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Renewable energy takes to the skies

Strictly Embargoed Until 12:01am

On behalf of the Australian Government, the Australian Renewable Energy Agency has today opened a \$30 million funding initiative to reduce emissions in the aviation sector.

Australia's aviation industry accounts for roughly 1 per cent of Australia's greenhouse gas emissions and is viewed as a hard to abate sector. Most of these emissions are from medium to long haul flights.

The Sustainable Aviation Fuels (SAF) Funding Initiative aims to support the development of a SAF industry with production from renewable feedstocks in Australia.

The SAF Funding Initiative will examine opportunities across the supply chain from renewable feedstock supply to final fuel production, identifying their requirements to enable and scale a domestic SAF industry.

The open initiative will welcome applications seeking ARENA grant funding between \$1 million and \$30 million via a two-stage application process.

ARENA is seeking proposals for commercial or pre-commercial SAF production with funding provided to support engineering feasibility and project development activities or funding for pilot scale and pre-commercial demonstrations.

ARENA will also seek proposals with novel and scalable approaches across the supply chain. This could include innovation in feedstock supply such as aggregation or business models to enable domestic SAF production.

Proposals will be required to demonstrate that they use or process an eligible renewable feedstock and production pathway. Power to Liquids (PtL) or E-fuels production pathways are not supported under the Funding Initiative.

Modelling by [McKinsey & Co](#) has estimated that SAF could result in a net reduction in emissions from the global aviation sector by up to 30 per cent by 2030.

SAF is experiencing high global demand while its supply remains limited. Although Australia currently lacks local production of SAF, it possesses significant potential in renewable feedstocks that could be harnessed to meet both domestic and global SAF supply needs.

ARENA CEO Darren Miller said the funding initiative will help Australia understand how SAF can play a role in decarbonising the aviation industry.

"For a country so reliant on aviation for passenger and freight transport, it's essential that we find ways to reduce emissions from this critical sector," Mr Miller said.

"With abundant agriculture, waste and residue resources, Australia has the potential to support a thriving domestic biofuel industry.

This is about utilising our natural advantages to reduce emissions and make the most of the economic opportunities on offer."

The SAF initiative seeks to deliver on the findings of ARENA's [Bioenergy Roadmap](#) which found that sustainable aviation fuels produced from renewable biomass could provide up to 19 per cent of Australia's aviation fuel requirements by 2030.

Published in 2021, the Bioenergy Roadmap outlined how a local bioenergy industry could contribute about \$10 billion in extra GDP by 2030 and result in an additional 26,000 new jobs.

Applications for the SAF initiative are [open now](#), with expressions of interest due by 1 November 2023.