

Sustainable Aviation Fuel Strategic Plan

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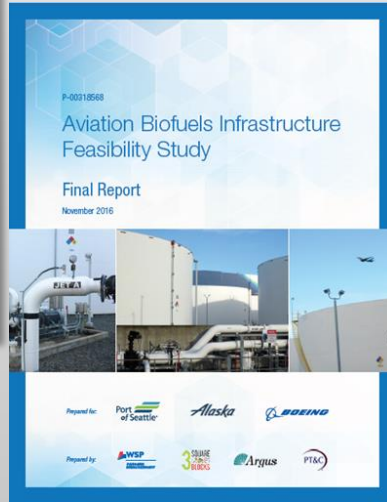
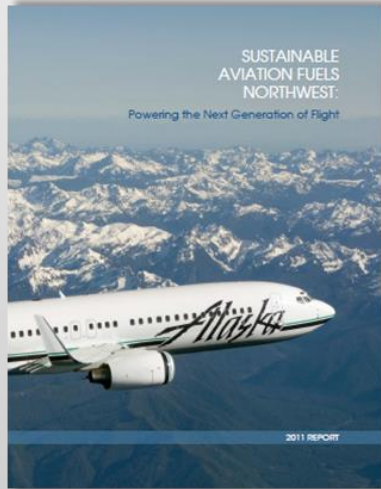


Commission Motion (Dec 2017)

- Outlined SAF goals
- Required Strategic Plan by July 2018
- Required Agreement with airlines in 2018
 - MOU with 16 airlines signed in Q2 2018
 - Requires Scope of Work approval by July 2018

The work of the MOU Committee will be integrated into the larger Port SAF Strategic Plan

Strategic Plan Approach

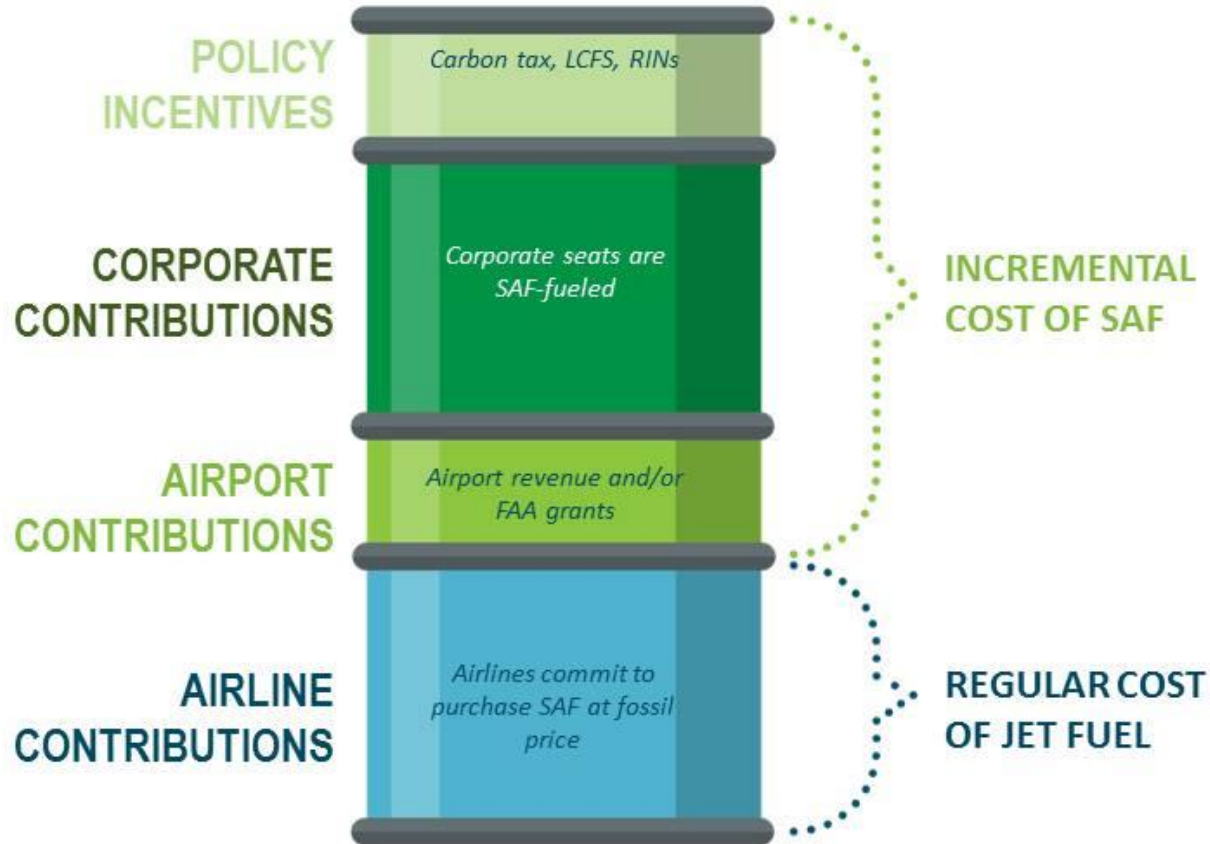


This plan reflects the most effective approaches and policies that have helped build a SAF market

4 Key Strategies

- 1) Airline-Airport Cooperative Model
- 2) Policy Support
- 3) Approval for SAF Co-benefits Expenditures
- 4) Education & Advocacy

Components of a SAF 'Market Signal'



(1) Airline-Airport Cooperative Model

- A cooperative agreement among an airport, airlines, and possibly other parties to aggregate funds and/or demand
- Develop through the airline-airport MOU Committee



Image source: SkyNRG

Developing the SEA cooperative model with the 16 airlines that signed the MOU

(1) Airline-Airport Cooperative Model

Key Milestones

2018: Explore examples of airline-airport cooperative models

2018-2019: Work with MOU Airlines to develop SEA approach/model

2020: Cooperative model operational

2021: Partner commitments finalized

2021+: Market signal leads to SAF production commitments

The 2018-2019 work is part of the 1-year term of the MOU

Airline MOU Scope of Work

- 1) Project Initiation & Scheduling (Q2 2018)
- 2) SAF Information Workshop (Q3 2018)
- 3) Identify Barriers and Opportunities to Developing an Airline-Airport Cooperative Model (Q3 2018)
- 4) Begin Developing a SEA Cooperative Model Structure (Q4 2018)
- 5) Provide outline of Cooperative Model to Commission (Q2-Q3 2019)

Focused work of Airline Committee for the 1-year term of the MOU | For Commission Approval

(2) Policy Support

- WA is at a competitive disadvantage
- The most effective policy instrument to build SAF market is a Low Carbon Fuel Standard like California



Policy harmony is needed to develop a SAF market outside California

(2) Policy Support

Key Milestones:

2018: Build WA Low Carbon Fuel Standard campaign with partners

2019: Support LCFS (with SAF opt-in); Identify production barriers and recommend further state legislative actions

2020+: Continue support for carbon pricing mechanisms similar or equivalent to California

(3) Approval for SAF Co-benefit

FAA Authorizes use of funds for Pre-Conditioned Air to reduce emissions



But 10% SAF produces similar air quality benefits



Use of federal funds to reduce the incremental cost of SAF could help spur market

(3) Approval for SAF Co-benefit

Key Milestones:

2018: Identify specific particulate matter (PM) and sulfur emission reduction from SAF co-benefit values and present to FAA

2019: Work to gain FAA approval to use airport revenue or grants

2020: Sea-Tac Airport or grants contribute revenue to complement airline or other partner commitments

(4) Education & Advocacy



Community support for production facilities is as critical as political support

(4) Education & Advocacy

Key Milestones:

- 2018: Develop specific SAF 101 messaging for policy makers, business, and general public/airport community audiences
- 2019+: Identify key audiences, and opportunities to present SAF 101 information

How the Strategies Tie Together

| STRATEGY | 2018 | 2019 | 2020 | 2021+ |
|-----------------------------------|-------------------------------------------------------|----------------------------------------------------------------------------------------|-----------------------------------------------|------------------------------|
| Airline-Airport Cooperative Model | Evaluate models; issue RFP | Develop SEA-based model | Model operational | Send aggregate market signal |
| Policy | Support 'opt-in' for jet fuel in proposed legislation | Support CA-equivalency (LCFS) & in-state tax incentives to contribute to market signal | | |
| Co-Benefits Approval | Assemble research | Present to FAA & seek approval | Use federal or airport funds in market signal | |
| Education & Advocacy | Develop messaging for different audiences | Conduct outreach to state policy makers, federal policy makers, business and community | | |

Scope of Work (For Commission Approval)

- 1) Project Initiation & Scheduling (Q2 2018)
- 2) SAF Information Workshop (Q3 2018)
- 3) Identify Barriers and Opportunities to Developing an Airline-Airport Cooperative Model (Q3 2018)
- 4) Develop a SEA-focused Cooperative Model Structure (Q4 2018)
- 5) Provide outline of Cooperative Model to Commission (Q2-Q3 2019)