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Funding for sustainable aviation fuel in Seattle

Global aviation generates 2 % of global greenhouse gas emissions and is forecast to grow to 5 % by 2050. While most industries have a range of cost-effective options available to reduce carbon emissions, aviation does not. The single opportunity is to replace fossil-based jet fuel with sustainable aviation fuel (SAF). However, the industry is grappling with economic and market challenges. High SAF prices are the chief reason for the slow uptake and the absence of large-scale production capacity. Despite government incentives, the price premium for SAF is still significant. Airlines operate on low profit margins; with fuel as the largest expense, there is limited ability to absorb these additional costs.

The Port of Seattle can leverage its position at the intersection of airlines, fuel suppliers, governments, and communities to support the scale-up of SAF. The leadership from airports will accelerate SAF adoption. Large-scale uptake can contribute to the Portâ??s Century Agenda Goals to reduce carbon emissions and will contribute to the development of jobs in the state of Washington. Blending SAF into the airport fuel supply, at a 1 % level would reduce CO2 by 23,300â??31,000 metric tons annually.

The key findings of the study are:

While an airport cannot pay for aircraft fuel, it could pay directly for SAF co-benefits. SAF produces air quality benefits, reduces greenhouse gas emissions, and supports regional economic development.

There are numerous funding mechanisms with revenue potential. The most promising mechanisms are:

Corporate Supportâ??corporations contribute to offset their flight

Port Taxing Authorityâ??these funds support air quality benefits, similar to the Portâ??s Clean Truck Program

Use of General Non-Aeronautical Revenueâ??while there are several individual non-aeronautical fees and revenue sources that could be directed toward SAF co-benefits.

Airline Agreement â?? implement a fund via the airline operating agreement .

Infrastructure investment could jump-start regional SAF production. The most promising approach is indirect via the procurement of SAF co-benefits. A medium-to long-term commitment made by the Port reduces investment risks for private sector funders. Other mechanisms identified for financing infrastructure projects are outside the Portâ??s legal scope.

Source: RMI (Rocky Mountain Institute)
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