Developing technological solutions and production possibilities for sustainable aviation fuel in Estonia and Latvia

TSIC-RoC-25456 REFORM/2021/OP/0006 Lot 1
Report on the implementation of short-term actions identified under the roadmaps | Deliverable 4: Estonia and Latvia, 9.11.2025

Technical Support Instrument
Supporting reforms in 27 Member States

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Reform and Investment Task Force
+32 2 299 11 11 (Commission switchboard)
European Commission
Rue de la Loi 170 / Wetstraat 170
1049 Brussels, Belgium

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Abbreviations

Abbreviation	Explanation
ADR	European Agreement on the International Carriage of Dangerous Goods by Road
ASTM	American Society for Testing and Materials
CAA	State Agency "Civil Aviation Agency"
Cabinet Regulation No. 409	Cabinet Regulation No. 409 of 12 June 2012 "Regulations Regarding Environmental Protection Requirements for Service Stations, Oil Bases and Mobile Tanks".
Cabinet Regulation No. 686	Cabinet Regulation No. 686 of 2 November 2022 "Regulations Regarding Sustainability and Greenhouse Gas Emission Saving Criteria, Criteria for Electricity Produced from Biomass Fuel and the Procedures for Justifying, Certifying and Monitoring Compliance with the Abovementioned Criteria".
Cabinet Regulation No. 772	Cabinet Regulation No. 772 of 18 October 2005 "Regulations Regarding Biofuel Quality Requirements, Conformity Assessment, Market Surveillance and Procedures for Informing Consumers".
Cabinet Regulation No.982	Cabinet Regulation No. 982 of 5 December 2006 "Methodology for Determining Protection Zones for Energy Infrastructure Objects".
EC guidelines	Interpretation of definitions of project categories of annexes I and II of the EIA Directive
EIA	Environmental impact assessment
EIA Directive	Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment (codified version)
ETS	Emissions Trading System
EU Energy Taxation Directive 2003/96/EC	Council Directive 2003/96/EC of 27 October 2003 restructuring the Community rules on the taxation of energy products and electricity
Excise Duty Law	Law "On Excise Duty"
GHG	Greenhouse gas emissions
I	European Union
IATA	International Air Transport Association
ICAO	International Civil Aviation Organization
ICAO-TI	International Civil Aviation Organization Technical Instructions (International Civil Aviation Association Technical Instructions)
ILUC	Indirect Land Use Change
IMDG Code	International Maritime Dangerous Goods Code
Jet A-1	Aviation fuel
LAA	Latvian Aviation Association
LSEZ	Liepaja Special Economic Zone
Member states	Member States of the European Union
MoCE	Ministry of Climate and Energy
MoE	Ministry of Economics
MoT	Ministry of Transport
PwC	PricewaterhouseCoopers EU Services EESV
RED I	Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC

RED II	Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources
RED III	Directive (EU) 2023/2413 of the European Parliament and of the Council of 18 October 2023 amending Directive (EU) 2018/2001, Regulation (EU) 2018/1999 and Directive 98/70/EC as regards the promotion of the use of energy from renewable sources and repealing Council Directive (EU) 2015/652
ReFuelEU Aviation	Regulation (EU) 2023/2405 of the European Parliament and of the Council of 18 October 2023 on ensuring a level playing field for sustainable air transport
Report	Project “Developing technological solutions and production possibilities for sustainable aviation fuel in Estonia and Latvia, TSIC-RoC-25456, REFORM/2021/OP/0006 Lot 1. Report with recommendations for strengthening the legal framework in the field of SAF in Latvia | Result 4: Latvia
RFNBO	Renewable liquid and gaseous fuels of non-biological origin
RID	Regulations concerning the International Carriage of Dangerous Goods by Rail, Annex to Appendix C to the Convention on International Carriage by Rail
SAF	Sustainable aviation fuels
TSI Regulation	Regulation (EU) 2021/240 of the European Parliament and of the Council of 10 February 2021 establishing the Technical Support Instrument
VUGD	State Fire and Rescue Service

Executive summary

This is the fourth report of the Project "Developing technological solutions and production possibilities for sustainable aviation fuel in Estonia and Latvia". The Project is carried out by PricewaterhouseCoopers EU Services EESV (PwC) on behalf of the European Commission Reform and Investment Task Force (SG REFORM), according to the specific contract No 300101971 "Developing technological solutions and production possibilities for sustainable aviation fuel in Estonia and Latvia" signed on July 31, 2024.

The overall aim of the Project is to assist national authorities in improving their capacity to design, develop and implement reforms, in line with Articles 3 and 4 of the TSI Regulation. The project aims to 1) enhance policy framework in Estonia and Latvia to improve the access to and use of Sustainable Aviation Fuel (SAF) and 2) improve awareness and capacities of relevant authorities and stakeholders in the aviation and fuel production ecosystems in Estonia and Latvia to boost the access to and use of SAF.

Project background

European Union (EU) aims is to reduce net greenhouse gas (GHG) emissions by at least 55% by 2030 compared to 1990 levels. Aviation is responsible for about 3.8-4% of the EU's total GHG emissions and around 13.9% in the transport sector.[1] To substantially decrease its emissions, the aviation sector needs to lessen its dependence on fossil jet fuel and shift towards greater utilisation of sustainable aviation fuel (SAF) in the years ahead.

To achieve this goal, EU introduced the ReFuelEU Aviation Regulation (2023/2405), promoting SAF technologies that can reduce emissions by up to 80% (compared to conventional jet fuel) and help the aviation sector meet its climate goals. However, due to limited availability, high-cost premium for SAF compared with fossil kerosene, significant initial capital investments, as well as regulatory complexity the aviation industry still heavily relies on fossil jet fuel, with less than 1% of aviation fuels used in Europe being SAF.

Under the ReFuelEURegulation, Estonia and Latvia will collaborate to evaluate the regulation's implications, examining both domestic SAF production and import options. Given their geographical positioning and economic development, enhancing access to SAF could yield significant benefits for both nations. These advantages include reducing emissions, complying with EU regulatory standards, increasing energy security, and stimulating local economies through specialisation in high-value manufacturing. To fully harness SAF's potential, ongoing investment in research, innovation, and stakeholder collaboration is essential.

Limitations of the research and report

The Report aims to summarize the provided support for the implementation of short-term recommendation presented in Deliverable 3. This report contains solely a summary of the activities that have been agreed upon with the Beneficiaries to be provided.

The key limitations are related to scope of the Report, availability of information and data, the relevance of the proposed recommendation in furthering the Project objective.

[1] European Commission. Climate Action. Reducing emissions from aviation. Source: https://climate.ec.europa.eu/eu-action/transport-decarbonisation/reducing-emissions-aviation_en

Table 1. Overview of the report limitations.

Subject	Limitation
Scope of the report	This Report is part of a wider study on developing technological solutions and production possibilities for sustainable aviation fuel in Estonia and Latvia. The Report aims to provide a summary of support provided during of the project. The recommendations provided were based on the previously carried out analysis and stakeholder workshops and recommendation report: • AS-IS Analysis providing a comprehensive analysis of the current state of access to and use SAF in Estonia and Latvia. • Best Practice Analysis examining best practices for SAF adoption and implementation across three countries: Finland, Denmark, and Poland. • Gap Analysis comparing the current state of policies in Estonia and Latvia with those of the best practice countries. • Scenarios to Increase Access to and Use of SAF exploring potential policy scenarios for enhancing access to and use of SAF in Estonia and Latvia. • A series of stakeholder workshops to align the key observations and proposed scenarios. • Recommendation providing a detailed list of activities to be carried out to increase access to and use SAF in Estonia and Latvia based on the aligned policy scenarios.
Scope of the analysed legal and policy framework	The analysis conducted as a part of the study is based on publicly available information and is supplemented by information provided during interviews with the stakeholder involved in the Project. The analysis was conducted over a period of three months, from July 2025 to September 2025.

Summary of provided support for short-term actions identified under the roadmaps in Estonia

2. Estonia SAF Ecosystem Hub

As part of the immediate support measures identified, it was agreed to develop and implement a comprehensive strategy for gathering and organising all relevant information pertaining to SAF. This initiative led to the conceptualisation and establishment of the Estonia SAF Ecosystem Hub. The Hub serves as a centralised platform, designed to facilitate access to critical data, policy updates, regulatory guidance, and best practices for all stakeholders involved in the SAF sector. By consolidating resources, the Hub aims to streamline communication, enhance stakeholder engagement, and support informed decision-making, thereby accelerating the adoption and integration of SAF solutions within Estonia's aviation industry.

This page is a centralized resource for stakeholders in Estonia's SAF ecosystem—regulators, producers, importers, airports, and investors. It provides guidance on legal frameworks, responsible authorities, compliance requirements, and funding opportunities to support SAF implementation and green energy projects.

2.1. Legal and policy framework for aviation fuel and SAF

The main requirements for SAF implementation and production (i.e., feedstocks) are set out in EU regulations and directives. In addition to the EU framework, Estonia also has its regulatory and policy planning framework that must be considered for SAF use, import, production, distribution, uptake, import, financing and overall coordination at the governmental level.

2.1.1. Key normative acts and policy planning documents

EU level	
Regulation	
Regulation (EU) 2023/1804 of the European Parliament and of the Council of 13 September 2023 on the deployment of alternative fuels infrastructure and repealing Directive 2014/94/EU	Sets binding targets for the deployment of publicly accessible recharging and refuelling infrastructure across the EU to support zero-emission mobility.
Regulation (EU) 2023/2405 of the European Parliament and of the Council of 18 October 2023 on ensuring a level playing field for sustainable air transport (ReFuelEU Aviation)	Lays down harmonised rules on the uptake and supply of sustainable aviation fuels in the EU and reduces the reliance on fossil jet fuels. The regulation sets minimum SAF blending requirements for fuel suppliers at EU airports, starting at 2% in 2025 and increasing to 70% by 2050.

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088	Establishes criteria to classify economic activities as environmentally sustainable.
Directive	
Directive 2009/28/EC (RED I) of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC	Establishes a common framework for the promotion of energy from renewable sources. Sets mandatory national targets for the overall share of energy from renewable sources in gross final consumption of energy and for the share of energy from renewable sources in transport.
Directive (EU) 2018/2001 (RED II) of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources	Recast of RED I. Sets a binding target for the overall share of renewable energy in the EU's gross final energy consumption by 2030, aiming for at least 32%.
Directive (EU) 2023/2413 (RED III) of the European Parliament and of the Council of 18 October 2023 amending Directive (EU) 2018/2001, Regulation (EU) 2018/1999, and Directive 98/70/EC as regards the promotion of the use of energy from renewable sources, and repealing Council Directive (EU) 2015/652	Amends RED II. Sets a binding target for the overall share of renewable energy in the EU's gross final energy consumption by 2030, aiming for at least 42.5%.
Policy framework	
European Green Deal	A comprehensive set of policies and initiatives with the goal of transforming the EU into a modern, resource-efficient, and competitive economy. It aims to cut emissions by at least 50% by 2030, rising towards 55%, while legally binding the 2050 neutrality goal through the European Climate Law.
Circular Economy Action Plan	Aims to accelerate the transition towards a circular economy, reducing waste and promoting sustainable resource use. It includes initiatives addressing the entire life cycle of products. It targets how products are designed, promotes circular economy processes, encourages sustainable consumption, and aims to ensure that waste is prevented and the resources used are kept in the EU economy for as long as possible.
National level	
Laws	
The Liquid Fuel Act Amendment Act 622 SE, adopted on June 18, 2025	Aligns national law with EU. Provides the grounds and rules for handling liquid fuel, the obligation to register fuel tanks, the requirements for the release for consumption of

	biofuels for transport, the organisation of regulatory enforcement, and the liability for violations. Defines SAF and sets sustainability criteria.
Building Code (RT I, 05.03.2015, 1)	Promotes sustainable development and ensures the safety, purposeful functionality, and usability of the built environment. Applies to construction works, their design, building, use, and maintenance insofar as this is not governed by other Acts, ratified international treaties, or EU legislation. Regulates construction standards, permits, and environmental integration. Applies to all construction works including energy infrastructure.
Environmental Impact Assessment and Environmental Management System Act (RT I 2005, 15, 87)	Provides legal grounds and procedures for the assessment of likely environmental impact, organisation of the environmental management and audit scheme, and legal grounds for awarding the eco-label in order to prevent environmental damage. Establishes liability for violations. Sets procedures for assessing environmental impacts of projects, including strategic assessments and definitions of significant impacts.
Atmospheric Air Protection Act (RT I, 05.07.2016, 1)	Provides for the requirements related to the impact on ambient air by chemical and physical pollutants, the measures for maintaining and improving ambient air quality, the requirements for protecting the ozone layer, the measures for mitigating climate change and reducing greenhouse gas emissions, the organisation of state supervision to ensure compliance with the provisions, and the liability for non-compliance. Additionally, it defines biofuels and biomass and sets air quality standards relevant to fuel combustion.
Energy Sector Organisation Act (RT I, 05.07.2016, 3)	Outlines the measures for achieving the national energy efficiency targets, the principles for promoting renewable energy, and the requirements for improving energy efficiency, including the obligations imposed on both public and private sector entities. The provisions apply to administrative proceedings, without prejudice to the specific rules established herein. It also governs the structure of the energy market, including the issuance of certificates of origin for renewable fuels.
Cabinet of Ministers regulation	
Ministry of Climate regulation no. 73 of 20.12.2016 “Environmental Requirements for Liquid Fuels, Sustainability Criteria for Biofuels, Liquid Biofuels, and Biomass Fuels, the Procedure for Monitoring and Reporting Compliance with Environmental Requirements for Liquid Fuels, and the Methodology for Determining Greenhouse Gas Emission Reductions from the Use of Biofuels, Liquid Biofuels, and Biomass Fuels"	Details the sustainability criteria for biofuels and outlines the methodology for calculating greenhouse gas emission reductions. It establishes the requirements for petrol, diesel fuel, gas oil, light fuel oil, and biofuels used as motor fuels in road vehicles, non-road mobile machinery, inland waterway vessels, agricultural and forestry tractors, and recreational craft. It also sets environmental requirements for gas oil, light fuel oil, heavy fuel oil, and marine fuels; defines sustainability criteria for biofuels; and specifies the procedures for monitoring and reporting compliance with environmental requirements for liquid fuels. Furthermore, it provides the methodology for determining the reduction of GHG emissions resulting from the use of biofuels or bioliquids.

Policy planning documents	
The Estonian Energy Policy Development Plan 2030 (ENMAK 2030)	Aims to ensure that energy supply remains affordable and accessible to consumers, that environmental impacts are acceptable, and that it aligns with the long-term energy and climate policies of the European Union.
The Estonian Energy Policy Development Plan 2035 (ENMAK 2035) - draft	Aims to update the energy trends, targets, and activities in ENMAK 2030 and to describe the vision for the development of the Estonian energy sector, together with its objectives, bottlenecks, and policies in progressing towards climate-neutral energy production and consumption, as well as in ensuring energy security.
National Energy and Climate Plan (NECP 2030)	Provides Estonian people, companies, and other member states with as much information as possible about the measures that Estonia plans to use to achieve the energy and climate policy targets agreed upon in the European Union.

2.1.2.SAF import requirements

	EU level	National level
Transportation	The requirements for the movement of dangerous goods and supervision thereof are specified in international agreements.	The transport of fuels is subject to requirements set by the Liquid Fuel Act and general transportation regulations. Liquid Fuel Act: SAF is classified as a dangerous good under law and must comply with international transport regulations. No SAF-specific transport rules exist yet, but airport managing bodies are responsible for ensuring blending and storage infrastructure
Airport infrastructure	EU airport managing bodies, aviation fuel suppliers and fuel handlers shall cooperate with their respective Member State for the preparation of the national policy frameworks for the deployment of alternative fuels infrastructure in airports.	No specific national infrastructure mandate yet, but general fuel storage rules apply.
Storage and blending	Airport managing bodies are the ones having the obligation to ensure that the necessary infrastructure for the storage and blending of SAF is available at EU airports. The International Civil Aviation Organization (ICAO) has specified that SAF can be stored in general fuel storage tanks with minimal infrastructure modifications required.	The storage of fuel (including aviation fuel and biofuel) is generally regulated under the Liquid Fuel Act focusing on compliance with safety and environmental requirements. The handler of fuel is required and allowed to hold and store fuel exclusively in stationary tanks that have been registered in accordance with the Liquid Fuel Act. The current regulation of the Liquid Fuel Act will likely apply to the storage of SAF, but further clarification is needed.

	EU level	National level
Blending mandates	Minimum shares of SAF, including aviation e-fuel, that aviation suppliers are mandated to ensure in the fuel made available to aircraft operators at each Union airport. ReFuelEU Aviation mandates a minimum share of SAF blending into aviation fuel, increasing over time: 2% in 2025, 6% in 2030, up to 70% by 2050.	SAF blending requirements based on Article 4 and Annex I of the ReFuelEU Aviation Regulation is incorporated into the Liquid Fuel Act. The SAF blending ratio is outlined, exempting fuels authorized under emergency reserves. Aviation fuel suppliers with shortfalls in meeting SAF blending obligations must start compensating in the subsequent reporting period, with exceptions for e-fuels. Liquid Fuel Act extends the regulation regarding the blending of biofuel using the "mass balance system" that allows keeping records of blending and ensures the transmission of information throughout the entire supply chain concerning the compliance of SAF with sustainability criteria to supervisory authorities and to an independent auditor. Liquid Fuel Act Amendment incorporates EU blending targets. SAF blending must meet a 7.5% renewable energy share in transport fuels.
Fuelling	Within Regulation 2023/2405, it's specified that SAF are aviation fuels that comprise liquid, drop-in fuels, meaning, they're fully fungible with conventional aviation fuels and compatible with existing aircraft engines.	No National Provision.
Reporting	Aircraft operators are obliged to report annually on aviation fuel refuelling by noting such categories as the specific EU airport and its ICAO code; aviation fuel required per year (tons); aviation fuel filled (tons); annual unfilled quantity (tons); total annual unfilled quantity (tons); amount filled per year in accordance with fuel safety regulations (tons). Yearly reporting requirements are also set for aviation fuel suppliers. Aviation fuel suppliers must report in the Union database specific information on SAF. Member States must ensure the accuracy of this information, which must be verified and audited as per Directive (EU) 2018/2001. The Agency and competent authorities will have access to this verified information.	At a national level the same reporting requirements will have to be met. The Environmental Board is designated as the authority overseeing compliance with reporting obligations and coordinating obligations related to aviation fuel suppliers.
Import	SAF must meet RED II/III criteria and be certified.	Importers must submit sustainability documentation and comply with verification and reporting obligations.

2.1.3. Responsible authorities and their roles for aviation fuel and SAF

Authority	Role and responsibilities	Contact information
European Union Aviation Safety Agency (EASA)	Responsible for ensuring aviation safety and environmental protection within the EU. It sets standards for the use of SAF in aviation and certifies SAF production processes	https://www.easa.europa.eu/en
Competition Authority (Konkurentsiamet)	Verifies register information, monitors compliance with fuel and fuel handling requirements, approves activities involving non-compliant fuel.	+372 667 2400 info@konkurentsiamet.ee www.konkurentsiamet.ee
Tax and Customs Board (Maksu- ja Tolliamet)	Checks for valid activity licenses for fuel handling, verifies fuel compliance and supporting documents, processes reports and data in the fuel handling database, oversees registration of fuel tanks and data accuracy in the database, approves activities involving non-compliant fuel	+372 880 0811 info@emta.ee www.emta.ee
Consumer Protection and Technical Regulatory Authority (TTJA)	Checks for valid activity licenses for fuel handling, monitors compliance with fuel and handling requirements, approves activities involving non-compliant fuel.	+372 667 2000 info@ttja.ee www.ttja.ee
Environmental Board (Keskkonnaamet)	Competent authority under the same regulation, managing obligations for aviation fuel suppliers. Authority overseeing compliance with reporting obligations and coordinating obligations related to aviation fuel suppliers. Oversees compliance with fuel tank registration obligations, supervises compliance with reporting requirements and report accuracy.	+372 662 5999 info@keskkonnaamet.ee www.keskkonnaamet.ee
Transport Administration (Transpordiamet)	Competent authority under Article 11 of Regulation (EU) 2023/2405, overseeing obligations for aircraft and airport operators regarding sustainable air transport. Competent authority for monitoring SAF use and availability and for coordinating obligations related to aircraft and airport operators.	+372 620 1200 info@transpordiamet.ee www.transpordiamet.ee
Ministry of Climate (Kliimaministeerium)	Leads national climate and energy policy, including SAF strategy, legislation, and coordination with EU bodies.	+372 626 2801 kliimaministeerium@envir.ee www.envir.ee
Estonian Transport Fuels Association	Represents fuel industry stakeholders, promotes SAF uptake, and liaises with government on regulatory and market issues.	info@ktt.ee www.ktt.ee

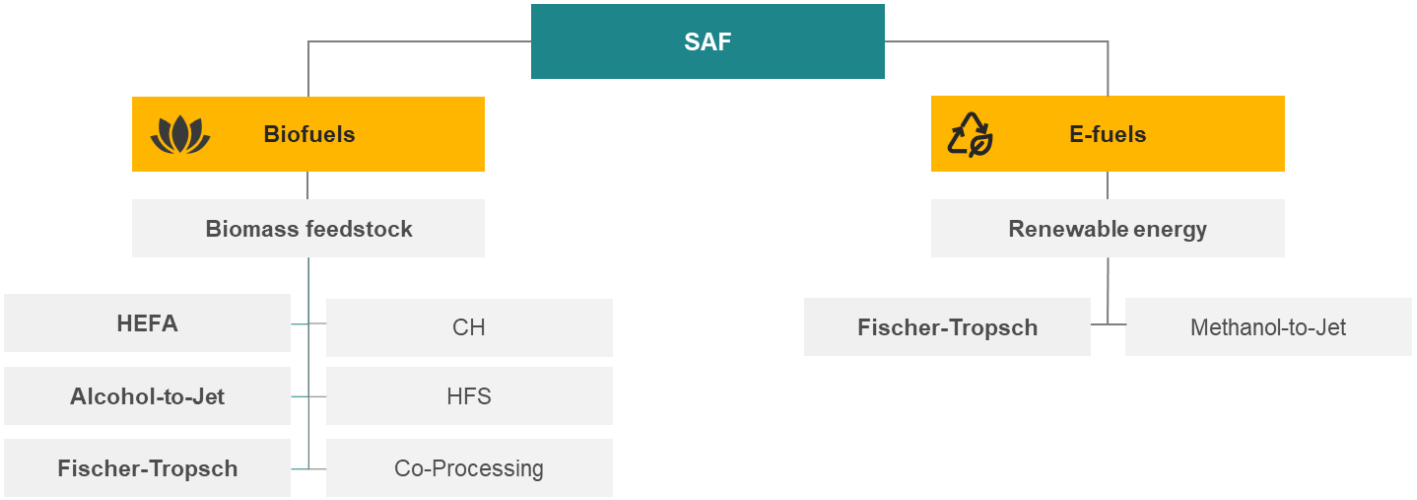
Authority	Role and responsibilities	Contact information
(Eesti Transpordikütuste Ühing)		

2.1.4. Eligible feedstocks and sustainability criteria

EU and Estonian Framework

Estonia follows the EU Renewable Energy Directive (RED II – Directive 2018/2001) and its amendment RED III – Directive 2023/2413, which set binding targets and sustainability criteria for renewable energy, including biofuels and SAF.

SAF pathways can be divided into two types – biofuels and e-fuels, which are based on biomass feedstock and renewable energy, respectively:



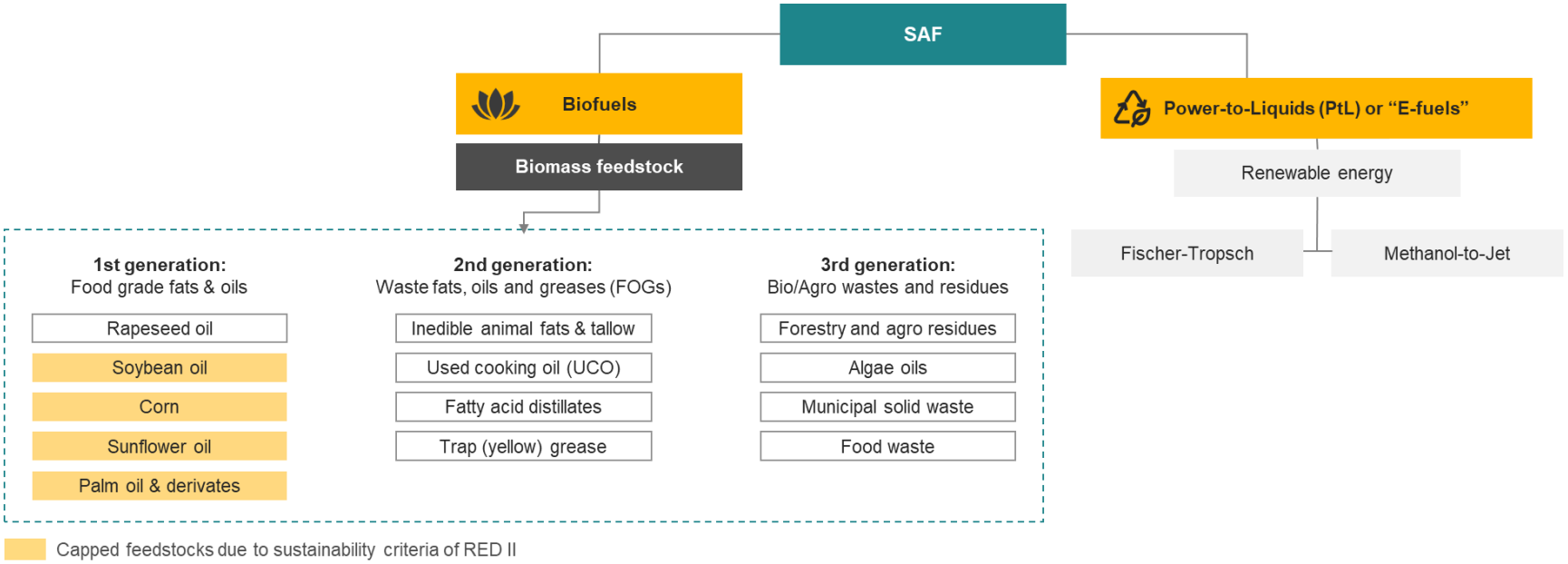
Sustainability Criteria

RED II sets sustainability criteria and GHG emission limits for biofuels used in the European transport sector:

- **GHG Emissions Savings**: Biofuels must reduce GHG emissions by at least 65% compared to conventional fuels.

- **Traceability**: SAF must be traceable through a mass balance system.
- **Avoidance of Indirect Land Use Change (ILUC)**: RED II regulates feedstock use and production processes, capping both food-based feedstocks and fuels with high ILUC risk.
- **Certification**: The feedstocks used in production must be certified under recognized certification schemes.

Eligible feedstocks



Food grade oils derived from corn, rapeseed and sunflower, which are classified as 1st generation, are almost exclusively avoided by the aviation industry, except for cases where sustainable farming practices can be proved.
Compared to 1st generation feedstocks, the 2nd generation achieve higher GHG emission savings. Feedstocks classified as 3rd generation combine the positives of higher GHG emission savings, and lower costs compared to both previous generation feedstocks.

[Placeholder: Estonia-specific feedstocks to be added.]

3. Operational information for aircraft and airport operations, and fuel suppliers

3.1. Guidance for importers on documentation, verification, and reporting, including sustainability documentation, mass balance system requirements, and accepted certification schemes

Documentation Requirements

Importers must maintain the following records:

- **Proof of Sustainability (PoS):** A delivery document issued by a producer/ supplier/ trader certified under a relevant certification scheme containing sustainability information on the sustainable material.
- **Proof of Conformance/Compliance (PoC)**: A delivery document issued by a fuel supplier certified under relevant certification schemes containing sustainability information on the sustainable material, in a situation whereby the associated PoS document is required to be surrendered to the relevant regulatory authority.
- **Product transfer document (PTD):** A delivery document that authenticates the transfer of ownership of the Sustainable Aviation Fuel from the Seller to the Buyer.
- **RED III / ReFuelEU /National mandate compliance ticket / excerpt:** A document issued by the relevant regulatory authority or registry operator to prove compliance under the relevant regulatory framework, or to corroborate SAF transaction in a registry.
- **Liquid fuel handler license:** An operating licence issued by the Tax and Customs Board must be applied for the following fields of activity sales, import, export or storage services in the field of liquid fuel.

Accepted Certification Schemes

Estonia recognizes the following EU-approved voluntary schemes for SAF that ensure compliance with RED II/III sustainability and GHG reduction criteria:

- **ISCC:** ISCC accepted schemes
- **RSB:** RSB certification
- **SURE**: SURE certification

Mass Balance System requirements

Mass Balance system allows mixing of certified and non-certified materials, provided the certified volume is tracked and accounted for as defined under the rules of the Renewable Energy Directive (RED) 2018/2001, and its Implementing Regulation 2022/996.

More information: https://www.iscc-system.org/news/mass-balance-explained/

Reporting Obligations

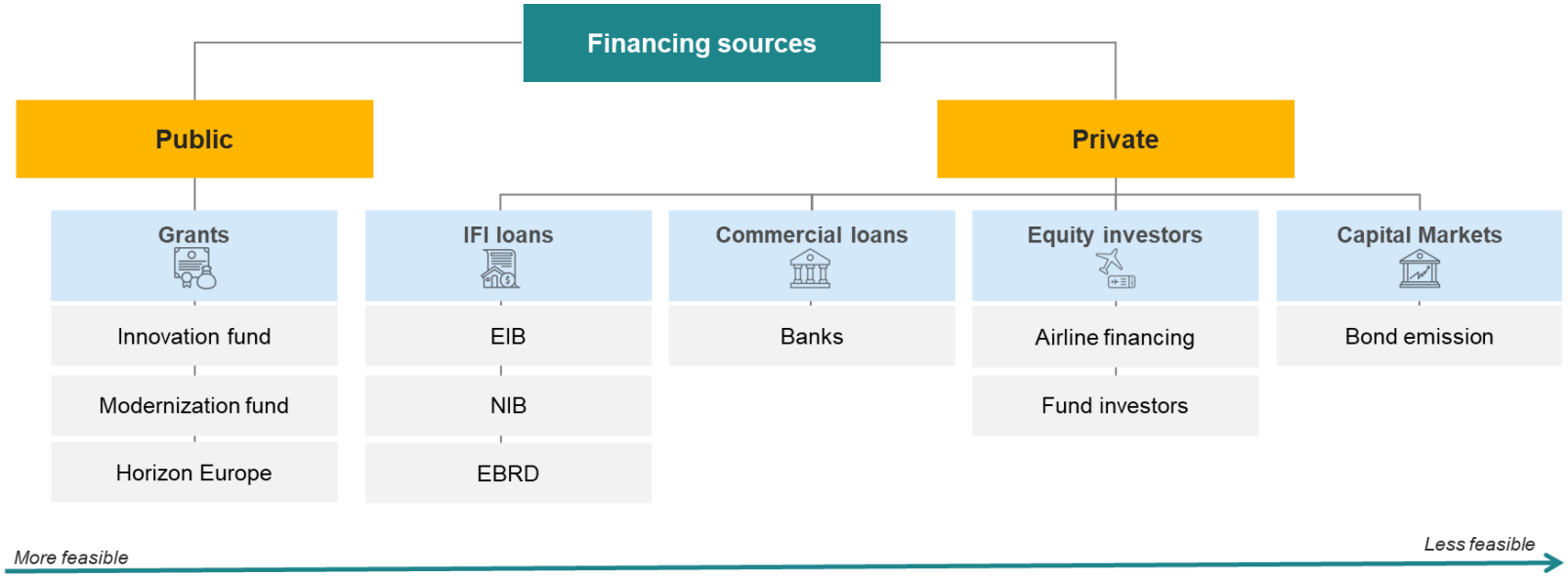
Importers must report to two key authorities:

1. **Environmental Board (Keskkonnaamet)**: submit sustainability data and PoS documentation.
2. **Estonian Tax and Customs Board (ETCB)**: register fuel tanks and volumes and maintain real-time records in the fuel handling database (KKS) and stock reporting system (LAAK).

3.2. Common compliance questions

Question	Clarification
Can I import SAF from outside the EU?	Yes, but it must meet RED II/III sustainability criteria and be certified by an EU-recognized scheme.
What if my SAF is not certified?	It cannot be counted toward blending mandates or receive incentives. Non-compliant fuel must be approved by authorities.
Do I need a license to handle SAF?	Yes. Importers must hold a valid liquid fuel handling license.
What happens if I fail to comply?	Penalties may include fines, revocation of licenses, or disqualification from funding programs.

4. Applicable EU initiatives and funding



4.1. Relevant EU funding initiatives

Fund name	Organisation(s)	Description	Total fund
Clean Aviation Joint Undertaking (CAJU)	European Commission, European aviation sector	A public-private partnership programme built on three key 'thrusts', each featuring targeted research and innovation and demonstration efforts aimed at driving the energy efficiency and emissions reductions of future aircraft.	EU Funding: €1.7bn Private Funding: > €2.4bn More information: https://www.clean-aviation.eu/media/publications/highlights-2022/clean-aviation
CEF Transport Alternative	European Commission	Support the deployment of alternative fuels supply infrastructure, contributing to decarbonising transport along the TEN-T network.	€1 billion (under 2024–2025 call): : €780 million under the General envelope and €220 million under the Cohesion envelope.

Fund name	Organisation(s)	Description	Total fund
Fuels Infrastructure Facility (AFIF)		This call for proposals covers the roll-out of alternative fuels infrastructure for road, maritime, inland waterway and air transport. In addition to the support to high power electricity recharging stations and hydrogen refuelling stations, the following new funding opportunities will be available: • Support to Megawatt recharging stations for Heavy Duty Vehicles; • Support to electricity and hydrogen supply at airports; • Support to electricity supply and ammonia and methanol bunkering facilities in ports.	More information: https://cinea.ec.europa.eu/funding-opportunities/calls-proposals/cef-transport-alternative-fuels-infrastructure-facility-afif-call-proposal_en
EU Innovation Fund (EUIF)	European Commission	One of the world's largest funding programmes, funded via EU ETS revenues, for the deployment of innovative net-zero and low-carbon technologies. The Innovation Fund focuses on highly innovative technologies and flagship projects within Europe that can bring about significant emission reductions.	€40 billion from 2020 to 2030 More information: https://climate.ec.europa.eu/eu-action/eu-funding-climate-action/innovation-fund_en
Horizon Europe	European Commission	EU's key funding programme for research and innovation. It tackles climate change, helps to achieve the UN's Sustainable Development Goals and boosts the EU's competitiveness and growth.	€93.5 billion for the period 2021-2027 More information: https://research-and-innovation.ec.europa.eu/funding/funding-opportunities/funding-programmes-and-open-calls/horizon-europe_en
InvestEU	European Commission	The InvestEU Fund supports private and public investments in four policy areas: sustainable infrastructure; research, innovation and digitisation; small and medium-sized businesses; and social investment and skills.	The InvestEU Fund will mobilise more than €372 billion of public and private investment through an EU budget guarantee of €26.2 billion. More information: https://investeu.europa.eu/investeu-programme/investeu-fund_en

4.2. Available support for applying to EU initiatives and local initiatives

Institution	Name of the program	How they provide support	More information
Estonian Business and Innovation Agency (EIS)	Large-scale investment grant	Provide financing of up to EUR 20m for projects that enhance the competitiveness, export capacity and added value of businesses in Estonia.	https://eis.ee/en/grants/large-scale-investment-grant/
KredEx	Loans, loan guarantees and grants	Provide various financing options to Estonian companies by providing credit risk mitigation services.	https://kredex.ee/en/services/teenused-ettevotte-finantseerimiseks/loan-guarantee
EEA and Norway Grants	EEA and Norway Grants Fund for Regional Cooperation	Provision of connections with Norwegian industry players, researchers and government.	https://eeagrants.org/countries/estonia
Enterprise Europe Network (EEN)	European business support network in Estonia.	Technical, financial, and operational consultations up to a fee of EUR 1m.	https://een.ec.europa.eu/about-enterprise-europe-network/advice-and-support/access-eu-funding

Formal Letters of Support to SAF importers applying for EU grant

[Placeholder for more information]

Workshops and Awareness Campaigns for SAF and broader green energy initiatives

[Placeholder for more information]

4.3. Frequently asked questions

Question	Clarification
How can I find and apply for EU funding opportunities for SAF?	You can search and apply through the EU Funding & Tenders Portal. This portal lists open calls under programs like the Innovation Fund, Horizon Europe, and CEF. You'll need to: • Register your organization

Question	Clarification
	• Prepare a proposal aligned with the call's objectives • Submit through the portal before the deadline Moreover, the portal allows to track project progress.
Who is eligible to apply for SAF-related EU funding?	Eligibility depends on the specific program, but generally includes: • Legal entities established in the EU or EEA • Public and private companies, research institutions, and consortia • Projects that contribute to EU climate goals and demonstrate technical and financial feasibility Some calls may require: • A minimum Technology Readiness Level (TRL) • A consortium of multiple EU partners • Certification of sustainability
What are the key evaluation criteria for SAF funding proposals?	Proposals are typically evaluated based on: • Impact: GHG reduction potential, scalability, and alignment with EU climate goals • Excellence: Innovation, scientific and technical merit • Implementation: Project plan, budget, risk management, and team expertise
What are common mistakes that lead to funding rejection?	Some frequent pitfalls include: • Incomplete or unclear documentation • Lack of sustainability certification or GHG savings data • Weak business case or unclear market strategy • Missing letters of support from national authorities • Poor alignment with the specific call's objectives

5. Other information

5.1. Available policies

Tax policies	
Value-added tax (VAT)	• VAT rules are harmonized across the EU. • Supply of goods for fuelling and provisioning of aircraft used by airlines operating for reward chiefly on international routes is exempt from VAT.
Excise tax	• Estonia applies excise tax exemption on aviation fuel (with exemption to fuel used in private non-commercial flights). Exemption is currently applicable to all types of aviation fuel (including fossil and SAF). • Thus, oil products supplied to and used by aircraft that are not operated for private recreation and entertainment are exempt from excise tax. Consequently, the exemption can be claimed if aviation fuel is intended for aircraft operated for commercial purposes.
Explicit carbon tax	• There is no explicit carbon tax implemented in Estonia. • The EU Regulation 2023/956 establishing a Carbon Border Adjustment Mechanism (CBAM) applies to Estonia. The Regulation covers imports of iron, steel, aluminium, electricity, certain fertilisers etc. Starting 2026, there will be a requirement to purchase CBAM certificates, and their prices would be linked to carbon prices at the EU ETS. • By 2030, the scope of CBAM is expected to extend, including crude petroleum and petroleum products (which includes aviation fuel).
Corporate income tax (CIT)	• Estonia has a beneficial CIT system where CIT is applied only to the distributed profits.
Special economic zones (SEZ) and freeports	• In Estonia, there are three free trade zones: Muuga port, Sillamae port and Paldiski north port. • Non-EU goods placed into these zones or EU goods delivered to free zones for export purposes are subject to 0% VAT, on conditions set in the VAT Act. • Further financial benefits include grants and subsidies provided by the Estonian government to encourage R&D. However, there are no CIT or land tax reliefs in such zones.
Personal income tax	• Estonia does not apply air passenger tax or other direct tax to the passengers. At the same time there are no deductible expenses/allowances for the individuals which would facilitate usage of aircraft fuelled with SAF rather than fossil fuel.
Financing policies	

Investment attraction measures	• The Estonian Investment Agency offers services such as: – Information services and investment preparation. – Investment proposals and visits. – Consulting and project management. – Facilitating contacts, negotiation with authorities. – Organising recruitment and identifying suitable properties.
Subsidies, grants, and donations	• The state or municipalities can provide direct financial support to cover initial investment costs, such as R&D, equipment acquisition, or infrastructure improvements. While no SAF-specific measures are in place, there are grants that may be applicable, e.g., for Companies' R&D Employees, Grant for large investor, Programme for applied research etc.
State loans	• The state can offer loans on favourable terms or subsidize interest rates to ease access to financing, to exemplify, there are opportunities such as the industry loan and Capital loan.
State guarantees	• Enterprise Estonia facilitates loan guarantees but only as an additional guarantee for a new obligation (bank loan, lease transaction or bank guarantee).[61]
EU funding	• The Estonian European Union Cohesion Policy Program for 2021-2027 and the Recovery Fund Plan do not include measures for providing state support for the financing of SAF. However, some of the funding does prioritise green energy which is key for PtL SAF development.

5.2. Webinars and workshops

Event calendar

[Placeholder for more information]

Links to recordings

[Placeholder for more information]

Summary of provided support for short-term actions identified under the roadmaps in Latvia

6. Overview

This is the fourth report on the project "Developing technological solutions and production possibilities for sustainable aviation fuel in Estonia and Latvia". The Project is carried out by PricewaterhouseCoopers EU Services EESV (PwC) on behalf of the Directorate General for Structural Reform Support (DG REFORM), according to the specific contract No 300101971 "Developing technological solutions and production possibilities for sustainable aviation fuel in Estonia and Latvia" signed on July 31, 2024.

The overall aim of the Project is to assist national authorities in improving their capacity to design, develop and implement reforms, in line with Articles 3 and 4 of the TSI Regulation[2]. The project aims to 1) enhance the policy framework in Estonia and Latvia to improve access to and use of Sustainable Aviation Fuel (SAF) and 2) improve awareness and capacities of relevant authorities and stakeholders in the aviation and fuel production ecosystems in Estonia and Latvia to boost access to and use of SAF.

Context of the report

The European Union (EU) aims to reduce net greenhouse gas (GHG) emissions by at least 55% by 2030 compared to 1990 levels. Aviation is responsible for about 3-4% of the EU's total GHG emissions and around 13% in the transport sector. To substantially decrease its emissions, the aviation sector needs to lessen its dependence on fossil jet fuel and shift towards greater utilisation of SAF in the years ahead.

To achieve this goal, the EU introduced the ReFuelEU Aviation Regulation (2023/2405) (ReFuelEU), promoting SAF technologies that can reduce emissions by up to 80% (compared to conventional jet fuel) and help the aviation sector meet its climate goals. However, due to limited availability, high-cost premium for SAF compared with fossil kerosene, significant initial capital investments, as well as regulatory complexity, the aviation industry still heavily relies on fossil jet fuel, with less than 1% of aviation fuels used in Europe being SAFs.

In accordance with the ReFuelEU Aviation Regulation, Latvia is obliged to ensure compliance with the EU requirements for the use of SAF, including ensuring a minimum share of SAF in the circulation of aviation fuel, establishing a monitoring and reporting system, as well as developing appropriate infrastructure at airports.

The legal analysis confirms that the improvement of the legal framework is a prerequisite for Latvia to be able to fully use the advantages provided by the SAF: reduction of GHG emissions, compliance with EU regulatory standards, strengthening of energy security and development of the local economy, especially by promoting the production of high added value. To ensure effective integration of SAF in the aviation sector, it is necessary not only to improve the national regulatory framework but also to promote cooperation with industry actors.

Aim of the report and expected result

The purpose of this report is to summarise the support provided for the implementation of the established short-term recommendations. In agreement with the beneficiary of the Project – the Ministry of Transport – support was provided in two areas:

1. A detailed legal study has been carried out to provide recommendations for strengthening the legal framework in the field of SAF in Latvia. This task aims to develop substantiated recommendations for strengthening the regulatory framework of Latvia in the field of SAF, based on the legal research carried out and the results of the previous stages of the project "Project “Developing technological solutions and production possibilities for sustainable aviation fuel in Estonia and Latvia". The development of recommendations is intended to promote amendments to the laws and regulations in the field of SAF or the development of

[2] Regulation (EU) 2021/240 of the European Parlament and of the Council of 10 February 2021 establishing a Technical Support Instrument: https://eur-lex.europa.eu/eli/reg/2021/240/oj/?locale=LV

a new regulation, ensuring a clear, coherent and safe legal environment for the integrated use of SAF and green hydrogen in the aviation sector. Particular attention will be paid to security, environmental protection, surveillance and infrastructure development aspects in airport areas, as well as to the simplification of administrative procedures.

2. A discussion of stakeholders has been organized to promote the recommendation "Support the development of alternative and green energy projects with the strategic goal of reducing electricity prices below the EU average" The aim of the discussion is to bring together electricity producers and related industry participants to discuss the importance of electricity prices and availability in the implementation of SAF and hydrogen projects in Latvia. The seminar will define the main challenges – in terms of capacity, tariffs and infrastructure – as well as explore practical solutions that could support the development of SAF projects and attract investors. The discussion was organised on September 19, 2025.

Table 1 Stages of the project "Developing technological solutions and production possibilities for sustainable aviation fuel in Estonia and Latvia".

Project stages						
1.	2.	3.		4.	5.	6.	7.
Introductory report	Report on the current situation and analysis of shortcomings regarding the availability and use of SAF in Latvia and Estonia	Report with recommendations for improving the availability and use of SAF	Support for the implementation of short-term recommendations	Capacity building activities	Communication activities on the potential of SAF availability in Latvia and Estonia	Final report

The report has been prepared in the period from July 2025 to September 2025.

Methodology used in the report

In cooperation with the project beneficiaries and industry representatives, the research methods used in stage 4 of the Project "Developing technological solutions and production possibilities for sustainable aviation fuel in Estonia and Latvia" are included in the table below:

Table 2 An overview of the research methods used in the preparation of the report.

Method	Description
Document research	Analysis of European Union (EU) legislation and national regulatory framework to prepare recommendations for the creation of a harmonised and safe legal environment for the use of SAF and green hydrogen in the aviation sector. The analysis of the regulatory framework was carried out in the period from July to September 2025 and does not include any changes in the regulatory and political framework after this period.
Interviews	In-depth interviews with representatives of the Ministry of Transport, the Ministry of Climate and Energy, the Liepaja Special Economic Zone, the Latvian Civil Aviation Agency, the Latvian Aviation Association and the Latvian Hydrogen Association, as well as the companies SIA NORSAF and SIA Gulfstream Oil, to obtain information about their experience, vision and practical, as well as legal challenges that hinder the development of SAF in Latvia, including on issues related to production, storage,

Method	Description
	transport, filling, safety, environmental protection and monitoring. The interviews were organised in the period from August 2025 to September 2025.

To provide transparent recommendations for the improvement of SAF and green hydrogen legislation, the analysis included in the Report is summarised in 5 areas: general improvements in SAF regulation, SAF production; SAF storage; SAF transportation; SAF refill. The report's recommendations are based on the approach that the regulatory framework should be developed only in those areas that facilitate/clarify the above-mentioned SAF processes, and to ensure the implementation and application of EU-level legislation in Latvia.

Limitations of the study of the report

Given that the Report covers an analysis of the SAF legal framework, the main limitations are related to the scope of the Report's analysis, the availability of information and data, and the suitability of recommendations for achieving the objectives of the Project:

Table 3 Overview of Report limits.

Theme	Limit
Scope of the report	This Report is part of a wider project "Developing technological solutions and production possibilities for sustainable aviation fuel in Estonia and Latvia". The aim of the report is to provide general recommendations to strengthen the legal framework in the field of SAF, based on the previously conducted analysis of the situation in Latvia, as well as the problems raised by the persons involved in the project. The report does not propose draft changes to laws and regulations with specific versions of the changes. At the time of preparation of the report, the study "Gaseous hydrogen in aviation: legal framework in Latvia" was not publicly available. Although the authors of this study were consulted, a full harmonisation of the recommendations between the two documents was not possible.
Scope of the regulatory framework included in the report	The analysis carried out in the report is based on publicly available information, analysis previously carried out in the Project and is complemented by information provided in interviews with project beneficiaries and industry representatives. The EU and national laws and regulations analysed in the report are relevant as of 1 August 2025.
Scope and relevance of the interviews included in the report	Interviews with representatives of the Ministry of Transport, the Ministry of Climate and Energy, the Liepaja Special Economic Zone, the Latvian Civil Aviation Agency, the Latvian Aviation Association and the Latvian Hydrogen Association, as well as the companies SIA NORSAF and SIA Gulfstream Oil, were organised in the period from August 2025 to September 2025. The findings contained in the report are in line with the views of the institutions and industry within the period indicated.
Scope of analysis of the processes for the exchange of information contained in the report	The analysis of the procedure for the circulation of information carried out in the project is based on the publicly available information and it is supplemented by the information provided in interviews with the project stakeholders and industry representatives: representatives of the Ministry of Transport, the Ministry of Climate and Energy, the Liepaja Special Economic Zone, the Latvian Civil Aviation Agency, the Latvian Aviation Association and the Latvian Hydrogen Association, as well as the companies SIA NORSAF and SIA Gulfstream Oil. Internal documents of the institutions have not been used in the procedures for the exchange of information, given that they were not available during the investigation process.

Overview of the main recommendations

The use of SAF and green hydrogen in the aviation sector is coordinated at the EU level, enshrined in EU legislation and implemented in EU Member States. Nationally in Latvia, policy is shaped by the Ministry of Transport (MoT), the Ministry of Climate and Energy (MoCE), and the Ministry of Economics (MoE), and policy is implemented by subordinate agencies and sector participants. The recommendations in the report are aimed at improving the SAF and green hydrogen system.

Table 4 A summary of the main recommendations.

General regulation of the SAF	Establish a single, nationally approved definition of SAF based on EU legislation and integrate it into all relevant laws and regulations to avoid interpretative ambiguities. Establish a common framework that ensures compliance with EU requirements (including ReFuelEU Aviation and RED II/III), clearly defines institutional responsibilities, specifies allowed feedstocks and sustainability criteria, and implements effective monitoring and sanctioning mechanisms.
SAF production	To promote industry development, it is essential to review the existing frameworks by: - exploring the possibility of simplifying the EIA process for smaller SAF plants, - improving protection zone regulations to include specific requirements for SAF infrastructure.
SAF storage	To ensure clear monitoring and compliance with EU requirements, it is necessary to: - determine the procedure for documentation confirming SAF quality and regulatory compliance. - ease conditions for building SAF storage infrastructure at Riga International Airport.
SAF transportation	It is necessary to introduce dedicated rules for SAF transport to clarify which accompanying documents, labels, and certificates must be prepared to meet both aviation fuel quality and sustainability requirements.
SAF refill	It is necessary to amend the Law “On Aviation” to establish clear requirements for SAF documentation and traceability throughout the supply chain. These amendments would require fuel suppliers to provide accompanying documents with information on the volume and quality of SAF blends, to use internationally recognized certification schemes (such as ISCC or RSB), and to submit these documents to the supervising authority (CAA) by the end user to prove compliance with EU requirements.

Recommendations for strengthening legal framework

7. Overview of the current legal framework

The European Union's climate goals envisage a rapid transition to sustainable aviation fuel (SAF), but Latvia's current regulatory framework for aviation fuel is incomplete and in an early stage of development. There is no clear definition of SAF in the legislation and no specialised framework for aviation fuel circulation. Existing regulations are focused on road fuels (gasoline, diesel, bio-components), while aviation kerosene (Jet A-1) is not specifically mentioned. The Biofuel Law and other renewable transport energy laws do not apply to aviation fuel, creating a legal vacuum – SAF is not clearly identified as a fuel category under supervision. The current situation does not align with the EU legal framework, as the EU Renewable Energy Directives (RED II/III) and the ReFuelEU Aviation Regulation include sustainability and blending requirements for aviation fuels. Uncertainty in the regulatory framework discourages SAF investments and industry development.

At the same time, the ReFuelEU Aviation Regulation obliges fuel suppliers to blend SAF into aviation fuel starting in 2025 (initially at least 2%, gradually increasing to 70% by 2050). Green hydrogen will be an essential feedstock for producing synthetic SAF, but Latvia's legal framework for hydrogen is still being developed and lacks clarity on its integration into the aviation sector.

Conventional aviation fuel: minimum regulation	Sustainable aviation fuel: new obligations for the EU
In Latvia, conventional aviation fuel (Jet A-1) does not have a dedicated law or regulations – it is treated as an oil product, subject to general safety and environmental requirements. For example, until now the CAA has not been involved in supervising aviation fuel suppliers. There are no bio-blending targets or sustainability criteria for fossil jet fuel, and fuel quality is ensured by industry standards without state intervention.	The introduction of SAF requires new regulations, as the EU has set minimum SAF blending targets and monitoring requirements. Latvia needs to adapt its regulatory framework so that airports ensure SAF infrastructure, fuel suppliers ensure SAF availability, and the CAA monitors compliance. This includes establishing penalties for not using SAF and requiring proper preparation and maintenance of sustainability documentation – measures that were not needed for fossil fuels.

In Latvia's traditional aviation fuel supply, there are no separate detailed norms – the industry operates under international standards and general laws on hazardous materials, taxation, and aviation safety:

Production and delivery:

There are no aviation fuel (Jet A-1) production facilities in Latvia; fuel is imported – historically by road tanker from the Mažeikiai refinery in Lithuania. Since Latvia has no oil refineries and does not produce oil, there are no national regulations specific to aviation fuel production processes. Aviation fuel is considered a petroleum product, so any potential producer would follow the laws applicable to the oil sector (Pollution Law, Environmental Impact Assessment Law, Law on the Handling of Dangerous Goods, etc.), which generally require an SRS license for excisable goods production, SES permits for polluting activities, etc. However, these laws do not have a special category for an "aviation fuel plant" or specific requirements for such facilities. According to the industry, SAF production would follow international standards; not all safety aspects need to be transposed into national law, though national rules must address establishing a plant and obtaining necessary permits.

In addition, the "green corridors" framework[3] has entered into force on 15 May 2025, allowing accelerated and prioritised processing of certain permits and consents, including those for SAF production projects. This can expedite processes from project inception to implementation. However, in practice, about 600 companies in Latvia have been granted priority status, which dilutes its impact.

[3] Cabinet Regulation No. 277 of 6 May 2025, Procedures for Ensuring the Provision of Priority Public Services to Merchants. https://likumi.lv/ta/id/360460

Given administrative capacity constraints, not all listed projects (including SAF projects) may truly receive priority, so the intended acceleration might not fully materialise.

Storage:

Fuel storage in Latvia is regulated by general rules (e.g., Cabinet Regulation No. 409), but these primarily concern gasoline and diesel (road fuels). Currently, no specific regulations address storing aviation fuel with SAF blends. Nevertheless, in light of international aviation standards, including the storage of aviation fuel, as well as a recent European Commission guidance[4] on the ReFuelEU Aviation Regulation, there is no particular need to lay down a separate regulation for the storage of SAF fuel. which ensures a high level of quality and safety at all stages of circulation, there is no need to specifically amend other regulatory enactments in Latvia. As long as international standards ensure high safety and quality at all stages, significant changes to national storage regulations might not be necessary.

Transport:

Aviation kerosene Jet A-1 is a flammable liquid (VN 1863 classification) and its transportation is regulated by the general regulations for the transport of dangerous goods internationally: the European Agreement on the International Carriage of Dangerous Goods by Road (ADR)[5], Annex to Appendix C to the Convention on International Carriage by Rail of Dangerous Goods in the Regulations concerning the International Carriage of Dangerous Goods by Rail (RID)[6], the International Maritime Dangerous Goods Code (IMDG Code)[7] and the International Civil Aviation Association Technical Instructions (ICAO-TI).[8] These are implemented in Latvia and apply to all dangerous goods. However, there is currently no clarity at the international level as to whether these international rules are already applicable to the SAF. At the very least, such a conclusion cannot be drawn directly from those provisions, given that they refer directly to aviation fuel without further explanation as to whether that classification would also apply to SAF. At present, Latvia has no SAF-specific transport regulations. Special regulation, apart from the Regulations on the Transport of Dangerous Goods, does not exist at all in relation to aviation fuel in Latvia, which is explained by the fact that historically, aviation fuel has been delivered by road from the Lithuanian oil refinery. According to the information provided by the industry, international standards are also used for the technical requirements of SAF transportation; therefore, it is not necessary to transpose the regulation of these standards to the national regulation. At the same time, this does not exclude the need to adapt the requirements of environmental protection regulations to the SAF storage infrastructure.

Refuelling at airports:

Refuelling of aircraft in Latvia is organised as a commercial service, not a regulated public function. The Law "On Aviation"[9] does not detail refuelling procedures - there is reliance on international ICAO and IATA standards and internal rules of the airport. Riga Airport has several commercial companies with long-term contracts that provide refuelling and maintain the relevant infrastructure - for example, SIA "RIXJET RIGA", SIA "Gulfstream Oil", etc. These companies work in accordance with ground handling regulations and contracts with the airport, which establish safety protocols, but the state regulatory enactments do not directly describe the procedure for aviation refuelling. Fuelling safety is overseen by the airport services and the State Fire and Rescue Service (VUGD) in accordance with general fire safety regulations. The CAA has so far been involved in the filling process only indirectly - through the requirements of aerodrome safety certification. Fuel quality (water, impurities) is controlled according to industry-standard procedures (JIG standards, ASTM

[4] Commission communication (C/2025/1368) on the interpretation of Regulation (EU) 2023/2405 (ReFuelEU Aviation), https://eur-lex.europa.eu/legal-content/LV/TXT/?uri=CELEX:52025XC01368

[5] https://likumi.lv/ta/lv/starptautiskie-ligumi/id/658-eiropas-valstu-noligums-par-bistamo-kravu-starptautiskajiem-parvadajumiem-ar-autotransportu-adr

[6] RID: https://likumi.lv/ta/lv/starptautiskie-ligumi/id/1190

[7] IMDG Code: https://www.imo.org/en/ourwork/safety/pages/dangerousgoods-default.aspx#:~:text=The%20IMDG%20Code%20was%20developed,prevent%20pollution%20to%20the%20environment.

[8] ICAO-TI: https://www.icao.int/Dangerous-Goods/Technical-Instructions

[9] Law "On Aviation". Latvijas Vēstnesis, 123, 20.10.1994. https://likumi.lv/ta/id/57659

D1655 quality certification, etc.), but this happens at the level between fuel suppliers and airlines, and not according to national regulatory frameworks.

Currently, if the aircraft is fuelled with Jet A-1, it is assumed that the fuel complies with the international standard DEF STAN 91-091 / ASTM D1655 (equivalent to civilian Jet A-1 fuel). The state does not monitor aviation fuel quality (in contrast to road fuels, where the quality is monitored by the EEA (EVA) and reported annually to the EC). Sustainability or origin accounting for fossil aviation fuel is also not carried out, as aviation fuel is not covered by the Biofuel Law and has neither mandatory bio-admixture nor emission limits. According to the information provided by the industry, the technical implementation of SAF filling also has several international standards that ensure that filling is carried out safely, and there is no need to transpose it into national regulations. However, it is important to point out that the SAF introduces new obligations for the state to ensure control over how much SAF is used on flights, as well as how much fuel is refuelled for European domestic flights directly at the airports of the Member States, so changes in the regulatory framework are necessary.

Tax and reserve requirements:

According to the EU Energy Tax Directive 2003/96/EC[10], Jet fuel (Jet A-1) used in commercial flights is exempt from excise duty. This exemption has been directly taken over by Latvia in the Law on Excise Duties[11], therefore, aviation fuel is not subject to excise duty, and aircraft that are not used for private recreation and entertainment. At the same time, it is necessary to take into account that in accordance with Section 28 of the Law on Excise Duties, it is necessary to label oil products appropriately, as well as to prepare a fuel supply and fuel justification document. This ensures competitiveness in aviation but also does not provide a financial incentive to switch to cleaner fuels.

The price of fossil aviation fuel does not include carbon costs, although airlines have to buy emission allowances, but this is not directly linked to the regulation of aviation fuel itself. The country's petroleum product safety reserves were not specifically separated for aviation fuel until now, as the regulatory requirement to maintain was the total amount of reserves for certain product categories where the Jet A-1 could be included in the form of a diesel equivalent. In the amendments[12] to the Energy Law of 2024[13], the Ministry of Economics pushed through changes that from 2025 obliged airlines to maintain certain reserves of aviation fuel on their own, so that the state does not have to spend resources specifically on this segment. This aspect confirms that aviation fuel was not separately distributed in the national regulatory framework until now, but changes are currently being made.

Summary:

Until now, the circulation of fossil aviation fuel in Latvia has been based on free market principles and international standards, with minimal direct state regulation:

- safety and quality were ensured through international standards and self-control of the aviation industry, as well as airport regulations.
- the reduction of environmentally harmful emissions was achieved through the European Emissions Trading System.
- sustainability requirements or bio-admixtures for aviation fuel were not applied at all.

This approach on the part of the country was appropriate until there were no politically defined EU targets for the decarbonisation of aviation fuel, as the state had no definite obligations to carry out supervision and control. However, the situation has changed rapidly with the EU Green Deal in aviation, which creates the need for an improved national regulatory framework to ensure transposition of EU regulatory enactments and general harmonisation with the existing Latvian regulatory framework.

[10] Council Directive 2003/96/EC of 27 October 2003 restructuring the Community framework on the taxation of energy products and electricity https://eur-lex.europa.eu/legal-content/LV/TXT/HTML/?uri=CELEX:32003L0096

[11] Law "On Excise Duties". Latvijas Vēstnesis, 161, 14.11.2003. https://likumi.lv/ta/id/81066

[12] Law of 28 November 2024 "Amendments to the Energy Law". Latvijas Vēstnesis, 242, 12.12.2024. https://likumi.lv/ta/id/357146

[13] Energy law. Latvijas Vēstnesis, 273/275, 22.09.1998. https://likumi.lv/ta/id/49833

There are specific requirements for the circulation of SAF, which arise from the European Union legislation - the Renewable Energy Directives RED II (2018/2001/EC)[14] and RED III (2023/2413)[15] as well as the ReFuelEU Aviation Regulation. These EU laws and regulations set out certain requirements that do not apply to conventional aviation fuels: monitoring compliance with sustainability criteria; ensuring traceability systems; implementing quality control mechanisms.

The introduction of such requirements is not a matter of choice for an EU Member State, but an obligation. Otherwise, infringement procedures from the EU may be initiated against Latvia, and sanctions may be imposed.

[14] Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources https://eur-lex.europa.eu/legal-content/LV/TXT/?uri=CELEX:32018L2001

[15] Directive (EU) 2023/2413 of the European Parliament and of the Council of 18 October 2023 amending Directive (EU) 2018/2001, Regulation (EU) 2018/1999 and Directive 98/70/EC as regards the promotion of energy from renewable sources, and repealing Council Directive (EU) 2015/652 https://eur-lex.europa.eu/legal-content/LV/TXT/?uri=CELEX:32023L2413

Table 5 Overview of the main requirements of the RED I, RED II, RED III directives

Category of requirements	RED I[16] (2009/28/EC)	RED II (2018/2001)	RED III (2023/2413)	Implementation status of Latvia (2024)
Sustainability criteria for feedstocks	Biomass may not be obtained from areas with high biodiversity or carbon stocks	Maintains RED I requirements, supplemented with restrictions on high ILUC-risk feedstocks	Expands the list of prohibited feedstocks, especially regarding palm oil and its derivatives	Implemented by Cabinet Regulation No. 686[17], but restrictions on feedstocks that pose a high indirect land-use change (ILUC) risk have not yet been fully transposed
GHG emission saving threshold	≥35% (later ≥50%/60% for new equipment)	≥65% for new plants from 2021	≥70% SAF and RFNBO for new plants	The Cabinet Regulation No. 686 set 50-65%, but 70% has not yet been implemented
Transport sector target	No specific target for aviation	≥14% renewable energy in transport by 2030; 3.5% for advanced biofuels	≥29% renewable energy in transport or 14.5% GHG reduction; 5% SAF (1% RFNBO) in aviation	No separate target for aviation; The overall target applies to all transport
SAF sub-target	None	No specific requirement (the target indirectly includes SAF)	5% SAF in aviation (of which 1% RFNBO) by 2030	Not implemented; regulatory acts must be amended to establish the SAF obligation
Feedstock restrictions	No detailed requirements	Restricts the use of food/feed crops, reduces high ILUC-risk biofuels	Expands the list of prohibited feedstocks, emphasis on second/third-generation feedstocks	Uniform requirements for all biomass types; RED II/III restrictions not fully transposed
New fuel types (RFNBO, recycled carbon fuels)	None	Defines RFNBO and recycled carbon fuels, sets criteria	Requires separate accounting, declaration and compliance with sustainability requirements	Not defined in national acts; amendments are required
Mass balance system	Required throughout the supply chain	Maintains and clarifies requirements, emphasises the role of voluntary schemes and the EU database	Requires accounting in the EU database, in particular for SAF and RFNBO	Implemented by Cabinet Regulation No. 686, but data submission to the EU platform is not yet complete
Monitoring and sanctions	Member State reporting; no detailed sanction requirements	Requires monitoring, recognition of voluntary schemes, verification of data	Requires effective monitoring and sanctioning mechanisms, prevents greenwashing	The responsible authorities are not fully defined; the sanction system needs to be specified

[16] Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC https://eur-lex.europa.eu/legal-content/LV/TXT/?uri=celex:32009L0028

[17] Cabinet Regulation No. 686 of 2 November 2022 "Regulations Regarding Sustainability and Greenhouse Gas Emission Saving Criteria, Criteria for Electricity Produced from Biomass Fuel and the Procedures for Justifying, Certifying and Monitoring Compliance with the Abovementioned Criteria". Latvijas Vēstnesis, 216, 07.11.2022. https://likumi.lv/ta/id/336963

EU legislation sets out the main aspects for the implementation of the SAF at the EU level. In Latvia, the national system is still being developed, as not all requirements from the EU regulation have been transposed, and certain aspects require time to implement. For the SAF monitoring system to function effectively, each party involved must be responsible for its respective area of competence.

A detailed list of the parties involved is provided below in Table 7.

Table 6 The main stakeholders in the SAF monitoring system

Institution	Responsibilities/Tasks	Notes
MoT	Main authority responsible for aviation policy; develops and advances amendments to the Aviation Law; coordinates the establishment of the SAF monitoring system; leads inter-institutional working groups on SAF	Cooperates with CAA
MoCE	Responsible for climate policy and the Emissions Trading System (ETS); develops the Transport Energy Law; ensures allocation of ETS quotas to airlines using SAF	Not competent in SAF production specifics; an important cooperation partner
CAA	Oversees compliance with ReFuelEU Aviation requirements for aviation fuel suppliers, aircraft operators, and EU airport management bodies; has the authority to impose penalties	New competence in the supervision of fuel suppliers
MoE	Responsible for energy policy, including security reserves for aviation fuel; amendments to the Energy Law made at the initiative of the MoE,	From 2025, aviation operators will maintain their own fuel reserves

Effective monitoring of SAF in Latvia should ensure intersectoral cooperation and exchange of information according to clear principles.

The production, storage, transportation, and refuelling of SAF within the airport area are subject not only to EU and national legislation but also to international standards. To create a harmonised international environment for SAF production, storage, transportation, and refuelling within the airport area, it is essential to take these international standards into account. Furthermore, from the perspective of good legislative practice, it is not advisable to transpose the requirements set out in standards directly into national regulatory acts, as this creates a risk of inconsistency, varying interpretations, and related issues.

SAF Production	
1.	**ASTM** D7566[18]: This standard sets out the technical requirements for aviation fuel containing synthesised hydrocarbons. D7566 regulates SAF production pathways and fuel quality specifications for each approved SAF production pathway. D4054[19]: This standard describes the procedure required for all new SAF technology pathways before they are included in ASTM D7566. Fuel from a SAF production pathway must undergo extensive testing to determine the maximum blending ratio with conventional aviation fuel and to demonstrate that the blend is suitable for use.
SAF Storage	

[18] ASTM D7566-22, Standard Specification for Aviation Turbine Fuel Containing Synthesized Hydrocarbons, https://store.astm.org/d7566-22.html

[19] ASTM D4054-25, Standard Practice for Evaluation of New Aviation Turbine Fuels and Fuel Additives, https://store.astm.org/d4054-25.html

2.	**ICAO[20]:** ICAO has stipulated that SAF may be stored in general fuel storage tanks with minimal infrastructure modifications.
3.	**ReFuelEU Aviation**: The Regulation requires airport managing bodies to provide the necessary infrastructure for the storage and blending of SAF at EU airports.
SAF Transportation	
4.	**ICAO-TI[21]:** The Technical Instructions for the Safe Transport of Dangerous Goods by Air, as set out in the ICAO Convention, are binding.
5.	**ADR[22]**: At the European level, the carriage of dangerous goods by road is regulated by the European Agreement concerning the International Carriage of Dangerous Goods by Road.
6.	**RID:[23]** Rail transport in EU Member States is regulated by the international regulations for the carriage of dangerous goods by rail.
7.	**SOLAS-74[24]**: Maritime transport is regulated by the International Convention for the Safety of Life at Sea.
SAF Refuelling	
8.	**ASTM D1655[25]**: The standard forms the basis for the global aviation fuel quality specification and sets requirements for composition, volatility, fluidity, combustion, corrosion, thermal stability, contaminants, and additives to ensure operational safety and reliability.
9.	**EU 2023/2405**: The Regulation stipulates that aviation fuel suppliers must ensure that all aviation fuel offered to aircraft operators at EU airports contains a minimum proportion of SAF in accordance with the established targets.

[20] ICAO, Sustainable Aviation Fuels Guide_090418, https://www.icao.int/environmental-protection/sustainable-aviation-fuels-saf, https://www.icao.int/sites/default/files/sp-files/environmental-protection/knowledge-sharing/Docs/Sustainable%20Aviation%20Fuels%20Guide_vf.pdf

[21] Technical Instructions for The Safe Transport of Dangerous Goods by Air (Doc 9284), https://www.icao.int/Dangerous-Goods/Technical-Instructions

[22] ADR 2023 - Agreement concerning the International Carriage of Dangerous Goods by Road, https://unece.org/transport/standards/transport/dangerous-goods/adr-2023-agreement-concerning-international-carriage

[23] Convention concerning International Carriage by Rail (COTIF) Appendix C – Regulation concerning the International Carriage of Dangerous Goods by Rail (RID), https://otif.org/fileadmin/docs/LegalTexts/COTIF/DangerousGoodsRID/RID/RID_2025_e_20_August_2025_signed.pdf

[24] International Convention for the Safety of Life at Sea (SOLAS), 1974, https://www.imo.org/en/about/conventions/pages/international-convention-for-the-safety-of-life-at-sea-%28solas%29,-1974.aspx

[25] ASTM D1655-11b Standard Specification for Aviation Turbine Fuels, https://store.astm.org/d1655-11b.html

8. General improvements to the SAF framework

Before it is possible to develop detailed recommendations regarding the production, storage, transportation, and refuelling of Sustainable Aviation Fuel (SAF), it is essential to establish a unified and clear regulatory framework for fundamental issues. The creation of such a comprehensive legal framework would allow SAF to be defined as a monitored type of fuel with specific criteria, ensure clear institutional responsibility, and foster trust among market participants. A unified regulation would serve as the foundation for further details and innovations in the SAF field, as well as ensure compliance with EU requirements, such as the ReFuelEU Aviation Regulation and the RED II / III Directives.

8.1. Recommendations for General Improvement of the SAF Regulatory Framework

The SAF sector in Latvia is currently at an early stage of development, where a clear legal framework and a common understanding of the sector's basic principles are still being formed. To ensure the successful and coordinated development of the SAF sector, it is essential to draft amendments to the Law "On Aviation", clearly defining the requirements for SAF production, storage, transportation, and refuelling, as well as specifying permitted feedstocks and sustainability criteria, based on EU regulation, such as RED III and ReFuelEU Aviation. From 2025, **the ReFuelEU Aviation Regulation imposes obligations on airports, fuel suppliers, and aircraft operators regarding SAF blending, refuelling, and reporting.** Without national regulation, compliance with these requirements is not possible.

It is necessary to include and implement an obligation for aviation fuel suppliers, airports, and aircraft operators to comply with ReFuelEU Aviation requirements for ensuring sustainable air transport, by establishing:

- Calculation of the sustainable aviation fuel blending ratio.
- A reporting obligation for fuel suppliers regarding fuel volume and composition in the EU-designated database, prepared, verified, and audited in accordance with regulatory requirements.
- Clarification of administrative liability regulation, establishing penalties for failure to comply with the obligation to refuel at least 90% of the required aviation fuel at EU airports.

A unified SAF definition is required in national legislation, referencing European Union legal norms, to prevent interpretative ambiguities in other regulatory acts. A unified definition of SAF would avoid terminological inconsistencies and provide a clear basis for policy planning and the supervision of regulatory compliance.

General Improvements to the SAF Regulation in the Law "On Aviation"

Unified SAF Regulatory Framework

Consider the possibility of drafting amendments to the Law "On Aviation" that cover the entire SAF lifecycle: storage, transportation, refuelling.

Within this framework, the following should be established:

(1) Minimum SAF Proportion and Reporting Obligation: Calculation of the SAF blending ratio in accordance with Article 4(1) of ReFuelEU Aviation and establishment of a reporting obligation in accordance with Article 10(1) of ReFuelEU Aviation, stipulating that fuel suppliers must report fuel volume and composition in the EU-designated database, prepared, verified, and audited in accordance with regulatory requirements.

(2) Competence of Supervisory Authorities - Specify that the Civil Aviation Agency is responsible for supervising the implementation of SAF use and supply requirements.

(3) Traceability - Establish a clear documentation format for SAF refuelling and transportation stages, including labelling and accompanying document requirements, to ensure traceability and prevent double-counting in the SAF refuelling process.

General Improvements to the SAF Regulation in the Law "On Aviation"

(4) Liability and Sanctions - Specify that failure to comply with the obligation set out in Article 5(1) of ReFuelEU Aviation - to refuel at least 90% of the annual required aviation fuel at EU airports - shall result in a monetary fine for the natural or legal person concerned.

If regulation on SAF is being developed, it is advisable to include aspects relating to hydrogen in aviation (use of H_2 in e-fuel production, safety, quality control).

Consider the possibility of drafting amendments to the Law on Administrative Liability, stipulating that, in matters regulated by the sectoral law (the Law "On Aviation"), a different regulation may be established if it arises from an EU or international legal norm binding on Latvia.

Unified SAF Definition

"Sustainable Aviation Fuel (SAF)" - including either aviation biofuel, synthetic aviation fuel, or recycled carbon aviation fuel, which meets the definition set out in Article 3(7) of the ReFuelEU Aviation Regulation.

Permitted SAF Feedstocks and Sustainability Criteria

Consider the possibility of revising Cabinet Regulation No. 686, including:

- A clear and exhaustive list of permitted SAF production feedstocks, referencing Annex IX of RED II/III and the ReFuelEU Aviation Regulation (e.g., agricultural and forestry residues, sewage sludge, industrial residues, excluding the use of food and feed crops).
- A requirement that, in the production of synthetic aviation fuels (e-fuels), only hydrogen derived from renewable energy sources, as defined by the EU as renewable hydrogen, must be used.
- Sustainability criteria, including the requirement to ensure at least a 65% reduction in greenhouse gas emissions compared to fossil aviation fuel, as specified in RED II/III.

8.2. Detailed justification of the general recommendations for the improvement of the SAF regulatory enactments

In order to ensure clear and effective development of the SAF industry in Latvia, it is important to define a common legal framework and terminology. This section sets out justified recommendations on the development of a specialised regulatory enactment, the introduction of a common definition of SAF and the criteria for raw materials and sustainability permitted by SAF, taking into account state supervisory obligations and the requirements of the European Union regulation.

Table 7 Recommendations for changes in the general regulatory enactment of the SAF

Recommendation	Normative act(s) in which the possibility of making amendments should be considered
Recommendation "Unified SAF Regulatory Act"	Law "On Aviation" - a new chapter. Law on Administrative Liability[26]
Recommendation "Unified SAF Definition"	Law "On Aviation"
Recommendation "Permitted SAF Feedstocks and Sustainability Criteria"	Law "On Aviation"

[26] Law on Administrative Responsibility. Latvijas Vēstnesis, 225, 14.11.2018. https://likumi.lv/ta/id/303007

Unified SAF Regulatory Act

he SAF sector in Latvia is currently at an early stage of development. The regulatory acts do not clearly define the stages of the SAF lifecycle - production, storage, transportation, and refuelling. The existing regulation is fragmented and relates mainly to road transport fuels, rather than aviation.

he regulatory acts currently in force in Latvia - such as the Biofuel Law[27], Cabinet Regulation No. 772[28], Cabinet Regulation No. 295 of 8 May 2007 "Regulations on the Procedures for the Circulation of Biofuels" and Cabinet Regulation No. 409 [29] - do not apply to aviation fuel and do not cover the specifics of sustainable aviation fuel. Such fragmentation creates a legal vacuum in which SAF is not clearly identified as a monitored fuel category, hindering investment and complicating sectoral development.

To ensure a clear, coherent and comprehensive legal framework, it is necessary to develop unified regulation, for example, through amendments to the Law “On Aviation”, covering all stages of the SAF lifecycle - from production and storage to transportation and refuelling. A unified and clear national regulation would:

- Eliminate contradictions between different national regulatory acts.
- Provide clear “rules of the game” for market participants and investors wishing to develop the SAF sector in Latvia.
- Facilitate the work of supervisory institutions, which must fulfil the national supervisory obligations set out in EU regulatory acts.

The Law “On Aviation” regulates the use of the airspace of the Republic of Latvia, as well as the activities of civil and military aviation, customs and State Border Guard aviation, and unmanned aircraft in Latvia, setting requirements for safety, supervision, and liability in this field. Given that EU regulatory acts requiring implementation and harmonisation affect the field of civil aviation, and with the aim of avoiding fragmentation of the regulatory framework, the Law “On Aviation” is recommended as the regulatory act in which amendments could introduce unified SAF regulation

Although it is recommended that the Law “On Aviation” should set out various obligations for aviation sector participants, it is also essential, for effective national supervision, to provide for appropriate control and enforcement mechanisms. The current regulation does not always ensure sufficient capacity to act in cases where these obligations are not fulfilled. Therefore, it is necessary to make appropriate amendments to the Law on Administrative Liability to strengthen the ability of state institutions to impose sanctions and ensure compliance.

The current regulation of the Law on Administrative Responsibility does not provide for the possibility of applying a sector-specific penalty calculation procedure. To ensure legal compliance, it is worth considering supplementing the Law on Administrative Liability with a provision allowing for a different regulation to be set in the sectoral law, if this arises from European Union or international legal norms binding on the Republic of Latvia. At the same time, to practically implement ReFuelEU Aviation - which stipulates that the amount of aviation fuel refuelled annually at a given EU airport by the relevant aircraft operator must be at least 90% of the annual required aviation fuel - the Aviation Law should provide clearly defined obligations for aviation fuel suppliers, airports, and aircraft operators regarding SAF refuelling, reporting, and data management. Amendments to the Law on Administrative Liability would promote sectoral transparency, sustainable development, and strengthen Latvia’s international reputation in aviation policy.

It should be noted that there have already been cases where aviation fuel suppliers have engaged in fraudulent activities, attempting to pass off aviation fuel without SAF blending as aviation fuel with

[27] Biofuel Law. Latvijas Vēstnesis, 52, 01.04.2005. https://likumi.lv/ta/id/104828

[28] Cabinet Regulation No. 772 of 18 October 2005 "Regulations Regarding Biofuel Quality Requirements, Conformity Assessment, Market Surveillance and Procedures for Informing Consumers". Latvijas Vēstnesis, 168, 21.10.2005. https://likumi.lv/ta/id/119463

[29] Cabinet Regulation No. 409 of 12 June 2012 "Regulations Regarding Environmental Protection Requirements for Service Stations, Oil Bases and Mobile Tanks". Latvijas Vēstnesis, 102, 29.06.2012. https://likumi.lv/ta/id/249805

SAF content. A clear liability framework would enable supervisory authorities to act fully in such cases.[30]

It is important to emphasise that the state now has specific obligations in the supervision of SAF, which have not previously applied to traditional aviation fuel. These obligations arise from European Union legal acts, including the Renewable Energy Directive (RED II/III) and the ReFuelEU Aviation Regulation:

Supervision of Compliance with Sustainability Criteria

- In accordance with Article 29 of RED III, specific sustainability criteria have been established for renewable fuels of non-biological origin and recycled carbon fuels, which must be observed to prevent greenwashing risks in the SAF sector as well. SAF that does not meet the sustainability criteria and GHG emissions savings thresholds cannot be counted towards the established SAF usage targets.

Ensuring Traceability Systems

- Member States must ensure that biofuel placed on the market complies with sustainability requirements, with control provided through nationally developed monitoring and enforcement mechanisms, as stipulated in Article 30(3) of RED II. Member States may develop their own national schemes or use EU-recognised schemes.

Implementation of Quality Control Mechanisms

- According to Article 30(3) of RED III, Member States must ensure that economic operators provide reliable information and that Member States ensure regular auditing.

Such regulation would enable effective implementation of EU requirements at the national level and strengthen Latvia's competitiveness in the Baltic region.

According to Article 11(1) of the ReFuelEU Aviation Regulation, each Member State must establish an independent competent authority to ensure compliance with the requirements of this Regulation. The main tasks of this authority are to monitor compliance with the rules and to impose financial penalties in cases of infringement. To guarantee objectivity, these authorities must operate entirely independently from airlines, fuel suppliers, and airport operators.

The Regulation sets out clear principles for determining which Member State is responsible for a particular market participant. For non-compliance, including failure to meet reporting requirements, all parties involved - aircraft operators, airport management services, and fuel suppliers - may be subject to financial penalties. Member States must develop a national system for the imposition of penalties, ensuring that they are effective, proportionate, and dissuasive.

In Latvia, these supervisory functions will be performed **by the State Agency "Civil Aviation Agency"**. According to information published by the European Commission[31], this is the responsible authority overseeing compliance with the Regulation's requirements for aviation fuel suppliers, aircraft operators, and European Union airport management bodies.

Recommendation "Unified SAF Regulatory Act"

Consider the possibility of drafting amendments to the Law "On Aviation" that cover the entire SAF lifecycle: storage, transportation, refuelling.

Within this framework, the following should be established:

(1) Minimum SAF Proportion and Reporting Obligation: Calculation of the SAF blending ratio in accordance with Article 4(1) of ReFuelEU Aviation and establishment of a reporting obligation in accordance with Article 10(1) of ReFuelEU Aviation, stipulating that fuel suppliers must report fuel

[30] "Sustainable aviation fuel claims undermined by fraud and deforestation", https://www.journalismfund.eu/sustainable-aviation-fuel-claims-undermined-fraud-and-deforestation

[31] List of Competent Authorities of the Member States responsible for enforcing the application of Regulation (EU) 2023/2405 of the European Parliament and of the Council on ensuring a level playing field for sustainable air transport (ReFuelEU Aviation), https://transport.ec.europa.eu/document/download/5fe92a9b-eaf3-491d-9432cbb2c24453c4_en?filename=ReFuelEU_list_authorities.pdf

volume and composition in the EU-designated database, prepared, verified, and audited in accordance with regulatory requirements.

(2) Competence of Supervisory Authorities - Specify that the Civil Aviation Agency is responsible for supervising the implementation of SAF use and supply requirements.

(3) Traceability - Establish a clear documentation format for SAF refuelling and transportation stages, including labelling and accompanying document requirements, to ensure traceability and prevent double counting in the SAF refuelling process.

(4) Liability and Sanctions - Specify that failure to comply with the obligation set out in Article 5(1) of ReFuelEU Aviation - to refuel at least 90% of the annual required aviation fuel at EU airports - shall result in a monetary fine for the natural or legal person concerned.

If regulation on SAF is being developed, it is advisable to include aspects relating to hydrogen in aviation (use of H_2 in e-fuel production, safety, quality control).

Consider the possibility of drafting amendments to the Law on Administrative Liability, stipulating that, in matters regulated by the sectoral law (the Law “On Aviation”), a different regulation may be established if it arises from an EU or international legal norm binding on Latvia.

Unified SAF Definition

Currently, Latvian legislation does not contain a clear and unified definition of “sustainable aviation fuel” (SAF). The existing Biofuel Law and related Cabinet Regulations focus on road transport fuels and therefore do not apply to aviation fuel. As a result, SAF is not normatively defined, which creates legal uncertainty and complicates its supervision.

To ensure compliance with European Union law, Latvian legislation should include an official SAF definition, referencing the Renewable Energy Directive (RED II/III) and the ReFuelEU Aviation Regulation. Although the ReFuelEU Aviation Regulation contains a definition of “sustainable aviation fuel” (SAF), it is directly applicable only to specific subjects and situations defined in the Regulation itself - mainly aviation fuel suppliers, airports, and airlines operating at EU airports. According to Article 3(7) of the ReFuelEU Regulation, SAF refers to aviation fuels that are either: a) synthetic aviation fuels; b) aviation biofuels; or c) recycled carbon aviation fuels, as defined respectively in Article 3(12), (8), and (9). However, in the Latvian regulatory environment, the concept of SAF may also be mentioned in other laws and regulations, such as those relating to taxation, customs, investment, environment, statistics, or support instruments. Without a unified, nationally approved definition, there is a risk that different authorities or market participants will interpret SAF differently, which may lead to inconsistent application, legal uncertainty, and even disputes.

The proposed definition covers all essential types of SAF that meet EU sustainability criteria and technical requirements.

Such a definition would provide a clear basis for identifying SAF as a monitored fuel category, promote legal certainty for market participants, and facilitate both policy planning and the implementation of supervisory mechanisms. It would enable harmonisation across different sectors that will need to regularly carry out SAF-related activities, such as environmental protection, taxation, and customs.

Recommendation "Unified SAF Definition"

“Sustainable Aviation Fuel (SAF)” - including either aviation biofuel, synthetic aviation fuel, or recycled carbon aviation fuel, which meets the definition set out in Article 3(7) of the ReFuelEU Aviation Regulation.

SAF Permitted Raw Materials and Sustainability Criteria

Currently, there is no clear and detailed specification in Latvia regarding which feedstocks may be used for the production of sustainable aviation fuel (SAF), nor have the EU-mandated sustainability criteria been fully integrated into national legislation. Although requirements for permitted feedstocks and sustainability criteria are set at the EU level (RED II/III, ReFuelEU Aviation Regulation), Latvian

regulatory acts (for example, Cabinet Regulation No. 686) only partially transpose these requirements and mainly apply to biofuels for road transport, not aviation. As a result, SAF producers and supervisory authorities lack clarity regarding which feedstocks are permitted, which sustainability criteria must be observed, and how compliance with EU requirements should be demonstrated.

Article 3(7) of the ReFuelEU Aviation Regulation defines three types of SAF, namely synthetic aviation fuels, aviation biofuels and recycled carbon aviation fuels as defined respectively in Article 3(12), (8) and (9).

More specifically, regarding aviation biofuels, Article 3(8) of the ReFuelEU Aviation Regulation sets out the types that may be considered SAF. These must comply with the sustainability requirements of RED II/III, in particular the sustainability and lifecycle emissions savings criteria set out in Article 29 of RED II/III and must be certified in accordance with Article 30 of RED II/III. The eligibility of aviation biofuels depends on various conditions. In general, there are two types of aviation biofuels that, under ReFuelEU Aviation, may be counted towards the minimum SAF share:

1. Aviation biofuels produced from feedstocks listed in Annex IX of RED II/III.
2. Aviation biofuels produced from feedstocks not listed in Annex IX of RED II/III and not specifically excluded.

Regarding the second type, it should be noted that aviation biofuels produced from certain feedstocks listed in Article 4(5) of the ReFuelEU Aviation Regulation (i.e., food and feed crops, intermediate crops, palm fatty acid distillates, palm- and soy-derived materials, soap stock and its derivatives) are not included in the calculation of the minimum SAF share. However, this exception does not apply if a feedstock that was initially excluded is subsequently included in Annex IX of RED. For example, this applies to “palm oil mill effluent and empty palm fruit bunches” as well as “intermediate crops, such as catch crops and cover crops”, under certain conditions. As these feedstocks are listed in Part A of Annex IX of RED II/III, they may be counted towards the minimum SAF share[32].

According to Article 4(1) of the ReFuelEU Aviation Regulation, aviation fuel suppliers must ensure that all aviation fuel made available to aircraft operators at each Union airport contains at least the minimum SAF share.

To ensure SAF compliance with European Union requirements and to prevent “greenwashing” risks, it is essential that national regulation clearly specifies the permitted feedstocks and applicable sustainability criteria. These conditions are a prerequisite for SAF produced in Latvia to be internationally recognised and to qualify for European market mechanisms, including emissions allowance exemptions and the fulfilment of fuel supplier targets.

The proposed approach provides for:

- **Feedstock restrictions**: EU regulation sets a clear hierarchy of feedstocks. SAF is considered to be fuel produced from feedstocks listed in Annex IX of the RED II/III Directive (e.g., agricultural and forestry residues, sewage sludge, industrial residues). At the same time, certain feedstocks cannot be used to meet SAF targets, such as food and feed crops and materials derived from palm and soya oil (with the above-mentioned exceptions).
- **Mandatory use of green hydrogen**: In the production of synthetic aviation fuels (e-fuels), only hydrogen derived from renewable energy sources that meets the EU definition of renewable hydrogen must be used. This requirement can be reinforced with the following wording: “synthetic aviation fuel shall be considered SAF only if the hydrogen used meets the definition of renewable hydrogen”.
- **Integration of sustainability criteria**: The sustainability criteria set out in the RED II/III Directives must be included, for example, the requirement to ensure at least a 65% reduction

[32] Communication from the Commission (C/2025/1368) on the interpretation of Regulation (EU) 2023/2405 (ReFuelEU Aviation) Reply 18, https://eur-lex.europa.eu/legal-content/LV/TXT/?uri=CELEX:52025XC01368

in greenhouse gas emissions compared to fossil aviation fuel (kerosene), as specified in Article 29 of RED II.

This approach will ensure that SAF production in Latvia is based on high sustainability standards, promotes investment security and compliance with EU regulation, and provides reputational benefits at the national level. The example of Norway, where SAF may only be produced from advanced feedstocks, demonstrates the effectiveness of such an approach in reducing emissions and ensuring food security.

The sustainable feedstocks that may be used for SAF production are included in Annex IX of the RED II/III Directive. As directives are not directly applicable, for these feedstocks to be binding on SAF producers in Latvia, the feedstock list must be transposed into Latvian legislation. The Directive sets minimum requirements, meaning that if a Member State wishes to impose stricter rules when transposing the Directive, it may set additional restrictions. Thus, Latvia may reduce the list of feedstocks permitted for SAF production, for example, by specifying that only locally available feedstocks may be used for SAF production in Latvia, although there is always the option to transpose the full feedstock list at the national level.

Recommendation "Permitted SAF Feedstocks and Sustainability Criteria"

Consider the possibility of revising Cabinet Regulation No. 686, including:

- A clear and exhaustive list of permitted SAF production feedstocks, referencing Annex IX of RED II/III and the ReFuelEU Aviation Regulation (e.g., agricultural and forestry residues, sewage sludge, industrial residues, excluding the use of food and feed crops).
- A requirement that, in the production of synthetic aviation fuels (e-fuels), only hydrogen derived from renewable energy sources, as defined by the EU as renewable hydrogen, must be used.
- Sustainability criteria, including the requirement to ensure at least a 65% reduction in greenhouse gas emissions compared to fossil aviation fuel, as specified in RED II/III.

9. SAF Production

To ensure the development of SAF production in Latvia, precise amendments to the regulatory framework are required, specifically addressing the production stages. These adjustments will help clearly define technical and administrative requirements, while guaranteeing a safe production process and avoiding excessive regulatory burden. The aim is to create a balanced environment in which SAF producers can operate efficiently, responsibly, and in accordance with European Union sustainability standards.

9.1. Recommendations for Improving the Regulatory Framework for SAF Production

Currently, **there are no aviation fuel (Jet A-1) production facilities** in Latvia, and fuel is imported - historically mainly by road tankers from the Mazeikiai oil refinery in Lithuania. As there are no oil refineries in Latvia and no domestic oil production, there is no national regulation governing the aviation fuel production process. Since **aviation fuel is a petroleum product**, any potential producer in Latvia would be subject to the regulatory acts applicable to the oil sector. Oil sector regulations include the Pollution Law, the Environmental Impact Assessment Law, the Law on the Circulation of Dangerous Goods, etc., which generally require aviation fuel producers to obtain a licence from the State Revenue Service (SRS) to produce excise goods, permits from the State Environmental Service for polluting activities, and so on. However, the regulatory acts applicable to the oil sector do not contain a specific category of "aviation fuel production facility" and do not set out special requirements or specific regulations for such facilities.

Given the strategic importance of SAF for achieving climate targets and the potential for local production, it is essential to provide specific adjustments for the SAF production stages.

SAF production is crucial for promoting more environmentally friendly flights and, consequently, for environmental protection. For SAF production to develop successfully in Latvia, it is necessary to strike a balance between the administrative burden created by the Environmental Impact Assessment (EIA) and the need to attract investment for successful SAF production development. Therefore, changes to the EIA procedure are needed, introducing the possibility of a simplified EIA process for certain SAF production facilities, based on specific criteria.

At the same time, amendments to the national protection zone regulation are required to ensure a safe and uninterrupted production process, adapting requirements to the specifics of SAF technologies. These measures are a prerequisite for Latvia to develop a competitive SAF production sector that meets both national interests and EU sustainability standards.

Recommendations "Improvement of the Regulatory Framework for SAF Production"

"Simplification of the EIA Process"

- Consider the possibility of applying the option provided in Article 5 of the Innovative Business and Priority Project Aid Law to establish a Special Regulatory Environment or “regulatory sandbox” for specific, limited areas where SAF and hydrogen pilot project infrastructure is planned. The special regulation would apply to the EIA assessment, allowing for the possibility of setting simplified conditions for the construction of such infrastructure within the regulatory sandbox.
- Consider specifying in the EIA Law the cases in which an initial assessment is required for SAF production (and related hydrogen projects).

For example, it may be made mandatory for SAF plants above a certain capacity to carry out a full EIA, while for smaller capacity plants, an initial impact assessment and a public consultation procedure are sufficient without carrying out a full EIA cycle.

Improvement of Protection Zone Regulation

Consider the possibility of amending the Protection Zone Law to:

- Include a new definition specifying what constitutes a SAF production facility. The definition should reference the SAF definition included in the law “On Aviation” and indicate that a SAF production facility is one in which the process results in the production of SAF.
- Include a new article (or part of an existing article) stipulating that, with regard to SAF production facilities, the same requirements apply as for petroleum products; that is, all requirements, restrictions, rules, and sanctions set out in the Protection Zone Law for petroleum products also apply to SAF and SAF production facilities.

Cabinet Regulation No. 982 of 5 December 2006 "Methodology for Determining Protection Zones for Energy Infrastructure Objects"[33]

Consider the possibility of amending Cabinet Regulation No. 982 of 5 December 2006 "Methodology for Determining Protection Zones for Energy Infrastructure Objects" (Cabinet Regulation No. 982) to also include aviation and sustainable aviation fuels, as well as to set specific criteria for determining protection zones for SAF, in line with other energy infrastructure protection zones in these regulations.

9.2. Detailed justification of the recommendations for the improvement of the SAF production laws and regulations

The development of SAF production in Latvia, it is important to review the existing regulatory frameworks relating to environmental impact assessment (EIA) procedures and spatial planning conditions. The current approach may create an unjustified administrative burden, especially for smaller-scale projects, hindering the attraction of investments and the introduction of innovations in Latvia. Therefore, a detailed justification is provided below for the recommendations to facilitate the

[33] Cabinet Regulation No. 982 of 5 December 2006 "Methodology for Determining Protection Zones of Energy Infrastructure Objects". Latvijas Vēstnesis, 195, 07.12.2006. https://likumi.lv/ta/id/149302

EIA process and adapt the regulation of protection zones to the specifics of SAF production, while preserving the principles of environmental protection.

Table 8 Recommendations Improvement of the SAF production

Recommendation	Normative act(s) in which the possibility of making amendments should be considered
Recommendation "Simplification of the EIA Process"	Law On Environmental Impact Assessment[34]
Recommendation "Improvement of Protection Zone Regulation"	Protection Zone Law[35]
Recommendation "Improvement of the Cabinet Regulation No. 982"	Cabinet Regulation No. 982 of 5 December 2006 "Methodology for Determining Protection Zones for Energy Infrastructure Objects"

EIA requirements for SAF Production

Currently, Latvian regulation treats SAF production projects as equivalent to heavy chemical industry. According to Annex 1, point 8 of the “Environmental Impact Assessment Law” (hereinafter - EIA Law), any industrial production of organic chemicals (including SAF) is automatically subject to a full environmental impact assessment (EIA) procedure, regardless of the facility’s capacity or the technology used. A similar approach is taken in Lithuania and Estonia, where SAF production is assessed as a chemical industry object, and no specific exemptions or thresholds are set.

This approach creates several problems:

- **Administrative burden and investment delays:** The full EIA procedure is time-consuming, expensive and requires significant documentation, which can discourage investors and entrepreneurs from launching SAF projects, especially if the project is small or medium scale. In addition, public opposition to alternative energy projects is becoming more and more frequent – as illustrated by the case of the planned SAF plant in Liepaja, where local residents express concerns about the possible impact on the environment. This indicates a potentially high level of public opposition to future SAF projects as well.[36]
- **Disproportionate treatment of innovative, green projects:** SAF production from renewable resources or with modern technologies (e.g., power-to-liquid, biomass conversion) often has a lower environmental impact than traditional chemical industry yet is assessed just as strictly.
- **Delayed achievement of climate and energy targets:** SAF is a key instrument for aviation decarbonisation and for Latvia’s climate neutrality targets. Excessive procedures slow down the implementation of these goals.AF is an essential tool for decarbonising aviation and achieving Latvia's climate neutrality goals. Excessive procedures put a brake on the achievement of these objectives.

Why Are Changes Needed?

- **Proportionate approach:** The EIA Directive (2011/92/EU as amended by 2014/52/EU)[37] provides that Member States may set thresholds and criteria to differentiate which Annex II projects require a full EIA and which are subject only to an initial screening (Article 4(2)). It is

[34] Law "On Environmental Impact Assessment". Latvijas Vēstnesis, 322/325, 30.10.1998. https://likumi.lv/ta/id/51522

[35] Protection Zone Law. Latvijas Vēstnesis, 56/57, 25.02.1997. https://likumi.lv/ta/id/42348

[36] LSM, "In Liepaja, it is planned to build the largest aviation fuel plant in Northern Europe; citizens' environmental impact concerns", 12.08.2025, https://www.lsm.lv/raksts/zinas/ekonomika/12.08.2025-liepaja-plano-buvet-ziemeleiropa-lielako-aviacijas-degvielas-rupnicu-iedzivotajiem-bazas-par-ietekmi-uz-vidi.a610141/

[37] Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment (codified version) https://eur-lex.europa.eu/legal-content/LV/TXT/?uri=CELEX%3A02011L0092-20140515

important that thresholds are not set so high that projects with significant environmental impact escape EIA altogether (Article 2(1)).

- **European Commission guidelines:** The 2024 EC Guidelines[38] specifically emphasise that for renewable energy and innovative projects (e.g., hydrogen production by electrolysis up to 50 t/day), a simplified EIA regime may be applied if environmental risks are low and an initial screening is maintained.
- **Case law of the Court of Justice of the EU:** The Court recognises that thresholds and exemptions may be set, provided that no project with significant impact is fully exempted from EIA (C-72/95 Kraaijeveld[39]; C-392/96 Commission v. Ireland[40]).
- **Balance between environmental protection and innovation:** Such an approach reduces bureaucracy, encourages investment and innovation, while maintaining environmental safety guarantees, as any project with potentially significant impact will be identified at the initial screening stage.

SAF production and "green" hydrogen generation are **strategically important innovation directions** that can significantly contribute to the achievement of Latvia's and Europe's climate neutrality goals. However, the practical implementation of such **pilot projects often encounters high regulatory barriers** - particularly lengthy and complex permitting and EIA procedures. In such cases, **a special regulatory environment or "regulatory sandbox" can be useful, whereby, within a designated limited area, temporarily relaxed or otherwise adapted conditions are applied that differ from the general regime**, allowing innovative technologies and solutions to be tested safely.

Article 5 of Latvia's Innovative Business and Priority Project Aid Law provides a legal basis for establishing such a regulatory sandbox, provided the project is innovative, falls within one of the priority areas defined by law (including smart energy and net zero emission technologies), and there is an objective need to test the solution in a special regulatory environment. SAF and hydrogen pilot projects fully meet these criteria, as they involve new, as-yet uncommercialised technologies and make a direct contribution to the fulfilment of Latvia's and the EU's climate objectives.

International experience demonstrates the effectiveness of this approach. In the United Kingdom[41], Germany[42], and the Netherlands[43], regulatory sandboxes are used to facilitate the implementation of hydrogen and alternative fuel pilot projects, for example, by temporarily waiving or adapting licensing, EIA, or construction requirements. These examples show that a "sandbox" enables faster innovation deployment while ensuring state supervision and the protection of public interests. The German example is particularly noteworthy - at Hamburg Airport, a Power-to-Liquid pilot project is being implemented, with a plant installed for the production of climate-neutral synthetic aviation fuel for Airbus aircraft. The project operates as a real-world laboratory, providing accelerated permit processing, adapted environmental requirements, and close state supervision.[44]

[38] Interpretation of definitions of project categories of annex I and II of the EIA Directive https://op.europa.eu/en/publication-detail/-/publication/e7f9c73c-86ba-11ef-a67d-01aa75ed71a1/language-en

[39] Judgment of the Court of Justice of the European Communities in Case C-72/95 Judgment of 18 November 1997, Aannemersbedrijf P.K. Kraaijeveld BV and Others v Gedeputeerde Staten van Zuid-Holland, C-72/95, ECLI:EU:C:1996:56.
Available in: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:61995CJ0072

[40] Judgment of the Court of Justice of the European Communities, Case C-392/96, Commission v. Ireland 72/95 of 2 September 1999, ECLI:EU:C:1999:431,
https://curia.europa.eu/juris/document/document.jsf;jsessionid=23E7809C017B0A81D9889CA4D38B788F?text=&docid=44721&pageIndex=0&doclang=EN&mode=lst&dir=&occ=first&part=1&cid=10046397

[41] Energy Regulation Sandbox, https://www.ofgem.gov.uk/energy-regulation-sandbox

[42]"Regulatory Sandboxes": Real life laboratories for an accelerated transfer of technology and innovation, https://www.german-energy-solutions.de/GES/Redaktion/EN/News/2019/20190613-reallabore.html

[43] "Experimenting with hydrogen in the built environment is becoming possible after all", https://klimaatweb.nl/nieuws/experimenteren-met-waterstof-in-de-gebouwde-omgeving-wordt-toch-mogelijk/

[44] ""Regulatory Sandboxes": Real life laboratories for an accelerated transfer of technology and innovation",
https://www.german-energy-solutions.de/GES/Redaktion/EN/News/2019/20190613-reallabore.html

Therefore, to ensure Latvia does not lose competitiveness and can attract investment, it is necessary to consider applying a regulatory sandbox for SAF and hydrogen pilot projects, especially to facilitate EIA and construction processes. This would ensure a balance between innovation development and the protection of public interests, based on the Innovative Business and Priority Project Aid Law and internationally recognised practice.

To promote the development of the industry, it is necessary:

- **Consider the possibility of applying the possibility provided for in Article 5 of the Innovative Business and Priority Project Aid Law to establish a Special Regulatory Environment or "regulatory sandbox"** for specific, limited areas where SAF and hydrogen pilot project infrastructure is planned. The special regulation would apply to the EIA process, enabling the introduction of simplified conditions for the construction of such infrastructure within the regulatory sandbox.

This approach would allow strategically important projects to operate in a testing regime, using a simplified model for permits and administrative procedures, which would accelerate project implementation and help identify practical obstacles in a real-world environment.

- **Set reasonable thresholds in the EIA Law for SAF and related hydrogen projects**, allowing smaller-scale facilities to undergo only an initial impact assessment and public consultation, rather than a full EIA cycle.

For large projects, the full EIA requirement should be retained. This approach is in line with Article 4(2) of the EIA Directive 2014/52/EU, which allows Member States to differentiate procedures, provided that the condition in Article 2 is respected - namely, that thresholds must not be so high that projects with potentially significant impacts never undergo EIA.

Example from hydrogen regulation: planned amendments[45] provide that hydrogen production by electrolysis up to 50 tonnes per day is subject only to an initial assessment. A similar approach could be applied to SAF facilities, setting capacity thresholds below which a full EIA is not mandatory.

This approach will accelerate the implementation of strategic investments, reduce the bureaucratic burden for small and medium-sized SAF projects while maintaining environmental protection principles. It will foster innovation, the introduction of green technologies, and strengthen Latvia's position as a centre for SAF production development in the Baltic region. As of the time of preparing this report, neither Lithuania nor Estonia has adjusted the EIA regulation to ensure faster and more successful implementation of SAF projects. Overall, this approach allows environmental protection requirements to be balanced with economic development needs, providing a clear, effective, and investment-friendly regulatory framework for SAF production.

Recommendation "Simplification of the EIA Process"

Simplification of the EIA Process to produce SAF

- Consider the possibility of applying the option provided in Article 5 of the Innovative Business and Priority Project Aid Law to establish a Special Regulatory Environment or "regulatory sandbox" for specific, limited areas where SAF and hydrogen pilot project infrastructure is planned. The special regulation would apply to the EIA assessment, allowing for the possibility of setting simplified conditions for the construction of such infrastructure within the regulatory sandbox.
- Consider specifying in the EIA Law the cases in which an initial assessment is required for SAF production (and related hydrogen projects).

For example, it may be made mandatory for SAF plants above a certain capacity to carry out a full EIA, while for smaller capacity plants, an initial impact assessment and a public consultation procedure are sufficient without carrying out a full EIA cycle.

[45] 24-TA-453 Amendments to the Law on Environmental Impact Assessment https://tapportals.mk.gov.lv/legal_acts/77122a35-d5d7-4e26-8162-129d46dbb42a

Improvement of Protection Zone Regulation

The development of SAF is a strategically important direction that promotes the transition to a climate-neutral transport system and reduces dependence on fossil resources. At the same time, this development must not take place in isolation from the interests of society, particularly regarding environmental quality and the protection of human health. The siting, operation, and associated infrastructure of SAF production facilities can have various impacts on the surrounding environment, including air quality, noise levels, water resources, ecosystems, as well as on the quality of life and health of people.

Therefore, it is essential that SAF development is based on clearly defined regulatory conditions, which provide not only for technical and safety standards but also for territorial planning and protection zone regulation. Protection zone regulation, in particular, would serve as an instrument to ensure a balance between the protection of production facilities from external risks - such as uncontrolled construction or economic activity - and the protection of society from the potential impacts of SAF production facilities.

The current protection zone regulation in Latvia is insufficiently specific regarding SAF, its production facilities, transportation, and other aspects, which creates significant difficulties in its practical application. For example, the Protection Zone Law sets out specific protection zone requirements for oil and oil products, but the overall requirements in the Law, including the definition of “fuel filling stations” in Article 1, point 21, are ambiguous as to whether oil products under the Law are understood to mean only diesel and petrol, or whether this definition applies more broadly to the term “fuel”. This lack of clarity in the Protection Zone Law not only hinders the effective development of SAF projects but also creates legal uncertainty for investors, municipalities, and supervisory authorities. The absence of clear requirements complicates risk assessment, public information, and responsible decision-making.

To ensure sustainable SAF development, it is necessary to review and improve the protection zone regulation, including specific criteria relating to SAF and its production, storage, and transportation infrastructure. Such regulation would promote not only environmental and health protection but also a clear and predictable development environment, which is essential for attracting long-term investment and strengthening public trust. As of the time of preparing this report, neither Lithuania nor Estonia has adjusted protection zone regulation to provide clear regulation for SAF infrastructure.

Recommendation "Improvement of the Protection Zone Law"

Consider the possibility of amending the Protection Zone Law to:

- Include a new definition specifying what constitutes a SAF production facility. The definition should reference the SAF definition included in the law “On Aviation” and indicate that a SAF production facility is one in which the process results in the production of SAF.
- Include a new article (or part of an existing article) stipulating that, regarding SAF production facilities, the same requirements apply as for petroleum products; that is, all requirements, restrictions, rules, and sanctions set out in the Protection Zone Law for petroleum products also apply to SAF and SAF production facilities.

Recommendation "Improvement of the Cabinet Regulation No. 982"

Consider the possibility of amending Cabinet Regulation No. 982 of 5 December 2006 "Methodology for Determining Protection Zones for Energy Infrastructure Objects" to:

- also include aviation and sustainable aviation fuels, as well as to set specific criteria for determining protection zones for SAF, in line with other energy infrastructure protection zones in these regulations.

10. SAF Storage

The storage of SAF is conceptually similar to the storage of conventional aviation fuel (Jet A-1), but **there are currently no specific provisions in Latvian legislation that apply directly to SAF or Jet A-1**. SAF storage is a crucial stage in the fuel supply chain, directly affecting both safety and quality assurance aspects. With regard to SAF storage, considering that the circulation of aviation fuel is subject to a range of international standards and safety regulations that ensure a high level of quality and safety at all stages - including the storage phase - there is no need to specifically amend Latvian legislation concerning SAF storage. However, to ensure SAF traceability, it would be advisable to introduce provisions that guarantee traceability during the SAF storage phase as well.

10.1. Recommendations for Improving SAF Storage Regulations

At present, there is no separate regulatory framework in Latvia specifically addressing SAF storage, although under the ReFuelEU Aviation Regulation and RED II/III Directives, each Member State is obliged to ensure SAF traceability and safety throughout the supply chain, including the storage stage, as well as to provide appropriate infrastructure for SAF storage at relevant airports. However, in Latvia, it is practically impossible for the private sector to develop such infrastructure, given the environmental safety requirements imposed in the territory of Riga Airport due to historical contamination. As a result, it is anticipated that, before any construction project can be undertaken in the territory of Riga Airport, extensive remediation works will be required, which must be coordinated with the State Environmental Service. These initial costs are likely to reduce or completely eliminate any commercial interest in investing in the development of such infrastructure.

Recommendation "SAF Storage Requirements"

Consider the possibility of developing separate Cabinet Regulations on SAF transportation, which would also include provisions regarding documentation requirements for SAF storage. These regulations should set out conditions relating to the content of accompanying documents and labelling *(indicating the quantity or percentage of SAF, fuel category - aviation fuel),* traceability requirements, and the allocation of responsibility between the carrier, sender, and recipient.

To enable the implementation of such regulations, it would also be necessary to consider amending the law "On Aviation" to provide an express delegation authorising the Cabinet of Ministers to issue them.

Recommendation "SAF Storage Requirements"

Simplification of conditions for the construction of SAF infrastructure at Riga Airport.

Consider amending the Innovative Business and Priority Project Aid Law to provide that the law is intended not only for the testing of innovative products, technologies, and services, but also for their use in strategically important facilities. In such a case, the Cabinet of Ministers would have the option to specify that innovative products (in this case - SAF) may be used in certain parts of Riga Airport, creating the necessary legal environment to provide for simplified conditions for the construction of SAF infrastructure within a regulatory sandbox.

Alternatively:

Consider the possibility, at the executive level, of introducing measures to ensure remediation within airport territories, as well as cooperation with the private sector in the development of SAF infrastructure. At the same time, it is necessary to ensure compliance with state aid control regulations.

10.2. Detailed Justification for Recommendations on Improving SAF Storage Regulation

According to the ReFuelEU Aviation Regulation and RED II/III Directives, each Member State must ensure the introduction of a legal framework that guarantees SAF traceability and safety throughout the entire SAF supply chain, including during the storage phase. Furthermore, under the ReFuelEU Aviation Regulation, the competent authorities of each Member State must ensure that the necessary infrastructure for SAF storage is available at the relevant airports. This means that the

Member State must ensure and develop regulation that does not unduly hinder or even make impossible the construction of new storage tanks in Latvia.

Currently, there are no specific provisions in Latvian legislation regarding SAF storage, which could lead to a range of problems, including issues with SAF traceability and compliance with safety requirements.

With regard to the State's obligation to ensure the availability of infrastructure within the territory of Riga Airport, there may be future challenges in developing such infrastructure, given that the construction of new storage tanks by the private sector is currently practically impossible due to the requirements set by the State Environmental Service for remediation works before any construction can begin in the territory of Riga Airport, owing to historical contamination. Although these requirements are legally justified, they are disproportionate, considering that no company would find it profitable to develop SAF infrastructure (should it be needed in the future) under such conditions.

Table 9 Recommendations for Amendments to the SAF Storage Regulatory Framework

Recommendation	Normative act(s) in which the possibility of making amendments should be considered
Recommendation "Establishing storage requirements for aviation fuel with SAF blending"	Law "On Aviation" Issuance of new Cabinet Regulations
Recommendation "Simplification of conditions for the construction of SAF infrastructure at Riga Airport"	Innovative Business and Priority Project Aid Law[46]

SAF Storage Requirements

The ReFuelEU Aviation Regulation, in conjunction with the RED II/III Directives, imposes an obligation on each EU Member State to ensure oversight that SAF is available at the required volumes and proportions at the Member State's airports, and that each year the amount of aviation fuel refuelled by the relevant aircraft operator at a given Union airport is at least 90% of the annual required aviation fuel. These are just some of the obligations arising in connection with SAF implementation in Member States. However, one of the central obligations under the ReFuelEU Aviation Regulation is for each country to ensure an administrative framework that allows for the verification and auditing of information on SAF supplies and refuelling. In light of this general obligation, states must be able to provide a legal framework that ensures SAF traceability throughout the entire supply chain - including production, storage, transportation, and refuelling.

Furthermore, the regulation of SAF storage must be aligned with the requirements for the circulation of conventional aviation fuel, including safety, quality control, and administrative documentation. Given that there are already strict international requirements for the aviation sector - including for aviation fuel and its refuelling procedures - it is essential that Latvian regulation adheres to international practice and does not impose stricter requirements than global standards, as this could create unnecessary barriers to SAF integration. At the same time, to meet EU requirements for SAF quality control, it is necessary to establish a clear national documentation procedure certifying SAF compliance with quality and sustainability criteria. Such documentation should include traceability information, the proportion of SAF in blends, quality test results, and compliance with EU definitions.

In Latvia, the storage of petroleum products is regulated by general rules, such as Cabinet Regulation No. 409. However, these and other regulatory acts governing fuel storage and circulation

[46]The Law on Support of Innovative Entrepreneurship and Priority Projects. Latvijas Vēstnesis, 56, 19.03.2024. https://likumi.lv/ta/id/350569

mainly apply to petrol and diesel (vehicle fuels). As a result, there is currently no regulation at the legislative level regarding the storage of aviation fuel with SAF blending.

Nevertheless, considering international aviation standards - including those relating to aviation fuel storage - and the European Commission's report[47] on the application of the ReFuelEU Aviation Regulation, which states that Member States must repeal national measures that directly or indirectly impose any additional or parallel obligations on aviation fuel suppliers in relation to SAF, especially where international standards already provide a unified procedure for aviation fuel use, there is no particular need to establish separate regulation for SAF fuel storage. In this context, it should be noted that, regarding SAF storage, since the circulation of aviation fuel is subject to a range of international standards and safety requirements ensuring a high level of quality and safety at all stages, there is no need to specifically amend other regulatory acts in Latvia. The practice of other countries (e.g., Norway) indicates that these international standards are adapted for SAF, which in turn allows for the joint storage of conventional aviation fuel and SAF blends, provided certain quality control requirements are met.

However, to ensure SAF traceability throughout the entire SAF fuel supply chain, it is necessary to establish requirements for documentation and record-keeping at the storage stage, so that the proportion of SAF in blends can be tracked. Documentation requirements could be applied and harmonised across the entire SAF fuel supply chain, including the storage phase. To implement such a regulation, it is necessary to consider amending the Law "On Aviation" to provide the Cabinet of Ministers with the delegated authority to develop and approve the relevant regulations.

Recommendation "Establishing storage requirements for aviation fuel with SAF blending"

Consider the possibility of developing separate Cabinet Regulations on SAF transportation, which would also include provisions regarding documentation requirements for SAF storage. These regulations should set out conditions relating to the content of accompanying documents and labelling (indicating the quantity or percentage of SAF, fuel category - aviation fuel), traceability requirements, and the allocation of responsibility between the carrier, sender, and recipient.

To enable the implementation of such regulations, it would also be necessary to consider amending the law "On Aviation" to provide an express delegation authorising the Cabinet of Ministers to issue them.

SAF Storage Requirements – Environmental Aspects

According to Article 7 of the ReFuelEU Aviation Regulation, the competent authorities of each Member State must ensure that the necessary infrastructure for SAF storage is available at the relevant airport.

To meet this requirement and taking into account the planned development of the state joint-stock company "RIGA INTERNATIONAL AIRPORT", it may be necessary to develop SAF storage infrastructure within the airport's territory to ensure adequate SAF availability. Although there are currently no specific regulations preventing the development of infrastructure at Riga Airport, the implementation and viability of such projects could be threatened by potentially high construction costs. Specifically, it is reasonable to expect that any new construction within the airport territory may be subject to heightened environmental protection requirements, due to the area's historical use and resulting contamination. Consequently, before any construction can take place at Riga Airport, extensive remediation works are likely to be required, which must be coordinated with the State Environmental Service. These initial costs would likely reduce or completely eliminate any commercial interest in investing in such infrastructure.

[47] Commission Notice (C/2025/1368) on the interpretation of Regulation (EU) 2023/2405 (ReFuelEU Aviation). Available here: https://eur-lex.europa.eu/legal-content/LV/TXT/?uri=CELEX:52025XC01368

Given the above and environmental protection objectives, it would be advisable to ensure conditions that allow the private sector the opportunity to develop airport infrastructure to provide SAF supply and storage capacity.

One possible solution would be to amend **the Innovative Business and Priority Project Aid Law**, expanding its scope. This would provide that the law applies not only to the testing of innovative products, technologies, and services, but also to their use in strategically important facilities. Such amendments would give the Cabinet of Ministers the legal basis to designate **a special regulatory zone** within the territory of Riga Airport. In this zone, simplified conditions for the construction of SAF infrastructure could be applied, for example, allowing alternative or phased solutions to the problem of historical contamination, rather than requiring immediate and costly remediation. This would create a predictable and attractive environment for private investors willing to develop SAF storage capacity. The testing regime would, in principle, only apply if the facility initially operates as a pilot project or demonstration site, where new technologies or solutions not yet commercially available are being tested.

Alternatively, given that pollution prevention is in the interests of the state and society, and that the territory of Riga Airport belongs to the state joint-stock company “RIGA INTERNATIONAL AIRPORT”, which is wholly state-owned, it is possible at the executive level to introduce measures to ensure remediation within airport territories, as well as cooperation with the private sector in the development of SAF infrastructure. Such action would, in principle, be consistent with Section 38, Paragraph 1, Point 4 of the Law on Pollution, which provides that the costs associated with investigation and remediation measures are borne by the owner or user of the relevant land or object who voluntarily undertakes to cover these costs in whole or in part, as well as Paragraph 4 of the same Section, which provides that these costs may be covered by the owner or user who voluntarily undertakes to do so. In this case, the main objective of such measures would be to create the most favourable conditions possible for private investment in SAF infrastructure. At the same time, it should be noted that such a measure may be classified as state aid within the meaning of the Law on Control of Aid for Commercial Activity; therefore, before making a decision, compliance with state aid control regulations must be ensured, and an initial assessment of the planned support measure must be carried out.

Recommendation "Simplification of conditions for the construction of SAF infrastructure at Riga Airport"

Consider amending the Innovative Business and Priority Project Aid Law to provide that the law is intended not only for the testing of innovative products, technologies, and services, but also for their use in strategically important facilities. In such a case, the Cabinet of Ministers would have the option to specify that innovative products (in this case - SAF) may be used in certain parts of Riga Airport, creating the necessary legal environment to provide for simplified conditions for the construction of SAF infrastructure within a regulatory sandbox.

Alternatively:

Consider the possibility, at the executive level, of introducing measures to ensure remediation within airport territories, as well as cooperation with the private sector in the development of SAF infrastructure. At the same time, it is necessary to ensure compliance with state aid control regulations.

11. SAF Transportation

The field of SAF transportation is a crucial stage in the decarbonisation of the aviation sector. In Latvia, this area is currently governed by general dangerous goods transport regulations, which are not tailored to the specifics of SAF. To ensure safe, efficient, and EU-compliant SAF circulation, it is urgently necessary to develop clear national regulations defining documentation, labelling, traceability, and liability requirements. Without these improvements, there is a risk that SAF will not be correctly accounted for, controlled, or recognised as meeting sustainability criteria, which could jeopardise the competitiveness of aviation companies and their access to EU support mechanisms.

11.1. Recommendations for Improving SAF Transportation Regulation

Aviation kerosene Jet A-1 is a highly flammable liquid (classified as UN 1863), and its transport is regulated by general dangerous goods regulations - ADR for road transport, RID for rail, and the relevant international codes for maritime and air transport. These international rules have been implemented in Latvia and apply to all dangerous goods. However, there is currently no clarity at the international level as to whether these rules already apply to SAF. At the very least, this cannot be directly concluded from the regulations, as they refer specifically to aviation fuel without further clarification as to whether this classification also covers SAF.

At present, there is no regulation in Latvia specifically addressing SAF logistics. Apart from the dangerous goods transport rules, there is no special regulation for aviation fuel in Latvia at all. This is logically explained by the fact that, historically, fuel production and processing have not taken place in Latvia, and aviation kerosene Jet A-1 has mostly been delivered by road tankers from Lithuania.

Given the above and the fact that, under the ReFuelEU Aviation Regulation and RED Directives, the state must ensure SAF traceability, it is necessary to establish additional national requirements specifically applicable to SAF logistics.

Recommendations "SAF Transportation Rules"

Consider the possibility of developing separate regulations on SAF transportation, which would include provisions on the content of accompanying documents and labelling (indicating the quantity or percentage of SAF, fuel category - aviation fuel), traceability requirements, and the allocation of responsibility between the carrier, sender, and recipient. Ensure that the transportation process complies with both safety and environmental protection requirements, as well as EU regulations.

To implement such regulation, it would be necessary to amend the Law “On Aviation”, providing for a delegation to the Cabinet to develop and approve the relevant regulations.

Recommendations "Application of the SAF CN code"

It is recommended that the SRS Customs Administration promote, at the EU level, the issue of applying a CN code to SAF, given that SAF can currently only be classified as conventional jet engine fuel.in the EU, taking into account that it is currently possible to classify SAF only as traditional jet fuel.

11.2. Detailed Justification for SAF Transportation recommendations

The existing regulations (ADR, RID) are not adapted to the specific characteristics of SAF, particularly regarding documentation, traceability, and sustainability requirements. To ensure compliance with EU regulations and to promote clear and safe SAF circulation, it is necessary to develop national rules that specify the content of accompanying documents, criteria for certificate recognition, allocation of responsibilities, and the form of delivery.

Table 10 Recommendations for Amendments to the SAF Transportation Regulatory Framework

Recommendation	Normative act(s) in which the possibility of making amendments should be considered
Recommendations "SAF Transportation Rules"	Law "On Aviation" Issuance of new Regulations of the Cabinet of Ministers
Recommendations "Application of the SAF CN code"	Not applicable

SAF Transportation Rules

Currently, SAF transportation in Latvia is subject to general dangerous goods transport regulations (ADR, RID), which set requirements for safety, packaging, and transport procedures. However, these rules are primarily designed for traditional fossil fuels and do not provide specific requirements for SAF, especially regarding documentation of its composition, sustainability, and origin. As a result, there are currently no clear requirements in practice for what accompanying documents, labelling, and certificates must be prepared to ensure compliance with both aviation fuel quality and sustainability requirements arising from EU law (RED II/III, ReFuelEU Aviation).

This leads to practical challenges related to GHG and sustainability requirements:

- **Sustainability requirements and traceability:** According to RED II/III and the ReFuelEU Aviation Regulation, SAF suppliers must ensure complete traceability of the fuel's origin, composition, and sustainability throughout the supply chain. This includes the requirement to document what proportion of the supplied fuel is SAF and to ensure compliance with GHG emissions reduction criteria. Without clear national rules, there is a risk that SAF supplied or used in Latvia will not be recognised as meeting EU sustainability requirements, which could jeopardise aviation companies' ability to demonstrate GHG reductions and receive support or quotas.
- **Uncertainty regarding documents and certificates:** In practice, fuel producers and suppliers have encountered situations where it is unclear what documents must be prepared to certify the SAF content in fuel blends. Until now, only a "fuel quality passport" has been used, but now, with the application of ISCC or similar schemes, factory certificates indicating the SAF percentage are also issued. However, there is no national standard or "checklist" specifying what information must be included in such certificates for them to be recognised in Latvia and not rejected.
- **Allocation of responsibility and traceability:** It is not clearly defined which part of the supply chain (producer, sender, carrier, recipient) is responsible for preparing, storing, and presenting specific documents, as well as for providing information to state authorities or clients.

Without clear national regulation, Latvia risks that SAF supplies will not be recognised as compliant with EU requirements, which could affect aviation companies' ability to demonstrate GHG reductions, receive support, or fulfil the requirements of the ReFuelEU Aviation Regulation. Therefore, it is recommended to develop separate national rules on SAF transportation and accounting, supplementing existing dangerous goods transport regulations, especially regarding documentation and sustainability requirements. The rules should provide for:

- **Content of accompanying documents and labelling:** Clearly specify what information must be included in accompanying documents and labelling (e.g., SAF quantity or percentage content, fuel category, origin and sustainability certificate number).
- **Recognition of certificates:** Develop a "checklist" or standard for what information must be present in a SAF certificate for it to be recognised in Latvia (e.g., ISCC, RSB, or another recognised scheme) and ensure that such certificates are not rejected without a justified reason.
- **Traceability requirements:** Set requirements for traceability of SAF origin and sustainability throughout the supply chain to ensure compliance with RED II/III and the ReFuelEU Aviation Regulation.
- **Allocation of responsibility:** Clearly define which part of the supply chain is responsible for preparing, storing, and presenting specific documents.

Such rules will allow the use of existing infrastructure, reduce costs and procedural complexity, while ensure a clear, safe, and EU-compliant SAF transportation regime.

Recommendations "SAF Transportation Rules"

Consider the possibility of developing separate regulations on SAF transportation, which would include provisions on the content of accompanying documents and labelling (indicating the quantity or percentage of SAF, fuel category - aviation fuel), traceability requirements, and the allocation of responsibility between the carrier, sender, and recipient. Ensure that the transportation process complies with both safety and environmental protection requirements, as well as EU regulations.

To implement such regulation, it would be necessary to amend the Law “On Aviation”, providing for a delegation to the Cabinet to develop and approve the relevant regulations.

Application of the SAF CN code

When goods are imported into the European Union and declared for any customs procedure, they must be declared with the appropriate commodity code. Product classification is carried out in accordance with Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff, as well as its annual amendments. From 1 January 2025, Commission Implementing Regulation (EU) 2024/2522 of 23 September 2024, which amends Annex I to the aforementioned regulation, will be in force.

Aviation fuel is currently classified under CN code 2710 19 21 (jet engine fuel). However, depending on the proportion of SAF in the blend, the TARIC additional code may change, specifying the fuel’s composition, intended use, and applicable duties. If the SAF proportion is significant, this may affect not only the TARIC additional code but also the CN classification. Given these uncertainties, and the absence of any regulatory act specifying or regulating which particular CN and TARIC code should be applied depending on the SAF blend proportion, there is currently no clear practice as to which code should be used for aviation fuel containing SAF, especially in relation to customs declarations when such fuel is exported or imported.

In light of the above, and the fact that product classification is determined by the European Council through amendments to the regulation and EU-level guidelines, it is recommended that the SRS Customs Administration raise the issue of CN code application for SAF at the EU level, given that aviation fuel containing SAF currently does not have a separate classification code that could be applied.

Recommendations "Application of the SAF CN code"

It is recommended that the SRS Customs Administration promote, at the EU level, the issue of applying a CN code to SAF, given that SAF can currently only be classified as conventional jet engine fuel.in the EU, taking into account that it is currently possible to classify SAF only as traditional jet fuel.

12. SAF Refuelling

The SAF refuelling stage is critically important in the aviation fuel supply chain, as it directly affects fuel quality, traceability, and compliance with EU sustainability criteria. However, this area currently faces several significant challenges in Latvia.

12.1. Recommendations for Improving SAF Refuelling Regulation

SAF refuelling at Latvian airports is currently organised as a commercial service, based on international ICAO, IATA, and JIG standards, as well as internal airport regulations. National legislation does not currently provide regulation regarding aviation fuel refuelling procedures, nor are there clearly defined requirements for documenting the SAF proportion, control mechanisms for refuelling infrastructure, or the allocation of responsibilities among institutions.

Given the obligations set out in Article 10 of the ReFuelEU Aviation Regulation, including the requirement to verify and audit data related to SAF refuelling volumes, it is necessary to amend existing legislation to establish procedures for documenting and controlling SAF refuelling.

Recommendations "Improving SAF Refuelling Regulation"

Consider the possibility of making amendments to the Law "On Aviation"

It is necessary to improve the national regulation, for example, by making changes to the law "On Aviation", which would provide for the following:

- Specify the documentation that must be maintained and completed throughout the SAF supply chain.
- Establish a requirement for SAF fuel suppliers to complete and submit SAF delivery accompanying documents to the end user at the time of SAF refuelling.
- Require that SAF delivery documents include information on:
  - The proportion of SAF in the refuelled fuel (as a percentage).
  - The quantity of fuel refuelled, and other information deemed essential by the fuel supplier to ensure compliance with sustainability traceability requirements.
- Require that certificates prepared by the SAF supplier comply with ISCC (International Sustainability and Carbon Certification) or RSB (Roundtable on Sustainable Biomaterials) standards.
- Specify that the end user of SAF uses the certificate issued by the fuel supplier to demonstrate to the national supervisory authority (in Latvia's case, the CAA) that flights are operated in accordance with EU requirements, which mandate the use of SAF blends in aviation fuel from 2025.

12.2. Detailed Justification for Recommendations on Improving SAF Refuelling Regulation

Given the requirements of the ReFuelEU Aviation Regulation regarding the provision of SAF blends and the obligation for airports to develop appropriate storage and refuelling infrastructure, a clear and unified regulatory framework is needed. This should align SAF refuelling procedures with those for conventional aviation kerosene (Jet A-1), while ensuring compliance with and supervision of sustainability criteria.

Table 11 Recommendations for Amendments to the SAF Refuelling Regulatory Framework

Recommendation	Normative act(s) in which the possibility of making amendments should be considered
Recommendations "Improving SAF Transportation Regulation"	Law "On Aviation"

Preparation of SAF refuelling documentation

Aircraft refuelling in Latvia is organised as a commercial service rather than a regulated public function. The Law "On Aviation" does not provide detailed rules for fuel refuelling procedures - reliance is placed on international ICAO and IATA standards and internal airport regulations. At Riga Airport, several commercial companies operate under long-term contracts, providing refuelling services and maintaining the necessary infrastructure for aviation fuel refuelling. These companies operate in accordance with ground handling rules and contracts with the airport, which set out safety protocols, but national legislation does not directly describe the procedures for aviation fuel refuelling.

The safety of aviation fuel refuelling is overseen by airport services and the State Fire and Rescue Service in accordance with general fire safety regulations, while the Civil Aviation Agency has so far only been indirectly involved in the refuelling process - through airfield safety certification

requirements. Aviation fuel quality (water, contaminants) is controlled according to industry standard procedures (JIG standards, ASTM D1655 quality certification, etc.), but this is managed at the level of agreements between fuel suppliers and airlines, not according to a state-mandated procedure. Currently, if an aircraft is refuelled with Jet A-1 fuel, it is assumed that the fuel complies with the international standard DEF STAN 91-091 / ASTM D1655 (equivalent to civil Jet A-1 fuel). There is no national fuel quality monitoring for aviation fuel in Latvia (in contrast to road fuels, where quality is monitored by BVKB/EVA and reported annually to the EC). Nor is there any sustainability or origin tracking for fossil aviation fuel, as aviation fuel is not covered by the Biofuel Law and is not subject to mandatory bio-blending or emissions limits.

Given the state obligations set out in the ReFuelEU Aviation Regulation, including the requirement to verify and audit data related to SAF refuelling volumes, it is necessary to amend existing legislation to establish procedures for documenting and controlling SAF refuelling. It is recommended that these amendments be introduced in the Law “On Aviation”, which should, at a minimum, include the following additions.

Recommendations "Improving SAF Refuelling Regulation"

Consider the possibility of making amendments to the Law “On Aviation”

It is necessary to improve the national regulation, for example, by making changes to the law "On Aviation", which would provide for the following:

- Specify the documentation that must be maintained and completed throughout the SAF supply chain.
- Establish a requirement for SAF fuel suppliers to complete and submit SAF delivery accompanying documents to the end user at the time of SAF refuelling.
- Require that SAF delivery documents include information on:
  - The proportion of SAF in the refuelled fuel (as a percentage).
  - The quantity of fuel refuelled, and other information deemed essential by the fuel supplier to ensure compliance with sustainability traceability requirements.
- Require that certificates prepared by the SAF supplier comply with ISCC (International Sustainability and Carbon Certification) or RSB (Roundtable on Sustainable Biomaterials) standards.
- Specify that the end user of SAF uses the certificate issued by the fuel supplier to demonstrate to the national supervisory authority (in Latvia’s case, the CAA) that flights are operated in accordance with EU requirements, which mandate the use of SAF blends in aviation fuel from 2025.

Summary of stakeholder discussion

13. Summary of the discussion among stakeholders

To promote the recommendation “Support the development of alternative and green energy projects with the strategic objective of reducing electricity prices below the EU average,” a stakeholder discussion was organised on 19 September 2025.

The purpose of the discussion is to bring together electricity producers and related industry participants to address the critical importance of electricity prices and availability in implementing SAF and hydrogen projects in Latvia. The seminar aims to define key challenges - capacity, tariffs, and infrastructure - and explore practical solutions that could support SAF project development and attract investors.

Table 11 Discussion Participants

Institution	Name, surname
Ministry of Climate and Energy	Edgars Eisons
Ministry of Transport	Artūrs Kokars
Ministry of Transport	Signe Kauķīte
Public Utilities Commission	Jānis Miķelsons
Latvian Hydrogen Association	Aivars Starikovs
Latvian Hydrogen Association	Ģirts Greiskalns
LSEZ NorSAF	Kristine Tarvida
AS Augstsprieguma tīkls	Ansis Žbanovs
AS Augstsprieguma tīkls	Didzis Šulcs

Seminar materials in English, included in Annex 1 "The role of electricity prices and availability in implementing SAF projects".

The seminar addressed the following key theses:

1. Latvia has the potential to become a regional SAF production centre

It was repeatedly emphasised that Latvia has significant biomass resources from forestry and agriculture, making it competitive in SAF production. Its strategic location on the Baltic Sea also provides opportunities to develop SAF production for both domestic consumption and export. It was noted that Latvia could become a production centre rather than merely an importer, as envisaged in Estonia’s strategy.

2. Hydrogen is critically important for SAF production, but regulation hinders development

Hydrogen is required in the Power-to-Liquid (PTL) process; however, the discussion highlighted that hydrogen production in Latvia is classified as heavy industry, complicating the permitting and Environmental Impact Assessment (EIA) process. The possibility of applying EU regulation was discussed, which stipulates that hydrogen production by electrolysis up to 50 tonnes per day is subject only to initial screening, and the need to amend legislation (EIA Law).

The Ministry of Transport invited stakeholders to submit a support letter to the Saeima Committee on Economic, Agricultural, Environmental and Regional Policy to accelerate the adoption of amendments to the EIA Law.

This exemption is currently delayed because the draft law has been postponed due to numerous proposals from the wind energy sector. A support letter would help prioritise hydrogen-related regulation and advance its progress in the legislative process.

3. Electricity prices and grid access are major obstacles for SAF and hydrogen projects

Electricity prices have risen significantly in recent years, and grid availability, tariffs, and infrastructure costs hinder the implementation of large energy-intensive projects. A review of electricity market design and investments in grid capacity is needed. It was also noted that companies are unwilling to enter into long-term fixed-price agreements (Power Purchase Agreements – PPA), which complicates investment attraction and financial planning for SAF projects.

4. Regulatory sandboxes and granting strategic project status are essential

To accelerate SAF and hydrogen projects, a proposal was made to establish regulatory sandboxes allowing SAF and hydrogen pilot projects to operate under simplified procedures, particularly regarding EIA. It was suggested to ease EIA requirements for these pilot projects so they can be implemented faster (or at all) while legislative amendments are being prepared.

The Ministry of Transport proposed creating a regulatory sandbox specifically for SAF and hydrogen projects. This approach would allow strategically significant projects to operate in a testing mode using a simplified permitting and administrative procedure model, speeding up implementation and identifying practical barriers in a real environment.

5. State support must include integration into national strategies and investor incentives

The meeting emphasised that state support should include not only legislation but also political commitment, inclusion in strategic documents, and investor incentives such as tax relief.

6. Feedstock flexibility and process efficiency will determine SAF's economic viability

Various SAF production pathways (HEFA, Alcohol-to-Jet, PTL), their feedstock availability, efficiency, and energy requirements were discussed. The advantage of using local resources was stressed to reduce import dependence and lower costs.

7. EU and national funding mechanisms must be reviewed and made accessible for strategic projects

NORSAF indicated that it currently cannot qualify for national support programs because it is classified as a "large enterprise" due to its group structure and associated investor. A call was made to amend classification criteria and ensure access to funding for large enterprises, as well as to establish a single contact point or project manager at the national level to coordinate state and EU support opportunities for SAF projects.

8. Energy market design and infrastructure planning must align with SAF and hydrogen development goals

The discussion stressed the need to plan electricity generation, storage, and distribution according to SAF project requirements and to develop energy storage solutions such as batteries and hydrogen storage.

9. Test flight infrastructure is essential for validating SAF/hydrogen technologies

Latvia must ensure the possibility of conducting experimental flights using SAF/hydrogen fuel by opening airspace and developing permitting procedures. A call was made to open airspace for experimental hydrogen flights, develop permitting procedures, and position Latvia as a testing and validation centre for aviation innovations.

The Ministry of Transport emphasised the need to enable test flights with hydrogen-powered aircraft as part of Latvia's aviation innovation infrastructure development. This includes opening airspace for experimental flights, which is currently restricted due to regulatory gaps.

The goal is to position Latvia not only as a SAF producer but also as a testing and validation centre where SAF/hydrogen technologies can be verified, improved, and demonstrated before commercialisation.

In this regard, the Ministry will meet with the Civil Aviation Agency (CAA).

10. Creating local added value is the basis for tax relief and attracting investors

The meeting stressed that SAF production in Latvia creates jobs, increases GDP, and reduces import dependence. It was proposed to use this added value as a basis for tax relief during the initial years of operation to motivate investors and promote local development.

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