REFUELEU AVIATION - SUSTAINABLE AVIATION FUELS - Q4 2020

[EXPECTED ARRIVALS]

> FIT FOR 55 PACKAGE UNDER THE EUROPEAN GREEN DEAL

CONTENT

On 11 December 2019, the Commission adopted a Communication on The European Green Deal that recalls that transport accounts for a quarter of the EU's greenhouse gas emissions, and still growing. To achieve climate neutrality, a 90% reduction in transport emissions is needed by 2050. Road, rail, aviation, and waterborne transport will all have to contribute to the reduction. Achieving sustainable transport means putting users first and providing them with more affordable, accessible, healthier and cleaner alternatives to their current mobility habits.

On 14 July 2021, the European Commission presented a package of proposals to make the EU's climate, energy, land use, transport and taxation policies fit for reducing net greenhouse gas emissions by at least 55% by 2030, compared to 1990 levels, known as the Fit for 55 package. The package includes the proposal on ensuring a level playing field for sustainable air transport, also known as the RefuelEU Aviation Initiative.

The draft regulation sets minimum obligations for all fuel suppliers to gradually increase the share of advanced biofuels and synthetic aviation fuels (also known as e-fuels or renewable fuels of non-biological origin) in the fuel supplied to operators at EU airports, according to a timetable set out in Annex I of the draft regulation. For example, in 2025, the minimum share of sustainable aviation fuels (SAF) supplied should be 2%. In 2030, the minimum share of SAF would be 5% increasing to 63% in 2050. Within the SAF requirement, a sub-obligation is foreseen for synthetic aviation fuels, increasing from 0.7 % in 2030 to 28 % in 2050.

The draft regulation also establishes the obligation for aircraft operators to ensure that the yearly quantity of aviation fuel uplifted at a given EU airport is at least 90% of the yearly aviation fuel required, with the aim of preventing fuel tankering practices - refuelling the aircraft with more jet fuel than necessary for the flight with the aim to avoid refuelling partially or fully at a destination airport where aviation fuel is more expensive. The Commission views tankering practices as detrimental to EU's efforts to reduce environmental impacts from transport and to the level playing field, as increased weight due to a larger amount of fuel would increase fuel consumption and related emissions on a given flight and as it can give a competitive advantage in instances where some operators are able to refuel at favourable prices at their home base. According to the Commission, aircraft departing EU airports should be refuelled with the amount of fuel needed to operate the flight departing from that airport, taking into account the necessary compliance with fuel safety rules.

The draft regulation also sets financial penalties for fuel suppliers and aircraft operators in case they fail to comply with the

obligations.

In the European Parliament, the file has been referred to the Committee on Transport and Tourism (TRAN), with the Committee on Environment, Public Health and Food Safety and Committee on Industry, Research and Energy as associated committees.

The first discussion on the proposal in TRAN took place on 1 December 2021. The Council discussed a progress report presented by the Slovenian Presidency at the Transport, Telecommunications and Energy Council meeting on 9 December 2021.

The draft report, published on 11 February 2022, was presented in the Transport and Tourism committee meeting of 3 March 2022. The rapporteur has proposed a number of amendments to the Commission's proposal (see more in the legislation in progress briefing).

On 2 June, the Council adopted its General Approach. The proposed changes to the Commission proposal include the expansion of the scope of eligible fuels, an extension of the transition period for the supply obligations to 10 years, possibility for the competent authorities of the Member States to grant an exemption from the tankering provisions for certain flights in the event of serious and recurrent operational difficulties and the possibility for Member States to apply the draft regulation to airports below a certain traffic threshold.

On 7 July, the Parliament adopted its position for negotiations with the Council on the final wording of the rules, proposing a number of changes to the Commission proposal, including higher targets for suppliers to start delivering sustainable fuel, electricity and hydrogen to be included in the scope as sustainable aviation fuels and the creation of a Sustainable Aviation Fund to encourage investment in cleaner technologies.

Following the election of Mr Gade to the Danish Parliament, MEP José Ramón Bauzá Díaz (Renew Europe, Spain) was appointed as new rapporteur in October 2022.

On 25 April 2023, Parliament and Council negotiators reached a provisional agreement for the new rules.

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 - Council, General Approach on the RefuelEU Aviation initiative, 2 June 2022
 - European Parliament, *Fit for 55: Parliament pushes for greener aviation fuels*, Press release, 7 July 2022
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Further reading:

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