

POSITION PAPER ON THE EU COMMISSION PROPOSAL FOR REFUELEU AVIATION – SUSTAINABLE AVIATION FUELS

GENERAL REMARKS

Within the “Fit for 55” package, the EU Commission has proposed a mandatory quota of renewable fuels for aviation in the new ReFuelEU Aviation regulation. At the 500 airports currently in the EU, jet fuel suppliers must guarantee a blend of at least 2% sustainable aviation fuel (SAF) in 2025, which is defined by the Renewable Energy Directive (RED) as advanced biofuels from waste and residue materials. In 2030, the quota increases to 5% and includes a sub-quota for synthetic fuels, so called eFuels, of 0.7%. The quota further rises to 63% SAF, with a minimum of 28% eFuels, in 2050.

The eFuel Alliance welcomes the new ReFuelEU Aviation regulation as an important tool to support the necessary market ramp-up of synthetic fuels and incentivise further investments in renewable fuels. While the ReFuelEU Aviation poses a great opportunity to defossilize aviation, there are several necessary changes to the Commission’s proposal:

RECOMMENDATIONS

- ▶ *First, the proposed quotas are not additional amounts of renewable fuel to the amounts defined by the quotas laid down in the RED. Therefore, existing renewable fuels will be shifted from the road sector to aviation, a move that will not reduce further greenhouse gas emission from a holistic perspective, leaving an enormous CO₂ reduction potential unused. **The quotas for SAF and eFuels in the ReFuelEU Aviation therefore have to be additional to existing RED quotas.***
- ▶ *Second, **the proposed quotas should be increased.** Higher quotas set by several member states and aviation companies show that more ambitious quotas in the ReFuelEU Aviation regulation are possible and necessary to realize climate neutrality for aviation in 2050.*
- ▶ *Also, it is important to note that aviation is a global sector and **competitiveness of aviation on a global scale has to be maintained.** Support mechanisms must be in place in order to guarantee global competitiveness as well as avoid carbon leakage.*

To overcome those challenges, ensure the necessary pathway to climate neutral aviation and reach the ambitious climate goals set by the EU, we recommend that the European Parliament and Council make the following amendments to the EU Commission’s proposal.

SOLVING KEY CHALLENGES

1. How to realize additional renewable fuel amounts

While the eFuel Alliance welcomes the increasing quotas for SAF and eFuels proposed by the EU Commission, the main point of criticism is that the SAF quota can be met by using existing fuel quantities, which are for example currently used in the road sector. Fuel suppliers could shift existing renewable fuels, which were brought into the market to comply with the RED in the past, from the road to the aviation sector to fulfill both pieces of legislation. This would mean that the ReFuelEU Aviation in its proposed form would not bring additional amounts of renewable fuels into the market and would thus not realize possible additional CO₂ emission savings. To avoid double counting of CO₂ reduction in different legislations and to incentivise new investments, renewable fuel quantities should only be allowed to be counted in one domain – either the RED or the ReFuelEU Aviation regulation.

As the Commission is currently developing a “Union database” for renewable fuels, which allows the use of fuel amounts in different sectors to be tracked, additionality in the ReFuelEU Aviation would not entail any additional administrative burden. It is also important to mention that all renewable fuel amounts – whether they are used to meet the targets of RED or ReFuelEU Aviation – must fulfill the sustainability criteria and limitations as set out in RED. Following that approach, the limitation of crop-based biofuels is kept at maximum 7% in all transport markets. For that reason, we do not understand that the definition of SAF is only limited to advanced biofuels in annex IX of RED and eFuels if a further expansion of crop-based biofuels is impossible. Here, feedstocks are excluded, which are not in annex IX but fully still sustainable and available. We therefore recommend including the following amendment in the ReFuelEU Aviation regulation:

It is also important to note the discrepancies in methodology between the relevant regulations in the “Fit for 55” package: While the ReFuelEU Aviation is a volume-based regulation, the corresponding regulation for the maritime sector, FuelEU Maritime, as well as the Renewable Energy Directive, use a calculation based on CO₂-content. These different approaches should be reconsidered for the purpose of harmonizing and aligning the different regulations in the package.

2. Increase of the ambition level

We further recommend increasing the ambition level to ensure that a climate neutral aviation will be achieved in 2050. Some Member States have already higher targets. Germany, for example, has a mandatory sub-target of 2% eFuels in 2030. Many airlines have also set themselves higher targets: Ryanair wants to fly with a SAF share of 12.5% in 2030. The International Airlines Group (IAG) has a target of 10% SAF by 2030. The Scandinavian airline SAS wants to use 20% biofuels by 2025 and Norwegian Air Shuttle is aiming for 16-28% SAF blending by 2030. Statements and predictions from companies producing SAF and eFuels also show that the current quotas are already achievable, meaning higher quotas would also incentivise additional investments on the supply side of these fuels.

The World Economic Forum’s “Clean Skies for Tomorrow”¹ has analyzed, in cooperation with many industrial partners, the potential for a market ramp-up of SAF and eFuels. In line with the expert group, we recommend at least 10% SAF and a minimum of 2% eFuels in 2030. The share of SAF should rise to at least 75% in 2050. In addition, member states should have the possibility to go beyond the proposed targets. But financial compensations should keep in mind to avoid a distortion of the European single market. Therefore, we recommend the following changes in the regulation:

3. How to stay competitive to hubs outside of the EU

The new ReFuelEU Aviation regulation – as well as other proposals of the “Fit for 55” package such as the revision of the Energy Taxation Directive (ETD) and the Emission Trading Scheme (ETS) – increases the costs of flights departing from airports in the EU. As airports outside of the EU do not have to fulfill those obligations, these regulations pose a risk of shifting intercontinental flight traffic from EU hubs to hubs outside of the EU. The subsequential rise in connecting flights prolongs travel distances, with most of the travel distance falling out of the scope of EU legislation, meaning much more greenhouse gas will be emitted and fewer renewable fuels will be used. The Commission has not addressed this issue of economic competitiveness and carbon leakage in the proposal. Possible solutions for this are “Carbon Contracts for Difference” or IPCEIs to support the European aviation sector in its transition, or compensation payments for the additional costs incurred by blending renewable fuels, which can be achieved with a reduction in national aviation taxes, for example. Addressing this issue is crucial in order to reduce carbon leakage, enable climate-neutral aviation and keep the EU’s aviation sector competitive.

ABOUT THE eFUEL ALLIANCE

The eFuel Alliance is a stakeholder initiative committed to promoting the political and social acceptance of eFuels and to securing their regulatory approval. We represent more than 150 companies and associations along the value chain of eFuel production. We stand for fair competition and a level-playing field for all relevant emission reduction solutions. We are clearly committed to more climate protection and aim to win broader recognition of the significant contribution eFuels can make in the drive for sustainability and climate protection. Our goal is to facilitate the industrial production and widespread use of carbon neutral fuels made from renewable energy sources.

¹ World Economic Forum 2021. „[Guidelines for a Sustainable Aviation Fuel Blending Mandate in Europe](#)”