Federal Ministry
Innovation, Mobility
and Infrastructure
Republic of Austria

Results of the Public Consultation for an eSAF Funding Scheme

The market consultation for the planned joint eSAF Funding Scheme by Austria, Germany and Luxemburg was accessible from August 10th until September 18th 2026 on the official website of the Federal Ministry for Innovation, Mobility and Infrastructure (BMIMI). A total of 16 stakeholders participated in the survey. Respondents represented different segments of the aviation and fuel value chain, including project developers, energy companies, airlines, fuel suppliers as well as national and international industry associations.

The following is a summary of the feedback received by BMIMI:

State aid and possible market distortion

Most eSAF producers and suppliers considered the scheme relevant and state aid necessary to address financing gaps, support final investment decisions (FID) and increase eSAF production capacity. Most eSAF producers and suppliers did not expect significant market distortions provided support is awarded through transparent and competitive mechanisms, although several stressed the importance of equal treatment, broad participation and long-term revenue certainty.

Airline stakeholders generally acknowledged the role of eSAF in decarbonisation and accepted that public support may be required under current market conditions. However, several questioned whether sufficient eSAF will be available by 2030 and expressed concerns that mainly fuel producers may benefit from the proposed funding scheme, while airlines continue to bear the significant share of additional SAF costs. Also, competitive distortions between EU and non-EU operators were highlighted and it was argued that the funding scheme would not fully address these challenges.

Industry associations broadly supported measures to accelerate both SAF and eSAF deployment and recognised the need for public support during the early market and ramp-up phase. Several stakeholders responded that state support should not only address eSAF, but also the scale-up of the general SAF market.

Auction Design, Timing and Eligibility

Auction Design

Auction Design

eSAF producers and suppliers broadly support the proposed double-sided auction model and acknowledge its potential to bridge the gap between long-term producer financing needs and shorter-term buyer procurement cycles. However, concerns were raised regarding insufficient budget volume, project bankability, construction and ramp-up risks, and the limited maturity of the current project pipeline. Several stakeholders highlighted that the timeline may not adequately reflect the development cycle of first-of-a-kind eSAF projects.

Airline stakeholders support transparent and competitive allocation mechanisms but stress the importance of allowing airlines to participate in the auction process. A recurring concern is that financial support provided upstream may not reduce costs for airlines. Industry associations generally support the overall auction concept but emphasize the need for a design that enables broad participation, effective competition and sufficient market liquidity.

Across responses, project bankability emerged as a key success factor, with stakeholders stressing the need for long-term revenue certainty, investment security and compatibility with other public support schemes.

Eligibility Criteria, Resilience Criteria & Participation

eSAF producers & suppliers advocate for technology-neutral and feedstock-neutral eligibility criteria. Project readiness, technical credibility and deliverability are viewed as more important than project size. Stakeholders also emphasize the importance of allowing aid cumulation and avoiding unnecessary barriers for SMEs and first movers. Several

stakeholders support extending eligibility beyond the European Economic Area (EEA) where sustainability criteria are met.

Airlines favour broad eligibility rules that maximise competition and help reduce long-term fuel costs. Several responses highlight the importance of recognising international sustainability certification systems alongside EU frameworks.

Point of Sales

eSAF producers & suppliers requests greater clarity regarding ownership transfer, delivery responsibilities, logistics arrangements and verification requirements. Several stakeholders argue that the definition should accommodate existing market structures and avoid creating unnecessary logistical constraints.

Airlines place strong emphasis on transparency and traceability throughout the value chain. Several industry associations advocate designing the system in a way that remains compatible with future market solutions, including book-and-claim approaches and more flexible trading arrangements.

Timing, Contracting and Market Design

eSAF producers & suppliers favour longer contract durations to improve project bankability and financing conditions. Flexible batch sizes are preferred to accommodate projects of different scales. Views on auction floor prices vary, with some supporting them as an investment signal while others consider them a distortion of efficient price discovery. Airlines see flexibility, shorter contracting periods and cost control as critical. Industry associations repeatedly highlight the risk that projected eSAF deployment may not keep pace with regulatory targets. They therefore call for flexible implementation timelines, adaptable market mechanisms and policy frameworks that support long-term market development while maintaining competitiveness.

Eligible product and geographic limitation

Several stakeholders supported limiting support to EEA-based production in order to strengthen European industrial capacity, energy security and supply chain resilience. However, others cautioned that overly restrictive geographic requirements could reduce

competition, increase costs and limit access to feedstocks, intermediates or production locations with favourable renewable energy conditions. It was argued that sustainability and emission criteria should be more important than production geography.

Regarding the product, some stakeholders argued that eligibility should not be limited to RFNBO eSAF alone and should also include synthetic low-carbon aviation fuels.

A number of stakeholders emphasised the need for clear, predictable and stable eligibility criteria aligned with ReFuelEU Aviation and EU regulatory frameworks, highlighting the importance of providing regulatory certainty to support investment decisions and project development.

Incentive Effect and Emission Savings

Incentive Effect, Necessity and Proportionality of the eSAF Funding Scheme

Most eSAF producers and suppliers agreed that public support for eSAF is necessary, as production costs remain significantly above fossil jet fuel and biogenic SAF, while early projects face high investment and financing risks. They considered public funding essential to bridge the gap until commercial-scale deployment is achieved.

Across stakeholder groups, there was broad support for aid that is temporary, proportionate and focused on the actual funding gap. Competitive auctions were generally viewed as a suitable mechanism to allocate support efficiently and encourage cost reductions.

Assumptions Used for Demonstrating Incentive Effect, Necessity and Proportionality

Some SAF producers and suppliers considered the economic assessment to be based on simplified assumptions that do not fully capture key cost drivers such as electricity prices, logistics, certification, financing and construction risks.

Stakeholders also criticised the limited number of price scenarios and noted that future eSAF competitiveness depends on uncertain factors including renewable electricity costs, electrolyser performance, CO_2 supply and future regulation.

Airlines further argued that actual costs may exceed benchmark assumptions due to administrative and compliance-related charges. Several stakeholders, including industry associations, also requested consideration of alternative decarbonisation pathways and volume scenarios when assessing proportionality and cost-effectiveness.

Prospects for Cost-Covering eSAF Without State Support

Stakeholders from all groups generally do not expect eSAF to become commercially viable without public support in the near term. Most highlighted the still substantial cost gap to fossil jet fuel and the need for technological learning, scaling effects and infrastructure expansion.

Future competitiveness is seen as highly dependent on electricity prices, hydrogen and CO_2 markets, technology improvements and financing conditions. Consequently, many stakeholders favoured periodic market reviews rather than a fixed phase-out date for support.

Concerns Regarding the Approach for Measuring Emission Savings

Most eSAF producers and suppliers and industry associations supported the use of the Renewable Energy Directive (RED) mass-balance methodology as a practical and recognised system for calculating emission reductions.

However, stakeholders called for greater transparency on lifecycle emissions, renewable electricity additionality, carbon sourcing and safeguards against double counting. Several stakeholders suggested that greenhouse gas performance should play a stronger role in project evaluation and auction design.

Some stakeholders argued that scheme success should also be measured through indicators such as project development, FID, delivered eSAF volumes, supply reliability and progress towards ReFuelEU Aviation targets.

Conclusion

BMIMI thanks all respondents for their valuable feedback.

Overall, stakeholders supported the proposed eSAF funding scheme and agree that public support is necessary to address current financing gaps, accelerate investment and support the scale-up of eSAF production.

Key cross-cutting themes include the need for technology neutrality, project bankability, long-term investment certainty, broad market participation and effective competition throughout the value chain. Stakeholders also highlighted the importance of ensuring that public support contributes to affordability and is reflected in fuel costs faced by airlines.

While support for strengthening European production capacity is widespread, concerns remain regarding project maturity, sufficient production capacity by 2030 and the potential impact of the envisaged eligibility criteria on costs and market development.

With regard to the concerns raised, it should be noted that price formation under the scheme will occur through open, transparent, and competitive auction processes. The restriction of support to RFNBO-compliant eSAF reflects a deliberate policy choice to support only the most sustainable type of SAF. Likewise, supporting production in the EEA contributes to improved European resilience and is line with other European initiatives to strengthen Europe's industrial base.

The inclusion of resilience criteria is intended to strengthen European industrial capabilities, enhance supply chain security, and reduce strategic dependencies. Such criteria will be designed and implemented in compliance with applicable EU and international legal frameworks.

It is acknowledged that the proposed timeframe might be challenging for producers, but the current proposal reflects the practical budgetary constraints of participating Member States. Possible additional flexibility regarding delivery start dates is being assessed.

Overall, BMIMI considers that the scheme will be structured in a manner that appropriately balances policy objectives with the need to preserve fair competition.Legal notice

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