

Southwest Airlines Announces 15-Year Sustainable Aviation Fuel Agreement

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Southwest Airlines Co. announced a 15-year offtake agreement with Velocys Renewables LLC (“Velocys”) for 219 million gallons of sustainable aviation fuel (SAF). As announced by Velocys today, once blended with conventional jet fuel, the SAF could produce the equivalent of 575 million gallons of net-zero¹ fuel and avoid 6.5 million metric tons of CO₂ over the term of the agreement.

Southwest plans to begin purchasing SAF from the Velocys Bayou Fuels facility in Natchez, Mississippi, as early as 2026. Additionally, as part of the offtake agreement, Southwest and Velocys have established a long-term strategic relationship, offering Southwest the opportunity to purchase significant volumes of SAF from future Velocys facilities.

“This agreement is a major advancement in our environmental sustainability strategy, furthering our goal to replace 10 percent of our total jet fuel consumption with sustainable aviation fuel by 2030,” said Michael AuBuchon, Senior Director Fuel Supply Chain Management at Southwest Airlines. “This new strategic relationship with Velocys could ultimately provide Southwest access to additional significant quantities of sustainable aviation fuel.”

“Our 15-year offtake agreement with Southwest Airlines will enable them to utilize the lowest carbon intensity sustainable aviation fuel announced to date,” said Henrik Wareborn, CEO of Velocys. “The SAF produced at the Bayou Fuels facility plans to utilize a sustainable feedstock (forestry residues from plantation forests) and renewable power from a neighboring solar facility, as well as contract for carbon capture that will sequester more than 500,000 tons of carbon dioxide per year. It also is expected to have a greater than 99 percent reduction in sulfur as compared to conventional jet fuel, reducing the emissions of this conventional pollutant.”

Southwest recognizes the critical role that commercially viable SAF will play in the carrier’s strategy to achieve carbon neutrality by 2050. Southwest is one of the most honored airlines in the world and strives to maintain a steadfast focus on a triple bottom line: People, Performance, and Planet.

