

Brussels
June 30th 2021

Dear Vice President Timmermans, Commissioner Vălean, Commissioner Simson,

Now is the time for an ambitious European e-kerosene target

Europe recently confirmed its ambitious target to reduce its overall carbon emissions 55% by 2030 compared to 1990. Pre-Covid, aviation accounted for 3.7% of the EU emissions (up from 1.4% in 1990). Though the sector is considered hard to abate, it is essential the emissions in this sector are reduced and eventually eliminated if Europe is to achieve its overall climate objective. The aviation industry has recently recognised, on a number of occasions and in different contexts, this imperative of a commitment to net zero emissions through measures adopted at European level.

We look forward to the upcoming ReFuelEU proposal which, if designed right, will bring about the development of Sustainable Aviation Fuels (SAFs). Key to this success will be early and strong support for e-kerosene, which is a key pathway to scale up the supply of SAFs. Industry players both within and outside of the EU are ready to start developing this pathway when the right boundary conditions are in place.

Multiple initiatives in Europe are developing plans to build synthetic kerosene facilities in the second half of the decade. Having a mandate starting 'only' in 2030 will unnecessarily delay these developments. The introduction of sustainable fuels and in particular e-kerosene will require careful consideration of measures to avoid competitive distortion to the disadvantage of European airlines. These measures shall be introduced simultaneously with the mandate. Work on developing such measures should begin now.

We therefore call for the ReFuelEU initiative to send a clear market signal for e-kerosene from green hydrogen through a binding mandate for the use of such fuel commencing already in 2027 at 0.5% to 1% delivered to the EU market. The mandate could potentially rise to 2.5% in 2030, as long as the sustainability of such a target can be assured. This percentage should be reviewed based on developments in fuel demand, readiness for imports of hydrogen as well as intermediates and end products, and developments of electrolyser capacity in Europe.

This ambitious mandate should be enforced through a meaningful penalty on non-compliance equivalent to at least the expected cost differential for such fuels. This would provide the necessary investor certainty, permitting the level of investment needed to ensure this fuel can be scaled up over time.

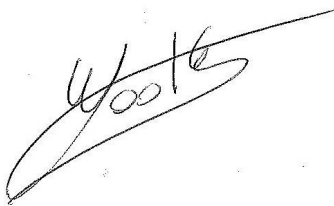
Next to policy support for the use of CO₂ from advanced biogenic sources, policy support for direct air capture (DAC) must commence this decade, to enable large-scale e-kerosene production and reduce the risk of dependency on potentially unsustainable biogenic CO₂, fossil point-source CO₂ and long-distance CO₂ transport. Therefore, this initiative could

further support the sourcing of CO₂ via the development of DAC technology, through guaranteeing market demand for DAC within the framework of ReFuelEU.

This would mean that the ReFuelEU initiative would give a boost to multiple innovative chains in the decarbonization of the EU economy: green hydrogen, e-kerosene production, and direct air capture.

We believe the above aspects will ensure the ReFuelEU inspires both public and investor confidence, and will put the aviation sector on the path to sustainability.

Yours sincerely,



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¹The contents of this letter do not necessarily reflect the view of all individual members of the Global Alliance Powerfuels

This letter is supported by the following organisations and companies

