

# Power giant agrees to pay huge fine for misreported data after wood-burning probe

Power giant Drax, which burns wood to generate electricity, has been slapped with a £25m fine for failing to come up with enough evidence about the type of wood it imports from Canada.

Energy watchdog Ofgem carried out a 15-month investigation into Drax after it was accused of burning wood from unsustainable sources and claims it was taking timber from precious rare forests in Canada.

Drax, which receives hefty government subsidies for generating energy, contends the sustainability of its bioenergy operations in Selby in Yorkshire partly on the basis of the type of wood it uses.

Ofgem found Drax misreported data about the forestry type and sawlog content from Canada it used between April 2021 and March 2022.

But Ofgem said it had not found any evidence the biomass did not meet its sustainability requirements.

The findings have further fuelled calls by campaigners to end all subsidies for companies burning wood or plants to create energy.

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The energy firm accepted the findings of the investigation and agreed to pay the fine.

Ofgem chief executive Jonathan Brearley said: "Energy consumers expect all companies, particularly those receiving millions of pounds annually in public subsidies, to comply with all their statutory requirements.

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"There are no excuses for Drax's admission that it did not comply with its mandatory requirement to give Ofgem accurate and robust data on the exact types of Canadian wood it

utilises.

He added: “Drax has accepted that it had weak procedures, controls and governance which resulted in inaccurate reporting of data about the forestry type and sawlog content being used.”

A Drax spokesperson said: “It is welcome that Ofgem has found no evidence that our biomass failed to meet the sustainability criteria of the Renewables Obligation (RO) scheme, nor that the ROCs (renewables obligation certificates) we received for the renewable power we produced had been provided incorrectly.

“Although Ofgem has noted there is no evidence to suggest Drax deliberately misreported its profiling data, we recognise the importance of maintaining a strong evidence base and are continuing to invest to improve confidence in our future reporting.”

It follows a separate report by the National Audit Office in January that warned [the government cannot prove the biomass industry meets sustainability rules](#).

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Government told to end biomass subsidies

Bioenergy is controversially classed as renewable in the UK because the emissions released from burning the wood can be reabsorbed by new trees that grow in the place of those burned. However, this science is contested.

In 2021 Sky News revealed [Drax's plant was actually the UK's largest single carbon emitter](#).

Matt Williams, Senior Advocate for the Natural Resources Defense Council, said: "This ruling shows how difficult it is to prove that burning wood from forests is good for the environment.

"The £25m fine Drax have volunteered to pay is a drop in the ocean compared to the billions they're asking for in new subsidies."

An Energy Department (DESNZ) spokesman said: "We expect full

compliance with all regulatory obligations – consumers rightly expect the highest standard of accountability from generators.

“The size of the redress payment underscores the robustness of the regulatory system and the requirement that generators abide by both the spirit and the letter of the regulations.”