

Offshore Norge's statement on EUs negotiations for a Regulation to reduce methane emissions in the energy sector

Offshore Norge is an industry association for the offshore industries in Norway, including gas, oil, wind, CCUS, hydrogen and minerals. We hereby share our concerns regarding the current state of the proposal for an EU Regulation on methane emission reductions in the energy sector. There's an urgent need to reduce greenhouse gas emissions, and we believe that the objectives of the EU's approach to reduce methane emissions are the right ones; seeking cleaner and safer operation of energy resources in Europe and seeking to advance international best practices further. However, we also fear that some of the consequences of the implementation of the Regulation in its current form will be detrimental to achieving its goal. Furthermore, some elements are not possible to achieve at all even with the most advanced technologies at hand.

Norway, a signatory to the Global Methane Pledge, has regulated methane emissions from the oil and gas industry since the 1970s. According to the IEA, global methane emissions from oil and gas activities would fall by more than 90% if all producing countries were to match the emissions intensity of Norway, with a methane intensity around one tenth of the industry average. Therefore, we welcome and support an EU initiative seeking to drive down methane emissions throughout Europe.

While we note that the Norwegian government has not yet issued an opinion on the EEA relevance for this Regulation, it is in the interest of seeking joint forceful and best practice action on methane emissions that we would like to share the following concerns regarding the current state of negotiations on the proposal. We strongly believe that:

- An approach that seeks to use the same set of detailed prescriptive rules across the entire natural gas value chain is not advisable, as we need different approaches to meet the intentions of the Regulation. The proposed Regulation would lead to inefficient measures and, in certain cases, a worse environmental outcome.
- If the European Parliament's proposal to develop a methane performance standard is incorporated, it should allow for replacing the prescriptive requirements when companies meet the standard. In addition to a solid Monitoring, Reporting and Verification requirement (art. 12), the development of a robust and precise calculation methodology for methane emissions is a prerequisite.
- The way Leak Detection and Repair is being addressed and further amended by the Council, does not sufficiently recognize the offshore operational context seen in

Norway. In particular, the requirements for subsea components introduced by the Council would lead to a net increase of the emissions, as the emissions from the vessels used for inspections would exceed the reduction potential from repairing any leaks.

- The approach considered to flare stack inspections needs to be adjusted, as the current requirements will involve production shutdown and additional flaring with negative environmental consequences and risk security of gas supplies to Europe.
- The proposal on inactive wells is missing the mark in an offshore context. As for subsea leak detection, the requirements will increase the vessel time for inspections with negative consequences on total GHG emissions.

We believe the European Parliament should address these issues in dialogue with the Council. The key learning from Norway's more than five decades of experience in regulating methane is that legislation should allow for tailored approaches, adaptable to the rapid evolution of technology as well as the specific geological, geographical and technical limitations that operators and regulating authorities may face. We call on the Members of the European Parliament to better integrate this key learning in its position on the proposed Regulation.

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