



Department  
for Transport

# **Sustainable Aviation Fuel Revenue Certainty Mechanism Levy Design – Second Consultation**



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## Ministerial Foreword

The Government is committed to delivering greener transport and securing the aviation industry's long-term future. A UK Sustainable Aviation Fuel (SAF) industry is critical to this future. It will support the delivery of emissions reductions through the SAF Mandate, help drive growth, and provide good green jobs across the whole of the UK.

The revenue certainty mechanism (RCM) will play a key role in developing a strong UK SAF industry, helping producers secure the investment they need to ramp up SAF production in the UK – in turn, helping kickstart economic growth and make Britain a clean energy superpower.

We are working at pace to deliver the RCM, but it is important that we get it right. Since the last levy design consultation, the Government has obtained Royal Assent for the Sustainable Aviation Fuel Act, which provides the powers to implement the RCM, and has consulted on the indicative Heads of Terms and approach to contract allocation, providing more detail and consideration on how the scheme will work as a whole.

Having considered the responses to the previous consultation, this consultation provides further detail and considers a range of levy design features, including some of the proposals raised in our previous consultation for which further views are now being sought.

Aviation fuel suppliers play a critical role in the UK aviation fuel supply chain, acting as a key link between fuel production and delivery to aircraft. Airlines are vital for our economic prosperity, connecting passengers and businesses domestically and globally. It is important, therefore, that we design the levy so that it works for industry and, ultimately, air passengers.

I am grateful for the input and expertise of those who have contributed to the design of the regulations to date, and I look forward to working with industry to ensure that we are designing SAF policy in a way that unlocks the benefits of decarbonisation for the whole of the UK.

**Keir Mather MP**

# Executive Summary

The Government's response to the previous consultation has been published here alongside this second consultation.

**Section 1** sets out the Government's indicative position on the design of the RCM levy.

**Section 2** seeks further views on how individual levy contributions are determined, including whether contributions are based on the total volume of aviation turbine fuel supplied or just the fossil portion, as well as whether such volumes are collected based on supply in a prior period or based on forecasts.

**Section 3** sets out the option to collect the levy based on a single forecast levy rate, which is then collected on a monthly basis. This section seeks views on the frequency of the forecast levy rate, how the reserve should be collected, and the option to build up a reserve before payments are made to producers. Payments to producers would be made at the point at which SAF they have produced is sold below the strike price, in accordance with the RCM contracts.

**Section 4** seeks further views on how over-collected amounts and surpluses could be returned to suppliers.

**Section 5** states our intention to update the definition of a support scheme under the multiple incentives rules in the SAF Mandate legislation. The purpose of this change is to ensure that SAF produced under the RCM is also eligible to receive SAF Mandate certificates, which has always been the clear policy intent. This will ensure that the two schemes, the SAF Mandate and the RCM, can operate effectively alongside one another.

# Introduction

## Purpose of this consultation

1. The Government previously consulted on the design of the variable levy on aviation fuel suppliers which will fund the RCM scheme. The Government's response to this consultation has been published alongside this second consultation. The Government has also recently consulted on provisions within RCM contracts and the proposed approach to contract allocation.
2. Whilst the Government remains committed to delivering the RCM at pace, it is important that the levy is designed in a way that works for industry.
3. Having considered responses to our first levy design consultation, there are issues of practical detail and specific proposals from industry that would benefit from further consultation to ensure that stakeholders have the widest opportunity to inform our thinking and that decisions are taken on the most informed basis.
4. The scope and design principles for the Aviation Fuel Supplier Levy remain consistent with the previous consultation:
  - **solvency** – the funds raised by the levy should provide a robust funding stream to the scheme, allowing for long-term certainty on revenue support
  - **simplicity** – the levy must be simple to deliver to accelerate implementation and minimise the administrative burden
  - **affordability and fairness** – the levy should minimise the cost to air passengers and ensure transparency
  - **policy coherence** – the levy should align with wider government decarbonisation, fuel supply and affordability objectives
  - **market stability** – the levy should not create perverse incentives or destabilise the aviation fuel market
  - **flexibility** – the levy should be flexible to future changes in the UK aviation fuel supply market
  - **compliance** – the levy should minimise the likelihood of non-compliance

## Confirmed positions

5. Alongside this consultation, the Government has published its response to the previous SAF RCM Levy Design Consultation. This confirmed the following positions:

- that the minimum threshold for the Aviation Fuel Supplier Levy will align with the SAF Mandate, obligating those parties supplying aviation fuel totalling 15.9TJ or more of aviation fuel per year
- the levy will be collected on a monthly basis
- the counterparty will publish forecast and actual cost data within specified notice timeframes
- suppliers will be required to provide collateral (credit cover), in the form of cash or standby letters of credit, on a quarterly basis
- suppliers will be able to request excess credit cover and any interest earned on that credit cover
- the counterparty will be given the power to undertake a mutualisation exercise, if credit cover has been exhausted and it does not hold sufficient reserve funds
- the counterparty will be given powers to request relevant information, issue notices of non-compliance, charge interest on late payments, pursue civil debts through the courts, and refer cases of non-compliance to the DfT Secretary of State, and will report on compliance and enforcement

## Questions

**Q1. What is your preferred approach for determining individual volumes and why?**

**Q2. Which option is your preferred approach to sequencing and why?**

**Q3. Do you agree or disagree with the build-up of the reserve prior to the production of RCM-supported SAF and why?**

**Q4. If you agree, what is your preferred “pre-collection” timeframe for collecting the reserve?**

**Q5. Out of the five options presented, which would be your preferred mechanism through which the reserve is collected and why?**

**Q6. What is your preferred approach to returning over-collected sums and surpluses to obligated suppliers? Why?**

**Q7. Do you have any feedback on how the multiple incentives rules in the SAF Mandate legislation should be updated to ensure that SAF supported under the RCM can receive certificates under the SAF Mandate?**

**Q8. Are there any potential unintended consequences that may arise due to this change? If yes, how could policy mitigate against these consequences?**

**Q9. Do you agree or disagree that changes to the multiple incentives rules should be limited to enable the eligibility of the RCM alone and not to enable the eligibility of other schemes that support fuels and chemical precursors at this time?**

# 1. Overview of the Government's Proposed Aviation Fuel Supplier Levy Design Proposal

The Aviation Fuel Supplier Levy will fund the costs incurred under RCM contracts, as well as the administrative costs incurred under the levy scheme.

As set out in the [recent consultation](#) on the Government's approach to the indicative Heads of Terms and contract allocation, RCM contracts will set out the contract length, project requirements, how the reference price and strike price will be determined, potential price discovery mechanisms to establish a market price for non-HEFA SAF, qualifying volumes, and sustainability requirements.

Government decisions on the total volumes of SAF supported under the RCM, how the reference and strike prices are set within contracts, and price discovery incentives, will determine the overall cost of the levy. The reserve collected will also be impacted by the potential volatility in the cost of difference payments (the difference between the strike price and reference price). Greater volatility in production and pricing would therefore require a larger reserve to cover the wider range of costs which could be incurred under the scheme. The Government continues to progress these elements of the scheme at pace to ensure the timely delivery of the RCM scheme as a whole.

Having carefully considered the responses to the first levy design consultation, the below provides an indicative example of how the levy could operate, subject to further consideration of responses to this consultation, ongoing policy work and ongoing stakeholder engagement. It assumes that the strike price exceeds the reference price and aviation fuel suppliers are required to pay the Aviation Fuel Supplier Levy. It also assumes that the levy would be collected based on a single forecast levy rate and published on a quarterly basis, though this is subject to responses to this consultation (see **Proposed Options for the Forecast Levy Rate and Reserve**).

## 1) The counterparty builds up the reserve

3 months prior to the anticipated production of RCM-supported SAF, the counterparty will collect the reserve (in advance of the levy to cover forecast payments under RCM contracts) via a single forecast levy rate. See the **Collection of the Levy and Reserve** for further detail.

## 2) The counterparty collects the levy

Every quarter, the counterparty will publish a single forecast levy rate, expressed as pence per litre, a quarter in advance of its application (for example, the forecast levy rate for April

to June would be published before 1 January). This would be determined by the counterparty's forecast of the cost of the total scheme divided by its estimate of the total volume of aviation fuel supplied in each quarter.

A reserve amount would be included within the single forecast levy rate. The counterparty would only collect the additional reserve amount needed to ensure payments are made to RCM-supported producers due in the following quarter. The **Proposed Options for the Forecast Levy Rate and Reserve** section provides further detail on potential options.

The levy would be collected each month based on either the latest monthly volume of fossil or total aviation fuel supplied as reported to the SAF Mandate reporting system (ROS), total volume sales at airports, or a forecast of each supplier's volume supplied. See **Volume Determination** section below for further detail.

In addition to the levy payment, at the beginning of each quarter, suppliers will be required to provide credit cover in the form proposed in the first consultation (cash or standby letters of credit), to guarantee payment for a given period.

### 3) The counterparty pays RCM-supported producers

Subject to ongoing contract design work, RCM-supported producers could indicatively be paid before the end of the month following the month of collection of the levy from suppliers. For example, RCM-supported producers could be paid in February for the eligible SAF sold in January.

RCM-supported producers will submit metered volumes to the counterparty, plus additional data as required for reporting and verification, which verifies the volume of eligible RCM-supported SAF they have produced and sold. Specific requirements and processes are subject to detailed design of the contract. This data will be used by the counterparty to determine the actual costs of the scheme. If the actual costs of the scheme are higher than forecast, the counterparty will use the reserve to make payments to RCM-supported producers. The metered volumes will ultimately be subject to sustainability checks.

### 4) The counterparty determines actual costs and volumes

Once the counterparty receives verified volume data (see **Volume Determination** for the potential timeframes), it will confirm each supplier's actual liability for that quarter. In determining a supplier's actual liability, the assessment period (the timeframe over which fuel is supplied) must align with the billing period (the timeframe over which RCM-supported SAF is produced and sold). In practice, this means that final determinations would be based on actual volumes supplied in Q1 and actual costs incurred in Q1.

If the counterparty has collected more money than is required to meet its obligations to RCM-supported producers, it would look to return this money to suppliers. The **Over-Collection and Surpluses** section sets out the options in further detail. The total over-collected amount could be offset against the next applicable forecast levy rate to support

cost pass-through to the air passenger, by determining forecast scheme costs for the next assessment period, the total reserve amount required, and the total reserve amount it has remaining from the previous period (including the over-collected amount). The counterparty would undertake a reconciliation exercise in the background to ensure that each supplier has paid its actual liability. It will then determine the amount of money ultimately owed back to each supplier from the reserve that they have provided. The reserve could then be rolled across financial years to minimise the flow of payments to and from suppliers. Alternatively, over-collected sums could be returned via each supplier's next invoice, with the counterparty publishing the actual costs for transparency.

If the counterparty has collected less money than required, it will draw from the reserve. For each supplier, it will determine the total amount of levy paid (including the reserve it has provided), their actual liability, and the amount of its reserve that will remain following drawdown to cover underpayment. Any unused reserve would ultimately be returned to suppliers. This consultation proposes that, to minimise the flow of payments to and from suppliers and support transparent pass-through, that the counterparty holds onto the reserve across financial years.

To ensure that the levy is based on accurate data, a final determination will be made as soon as practicable after the assessment period. This is to provide sufficient time for RCM-supported SAF to be verified, total volumes of aviation fuel supplied to be verified, and sufficient time to resolve any disputes over determinations.

#### 5) Supplier Default (non-payment)

If an aviation fuel supplier defaults on payment, the counterparty will first draw on the credit cover the supplier has provided. If that is insufficient, the counterparty will then use the reserve it has collected to make payments to RCM-supported producers as an interim measure, until it can recover the amount due from the defaulting supplier through its compliance and enforcement powers.

Only once all these options are exhausted will the counterparty undertake a mutualisation exercise. This involves allocating the outstanding liability across the remaining suppliers. The liability will be determined by a supplier's market share over the most recent quarter ("reference period") for which actual data exists. The counterparty would seek to recover the overdue payments from the defaulting supplier and would repay the recovered amount to the suppliers who contributed under mutualisation in proportion to their respective mutualisation contributions. This process will be clearly set out in the Levy Regulations.

#### 6) New Entrants and Market Exits

If an aviation fuel supplier enters the market and meets the minimum obligation threshold (as set out in the previous consultation), it will become liable to pay the levy. Reconciliation will ensure that any market entrant pays their actual liability.

If a supplier exits the market and ceases to supply aviation fuel, they will not be obligated to pay the levy beyond the liabilities that have already been incurred for fuel supplied.

Once the counterparty has provided a final determination and the supplier has fulfilled its obligation, the counterparty will be required to return any surplus reserve, credit cover, and interest earned on such credit cover, that that supplier had provided. The counterparty will do this as soon as practicable after the final determination has been made.

7) Unforeseen Circumstances

Similar to existing schemes, the counterparty will be provided with powers to undertake an “in-period adjustment”, which would be limited to use only in exceptional or unforeseeable circumstances. This power will enable the counterparty to adjust the forecast levy rate if it believes that there is a high probability that it will collect too much or too little as a result of unforeseen circumstances. For existing schemes, a minimum of 30 days’ notice is provided for any increase in the forecast levy rate and the Government considers that such notice would be appropriate for the Aviation Fuel Supplier Levy design as well.

The following sections set out the remaining elements of the levy design that we are consulting on further.

## 2. Calculating Individual Contributions

### Calculation of Individual Contributions

1. To ensure that the counterparty remains solvent, it must collect the levy from aviation fuel suppliers before it pays RCM-supported SAF producers. This means that it must collect the levy based on cost forecasts, prior to paying RCM-supported SAF producers.
2. The Government recognises industry's desire for certainty and transparency in the levy's design and proposes that a forecast levy rate would be published a quarter ahead of the relevant collection period. For example, the forecast levy rate for the quarter April-June would be published before 1st January.
3. For a given assessment period, an individual supplier's contribution would be determined by the following formula:

**Figure 1: Forecast Levy Rate formula**

$$\text{forecast levy rate} = \frac{\text{forecast total scheme cost}}{\text{forecast total UK (total or fossil) aviation fuel volume supplied by obligated fuel suppliers}}$$

**Figure 2: Determination of an individual supplier's levy contribution**

$$\text{individual contribution} = \text{forecast levy rate} \times \text{volume of (total or fossil) aviation turbine fuel supplied in UK}$$

4. The levy could be collected using either the total volume of aviation turbine fuel supplied (which would include both fossil aviation fuel and SAF) or just the fossil portion of the aviation turbine fuel supplied. The **Volume Determination** section below sets out the relevant considerations.

### Reconciliation

5. Once actual costs and volumes are determined, the counterparty will reconcile payments to ensure that suppliers are only charged for the actual volume of (total or fossil) aviation turbine fuel supplied and actual costs. The Government intends to

require the counterparty to publish forecasts and actual costs and volumes within the levy calculations to provide complete transparency on the levy collected and costs incurred.

6. As set out in the Government's response to the first levy design consultation, the Government believes that reconciliation is necessary for the following reasons:
  - Under the SAF Act, the Government may only place the levy on suppliers to enable the counterparty to meet the costs of payments under schemes and other costs incurred under the Act (such as administrative costs). Reconciliation ensures that only the funds required to cover the costs of the scheme are taken.
  - The counterparty must collect the levy before it knows the actual costs of the scheme. Costs and/or levy rates must therefore always be forecasts.
  - It is fair that those suppliers who are obligated to pay the levy pay for the actual volumes supplied and actual costs incurred under the scheme.
  - Reconciliation ensures that Government can balance income and expenditure for the scheme.
  - Reconciliation ensures that any data reporting errors are corrected.
  - Reconciliation is used for all precedent Contracts for Difference schemes, which operate effectively.
7. The Government recognises the uncertainty that reconciliation brings and proposals to minimise the impact of reconciliation are detailed in the **Over-collection and Surpluses section** below.

## Volume Determination

### Existing volume reporting and verification processes

8. Aviation fuel suppliers currently report the split between fossil, sustainable, and partially sustainable aviation fuels to the SAF Mandate reporting system (ROS) each month. Aviation fuel suppliers can report under two timetables: on a mid-month basis (for example, 14 January to 14 February), or on a calendar month basis (for example, 1 January to 31 January). As per the SAF Mandate guidance, there is a six-week lag for all volumes for a given month to be reported to ROS. For example, all January volumes will be reported by approximately 14 March.
9. The SAF Mandate Administrator then requires suppliers to use an approved third-party verifier to validate the total aviation fuel volumes supplied on a quarterly basis. Quarterly verification should be completed 2 months after the end of each quarter. For example, the total volume of aviation turbine fuel supplied in Q1 of the financial year (April to June) would be confirmed in September the same financial year. Further

information about verification procedures can be found in the SAF Mandate guidance and third-party assurance guidance.<sup>1</sup>

10. Suppliers may apply for SAF Certificates for the previous calendar year at any time until 14 May. The final split between fossil fuel and SAF is determined once eligible SAF has been confirmed via the issuing of SAF Mandate certificates. This process is completed by September of the following calendar year. For example, the volume of fossil aviation turbine fuel supplied in the calendar year of 2025 will be confirmed by September 2026.

### **Volume Determination Options for the Aviation Fuel Supplier Levy**

11. Many respondents agreed with the previous consultation's proposal to use existing aviation turbine fuel volume data reporting to ROS to calculate each supplier's levy contribution. This approach would align the point at which volumes are determined for the levy with the assessment point, or "duty point", of the SAF Mandate.<sup>2</sup>
12. Some respondents, however, suggested calculating the levy based on the total volume of aviation turbine fuel (including both the fossil and sustainable components of aviation turbine fuel) supplied to reduce verification timelines and promote transparency, as blended Jet A-1 (rather than fossil aviation fuel) is ultimately supplied to airlines. A few respondents also suggested that volumes supplied at airports (rather than the duty point) would enable a more efficient, transparent process.
13. Aviation fuel suppliers receive airport volume sales data from companies that perform aircraft refuelling services for them, which could be used to determine individual contributions.
14. While the Government recognises that calculating the levy based on fuel volumes supplied at airports could account for the complexities of the aviation fuel supply chain and could support transparency, this approach would require the establishment of a new reporting and verification processes, which may increase the administrative cost and burden imposed by the levy.
15. Under the SAF Act, levy regulations may only require persons obligated under the SAF Mandate to pay the levy. The use of volumes supplied at airports to determine levy contributions would therefore result in a misalignment between the volumes upon which suppliers are obligated under the Mandate and the volumes upon which suppliers are levied.
16. In that context, the Government considers there may be merit in aligning volumes used to determine levy obligations with those reported under the SAF Mandate. Aligning levy and mandate arrangements could enable the use of common data sets, which may help to reduce the risk of inconsistencies across reporting requirements. For these reasons, the Government remains minded to use the existing reporting to ROS to

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<sup>1</sup> [Sustainable Aviation Fuel Mandate compliance guidance: 2026; RTFO and SAF Mandate third party assurance guidance: 2026](#)

<sup>2</sup> See [Sustainable Aviation Fuel Mandate compliance guidance: 2026](#) for further detail. The duty point is the point at which fuel leaves the import facility, refinery or warehouse. For hydrogen it is the point of sale.

determine individual levy contributions; however, this is subject to further stakeholder engagement and design work.

This consultation seeks views on the following options to determine aviation fuel volumes:

**A. Fossil aviation turbine fuel passing the duty point, as reported via ROS.**

This is the proposal set out in the previous consultation. This approach would:

- ensure consistency with the SAF Mandate obligation as it would apply the same point of supply (duty point) to determine supplier obligations under the SAF Mandate and RCM levy.
- impose no additional administrative burden beyond the reporting suppliers already undertake on a monthly basis.
- ensure wider policy coherence as it would not impose a levy on the sustainable portion of aviation turbine fuel supplied.
- involve longer verification timelines before final levy contributions are determined, as the final split between fossil fuel and SAF would only be confirmed once SAF Mandate certificates are issued by the September of the following calendar year. We would expect a high degree of accuracy at the (third-party) volume verification stage, after which the Government would not normally expect significant adjustments to final volumes unless a large SAF application was rejected.
- result in a discrepancy between volumes of fossil aviation fuel passing the duty point and volumes ultimately supplied to aircraft due to supply chain complexities, which includes the blending of SAF and fossil fuel before it enters an aircraft, and the trading of fuel between suppliers.

**B. Total aviation turbine fuel passing the duty point, as reported via ROS.**

This approach would:

- ensure consistency with the SAF Mandate obligation, as it would apply the same duty point to determine supplier obligations under the SAF Mandate and supplier obligations under the RCM levy.
- impose no additional administrative burden as suppliers already report total aviation turbine fuel volumes to ROS every month.
- potentially involve shorter verification timeframes, as total aviation turbine fuel volumes are verified 2 months after each quarter.

- involve charging the levy on the sustainable portion as well as the fossil element of aviation turbine fuel supplied, though we consider this should not, in reality, disincentivise the supply of SAF as the same aviation fuel suppliers will still be required to meet their SAF Mandate obligations.

### **C. Total aviation turbine fuel sold at airports, via a new reporting mechanism.**

For the reasons outlined above, this is not the Government's preferred option but we are through this consultation seeking stakeholder input. Subject to ongoing stakeholder engagement and further design work, this approach could:

- require the creation of new data reporting and verification processes. While this approach could draw on existing reporting arrangements outside of the SAF Mandate to provide initial volume data more quickly, that data would remain subject to third-party assurance. This approach may increase costs and the administrative burden.
- recognise the complexities of the aviation fuel supply chain and potentially enhance supply transparency, as the levy would more closely reflect the volume of aviation fuel ultimately supplied to airlines.
- would result in a misalignment between the volumes upon which suppliers are obligated under the Mandate and the volumes upon which suppliers are levied.
- the Government considers that this approach should not in practice disincentivise the supply of SAF as the same aviation fuel suppliers will still be required to meet their SAF Mandate obligations.

### **Q1. What is your preferred approach for determining individual volumes and why?**

## **Sequencing**

### **Definitions**

- **Assessment Period:** the timeframe used to determine suppliers' aviation turbine fuel volumes for Aviation Fuel Supplier Levy calculations.
- **Collection Period:** the period over which the Aviation Fuel Supplier Levy is invoiced and collected.
- **Billing Period:** the period over which eligible RCM-supported SAF is produced and sold by RCM producers and RCM scheme costs are therefore incurred; this period is distinct from the period over which payment is made to RCM producers.

## **Background**

17. The previous consultation sought views on the counterparty's approach to collecting the levy. The options provided suggested that the approach should either be: (i) based on actual reported volumes from a period preceding the billing period (the "lagged" approach); or (ii) based on forecasts of volumes to be supplied during the billing period (the "aligned" approach). Consultation responses articulated a clear preference for a "lagged" approach, although there was some variation in how this was interpreted and recommended to be implemented by respondents. This consultation sets out further detail on how each approach would work and seeks respondents' views.
18. The purpose of the levy is to fund solely the costs of the RCM scheme, and it is important that the levy is accounted for in line with this principle. Income and expenditure must therefore match at the end of a financial year, and this is achieved through a reconciliation process, which ensures that the amount of levy collected (income) aligns with the amount paid to RCM-supported producers (expenditure). Income is recorded when fuel is supplied, and expenditure when RCM-supported SAF is sold. Only the final reconciled totals must align at the end of the financial year. This means that the levy can be collected based on forecasts or historical volume data, but the volume used to determine each supplier's actual liability must align with the period over which RCM-supported SAF is produced and sold.
19. This consultation provides further clarification on how the lagged and aligned approaches would work in practice and seeks views on the following options:

### **A. Lagged Approach: Collect the levy based on the most recent reported volumes of aviation turbine fuel to ROS, with final reconciliation aligning assessment and billing periods.**

Assuming a quarterly forecast levy rate, the levy for the first quarter (Q1) of the financial year (to fund RCM-supported SAF produced and sold from 1st April to 30th June) could be collected based on volumes reported to ROS for 1st January to 31st March. When the counterparty determines the actual scheme costs for Q1, the final reconciliation would be based on actual volumes supplied from 1st April to 30th June. This option would provide a simple and certain approach to levy collection, as the levy would be collected based on actual volume data. However, there would be potential lack of transparency regarding the final reconciliation amount, as the volumes upon which the levy had been collected would be different to those used for the final reconciliation. This would be undesirable should market shares change materially across assessment periods. As detailed in the Pre-Collection of the Reserve section below, the Government would seek to mitigate this uncertainty through the build-up of a reserve in advance of the levy required to cover forecast payments under RCM contracts, and minimise the flow of payments to and from the counterparty by holding onto the reserve and adjusting the amount of reserve ultimately due to be returned to suppliers.

### **B. Aligned Approach: Collect the levy based on forecast volumes.**

This is the same approach set out in the previous consultation. The assessment period would match the billing period, with individual levy contributions collected based on forecasts of total volumes of aviation fuel supplied by each supplier, which would be reconciled once actual volumes are received. Under this approach,

aviation fuel suppliers would be required to submit forecasts to the counterparty to improve accuracy, which could increase administrative burden for suppliers and would rely on accurate forecasting. Once actual volumes are received and actual costs can be determined, the counterparty would undertake a reconciliation exercise. This approach would align with existing schemes such as the Contracts for Difference scheme for low carbon electricity generation.

**Q2. Which option is your preferred approach to sequencing and why?**

## 3. Collection of the Levy and Reserve

### Collection of the Forecast Levy Rate

1. The previous consultation sought views on the frequency at which the counterparty should collect the levy and proposed aligning the frequency of the assessment and collection periods for administrative simplicity.
2. As set out in the Government response to the first consultation, most respondents articulated a clear preference for monthly or quarterly collection of the levy as respondents considered that this would support cashflow, mitigate the impact of default and align with business cycles.
3. Some responses, however, expressed a preference to set a longer-term forecast levy rate and collect the levy more frequently. Some respondents noted that the aviation fuel market differs from other sectors where similar levy schemes operate as there are fewer suppliers, complex supply chains, and there is relatively stable annual demand for aviation fuel. These characteristics could make it viable to set a levy rate for a longer time period.
4. Setting a forecast levy rate to span multiple collection cycles is operationally possible and could provide greater certainty and stability as well as a transparent price per litre rate. The counterparty could publish the forecast levy rate a quarter ahead of its implementation to support business planning. The counterparty would then publish the reconciled levy rate once final costs and volumes are determined, which could be 2 months after the end of the relevant quarter, subject to volume determination decisions and SAF producer volume verification decisions (see **Volume Determination** above).
5. **The Government will require the collection of the levy on a monthly basis to align with business payment cycles, existing data reporting, support cashflow, and mitigate the impact of default.** This consultation seeks views on the frequency at which the forecast levy rate is set. These options are considered in tandem with the proposals for collection of a reserve to mitigate under-collection (as set out below). Under all options, the Government intends to require the counterparty to publish the forecast levy rate a quarter in advance of its application.
6. Different frequencies and methodologies for setting the forecast levy rate and reserve can impact the efficiency and accuracy of the counterparty's forecasts, and ultimately the total amount of reserve that the counterparty collects. The unused reserve will ultimately be returned to aviation fuel suppliers, so will not impact the actual costs incurred under the scheme.
7. An annual forecast levy rate offers levy payers greater upfront clarity about the expected payment for the year, which can support financial planning. However, options using an annual forecast levy rate depend on long-term price forecasts, which introduce greater uncertainty and likely increase the amount of reserve required to mitigate under-collection. By contrast, quarterly forecast levy rates draw on more recent market information, improving accuracy and reducing the amount of reserve that

needs to be collected. Quarterly forecasting also provides a more responsive way to manage price volatility, which is particularly relevant in a new market where long-term forecasts are less reliable. More frequent updates help maintain a closer alignment between expected and actual market conditions.

8. The choice between the Total Reserve Amount (TRA) mechanism and a Single Rate (see **Collection of the Reserve** below) also affects the total amount of reserve that is collected. The TRA mechanism relies on actual market data and can more flexibly account for actual costs, reducing the need for contingency allowances and smoothing adjustments over time. The Single Rate, however, offers greater simplicity and certainty for obligated aviation fuel suppliers, as payments are based on a single pence-per-litre rate and this mechanism provides a straightforward payment profile, though will likely increase the size of reserve collected at the beginning of the scheme.

## Collection of the Reserve

9. To stay solvent, the counterparty must recover the costs of the scheme before they are incurred. The levy must therefore be calculated and collected based on forecasts of the scheme costs. To mitigate the risk of under-collection (the risk that scheme costs exceed forecasts for the period in question), the counterparty will need to have contingency funds available, in addition to the levy payments covering the expected funding of the scheme. This consultation refers to any contingency fund or buffer to mitigate under-collection as the “reserve”.
10. As set out in the Government response, some respondents expressed a clear desire for the levy to be collected via a single pence per litre rate. This proposal differs to levies for existing similar schemes, whereby a separate reserve pot, “Total Reserve Amount” (TRA), is set and collected ahead of each reserve period (the period of time that the reserve seeks to cover). Some respondents also proposed the pre-collection of the reserve before RCM-supported SAF is produced and sold, which would be held and replenished for the duration of the scheme, to mitigate under-collection.
11. There are two mechanisms through which the reserve could be collected:

### A. Total Reserve Amount (TRA)

Under existing similar schemes, the counterparty sets a TRA for a given “reserve period” (which could, for example, be a quarter or year). For existing schemes, the TRA is calculated based on detailed modelling which determines the amount required to ensure the counterparty can make payments in 95% of modelled scenarios.

As set out in the previous consultation, the reserve period could span multiple assessment periods. For existing schemes, the TRA is collected at the start of the reserve period, alongside the forecast levy payment. At the point of collection, the counterparty takes a snapshot of the latest actual market share data and collects that amount from each supplier. When the next reserve period begins and actual costs are determined (approximately 10 days after the end of the previous assessment period), the counterparty would return the reserve to suppliers in proportion to the amount contributed and simultaneously collect the next TRA, based on an updated snapshot of the latest market share data. In practice, the counterparty collects the difference between the ‘previous’ and ‘new’ TRA from each supplier.

The TRA approach would likely collect less reserve than a single levy rate, as the counterparty would only collect the additional amount it needs to cover payments for a given period. In comparison, the forecast levy rate would be set a quarter in advance, so the counterparty would have to collect the full reserve amount until it is able to determine actual costs and the amount of reserve from the previous period. Use of the latest market share data to determine the TRA amount for each supplier maintains fairness, as it ensures those with decreasing market share are not placed at a disadvantage by paying a share of the reserve that is different to their market position. The counterparty would be able to publish the TRA for each reserve period and the amount of reserve remaining at the end of each reserve period for transparency.

## **B. Single Forecast Levy Rate (with reserve)**

With this proposal, the reserve would be collected as part of a single forecast levy rate, which would include the amount of reserve required to cover the total scheme costs. The single forecast levy rate would include the counterparty's forecast of total scheme costs and the reserve required to cover payments for the following assessment period. As detailed below, under this approach, the Government believes that the first reserve would need to be collected prior to the main forecast levy rate, and would continue to be collected a quarter ahead of the main forecast levy rate. For example, for a quarterly rate, the Q1 reserve would be pre-collected in the quarter before Q1, the Q2 reserve would be collected alongside the Q1 forecast levy rate, and so on. The counterparty would only collect the additional reserve required.

This option would provide greater simplicity and certainty for obligated aviation fuel suppliers, as the RCM levy would be collected based on a single pence per litre rate, and it would be unlikely that additional payments would be required to be made to the counterparty. This is because the counterparty would collect the reserve required to make payments to RCM-supported producers as part of the forecast levy rate. The counterparty could publish the amount of levy collected and actual costs at the end of each period for transparency.

Under this proposal, the counterparty would always over-collect to remain solvent and would ultimately return the remaining over-collected amount to suppliers. The **Over-collection and Surpluses** section sets out the options for returning over-collected sums.

Collecting the reserve via a single forecast levy rate would risk increasing the total amount of reserve collected, and thereby the potential costs passed through to airline passengers as a result. This is because:

- The Government is minded to require the counterparty to set the forecast levy rate a quarter ahead of time. When the forecast levy rate is set, the counterparty will not be able to determine whether it has over- or under-collected in the previous period and would therefore need to collect the full reserve amount required for the upcoming period. For example, in the instance of a quarterly forecast levy rate, the rate for Q2 (July to September) would be set by April, at which point the counterparty cannot determine how much of the reserve for Q1 (April to June) remains.
- A longer time between the calculation of the forecast and forecast period introduces more uncertainty and raises the reserve required.

- By collecting based on forecast total volumes, the exact amount of aviation fuel supplied cannot be guaranteed, so the counterparty may need to include additional contingency within its reserve calculation. This poses the additional risk that unforeseen low or high fuel demand would impact initial levy collection, which would need to be accounted for when determining the reserve calculation.
- The forecast levy rate must be sufficient to enable the counterparty to make payments to RCM-supported SAF producers at the start of the scheme. For example, if aviation turbine fuel supply is relatively low when RCM-supported SAF production commences and RCM costs are therefore incurred, the forecast levy rate would need to be set at a level sufficient to make payments to RCM supported producers in the early months, which may be a higher rate than that required for the period as a whole. The Government therefore proposes that, under this option, the reserve would be pre-collected a quarter before RCM-supported SAF starts to be produced (see **Pre-Collection of the Reserve**) to ensure the forecast levy rate can be set effectively.
  - Without an upfront pot, there is also a higher risk that the counterparty will hold insufficient funds to make the first producer payments, for example, due to non-payment from a supplier. This risk could be mitigated by the pre-collection of the reserve (see **Pre-Collection of the Reserve**).

## Pre-Collection of the Reserve

12. Some respondents to the previous consultation supported the build-up of the reserve before RCM-supported SAF starts being produced and sold (see the Government response for more detail).
13. Pre-collecting a reserve could avoid a large up-front lump sum payment being required from obligated suppliers and consequently passed through the supply chain, and could reduce the impact of supplier default during the first collection period. However, it would mean that the cost impacts of the RCM will be felt before RCM-supported SAF is produced. There is also a risk that if there are delays to RCM-supported plants becoming operational, this could result in the counterparty holding a reserve fund over consecutive periods when no payments are being made to RCM-supported SAF producers. To mitigate this risk the counterparty will appoint contract managers for the RCM scheme, who will be able to track the live status of project progress and their expected “go-live” date. The longer the pre-collection window, the greater the risk that the counterparty will be required to hold sums in reserve without RCM-supported SAF being produced.
14. Under the TRA approach, the reserve could be collected via monthly instalments and collected based on market share during the given “reference period”, for example, the most recent quarterly volume data.
15. Under a single forecast levy rate approach, the reserve could be collected via the “forecast levy rate”, based on the counterparty’s determination of the total reserve amount required for the first collection period. The first forecast levy rate, in this scenario, would be based on the counterparty’s determination of the reserve only, as

the forecast costs incurred under RCM contracts would be zero. As above, this could support the transparent pass-through of costs, although may require an extra contingency amount to ensure that the counterparty remains solvent.

16. To mitigate the impact of projects being delayed, the Government is minded to start collecting the reserve 3 months prior to the anticipated production of RCM-supported SAF, should it opt for a single forecast levy rate.

**Q3. Do you agree or disagree with the build-up of the reserve prior to the production of RCM-supported SAF and why?**

**Q4. If you agree, what is your preferred “pre-collection” timeframe for collecting the reserve?**

## Proposed Options for the Forecast Levy Rate and Reserve

17. This consultation proposes the following five options for the frequency and form of the collection of the levy and reserve. For each option, the counterparty could pre-collect the first reserve amount, as described above, to smooth out costs and build a buffer prior to the first producer payments.

| Option | Forecast Levy Rate | Reserve       |
|--------|--------------------|---------------|
| 1      | Annual             | Annual TRA    |
| 2      | Annual             | Quarterly TRA |
| 3      | Quarterly          | Quarterly TRA |
| 4      | Annual             | Single Rate   |
| 5      | Quarterly          | Single Rate   |

### **Option 1: Annual Forecast Levy Rate and Annual TRA**

#### Summary

18. A quarter ahead of time, the counterparty would publish a forecast levy rate and the TRA it estimates will be required to cover payments for an annual period.
19. As set out above (see **Pre-Collection of the Reserve**), the TRA could be pre-collected to smooth out costs. The levy would be collected each month and the TRA would be used to cover under-collection. Subject to decisions being made on how volumes of aviation turbine fuel are determined (see **Volume Determination**), the counterparty could calculate the actual costs and volumes of aviation turbine fuel supplied over an annual assessment period approximately 2 months after financial year end and publish the reconciled levy rate for that year to determine a supplier’s actual liability. The

counterparty would then either return or collect the difference between the amount paid by a supplier and their actual liability via the next available invoice. It is envisaged that actual total costs and volumes would be published by the counterparty for transparency.

20. This process would continue in future years. From one year to the next, the counterparty would only collect the additional TRA required to cover payments for the following year. For example, if the counterparty holds £20m and requires £50m for the next annual assessment period, it would only collect the additional £30m.<sup>3</sup>

### Considerations

21. The Government considers that this approach:

- Would provide greater stability and certainty compared to a quarterly frequency, through a longer-term forecast levy rate.
- Could result in large lump sum payments in future years if there is significant under-collection over the course of a year.
- Would likely require a larger reserve amount than setting the forecast levy rate and total reserve amount more frequently, as the counterparty would have to forecast costs over a longer time period.
- May provide less transparency compared to a single forecast levy rate, as the Total Reserve Amount would be collected based on historic market share, rather than a pence per litre rate.

## **Option 2: Annual Forecast Levy Rate and Quarterly TRA**

### Summary

22. The annual forecast levy rate would operate in the same way as Option 1. This option would determine the TRA on a quarterly basis and would similarly only collect the additional reserve amount required for each quarterly reserve period.

### Considerations

23. The Government considers that this approach:

- Would provide greater stability and certainty through a longer-term forecast levy rate.
- Would enable a more dynamic calculation of the reserve amount required to cover payments to RCM-supported producers across the year, allowing the scheme to

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<sup>3</sup> The figures used are purely illustrative and not representative of anticipated costs.

adapt more quickly to changing market positions for suppliers, such as new entrants to the fuel supply market.

- Would mitigate the risk of large up-front payments being required at the start of each annual reserve period.
- Would likely require a smaller reserve amount than an annual TRA, as the TRA could be calculated more dynamically and accurately.
- May provide less transparency, as the Total Reserve Amount would be collected based on historic market share, rather than a pence per litre rate.

### **Option 3: Quarterly Forecast Levy Rate and Quarterly TRA**

#### **Summary**

24. A quarter ahead of time, the counterparty publishes a forecast levy rate for the upcoming quarter. It would also publish the TRA amount that it considers necessary to cover payments for that quarter. Subject to decisions on volume determination (see **Volume Determination**), the counterparty could determine actual costs and volumes for the quarterly assessment period approximately 2 months after the end of that quarter and publish the actual quarterly levy rate quarter to determine suppliers' actual liabilities.

#### **Considerations**

25. The Government considers that this approach:

- Would enable the counterparty to more accurately and dynamically forecast costs.
- Avoids obligated suppliers being required to pay a large up-front reserve amount.
- Would provide less certainty compared to an annual rate, as the forecast levy rate would change more frequently.
- Is likely to require the least amount of reserve, as the counterparty can forecast levy and reserve costs based on more accurate information, compared to an annual approach.

#### **Option 4: Single Annual Forecast Levy Rate (including reserve element)**

##### **Summary**

26. A quarter ahead of time, the counterparty would publish a single annual forecast levy rate determined by a forecast of total scheme costs, the (additional) amount of reserve required to make producer payments, and forecast total volume supplied for an annual assessment period. The levy would be collected from suppliers and, subject to detailed design of RCM contracts, paid to RCM-supported producers at a monthly frequency.
27. As with Option 1, subject to decisions on volume determination (see **Volume Determination**), the counterparty could determine actual costs and volumes for the annual assessment period approximately 2 months after year end, which would enable it to publish the reconciled levy rate for that year and determine suppliers' actual liabilities. Under this approach, the counterparty would likely only ever return over-collected funds to suppliers, unless volume determination was significantly inaccurate, for example, if a supplier supplied a significantly larger amount of aviation fuel than reported. The Over-collection and Surpluses section below sets out how these over-collected funds could be returned.

##### **Considerations**

28. The Government considers that this approach:
- Would provide greater stability and transparency for aviation fuel suppliers, as the levy would be collected based on a single forecast levy rate with provision made within this rate for a reserve.
  - Would likely collect more reserve in comparison to a TRA approach, as the counterparty would set the rate in advance of knowing how much/whether it has under-collected for the prior period. This means that the counterparty is required to initially collect the full reserve amount for the upcoming period, to account for the scenario where the majority of the reserve has been used, until it is able to determine actual costs from prior periods.
  - Is likely to collect a larger reserve amount in comparison to a single quarterly forecast levy rate, as the reserve would need to account for a longer time period and greater degree of cost uncertainty.

#### **Option 5: Single Quarterly Forecast Levy Rate (including reserve element)**

##### **Summary**

29. A quarter ahead of time, the counterparty would publish a forecast levy rate for the upcoming quarter, including the (additional) reserve amount required to mitigate under-collection.
30. Subject to decisions on volume determination (see **Volume Determination**), the counterparty could determine actual costs and volumes for the quarterly assessment

period 2 months after the end of that quarter and publish the actual quarterly levy rate quarter to determine suppliers' actual liabilities. As with Option 4, under this approach, the counterparty would always over-collect in this scenario, as the reserve would be collected as part of the forecast levy rate. The **Over-collection and Surpluses** section below sets out how these over-collected funds could be returned.

### Considerations

31. The Government considers that this approach:

- Would provide greater simplicity and transparency for aviation fuel suppliers, as the levy could be collected via a single forecast levy rate.
- Would likely collect more reserve in comparison to a TRA approach, as the counterparty would set the rate in advance of knowing how much/whether it has under-collected for the prior period. This means that the counterparty is required to initially collect the full reserve amount for the upcoming period, to account for the scenario where the majority of the reserve has been used, until it is able to determine actual costs from prior periods.
- Is likely to collect a smaller reserve amount compared to a single annual forecast levy rate, as the counterparty can forecast levy costs based on more accurate information, compared to an annual approach.

**Q5. Out of the five options presented, which would be your preferred mechanism through which the reserve is collected and why?**

## 4. Over-collection and Surpluses

1. The first levy design consultation sought views on how the counterparty should return over-collected sums and surpluses, providing the options to roll over and net off against future liabilities, or return over-collected sums directly to obligated suppliers. The majority of responses were in favour of “rolling over and netting off” over-collected amounts against future levy payments. A few respondents proposed offsetting the total over-collected amount and/or surpluses against future forecast levy rates to support pass-through to airline passengers.
2. There are two potential mechanisms through which the counterparty could offset over-collected funds and surpluses against future levy payments:

### **A: Over-collected sums are returned via the next possible invoice**

Once actual costs and volumes are determined, the counterparty would publish the actual levy rate for the assessment period. The counterparty would determine each supplier's individual liability and offset any over- or under-collected amount against their next invoice. The counterparty would publish the actual levy rate to promote transparency and show the actual costs incurred in that assessment period. This approach would ensure that suppliers are only charged for their actual liability and are repaid in a timely manner.

### **B: Over-collected sums are offset against the next single forecast levy rate**

Once actual costs are determined, the counterparty would offset the over-collected sum against the next forecast levy rate. It would do this by determining its forecast of scheme costs for the next applicable assessment period and the amount of reserve it requires, and then adjusting for the amount of reserve it holds (including the over-collected amount it holds from the earlier assessment period). To ensure that suppliers only pay for their actual liability, the counterparty would undertake a reconciliation for each assessment period. This would ensure that those who have overpaid receive the money they are due and that those who have underpaid do not unfairly benefit from overpayments made by other suppliers. To minimise the impact of reconciliation, this consultation proposes that the counterparty would make adjustments by amending each supplier's individual reserve. Suppliers would not be expected to be required to make retrospective payments and would continue to pay the single forecast levy rate going forward. Where a supplier has not paid a sufficient amount into the reserve to cover its liability: for example if a new supplier enters the market in an assessment period where the forecast levy rate has been reduced, it may be required to provide funds to cover its outstanding liability.

**Q6. What is your preferred approach to returning over-collected sums and surpluses to obligated suppliers? Why?**

## 5. Interactions between the SAF Mandate and Revenue Certainty Mechanism

### Background

1. The SAF Mandate, introduced in 2025, is the UK's key policy to decarbonise jet fuel. It operates in a similar way to the RTFO, by setting an increasing obligation on suppliers to supply SAF and incentivising SAF supply through the award of tradeable certificates. Alongside the SAF Mandate, Government is introducing a revenue certainty mechanism to help de-risk UK SAF projects. The Revenue Certainty Mechanism (RCM), funded by a levy on aviation fuel suppliers, should enable a lower cost of capital to help commercial scale UK SAF projects secure investment and take Final Investment Decision (FID). A key objective of the RCM is to deliver UK-produced SAF volumes at pace to support the SAF Mandate targets. It is therefore critical these two schemes operate effectively alongside one another, and that SAF produced under the RCM is eligible for SAF Mandate certificates.
2. As other countries look to meet international agreements and their climate targets, similar schemes to the SAF Mandate, and reward systems for chemical precursors,<sup>4</sup> are either in place or in development. Examples of existing government support mechanisms include biomethane and hydrogen support schemes.
3. To maintain a level playing field in the global low carbon fuels market, it is important that we prevent fuels and chemical precursors from receiving multiple incentives. The SAF Mandate and RTFO legislation ensure that a fuel producer is only able to use a single government support scheme for a consignment of fuel. This means that fuels that are imported from overseas are not able to stack incentives both in the country of production and when supplied in the UK.

### Updating the multiple incentives rules in the SAF Mandate

4. Government last consulted in 2024 on the rules on multiple incentives under the RTFO and SAF Mandate. It was noted that we need to consider how the multiple incentives rules will interact with the introduction of the SAF RCM.
5. The RCM has since undergone further development, with two further consultations published on the levy design, and the indicative Heads of Terms and approach to contract allocation.
6. However, the current multiple incentives rules under the SAF Mandate would prevent any SAF that has received support under the RCM from being rewarded with certificates. This would undermine one of the key objectives of the RCM which is to

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<sup>4</sup> Chemical precursors are molecules that are used to create fuel by contributing atoms and energy. They are derived from an original material, which is defined as the feedstock.

support the supply of SAF to meet the SAF Mandate targets, and the two schemes would not be able to operate effectively alongside one another.

7. Therefore, our intention is to update the definition of a support scheme under the multiple incentives rules in the SAF Mandate legislation so that it enables the eligibility of an RCM style scheme. We will pursue an update as soon as possible to ensure that the multiple incentives rules do not impede investment in RCM-supported SAF projects. This would allow SAF supported under the UK's RCM to also be rewarded under the SAF Mandate. These schemes are designed to work together, so that support for SAF is proportionate and that there is consistency between those obligated under the Mandate and those obligated to pay the levy.
8. Given the global nature of the SAF Mandate, updating the definition of a support scheme to enable the UK RCM within the SAF Mandate legislation would mean that, should an RCM-style scheme be introduced to support SAF produced in another country, a SAF consignment produced in that country would also be eligible to receive certificates under the UK SAF Mandate, providing other eligibility criteria are met.
9. This could have the benefit of increasing the availability of imported SAF to the UK. However, due to the effective double incentive, there is also the potential risk that internationally-produced SAF may undercut domestic production, depending on how international RCM schemes are designed. In this consultation, we are seeking feedback on how we should implement this change, whether there is risk of any unintended consequences and how these may be mitigated.
10. The multiple incentives rules are also in place in the SAF Mandate legislation to prevent certificates being awarded to SAF suppliers that have already received support for the fuels and chemical precursors used in SAF from another scheme – such as the Hydrogen Production Business Model (HPBM) which subsidises UK hydrogen production. We are aware of the requests from stakeholders to amend the multiple incentives rules in order to enable SAF produced using HPBM-subsidised hydrogen to be eligible for SAF certificates. Stakeholders claim that this could help reduce the cost of hydrogen-derived SAF and help scale a UK SAF industry.
11. Unlike the HPBM, the RCM, on the other hand, is specifically designed to support and scale a UK SAF industry and would be directly funded by aviation fuel suppliers. We believe it is necessary to prioritise amending the multiple incentives rules to allow RCM volumes to be eligible before the RCM is launched so that contract allocation can continue without hindrance. We will continue to assess the potential benefits and trade-offs of allowing other support schemes to be eligible including interactions between the HPBM and SAF Mandate. Should there be a need to update the SAF Mandate following this assessment, it would be subject to the usual consultation process. We are therefore, proposing in this consultation that changes to the definition of a support scheme in SAF legislation is specific enough to enable the RCM alone (and equivalent international schemes) to be eligible for SAF Mandate certificates. We are conscious that some support schemes, such as the HPBM, operate in a similar manner to the RCM. We are therefore requesting feedback on how this change can be made so that it does not impact schemes other than the RCM and equivalent international schemes.
12. We also propose we do not make any change to the definition of support scheme under the RTFO, given that the RCM will not be providing support for fuel that is eligible under the RTFO.

**Q7. Do you have any feedback on how the multiple incentives rules in the SAF Mandate legislation should be updated to ensure that SAF supported under the RCM can receive certificates under the SAF Mandate?**

**Q8. Are there any potential unintended consequences that may arise due to this change? If yes, how could policy mitigate against these consequences?**

**Q9. Do you agree or disagree that changes to the multiple incentives rules should be limited to enable the eligibility of the RCM alone and not to enable the eligibility of other schemes that support fuels and chemical precursors at this time?**

## How to respond

See the Ways to respond section of the consultation page on GOV.UK to find out how you can respond to this consultation.

The consultation period began on 22 June and will run until 2 August. Please ensure that your response reaches us before the closing date.

## What will happen next

We will publish a summary of responses and the government response on the homepage for this consultation. Paper copies will be available on request.

If you have questions about this consultation please contact:

Name: Low Carbon Fuels

Address: Great Minster House, 33 Horseferry Road, London, SW1P 4DR

Email address: [LowCarbonFuel.Consultation@dft.gov.uk](mailto:LowCarbonFuel.Consultation@dft.gov.uk)

## Full list of questions

These questions are listed here to give you an overview of what we are asking.

**The consultation response form may include more questions, for example questions about who you are.**

**Q1. What is your preferred approach for determining individual volumes and why?**

**Q2. Which option is your preferred approach to sequencing and why?**

**Q3. Do you agree or disagree with the build-up of the reserve prior to the production of RCM-supported SAF and why?**

**Q4. If you agree, what is your preferred “pre-collection” timeframe for collecting the reserve?**

**Q5. Out of the five options presented, which would be your preferred mechanism through which the reserve is collected and why?**

**Q6. What is your preferred approach to returning over-collected sums and surpluses to obligated suppliers? Why?**

**Q7. Do you have any feedback on how the multiple incentives rules in the SAF Mandate legislation should be updated to ensure that SAF supported under the RCM can receive certificates under the SAF Mandate?**

**Q8. Are there any potential unintended consequences that may arise due to this change? If yes, how could policy mitigate against these consequences?**

**Q9. Do you agree or disagree that changes to the multiple incentives rules should be limited to enable the eligibility of the RCM alone and not to enable the eligibility of other schemes that support fuels and chemical precursors at this time?**

The consultation response form may include more questions, for example questions about who you are.

See the Ways to respond section of the GOV.UK home page for this consultation to read a full list of questions and find out how you can respond to them.

## Freedom of information

Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the Freedom of Information Act 2000 (FOIA) or the Environmental Information Regulations 2004.

If you want information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory code of practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence.

In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information, we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the department.

## Data protection

This consultation is seeking your views on the design of the Aviation Fuel Supplier Levy.

Your personal data collected through this consultation is processed in line with our [online forms, surveys and consultations privacy notice](#).