

US SAF Policy Developments

ISCC Technical Stakeholder Meeting

Sustainable Aviation Fuels

September 19, 2023

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Office of Environment and Energy (AEE)
Federal Aviation Administration (FAA)



Federal Aviation
Administration



FAA SAF Program Focus



NextGEN



Sustainable Aviation Fuel
Grand Challenge



Testing

accelerate SAF development

- Test fuels
- Improve testing methods
- Conduct evaluation
- Streamline approval

Analysis

environmental and economic sustainability

- Lifecycle emissions
- Cost reduction
- Supply potential
- Supply chain opportunities

Coordination

support SAF integration

- Public-private partnership – CAAFI
- U.S. interagency cooperation
- International cooperation – ICAO

Deployment

enable SAF scale-up

- Build production, transportation, blending and storage infrastructure – FAST



Federal efforts can enable SAF ramp-up with industry and international coordination

SAF Grand Challenge

IRA Tax Credits

FAST Grant Program

ICAO CAAF/3



SAF Grand Challenge outlines plan to support near and long-term aviation goals

SAF Grand Challenge



[SAF Grand Challenge Roadmap: Flight Plan for Sustainable Aviation Fuel Report \(energy.gov\)](https://www.energy.gov/saf)

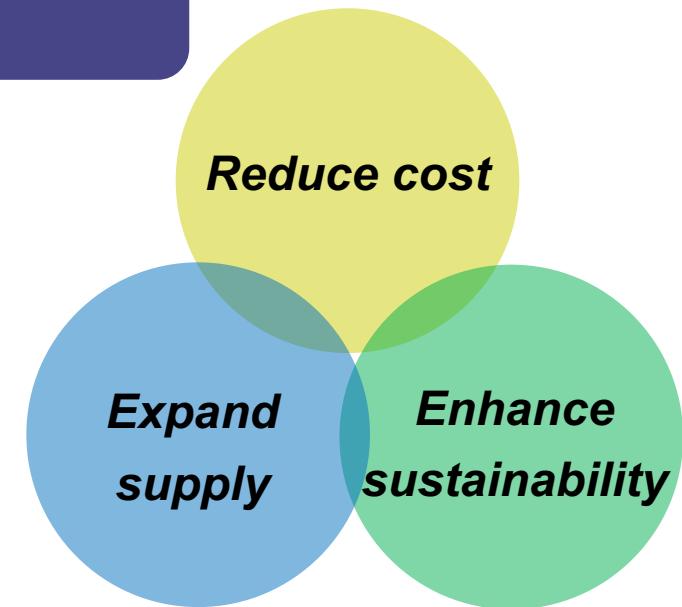


Federal Aviation Administration

SAF Grand Challenge focuses federal actions to support industry scale-up

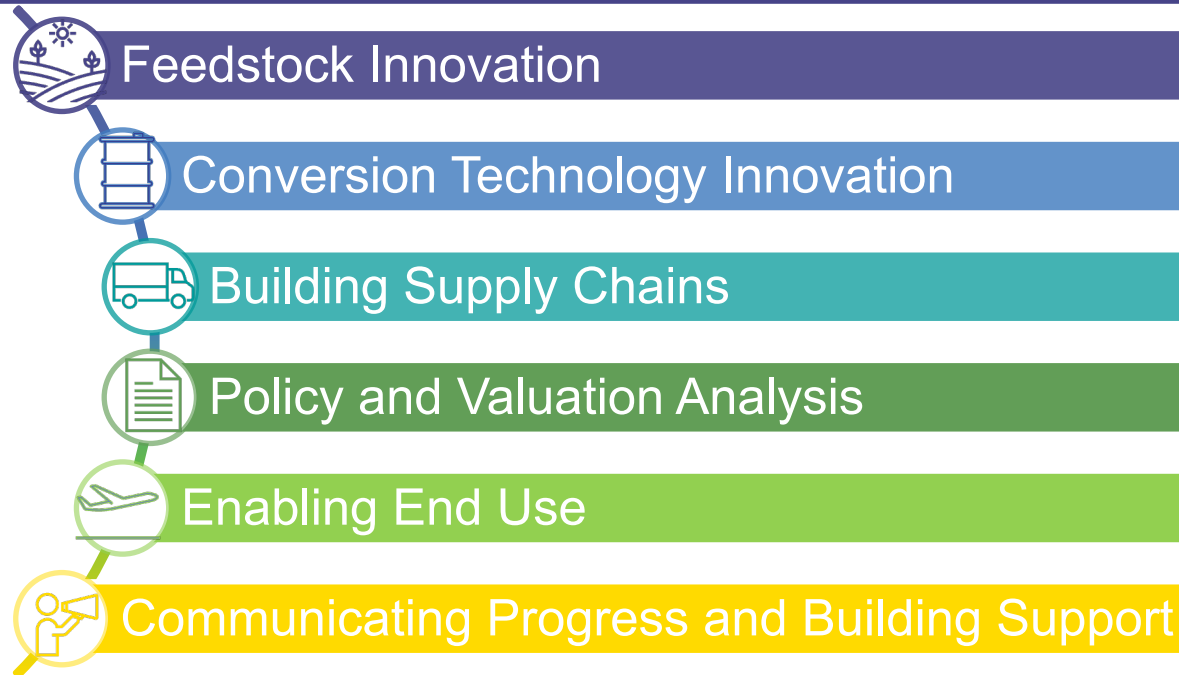
SAF Grand Challenge

1. **leverage existing** government activities in research, development, demonstration, deployment, commercialization support, and policy
2. **accelerate new** research, development, demonstration, and deployment support
3. **implement supporting policy** framework



SAF Grand Challenge Roadmap outlines key action areas for coordinated efforts

SAF Grand Challenge Roadmap



SAF Grand Challenge established lifecycle interagency working group

SAF Grand Challenge Roadmap



Policy and Valuation Analysis – Workstream PA.1 – Develop Improved Environmental Model and Data for SAF

Activity PA.1.1

- *“A key activity under this workstream is to convene a lifecycle greenhouse gas emissions working group... The working group will focus on domestic needs for lifecycle GHG emissions analysis. The work will start with a careful examination of different approaches being used for life cycle analysis, both domestically, and internationally including the methods used by ICAO for the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). The focus will be on identifying commonalities and areas of difference in the methodologies and tools that are being used. The working group will use these to identify best practices and to understand why different methods give different estimates of life cycle GHG emissions.”*

Lifecycle Interagency Working Group (LC IWG) formed with technical experts from DOE, USDA, EPA and DOT (FAA) – co-led by FAA and DOE



**Sustainable
Aviation Fuel**
Grand Challenge

[SAF Grand Challenge Roadmap: Flight Plan for Sustainable Aviation Fuel Report \(energy.gov\)](https://www.energy.gov)



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IRA tax provisions will provide domestic production support through 2027

IRA Tax Credits

SAF Blender's Tax Credit 2023-2024

- Achieves 50% lifecycle GHG reduction
- \$1.25 with additional up to \$1.75 for additional lifecycle reduction

Clean Fuel Production Credit 2025-2027

- Lifecycle GHG <50kg CO₂e/MMBTU (Jet Baseline = 94kg CO₂e/MMBTU)
- Enhanced value for SAF up to \$1.75 for 100% reduction

Methodologies for IRA tax provisions are current focus of LC IWG

IRA Tax Credit Language

IRA Section 13203 (e)

(e) Lifecycle Greenhouse Gas Emissions Reduction Percentage.--For purposes of this section, the term 'lifecycle greenhouse gas emissions reduction percentage' means, with respect to any sustainable aviation fuel, the percentage reduction in lifecycle greenhouse gas emissions achieved by such fuel as compared with petroleum-based jet fuel, as defined in accordance with--

((1) the most recent Carbon Offsetting and Reduction Scheme for International Aviation which has been adopted by the International Civil Aviation Organization with the agreement of the United States, or

((2) any similar methodology which satisfies the criteria under section 211(o)(1)(H) of the Clean Air Act (42 U.S.C. 7545(o)(1)(H)), as in effect on the date of enactment of this section.

- Treasury aims to release guidance this fall
- LC IWG continues work to evaluate appropriate lifecycle methodologies

FAST grant program will support projects to rapidly scale-up domestic SAF production

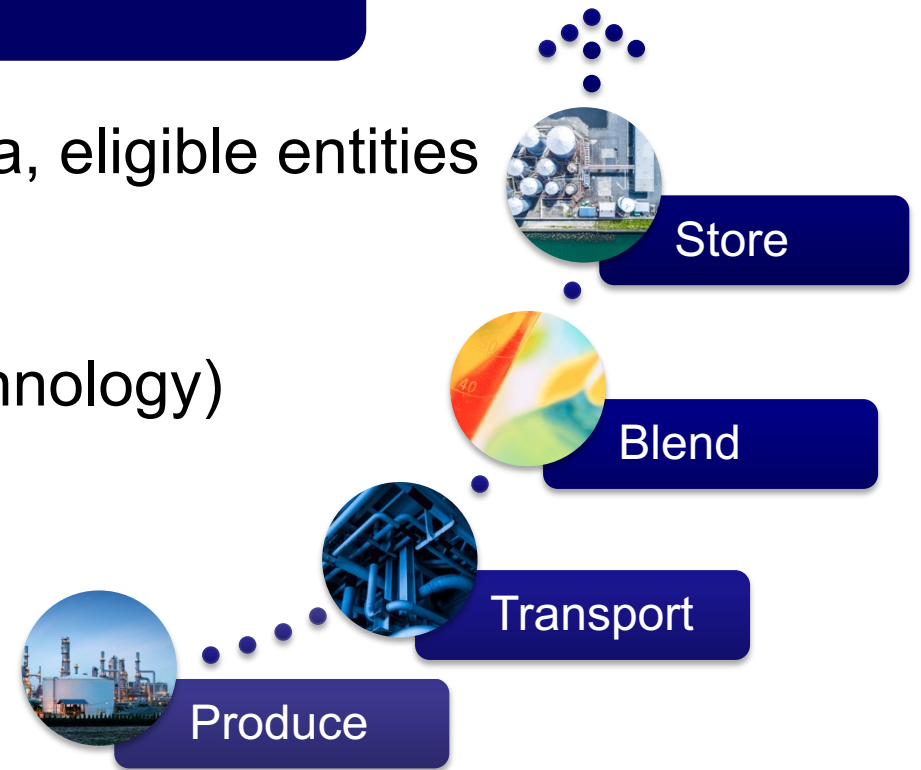
FAST Grant Program

- IRA §40007: specifies consideration criteria, eligible entities
- FAST-SAF \$245 million
- FAST-Tech \$46 million (low-emissions technology)



FAST Grants

Fueling Aviation's Sustainable Transition



Aim to release FAST NOFO Fall 2023

FAST Grant Program

Phased solicitation approach:

- Phase 1 solicitation anticipated in **1-2 months**
 - Plan to award all FAST-Tech funding and ~1/2 of FAST-SAF funding
 - Enables FAST-SAF proposals for infrastructure projects ready to build, as well as infrastructure scoping studies
- Phase 2 solicitation contemplated within two years of Phase 1 awards
 - Plan to award remaining ~1/2 of FAST-SAF funding
 - Open to new or repeat applicants
 - Enables infrastructure scoping studies in Phase 1 to apply funding to build infrastructure and deliver on those needs

Notice of funding opportunity will be available on [grants.gov](https://www.grants.gov)



FAST Grants

December 2022 Stakeholder Meeting:

www.transportation.gov/mission/office-secretary/office-policy/aviation-policy/fueling-aviations-sustainable-transition

Assistance listing describes programmatic approach:

sam.gov/fal/c61edbc82628495aa0b8f003f463138e/view



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Administration

USG is actively engaged in ICAO CAAF/3 preparations

ICAO CAAF/3



- **Conference on Alternative Aviation Fuels**
 - CAAF/1 – November 2009 – Rio de Janeiro
 - Acknowledged Alternative Aviation Fuels as means of reducing aviation emissions
 - CAAF/2 – October 2017 – Mexico City
 - Endorsed 2050 ICAO Vision for Sustainable Aviation Fuel
- **CAAF/3 Aim: collective vision that aligns with the LTAG adopted at 41st Assembly last year**
 - 20 – 24 November – Dubai



THANK YOU

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