

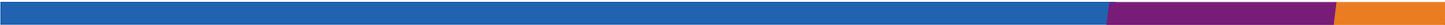
IOGP response to the ex-post consultation: Regulation on methane emissions reduction in the energy sector

IOGP supports the development of an EU-wide regulation addressing methane emissions aimed at contributing to the climate neutrality by 2050. We agree with the European Commission's objective to improve the accuracy of information about sources of methane emissions and to seek to reduce emissions. In general, we are concerned that the Regulation in large parts establishes unnecessary measurement, verification, leak detection, reporting activities and new service industries with corresponding cost to the industry and consumers but with no environmental benefit, thereby not being in line with the Better Regulation principles. Whilst we accept cost for methane emission reduction in general, such activities should be based on an assessment of a source emission potential and possibility for occurrence (i.e. risk-based). Consideration must be given also to divergent costs and challenges faced by all operations in fulfilling the obligations.

With regard to the Monitoring, Reporting and Verification (MRV), the proposed Regulation in parts undermines the objective of the establishment of comparable global methane emission data by redefining some of the key terms of the OGMP 2.0 reporting framework. In particular, the terms 'quantification' and 'measurement' are at times used interchangeably and should better reflect the flexibilities of the OGMP 2.0 framework, including materiality provisions, which consider technology, safety, security, and other challenges in meeting framework expectations. The Regulation should also establish criteria which guide the future development of Delegated Acts on the applicability of the international methane emissions quantification and measurement standards.

The proposed Regulation may even have adverse effects on the detection of methane emissions because of its very prescriptive approach to Leak Detection and Repair (LDAR) requirements with regard to e.g. minimum survey frequencies, the detection devices to be used, and components to be assessed. In the EU, the O&G industry generally has robust and mature methane management process in place, therefore we believe that the LDAR provision should be opened for more outcome-focused and risk-based approaches and allow for the use of a wide range of technologies. For example, the frequencies of LDAR programmes should be based on a source's potential to emit, and although setting a minimum frequency helps with establishing a level-playing field and promoting industry consistency, strict fixed frequencies seem not appropriate in cases where no emissions have been identified in multiple surveys, especially in cases of low volumes. Furthermore, mass stream-based thresholds will in most cases be more appropriate than a 500ppm concentration-based threshold.

IOGP also notes that the broad definition of **inactive wells** may lead to MRV requirements on thousands of permanently plugged and abandoned offshore and onshore wells whilst not contributing to the Regulation's objectives, but incurring significant cost to the industry and consumers.



The definitions and use of the terms ‘venting’ and ‘flaring’ can be better aligned with those used by the World Bank’s Global Gas Flaring Reduction Partnership (GGFR). The proposed flaring standards are infeasible, particularly for low volume onshore facilities. The proposed requirements for complete destruction removal efficiency (DRE) is not technically possible and should be further clarified. We also have concerns regarding requirements for weekly inspection of flare stacks.

Finally, the text of the **general mitigation obligation** provides uncertainty as to the extent of the obligation and could result in numerous complaints raised in circumstances that might be immaterial. We recommend applying a standard based on reasonableness.

IOGP is committed to contribute to further dialogue on the development of a fit for purpose Regulation of methane emissions and sharing our practices with other sectors tackling their methane emissions. We will provide the Commission with article-by-article comments in March 2022, and offer to subsequently organise a technical workshop.

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