Submission from Robert Palgrave on the draft Contracts for Difference (Miscellaneous Amendments) (No. 2) Regulations 2025

The proposed amendment relates to the proposal to extend financial support for Drax Power Station from 2027 to 2031

1. The Heads of Terms agreement with Drax proposes new sustainability requirements, as presented to parliament here by Michael Shanks:

*"**Enhanced sustainability criteria**. The CFD substantially tightens sustainability criteria. It increases the proportion of biomass that must be sustainably sourced from 70% to 100%, reduces the supply chain emission threshold from 55.6 grams of CO2 equivalent per megajoule to 36.6 grams of CO2 equivalent per megajoule (aligned with international best practice—for example, the EU's RED III), and, will include provisions to exclude material sourced from primary and old-growth forests from receiving support payments."*

Behind these proposals is an admission that the current sustainability thresholds are inadequate. I wonder why DESNZ is not proceeding to change the existing sustainability criteria for biomass power now rather than waiting until April 2027?

2. Under these Heads of Terms the supply chain emissions threshold is proposed to be reduced from 55.6 grams to 36.5 grams of CO2 equivalent per megajoule. This will have no effect on Drax because their self-reported supply chain emissions are already comfortably below the new threshold. Why introduce a tighter threshold if it does not require Drax to take any action to reduce its supply chain emissions?

3. The 2023 Biomass Strategy states that eligibility for support under the existing Renewable Obligation Order includes adherence to national regulations in the country of harvest for "Social criteria: Workers rights and Land rights" .

Are you aware that Drax's wood pellet production facilities in the USA which supply its power station in this country have repeatedly broken state regulations for air pollution over many years, and stand accused by people living in the vicinity of such facilities of causing them serious health issues?

See - **The Dirty Business of Clean Energy: The U.K. Power Company Polluting Small Towns Across the U.S**

Drax's pellet mills are also in continued breach of regulations in Canada – polluting air and water as reported here in 2024:

Drax's pellet mills violated environmental law 189 times in Canada

It seems clear to me that Drax is not compliant with the RO requirement that it should adhere to national regulations in the country of harvest.. What steps have DESNZ and OFGEM taken to investigate this?

The proposed heads of terms is silent on these issues.

28 April 2025

Response from the Department for Energy Security and Net Zero

Q: Behind these proposals is an admission that the current sustainability thresholds are inadequate. I wonder why DESNZ is not proceeding to change the existing sustainability criteria for biomass power now rather than waiting until April 2027?

A: Sustainability criteria are in place across different biomass sectors, including the power sector to ensure government only supports sustainable biomass and that it can be considered low carbon. They include requirements on environmental protections (including sustainable forest management) and supply chain emissions thresholds. However, we continue to review the sustainability requirements to make relevant updates in line with evolving evidence.

The current sustainability criteria will continue to apply for existing contracts/arrangements that previous administrations and generators signed up to in good faith, recognising that businesses have committed to investment decisions on this basis.

Q: Under these Heads of Terms the supply chain emissions threshold is proposed to be reduced from 55.6 grams to 36.5 grams of CO2 equivalent per megajoule. This will have no effect on Drax because their self-reported supply chain emissions are already comfortably below the new threshold. Why introduce a tighter threshold if it does not require Drax to take any action to reduce its supply chain emissions?

A: The 36.6 gCO2e/MJ figure represents a 26.8% reduction in the GHG threshold compared to the existing arrangements for Drax and other existing large-scale biomass generators. It will bring the UK into line with the GHG threshold set in the latest EU RED III guidance for large-scale biomass generation which came into force in October 2023. 36.6 gCO2e/MJ is an appropriate threshold in line with international best practice and suitable for the form of dispatchable power it will provide. This constitutes a strengthening of the sustainability criteria and standards which Drax will be required to adhere to.

Q: It seems clear to me that Drax is not compliant with the RO requirement that it should adhere to national regulations in the country of harvest. What steps have DESNZ and OFGEM taken to investigate this?

A: Compliance with existing sustainability criteria requires bioenergy feedstocks to comply with the UK Timber Regulations (UKTR) which prohibits the placing of illegally harvested timber and timber products on the GB market.

Ofgem's investigation into Drax's compliance with sustainability criteria and reporting was completed in August 2024. It found no evidence that Drax had incorrectly received subsidy payments, and no subsidies were issued for unsustainable biomass. However, Drax accepted the findings of the investigation and made a redress payment of £25m. Ofgem's investigation was detailed and included careful review of the KPMG reports, as well as a wider review of over 3,000 other documents. Both Government and Ofgem are confident in this conclusion.

Moreover, Ofgem has required Drax to undertake a full, international audit of the profiling data from its supply chain, and associated data reporting for 2023/24. This will be a robust and comprehensive exercise, carried out by an independent auditor, to ensure that profiling data is accurate, reliable and underpinned by appropriate processes and controls.

1 May 2025

Submission from Ian Gregory, Abzed Political & Media Relations, on the draft Contracts for Difference Regulations 2025

This briefing concerns the Draft Contracts for Difference (Miscellaneous Amendments) (No. 2) Regulations 2025 which you are considering on Tuesday 29 April. There is a risk of a scrutiny failure compounding a decades-long catalogue of regulatory errors.

Last Friday, the Public Accounts Committee published its critique of the subsidy regime which you are evaluating. The Sunday Times said the Committee's report, was "devastating" while the Guardian said the regulatory failures were "unacceptable". [1] [2] The Committee stated it had no confidence that future regulation would be effective nor the subsidies "value for money." [3]

After such a rebuke for DESNZ and Ofgem, it would be difficult for your Committee to have any faith in the statutory instrument without having seen:

1) The forthcoming Treasury Minute
2) The audit that Ofgem insisted that Drax provide when it fined the company £25 million last August [4]
3) The KPMG report which the Public Accounts Committee said is essential to proper Parliamentary scrutiny [5]

Those are key documents. But we already have high-level insights into the failures. In February, an energy minister told the Commons that Drax had been given vast green subsidies for burning "unsustainable biomass year after year". He said DESNZ had been "letting Drax do whatever it wanted." [6]

We have also seen inside Drax's egregious management culture. Three years ago, BBC Panorama accused a Drax executive - to his face - of lying over the burning of primary forests. The company threatened to sue, yet did not. [7] Last month, an employment tribunal heard another Drax executive admit to fabrications. [8] The company then failed to defend allegations of a systematic cover-up.

Should we give this company any more public money? DESNZ would like to, describing the 13% price increase it wants to offer Drax as "modest". [9] Yet, the Public Accounts Committee pointed out that the subsidies would be far in excess of those given to genuine renewable power genarators.

Britain's biggest greenwashing scandal

Your Twenty Second Report said DESNZ argued it had to give Drax these big subsidies or it would stop offering power to the grid. [10] However, the company's annual report tells a different story. It says that when the subsidies end it would continue to offer electricity on a "merchant basis". [11] So its 'blackout blackmail' is just hot air. The company's share price would collapse if it stopped generating at Selby.

But DESNZ does have choices. A cross-party letter circulating Parliament concludes that there are many better alternatives to not just the pricing and length of the contract extension, but also to the choice of fuel. [12] Wood is the most primitive fuel - the IPCC says it creates 18% more emissions than coal. [13] This means that Drax is by far the biggest emitter of CO2 in the UK. [14]

The Climate Change Committee has said that there should be no further unabated burning of biomass at Drax after the current contract expires in 2027. [15] To the Committee, only the prospect of capturing the carbon through BECCS justified continuing it. Yet earlier this year, all 44 workers at Drax's BECCS business were laid off. [16]

To conclude, the scarring that Drax has already caused our planet is extraordinary. The company has so far burned 300 million imported trees – six times more trees than in our entire New Forest. [17] During the proposed subsidy extension some 108 million additional trees would be felled and a further £1.8 billion in 'green' subsidies demanded from consumers. [18] Should this be our legacy?

You are dealing with Britain's biggest greenwashing scandal. The scale of this environmental disaster merits patient consideration. Your Committee must ensure it does not have regrets like those felt within DESNZ and Ofgem. The regulator must reopen its investigation and Parliament compel the Drax CEO to come to Westminster to explain his conduct.

Ian Gregory
Abzed Political & Media Relations

28 April 2025

Sources

[1] The Sunday Times says Public Accounts Committee report was "devastating": https://www.thetimes.com/comment/columnists/article/a-drubbing-for-drax-but-the-trees-still-burn-qn2gspj0f
[2] The Guardian describes Public Accounts Committee report of "unacceptable" practice: https://www.theguardian.com/business/nils-pratley-on-finance/2025/apr/25/drax-needs-a-better-policeman
[3] Public Accounts Committee report: https://committees.parliament.uk/publications/47571/documents/248125/default/
[4] Ofgem fined Drax £25 million: https://www.bbc.co.uk/news/articles/c9qg5v7n9rgo#
[5] The Prime Minister promised to review KPMG report: https://www.dailymail.co.uk/debate/article-14344071/rosie-duffield-kier-starmer-drax-power-plant.html
[6] Energy minister, Michael Shanks, said Drax allowed to burn "unsustainable biomass year after year" and "do whatever it wanted": https://hansard.parliament.uk/commons/2025-02-10/debates/3C5B1FDA-CDE6-45BF-8720-63EB2F0F5974/BiomassGeneration
[7] "That is a lie" – BBC Panorama accuses Drax spokesman of telling a lie during interview. See extract here: https://www.facebook.com/watch/?v=671527550831907 Drax threatened to sue BBC Panorama: https://www.drax.com/press_release/drax-response-to-bbc-panorama-programme-on-canadian-forestry/
[8] Drax executive admiditted to fabrications: https://www.dailymail.co.uk/news/article-14589707/woodburning-power-station-Drax-claims-green-whistleblower-Rowaa-Ahmar.html
[9] DESNZ says that 13% increase is "modest": https://www.parallelparliament.co.uk/question/43727/drax-power-station-subsidies
[10] House of Lords report on the CFD SI: https://publications.parliament.uk/pa/ld5901/ldselect/ldsecleg/106/10605.htm
[11] The Sunday Times reported in August 2024 that Drax has told investors that it would continue to offer electricity when the subsidies end in 2027: https://www.thetimes.com/comment/columnists/article/the-drax-tax-is-an-affront-to-reason-and-nature-kpczq3vvm The evidence for this is that the company told the stockmarket that, after the subsides run out in 2027, its "viability modelling assumes that Drax Power Station runs on a merchant basis." See page 75: https://www.drax.com/wp-content/uploads/2023/03/Drax_AR2022_single_pages.final_.pdf
[12] See cross-party letter led by Rosie Duffield MP, pasted below.

[13] The IPCC says that 18% more CO_2 from burning wood than burning coal: See data "112,000 v 94,600 kg CO_2/ TJ" in table on pages 2.16 and 2.17: https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_2_Ch2_Stationary_Combustion.pdf
This matches with data on Drax's coal and biomass stack emissions which are biomass 955 gCO_2e per kWh and coal 898 gCO_2e per kWh: See Ember Report p11, paragraph 4: https://ember-climate.org/app/uploads/2022/02/2020-Ember-Burning-question-FINAL-1.pdf
[14] Drax is the UK's biggest emitter: Drax was by the far the UK's biggest emitter of carbon in 2023 – producing 11.5 million tonnes of CO_2. See: https://ember-energy.org/latest-insights/the-largest-emitters-in-the-uk-annual-review
[15] The Climate Change Committee in February 2025 said there "is no role for large-scale unabated biomass generation at high load-factors in the pathway beyond the expiry of existing contracts in 2027.": https://www.theccc.org.uk/publication/the-seventh-carbon-budget/
[16] Drax had mothballed its carbon storage operation, making all 44 employees redundant. See Yorkshire Post front-page story in March 2025: https://x.com/sgfmann/status/1895580682891772099
[17] The New Forest contains some 46 million trees. Drax burns trees at the equivalent of one New Forest every 18 months.

- Drax burns the equivalent of 27 million trees a year: https://www.telegraph.co.uk/business/2024/03/01/britain-burning-north-american-forests-drax-power-station/ For comparison, the New Forest has 46 million trees. (New Forest has it has 230 km^2 of woodland (a) - Given 100 ha to km2, the New Forest therefore has 23,000 ha. Typical planting densities are 2,000 trees per ha (b). The New Forest therefore has some 46 million trees (23,000 ha x 2,000 trees per ha). See : https://www.cs.mcgill.ca/~rwest/wikispeedia/wpcd/wp/n/New_Forest.htm and https://www.creatingtomorrowsforests.co.uk/blog/creating-woodland-how-to-plant-trees

[18] The new subsidy package would give Drax £1.2 million a day: https://ember-energy.org/latest-insights/uk-biomass-phase-out-is-now-in-sight/ While the amount of bioenergy that Drax would supply the grid would halve, Drax intends to use the rest to privately supply data centres. This would, ceteris paribus, leave the run rate of wood being burnt at Drax the same – 27 million trees a year which, over a four-year extension would amount to 108 million trees.

Submission from Biofuelwatch on the draft Contracts for Difference Regulations 2025

1.1 - Government support (whether a CfD, an RO, or under an amended UK ETS) should not be made available to the owners of the power stations at Drax and Lynemouth. Rather, they should be obliged to buy allowances under the UK ETS and future CBAMs, just like any other enterprises having large greenhouse gas emissions embodied in their supply chains.

1.2 - The CfD amendments to be considered by the Secondary Legislation Scrutiny Committee on 29 April 2025 are relevant for only two power stations. The owner of much the largest (at Drax) is the only one publicly expressing interest in continuing to generate electricity after 31 March 2027. It is also the only one to have promoted BECCS (albeit implausibly and perhaps primarily as a negotiating ploy to extend the life of the Drax power station – widely known as the UK's leading source of CO2).

1.3 – One of Drax' directors has been on the Councill of Chatham House since shortly after Chatham House published studies questioning the climate-related merits of burning imported pellets in power stations). Despite that appointment, a subsequent report by Chatham House suggests that an almost negligible proportion (roughly 10%) of the energy embodied in trees which form the feedstock of pellets would be dispatched as electricity in a BECCS project.

1.4 - It would be far more cost-effective and assured to keep the trees standing and to reduce electricity consumption instead.

2.1 - For the last few years, annual reports of Lynemouth Power (owner of the smaller of the two) anticipate closure by that date and both state and demonstrate that, by then, their capital expenditure on converting the power station to burn imported wood pellets instead of coal will have been fully depreciated.

2.2 - The owner of Drax will have likewise negotiated contract conditions and subsidy amounts for its RO and CfD based on full depreciation by 31 March 2027.

2.3 - As such, it would be (at best) naïf for government to provide support during the subsequent four years at a level anything like as great as now.

3.1 - The inherent character of the owners – not only of Drax and Lynemouth, but also of MGT Teesside - (as implied by their acceptance of the conduct of their company's senior executives and the reward structures of those executives) was exposed during the recent energy crisis. By ceasing to generate electricity, while generating profit instead through the sale of pellets, those owners imposed far greater total cost on consumers (directly through gas and electricity bills, and indirectly through the economy).

3.2 – This reflects readily foreseeable loopholes in the current CfD and RO policy. The extent of loopholes in the proposed CfD is unclear.

3.3 – Revelations about the reality of pellet supply chains in British Columbia, as exposed by BBC Panorama, further expose the character of Drax.

3.4 – As does evidence from a recent Employment Tribunal against Drax, held in public, brought by a whistleblower who regarded as unethical the company's response to an internal investigation into those supply chains (amongst other things). That response is alleged to have included withholding data from Ofgem which might have adversely affected the company's claims for subsidy. That information is said to have been withheld for more than one year until a partial disclosure was made (under legal privilege). The whistleblower was allegedly offered financial inducements in exchange for a non-disclosure agreement.

3.5 – This reinforces the view that no CfD should be agreed until there is trust and transparency between government, Drax and the public, and that the subsidy eligibility criteria become fit for purpose (focussing on climate – not, in effect, whether more wood of any quality in any type of woodland across a wide region is growing than is being removed or dies).

3.6 – It is unclear whether being uncomfortable presenting the corporate line is a reason why several senior Drax personnel have left during the last few years. One of the company's two executive directors, aware of the findings of the internal investigation, is soon to retire. Livestreamed hearings of the Environmental Audit Committee clearly show how uncomfortable and implausible Drax senior staff are when being questioned. The same can be said about the responses of senior DESNZ personnel during a recent hearing undertaken by the Public Accounts Committee.

3.7 - Government is being discredited by continuing to insist, contrary to real evidence and the common sense of ordinary people, that burning imported wood pellets from supply chains such as those currently relied on is consistent with decarbonising the national grid and Net Zero. That stance is also questioned by right-wing and more thoughtful media and politicians.

4.1 – Some EU governments (in apparent desperation) and "enterprising" power station owners seem to have colluded in order to game the EU's 2005 Renewable Energy Directive (requiring 20% of electricity to be generated from "renewable" sources by 2020).

4.2 - The definition of renewable was distorted so as to miss the point of the Directive - climate change mitigation. "Renewability" and "sustainability" have been conflated and are falsely presented as the criteria of over-riding merit. The impact on human health in the vicinity of pellet mills is great and widely manifest, especially in southeastern USA and British Columbia. This and the numerous air quality infractions or exceedances are ignored in the UK's subsidy eligibility criteria. The industry has failed to significantly improve that air quality (and noise from 24/7 mill operations).

4.3 – Those criteria have evolved so that the threshold for subsidy does no more than require certification that the wood derives from trees which grew somewhere in a region (which might be a country, as in Latvia, a province (such as British Columbia), or several large states (such as southeastern USA) – regardless of the impact of the clear-felling of the trees and whether the clear-felled tracts were reforested (let alone actually fully recover).

4.4 - Full recovery is increasingly unlikely given climate change (a primary driver of tree death by fire, storm, pest etc).

4.5 – Further, there is clear evidence that forestland has, during recent years, already become or is becoming more of a source of CO2 than a sink for it – including in countries (or subnational regions) which account for the great majority of the wood pellets which are burned in large power stations in the UK.

4.6 – Certifying that a forest tract will be managed sustainably is clearly no longer feasible (even if it ever was).

4.7 - Trees which are not of immediate value to sawmills are regarded as unmerchantable or waste – and clear-felled to supply feedstock to pellet mills.

4.8 – The criteria are far from strict - contrary to responses by government ministers to questions in the House of Lords. It would be unreasonable to take at face value the suggestion that problems concerning eligibility can be overcome by increasing the minimum percentage of pellets which must be certified under the Sustainable Biomass Program's regional scheme (the de facto threshold) from 70% to 100%. Drax prides itself on already having more than 90% of its supplies certified under that scheme – which is driven by the industry (but rejected by civil society) and appears to be convenient for government. Given the small number of large-scale suppliers in the small number of countries from which wood pellets are imported as fuel for the UK's large power stations, it is likely that the 90% or more of the pellets burned at Lynemouth and MGT Teesside power stations are likewise already compliant.

5.1 - Prices paid to landowners are insufficient to cover reforestation and long-term management, especially where binding legal or contractual obligations do not exist or are de facto optional.

5.2 – No compensation for foregone net sequestration, loss of soil carbon, or other harms to local ecosystems is paid to any tier of government (or to landowners) in the countries from which imported pellets burned in large UK power stations derive. The UK and the owners of those power stations nevertheless proudly state that by burning that wood, they correspondingly help decarbonise electricity generation. (MGT Teesside is even worse in that it does not displace fossil fuel generation.) The industry (and the UK government) is largely dependent on this clear market failure.

5.3 – The IPCC has yet to confirm to whom so called "negative emissions" should be attributed for the permanent disposal of post-combustion CO_2 captured from a power station whose fuel is imported wood pellets (by far the largest type of woody biomass burned in large power stations world-wide). Given that the UK in effect outsources all emissions associated with clear-felling and the downstream supply chain in the country of origin – as well as combustion - to that country of origin. Any CO_2 permanently disposed of would be that outsourced CO_2. Clearly, government is disingenuous or naïf to claim that those "negative emissions" are attributable to the UK.

5.4 – Neither should they be attributed primarily to the owners of the power station at which CO_2 is captured. Especially given the consequences of leakage (and underperformance and the variability of CO_2 supplies from clusters), the operator of the disposal site has far more at risk than the power station. The latter does no more than capture CO_2 temporarily (and probably at capture rates well below proposed in DCO applications). On the conclusion of the initial (perhaps 20-year) contract to establish the disposal site, the site's operation would presumably become the responsibility of the state. Credits for the capture of CO_2 should be provided by the operator of the permanent disposal site. None should go directly from the purchaser to the owner of the power station' CO_2 capture facility.

6 - Metaphorically pouring fuel onto the fire / digging deeper into the hole, the industry and government seem intent on promoting carbon credits (including through amendments to the UK ETS) – falsely deeming that burning of wood from trees is carbon neutral and a good thing. In contrast, the IPCC, the Committee on Climate Change, Drax' Independent Advisory Board on biomass sustainability policy, and many others, advise that burning wood pellets is not carbon

neutral. It follows that such combustion should cease being zero-rated. Provision is not made to claw back monies received if leaks subsequently occur. Assumptions are made that performance will be as proposed in terms of time, quantity and quality.

7 - If institutional inertia within government (rather than corporate influence) continues to underpin the false rhetoric that burning (wood from) trees is good for the planet (from which the UK cannot be disaggregated), then this might help explain that inertia. That rhetoric evolved in response to the first EU Renewable Energy Directive.

8.1 – Biomass-fuelled power stations are the least dispatchable of all carbon burning power stations – given the time they take to start up and close down.

8.2 – Although closure of Drax and Lynemouth power stations by or soon after the 31st of March 2027 would impose a shock to the UK's electricity supply, it might jolt the UK government into both recognising and admitting that a transformation not a transition is urgently needed – towards an economy commensurate with halting the climate, biodiversity and pollution/plastic emergencies. If this induced a domino-effect across other countries, the benefits would be correspondingly increase.

8.3 – There is concern from some in the industry that the "just in time" model for supplying wood pellets under long-term contracts to power stations which have made little provision for on-site storage is incompatible with dispatchability. They point out that it would be financially challenging to justify increased storage.

8.4 - Others suggest that proposals to supply electricity on an unsubsidised "merchant" basis to large data centres adjacent Drax power station are implausible, not least because the probability that imported wood pellets will cease be deemed carbon neutral is now so great that investors seeking "green" electricity will not be persuade by Drax' overtures.

29 April 2025

Response from the Department for Energy Security and Net Zero

Q: The Department says that the CfD scheme offers better value for money than other support schemes, such as the Renewables Obligation, and that the new arrangements will reduce consumer subsidies to Drax. However, the PAC report states that Drax "will be paid £113 per megawatt hour (in 2012 prices) for the electricity it generates–far more than will be paid to offshore windfarms and other renewable generators under recent CfD. What is the rationale for paying Drax far more than to genuine renewable generators?

A: The proposed CfD with Drax reflects a significantly cheaper total subsidy cost than under current support arrangements; we estimate the annual subsidy cost to be around half of Drax's current annual subsidy cost.

The proposed CfD would incentivise Drax to target its generation when the system most needs its electricity. Drax would be incentivised to run at the times of lower wind conditions – when that generation has the highest value to the system. When Drax isn't generating we'll rely on cheaper intermittent renewables like wind and solar. Unlike Drax, those weather dependent intermittent assets are not able to operate in a dispatchable way and respond to market signals.

The strike price has increased slightly to reflect the need to spread a set amount of fixed costs over a smaller volume of generation compared to existing arrangements.

Q: The Minister stated in February that as part of the new arrangements with Drax, there will be "tough new measures on sustainability" and that the Government "will increase the proportion of woody biomass that must come from sustainable sources from 70% to 100%", "significantly cut the allowable supply chain emissions" and "exclude material sourced from primary forests and old-growth forests from receiving support payments". Will these conditions be part of the new contract with Drax? How will these conditions be enforced in practice and by whom? What will be the penalties if Drax fails to meet the new conditions? And given the record of Drax, including an Ofgem fine for reporting failures about the source of its wood, how can the Department be confident that Drax will meet the new conditions?

A: We are enhancing sustainability criteria in line with the latest evidence. These sustainability criteria will be incorporated into the contract. Drax will only receive subsidy for electricity generation from biomass sourced in line with these enhanced criteria.

We are working closely with Ofgem and LCCC colleagues to develop a strengthened compliance and assurance regime for the new contract, with significant disincentives and penalties if sustainability requirements are not met.

This Government is committed to the process of continuous improvement of sustainability criteria and will develop a Biomass Sustainability Common Framework, subject to consultation later this year. We have also announced the appointment of an independent sustainability advisor, who will (pending final terms of reference) offer advice and challenge on biomass sustainability policy and delivery, primarily relating to biomass electricity, ensuring it remains aligned with the science and international best practice.

Q: Why is the Department extending the arrangements with Drax when the Climate Change Committee has said that there should be no further unabated burning of biomass at large-scale biomass generators after the current contracts expire in 2027?

A: The question does not accurately summarise the advice of the Climate Change Committee. DESNZ has carefully considered the Climate Change Committee's advice on Carbon Budget 7 that government should *"ensure that large-scale biomass power plants are not given extended contracts to operate unabated at high load factors beyond 2027"*. The reference to extended contracts at high load-factors is notably absent from this question.

Under the proposed low carbon dispatchable CfD, Drax will only be supported to operate at an annual load factor of just 27%, which represents a low and significantly reduced load factor compared to existing arrangements. This arrangement limits generation to times when the system really needs it to deliver a secure, value for money power system. The support is also time limited for four years from 2027 to 2031.

1 May 2025