

Sustainable Aviation Fuel Partnership

The California Air Resources Board ("CARB") and Airlines for America ("A4A"), recognizing the importance of: (i) preserving and protecting the environment, including reducing greenhouse gas (GHG) emissions and improving and protecting air quality; (ii) promoting the production and use of sustainable aviation fuel (SAF) in California; (iii) leveraging momentum and opportunities under state, federal, and industry goals; and (iv) maintaining a strong, viable, and environmentally sustainable industry, do hereby agree as follows:

GOALS

- (1) In concert with the U.S. Government's SAF Grand Challenge and in line with U.S. airlines' 3 billion gallon SAF pledge (referenced in paragraphs 2 and 3 below), CARB and A4A plan to work together with SAF producers in California, other aviation stakeholders, and the federal government of the United States of America to ensure at least 200 million gallons of cost competitive and commercially viable SAF is available for use by operators in California by 2035 (the Objective). Achievement of the Objective is dependent on successful coordination across all parties.
- (2) CARB and A4A acknowledge and recognize that airlines have committed to achieving net-zero carbon emissions by 2050 (NZC 2050). Recognizing that achieving that goal will require completely transitioning from conventional jet fuel (CJF) to sustainable aviation fuel (SAF), which the State of California refers to as Alternative Jet Fuel (AJF) – they have also pledged to work with governments and other aviation stakeholders to make three billion gallons (3BG) of cost competitive SAF available to U.S. aircraft operators in 2030.
- (3) CARB and A4A acknowledge and recognize that the federal government of the United States of America shares these general goals, having established an aim of achieving net-zero greenhouse gas (GHG) emissions in the aviation sector by 2050 and its own SAF Grand Challenge Goal targeting 3BG SAF production in 2030 and a complete transition to SAF by 2050. The State of California has similar goals – targeting economy-wide carbon neutrality by 2045, with SAF meeting 80% of aviation energy requirements by 2045 (the balance being supplied through electricity and hydrogen). Achieving the goals of the SAF Grand Challenge would help the State of California achieve its goals for SAF. Airlines have a shared purpose with CARB in seeking greater production and availability of SAF in California from jet fuel suppliers. Airlines have appreciated the support for the development of SAF that the State of California has provided through its Low Carbon Fuels Standard (LCFS) and continues to share and support California's efforts to reduce carbon emissions in the aviation sector, given the airlines' long-term goal of achieving net-zero carbon emissions by 2050.

PRIORITY AREAS FOR COOPERATION

- (4) CARB and A4A plan to prioritize the following areas of coordination and policy action critical to achieving the Objective:
 - a. Evaluate how to best leverage the national SAF Grand Challenge and federal policies to speed the transition from CJF to SAF in California.
 - b. Evaluate potential enhancements of existing incentives to attract the production and use of SAF.
 - c. Evaluate new incentives for investment in SAF production in California.
 - d. Evaluate and identify means for timely permitting approvals of SAF production projects in California.

- e. Work with U.S. federal agencies to explore ways of removing barriers to using California feedstocks in SAF production.
 - f. Explore the use of incentives to ensure a level playing field and remove barriers for SAF production relative to road transport fuels in California.
 - g. Establish for the duration of this Partnership a state-wide Sustainable Aviation Fuel Working Group to meet annually to report progress and address barriers to achieving the objectives of this Partnership.
- (5) Ensuring the sustainability and environmental integrity of feedstocks and the production technology pathways is critical to the continued recognition and acceptance of SAF. A4A and its members are feedstock and technology neutral for SAF production, and firmly believe that any production pathway that can meet robust technical and sustainability requirements should be eligible for incentive programs. A4A's expectation is that a variety of feedstocks and pathways, including future pathways using feedstocks from wastes and residues, and power-to-liquid pathways using biogenic and non-biogenic CO2 sources are necessary to achieve our mutual long term goals. A4A member airlines are making investments and agreements with future SAF producers of these next generation production pathways to help accelerate their availability. With respect to the Objective in Paragraph 1, A4A recognizes the important role of SAF produced from waste-derived fuel pathways, and to the extent feasible and appropriate, will encourage, as a priority, the availability and use of these pathways toward the Objective.
- (6) To further CARB's mission, CARB staff plan to establish and maintain a public website showing the following information:
- a. The amount of CJF and SAF used in-state;
 - b. The amount and type of SAF produced and available for use in-state; and
 - c. Federal and state incentives and policies to increase SAF production and use.
- (7) CARB and A4A acknowledge and recognize that coordination and action implemented under this partnership will be performed, to the extent applicable and practicable, consistent with established legislation, plans, regulations, policy, and goals, including the following:
- a. The California Global Warming Solutions Act of 2006 (AB 32, Nuñez, Chapter 488, Statutes of 2006; Health and Safety Code section 38500 et seq.), which declares global warming poses a serious threat to the economic well-being, public health, natural resources, and environment of California. AB 32 directed the California Air Resources Board (CARB) to create a comprehensive multi-year program to reduce California's greenhouse gas (GHG) emissions to no greater than 1990 levels by 2020, and maintain and continue reductions in emissions of GHGs beyond 2020.
 - b. Senate Bill 32 (SB 32, Pavley, Chapter 249, Statutes of 2016; Health and Safety Code section 38566), which affirms the importance of addressing climate change by codifying a GHG emissions reductions target of at least 40 percent below 1990 levels by 2030.
 - c. Governor Gavin Newsom's July 22, 2022, letter to the CARB Chair that underscored the urgency to include ambition and action in the final 2022 Scoping Plan update, and to include additional outcomes in that plan related to electricity generation, buildings, transportation fuels, methane leaks, and carbon dioxide removal and capture.
 - d. Assembly Bill 1279 (AB 1279, Muratsuchi, Chapter 337, Statutes of 2022), which establishes the policy of the State to achieve carbon neutrality as soon as possible, but no later than 2045, and to maintain net negative GHG emissions thereafter; to ensure anthropogenic GHG emissions are reduced at least 85 percent below 1990 emission levels by 2045.
 - e. CARB's 2022 Scoping Plan for Achieving Carbon Neutrality (2022 Scoping Plan), which lays out a path to achieve targets for carbon neutrality and reduce anthropogenic

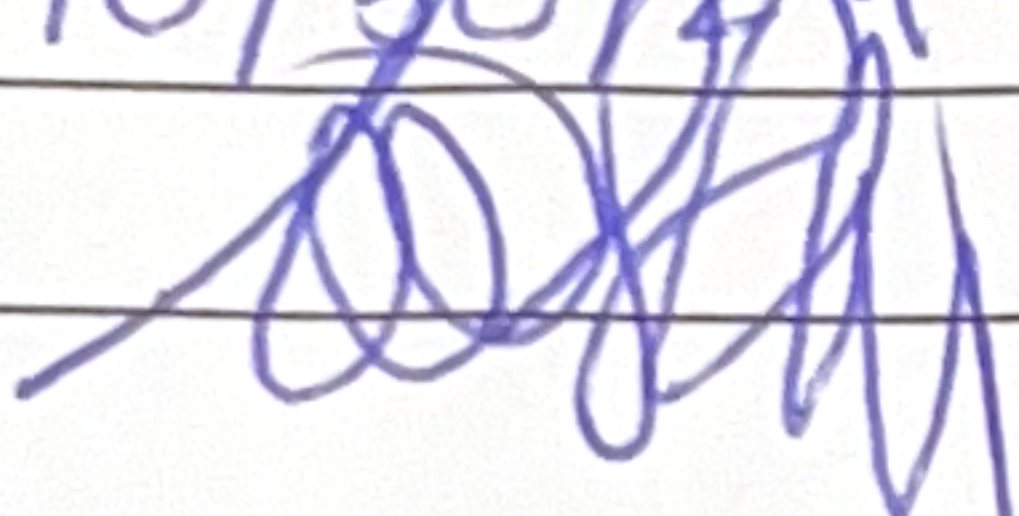
greenhouse gas (GHG) emissions by 85 percent below 1990 levels no later than 2045, as directed by Assembly Bill 1279. Reducing fossil fuel use across sectors, including aviation, is a key component of the Scoping Plan.

OTHER PROVISIONS

- (8) CARB and A4A acknowledge that it is important to implement the actions contemplated by this Partnership as soon as reasonably possible.
- (9) This Partnership is a voluntary and non-binding initiative. Notwithstanding anything herein to the contrary, it does not create any legally or any other binding rights or obligations and creates no legally cognizable or enforceable rights or remedies, legal or equitable, in any forum whatsoever. In addition, the pledges in this Partnership are not conditioned upon reciprocal actions; CARB and A4A retain full discretion over implementation of their respective pledges in light of their individual circumstances, laws, and policies; and both CARB and A4A are free to withdraw from the Partnership.
- (10) This voluntary Partnership will be construed consistent with all applicable federal and state laws, and activities undertaken in connection with this Partnership will be subject to, and will be undertaken in a manner consistent with, all otherwise-applicable laws, rules, and regulations.
- (11) This voluntary Partnership does not affect the rights of and obligations of third parties or the rights of CARB or A4A to conclude arrangements or agreements with respect to any matter described in this Partnership.
- (12) This voluntary Partnership does not involve the exchange of funds, nor does it represent any obligation of funds by either CARB or A4A. All costs that may arise from activities covered by, mentioned in, or pursuant to this Partnership will be assumed by the entity that incurs them, unless otherwise expressly agreed by CARB and A4A in a future written arrangement in accordance with applicable laws. All activities undertaken pursuant to this Partnership are subject to the availability of funds, personnel and other resources of each participant organization or institution in the Partnership ("Participant").
- (13) The personnel designated by CARB or A4A for the execution of this voluntary Partnership will work under the orders and responsibility of CARB or A4A and any other organization or institution to which the personnel already belongs, at all times maintaining any preexisting employment relationship only with that Participant, and not with any other Participant.
- (14) Any difference that may arise in relation to the interpretation or application of this voluntary Partnership will be resolved through consultations between CARB and A4A, which will endeavor in good faith to resolve such differences.
- (15) This voluntary Partnership is effective from the date of its signature, for a five year period, unless renewed or extended by CARB and A4A in the same manner that CARB and A4A may otherwise modify this Partnership. After the first five year period, CARB and A4A will evaluate whether the Partnership is making progress toward the Objective in determining whether to extend or renew the Partnership.

- (16) This voluntary Partnership may be modified at any time by mutual consent of CARB and A4A. Any modification shall be made in a writing signed by CARB and A4A and specify the date on which such modification is to become effective.
- (17) CARB or A4A may, at any time, withdraw from this voluntary Partnership by providing a written notice to the other. A Participant that intends to withdraw from this Partnership shall endeavor to provide notice of such withdrawal to the other 30 days in advance.
- (18) The termination of this voluntary Partnership shall not affect when activities initiated while this Partnership is in effect shall conclude, unless CARB or A4A expressly states otherwise. If CARB or A4A intends to terminate a previously initiated activity, CARB or A4A shall endeavor to reach an understanding with the other concerning such termination.

California Air Resources Board

By: Steven Cliff
Title: Executive Officer
Date: 10/30/2024
Signature: 

Airlines for America

By: Kevin W Welsh
Title: Chief Sustainability Officer
Date: 10/30/2024
Signature: 