

ERA's views on the ReFuelEU Implementation Dialogue: Ramping up renewable and low carbon maritime and aviation fuels production in the EU



On 17th July 2025 ERA, through the representation of Sky Express, participated at the ReFuelEU Implementation Dialogue, organised by the European Commissioner for Sustainable Tourism and Transport. The association's views on the issue presented to the Commission and stakeholders present in the meeting are summarised below.

ERA member airlines believe the ReFuelEU Aviation Regulation is a necessary and commendable step toward aviation decarbonisation. However, the current implementation framework exposes a set of structural weaknesses that risk distorting the nascent SAF market, undermining regional connectivity, and reinforcing internal disparities among Member States. Without corrective action, ReFuelEU may inadvertently create a fragmented and inequitable compliance landscape.

The current implementation is leading not only to an imbalance between Member States, but even more critically, to disparities between individual airports. Fragmentation at the airport level is particularly damaging, as it creates a hyper-localised market in which certain airports evolve into “compliance hubs” or “compliance champions,” accruing economic and reputational benefits due to favourable SAF access. Meanwhile, airports in less connected or smaller Member States face limited availability or prohibitively high SAF prices. In some larger Union airports, airlines are also increasingly confronted with fuel bundling practices, where jet fuel and SAF are offered together as a single, non-negotiable product. This removes the ability -particularly for regional carriers - to independently tender or negotiate fuel contracts. In many cases, airlines must either accept the bundled offer or forgo uplift entirely, resulting in the loss of SAF certificates and compliance credits. The result is a two-speed market where some airlines operate in favourable conditions while others shoulder disproportionate compliance costs.

Treating SAF availability as a purely logistical challenge misses the deeper structural and commercial implications it carries for the aviation sector. Even marginal differences in SAF prices between airports can have outsized impacts on airline operations and competitiveness. For regional and smaller carriers in particular, constrained access and elevated prices not only inflate operational costs but also erode their already limited negotiating power.

These distortions are not limited to cost implications. They directly affect operational planning, forcing airlines to adjust routes and refuelling strategies not according to efficiency or demand, but to the location of accessible and affordable SAF. Over time, this creates a skewed network with imbalanced obligations and opportunities. On a strategic level, this environment undermines ESG credibility and long-term brand positioning, as the ability to meet sustainability goals is increasingly dictated by location rather than ambition or investment. The absence of transparent, predictable pricing further deepens the uncertainty and reputational exposure faced by operators trying to comply in good faith.

These problems are exacerbated by a glaring absence of market oversight. EASA plays an important role in environmental data collection and emissions modelling, but it has no mandate to monitor real-world SAF prices, supply conditions, or market behaviour. As a result, disparities in SAF access go unexamined, and airlines are expected to report uplift volumes without a corresponding institutional



understanding of the structural causes behind non-compliance. Without this kind of oversight, the EU cannot effectively diagnose or address the root causes of SAF market distortion.

A central mechanism that could mitigate this imbalance is the introduction of a robust EU-wide Book & Claim system. Such a system would allow airlines to refuel wherever operationally efficient while being credited with SAF uplifted elsewhere. This decoupling of physical supply from compliance credits would enable greater market efficiency and fairness. In its absence, SAF-abundant locations retain a compliance and economic advantage, while others are effectively excluded from meaningful participation in the green transition.

This imbalance has tangible consequences. It risks entrenching a system of winners and losers within the EU aviation market. Airports and operators with better SAF access gain compliance advantages and economic benefits, while others face disproportionately high costs. This not only jeopardises connectivity in more remote or underserved regions but also drives up ticket prices, as airlines pass compliance costs onto consumers. As a result, the cost of decarbonisation is borne unevenly across the EU, making air travel less affordable in specific geographies. This leads to a form of internalised carbon leakage within the Union -undermining the cohesion and fair competition principles that the internal market is meant to safeguard.

Recommendations

If the EU is serious about making competitiveness and cohesion priorities under the next Multiannual Financial Framework (MFF), then action must be taken now. The SAF market must be treated as a regulated infrastructure network, not an unmonitored patchwork. **A clear mandate should be given to EASA or another EU authority to act as a market watchdog** - monitoring SAF availability, pricing, and market functioning. This should be complemented by **the establishment of a Book & Claim system and a requirement for transparent pricing** across all refuelling points.

As an interim measure, the EU should **establish an annual review of SAF milestones until 2027 to support market efficiency and responsive implementation**. A mechanism should also be introduced to **enable a fast-track revision of the regulation in 2027**, drawing on corrective implementation practices the Commission has previously applied in other sectors.

The airlines network should be recognised as a form of essential infrastructure, where access is governed by principles of fairness, transparency, and appropriate regulatory oversight. Access to this network must not be contingent upon geographic proximity to SAF supply or market leverage. **Regulatory frameworks must ensure that all participants can comply on equal terms**, safeguarding fair access and operational continuity across the EU.

The EU needs to protect with exemptions and regulate with and for those exemptions independently. Exemptions should be used as targeted tools to correct imbalances - not to weaken ambition, but to ensure fairness. They must be designed with clear rules, applied transparently, and monitored independently, so that no operator, airport, or region is left behind in the SAF transition.



Conclusion

Aviation has historically been a vector of cohesion and connectivity in Europe. The SAF transition should reinforce, not erode, these values. The opportunity exists now to correct the course and ensure that ReFuelEU delivers not only emissions reductions, but also a fair, transparent, and competitive internal market for all European airlines.

