

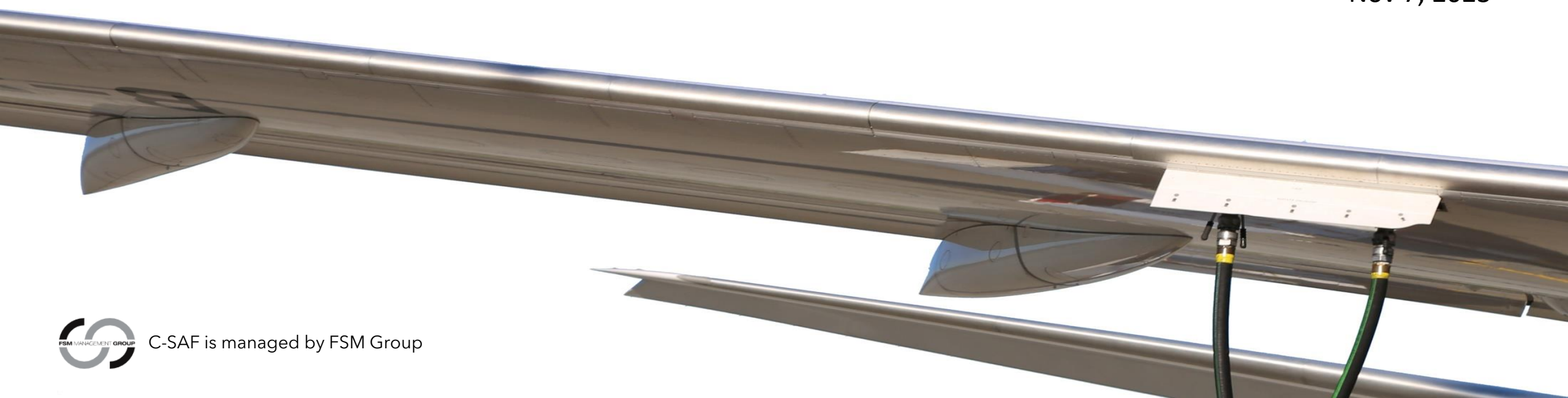


Canadian Council for Sustainable Aviation Fuels
Conseil canadien des carburants d'aviation durables

Scaling Up 2023

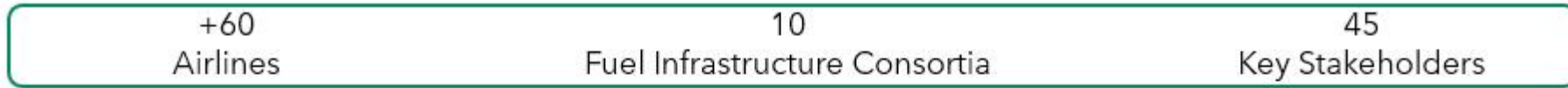
The international regulatory battles and what works best for Canada

Nov 7, 2023



C-SAF is managed by FSM Group

Advance and Facilitate the **production** and **use** SAF in Canada by **mobilizing** an ecosystem to activate value chains



- Domestic
- Regional
- International
- Charters
- Cargo

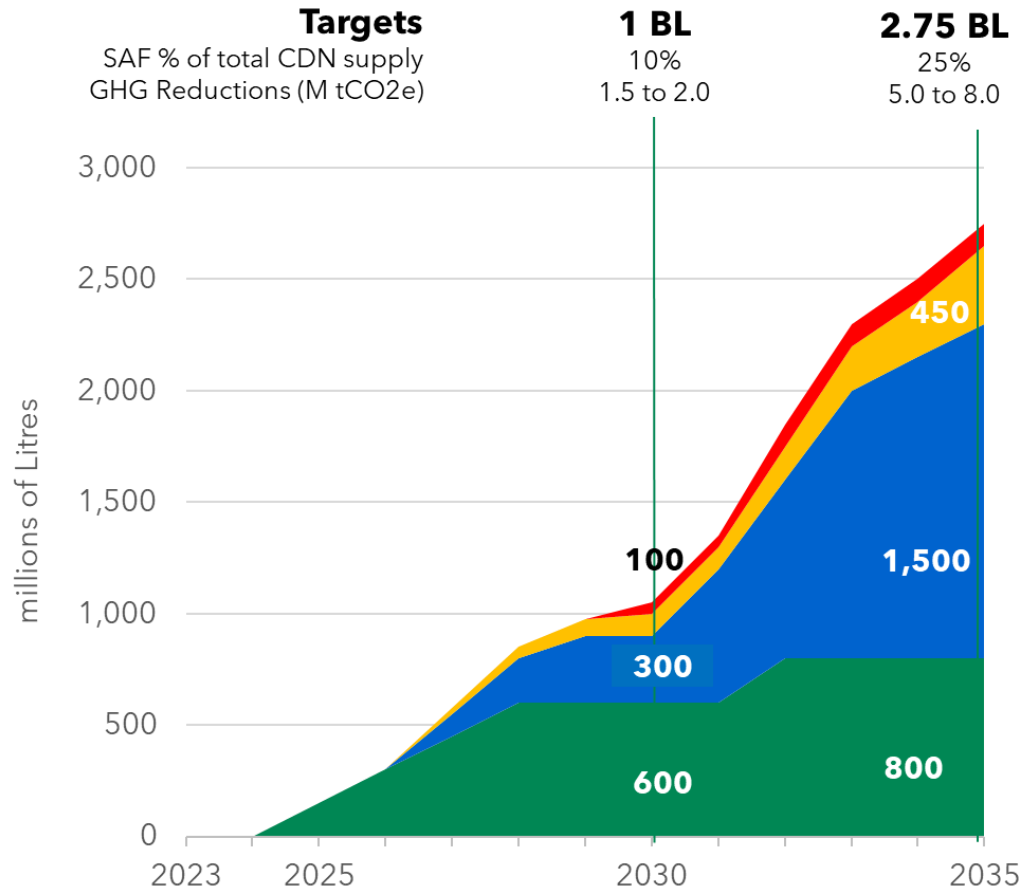


- Owned and operated by commercial airlines
- 7 billion Litres throughput in 2019

Fuel refiners	Handlers
Clean Fuels suppliers	Feedstock suppliers
Airports	OEMs
Academia	Financial sector

SAF Roadmap: Flight Plan to 2030

1 billion L of SAF by 2030 with at least 50% carbon emission reduction

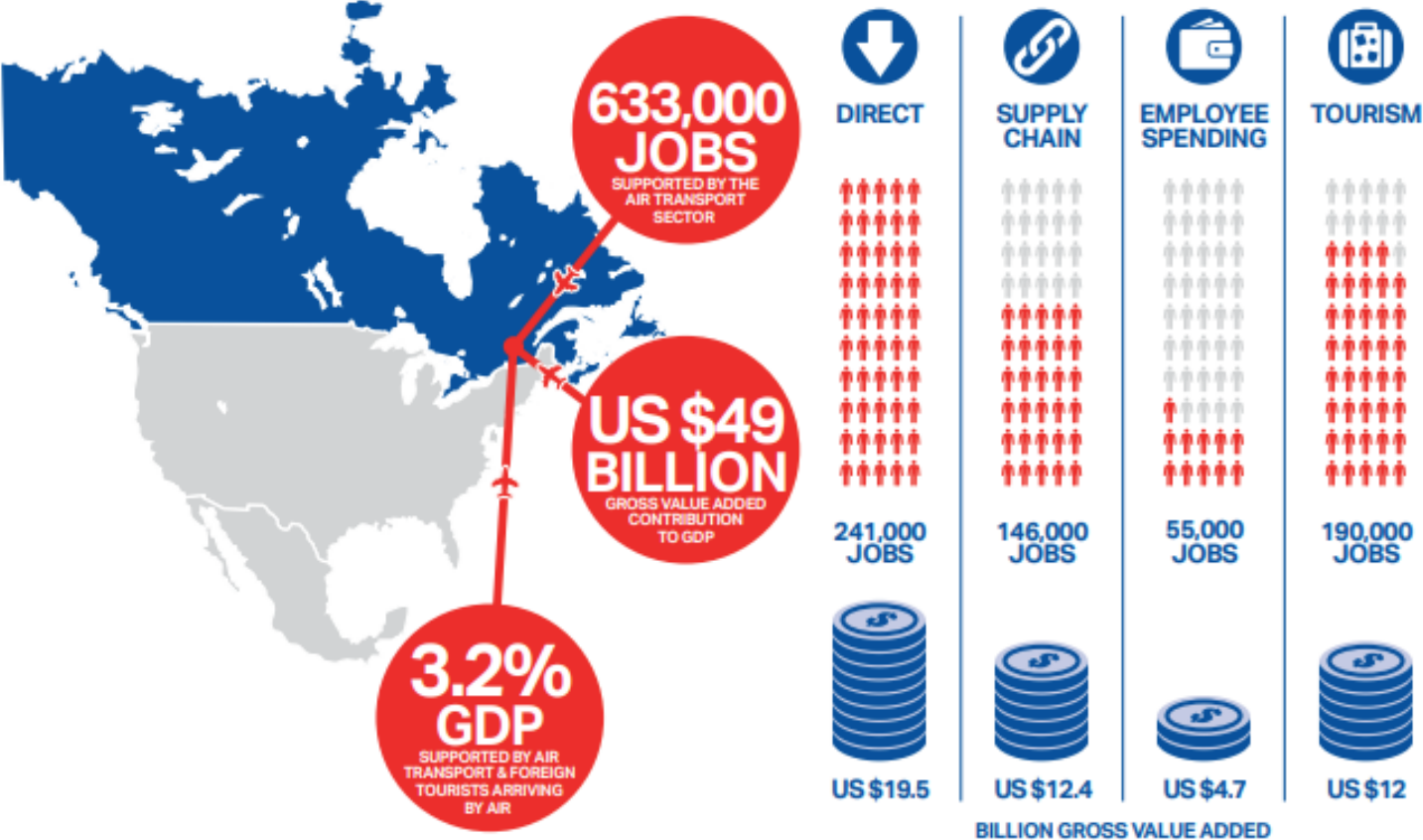


Feedstock	Policy Required	Roadmap Goals	Outcome	
			2030	2035
SAF Pathways CAPTURED CO₂ and RENEWABLE POWER Power-to-Liquids Next Gen	SAF Production Incentives that are higher than renewable diesel	Net-zero Industrial Policy INNOVATION DRIVE Secure funds and launch demonstrations in multiple SAF pathways FEEDSTOCK ACTIVATION Build upstream collection and delivery logistics for forestry and agricultural residues	2 Plants in operation	3 Plants in operation
BIOMASS and MSW Alcohol-to-Jet, Gasification with Fisher-Tropsch, Biocrudes			3 Plants in operation	7 Plants in operation
WASTE and PLANT-BASED OILS HEFA, Co-Processing			15% SAF Output	20% SAF Output
DECARBONIZE NOW Maximize SAF output and support final investment decision for proposed biorefineries				

Do we make SAF or buy it?



What is aviation's value in a net-zero Canada?



Source: Oxford Economics¹

The importance of air transport to Canada, www.IATA.org

Level the playing field for SAF

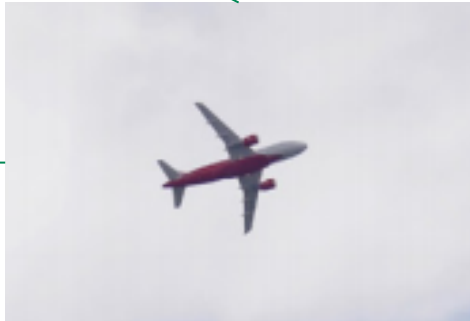
Demand guarantee



Pricing Certainty



Stable regulations



Affordable SAF

We need a national SAF strategy

▶ **SAF opportunity costs**

- ▶ SAF premium today based on displacing more fungible renewable diesel
- ▶ Climate Policies reward ground transportation
 - ▶ Bigger bang for the buck
- ▶ SAF technologies (and upstream feedstock sources) need development
- ▶ Scale is key to reduce costs

▶ **Pricing Certainty**

- ▶ All stakeholders make a reasonable and fair return
- ▶ Policies don't create captive markets without controls on pricing power
- ▶ Transparent
- ▶ Avoid patchwork

Incent supply side of the equation with industrial strategy to feedstock activation and innovation drive

Production tax credit would be best

But equivalency via a combo of Investment tax credit + Contract for difference

Proposed Canadian Approach?

Deliberate National SAF policy

- Build supply first, and then match demand
- Allow for reasonable levels of imports

SAF Industrial Strategy

- Advance technology development
- Private/Public investment

SAF incentive

- Higher than other renewable fuels
- Pricing certainty PTC or ITC + CfD
- Adjust for tech maturity



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Thank You !

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