

# Advanced Fuels Fund Competition

## Stakeholder enquires and responses for Window 3

| Ref | Question   | Response  |
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| 1   | <ul> <li>Are the production of other PtL fuels, such as PtL methanol or PtL DME, eligible for funding? This question refers to two scenarios: <ul> <li>a. A PtL methanol/DME facility targeting industrial and/or shipping offtakers.</li> <li>b. A PtL methanol facility targeting MtJ e-SAF offtake, with the MtJ e-SAF producer <b>not</b> located on the PtL methanol project site.</li> </ul> </li> </ul> | <ul> <li>a. Methanol and DME are not eligible fuels under the AFF, so projects with these as the main fuel outputs would not be eligible.</li> <li>b. A PtM facility on a standalone site would not be eligible for the AFF, presuming that the MtJ facility is not part of the AFF application and would be developed by a third party. This applies even if the MtJ facility were to be in the UK, and the MtJ developer were to provide contractual evidence of an offtake for upgrading to jet. The AFF guidance only allows funding of those applications that have an eligible main fuel output, and this application would only have methanol as its output.</li> <li>However, if the application were for a whole supply chain in the UK, e.g. PtM + MtJ, where the development of both facilities were proposed for AFF funding, with project partners from both facilities included in the project team, then if the facilities are on the same or separate UK sites, both facilities could be eligible, if contractual evidence (at least signed HoTs) is provided that all the methanol from the PtM facility would be supplied to the MtJ facility. This evidence should be included in the application, or at DfT's discretion, could form a starting stage gate if your project were selected (i.e. PtM facility funding would not start until this evidence is provided). If this contractual evidence is not provided, only the MtJ facility would be eligible.</li> <li>If elements of the supply chain were to be based abroad, then: <ul> <li>if the PtM facility is abroad and the MtJ facility is in the UK, only the MtJ facility would be eligible (and would have to evidence eligibility of its feedstock methanol).</li> <li>if the PtM facility is in the UK and the MtJ facility is abroad, even with contractual supply evidence provided, neither facility would be eligible , as the UK project is not producing an eligible main fuel output.</li> </ul> </li> </ul> |



| Ref | Question   | Response   |
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| 2   | <ul> <li>We see that feasibility studies have been classified as ineligible for funding. Would a project be eligible under the following scenario: <ul> <li>a. The project targets a combined feasibility and pre-FEED study, that will conclude prior to the end of the Window 3 delivery timeline. If the project is eligible in this scenario, would the funding cover the full combined package or only the pre-FEED element?</li> </ul></li></ul> | AFF funding would only cover the pre-FEED element. Note that the (ineligible) Feasibility stage ends at the date of the completion of a AACE Class 5 (or equivalent) cost estimate, and the (eligible) Pre-FEED stage immediately starts at the same date.   |
| 3   | In Appendix A of your guidance documentation, the qualified ASTM pathways are listed, including those under assessment. However, we noticed that <b>"Co-processing of pyrolysis oil from used tires"</b> is not included. A link to supporting evidence can be found here:<br>ICAO Conversion Processes<br>Could you confirm whether this pathway is recognised under the AFF grant?   | Yes, this would be eligible under case ii of the main fuel output cases, and evidence of the resulting jet fuel quality should be supplied. But please see the response the Question 4 first.  |
| 4   | Tyre Pyrolysis Oil (TPO) contains both biogenic and Recovered<br>Carbon Fraction (RCF) components. Under the recent legislative<br>amendment to the Energy Act 2004, the RCF fraction is now eligible<br>under the RTFO. How does this impact the project's overall<br>eligibility, considering that the guidance currently only references<br>fossil fractions of MSW and waste industrial fossil gases in relation<br>to RCF?                        | Eligible RCFs must be made from a designated RCF feedstock, as per the published<br>feedstock list on the DfT website. This currently only lists two eligible RCF feedstocks (MSW<br>and industrial waste gases), matching the AFF guidance document. Therefore only the<br>biogenic fraction of TPO will be eligible for support.<br>Mass balance rules could be applied if an applicant wished to apply for only a TPO<br>upgrading facility, and were to upgrade only the biogenic TPO consignment but sell the<br>fossil TPO consignment separately. A facility generating TPO would not be eligible for the<br>AFF, due to the ineligible fossil fraction of the feedstock. |
| 5   | On page 11 of the guidance document, under "What documentation<br>is required for an applicant?", there is a requirement stating:<br><i>"Relevant documentation to enable the completion of due diligence</i><br><i>on the applicant(s)."</i><br>Could you provide a clearer explanation of what specific<br>documentation is required to meet this criterion?   | To undertake the required level of due diligence, the DfT will require information such as<br>Companies House information (e.g., registration number, registered address, latest<br>accounts), confirmation of the identities of the Directors/Trustees/Persons of Significant<br>Control/Named person on application form (for all consortium/alliance/partnership<br>members), information related to other grants awards, conflicts of interest, links to any<br>company websites, etc.   |
| 6   | What are the acceptable forms of a confirmation in respect of "compliance with the definition of a waste and with waste hierarchy".  | Please see Annex K of the <u>RTFO &amp; SAF Mandate technical guidance</u> .   |



| Ref | Question  | Response   |
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| 7   | If a feedstock portfolio includes wood chips and wood pellets<br>(sourced from USA, Canada and Brazil), as well as Palm Kernel Shells<br>(PKS) sourced from the APAC region. Would the latter (PKS) fall<br>under Arboricultural residues or Nut shells category of the<br>Agricultural Residue section?  | All feedstocks proposed will have to prove their eligibility, i.e. that the wood chips and pellets are sustainable wastes/residues and meet other RTFO & SAF mandate requirements.<br>Palm Kernel Shells are not currently on DfT's published <u>list of feedstocks</u> , as they have either not yet been proposed as a feedstock or have not yet been assessed by DfT. PKS does not fall under Arboricultral arisings (e.g. tree surgery, hedge trimmings), nor Nut shells.<br>Only biomass feedstocks that are defined as a development fuel feedstock or are confirmed as not being subject to the HEFA cap on these published lists are eligible for the AFF.<br>Developers can separately apply to DfT with a feedstock application (the relevant form can be provided by DfT) plus any associated evidence, although this is not an immediate process, and they would be taking the risk that their project could be ruled ineligible at any point, and AFF funding could only start if and when a positive feedstock determination was made. In terms of the likelihood of an eligible feedstock determination for PKS, we cannot pre-judge the evidence, but we note that PKS has a number of existing uses, empty palm fruit bunches are not eligible for the AFF, and the more generic category of "Waste |
| 8   | What evidence of feedstock procurement arrangements (including volumes and target prices) is sufficient/acceptable for the pre-FEED stage?  | pressings from the production of vegetable oil" is also not eligible.<br>There are no minimum requirements, but evidence of MOUs, HoTs or feedstock supply<br>agreements will be evaluated, along with the level of detail in these arrangements, and this<br>evidence will contribute towards the scoring of projects in demonstrating their readiness to<br>proceed with funded activities. DfT would expect signed FSAs if entering EPC stage, but the<br>pre-FEED stage is significantly earlier in the project development.   |
| 9   | With regard to prices (as well as the corresponding supply partners)<br>- it's a highly sensitive commercial information, yet it forms part of<br>the business model and the corresponding project financials. How<br>can we share that sensitive information on a confidential basis - in<br>particular, from the Freedom of Information Act 2000 point of view? | DfT respect that projects are handling sensitive IP and financial information and we have<br>strict confidentiality practices in place. Any information shared by the project in the<br>application is only for the purpose of assessments. Should we receive a Freedom of<br>Information request relating to any material that you have provided, we will consult with<br>you to seek your views on disclosure. We will consider your views before making any<br>decision on disclosure, but we cannot unequivocally guarantee that the information will not<br>be released, particularly if DfT are compelled to do so by the Information Commissioner's<br>Office as a result of any appeal made to them. Should any information provided be<br>confidential, this should be marked as strictly confidential.<br>Evidence of supply partners and offtakers will be evaluated, and this evidence will<br>contribute towards the scoring of projects in demonstrating their readiness to proceed with   |

funded activities, and fuel pricing is also used and evaluated within Appendix E.



| Ref | Question   | Response  |
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| 10  | Is "in kind" contribution (e.g. development of a FEL package)<br>considered to be match funding? If so, what principles would be<br>used to evaluate the level of that funding?  | In kind contributions are recognised as match funding.  |
| 11  | Can match funding be provided - and used - prior to the AFF making a grant offer?  | No. Any match funding will need to be evidenced and used within the funding period.   |
| 12  | Can match funding commitment be conditional to the project reaching the planned milestones?  | Match funding can be conditional based on achievement of set activities/lifecycle stages. It would help to clarify if your intent for this match funding is external financing, or whether this match funding is internal in-kind resources. Either way, it should be made explicitly clear which match funding amounts are conditional and which are unconditional. This is because one of the AFF scoring criteria assesses confirmed match funding and any conditional match funding would be discounted in this calculation.  |
| 13  | Can match funding be provided after March 2026?  | No. Any match funding will need to be evidenced and used within the funding period.   |
| 14  | Are precursor supply chain projects and novel technologies eligible?   | Presuming the precursor is not avtur, avgas or diesel, precursor supply chain projects on<br>their own are not eligible for AFF funding, as this application would not have an eligible<br>main fuel output. It would help if you could specify the precursor in question to be able to<br>give a clearer answer.<br>Precursor supply chain projects might only be eligible if they are in the UK, all the feedstock<br>consignments are eligible, and there is contractual evidence (at least signed HoTs) provided<br>that all the precursor will be converted/upgraded into an eligible main fuel output within a<br>facility that is also applying for funding in the same AFF application, and project partners<br>from each of the facilities are involved in that application. See the answer to question 1 (but<br>generalising beyond methanol to other precursors).<br>Technology eligibility is based on the eligibility of the main fuel output, feedstock, TRL and<br>GHG emissions. It would help if you could specify the novel technology in question to be<br>able to give a clearer answer. |
| 15  | As the UK SAF Mandate requires an LCA approach and there is<br>limited UCO/HEFA availability there is clearly going to be pressures<br>on sourcing sustainable biomass feedstocks at the significant scale of<br>demand. We have an advanced mechanical recycling (AMR) system<br>to extract waste paper and card biomass from residual wastes, such<br>as RDF (which is otherwise a default heterogeneous material only<br>suitable for landfill or incineration). This is a key missing part of the<br>supply chain, is this eligible under the AFF? | No, as the application would not result in production of an eligible main fuel output (avjet, avgas, diesel).   |



| Ref | Question  | Response  |
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| 16  | What would be the minimum size of a small demonstration plant<br>located in an industrial environment, particularly for the conversion<br>of CO2 into hydrocarbons? | There is no set minimum size for a TRL 6 small demonstration plant, and the onus is on the applicant to show to DfT that the proposed AFF plant meets the definition of technology demonstration (not just validation) in an industrially relevant environment.<br>Whilst there are indicative sizes that are commonly used for more developed pathways, TRL  |
|     |   | is not just a function of scale – it is also a function of operating regimes & run times, the level of process integration & recycling, the setting & staffing, and feedstock & fuel logistics. DfT will be looking for evidence of longer run times, reliability testing and performance optimisation, integrated processes with key recycles, an industrial/commercial environment with engineers, no use of bottled feedstock gases (for CO2 and H2), and fuel testing with offtakers or for ASTM qualification. Technology pathways that integrate process units and/or can evidence they will be commercially profitable (TRL 8) at significantly smaller scales than other pathways are likely to have corresponding smaller scales for their TRL 5, 6 or 7 facilities. |

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The corresponding projections of grid generation shares, from the National Grid FES Holistic Scenario, are as follows:

|      | Wind/solar/hydro/ | Nuclear share        |
|------|-------------------|----------------------|
| Yea  |                   | Nuclear share<br>(%) |
| 2024 |                   | (%)                  |
| 202  |                   | 14%                  |
| 202  |                   | 13%                  |
| 2020 |                   | 13%<br>8%            |
|      |                   | 7%                   |
| 202  |                   |                      |
| 2029 |                   | 5%                   |
| 203  |                   | 7%                   |
| 203  |                   | 7%                   |
| 203  |                   | 6%                   |
| 203  |                   | 6%                   |
| 2034 |                   | 6%                   |
| 203  |                   | 6%                   |
| 203  |                   | 4%                   |
| 203  | 7 77%             | 5%                   |
| 203  | B 77%             | 5%                   |
| 203  | 9 75%             | 8%                   |
| 204  | 0 74%             | 9%                   |
| 204  | 1 74%             | 9%                   |
| 204  | 2 72%             | 11%                  |
| 2043 | 3 72%             | 11%                  |
| 204  | 4 72%             | 11%                  |
| 204  | 5 71%             | 12%                  |
| 2040 | 6 72%             | 12%                  |
| 204  | 7 72%             | 12%                  |
| 2048 | 8 72%             | 11%                  |
| 2049 | 9 72%             | 12%                  |
| 205  | 0 72%             | 12%                  |
|      |                   |                      |

Many thanks for providing "Electricity grid intensity figures" in the guidance document appendix E. Will DfT also provide a similarly aligned forecast for the proportion of renewable (non-bioenergy) and nuclear electricity in the national grid? These forecasts are both key inputs into the UK PtL SAF cashflow model, determining the number of compliance certificates obtained per unit of PtL SAF produced, and hence project revenue generation.

If grid electricity is purchased and used to generate input hydrogen for SAF production (either via onsite electrolysis or as part of a combined reaction, such as co-electrolysis to syngas), and none of the exceptions listed in 4.40 of the RTFO & SAF Mandate technical guidance apply, then:

• while the wind/solar/hydro/geothermal share of the GB grid will generate a PTL consignment under the SAF mandate (or RFNBO consignment under the RTFO), under Scenario 1 of Table 4 in the RTFO & SAF Mandate technical guidance, this consignment will have to use the projected annual average grid lifecycle GHG intensity (as real-time data including upstream emissions from a relevant competent authority is not available now, nor are forecasts). Nil CI for this share of the grid electricity cannot be assumed.



| Re | f Question  | Response   |
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|    |   | <ul> <li>while the nuclear share of the GB grid will also generate a PTL consignment under<br/>the SAF mandate, under Scenario 1 of Table 4 in the RTFO &amp; SAF Mandate technical<br/>guidance, this consignment will also have to use the projected annual average grid lifecycle<br/>GHG intensity (as real-time data including upstream emissions from a relevant competent<br/>authority is not available now, nor are forecasts). The nuclear electricity CI for this share of<br/>the grid electricity cannot be assumed.</li> <li>In both cases, the declining GB grid intensity over time in Annex E should mean declining<br/>SAF emissions for these PTL consignments, and increased numbers of certificates each year<br/>under the SAF mandate.</li> </ul> |
|    |   | If grid electricity is purchased and only used to run processes (and does not generate hydrogen/atoms for SAF production), then the grid electricity will only impact the CI of the SAF consignments generated, and the wind/solar/hydro/geothermal or nuclear shares above are irrelevant. However, as the grid decarbonises this could still mean declining SAF emissions, and increased numbers of certificates each year under the SAF mandate.  |
| 1  | Can we spend money in advance of the June start? We note that<br>there is a 3 month gap between when the AFF Window 2 closes in<br>March and the Window 3 Award notification in June, which is<br>troublesome when trying to keep projects going. Will there be any<br>concession from DfT to allow eligible spend in March to June to be<br>covered under the grant, if awarded in June? | Only eligible costs incurred during the funding period will be paid out of funding allocated<br>under Window 3. As such, any existing AFF project which is successful in Window 3 and<br>incurs eligible costs before the Window 3 funding period begins will not be able to make<br>claims to cover those costs from funding allocated under a window 3 grant funding<br>agreement.   |
| 1  | What are the hydrogen requirements? The application specifies both<br>Low Carbon Hydrogen Standard and RTFO Guidance, which seems to<br>indicate blue hydrogen may be ok, but the SAF Mandate is clear only<br>green (from renewable or nuclear power) is permitted.  | Hydrogen used as a feedstock has to meet SAF Mandate requirements (RFNBO or nuclear)<br>as well as the AFF requirements (e.g. show likely future LCHS compliance if production is<br>part of the funded project). Hydrogen that is only used as a process input (e.g. refinery<br>upgrading) can be from any source, provided the AFF rules are met (e.g. fossil hydrogen<br>usage limited to 5% of total fuel outputs) and GHGs accounted for. So "blue hydrogen"<br>(from fossil natural gas reforming with CCS) will not be eligible where this hydrogen is a<br>feedstock, or more than the 5% limit used.   |
| 2  | Is a site selection exercise eligible under this AFF grant? We note<br>that this site selection type of work would not be feasibility study<br>work as the FS is already completed but rather an effort to assess<br>and secure the best, most cost effective site for a pre-existing viable<br>project.  | Yes, if completion of the Feasibility study is evidenced, this site selection work will fall under pre-FEED activities.  |



| Ref | Question   | Response  |
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| 21  | If our pathway is not currently ASTM qualified but, as per AFF eligibility criteria, we are engaged with the ASTM D4054 evaluation process – would this be eligible?   | Yes, and please select case ii when answering questions 2.2.1 and 3.3.1.  |
| 22  | We carried out feasibility and some pre-FEED work for a FOAK UK<br>SAF project. While certain parts of the technology value chain have<br>been tested and operated, other parts require deeper evaluation.<br>There are two potential non-UK suppliers whose technology we<br>would like to evaluate and test. Would this evaluation and testing be<br>eligible under the AFF window 3?  | If a project is led by a UK company/charity, and the demo/FOAK conversion plant project will be sited in the UK, but the project proposes to spend some (not a majority) of the AFF funding on generating new results and analysis from testing and optimisation outside of the UK to inform the UK project design work – this is acceptable provided that AFF funds will be spent in the AFF funding period and are not going towards the construction of new pilot or lab facilities (due to the TRL 6-8 eligibility criteria).   |
| 23  | We would like to use a residue feedstock, which is listed as "Contact<br>Administrator" under the RTFO and SAF Mandate list of feedstocks<br>including wastes and residues. DfT indicated that for this feedstock<br>we will need to provide proof that the feedstock is residue. Would<br>we need to provide such proof for the feedstock in the application,<br>or can we provide this if we receive the grant, the testing protocol is<br>defined, and we source the required amount for the testing? | Unless you plan to separately submit evidence directly to DfT regarding your feedstock<br>status before the AFF deadline, we would encourage you to include this evidence in your<br>AFF application, to ensure that your project passes the eligibility criteria checks.<br>Given the unique "Contact Administrator" status of your proposed feedstock, if there is a<br>remaining unresolved question as to your feedstock eligibility, at DfT's discretion, DfT may<br>decide your project can be taken for full assessment. If your project scores well and is<br>judged as a strong contender for funding, at DfT's discretion in light of other more certain<br>funding demands, it could be recommended for funding but with a starting gate stage for<br>the provision of the required feedstock eligibility confirmed).<br>Feedstocks that are not on the DfT list of feedstocks will not be eligible for the AFF, and so<br>applications relying on these feedstocks will fail the eligibility check and will not be<br>assessed. All feedstocks used by a proposed AFF project must be eligible. |
| 24  | The AFF guidance for third window states that "IP developed within<br>the project remains the property of the applicant/consortium."<br>However, point 19.1 of the Example Grant Agreement says that<br>Intellectual Property Rights "in the course of undertaking the<br>Funded Activities are the property of the Authority.". Would the<br>Intellectual Property developed under the Funded Activities belong<br>to the Authority of the grant recipient?   | The grant conditions state that IP contained with the progress reports will reside with DfT, not the much wider IP generated by the project itself. DfT respect that projects are handling sensitive IP and we have strict confidentiality practices in place. Any information shared by the project in the reports is only for the purpose of monitoring and reporting progress of the project, including unlocking milestone payments. Should any information provided with the progress reports be confidential, this should be supplied as a separate annex and marked as strictly confidential.  |



#### Ref Question

### 25 In the AFF Guidance 6.3 Data Protection:

a. It states that "The Department for Transport may be required to release information, including personal data and commercial information, on request under the Environmental Information Regulations 2004 or the Freedom of Information Act 2000. However, the Department for Transport will not permit any unwarranted breach of confidentiality, nor will we act in contravention of our obligations under the General Data Protection Regulation 2018." Would we be consulted before any commercially sensitive information is intended to be released and can we object to the release?

b. It states that the Department of Transport can publish information about estimated investment cost for the winning projects. We consider this commercially sensitive information. Can we object to the estimated investment cost information being published?

c. It states that "The final report which describes the benefits and performance of the project, the difficulties encountered, and lessons learned, may be published in full." Would data submitted in a separate non-publishable annex not be revealed, as per 19.1 of the Draft Grant Agreement?

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The AFF application, point 5.7.3 mentions that match funding could be secured from entities' own resources. However, the Example Grant Agreement defines Match Funding as "any contribution, in whatever form, to the Project from a Third Party to the Grant Recipient". Would Match Funding from our own resources be acceptable?

#### Response

DfT respect that projects are handling sensitive IP and financial information and we have strict confidentiality practices in place. Any information shared by the project in the application is only for the purpose of assessments. Should we receive a Freedom of Information request relating to any material that you have provided, we will consult with you to seek your views on disclosure. We will consider your views before making any decision on disclosure, but we cannot unequivocally guarantee that the information will not be released, particularly if DfT are compelled to do so by the Information Commissioner's Office as a result of any appeal made to them. Should any information provided be confidential, this should be marked as strictly confidential.

Match funding from your own resources is acceptable, and, as with all match funding, should be evidenced.



| Re | Question  | Response   |
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| 27 | <ul> <li>Point 4.4 in the Example Grant Agreement states that the Grant<br/>Recipient must notify the Authority of any Match Funding and<br/>cannot use the Match Funding without Authority's agreement.</li> <li>Would this apply to own internal resources that will need to be<br/>deployed during the project in case additional resources are<br/>required for the project during the funding period?</li> </ul> | Yes, this also applies to own internal resources.  |
| 28 | Some of the information that we might put into the application<br>could contain third parties' confidential information. Would the<br>Authority treat such information in the application as confidential, if<br>the information is clearly marked as confidential?   | DfT respect that projects are handling sensitive IP and financial information and we have strict confidentiality practices in place. Any information shared by the project in the application is only for the purpose of assessments. Should we receive a Freedom of Information request relating to any material that you have provided, we will consult with you to seek your views on disclosure. We will consider your views before making any decision on disclosure, but we cannot unequivocally guarantee that the information will not be released, particularly if DfT are compelled to do so by the Information Commissioner's Office as a result of any appeal made to them. Should any information provided be confidential, this should be marked as strictly confidential. |
| 29 | The application requires the acceptance of the terms and conditions<br>of the supplied Example Grant Agreement. However, the Example<br>Grant Agreement is a Draft. When do you expect to finalise the<br>Example Grant Agreement, and can we provide comments on the<br>Agreement before it is finalised?  | The Example Grant Agreement should be considered as the final terms and conditions and these are non-negotiable.   |
| 30 | We are planning a proposal to be led by a University which is a   | The lead applicant needs to be a registered UK company or charity. This means that there is no restriction for a University to lead a proposal. However, we note that the proposed plant must meet the TRL eligibility criteria, and pilot plants (TRL 5) cannot be funded.  |
| 3: | The whole supply chain needs supporting, not just the offshore PLCs,  | At the closure of AFF application window, all eligibility criteria are final. No flexibilities are possible, in the interest of fairness across all applicants.  |
|    | who are building the SAF production; requiring massive quantities of low carbon input material.   | DfT welcomes the involvement of UK supply chain partners (both upstream and downstream) within any AFF bids, and notes any project applying for AFF funding must be sited in the UK.   |



| Ref | Question   | Response   |
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| 32  | Could you let us know if the eligibility criteria are the decision of the<br>government or internal to the AFF, and any contact details for the<br>same?<br>We would also welcome a Teams meeting if at any point you are<br>available to discuss this.  | The eligibility criteria are ultimately agreed and set by DfT. They are separate to the eligibility criteria for the RTFO and SAF mandate.<br>As a starting point we would like to ask that you submit your specific questions in writing to the <u>AFF@ricardo.com</u> email address. This ensures that all potential applicants are treated fairly and no advantages given to any particular organisation. Please note we can only provide support on eligibility and application material queries.  |
| 33  | For major milestones that would complete outside of the funding<br>window i.e FEED, the project is eligible to claim for specified interim<br>related milestones as long as they complete within the funding<br>window.  | This is correct.   |
| 34  | If a grant of £5M was awarded in AFF2 and the claims submitted to<br>the end of the window of AFF2 are £3.5M, does this statement infer<br>the theoretical maximum award in AFF3, if successful, would be<br>capped at £1.5M?  | No. The AFF window 3 round is entirely separate to prior AFF windows. No unused funding from prior windows can be carried across into window 3, and nor will any unused funding from prior windows be used to cap a project's request in window 3  |
| 35  | If a project has been unable to commence activities proposed in<br>AFF2 due to lack of funding, rather than failing to deliver, are these<br>activities now excluded from being funded in AFF3 application.<br>It is presumed that the activity list is as per grant offer letter or most<br>recent DfT approved change request - is this understanding correct? | Each AFF window 3 application will be assessed in isolation, and no eligible activities will be<br>excluded from consideration, provided they have not been previously claimed for. As listed<br>in the guidance document, credibility of the current status of the project and readiness to<br>proceed with funded activities is one of the scoring criteria, so evidence should be provided<br>of your window 2 project's situation.<br>The list of eligible activities for window 3 are as given in Annex D of the latest published<br>window 3 AFF guidance document. Grant offer letters or change requests from prior<br>windows are irrelevant. |
| 36  | If a project provides a bio-ethanol pathway to SAF, given the importance of this pathway as part of SAF production, would this qualify as eligible under the AFF?  | Please see the answers to question 14 and question 1 above.  |



| Ref | Question   | Response  |
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| 37  | If a joint application consisting of two projects, is submitted, is it<br>permissable for one project to be awarded and not other if deemed<br>more aligned with DfT objectives or would both projects be rejected<br>due the joint application?   | It is only advisable for a joint application containing two projects to be submitted if:<br>- they are separate demonstration and FOAK commercial projects for the same technology<br>pathway<br>- they are the precursor production project and then upgrading project for a combined<br>technology pathway, provided the evidence requirements as stated in response to<br>questions 14 and 1 are also met.<br>Under these two situations, it could be possible that DfT only funds one of the two projects.<br>Furthermore, ineligibility of one project will not rule the other project ineligible, and any<br>eligible project within an application will be scored.<br>Please ensure that your two projects are very clearly distinguished throughout the<br>application, including whenever any scales, fuel production, GHGs, costs, benefits are<br>discussed. Provide breakdowns by duplicating any application form tables as necessary, and<br>follow the guidance for completing Appendix D, E and H.<br>If you are planning on submitting a joint application containing two different technology<br>pathways, regardless of whether these projects will be on the same site or separate sites,<br>we would strongly encourage you to submit two separate AFF applications, unless these<br>two technologies share the same staff and commercialisation plan/are inherently tied<br>together. |
| 38  | <ul> <li>The guidance states:</li> <li>Up to 100% grant funding for Pre-FEED and FEED stages.</li> <li>Up to 50% grant funding for Detailed Design and<br/>Procurement of Main Equipment stages</li> <li>Now in the application it says, "match Funding."</li> <li>We are going through a global fund raise and part of the fund raise is<br/>allocating budget for the UK project. The investment won't finalise<br/>until late Q2 this year.</li> <li>Do we need to match fund for funding for the Pre-Feed? Do we<br/>annotate on the application that we are looking to pour in a certain<br/>amount to the UK project from the investment raise?</li> </ul> | DfT has set the maximum grant funding intensity at 100% of total eligible costs during Pre-<br>FEED and FEED stages, and at a maximum of 50% of total eligible costs at 'Detailed Design'<br>and 'Procurement of Main Equipment' stages within EPC. Eligible costs are set out in detail<br>in Appendix D.<br>It is not necessary to have any match funding at the Pre-FEED and FEED stages, or above<br>50% match funding at the 'Detailed Design' and 'Procurement of Main Equipment' stages<br>within EPC however proposals that include match funding will be scored preferentially, with<br>increased match funding able to score higher marks.<br>The DfT Programme Board may rely on funding intensity to decide funding allocations in<br>marginal cases. All applications for funding are subject to assessment and there is no<br>guarantee that successful applicants will be offered the full amount they have applied for.<br>All match funding will need to be evidenced.   |