

Minutes: 1st ISG meeting on legislative proposals to reduce methane emission in the energy sector

Date: 07/12/2020

Participants:

- ENER: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- AGRI: [REDACTED]
- NEAR: [REDACTED]
- REGIO: [REDACTED]
- CLIMA: [REDACTED]
- DEVCO: [REDACTED]
- EEAS: [REDACTED]
- JRC: [REDACTED]
- SG: [REDACTED]

Introduction by DG ENER:

- This ISG meeting is being convened to consult DGs on the contents of the draft Inception Impact Assessment (Roadmap) and consultation strategy of the legislative initiatives announced in the Communication on the methane strategy adopted on the 14th of October.
- The legislative proposal is included in the annexes to the Commission work programme for 2021.
- The contact points for this initiative in ENER are [REDACTED] [REDACTED] [REDACTED]
[REDACTED]
- ENER provided an overview of the first draft of the inception impact assessment as well as of the consultation strategy and reflected on how the different comments received in writing would be integrated into the drafts.

Comments and responses:

On Roadmap

- SG : On Roadmap, if intending to be sent for consultation before xmas, extend public consultation period.
- CLIMA: 1. Make it clear in the Roadmap that these policy proposals will put obligations on companies, so this does not interfere with MS UNFCCC reporting obligations; 2. Any indicative planning on future legislative proposals stemming from the Communication?
- ENER response: 1. This will be made clear, and wording submitted by CLIMA in this regard will be integrated to the next version of the Roadmap; 2. In field of energy, methane “standards, targets or other incentives...are mentioned”, but as Communication says, this will be in the absence of significant action from international partners, so no formal process has been launched yet. This is linked to the international dimension of the strategy. The Impact Assessment will look at information available on supply chains,

including from outside the EU, and develop the reflexion on what could be done if there is no significant action from international partners.

- EEAS: given that IA is to look at full supply chain, is that expressed clearly enough in the section of expected impacts of the roadmap, for example quantifiable aspects like number of companies importing gas and oil into the EU? We can't measure the political impacts but perhaps there are numbers which make it clear what other impacts will be. Also IA should reflect those numbers, estimations.
- ENER response: we will reflect the international dimension in the text of the Roadmap on impacts more explicitly.
- JRC: 1. If we don't address parts of the emissions outside the borders, we would be missing much of the emissions and our legislation wouldn't be very effective; 2. Venting & Flaring: in some cases, they're alternatives to each other, so couldn't eliminate emissions from both altogether. Flaring replaces methane emissions by CO₂ emissions, although small emissions of unburnt methane always remain, and may be large under some circumstances (high wind, extinction of flame) 3. Methane emissions at the point of consumption of gas (domestic sector, gas turbines, heaters and engines, including the maritime sector): not much data. Industry hasn't delivered many data yet, but could be a significant part of emissions. Will it enter the scope of the legislative proposals? In the opinion of JRC this should at least be taken into account in the IA.
- ENER responses: 1. Scope of OGMP rules, taken from agreement between US, Canada and Mexico from 2016: so we will achieve the same level as those 3 countries in the legislation. Internationally, EU is on tier 1, Russia tier 2 and US, Can, Mexico are on tier 3. We are therefore not in a position yet to go to others and say do as we do, hence the need for legislation to get us to comparable levels; 2. What we want to achieve is regulating flaring and venting such that only unavoidable emissions are allowed. What interest us as regards flaring - which is more of an oil industry rather than gas industry issue because oil industry doesn't want the gas – is the part that's not combusted – called methane slip: that's why we talk about developing a standard for combustion efficiency for flaring in the Communication; 3. Scope of tier 3 emissions at the residential level: as far as we know, no other countries have legislation covering such emissions, and are likely complex to measure and difficult to tackle. Also turbines, heaters and engines, including the maritime sector may need to be considered. The 2021 policy proposals take as basis sectors covered by OGMP because that's where the highest quality levels of emissions data can be achieved and where the lowest hanging fruits are, due to cost effectiveness and relative ease of mitigation measures. Unlikely to be the case for scope 3 emissions. But we should address such emissions in the Impact Assessment, even if in the end we are unlikely to include such emissions in our legislative proposals.
- SG: 1. As regards date of adoption of the proposals, keep the reference to the Commission WP but delete the reference to the Q2 2021 date and keep only the reference to Q4 2021; 2. As regards reference to combined legal basis, as per comments sent in writing by Legal Service, no need to refer to the two articles: enough to keep reference to article 194; 3. On external dimension, it should be covered but we need to ensure that we keep to the Commission's competences and for that its important to get advice from the Legal Service. In terms of reference in the Roadmap, ok to keep the reference as it is (including wording change submitted by LS); 4. In terms of covering emissions from final appliances, distribution systems will play a bigger role than before,

especially as more renewable gas is integrated to the system, so it's important to assess what can be done at this level in terms of mitigating emissions.

- NEAR: do you expect EU Delegations to inform our partner countries (for instance Algeria) about this consultation process, or do you consider that they will be aware enough through the "market players" listed in the table on page 2 of the consultation strategy ?
- ENER response: hoping to get responses to public consultations from as widespread a group of stakeholders as possible, including national companies. Also an important part of our work to address methane emissions is the systematic mention of the actions and objectives of the Methane Strategy in our international energy dialogues with our energy partners at the earliest available opportunity.

On consultation strategy

- CLIMA: whole focus is on companies, so put additional wording making it clear that we're not touching on country obligations to UNFCCC.
- ENER response: we will do.

Next steps:

- ENER expressed the intention to circulate a new version before C.O.B the same day (07.12.2020) and welcomed comments before C.O.B the following day (08.12.2020). The documents will then be introduced for political validation.