

Input on the revision of EU rules to prevent methane leakage in the energy sector

CEER feedback note for the European Commission

18 April 2022

CEER welcomes the European Commission's initiative to develop legislative proposals to address the methane leakage in the energy sector and thanks the European Commission for the opportunity to provide feedback on the legislative proposals¹. This document is submitted to the European Commission request for feedback as CEER's response.²

Under [CEER's 2022-2025 Strategy](#), CEER reaffirms its commitment to contribute to the debate on the most appropriate solutions to promote decarbonisation while delivering sustainable, secure and affordable energy for all European consumers. Driven by this goal, regulators aim to remove all obstacles to allow efficient and least-cost decarbonisation of the EU energy system.

In July 2021, [ACER](#) and CEER developed a [White Paper](#)³ which provides some guidance on potential rules to prevent methane leakage in the Energy sector, to which we draw the European Commission's attention. Based on previously published messages, CEER will reiterate some of the regulators' views on the subject.

CEER welcomes Commission's proposal, in particular the need to ensure an independent body is responsible for verifying the data provided. Such verification should be assigned to an independent entity, such as a third-party auditing company or an independent agency of the EU (for data referring to the EU domain). For example, the International Methane Emissions Observatory (IMEO) could be tasked to provide a data clearinghouse service and cross-check data with the help of third-party data audits. Combining a single reporting window (such as IMEO) with a consistent data validation process based on independent data assessment and verification would enhance the value of the reported data.

Additionally, regulators reiterate the relevance of having access to the reported data. National Regulatory Authorities (NRAs) should be given unlimited direct access to all reported data for all reporting entities. If this is not possible, a second-best solution would be to grant at least unlimited direct access to all data for all entities in the NRA's Member State (MS). Regardless of the modality, we emphasise the importance of accessing data, in particular in instances where NRAs have the power to reward or penalise regulated entities for reaching or not meeting the requirements of methane emissions regulations.

Moreover, regulators believe there is a clear need to establish a consistent ("harmonised") methodology for the quantification of methane emissions across the EU, complemented with an equally consistent and transparent system of quantified data reporting, storage, and access (including NRAs). However, consideration should be given to different infrastructures according to their specificities and levels of detail in terms of being in line with a reasonable cost/benefit ratio.

¹ Proposal for a Regulation of the European Parliament and of the Council on methane emissions reduction in the energy sector and amending Regulation (EU) 2019/942 COM(2021) 805 final and associated proposed legislative texts found at the link in the next footnote.

² See https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12581-Climate-change-new-rules-to-prevent-methane-leakage-in-the-energy-sector_en

³ ACER-CEER White Paper on Rules to Prevent Methane Leakage in the Energy Sector, 22 July 2021. For more detailed views than are specified in this document, please see the July 2021 White Paper.

EU legislation to reduce methane emissions should include a methane emissions quantification methodology which:

- Covers all types of methane emissions (fugitive, vented, incomplete flaring and combustion) and all types of emitted methane, including as a component of natural gas, biomethane, and biofuels;
- Is put in place urgently, providing the ground for a robust and fit-for-purpose MRV system;
- Is built upon the OGMP 2.0 reporting framework (monitoring, reporting and verification (MRV) system), applied to the whole energy supply chains (from upstream to downstream), with due regard to the applicability of relevant tiers to various operators according to the principles of focus and proportionality.

As a general remark, it has to be noted that the degree to which various entities in MS participate in methane leakage monitoring and detection frameworks, such as OGMP 2.0, differs significantly. Entities legally responsible for setting monitoring and detection rules and frameworks appear to exist only in a few MS. In a couple of other instances, gas infrastructure operators are doing this on a voluntary basis, either individually or collaboratively, within national associations. In order to achieve reasonable consistency and reliable data availability on fugitive emissions across MS, guidance should be provided on minimum technical standards for leak detection and repair (LDAR) programmes.

Finally, CEER notes that NRAs should have oversight over the mitigation of methane emissions associated with regulated assets (such as TSOs and DSOs). This is because the costs associated with the mitigation of emissions and the efficiency of the mitigating action may have an impact on the regulated revenues allowed for the network operators as well as on tariff setting.