AEF response to DfT Consultation: Delivering the SAF Mandate - strengthening the scheme for the future

November 2026

Overall comments

We find it difficult to respond fully to the issues and questions posed in this consultation in isolation from the current review of the Jet Zero Strategy which is considering the future direction of decarbonisation pathways for the aviation sector in the UK, including for alternative aviation fuels, greenhouse gas removals (GGRs) and carbon pricing. These issues are all interlinked and should be considered holistically. However, we welcome the intent, expressed in the title of the consultation, that the aim of this consultation is to strengthen, rather than weaken, the existing SAF mandate, and note that the government remains committed to the long-term development of Power-to-Liquid (PtL) fuels.

The consultation sets out some evidence for a delay in production facilities opening, although we note that the ICAO database relies largely on self-reporting and may not always provide an up to date overview of the global situation. We also note that some supply of PtL is forecast even if it is potentially insufficient to meet the requirements of the sub-mandate in full. Overall, this suggests a need for caution, but we see no convincing evidence to justify a decision to significantly weaken the environmental integrity of the mandate by allowing crop-based fuels. The UK SAF mandate as it stands is driving a rapid uptake of SAF supply to the UK, and the existence of the PtL submandate serves as a further incentive.

On this basis we see no justification for changing the mandate and our position is that the SAF mandate should be maintained (option 1). Without prejudice to our position, should clearer evidence emerge in the future of a potential shortfall in supply that risks significant buyout, the introduction of flexibility in the size of the PtL sub-mandate and HEFA cap (option 3a) could be explored while maintaining integrity, ambition and current timelines as a priority (ensuring that crop-based fuels remain ineligible).

If considering flexible approaches, we urge DfT to carefully consider and quantify the potential disadvantages and any risks that delay investment in 2G and 3G pathways, and the impact of any developments coming from ReFuelEU.

Consultation questions

Q1. Which approach do you support?

- *Option 1: Maintain existing policy*
- *Option 2: Align targets with the planned introduction of the UK's Revenue Certainty Mechanism*
- *Option 3: Amend 2G and PtL targets and continue to provide a demand signal for diverse SAF technologies*
- *Other (please specify)*

We support Option 1: Maintain existing policy

AEF has been present at a number of stakeholder meetings over the last year, with the shadow of a possible change to the SAF mandate hanging over all of them. While the SAF mandate has been widely acknowledged to have shown signs of early success in stimulating production and supply, leading to a large volume of SAF coming to the UK (with Heathrow alone accounting for 17% of the world's SAF consumption in 2024), the key to maintaining that success is policy certainty. Several potential investors in advanced fuels and e-fuels have already pulled out of UK projects because of the constant rumours about changing the sustainability criteria of the mandate. Whether these rumours relate to potential delays in the submandate undermining the investment signal for power to liquid fuels, the call for evidence on the possible introduction of crop-based fuels into the mandate, or the possibility of integrating greenhouse gas removals into the mandate, the investment community again stalls. If the fundamental problem is being able to persuade investors to commit capital to stimulate the establishment of a new industrial opportunity in the UK, what is currently being proposed seems to do the opposite by guaranteeing that when there is a potential shortfall in supply to meet the submandate and HEFA cap, policy will be re-examined to address the identified potential gap. Every policy procrastination simply seems to push the date at which these advanced fuels made in the UK will be ready for sale further into the future, backed up by this review of policy uncertainty in the renewables market.

For that reason we simply don't think it's credible to assume that any delay to the date at which the targets are introduced, or softening of the targets, will not affect the supply available in 2032. Baking in further delay now for the availability of advanced SAF merely makes it more likely that a course correction in the late 2020s will lead to another course correction to the original assumptions post-2032. In particular, Option 2 presents a drastic and unfeasible adjustment to the mandate - asking for the HEFA cap to remain at 100% to 2030 means that all of the alternative sources must be ready to cover the enormous shortfall in just two years to 2032, meaning of course that in 2030, it is highly likely the 2032 trajectory will need to be revised again.

We also believe that this consultation is unclear about which problem it is trying to solve. There is an acknowledgement that any triggering of the buy-out is not necessarily a policy failure, as the buy-out is a fundamental design feature of the policy. However there is no clarity on the idea

of what “excessive” buy-out actually means - is it “excessive” to the airlines, who are failing to decarbonise at the rate required but seem to want to protect their commercial interests by reducing costs, or is it “excessive” because there is no fuel available? The buy-out is an important feature to stimulate production, and its use should not automatically be seen as a failure. Therefore we would urge you to consider whether the problem you wish to avoid is buyout costs being passed through to airlines and customers, and potentially reducing airline profits, or whether you wish to avoid a situation where there is no fuel available, and the SAF mandate failing. AEF believes that maintaining the incentive of a buy-out price is more likely to stimulate fuel production than eliminating any circumstances under which it may be triggered, and therefore no change to the overall policy is the preferred option.

Furthermore, we find it very challenging to answer any of these questions with any level of certainty when there are two other very significant potential policy changes looming. One is the decision over whether to include crops or cover crops into the list of accredited feedstocks under the SAF mandate sustainability criteria. If the decision is taken to include crops in the SAF mandate, there will be huge implications for what kinds of fuels are available in the next few years - if cheaper biofuels are permitted to flood the market, it seems highly unlikely that any investor, let alone an airline, is going to want to pay the significantly higher costs which will be associated with the production of 2nd generation fuels, or e-fuels. This will obviously impact how much advanced fuel is available when the HEFA cap and PtL submandates should begin to bite.

At the same time, the review of the Jet Zero Strategy is expected to be completed in early 2027 - again it is very challenging to answer any of these questions without knowing whether there will be any more work to try to get aviation decarbonisation back on track, for example using other policy levers such as carbon pricing or greenhouse gas removals; what happens in the Jet Zero Strategy review is obviously materially linked to what decisions are made on SAF criteria, and yet the two questions are being asked entirely in silos.

Furthermore it is important to call out the very obvious lobbying on this issue of crops and cover crops from industry at the highest levels of government. This is at the same time as the Department for Transport’s own analysis show that the sector is well off-track on its emissions - if current trends continue, aviation’s emissions will be higher than they are today - and there is no policy at all to ensure that the expected 41MtCO2 of residual emissions from fossil fuel sources in aviation in 2050 will be mitigated. At some stage, aviation will have to acknowledge that it is an outlier on decarbonisation progress, and with no tax on kerosene, and only 25% of emissions from international flights currently covered by any form of carbon price, it is simply unfair for the sector to be lobbying to weaken the integrity of one of the only policies currently legislated to decarbonise aviation.

Q2. Given the range of possible variants under Option 3, what combination of introduction dates, initial levels and rates of change for the HEFA cap and PtL obligation up to 2032 would most effectively balance the risk of buyout with the need to support investment in non-HEFA SAF production?

Option 3a - reduce the targets but keep the start date
Option 3b - delay intro by one year to 2028
Option 3c - delay obligation on Hefa cap and Ptl to 2030

We do not support any of these options, but if they are considered, Option 3a seems the best choice as it maintains the investment signal on the necessary timescale, instead of further delaying the date when projects may reach FID. Option 3c is the worst of these options, as it would require all the non-Hefa SAF plants in the UK to open by 2030 in order to return to the original trajectory by 2032.

Q3. If the HEFA cap is delayed or eased, will sufficient HEFA SAF and sustainable feedstocks be available to meet increased demand? Please consider:

- *Availability of waste oils*
- *Future HEFA production capacity*
- *Competition with other sectors*
- *International demand for HEFA SAF*
- *Feedstock import risks*

N/A

Q4. Are there any risks, unintended consequences or market distortions that could arise from the proposed options? If so, what are they – set out details and evidence.

Any change to the mandate risks delaying investment decisions, and may also have global and regional implications. Any policy signal from the UK on sustainability criteria and submandates is likely to be felt elsewhere in the world. For example, if the UK signals that the introduction of a HEFA cap is being delayed, this is likely to stimulate more investment in HEFA projects. This has implications for the UK's international leadership as the SAF mandate sustainability criteria is acknowledged to set a high bar for integrity, and risks diverting more HEFA production to the UK and away from other countries that may be relying upon it. It also comes with the associated risk of fraud as global HEFA feedstocks are finite. HEFA was only ever intended to be a transitional fuel, and the real industrial opportunities come with developing genuinely new fuels from alternative feedstocks. There is also a risk that this policy signal will lead to an imbalance in the share of HEFA feedstocks going to the production of bio-diesel for road transport, possibly increasing emissions if road transport then reverts to increased fossil fuel use. It is also important to consider the impact of a similar change to the Refuel EU mandate - if the EU also changes its sustainability criteria, more HEFA may flow to the EU, again leaving the UK exposed to the risk of high buyout.