

LEGISLATIVE CONSENT BRIEFING

SUSTAINABLE AVIATION FUEL BILL

Background

1. This memorandum has been laid before the Assembly by the Minister for the Economy under Standing Order 42A(4)(b). The Sustainable Aviation Fuel Bill (the Bill) was introduced in the House of Commons on 14 May 2025. The latest version of the Bill can be found at:
<https://publications.parliament.uk/pa/bills/cbill/59-01/0240/240240.pdf>

Summary of the Bill and its policy objectives

2. The Bill aims to implement a revenue certainty mechanism to support the production of sustainable aviation fuel (SAF) in the UK. This mechanism is designed to provide SAF producers with a guaranteed price for their fuel, encouraging investment and reducing the risks associated with SAF production.

Provisions which deal with a Devolution Matter

3. Some of the provisions of the Bill may fall under the legislative competence of the Assembly, as they potentially deal with devolved matters. Departmental Solicitor's Office (DSO) is undertaking analysis of the Bill on behalf of the Department for the Economy to determine which provisions deal with a devolution matter. Clauses in the draft Bill that relate to the revenue certainty contracts may be devolved to the North. The purpose of the Bill is to provide financial support to producers of sustainable aviation fuel to develop SAF production in the UK and assist in the decarbonisation of aviation.
4. The Department for Transport in London (DfT), who introduced the Bill, consider that the levy-related provisions (clauses 6-9 which deals with the levy regulations, and 11 to 13 to the extent that their exercise relates to the levy) are reserved on the basis that they relate to taxation.

Reasons for making the Provisions

5. The production of transport fuels is not specifically mentioned in the Northern Ireland Act 1998 and transport generally is a transferred matter. DfT considered whether the production of sustainable aviation fuel could be a reserved matter. However, the proposal seeks to support the production of SAF in the UK rather than the regulation of civil aviation. As a result, DfT considers the subject matter of supporting the production of SAF is devolved to the North.

Reasons for utilizing the Bill rather than an Act of the Assembly

6. Some of the provisions will be applied across the UK as they relate to reserved matters. It is beneficial to producers, consumers and enforcement bodies to ensure a consistent legislative and enforcement regime across the UK at the earliest possible opportunity.

Reasons for not seeking consent of the Assembly

7. The Bill was introduced into Westminster on 14 May 2025 but the Secretary of State for Transport did not inform the Economy Minister in advance of the Bill's introduction. Consequently, there was insufficient time to complete the full Legislative Consent Motion process in accordance with the guidance.

Consultation

8. A consultation was carried out by DfT on revenue certainty options between 25 April 2024 to 20 June 2024. A subsequent consultation was carried out on how the preferred revenue certainty mechanism will be funded between 3 March 2025 to 31 March 2025.

Human Rights and Equality

9. British Transport Secretary Heidi Alexander has made the following statement under section 19(1)(a) of the Human Rights Act 1998: In my view the provisions of the Sustainable Aviation Fuel Bill are compatible with the Convention rights.

Financial Implications

10. The UK's Sustainable Aviation Fuel (SAF) revenue certainty mechanism is designed to be funded through a variable levy on aviation fuel suppliers rather than the general taxpayer. This approach aims to spread the costs across the

supply chain and ensure that the industry benefits from the increased availability of SAF and potentially lower prices.

A cost benefit analysis 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 while aiming to reduce the cost of producing SAF in the UK.

<https://assets.publishing.service.gov.uk/media/6824c7f1b9226dd8e81ab8ae/dft-revenue-certainty-mechanism-cost-benefit-analysis.pdf>

DSO have also been contacted to provide assessment of the financial implications of this Bill in Northern Ireland.

Summary of Regulatory Impact

11. Impacts may be dependent on the nature of any future regulations made under the Bill's powers. DSO have also been contacted to provide assessment of the regulatory impacts of this Bill in Northern Ireland.

Engagement to date with the Committee for Economy

12. The Economy Committee was notified about this proposed briefing on 24 June 2025.

Conclusion

13. The Minister of the Economy will consider the findings of the DSO analysis of the Bill and will provide a view in due course.

Department for the Economy

24 June 2025