

SAF en LAC post COVID 19

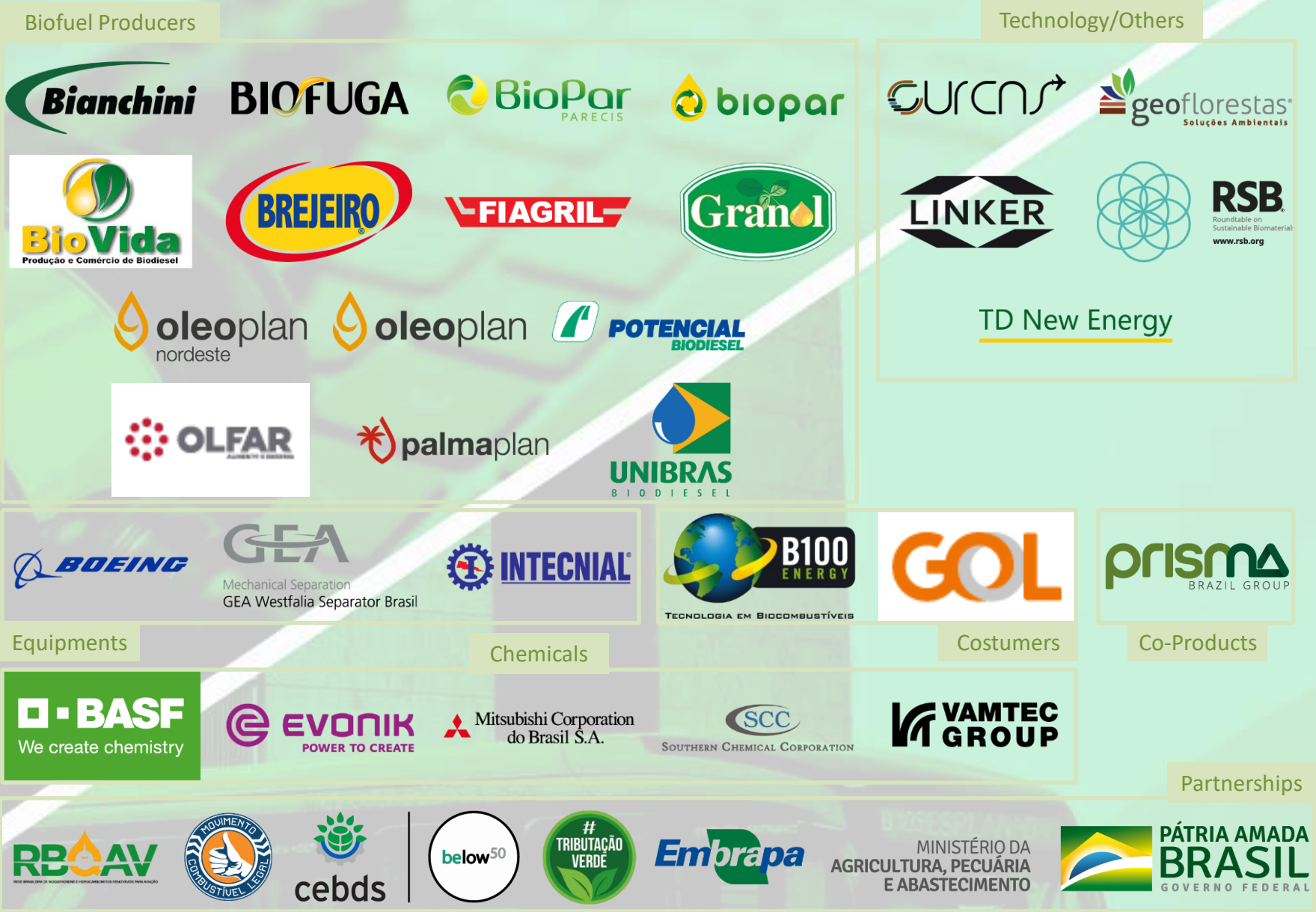
Sustainable Aviation Fuel Initiatives in Brazil

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The Brazilian Union of Biodiesel and Biojetfuel (Ubrabio) is a non-profit association that represents nationally the entire production chain of these biofuels. Since its inception in 2007, the entity has led the segment and acts as an interlocutor between society and government to mobilize and unite efforts, resources and knowledge in the search for the development of the sector.



Sustainable Aviation Fuel Initiatives in Brazil

- Current state of RenovaBio (new national biofuels Policy)
- Discussions of a new act for advanced fuels
- Regulatory act for SAF

RenovaBio Concept: 3 axes vision

Axis 1

National Target for Emissions' Reduction

Fuel Market



Individual Targets

Fuel Distributors (blenders)



Compliance

Investors (Individuals, Enterprises, Funds etc.)

Buy

Stock Market



Income

CBIO

Sell

Buy

otherwise

Penalties and Sanctions

Axis 2

Certification of Biofuels' Production
Life Cycle Analysis



Biofuel Producers

Efficiency Notes (↑energy ↓CO_{2eq})



Axis 3

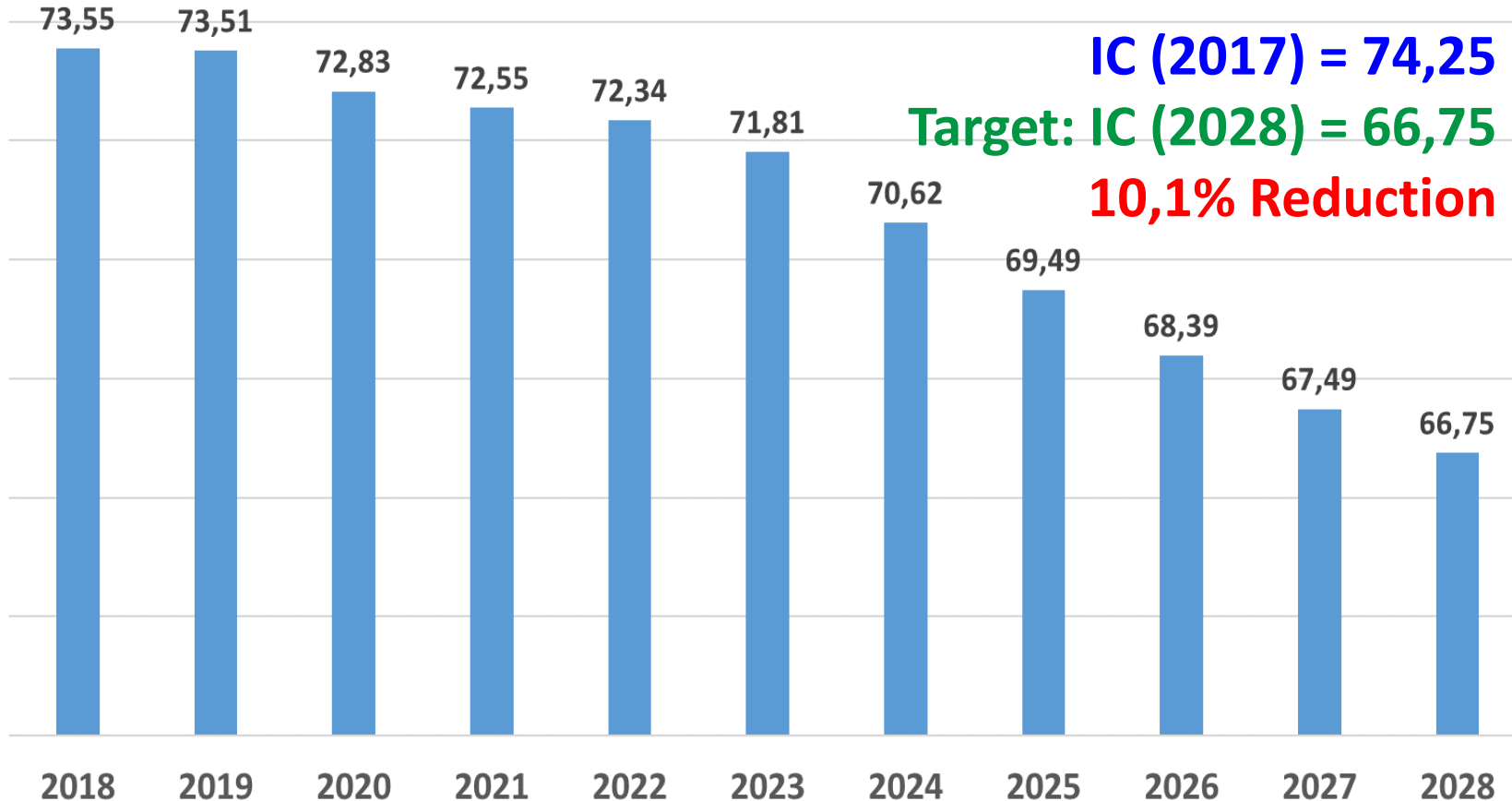
CBIO

Decarbonization Credits

Axis 1: National Target for Emissions Reduction

Recommended by an **Interministerial Council** and defined on **June 2018** by the **CNPE**
Published **10,1% target** (gCO₂eq/Mega Joule) for the **next 10 years**

Carbonization Index (IC) of the Fuel Matrix (gCO₂/MJ) – 2018-2028



Actual Status

- 28.700.000 tonCO₂e national target shared between fuel distributors (updated in 29/may)
- 222 biofuels producers certified to sell credits (updated in 28/aug)

Axis 2: Certification of Biofuels' Production



 **Life Cycle Assessment** from well to tank

 **Efficiency Score** per producer

It doesn't choose the technology

MJ / gCO₂eq



Energy



CO₂ eq



Score



CBio's



Energy



CO₂ eq








Score



CBio's

STATUS: [Renovacalc last update is 11/Aug/20](#), including 9 routes: biodiesel from soy, HEFA from soy, biomethane, ethanol 1st and 2nd G, Sugarcane and corn (domestic and imported), flex (cane + corn)

Axis 3: CBIO – Decarbonization Credits

-  **One CBio** corresponds to a reduction of **one ton of carbon dioxide** equivalent (CO₂eq), in comparison to fossil fuel emissions
-  It is based on the volume of each **invoice of biofuel sold** by producers or importers
-  **Fuel distributors** may **buy CBio** in order to comply their individual targets, otherwise they are liable to **penalties and sanctions**. **Investors** (Individuals, Enterprises, Funds etc.) will also be able to trade CBio, what improves its liquidity and fungibility.
-  CBio implies an **additional income** to producers and importers, beyond the price received for biofuels sales in regular market.
-  CBio credits are **traded at the Brazilian stock exchange market (B3)** since **27/apr/2020**. Recent quotation around R\$ 20,00 or USD 4,00.

A compulsory blend of green diesel, together with biodiesel and fossil diesel would create an environment for new plants of advanced fuels in Brazil.

- Ubrabio started this discussion of a new model for the current biofuels mandate for ground transport, including advanced fuels, that will help SAF production to start.
- Objective is to bring all paths to this discussion (biomass from sugar, oil and fats, residues) opening a new frontier to expand renewable fuels market share and reducing transport footprint, but keeping the existing predictability for all installed industry.

[PLS 506/2013](#), approved in 11/Dec/2017, that establishes the National SAF Program to encourage research and promote the production of energy based on biomass, aiming at the sustainability of Brazilian aviation. Now is being appreciated at chamber of deputies as [PL 9321/2017](#), still open.

Ubrabio is working with ABEAR (Brazilian Airlines Association) to avoid cost distortions to final users, creating an balanced environment with environmental and climate change responsibilities and industry sustainability.

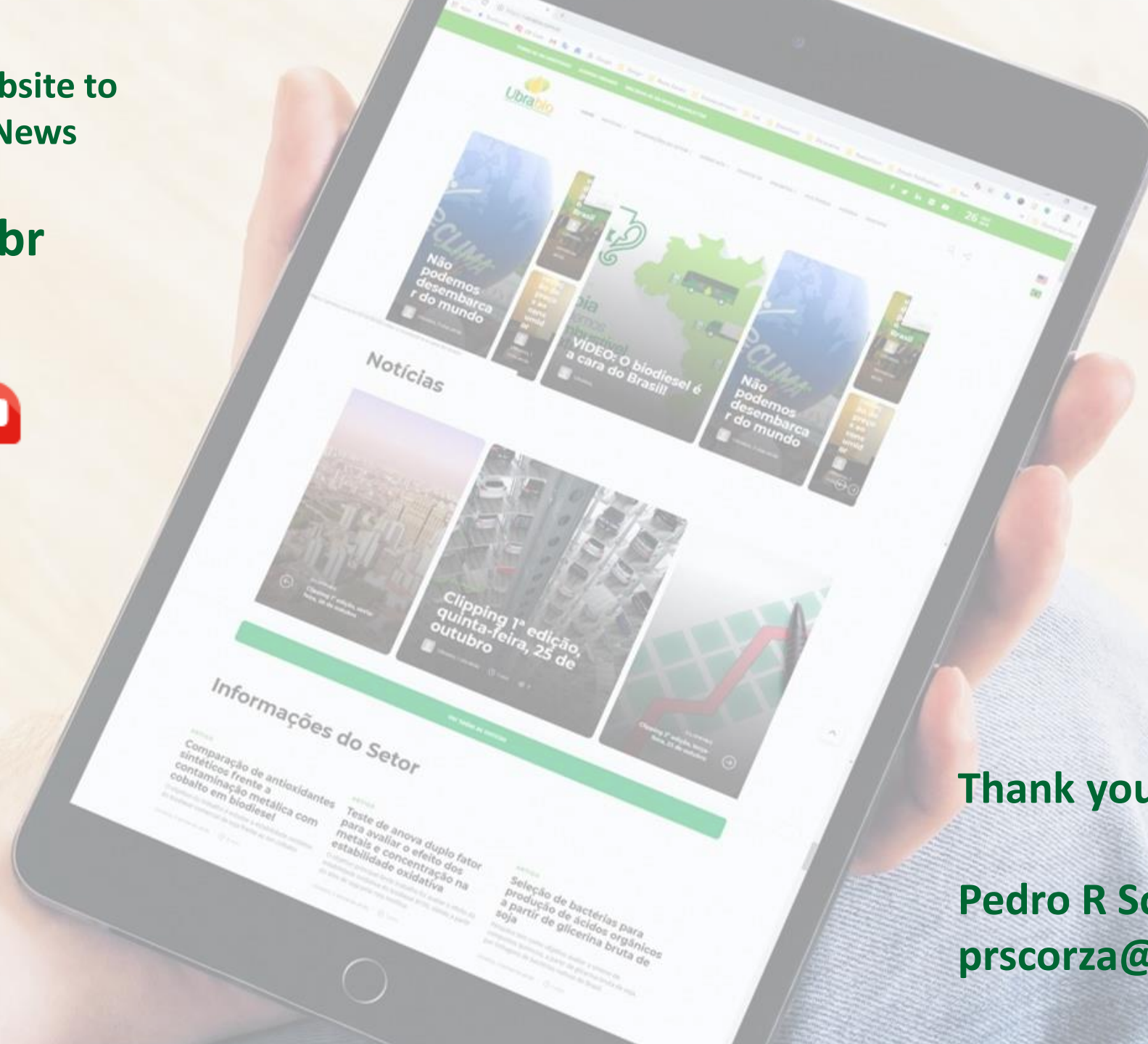
Example of a project being developed in Minas Gerais, Brazil

[PBioZM - Plataforma de Bioquerosene e Renováveis da Zona da Mata](#)

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Thank you!

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