

more aggressive" to meet California's climate goals sooner than codified. The aviation industry already has a drop-in solution – Sustainable Aviation Fuel (SAF) – that can enable the "giant leap forward" Governor Newsom acknowledged we need. SAFpresents an opportunity to substantially reduce GHG emissions by up to 80% in a sector absent decarbonization alternatives, like other industries, and one that remains untouched by California emission-reduction efforts. We'd like to work with you to make another global pace-setting announcement, this time focused on low-carbon aviation.

As we look to "build back better" from both the compounding impacts of COVID and wildfires, we ask that you consider making a \$200M investment in SAF, using existing Cap & Trade Funds, which will create jobs at this critical time, harness burn piles as a feedstock and boost aviation's progress towards cleaner flight. SFO and its SAF Coalition stand ready to help power aviation's contribution to California's post-COVID and wildfire recovery in a way that keeps our state climate-competitive and fuels our industry's energy transition. At a time of federal impasse, consider SAF as a key waypoint in California's pandemic and climate emergency response planning and create a lasting legacy for our state.

We hope to hear aviation, and SAF specifically noted during our Governor's future climate remarks and within the forthcoming Scoping Plan. We're sharing a more detailed primer, attached, that further justifies this important investment in our state's resilient future and a set of specific requests, below, as a first CA SAF Roadmap that we hope to work with you in the coming months to further develop.

DRAFT California SAF Accelerator Roadmap

1. Set an Ambitious State Goal

Accelerate SAF use through goal-setting and resource planning to achieve a 5% SAF use for all flights departing from California in 2025. Surpass proposed federal goals of 35% (via the draft "SAF Act", introduced by Representative Julia Brownley (D-CA26)) and 50% by 2050 by establishing CA-specific targets for 2030 in alignment with, and directly contributing to, SB32.

2. Establish a Grant Program/Sustainable Aviation Accelerator Fund

Assist capital deployment to make it financially attractive to expand the number of facilities producing SAF and the necessary supporting infrastructure by creating a program under GoBiz to offer competitive grants and cost-sharing agreements to carry out projects in the state to produce, transport, blend, or store SAF. Per BAAQMD-Commissioned SAF Study - improve the relative value of SAF through changes in the monetization metrics of key programs (LCFS, Cap and Trade, RFS2, etc.), and 2) generally modify California's GHG-reduction policies to more favorably treat SAF production and/or end use. Consider exploring new pilot program incentives for SAF production and end use, based on air quality benefits associated with reducing criteria pollutants and air toxics in disadvantaged communities near airports.

3. Expand the Low Carbon Aviation Fuel Standard

Closely examine the shortfall that currently exists in the California greenhouse gas (GHG) policy framework itself, and seek to address that shortfall through new incentives that yield co-benefits for Californians and job creating industries. Specifically, under its current rulemaking, the California Air Resources Board shall consider expanding current LCFS crediting of \$1.25/gal by an additional \$0.40 to make it comparable to that offered to on-road fuels (renewable diesel). Further, CARB shall prioritize and expedite review of SAF pathways for the LCFS program and provide carbon intensity reduction for usage of woody biomass that mitigates wildfire risks and avoids burn piles.

4. Explicitly Define Aviation Decarbonization Pathways in Updated Scoping Plan

Aviation is not mentioned once in California's 132-page 2017 Scoping Plan, outlining how the State can reach our 2030 climate target to reduce GHG emissions by 40 percent from 1990 levels, and substantially advance toward our 2050 climate goal to reduce GHG emissions by 80 percent below 1990 levels. Update the Scoping Plan, based upon the <u>Pathways Scenarios</u> developed to meet Carbon Neutrality, to include, incentivize and prioritizes Sustainable Aviation Fuel as a commercially viable drop-in solution to dramatically reduce the sector's growing GHG.

5. Model Economic Development Pathways

Leverage adjacent state investment strategies to dramatically expand California's Sustainable Aviation Fuel sector's jobs, infrastructure and economic development benefits. Serving over 200 million commercial air passengers with 2 million gallons, or 5% Sustainable Aviation Fuel that's produced in California, by 2025 will position our state the nation's decarbonization powerhouse. OPR can support streamlined permitting and environmental review for new or retooled petroleum facilities. GoBiz can make public investments in the SAF industry that can drive our state's economy and dramatically improve the air quality in local communities surrounding airports. Other state/model programs <u>shared here</u>.

6. Set State Travel Procurement Requirements

Require DGS and University of California System to increase utilization of SAF, so that at least 10% of the aviation fuel purchased for business travel is CA/U.S.-produced SAF beginning in Fiscal Year 2022.

7. Join the National Research Agenda

Empower and provide seed funding for scientists, economists and other relevant academics within the University of California System to team with the FAA Center of Excellence for Alternative Jet Fuels and the Environment (ASCENT) to conduct additional research on ways to increase SAF fuel utilization in the aviation sector, the impact of aviation emissions on the climate crisis, and ways to eliminate aviation-related GHG emissions and criteria air pollutants.