



AEF response to SAF revenue certainty mechanism: approach to industry funding consultation

March 2025

Q1. Do you agree or disagree on the proposed approach to place a levy on aviation fuel suppliers? If you disagree, why?

We agree with the proposal and support the reasoning given in this consultation, namely that the mechanism follows the polluter pays principle in being industry funded via the fuel suppliers levy. We recognise this to be a tried and tested approach and consistent with other schemes where industry is funding support of low carbon technologies. In terms of charging the levy to fuel suppliers, again we agree with the rationale, as fuel suppliers will primarily benefit from the scheme and placing the levy on suppliers ensures that costs are spread across industry.

Q2. Are there any other suitable options for funding a revenue certainty mechanism through the aviation industry? And why?

We previously [responded](#) to the revenue certainty options consultation in June 2024 alongside 20 other civil society organisations outlining why any scheme should be industry funded, with no involvement of the Treasury and the taxpayer. This is a position we would like to reiterate here. We are aware that industry funding could be interpreted to mean using revenues from existing or future taxes on the sector (such as Air Passenger Duty or ETS revenues) to fund the scheme. We do not see this as an acceptable proposal and believe that the Treasury should not be involved in paying any of the costs associated with the scheme. We support the implementation of the polluter pays principle and would see any involvement of public funding (including use of other taxation revenue) as unfair, with 50% of British citizens not travelling by plane in any given year. For these reasons and for those outlined in our response to question 1, we see the levy on fuel suppliers as the appropriate method of industry funding.

Q3. Do you agree with the proposed definition of aviation fuel suppliers?

Yes

Q4. How would you like the government to work with industry on the detailed design for a levy?

N/A

Q5. What further considerations on the proposed approach would you like to raise at this stage?

We have some concerns regarding the implications of the consultation's analysis of the potential challenges for PtL SAF production. We believe there could be pressure from industry to loosen the eligibility rules under the mandate to include cover crop feedstocks initially (and crop-based fuels more generally in the longer-term) to make up any shortfall in supply, which we oppose. AEF would therefore welcome further consultation on this important question.