



Drax Independent Advisory Board
Interim Telcon
February 24th 15:00- 17:00 GMT

Attendees:

IAB: Sir John Beddington (JB), Lord John Krebs (JK), Professor Sam Fankhauser (SF), Professor Virginia Dale (VD) (by telephone), Elena Schmidt (ES) (by telephone).

Drax: Rebecca Heaton (RH), Ross McKenzie (RMcK), Vicky Bullivant (VB), Laura O'Brien (LOB) (by telephone).

Apologies were received from Forest Research.

Follow up from November IAB meeting

JB discussed the need to focus on the list of concerns that the IAB raised in the letter to the CEO of Drax. (<https://www.drax.com/sustainability/findings-and-recommendations-from-the-first-meeting-of-draxs-independent-advisory-board-on-sustainable-biomass-iab/>)

These are issues that should be reviewed, resolved or more work carried out on. It was agreed a list of issues should be kept live to be explored at subsequent meetings. This list would be kept alongside the minutes of meetings.

ACTION: Drax to initiate the list of issues and share with JB and JK

The Board then approved the minutes of the November 2019 meeting.

RMcK summarised the external reception of the press release and associated letter from the IAB to Drax, and from Drax to the IAB. The Wall Street Journal had picked up on it. BEIS (Biomass team) had acknowledged it.

ACTION: Drax to prepare a brief summary for the Board after every press release, summarising who it was sent to and responses.

A discussion on NGO engagement followed. It was agreed that once the Board became more established engaged NGO's could be invited to discussions. It was agreed that NGO engagement should be added to the ongoing list of issues.

New management approach following departure of ERM

RH explained that since the establishment phase was complete, the Board management would be taken in house by Drax.

JB emphasised that Minutes would have to be approved by the Board and the Board retained full independence over all material issued. The Board approved this course of action. JB asked that if in future, Board members had concerns then they should raise them with him.

Negative emissions ambition announced by Drax :

RMcK explained the rationale behind the decision to make the announcement that Drax would commit to being carbon negative. This was driven by the UK government asking Drax to attend COP



25. Drax were the first company in the world to announce a negative ambition, and the response to the announcement has been generally positive.

The key differentiator between the Drax ambition and other corporates is the avoidance of the use of carbon offsets. There is understanding in the media of the distinction between Drax using BECCS and others using carbon offsets.

JB noted the positive response from the UK government and noted that Drax should consider what the approach for COP26 might be.

VB noted that the Drax social strategy (focused on developing Science, Technology, Engineering and Maths skills) underlined the negative ambition, and that Norges Bank had removed Drax from their investment blacklist. VB then presented the detailed methodology behind the ambition. The Board discussed the work, key discussion points to note:

Supply chain emissions¹:

- If Drax owned the forests then the emissions from the supply chain would be included in Scope 1 (direct emissions).
- Scope 3 emissions (indirect emissions such as supply chain emissions) were not included, because although Drax have detailed transparency over the biomass supply chain emissions - the other supply chain emissions are not known in sufficient detail.
- Emissions from the production of Drax self supply pellets are included, and as this ramps up it could form 5 MT out of total supply of 7 MT.

Methodology:

- The Board discussed the range of different methodologies for assessing GHG emissions- Drax had opted for the GHG protocol as it was used in annual reporting. ES commented that other than the greenhouse gas protocol, other schemes do include the requirement for a full Life Cycle Analysis and that this could be perceived as best practice.
- It should be noted that Life Cycle Analysis protocol for fossil fuels do not include supply chain emissions.

Notes on future emissions scenarios for the company:

- The scenarios assume carbon capture. It was assumed that all carbon is stored- however, it could be that it is used, for example in synthetic fuels. Emissions from CO2 transport and storage operations are not included as they are defined as Scope 3 (indirect emissions).

Sensitivity analysis:

- The Board discussed the range of factors that could impact the numbers:
 - Loss of CO2 in storage. This was considered important to understand, although it was acknowledged this was an industry wide rather than Drax specific issue.

¹ Scope 1 (Direct emissions): Activities owned or controlled by your organisation that release emissions straight into the atmosphere. They are direct emissions. Examples of scope 1 emissions include emissions from combustion in owned or controlled boilers, furnaces, vehicles; emissions from chemical production in owned or controlled process equipment.
Scope 2 (Energy indirect): Emissions being released into the atmosphere associated with your consumption of purchased electricity, heat, steam and cooling. These are indirect emissions that are a consequence of your organisation's activities but which occur at sources you do not own or control.

Scope 3 (Other indirect): Emissions that are a consequence of your actions, which occur at sources which you do not own or control and which are not classed as scope 2 emissions. Examples of scope 3 emissions are business travel by means not owned or controlled by your organisation, waste disposal, or purchased materials or fuels.

Reference: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/69282/pb13309-ghg-guidance-0909011.pdf



- Running the power station as flexible plant rather than baseload - so supporting an intermittent grid rather focusing on carbon capture.

A discussion followed on whether Drax was an energy company or a negative emissions company. This led to a discussion on feedstock requirements and the long term competition for biomass for other uses such as plastics. It was suggested that a study of the best use of biomass for climate mitigation ('Biomass merit' order) would be a useful analysis.

VB concluded by noting that Drax had passed the first stage (agreeing methodology) of the submission to the Science Based Target initiative (SBTi).

ISSUES to consider to be added to issues tracker:

- Best use of Biomass – have the studies looked at this?
- Storage leakage emissions (industry led?)
- Impacts of running flexible plant rather than baseload.

Brief update on recent activity

RH gave a brief update on recent activity – noting that several reports had been completed relating to the wood supply in Drax catchment areas. It was agreed these would be discussed at the November meeting.

Discussion of agenda items for next meetings

It was agreed that, as per the agenda, the 2020 meetings would be as follows:

28/29 May at Drax power station, Yorkshire: focus on BECCS:

- Drax future plans;
- Policy and economic issues in the UK;
- Bigger picture: global biomass availability work.

Interim telcon: Sept 17th 14:00- 16:00: Subject to be decided

25/26th November, London: focus on sustainable forests

IAB to suggest questions – but could include:

- Drax response to issues raised in November 2019 meeting on sub categories for thinning.
- Drax evidencing programme of the new policy: catchment area analysis
- Drax healthy forest landscapes project (incl. remote sensing)
- Discussion on biodiversity and carbon interactions.

ACTION: IAB to give list of questions to Drax for consideration ahead of the November meeting

Summary of Actions

Action	Responsibility	Due date	Status
Create a list of issues	Drax (RH)	Before May meeting	Draft completed
Send media updates after press releases	Drax (RMcK)	After May meeting	Pending
List of questions for November meeting	IAB	July	Under discussion