Dublin Airport Aeronautical Charges and Incentives

30 Mar 2025 – 28 Mar 2026

Proposal for Stakeholder Consultation

3rd October 2024

Contents:

Tables:

Figures:

1. Introduction and Consultation Programme

1.1 Introduction

1.1.1 Dublin Airport is subject to economic regulation by the Irish Aviation Authority ("IAA"). In determining our airport charges our aim is to be transparent and regulatory compliant while following sound economic principles, policies and business strategies.

1.1.2 In particular, we are determined to ensure that our charges and this process of engagement between Dublin Airport and airport users setting the 2025 airport charges at Dublin Airport is in compliance with the European Communities (Dublin Airport Charges) Regulations 2011.

1.2 Dublin Airports Price Control: IAA Determination on Charges for the period 2023-2026

1.2.1 On the 23rd December 2022 the IAA published the Final Decision on the Maximum Level of Airport Charges at Dublin Airport[1]. This was the third regulatory Review of the 2019 Determination. The Final Decision sets out annual price caps for the four-year period 2023-2026. These price caps are set in February 2022 prices and the annual price cap will be updated to reflect changes in inflation and other allowed adjustments each year.[2]

1.2.2 IAA's approach to regulation is setting a maximum average charge per passenger, using the building blocks approach with a single till, and having regard to the regulatory asset base (RAB).

1.2.3 The IAA has set an average base real Price Cap of €7.59 per passenger for 2023-2026. As stated the Price Caps are in February 2022 prices, which start at €7.59 in 2023 and with price caps of €7.53, €7.48 and €7.77 in 2024, 2025 and 2026 respectively. The forward price caps are subject to both positive and negative adjustments associated with inflation, the progress of Capital Investment projects, the Opex cost passthrough term and overall Service Quality penalties or bonuses.

1.3 Consultation Programme Structure

1.3.1 Following the 2024 airport charges consultation, Ryanair submitted a complaint to the Irish Aviation Authority ("IAA"), alleging non-compliance with the 2011 Regulations in relation to the 2023 consultation, pursuant to the provisions in section 45(b) of the Aviation Regulation Act 2001.

[1] final-decision-on-the-maximum-levels-of-airport-charges-at-dublin-airport-2023-2026.pdf (iaa.ie)

[2] daa has appealed the IAA's Final Decision on the Third Interim Review of the 2019 Determination to the Irish High Court.

1.3.2 daa will conduct a 3-stage consultation as set out below:

Stage 1: 2024 Review, with proposed 2025 structural changes.

Stage 2: 2025 Draft Decision on Aeronautical Charges, ATI Charge Review and Miscellaneous charges.

Stage 3: 2025 Final Decision on Aeronautical Charges, ATI Charge and Miscellaneous Charges.

2. 2024 Review

2.1 Price Cap

2.1.1 The price cap for 2024 is expected to be €9.47. A detailed breakdown of each component is detailed below.

$$P_{2024} = (€7.53 + Trigger_{2024} - QS_{2024})* (1+CPI_{HISTORIC}) * (1+CPI_{FORECAST}) + w_{2024} + k_{2024}$$

Triggers

2.1.2 The Capex triggers applied are €0.31 for the North Runway (M2).

CPI

2.1.3 The CPI adjustment of €1.27 is applied using the latest CPI index published by the Central Statistics Office (CSO) and the latest IMF forecast for 2024 as outlined in the Determination. CSO data and calculations are provided in Table 1.

Table 1. CPI Data

CPI	2024
February 2022	107.6
October 2023	121.5
$CPI_{HISTORIC}$	12.9%
$CPI_{FORECAST}$	3.0%

w_{2024}

2.1.4 w_{2024} is a cost-passthrough mechanism that is intended for significant variances in legislatively mandated operating costs incurred by daa when compared to the Opex forecast used by the IAA in its Third Interim Review of the 2019 Determination on the Maximum Level of Airport Charges at Dublin Airport.

2.1.5 Fingal County Council (FCC) levies commercial rates on industrial and commercial property for all rateable property in the FCC local authority area which includes the Dublin Airport campus. In 2019 arising out of its statutory duty to revalue all properties in the Fingal CC area, Tailte Eireann (the Valuation Office) increased the Dublin Airport (and separately car parks and external buildings) considerably. FCC (as it is required to do) imposes rates on Dublin Airport based on this significantly increased valuation of Dublin Airport until the valuation is finally resolved. daa is using the statutory appeals process of the Valuation Tribunal and then to the High Court on points of law to dispute this higher valuation.

2.1.6 It was communicated as part of the 2024 Airport Charges consultation process that when there was a decision on the FCC rates within the period, daa would reconsult on charges for 2024 (footnote 3 in consultation document, outlined below).

"Fingal County Council (FCC) levy commercial rates on industrial property, FCC have increased these rates considerably which daa have disputed. If the increase in said

levies go ahead, daa will be forced to trigger the cost pass-through mechanism as defined in the IAA's 2019 Determination which would lead to an interim pricing consultation and decision"

2.1.7 Dublin Airport have paid significantly higher rates for 2023 and 2024 when compared to the current regulatory Determination allowance. The Valuation Tribunal and High Court rates appeal process is ongoing, however Dublin Airport will continue to pay rates of c. €34m p.a. which is c. €11m higher than the IAA forecast allowance. The variance vs IAA allowance from 2023 – 2026 would be c. €45m which will have been paid to FCC, if this is not concluded before end of this 2023-26 regulatory period.

2.1.8 The application of the cost passthrough mechanism will not affect the aeronautical charges levied in 2024, with no change to the published charges menu until the completion of the 2025 charges consultation process, whereby changes will be applied from the start of Summer 2025. This application of the cost-passthrough mechanism avoids a situation where the amount to be recovered, as a direct increase in legislatively mandated opex costs (the FCC rates) in 2025 (or 2026) will be significant and aims to spread out the recovery over multiple years.

2.1.9 A total of €0.38 is applied through $W_{2024.}$ €0.33 is attributable to 2023 FCC rates (€11m higher than IAA allowance), while €0.05 accounts for the increase in IAA security regulatory charge and the IAA aerodrome licence fee (€1.6m higher than IAA allowance).

k_{2024}

2.1.10 k_{2024} is €0.03 to account for the under-recovery during the period of 2022. This aligns with Note 2 within the final daa plc 2022 Regulatory Accounts[3].

2024 price cap summary calculation

2.1.11 k_{2024} and w_{2024} are summarised in the "other" line below, equating to €0.41 for the 2024 price cap.

2.1.12 A service quality penalty of -€0.05 has been applied to reflect year-to-date performance.

2.1.13 daa expect to be in compliance with the expected price cap of €9.47 for 2024, with a trend towards an under-recovery position.

[3] 2022 Regulated Entity Accounts (iaa.ie)

Table 2. 2024 Price Cap

	2024
Base Price Cap	7.53
Capex Triggers:	
North Runway (M2)	0.31
Other Adjustments:	
CPI	1.27
SQM	-0.05
Other	0.41
Price Cap	**€ 9.47**

2.2 Incentives

2.2.1 In early May 2024, the IAA, as the competent authority in Ireland for the purposes of declaring co-ordination parameters, introduced a new seasonal seat capacity limit for the Winter 2024/25 season. This capacity limit has already been reached through the allocation of historic slots (from Winter 2023/24). There is currently no available capacity to support overall airport traffic growth this Winter. We envisage a similar situation for the Summer 2025 and Winter 2025/26 seasons.

2.2.2 As part of the Terms & Conditions of Growth Incentive Schemes at Dublin Airport, overall passenger numbers must be increased by a new route. As this is not possible under the new parameter set by the IAA, over the course of 2024 daa took the decision to cease the award of new growth incentive scheme applications. This does not apply to previously approved incentives applications; multi-year agreements will continue to be honored.

2.3 IAA Charges Investigation

2.3.1 In December 2023, Ryanair submitted a formal complaint to the IAA in relation to Dublin Airports 2023 Airport Charges consultation. A formal investigation was subsequently undertaken by the IAA during 2024, with a Final Decision published on 3rd September 2024[4].

2.3.2 daa is disappointed with the IAA's Final Decision in that it forms the view that the *"four specific charging modulations/differentiations in respect of which Ryanair complained were not sufficiently demonstrated as being compliant with the 2011 Regulations"*. daa regards this to be an opinion, which is not legally. We also wish to make clear that daa continues to dispute the legal interpretation of the 2011 Regulations underpinning the IAA's opinion.

2.3.3 Notwithstanding the above, daa wishes to satisfy the IAA and airport users that we have considered the points raised as part of the investigation and are seeking to discharge same as we move into the 2025 charge setting.

2.3.4 The IAA's "remedy" outlined in its Final Decision proposed that daa reconsult in time for the Summer 2025 and Winter 2025/6 seasons. Additionally, in daa's response to the IAA Draft Decision on the Ryanair complaint, further material was provided to support the introduction of the changes that were consulted in 2023. In their Final Decision, the IAA note:

"*Dublin Airport has set out various new or revised interpretations and justifications in relation to the requirements of the 2011 Regulations. While such analysis in relation to modulations/differentiations may be useful, as above, it is also more relevant in the context of the upcoming consultation."*

[4] IAA Final Decision on Ryanair Complaint on Airport Charges at Dublin Airport, September 2024

2.3.5 As referenced by the IAA in the Final Decision, daa set out its position and further supporting analysis to the changes that have been made in 2024. Questions to Users have been included which will aid the Decision process. Users' responses are welcomed on each of the charge areas.

2.4 Transfer Charge

Relevance and Objectivity

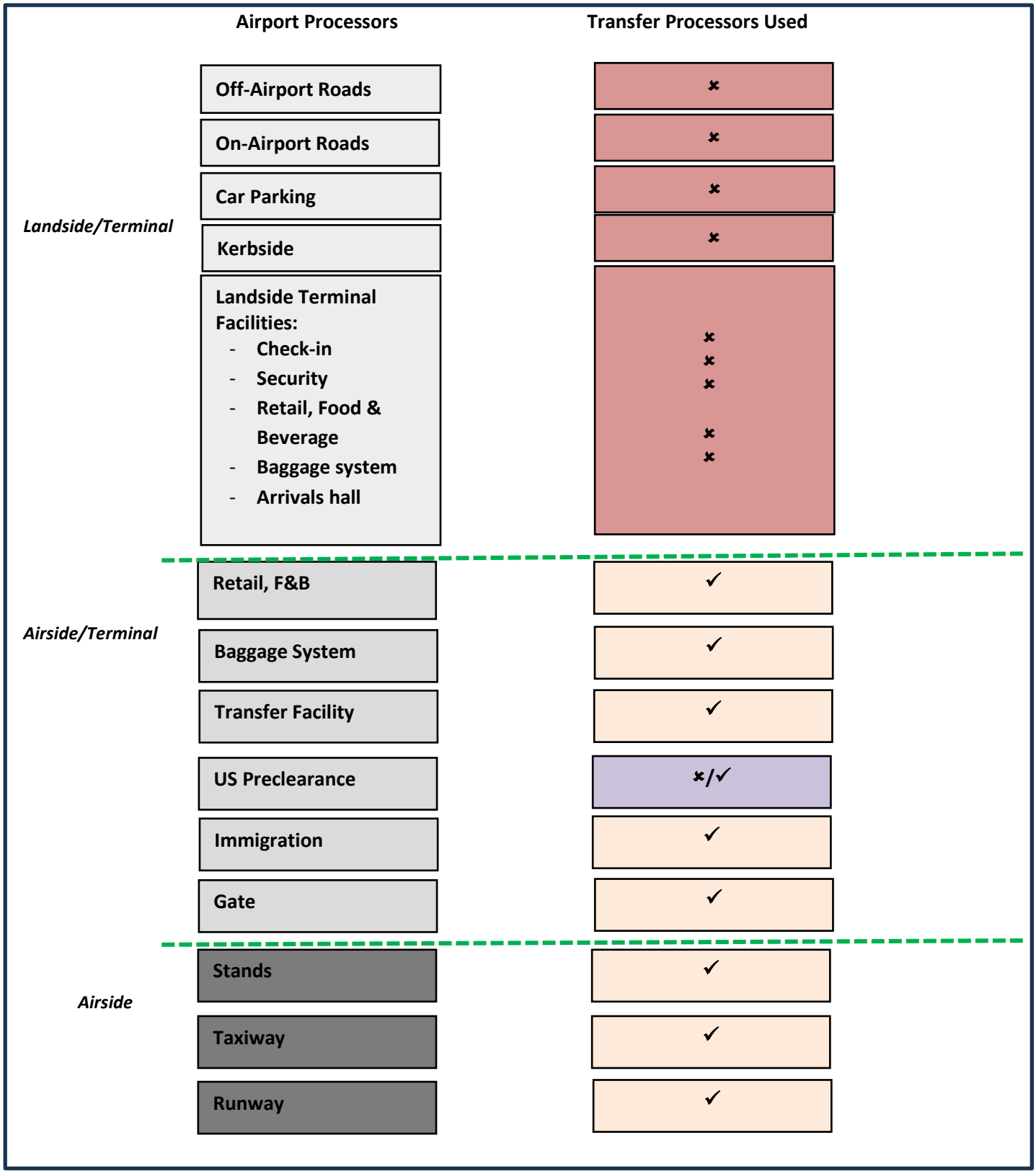
2.4.1 It is self-evident that transfer passengers are a "relevant" and "objective" distinct category of passengers for airport charges purposes. Transfer passengers use Dublin Airport in a different way. There are also different conditions of competition as between airports which are international 'hubs' for transfer passengers, with Dublin Airport having a long-term expansion strategy in that context as explained below.

2.4.2 The Transfer Charge is set to enhance Dublin's competitiveness as a hub airport and to align with national policies and objectives including those laid out in the National Aviation Policy. Dublin's position as a hub in Europe is underserved and the transfer charge is aimed at increasing the development of Dublin airport as a secondary hub. Significant investment has been allocated to enhancing Dublin Airports infrastructure with the delivery of the North Runway a key milestone in unlocking access to global markets for Ireland.

Transparency

2.4.3 In addition to the cost model provided in section 2.4.4, Figure 1 summarises the airport facilities used by Transfer passengers and makes clear why the transfer passenger charge should be differentiated because transfer passengers use less airport facilities (and whatever airport facilities they use tend to be used less intensively than by other passengers).

Figure 1. Transfer Passenger Airport Processors



2.4.4 In addition to the above summary, daa have carried out a detailed cost analysis outlined in Table 3. using the CEPA/TA forecast applied for the Third Interim Review of the 2019 Determination. A full breakdown of the cost model is supplied in Appendix 1.

2.4.5 The methodology used can be described in 4 steps:

Step 1: Cost allocation for each cost line is assessed as either point-point or area in square meters used.
Step 2: Costs that are defined as point-to-point are allocated as 100%.
Step 3: Costs defined by square meters are differentiated between transfers and point-to-point as a percentage of total.
Step 4: Each cost line defined as square meter is allocated a weighted cost allocation based on the percentage of total.

2.4.6 This analysis provided for the following justification in cost allocation for transfer passenger:

Table 3.Transfer and point-to-point costs

CEPA/TA 2025 Forecast	Point to Point	Transfer
Security	**46.6**	**0.0**
Maintenance	**18.4**	**0.7**
Maintenance	**18.6**	**0.7**
Central Functions	**31.6**	**2.0**
Facilities and Cleaning	**22.8**	**0.8**
Facilities and Cleaning	**7.3**	**0.3**
Other Non-Staff Non-Pay	**27.7**	**1.7**
Campus Services	**20.0**	**0.0**
Retail	**20.5**	**1.3**
IT	**8.1**	**0.3**
IT	**12.9**	**0.5**
Rent-Rates	**14.6**	**0.5**
PRM	**10.8**	**0.7**
Utilities	**10.9**	**0.4**
Car Parks	**6.3**	**0.0**
Marketing	**6.2**	**0.4**
Airside Operations	**6.2**	**0.4**
Other Staff Non-Pay	**6.4**	**0.4**
Consulting	**6.7**	**0.4**
Insurance	**5.9**	**0.2**
Capital projects	**3.3**	**0.1**
Total Opex	**313.3**	**10.1**
	97%	3%
Campus	**61.9**	**0.0**
T1	**60.3**	**2.2**
T2	**77.5**	**2.9**
Airside	**76.6**	**4.8**
Total Capex	**276.2**	**9.9**
Passengers	**32**	**2**
Cost per passenger	**18.37**	**10.85**
Differential	**41%**	

Review for 2025

2.4.7 In addition to the cost differentiation exercise, daa strongly believes that the 2011 Regulations as applied, allow for the application of commercial discretion across the menu of charges to be factored accordingly.

2.4.8 The cost differential outlined in Table 3 demonstrates that a discounted transfer passenger is cost related. daa believe this analysis achieves the Transparency test for applying a discount to transfer passengers. The National Aviation Policy and supporting the Dublin Hub strategy satisfy the objective, relevant and justified criteria of the 2011 Regulations.

2.4.9 daa propose a 'non-cost' driver to the total discount, beyond what is implied by the cost model to support the Dublin hub strategic objective set out in the National Aviation policy.

2.4.10 daa consider price elasticities as the main non-cost driver of the passenger transfer discount. The highly price competitive environment in which Dublin Airport is competing for transfer passengers with other European hubs, forms the basis for daa placing an uplift on the transfer discount. This uplift is third-degree price discrimination where more elastic transfer passengers are given a higher discount due to their higher elasticity of demand. This allows daa to accommodate more transfer passengers to fulfill its commitments to the National Aviation Policy.

2.4.11 Table 4 outlines other European hubs that Dublin Airport are competing with for transfer passengers and provides a range to assess what the appropriate transfer charge discount might be when responding to Question 3 below.

Table 4. Comparator Airport Hubs

Airport	Passengers (millions)	Transfers (millions)	Transfer share	Transfer charge discount
FRA	38.8	18.6	48%	50%
AMS	40.8	14	34%	60%
CDG	44.9	13.5	30%	40%
HEL	10.3	3	30%	50%
MAD	39.6	10.5	26%	40%
VIE	19.6	4.4	22%	70%
LHR	52.4	10.6	20%	40%
BRU	14.8	2.4	16%	50%
CPH	17.8	2.9	16%	60%
FCO	26.3	3.6	14%	65%
ARN	14.8	1.9	13%	40%
BCN	33	3.8	11%	60%
DUB	22.7	1.2	5%	80%
BER	14.9	0.1	0%	30%

2.4.12 In summary, the cost differential from the review of transfer passengers versus point to point, demonstrates a fully justifiable base primary differential of 41%. In addition to the cost differential, daa strongly believe that there is justification for an additional secondary level of discount for transfer passengers to discharge the National Aviation Policy obligations. The price elasticity analysis considered above serves as quantifiable evidence in this regard. Airport users are invited to give views on what level of secondary justification can be adequately supported as part of the review.

2.4.13 daa deem this analysis as evidence that adequate consideration has been applied to discharge Dublin airports obligations under Regulation 2(b), 6, as well as 9, 10, 11(1) & (2) of the 2011 Regulations.

Questions to Airport Users:

1. Do Airport Users agree with a Discounted Transfer Charge at Dublin Airport?
2. What level of weighting do Airport Users believe should be apportioned to the secondary weighting towards the non-cost driver and policy obligations of the discount?

2.5 Low Emissions Aircraft Discount

Relevance and Objectivity

2.5.1 The LEAD scheme criteria are set following the principles of relevant and objective, as required by the Regulations. Objectivity is satisfied as the chosen criteria allow for no exercise of discretion and are used in other contexts across the industry.

2.5.2 As regards relevance, daa relies on the following in particular. Within the revised drafting of the ICAO Document 9082, 10th Edition, section II. ICAO's policies on Airport Charges, Airport Charging Systems Principles [A-14], states that "an airport may want to encourage the use of certain technologies or attract new air services by offering rebates or discounts to a particular operator". The LEAD incentive is a key catalyst for delivering to Dublin Airport's sustainability objectives and climate mitigation actions. The LEAD incentive is the vector to enable Dublin Airport to encourage the use of airport users next generation fleet. ICAO recognise and endorse the need for market responsiveness tools to be applied. To date, there has been a misinterpretation by industry and the IAA of the application of the LEAD scheme.

2.5.3 There is evidence to suggest that the scheme has already had a positive impact. As outlined in Table 5, Dublin Airport has seen an almost 30% increase in lower carbon and noise emitting aircraft being utilised by non-based carriers between S23 and S24. This significant increase highlights that the scheme is capable of being impactful with users responding to the pricing signal and a positive outcome for the general and public interest by reducing carbon and noise emissions.

Table 5. LEAD qualifying aircraft at Dublin Airport

Aircraft	S23	S24
A220	1,726	1,134
E195/190-E2	727	1,868
A350	534	386
B787	3,190	2,672
A320neo	2,049	2,156
A321neo	1,384	3,003
B737 MAX	378	862
ATR-72	699	1,179
Seasonal Adj.Total[5]	10,342	13,260
% ▲	**↑28%**	

Transparency

2.5.4 daa is of the view that it has met the transparency requirement as part of the development and application of the incentive scheme to date. daa affirm that it has made the required disclosures under Regulation 6 including disclosure of its methodology under Regulation 6 (2).

[5] To account for the extra week in S23, a factor of 0.97 has been applied to provide a like-for-like comparison.

2.5.5 Table 6 outlines the total LEAD discount expected in calendar year 2024. Narrowbody aircraft benefit more than widebody aircraft on an absolute, per tonne and percentage basis. The percentage discount being higher for narrowbody aircraft is driven by the overall higher cost of operating widebody aircraft at Dublin Airport.

Table 6. 2024 LEAD discount by aircraft

Aircraft	Gross Charges (€)	Low Emissions Aircraft Discount (€)	Passengers	Discount per passenger	Discount %
MTOW <105	58,537,963	-6,296,912	6,192,725	-6	-11%
MTOW >105	14,551,972	-1,167,005	1,104,866	-2	-8%

2.5.6 Figure 2 and Figure 3 illustrate fuel burn in the LTO cycle against MTOW. Aircraft highlighted in green achieve a fuel consumption that is 15% lower than similar sized aircraft which satisfies the qualifying criteria for the LEAD incentive.

Figure 2. LTO fuel burn MTOW < 105 tonne

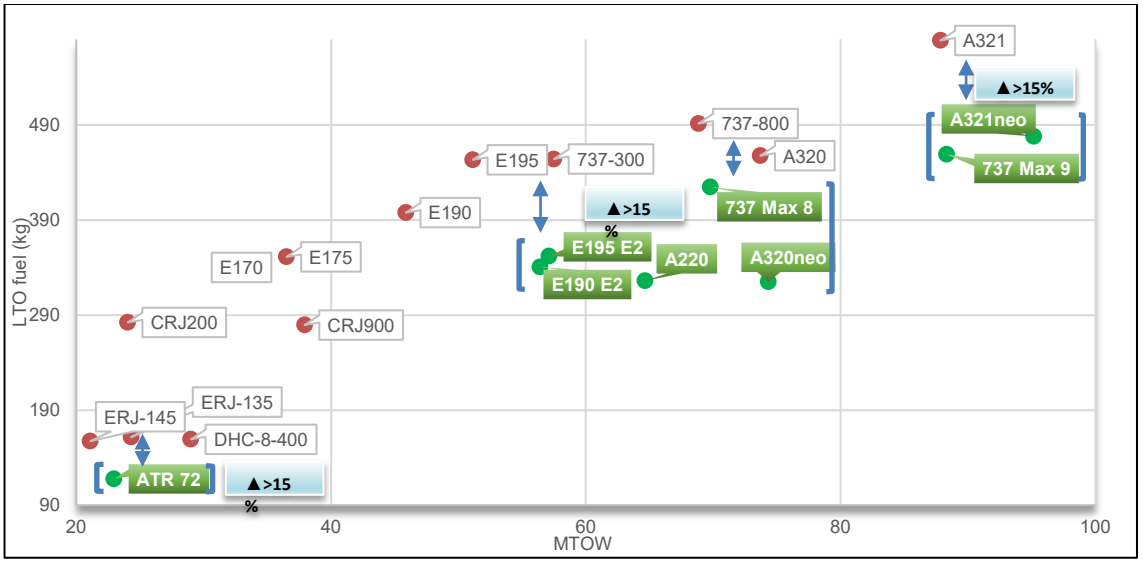
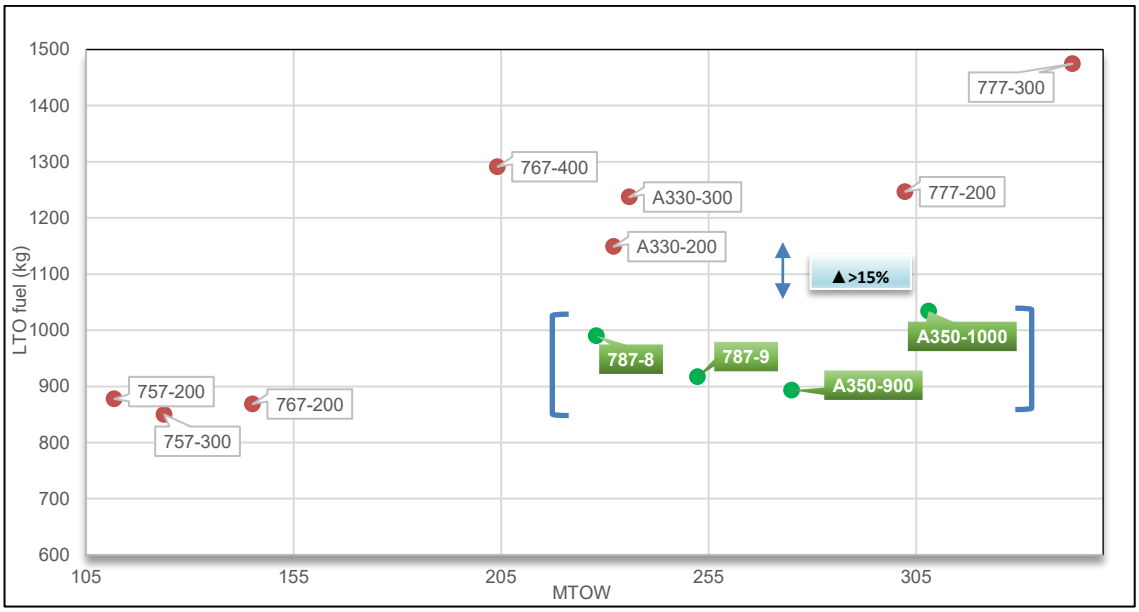


Figure 3. LTO Fuel Burn MTOW > 105 tonne



2.5.7 LTO cycle is only a part of the full flight emissions and the reason for its use in the incentive was outlined during the 2024 charges consultation. It is incorrect to compare LTO emissions of widebody and narrowbody aircraft as this fails to reflect the carbon intensity of the flight as aircraft differ considerably across markets, sector length and aircraft economics.

2.5.8 An example of this is shown in Table 7 which demonstrates a much higher carbon intensity for a short sector narrowbody flight compared to a medium length sector widebody flight. In the example illustrated, emissions per Revenue Passenger Kilometer for a Boeing 737 MAX are double that of a Boeing 787.

Table 7. CO_2 Emissions per RPK

Aircraft	Seats	LF	Passengers	From	To	Distance (km)	RPK	Full flight CO_2 (kg)	CO_2 per RPK (g)
737 MAX	197	96	189.12	DUB	KIR	261	49,368	5,148	104
787-10	336	81	272.16	DUB	AUH	5,939	1,616,443	78,849	49

Review for 2025

2.5.9 daa propose to retain an updated LEAD scheme with amended Terms & Conditions.

2.5.10 The proposed updated scheme removes the use of MTOW categories and LTO fuel burn figures. Eligibility is defined by comparing fuel efficiency to similar sized aircraft using third party CIRIUM data (as outlined in Figure 2 and Figure 3). Updated scheme T+C's can be found in Appendix 2.

2.4.14 daa deem this analysis as evidence that adequate consideration has been applied to discharge Dublin airports obligations under Regulation 2(b), 6, as well as 9, 10, 11(1) & (2) of the 2011 Regulations.

Questions to Airport Users:

3. Do you support the application of any form environmental incentive, providing discount to aeronautical charges for next generation fleet?

2.6 NOx

Relevance and Objectivity

2.6.1 Current levels of NO2 and PM10 are below the EU limit set out in Directive 2008/50/EC, however, following the EU Green Deal, the directive has been recast and enacted to come into effect as of the 1st of January 2030 with NOx (PM10 & NO2) limits to be reduced by 50%. If current levels of NOx were to persist into 2030, this would be in breach of the new annual limits set out in the revised Directive 2008/50/EC.

2.6.2 Ireland's Clean Air Strategy has also committed to the Interim WHO 2026 NOx targets. This commits Ireland to achieving particulate matter levels below a certain limit value. The 2026 limit value is set at 20 µg/m^3. There are multiple air quality monitoring stations within, and in the vicinity of, the Dublin Airport campus. As outlined in the published air quality reports[6] for Dublin Airport, some stations are below the 2026 WHO targets that Ireland has signed up to (and the EU Directive). However, there are several stations outlined in that are close to or above the limit value of 20 µg/m^3.

2.6.3 Relevance is satisfied as NOx affects air pollution as evidence from the above justification.

2.6.4 Objectivity is satisfied because there is no potential for exercise of discretion given the scientific methods employed in measuring NOx emissions.

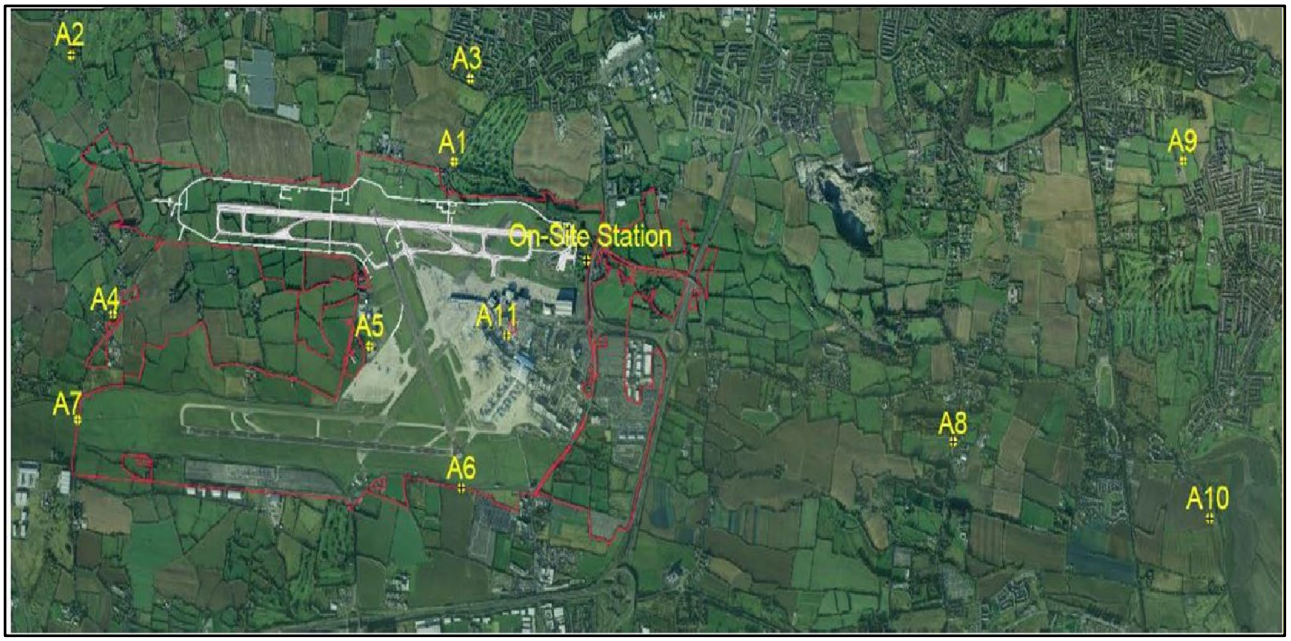


Figure 4. NOx Monitoring Stations

[6] Air Quality Data | Dublin Airport

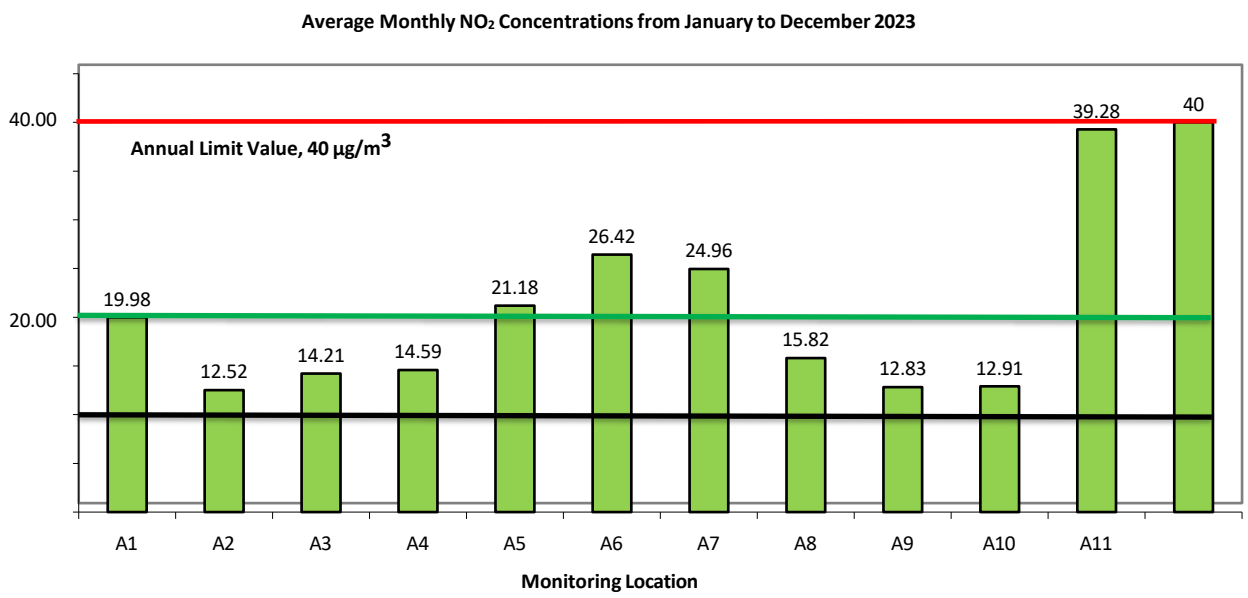


Figure 5 NOx Levels at Dublin Airport

Transparency

2.6.5 There is clear guidance set out by the International Civil Aviation Organization ("ICAO") for NOx surcharges. ICAO Doc. 9082, *Policies on Charges for Airports and Air Navigation Charges*, stipulates that a charge on NOx emissions is prudent and appropriate where a defined local air quality problem exists. Furthermore, ICAO Doc. 9884, *Guidance on Aircraft Emissions Charges Related to Local Air Quality* provides specific detail and approved methodology of a NOx charge.

Review for 2025

2.6.6 From the evidence provided, it is appropriate to address NOx levels at Dublin Airport and NOx emission criteria can satisfy the Relevance and Objectivity standards of the 2011 Regulations. Daa have been fully transparent in the application of the NOx charge by outlining the data used and the NOx charge formula applied. It is therefore daa's position that a form of NOx charges remains in place.

Option 1:

2.6.7 A minimal NOx charge be implemented with the below formula being applied for each aircraft movement at Dublin Airport.

Figure 6 NOx Charge Formula

NOx-based charge on Emissions	Calculation (€)
Aircraft	Number of Engines x (NOx (kg/Engine)) x €0.25

Option 2:

2.6.8 A NOx factor applied as part of a 'Sustainable Movement Charge'. Further detail is provided in the 2025 Proposal.

2.6.9 daa deem this analysis as evidence that adequate consideration has been applied to discharge Dublin airports obligations under Regulation 2(b), 6, as well as 9, 10, 11(1) & (2) of the 2011 Regulations.

Question to Airport Users:

4. daa believe that there is a need to address local NOx levels and that the information provided satisfies the relevant and objective criteria for the application of a NOx charge, do you agree with this?

3. 2025 Proposal

3.1 Strategic Objectives

3.1.1 This Section sets out daa's proposal for 2025. This includes the Review proposed in Section 2 and further structural changes proposed to achieve the strategic objectives.

3.1.2 daa expect it's published charges for 2025 to be broadly flat year-on-year. This is driven by the marginal increase in the expected price cap coupled with lower route supports. Further detail will be provided during stage 2 prior to the consultation meeting.

3.1.3 Following a strong rebound in traffic levels, daa's focus for Dublin Airport in 2025 is to mitigate its noise footprint and managing capacity constraints while delivering high standards in quality of service for passengers and continuing focus on long-term strategies and objectives around Dublin Airport as hub. daa's proposed changes for 2025 are aligned to these strategic objectives outlined in Table 8.

3.1.4 The proposals outlined below are structural changes that daa wish to progress based on the strategic objectives for 2025. The unit rates provided are for indicative purposes to enable airport users in making an informed assessment of each charging proposal. A Draft Decision and menu of aeronautical charges will be included as part of Stage 2.

Table 8. Strategic Objectives

Strategic Objective	Proposal
Minimise Noise Footprint	Incentive for quieter aircraft through Runway Movement Charge
Drive High Service Quality	Introduce PRM discount for pre-notified passengers
Optimise Capacity Constraints	Growth Incentive Schemes Suspended

3.2 Price Cap

3.2.1 The price cap for 2025 is expected to be €9.51. A detailed breakdown of each component is outlined below.

$$P_{2025} = (€7.48 + Trigger_{2025} - QS_{2025})* (1+CPI_{HISTORIC}) * (1+CPI_{FORECAST}) + w_{2025} + Y_{2025} + k_{2025} + Z_{2025}$$

Triggers

3.2.2 The Capex triggers applied are €0.30 for the North Runway (M2) and €0.10 for the T1 Security to Mezz (A1) (CIP no. 20.03.012) which is now on-site and works commenced. A site commencement notice has been provided to the IAA as evidence to discharge the application of the trigger.

3.2.3 daa has been granted planning permission for the West Apron Vehicle Underpass (CIP 20.03.051B). Following a successful tender process, the design and build procurement exercise is complete with contract to be awarded in the coming weeks. The project is currently the subject of a Judicial Review to An Bord Pleanála, as such the "on-site" trigger obligations are unlikely to be met before the end of the year. However, should this change daa will be seeking to apply the €0.27c adjustment for 2025 and will engage with Airport Users accordingly.

CPI

3.2.4 The CPI adjustment of €1.41 is applied using the latest CPI index published by the Central Statistics Office (CSO) and the latest IMF forecast for 2025 as outlined in the Determination. CSO data and calculations are provided in Table 9.

Table 9. CPI Data

CPI	2025
February 2022	107.6
October 2024 (expected)	124.4
$CPI_{HISTORIC}$	15.6%
$CPI_{FORECAST}$	2.0%

w2025, y2025

3.2.5 w2025 and y2025 are cost-passthrough mechanisms that are intended for significant variances in legislatively mandated operating costs incurred by daa when compared to the Opex forecast used by the IAA in its Third Interim Review of the 2019 Determination on the Maximum Level of Airport Charges at Dublin Airport.

3.2.6 Fingal County Council (FCC) levy commercial rates on industrial property, FCC have increased these rates considerably based on the increase in valuation imposed by Tailte Eireann (the Valuation Office) which daa is disputing. To account for this, €0.34 has been applied through the cost pass-through mechanism as outlined in 2.1.8 €0.04c adjustment has also been applied to account for the increase in IAA security regulatory charge and the IAA aerodrome licence fee.

k2025

3.2.7 k2025 is €0.15 to account for the under-recovery during the period of 2023. This aligns with Note 2 within the final daa plc 2023 Regulatory Accounts and is outlined in Table 11.

z2025

3.2.8 z2025 of -€0.29 is to correct for the difference in outturn and forecast inflation used for the 2023 price cap. It also corrects the February 2022 index used by the IAA as a proxy for the 2022 full-year index which overinflated the 2023 nominal price cap (€8.68) used in its Determination.

2025 price cap summary calculation

3.2.9 The k, w, y and z factor adjustments are all summarised in the "other" line below, equating to €0.22 for the 2025 price cap.

3.2.10 daa is not proposing to factor adjustments for service quality bonus or penalties as part of the 2025 forecast calculation.

Table 10. 2025 Price Cap

	2025
Base Price Cap	7.48
Capex Triggers:	
North Runway (M2)	0.30
T1 CS to Mezz (A1)	0.10
Other Adjustments:	
CPI	1.41
Other	0.22
Price Cap	**€ 9.51**

3.3 Noise

3.3.1 An Bord Pleanála recently published their Draft Decision[7] on nighttime flights in Dublin Airport in accordance with Section 37(4) of the Planning and Development Act 2000. As part of the Draft Decision An Bord Pleanála proposes the implementation of a Nosie Quota System (NQS) with an annual noise quota limit of 16,260 between the hours of 2300 and 0659. Furthermore, this Noise Quota System stipulates that no aircraft with a QC4 or more will be allowed to take off from Dublin Airport at night and no aircraft with a QC2 or more will be allowed to land at the airport at night. Given these new developments in noise restrictions emerging from An Bord Pleanála's decision, the daa will soon be obliged to implement measures that will ensure compliance with this noise quota system.

3.4 Runway Movement Charge

3.4.1 daa have used the banded runway charge as means of supporting the Dublin Hub objective as well as acknowledging the non-linear relationship of weight and cost as outlined above.

3.4.2 In light of the Ryanair complaint and the IAA positioning as part of the charge's investigation, daa propose that the current structure of runway charges are replaced with 1 of 3 options outlined below.

3.4.3 Noise emissions greatly affect the surrounding community of Dublin Airport, in Q1

[7] d314485.pdf (pleanala.ie)

2023 there were almost 2,000 noise complaints. To incentivise a quieter and cleaner fleet use, noise charges were introduced in 2023. Dublin Airport took a stepped approach to noise charges where initially the surcharge has applied only at night-time hours.

3.4.4 In 2024, the charging regime was ramped up to further mitigate against noisier fleet types being operated and to internalize the economic and social cost incurred by the local community.

3.4.5 For 2025, as part of the Review applied to the Runway Movement charge in response to the Final Decision, daa propose three options to achieve the strategic objective of managing the noise footprint of Dublin Airport.

3.4.6 Seasonality is proposed to be removed to account firstly for the fact that the costs of the runway during the winter and summer months are broadly similar, secondly the social and economic costs of noise pollution resulting from aircraft operation do not differ based of the winter and summer seasons. Moreover, An Bord Pleanála in their Draft Decision on nighttime flights in Dublin Airport in accordance with Section 37(4) of the Planning and Development Act 2000 imposes an annual noise quota of 16,260, with no split in the quote between the winter and summer season. Given the daa will under the proposed Regulation need to be compliant with the annual noise quota, runway charges need to be consistent with staying below this noise quota. Therefore, daa does not deem there to be sufficient grounds to maintain differing rates for the winter and summer seasons.

Option 1: Set fee per tonne of MTOW

3.4.7 Maintain current runway movement charge, noise and NOx surcharges as set out in the 2024 Terms & Conditions in relation to Airport Charges[8]. A single set fee of per tonne of MTOW would be applied, with the removal of Band 2 (>136 tonnes).

Table 11. Example Runway Charge[9]

Runway Movement Charge	€
Set fee per tonne of MTOW	5.25

[8] Terms & Conditions of Use in relation to Airport Charges

[9] Indicative charge based on: Expected 2024 tonnage revenue (€105m) / expected total tonnage (20m)

Option 2: QC Runway Movement Charge

3.4.8 Noise surcharges removed and replaced with a runway movement charge which is modulated by QC. Using QC of 0.5 as base, an incremental discount factor or addition factor will be applied.

Table 12. QC Runway Movement Charge

	Runway Movement Charge		
QC	*Set fee per Tonne 2025 Day*	*Set fee per Tonne 2025 Night*	Example Aircraft (Dep.)
0.125	**Base – Discount**	**Base (+) – discount**	ATR72
0.25			A320N/737MAX
0.5	**Base Charge**	**Base Charge (+)**	A320/B737-8
1	**Base + Surcharge**	**Base (+) + Surcharge**	A321
2			A330
4	NA		
8			
16			

Option 3: Sustainable Runway Charge

3.4.9 The Sustainable runway movement charge would have a base charge based on a single unit rate per tonne of MTOW which is then modulated by Noise and NOx factor. A worked example is provided below.

Proposed Formula: *set fee per tonne of MTOW x Noise factor x NOx Facto*

Table 13. Noise Factor Example

Noise	*Factorisation*	
QC	Day	Night
0.125	**-50%**	**-20%**
0.25	**-50%**	**-20%**
0.5	**+10%**	**+10%**
1	**+15%**	**+20%**
2	**+20%**	**+25%**
4	NA	
8		
16		

Table 14. NOx Factor Example

Aircraft	LTO NOx (kg)	*Factorisation*
320	5.64	**-2%**
330	19.70	**+5%**
32N	5.40	**-3%**
7M8	4.57	**-3%**
73H	4.76	**-2%**
777	34.11	**+12%**

Question to Airport Users:

5. What is the preferred Runway Movement Charge option from the proposals outlined above?

3.5 Passengers with Reduced Mobility (PRM) pre-advised rebate

3.5.1 Under Article 8 of Regulation (EC) No 1107/2006[10] daa is responsible for ensuring the provision at its airports of the PRM service, as specified in the Regulation. The Regulation provides that daa may contract with one or more parties for the supply of the service in question and may levy a specific charge on airport users for the purpose of funding this assistance.

3.5.2 Currently at Dublin Airport, there is an ongoing challenge where some airlines are not issuing pre-advised notifications to the services provider, OCS. In some cases, this is despite passengers notifying their airline that they require additional assistance. This can result in delays to passengers receiving the requested assistance which can have knock-on effects to wider flight operations.

3.5.3 The highest pre-advised notification rate achieved by airlines at Dublin Airport is c. 70%. daa want to achieve a higher pre-advised rate to improve the efficiency of the service, minimize delays for passengers requiring assistance, and by extension support on time performance of flights operating at Dublin Airport.

3.5.4 With the above considered, daa propose a rebate on PRM charges levied over the year will be applied to carriers who achieve a pre-advised notification rate target. The intention is that a minimum pre-notification of 48 hours[11] would be necessary to avail of the discount. Furthermore, pre-notified users would be provided priority status

[10] Regulation (EC) No 1107/2006[1] of the European Parliament of the Council of 5 July 2006 concerning the rights of disabled persons with reduced mobility when travelling by air

[11] Article 6 (2), eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32006R1107

when availing of the service.

3.5.5 For the avoidance of doubt, this proposal is a self-funded scheme, i.e. the cost recovery has not been altered to account for expected rebates. Additionally, the cost of any under-recovery or over-recovery caused by the rebate will not be factored into cost recovery in following years.

Question to Airport Users:

6. What pre-advised PRM target is appropriate to apply a discounted rate?
7. What percentage level of rebate for achieving the pre-advised target is appropriate?

3.6 Incentives

Relevance & Objectivity

Growth Incentive Schemes

3.6.1 Dublin Airport has offered several support schemes to promote and develop new and existing traffic at the airport, as well as to encourage behavior that promotes an efficient use of scarce infrastructural resources. As referenced in Section 2.2, given the current capacity constrained environment, daa must suspend all schemes related to passenger short-term growth at Dublin Airport. While this decision is regrettable, such schemes have now become redundant.

LEAD

3.6.2 daa was excited to introduce the exciting new Low Emissions Aircraft Discount (LEAD) new initiative that was introduced in 2024. As noted above, Dublin Airport has already seen impact in terms of increased the use of new technology aircraft of non-based carriers by 30% (refer to Table 5).

5.1.1 The IAA Final Decision on a formal complaint of LEAD made by Ryanair, demonstrates a position that is not in favour of airports modulating charges based on carbon emissions. However, given the detail provided above, daa propose to retain the existing scheme.

Transparency

3.6.3 daa propose to suspend/withdraw and retain the below incentive schemes:

- ~~New Route Support Scheme – Long and Short Haul~~ – **Suspended**
- ~~Significant Additional Capacity Existing Routes (SACER)~~ – **Suspended**
- Standby Aircraft Incentive (SAI) Scheme
- ~~Grow Transfer Incentive Scheme (GTIS)~~ – **Suspended**
- Low Emissions Aircraft Discount Scheme (LEAD)
- Behavioural Incentive Schemes:
  - Capacity Optimisation Incentive Scheme

- Long-Haul Remote Arrival Discount

Questions to Airport Users:

8. The IAA Final Decision on the Ryanair Complaint has raised broader questions in relation to the differentiation of airport charges. In an extreme case, would you support the abandonment of Dublin Airports aeronautical charges menu and replaced with a single charge per passenger e.g. for 2025, charge the price cap of €9.51.

4. Next Steps

4.1 Responding to the Consultation

4.1.1 Dublin Airport would like to hear the views of all airport users in relation to the proposal set out in this document.

4.1.2 Users are invited to make written submissions no later than 18th October 2024 to apc-er@dublinairport.com.

4.1.3 Following a review of Airport User Responses, a Draft 2025 Charges Decision is expected to be issued week commencing the 21st of October. It is anticipated that the consultation meeting will then be held on the 30th of October, a meeting invite will be circulated in due course. A Final Decision and setting of charges will be issued thereafter once all user views have been considered.

Appendix 1. Transfer Cost Model

			Pax			Area			Cost split by area			Pax type			Cost		Effective percentage	
	2025	Basis of allocation	PTP pax	Tfer pax	Total	Airside	Landside	Total	Airside	Landside	Total	PTP pax	Tfer pax		PTP pax related	Transfer pax related	PTP pax related	Transfer pax related
Security	46.6	All PTP										100%	0%		46.6	0.0	100%	0%
Maintenance	19.1	Area per pax	32	2	34	43,611	28,124	71,735	12	7	19	94%	6%		18.4	0.7	96%	4%
Maintenance	19.3	Area per pax	32	2	34	43,611	28,124	71,735	12	8	19	94%	6%		18.6	0.7	96%	4%
Central Functions	33.6	Per pax	32	2	34							94%	6%		31.6	2.0	94%	6%
Facilities and Cleaning	23.6	Area per pax	32	2	34	43,611	28,124	71,735	14	9	24	94%	6%		22.8	0.8	96%	4%
Facilities and Cleaning	7.6	Area per pax	32	2	34	43,611	28,124	71,735	5	3	8	94%	6%		7.3	0.3	96%	4%
Other Non-Staff Non-Pay	29.5	Per pax	32	2	34							94%	6%		27.7	1.7	94%	6%
Campus Services	20.0	All PTP	32	2	34							100%	0%		20.0	0.0	100%	0%
Retail	21.8	Per pax	32	2	34							94%	6%		20.5	1.3	94%	6%
IT	8.4	Area per pax	32	2	34	43,611	28,124	71,735	5	3	8	94%	6%		8.1	0.3	96%	4%
IT	13.3	Area per pax	32	2	34	43,611	28,124	71,735	8	5	13	94%	6%		12.9	0.5	96%	4%
Rent-Rates	15.1	Area per pax	32	2	34	43611	28124	71735	9	6	15	94%	6%		14.6	0.5	96%	4%
PRM	11.4	Per pax	32	2	34							94%	6%		10.8	0.7	94%	6%
Utilities	11.3	Area per pax	32	2	34	43,611	28,124	71,735	7	4	11	94%	6%		10.9	0.4	96%	4%
Car Parks	6.3	All PTP	32	2	34							100%	0%		6.3	0.0	100%	0%
Marketing	6.6	Per pax	32	2	34							94%	6%		6.2	0.4	94%	6%
Airside Operations	6.6	Per pax	32	2	34							94%	6%		6.2	0.4	94%	6%
Other Staff Non-Pay	6.8	Per pax	32	2	34							94%	6%		6.4	0.4	94%	6%
Consulting	7.1	Per pax	32	2	34							94%	6%		6.7	0.4	94%	6%
Insurance	6.1	Area per pax	32	2	34	43,611	28,124	71,735	4	2	6	94%	6%		5.9	0.2	96%	4%
Capital projects	3.4	Area per pax	32	2	34	43,611	28,124	71,735	2	1	3	94%	6%		3.3	0.1	96%	4%
Total CEPA/TA Forecast	**323.5**													**323.5**	**311.7**	**11.8**		
															96%	4%		
Capex																		
Campus	61.9	All PTP										100%	0%		61.9	0.0	100%	0%
T1	62.5	Area per pax	32	2	34	43,611	28,124	71,735	38	25	62	94%	6%		60.3	2.2	96%	4%
T2	80.4	Area per pax	32	2	34	43,611	28,124	71,735	49	32	80	94%	6%		77.5	2.9	96%	4%
Airside	81.3	Per pax	32	2	34	43,611	28,124	71,735	49	32	81	94%	6%		76.6	4.8	94%	6%
	286.1													**286.1**	**276.2**	**9.9**		
															97%	3%		

Pax	32	2	
Per pax	**18.37**	**10.85**	**59%**

Dublin Airport Low Emissions Aircraft Discount 2024

Terms, Eligibility and Conditions

1. Overview of Scheme

1.1 The objective of the Low Emissions Aircraft Discount ("LEAD" or "The Scheme") is to incentivise the transition from ageing aircraft fleets to the latest technology, encouraging a quieter, cleaner fleet use at Dublin Airport.

1.2 In line with Dublin Airports sustainability policy, the scheme will aim to achieve sustainable growth by promoting connectivity and capacity while rewarding lower emissions.

1.3 The Scheme is effective from 31st March 2024.

2. Terms

2.1 The Scheme will apply to all aircraft carrying out scheduled passenger, cargo, and charter operations (based and non-based) and is open to all operators, except for General Aviation.

2.2 The Scheme will only apply to flights operated from 31st March 2024.

2.3 For qualifying aircraft, a discount of 12.5% will be applied to each of the published Runway Movement charge and Passenger Service Charge.

2.4 The fuel-based approach, adopted by the European Environment Agency as defined in EEA Report No. 13/2019 part B section 1A[1], will be used.

2.5 The ICAO Emissions databank will be used to determine aircraft eligibility.

2.6 Worked examples are illustrated in Appendix 1.

3. Eligibility

3.1 The Scheme will apply to all scheduled passenger flights with a capacity of 30 seats or more, and cargo operations.

3.2 Qualifying aircraft must demonstrate 15% lower fuel consumption compared to similar sized aircraft[2].

[1] EMEP/EEA air pollutant emission inventory guidebook 2019 — European Environment Agency (europa.eu)
[2] Using Cirium Data

3.3 From the Cirium data that is available to Dublin Airport, Table 1. sets out aircraft that qualify for the scheme.

~~3.4 Operators must meet the following criteria to avail of The Scheme:~~

- ~~Aircraft with an MTOW < 105 tonnes must display a Landing and Take off Fuel Consumption of ≤ 380 kg. and/or demonstrate fuel consumption 15% lower than similar sized aircraft.~~

- ~~For Aircraft with an MTOW ≥ 105 tonnes must display a Landing and Take off Fuel Consumption of ≤ 955 kg. and/or demonstrate fuel consumption 15% lower than similar sized aircraft.~~

~~3.5 From ICAO emissions data that is available to Dublin Airport, the below aircraft types qualify for The Scheme. These aircraft types currently make up 24% of the fleet use at Dublin Airport.~~

Table 1. list of qualifying aircraft

Aircraft	~~LTO Fuel Burn (kg)~~
B787	~~796~~
A350	~~955~~
A330-900	~~931~~
A220	~~292~~
A320 Neo	~~330~~
B737 MAX 8/9	~~365~~
A321 Neo	~~380~~
E195-E2	~~270~~
ATR-72	~~256~~

4. Financial Conditions

4.1 The rebate on Qualifying Charges in respect of a qualifying movement is offset against the customer's account. In this regard, the operator is levied at the discounted rate.

4.2 The period of application will be at the discretion of Dublin Airport.

4.3 The discount will be applied as a rebate to the calculated charge, this will allow full transparency regarding the actual calculated charge and apportionment of discount.

4.4 Discounts will be applied based on flown movements in the invoiced period. Worked examples are illustrated in Appendix 1.

4.5 In the event of code-share agreements, Dublin Airport will levy the discount on the party that receives the invoice. Dublin Airport is not responsible for any subsequent re-distribution of credit or resolving in any way any dispute that may arise in this regard.

4.6 For the avoidance of doubt, Qualifying discounts do not include: (i) charges introduced by the Irish Aviation Authority; (ii) charges relating to additional services provided by daa, including but not limited to, the persons with reduced mobility charge, self-service kiosk charge, fast-track charge, customs and border protection charge; or (iii) ATI (Access to Installation) fees. In the event of a new charge being introduced by daa during the Scheme, the charge introduced will not be included in the rebate, unless otherwise stated by Dublin Airport.

5. General Conditions

5.1 Dublin Airport will complete periodic reviews of the Scheme. Dublin Airport reserves the right to withdraw the Scheme or amend the terms, eligibility or conditions document at any time in respect of any qualifying individual operator.

5.2 Dublin Airport will conduct regular audits to ensure fleet use agrees with what was declared in the Dublin Airport slot submission.

5.3 If Dublin Airport makes any amendment, it shall publish the amended Scheme on its website located at www.dublinairport.com. Operators should refer on a regular basis to the Dublin Airport website to be aware of any changes made to the Scheme.

6. Contact Details

6.1 If you have any queries regarding the Scheme or any of the terms and conditions, please contact rssaps@daa.ie or sean.murphy@dublinairport.com.

Appendix 1

Worked Example 1:

Aircraft Type	**S24 Movements**
B737-MAX	9000
A737-800	38000
Total Movements	**47000**

B737-MAX = 12.5% discount on 9000 movements

$$\text{Discount} = 12.5\% \times \left(\frac{9000}{47000} \right)$$

Actual Discount = 2.5%

Summer 2024	
Runway Movement	26,112,250
Passenger Service	55,509,806
Gross Charges	€81,622,056
Runway Movement Discount	652,806
Passenger Service Discount	1,387,745
Total Discount	€2,040,551
Net Charges	€79,581,505

Worked Example 2:

Aircraft Type	S24 Movements
A320/321 Neo	9000
A320	16000
Total Movements	**25000**

A320/321 Neo = 12.5% discount on 9000 movements

$$\text{Discount} = 12.5\% \times \left(\frac{9000}{16000} \right)$$

Actual Discount = 6.7%

Summer 2024	
Runway Movement	13,786,200
Passenger Service	26,978,328
Gross Charges	€40,764,528
Runway Movement Discount	923,675
Passenger Service Discount	1,807,548
Total Discount	€2,731,223
Net Charges	€38,033,305