



ICAO

ENVIRONMENT



2023 ICAO STOCKTAKING AND PRE-CAAF/3 POLICY AND FINANCE CONSULTATION



11 to 13 July 2023
Montréal, ICAO Headquarters



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**Japan's experience and
future vision for SAF**

Public-Private Councils

- In March 2021, JCAB established the “**Study Group on CO₂ Reduction in the Aircraft Operation Sector**”, which consists of aircraft operators, academic experts etc.
- JCAB **established a roadmap** for decarbonizing the aviation operation sector.

<Target> Replacing 10% of the fuel consumed by Japanese airlines with SAF by 2030

- Accelerating the actions described in the roadmaps, JCAB has established a **public-private council** for three approaches*.
* I. New aircraft technologies, II. Operational improvements and III. Sustainable aviation fuel (SAF)

Public–Private Councils for the promotion of SAF deployment

Purpose

- ✓ To facilitate the development and production of domestic SAF and the construction of supply chains that include SAF importation

Key actions

- ✓ To address technical/economic issues by organizing discussions among public-sector and private-sector stakeholders

Member

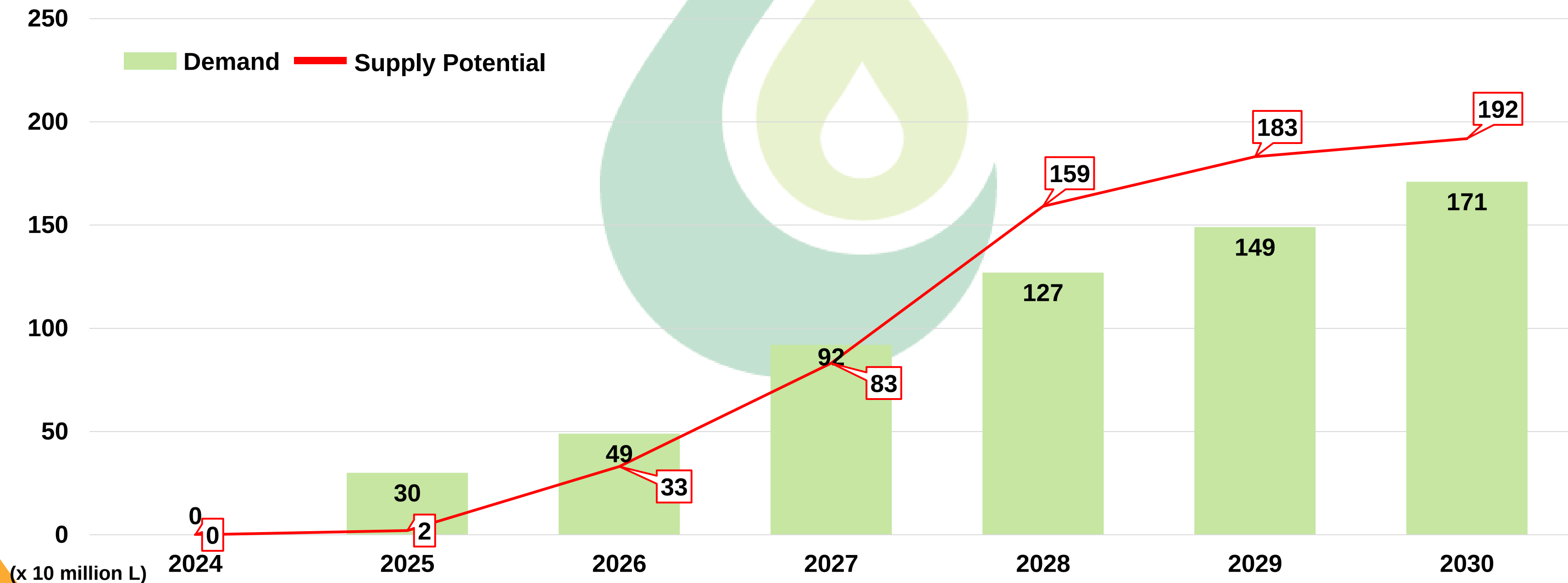
- ✓ Private sector: Aircraft operators, airport companies, oil companies, BOAR (Board of Airline Representatives in Japan) (observer), etc.
- ✓ Public sector: MAFF, METI (Agency for Natural Resources and Energy), MLIT, MoE, NEDO(observer)



**MLIT Vice-Minister Nakayama
at the 1st council**

Projection of SAF Demand and Supply

- SAF **demand** in Japan is expected to reach **1.71 billion litres in 2030**, representing 10% of jet fuel consumption at that time.
- SAF **supply** in Japan is expected to be **around 1.92 billion litres in 2030**.
 - *Based on the public announcement by SAF producers/suppliers including oil refiners.
 - *Includes uncertainty of feedstock procurement, technology development, etc.
- It is necessary to align supply and demand in the future with the revised CORSIA baseline agreed at the ICAO Assembly last year.





Regulation and Support for SAF Deployment

Objective

- Securing SAF manufacturing capacity and feedstock supply chain
- Establishment of a stable supply system for SAF at internationally competitive prices
- Setting legal targets for the use and supply of SAF and considering active government support

Regulation

(Fuel Supplier)

* Under planning

- **The SAF supply target* for 2030 on the basis of the existing law****

* At least 10% of the aviation fuel consumed, equivalent to 1.71 billion liters. (Japanese AOs = 0.88 billion litre)

** Energy Supply Structure Upgrading Act

(Aeroplane Operator)

- **The target amount of SAF use in 2030 (10%) in a decarbonization promotion plan***

* AOs are encouraged by the Aeronautics Act to submit their own decarbonization plan.

Support

(CAPEX) * Under planning

- **Support for initial investments and feedstock supply chain**

- ✓ Exploring potential feedstocks in Southeast Asia
- ✓ Stabilizing feedstock prices by supporting for transportation infrastructure development

(OPEX) * Under planning

- **Consideration of tariff and petroleum tax exemptions for feedstock and imported SAF***

* Expected beyond 2025

(Technology Development / Demonstration / Certification)

- **Support for SAF derived from inedible feedstocks***

* Second generation ethanol, ~~Under planning~~ waste

* Please note that the above items marked as “Under planning” are not yet finalized and are still under consideration by the Energy Agency.



Takeaways and What JCAB is looking at

- Coordination of SAF supply and demand through Public-Private Council
- Goals for both the supplier and user side on the production and use of SAF
- Consideration of various supports to decrease the cost of SAF
- Bilateral or multilateral policy coordination to accelerate the global SAF use
- Quantitative target for the lifecycle GHG reduction rate of SAF

Thank You



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