



International  
Association  
of Oil & Gas  
Producers

# EU Regulation on Methane Emissions Reductions in the Energy Sector

Axel Scheuer, Senior Policy Manager  
Presentation at European Energy Forum  
March 30, 2022



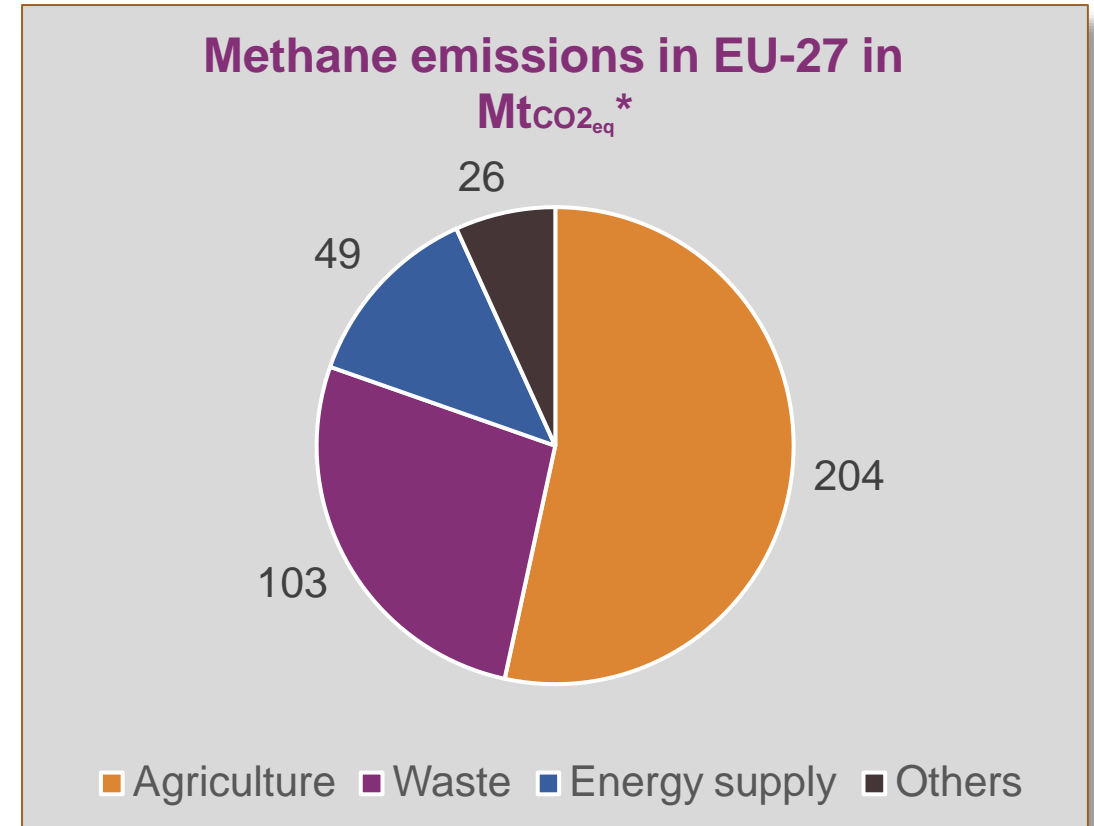
# General position prior to EU Methane Regulation proposal

---

- **Support of EU-wide regulation** addressing methane emissions
- Acknowledgement of **need for accurate, transparent, globally consistent, and verifiable data**
- General objective of gas operators is to **find and fix** methane emission leaks
  - Technology exist to detect methane emissions but **measuring accurately, repeatable, consistently has technical limitations**
  - In most cases, **quantification methods** (applying engineering methods, simulation tools, emission factors addressing the source) **lead to higher data accuracy** than ‘direct measurements’
- Establish consistent measurement, reporting and verification framework **before considering standards/targets**

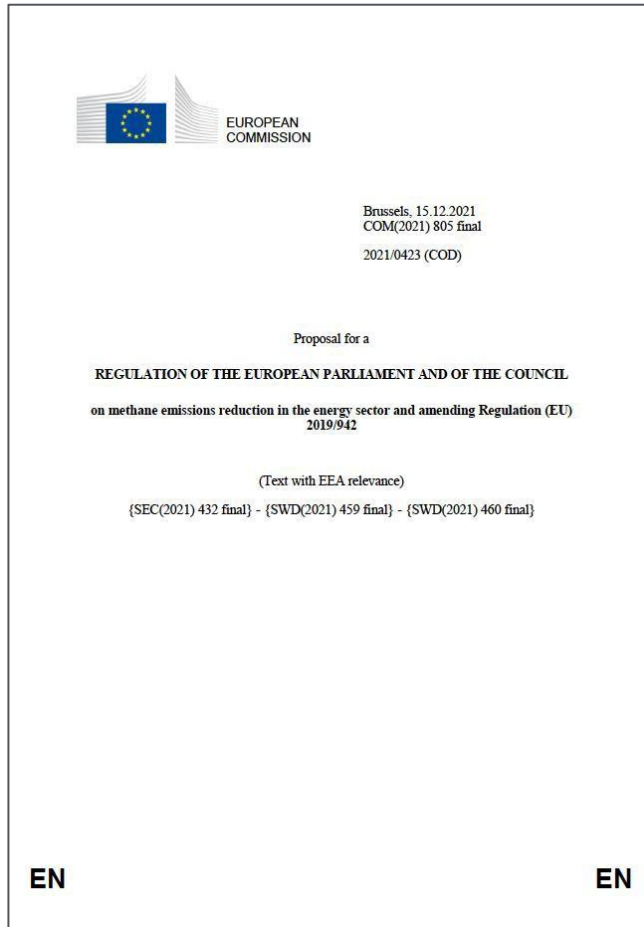
# Methane emissions in the EU

- Anthropogenic methane emissions in the EU\*:
  - 53% agriculture
  - 26% waste
  - **13% energy (5% from natural gas operations)**
  - 8% others
- IOGP 2020 Environmental performance indicators released:
  - **<1 Mt<sub>CO<sub>2</sub>eq</sub>** methane emissions from O&G upstream in EU
  - Methane emissions from O&G upstream in Europe significantly lower based on IOGP data versus IEA data



\*) EEA 2020

# EU Methane Regulation - Recap



- **Improve data quality:**

- Impose measuring and reporting (MRV) obligations
- Establish independent verifiers

- **Reduce emission in EU supply chain:**

- Impose leak, detection and repair (LDAR) routines
- Impose a ban on routine venting and flaring

- **Reduce imported emissions:**

- Impose information obligation on importers
- Role for International Methane Emissions Observatory

# Comments on proposed EU Methane Regulation (1)

---

- **Establish proportionality and materiality criteria to avoid requirements with no environmental benefit**
  - LDAR and MRV **survey frequency to be a function of risk / proportionality / materiality**, e.g. include the potential of a source / asset to emit (flow rates, equipment, leak risk) and type of asset (e.g. offshore platform vs. distribution pipe)
- **Recognize status of technology and technology evolution (technology openness)**
  - Provide for best available technology to be used for leak detection; **no prescription / limitation to 500 ppm technology (outdated) rather use of best available technology of Optical Gas Imaging (OGI) for leak detection**
  - Recognize **technical limitations of reconciling** (bottom-up) source-level emissions data with (top-down) site level data
- **Reduce complexity / avoid prescriptiveness of EU Regulation**
  - Possibly mandate CEN to establish MRV standards
  - **Use annex establishing proportionality / materiality criteria including for LDAR and MRV survey frequencies** (strict, fixed frequencies do not reflect proportionality principle)
- **Clarify terms on Venting / Flaring to enable safe operations; prioritize flaring over venting**
  - Clarify exemptions when venting for safety is possible; where venting / flaring still needed: prioritize flaring over venting

# Comments on proposed EU Methane Regulation (2)

---

- **Clarification of terms / definitions needed**

- Appropriate use of **'Direct measurement'** of source -level emissions vs, **'quantification'** of emissions
- **Consistently/correctly build on existing terms & procedures for MRV**, build on OGMP 2.0 but without re-interpretation
- **Distinguish between 'Inactive wells'** and plugged and abandoned wells
- Establish, improve, clarify **definitions**:
  - 'source' / 'component' / 'facility' / 'asset' / 'site'
  - 'flaring' vs. 'routine flaring' and new definition for 'safety flaring'
  - 'emission factor' / 'generic emission factor' / 'specific emission factor'

- **Clarification of roles & responsibilities needed to avoid overlapping activities**

- Clarification of 'verifier' roles between 'competent authorities', 'verifiers', 'International Methane Emissions Observatory'

- **Avoid procedures or require activities which increase overall GHG emissions**

- Allow for inspections and LDAR surveys to be combined with other operational and safety procedures
- GHG footprint of LDAR activities (shipping, land mass movements, building etc.) to be proportionate to emissions avoided

# Conclusion and Way Forward

---

- **Support for EU-wide** regulation addressing energy related methane emissions along value chains
- Cost for methane emission reduction in general are accepted, but **MRV and LDAR requirements should be based on best available technologies, materiality considerations** (environmental benefit, risk-based) and **proportionate**
- The proposed prescriptive provisions require careful review to **ensure applicability to a a diverse range of industrial operations** along the entire gas value chain
- Detailed **dialogue on technical terms** is desired with the aim that the Regulation meets its objectives while **avoiding cost to consumers and industry for measures with no environmental benefit**



International  
Association  
of Oil & Gas  
Producers

For more information please contact:

Axel Scheuer [asc@iogp.org](mailto:asc@iogp.org)

Senior Policy Manager, IOGP Europe

[www.iogpeurope.org](http://www.iogpeurope.org)

### **Registered Office**

City Tower, Level 14, 40 Basinghall Street, London EC2V 5DE, United Kingdom

+44 (0)20 3763 9700

[reception@iogp.org](mailto:reception@iogp.org)

### **Brussels Office**

Avenue de Tervuren 188A, B-1150 Brussels, Belgium

+32 (0)2 790 7762

[reception-europe@iogp.org](mailto:reception-europe@iogp.org)

### **Houston Office**

15377 Memorial Drive Suite 250, Houston, Texas 77079, United States

+1 (713) 261 0411

[reception-americas@iogp.org](mailto:reception-americas@iogp.org)