

Inter-Service Group consultation on proposal for a legislative act to reduce methane emissions in the oil, gas and coal sectors

12 November 2021

The methane legislative inter-service group was convened for a meeting to outline the draft legislative proposal that was submitted for ISC on the 4th of November 2021 and to invite DGs to deliver their responses before the deadline of 24th of November, by the 17th of November.

The event was attended by: [REDACTED] (DEFIS), [REDACTED] (TRADE), [REDACTED] (DEFIS), [REDACTED] (TRADE), [REDACTED] (GROW), [REDACTED] (SJ), [REDACTED] (NEAR), [REDACTED] (REGIO), [REDACTED] (TRADE-EXT), [REDACTED] (BUDG), [REDACTED] (ENER), [REDACTED] (ENER), [REDACTED] (ENER), [REDACTED] (CLIMA), [REDACTED] (BUDG), [REDACTED] (ENER), [REDACTED] (ENER), [REDACTED] (AGRI), [REDACTED] (EEAS) (Guest), [REDACTED] (ENER), [REDACTED] (SG), [REDACTED] (INTPA), [REDACTED] (AGRI), [REDACTED] (JRC-PETTEN)

DG CLIMA (Gerardus Klaassen):

- Expressed concerns about the use of figures on proportion of global warming from methane. According to the latest IPCC 6th assessment report, 1/3 of global warming is due to methane, not 1/4. The comment strengthens the case for regulation.
 - DG Ener responded that the text will be updated.
- Questioned differential treatment of coking coal mines.
 - DG Ener responded that the reason behind the suggested provisions is that thermal coal mines present a faster abatement potential as the move away from coal in the energy sector progresses.
- Highlighted possible irrelevance of the Polish study brought up in the recitals.
- Underscored that there is no conclusive evidence for the suggestion that current inventories underestimate the level of methane emissions.
 - DG Ener responded that there are studies reporting such findings and that the text of the IA was referring to such studies, but that it was willing to consider drafting suggestions.
- Highlighted, with particular reference to page 20, that the limit values need to be discussed further to understand reasoning behind the choice of the limit.
 - DG Ener responded that the values have been set following consultations with industry and other stakeholders, and that they will amount to 500 parts per million.
- Expressed concerns that the scope of regulation does not include biogas and e-gas
 - DG Ener responded by saying that biogas and other gases will be covered by the legislation by default as they will be using existing networks. For pre-injection phase, it will be covered by the RED.

DG BUDG ([REDACTED]):

- Expressed their concern about inconsistency on staff shortage in Legislative Financial Statement. Advised that it might be more effective to highlight that methane will be ACER's new task, as opposed to focusing on structural staff shortages in the agency. Asked DG Ener whether it is aware about an amendment letter that includes proposals to increase ACER's resources. Proposed bilateral meeting early next week to discuss the issue, possibly together with hydrogen/gas package.
 - DG Ener agreed to follow up on the issue during bilateral meetings.

SG ([REDACTED]):

- Agreed with policy objectives and provisions; SG will send some written comments.
- Underscored that in the revised IA, RSB comments have not been fully addressed. Asked whether DG Ener is planning further revisions to the IA. Suggested bilateral meeting to discuss the issue in detail.
 - DG Ener responded that the IA will go through further fine-tuning but also explained that some comments were already in the first opinion and addressed in the second draft, though agreed for a bilateral meeting.

DG TRADE ([REDACTED]):

- Enquired about importer information requirement: whether it will apply to countries or exporters.
 - DG Ener responded that the importer information requirement will apply to exporters.
- Asked about the Commission's service responsible for setting up and maintenance of the transparency database (Article 31).
 - DG Ener replied that DG Ener will be responsible for the database.
- Enquired about the provisions on super-emitters. What is a definition of a super-emitter? Will EU countries be included?
 - DG Ener responded that the super-emitter tool will cover the EU too.
- Enquired about the reasoning behind review clauses in articles 37(2) and 37(4).
 - DG Ener responded that the reason for these review clauses is to open door for stricter measures on imports at a later date.

DG AGRI: ([REDACTED]):

- Underscored that the regulation needs to be clear that it goes beyond fossil gas and covers biogas and biomethane after injection into the grid.
 - DG Ener said that for this reason the regulation avoids using ‘fossil gas’ and focuses on ‘methane losses’ but that in the scope it could be clarified that it covers all gases beyond point of injection, as highlighted in the IA.
- Expressed concern over UNFCCC underreporting reference since it could mean that the emissions in agriculture are underreported too. AGRI wants to avoid misunderstanding so suggested that the reference should be refined to energy sector or deleted.
 - DG Ener said that the IA pays attention to making sure that the reference to underreporting is energy-specific. However, DG Ener said that it is ready to look at the IA again and refine the wording if necessary.

EEAS ([REDACTED]):

- Subscribed to the clarification questions asked by DG TRADE.
- Commented on the international measures by saying that though they are supportive of all of them, they are not entirely in line with the ambition reflected in the international part of the Methane Strategy, though once prompted to do so, could not explain in which way this was true.
- Asked who will be tasked with the MSI? The IMEO (as stated in a recital in the draft text) or the Commission?. Expressed preference for the Commission to develop the MSI.
 - DG Ener replied that CAB has yet to decide that, but offered the clarification that, as made clear in the recital in the relevant text, the MSI is nothing more than a transparency tool, it isn’t one which includes a performance/thresholds element which exporters will have to meet.
- Enquired about article 31(b)(v). EEAS says that the proposal gives an impression that the EU won’t require exporters to deliver methane emissions data but the article 31(b)(v) requires that information.
 - DG Ener replied that it will require it, as it makes sense, most key exporters to the EU have signed up to UNFCCC but most are not reporting inventories as they should, therefore seems an evident piece of info to ask, [to highlight that its not being done]
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- Pointed out that the recital on IMEO needs to be reworded as the regulation first outlines its role and then introduces what IMEO is. Highlighted that there is no mention on data supply process to IMEO.
 - DG Ener asked EEAS to look at article 5 and highlighted that tasking IMEO has been taken up with the legal services since it won’t be straightforward as IMEO is not an EU agency.
- Enquired about bilateral dialogues mentioned in article 32(2) (super-emitters) and highlighted that mandate from the council might be needed. Suggested integration of the point with paragraph 1 (e.g. ‘made available, as a way to feed into bilateral dialogues’)
 - DG Ener said that the issue will be discussed with the Legal Service.

JRC-PETTEN ([REDACTED]):

- Expressed concern that measurements aren't possible today and underscored the need for a proper baseline that could be delivered once robust MRV is in place.
 - DG Ener responded that that is why MRV is a central element of the proposal, to establish robust baseline in next few years.
- Highlighted that regarding baseline for methane emissions, when we look at GHG targets of 55% from 1990 levels, that's okay for CO2 but the methane baseline would be much more recent. By taking this methane reduction approach we would be penalising those that have already been mitigating methane for some time..
 - DG Ener responded that this is why we are not proposing any reduction targets at this stage in our proposal and are going with prescriptive, best practice methane abatement measures which the best in class will already have implemented voluntarily, so that the ones that will be penalised, on the contrary, will be those that have done little to date, not the ones that already implemented such approaches like LDAR and limits on venting and flaring..
- Expressed the view that proper measurement tools are not yet available though new satellites technologies like German/French Merlin satellites will enable direct measurements in due course.
 - DG Ener responded that this is why we chose not to be technology specific, to allow for future improvements in measurement technologies. Also requiring site level measurements in due course, to reconcile source-level measurements, and therefore airborne/satellite technologies to play a role in getting better data in the MRV requirements.

DG DEFIS ([REDACTED]):

- Highlighted the key role of establishing complementarity between bottom up and top down measurements.
- Said it will supply more comments soon.