



Reducing methane emissions – Maintaining ambition in turbulent times



Tuesday 28 June 2022, 15:00 – 16:00 CEST

Online event hosted by MEP Maria Spyraiki

Co-Chair of the European Parliament Intergroup on 'Climate Change, Biodiversity and Sustainable Development' and Rapporteur on the EU strategy to reduce methane emissions

Speakers:

- **MEP Maria Spyraiki**, Co-Chair of the European Parliament Intergroup on 'Climate Change, Biodiversity and Sustainable Development', and Rapporteur on the EU strategy to reduce methane emissions
- **Malcolm McDowell**, Methane Team Leader, DG ENER, European Commission
- **Flavia Sollazzo**, Senior Director on EU Energy Transition, Environmental Defense Fund Europe
- **Manfredi Caltagirone**, Head, United Nations Environment Programme (UNEP) International Methane Emissions Observatory
- **Axel Scheuer**, Senior Policy Manager, International Association of Oil & Gas Producers (IOGP)
- **Andris Piebalgs**, Professor at Florence School of Regulation at the European University Institute, and former European Commissioner for Energy (Barroso I) and for Development (Barroso II)

Welcome Remarks

MEP Maria Spyraiki, Co-Chair of the European Parliament Intergroup on ‘Climate Change, Biodiversity and Sustainable Development’, and Rapporteur on the EU strategy to reduce methane emissions

“Tackling methane emissions from the energy sector represents one of the best opportunities for limiting global warming”.

Ms. Spyraiki emphasised that *“tackling methane emissions from the energy sector represents one of the best opportunities for limiting global warming”*. In her capacity of rapporteur on the EU strategy to reduce methane emissions, she underlined **the creation of a clear and concrete roadmap for tackling methane emissions in the EU by supporting the establishment of an independent international methane emission observatory**. In addition, she affirmed that *“data is the key to tackling methane emission, particularly in the energy sector”*. Moving on, she mentioned **the need to provide clear legislation at the EU level in order to avoid unnecessary legislative overlaps**. Ms. Spyraiki argued that the emissions reduction targets for the Member States have to be aligned with the upcoming revision of the industrial emission directive. In that sense, she stated that **the Commission has to set EU binding methane emission targets** as well as **expand the scope to the sector that needs to be covered**. To conclude, she stated the need for transparency, particularly by providing Member States information on measures related to measuring, reporting, and mitigating methane emissions undertaken by methane exporters.

Panel Discussion

Malcolm McDowell, Methane Team Leader, DG ENER, European Commission

“The European Commission agrees that the time is right for regulation in the energy sector”.

Mr. McDowell stated that it is essential to maintain ambitions by ensuring that all the different sub-sectors are maintained in the proposal as well as ensuring that operating

companies are included in the scope of the proposal. He also emphasised **the need to work together on improving the data on methane emissions**. Moving on, he stated that **the Commission “agrees that the time is right for regulation in the energy sector”** and that several cost-effective actions can be undertaken. In this regard, **there is a need for transparency, specifically for industries**. Furthermore, he mentioned that the EU must adopt prescriptive measures to tackle methane emissions in the energy sector while taking care of avoiding double regulations. He explained that methane emission reduction targets have to be implemented at the companies’ level and not the Member States. To do so, there is a need to calculate the baseline methane emission level to be able to set reduction emissions targets. To conclude, he stated that **the avenue is to reinforce the industrial emission directive and to have a wide scope in terms of the supply chain**. That is why the Commission proposed a requirement on importers to supply information to export to the EU to be able to establish methane emissions profiles for different countries and companies included in the export of fossil energy to the EU.

Flavia Sollazzo, Senior Director on EU Energy Transition, Environmental Defense Fund Europe

“The circumstances within which the EU Commission started to work on methane emissions and on the adoption of the proposal do not exist anymore”.

Ms. Sollazzo highlighted that the policy context in Europe and internationally has changed since the war in Ukraine. In that sense, *“the circumstances within which the EU Commission started to work on methane emissions and on the adoption of the proposal do not exist anymore”*. Moving on, she emphasised that civil societies are concerned with energy security and prices which have hampered climate actions and the ability of the EU to act as a leader on climate change. However, on behalf of the EDF, she stated that **this context is a window of opportunity for the EU to sign new contracts with new conditions which can include sustainability and methane reduction requirements**. To conclude, she reaffirmed the hope that the EU uses this shift in COP27 and takes the advantage of the leverage.

Manfredi Caltagirone, Head, United Nations Environment Programme (UNEP) International Methane Emissions Observatory

“Data is an absolute must to be able to track methane emissions and progress toward mitigation actions”.

Mr. Caltagirone stated that UNEP has an objective of promoting the reduction of methane globally and across all sectors overall by 75% by 2050. To do so, **there is a need to drastically reduce emissions from the fossil fuel sectors**. In the short term, the potential reduction lies in the energy sector. Mr. Caltagirone considered that **the EU is in a great position to express its market leadership**, start working domestically and influence the larger supply of fossil fuels in the EU. Moving on, he affirmed that *“data is an absolute must to be able to track emissions and progress toward mitigation actions”*. He also emphasised the need to work with the industry collaboratively and all the relevant actors together with the data, but also to encourage the European Parliament to engage with other markets.

Alex Scheuer, Senior Policy Manager, International Association of Oil & Gas Producers (IOGP)

“The focus on the energy sector alone to address methane emissions cannot solve the issue”.

Mr. Scheuer emphasised that the IOGP agrees with the **two keys objective of the regulation: to further reduce methane along the value chain and to have more accurate and transparent emissions data**. However, Mr. Scheuer suggested that for the regulation to be more effective, it has to be more precise in its definitions, acknowledge the uncertainty of methane emission quantification, establish more technology, and be proportionate in these measures considering different types of operators and build on existing industry practice. Moving on, **he underlined that “the focus on the energy sector alone cannot solve the issue”**. Furthermore, he suggested that the EU takes a more targeted approach regarding inactive wells. In this regard, wells that have been permanently plugged should be excluded from the scope of the regulation. Secondly, on leak detection and repair, he affirmed that different operations require different proportionate approaches to make sure that no material amount of methane emission goes undetected. The IOGP proposed that requirements are tailored and proportionate to the potential of an asset to leak based on international and European standards or industry best practices when the former do not exist. Moving on to the

technology requirement, Mr. Scheuer underlined that **the regulation should not be prescriptive on the technology to be used but adopt an open approach that would encourage technology providers and operators to innovate**. To conclude, he stated that IOGP fully supports venting and flaring. However, flaring should be the preference over venting because flaring results in much lower emissions.

Q&A Session

Moderator Mr. Andris Piebalgs, Professor at Florence School of Regulation at the European University Institute and former European Commission for Energy and Development, addressed the following question to all the panelists: *“why is it important to adopt this regulation and to adopt it fast?”* **Mr. McDowell** answered Mr. Scheuer, saying that **time has come for prescriptive measures and meaningful results**. He agreed on adopting a differentiated approach depending on different types of components and the context but is opposed to an amendment in which operators can determine their own reduction targets and strategies. **Ms. Sollazzo** reiterated the need for the EU to take advantage of the window of opportunity to address climate change. Moving on, **Mr. Caltagirone** emphasised that *“tackling methane is the only step the EU can take to avoid the worst effects of climate change in the short term”*. Hence, **the real opportunity is the influence of the EU market power on the rest of the world**. Finally, **Mr. Scheuer**, on behalf of the IOGP, agreed that regulations are important and should be implemented fast. Answering Mr. McDowell, he stated that data are not correct and therefore stated that *“what you cannot measure is difficult to regulate”*. He reaffirmed that the focus should be on supporting regulation on leak detection and repair and that measures should be implementable for the industry.

Closing Remarks

MEP Maria Spyrali, Co-Chair of the European Parliament Intergroup on ‘Climate Change, Biodiversity and Sustainable Development’, and Rapporteur on the EU strategy to reduce methane emissions

“The EU needs a quick wind in regulating methane emissions coming from the energy”.

Ms. Spyraki affirmed that *“the EU needs a quick wind in regulating methane emissions coming from the energy”*. It was argued that for a long time the focus has been on CO2 emissions but this has to change. She highlighted that **it is time to proceed with methane emissions, starting with the sector which has the opportunity to reduce them at a low cost: the energy sector**. The EU has to adopt a core measure and take advantage of its market incentive while taking into account the advice from the industry.