



ReFuelEU Aviation

Session V: Financing

Ewa Oney

Aviation Policy Unit
Directorate General for Mobility and Transport
European Commission

framework



Collaboration

Fostering **cross-sectoral collaboration and matchmaking**

Renewable and Low Carbon Fuels

(RLCF) Alliance



Production

Financing to de-risk SAF production at all technology maturity stages

Horizon Europe, Innovation Fund, InvestEU, Global Gateway, EU taxonomy



Uptake

Financing to narrow down the price gap between SAF and fossils

SAF Allowances, Emissions Trading System, energy taxation

Strengthening **global collaboration at ICAO**

LTAG, CAAF/3, CORSIA, ACT-SAF

Accelerating **qualification of new SAF pathways** and permitting of **new plants**

EU SAF Clearing House, Net Zero Industry Act

Increasing **transparency** on SAF uptake and supply chain **flexibility**

Environmental label, EU taxonomy, SAF accounting methodology

Long-term market predictability for SAF scale-up

ReFuelEU Aviation Regulation

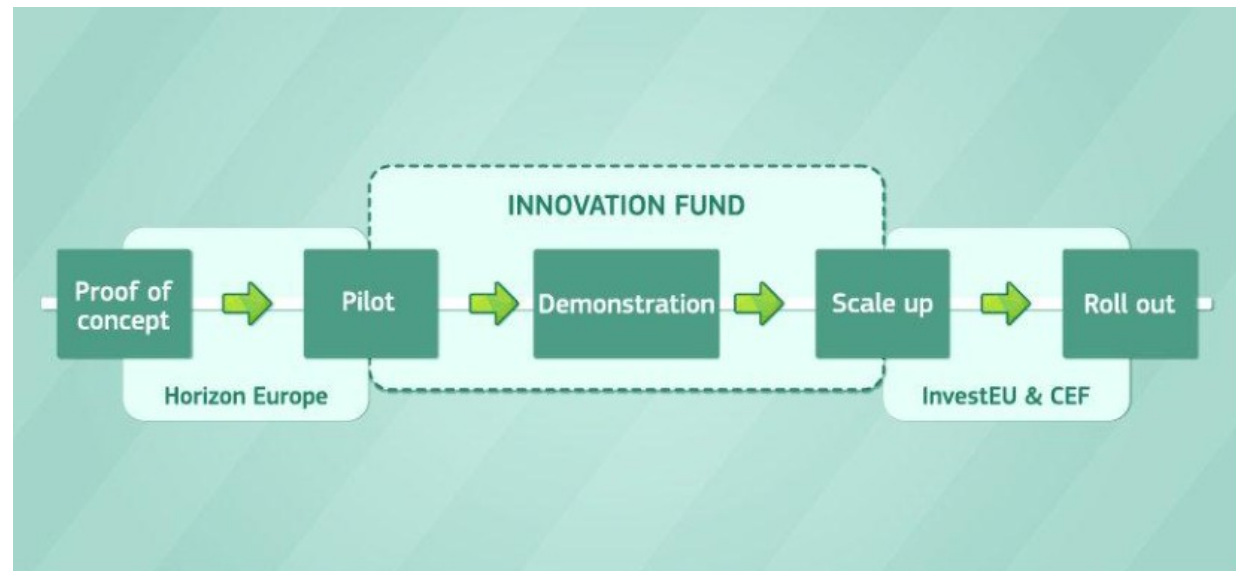
Financing production: along project maturity stages

1. Horizon Europe

- **Grants** for research and development.
- Around 120 SAF related projects for nearly €500 million over last decade.

2. Innovation Fund

- **Grants** entirely funded by the EU Emissions Trading System.
- A grant of €167 million for first commercial deployment of solid biomass-and-power-to-SAF in Sweden.
- A grant of €40 million for development of Power-to-Liquid using industrial off-gases in Norway.



3. InvestEU Fund

- EU budget guarantee for private investments: **loans, equity and guarantees**, including blended finance.
- A loan of €120 million for advanced biofuels plant in Spain.

Financing production: external dimension

Global Gateway

- EU strategy to boost smart, clean and secure links in digital, energy and **transport** sectors and to strengthen health, education and research systems **across the world**.
- Team Europe to mobilise up to €300 billion of investments in 2021-27.
- Mix of **grants, concessional loans, guarantees** to de-risk **private sector investments**
- Combined with **operational tools** such as technical assistance, policy and economic dialogue, trade and investment agreements and standardization.
- **Private sector** participation is key.
- **SAF** among flagsh



Financing uptake: reducing the price gap



Support to decrease cost of SAF and other cleaner fuels:

- 20 million ETS allowances to cover **the price gap** between fossil fuel and cleaner fuels (2024-2030).
- Estimated for €1.6 billion (based on carbon price of €60/tCO₂) for aircraft operators
- **For flights subject to ETS**, equal treatment on routes, including non-EEA operators
- First come first served principle
- Financial support = SAF price - Fossil kerosene price - (carbon price + possible EU-level tax on kerosene)

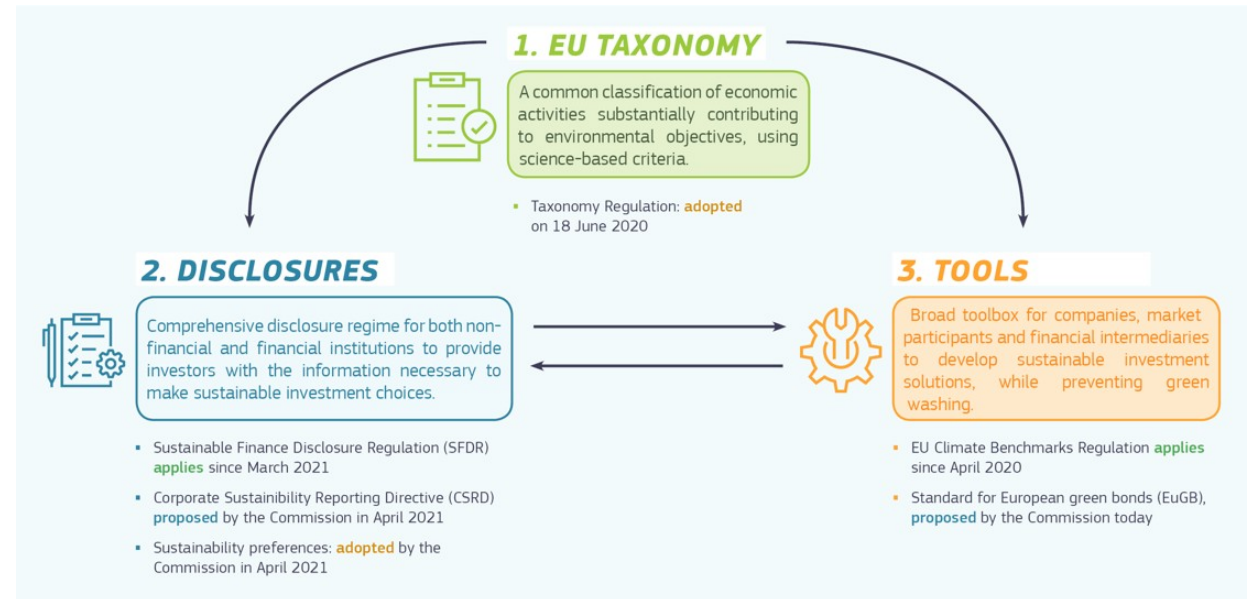


Increased cost of fossil kerosene:

- **Carbon price** on fossil kerosene, not on SAF, under EU **Emissions Trading System**
- **Taxation** on jet fuel for intra-EU flights under the proposal for **Energy Taxation Directive** revision, with a preferential tax treatment of SAF

EU taxonomy: facilitating green investments

- Classification of green activities
- Helps to boost investments and increase access to green finance
- Allows investors and companies to report on the green transition
- **SAF production and uptake** included in EU taxonomy



Renewable and Low-Carbon Fuels Value Chain Industrial Alliance



- Stakeholder-driven initiative for **aviation and maritime**
- Launched in 2022, with an open call for membership, around 230 members
- To address key challenges, including access to feedstock and finance
- Deliverables in 2024 include: **project bankability guide**, and a series of **matchmaking online and physical sessions**

More info:

[Renewable and Low-Carbon Fuels Value Chain Industrial Alliance \(europa.eu\)](https://renewableandlowcarbonfuels.eu)



Thank you!

