

Sustainable Aviation Fuel Bill

MARSHALLED
LIST OF AMENDMENTS
TO BE MOVED
IN COMMITTEE OF THE WHOLE HOUSE

[Amendments marked ★ are new or have been altered]

Amendment
No.

Clause 1

LORD RAVENSDALE
BARONESS BLOOMFIELD OF HINTON WALDRIST

- 1 Clause 1, page 1, line 5, at end insert “, subject to sections (*Further provision about power to liquid fuels*) and (*Further provision about the direction to offer revenue certainty contract*),”

Member's explanatory statement

This amendment is consequential on Lord Ravensdale's amendments adding new sections “Further provision about power to liquid fuels” and “Further provision about the direction to offer revenue certainty contract”.

LORD MOYLAN

- 2 Clause 1, page 1, line 5 at end insert –
“(1A) Any revenue certainty contract offered under subsection (1) must not exceed a term of ten years and must include a break clause exercisable at no cost by the Secretary of State at the end of the fifth year of the contract.”

Member's explanatory statement

This amendment would limit revenue-certainty contracts to a maximum of ten years and require that each contract include a break clause exercisable at no cost to the taxpayer allowing the Secretary of State to terminate the contract at the five-year point.

BARONESS BLOOMFIELD OF HINTON WALDRIST

- 3★ Clause 1, page 2, line 13, leave out “10” and insert “20”

LORD GRAYLING

4 Clause 1, page 2, line 15, at end insert –

- “(9) A direction given by the Secretary of State under subsection (1) may only require the designated counterparty to enter into a revenue certainty contract with a producer in respect of sustainable aviation fuel that is, or is projected to be, manufactured at a production facility located within the United Kingdom.
- (10) For the purposes of this Act, no sustainable aviation fuel producer shall be eligible for a revenue certainty contract if any certified component fuel or precursor which constitutes more than ten per cent of the final sustainable aviation fuel volume is not also manufactured at a production facility located within the United Kingdom.”

Member's explanatory statement

This amendment seeks to legally ring-fence the financial support provided under the Act, preventing the levy raised from UK aviation fuel suppliers from being used to subsidise sustainable aviation fuel production facilities located outside the UK.

After Clause 1

LORD RAVENSDALE

5 After Clause 1, insert the following new Clause –

“Further provision about the direction to offer revenue certainty contract

- (1) The Secretary of State must, from 1 January 2030, make rules (an “allocation framework”) about the allocation of revenue certainty contracts, including –
- (a) provision for the giving of notice before an allocation round is commenced;
 - (b) provision for different allocation frameworks to apply in respect of different allocation rounds;
 - (c) provision for the publication of allocation frameworks;
 - (d) provision about matters in relation to which provision may or must be made in an allocation framework.
- (2) An allocation framework must contain provision to allow the Secretary of State to make a decision to limit eligibility for a revenue certainty contract, by reference to –
- (a) the process used for producing sustainable aviation fuel;
 - (b) outputs of sustainable aviation fuel or capacity of sustainable aviation fuel production;
 - (c) the geographical location of an applicant’s activities;
 - (d) standards or other published documents.
- (3) An allocation framework must include provision for –
- (a) the determination of a matter on a competitive basis;
 - (b) calculations or determinations to be made under the framework.
- (4) An allocation framework may –

- (a) include incidental, supplementary and consequential provision;
- (b) make transitory or transitional provision and savings;
- (c) make different provision for different cases or circumstances or for different purposes;
- (d) make provision subject to exceptions.”

Member's explanatory statement

This amendment gives the Secretary of State a duty from 1 January 2030 to make rules establishing an allocation framework for award of revenue certainty contracts, on the same basis as contracts for difference for energy, and revenue support contracts for hydrogen and carbon capture, including provision for competition, and eligibility based on production location.

LORD RAVENSDALE
BARONESS BLOOMFIELD OF HINTON WALDRIST

6 After Clause 1, insert the following new Clause —

“Further provision about power-to-liquid fuels

- (1) The Secretary of State must direct the designated counterparty to offer to enter into one or more revenue certainty contracts with a producer of power-to-liquid fuel.
- (2) The revenue certainty contracts or contracts to which this section applies must be for the production of power-to-liquid fuel of at least the volumes set out in the second column of the table in subsection (3).
- (3) The table is as follows —

Obligation period or periods	Volume of Power-to-liquid fuel, million tonnes of oil equivalent
1st January 2028 to 31st December 2028	0.0215
1st January 2029 to 31st December 2029	0.0218
1st January 2030 to 31st December 2030	0.0556
1st January 2031 to 31st December 2031	0.0560
1st January 2032 to 31st December 2032	0.0850
1st January 2033 to 31st December 2033	0.1146
1st January 2034 to 31st December 2034	0.1449
1st January 2035 to 31st December 2035	0.1765
1st January 2036 to 31st December 2036	0.2273
1st January 2037 to 31st December 2037	0.2798
1st January 2038 to 31st December 2038	0.3342

Obligation period or periods	Volume of Power-to-liquid fuel, million tonnes of oil equivalent
1st January 2039 to 31st December 2039	0.3904
1st January 2040 to 31st December 2040 and subsequent obligation periods	0.4487

- (4) In this section, “power-to-liquid fuel” means sustainable aviation fuel of non-biological origin –
- (a) the energy content of which comes from nuclear sources or renewable sources, other than biomass; and
 - (b) which is not made from –
 - (i) biofuels, or
 - (ii) a carbon source that has been generated for the purpose of converting it into a fuel for use in aircraft.”

Member's explanatory statement

This amendment requires that from 2028, an increasing amount of revenue certainty contracts for power-to-liquid (PtL) fuels must be entered into. The amounts in subsection (3) are taken from article 3 of the SAF mandate order (SI 2024/1187) which sets out the proportion of SAFs that must be PtL fuels.

Clause 6

LORD GRAYLING

- 7 Clause 6, page 4, line 19, after “contracts” insert “in respect of sustainable aviation fuel manufactured in the United Kingdom”

Member's explanatory statement

This amendment seeks to ensure that the levy is raised for the purposes of manufacturing sustainable aviation fuel in the United Kingdom. Connected with another amendment in the name of Lord Grayling, it seeks to prevent the government from diverting the levy funds to other broader aviation or climate-related policies.

LORD GRAYLING

- 8 Clause 6, page 4, line 20, leave out “other” and insert “directly related administration”

Member's explanatory statement

This amendment seeks to ensure that the levy can only be raised in relation to “other costs” if they are directly related to the administration of the levy. Connected with another amendment in the name of Lord Grayling, it seeks to prevent the government from diverting the levy funds to other broader aviation or climate-related policies.

LORD GRAYLING

9 Clause 6, page 4, line 21, at end insert –

“(1A) Levy regulations must stipulate that the levy shall be applied to conventional aviation fuel at the point where that fuel is withdrawn from a refinery, terminal, or bulk storage facility for supply to the aviation market within the United Kingdom.”

Member's explanatory statement

This amendment seeks to narrow the regulation-making power conferred on the Secretary of State, ensuring that there is a specific mandatory point of application for the levy. It is intended that this will align with existing fuel duty collection methods, ensuring the levy is applied consistently at the first point of sale or movement in the domestic supply chain.

EARL RUSSELL

10 Clause 6, page 4, line 24, leave out subsection (3) and insert –

“(3) For the purpose of meeting expenses properly incurred, or likely to be so incurred, by the designated counterparty in performing functions under this Act, relevant suppliers of aviation fuel shall, in accordance with the regulations under subsection (1), pay to the designated counterparty in each month a standardised levy on their relevant disposals of aviation fuel products in the preceding month that must be publicised on invoices expressed in pence per standard litre.”

Member's explanatory statement

This amendment requires the Secretary of State to set a standardised levy rate payable by all suppliers of aviation fuel, that must be publicised by suppliers of aviation fuel on invoices to their customers.

LORD MOYLAN

11 Clause 6, page 4, leave out lines 25 to 27 and insert “to the designated counterparty in each month a standardised levy on the aviation fuel products provided by that supplier in the preceding month that must be published on invoices expressed in pence per standard litre.”

Member's explanatory statement

This amendment probes the practicality of a levy mechanism based on market share.

EARL RUSSELL

12 Clause 6, page 4, line 35, leave out paragraph (a)

Member's explanatory statement

This amendment is consequential on another amendment in the name of Earl Russell to require the Secretary of State to set a standardised levy rate payable by all suppliers of aviation fuel, that must be publicised by suppliers of aviation fuel on invoices to their customers.

LORD HENDY OF RICHMOND HILL

- 13 Clause 6, page 4, line 38, leave out subsection (7)

Member's explanatory statement

This leaves out the duty to consult about levy regulations under clause 6 since I am proposing a new clause that brings together (and extends) consultation requirements under the Bill. See my new clause to be inserted before clause 15.

LORD MOYLAN

Lord Moylan gives notice of his intention to oppose the Question that Clause 6 stand part of the Bill.

Member's explanatory statement

This amendment probes the concerns raised by the Constitution Committee regarding the delegated power in Clause 6.

Clause 10

LORD HENDY OF RICHMOND HILL

- 14 Clause 10, page 6, line 13, leave out subsection (4)

Member's explanatory statement

This leaves out the duty to consult about regulations under clause 10 since I am proposing a new clause that brings together (and extends) consultation requirements under the Bill. See my new clause to be inserted before clause 15.

After Clause 14

EARL RUSSELL

- 15 After Clause 14, insert the following new Clause—

“Report on UK sustainable aviation fuel production

- (1) The Secretary of State must, in respect of each reporting period, prepare and publish a report on sustainable aviation fuel (“SAF”) produced in the United Kingdom.
- (2) The report must include—
 - (a) the total volume of SAF produced in the United Kingdom during the reporting period;
 - (b) the types of SAF produced, including the feedstocks and production pathways used;
 - (c) the volume produced for each type identified under paragraph (b);
 - (d) an assessment of the conversion of UK production sites for SAF manufacture;

- (e) an estimate of the greenhouse gas savings resulting from SAF produced during the reporting period;
 - (f) information reported by air travel providers in relation to their use of SAF;
 - (g) any other information the Secretary of State considers relevant to understanding the United Kingdom's SAF production capacity and trends.
- (3) The Secretary of State must lay the report before Parliament within six months of the end of each reporting period.
- (4) In this section “reporting period” means a period of three years beginning with 1 January 2026 and each subsequent three-year period.”

Member's explanatory statement

This amendment requires the Secretary of State to publish a report on the production of SAF in the UK and for related purposes.

BARONESS PIDGEON

16 After Clause 14, insert the following new Clause—

“Reporting of Sustainable Aviation Fuel target

- (1) The Renewable Transport Fuel Obligations (Sustainable Aviation Fuel) Order 2024 is amended as set out in this section.
- (2) In article 3, after paragraph (5) insert—
 - “(5A) The Secretary of State may vary the table in paragraph (7) in order to increase the obligation in any given year.”.
- (3) In sub-paragraph 33(2)(c), leave out “, and”.
- (4) After sub-paragraph 33(2)(d), insert “and
 - (e) consider whether the SAF obligation set out in the table in sub-paragraph 3(7) of this Order should be increased for any given year, and if so, set out steps the Secretary of State will take to effect such an increase.”.
- (5) After paragraph 33(2) insert—
 - “(2A) A copy of a report published under this article must—
 - (a) be laid before Parliament, and
 - (b) be sent to the relevant select committee of each House of Parliament.
 - (2B) In sub-paragraph 33(2A)(b), “relevant select committee” is—
 - (a) in the House of Commons, the Transport Committee, provided that—
 - (i) if the name of that Committee is changed, reference is instead taken to mean the new name, and
 - (ii) if the functions of that Committee with respect to Sustainable Aviation Fuel become functions of a different

committee of the House of Commons, reference is instead taken to the committee by whom the functions are then exercisable;

- (b) in the House of Lords, any such committee as the Chairman of Committees may appoint.”.”

Member's explanatory statement

This amendment would amend the Renewable Transport Fuel Obligations (Sustainable Aviation Fuel) Order 2024 to allow the Secretary of State to increase the sustainable aviation fuel (SAF) obligation for any given year. It would also require the Secretary of State to report to Parliament on whether the SAF obligation should be raised and to lay such reports before both Houses, with copies sent to the relevant select committees.

BARONESS PIDGEON

17 After Clause 14, insert the following new Clause —

“Air travel providers’ use of sustainable aviation fuel: reporting requirements

- (1) Within six months of the day on which this Act is passed the Secretary of State must, by regulations, establish a requirement for air travel providers to report annually on their use of sustainable aviation fuel.
- (2) Regulations made under subsection (1) must specify —
 - (a) that the annual reports must include figures for sustainable aviation fuel usage which can be easily understood, including expressed as —
 - (i) an absolute volume, and
 - (ii) proportion of all aviation fuel used, and
 - (b) that the annual reports are accessible to members of the public including by being made available on their websites.”

Member's explanatory statement

This amendment would require the Secretary of State to make regulations obliging air travel providers to publish annual reports on their use of sustainable aviation fuel. The reports would need to include both the total volume of SAF used and its proportion of overall aviation fuel and must be made publicly accessible.

EARL RUSSELL
BARONESS PIDGEON
LORD RAVENSDALE
BARONESS JONES OF MOULSECOOMB

18 After Clause 14, insert the following new Clause —

“UK production of sustainable aviation fuel

- (1) The designated counterparty may only enter into a contract with a producer of sustainable aviation fuel if the producer’s activity —
 - (a) is located within the United Kingdom, and

- (b) is registered with, and meets such conditions as may be specified by, the Secretary of State in regulations made under this Act.
- (2) For the purposes of subsection (1), “manufacture” means the undertaking of the main chemical or biological conversion processes by which sustainable aviation fuel is produced from its feedstocks, and does not include –
 - (a) blending of sustainable aviation fuel with kerosene or other fuels, or
 - (b) storage, trading, or mere transit of sustainable aviation fuel through the United Kingdom.
- (3) Regulations under this section may make further provision for determining whether sustainable aviation fuel is to be treated as UK production, including (but not limited to) provision about –
 - (a) the extent of processing that must take place in the United Kingdom,
 - (b) ownership and control of the production facility, and
 - (c) the evidence required to demonstrate that the conditions in this section are met.
- (4) The revenue certainty mechanism established under this Act –
 - (a) may only provide support in respect of sustainable aviation fuel that is UK production within the meaning of this section, and
 - (b) must include terms ensuring that no payment is made under any revenue certainty contract in respect of any volume of sustainable aviation fuel which –
 - (i) is not UK production, or
 - (ii) is UK production but is sold or otherwise supplied for use outside the United Kingdom.
- (5) Regulations under this Act relating to the revenue certainty mechanism must provide that –
 - (a) only UK production is eligible for support under the mechanism, and
 - (b) any sustainable aviation fuel manufactured pursuant to a revenue certainty contract may not be exported for use outside the United Kingdom, save where the Secretary of State is satisfied that –
 - (i) exceptional and temporary market circumstances would otherwise result in the fuel not being supplied for use in the United Kingdom, and
 - (ii) no payment will be, or has been, made under the revenue certainty mechanism in respect of the exported volume.
- (6) The Secretary of State must publish, and lay before Parliament, an annual report setting out –
 - (a) the total volumes of sustainable aviation fuel supported under the revenue certainty mechanism,
 - (b) the proportion of those volumes that constitute UK production, and
 - (c) the volumes (if any) of sustainable aviation fuel produced under revenue certainty contracts that have been exported and the reasons for any export permitted under subsection (5)(b).”

Member's explanatory statement

This amendment defines “UK production” of sustainable aviation fuel and ensures that only fuel made at qualifying UK facilities is eligible for government support under the Revenue Certainty Mechanism. It prevents public payments for fuel that is exported or not used in the UK, except in limited circumstances, and requires annual reporting to Parliament on the scheme’s operation

LORD MOYLAN

19 After Clause 14, insert the following new Clause –

“Impact of this Act on the price of airline tickets

- (1) Within one year of the day on which this Act is passed, the Secretary of State must publish a report to assess the impact of the sustainable aviation fuel revenue certainty mechanism on the price of airline tickets.
- (2) The report under subsection (1) must include an assessment of whether the impact of the sustainable aviation fuel revenue certainty mechanism on ticket prices is greater than £1.50 per ticket per year.
- (3) The Secretary of State must lay the report under subsection (1) before Parliament.”

Member's explanatory statement

This amendment seeks probe the impact of the sustainable aviation fuel revenue certainty mechanism on airline tickets. In particular, it seeks to probe whether the impact is in line with the Government’s analysis as set out in the Department for Transport’s ‘Revenue Certainty Mechanism Cost Benefit analysis’, which suggests that the likely impact on ticket prices is between -£1.50 and £1.50, on average, per year.

Before Clause 15

LORD HENDY OF RICHMOND HILL

20 Before Clause 15, insert the following new Clause –

“Duty to consult about regulations

- (1) Before making regulations under this Act the Secretary of State must consult any persons the Secretary of State considers appropriate.
- (2) In the case of regulations under section 1, 3, 10 or 11, that must include –
 - (a) the Welsh Ministers,
 - (b) the Scottish Ministers, and
 - (c) the Department for the Economy in Northern Ireland.”

Member's explanatory statement

This requires the Secretary of State, before making regulations under the Bill, to consult any persons the Secretary of State considers appropriate. In the case of regulations under section 1, 3, 10 or 11 (which may contain devolved provision) the devolved authorities must be consulted in addition to anyone else.

Clause 16

LORD RAVENSDALE

21 Clause 16, page 8, leave out lines 34 to 36 and insert –

““relevant crops” means starch-rich crops, sugars, oil crops and main crops, where “starch-rich crops” include –

- (a) cereals (regardless of whether only the grains are used or the whole plant),
- (b) tubers and root crops, including potatoes, Jerusalem artichokes, sweet potatoes, cassava and yams, and
- (c) corm crops, including taro and cocoyam;

“renewable transport fuel” means anything that is (or could be treated as) renewable transport fuel for the purposes of Chapter 5 of Part 2 of the Energy Act 2004 (see sections 131D(2) and 132(1) of that Act), other than such fuel where it is derived from relevant crops;”

Member's explanatory statement

This amendment will include nuclear-derived power-to-liquid fuels in the scope of sustainable aviation fuels for which Revenue Certainty Contracts can be offered, and remove food crops, using the same definition of “relevant crops” as the Renewable Transport Fuel Obligations Order for surface transport (SI 2007/3072).

LORD MOYLAN

22 Clause 16, page 8, line 36, at end insert “except hydroprocessed esters and fatty acids (HEFA) sustainable aviation fuel”

Member's explanatory statement

This amendment excludes hydroprocessed esters and fatty acids (HEFA) sustainable aviation fuel from the revenue certainty mechanism.

Clause 18

LORD MOYLAN

23 Clause 18, page 9, line 4, leave out “Act, apart from section 1,” and insert “section”

Member's explanatory statement

This amendment, and another in the name of Lord Moylan, probes the work done by the Government to demonstrate that without the revenue certainty mechanism the UK has a comparative advantage in the production of SAF.

LORD GRAYLING

24 Clause 18, page 9, line 4, leave out “apart from section 1” and insert “subject to subsections (2) and (3)”

Member's explanatory statement

This amendment, connected with another in the name of Lord Grayling, seeks to prevent the levy from being imposed until a domestic sustainable aviation fuel producer is approaching readiness to receive payments under the Act. It seeks to minimise the period during which money is collected but not dispersed to producers.

LORD MOYLAN

25 Clause 18, page 9, line 6, leave out subsection (2) and insert –

“(2) The remainder of this Act does not come into force until the Secretary of State has published an economic assessment of the United Kingdom’s global comparative advantage in the production of sustainable aviation fuel.”

Member's explanatory statement

This amendment, and another in the name of Lord Moylan, probes the work done by the Government to demonstrate that without the revenue certainty mechanism the UK has a comparative advantage in the production of SAF.

LORD GRAYLING

26 Clause 18, page 9, line 7, at end insert –

“(3) Section 6 does not come into force until –

- (a) the Secretary of State deems that the first sustainable aviation fuel producer in the United Kingdom will be expected to operate within six months,
- (b) the Secretary of State has published the expected date of operation in a notice laid before both Houses of Parliament, and
- (c) that producer in paragraph (a) has a revenue certainty contract under this Act.”

Member's explanatory statement

This amendment, connected with another in the name of Lord Grayling, seeks to prevent the levy from being imposed until a domestic sustainable aviation fuel producer is approaching readiness to receive payments under the Act. It seeks to minimise the period during which money is collected but not dispersed to producers.

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