This is a revised version to correct errors related to declarations of compatibility with the European Convention on Human Rights and Environment Act 2021

SUSTAINABLE AVIATION FUEL BILL

EXPLANATORY NOTES

What these notes do

These Explanatory Notes relate to the Sustainable Aviation Fuel Bill as brought from the House of Commons on 20 October 2025 (HL Bill 138).

- These Explanatory Notes have been prepared by the Department for Transport in order to assist the reader of the Bill and to help inform debate on it. They do not form part of the Bill and have not been endorsed by Parliament.

- These Explanatory Notes explain what each part of the Bill will mean in practice; provide background information on the development of policy; and provide additional information on how the Bill will affect existing legislation in this area.

These Explanatory Notes might best be read alongside the Bill. They are not, and are not intended to be, a comprehensive description of the Bill.

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These corrected Explanatory Notes relate to the Sustainable Aviation Fuel Bill as brought from the House of Commons on 20 October 2025 (HL Bill 138)

Overview of the Bill

1. The Sustainable Aviation Fuel Bill introduces legislative measures to implement a revenue certainty mechanism to support sustainable aviation fuel (SAF) production in the UK.

2. The Bill will enable the Secretary of State to designate a counterparty that is wholly owned by Government and direct them to enter into private law contracts with SAF producers, guaranteeing a price for the sale of eligible SAF over a period.

3. The Bill will also enable the Secretary of State to make regulations imposing a levy on suppliers of aviation fuel in the UK, to fund the revenue certainty mechanism. This will allow the counterparty to collect a levy to cover the costs of issuing payments under contracts and administering the scheme.

4. By reducing key risks to investors, the revenue certainty mechanism will support successful final investment decisions for UK SAF projects and get first-of-a-kind plants built at commercial scale.

Policy background

5. Transport accounted for 29% of the UK's greenhouse gas emissions in 2023[1]. Aviation is currently the second largest contributor to emissions from transport but by 2040, it is set to overtake road vehicles as transport's largest emitter[2].

6. Government and industry are tackling aviation emissions through a variety of measures, although some technological solutions to reduce aviation emissions, such as zero emission flights, are at a relatively early stage of development. SAF is therefore one of the most effective ways to reduce aviation emissions right now, as it is available today as a 'drop-in fuel' that does not require modifications to existing aircraft. They can generally achieve lifecycle emissions savings of over 70% compared with conventional jet fuel, when fully replacing kerosene. SAF is expected to play a critical role in decarbonising aviation up to and beyond 2050.

7. The Government is clear that it wants to see the UK capture its share of the global SAF market by playing a leading role in development, production and use. For production facilities, making the leap from lab to commercial scale has proven difficult as smaller demonstration facilities are capital intensive and often unprofitable. Commercial plants can then typically cost £600 million to £2 billion[3] to reach economies of scale and tend to run at a loss during their first years of deployment. First-of-a-kind plants often struggle to secure major investment from equity and debt providers due to several associated risks, including revenue certainty.

8. The Government response to the publication of independent advice from Philip New 'Developing a UK Sustainable Aviation Fuel Industry'[4] defined key barriers to investment that SAF producers have faced so far:

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[1] DESNZ (2025), 2023 UK Greenhouse Gas Emissions, Final Figures. Available here

[2] Climate Change Committee (2025), The Seventh Carbon Budget Advice for the UK Government. Available here.

[3] Estimates are taken from examples of total CAPEX costs from Advanced Fuel Fund projects that are first-of-a-kind and of commercial scale

[4] More information is available here.

- **Technology risk.** Advanced SAF technologies are at early technology readiness and require innovation and demonstration before they are ready for commercial deployment. Even then the risk remains that a plant will not operate as expected.

- **Feedstock risk.** There is significant competition for resources that can be used as feedstocks for SAF production. There is a risk that, in the absence of long-term feedstock contracts, producers will not attract sufficient feedstock to maintain forecasted production levels and revenues.

- **Construction risk.** Building a SAF plant presents risks that cause delays or impact on the plants' performance specifications. These could occur from ground condition, interfaces between different parts, and underestimation of time and cost to build and commission.

- **Revenue certainty risk.** Due to uncertainty regarding the future cost of SAF and an undefined market price, there is a lack of confidence over the revenue that SAF production will attract.

9. The Government is already helping to address technology risk through the Advanced Fuels Fund and the UK SAF Clearing House. In July 2022, the Advanced Fuels Fund was launched to provide grant funding to first-of-a-kind commercial and demonstration scale projects in the UK. Its aim is to crowd in private investment and accelerate projects through development stages and towards final investment decisions.

10. The UK SAF Clearing House was also launched to address technology risk by providing coordination and grant support, to test and qualify new production pathways for SAF. It builds on existing expertise to help reduce uncertainty, cost and time barriers for new fuels, while maintaining safety and alleviating global testing pressures.

11. The SAF Mandate was introduced on 1 January 2025 to drive demand for SAF in the UK and deliver emissions reductions up to 2.7 MtCO2e in 2030 and up to 6.3 MtCO2e in 2040. It places an obligation on aviation fuel suppliers to ensure a proportion of their fuel supplied is SAF. This starts at 2% in 2025 and reaches 10% by 2030 and 22% by 2040.

12. The SAF Mandate can be legally met with imports but international demand for SAF, and the feedstocks used in production, is expected to be high. A domestic SAF production industry will help aviation fuel suppliers secure the SAF needed to meet their Mandate obligation and reduce the risk of them buying out with no emissions reductions achieved.

13. The SAF Mandate is largely a demand side measure. By issuing tradeable certificates that reward the supply of SAF based on emissions savings, there is also a financial incentive to supply. However, the Government accepts that the Mandate alone may not provide sufficient long-term revenue certainty to secure investment in first-of-a-kind commercial scale UK projects.

The Revenue Certainty Mechanism

14. SAF projects will continue to face revenue certainty risk in the UK that impact on successful final investment decisions because of various factors, including:

    - **No clear UK or global market price for SAF from advanced fuel production pathways**. A nascent and variable price means predicting the price that SAF will trade at in the UK over the short and medium to long term (for example, the next 10 to 20 years) is uncertain.

- **Perceived policy and regulatory uncertainty**. Concerns of future regulatory changes, which could impact on future price dynamics and subsequent returns on investment. This includes the possible adjustment of UK SAF Mandate targets, impacting the balance of supply and demand and subsequent price movements. This also relates to the level of the buy-out price within the Mandate, which impacts the price that suppliers are willing to pay for SAF.

- **Projects competing for finance with other low carbon technologies**. Some other low carbon technologies already receive or are due to receive revenue certainty support. The low carbon electricity Contract for Difference scheme has been in place since 2015 and a similar business model is being implemented for low carbon hydrogen production, carbon capture and greenhouse gas removal technologies. These business models are seen to increase investor confidence and lower the financing cost of projects in the UK. These revenue certainty schemes have created a precedent for investors, such as debt financers. With all else being equal, these technologies could outcompete first-of-a-kind UK SAF plants for green financing.

15. A revenue certainty mechanism mitigates these risks to providers of finance by guaranteeing a price for a project's eligible SAF over a defined period; using private law contracts, administered by an operationally independent counterparty, to reduce the risk of policy and regulatory change; and increasing these project's competitiveness for finance with other low carbon technologies. By reducing these risks, it can lower the cost of capital and increase the chances of first-of-a-kind commercial scale projects reaching successful final investment decisions.

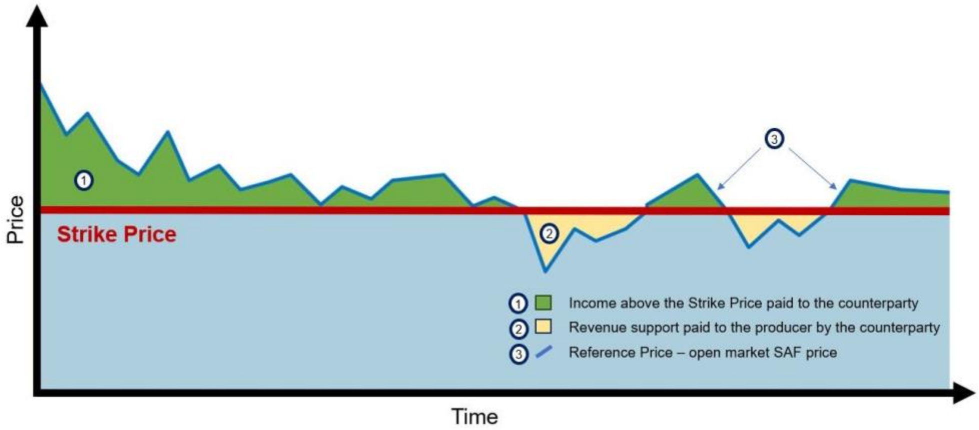
16. A consultation was published on 25 April 2024[5] presenting four shortlisted options for a revenue certainty mechanism. The Government response[6] to that consultation confirmed that a guaranteed strike price (GSP) will be used. A GSP offers the highest level of confidence for investors, can be built on the established precedent of Contracts for Difference schemes, provide a clear claim process, and can be targeted at UK SAF plants.

17. The Secretary of State directs a designated counterparty to enter into a private law contract with a UK SAF producer, to guarantee a price (the 'strike price') that the producer will receive for selling eligible SAF, over a defined period.

18. When the producers sell their SAF to the market, the difference between the price sold (the 'reference price') and the strike price determines the flow of payments between the producer and the counterparty. This is shown in the diagram below.

[5] More information is available here.

[6] More information is available here.



19. The diagram shows that where the reference price is equal to strike price, no payments are made between the counterparty and the producer. Where the reference price is below the strike price, the counterparty pays the difference to the producer. Where the reference price exceeds the strike price, the producer pays the difference to the counterparty.

20. The mechanism is intended to be a time-limited measure to stimulate an early market for SAF. It will no longer be needed once investors have confidence in the market price and the first-of-a-kind technology has proved itself at commercial scale.

Designation of the counterparty

21. The designated counterparty must be a company wholly owned by the Government. Their primary role is to issue contracts to producers as directed by the Secretary of State, manage those contracts through construction and delivery phases, facilitate any payments under those contracts and collect the levy to fund scheme costs.

Levy funding

22. The Government published a consultation on 3 March 2025[7], that stated that the costs associated with the revenue certainty mechanism must be funded by the aviation industry. This adheres to the policy statement on environmental principles in the Environment Act 2021, that states the costs of environmental damage should be borne by those causing it, rather than the person who suffers the effects of the resulting environmental damage, or the wider community (the "polluter pays" principle).

23. The costs associated with the revenue certainty mechanism includes payments under contracts between the producer and the counterparty, and the administration costs of the counterparty operating the scheme.

24. In the March 2025 consultation[8], the Government also assessed several options for industry funding before taking a minded-to position to place a variable levy on aviation fuel suppliers. Costs of the scheme will be variable, as fluctuations in the difference between the reference price and the strike price change the payment flow between the producer and the counterparty. A variable levy can accommodate this by having recurring charging periods where the amounts can

[7] More information available here.

[8] More information available here.

change. It can also be administered based on forecasts and reconciled with actual data if required.

25. Consideration was also given to where in the aviation fuel supply chain a variable levy should be placed. The consultation set out a preferred position that the levy should be placed on aviation fuel suppliers for the following reasons:

- Placing the levy higher up the supply chain on aviation fuel suppliers could allow costs that are passed on to be distributed across more of the supply chain – this includes airlines, freight companies and passengers.
- Aviation fuel suppliers will benefit from the additional SAF production that the revenue certainty mechanism is designed to stimulate, since the SAF Mandate obligation to supply a minimum amount of SAF is placed on them.
- The SAF Mandate obligation is expected to fall on around 20 aviation fuel suppliers – reporting requirements will be standardised where possible to reduce the burden for providing information and administering the levy.

26. The same consultation stated that individual levy contributions would be based on market share of aviation turbine fuel ('avtur') supplied in the UK over defined periods. Future development of the levy will wherever possible, align to the principles of solvency, simplicity, policy coherence, market stability, flexibility, compliance, affordability and fairness.

Legal background

27. The following is a summary of the legal background to the Bill. Further explanation is contained in the policy background sections of these notes.

28. The Bill sets out a new legal framework to establish a revenue certainty mechanism for SAF production. The provisions in the Bill are similar to the provisions for revenue support contracts for hydrogen production under Part 2 of the Energy 2023 Act and the Contracts for Difference provisions set out in Part 2 of the Energy Act 2013 for low carbon electricity generation.

29. The supply of SAF is currently regulated in the UK by the 2024 Order, which came into force on 1st January 2025. The 2024 Order is made using powers in sections 124 to 132 of the Energy Act 2004 which provides for the imposition of renewable transport fuel obligations.

30. The 2024 Order requires aviation fuel suppliers to supply an increasing proportion of sustainable aviation fuel over the period from 2025 to 2040. Certificates are issued for each unit of SAF supplied in a calendar year and those certificates are provided to the administrator as evidence to show that the supplier meets its obligation or are traded with other suppliers. Those suppliers that are not able to provide certificates to meet their obligation must pay a buy-out price for obligated amount of SAF it has failed to supply during the calendar year.

Territorial extent and application

31. Clause 17 sets out the territorial extent of the Bill, that is the jurisdictions to which the provisions of the Bill are subject. The extent of a Bill can be different from its application. Application is about where a Bill produces practical effect. This Bill extends to England and Wales, Scotland, and Northern Ireland.

32. See the table in Annex A for a summary of the position regarding territorial extent and application in the United Kingdom.

Commentary on provisions of Bill

Revenue certainty contracts

Clause 1: Direction to offer revenue certainty contract

33. This clause enables the Secretary of State to direct a designated counterparty to enter into a revenue certainty contract with a SAF producer on terms determined by the Secretary of State. In addition to setting out the terms of the revenue certainty contract, a direction must be in writing and contain the information set out in subsection (4). The period during which the Secretary of State may direct the designated counterparty is initially limited to 10 years under subsection (7), but that period may be extend by regulations made under subsection (8).

34. Subsection (2) defines "revenue certainty contract" as a contract that provides for payments between the designated counterparty and the SAF producer: when the strike price is higher than the market reference price, the counterparty will pay the difference to the SAF producer; when the market reference price is higher than the strike price the SAF producer will pay the difference to the counterparty. Definitions of "market reference price" and "strike price" are set out in subsection (3).

35. Subsection (5) allows the Secretary of State to direct a Government-owned company to provide assistance for the purpose of identifying to whom revenue certain contracts should be allocated. The company might, for example, be directed to carry out an auction process.

Clause 2: Notice of directions and revocation

36. Where the Secretary of State directs the designated counterparty to enter into a revenue certainty contract with a SAF producer, this clause requires the Secretary of State to provide the SAF producer with a copy of the direction. This clause also enables the Secretary of State to revoke a direction to enter into a revenue certainty contract by giving written notice to the designated counterparty and the SAF producer.

Clause 3: Registration and publication of contracts

37. This clause enables the Secretary of State to make regulations requiring the designated counterparty to maintain a register of revenue certainty contracts and setting out the information that the counterparty must be include in the register. It also enables the Secretary of State to make regulations requiring the counterparty to publish revenue certainty contracts, subject to any redactions permitted by the regulations.

Designated counterparty

Clause 4: Designation of counterparty

38. This clause enables the Secretary of State to designate a company wholly owned by the Government, with their consent, to be the counterparty for revenue certainty contracts. The counterparty enters into revenue certainty contracts on the direction of the Secretary of State (clause 1) and is responsible for performing contractual obligations under those contracts.

39. The Secretary of State may revoke a designation by giving notice to the designated counterparty but must designate a new counterparty to ensure one is always in place. The counterparty may withdraw its consent to a designation by giving notice but remains the counterparty until the Secretary of State has designated a replacement.

Clause 5: Transfer schemes

40. This clause enables the Secretary of State to make schemes transferring property, rights or liabilities of a company whose designation has been revoked to the new designated counterparty.

This may prove necessary if, for some reason, it is no longer appropriate for the designated counterparty to continue as the counterparty. A scheme may provide for compensation to any person adversely affected by the scheme.

Levy funding

Clause 6: Levy on suppliers

41. This clause enables the Secretary of State to make regulations requiring relevant suppliers of aviation fuel to pay a levy to the counterparty (levy regulations) to meet the costs of the scheme. Costs include payments to the counterparty and other costs incurred by virtue of the Bill, including those incurred by the counterparty in administering the scheme. Costs incurred in complying with a direction under clause 1(5) are excluded.

42. Relevant suppliers of aviation fuel are those suppliers subject to an obligation to supply SAF under the 2024 Order (see section on Legal Background).

43. This clause also enables the Secretary of State to set out in regulations how the amount of the levy is to be determined and how it is to be paid by relevant suppliers of the aviation fuel. In particular, regulations may enable the counterparty to hold sums of account and require those suppliers to make payments on account. The Secretary of State must consult appropriate persons before making the regulations.

Clause 7: Collateral for levy

44. This clause enables the levy regulations to require a person liable to pay the levy to provide financial collateral to the counterparty, as a financial security to ensure payment of the levy.

Clause 8: Administration etc of levy and disputes

45. This clause makes provision for levy regulations to confer functions on the designated counterparty in connection with the administration and enforcement of levy regulations, including provision for resolving disputes.

46. It also makes provision for levy regulations to require the Secretary of State to assist the designated counterparty by collecting information and sharing it with the designated counterparty.

47. Subsection (2) enables the levy regulations to impose requirements on people to provide information to the designated counterparty or the Secretary of State.

Clause 9: Calculation or determination of matters under levy regulations

48. This clause makes provision for the levy regulations, to delegate to specified persons anything which is to be calculated or determined under the levy regulations.

Surpluses

Clause 10: Payment of surpluses to levy payers

49. This clause enables the Secretary of State to make regulations to require the designated counterparty, to make payments of any surplus to suppliers of aviation fuel who have paid the levy and how the surplus and payments are to be determined. A surplus may arise where the SAF producers are making payments to the counterparty when the market reference price exceeds the strike price.

50. This clause also provides that regulations may require suppliers who receive such payment to ensure their customers will receive such benefits from the payment in accordance with those regulations.

51. Subsection (4) requires the Secretary of State to consult Welsh Ministers, Scottish Ministers, the Department for the Economy in Northern Ireland and any other persons the Secretary of State considers appropriate before making such regulations.

Financial penalties

Clause 11: Financial penalties

52. This clause enables the Secretary of State to enforce certain provisions under the Bill by imposing financial penalties. The Secretary of State may impose a financial penalty on a person that fails to comply with levy regulations or fails to comply with requirements under regulations made under clause 10. The amount of such a penalty must not exceed the lesser of £100,000 or an amount equal to 10% of a person's turnover. The procedures for issuing, appealing and recovering a financial penalty are set out in the Schedule, and all penalties received must be paid into the Consolidated Fund. Regulations may increase the maximum penalty amount in line with inflation and set out how a person's turnover is determined.

Directions, information and advice

Clause 12: Power to direct designated counterparty

53. Subsection (1) allows the Secretary of State to give the counterparty directions as to the exercise of its functions under this Act. The directions must be published by the Secretary of State.

Clause 13: Information and advice

54. This clause requires the counterparty to comply with a requirement imposed by the Secretary of State to provide information or advice to the Secretary of State in connection with the exercise of its functions under the Bill. It is not intended to require the counterparty to provide information that would breach their common law duty of confidence.

Financial assistance

Clause 14: Financial assistance for designated counterparty

55. This clause allows the Secretary of State to provide financial assistance (in any form) to the counterparty, subject to any conditions considered appropriate by the Secretary of State. The intention of the clause is to enable the Secretary of State to support the designated counterparty financially to ensure that it is able to meet its liabilities under the revenue certainty contracts and effectively administer those contracts.

General

Clause 15: Regulations

56. This section provides that regulations are to be made by statutory instrument and that they may make different provision for different purposes and supplementary, incidental, transitional or saving provision. Subsection (3) and (4) set out the Parliamentary procedure to followed for regulations under the Bill, which will follow either the negative resolution Parliamentary procedure or the affirmative resolution Parliamentary procedure. Regulations made under the negative resolution Parliamentary procedure are subject to annulment in pursuance of a resolution of either House of Parliament. Where regulations are subject to the affirmative resolution Parliamentary procedure, a draft of the regulations must be laid before Parliament and approved by a resolution of each House of Parliament.

Clause 16: Interpretation

57. This clause provides information on how terms which are used throughout the Bill should be

interpreted in the Bill.

Clause 17: Extent

58. This clause is self-explanatory

Clause 18: Commencement

59. This clause sets out when the provisions of the Bill come into force. Clause 1 comes into force at the end of the period of two months beginning on the day that the Bill is passed. The remaining provisions of the Bill come into force on the day on which the Bill is passed.

Clause 19: Short title

60. This clause is self-explanatory.

Schedule

61. This schedule makes further provision in connection with financial penalties under clause 11. This includes how the Secretary of State must notify a person before imposing a financial penalty, that person's right to appeal and make representations, how the Secretary of State issues a final notice, how unpaid financial penalties are recovered and that any sums received must be paid into the Consolidated Fund.

Commencement

62. Clause 1 will come into force two months after the day on which the Bill is the passed. The remaining provisions come into force on the date in which it is passed.

Financial implications of the Bill

63. The financial implications associated with the majority of the Bill provisions will only arise if and when enacted by regulations. A cost benefit has been provided that models the potential costs and benefits of these regulations. It shows that the revenue certainty mechanism is likely to demonstrate value for money, aiming to reduce the cost of producing SAF in the UK whilst having a minimal impact on ticket prices.

64. The Bill also provides for the Secretary of State to give financial assistance to the counterparty (clause 14) for the purpose of administering and meeting its liabilities under revenue certainty contracts.

Parliamentary approval for financial costs or charges imposed

65. The House of Commons passed a money resolution for this Bill on 11 June 2025 to authorise charges on the public revenue (that is, broadly speaking, new public expenditure). This is because clause 14(1) confers power on the Secretary of State to provide financial assistance to the designated counterparty.

66. The House of Commons passed a ways and means resolution for this Bill on 11 June 2025 to authorise new charges on the people (that is, broadly speaking, new taxation or other similar charges) and because it requires the payment of money into the Consolidated Fund. The provisions authorising new charges are the powers under clause 6 to impose a levy on relevant suppliers of aviation fuel and the powers under clause 7 to require a person to provide financial collateral. The provision requiring the payment of money into the Consolidated Fund is in the Schedule, which relates to financial penalties.

Compatibility with the European Convention on Human Rights

67. Section 19 of the Human Rights Act 1998 requires the Minister in charge of a Bill in either House of Parliament to make a statement about the compatibility of the provisions of the Bill with the European Convention on Human Rights ("ECHR") (as defined in section 1 of that Act).

68. In the opinion of the Lord Hendy of Richmond Hill CBE, Minister of State for Rail, the provisions of the Bill are compatible with the Convention rights, and they will make a statement to this effect.

69. These notes deal only with those parts of the Bill which raise specific ECHR issues. The remaining provisions of the Bill are considered not to engage Convention rights, or, if they do, to do so in a way in which it is clear that there is no interference.

Article 6

70. Article 6 (right to a fair trial) is engaged by clause 11. Article 6 sets out that everyone is entitled to a fair and public hearing within a reasonable time by an independent and impartial tribunal

established by law.

71. Clause 11 of the Bill provides that the Secretary of State may impose a financial penalty on a person where the Secretary of State is satisfied that the person has breached a requirement imposed by and specified in levy regulations or the regulations made under clause 10(1)(b). The Schedule to the Bill sets out procedure for notices, appeals and recovery of penalties, with appeals being made to the High Court in England and Wales and Scotland, and to the Court of Session in Northern Ireland.

72. Therefore, the Department considers the provisions do not interfere with Article 6.

Article 1, Protocol 1

73. Clauses 6 and 11 engage Article 1, Protocol 1 (protection of property) ("A1P1"). A1P1 protects a person from interference, deprivation or control of their property, unless such interference, deprivation or control is in the public interest or is necessary to control the use of property in accordance with the general interest or to secure payment of taxes or other contributions.

74. Clause 6 (levy on suppliers) enables the Secretary of State to make regulations ("the levy regulations") requiring relevant suppliers of aviation fuel to pay a levy to the counterparty to meet the costs of payments made by the counterparty under the revenue certainty contracts and other costs related to the Bill. Clause 11 enables the Secretary of State to impose a financial penalty on a supplier that fails to comply with the levy regulations. The imposition of the levy and its enforcement may deprive a supplier of its property.

75. A1P1 is a qualified right. Any interference is justifiable where, in summary, it is in accordance with law, in the public interest, and proportionate. The Bill includes clear provisions detailing who is liable to pay the levy and what costs the levy may cover. Clause 6 provides for regulation making powers which are subject to the affirmative procedure and consultation, which will enable those affected to input into the levy's design and allow Parliament to scrutinise the approach taken.

76. The purpose of the levy is to fund the revenue certainty mechanism provided for by the Bill. The decision to fund the revenue certainty mechanism through a levy on aviation fuel suppliers is consistent with the polluter pays principle and has been subject to consultation with industry[9].

77. The amount of the levy paid by any supplier will be determined by its share of the liabilities incurred by the counterparty under the revenue certainty contracts during a specified period with that share determined by the supplier's share of aviation fuel supplied in the UK during that period. The liabilities incurred by the counterparty will be determined by the terms of the revenue certainty contracts, which will set out the market reference price and strike price for eligible SAF that will determine the payments made by, or received, from the counterparty. The amounts of payments made to SAF producers under the revenue certainty contracts will be subject to the subsidy control requirements under the Subsidy Control Act 2022, ensuring that the liabilities incurred by the counterparty, which will be funded by the levy on aviation fuel suppliers, are reasonable and proportionate to achieve the policy objective.

78. Clause 11 enables the Secretary of State to impose a financial penalty for a breach of the levy regulations made under clause 6. The maximum penalty that can be imposed is set out clause

[9] Sustainable aviation fuel revenue certainty mechanism: approach to industry funding - GOV.UK

11(3) and the procedural requirements for imposing a financial penalty and the appeals process are set out in the Schedule. In the Department's view, the enforcement measures are necessary to secure payment of a tax and are justifiable.

79. Therefore, the Department considers that any interference that clauses 6 and 11 have with A1P1 rights is justified.

Duty under Section 20 of the Environment Act 2021

80. Lord Hendy of Richmond Hill CBE, Minister of State for Rail is of the view that the Bill as brought from the House of Commons does contain provision which, if enacted, would be environmental law for the purposes of section 20 of the Environment Act 2021 and that the Bill will not have the effect of reducing the level of environmental protection provided for by any existing environmental law. Accordingly, a statement under that section has been made, in which the Minister of State for Rail will state that the Bill will not have the effect of reducing the level of protection provided for in existing legislation.

Duty under Section 13C of the European Union (Withdrawal) Act 2018

81. Lord Hendy of Richmond Hill CBE, Minister of State for Rail is of the view that the Bill as brought from the House of Commons does not contain provision, which, if enacted would affect trade between Northern Ireland and the rest of the United Kingdom. Accordingly, no statement under section 13C of the European (Withdrawal) Act 2018 has been made.

Related documents

82. The following documents are relevant to the [Bill/Act] and can be read at the stated locations:

- April 2024 consultation – *Sustainable Aviation Fuel Revenue Certainty Mechanism: Revenue certainty options to support a sustainable aviation fuel industry in the UK* https://www.gov.uk/government/consultations/sustainable-aviation-fuels-revenue-certainty-mechanism-revenue-certainty-options

- January 2025 Government response to April 2024 consultation https://www.gov.uk/government/consultations/sustainable-aviation-fuels-revenue-certainty-mechanism-revenue-certainty-options

- March 2025 consultation – *Sustainable Aviation Fuel Revenue Certainty Mechanism: Approach to industry funding https://www.gov.uk/government/consultations/saf-revenue-certainty-mechanism-approach-to-industry-funding/sustainable-aviation-fuel-revenue-certainty-mechanism-approach-to-industry-funding#funding-for-the-revenue-certainty-mechanism*

- May 2025 Government response to March 2025 consultation https://www.gov.uk/government/consultations/saf-revenue-certainty-mechanismapproach-to-industry-funding

- May 2025 Sustainable Aviation Fuel (SAF) revenue certainty mechanism: cost benefit analysis https://www.gov.uk/government/publications/saf-revenuecertainty-mechanism-cost-benefit-analysis

Annex A - Territorial extent and application in the United Kingdom

Provision	England	Wales		Scotland		Northern Ireland	
	Extends to E & W and applies to England?	Extends to E & W and applies to Wales?	Legislative Consent Motion process engaged?	Extends and applies to Scotland?	Legislative Consent Motion process engaged?	Extends and applies to Northern Ireland?	Legislative Consent Motion process engaged?
Clause 1	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Clause 2	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Clause 3	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Clause 4	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Clause 5	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Clause 6	Yes	Yes	No	Yes	No	Yes	No
Clause 7	Yes	Yes	No	Yes	No	Yes	No
Clause 8	Yes	Yes	No	Yes	No	Yes	No
Clause 9	Yes	Yes	No	Yes	No	Yes	No
Clause 10	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Clause 11	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Clause 12	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Clause 13	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Clause 14	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Clause 15	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Clause 16	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Clause 17	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Clause 18	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Clause 19	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Schedule	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Subject matter and legislative competence of devolved legislatures

83. The main subject matter of this Bill is the protection of the environment and economic development which are within competence of the Scottish, Welsh and Northern Irish legislatures, except for clauses 6 to 9 (and clause 10 and 11 to the extent those provisions are exercised in respect levy regulations) which relate to taxation which is a subject matter outside the competence of the Scottish, Welsh and Northern Irish legislatures.

84. There is a convention ("the Sewel Convention") that the UK Parliament will not normally legislate with regard to matters that are within the legislative competence of the Scottish Parliament, Senedd Cymru or the Northern Ireland Assembly without the consent of the legislature concerned. In relation to Scotland and Wales, this convention is enshrined in law (see section 28(8)

of the Scotland Act 1998 and section 107(6) of the Government of Wales Act 2006)

85. The table above sets out clauses in the Bill which involve the UK Parliament legislating for a matter that is within the legislative competence of a devolved legislature, and engage the Legislative Consent Motion process under the Sewel Convention.

86. If there are any amendments relating to matters within the legislative competence of the Scottish Parliament, Senedd Cymru or the Northern Ireland Assembly, the consent of the relevant devolved legislature(s) will be sought for the amendments.

SUSTAINABLE AVIATION FUEL BILL

EXPLANATORY NOTES

These Explanatory Notes related to the Sustainable Aviation Fuel Bill as brought from the House of Commons on 20 October 2025 (HL Bill 138).

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