European Commission - Press release





Commission welcomes deal on first-ever EU law to curb methane emissions in the EU and globally

Brussels, 15 November 2023

The Commission welcomes the provisional agreement reached today between the European Parliament and Council on a new EU Regulation to **reduce energy sector methane emissions in Europe and in our global supply chains**. Methane is a powerful greenhouse gas - the second biggest contributor to climate change after carbon dioxide (CO2) - and is also a potent air pollutant. Today's agreement is therefore crucial to delivering the European Green Deal and reducing our net greenhouse gas emissions by at least 55% by 2030. **It will oblige the fossil gas, oil and coal industry to properly measure, monitor, report and verify their methane emissions** according to the highest monitoring standards, **and take action to reduce them.** Today's agreement comes just a few weeks ahead of COP28, where the EU will continue its engagement with international partners on reducing methane emissions.

Reducing methane emissions in the EU

The Regulation agreed today aims to stop the avoidable release of methane into the atmosphere and to minimise leaks of methane by fossil energy companies operating in the EU.

- It **requires operators to report regularly** to the competent authorities about quantification and measurements of methane emissions at source level, including for non-operated assets;
- It **obliges oil and gas companies** to carry out regular surveys of their equipment **to detect** and repair methane leaks on the EU territory within specific deadlines;
- It **bans routine venting and flaring** by the oil and gas sectors and restricts non-routine venting and flaring to unavoidable circumstances, for example for safety reasons or in case of equipment malfunction;
- It **limits venting from thermal coal mines** from 2027, with stricter conditions kicking in after 2031;
- It requires companies in the oil, gas and coal sectors to carry out **an inventory of closed, inactive, plugged and abandoned assets**, such as wells and mines, to monitor their emissions and to **adopt a plan to mitigate** these emissions as soon as possible.

Boosting transparency and action on emissions from imported oil, gas and coal

The EU imports a large share of the oil, gas and coal it consumes. This Regulation will also tackle the methane emissions related to these imports.

- It establishes a **methane transparency database** where data on methane emissions reported by importers and EU operators will be made available to the public;
- It requires the Commission to **establish methane performance profiles of countries and companies** to allow importers to make informed choices on their energy imports;
- The Commission will also put in place a **global methane emitters monitoring tool** and a **rapid alert mechanism for super-emitting events**, with information on the magnitude, recurrence and location of high methane-emitting sources both within and outside the EU. As part of this tool, the Commission will be able to **request prompt information on action to address these leaks** by the countries concerned;
- As of January 2027, the Regulation requires that new import contracts for oil, gas and coal
 can be only concluded if the same monitoring, reporting and verification obligations
 are applied by exporters as for EU producers. The Regulation will set out a methane intensity
 methodology and maximum levels to be met for new contracts for oil, gas and coal.

These new transparency obligations on international partners will inform the EU's bilateral and multilateral dialogues with global energy partners. Over 150 countries have committed to reduce their methane emissions by signing up to the <u>Global Methane Pledge</u> with the aim of reducing methane emissions by 30% by 2030, and this tool will help us to work with partners to achieve these

important goals.

Next steps

Today's provisional agreement now requires formal adoption by both the European Parliament and the Council. Once this process is completed, the new legislation will be published in the Official Journal of the Union and enter into force.

Background

The EU Methane Regulation for the energy sector was <u>proposed in December 2021</u> as part of the proposals to deliver the <u>European Green Deal</u>. This is the EU's first-ever legislation to curb harmful methane emissions in the energy sector. The legislative proposal followed the <u>EU Methane</u> <u>Strategy</u> adopted in 2020.

Methane is a powerful greenhouse gas, second only to carbon dioxide in its overall contribution to climate change and responsible for about a third of current climate warming. The <u>most recent IPCC report</u> outlines that methane levels are at an all-time high and well above the emission levels compatible with limiting warming to the 1.5°C goal in the Paris Agreement. Reducing methane emissions is one of the fastest, most effective ways to slow down global warming. However, accurate, source-level, methane emissions data is needed from countries and industry across the globe to make meaningful progress.

The EU is leading international action to tackle methane emissions. Together with the US, the EU launched the <u>Global Methane Pledge</u> at the COP26 UN Climate Conference in Glasgow in 2021. At COP27 last year, the EU, together with the United States, Japan, Canada, Norway, Singapore and the United Kingdom adopted a <u>Joint Declaration from Energy Importers and Exporters on Reducing Greenhouse Gas Emissions from Fossil Fuels</u>, committing to take rapid action in reducing methane emissions.

For more information

<u>Commission proposal</u> Methane emissions

IP/23/5776

Quotes:

Tackling methane emissions is a win-win policy. It is good for our planet and good for consumers. I look forward to working with the European and international energy industry to ensure that these rules are quickly and effectively implemented.

Maroš Šefčovič, Executive Vice-President for European Green deal, Interinstitutional Relations and Foresight - 15/11/2023

This landmark agreement will allow us to seriously tackle the energy sector's greenhouse gas emissions in the EU and beyond. This first-of-its-kind regulation enables the EU to curb methane emissions in a cost-effective manner, and address venting and flaring of gas, which make economically and environmentally little sense. This will benefit our planet and will also avoid wasted resources in tight global gas markets.

Kadri Simson, Commissioner for Energy - 15/11/2023

As we head to COP28, it is great news that the EU has one more law to demonstrate to our international partners that we are delivering on our climate targets. Methane is the second most significant greenhouse gas, after carbon dioxide, and it plays an important role in global warming. We now have the tools to reduce it more quickly and continue our work towards becoming the first climate-neutral continent by 2050.

Wopke Hoekstra, Commissioner for Climate Action - 15/11/2023

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