

**SABA Multi-Year RFP Questions and Clarifications:
May 19th, 2023**

SAF Regulation and Incentive Questions:

1. Part c(v) of question 1 of the FAQs references the “SAF Tax Credit.” Is this reference synonymous with the “Blender’s Tax Credit” set forth in section 40B of the Internal Revenue Code?
Yes. The “SAF Tax Credit” referred to in Question 1 of the FAQ is the sustainable aviation fuel credit established in Section 40B of the Internal Revenue Code.
2. Although not listed in part c of question 1 of the FAQs, please confirm that any tax credits that become applicable during the procurement timeframe (2024 and beyond) may also be taken in relation to SAFc procured under the RFP. For example, Washington State has recently adopted a new tax credit that may be applicable to some fuel suppliers (SB 5447).
**The Washington state tax credit passed in SB 5447 may be taken while generating SAFc procured through this RFP.
Currently, SABA expects that most tax incentives not tied to a mandatory aviation emissions reduction obligation may be taken while generating the SAFc procured through this RFP. However, each tax credit or regulatory incentive will have to be evaluated on a case-by-case basis for consistency with the Atmospheric Benefit principle outlined in Section 5 of SABA’s Sustainability Framework.**
3. I see you take certain US SAF reduction initiatives into account, but are there any European ones you will also accept?
SAF used to comply with European state-level blending mandates such as the mandates in force in France, Sweden, and Norway will not be eligible to generate SAFc sold through this RFP. SABA will evaluate new or other European SAF-related incentives and their alignment with SABA’s Atmospheric Benefit principle on a case-by-case basis. Please reach out to SABA if you have a question with respect to a specific incentive’s eligibility.

SAFc Registry Questions

1. Could fuel that is already tracked in one system also be tracked in the SAFc registry?
**The SAFc Registry will be a central electronic ledger system where SAFc can be issued, transferred, and retired. Retirement in the SAFc Registry indicates who holds the rights to claim the associated emissions reductions.
SAFc that is issued in another registry for environmental attributes, such as Avelia, cannot be simultaneously registered in the SAFc Registry. There is currently no way for units to be transferred from one registry to another. Physical fuel may also appear in other systems meant to track, for example, chain of custody.**
2. Per Part 3.1.A(1) of the RFP, if the offtaker of the physical fuel and Scope 1 SAFc is not yet known, please confirm that no issues will arise with respect to the SAFc Registry, the guidebook for which stipulates on page 2 that a SAF end-user reduction claim "cannot be issued without a linked [scope 1] SAFc."

The offtaker of the physical fuel and/or the Scope 1 SAFc is not required to be known at the time the proposal is submitted, though we encourage you to provide as much information as is available at that time.

The Scope 1 SAFc claimant must be known by the time the SAFc units are to be transferred to the Scope 3 SAFc holder, however, as the claimant of any Scope 1 SAFc must be listed on the certificate, hold an account and retire the Scope 1 SAFc in the SAFc Registry before the Scope 3 SAFc holder can do so.

3. With respect to Part 3.1.D(2)(d), will a selected Respondent have to disclose to the SAFc Registry the incentives and tax credits delineated in question 1 of the FAQs? If yes, why, particularly given that Section 5 of the SABA Sustainability framework only alludes to “compliance obligations”?

Yes. All incentives and tax credits taken in relation to the SAF generating the SAFc sold through this RFP must be declared in the SAFc Registry. Transparency is critical to build credibility at this early stage of SAF market development, given evolving regulatory and incentive schemes for SAF and disagreements among market players as to what constitutes a “compliance obligation.”

4. What is involved in registering and becoming a certified RSB / ISCC Participating Operator (section D1)?

Registering to become an RSB Participating Operator takes place through an application process. To apply, click “Apply Now” at the link provided, and select “Trader” as the operator type on Page 4 of the application (<https://rsb.org/get-certified/>)

There is currently no ISCC equivalent of the RSB Participating Operator certification.

5. **Questions Related to Scope 1 SAFc Retirement:** *“Respondents are required to ensure that the air carrier claiming the Scope 1 emissions reductions related to the Scope 3 SAFc purchased under this RFP will retire the Scope 1 SAFc in the SAFc Registry no later than when requested by the current Scope 3 SAFc holder.”*

- a. Does this mean that any associated sold Scope 1 claims have to be attached to an airline that is also connected to the registry? What if the Scope 3 claims are split across a number of different airlines? Do they all need to register in the registry?

Yes. The claimant of any Scope 1 environmental attributes must hold an account and retire the Scope 1 SAFc in the SAFc Registry. If there are multiple air transport providers holding the Scope 1 SAFc associated with the Scope 3 SAFc sold through this RFP, they must all have accounts in the SAFc Registry.

- b. Please clarify the timeframe for this requirement, e.g., within 5 business days?)

There is no timeframe per the SAFc Registry requirements, but SABA requires all SAFc purchased through the SABA RFP to be available for retirement by the Scope 3 Customer when requested at any point after the transfer of the Scope 3 SAFc into the Customer’s account in the SAFc Registry. The SAFc Registry will require the retirement of the associated Scope 1 SAFc prior to the retirement of a Scope 3 SAFc. The exact timeframe for requiring the Scope 1 retirement after a request is received by the Scope 3 SAFc holder will be agreed upon in the SAFc purchase contract.

- c. Please provide more detail and explain the intent of this requirement. Are there temporal cutoffs? Fuels delivered at year end may not be utilized in wing until the following year. As a producer, we may not control when our customer uses this fuel.
As stated above, the SAFc Registry will require the retirement of the associated Scope 1 SAFc prior to the retirement of a Scope 3 SAFc. SABA seeks to ensure the holder of the Scope 3 SAFc can retire the SAFc at any point after the SAFc is transferred to their account in the SAFc Registry.
Scope 1 and Scope 3 SAFc are issued in the SAFc Registry after the point of blending, so the timing of use of the physical SAF in wing will not limit the retirement of the Scope 3 SAFc. (Regardless, in almost all cases it is highly likely that the fuel will have been burned before SAFc retirement.)
6. Regarding chain of custody documentation, is a product transfer document sufficient?
Yes.
7. Within the SAFc Registry, will Scope 3 customers have visibility into the Scope 1 credits and physical fuel associated with their Scope 3 credits? (Eg, will scope 3 customers have access into which airline purchased the associated SAF).
Scope 3 SAFc holders will have visibility into the linked Scope 1 SAFc holder in the SAFc Registry at retirement.

Pricing/Volumes Questions

1. Through the RFP it seems SABA will be able to derive total SAF Price from respondents – is there a plan to publish or share these prices (Section 3.2, A2)?
As noted in Part 8 of the RFP, SABA may publish pricing ranges or average values provided in the proposals if four or more proposals are submitted.
2. With respect to Part 3.2.A(1), should respondents provide the price per gallon in terms of neat or blended SAF?
Price per gallon should be given on a neat SAF basis.
3. Can we propose multiple term lengths with different price premiums?
Yes.
4. What price point is SABA aiming for? Even a range would be helpful
To ensure a competitive process and avoid potential price-setting effects, SABA will not provide a targeted price point or range.
5. The RFP highlights a few elements under pricing and stability (favorable price stability, demand flexibility, price calculation transparency) that would be looked upon favorably. Can SABA please expound on the following elements and how they will be evaluated?
On behalf of its Customers, SABA is seeking proposals that limit year-to-year price volatility, allow for some fluctuations in demand, and provide insights into key SAFc price components. As this is a new and rapidly evolving market, there is no direct precedent for how to structure these

elements, and SABA has chosen not to prescribe specific approaches. Instead, we are providing respondents with the flexibility to propose their own innovative deal terms. In future RFPs, SABA will likely be able to provide more detail as to how the different evaluation criteria will be considered.

6. Would pending SAF deals/ offtake agreements count towards this RFP or does the offtake agreement need to be executed by the time the RFP is submitted (or what is the deadline for executed offtake)?

Yes, pending offtake agreements will be considered in this RFP. Respondents should qualify proposals with pending offtake agreements with discussion of plans to finalize the offtake agreement. The lack of an executed offtake agreement should be indicated in your proposal when describing the SAFc volumes offered, and the volumes that are backed by an executed offtake agreement should be clearly differentiated from those that are not.

7. Will SABA select to purchase SAF for every year outlined within an applicant's proposal, or may the SABA management team select favorable years individually from within the application? (Eg, the applicant may propose to supply fuel from 2025-2028, but SABA will choose to only procure fuel from this applicant from 2027 onwards)

It is possible that SABA could request to purchase SAFc only from some years within the proposal. Please indicate within your proposals whether the time periods proposed for delivery must be taken as a whole, or if there is flexibility to break out individual years, and whether/how doing so would impact pricing. More detailed discussions can be held once the shortlist of Respondents has been selected.

Sustainability/LCA Questions

1. Is there an additionality benefit? Will new projects be prioritized?

Though additionality of SAF manufacturing capacity is not an evaluation criterion in this RFP, SABA is eager to see proposals from advanced SAF producers looking to scale their production capacity. SABA's Sustainability Framework does, however, require that the SAF align with SABA's Atmospheric Benefit Principle.

2. We have reviewed and would like to know if SABA revised their Sustainability Framework based on feedback SABA received or is the document unchanged from December 2022? If it has changed could you please point us to the changes

SABA has not updated the Sustainability Framework since its release in December 2022.

3. Concerning the requisite sustainability certification (e.g., RSB or ISCC CORSIA), please confirm that that certification may be obtained subsequent to the submission of a proposal and prior to the point of SAFc sale.

The certification requirements described in Section 4 of the SABA Sustainability Framework must be met by the SAF generating the SAFc prior to SAFc issuance in the Registry but not prior to the submission of a proposal.

4. What LCA models will SABA allow? Argonne GREET?

SABA requires SAF to be evaluated using ICAO's LCA approach as described in Section 3 of the SABA Sustainability Framework. At this time, use of the Argonne GREET LCA model alone (i.e. not applied and verified) is not accepted as there is no established and third-party certifiable methodology for the application of the Argonne GREET model to ensure consistency between fuels.

5. To our knowledge, CORSIA and correspondingly ISCC/RSB certification schemes have not yet incorporated default emission values and provided specific guidance for the lifecycle analysis of PtL derived SAF. How does SABA recommend approaching this? The FAQ includes other methods –such as RSB EU or ISCC EU can be used. Again, these schemes have not included PtL at this time (pending finalization of delegated act and subsequent approval of schemes with the European Commission).

SABA is currently developing a policy for the LCA of SAF produced through the Power-to-Liquid (PtL) conversion process. This policy will be heavily informed by the RSB standard for advanced fuels, which describes the requirements for the production of advanced fuels, including “electrofuels (e-fuels).”

[Microsoft Word - RSB-STD-01-010-RSB Standard for advanced fuels 2.5.docx](#)

6. How does SABA account for carbon negative SAF, i.e., carbon removals as part of the SAF production process (in sector, not out of sector)? Both CORSIA and Argonne GREET allow for carbon negative CI scores.

In alignment with the Science Based Targets Initiative (SBTi), SABA will not credit negative SAF LCA scores in calculating emissions abatement quantities. The minimum SAF LCA score allowed for this purpose in the RFP will be 0 gCO₂e/MJ. SABA's position on out-of-sector removals is described Section 3.3 of the SABA Sustainability Framework.

Soil Carbon Sequestration:

There is debate over whether soil carbon sequestration occurs within or outside the SAF value chain. SABA has decided against counting these removals toward SAF carbon intensity values in the calculation of actual LCA emissions given this debate as well as significant additional concerns regarding permanence, leakage, and inconsistent methodologies for crediting soil carbon sequestration.

Carbon Capture and Sequestration (CCS)

SABA currently considers CCS an in-sector carbon removal if the carbon is captured directly from the SAF conversion process. However, SABA continues to evaluate this position and may update requirements for CCS in the future. Any contribution by CCS to the SAF's LCA value must be listed separately, and the Respondent should provide supporting documentation as possible as described in Section 3.2B of the RFP.

7. Are fuels with ISCC+ certification acceptable to SABA? Under this certification we use sustainable feedstocks that meet your requirements, in a co-processing facility like a refinery and attach the green attributes to the jet stream.
ISCC PLUS is an accepted certification.

Other Questions:

1. Is there a draft document, required format or any specific information required to be included in the Letter of Intent?
There is no draft document or required format for the Letter of Intent (LOI). The LOI should include the following information:
 - **A statement indicating your intention to submit a full proposal.**
 - **Anticipated volume of SAFc (in tons of CO₂e) you plan to make available, on a year-by-year basis.**
2. May fuel producers submit a proposal and also be the named supplier on a separate commercial air carrier's proposal?
Yes. In the fuel provider's individual proposal, please indicate whether the volumes offered are different than the volumes offered in the joint proposal with the air transport provider, and how the volumes may vary if one or both of the proposals are selected.
3. Is there a form draft definitive doc for SAFc purchases we can reference?
No. Detailed discussion will be held with the shortlisted respondent(s) regarding specific contract terms.
4. Are there any bid fees / bid bonds? Any credit requirements at execution of the offtake contract?
There are no bid fees or bid bonds, or credit requirements to participate in the RFP.
5. What are the credit profiles of the counterparties we are supplying?
SABA cannot provide credit ratings for the counterparties whose demand is aggregated in the RFP. To better understand the profile of the potential Customers, see the list of SABA Members here: [About SABA - Accelerating the transition to net zero aviation \(flysaba.org\)](https://www.flysaba.org)
6. **Name and location of production facility:** At the moment since we are building our first SAF facility, we source volumes from a number of different locations and also deliver to a range of airports. Do we need to already confirm the production route & delivery airport within the RFP, or is there room for flexibility to provide those details once a batch has been secured?
A description of the expected production routes and delivery airports should be provided to the degree possible in your proposal. If unknown, provide as much information as available.
At the point of SAFc issuance in the SAFc Registry, the exact locations of production and uplift of the fuel will be required.
7. Delivery outside the US: Are you open to delivery outside the US on a Book and Claim basis?
Yes. This RFP is open to SAF from any jurisdiction provided it meets the requirements described in the RFP.
8. Does SABA currently have intent for a subsequent RFP. If so, when would that be issued?

SABA plans to issue future RFPs. These RFPs will be issued as further demand from Customers is aggregated, which depends on several variables such as SABA member growth, growing demand from existing SABA members, and the outcome of the ongoing RFP. Due to this, the next issue date of the RFP is uncertain.