



ICAO AVIATION AND SUSTAINABLE ALTERNATIVE FUELS WORKSHOP

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Government support for biojet

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SAFUG



Members



Affiliates





SAFUG objective



- Accelerate development and commercialisation of sustainable aviation fuels
- All members signed a Sustainability Pledge
 - Meet a sustainability standard with respect to land, water, and energy use
 - Do not displace or compete with food crops
 - Exhibit minimal impact on biodiversity
 - Provide a positive socioeconomic impact



SAFUG Europe



- European members of SAFUG assessed policy support mechanisms
- European perspective



Principles



- Temporary support mechanisms
- Ensure high sustainability standards
- Maintain competitiveness
- Parity with other sectors
- Focus on reducing investment risk



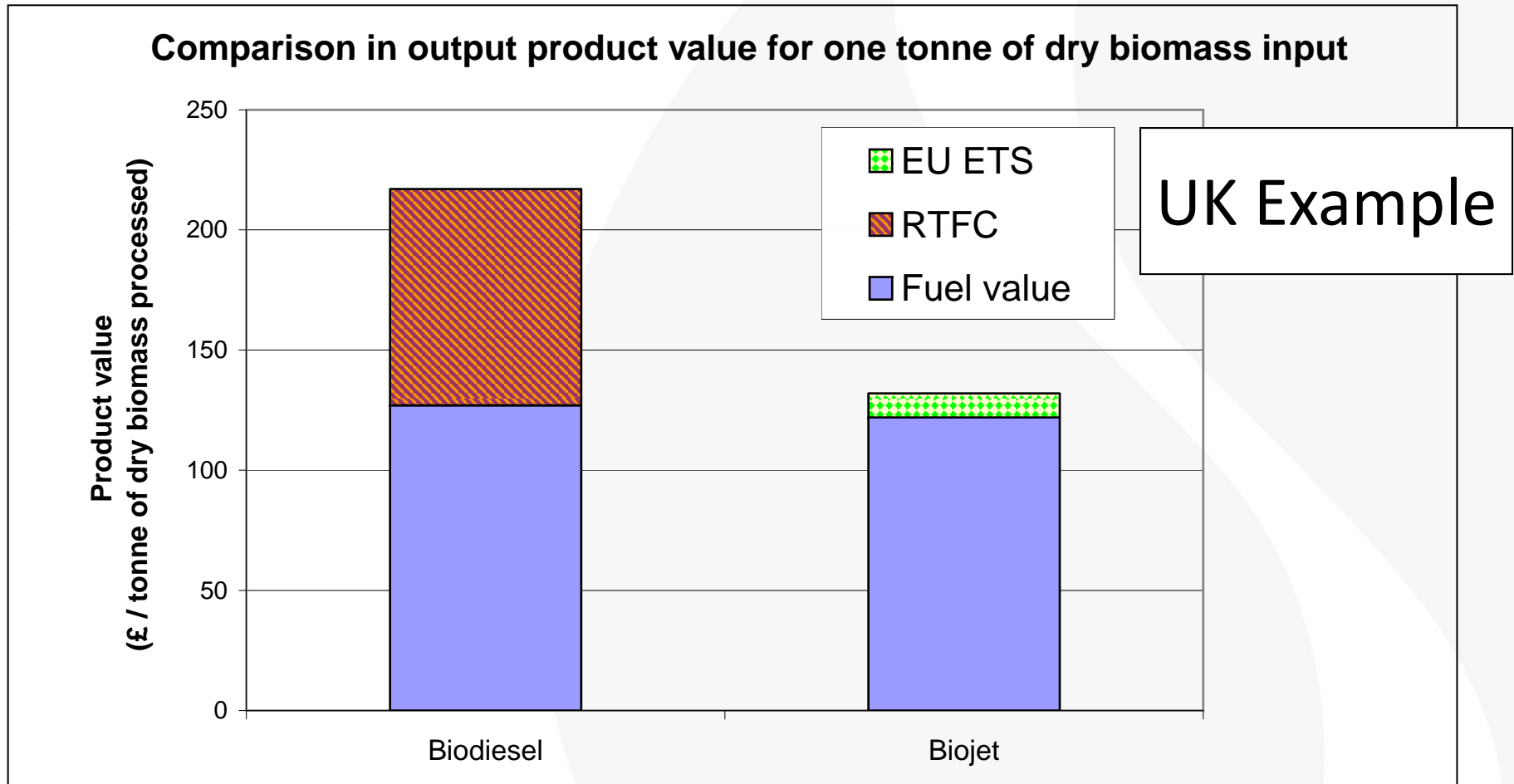
EU RED



- The EU Renewable Energy Directive sets overall target for EU of 20% share of energy from renewable sources by 2020
- 10% of final consumption of energy in all forms of transport to be renewable in 2020
- The 10% target only applies to land transport, but biojet can count towards the target



Policy inhibits biojet





Market support



- Biojet suppliers should qualify for tradeable certificates within incentive regimes provided for by national applications of the RED, such as RTFCs in the UK
- Exclusion of aviation prevents a level playing field with road transport

RED = EU Renewable Energy Directive

RTFC = UK Renewable Transport Fuel Certificate



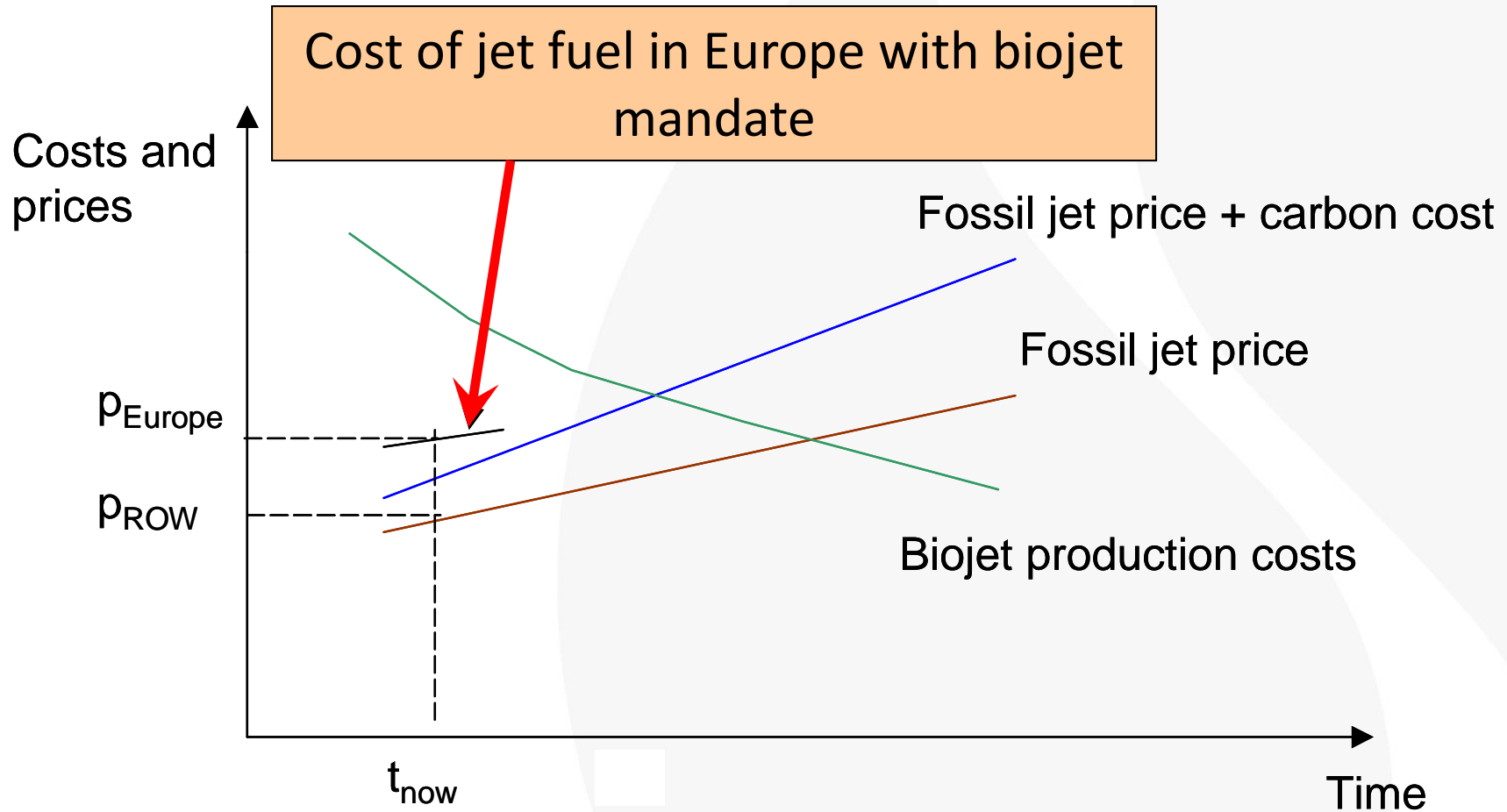
Mandates distort



- A biojet blending mandate would create market distortion and should not be applied
 - Industry at a very early stage
 - USA RFS2 avoids mandate for aviation



Mandates distort





Financial support



- Need long-term policy stability
 - e.g. grandfathering of incentives, bankability
- Government support for scaling-up and deployment of biojet production capacity
 - e.g. loans and loan guarantees
- Minimise risk for banks and investors
- Additional funding for R&D
- Possible sources of finance: EU ETS revenues, development banks



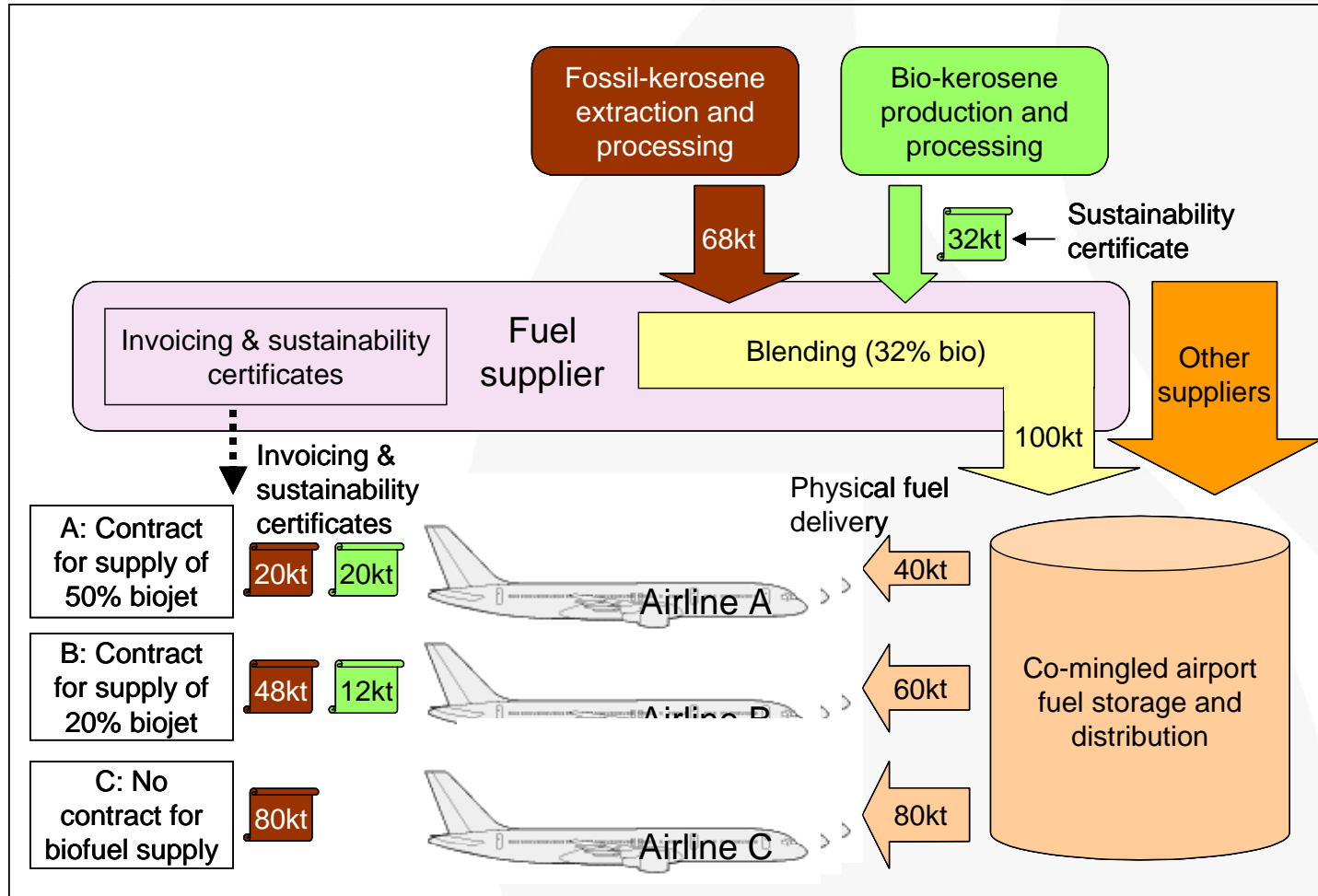
EU ETS



- EU ETS: emissions from biomass count as zero
- Only modest incentive compared to RED
- Current reporting definition is impractical
- Purchase based reporting needed
- Investigating new EU guidance



Purchase based reporting





Thank you



Sustainable Aviation Fuel
Users Group

www.safug.org

