



# BRIEFING: WHY BIOMASS ELECTRICITY SHOULD NO LONGER RECEIVE RENEWABLE ENERGY SUBSIDIES

## Introduction

Over £1 billion of bill payers' money a year is being spent on subsidising inefficient biomass technology that damages forests and biodiversity, pollutes communities at home and in biomass sourcing countries, and makes climate change worse.

In 2018, the government effectively [ruled out](#) future subsidy for large-scale biomass by changing the criteria for efficiency and greenhouse gas emissions for new biomass power stations. This sends a strong message that biomass is no longer considered part of the solution to climate change. We are calling on the government to extend this logic by removing existing subsidies awarded under the previous Renewable Obligation Certificate (ROCs) scheme and redirecting them towards genuinely low carbon renewable energy, i.e. wind, wave and solar power.

## What's wrong with biomass?

Far from being low carbon, burning wood can emit more carbon from the smokestack per unit of energy generated than burning coal. In 2018, Drax Power Station alone emitted 13.02 million tonnes of CO<sub>2</sub> from burning wood. This is more than the total amount of CO<sub>2</sub> the UK should be reducing emissions by every year to meet its carbon budgets!

CO<sub>2</sub> emissions from burning biomass are currently ignored by operators and the government, on the assumption that future tree growth will sequester the emitted CO<sub>2</sub>. However, a [growing volume](#) of scientific studies shows this assumption to be deeply flawed.

For more information on why biomass is bad for the climate, forests and communities, see Biofuelwatch's [Biomass basics](#) page.

## Biomass power subsidies

Under the Renewables Obligation, energy companies receive subsidies called Renewable Obligation Certificates or ROCs for every unit of electricity they produce from an eligible technology. The Renewable Obligation has now been phased out and replaced by other subsidies called Contracts for Difference (CfDs). However, schemes which were awarded ROCs prior to 2014 can continue receiving them until 2027. Total ROCs for woody biomass in 2018 were around £982 million, in addition to a Contract for Difference of £321.5 million received by Drax Power Station – making a total of around £1.3 billion in biomass subsidies.

A 2017 [consultation paper](#) by the Department of Business, Energy and Industrial Strategy stated: *“When compared with [other low-cost, low-carbon] technologies, carbon savings from biomass conversion or co-firing are low or nonexistent, and the cost of any savings is high.”*

Since then, the government has amended the rules for new CfDs to ensure that biomass plants can only attract a CfD if they operate as combined heat and power plants with an overall efficiency of at least 70%, and that new CfDs will not support biomass electricity which does not meet a strict greenhouse gas limit. This rules out burning imported wood pellets due to the fossil fuel emissions for transport. No existing biomass burning power station meets those two criteria.

If applied consistently, this decision sends a strong message from the country that pioneered the subsidising of biomass that it is no longer considered to be part of the solution to decarbonising our energy supply. Yet biomass subsidies continue to be paid.

## **How and when could the subsidies be revoked and what would this mean for wind, solar and wave subsidies?**

Existing ROCs subsidies can be revoked by amending the Renewable Obligation Order 2015. This would be done through secondary legislation, not requiring parliamentary time. Biofuelwatch believes that there are no legal obstacles to removing ROCs from biomass power stations. In 2015, the government used secondary legislation to remove another subsidy from all renewable electricity generation: an exemption from the Climate Change Levy. Drax challenged this decision, first in the High Court and then in the Court of Appeal, and [lost](#) both times.

The Government has made a fixed amount of money available annually for renewable electricity subsidies, called the Levy Control Framework. Therefore, if ROCs are removed from biomass, the money saved must remain within the overall pot of funding available for renewable technologies and be spent through increased CfDs. It would therefore become available for genuinely renewable wind, wave and solar power.

## **Conclusion**

Meeting the goal of the Paris Agreement to prevent more than 1.5 degrees of warming requires a rapid shift to low-carbon energy as well as reducing energy use. It also requires forests worldwide to be protected and expanded. To help meet this goal, the UK must restrict subsidies to the lowest carbon forms of renewable energy. Shifting subsidies from biomass electricity to lower carbon renewable power would help achieve this aim and reduce pressures on forests in the southern US and other regions, thus helping to stem forest degradation.

Read our fully referenced briefing on Biomass subsidies and impacts [here](#).

## **What can parliamentarians do?**

- Write to BEIS ministers, Andrea Leadsom and Kwasi Kwarteng
- Sign and promote the [Open Letter calling on the Government to end Renewable Obligation Certificate Subsidies \(ROCs\) for electricity generated from biomass](#)
- Ask Parliamentary Questions about biomass subsidies
- Request a Parliamentary Debate

**For more information, please contact: [biofuelwatch@gmail.com](mailto:biofuelwatch@gmail.com)**