ECO2FLY calls for a stable European framework to advance its decarbonization project

- **Toledo hosted the *Accelerating Renewable & Low-Carbon Fuels Deployment* conference last week, promoted by the RLCF Alliance and organised by ECO2FLY with the support of the Regional Government of Castilla-La Mancha**
- **ECO2FLY advocates European mechanisms to facilitate long-term offtake agreements and accelerate sustainable aviation fuel production**
- **The event coincided with the announcement that ECO2FLY has been selected under the European Commission's Innovation Fund large-scale projects call**

Toledo, 29 October 2026. "A regulatory mandate does not automatically translate into a long-term offtake agreement." This was the message delivered by Gustav Granberg, P2X Project Development director at IGNIS P2X, majority shareholder in ECO2FLY, during the *Accelerating Renewable & Low-Carbon Fuels Deployment* conference held in Toledo on 20 October by Renewable and Low-Carbon Fuels Value Chain Industrial Alliance (RLCF Alliance).

The event, organised by ECO2FLY with the support of the Regional Government of Castilla-La Mancha, addressed the main challenges and opportunities involved in deploying these fuels. Granberg called for the development of European mechanisms to bridge the gap between regulatory targets and long-term offtake agreements, providing the stability required for investment in pioneering projects of this scale. He highlighted the importance of establishing arrangements that allow producers, airlines and fuel suppliers to share the risks associated with prices and supply volumes.

"Our ambition is very simple: to turn renewable electricity and biogenic CO_2 into sustainable aviation fuel (e-SAF) right here, and to do so competitively," Granberg explained. ECO2FLY benefits from a competitive advantage: integrating existing industrial, energy and logistics capabilities rather than developing every component of the value chain from scratch.

The project plans to make use of Holcim's cement plant in Villaluenga de la Sagra, IGNIS P2X's expertise in renewable energy, hydrogen and industrial development, and Exolum's

storage and distribution infrastructure, which connects to the aviation market through Adolfo Suárez Madrid-Barajas Airport. This integration combines access to biogenic CO_2 with competitively priced renewable electricity and the infrastructure required to produce and distribute e-SAF.

According to the estimates presented, ECO2FLY aims to capture more than 700,000 tonnes of CO_2 per year and produce approximately 90,000 tonnes of sustainable synthetic aviation fuel annually. Based on demand forecasts for 2032, this volume would represent approximately 60% of the synthetic aviation fuel demand associated with Spanish airports and around 10% of the projected demand across the European Union.

Granberg noted that an initiative of this scale could help strengthen European energy security, industrial competitiveness and aviation decarbonisation. To realise this potential, he reiterated the need to ensure predictable revenues and regulatory stability throughout the lifetime of the facilities, with clear rules on eligible production pathways and the application of regulatory requirements.

Europe's efforts

Pablo Fábregas, policy officer in Unit B.4 for Sustainable and Intelligent Transport at the European Commission's Directorate-General for Mobility and Transport (DG MOVE), outlined the role of the RLCF Alliance in accelerating the deployment of renewable and low-carbon fuels. The Alliance brings together more than 400 members from across the value chain, connecting fuel producers with airlines, shipping companies, financial institutions and technology providers. Its work includes identifying barriers to project development, mapping industry initiatives and analysing financing mechanisms that can help projects progress towards final investment decisions (FIDs).

The Commission representative agreed on the need to establish support mechanisms that complement regulatory targets, as well as stronger links between producers and buyers. In this regard, he highlighted the European Commission's efforts to mobilise investment, reduce project risks and address funding gaps, while acknowledging that existing support mechanisms may need to be tailored more closely to the sector's specific needs.

From projects to new realities

Alipio García, director-general for Energy Transition at the Regional Government of Castilla-La Mancha, highlighted the opportunities that the energy transition offers for industrial development and praised ECO2FLY as an example. He called for "turning projects into investments and investments into new realities" and acknowledged that "we are aware that technical, economic and regulatory challenges remain". Seizing these opportunities, he noted, requires "committed companies, investors, knowledge and institutional support".

The conference also featured two panel discussions on the challenges facing renewable and low-carbon fuel projects. The first, *Bridging the Gap: Financing, Policy and Market Solutions for Project Deployment*, brought together Jordi Carreras, senior vice president of Sustainability Advisory and Low-Carbon Transition at BBVA; Enrique García Otero, head of Public Affairs and Government Strategy at the International Air Transport Association (IATA); Emanuela Sardellitti, senior advocacy manager at FuelsEurope; and Inmaculada Gómez, senior sustainable aviation specialist at ICF.

The second panel, *From Project Development to FID: Key Challenges for Scaling CCUS and e-Fuel Projects*, featured Jordi Carreras, senior vice president of Sustainability Advisory and Low-Carbon Transition at BBVA; Margarita de Gregorio, CEO of BIOCIRC; Javier Arnaldo, head of Sustainability for Airbus in Spain; Javier Gándara, president of the Spanish Airline Association (ALA); and Rosa Alonso, director-general of the Spanish CO_2 Technology Platform (PTECO2).

The discussions highlighted the importance of developing solutions that can turn decarbonisation targets into industrial investment. Potential financial tools to facilitate this process include double-sided auctions and contracts for difference (CfDs), which can help reduce exposure to price volatility, improve revenue predictability and facilitate project financing. Developing these types of instruments could encourage the signing of long-term offtake agreements and accelerate the final investment decisions needed to deploy sustainable aviation fuel production across Europe.

ECO2FLY selected for the European Innovation Fund

The conference coincided with the announcement that ECO2FLY had been selected under the European Commission's Innovation Fund large-scale projects call. The Innovation Fund is the European Union's main instrument for supporting the development and deployment of innovative technologies that contribute to industrial decarbonisation.

This selection marks an important milestone for the project and supports its potential to develop a new industrial value chain for the production of sustainable aviation fuel (e-SAF). The next step will be to prepare the grant agreement with the European authorities, during which the support conditions and funding commitments will be finalised.

About ECO2FLY

ECO2FLY aims to develop an innovative CO_2 circular economy project, establishing Spain's first complete carbon capture, utilisation and storage (CCUS) value chain linked to the production of sustainable synthetic aviation fuel (e-SAF).

The initiative will be centred on Holcim's industrial facility in Villaluenga de la Sagra, Toledo, and will establish a pioneering industrial symbiosis between the cement and aviation sectors.

The project is a strategic partnership driven by a consortium comprising Holcim, responsible for supplying CO_2 captured during cement production; ECO2FLY Power, majority-owned by IGNIS P2X, focused on renewable energy generation, green hydrogen production and e-SAF synthesis; and Exolum, which will manage fuel and CO_2 logistics.

This industrial ecosystem integrates the entire supply chain at a single site, from carbon capture and renewable hydrogen production to fuel synthesis and associated logistics. The model combines advanced technology and economies of scale to help lead the transition towards the future of the construction materials and aviation fuel industries, within the net-zero emissions framework established by the European Union through regulatory initiatives such as the Clean Industrial Deal and ReFuelEU Aviation.

More information

IGNIS
comunicacion@ignis.es
ignis@harmon.es