

Thursday 19th June, 2014

OPEN LETTER TO THE GREEN INVESTMENT BANK

Dear Lord Smith and the Green Investment Bank,

Open letter: Stop funding big biomass

We are deeply concerned that the Green Investment Bank (GIB) is supporting the development of large-scale biomass power projects in the UK.

In particular, we are concerned that the GIB has granted a loan to Drax Group PLC to partially convert their power station to biomass and continues to stand by this decision.

The loan to Drax Group PLC clearly conflicts with the GIB's purpose of supporting low-carbon and sustainable investments and undermines its credibility as an environmentally responsible investor.

In Scotland, local residents and environmental organisations are alarmed by the prospect of large, import-reliant and polluting biomass power stations being built as a result of GIB investment. We therefore call on the GIB to:

- Revoke its loan to Drax Group PLC because of the serious adverse effects on carbon emissions and the environment.
- Rule out the provision of finance to large-scale biomass projects in Scotland, including biomass power stations which have been granted consent in Rosyth and Grangemouth, in favour of truly sustainable projects and enterprise.

Signed by:

Alison Johnstone MSP
Almuth Ernsting, co-Director of Biofuelwatch
Andrew Llanwarne, Co-ordinator of Friends of the Earth Tayside
Angus MacDonald MSP
Emilia Hanna, Air Quality Campaigner
Eurig Scandrett, Chairperson of Friends of the Earth Scotland
Jeni Mackay, Executive Director of SEAD (Scottish Education and Action for Development)
Kathleen Jenkins, Secretary of Scottish Hazards
Kathleen McIntosh, Grangemouth resident
Liz Murray, World Development Movement
Malcolm Chisholm MSP
Mark Haldayne, Grangemouth resident
Oliver Munnion, co-Director of Biofuelwatch
Richard Dixon, Director of Friends of the Earth Scotland
Sophie Bastable, Biofuelwatch Campaigner
Sue Hamilton, Secretary of Charlestown, Limekilns and Pattiesmuir Community Council
Tom Brown, Grangemouth resident
Walter Inglis, Grangemouth resident

BACKGROUND NOTES:

- + Drax's plans to convert 50% of their power station's capacity to biomass will require pellets from almost 16 million tonnes of wood to be burned every year – the equivalent of 1.6 times the UK's annual wood production. Virtually all of the wood burned by Drax comes from imported whole trees [1] – which many scientific studies show will result in greater carbon emissions than generating equivalent amounts of energy from burning coal for at least one or two generations. [2]
- + Some of the wood burned by Drax has been shown to come from clearcut ancient swamp forests in the southern US. [3]
- + UK Secretary of State Vince Cable has confirmed that without this GIB loan, Drax would have had to close. [4] This means that the GIB has helped Drax to burn millions of tonnes of coal every year, too.
- + Despite all of this evidence, the Green Investment Bank claimed in its 2013 Annual Report that over 90% of the anticipated greenhouse gas savings from GIB loans in 2012/13 will come from the one to Drax. [5]

REFERENCES:

- [1] For technical reasons, Drax can only burn wood from slow growing trees with a low bark content. This rules out most sawmill residues, which are high in bark:
<http://biofuelwatch.org.uk/docs/DECC%20FoI%20EIR%2013-0340%20Q1%20Documents%20Drax%20etc%209May%202013.pdf>
- [2] For a list of relevant peer-reviewed studies, see
<http://www.biofuelwatch.org.uk/resources-on-biomass/>
- [5] <http://www.dogwoodalliance.org/wp-content/uploads/2013/05/Enviva-Mill-in-Ahoskie-Dogwood-Report.pdf> and
http://www.southernenvironment.org/uploads/publications/NWF_Biomass_Wildlife_Full_Report.pdf
- [4] http://www.ft.com/cms/s/d46bfe86-b7e9-11e2-bd62-00144feabdc0,Authorised=false.html?_i_location=http%3A%2F%2Fwww.ft.com%2Fcms%2Fs%2F0%2Fd46bfe86-b7e9-11e2-bd62-00144feabdc0.html%3Fsiteedition%3Duk&siteedition=uk&_i_referer=http%3A%2F%2Fbio-fuel-watch.blogspot.co.uk%2F2013%2F05%2Fbiofuelwatch-vince-cable-says-drax.html#axzz2T9zy94Nu
- [5] <http://www.greeninvestmentbank.com/userfiles/files/GIB-Annual-Report-2013.pdf>