Fit for 55 package: Reducing methane emissions in the energy sector

OVERVIEW

On 15 December 2021, the Commission presented a proposal to regulate methane emissions reductions in the energy sector. The proposal is part of the second batch of proposals in the ‘fit for 55’ package, aiming to align EU climate and energy laws with the EU Climate Law’s 2030 target.

The proposal aims to address gaps in current legislation: those relating to methane emissions from upstream exploration and the production of oil and fossil gas, but also those from the gathering and processing of fossil gas, the transmission, distribution and underground storage of gas, and liquid gas terminals operating with fossil and/or renewable methane. The proposal furthermore introduces provisions on methane emissions from coal mines and those originating from outside the EU in relation to importer information requirements, the methane transparency database and the methane-emitters monitoring tool. Similarly, it sets out requirements for methane emissions reduction, monitoring and reporting, leak detection and repair, and limits to venting and flaring.

In Parliament, the proposal was referred to the Committee on the Environment, Public Health and Food Safety (ENVI), with the rapporteur still to be appointed.


<table>
<thead>
<tr>
<th>Committee responsible:</th>
<th>Environment, Public Health and Food Safety (ENVI)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rapporteur:</td>
<td>To be appointed</td>
</tr>
<tr>
<td>Shadow rapporteurs:</td>
<td>Günther Sidl (S&amp;d, Austria)</td>
</tr>
<tr>
<td></td>
<td>Martin Hojsík (Renew, Slovakia)</td>
</tr>
<tr>
<td>Next steps expected:</td>
<td>Appointment of rapporteur</td>
</tr>
</tbody>
</table>

COM(2021) 805
15.12.2021
2021/0423(COD)
Ordinary legislative procedure (COD) (Parliament and Council on equal footing – formerly ‘co-decision’)

Next steps expected: Appointment of rapporteur
Introduction

A key feature of greenhouse gases (GHG) – especially meaningful in the context of global warming – is their ability to trap heat in the atmosphere. Typical examples are the two most abundant GHGs, carbon dioxide (CO$_2$) and methane (CH$_4$), alongside nitrous oxide and fluorinated gases.

The principal component of natural gas is methane, and its concentration in the atmosphere has more than doubled since preindustrial times, reaching over 1 800 parts per billion in recent years. According to an International Energy Agency (IEA) estimate, global methane emissions in the oil and gas sectors rose from 62 million tonnes (Mt) in 2000 to 72 Mt in 2020. As demonstrated by the IEA, the 2020 emissions are comparable to the energy-related CO$_2$ emissions of the entire EU (assuming that one tonne of methane is equivalent to 30 tonnes of CO$_2$).

The oil and gas sectors are largely responsible for methane emissions worldwide, and the sectors will be present in the global energy mix for many years to come. It has recently been possible to make use of satellite mapping to identify huge plumes of methane from oil and gas fields worldwide, some covering an area of more than 300 km. There is therefore acknowledgement that reducing methane emissions is vital to delivering on the Paris Agreement temperature targets.

According to the Climate & Clean Air Coalition, low mitigation costs can be found in more than 60 % of available dedicated methane emissions reduction measures, and within those, around half of the measures have negative costs.

The roadmap to making the EU climate-neutral by 2050 – the European Green Deal – presented by the European Commission in 2019, highlights the need to act on reducing methane emissions, particularly energy-related ones.

On 14 October 2020, the Commission put forward a strategy to reduce methane emissions. The document focuses on cross-sectoral actions within the EU and elaborates on engagements in the energy, agricultural, waste and wastewater sectors and internationally, all with the aim of reducing CH$_4$ emissions. The energy sector is the only one for which the strategy envisages the adoption of new legislation that would introduce compulsory measurement, reporting, and verification (MRV) for all energy-related methane emissions. These measures, seeking to improve the quality of emissions data and its reporting, would build on the Oil and Gas Methane Partnership (OGMP 2.0) methodology. The strategy also states the Commission’s intention to legislate on making it obligatory to improve leak detection and repair of leaks on all fossil gas infrastructure, as well as any other infrastructure that produces, transports or uses fossil gas, including as a source of feedstock. Furthermore, the strategy considers the need for legislation on eliminating routine venting and flaring in the energy sector covering the full supply chain, up to

Global warming potential of methane

When comparing the effects of different greenhouse gases on global warming, it is customary to compare their effect per tonne with the effect of a tonne of CO$_2$ over a 100-year period. This measure is called the global warming potential (GWP), measured in CO$_2$ equivalents (CO$_2$e). According to the latest Intergovernmental Panel on Climate Change (IPCC) assessment report, methane has a 100-year GWP of 34. Over a 20-year timeframe, methane has a GWP of 86. The IPCC adapts the GWP to account for new scientific knowledge and changes in the composition of the atmosphere.

For the purposes of effort-sharing, GHG reduction targets and reporting, the EU currently uses a GWP of 25 for methane; that is, one tonne of methane is considered equivalent to 25 tonnes of CO$_2$. This value is based on previous IPCC assessment reports.

Alternatives to GWP

GWP has been criticised as a metric that may lead to insufficient policies for cutting CO$_2$ emissions because cutting an equivalent (CO$_2$e) amount of short-lived climate forcers may be easier/cheaper but will not have the same effects on long-term warming.

Alternatively, global temperature potential (GTP) measures the contribution of a GHG to global temperature rise at the end of a time period.

GWP* (GWP Star) takes into account the short-life time of methane in the atmosphere. Contrary to the GWP approach, GWP* makes use of temperature equivalence and may better represent the temperature response towards methane emissions.
Reducing methane emissions in the energy sector

the point of production. Extending the OGMP framework to more companies in the gas and oil upstream, midstream and downstream is another area that yields itself to potential legislation. This framework could also be extended to the coal sector and sites (both closed and abandoned).

### Venting and flaring

Venting refers to the release of uncombusted methane emissions into the atmosphere. This release can be intentional (e.g. as a result of well completion, well-, pipeline- and tank maintenance) and unintentional, due to malfunctions or geological restrictions.

Flaring is the controlled combustion of methane for economic or safety reasons, done with help of specially designed equipment. The theoretical efficiency of the process can reach values higher than 99% in well-designed equipment operating in optimal conditions.

As venting releases methane, it is identified as a worse practice than flaring, as the latter converts methane into carbon dioxide (less impactful over a 100-year lifespan) and water.

The proposal for a regulation, the focus of the present briefing, addresses the issues raised by the Commission’s methane strategy.

On 2 November 2021, 110 countries and the EU launched the Global Methane Pledge, committing to reduce global methane emissions by 30% by the year 2030, as compared with 2020 levels, and to improve the quantification of methane emissions, particularly in high emission sources.

### Existing situation

As early as 1996, the Commission presented a strategy paper for reducing methane emissions, suggesting measures in the areas of agriculture, energy and waste management.

Methane is subject to EU climate legislation – it is one of the six GHGs for which emissions are reported to the United Nations Framework Convention on Climate Change (UNFCCC), and that count towards the emissions reduction targets. Methane emissions are covered by the Effort-Sharing Regulation (Regulation (EU) 2018/842, under revision), and by the Governance Regulation (Regulation (EU) 2018/1999), which obliges the Commission to address methane emissions through a strategic plan, in the light of a long-term strategy for GHG emissions reduction. Regulation (EU) 2018/841 (to be amended) on including emissions/removals from land use, land use change and forestry in EU climate policy after 2020 (the LULUCF Regulation, to be amended) concerns CO₂, methane and nitrous oxide.

An overview of measures prepared by the Commission for the Global Methane Initiative lists additional policies related to methane. The use of best available techniques (BAT) for industrial facilities – e.g. power plants, refineries – that fall within the scope of the Industrial Emissions Directive (2010/75/EU) is an important example. This directive does not cover the upstream, midstream and downstream of fossil gas (liquefied natural gas, underground gas storage, transmission and distribution) or coal mining. Regulation (EC) 166/2006, introducing the European Pollutant Release and Transfer Register, addresses methane emissions by requiring underground mining and related operations to report CH₄ emissions above 100,000 kg/year.

Reductions in methane emissions are also achieved by means of legislation (Directive 94/63/EC) addressing the handling, storage and distribution of liquid fuels, and by reducing fugitive losses of volatile organics and hydrocarbons from such processes.

The non-binding Commission Recommendation 2014/70/EU on hydraulic fracturing for the exploration or production of shale gas/oil concerns environmental aspects with cross-border impacts. It asks Member States to ensure that operators capture methane and other gases for subsequent use, and minimise flaring and venting. Venting should be limited to exceptional cases related to safety reasons.
In 2013, the Commission proposed setting national emission ceilings for methane in the revision of the National Emission Ceilings Directive (2001/81/EC), as methane emissions had not originally been covered by the directive. The objective was a 33% reduction by 2030, compared with 2005 levels. However, the revised directive (Directive (EU) 2016/2284), adopted in 2016, did not include methane in its scope. In the Commission’s Q&A memo released at the time of adoption it committed to considering measures for reducing methane emissions, as would make it possible to also reduce ozone concentrations in the EU, taking international developments into account.

Currently, methane emissions are not specifically regulated at the EU-level when it comes to: exploration and production of oil and fossil gas; gathering, processing, transmission, distribution, underground storage and liquid fossil gas terminals; operating, closed or abandoned coal mines.

**Parliament’s starting position**

On 21 October 2021, the Parliament adopted a resolution on an EU strategy to reduce methane emissions, calling on the Commission to propose legislation directed at the energy sector. The text points out that the Effort-Sharing Regulation should be the main piece of legislation to reduce methane emissions, and that it should be complemented by the Industrial Emissions Directive (under revision) and others. At the same time, the resolution recognises voluntary industry initiatives as being of great importance and stresses that regulatory initiatives should build on best practices from already existing voluntary actions.

As regards the energy sector, the resolution supported the Commission’s intention, as expressed in the methane strategy, on introducing legislation on venting and flaring. The Parliament also encouraged the Commission to both develop regulatory tools on fossil energy imports and establish an independent international methane emissions observatory.

**Preparation of the proposal**

The Commission’s inception impact assessment for a legislative proposal to reduce methane emissions in the oil, gas and coal sectors had a feedback period from 22 December 2020 to 26 January 2021. There were 79 responses, 46 of which originated from either company/business organisations or business associations.

A public consultation was held from 5 February 2021 to 1 May 2021. The Commission received 126 responses, with just over 42% of feedback coming from companies or business organisations.

On 15 December 2021, the Commission submitted both an impact assessment of its proposal and the proposal itself. The European Parliamentary Research Service is currently preparing an initial appraisal of the impact assessment.

A feedback period on the proposal opened on 15 December 2021 and will close on 28 March 2022.
Reducing methane emissions in the energy sector

The changes the proposal would bring

General provisions

Article 1 of the proposal sets out the subject matter and scope. The proposed regulation would seek to reduce methane emissions in sectors that are either not at all or are insufficiently covered by existing legislation. The proposal covers the upstream exploration and production of oil and fossil gas; the gathering and processing of fossil gas; the transmission, distribution and underground storage of gas; and liquid gas terminals. Furthermore, the proposal would also apply to coal mines, through addressing underground and surface entities in operation but also closed and abandoned underground coal mines. Also covered by the proposal are methane emissions from outside the European Union, specifically in the requirements related to importer information.

In accordance with Article 3, when fixing or approving transmission or distribution tariffs, the regulatory authority would take into account the costs incurred and investments made to comply with the proposed regulation by transmission system operators, distribution system operators, liquefied natural gas terminal operators or their regulated companies, as long as they are comparable to efficient and structurally comparable regulated operators. Furthermore, every three years, the European Union Agency for the Cooperation of Energy Regulators (ACER) would need to establish and publicly disclose a set of indicators and reference values allowing for the comparison of unit investment costs in relation to measurement, reporting and abatement of methane emissions within comparable projects.

This proposal also includes, through Article 34, an amendment to Regulation (EU) 2019/942 which established the ACER. Consequently, ACER would have to adopt and disclose to the public a set of indicators and reference values that allow for comparison of unit investment costs associated with measurement, reporting and abatement of methane emissions within similar projects.

Competent authorities and independent verification

One or more competent authorities (CA) would be designated, as per Article 4, by each Member State, and this choice would need to be communicated to the Commission within three months after the entry into force of the regulation. CAs would be responsible for monitoring and enforcing the proposed regulation. Article 5 would require operators and mine operators to cooperate with the CAs mainly by having to present to them the required documentation or records and afford them access to their facilities. Member States’ CAs would cooperate with each other and the Commission would set up an EU-wide CA network to foster such cooperation.

Article 6 would require CAs to conduct periodic inspections of operators and mine operators in order to check their compliance with the proposal. A first inspection would occur by month 18 after the entry into force of the proposed regulation, while subsequent inspections would need to follow a schedule designed by the CAs, but would never be more than two years apart. Once they have performed an inspection, CAs would produce a report containing the legal basis for the inspection, the procedural steps that were followed, any relevant findings and recommendations for action by the operator. This report needs to be made available to the operators or mine operator as well as to the public, within two months from the inspection. The actions recommended in the report would need to be taken within a time frame agreed with the CA or following the timeline detailed in the report.

The proposal would allow, under Article 7, for both natural and legal persons to file complaints with the CAs. These complaints need to be substantiated and supported with sufficient evidence whenever a breach of the proposed regulation by operators or mine operators has resulted in injury.

Articles 8 and 9 refer to the independence and accreditation of verifiers and their activities and statements of verification. Verifiers would be accredited by a national accreditation body and would have to be independent, in the sense that they could not be or have any relation to operators.
or mine operators. Verifiers would have to check whether the emissions reports produced by the operators are in conformity with the requirements of the proposed regulation. To this end they would use free and publicly available standards for methane emissions quantification. Verifiers would also carry out site assessments to confirm the reliability, credibility and accuracy of the reported data and methodology used.

**Article 10** envisages a verification role for the International Methane Emissions Observatory, through the sharing of methane emissions data. The role would cover: aggregation of methane emissions data; methodology and statistical processes verification; development of data aggregation and analysis methodologies; publication of aggregated data by core source and level of reporting; reporting of conclusions on major discrepancies between data sources.

### Methane emissions in the oil and gas sectors

**Articles 11-18** seek to mitigate methane emissions in the *oil and gas sectors* by establishing requirements for monitoring and reporting, leak detection and repair; limits to venting and flaring; requirements for reporting of venting and flaring events; and requirements for flaring standards and for inactive wells.

**Article 12** on *monitoring and reporting* lists the obligations of operators to the competent authorities on both estimated and direct source-level methane emissions, accompanying them with details on the format and frequency of the reporting. Non-operated units would also be subject to reporting followed by communication to the competent authority. **Article 13** would oblige operators to *prevent and minimise methane emissions* by any and all means available to them. **Article 14** on *leak detection and repair* (LDAR) requires operators to develop an LDAR programme and send reports about its contents to the CAs. The nature and timeline of reporting would be as shown in Figure 2:

**Figure 2 – Nature and timeline of requirements**

<table>
<thead>
<tr>
<th>Scope</th>
<th>Nature</th>
<th>Verifier check</th>
<th>Timeline (months from date of entry into force of the regulation)</th>
<th>Recurrence</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OIL AND GAS SECTORS</strong></td>
<td>Report submitted by the operators to the CA on estimations of source-level methane emissions from all sources</td>
<td>✓</td>
<td>12</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Report submitted by the operators to the CA on direct measurement of source-level methane emissions in sources operated</td>
<td>✓</td>
<td>24</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Report submitted by the operators to the CA on direct measurement of source-level methane emissions in sources operated, accompanied by site-level methane emission measurements</td>
<td>✓</td>
<td>36</td>
<td>Yearly basis by 30 March</td>
</tr>
<tr>
<td></td>
<td>Report to the CA, by undertakings established in the Union, on direct measurement of source-level methane emissions from non-operated assets</td>
<td>✓</td>
<td>36</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Report to the CA, by undertakings established in the Union, on direct measurement of source-level methane emissions in non-operated assets, accompanied by site-level methane emission measurements</td>
<td>✓</td>
<td>48</td>
<td>Yearly basis by 30 March</td>
</tr>
<tr>
<td></td>
<td>Report submitted to the CA by operators on a LDAR programme</td>
<td>✗</td>
<td>3</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Survey of relevant components identified in the LDAR programme</td>
<td>✗</td>
<td>6</td>
<td>Quarterly basis</td>
</tr>
</tbody>
</table>

Data source: COM/2021/805.
Operators would be obliged to repair or replace the components where methane emissions are equal or above 500 parts per million as soon as they are detected, or at the latest within five days of detection in cases where safety or technical considerations do not allow for immediate action.

The proposed regulation would oblige operators to survey (as soon as possible or no later than 15 days after repair) components where methane emissions are above 500 parts per million. Also, operators would have to survey, within three months, components where methane emissions were detected to be under 500 parts per million. After each survey, within a one-month period, the operators would need to submit a report to the CA referring the survey results as well as a repair and monitoring schedule.

**Article 15** would prohibit routine *flaring* and *venting*. Nevertheless, venting would be only be allowed in case of emergency or malfunction, and in situations where it is unavoidable for the operation, repair, maintenance or testing of equipment. Venting in these situations would only be allowed where flaring is not technically feasible or risks endangering the safety of operations or personnel (paragraph 4). Methane flaring would be allowed in situations where it would not be possible, other than for economic reasons, to re-inject, utilise on-site or dispatch the methane to a market.

According to **Article 16**, emergency or malfunction-related venting and flaring events would need to be notified to the CAs by the operators as soon as the events happen, or within 48 hours at the latest. On a quarterly basis, operators must submit a report to the CA concerning all venting and flaring events. In respect to *flaring standards*, **Article 17** would require operators when building, replacing or refurbishing, or when installing new flare stacks or installing other combustion devices, to only choose combustion devices with an auto-igniter or continuous pilot and a complete destruction removal efficiency for hydrocarbons. Operators would need to ensure compliance with these requirements within 12 months from the date of the regulation's entry into force. Furthermore, operators would need to perform weekly inspections of the flare stacks as set out in AnnexIII of the proposed regulation.

**Article 18** addresses *inactive wells* in the oil and gas sectors. Member States' and CAs' responsibilities with regard to inactive wells are outlined in Figure 3:

*Figure 3 – Inactive wells: Member States' and CAs' responsibilities*

<table>
<thead>
<tr>
<th>Scope</th>
<th>Nature</th>
<th>Verifier check</th>
<th>Timeline (months from date of entry into force of the regulation)</th>
<th>Recurrence</th>
</tr>
</thead>
<tbody>
<tr>
<td>INACTIVE WELLS</td>
<td>Preparation and publication, by the Member State, of a list of all inactive wells</td>
<td>X</td>
<td>12</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Installation of methane emission measuring equipment on all inactive wells</td>
<td>X</td>
<td>18</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Submission to the CA of a report on methane emissions from inactive wells (this report would be checked by a verifier and would need to be accompanied by a verification statement)</td>
<td>V</td>
<td>24</td>
<td>Yearly basis by 30 March</td>
</tr>
</tbody>
</table>

Data source: [COM/2021/805](https://eur-lex.europa.eu/). The Member States would need to draft and implement mitigation plans to remediate, reclaim and permanently close inactive wells.

**Methane emissions in the coal sector**

**Article 20** sets the *motoring and reporting requirements for operating mines*. Underground coal mine operators would be obliged to measure and quantify methane emissions from all exhaust ventilation shafts and conduct sample-based measurements on a monthly basis. Vented or flared
methane from drainage stations would need to be continuously measured. To quantify methane emissions, operators in surface coal mines would need to make use of deposit-specific coal mine methane emissions factors; these would need to be established every three months. Furthermore, mine and drainage station operators would need to submit a report to the CAs concerning source-level methane emissions data (this report would be checked by a verifier and would need to be accompanied by a verification statement) 12 months from the date of entry into force of the regulation, to be repeated on a yearly basis by 30 March.

**Article 22** would prohibit venting and flaring from drainage stations in underground coal mines from 1 January 2025, except in the case of emergencies, malfunctions or unavoidable and strictly necessary maintenance operations. These exceptions would only be valid if flaring is not possible or carries risks for operations or personnel. From 1 January 2027, venting through ventilation shafts would be prohibited in coal mines with over 0.5 tonnes of methane/kilotonne of mined coal, with the exception of coking coal mines. According to **Article 23**, all venting and flaring events would need to be reported to the CAs by the operators, as soon as the event takes place or the operator is made aware of it, or within 48 hours the latest.

Methane emissions from **closed and abandoned underground coal mines** are also covered by requirements on monitoring and reporting and mitigation measures in **Article 25**. The nature and timeline of the monitoring and reporting would be as shown in Figure 4:

**Figure 4** – Closed and abandoned underground mines: monitoring and reporting

![Figure 4](Data source: COM/2021/805)

According to the proposed **Article 26**, Member States would need to create and implement a mitigation plan to address methane emissions from abandoned coal mines, which would be submitted to the CAs 36 months from the date of entry into force of the regulation. The same article would prohibit venting and flaring from the equipment described in Article 25(2), unless utilisation or mitigation is not technically feasible or risks the safety of the environment, operations or personnel. Member States or mine operators would need to justify why they opted for venting/flaring instead of utilisation/mitigation as part of their reporting obligations under Article 25.
Reducing methane emissions in the energy sector

Methane emissions occurring outside the EU

**Requirements towards importers** are addressed in **Article 27**. The nature and timeline of the requirements are as shown below in Figure 5.

Figure 5 – Importers: nature and timeline of requirements

<table>
<thead>
<tr>
<th>Scope</th>
<th>Nature</th>
<th>Verifier check</th>
<th>Timeline (months from date of entry into force of the regulation)</th>
<th>Recurrence</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMPORTER REQUIREMENTS</td>
<td>Provide the CA of the importing Member State with the information set out in Annex VIII of the regulation</td>
<td>9</td>
<td>Yearly basis by 31 December</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Member States would need to report the information provided by importers to the Commission</td>
<td>12</td>
<td>Yearly basis by 30 June</td>
<td></td>
</tr>
</tbody>
</table>

Data source: [COM/2021/805](https://eur-lex.europa.eu/). In order to ensure a comparable level of effectiveness as regards measurement, reporting, verification and mitigation of energy-sector methane emissions, Article 27 would also allow the Commission to strengthen the requirements towards importers.

**Article 28** would oblige (18 months from the date of entry into force of the regulation) the Commission to establish and maintain an online methane transparency database that would be freely available to the public. The Commission, according to **Article 29**, would be obliged to make use of satellite data and other certified sources in order to establish a public and regularly updated global methane monitoring tool (two years from the date of entry into force of the regulation). The tool would serve to alert the relevant Member States of any major events and also to inform the Commission's bilateral dialogues.

Final provisions

**Penalties** are covered in **Article 30**. Member States would be required to establish the applicable rules on penalties, which can take the form of fines or periodic penalty payments. These need to be communicated to the Commission within three months from the date of entry into force of the regulation, and changes to the rules would need to be reported as soon as they are in place.

**Article 33** would oblige the Commission to present an evaluation report of the proposed regulation every five years to the European Parliament and the Council.

Advisory committees

Neither the European Economic and Social Committee (EESC) or the European Committee of the Regions have yet produced an opinion on the proposal. According to the EESC’s draft timetable, an opinion on the proposal can be expected in May 2022.

National parliaments

The deadline for national parliaments to raise concerns over subsidiarity expires on 22 April 2022. As yet, no national parliaments have made any submissions on the proposal.

Stakeholders' views

Andris Piebalgs (part-time professor and Chair of the International Methane Emissions Observatory) welcomed the proposal on behalf of the Florence School of Regulation, pointing out that the introduction of requirements for measuring methane emissions would aid the future development of targeted policies and regulations to reduce these emissions even further.
Identifying a need for EU-wide action on methane pollution, the non-profit organisation Clean Air Task Force welcomes the proposal, yet says that there is room for improvement when it comes to reducing methane emissions related to imported gas, and recommends monthly instead of quarterly reporting on LDAR.

Dagmar Droogsma, on behalf of the Environmental Defence Fund, highlights that the proposal fails to address methane emissions linked to imported gas, mentioning that most emissions occur before the gas enters the EU. This opinion is also shared by the Energy Monitor.

On 6 December 2021, the Climate Action Network published a policy brief in which it calls for LDAR, as well as monthly site surveys, to be mandatory for all suppliers to the EU market. Furthermore, it calls for the use and improvement of the OGMP 2.0 framework methodology for the measurement, reporting and verification (MRV) of methane emissions. Also, it calls for a ban on both routine venting and flaring, except in emergency situations.

The association representing the interests of European gas infrastructure operators, Gas Infrastructure Europe (GIE), mentions that there is the need for national regulatory authorities to recognise LDAR, MRV and mitigation measures taken by infrastructure operators. Furthermore, GIE calls for prioritising the most cost-efficient and optimal actions towards methane emissions reduction.

The European Union Agency for the Cooperation of Energy Regulators and the Council of European Energy Regulators, on 22 July 2021 published their recommendations for rules to prevent methane leakage in the methane sector. Both express the need to establish measuring and mitigation requirements and also to allow for emissions to be traced throughout the entire supply chain. Furthermore, they call for a harmonised EU-level approach with regard to monitoring and detection of emissions as well as for enabling the independent verification of emissions data.

The Heinrich Böll Foundation, through its energy transition programme, criticises the proposal for its lack of ambition (it does not set any binding reduction targets) and for not addressing supply in a robust manner. Furthermore, it argues that a strong and harmonised EU-wide approach to methane emissions reductions might be at risk if the Commission delegates the responsibility of defining the rules on penalties and infringements to the Member States.

Legislative process

In the European Parliament, the proposal was referred to the Committee on the Environment, Public Health and Food Safety (ENVI). A rapporteur has yet to be appointed. The Committees on Industry, Research and Energy (ITRE) and on Agriculture and Rural Development (AGRI) have also yet to appoint rapporteurs. The Budgets Committee decided not to give an opinion.

EUROPEAN PARLIAMENT SUPPORTING ANALYSIS


OTHER SOURCES

Methane emissions reduction in the energy sector, European Parliament, Legislative Observatory (OEIL).


Possible regulation of methane emissions abatement, Kantor, January 2021.
Reducing methane emissions in the energy sector


ENDNOTES

1 Launched by UNEP and the Climate and Clean Air Coalition in 2014, the OGMP is a reporting framework that aims to improve the accuracy and transparency in methane emissions reporting specifically in the oil and gas sectors.

2 Upstream includes all exploration activities, such as geological surveys, the obtaining of land rights, as well as production activities including onshore and offshore drilling. Midstream refers to all the requirements related to transport and storage of crude oil and natural gas before refining and processing (including pipelines, pumping stations, tank trucks, rail tank cars and transcontinental tankers). Downstream refers to the refining and processing of crude oil and natural gas.

3 The oxidation of methane is largely responsible for the ozone present in the troposphere. This precursor relation must be taken into account when addressing the impact methane emissions have on human health.

4 A drainage station collects methane from a coalmine’s coal seams or from the surrounding rock strata through a drainage system.

5 This section aims to provide a flavour of the debate and is not intended to be an exhaustive account of all different views on the proposal. Additional information can be found in related publications listed under ‘European Parliament supporting analysis’.

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