

IOGP position on Industrial Emissions Portal (IEP) Regulation proposal

IOGP, the International Association of Oil and Gas Producers whose member companies account for approximately 90% of oil and gas produced in Europe, supports the goals of the Paris Agreement and the EU's ambition to reach climate neutrality by 2050. We are committed to provide input and expert advice to the EU Institutions, Member State Governments, and the wider community, to contribute in a constructive and pro-active way to the development and implementation of EU policies and regulations.

We welcome the European Commission's draft proposal on the Industrial Emissions Portal (IEP) Regulation published in April 2022, aiming to enable more accurate monitoring of the environmental performance of large industrial activities. Some installations connected to oil and gas extraction activities have already been in the scope of the E-PRTR Regulation due to their activity classification (e.g. steam boilers, cogeneration plants, gas turbines). The oil and gas extraction sector is also covered by myriads of environmental reporting obligations on international, national and local level (please view Annex III of this paper).

To avoid unnecessary administrative and financial burden for all involved parties (industry, authorities, agencies), especially at a time when we need increased stability and predictability to ensure long-term investment and competitiveness of the European industry, we recommend the following improvements to the draft IEP Regulation proposal:

1. The addition of 'crude oil and gas extraction activities' under Annex I should be limited by meaningful capacity thresholds to avoid excessive burden for operators and competent authorities.

We agree with the inclusion of relevant installations from *oil and gas extraction activities* with a potential to impact the environment by air emissions, discharges to water and soil or waste streams in the scope of the IEP Regulation. However, it is also important to note that already today a significant number of large oil and gas extraction sites are within the scope of the existing E-PRTR Regulation, due to their IED relevance. Typical examples are gas turbines, steam boilers or CHP facilities described as Large Combustion Plants (LCPs).

According to the proposed IEP Regulation in the future sites with Medium Combustion Plants (MCPs) > 20 MW Gross heat capacity installed will report to portal as well.

However, there are many small installations within *oil and gas extraction activities* which generate negligible emissions¹, such as minor wells in remote areas, and therefore reporting data from such installations would result only in an increased reporting costs and administrative burden with little to nil added value to the public interest. Moreover, it would also overwhelm the data portal with many very low releases and/or hundreds of reports containing "below threshold" for emissions, releases, discharges or waste exports.

¹ For example, in Germany, the order of magnitude of key air pollutants (CO₂, CH₄, SO₂, NO₂, CO) from Oil and Gas Production and Exploration (E&P) activities is only 0.02% - 0.20% of all emissions on national level. Please view more information in the table in Annex I.

In addition, we have evaluated the argumentation to extend the scope of IEP Regulation to oil and gas extraction sector set out by the European Commission in the Impact Assessment, and we consider that the points set out would benefit from greater reflection and further verification of the data presented, as number of potential impacted installations and relevant costs for private and public authorities seems underestimated. Please consult Annex I of this paper for additional information.

For that reason, we propose the below addition of a capacity threshold, that would cover the most significant installations from the oil and gas extraction sector that would avoid excessive burden for operators and competent authorities. The proposed capacity threshold is based on the [EU Directive 2011/92/EU on the assessment of the effects of certain public and private projects on the environment](#) and its implementation in the EU member states.

Annex I

	Activity	Capacity Threshold
1	Activities listed in Annex I to Directive 2010/75/EU	Above the applicable capacity thresholds set out in Directive 2010/75/EU
2	Activities listed in Annex Ia to Directive 2010/75/EU	Above the applicable capacity thresholds set out in Directive 2010/75/EU
3	Activities referred to in Article 2 of Directive (EU) 2015/2193 (where not covered by Annex I to Directive 2010/75/EU)	Combustion plants with a rated thermal input of at least 20 MW and below 50 MW
4	Underground mining and related operations, and including the extraction of crude oil or gas either onshore or offshore (where not covered by Annex I to Directive 2010/75/EU)	No capacity threshold (all installations are subject to reporting) <i>Crude oil or gas production and/or treatment installations with an average annual production and/or throughput that exceeds 500 000 cubic metres/day of gas or 500 tonnes/day of crude oil</i>
5	Opencast mining and quarrying (where not covered by Annex I to Directive 2010/75/EU)	Where the surface of the area effectively under extractive operation equals 25 hectares
6	Urban waste water treatment plants	With a capacity of 100 000 population equivalents or more
7	Aquaculture	With a production capacity of 100 tonnes of fish or shellfish per year
8	Installations for the building and/or dismantling of ships, and for the painting or removal of paint from ships	With a capacity for ships >100 m long

2. Reporting should be possible on ‘facility’ level instead of ‘installation’ level only.

As a principle, it is important to focus on the main emitters and not to overwhelm the reporting system with too many small entries. In our view, the reporting of aggregate data to the public is more meaningful when all emissions are generated within one facility in one geographic area. Oil and gas extraction activities are usually taking place over a wide geographic area (oil and gas fields) through many wells (individual installations) connected to a gathering/processing/collection unit (also an installation). Please view Annex II of this paper for a better understanding of the distinction between ‘installation’ and ‘facility’ within the oil and gas extraction activities.

Furthermore, putting in place at installation level meters and other measurement equipment to measure potential emissions from minor sub-facilities without dedicated emission sources and or discharge points, such as remote wells, would not provide any additional benefit, and would only entail significant cost.

3. Any overlaps and duplications should be avoided regarding methane emissions reporting.

Methane emissions from the oil and gas exploration and production activities, gas gathering and processing, gas distribution and transmission, underground storage and LNG terminals are covered by the proposed Methane Regulation. Although the discussion on the Methane Regulation are still ongoing, the reporting requirement in this Regulation proposal would be on the 'facility' level rather than the 'installation' level as put forward by the IEP Regulation proposal. We believe it is important to avoid any potential reporting duplications that could result in inconsistencies and lead to confusion with the general public.

4. Operators should not be obliged to report contextual information and data of commercially sensitive nature.

The obligation to report contextual information which is not environmental in nature, such as raw material use, operating hours and number of employees, is not aligned with the purpose of the IEP Regulation as an information tool.

In our view, the required contextual information does not support the aim of the IEP Regulation to “[...] provide [...] a further integrated and coherent dataset on key environmental pressures generated by industrial installations since such data constitute a cost-effective tool for drawing comparisons and taking decisions in environmental matters, encouraging better environmental performance, tracking trends, demonstrating progress in pollution reduction, benchmarking installations, monitoring compliance with relevant international agreements, setting priorities and evaluating progress achieved through Union and national environmental policies and programmes.”²

Additionally, operators should not be obliged to report information of a commercially sensitive nature.

IOGP has doubts that the proposal to extend the information requirements could provide meaningful contributions to the intended assessment of the comparability of industrial installations in terms of environmental aspects, resource use and energy efficiency or the general environmental performance of an installation or a site.

Providing access to aggregated data to public without a dedicated technical and contextual knowledge would not be useful to identify improvements in any of the environmental indicators for a specific installation.

² Draft Industrial Emission Portal Regulation (2022/0105 (COD)) recital 8

Annex I – Observations based on European Commission Staff Working Document (2022)111 focusing on example of Germany

The detailed evaluation of the Staff Working Document for IED and IEP (SWD(2022)111), pages 559-569, and a comparison with information from one of our members has shown substantial discrepancies.

Please consult the table below for additional detail on oil and gas extraction sector in German:

SWD(2022)111 (tableA8) – data based on TSS	BVEG Annual Report 2021*
469 wells (“drillings”)	>2.000 sites (active + inactive) for oil and gas extraction, without plugged and abandoned wells (2.435)
<3.400 employees in oil and gas sector (“drillings”)	7.669 employees for oil and gas extraction

* BVEG (Bundesverband Erdgas, Erdöl und Geoenergie e.V.) is the German association representing the oil, gas and geothermal industry and their annual report 2021 is publicly available under the following link address: <https://www.bveg.de/wp-content/uploads/2022/03/BVEG-Jahresbericht-2021.pdf>

Further observations:

- SWD(2022)111 describes doubts on clarity of figures submitted during TSS Impact Assessment Report and missing capacity / production thresholds for relevance of oil and gas installations.
- The administration costs for operators and authorities are described in wide ranges with significant uncertainties.
- SWD(2022)111 ignores that main sources in the oil and gas sector are already covered by IED/PRTR (e.g. LCPs).
- No evidence provided with facts on environmental pressures from oil and gas operations, only opinions from TSS (figure A8-30).

Table 1: Key emissions from oil and gas Exploration and Production (E&P) activities in Germany

Reporting period: 2019

	German E&P Industrie [BVEG] ***	Germany [UBA*]	EU [EAA**]	Unit	Stand	Ratio E&P/Germany
CO ₂	1,4	707	3.290	Mio t	2019	0,20%
CH ₄	0,4	2.000	16.968	1.000 t	2019	0,02%
SO ₂	3,2	260	1.649	1.000 t	2019	1,23%
NO ₂	0,6	1.106	6.141	1.000 t	2019	0,05%
CO	2,1	2.753	17.568	1.000 t	2019	0,08%

* UBA UBA (3_tab_emi-ausgew-luftschatdst_2022.pdf) and (4_tab_emi-ausgew-thg-kat_2022.pdf)

** [EEA greenhouse gases - data viewer — European Environment Agency \(europa.eu\)](https://www.eea.europa.eu/en/data-and-maps/greenhouse-gases)

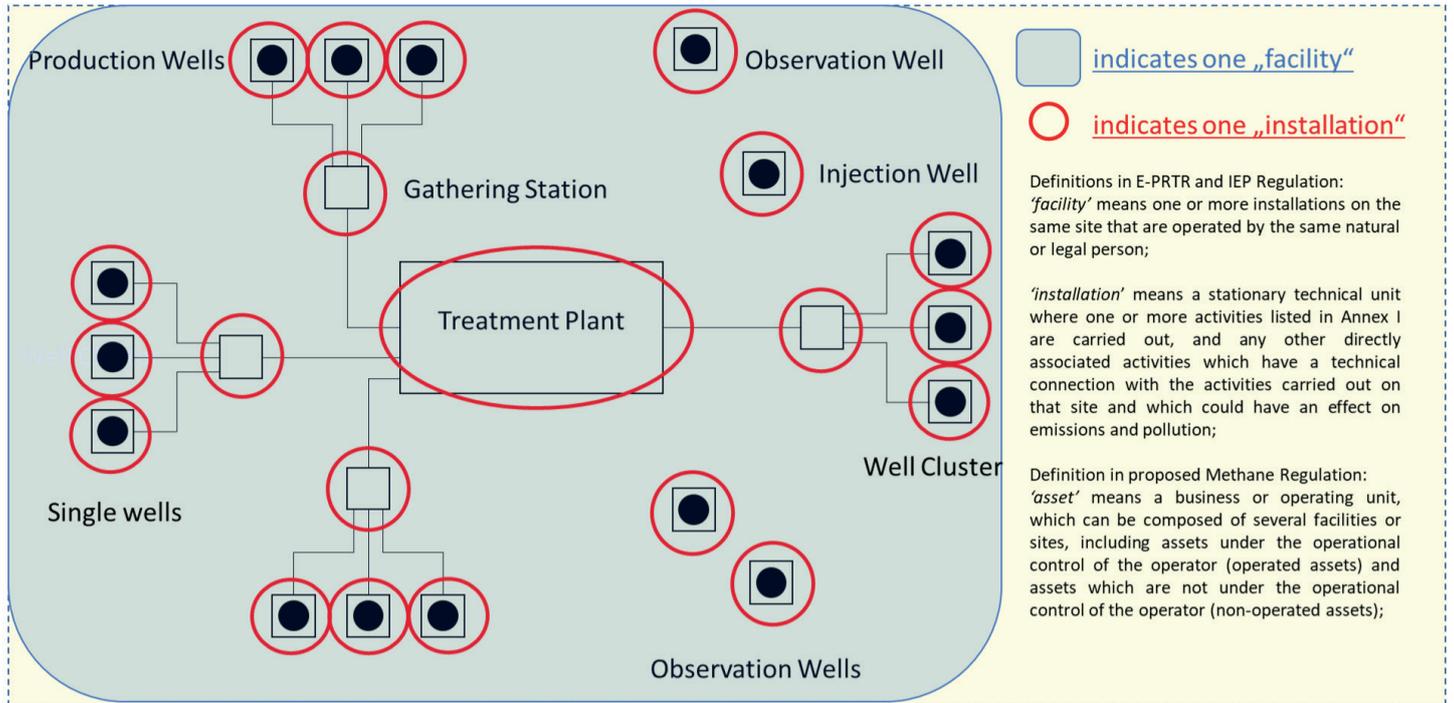
(Total Emissions (UNFCCC), excluding LULUCF, as reported in the CRF tables to UNFCCC.)

*** aggregated from annual report:

<https://www.bveg.de/wp-content/uploads/2021/09/BVEG-Statistischer-Bericht-2020.pdf>, pg. 21 “Umweltdaten”, column 2019

Annex II – Diagram illustrating distinction between ‘facility’ and ‘installation’ in the oil and gas extraction activities

Typical onshore Oilfield set up (simplified)



Annex III – International and national reporting obligations in EU Member States with most significant crude oil and gas extraction activities

Note that Large Combustion Plants (LCPs) are already covered by the IED and E-PRTR (166/2006) in the EU members states, and therefore not included in this table.

Reporting obligations for the oil and gas extraction activities						
Denmark	Netherlands	Germany	Poland	Italy	Romania	Croatia
<p>OSPAR</p> <p>The results of the Danish offshore efforts are followed continuously and each year compiled in an offshore status report. The Minister of the Environment forwards this reports to the Standing Committee for Environment and Planning of the Danish Parliament.</p>	<p>OSPAR</p> <p>Environmental Covenant between Ministry of Economic affairs and Climate and NOGEPa</p> <p>Data is publicly available.</p>	<p>OSPAR</p> <p>Federal Emissions Act (BlmSchG), TEHG (GHG ETS reporting), PRTR ordinance, (PRTR- VO)</p>	<p>OSPAR</p> <p>Environment Protection Law of 27 April 2001</p> <p>Marshal's Offices on the amount of fuel burned and the amount of gas and dust emissions, also on-line reporting in the KOBIZE database necessary for the NIR report, PRTR report in the production of hydrocarbons, 5-year inspection / initial report</p> <p>Act of 3 October 2008 on the access to information on the environment and its protection, public participation in environmental protection and environmental impact assessments:</p> <p>participation of the public, ecological authorities and organizations in the course of the procedure, fulfillment of the obligations set out in the issued decision</p>	<p>Legislative Decree 152/06 Environment Ministerial Decree No. 190 of 28 July 1994 Authorization for the unloading into the sea of materials from prospecting, research and cultivation of liquid and gaseous hydrocarbon fields</p>	<p>Ministry of Environment Order 3292/2012 approving the methodology for conducting and reporting the inventories on emissions of pollutants into atmosphere</p> <p>Law 59/2016 on controlling of major accident hazards in which dangerous substances are involved</p>	<p>Regulation (EC) No 166/2006 of the European Parliament and of the Council concerning the establishment of a European Pollutant Release and Transfer Register and amending Council Directives 91/689/EEC and 96/61/EC</p>

Reporting obligations for the oil and gas extraction activities

Denmark	Netherlands	Germany	Poland	Italy	Romania	Croatia
			<p>Act of 20 July 2017 - Water Law Act, Section X: will report quarterly to the State Water Holding of Polish Waters and annually reports also to the Voivodship Inspectorates for Environmental Protection on the measurement of the quantity of abstracted water and the quantity and quality of discharged sewage</p> <p>Act of 10 July 2008 on extractive waste applies to drilling rigs and mines: every year a report in the BDO database for Voivodship Marshals, PRTR report waste records, every 5 years review of PGOW</p> <p>Act of 9 June 2011. - Geological and Mining Law: for the injected waters, annual reports to the District Mining Offices.</p>			

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