

Brussels, 12 May 2022

Subject: Sustainable aviation fuel incentives scheme in the EU ETS

Meeting the EU 2030 and 2050 climate goals will require ambitious policies. As showed by the European aviation sector's Destination 2050 roadmap, the air transport sector is willing and committed to reaching such goals.

Sustainable Aviation Fuels (SAF), together with technology improvements and breakthroughs, will be the biggest levers to accompany the civil aviation sector in its decarbonisation strategies.

The European Commission's proposal for *Ensuring a level playing field for sustainable air transport* or '*ReFuel EU aviation*' is a key policy and legal instrument to deploy SAF. We fully support its objective to create the right framework for SAF production and uptake.

However, to truly deploy SAF in Europe, and at the same time mitigate any negative impact on the connectivity of communities and regions and on the competitiveness of the European air transport sector, parallel measures are needed.

In particular a new supporting mechanism under the EU ETS, whereby aircraft operators would still be granted allowances commensurate to overall CO₂ reduced by the uplifting of SAF (i.e., x1 for biofuels and x2 for synthetic fuels), should be established. Such a mechanism would not compromise the main objective to strengthen the ETS. The mechanism would further incentivise the deployment of sustainable renewable fuels and synthetic fuels and would be a key to bridging today's price gap with conventional jet fuel. It would provide an additional incentive for airlines to decarbonise with the use of SAF including above the mandated minimum blend. The mechanism would treat all operators equally and help level the playing field in global competition.

We hope we can count on your support to turn this proposal into reality and support the civil aviation ecosystem in its journey to decarbonisation.

Sincerely,





Name of associations in alphabetical order:

Airlines for Europe, A4E

Airports Council International, ACI Europe

Airport Regions Council, ARC

AeroSpace and Defence Industries Association of Europe, ASD

CANSO Europe

European Business Aviation Association, EBAA

European Cargo Alliance, ECA

European Cockpit Association, ECA

e-Fuel Alliance

European Regions Airline Association, ERAA

Name of companies in alphabetical order:

CEPSA

LanzaTech

Neste

Norsk e-Fuel

Siemens Energy

Topsoe

Velocys