From: IATA – CORSIA [mailto:corsia@iata.org]
Sent: Wednesday, November 24, 2021 4:47 AM

To: Jes Halim Nauckhoff <nauckhoffj@iata.org>; Yue Huang <huangy@iata.org>

Subject: IATA CORSIA Update Nov 2021



24 November 2021

ICAO CAEP Survey: Review and Input to MRV Unit Cost

As part of analyses on CORSIA in response to Council requests, the ICAO CAEP Working Group 4 CORSIA Technical Analyses group (CTAG) is conducting first order analyses of the potential costs associated with the Monitoring, Reporting and Verification requirements under CORSIA. This work builds on prior and similar analyses that were conducted by CAEP in 2017-2018. One of the inputs considered by CAEP is the unit costs associated with operators' MRV tasks. The table below describes the different costs areas considered for two types of operators; (1) aeroplane operators that are eligible to use simplified procedures (i.e., the ICAO CORSIA CERT) and (2) aeroplane operators that are not eligible to use simplified monitoring procedures i.e., operators that must use one of the five fuel use monitoring methods.

The table presents unit cost assumptions that were used by CAEP in 2017-2018. Those were based on a range of sources including literature review and documents, CAEP analyses and IATA input.

IATA has been actively engaged in the CTAG for the past few years to ensure the impacts on airlines are properly reflected in its analysis. Given your experience with the implementation of CORSIA, we would be grateful if you could review the assumptions below and notify us if these assumptions are still valid or would need to be revised. If any revisions are required, please indicate which cost area, suggested values (or range of values) to consider and briefly describe the reason.

For any feedback, please send to corsia@iata.org before Friday 7 January 2022.

Note: All input will be anonymized and shared with CAEP in an aggregate format (similar as the table below).

Supporting information: Table of assumptions of unit costs used by CAEP during 2017-2018 CORSIA Analyses of MRV Costs.

| | | Aeroplane Operators eligible to use simplified procedures (i.e., CORSIA CERT) | | | Aeroplane Operators NOT eligible to use simplified procedures | | | Units |
|-----------------|-----------------------|---|---------|----------|---|-----------|-----------|-----------------------|
| | | Low | Mid | High | Low | Mid | High | |
| NRC* | IT System Setup | \$0 | \$500 | \$1,000 | \$5,000 | \$252,000 | \$500,000 | at implementation |
| | Monitoring (fixed) | \$1,000 | \$1,500 | \$1,650 | \$2,000 | \$6,000 | \$10,000 | per operator per year |
| Recurring Costs | Monitoring (variable) | \$0 | \$125 | \$250 | \$0 | \$250 | \$500 | per aircraft per year |
| | Verification** | \$2,500 | \$7,600 | \$12,500 | \$5,900 | \$17,700 | \$29,400 | per operator per year |
| | Reporting | \$1,055 | \$2,205 | \$3,355 | \$1,500 | \$3,250 | \$5,000 | per operator per year |
| | Registry Costs | \$550 | | | | | | per operator per year |

^{*} NRC: Non-Recurring Cost.

More information: ICAO CAEP

Additional set of CORSIA sustainability criteria were approved by ICAO Council

ICAO Council approved an additional set of sustainability criteria for CORSIA sustainable aviation fuels, together with the compliance assessment guidance. The newly approved criteria cover sustainability themes 3-7, essentially relates to water, soil, air, conservation, waste and chemicals. ICAO adopted sustainability criteria for SAF and the assessment mechanism under CORSIA will serve as the global regulatory benchmark to define sustainability credentials of SAF. Procedure wise, the sustainability criteria for SAF will be incorporated into ICAO document titled "CORSIA Sustainability Criteria for CORSIA Eligible Fuels".

More information: ICAO News Release

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^{**} Range of estimates for aeroplane operators not eligible to use simplified compliance procedures based on experience and input from airlines. Estimates for eligible operators based on this range and scaled down based on assumptions and recommendations from ICAO Committee on Aviation Environmental Protection (CAEP) Global Market based measure Task Force (GMTF).