



Open letter: Retaining Germany's national e-kerosene quotas: A crucial market signal for the take-off of an indispensable technology

Berlin, 16th September 2024

Dear Federal Minister for Digital and Transport Volker Wissing,
Dear Federal Minister for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection Steffi Lemke,
Dear Federal Government Coordinator of German Aerospace Policy Anna Christmann,

In 2021, the German government published a PtL Roadmap which stated: “to make flying carbon-neutral and sustainable, it is essential to substitute fossil kerosene with kerosene made from sustainably produced, renewable energy sources and raw materials”.¹ To support the market for these crucial fuels, quotas were introduced into German law. In 2026, a minimum of 50,000 tonnes should be used, in 2028 100,000 tonnes, and in 2030 200,000 tonnes. If these quotas were not met, penalties would have to be paid by fuel suppliers.

¹ German Federal Government (2021). [PtL Roadmap](#).

The decarbonisation of aviation will be impossible without e-kerosene. E-kerosene makes by far the biggest technological contribution to getting German aviation to net zero, contributing 20% of total CO₂ emission abatement in 2050.² Despite this, **there has been a large push from the aviation industry to remove these quotas from German law.**³

In a legal analysis commissioned by Transport & Environment (T&E), it was concluded that the German national mandates starting in 2026 continue to remain applicable even though e-kerosene shares starting in 2030 have also been ruled on in ReFuelEU Aviation.⁴ The ReFuelEU Regulation only states a **minimum harmonisation measure**, which gives Member States the opportunity to rule on more ambitious measures than the required minimum set at EU level.⁵

In light of the fact that the German national mandates would remain applicable alongside the ReFuelEU quotas, it must be considered what consequences their removal from the law would have. It is an unfortunate reality that not a single e-kerosene project in the EU has reached a final investment decision to date, not only for aviation's climate impact but also for the potential increase in green jobs that could be brought to Germany.⁶ Peter Smeets and Celine Coridass outlined in a recent paper⁷ that the significant uncertainty around the ReFuelEU quotas and the low confidence in the quotas being upheld hinders investments in this market. They write: "A key factor of long-term security is regulatory stability: **the confidence of market participants that the legislator will not abandon the objective of climate neutral aviation and will adhere to the system of blending quotas is the basis for any willingness to invest**". With this in mind, it becomes clear that the German national quotas set an enormous precedent. If the German government simply scraps their quotas, this makes a farce out of the stability and certainty quotas should provide.

The undersigned, therefore, demand the following:

² Transport and Environment (2024), own modelling using IATA and UNFCCC data (2023).

³ See for example:

<https://background.tagesspiegel.de/verkehr-und-smart-mobility/briefing/nationale-ptl-quote-ist-nicht-erfuellbar>

⁴ European Council (2023). [ReFuelEU Aviation Initiative](#).

⁵ Prof. Dr. Eckhard Pache and Amelie Volkert (2023). *Legal Opinion on the EU-Conformity of national SAF shares for aviation kerosene set out by § 37 lit. a (4a) BImSchG with regard to the Regulation of the European Parliament and of the Council on ensuring a level playing field for sustainable air transport (ReFuelEU Regulation)*.

⁶ Transport & Environment (2024). [The challenges of scaling e-kerosene production in Europe](#).

⁷ Peter Smeets and Celine Coridass (2024). [Core Review Clause pursuant to Art. 17 RefuelEU Aviation Regulation - is regulation failing due to the reality of the slow market ramp-up?](#)

- **Retaining the national e-kerosene quotas:** The German national e-kerosene quotas, as set out in § 37 lit. a (4a) BImSchG, must be upheld in law.
- **Reinstatement of e-kerosene public funding schemes:** The German government must send stronger policy signals to the e-kerosene market by reinstating the e-kerosene funds cut in the 2024 budget. One option to do this would be allocating the penalty revenues to support e-kerosene research, development, and production alongside a fraction of the additional ETS revenues generated by the phasing out of free allowances for the aviation sector. One possible elegant way to use funds would be a revenue certainty mechanism, as is being introduced in the United Kingdom.⁸
- **Transparent legislative process:** Any amendments to the 37. BImSchG should be done through a formal Parliamentary procedure.

⁸ Department for Transport (2024). [Sustainable Aviation Fuels Revenue Certainty Mechanism](#).