

Press release: As leading UK biofuel power station firm Blue NG faces collapse campaigners call for an end to “dodgy and destructive” biofuel subsidies and investments

- For immediate release -

13th September 2010 - Blue NG, a leading player in the development of biofuel power stations in the UK, is set to dissolve after the National Grid announced that they will withdraw from the firm. Campaigners discovered the announcement through an article in a subscription-only industry magazine and queried it with National Grid, who did not deny it.[1]

Bath-based company Blue NG, a 50-50 Joint Venture between National Grid and start-up company 2OC, was granted planning permission for a vegetable oil power station in Beckton, East London in 2008. That decision was made despite 1,000 local residents having signed a petition against the plans and amidst concerns about the climate, environmental and social impacts of biofuels, as well as concerns about air pollution and the health of local residents. It is understood that construction has not commenced and may now be suspended.

A similar planning application in Southall was unanimously rejected by Ealing London Borough Council and that decision was upheld by the government following an appeal. Blue NG are now pursuing even larger plans in Blackrod, Bolton and in North Killingholme, North Lincolnshire. Blue NG's plans were the first of many for biofuel power stations and the company played a significant role in successfully lobbying for high subsidies.

The future of all the Blue NG plans has been thrown into serious doubt because finance for construction of the power stations was to depend largely on a National Grid debt facility.

Robert Palgrave from Biofuelwatch comments: “The news that the National Grid is pulling out of this biofuel venture is welcome. Any investor who is looking at the schemes should be aware that there will continue to be significant opposition to biofuel power stations anywhere in the UK because they are a disaster for climate, biodiversity and people both in the global South and locally, due to the health impacts of air pollution.” Campaigners point out that no biofuel power station would be financially viable without subsidies paid in the form of Renewable Obligation Certificates and that the government has refused to guarantee long-term subsidies for biofuels.[2]

John Price from Blackrod and Horwich Environmental Action Group adds: “People are strongly opposed to Blue NG's proposal for a power station, and we intend to put up a vigorous opposition to it. The proposal is in designated greenbelt and poses serious issues to local residents and a local protected nature area (SSSI). Any uncertainty around this company is very concerning as profit rather than sustainability seems to be the key issue driving the current proposal.”

Campaigners express their concern that other companies continue to push forward with biofuel power station plans, amongst them W4B who have permission for a palm oil power station in Portland. Andrew Butler from Dorset group NOPE (No Oil Palm Energy) says: “Biofuel power stations affect the future of large areas of forests and other ecosystems, of people who live in the global South as well as the health of local communities in the UK. We are calling for the government to withdraw the perverse subsidies for these misguided and environmentally destructive schemes.”

Campaigners are calling for a National Demonstration Against Agrofuel Subsidies in Portland on 25th September, with coaches from Newport, Bristol and London.[3,4]

Contacts:

Robert Palgrave, Tel 01483 – 762697
Almuth Ernsting, Tel 01224-324797

Notes:

1) The article, which appeared in www.renews.biz, states that National Grid will pull out of Blue NG next year because of new EU rules which prohibit electricity distributors from being electricity generators. The

article also states that the Beckton plans may be suspended until legal issues have been resolved and that 2OC are trying to raise alternative finance. National Grid was given a licence by Ofgem in 2008 to build up to eight power stations in partnership with Blue NG. Contact details for the journal are available at http://www.renews.biz/contact_us.stm.

2) The UK Government has chosen to subsidise electricity from biofuel at the same level as offshore wind – two Renewable Obligation Certificates per MWh, which is more than for onshore wind. In total, the biofuel power stations announced so far would be eligible for an annual subsidy of £155m per year. Subsidy payments are collected from UK electricity consumers. The new Government recently announced that they have not decided to make any long-term guarantees for those biofuel subsidies (www.decc.gov.uk/publications/basket.aspx?FilePath=Consultations/RHI/245-government-response.pdf&filetype=4).

3) For details of the demonstration, see www.campaigncc.org/biofuels

4) The term Agrofuels refers to industrial scale biofuels including palm oil.