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## **GASNATURALLY POLICY STATEMENT ON METHANE EMISSIONS REDUCTION IN THE ENERGY SECTOR**

GasNaturally welcomes the proposal for a Regulation on methane emissions reduction in the energy sector. To achieve a successful implementation and tangible emissions reductions, we offer the following recommendations:

- The Regulation should be less prescriptive and establish proportionality and materiality criteria to avoid excessive requirements with disproportionate efforts to industry and consumers but with no or very limited environmental benefit. Leak detection and repair (LDAR) and monitoring, reporting and verification (MRV) requirements should be proportionate considering flow rates, equipment installed, the risk to leak, and the type of asset (e.g. offshore platform vs. distribution pipeline). In this context it should also be possible to prioritize leak repair activities based on emissions mitigation impact and components identified as having significant emissions reduction potential. We suggest that **CEN is mandated to develop LDAR and MRV standards**. Until such standards are developed, the Regulation can list (e.g. in an annex) key parameters of the OGMP 2.0 Framework including templates and technical guidance documents.
- The Regulation should be technology open providing for technology evolution. It should promote the use of best available technology for detection and not prescribe a concentration as the standard. The Regulation should also recognize the technical limitations to accurately quantify emissions with top-down/site level technologies and methodologies.
- Several terms used in the Regulation need definition or clarification, including:
  - The term 'quantification' should be used in most cases where currently the term 'source level measurement' is used: Source-level quantification methods depend on the source type and operation; in most cases, quantification methods based on engineering calculations, simulation tools and emission factors lead to higher data accuracy than 'direct measurements'.
  - The Regulation builds in parts incorrectly on the OGMP 2.0 Framework or reinterprets its terms thereby jeopardizing one of its objectives; establishing comparable data on methane emissions.
  - The definition of inactive wells is too broad and should exclude permanently plugged and abandoned wells to avoid disproportionate intervention requirements on plugged and abandoned wells with no environmental benefit but significant cost to the industry and consumers.



- **Roles & responsibilities defined in the Regulation should be clarified to avoid overlapping activities.** For instance, the Regulation creates similar roles for ‘competent authorities’, ‘verifiers’, and ‘IMEO’. The Regulation also creates reporting obligations on both operated and non-operated assets, leading to double reporting, while the data should consistently be reported by the operator of an asset. Existing inspection and reporting procedures and formats under national rules shall be aligned to avoid parallel activities.
- **The Regulation should avoid establishing procedures which create activities increasing overall GHG emissions.** Inspections and LDAR surveys should be combined with existing operational and safety procedures and GHG emissions created by LDAR activities should be proportionate to emissions avoided.
- While the concept of minimising/banning of **venting/flaring (V/F)** is accepted, some venting to enable safe operations is technically required and must be reflected in the Regulation by establishing clear exemptions. Also, flaring should be prioritized over venting. The installation of V/F mitigation measures should have feasible lead times and be based on mitigation plans prioritizing investments approved by competent authorities.
- In case foreign suppliers do not provide data, importers should not be held liable for non-compliance on data requirements.
- We welcome the recognition of investments and operating costs incurred by regulated operators.

GasNaturally and its members stand ready to discuss the aforementioned aspects in more detail.

GasNaturally is a partnership of eight associations from across the whole gas value chain. Our members are involved in gas exploration and production, transmission, distribution, wholesale and retail operations, as well as gas in transport.

