangemouth-residents-and-campaign-groups-outraged-by-decision-to-approve-forth-energy-biomass-plant/>

[6] The Dogwood Alliance, a nonprofit organization working to protect forests in the Southern US, released a report entitled "The Use of Whole Trees in Wood Pellet Manufacturing," in November 2012 documenting the fact that the top exporters of wood pellets in the region rely heavily on cutting down whole trees to satisfy demand from European power stations. Scot Quaranda, Campaign Director for Dogwood Alliance said "Energy companies in the UK, including Drax, RWE and E.On are converting large, old, dirty and inefficient coal power stations to biomass all in the name of reducing carbon emissions, but the reality is that this shift will accelerate climate change while also driving destructive industrial logging in the world's most biologically diverse temperate forests." Through direct investigation and research, the report documents the use of whole trees from Southern forests by the largest wood pellet manufacturers and exporters in the Southern US. Pellet manufacturers such as Georgia Biomass, a wholly owned subsidiary of RWE, and Enviva, a major supplier of Drax and E.On are highlighted in the report as using or planning to use, whole trees. The report can be found here <http://www.dogwoodalliance.org/2012/11/new-report-discredits-uk-energy-company-claims-that-pellets-come-from-wood-waste/>

In addition, the BBC's Roger Harabin recently reported on forest destruction in the Southern USA for pellets destined for Drax power station. <http://www.bbc.co.uk/news/science-environment-22630815>

[7] See Biofuelwatch's press release here: <http://www.biofuelwatch.org.uk/2013/drax-lobbying-pr/>

[8] Drax CDP report 2012 <https://www.dropbox.com/s/o2g7wt7ohddwf9i/CDP%20Drax%20report.doc>

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