# York and North Yorkshire launch bid to become AI Growth Zone



Mayor David Skaith has launched a bid for York and North Yorkshire to be named one of the UK’s first AI Growth Zones, in a move that could generate up to £85 billion in economic output across the Yorkshire and Humber region. The proposal, submitted by the York and North Yorkshire Combined Authority, is backed by North Yorkshire Council, Drax Power Station and the University of York.

At its heart is the Drax Power Station site near Selby, earmarked to become a national centre for carbon-negative energy, agri-tech innovation and AI development. Existing renewable energy infrastructure would support a new AI and Clean Energy Campus planned for the site.

“This region has a proud record of innovation and we are ready to work with Government to turn this vision into reality,” said Mayor Skaith. “Seizing on our established history at the forefront of innovation… we will deliver a pioneering, world-class AI Growth Zone.”

Richard Gwilliam, development director at Drax, said the initiative could unlock billions in growth, helping to build an innovation ecosystem that attracts major businesses and fosters local entrepreneurship. He said AI Growth Zone status would support plans for a carbon-negative data centre, placing Drax at the forefront of sustainable energy.

The University of York is also expected to play a central role. Vice-Chancellor Charlie Jeffery said the region could lead in responsible AI, with ethical and safety considerations embedded from the outset to ensure local and national benefit.

New energy infrastructure is already under way. The Lakeside Energy Park, recently opened in North Yorkshire, has a 100 MW capacity and can power 30,000 homes a day. Project manager Mark Selvaratnam said it would support the UK’s target of reaching net-zero emissions by 2050.

Drax is in talks with data centre operators over potential energy supply agreements, aiming to co-locate operations to manage soaring demand driven by AI growth. Goldman Sachs forecasts a 160 per cent increase in data centre power demand by 2030.

But Drax’s environmental record remains under scrutiny. Greenpeace and Friends of the Earth have criticised police actions near the plant as pre-emptive moves against planned protests, raising questions over the company’s carbon emissions and sustainability claims.

With a Government decision on the AI Growth Zone bid due after the 11 June spending review, the region’s ambition to blend cutting-edge technology with clean energy and economic regeneration now rests on the outcome.

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## Bibliography

1. <https://www.bdaily.co.uk/articles/2025/06/09/region-set-to-deliver-pioneering-ai-growth-zone> - Please view link - unable to able to access data
2. <https://www.bbc.co.uk/news/articles/cy94y7vrj2wo> - The UK's largest battery energy storage system, Lakeside Energy Park, has commenced operations in North Yorkshire. This 100MW facility, located near Selby, can supply power to approximately 30,000 homes daily across England and Wales. Battery energy storage systems store renewable energy, such as solar and wind, and release it when demand peaks. Mark Selvaratnam, project manager of Lakeside Energy Park, stated that the facility would significantly impact the UK's clean energy transition, aiding in meeting the government's net-zero emissions target by 2050.
3. <https://www.datacenterdynamics.com/en/news/drax-in-discussions-with-data-centers-over-potential-supply-agreements/> - Drax, the owner and operator of the UK's largest biomass facility in Selby, is engaging with data centre operators regarding potential energy supply agreements from its biomass plant. The company has received positive engagement with data centre providers about the possibility of co-locating a data centre with biomass generation. Drax plans to provide further information on potential data centre proposals in its annual report. The company recently agreed to a bridging agreement with the UK government to keep its power station running from 2027 to 2031.
4. <https://www.datacenterdynamics.com/en/news/drax-seeking-data-center-offtakers-for-biomass-plant/> - Drax Group is seeking potential buyers within the data centre market for energy from its biomass-fired plant in Selby, North Yorkshire. The company has reported positive engagement with data centre providers regarding the potential to co-locate data centres with biomass generation. Drax's biomass units currently provide 2.6GW capacity, representing four percent of the UK's dispatchable capacity. The company contends that no established technology can feasibly replace Drax's biomass capacity by 2027 while ensuring the security of supply without significantly increasing carbon emissions.
5. <https://www.yorkshirepost.co.uk/news/drax-exploring-options-to-power-data-centres-as-ai-set-to-drastically-increase-power-demand-4864174> - Drax, the operator of the UK's largest biomass power station in Selby, is exploring opportunities to provide power to UK data centres, as demand booms due to the adoption of AI. The company has been engaging with data centre providers regarding the potential to co-locate data centres with its biomass energy generation. A report from Goldman Sachs estimated that data centre power demand will grow 160 per cent by 2030, highlighting the increasing need for reliable and sustainable energy sources.
6. <https://www.yorkshirepost.co.uk/news/politics/drax-considering-using-selby-biomass-generators-to-power-data-centre-5002547> - Drax is considering using two of its biomass generators to power a data centre in the 2030s, with more detail expected to be revealed within days. The energy company runs the controversial biomass power station in Selby, which produces around five per cent of the UK's electricity. The government recently agreed to a bridging deal with Drax, granting financial support to keep the power station running from 2027 to 2031. From 2031, Drax hopes to have Bioenergy with Carbon Capture and Storage (BECCS) installed linking to two of the four generating units at the Selby site.
7. <https://www.theguardian.com/business/article/2024/aug/25/police-acting-as-private-security-for-drax-power-station-say-climate-activists> - Greenpeace and Friends of the Earth have accused police of acting as 'private security' for the UK's biggest carbon emitter after dozens of pre-emptive arrests forced the cancellation of a climate protest camp near Drax power station. In a statement signed by almost 150 groups, they called the operation against activists who had spent months planning the camp near the wood-burning power station 'an unreasonable restriction of free speech'. It comes as the Labour government faces difficult choices over the future of Drax, which, despite contributing about 3% of the UK's carbon emissions, is classed as 'renewable' and benefits from about £2m a day in green energy subsidies.