



Department
for Transport



Advanced Fuels Fund Launch Webinar

06 March 2025

Public Presentation

Introductions & Agenda

Key persons:

Chloe Page, Low Carbon Fuels Grant Funding, **DfT**

Rachael Gilbert, Deputy Head of LCF Commercialisation, **DfT**

Kate Thompson, Project Manager, **Ricardo**

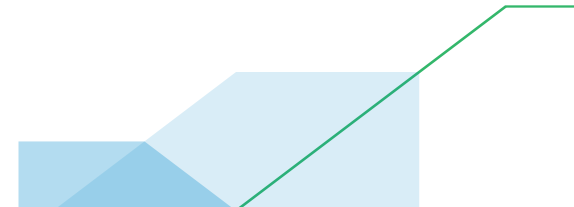
Judith Bates, Project Director, **Ricardo**

Richard Taylor, Technical & GHG Lead, **ERM**

Ausilio Bauen, Technical Director, **ERM**

Time	Item	Lead
10.30	Welcome & housekeeping	Chloe Page (DfT)
10.35	AFF overview - Objectives, funding, scope	Rachael Gilbert (DfT)
10.45	Minimum requirements: - Technical - Commercial - Eligible costs	Richard Taylor (ERM) Kate Thompson (Ricardo)
11.10	Evaluation process: - Timelines - Application form and templates - Assessment criteria	Kate Thompson (Ricardo)
11.25	Key points	Kate Thompson (Ricardo)
11.30	Q&A	Chloe Page (DfT)

*Please submit questions for the Q&A on the chat, these will be published by our moderator.



Recent SAF Announcements

SAF Mandate

**Came into force on
1st January 2025**

A scheme that is both ambitious and pragmatic to the realities of the SAF industry.

The Mandate has been designed to drive decarbonisation at an acceptable cost.

Advanced Fuels Fund

Third application window opened.

£63m available to support more UK SAF plant projects through to construction.

Applications must be submitted before 28 March at 16:00 GMT.

SAF Revenue Certainty Mechanism

Confirmed details of how the Revenue Certainty Mechanism will work, including that it will use the guaranteed strike price model. RCM funding consultation open until **31 March.**

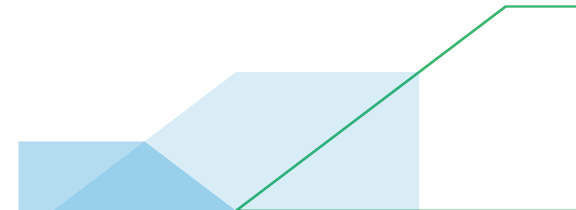
We expect legislation to be in place by the end of 2026.

Advanced Fuels Fund Overview

AFF Background

Government Support for the Sector

- The Advanced Fuels Fund (AFF) was launched by the Department for Transport on 19 July 2022 to support first-of-a-kind SAF production plants through the project pipeline to reach investment ready stage and achieve commercial scale. There have been two previous competition windows.
- The AFF has allocated over £135m so far to support private investment in 13 UK SAF projects by overcoming perceived technological and construction risks
- Window 3 makes a further £63m available.
- Grant funding sits alongside other initiatives such as the development fuels sub-target of the Renewable Transport Fuels Obligation (RTFO), and the new SAF mandate which started in January 2025.



Objectives and Funding Available

Key objectives of the Advanced Fuels Fund are to:

- *Kickstart the UK advanced fuels sector with the commercial deployment of innovative fuel production technologies that are capable of significantly reducing near-term UK aviation emissions.*
- *Broaden and strengthen the UK project pipeline, getting as many UK projects as possible to an "investment ready" state.*
- *Support the advancement of a diverse range of technology routes to SAF and other advanced fuels.*

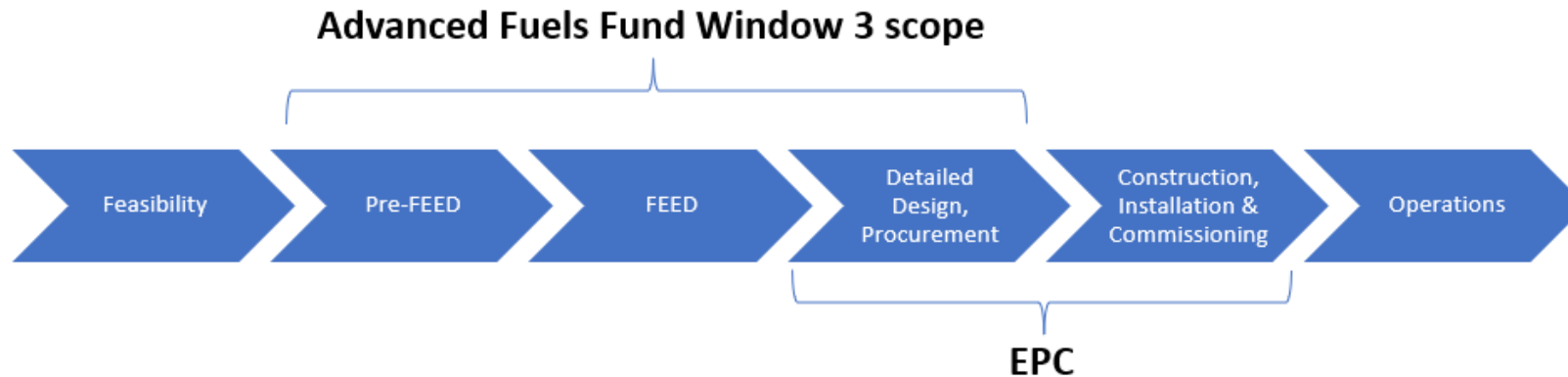
Through AFF Window 3, DfT will competitively allocate up to £63 million in grant funding to support UK advanced fuel projects until 31 March 2026. A sub-pot of £32 million is available for projects that use CO₂ (point source or direct air capture) as their main carbon source in fuel production.

	Total AFF funding available in third window	of which, CO ₂ sub-pot
Year 4 (~June 2025 to 31 March 2026)	£63 million	£32 million



Scope and Application Window

Window 3 funding is available for first-of-a-kind commercial and demonstration-scale projects within the UK, for the pre-FEED, FEED and EPC development stages, up to construction starting.



This third application window for the Advanced Fuels Fund runs until 16:00 GMT 28 March 2025. Any applications submitted past this deadline will not be considered.

Minimum requirements for application window 3

Eligibility criteria – technical

Category	Eligibility Requirements
Main fuel output	<p>One of the main fuel outputs of the project must show the ability or future potential to be blended with jet A-1:</p> <ul style="list-style-type: none">- Ideally would already meet ASTM fuel specifications- Or currently engaged with the ASTM certification process- Or clear evidence of the fuel's future potential to be meet ASTM <p>Alternatively:</p> <ul style="list-style-type: none">- Commercial scale projects with drop-in diesel or avgas as their main output are allowed, if the project can be retrofitted to produce jet- Demonstration projects with drop-in diesel or avgas as their main output are allowed, if the technology can be modified to produce jet in the future
TRL	<ul style="list-style-type: none">- The proposed plant must achieve Technology Readiness Level TRL 6-8 (small demo, large demo or First-Of-A-Kind commercial) when operational- TRL 5 (pilots) projects are not eligible, nor are TRL 9 projects (fully commercial)- The proposed technology must already be at least TRL 5 (operational pilot plant) when you submit your application. Note this is different to Window 2

Eligibility criteria – sustainability

Category	Eligibility Requirements
Feedstock	<p>All fuel consignments must come from eligible feedstocks – part eligibility is not permitted:</p> <ul style="list-style-type: none"> - Biomass feedstocks (including original feedstocks used for any intermediates) must be sustainable wastes/residues meeting RTFO & SAF Mandate requirements. Segregated fats/oils are not eligible: <ul style="list-style-type: none"> - If making avtur/avgas, bio feedstock must be listed as being not subject to HEFA cap in SAF Mandate - If making diesel, bio feedstock must be listed as a ‘development fuel’ feedstock under RTFO - Recycled carbon fuels (RCF) from fossil fraction of refuse derived fuel and industrial waste gas feedstocks are permitted, as are any others approved by DfT - Waste biomass/RCF feedstocks must meet waste definition and comply with the waste hierarchy. - Renewable fuels of non-biological origin (RFNBO) must follow CO₂ sourcing guidance - Hydrogen production onsite or larger purchases must meet Low Carbon Hydrogen Standard - Fossil hydrogen usage capped at 5% of fuel output - Nuclear energy is allowed, if RFNBO CO₂ sourcing guidance is followed and any intermediate H₂ meets rules above
GHG emissions	<ul style="list-style-type: none"> - GHG methodology must follow RTFO & SAF Mandate Technical Guidance methodology, with any use of grid electricity using projected factors supplied for the relevant year - FOAK commercial plants must have fuel lifecycle GHG emissions below 31gCO₂e/MJ_{LHV} in first full calendar year of operation - RCFs have a separate threshold that tightens over time, due to counterfactual emissions included - Dem plants do not have to meet these thresholds, but must show how a future commercial plant will

Eligibility criteria – commercial

Category	Eligibility Requirements
Location	The proposed plant must be located in the UK.
Lead	The project lead must be a UK registered company or charity.
T&Cs	Acceptance of the grant offer letter terms and conditions in full at the application stage. Further negotiation is not possible.
Project lifecycle stage	<ul style="list-style-type: none"> - Activities proposed within Pre-FEED, FEED, Detailed Design and Procurement of Main Equipment stages are eligible. - Ineligible activities include Feasibility (note this is different to Windows 1 & 2), Construction, Installation, Commissioning, Start-up and Operations as well as EPC licence fees (also different to Windows 1 & 2). - The project must not have already commenced Construction.
Eligible costs	<ul style="list-style-type: none"> - Funding cannot be used for previously funded activities or to replace private sector investment. - Funding is in arrears for project expenditure. - Further details are given on the following slides regarding eligible cost categories and maximum grant funding intensities.
Timescale	- Funding is only available for project work completed during the competition's Funding Period (by 31st March 2026).



Eligible costs

Up to 100% grant funding for Pre-FEED and FEED stages

Up to 50% grant funding for Detailed Design and Procurement of Main Equipment stages

No funds for Feasibility, Construction, Installation, Commissioning, Start-up or Operational stages, nor for EPC licence fees

Projects that can evidence greater levels of match funding will be preferentially scored.



Eligible activities and costs

- ✓ Strategy work and technology configuration appraisals
- ✓ Plant site identification and review
- ✓ Permitting and planning application work
- ✓ Feedstock availability assessments
- ✓ Economic assessments (including detailed revenue and cost modelling)
- ✓ Process Flow Diagram (PFD) and Process and Instrumentation Diagrams (P&IDs) development up to Approved for Construction revision
- ✓ Hazard and Operability (HAZOP) and Hazard Identification (HAZID) Workshop
- ✓ Process & Mechanical specifications & data sheets
- ✓ Safety, Mechanical, Civil, Structural, Architecture, Electrical, Instrument's lists, drawings and studies
- ✓ Plant layout design and plant modelling work
- ✓ Material Take Off (MTO)
- ✓ Developing detailed GHG emissions projections for plants
- ✓ Developing detailed project execution plans, risk assessments, and detailed budgets
- ✓ Tendering, bidding, visiting vendor and subcontractor's site
- ✓ Procurement of main equipment for the project, e.g. conversion & fuel upgrading technology, onsite feedstock pre-processing equipment, CO₂ capture kit
- ✓ Own labour costs, including agreed overheads and project management cost, but not profit. These costs should be directly linked to the design, and evaluation of the equipment contained in the project and auditable as such
- ✓ Hosting meetings with potential consortia members
- ✓ Formalising a consortium or partnership arrangement
- ✓ Hosting meetings between applicant consortia and others necessary to further develop project
- ✓ Securing private sector funding
- ✓ Addressing legal issues



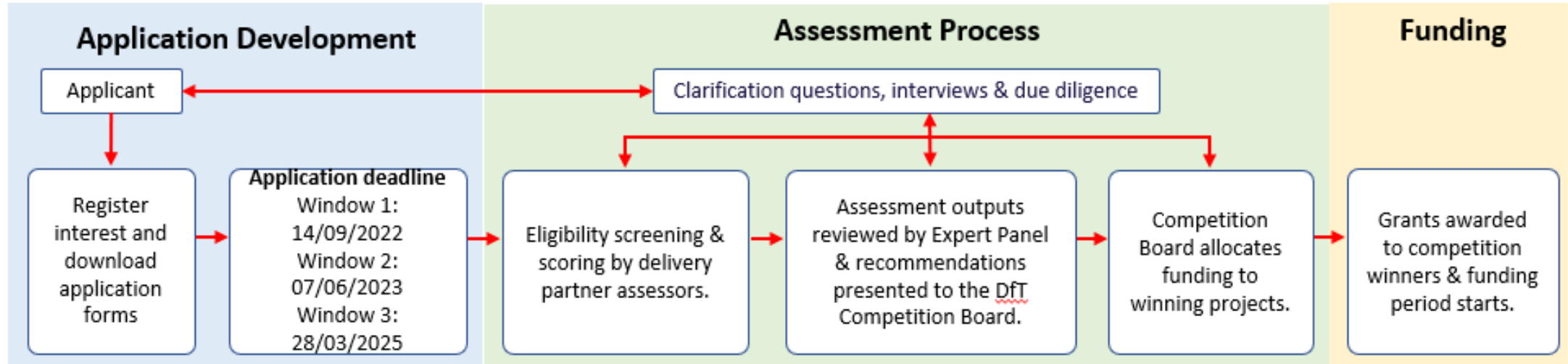
Ineligible activities and costs

- × Any costs incurred before a grant offer letter has been signed with DfT
- × Any cost incurred for construction or installation of the plant, including own or subcontractor labour, overhead and operating costs
- × Any costs incurred for delivery of the procured main equipment
- × Any costs incurred in the Feasibility stage
- × Any technology licence fees during the EPC stage
- × Any cost incurred in commissioning, start up, operations and maintenance
- × Any costs incurred relating to the design or procurement of a pilot plant facility (TRL5)
- × Any bulk material costs including pipework
- × Any building works
- × Purchase or lease cost of any land on which the project is built
- × Input VAT (except where it cannot be reclaimed by grantees)
- × Interest charges, bad debts
- × Hire purchase interest and any associated service charges
- × Loan repayments
- × Mark up and profits
- × Profit earned by a subsidiary or by an associate undertaking work sub-contracted under the project
- × Notional costs (e.g. opportunity costs)
- × Audit fee for certification of claims by an independent accountant
- × Grants that contribute directly to a company's distributed profits
- × Endowments
- × Funds to build up a reserve or surplus
- × Retrospective funding
- × Any costs that are already being funded by another grant source, or are to be funded by another grant source in the future
- × Advertising, marketing, sales activities, entertaining



Evaluation process

Timelines



Date	Stage
07 February 2025	Window 3 open for applications
28 March 2025 16:00 GMT	Window 3 Application deadline
June 2025	Announcement of winners and the start of Funding Period for Window 3 projects
31 March 2026	End of Funding Period for all winning projects

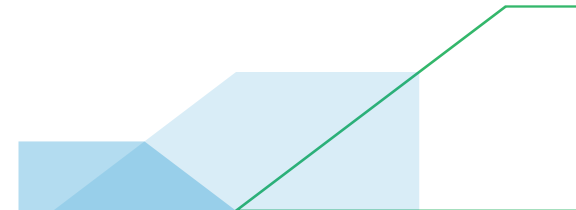
Application development

Guidance document: [Advanced Fuels Fund Guidance document – Window 3 \(.pdf\)](#)

Documents to complete:

- Application form + Appendices:
 - Consortium letters
 - Technology evidence
 - Work plan
 - Project budget (template provided and must be used)
 - Projected cash-flow model (template provided and must be used)
 - Match funding details
 - Outline risk assessment (template provided and must be used)
 - GHG emissions estimate (template provided and must be used)
 - Development status documents
 - Documentation relevant for due diligence

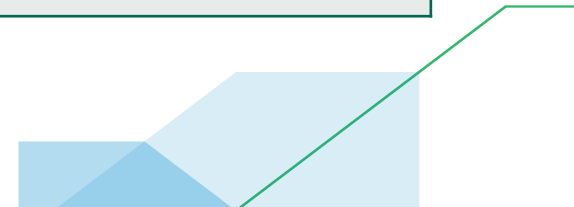
Please check the News and Updates section on the fund website for updated documents and anonymised Q&As.



Scoring process for eligible projects

- We have a rigorous process to manage any direct or perceived conflict of interest that may arise from a personal/working relation between an applicant and one of the delivery partners.
- Total score calculated using criteria weightings must be **>65%** to be eligible. This is higher than the 50% threshold used in windows 1 & 2
- Projects may be invited to interview, and/or asked to provide clarifications within 5 working days. Due diligence by DfT will also be started during this period. Projects must pass to receive funding.
- DfT Fund Board will employ a portfolio approach considering scores and breadth of technologies.

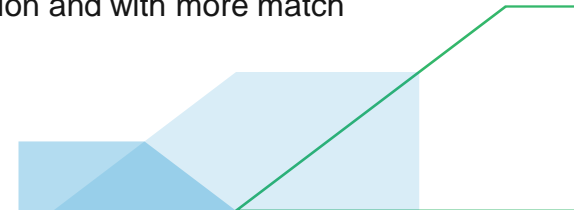
Category	Scoring criteria
Project relevance	1. Clarity of the project objectives and relevance to the fund objectives
Technical approach	2. Credibility of the technological approach, clarity of the project data and justification with relevant pilot/demo plant data
	3. Level of innovation and progress as a result of the proposed plant
	4. Level of progression of the fuel pathway through ASTM certification process
	5. Level & evidence of fuel GHG emissions from the proposed plant (and expected fuel GHG emissions at commercial scale if different)



Scoring process for eligible projects

Category	Scoring criteria
Commercial approach	6. Level of progression towards construction of a FOAK commercial plant as a result of the funded activities*
	7. Potential & case for economic benefits of the proposed plant during construction & operation, incl. costs, revenues & jobs created
	8. Potential and case for benefits of future deployment of the technology within the UK, and benefits from export markets
Project Implementation	9. Credibility of current status of the project and readiness to proceed with funded activities
	10. Confidence in skills and experience of the project team
	11. Appropriateness of project management and governance structure and partners roles
	12. Appropriateness and credibility of the project work plan
	13. Detailed understanding of the project risks and their management
	14. Credibility of detailed project costing for the funded activities
15. Strength of case for DfT funding, including level of match funding leveraged* and status of securing funding	

*Multipliers (between 50%-100%) are applied to the scores for these two criteria to prioritise projects to commercial scale construction and with more match funding



Key details

Window 3 deadline for applications: 16:00 hours GMT, 28 March 2025

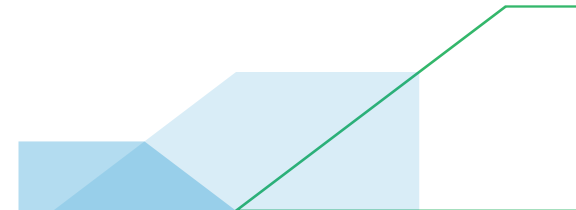
- Subsidy Control rules apply – more info at [Overview of the subsidy control regime – a flexible, principles-based approach for the UK](#)
- Applications must meet all the eligibility criteria, and all claimed project costs must be eligible.

One electronic copy must be sent to AFF@ricardo.com prior to deadline

- Applications will be acknowledged by email and a URN will be issued within two working days. Your URN should be used in all communications.

Further details available at <https://ee.ricardo.com/aff>

- All queries should be directed to AFF@ricardo.com
- Anonymised FAQs will be published and regularly updated.



Q&A

Thank you for attending



Feel free to contact us:
AFF@ricardo.com

