



# **SAFc Provider Clarification Questions and Answers**

## **RFP for Next-Generation Supply of SAF Certificates**

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## A. Feedstock and carbon intensity

**1. Will CO2 source be a factor in evaluating proposals? I.e., will proposals including biogenic CO2 be prioritized over fossil CO2 sources?**

SABA will prioritize proposals that meet the specified sustainability criteria, offer competitive commercial terms, and have a high likelihood of on-time startup. If multiple proposals meet those objectives equally, additional factors, such as CO2 source, could come into play, based on buyer preferences.

**2. Would SAF produced from UCO be considered eligible under SABA Advanced if it meets the SABA Advanced criteria specified in SABA's Sustainability Framework?**

While SAF produced from UCO that achieves the SABA Advanced add-on certifications specified in the sustainability framework would be considered SABA Advanced, it is unlikely to be competitive in this RFP process. One of the goals of this RFP is to send a strong demand signal for SAF with significant scalability potential, as noted in sections 1 and 2A of the RFP. We plan to ask further questions to the short-listed Respondents about each facility's feedstock scalability potential.

**3. If a portion of the feedstock came from low-ILUC risk sources, would a mass balance approach allocating the favorable attributes to SAF for SAFc generation be accepted?**

This approach will be acceptable if the provider is able to get separate certificates that list only the qualifying feedstocks and their associated carbon intensities. If you wish to pursue this route, please specify the certification options that will allow for this in your proposal.

**4. Does SABA accept feedstocks that were included on ICAO's positive list published in October of 2024?**

In the Sustainability Framework, SABA specified one of the ways providers can meet the SABA Advanced criteria is by using a feedstock that has a CORSIA default ILUC LCA value of less than or equal to 0 per the March 2024 ICAO positive list. SABA will also accept feedstocks on the ICAO positive list from October 2024.

**5. How flexible will SABA be on the 85% carbon intensity reduction? What is the reasoning behind including it as a strong preference and not a requirement?**

SABA is offering flexibility on the 85% carbon intensity reduction threshold for two reasons:

- 1) We anticipate there will be producers who are targeting an 85% carbon intensity reduction, but will need to commit to a slightly lower carbon intensity for the actual contract to allow for operational fluctuations.
- 2) Because carbon intensity is on a gradient, we didn't want to rule out proposals that are just shy of the 85% carbon intensity reduction threshold that may otherwise have attractive commercial terms and a high likelihood of on-time start-up.

In terms of the level of flexibility for the carbon intensity, all proposals must meet the SABA Eligible tier's 60% reduction threshold as an absolute minimum. However, since this procurement is targeted towards advanced SAF and anticipated to have a premium compared to commercially available SAF today, proposals closer to the 85% carbon intensity target will be the most attractive.

## B. Production pathways

**6. What are the electricity requirements for proposals outside of the eFuels pathway? Will SABA recognize CI reductions made by non-eFuel producers procuring EACs for 45Z?**

Due to the nascency of the eFuel pathway, and in anticipation of potential new eFuel certifications that could be released between now and first certificate deliveries associated with this RFP, Respondents using the eFuel pathway may submit proposals that do not currently meet an existing certification but would meet the requirements of 45V at the time of RFP publishing.

Non-eFuel proposals should meet the electricity requirements and use LCAs that align with existing certifications for those pathways. The SAF carbon intensity associated with those certifications will be used for contracts executed through this RFP. However, non-eFuel Respondents are welcome to provide a second carbon intensity value calculated in line with the 45V electricity requirements at the time of RFP publishing that could allow SABA to more easily compare the carbon intensities of different responses when assuming the same electricity requirements.

**7. Will the RFP requirements be modified given the announced potential changes to 45V?**

While the RFP requirements will remain unchanged, potential updates to the 45V guidance may reduce the likelihood that a future eFuel certification will align with the 45V criteria as defined at the time of original RFP publication. Respondents intending to align their proposals with 45V are encouraged to share any insights they may have regarding the anticipated trajectory of future eFuel certifications. Providing such information can help increase confidence in selecting a proposal that is more likely to meet certification requirements by the time the first certificates under this RFP are issued.

**8. How are you anticipating to make eSAF projects competitive in this process if SABA aims to maximize contracted volumes (e.g., optimize on price)?**

Based on preliminary survey findings, SABA believes SAF certificates from both eFuel and advanced biofuel facilities can be competitive in this RFP.

**9. Can providers submit proposals for co-processed SAF?**

SABA will accept proposals for co-processed SAF into this RFP.

**10. Will pathways that are not yet ASTM-certified be eligible for submission to this RFP?**

Yes, SABA will accept proposals for SAF production pathways that are not yet ASTM certified. If the production pathway used is not yet ASTM certified, we ask Respondents to provide as much detail as possible on next steps towards certification.

## C. Respondent considerations

**11. What is the target SAF provider for this RFP?**

The target Respondents of this RFP are SAFc providers (either SAF producers or an air transport provider, acting as the lead Respondent in partnership with a SAF producer) who submit offers to sell the Scope 3 attributes from a pre-FID facility planning to produce next-generation SAF.

**12. How is SABA evaluating providers? What are its priorities?**

As specified in section 4A of the RFP, SABA will prioritize proposals that meet the sustainability criteria, offer a competitive price, and have high likelihood of on-time startup. The questions in the RFP were formulated to help SABA determine those factors.

**13. How does SABA expect a combined offering between a fuel provider and airline to compare to a standalone offering from a fuel provider?**

SABA expects a combined offering between an airline and a fuel provider may provide cost benefits that result in a lower effective price paid by the corporate customer, in addition to greater flexibility on term length. SABA also sees a combined offer to be competitive from a risk perspective because of the additional assurances from the airline's evaluation prior to moving forward with an RFP submission. Similar pricing and contract benefits and/or assurances could also be provided through a fuel provider submitting a joint response with a non-airline partner, specifying other partners in the proposal, and detailing necessary assurances through supplementary materials and clear information within their submission.

**14. What does it mean for an airline to respond 'in partnership with' a fuel provider?**

There are no specific requirements for what it means for a producer and airline 'to be in partnership'. As long as an airline names the production facility, can fill out all the required information in the template, and has the ability to quickly contact the producer for any clarification questions after the proposal submission period, that should be sufficient. Airlines and fuel providers are not required to have any formal agreement with each other until the buyer offtake is secured, but we would encourage entities wishing to partner together to discuss contracting terms ahead of time to ensure an efficient contracting process with the corporate customer.

**15. Should a provider submit separate proposals for each SAF plant?**

Yes, each submission should include details on one facility.

**16. Can fuel providers submit one offer with multiple airline partners for the same facility?** SABA will accept offers from one facility with multiple Scope 1 offtakers (e.g., airline partners). However, please note that SABA intends for its Buyer members to pay consistent prices for the same terms. If you are responding with multiple Scope 1 offtakers, please include details in your proposal for how Buyers can pay similar prices for the same terms.

**17. Does SABA intend to select one or multiple winners?**

SABA anticipates that based on the currently targeted Buyer demand, this procurement will be most impactful if the full volume is dedicated to one facility. However, depending on final demand volumes and RFP supplier responses, we are not ruling out more than one RFP winner.

## D. Scope 1 attributes

**18. What is SABA's expectation for treatment of Scope 1 attributes? What type of entity can receive the Scope 1 attributes of SAF sold through this RFP?**

SABA does require that Scope 1 attributes are not being used towards a mandate, consistent with the Atmospheric Benefit Principle. Consistent with registry rules, SABA requires the Scope 1 offtaker to be an air transport provider or an air freight carrier who must retire the Scope 1 attribute prior to retirement of the Scope 3 attribute. SABA does not require the Scope 1 attribute to be sold at the time of responding to this RFP.

**19. Will the scope of this RFP include Scope 1 attributes for purchase?**

The scope of this RFP is for Scope 3 attributes only. SABA encourages fuel providers to specify whether they have an offtaker for the Scope 1 attributes, and any cost benefits that may bring to their proposal.

## E. Production facility timing, size, and location

**20. Is there a minimum production threshold to participate in this RFP?**

There is no minimum production threshold to participate. While SABA is most likely to select one winner with an available offtake volume in the demand range specified in the RFP, it is possible that a smaller facility could be selected, on its own or in combination with another facility, subject to the final volumes from Buyers based on the final winning Respondent's terms.

**21. Are there any geographic limitations to submitting a proposal to this RFP?**

There are no geographic limitations for submissions to this RFP, so long as they meet the criteria required for proposals, including compliance with SABA's [Atmospheric Benefit Principle](#). Note that SAF and the associated certificates from regions covered by mandates are acceptable, as long as the specific SAF and associated certificates are not going towards those compliance obligations.

**22. If an air transport provider is responding, does the facility need to be pre-FID?**

Yes, the facility requirements will remain consistent regardless of who the lead RFP Respondent is.

**23. Does SABA require a certain stage of pre-FID for a facility to be considered eligible? What level of approvals are needed in advance of submitting a proposal?**

SABA is targeting pre-FID facilities for this RFP. We are conscious that pre-FID can have a wide range of pre-approval stages. Our hope is to receive proposals with a high chance of reaching FID, whether that means volumes from this RFP will be the deciding factor towards FID, or that there are still various other approvals before reaching that point. We ask that Respondents provide any details and supporting documentation speaking to the confidence level that can help SABA select a proposal while minimizing risk.

**24. What information or documentation are you hoping to receive to establish that a project has a maximized delivery certainty?**

Section 5 of the RFP Response Questions provides a detailed description of the types of questions SABA will use for evaluation. We highly encourage Respondents to include any supporting documentation they believe will help demonstrate likelihood of on-time start-up of their facility. If more information or documentation is needed following receipt of the RFP Response, we will reach out to Respondents directly.

## **F. Additionality and policy requirements**

**25. What regulatory programs for SAF qualify under SABA's Atmospheric Benefit Principle?**

A non-exhaustive list of programs that do and do not meet SABA's Atmospheric Benefit Principle can be found [here](#).

**26. How will SABA adjust for changing rules on additionality over time?**

While SABA is constantly monitoring additionality guidance from governments and other stakeholders, and may consider updating our additionality rules over time, this RFP will be subject to SABA's additionality rules at the time of RFP publishing.

**27. What is SABA's view on (long-term) policy risk in the offtake agreement?**

Policy risk will need to be assessed for each policy and facility respectively. Any degree to which Respondents can share their own insights on policy risks that could impact their facility and mitigation plans if a relevant policy is altered will be helpful in reducing uncertainty with the proposal.

## **G. Registry and certification criteria**

**28. At what time does SABA require SAFc providers obtain their trader certification?**

SABA requires trader certification to be obtained before delivery timelines begin. Trader certification will not be required at time of RFP submission, but specifying the anticipated timeline of certification would be helpful.

**29. What are the current registries eligible under the SABA-eligible registry list?**

The list of SABA Eligible registries can be found [here](#).

**30. Will current registry requirements be applicable at the time of SAFc delivery?**

SABA intends for its SABA Eligible registry criteria to remain stable. We would expect that those registries that qualify today will qualify over the course of future years, however we cannot ensure this. Any adjustments made will be done with ample prior communication between SABA and the registries.

In terms of the operational rules within each registry, registries are operated independently of SABA and this RFP, thus SABA cannot determine if registry rules and requirements will change between now and when SAFc deliveries begin for this RFP.

## H. Accounting considerations

**31. What are SABA's requirements around book and claim, from an accounting perspective?**

Stakeholders are encouraged to follow the [SAFc Emissions Accounting and Reporting Guidelines](#) for any accounting considerations.

**32. Will this RFP allow for multi scope recognition across the value chain? For example, can a producer sell Scope 3 SAFc to shippers as well as accepted freight forwarders?**

In accordance with the GHG Protocol Corporate Standard, only one entity may claim Scope 1 emissions, but multiple entities may claim the same Scope 3 emissions, provided the claims occur at different points in the value chain.

The most recognized co-claiming scenario involves a logistics provider (e.g., a freight forwarder) and their aviation customer (e.g., the shipper) both benefiting from the same Scope 3 SAF certificate. However, this scenario is unlikely to apply to this procurement. Several Scope 3 Buyers participating in this process are seeking to address business travel emissions, which typically do not involve a freight forwarder. As such, it would not be appropriate for a freight forwarder to claim certificates associated with those emissions.

If Respondents wish to propose any co-claiming arrangements for Scope 3 certificates under this RFP, they must clearly explain how the proposed claims relate to distinct and appropriate segments of the value chain.

**33. Can an airport claim the Scope 3 reductions when the physical SAF with environmental attributes passes through their airport if the SAFc are sold to a different Scope 3 purchaser?**

If the airport tracks the physical SAF delivery (e.g., through its fueling infrastructure or supply chain), it may reflect the associated emission reductions in Category 11.

## I. Pricing

**34. What inputs should be included in the "cost of production"? Why does SABA require this level of commercially sensitive information?**

The specific cost inputs SABA would prefer to see, as specified in tab '3a. Volumes and Pricing' in the RFP submission template, include cost of production, fossil jet price, expected incentives, premium contribution from 3<sup>rd</sup> parties, and other costs. Respondents are welcome, but not required, to provide a breakdown for cost of production. SABA requests these costs inputs for a few reasons:

1. To assess potential cost ranges for non-fixed pricing structures
2. To assess risk (e.g., are any proposals using incentives that could decrease or disappear)
3. To understand differences across proposals (e.g., is one producer assuming a higher fossil price compared to another)

**35. In section '3.a.1 Pricing and Volume', Respondents are asked to include "expected incentives." If the incentives have already been secured, should they be included in that line item?**

Yes, SABA requests that the "expected incentives" line item be inclusive of all secured or expected incentives for the project.

## J. Evaluation process, results, and future procurements

**36. How can Respondents reflect distinctive features of their proposal that might not be included in the current list of RFP questions?**

Respondents are welcome to share distinctive features of their offer directly in the RFP through "Additional Information" cells or through inclusion of additional supplementary materials.

**37. How will the confidential information be shared with the corporates in the RFP process?**

As specified in section 8, SABA shall keep all information received from the Respondents during the RFP process confidential to within the SABA Management Team and participating Buyers. The SABA Management Team and participating Buyers shall take care to prevent any Respondent from gaining access to the information contained in any other proposal besides its own.

SABA will follow up with all Respondents who submit an LOI to provide more details on the aspects of the RFP response we plan to share with the participating Buyers, and detail the existing confidentially agreements that Buyers have signed. At this time, Respondents can let SABA know if any additional NDAs would be preferred to cover sharing of select RFP response information with participating Buyers.

**38. Are there any legal or procedural implications if a submitted offer becomes unavailable during the time between proposal submission and selection of the winner(s)?**

While there would be no legal implications, SABA would appreciate notification ASAP if any submitted proposal needs to be altered or withdrawn to ensure proper evaluation of the remaining proposals.

**39. How does SABA plan to publish the results of this RFP?**

As specified in section 8 of the RFP, if SABA Management receives at least four proposals, the pricing ranges and/or average value of proposals in this RFP round may be published publicly. SAF volumes and net emission reductions from this RFP process may be published. Respondents may authorize, via written consent, the inclusion of details beyond volume and emissions reductions.

**40. Does SABA plan to run future rounds of RFPs focused on next-generation SAF and pre-FID facilities?**

Yes, SABA intends to run future rounds of RFPs similar to the structure of this one, with potential modifications based on the success and feedback from this first next-generation RFP process.