

February 16, 2024

Hon. Chairman Rostin Benham  
Commodity Futures Trading Commission  
Three Lafayette Center  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581

[submitted via CFTC online portal](#)

**RE: Proposed Guidance Regarding the Listing of Voluntary Carbon Credit Derivative Contracts**

The Sustainable Aviation Buyers Alliance (SABA) is a non-profit initiative convened by RMI and the Environmental Defense Fund, with Neoteric Energy and Climate serving as the Secretariat. SABA's mission is to accelerate investment in and adoption of sustainable aviation fuel (SAF). With this letter, the SABA Secretariat respectfully offers comments in response to the Commission's Proposed Guidance Regarding the Listing of Voluntary Carbon Credit Derivative Contracts ([Release No. 8829-23](#)).

**1. Sustainable Aviation Fuel Certificates (SAFc) represent environmental attributes but are not verified carbon credits as described in the Proposed Guidance.**

The terms and conditions articulated in CFTC's guidance do not apply to SAFc for the following reasons:

- A Sustainable Aviation Fuel Certificate (SAFc) represents the environmental attributes, including emission reductions, associated with one metric ton of neat SAF, rather than a metric ton of emissions reductions.
- SAFc represents both the so-called "Scope 1" environmental attributes as well as the "Scope 3" attributes and, as such, may be appropriately claimed by more than one entity across the aviation value chain, unlike carbon credits. The unbundling and sale of SAFc separate from physical fuel allows air transport providers and aviation customers to support the growth of the SAF market – even if SAF is physically not available for purchase at the airports they use.
- SAFc are not issued by a carbon crediting program. The Proposed Guidance describes voluntary carbon credits as "*a tradeable intangible instrument that is issued by a carbon crediting program.*" SAFc instead are issued in a specialized electronic registry following a book-and-claim standard.
- Rather than relying on a project-based methodology to quantify emissions reductions against a hypothetical or counter-factual baseline, SAFc represent the environmental attributes following from substitution of a highly standardized incumbent technology (conventional jet fuel) with an equivalent input that has a smaller carbon footprint.

- The additionality requirement under the proposed guidance (i.e. that, according to the Proposed Guidance, the credit “*represents GHG emission reductions or removals that would not have been developed and implemented in the absence of the added monetary incentive created by the revenue from the sale of carbon credits*”) is not appropriate for SAFc, which is similar but not identical to a renewable energy certificate.

## **2. CFTC could consider measures under its authority to conduct oversight of SAFc**

Commissioner Goldsmith-Romero on March 7, 2023<sup>1</sup> outlined five proposals of a responsible regulatory approach to environmental and climate-related products. The Commissioner proposed:

- Consumer education around verified carbon credits, but also the increasingly robust and populated market in environmental products, including SAFc.
- Asserting CFTC’s legal authority over environmental/climate related products by, in part, creating a category for environmental/climate-related products and identifying those products as traded.
- Develop a heightened review framework for any self-certified climate-related products, as the Commission did with derivatives on digital assets.
- Increase market intelligence to monitor and surveil markets to promote integrity and resilience to climate risk.

The SABA Secretariat would welcome the opportunity to discuss how these proposals could apply in the case of SAFc to help strengthen and grow the market for SAF.

Sincerely,

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More information about SABA can be found at [flySABA.org](https://flySABA.org).

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<sup>1</sup> <https://business.cch.com/srd/RemarksOfCommissionerChristyGoldsmithRomero.pdf>