

July 14, 2025

To: House of Commons Public Bill Committee

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Subject: Enerkem's response to the Call for Evidence on the Sustainable Aviation Bill

Enerkem is a leading technology provider in the emerging 'waste-to-X' sector, where unrecycled waste and biomass residues are used to produce new sustainable chemicals and fuels. This reduces dependency on fossil resources and supports Energy Transition and Circular Economy objectives.

Enerkem's current focus is on producing sustainable, low-carbon methanol from mixed waste. Our contribution to this call for evidence is particularly relevant due to the potential of low-carbon methanol as a sustainable, available, and traceable feedstock for the production of SAF via the 'methanol-to-jet' pathway, which is currently undergoing the ASTM approval process. Enerkem has actively supported this process, including producing SAF from waste at its demonstration facility in Canada and supplying these samples for certification.

More broadly, Enerkem has been exploring waste-to-SAF opportunities for over five years, including through the gasification + FT pathway (in collaboration with Shell and others), and the gasification-to-methanol followed by methanol-to-jet process mentioned above. These represent two of the four leading SAF production pathways at industrial scale, alongside HEFA and PtL.

As a result, Enerkem has developed a deep understanding of the technical processes, business models, and investment requirements associated with SAF production. This is evidenced by the €1.5 billion secured to date for Enerkem's first commercial projects, where challenges around methanol offtake—such as securing a guaranteed route to market and a firm price—are critical to enabling new infrastructure.

Enerkem has also actively participated in the development of the SAF Mandate and discussions around the RCM and alternative mechanisms to provide price certainty for SAF production.

Our comments on the proposed SAF Revenue Certainty Mechanism (RCM) are as follows:

- The UK SAF Mandate is a world-leading policy initiative that positions the UK as a priority market for SAF producers. The AFF competition has also supported an initial set of projects capable of delivering tangible production outcomes in response to the mandate.
- Including a SAF RCM is essential to the policy framework. It provides a floor price for SAF products, which is crucial for securing low-cost debt financing for capital-intensive projects. Access to affordable financing is key to reducing production costs and minimizing the price increase associated with transitioning from fossil to sustainable fuels.
- Except for the HEFA pathway (which is capped under the SAF mandate), all candidate pathways involve significant project development, technological, and commercial risks. By underpinning SAF prices, the RCM mitigates a substantial portion of offtake risk by ensuring a guaranteed market and minimum price.
- If set at the right level, the RCM should stimulate new production, facilitate price discovery, and help establish a functioning SAF market. Over time, it could become redundant as market mechanisms provide investors with sufficient confidence in the value of SAF.

Enerkem's recommendations regarding the RCM are as follows:

- **Retain the RCM as part of the SAF mandate**, recognizing its critical role in enabling the growth of a domestic SAF production industry that offers substantial economic benefits to the UK. This includes the potential for significant SAF export opportunities to international markets."
- **Collaborate with industry on a price discovery process** to ensure the RCM price effectively supports the development of production capacity and yields clearly measurable outcomes from the new policy. It is in everyone's interest to avoid setting a price too low to enable viable project development.

Kind regards,

Enerkem.