



Department for Energy Security & Net Zero

Rt Hon Graham Stuart MP
Minister of State for Energy Security and
Net Zero

**Department for Energy Security & Net
Zero**
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Claire Baker MSP
Convener, Economy and Fair Work Committee
Scottish Parliament
Edinburgh
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www.gov.uk

26 May 2023

Dear Claire,

I am writing to respond to Paul Simpson's question at the Economy and Fair Work Committee session on 10 May 2023 regarding the Government's target of the construction of five plants to produce sustainable aviation fuel (SAF) in three years. I confirmed that I would provide more detail on the level of progress of these plants, obtained from the Department for Transport who lead on sustainable aviation fuel.

The Jet Zero Strategy stated that the Government's aim is to unlock further private investment to develop our very own SAF plants with a commitment to have at least five plants under construction by 2025. The Government's SAF programme aims to create demand for SAF in the UK, stimulate the UK SAF industry and work with industry to secure long term supply.

The Government is working to stimulate investment in UK projects through:

- The SAF mandate, which will drive demand for SAF and will provide an incentive through tradeable certificates that address the price difference between SAF and jet fuel;
- Grant funding, including the current £165m Advanced Fuels Fund (AFF); and
- Developing options for a revenue certainty mechanism supported by industry funding, which could work alongside the SAF mandate.

The type and location of plants remains a decision for plant developers and their investors.

The AFF drives progress towards the five plant target by supporting the later-stage development of commercial SAF plants in the UK. The majority of projects supported by the first round of the AFF are expected to reach final investment decision in 2024. The second window of the AFF is currently open for applications.

Several SAF projects have recently announced significant milestones, including:

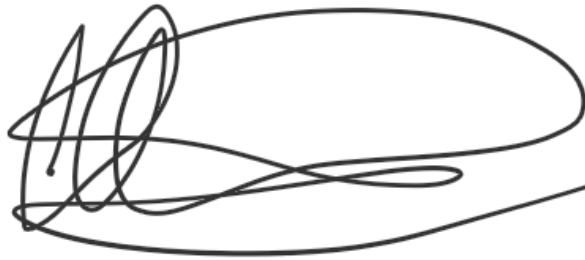
- On 27 March 2023, Alfanar announced that they will invest £1bn in their Lighthouse Green Fuels plant in Teesside, which will convert black bin bag waste into SAF, creating 952 construction and 105 full-time operational jobs. The project was awarded £11m from the AFF.
- On 14 April 2023, LanzaTech UK formally launched the public consultation ahead of an application for planning for their Project DRAGON plant in Port Talbot, which will convert waste industrial emissions into SAF, creating 1500 construction and 100 full-time operational jobs. The project was awarded £25m from the AFF.

- On 27 April 2023, Fulcrum Bioenergy announced a major investment from Jet2 Plc into their NorthPoint project in Ellesmere Port, which will convert black bin bag waste into SAF, creating 800 construction and 100 full-time operational jobs. Jet2 Plc will take an equity stake in the plant and expect to receive more than 168kt of SAF over a 15-year period. The project was awarded £17m from the AFF.

We would actively encourage any eligible SAF projects in Scotland to apply to the second round of the Advanced Fuels Fund, which closes on 7 June 2023.

I hope you will find this response helpful.

Yours ever,

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the bottom.

Rt Hon Graham Stuart MP
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