# Procedure file

Joint Declaration 2022

# Basic information COD - Ordinary legislative procedure (ex-codecision procedure) Regulation Sustainable aviation fuels (ReFuelEU Aviation Initiative) Subject 3.20.01 Air transport and air freight 3.60.02 Oil industry, motor fuels 3.70.02 Atmospheric pollution, motor vehicle pollution 3.70.03 Climate policy, climate change, ozone layer Legislative priorities Joint Declaration 2021

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	TRAN Transport and Tourism		29/10/2021
		renew europe. GADE Søren	
		Shadow rapporteur	
		MONTEIRO DE AGUIAR Cláudia	
		S&D BERGKVIST Erik	
		CUFFE Ciarán	
		LECHANTEUX Julie	
		ZŁOTOWSKI Kosma	
		DALY Clare	
	Committee for opinion	Rapporteur for opinion	Appointed
	ENVI Environment, Public Health and Food Safety (Associated committee)		16/09/2021
		S&D GONZÁLEZ CASARES	<u> </u>
	ITRE Industry, Research and Energy (Associated committee)		30/09/2021
		PAULUS Jutta	
Council of the European Ur European Commission	Commission DG	Commissioner	
Laropean Commission	Climate Action	TIMMERMANS Frans	
European Economic and			

Key events			
14/07/2021	Legislative proposal published	COM(2021)0561	Summary
13/09/2021	Committee referral announced in Parliament, 1st reading		
11/11/2021	Referral to associated committees announced in Parliament		
27/06/2022	Vote in committee, 1st reading		
28/06/2022	Committee report tabled for plenary, 1st reading	A9-0199/2022	
07/07/2022	Debate in Parliament	<b>F</b>	
07/07/2022	Decision by Parliament, 1st reading	<u>T9-0297/2022</u>	Summary
07/07/2022	Matter referred back to the committee responsible		

Technical information	
Procedure reference	2021/0205(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Legal basis	Rules of Procedure EP 57; Treaty on the Functioning of the EU TFEU 100-p2
Mandatory consultation of other institutions	European Economic and Social Committee European Committee of the Regions
Stage reached in procedure	Awaiting Parliament's position in 1st reading
Committee dossier	TRAN/9/06921

Documentation gateway					
Legislative proposal		COM(2021)0561	14/07/2021	EC	Summary
Document attached to the procedure		SEC(2021)0561	15/07/2021	EC	
Document attached to the procedure		SWD(2021)0633	15/07/2021	EC	
Document attached to the procedure		SWD(2021)0634	15/07/2021	EC	
Economic and Social Committee: opinion, report		CES2594/2021	20/10/2021	ESC	
Reasoned opinion	IE_SENATE	PE700.512	20/12/2021	NP	
Committee draft report		PE704.884	11/02/2022	EP	
Amendments tabled in committee		PE729.864	10/03/2022	EP	
Amendments tabled in committee		PE729.873	11/03/2022	EP	
Committee opinion	ITRE	PE704.620	21/04/2022	EP	

Committee opinion	ENVI	PE703.205	02/05/2022	EP		
Committee report tabled for plenary, 1st reading/single reading		A9-0199/2022	28/06/2022	EP		
Text adopted by Parliament, partial vote at 1st reading/single reading		<u>T9-0297/2022</u>	07/07/2022	EP	Summary	

Additional information		
Research document	Briefing	31/01/2022

# Sustainable aviation fuels (ReFuelEU Aviation Initiative)

PURPOSE: to ensure a level playing field for sustainable air transport, when it comes to the use of aviation fuel (Refuel EU).

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: sustainable development of air transport requires the introduction of measures aimed at reducing the carbon emissions from aircraft flying from Union airports. Such measures should contribute to meeting the Unions climate objectives by 2030 and 2050. Variations in fuel prices can significantly affect aircraft operators economic performance and negatively impact competition on the market. Practices such as fuel tankering occur when aircraft operators uplift more aviation fuel than necessary at a given airport, with the aim to avoid refuelling partially or fully at a destination airport where aviation fuel is more expensive. This practice leads to higher fuel burn than necessary, hence higher emissions, and undermines fair competition in the Union air transport market.

It is essential to set harmonised rules across the EU internal market, applying directly and in a uniform way to aviation market actors on the one hand, and aviation fuels market actors on the other hand.

The European Green Deal launched a new growth strategy for the EU that aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy. The <u>European Climate Law</u> has made the EU's climate neutrality target by 2050 legally binding.

The Commission has presented a complementary and interconnected set of proposals as part of the 2030 Climate and Energy Fit for 55 package to achieve the greenhouse gas emission reduction target of at least 55% compared to 1990. This Fit for 55 legislative package is the most comprehensive building block in the efforts to implement the ambitious new 2030 climate target, and all economic sectors and policies will need to make their contribution.

The Fit for 55 package, the Next Generation EU and the Multiannual Financial Framework for 2021-2027 will help to achieve the twin green and digital transitions that Europe is aiming for.

CONTENT: with this proposal, the Commission sets out a framework restoring and preserving a level playing field on the air transport market as regards the use of aviation fuels. Such a framework should prevent divergent requirements across the EU that would exacerbate refuelling practices distorting competition between aircraft operators or putting some airports at competitive disadvantage with others.

The proposal aims to support a swift transition from fossil fuels towards sustainable fuels in air transport making air travel greener. More specifically, it:

- lays down harmonised rules aiming to maintain a competitive level playing field on the Union aviation internal market while increasing the uptake of sustainable aviation fuels by aircraft operators and the distribution of sustainable aviation fuels at EU airports;
- establishes the obligation for aviation fuel suppliers to ensure that all aviation fuel made available to aircraft operators at Union airports contains a minimum share of sustainable aviation fuel, including a minimum share of synthetic fuel. Synthetic aviation fuels have the potential to achieve emission savings as high as 85% or more compared to fossil aviation fuel. When produced from renewable electricity and carbon captured directly from the air, the potential emission savings compared to fossil aviation fuel can reach 100%;
- establishes the obligation for aircraft operators to ensure that the yearly quantity of aviation fuel uplifted at a given Union airport is of at least 90% of the yearly aviation fuel required;
- defines the obligations for EU airports to provide the infrastructure necessary to facilitate the access of aircraft operators to aviation fuels containing shares of sustainable aviation fuels;
- creates a transition period of 5 years in which aviation fuel suppliers may supply the minimum share of sustainable aviation fuel as an average over all the aviation fuel they supplied across Union airports for that reporting period;
- defines, in an Annex, the minimum shares of sustainable aviation fuel, including the minimum shares of synthetic fuel, of the aviation fuel to be supplied.

### Monitoring and reporting

The proposed Regulation includes monitoring, reporting and verification systems that allow to ensure that it is implemented correctly. In particular, aircraft operators and fuel suppliers will be required to report on a yearly basis. Further, on a yearly basis, EASA will report to the Commission notably on the compliance of economic operators and on the status of the aviation and sustainable aviation fuels markets.

Lastly, the Commission will report to the European Parliament and the Council, at least every five years after the date of application of this

Regulation, the evolution of the aviation fuels market and its impact on the aviation internal market of the Union.

## Sustainable aviation fuels (ReFuelEU Aviation Initiative)

The European Parliament adopted by 334 votes to 95, with 153 abstentions, amendments to the proposal for a regulation of the European Parliament and of the Council on ensuring a level playing field for sustainable air transport.

The matter was referred back to the committee responsible for inter-institutional negotiations.

The main amendments adopted in plenary concern the following points:

Subject matter

The proposal is part of the Fit for 55 in 2030 package and aims to increase the share of sustainable fuels used by EU airlines and airports in order to reduce aviation emissions and ensure Europe's carbon neutrality by 2050.

This Regulation should apply to aircraft operators, Union airports, or where applicable, the managing body of an airport, and to aviation fuel suppliers. Aircraft operator should mean a person that operated at least 52 commercial air transport flights departing from Union airports in the reporting period.

Accelerated integration of sustainable fuels

Members revised upwards the Commission's original proposal for the minimum share of renewable fuels to be made available at EU airports. From 2025 onwards, this minimum share by volume should be 2% (including a minimum share of 0.04% of synthetic fuels), rising to 6% in 2030, 20% in 2035, 37% in 2040, 54% in 2040 and 85% in 2050 (including a minimum share of 50% of synthetic fuels). The Commission had proposed 32% by 2040, 38% by 2045 and 63% by 2050.

Where an aviation fuel supplier fails to supply the minimum shares for a given reporting period, it should report the shortfall, and the reasons for it, to the European Union Aviation Safety Agency. Where the Commission assesses that this shortfall is not caused by lack of resource availability, the fuel supplier should make every possible effort to at least complement that shortfall in the subsequent reporting period.

Broader definition of sustainable fuels

Parliament amended the proposed definition of sustainable fuels for aviation, a term that covers synthetic fuels or certain biofuels derived from agricultural and forestry residues, algae, bio-waste or used cooking oil.

Members added to this definition liquid and gaseous fuels produced from waste treatment gases and exhaust gases of non-renewable origin that unavoidably and unintentionally arise from production processes in industrial installations. Until 31 December 2034, sustainable aviation fuels could also include biofuels that meet the sustainability and greenhouse gas emission reduction criteria set out in Article 29 of Directive (EU) 2018/2001 on the promotion of the use of energy from renewable sources and that are certified in accordance with that directive.

However, Members excluded fuels made from food or feed crops, intermediate crops, palm fatty acid distillate and all palm and soy-derived materials, as well as soap stocks and their derivatives.

Inclusion of renewable electricity and hydrogen in the sustainable fuel mix

Members stressed that other sustainable aviation fuels, such as electricity or hydrogen, are very promising technologies and are expected to progressively contribute to the decarbonisation of air transport, beginning with short-haul flights.

When electric or hydrogen-powered aircrafts become mature and commercially available, it will be necessary for airports covered by this Regulation to take all necessary measures to facilitate an appropriate infrastructure for hydrogen and electric recharging for aircrafts, in accordance with the respective deployment plan of the national policy framework, as set out in the proposed Regulation on the deployment of alternative fuels infrastructure.

Sustainable Aviation Fund

Parliament proposed the creation of a Sustainable Aviation Fund from 2023 to 2050 to accelerate decarbonisation in the sector and support investment in sustainable fuels, innovative aircraft propulsion technologies, research into new engines and direct air capture technology. The Fund should constitute an integral part of the EU budget and its budget should be established within the limits of the multi-annual financial framework. The revenue generated by the penalties provided for in the Regulation should be allocated to the Fund.

EU labelling scheme for the environmental performance of aviation

In order to further promote the decarbonisation of the aviation sector and to increase the transparency of information to consumers on the environmental performance of aircraft operators, Parliament proposed that the Commission create a comprehensive labelling scheme by 2024 for the environmental performance of aircraft, airlines and commercial flights, to be developed and implemented by the European Union Aviation Safety Agency (EASA).

Sustainable aviation fuels flexibility mechanism

Parliament proposed to establish a flexibility mechanism, with a transitional period of ten years from the date of application of the regulation, to allow fuel suppliers and aircraft operators a reasonable period of time to organise the distribution and use of sustainable aviation fuels in a cost-effective manner at the EU airports of their choice and in proportion to their needs. This flexibility mechanism would also contribute to preserving air connectivity, avoiding that less connected European regions with fewer alternative transport modes are disproportionately affected.

During the transitional period, the Commission should regularly review the integrity and transparency of the market for sustainable aviation fuels. In particular, it should analyse the functioning of the market, including its volatility, unusual price evolution or trading behaviour of market participants that could indicate possible monopolistic behaviour.

Transparency				
GADE Søren	Rapporteur	TRAN	26/04/2022	Nordic Electrofuel AS
CUFFE Ciarán	Shadow rapporteur	TRAN	10/05/2022	Airlines for Europe
GADE Søren	Rapporteur	TRAN	17/05/2022	LanzaJet, Inc.
BILBAO BARANDICA Izaskun	Shadow rapporteur for opinion	ITRE	18/05/2022	Aena, S.M.E. S.A.
GADE Søren	Rapporteur	TRAN	18/05/2022	Advanced Biofuels Coalition
CUFFE Ciarán	Shadow rapporteur	TRAN	20/05/2022	European Express Association
GADE Søren	Rapporteur	TRAN	24/05/2022	Shell Companies
CUFFE Ciarán	Shadow rapporteur	TRAN	24/05/2022	Transport and Environment (European Federation for Transport and Environment)
CUFFE Ciarán	Shadow rapporteur	TRAN	24/05/2022	Airports Council International - European Region
OETJEN Jan-Christoph	Rapporteur	TRAN	06/06/2022	Airlines for Europe
GADE Søren	Rapporteur	TRAN	08/06/2022	TotalEnergies SE
GADE Søren	Rapporteur	TRAN	08/06/2022	Air France KLM
CUFFE Ciarán	Shadow rapporteur	TRAN	09/06/2022	International Council on Clean Transportation
GADE Søren	Rapporteur	TRAN	28/06/2022	Deutsche Post DHL Group
CUFFE Ciarán	Shadow rapporteur	TRAN	30/06/2022	eFuel Alliance
GADE Søren	Rapporteur	TRAN	05/07/2022	Transport and Environment (European Federation for Transport and Environment)
GADE Søren	Rapporteur	TRAN	05/07/2022	Airlines for Europe
CUFFE Ciarán	Shadow rapporteur	TRAN	30/08/2022	Transport and Environment (European Federation for Transport and Environment)
CUFFE Ciarán	Shadow rapporteur	TRAN	07/09/2022	Infinium Operations, LLC
GADE Søren	Rapporteur	TRAN	08/09/2022	Brussels Airlines SA/NV
GADE Søren	Rapporteur	TRAN	15/09/2022	Aercap Holdings NV