

Methane reduction and energy security – The EU's transformative role



Thursday 9th November 2023, 13:30 – 15:00 CET

Speakers:

- **MEP Jutta Paulus**
- **MEP Maria Spyrali**
- **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)
- **Dr. Ruud Egging-Bratseth**, Professor of Managerial Economics, Department of Industrial Economics and Technology Management, Norwegian University of Science and Technology – NTNU
- **Axel Scheuer**, Head of Energy & Climate Policy, IOGP Europe
- **Manfredi Caltagirone**, Head, International Methane Emissions Observatory, UNEP
- **Flavia Sollazzo**, Senior Director for EU Energy Transition, EDF Europe

Opening Remarks

Andris Piebalgs

“To deliver the energy transition, and meet the Paris Agreement goals, material reductions in all emissions from oil and gas and from end-use combustion are imperative.”

As an opening statement, **Andris Piebalgs** recalled the **impact of methane** on the environment and the role that the **EU** plays in this issue as a **major natural gas importer**. He also recognised the importance of the event and introduced the MEPs that were present for the event.

MEP Jutta Paulus

“We have already a legislation which is impacting the production of energy outside our borders, and this is only possible because we are a strong economic area with 450 million citizens and this legislation gives also a very important role to the EU on the global stage.”

MEP Jutta Paulus called methane emissions the “**climate killer**” and stated that this gas is overlooked in public discussion and by the media. She also reinforced the role that the **EU** plays as an **economic power and major importer of fossil fuels**. She claimed that the EU needs to act on a regulatory level and that the US is already acting on this issue, highlighting the need for the EU to stay ahead of developments. Additionally, she noted that a significant 20 to 30% of the natural gas imported from Russia was lost as a result of leaks.

MEP Maria Spyrali

“The EU has to play a pivotal role in reducing methane emissions from import gas, while securing energy supply and fostering relations all along the supply chain.”

MEP Maria Spyrali stated her hopefulness on the **EU being the first economic power** to implement this methane regulation and the “**big success**” of the **COP 28** on pledging to tackle this issue. She highlighted the three sectors that contribute the most to methane emissions, them being **energy, waste, and agriculture**. She mentioned that having a legislation on methane is very important for the EU’s position at COP28. She also gave importance to the need of **ensuring the security of the energy supply chain**. She identified the lack of communication behind the fact that methane isn’t as recognisable and treated as a threat by the media and civil society as CO₂.

Scientific Presentation

“An EU Methane Performance Standard – Scenario results from the Global Gas Model” by Dr. Ruud Egging-Bratseth

“The EU has a moral responsibility to encourage the abatement of the embedded methane emissions.”

Mr Egging-Bratseth started his intervention by introducing the **Global Gas Model**, explaining that it computes global gas trade and infrastructure investment and works at a country level. He remarked that the EU, together with the US, was the initiator of the **Global Methane Pledge**. He claimed that **over 95% of methane emissions in the EU come from imports**, therefore the EU adopting this legislation on methane can prove to other gas importing countries that abating methane emissions is feasible. He also remarked that the EU needs to align itself with oil and gas companies’ pledge and US’ policy. He also mentioned that **a methane fee could bring down EU’s methane embedded emissions** by close to **70%** and allow for the EU to reach the methane intensity target of 0.2%. This methane fee of 1500€ would make most of the methane abatement options cost-effective and would have an impact upstream, leading to a reduction of almost 70% of methane emissions. Finally, he states that this fee would **only increase gas prices in Europe by 1 or 2%**.

Panel discussion

Speakers that took part in the panel discussion:

- **Axel Scheuer**, Head of Energy & Climate Policy, IOGP Europe
- **Manfredi Caltagirone**, Head, International Methane Emissions Observatory, UNEP
- **Flavia Sollazzo**, Senior Director for EU Energy Transition, EDF Europe

The panel discussion started with the intervention of **Axel Scheuer**. He stated that the oil and gas industry support the abatement of methane emissions and the development of the legislation. However, he criticized the criteria surrounding **advanced detection technologies (ADT)** that he claimed made it unusable. He also claimed that the **1 g/h threshold is disproportionately low (it corresponds to 1/14th of the emissions of a dairy cow)** and the articles regarding **venting and flaring** would lead to massive operations **shut-down**. Despite these critics he said the industry supports the proposal of a phased

approach regarding the importer requirements. He mentioned that Europe's **security of energy supply** and competitiveness must not be jeopardized.

The following speaker was **Manfredi Caltagirone**, who was reassured by the presentation and results presented by **Dr. Ruud Egging-Bratseth** as those confirm at **regional level the results of global analysis done in the past**. He noted that there is a **great urgency in tackling methane emissions**. He stated the need for **more data and transparency**, given that only through better data we'll be able to reduce emissions at the scale and speed needed. He stated that, also in Europe, there are key opportunities for mitigation, as shown by scientific measurement campaign in Romania that demonstrated how emissions had been under-estimated by 2.5 times, which would be enough methane to power 1 million houses for a year. He called for **more commitment from the industries** and said that the EU, as the largest gas import market, is the key actor to allow changes in the global methane emissions and decarbonisation, but he also warned that **time is an important limitation**.

Finally, the last intervention was done by **Flavia Sollazzo**. She mentioned that to achieve the main goal of reducing methane emissions, the EU and other policy-makers must not compromise and need to act now, as she warned the **window of opportunity is closing**. She highlighted the impressiveness of the numbers presented by **Dr. Ruud Egging-Bratseth**, reinforcing her belief that the EU truly has a role to play on a global level. However, she disagreed with him on the technological angle, saying that **the technology** required to make a substantive change **already exists**. She also mentioned that the EU methane regulation has potential to create a **global framework**, emphasizing the necessity for the EU to align itself with the US on methane policy.

Q&A session

Manfredi Caltagirone was queried regarding the cost efficiency of reducing methane, especially given the current lack of action by companies in this regard. He responded that is due to many factors, including that companies might **not know where emissions come from**, that companies need to plan for implementing best practices, the issue of **access to infrastructure**. Lastly, he also mentioned the difference between economical and profitable, and the different choices that companies make.

Flavia Sollazzo was questioned about the timeline for making the import standard feasible and implementable, leading to whether there should be a **ban on routine venting and flaring**. She replied that she agreed with the implementation of the ban. She stated that there's a need to take the end of the EP cycle and **time constraints** into account when trying to **make the import standard simple and implementable**. She also said that the world cannot wait 10 years to take action and that the **EU has the moral obligation** to use its regulatory power to address this issue.

Axel Scheuer was asked about **why is the industry taking so long to implement the 0.2 methane standard when the US and its industry have already applied said standard**. He was also questioned about the **importance of applying the EU methane regulations to imports**, given that the exporting countries contribute to 10% of total emissions, and about the **technical standards for measuring methane** and whether the EU could be a leader in that regard. He answered by reminding that one cannot manage what cannot be measured, therefore **having solid data is a first step before establishing a performance standard**. He also mentioned the fact that **there is already data on methane** emissions but they need to be made comparable based on proper standards. He concluded his intervention by asserting that the European Union relies on foreign imports of natural gas from a limited number of countries.

Flavia Sollazzo was again questioned about the **differences and compatibility between the US and Canada's regulation with the EU's regulation**, to which she replied that it would only be comparable if the **EU would tackle imports**. She also commented on the **existing technology**, that it allows for **more precise data that would also be made publicly available**.

Closing remarks

As closing remarks, **MEP Maria Spyra** underlined her belief that the EU will have an **implementable and applicable piece of legislation in the space of a week**. However, she said that the **EU is not a position to apply methane fees**, especially, when the **affordability of energy is such a big obstacle** as it is now. She also called on the **private sector to do more to reduce emissions**. She mentioned that the **energy sector is the easiest one to reduce emissions**, but work needs to be done as well on the waste and agricultural sector. **Dr. Ruud Egging-Bratseth** appealed to the **oil and gas industry to take responsibility**, in order to remain legitimate energy suppliers. He commented that **the 1500€ fee** is too low to reflect the social costs of methane emissions. He also called for the **EU to seek support and allies** to get a much larger impact on methane emissions and reminded that the **window of opportunity is closing**. **Andris Piebalgs** concluded by saying that there was **good news regarding the regulation** and that it is **pioneering effort**. He also remarked that the **regulation is very ambitious** and would make the EU's position in the COP stronger and more solid.