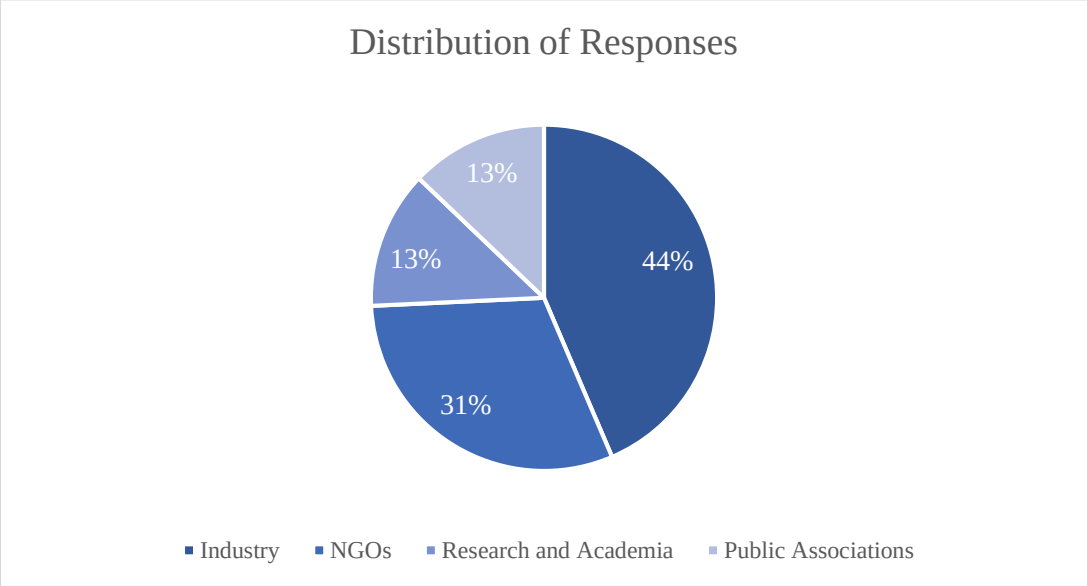
Descriptive analysis of written feedback from 'Workshop: Strategic plan to reduce methane emissions in the energy sector' (20/03/2020)

a. Statistical representation of stakeholder samples

In total 16 stakeholders provided written feedback. The highest proportion of responses came from industry (44% (7)), followed by NGOs (31% (5)), the academic and research community (13% (2)), as well as public associations (13% (2)). The majority of responses were from stakeholders based in Europe (10), nevertheless, there was strong representation from US stakeholders (4), and to a lesser extent organisations from third countries, namely Norway (1), and the UK (1).



b. Summary of stakeholder views

Stakeholder views can be broadly structured according to certain categories related to the methane emissions proposal; overall impression of scope, the approach to MRV(IV)[1], the international dimension, implementation timelines, and other considerations.

Scope

Regarding **scope**, the Commission proposes to cover the entire energy value chain in a holistic approach - while keeping in mind the specificities of each sector. The stakeholder responses (10 out of 16) broadly supported this approach, including the proposed focus on super-emitters, high-emitting events, as well as

[1] measurement, reporting, verification, integrity, and validation

the need to differentiate between the oil, gas, and coal value chains. Three stakeholders found an energy-only methane approach too narrow, while the others voiced no explicit position.

Concerning **coalmine methane** (CMM), one stakeholder lamented the lack of EU financing in CMM and abandoned mine methane despite the significant emissions while, at the same time, carbon capture and storage receives significant attention with similar emission levels. In addition to including emissions from coalmines, one stakeholder suggested to include underground storage, LNG terminals, onshore and offshore facilities, as well as both operational and abandoned oil and gas wells. Two stakeholders emphasised the significance of **upstream emissions more broadly**, whilst another warned against neglecting other dimensions, including **consumer equipment**.

Concerning **super-emitters**, one stakeholder warned against the lock-in effect of fossil fuels through addressing their methane emissions and potentially creating stranded assets. Another emphasized that super-emitters exist at all scales: for example, components that are widely deployed in natural gas systems, such as pneumatic controllers, tank hatches, and flanges, also display super-emitter behavior. Therefore, the Commission is invited to consider whether the largest, but rare, regional super-emitters are as important as more common but smaller component-level super-emitters.

For three stakeholders, the proposed **energy-only approach is too narrow** given that other sectors such as waste and agriculture account for the majority of the EU methane emissions. In addition to expanding the scope to other policy areas, they call for including the life cycle of greenhouse gas emissions of alternative gases such as biogas, biomethane, and synthetic methane as well as any fossil-based alternative gases like grey or blue hydrogen. Stakeholders argue that natural gas liquids should also be covered as they are inseparably connected with gas extraction and often used as feedstock for plastics production. Neglecting bio methane emissions is perceived as particularly risky for an effective methane strategy.

MRV(IV)

The majority of stakeholders supported the Commission's initiatives to improve the level of information on emissions, and to implement more rigorous **MRV(IV)** measures. Nevertheless, there was also an overriding sentiment that sufficiently high-quality data and knowledge already exists to begin strong **mitigating action in parallel with data gathering efforts**. Four NGO's expressed concerns that the Commission intended to employ a **'measure first-mitigate second'** approach. Some stakeholders drew attention to known practices and equipment associated with significant methane emissions across the

value chain, for which action could begin immediately. Examples include venting and flaring at the point of extraction as well as the deliberate release of natural gas along pipelines to manage pressure levels. One stakeholder favoured first improving the data quality before taking concrete measures to tackle emissions, citing concerns over the Commission's hypothetical timeline to deliver a formal proposal prior to the completion of a key research study in August 2020.

There was strong backing from a diversity of stakeholders for the Commission's proposal to establish an independent methane data clearinghouse, with all seven of the responses that referred to the clearinghouse voicing their support. The majority of stakeholders favored a **comprehensive clearinghouse** covering both domestic and international emissions data, as well as potential expansion to include biomethane and other sectors such as waste and agriculture. Some stakeholders proposed potential host or partner organizations for the clearinghouse, including the European Environment Agency and the Agency for the Cooperation of Energy Regulators (ACER). One representative from academia highlighted the benefits a clearinghouse could create for information sharing within the field, both through seconding experts as well as through informing future stakeholders via an internship program. Moreover, stakeholders noted their interest in engaging with the data of the clearinghouse and emphasized the value of keeping access as open as possible.

Regarding potential MRV(IV) frameworks, stakeholders were very forthcoming with suggestions. The Oil Gas and Methane Partnership **(OGMP) (2.0)** was suggested by four stakeholders, **Marcogaz** by four stakeholders, and the International Panel on Climate Change (**IPCC**) framework by two, with several stakeholders proposing more than one possible framework. Six stakeholders acknowledged their support for the Oil and Gas Climate Initiative (OGCI) target of a 0.25% methane emission intensity standard by 2025, or indeed a more ambitious target of 0.20% by the same date. Support for a minimum intensity standard came from NGO's and advocacy groups, but also from industry where there are already voluntary commitments in place. Multiple stakeholders cited the fact that **Europe is following rather than leading** in the area of mineral methane emission reduction, and provided models of other countries and regions that could serve as templates to follow for MRV(IV). Examples included **Canada**, the **US**, **Mexico**, **Nigeria**, and **Norway**. One stakeholder suggested that any revised MRV(IV) strategy should take due account of existing monitoring and data-collection processes already in place within industry due to safety obligations.

International dimension

In the view of the Commission, an ambitious methane policy should have a strong international pillar with the EU leading international efforts through bilateral and multilateral cooperation. Concerning the

international dimension, the majority of stakeholders (9 out of 16) agreed with the Commission approach, one regarded it cautiously and six refrained from an explicit position. For those calling for the EU to take the role of a **standard-setter** in global gas markets, this would not only support global climate ambitions but also ensure equal treatment between internal and external market players and help maintain **security of supply** in the EU.

Concerning third countries, the EU should expand its international efforts to support **emission reductions** as well as broader **decarbonisation** efforts. One stakeholder suggested that while the third country suppliers should be required to undertake both methane and CO_2 mitigation, the timeline for methane could be 2023, leaving 2030 as the cut-off date for unabated gas. Others called for **market-based** mechanisms for incentivising emission mitigation outside the EU.

Stakeholders believe that, as a minimum, the EU should increase **global awareness** of the challenge posed by methane, as well as the policies required to address it. This could also include support to global methane studies and the use of aerial measurements. In addition, the Commission could promote the endorsement of the World Bank Initiative "Zero Routine Flaring by 2030", as well as global initiatives and partnerships such as the CCAC, GMI, and the Methane Guiding Principles.

Finally, one stakeholder recalled the existing regulations on the natural gas value chain in exporters' jurisdictions (for example, the existing U.S. federal and state-level methane regulations) and underlined the need for consistency, to ensure a **level playing field** on comparable segments.

Timeline

Across stakeholder responses there were overwhelming calls for swift and decisive action, with the majority of stakeholders stressing the importance of a short-medium term approach to this issue (**1-10 years**). Different justifications were offered for taking such a pro-active approach, including the EU's strong but diminishing position in global fossil fuel markets (particularly natural gas). Moreover, two stakeholders raised concerns that a slow and/or weak approach could facilitate **fossil fuel lock-in**. Within this context, multiple stakeholders emphasised that the phasing out of fossil fuels should be the outstanding priority and that reduction of mineral methane emissions remain a component of that wider objective. Conversely, two stakeholders opposed the notion that methane emissions undermined the credibility of natural gas, citing arguments that it is the cleanest conventional fuel and remains necessary for balancing energy supply in Europe.

Other considerations

A range of wider suggestions were offered by stakeholders, covering various dimensions of the methane proposal. There were differing views amongst stakeholders regarding the use of Global Warming Potential (**GWP**) 20 or GWP100 as a timeframe for measuring the heating potential of methane in the atmosphere. Stakeholders also suggested that Global Temperature Change Potential (**GTP**) could be a more appropriate framework than GWP. There was a broad consensus that simultaneously following **20, 30, and 100-year timelines** was most appropriate for measuring the effectiveness of a methane reduction strategy. Furthermore, the importance of being as granular as possible when assessing different sectors and segments of supply chains was highlighted. For example, one stakeholder cited the difference in average methane leakage intensity between offshore (0.21%) and onshore (1.91%) oil and gas extraction platforms. The issue of including methane in an emissions trading scheme (ETS) was discussed by multiple stakeholders.

There were also a number of specific policy suggestions, four stakeholders advocated for immediate mandatory leak detection and repair (**LDAR**) measures. Stakeholders came forward with some practical common initiatives to support with the MRV(IV) and LDAR processes. These suggestions included a catalogue of best-practices and technologies, as well as the sharing of leak detection equipment between Member States, transmission service operators (TSO's), and distribution service operators (DSO's).