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Email: chris.gould@fuelsindustryuk.org11th of June 2026By email to ukets.consultationresponses@energysecurity.gov.uk**UK ETS: Treatment of Sustainable Aviation Fuel (SAF) consultation**


Dear Sir or Madam

Fuels Industry UK represents the six main oil refining and marketing companies operating in the UK. The Fuels Industry UK member companies – bp, Essar, Esso Petroleum, Phillips 66, Shell, and Valero – are together responsible for the sourcing and supply of product meeting over 85% of UK inland demand, accounting for over a third of total primary UK energy¹.

The refining and downstream oil sector is vital in supporting UK economic activity. It provides a secure supply of affordable energy for road and rail transport, aviation, and marine applications, as well as for commercial and domestic heating. It also supplies base fluids for use in lubricants, bitumen for use in road surfacing, and graphite for use in electric vehicle batteries and as electrodes in steel and aluminium manufacture.

Fuels Industry UK welcomes the opportunity to respond to the consultation on the UK ETS Treatment of Sustainable Aviation Fuel (SAF).

Yours sincerely



Chris Gould

Energy Transition Lead, Fuels Industry UK

¹ Based on the Department of Energy Security and Net Zero Digest of UK Energy Statistics 2024

Attachment 1: Fuels Industry UK Response

1. Do you have views on the eligible fuel types under the UK ETS, and whether these should align with the eligible fuel types under the UK SAF Mandate? This would include expanding the types of eligible SAF under the UK ETS to include non-biofuel low-carbon fuels, such as power-to-liquid fuels and recycled carbon fuels. Please provide evidence and/or explain your answer where possible.

As the consultation notes in several locations, the UK Sustainable Aviation Fuel (SAF) Mandate is the UK Government's key policy mechanism to secure demand for SAF and promote aircraft decarbonisation.

There should therefore be full alignment of the SAF eligibility criteria under UK ETS requirements with those of the SAF mandate, which is the key piece of enabling policy.

This includes alignment of the eligible fuel types between the UK ETS and the SAF mandate, which operates under the Department for Transport (DfT).

We recognise that the requirements of the SAF mandate are updated on an annual basis by the DfT, including by amendments to their guidance². The UK ETS authority needs to recognise this process and harmonise its requirements on a similar basis. Future changes to the SAF mandate requirements should automatically be included in updates those of the UK ETS, and there should not be an additional consultation process on these. This includes changes as to the eligibility of feedstocks and pathways. For example, DfT recently consulted on crop-based SAF, and any potential subsequent changes would need to be automatically included in the UK ETS requirement. This reduces the administrative burden on all concerned and recognises the primacy of the SAF mandate as the key enabling legislation in this instance.

We note that the consultation indicates that crop based SAF may not be eligible for recognition under the SAF mandate. However, the DfT issued a consultation on this topic in 2026³, to which we provided a detailed response⁴. In line with our point above, any subsequent changes to the SAF mandate as a result of this consultation need to be automatically included in the UK ETS requirements.

A failure to harmonise requirements between the DfT and the UK ETS authority on annual basis is likely to lead to policy failure. The aviation sector will be unable to fully recognise the decarbonisation taking place, and there will be an increased regulatory burden for the fuel supply and aviation sectors.

² <https://www.gov.uk/government/publications/saf-mandate-compliance>

³ <https://www.gov.uk/government/calls-for-evidence/saf-mandate-crop-derived-sustainable-aviation-fuel>

⁴ <https://www.fuelsindustryuk.org/media/mmnpb3jc/saf-mandate-crop-derived-saf-fuels-industry-uk-response-final.pdf>

2. Do you have views on the sustainability criteria that SAF eligible for claiming emissions reductions under the UK ETS should meet, and whether this should be aligned with the sustainability criteria set out in the SAF Mandate Order? Please provide evidence and/or explain your answer where possible.

As the consultation notes in several locations, the UK SAF Mandate is the UK Government's key policy mechanism to secure demand for SAF and promote aircraft decarbonisation.

We note and agree that while the RTFO was historically in place to promote this SAF demand, it has since been superseded by the SAF mandate, which came into effect on the 1st of January 2025. This should be reflected in the development of government policy, including that by the UK ETS Authority.

There should therefore be full alignment of the UK ETS requirements with those of the SAF mandate, which is the key piece of enabling policy.

This includes alignment of the sustainability criteria between the UK ETS and the SAF mandate, which operates under the Department for Transport (DfT).

We recognise that the requirements of the SAF mandate are updated on an annual basis by the DfT, including by amendments to their guidance. The UK ETS authority need to recognise this process and harmonise their requirements on a similar basis. Future changes to the SAF mandate requirements should automatically be included in updates those of the UK ETS, and there should not be an additional consultation process on these. This reduces the administrative burden on all concerned and recognises the primacy of the SAF mandate as the key legislation.

A failure to harmonise requirements between the DfT and the UK ETS authority on annual basis is likely to lead to policy failure. The aviation sector will be unable to fully recognise the decarbonisation taking place, and there will be an increased regulatory burden for the fuel supply and aviation sectors.

3. Do you prefer a GHG emissions saving threshold of 65% or 40% for SAF eligible for emissions reduction claims under the UK ETS? Please provide evidence and/or explain your answer where possible.

40%

As the consultation notes in several locations, the UK SAF Mandate is the UK Government's key policy mechanism to secure demand for SAF and promote aircraft decarbonisation.

There should therefore be full alignment of the UK ETS requirements with those of the SAF mandate, which is the key piece of enabling policy.

This includes alignment of the eligible fuel types between the UK ETS and the SAF mandate, which operates under the Department for Transport (DfT). It also includes having the same GHG emissions threshold as a matter of principle. Please note that we assume that in this case the same life-cycle methodology as under the UK SAF mandate is applied to establish whether the SAF meets the threshold or not.

A failure to harmonise requirements between the DfT and the UK ETS authority on annual basis is likely to lead to policy failure. The aviation sector will be unable to fully recognise the decarbonisation taking place, and there will be an increased regulatory burden for the fuel supply and aviation sectors.

4. Do you have any other views on the potential to change the UK ETS SAF GHG emissions saving threshold? Please provide evidence and/or explain your answer where possible.

We note and support the comments regarding the simplicity of implementation of aligning with the SAF mandate requirements. This is part of a coherent cross Whitehall approach in which both fuel suppliers and aircraft operators can operate on a consistent basis.

A failure to harmonise requirements between the DfT and the UK ETS authority on annual basis is likely to lead to policy failure. The aviation sector will be unable to fully recognise the decarbonisation taking place, and there will be an increased regulatory burden for the fuel supply and aviation sectors.

5. Do you have views on the fossil fuel comparator, against which SAF emissions savings are measured, to be used for SAF eligible in the UK ETS, including whether the UK ETS Authority should adopt the fossil fuel comparator of 89gCO₂e/MJ in line with that of the SAF Mandate? Please provide evidence and/or explain your answer where possible.

As the consultation notes in several locations, the UK SAF Mandate is the UK Government's key policy mechanism to secure demand for SAF and promote aircraft decarbonisation.

There should therefore be full alignment of the UK ETS requirements with those of the SAF mandate, which is the key piece of enabling policy.

This includes alignment of the eligible fuel types between the UK ETS and the SAF mandate, which operates under the Department for Transport (DfT). It also includes having the same fossil fuel comparator as a matter of principle.

The fuel comparator in the SAF mandate was set, as recognised in the consultation, with the intention of promoting a diversity of SAF feedstocks and conversion technologies within the UK market and to increase the carbon abatement options available for fuel suppliers to meet their SAF Mandate obligations. It also more accurately reflects baseline emissions of aviation fossil kerosene and is aligned with the agreed fossil benchmark in the ICAO CORSIA programme, to which UK is a signatory.

A failure to harmonise requirements between the DfT and the UK ETS authority on annual basis is likely to lead to policy failure. The aviation sector will be unable to fully recognise the decarbonisation taking place, and there will be an increased regulatory burden for the fuel supply and aviation sectors.

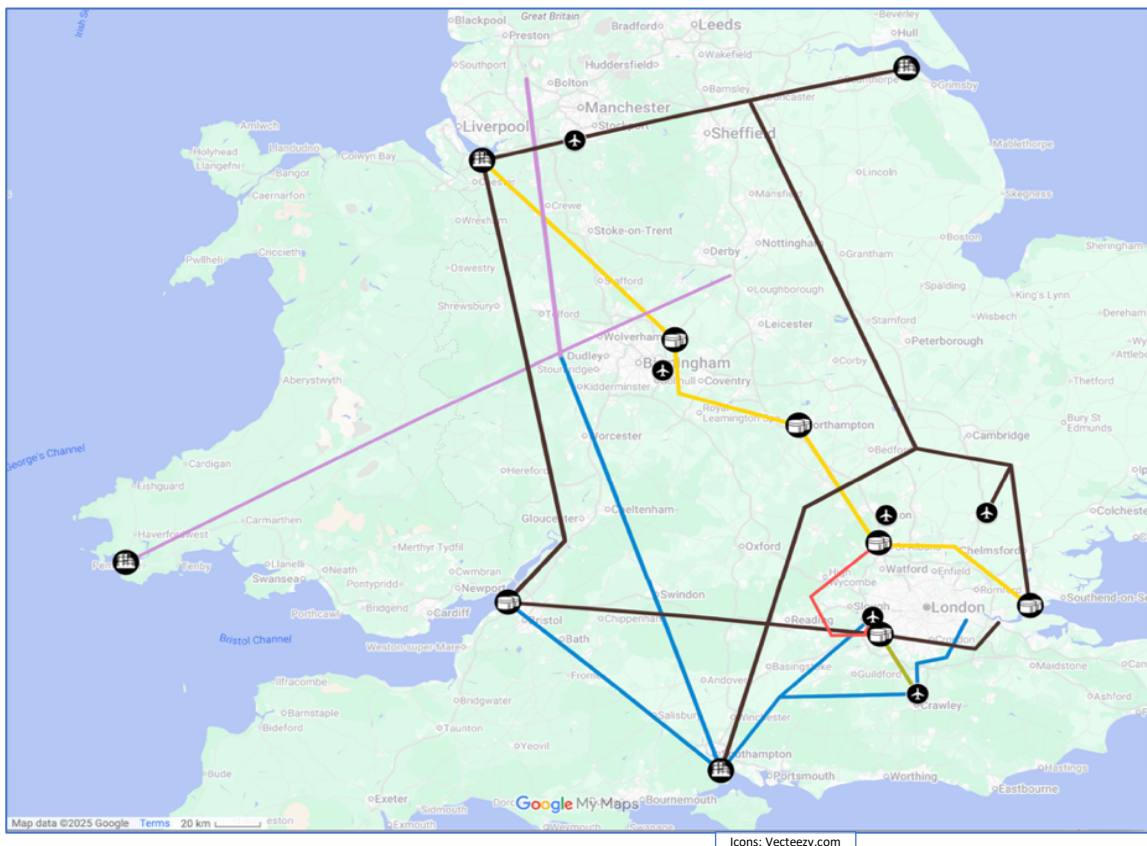
6. Do you prefer a zero rating or lifecycle assessment-based approach to how SAF is recognised under the UK ETS? Please explain your answer.

Zero Rating

This approach reflects the current approach to lower carbon fuels under the UK ETS (and similar schemes like the EU ETS) and is possible to implement in practice.

A lifecycle assessment-based approach would be extremely complex and very difficult to implement in practice in an effective and timely manner. The UK ETS authority needs to recognise that the vast majority of SAF will be blended into aviation fuel at refineries and import terminals and take this into account in the design of any compliance schemes.

The fuel supply chain from a refinery or import terminal to the airports is extremely complex, containing multi-product pipelines⁵ where the removal and recovery of interface material is routine, the marking of fuel to provide kerosene for heating applications⁶, and storage comingled between different fuel suppliers⁷. Trading of fuel between suppliers also occurs within these complex supply chains, including after the duty (assessment) point.



⁵ <https://inspenet.com/en/articulo/multi-product-pipelines-transportation/>

⁶ <https://www.crownoil.co.uk/guides/heating-oil-guide/>

⁷ <https://www.kslaw.com/blog-posts/commingled-oil-gas-allocation-matters>

Therefore, there will be significant differences between the aviation fuel moving out of the duty point at a refinery or import terminal and the cumulative volume that ultimately enters an airport. This includes accounting for both the fossil and low carbon components of the aviation fuel concerned; the latter can vary from nil to 50% from one batch of aviation fuel to another ⁸.

The accounting for this stock takes considerable time and expertise and will take a number of months to fully resolve (even within the established RTFO, delays between fuel supply and DfT completing their checks can take up to 9 months). The DfT's approach to the SAF mandate is significantly more complex than the RTFO; In-supply chain mass balances, required for providing sustainability data to aircraft operators and associated loss/gain tracking, required for this purpose and the SAF mandate significantly increases complexity. Therefore, physical volumes of SAF in any reporting period are unlikely to match that booked via movements from and between mass balance locations.

Combined, the factors outlined above would make the proposal for a fully mass balanced lifecycle-based approach very difficult, if not impossible, to implement in practice in a timely and effective manner.

7. If the UK ETS Authority were to implement a lifecycle assessment-based approach to claiming emissions reductions from SAF in the UK ETS, do you have any views on which methodologies should be accepted for eligible SAF? Please explain your answer.

Fuels Industry UK does not support a lifecycle assessment-based approach to claiming emissions reductions from SAF in the UK ETS.

As we explain in our response to Q6, such an approach would be very difficult, if not impossible, to implement in practice in an effective and timely manner, given the significant complexities of the aviation fuel supply chain.

⁸ <https://www.iata.org/en/programs/sustainability/reports/saf-handbook/section-2.1>

8. Do you think Policy package 1 and/or Policy package 2 represent a suitable approach to recognising SAF under the UK ETS? Please explain your response.

Policy package 1

As the consultation notes in several locations, the UK SAF Mandate is the UK Government's key policy mechanism to secure demand for SAF and promote aircraft decarbonisation.

In line with our responses to previous questions, there should therefore be full alignment of the UK ETS SAF eligibility criteria with those of the SAF mandate, which is the key piece of enabling policy.

However, as we note in our response to Q6, Fuels Industry UK does not support a lifecycle assessment-based approach to claiming emissions reductions from SAF in the UK ETS. Such an approach would be impossible to implement in practice given the significant complexities of the aviation fuel supply chain.

Policy package 1 reflects the appropriate combination of our views approach and should be adopted by the UK ETS authority.

A failure to harmonise requirements between the DfT and the UK ETS authority on annual basis is likely to lead to policy failure. The aviation sector will be unable to fully recognise the decarbonisation taking place, and there will be an increased regulatory burden for the fuel supply and aviation sectors.

9. Are there any further policy packages that you think would be more appropriate and should be considered by the Authority?

We are not aware of any other policy packages that would be appropriate.

10. Do you agree with the UK ETS Authority's proposal to clarify the legislative requirements on the purchase and delivery of SAF for the purposes of claiming emissions reductions under the UK ETS? Please provide evidence and/or explain your answer where possible.

No, disagree

There needs to be a recognition by the UK ETS authority that the processes and timetables for the SAF mandate and the UK ETS for aircraft operators are very different.

Currently, obligated suppliers have until May of the following year to collect sustainability information which is then verified and approved by the DfT Low Carbon Fuels Team. This reflects the challenges for obligated fuel suppliers in obtaining the information from SAF suppliers, which may be abroad and diverse in nature. At any point

up to final approval, the DfT can reject the SAF claim. The SAF certificates generated are then redeemed against the fuel suppliers obligation, typically by September of the following year,

The timetable for the UK ETS authority to conclude its obligations is much shorter, concluding in March.

This shorter timetable does not provide enough time for obligated suppliers to have obtained the sustainability information; have it approved and pass it on through the complex aviation fuel supply chain to aircraft operators.

This timing difference needs to be resolved, recognising the difficulties involved, which may be unique to the aviation industry.

A failure to harmonise requirements between the DfT and the UK ETS authority on annual basis is likely to lead to policy failure. The aviation sector will be unable to fully recognise the decarbonisation taking place, and there will be an increased regulatory burden for the fuel supply and aviation sectors.

11. Do you agree with the UK ETS Authority's proposal to clarify in legislation the limit on the amount of SAF for which emissions reductions can be claimed, and that claims for emissions reductions from SAF cannot be carried over into subsequent scheme years? Please provide evidence and/or explain your answer where possible.

No, disagree

The proposal does not recognise the way in the UK SAF mandate operates.

Under this scheme, obligated fuel suppliers can "roll-over" SAF mandate certificates from previous years. Under the legislation, suppliers can meet 25% of their in-year obligation with certificates from the previous year. This provides much needed flexibility for obligated fuel suppliers in meeting their obligation, notably if aviation fuel sales are lower than expected, or SAF availability is better in one year than another.

The principle was established under the RTFO which began in 2008 and has been part of the successful operation of that scheme in decarbonising ground transport. However, this roll-over will reduce the amount of physical SAF being blended in any calendar year which may unfairly penalise aircraft operators under the proposal.

We would also like to highlight the difficulties created by the current ETS set-up for late-year SAF deliveries, which fuel suppliers may rely on to ensure full compliance with the SAF mandate. We would like to see aircraft operators have the option to make Emission Reduction (ER) claims for SAF delivered in Q4 of the preceding year to the relevant Scheme year, as can be done for deliveries in Q1 of the year following the

Scheme year. This would be another way to help the documentation flow issues and assist fuel suppliers to optimise SAF delivery.

A failure to harmonise requirements between the DfT and the UK ETS authority on annual basis is likely to lead to policy failure. The aviation sector will be unable to fully recognise the decarbonisation taking place, and there will be an increased regulatory burden for the fuel supply and aviation sectors.

12. Do you agree with the UK ETS Authority's proposal to clarify in legislation that claiming emissions reductions from SAF only affects aircraft operators' surrender obligations?

No Firm View

We are unable to comment in detail on this question as we are not aircraft operators.

However, we note in Q10 our concerns regarding the timing differences between the SAF mandate and the UK ETS.

This timing difference needs to be resolved, recognising the difficulties involved, which may be unique to the aviation industry.

A failure to harmonise requirements between the DfT and the UK ETS authority on annual basis is likely to lead to policy failure. The aviation sector will be unable to fully recognise the decarbonisation taking place, and there will be an increased regulatory burden for the fuel supply and aviation sectors.

13. Do you agree with the UK ETS Authority's proposal to change Article 54(2) M&RR 2018 as modified to establish the use of purchase records as the default method to evidence the claiming of emissions reductions from SAF?

No, Disagree

We note, and support, the intent to move away from rigorous laboratory testing.

However, as we note in our response to Q6, given the complex nature of the fuel supply chain it will be impossible for fuel suppliers to indicate the exact amount of SAF in each batch of fuel supplied to an aircraft operator.

Under the current aviation fuel specifications (DEFSTAN 91-091⁹) The amount of physical SAF blended into a single batch of aviation fuel can range from 0, to 50%. Therefore, obligated fuel suppliers can blend substantially more in one batch of aviation fuel compared to others and still meet their overall SAF mandate requirements in any year.

⁹ <https://www.jig.org/documents/defstan-91-091-issue-18/>

In other words, the level of SAF will not be at a steady level, for example at the level obligated in the UK SAF mandate. This effect is compounded by the complexity of the UK aviation fuel supply chain.

Given the above, obligated fuel suppliers charge a “compliance fee” which reflects the overall costs of meeting the SAF mandate, rather than indicating the exact SAF content on the invoice for each batch of aviation fuel supplied. This is similar to the way in which RTFO costs have been passed through the supply chain over many years. Given the complexities involved, it is highly unlikely that this practice will change in the future.

Any proposals considered by the UK ETS authority need to take due account of the aviation fuel supply market; it is unlikely that the use of purchase records to indicate SAF content will provide an appropriate policy outcome for aircraft operators to allow them to offset their UK ETS obligations.

We note the current guidance note UK ETS Aviation Guidance Note “Making a UK ETS Emissions Reduction Claim relating to the 2025 and 2026 Scheme Years” contains a section “**Are there any geographical limits on the purchase and delivery of Eligible SAF.** No, you can make an Emissions Reduction Claim in relation to Eligible SAF purchased and delivered anywhere in the world as long as it meets all the other criteria, including the requirements to demonstrate purchase and delivery”. This suggests that global book and claim is allowable under the UK ETS, however this position is potentially unclear. We would ask that the position is clarified, potentially including being subject to a further consultation if required.

14. Do you agree with the UK ETS Authority’s proposal to amend the UK ETS Order such that emissions monitoring plan requirements that relate to claiming emissions reductions from SAF apply to all aircraft operators, not only those that are not small emitters?

No Firm View

We are unable to comment in detail on this question as we are not aircraft operators.

However, we would ask the UK ETS authority to note our concerns articulated in previous responses regarding their proposals and ask that they be included in the development of the UK ETS scheme.

15. What implications does the absence of geographical limits on the purchase and delivery of SAF, and the flight scope on which claims can be made, under the UK ETS have on your operations in relation to the scheme? Please provide evidence and/or explain your answer where possible.

We cannot comment on this question in detail as we are not aircraft operators.

However, the consultation notes that the UK SAF mandate is on aviation fuel suppliers not aircraft operators, and we agree with this assertion.

The risk of tankering needs to be duly¹⁰ considered by the UK ETS authority in the design of the UK ETS scheme. We suggest that tankering should be avoided as far as possible, as it is likely to increase overall GHG emissions, rather than reduce them. Claims for emissions reductions under the UK ETS should be supported by SAF supplied to aviation in the UK.

International aviation emissions and globally sourced fuels are more appropriately addressed through CORSIA, which is designed to operate on an international basis. Without clear geographical guardrails, there is a risk that the UK ETS could effectively become a global book and claim scheme, undermining both policy intent and market integrity.

¹⁰ https://www.icao.int/sites/default/files/environmental-protection/Documents/EnvironmentalReports/2022/ENVReport2022_Art38.pdf

16. Do you have any information and/or views on the challenges some airlines are facing in accessing the required documentation for successful SAF claims under the UK ETS?

We are aware of the discussions that have been taking place on this topic through 2025 and 2026.

We articulate the complex nature of the aviation fuel supply chain in our response to Q6, and the variable nature of the SAF content in any single batch of aviation fuel in our response to Q13. We note that these factors together have to date made it very difficult for fuel suppliers to provide the information required for successful claims under the UK ETS, particularly given the March deadline.

We note the timing differences between the SAF mandate and the UK ETS in our response to previous questions and suggest that difficulties may continue to some extent until this is resolved, due to the compliance processes involved.

SAF may be claimed for UK ETS compliance purposes in good faith by March of the following year but then subsequently rejected by the DfT low carbon fuel team as part of their SAF mandate approval process. The implications for this need to be clarified by the UK ETS authority as they have the potential to create significant liabilities in the aviation fuel supply chain which may be difficult to effectively resolve.

17. Do you have any suggestions for appropriate solutions to the challenges faced?

Different solutions already exist or under development. This includes, for example, the use of proof of compliance that fuel suppliers provide to airlines, which is also used in an EU context. We also note that for the UK, Zemo has recently launched a Renewable Fuel Assurance Scheme (RFAS) for aviation¹¹ approved by the Environment Agency as a source of documentary evidence for UK ETS Emission Reduction Claims (ERCs)¹².

However, these do not address issues associated with mismatches in the SAF mandate and UK ETS timetables and the liabilities that this can create. SAF may be claimed for UK ETS compliance purposes in good faith by March of the following year using the RFAS scheme. However, this SAF may then be subsequently rejected by the DfT low carbon fuel team as part of their SAF mandate approval process. The implications for this need to be clarified by the UK ETS authority as they have the potential to create significant liabilities in the aviation fuel supply chain, and these will need to be addressed.

¹¹ <https://www.zemo.org.uk/news-events/news.zemo-partnership-launches-rfas-aviation-to-strengthen-the-verification-of-s-4831.htm>

¹² <https://www.zemo.org.uk/work-with-us/fuels/assurance-schemes/RFAS-SAF.htm>

18. Do you agree with the UK ETS Authority's proposal to provide that the aircraft operator is identified by their call sign (i.e. the ICAO designator) or, where not available, the registration markings of the aircraft; where this is not known, then the owner of the aircraft is deemed to be the aircraft operator?

We cannot comment on this question in detail as we are not aircraft operators.

19. Do you have any views on the UK ETS Authority's proposal to amend Article 45(6) of the UK ETS Order such that the correct term 'aircraft operator' is used?

We cannot comment on this question in detail as we are not aircraft operators.

20. What, in your opinion, would be the likely effects of changing the treatment of SAF in the UK ETS on the Welsh language? We are particularly interested in any likely effects on opportunities to use the Welsh language and on not treating the Welsh language less favourably than English.

- Do you think that there are opportunities to promote any positive effects?
- Do you think that there are opportunities to mitigate any adverse effects?

We are not aware of any effect of the issues being consulted on, on the Welsh language.

21. In your opinion, could changing the treatment of SAF in the UK ETS be formulated or changed so as to:

- Have positive effects or more positive effects on using the Welsh language and on not treating the Welsh language less favourably than English?
- Mitigate any negative effects on using the Welsh language and on not treating the Welsh language less favourably than English?

We are not aware of any impact of the issues being consulted on, on the Welsh language.
