Will free allowances for the use of eligible aviation fuel be available for any SAF?

Renewable fuels of non-biological origin (RFNBO), hydrogen from renewable sources, advanced biofuels and other fuels that are eligible under the ReFuelEU Aviation Regulation that do **not** stem from fossil fuels are eligible for support under the EU ETS.

Will the free allowances be available for SAF used anywhere?

Under the Regulation, free allowances can be issued where eligible fuels are used on flights covered by effective carbon pricing through the EU ETS. Up to the end of 2026, the EU ETS only covers intra-European flights. The ETS SAF support includes domestic flights to, from and within the EU's outermost regions.

At airports where fuels are not assigned to individual flights, the proportion of eligible fuels purchased at that airport—corresponding to the proportion of emissions from ETS-covered flights—will be eligible for support. The principle is that fuel use must be reported for flights that are covered by the EU ETS and at the place of its uplift. Over 300 airports receive the 100% level of support under the EU ETS because of their location, especially in peripheries and outermost regions. The location at which the eligible fuels are uplifted is therefore decisive in determining the level of support received.

What will the levels of price support be?

The Commission will publish prices for the ETS support by the end of May 2025, in relation to the price differences from fossil fuels in 2024. These prices will take into account reporting by the European Aviation Safety Agency, EASA. There will be separate prices for: synthetic fuels, advanced biofuels, other biofuels (Hydrotreated Esters and Fatty Acids (HEFA)) etc. EASA produced a <u>first report</u> in 2024 on prices in 2023. This gives a rough indication of the levels of support, but is subject to change, for instance if HEFA prices were to go down.

Why does the Delegated Regulation introduce the option to report actual prices paid by commercial aircraft operators? How will the confidentiality of the prices be ensured?

The reporting of actual prices paid by commercial aircraft operators is available only for eligible aviation fuels which are not publicly traded and for which there is consequently no publicly available market price. This is in line with the general feedback of the members of the Commission Expert Group on Climate Change Policy ('CCEG') and public feedback on the proposed draft Commission Delegated Regulation.

Commercial aircraft operators have the option to report those prices on a voluntary basis. To do so, they need to show evidence, such as contracts that cover uplift for the whole calendar year, as well as the complete uplifted volume of the fuel that is reported by that commercial aircraft operator. The Commission will ensure that such data is handled in full confidentiality. Where less than three commercial aircraft operators report to the Commission the actual prices paid, the commercial aircraft operators will be asked whether they accept to waive the confidentiality requirement, if they wish their prices to be considered in the calculation of the fuel prices. The option to report actual prices should become applicable from 2026, for fuels used from 1 January 2025.