

How to achieve an impactful regulation on methane emissions: joint statement by European gas Distribution System Operators

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The undersigned organisations jointly represent European Gas Distribution System Operators (DSOs). We are fully committed to reducing methane emissions and we support an ambitious and binding Regulation. Compared to the prescriptive proposal from the European Commission, we would have favoured a Regulation that mandates outcomes, but leaves flexibility to operators on how to achieve them. Yet, we understand the rationale for the approach taken by the Commission. **This must, however, take into account the diverse characteristics of the different parts of the gas value chain: production, transmission, storage, and distribution.**

A “one-size-fits-all” prescriptive approach is not suitable. We cannot apply the same requirements and technologies to, for example, an offshore platform in the North Sea, and to the more than 2 million kilometres¹ of low-/mid-pressure distribution grids delivering gas to industry and homes. **We agree that requirements for operators must be strict, but they must equally be specific and tailored to each part of the value chain.**

Gas distribution grids are spread over sometimes very large areas. They are situated mainly in urban and densely populated environments. Distribution grids are made up of millions of components: some underground and some aboveground, sometimes inside homes themselves (e.g. domestic regulators or meters). **These characteristics make distribution very different from other segments of the gas value chain.**

For the Regulation to deliver more significant methane emission reductions, **we firmly believe it should set measures that are effective, technically feasible and risk-based.**

In this regard, European Gas Distribution System Operators recommend the following:

- **Monitoring, Reporting and Verification (MRV):** CEN should define MRV procedures consistent with Oil & Gas Methane Partnership 2.0 (OGMP 2.0) Technical Guidance Documents to avoid implementing the same practice in different ways and without added value. A *de minimis* threshold should be introduced to avoid undesirable extensive reporting efforts for very minor emission sources. This would be in line with OGMP 2.0. Moreover, direct emissions measurements are not always possible because of technical constraints (e.g. accessibility of the component) or for safety reasons (e.g. leaks due to third party damage must be stopped as soon as possible). Therefore, quantification methods should be included in the Regulation. In addition, concerning site-level measurement, the time schedule of the regulation should be adapted to consider the early development stages of methodologies and technologies.
- **Leak, Detection and Repair (LDAR):** Inspection intervals should be set using a risk-based approach. It should take into account the sensitivity to leakage of the materials that constitute the network to avoid having to inspect low-risk materials at the same frequency as higher risk materials. More frequent inspections of the grids will not automatically deliver improved methane emission reductions if they are not concentrated on materials and components that are more likely to emit methane. Inspection intervals should also differentiate among the upstream, midstream, and downstream sectors, to account for the specificities of each segment of the value chain. Preventive maintenance of distribution gas grids, based on risk assessment, is much more likely to significantly reduce methane emissions and does not depend on the frequency of inspection intervals.
- **Venting:** European Union Agency for the Cooperation of Energy Regulators (ACER) should be instructed to define a threshold for reporting of aggregated low venting activities, to be sent once a year to the competent authority. Reporting for every single venting activity (e.g. replacement of a meter) would be highly inefficient, requiring operators to use considerable financial resources without delivering emission reductions.

¹ACER, Gas factsheet, <https://www.acer.europa.eu/gas-factsheet>