

Renewable fuels technologies should be an indispensable element of the „Net Zero Industry Act“

Europe has reached a critical turning point in terms of its attractiveness as a business location: In view of the energy crisis and the tough global race for best climate technologies (Inflation Reduction Act (IRA), Belt and Road Initiative), the risk of replacing dependence on fossil fuels with industrial and technological dependence is real:

aireg e.V. therefore welcomes the publication of the proposal for a Net-Zero Industry Act (NZIA) as an urgently needed measure to the EU's Green Deal ambitions.

In particular, aireg e.V. considers the inclusion of renewable fuels (*sustainable aviation fuels*) as “net-zero technologies” as indispensable element of the NZIA. Replacing the present, fossil-based energy carrier by renewable fuels is central for the defossilisation of the aviation industry, alongside with further improvements in operational and technological efficiency.

In order to keep the availability of sustainable aviation fuel (SAF) in line with the global and European climate targets, the use of all sustainable feedstock and conversion options is essential and should be supported (technology openness). Hence, aireg supports the inclusion of renewable fuels of non-biological origin (RFNBO) and all other (SAF) options as defined in the ReFuelEU Aviation proposal. To ensure equality and consistency with other technologies, those fuels should also be included in the regulation’s annex listing strategic net-zero technologies.

The ramp up of production capacities for SAF is largely constrained by capacities for feedstock provision, approval processes for plant construction and regulatory uncertainties regarding sustainability criteria. This can be enabled by ensuring harmonized sustainability criteria for SAF in Europe. aireg e.V. strongly supports the proposal’s goal to reduce administrative burdens, streamline approval procedures and to shorten process durations. Support for measures to enhance the development of innovations (“net-zero regulatory sandboxes”) is also highly welcome.

The climate change mitigation targets for the aviation sector can only be reached if a steep ramp-up of SAF production and use materializes within the next decade. This will require the design of incentives for SAF production and use in a way that SAF made in Europe is globally competitive. As long as the framework conditions incur higher cost for SAF being made in Europe, production capacities in these regions will not increase sufficiently. In contrast, a globally competitive SAF production in Europe could even allow for higher SAF usage shares beyond the mandatory levels of the future EU blending mandate under ReFuelEU Aviation.

Achieving aviation’s climate goals will hence require more than just the consideration of SAF as strategic net-zero technology, but rather specific measures to enhance the feedstock provision (biogenic, non-biogenic and combinations of both), the development of production capacities and the use of SAF within Europe, complemented by continued operational and technological efficiency improvements.