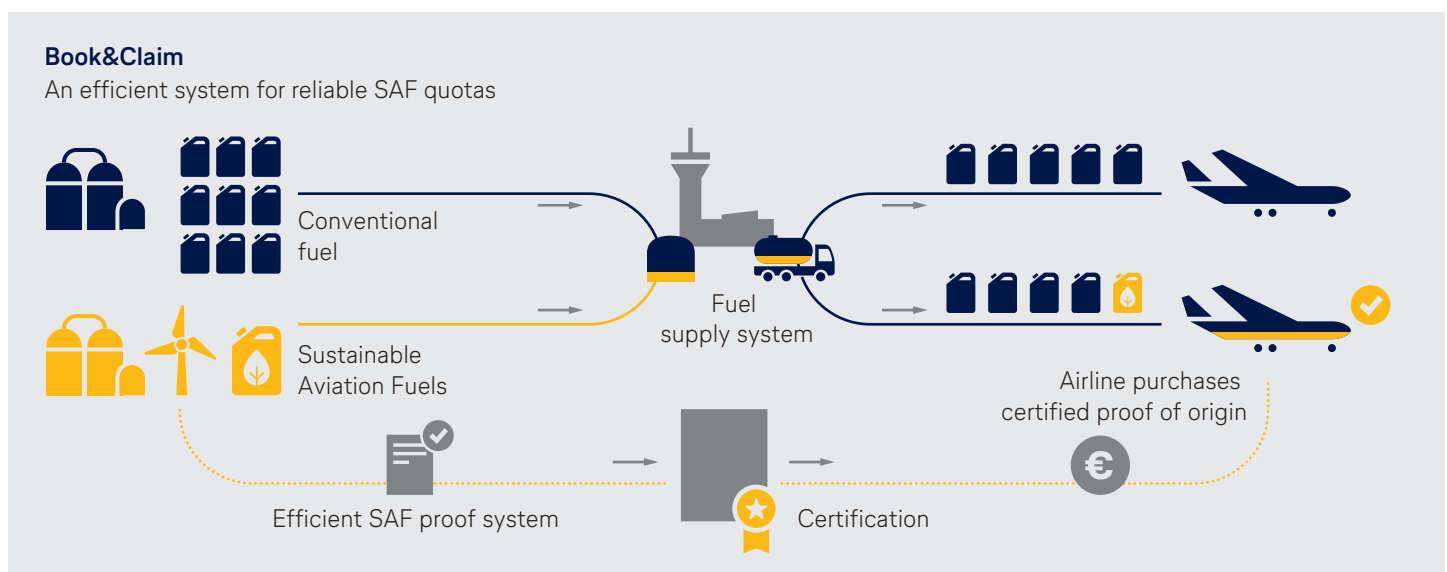


Sustainable fuels

ENABLE RAMP-UP WITH BOOK&CLAIM

Starting in 2025, a binding Europe-wide mandatory quota for sustainable aviation fuels (SAF) will be implemented. However, since sustainable kerosene is not yet available everywhere, the Commission is planning a flexible procurement mechanism to support the production and use of SAF during the ramp-up phase. A Book&Claim system would be an ideal solution to achieve this.



Sustainable aviation fuels are currently only available in limited quantities and are approximately five times more expensive than fossil kerosene. SAFs produced using the power-to-liquid process are currently only available in laboratories. In order to increase supply, the EU has set ambitious SAF quotas that will gradually increase: starting at 2 percent in 2025 and rising to 70 percent after 2050. As a result, from 2025, every aircraft departing from a European airport must be refueled with a corresponding amount of sustainable fuel. Given that SAF availability is not yet widespread across all EU airports, the EU is seeking to develop a temporary “flexibility mechanism.” This measure is necessary in order to ease the logistical complexities of the transition phase and give airlines the flexibility to meet SAF quotas at all airports.

Aviation industry backs “Book&Claim” system

Together with aviation associations, the Lufthansa Group is advocating for a Book&Claim system based on the model of renewable energy certificates for green electricity. This system does not involve the trading of the physical product, but rather the trade of SAF-units: Each unit produced receives a certificate verifying its sustainable origin and positive

environmental impact. When an airline purchases a SAF certificate, it guarantees that the corresponding amount of SAF has been produced and is in circulation.

The Book&Claim system enables fuel suppliers to bring sufficient SAF into the market, aligning with quotas irrespective of location. This gives them the flexibility to use SAF efficiently, reducing costs and logistical hurdles and associated emissions. The Book&Claim approach would promote technological progress and climate protection in the aviation sector.

Installing a solid transition system

The EU Commission aims to present a concrete proposal for the design of the “flexibility mechanism” by July 2024. This would apply until 2034. The Book&Claim system has the ability to swiftly establish a viable market for certified SAF. Fuel suppliers and Airlines, regardless of their location or size, would have the opportunity to trade in SAF certificates, register the environmental benefits and thereby boost the decarbonization of aviation through increased SAF production.