

PRESS RELEASE: European ethanol producers raise legal challenge to EU maritime legislation

Industry seeks partial annulment of FuelEU Maritime Regulation for failing to consider proven emissions-reduction benefits of sustainable biofuels such as renewable ethanol

BRUSSELS, 31 January 2024 – European renewable ethanol producers have launched a legal challenge to the EU’s FuelEU Maritime Regulation on the grounds that it fails to properly recognise the proven benefits of sustainable crop-based biofuels and has therefore violated several key EU legislative procedures.

Companies representing nearly all of the EU’s production of renewable ethanol are seeking to annul a section of the legislation that considers crop-based biofuels to have the same emission factors as the least favourable fossil fuel pathway. As a result of that provision, the FuelEU Maritime Regulation de facto excludes Renewable Energy Directive (RED)-compliant crop-based biofuels from the decarbonisation objectives of the maritime sector.

“The EU’s patchwork approach to crop-based renewable ethanol – confirming its sustainability and importance in the Renewable Energy Directive but sidelining it in FuelEU Maritime and RefuelEU Aviation – is more than just discriminatory. It also jeopardises the EU’s ability to meet ambitious decarbonisation targets,” said David Carpintero, Director General of ePURE, the European renewable ethanol association. “Given the importance of achieving Europe’s goals for climate change mitigation, energy independence, food security and strategic autonomy, the EU should make better use of proven domestic solutions such as renewable ethanol.”

The legal action is based on several arguments, including among others that the European Parliament and the Council committed a manifest error of assessment by failing to rely on scientific and technical data in preparing their policy on the environment; violated the principle of proportionality by considering that RED compliant crop-based biofuels have the same emission factors as the least favourable fossil fuel in the maritime transport; and violated the principle of equal treatment because the methodology used to calculate GHG intensity of the energy used on board ships is not consistent with the RED’s biofuel GHG emission calculation.

The legal application for annulment was filed with the General Court of the European Union on 18 December 2023. The challenge was filed by members of ePURE, the European renewable ethanol association, along with Pannonia Bio Zrt.

“Europe will be a climate laggard when the global maritime and aviation markets harmonise around solutions such as sustainable crop-based biofuels that the EU has ruled out but that are affordable, scalable and have low carbon intensity,” said Mark Turley, CEO of ClonBio Group, the owner of Pannonia. “EU investors like Pannonia are now choosing the USA for new investments in large part because EU transport decarbonisation policies are unstable. That kind of policymaking is irresponsible, and legally it violates the Treaty on the Functioning of the European Union.”

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