Alternative Fuels:
Key Steps for Airlines in Purchasing and Deploying Alternative Fuels

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ICAO Headquarters, Montréal, Canada, 11-14 May 2010
What Our Airlines Want in Alternative Fuels

• Four Criteria:
  – Safety/Fuel Quality
  – Supply Reliability
  – Cost Competitiveness
  – Environmental Benefits

• Each Factors into the Potential Fuel Deal
  – But there are uncertainties in a new market . . .
  – So airlines have been taking action to reduce uncertainties and get to deals
Cooperative Efforts to Get to Deployment

• The Commercial Aviation Alternative Fuels Initiative (CAAFI)
  – Four teams aimed at addressing key questions
    • Certification/Qualification (e.g., jet fuel specs)
    • Research and Development (e.g., suitable fuels)
    • Business & Economics (e.g., finance/commercial terms)
    • Environment (e.g., methodologies and case studies)
Progress to Date Helps with Deals . . .

• Certification/Qualification
  – New jet fuel spec (D7566) for Fischer-Tropsch fuels
  – Further revision to the spec for hydroprocessed renewable jet (HRJ) expected 2010

• Research and Development
  – Primary focus on “drop-in” fuels has sped development and deployability
Progress to Date (cont.)

- Business/Economics
  - Supporting efforts for potential suppliers to qualify for loans; but more needed from governments

- Environmental
  - Agreement on steps in life cycle analysis; narrowing questions/uncertainties in analysis
  - Detail in Dr. Lourdes Maurice’s presentation
Progress Towards Deals

• ATA Announced Memoranda of Understanding (MOUs) for Future Purchase Agreements
  – 14 airlines – HRJ/camelina+
  – 13 airlines – Fischer-Tropsch/ coal-biomass with carbon sequestration

• ATA Airlines Actively Exploring Other Deals

• ATA “Strategic Alliance” with the US Department of Defense (DESC) May Attract Further Suppliers to Aviation
More Needed to Drive Deals to Closure

• The Airlines & Aviation Community Are Doing Their Part

• But We Need a Little Help from Governments
  – Need proper “crediting” to airlines of environmental benefits of alternative Fuels
    • Government acceptance of life cycle analysis
    • Practical issue: co-mingling of purchased fuel in fuel storage system
  – Cost-competitiveness – need policies to support finance of feedstocks & facilities
We Can Get There!

• If you want to feel good about the future, look up!

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Connecting and Protecting Our Planet®

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