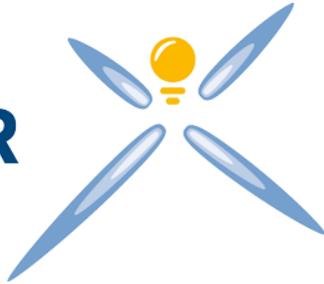


ACER 

European Union Agency for the Cooperation
of Energy Regulators

CEER

Council of European
Energy Regulators



Webinar on the Rules to Prevent Methane Leakage in the Energy Sector: Focus on Possible Actions

Tuesday, 14 September 2021 / 10:30 – 11:30 CET

- **Introductory remarks**

Dennis Hesselning - Head of Infrastructure, Gas & Retail Department, ACER

- **Panel Presentations**

- Marco La Cognata - Gas Infrastructure Officer, ARERA and Co-Chair of the Gas Decarbonisation Legislation Work Stream, CEER
- Malcolm McDowell - Team Leader, Unit B4, DG Energy, European Commission
- Francisco P. de la Flor, Board Member, GIE and MARCOGAZ

- **Q&A**

- **Conclusions**

Tom Maes – Vice-Chair of ACER and CEER Gas Working Group

ACER/CEER White Paper on Rules to Prevent Methane Leakage in the Energy Sector

Marco La Cognata - Gas Infrastructure Officer, ARERA and Co-Chair of the Gas Decarbonisation Legislation Work Stream, CEER

- CEER positions on methane emissions can be found in:
 - ACER/CEER (2019): [The Bridge Beyond 2025](#)
 - CEER (2020): [Regulatory Issues Related to the 'Delta In-Out' in Distribution Networks](#)
 - CEER (2020): [Input on the Roadmap for an EU Strategy for Methane](#)
- Recently published (22 July 2021): [ACER/CEER White Paper on Rules to Prevent Methane Leakage in the Energy Sector](#)
 - Key recommendations mainly developed per type of action (e.g. monitoring and detection, quantification, reporting, validation and mitigation)
 - Main considerations focus on the role of information, and on the regulatory treatment of costs related to methane emissions

- Infrastructure operators should be **obliged to measure and report their methane emissions** according to a **standard methodology** such as **Oil and Gas Methane Partnership (OGMP) 2.0**. Different types of infrastructures might be subject to different levels of detail according to a reasonable cost/benefit ratio.
- Robust measurement and reporting scheme (data availability and reliability) is the **precondition for the development of policy instruments**, in particular performance-based requirements.
- **Verification of methane emissions should be assigned to an independent entity**. International Methane Emissions Observatory (IMEO) could be tasked to provide a data clearinghouse service and cross-checking of data, with the help of third-party data audits.
- **Main data should be publicly available** through a European Methane Emissions Observatory, as well as in the audited annual reports of the operators. National regulatory authorities (**NRAs**) **should have adequate access to more detailed methane emissions** data.

- EC Methane Strategy: investment costs related to methane emission activities borne by regulated entities should be recovered via the tariff system. But among NRAs we note several approaches to cost recovery, depending on:
 - The way in which costs are recovered (e.g. pass through, follow regulatory regime in place such as price cap, specific incentive mechanisms)
 - The type of costs (e.g. related to monitoring, reporting and verification (MRV) and mitigation activities, related to the commodity being emitted).
- Favour initiatives at EU level for a **harmonised regulatory approach to methane emissions abatement cost recovery**, notably by introducing specific mandatory cost recovery requirements, particularly for costs of MRV and mitigation.
- However, **important to keep cost recovery subject to incentive regulation**, to ensure cost efficiency and cost-effectiveness. Specific **regulatory approaches to recover the cost of the “lost” commodity** could help to reach the objective of cost-effectiveness of methane emission reduction activities, as the preference of infrastructure operators would be for solutions delivering the highest benefit-to-cost ratio.

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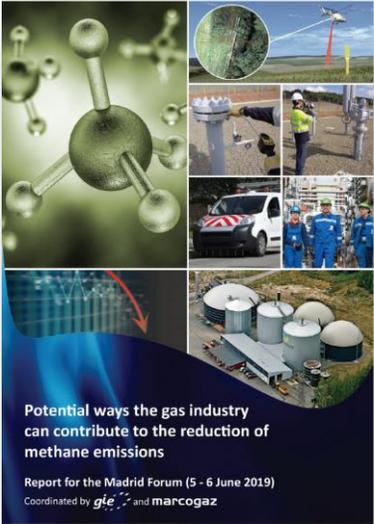
Malcolm McDowell - Team Leader, Unit B4, DG Energy, European Commission

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Rules to Prevent Methane Leakage in the Energy Sector: Focus on Possible Actions

Francisco P. de la Flor, Board Member, GIE and MARCOGAZ

Fighting methane emissions



Technical tools



Cooperation

Management and reduction of CH₄ emissions
Data accuracy and reporting



Innovation



Dissemination activities



Cooperation among stakeholders is key!

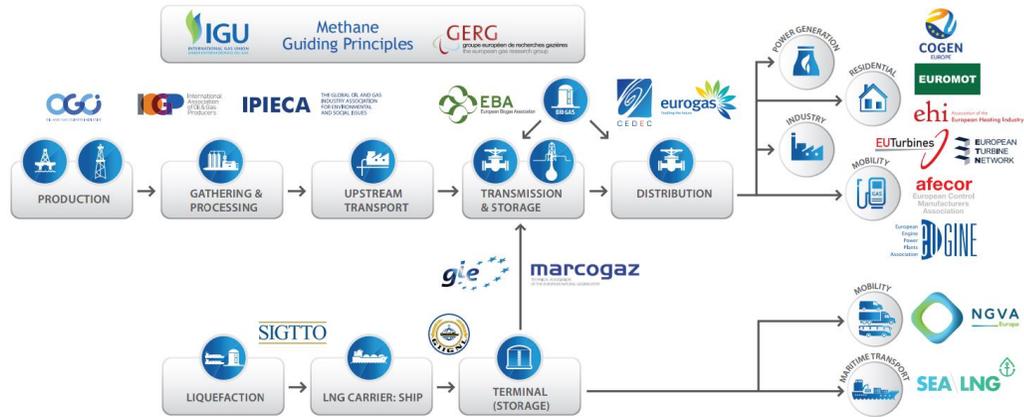
Dissemination activities and training programmes

Collaboration with non-EU companies

Collaboration with Authorities and key stakeholders



Action plan



Management and reduction of methane emissions - tools

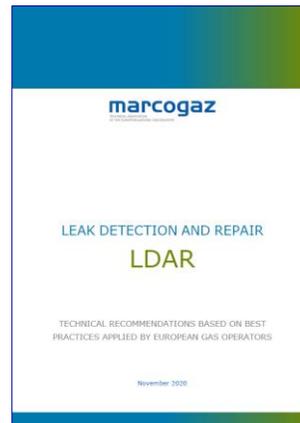
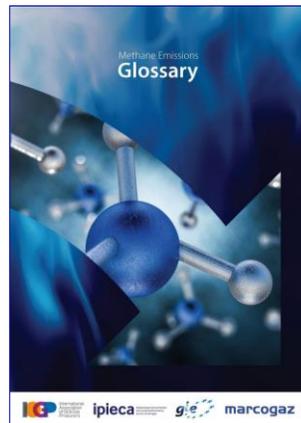
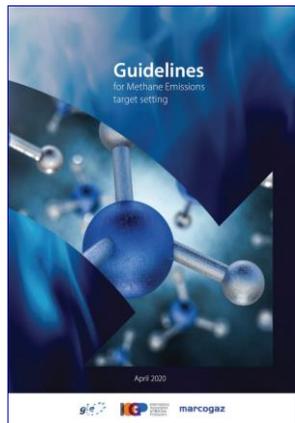


Assessment of methane emissions for Gas Operators

Technical guidance to assess methane emissions in accordance with a harmonised and transparent methodology.



Tools



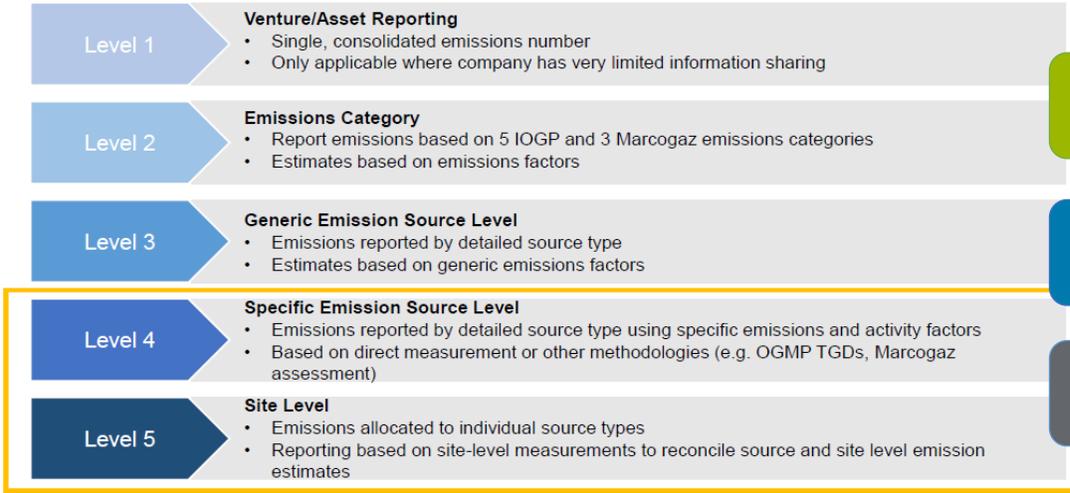
Data accuracy and reporting

OGMP 2.0 partnership



OGMP Oil & Gas Methane Partnership 2.0
Oil And Gas Methane Partnership 2.0

The new gold standard for methane emissions reporting in the oil and gas sector



Reporting template TF

TGDs TF

Uncertainty & Reconciliation TF

*Gold standard is achieved when all assets with material emissions and where there are no demonstrable impediments report at level 4 and demonstrate efforts to move to level 5.

Detection and measurement technologies



Some final thoughts

- GIE and MARCOGAZ have contributed to have a **better understanding** of the methane emissions in the gas sector as well as to **build a culture of curbing methane emissions**
- The establishment of a well-structured, robust and fit for purpose **MRV system** is key. We support an appropriate translation of the **OGMP 2.0** framework into EU legislation
- In parallel, companies should set **individual targets** together with their methane emissions **mitigation strategies**, while further emissions reductions are achieved
- Appropriate and efficient **LDAR programmes** and **minimisation of venting & flaring, when possible**, should be the priorities
- **Flexibility** and recognition that **one type of solution does not fit all** the assets, operations and equipment along the value chains is required
- The **most cost-efficient and most optimal** methane emissions reduction **actions** should be prioritised
- **Investments** on MRV, LDAR and mitigation measures undertaken by infrastructure operators should be **recognised** within the scope of **regulated activities by the national regulatory authorities**

Q&A

Please submit your questions with your name and affiliation via the Questions function.

Conclusions

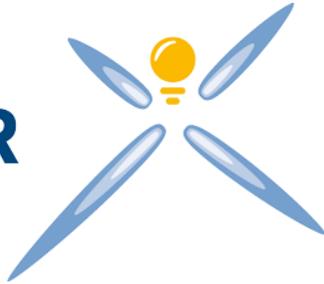
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Thank you!

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