

LEGISLATIVE CONSENT MEMORANDUM

Sustainable Aviation Fuel Bill

Draft legislative Consent Motion

1. The draft motion, which will be tabled by the Minister for the Economy, is:

“That this Assembly endorses the principle of the extension to Northern Ireland of the provisions of the Sustainable Aviation Fuel Bill, as introduced in the House of Commons on 14 May 2025, dealing with the establishment of a revenue certainty mechanism that supports the production of sustainable aviation fuel as contained in clauses 1-5 and 10-15 of the Bill”

Background

2. This memorandum has been laid before the Assembly by the Minister for the Economy under Standing Order 42A (4) (a). The Sustainable Aviation Fuel 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/59-01/0286/240286.pdf>

Summary of the Bill and its policy objectives

3. 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.
4. The Bill also establishes the legal framework that allows the UK Government to introduce further regulations and mechanisms to support the SAF industry.
5. The Minister for the Economy previously informed the Assembly on 24 June 2025 that she was not seeking legislative consent at that time because the Secretary of State for Transport did not inform her 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.

Provisions which deal with a Devolution Matter

6. The subject matter of the Bill is to provide financial support to producers of SAF to develop SAF production in the UK and assist in the decarbonisation of aviation.
7. The subject matter of the clauses in the Bill dealing with revenue certainty contracts is related to economic development and/or environmental matters which are devolved matters and, as such, fall within the legislative competence of the Assembly, in accordance with section 6 of the Northern Ireland Act 1998.
8. Clauses 1 to 5 relate to establishing the legal framework for offering revenue certainty contracts. These contracts guarantee a fixed price for SAF, helping reduce financial risk and encourage investment. The Secretary of State can direct and designate a government-owned company (the counterparty) to manage these contracts, and must publish any directions or revocations. Once contracts are signed, they must be registered and made public. The Secretary of State also has the power to transfer responsibilities between counterparties if needed, ensuring flexibility in managing the scheme. These clauses are considered to be devolved.
9. Clause 10 provides for regulations on treatment of any surplus by the counterparty, enabling regulations to require payments to levy payers and to require such payments to be passed on to customers. Where the surplus derives from the contracts (i.e. SAF producers are paying the counterparty because the market reference price exceeds the strike price), the UK Government considers that it would be legislating in a devolved area. The UK Government expects to deal with overpayments of levy through regulations made under clause 6 (payments on account and repayment of such payments) which is considered to be reserved along with clauses 7-9.
10. Clause 11 allows financial penalties to be imposed for failing to comply with the levy regulations, which is considered to be reserved, and failing to comply with regulations on surplus, which is considered to be devolved.
11. Clause 12 enables the Secretary of State to direct the counterparty as to the exercise of any of its function. This may operate in a reserved area if the Secretary of State directs the counterparty regarding its functions under the levy regulations, or in a devolved area if the direction relates to the exercise of

its functions in respect of the revenue certainty contracts. The same applies to clause 13 on information and advice.

12. Clause 14 only relates to funding the counterparty to enable it to fulfil its liabilities under the contracts and is considered to be devolved.
13. Clause 15 depends on the regulations being made, reserved if making the levy regulations, devolved otherwise.
14. These provisions of the Bill also relate to matters which fall within the legislative competence of both the Scottish and Welsh Parliaments so both administrations will require legislative consent motions.

Reasons for making the Provisions

15. SAF is central to the UK's Jet Zero Strategy and our own Climate Change Act (NI) 2022. The Bill supports decarbonisation of aviation while enabling Northern Ireland to help meet its net-zero commitments.
16. The Bill has the potential to enable investors access to revenue certainty and support job creation. It aligns with several key priorities in the Programme for Government including inclusive economic growth, particularly through investment in green growth technologies.

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

17. 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.

Consultation

18. A consultation was carried out by the British Department for Transport 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.
19. Analysis of the Bill indicated that it is cross-cutting with potential for economic development impacts to be considered by the Department for the Economy (DfE); environmental impacts to be considered by the Department

of Agriculture, Environment and Rural Affairs (DAERA); and financial non-compliance/penalty impacts to be considered by the Department of Justice (DoJ). Therefore, the Department consulted both DAERA and DoJ.

20. DAERA raised no objections and “have asked that they be kept informed as to the progress of the LCM”, and DoJ stated they were “satisfied at official level that the financial penalty provisions at clause 11 of the SAF Bill are necessary, proportionate and are unlikely to have a detrimental impact on the justice system in Northern Ireland.”
21. The DAERA Minister wrote to the Minister on 29 September 2025 to express support for the policy intent of the Bill, including the potential for accelerated decarbonisation of the aviation sector, and furthermore, was content to agree the policy content of the clauses in the Bill, that these be extended to Northern Ireland, and was also content to agree that the endorsement of the Assembly be sought by means of a Legislative Consent Motion.
22. The DoJ Minister also wrote to the Minister on 1 October 2025 to express agreement on the proposal to seek legislative consent to the extension of the provisions of the Sustainable Aviation Fuel Bill to Northern Ireland.

Human Rights and Equality

23. 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.
24. Also, Departmental Solicitors Office assessment made clear that the Bill will not result in any diminution of rights in the North and that the provisions of the Bill do not arise from Britain leaving the EU.

Financial Implications

25. The proposed levy on aviation fuel suppliers will be administered by the counterparty and covers both the costs of the difference payments under the mechanism and the costs of administering the scheme, which will include resources spent on penalties and appeals. Therefore, there are no public expenditure implications for the devolved administration.

Summary of Regulatory Impact

26. The UK Government have produced a full Cost Benefit Analysis on the impact of the Sustainable Aviation Fuel Bill here: [The revenue certainty mechanism: cost benefit analysis](#)

Engagement to date with the Committee for the Economy

27. The Minister for the Economy wrote to the Committee for the Economy on 24 June 2025 to inform the Committee that the Sustainable Aviation Fuel Bill was introduced at Westminster on 14 May 2025 and that the Bill contained provisions that engage a devolution matter. The Minister also informed the Committee that the Secretary of State for Transport did not inform her about the Bill prior to its introduction and therefore, the department was not in a position at that time to provide analysis of the Bill; consult the Economy Committee; nor seek Executive agreement within the ten working day period required for laying a Legislative Consent Memorandum before the Assembly as per Standing Order 42A(4)(a).
28. The Department received final legal advice on 3 September 2025 regarding the Sustainable Aviation Fuel Bill and the Minister wrote to the Committee on 15 September 2025 to provide further advice on the matter.
29. The Department provided briefing to the Economy Committee on 24 September 2025 which explained to the Committee about the Bill's aims and content relevant to devolved matters. The Committee Chair wrote to the Economy Minister on 26 September stating the Committee was content to support the Ministerial request for legislative consent. A Committee report is expected to be issued after this memorandum is laid.

Conclusion

30. The Minister for the Economy is supportive of the proposal and recommends to the Assembly that consent should be sought.

Department for the Economy

October 2025