Northern Ireland Assembly

Committee for the Economy

Report on the Legislative Consent Memorandum for the Sustainable Aviation Fuel Bill

This report is the property of the Committee for the Economy.

Ordered by the Committee for the Economy to be published on 8 October 2025

Report: NIA 118/22-27 - Committee for the Economy

Contents

Powers and Membership

Powers

1. The Committee for the Economy is a Statutory Departmental Committee established in accordance with paragraphs 8 and 9 of Strand One of the Belfast Agreement and under Assembly Standing Order No 48. The Committee has a scrutiny, policy development and consultation role with respect to the Department for Communities and has a role in the initiation of legislation.

2. The Committee has power to:

- consider and advise on Departmental budgets and Annual Plans in the context of the overall budget allocation;
- approve relevant secondary legislation and take the Committee Stage of relevant primary legislation;
- call for persons and papers;
- initiate enquiries and make reports; and
- consider and advise on matters brought to the Committee by the Minister of Communities.

Membership

3. The Committee has nine Members, including a Chairperson and Deputy Chairperson, and a quorum of five Members. The membership of the Committee is as follows:

Mr Phillip Brett MLA (Chairperson)
Mr Gary Middleton MLA (Deputy Chairperson)
Ms Diana Armstrong MLA[1][2][3]
Mr Jonathan Buckley MLA
Mr Pádraig Delargy MLA
Mr David Honeyford MLA
Ms Sinéad McLaughlin MLA
Ms Kate Nicholl MLA[4]
Ms Emma Sheerin MLA[5]

[1] On 17 June 2024 Mr Doug Beattie MC replaced Mr Mike Nesbitt
[2] On 9 September 2024 Mr Colin Crawford replaced Mr Doug Beattie MC
[3] On 7 October 2024 Ms Diana Armstrong replaced Mr Colin Crawford
[4] On 9 September 2024 Ms Kate Nicholl replaced Ms Sorcha Eastwood MP
[5] On 10 February 2025 Ms Emma Sheerin replaced Mr Philip McGuigan

Background

4. The Sustainable Aviation Fuel Bill was introduced at Westminster on 14 May 2025.

5. Sustainable aviation fuel (SAF) is described as a cleaner alternative to traditional jet fuel and is part of the process of reducing carbon emissions from air travel. The UK SAF mandate requires 2% SAF blending into standard aviation fuel by 2025, rising to 10% by 2030 and 22% by 2040.

6. Common sources for the manufacture of SAF include: used cooking oil, agricultural residues, forestry waste, algae, municipal solid waste. SAF may be produced by: HEFA (Hydroprocessed Esters and Fatty Acids) – from oils and fats; FT-SPK (Fischer-Tropsch Synthetic Paraffinic Kerosene) – from biomass or waste; Alcohol-to-Jet (ATJ) – converting alcohols like ethanol into jet fuel; and Power-to-Liquid (PtL) – using renewable electricity to produce synthetic fuels from CO_2 and water.

7. The Bill is described as aiming to boost SAF production through the establishment of a revenue certainty mechanism to encourage investment and support the production of SAF across Britain and Northern Ireland. It proposes a "strike price" model, whereby SAF producers are guaranteed a minimum price for their fuel. If market prices fall below the strike price, the government, via a designated counterparty, pays the difference; if prices exceed it, producers return the surplus. This approach appears to be similar to the Contracts for Difference regime which is expected to be used to supporting renewable electricity generation.

8. The Bill is understood as allowing the UKG to impose a levy on suppliers of aviation fuel in the UK who are subject to a renewable energy fuel obligation - in order to cover any costs associated with the "strike price" model.

9. The Bill is described as foundational with regulations to follow covering how the levy will be calculated; how contracts will be awarded; and what types of SAF will be eligible.

10. The provisions which deal with revenue certainty contracts – i.e. the "strike price" model – are related to economic development and are therefore devolved. The levy is excepted or reserved however the distribution of excess funds may be devolved. For this reason, the UK Government has sought consent to legislate.

Consideration of the Legislative Consent Memorandum by the Committee

11. It seems that the Westminster Bill when introduced wrongly did not refer to Northern Ireland. Consequently although the Scottish and Welsh Governments were consulted on the Bill earlier in 2025, the Northern Ireland Executive was not advised until June 2025. At that time, the Department advised the Committee and laid a memorandum in the Assembly in line with Standing Order 42A 4(b).

12. The Committee noted that the Welsh Government had indicated support for the application of the Bill to its jurisdictions. The Scottish Government, at the time of writing, was giving further consideration to this in respect of clauses: 1,3, 10 and 11. The Scottish Government appeared to be seeking a role for Scottish Ministers in regulation-making powers in respect of the revenue certainty mechanism and was also seeking to ensure that the payment of fines and levy surpluses would be made to the Scottish Consolidated Fund.

13. The Department advised the Committee at its meeting of 24 September 2025 of a small number of SAF producers in Northern Ireland and the potential for economic spin-offs for the related technology. Officials advised that if the provisions of the Bill were not extended to Northern Ireland, this might lead to revenue uncertainty for those producers of SAF.

14. Officials also indicated that the Minister was minded to seek legislative consent for the relevant provisions of the Bill and was in the process of securing Executive support for this.

15. The Committee noted the potential benefits to local SAF producers and the important role that this new fuel would likely play in meeting climate change targets. The Committee therefore agreed that it was content to support the anticipated Ministerial request for legislative consent.

16. A legislative consent memorandum was subsequently laid in line with Standing Order 42A 4(a).

17. The Committee ordered this report to be printed on 8 October 2025 in order to inform the anticipated Legislative Consent Motion debate.

Appendices

Appendix 1: Written submissions

Departmental papers in respect of the Sustainable Aviation Fuel Bill

Appendix 2: Other papers

Scottish and Welsh Government/Parliament papers in respect of the Sustainable Aviation Fuel Bill

Appendix 3: Minutes of Evidence

Minutes of Evidence – 24 September 2025

Appendix 4: Minutes of Proceedings

Minutes of Proceedings – 24 September 2025

Minutes of Proceedings – 1 October 2025

Minutes of Proceedings – 8 October 2025