

EU Methane Regulation – Main issues from Offshore Norway's Consultation Response to the Ministry of Energy 2nd December 2024 ([link to original document in Norwegian](#))

Offshore Norge supports the overall goal of the EU methane regulation to reduce methane emissions across all relevant sectors of the economy. The EU methane regulation is based on the EU's environmental legislation (TFEU Art. 192) and falls under Norway's voluntary cooperation with the EU (EEA Agreement Art. 78). Norway is therefore not obligated under the EEA Agreement to implement the EU methane regulation into Norwegian law.

Offshore Norge recommends that Norwegian authorities do not implement the EU methane regulation into Norwegian law, neither for the continental shelf nor onshore activities, based on the following:

- 1. Norway already has a well-functioning, risk-based system for reducing methane emissions that is cost-effective and targeted:** Norway is among the countries in the world with the most comprehensive regulation of methane emissions from oil and gas production. Methane emissions from petroleum activities in Norway are very low compared to other oil- and gas-producing countries. Offshore Norge believes the existing risk-based regulation in Norway meets Norway's obligations under the EEA Agreement.
- 2. Implementation of the EU methane regulation will within some areas lead to increased emissions:** If the EU methane regulation is implemented into Norwegian law, extensive inspections of subsea equipment and wells will be required, which could lead to net increased greenhouse gas emissions. Additionally, requirements for repairing leaks on offshore installations and onshore gas processing plants could lead to more frequent shutdowns, resulting in increased emissions. Implementation of the EU methane regulation could therefore have a negative climate effect.
- 3. Negative impact on security of supply:** Implementation of the EU methane regulation into Norwegian law can lead to more frequent shutdowns for leak repairs, resulting in lower oil and gas production. This may increase the vulnerability of European security of supply.
- 4. Significant unnecessary costs relative to achieved emission reductions:** The EU methane regulation differs from current regulation and practice on the Norwegian continental shelf and onshore gas processing plants in several aspects. Implementation into Norwegian law can result in billions of NOK in additional annual costs and a significant increase in the workload for both the petroleum industry and Norwegian authorities compared to the potential emission reductions. Furthermore, the regulation contains requirements that will be difficult to comply with because the technical solutions are immature.

5. **Consequences for onshore facilities will also be significant:** Even if the continental shelf is exempted from incorporation, the consequences for onshore gas processing plants will be very significant, and increased costs will not be proportional to potential emission reductions. Additionally, shutdowns at onshore facilities will lead to shutdowns in offshore production.
6. **Increased risk of unwanted incidents:** Implementation of the EU methane regulation can lead to more unwanted incidents, due to more frequent shutdowns and extensive inspections.
7. **Equivalence with the regulation:** Norwegian authorities should actively explore the opportunities provided by the regulation, through delegated acts, to establish that the Norwegian methane regulation is equivalent to the EU methane regulation's provisions on emission reporting for imports to the EU.

If the EU methane regulation is implemented into Norwegian law despite the points above, compliance with the requirements will be entirely dependent on a pragmatic and flexible handling by the Norwegian authorities.

Offshore Norge supports Norway's view that the continental shelf is not part of the EEA Agreement's scope. However, Norway has on some occasions implemented EU regulations on the Norwegian continental shelf where it has been appropriate. If the EU methane regulation is implemented only for onshore facilities in Norway, it should be operationalized based on the current Norwegian regime in a way that ensures both cost/benefit and equivalence with the intentions of the prescriptive approaches from the EU.

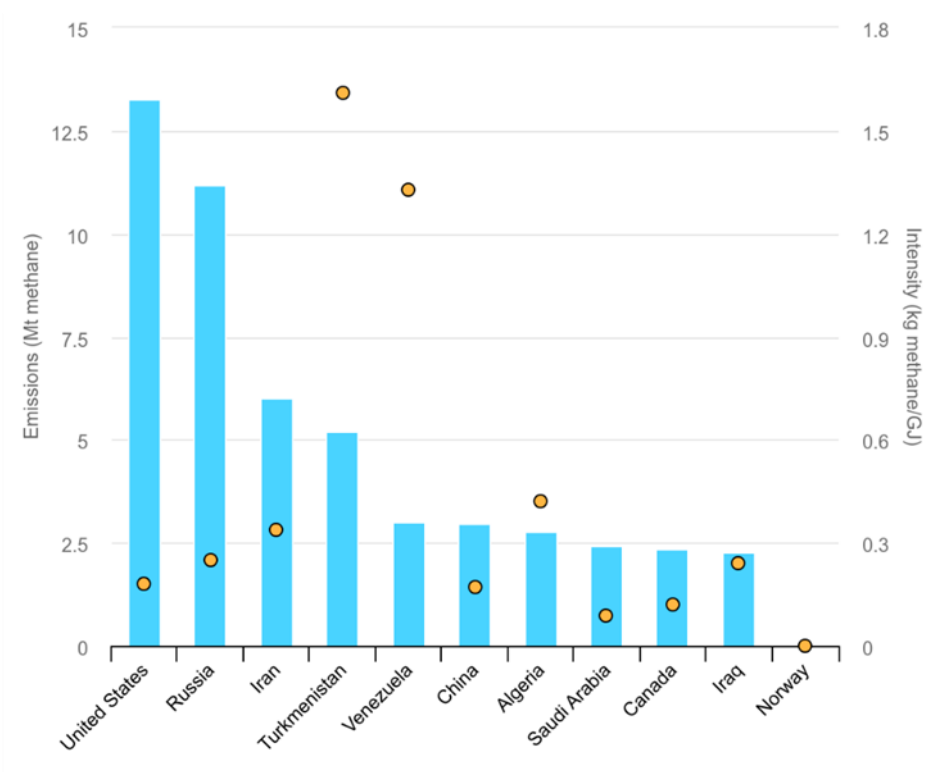


Figure 1 Absolute emissions and methane intensity for various oil and gas-producing countries, source: IEA's Methane tracker 2024.

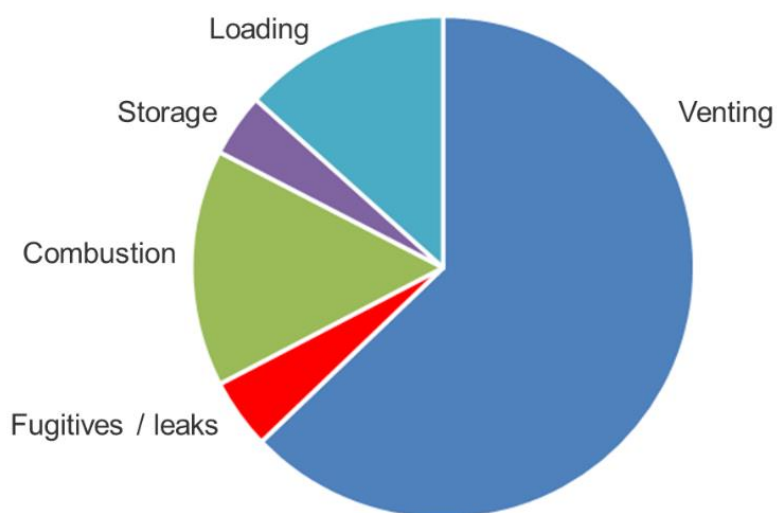


Figure 2 Methane emissions in 2023 from activities on the Norwegian continental shelf and petroleum facilities under the Petroleum Tax Act, source: Offshore Norway, Footprint.