

ETS allowances for SAF

November 2023

DG CLIMA B.4, European Commission

Ongoing EU ETS support for using alternative fuels



- Since 2012, biofuels used on EU ETS flights benefit from zero emission factor.
- This equals to an EU ETS carbon price incentive for SAF use at level of >€250/ tonne fuel

ETS-financed support

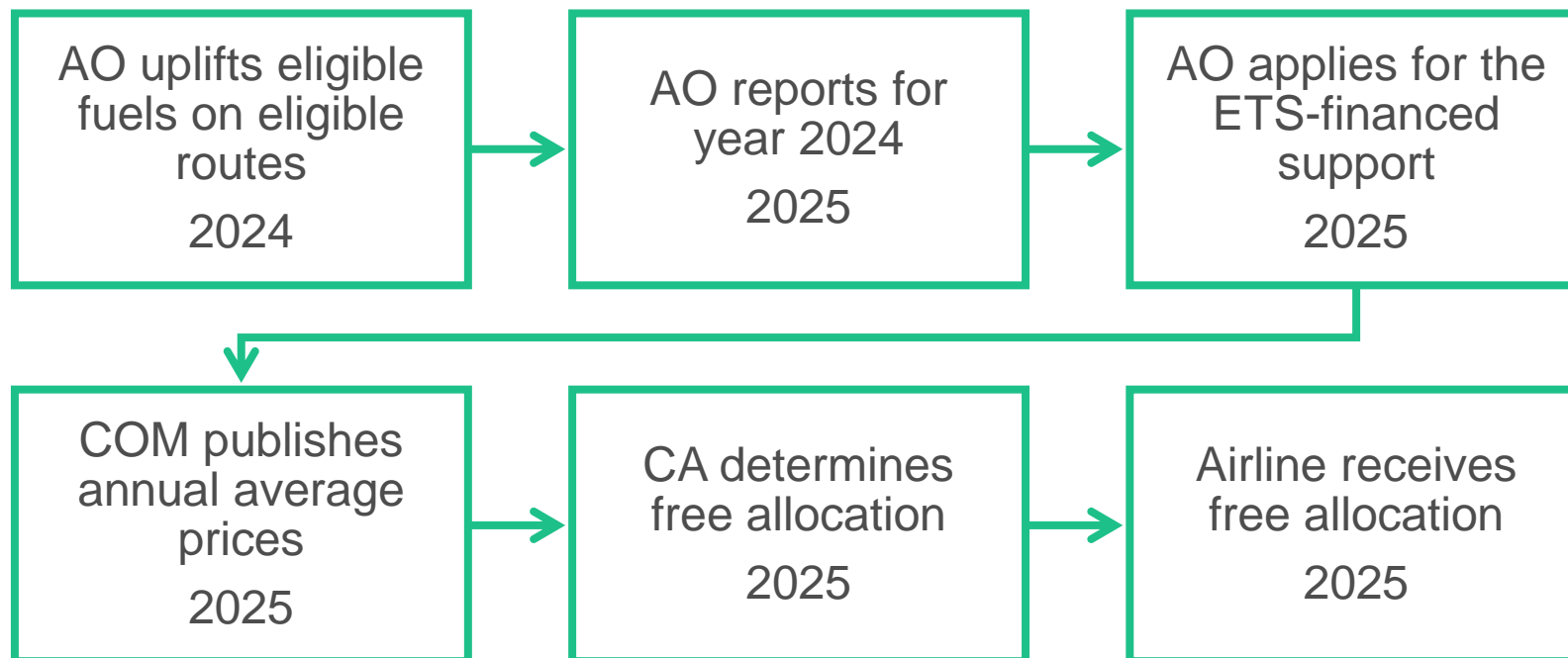


- 20 million EU ETS allowances available, support up to 100% level for cost difference for eligible fuels uplifted from 01/01/2024
- Operators can request the support in respect of commercial flights with emissions subject to ETS surrender requirements (equal treatment on routes, including non-EEA operators)

Principle: financial support = price of eligible fuel - (fossil kerosene price + ETS price + poss. minimum EU-level tax on kerosene)

- *No “double reward”, EU-level energy taxation will be taken into account once agreed*
- *Visibility of funding (Article 30m(1))*

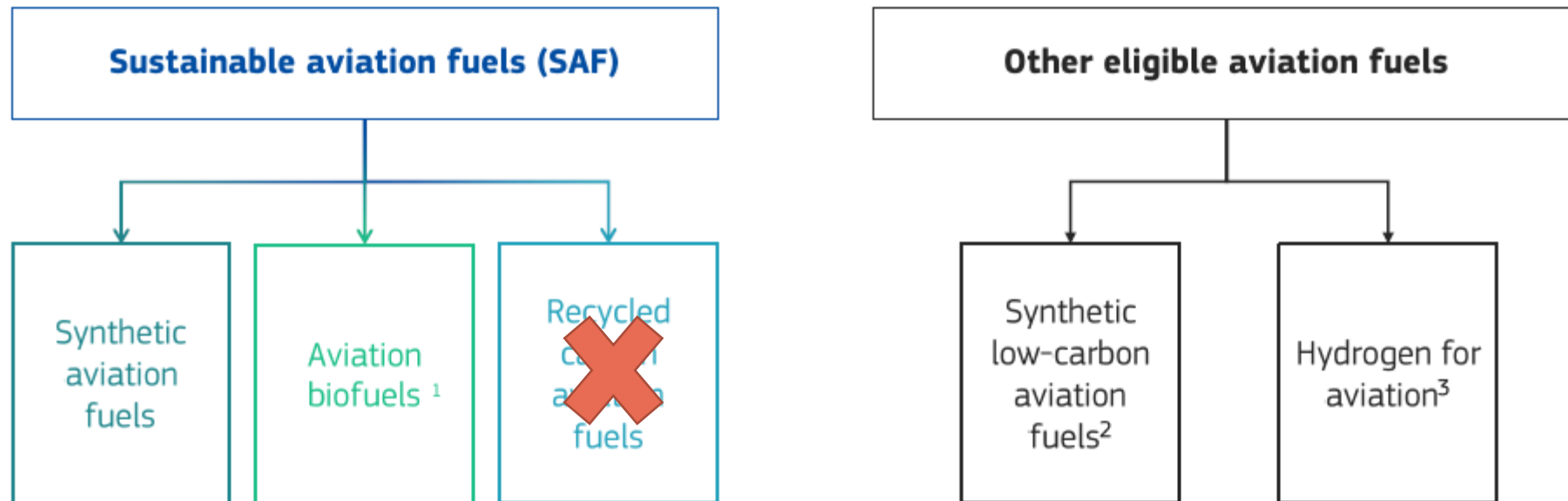
ETS-financed support



ETS-financed support – eligible fuels



- Eligible fuels: Sustainable aviation fuels, and other aviation fuels that are not derived from fossil fuels, identified in ReFuelEU Regulation

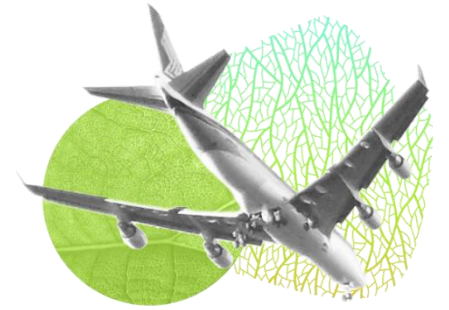


¹ Except for 'food and feed' and a selective exclusion of feedstock unless otherwise included in Annex IX to Directive (EU) 2018/2001

² Derived from non-fossil low-carbon hydrogen | ³ Both of renewable and non-fossil low-carbon origin

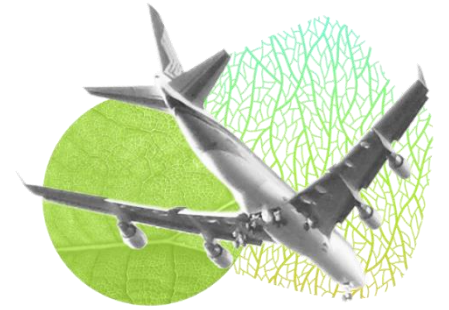
ETS-financed support

– eligible fuels and support levels



- Support for the remaining price differential between the use of fossil kerosene and the eligible aviation fuel
 - 70% - Hydrogen from renewable energy sources, and zero-rated advanced biofuels
 - 95% - Renewable fuels of non-biological origin compliant with Article 25 of Directive (EU) 2018/2001, used in aviation, for which the emission factor is zero
 - 100% - Eligible fuels that are not derived from fossil fuels, **uplifted at airports at small islands, airports not sufficiently large to be defined as Union airports under ReFuelEU and at airports located in an outermost region.**
 - 50% - Eligible fuels that are not derived from fossil fuels, other than those referred to in points (1), (2) and (3)

ETS-financed support – conditions



- Commercial aircraft operators
- Subsonic flights
- Eligible fuels uplifted at EEA airports on flights subject to EU ETS surrender obligation (intra-European flights only for 2024-26, including OMRs)
- Where at an airport, eligible fuel cannot be physically attributed to a specific flight, the fuel shall be attributed proportionally to the emissions from the flights for which allowances have to be surrendered.

ETS-financed support – implementation



- Revision of the Monitoring and Reporting Regulation ✓
 - [Commission Implementing Regulation \(EU\) 2023/2122](#)
- [Revision of the Accreditation and Verification Regulation](#) – Q1 2024
- [Commission Delegated Regulation](#) on the establishment of the detailed rules for the yearly calculation of the price difference and for the allocation of allowances for uplifting of eligible fuels - Q3 2024
- Annual publication of the average price difference between fossil kerosene and the eligible aviation fuels (adjusted) – from 2025

Long-term perspective

- 20 million allowances are reserved for the period 2024-2030, the expectation based on ReFuelEU Impact Assessment SAF supply information and prices is that this amount should last for most of this period.
- By 1 January 2028, the Commission will carry out an evaluation of the support scheme and may propose to allocate an additional capped amount of allowances up until 2034, in particular for the uplift of RFNBOs.

Thank you!



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