Mitigating aviation's non-CO₂ effects in the EU's Fit for 55 package

Time to address aviation's full climate impact in ReFuelEU Aviation and the EU ETS

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1. Aviation's full climate impact: CO₂ is just the tip of the iceberg

The Fit For 55 regulatory package proposed by the European Commission aims at decarbonising the European economy and aligning it with the goals set in the Paris agreement. Whilst decarbonising aviation must be a priority, the sector has an even bigger climate problem which has been flying under the legislative radar for a long time: non-CO₂ effects.

On top of CO_2 , aircraft engines emit other gases (NO_x , SO_2 and H_2O) and particulate matter (soot). When released at high altitudes, these emissions affect atmospheric physical and chemical properties, resulting in an increase in greenhouse gases and the potential formation of persistent contrail cirrus, which causes a net warming effect on climate that is bigger than that of CO_2 .

Non-CO₂ effects represent two thirds of aviation's full climate impact

The European Commission tasked the European Union Aviation Safety Agency (EASA) with analysing non-CO₂ effects of aviation. After careful review of the latest available science, the results were published in a 2020 <u>landmark report</u>, confirming that the climate impact of non-CO₂ effects is two thirds of the total aviation's climate impact, and proposing some mitigation policy measures.

2. Fit For 55: the right opportunity for non-CO₂ policy measures

When reading the Fit for 55 regulatory package proposal from the European Commission, in particular ReFuelEU Aviation and EU ETS, there is barely any mention of aviation's non-CO₂ effects, nor any of the policy measures to address them, as proposed in the EASA report.

Failing to address non-CO₂ effects in Fit For 55 would be missing a precious opportunity, and the EU cannot afford wasting any more time in tackling the biggest part of aviation climate impact. Policy



solutions do exist and can be implemented immediately in the proposal, including in the EU's future sustainable fuel mandate (ReFuelEU Aviation) and its updated carbon market rules (EU ETS).

2.1. ReFuelEU Aviation: Optimise the aromatic and sulphur content of jet fuel to reduce persistent contrails and improve air quality

The properties of the jet fuel burnt in aircraft engines have an impact on non- CO_2 effects. In particular, the concentration of sulphur and some hydrocarbon molecules usually present in fossil jet fuels (aromatics, naphthalene) is closely linked with the emission of soot particles, which in turn leads to lower air quality and the formation of persistent, warming contrail cirrus.

Sustainable Aviation Fuels (SAFs) usually contain no aromatics, so promoting SAF uptake is a key measure that reduces both CO_2 and non- CO_2 emissions. However, this can be seen as a mid- to long-term solution to non- CO_2 effects, as the bulk of aviation's jet fuel will continue to be fossil in the foreseeable future given the slow expected scale up of SAF production.

While fossil kerosene is still around, the reduction of aromatics, naphthalene and sulphur in fossil jet fuel is a technically and economically viable solution, which will reduce aviation's climate impact and improve air quality. This has been confirmed both by the EASA's non-CO₂ report and a follow-up study on fuels, conducted by CE Delft for the Dutch Ministry of Transport and Water Management. ReFuelEU Aviation can support this solution by introducing the following measures: an impact assessment study on the optimisation of aromatics, naphthalene and sulphur content in jet fuel to prepare for legislation on fuel quality, as well as reporting obligations on the aromatic and sulphur content of current jet fuel supplied across the EU.

2.1.1. A European Commission impact assessment study on the reduction of aromatics, naphthalene and sulphur content in fossil kerosene, to prepare for legislation on fuel quality

ReFuelEU Aviation should request the European Commission, to publish an impact assessment study, by 31 December 2023, outlining technical, economic and legislative pathways to lower the aromatics, naphthalene and sulphur content of fossil kerosene in order to mitigate contrail cirrus formation and improve air quality.

The results from this impact assessment study shall form the basis of legislation on lowering aromatic and sulphur content in jet fuel to the lowest possible level, with due respect of safety and in consideration of state-of-the-art aircraft engine technologies, which will probably be able to run with aromatics-free fuel. This legislation should be proposed by the European Commission by the end of 2024.

2.1.2. Reporting of aviation fuel properties

Within its reporting obligations for fuel suppliers (Article 9), ReFuelEU Aviation should introduce a mandate for fuel suppliers to report annually to EASA the average aromatics, naphthalene and sulphur contents of the aviation jet fuel supplied by them, and to make this data public. This information is already available to fuel suppliers, and sharing it publicly would significantly improve our understanding of fuel properties and non-CO₂ effects without creating significant burdens, as a reporting obligation is already included in ReFuelEU Aviation.

2.2. EU ETS: Monitor non-CO₂ effects to estimate their precise climate impact

Today, non-CO₂ effects are not included in the EU ETS, giving no price incentives to airlines to address them through the use of cleaner fuel or operational contrail avoidance measures. The 2017 reform to the EU ETS included language that required the European Commission to come up with "an updated analysis of the non-CO₂ effects of aviation, accompanied, where appropriate, by a proposal on how best to address those effects". This resulted in EASA's non-CO₂ report, estimating the precise climate impact of non-CO₂ effects and mitigation potential, including the pricing of these emissions under the EU ETS.

In spite of uncertainties, the level of scientific understanding of aviation's non-CO₂ effects is very thorough, and robust enough to finally require the EU ETS to monitor and price them effectively.

2.2.1. Monitoring, Reporting and Verification (MRV) scheme

The EU ETS should require the creation of a pilot Monitoring, Reporting and Verification (MRV) scheme similar to the one existing today for CO₂ emissions, but with the objective to establish a methodology adapted to the specificities of non-CO₂ emissions and their climate impact with a robust CO₂ equivalence calculation for non-CO₂ effects. All collected data would lead to a better understanding of the flights that cause the most non-CO₂ impact (where do contrails persist, under what atmospheric conditions, at what time). This system would not only further research and scientific understanding in the area but also prepare the ground for effective pricing of these effects on a per flight basis.

This data should be annually published and submitted to the European Commission, the EASA, the EEA and the European Parliament. The elements to monitor, report and verify would be the following:

- A. fuel flow-mass of aircraft;
- B. ambient humidity;
- C. latitude, longitude and altitude;
- D. humidity and temperature;
- E. emission indices for CO₂, H₂O and NO_x;
- F. CO₂ equivalents per flight.



2.2.2. Non-CO₂ multiplier until an effective monitoring system is in place

Until a robust monitoring system is in place to report non-CO₂ effects on a per flight basis, the EU ETS should introduce a multiplier on aviation emissions and require aircraft operators to surrender two allowances for each ton of CO₂ emissions, as demanded at the time by the European Parliament already back in 2007. Aircraft operators participating in the pilot MRV scheme could be exempt from this multiplier. Not only would this multiplier further incentivise aircraft operators to use SAFs or reduce their fuel burn through operational measures or new aircraft technology (which help reduce CO₂ and non-CO₂ emissions) it could also incentivise them to already start monitoring their non-CO₂ effects.

2.2.3. European Commission study on pricing non-CO2 effects on a flight basis

The European Commission should present a report on the results of the MRV pilot project and specify the amount of ETS allowances required to cover for the CO_2 equivalent per flight calculated under its pilot MRV. This report shall be accompanied by a legislative proposal to amend the EU ETS directive to introduce MRV requirements for non- CO_2 aviation emissions, as well as calculation methodologies to expand the scope of the ETS to non- CO_2 aviation emissions.

3. Conclusion

Non-CO₂ effects have been studied for decades, but complexity and uncertainties have been used as excuses to sweep them under the carpet and not legislate on them. However, our level of understanding has significantly increased with the years, and the most recent developments show that technical and policy solutions do exist.

At a time when bold, ambitious climate action is needed, the EU cannot accept that two thirds of aviation's climate impact continue to fly under the legislative radar. The Fit For 55 package offers a historic opportunity to reverse this trend and to finally address aviation non-CO₂ effects.

Inspired by the latest available science, and building on collaboration and research, the ReFuelEU Aviation and EU ETS policy measures proposed in this briefing give a clear, no-regrets way forward to start dealing with aviation's enormous yet hidden climate problem.

Further information

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