# UK biomass energy sector faces scrutiny despite royal backing and government subsidies



At the Future of Energy Security conference held in London on Thursday, Ed Miliband, the UK Secretary of State for Energy Security and Net Zero, shared a message from His Majesty the King highlighting the importance of a well-managed transition to sustainable energy sources for achieving resilient and secure energy systems. Miliband appeared particularly pleased as he read the King's statement, which emphasised the benefits of moving towards cleaner energy solutions.

Labour leader Sir Keir Starmer also addressed the international audience, which included representatives from countries ranging from Azerbaijan to Zambia. He asserted that "homegrown clean energy is the only way to take back control of our energy system, deliver energy security and bring down bills for the long term."

However, these optimistic declarations were met with stark scrutiny the following day, when the House of Commons Public Accounts Committee (PAC) issued a critical report on the UK's biomass energy subsidies. The committee's investigation focused on Drax Group, the world's largest publicly listed biomass company, which operates a power station in Yorkshire burning the equivalent of 27 million trees annually.

The PAC revealed substantial concerns over the environmental credentials of the biomass sector. Despite emitting approximately 20 per cent more carbon dioxide per unit of energy than the coal previously used at Drax’s plant, emissions from the biomass facility are credited to the geographical source of the wood—largely Canadian and Louisiana forests—rather than the UK, effectively masking the true environmental impact within the national carbon accounting framework.

The government has allocated around £22 billion in subsidies to biomass energy to date. Initially, these subsidies were intended to exclude wood sourced from old-growth forests rather than plantations. Nonetheless, investigative reports, including a 2022 Panorama exposé, found that Drax was utilising timber from ancient Canadian forests, with a significant portion of feedstock not qualifying as waste wood as claimed. This raised questions about the effectiveness of regulatory oversight. The Climate Change Committee appeared largely unperturbed, despite a key member, Rebecca Heaton, holding a concurrent leadership position at Drax. The energy regulator Ofgem conducted an investigation and found no deliberate deception by Drax, imposing a relatively small fine of £25 million against the £6.5 billion in subsidies the company has received.

The PAC report, delivered on Friday and chaired by Sir Geoffrey Clifton-Brown, did not hold back in its criticism. It accused biomass companies of "marking their own homework" regarding compliance and noted that no regulatory body could confirm that the wood supplied was sustainably sourced. It further highlighted that despite promises of more stringent regulations, neither the Department for Energy Security and Net Zero (DESNZ) nor Ofgem has a plan for ensuring effective enforcement. The report warned of loopholes that would allow Drax to continue exploiting the system and expressed scepticism about extending subsidies to biomass, describing them as potentially poor value for consumers compared with payments made to other renewable energy generators.

Sir Geoffrey Clifton-Brown stated: “Billions upon billions of government support has been provided to the biomass sector over the past two decades. Rather than taking it on faith that the woody biomass burnt for energy is a sustainably sourced low-carbon alternative fuel, it is long past time a true assay was made of what taxpayers are getting for their money.”

Ed Miliband himself played a pivotal role in shaping the UK's biomass strategy. As energy secretary in 2008 and the architect of the Climate Change Act, he championed increased biomass utilisation, pledging the use of wood from "sustainably managed forests." Notably, his parliamentary constituency of Doncaster North is adjacent to where Drax's power station is located, intensifying scrutiny of his policies regarding the sector and its benefits.

At the same London conference, Drax's Chief Executive Officer, Will Gardiner, was also present. Gardiner has signalled close ties with the monarchy, having been invited by King Charles to join the Carbon Capture, Use and Storage task force, a central component of the government's vision for the company. The government's plans hinge on Drax transforming its biomass production to become "carbon negative" through bioenergy with carbon capture and storage (BECCS), which involves capturing emissions from wood burning and storing them in depleted North Sea oil and gas fields. The target is for this technology to be operational by 2030.

Yet, the PAC report noted persistent delays in deploying BECCS technology. The recent downsizing of C-Capture, a company in which Drax invested for this technology, casts doubt over the timeline. Chancellor Rachel Reeves has described BECCS as a "game-changing" technology critical for achieving net-zero emissions, despite these setbacks.

In media interviews following the conference, Miliband defended his approach, asserting that transitioning from fossil fuels to renewable, homegrown energy would enhance the UK's energy security and reduce costs. Nevertheless, the government recently sanctioned a 13 per cent price increase for Drax's biomass-generated electricity and imposed a complete ban on new oil and gas exploration in UK waters. This shift suggests increased reliance on imported energy sources, including biomass that emits significantly more carbon dioxide per unit of energy than domestic gas or oil.

The government's ambitious plans aim for a fossil-fuel-free electricity grid by 2030, increasing dependency on renewable sources which may be intermittent due to variable sun and wind conditions. The lack of investment in nuclear power constrains baseload electricity supply, further heightening the importance of biomass plants like Drax in maintaining grid stability and preventing outages that could affect homes, hospitals, and businesses.

With these factors, the biomass sector, heavily subsidised and politically supported, appears set to continue its prominent role in the UK’s energy mix, raising ongoing debates about sustainability, cost-effectiveness, and regulatory oversight. While the King's message emphasised the potential of well-managed energy transitions, the realities outlined by the PAC suggest significant challenges remain in managing the UK's biomass energy sector effectively.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

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3. <https://www.e3g.org/news/energy-security-summit-in-london-shows-strong-international-appetite-to-collaborate-on-a-secure-energy-transition/> - This URL explicates the summit's focus on global energy transition, emphasizing cooperation and commitment to clean energy despite geopolitical challenges.
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5. <https://www.drax.com/> - This URL provides information about Drax, the largest biomass company, which is central to the UK's energy strategy and the subject of debates over its environmental sustainability.
6. <https://publications.parliament.uk/pa/cm5802/cmselect/cmpubacc/732/732.pdf> - This URL could provide access to Public Accounts Committee reports, which are crucial for understanding criticisms regarding the UK's biomass sector subsidies and oversight.
7. <https://news.google.com/rss/articles/CBMiqgFBVV95cUxQbUdXTU5NeDZXcnVUU2tlMTQzb1dVUjdpU1EwMGdFWm9oRjNqQnBDZmR0bHljWFRSWXhlYl9QY0dNTGliQ3ZXT0s2SDFRRW13ZDY2RkRVR0VwOWhWTUtGTEhXT01WOTNZLWJVbDk5VzVqUGZTR2ZaUHU3TUhjNzJfa1VSS0NSQnl5S0MyY1RZYjVSZXdWVXBabVZkQlZUR1VGYUpkWE9TN0NYdw?oc=5&hl=en-US&gl=US&ceid=US:en> - Please view link - unable to able to access data