

EDF's good practice on methane policy and regulation

June 2020

As a respected methane science and policy expert, Environmental Defense Fund has first-hand experience of what has worked, and not worked, in terms of policy and regulation to reduce oil and gas methane. Our experience is based on what we learnt from work in the US, Canada, Mexico, and Norway, as well as through participation in voluntary initiatives such as the UN-backed Oil & Gas Methane Partnership and the Methane Guiding Principles collaborative.

We offer an overview of global good practice to inform stakeholder discussions in the context of the strategic policy reform initiative on methane, sector integration, the TEN-E Regulation, the gas market and the Non-Financial Reporting Directive. Reducing methane emissions is a low-hanging fruit and should be a core part of the European Green Deal.

General principles

- A sound approach to methane policy should be characterised by:
 - A **partnership approach** involving all relevant stakeholders from science, industry, civil society, regulators and investors underpinned by robust political leadership.
 - A democratic culture of drafting policies and regulations which is **informed by stakeholder needs and challenges** from the bottom-up, but which are politically owned by government top-down.
 - A **strong culture of sharing knowledge and best practice** to ensure smooth implementation and continuous improvement.

Industry compliance

- Industry must have a **sense of ownership** of both the problem, the solution and the process.
- They should be made aware of the importance of **controlling emissions as part of the permit or licensing process** – for example when they submit plans for operational processes or the license to trade in the wholesale gas market.
- Industry must have at their disposal **clear and consistent processes** for collecting, recording and evaluating the information when monitoring methane emissions.
- There should be a **proportionate regulatory burden**, with a clear focus on collecting and analysing data in the higher risk activities rather than a general and often expensive, broad data trawl.
- **Auditing costs** must be borne by operators, as this ensures the financial sustainability of fiscal auditing and fairness.

Regulator duties

- Enforcement from the regulator should be both **transparent and predictable**.
- The Regulator must have a **clear, robust mandate** to intervene and be well-staffed with competent professionals in the area of methane.
- There should be effective processes for taking **proportionate and appropriate action** based on the information provided by both industry and independent third parties.
- In the operational phase, **the regulator should be present** during the instrument calibration phase and should approve in advance any methane emission releases that cannot be avoided.

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