

# Response to the EC public consultation on Net Zero Industry Act

June 2023



Founded in 1980, European Regions Airline Association (ERA) is a non-profit trade association representing over 55 airlines plus around other 150 companies involved in European air transport, and is the only association that bring together the entire spectrum of companies involved in European aviation. The association supports and defends the airline industry in providing safe, efficient and sustainable air connectivity to all regions of Europe. By lobbying European regulatory bodies on policy matters, ERA promotes and protects social responsibility, environmental sustainability and the development of regional economies and local communities.

The Net-Zero Industry Act has a crucial role enabling the European industrial decarbonization while reaching the goals of the Green Deal. It is necessary that this act covers the same aspects and make the European Industry as competitive as in any other regions in the world.

The US IRA includes several incentives to produce SAF like tax credits for producers and distributors, a "Clean Fuel Production Credit" (CFPC), as well as a "Sustainable Aviation Fuel and Low-Emission Aviation Technology Grant Program". Other major foreign economies are investing in industrial energy policies to turn them into strategic action plans: Japan has prepared the Green Transformation programme and India has the Production Linked Incentive scheme. However, the Commission did not go as far as the other countries and decide to classify SAF or the full hydrogen value chain as "strategic" which will eventually slow new projects and push away investment. It is hence likely that the EU will need to import SAF from abroad and will become dependent on other countries.

**We should not miss the opportunity to create jobs and to become a leader in the production of SAF.**

The uptake of SAF in the EU and the creation of a real SAF market are considered crucial for the aviation sector to reach its decarbonisation goals. The concern is that investment in SAF will be less attractive than alternative products like renewable diesel and that European companies invest in clean technologies abroad and leave Europe.

**In this aim, ERA would like to highlight the importance of including SAF among the strategic technologies and the full hydrogen value chain as a clean technology since they are crucial to meet net-zero emissions and EU-climate goals.**

The EU needs these technologies and should prioritise them for efficient decarbonisation of the transport sector, while securing its leadership in low and zero-carbon technologies. Significant investments and further collaboration between public and private sectors are critical to making these technologies economically viable.

**ERA suggests to clearly identify SAF, synfuels and hydrogen as clean and strategic net-zero technologies ensuring the full value chain is covered (research, development, production, transport, storage and uptake and use) in the Green Deal Industrial Plan for the Net-Zero Age.**

The NZIA should also label the **SAF market developments as Important Projects of Common European Interest (IPCEI)**, whereas IPCEIs in the field of hydrogen should continue and be further facilitated.

These measures will strengthen the coordination between Member States in research and development.



Decarbonization and SAF will have to be financially supported. Destination 2050 “Price of Net Zero” by NLR/SEO commissioned by partner aviation associations states that at least €820 billion of additional investments will be needed over the next 27 years to achieve aviation’s decarbonisation. It is necessary to appeal investments and incentivize projects at the European level, as national aids could lead to an internal fragmentation.

**ERA encourages the Net Zero Platform to work closely with RLCF and AZEA industrial alliances to determine the financial needs and provide best practices for developing such projects and their supply chain to improve the dialogue between the Platform and the industry.**



