

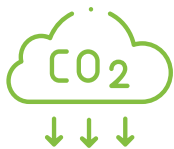
Fair Rules are Necessary for Aviation Decarbonization

As the aviation industry races to credibly decarbonize air travel using SAF, three problems are becoming increasingly evident:

1. How does a customer understand – and verify – what they are purchasing?
2. How can they ensure reasonable access to a product in short supply and high demand?
3. How do they know the product hasn't been previously sold or claimed?

Book and claim can address these primary concerns and the scarcity of available options for decarbonizing aviation operations in a complex and competitive global market, and fair rules must be established to support the use of book and claim transactions.

Fair Rules Will:



Provide equal access to decarbonization solutions for all entities in the global aviation sector.



Create a more attractive and stable investment environment for commercially viable decarbonization solutions.



Ensure regulatory bodies and aviation companies can rely upon the integrity of book and claim transaction systems for compliance with decarbonization and sustainability requirements.

How Can Fair Rules Be Developed?

Many organizations have been working to design book and claim systems and transaction platforms. These systems can be used to identify a common set of best practices that ensure integrity, transparency, and auditability of aviation decarbonization and sustainability claims. To develop credible and widely accepted standards of practice, all relevant aviation, fuel, regulatory, and environmental stakeholders must be able to participate in their development. Representing all aspects of the aviation value chain, CoSAFA is best prepared to work with all engaged stakeholders to develop fair rules for use by the entire industry.

COSAFA



Background

Aviation is critical to move people and goods efficiently using a far-flung network of airports, and yet this key strength also renders aviation one of the most difficult sectors to decarbonize. All of the current solutions to decarbonize aviation are in early-stage development, capital hungry, and geographically limited. None of the viable solutions are widely available, much less universally distributed to a global industry.

Leadership

CoSAFA is a 501(c)(3) non-profit; the Board of Directors is an “association of associations” representing the global aviation sector, comprised of the International Air Transport Association (IATA), the International Business Aviation Council (IBAC), General Aviation Manufacturers Association (GAMA), National Air Transportation Association (NATA), and National Business Aviation Association (NBAA). Supported by an advisory committee of leading stakeholders, including fuel industry experts, sustainability advisors, and government regulators.

Council on Sustainable Aviation Fuels Accountability

Mission

Book and claim systems of SAF decarbonized flight environmental attributes are essential for matching the nascent production of SAF and other credible decarbonization solutions with buyers seeking to pay a premium for reducing travel emissions. While there are many book and claim platforms being used and more under development – there is no globally accepted set of practices to ensure auditability, prevent double-counting, and provide transparency on sustainability and decarbonization claims.

- Until a generally accepted approach for aviation book and claim SAF transactions is established, those transactions will raise concerns among regulators, stakeholders, and market participants.
- The lack of a widely accepted approach for the use of book and claim will, therefore, inhibit investment in the scale up and deployment of otherwise-viable SAF production capacity and other emergent decarbonization solutions.

Scaling up aviation decarbonization depends on the creation of transparent and smoothly functioning global markets. These markets must be founded on consistent, auditable, high-integrity environmental attributes.

CoSAFA provides a platform for the global commercial and business aviation community to collaborate openly with regulators, sustainability and carbon accounting experts, and other stakeholders to document the traits, practices, and characteristics of robust book and claim systems. When applied to transaction systems, CoSAFA’s methodology will ensure book and claim transactions are reliable, accurate, auditable, and traceable. CoSAFA will publish, revise, and maintain guidelines and best practices.

The leading contenders for aviation decarbonization - electrification, hydrogen, and Sustainable Aviation Fuel (SAF), all have their own unique set of challenges for rapid expansion. A standardized, widely-accepted approach is needed to ensure global access to aviation decarbonization solutions and to create market confidence and transaction transparency necessary to attract investment in scaling the most successful solutions.



Standardized accounting: CoSAFA will develop a transparent, neutral, and verifiable accounting methodology that demonstrates credible decarbonization claims and enables all aviation decarbonization strategies to play a role. This methodology ensures governments, end customers, and aviation stakeholders have confidence in the claims and purchase of environmental attributes of any successful decarbonization solution.



Technology flexibility: CoSAFA is technology neutral. Although it is currently anticipated that Sustainable Aviation Fuel (SAF) will play the largest role in decarbonizing aviation in the near term – access and investment to all viable decarbonization technologies will be required to expedite aviation to zero emissions. Therefore, it is critical to develop an accounting and transaction system with the ability to integrate the entire spectrum of aviation decarbonization solutions, facilitating a smooth market transition for nascent technologies, and increasing the opportunity for investment – bypassing the current hurdles of SAF use and adoption.



Interoperable: CoSAFA's standardized accounting methodology will enable the environmental attribute chain of custody to benefit from green premium incentives through interoperable use with all regulatory and voluntary accounting platforms.



Market Access: The creation of global book and claim systems open to all credible aviation decarbonization technologies provides greater access to market investments in emerging technologies. Global access is essential to increase capital and private investment for costly solutions while opening opportunities for end users to fully decarbonize travel.



The Way Forward

Draft and release an initial set of neutral accounting principles to be employed by market actors involved in aviation transactions (*Summer 2023*)

Take comments related to the use of the accounting methods in real-world practice and develop improvements as appropriate to increase the market confidence and efficiency associated with the transaction methodology (*through the end of 2023*)

Continued engagement with regulatory agencies to grow regulatory confidence through the inclusion of rigorous auditing and verification procedures (*ongoing*)

Ongoing public consultation and education activities related to the use of these accounting procedures and the availability of aviation decarbonization technologies (*ongoing*)

Develop interoperability among registries (*2023-2024*)

Deployment – CoSAFA approved registries are providing global access to aviation decarbonization solutions with credible, verifiable, and transparent transactions (*2024*)



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