



A Methane Target for Midstream Gas Industry

APPLICABILITY ANALYSIS

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Contact

MARCOGAZ AISBL

Rue Belliard, 40

1040 Brussels – Belgium

marcogaz@marcogaz.org

www.marcogaz.org

ABOUT MARCOGAZ

Founded in 1968, MARCOGAZ is the technical association of the European gas industry. It represents 29 member organisations from 20 countries. Its mission encompasses monitoring and policy advisory activities related to the European technical regulation, standardisation and certification with respect to safety and integrity of gas systems and equipment, rational use of energy as well as environment, health and safety issues. It is registered in Brussels under number BE0877 785 464.

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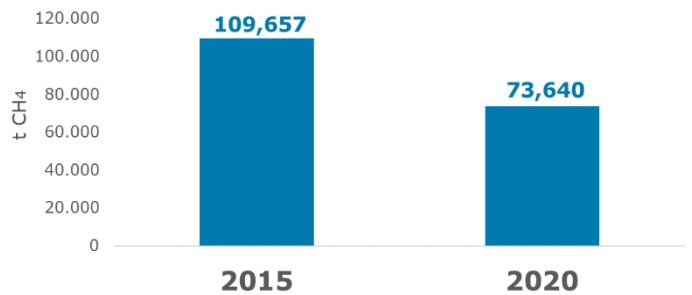
ABOUT THE ANALYSIS

- The objective of this analysis is to estimate the figures that could be considered as references for the European gas industry, in order to have a **reduction target for methane emissions**.
- The information used for this report was gathered through a **questionnaire** that was circulated to the different companies and associations including MARCOGAZ, OGMP 2.0 members, GIE, ENTSOG, GERG and Eurogas. (See Annex I. questionnaire).
- Although the initial scope of the analysis was Midstream and Downstream, **the results presented in this report correspond to midstream activities** due to the low representativeness of the data received from downstream activities.
- The report considers the answers from **30 Midstream companies from 17 different European countries**.

CURRENT STATUS & BASE YEARS

- In the first part of the analysis, companies reported their **methane emissions data** for the years 2015 and 2020.
- 100% of the companies reported both figures, so **both years could be considered as base** years in order to set a reduction target.

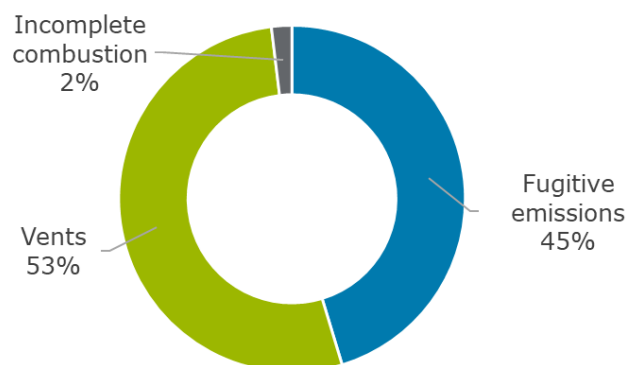
- The comparison between both figures (2015 vs 2020) shows the **huge effort that the industry has done in order to reduce Methane Emissions during the last years:**



- 73% of the companies have reduced their emissions during the 5 year period.
 - The average methane emission reduction that each company has achieved is 36%.
 - This effort has reduced the total methane emissions of this companies in 36.017 ton CH₄ (aggregated reduction 33%).
- This high level of reduction obtained in the last years is an indicator of the big effort that has been done in the last years, and the **increasing difficulty** for the companies in **setting additional reduction targets.**
- *Additional breakdown of 2020 data has been requested in order to identify the main types of methane emissions. Although **Vents are the main part of Methane emissions (53%)** no significant differences were identified.*

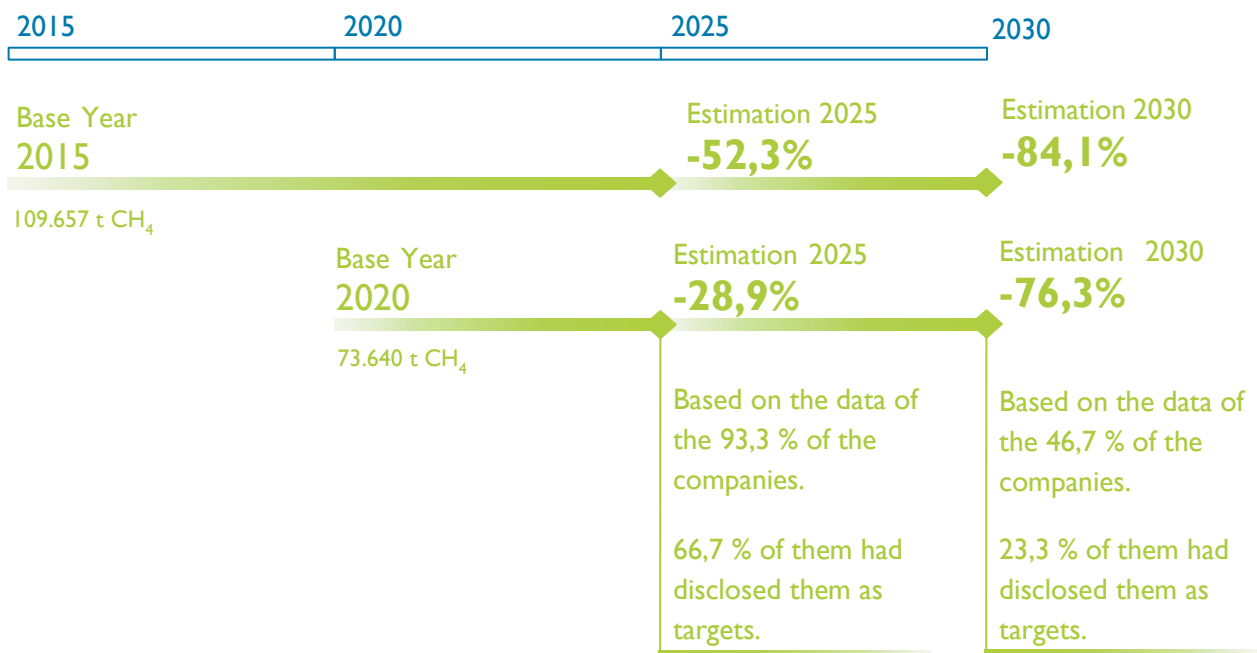
EMISSION BREAKDOWN 2020

(Midstream)



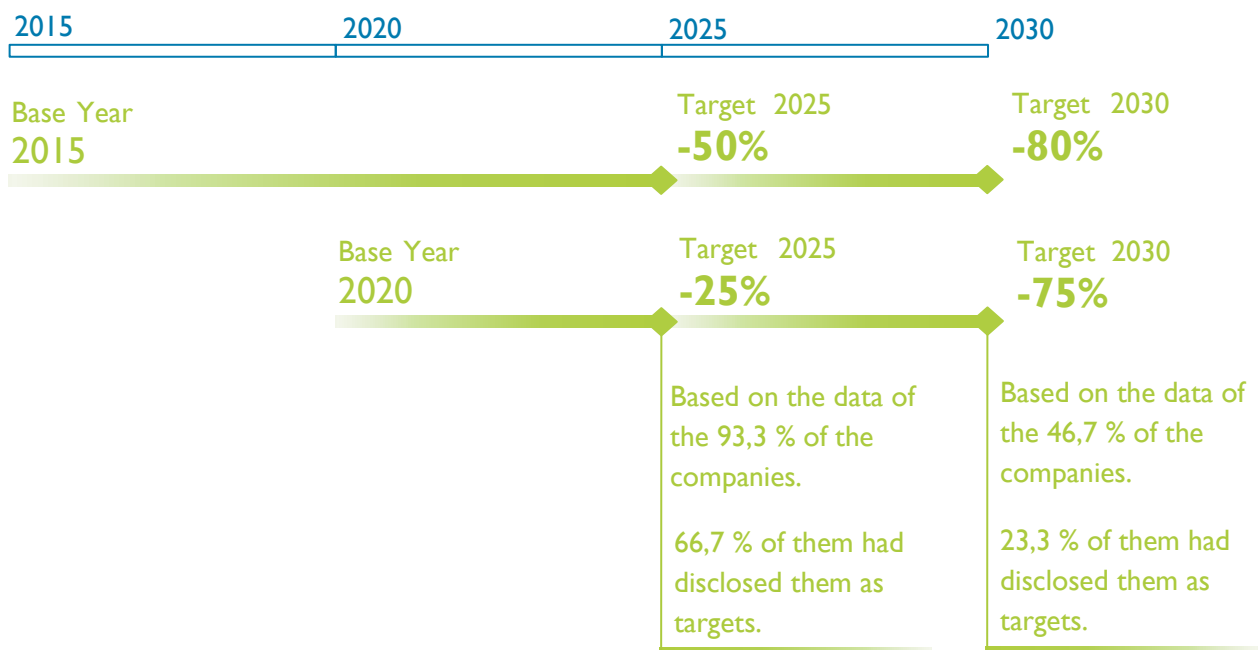
FUTURE ESTIMATIONS & TARGET YEARS

- In the second part of the analysis, companies provided their best available **methane emissions estimations for 2025 and 2030**.
- Regarding **2025 estimations**, almost all the companies (93,3%) reported their estimations and most of them (66,7%) mentioned that this estimations had been disclosed as targets in their reports.
- These figures are not so high for 2030 estimations: 46,7% of the companies reported these estimations and only 23,3% of them had disclosed them as targets in their reports.
- As a result, **target year 2030 and the associated estimations are not as reliable as 2025 estimations**.
- The figure shows the aggregated estimations provided by the companies.



TARGET SETTING

- Taking into account the previous considerations the following targets could be set as references:
 - Considering 2015 as base year:
 - Reduce total absolute methane emissions from Midstream by **50 % in 2025 vs. 2015.**
 - Reduce total absolute methane emissions from Midstream by 80 % in 2030 vs. 2015.
 - Considering 2020 as base year:
 - Reduce total absolute methane emissions from Midstream by **25 % in 2025 vs. 2020.**
 - Reduce total absolute methane emissions from Midstream by 75 % in 2030 vs. 2020.



These references are higher than the level of ambition of the main international initiatives (between -30% and -45% in ten years):

- *Methane Pledge of COP26 Glasgow (-30% in 2030 vs 2020).*
- *Global Methane Alliance (-45% in 2025 vs 2015).*

CONCLUSIONS & RECOMMENDATIONS

CONCLUSIONS

- There has been a **huge commitment** of midstream companies with the Methane Emissions reduction during the last years and it will continue in the following years with additional target with a higher level of difficulty.
- The estimations provided by midstream companies are positive indicators in order to set **methane reduction targets with levels of ambition aligned with the main international initiatives**.
- Target references for 2025 are more reliable than 2030 ones, and a repetition of the study in order to increase this reliability will be recommended.
- The action plan to reduce Methane emissions must consider Fugitive emissions and vents as main types of emissions (no significant differences were identified).

RECOMMENDATIONS

- Repeat the analysis in the following years with the following considerations:
 - Extend the scope of the analysis to Downstream activities.
 - Improve the reliability of 2030 targets.
 - Review the structure of the questionnaire (implement improvements).

ANNEX I. QUESTIONNAIRE

EUROPEAN METHANE TARGET QUESTIONNAIRE FOR MID/DOWNSTREAM

The aim of this questionnaire is to collect methane emission information from European mid/downstream companies (transmission networks, distribution networks, LNG regasification terminals and underground storages) to analyse the possibility of establishing a common European methane emissions reduction target.

Disclaimer: Data for single companies will be treated with confidentiality and will not be disclosed as it will be aggregated.

1. Provide details about your company and its activity:

Company Name

Country(-ies) covering your target

Part(s) of the gas value chain covered by your target

(Transmission, underground storage, regasification, distribution)

2. State your company's CH₄ emissions for the following years:

2015 has been selected as base line year in line with the following international initiatives: Global Methane Alliance, OGMP2.0 (IMEO).

Year	tCH ₄
2015	<input type="text"/>
2020	<input type="text"/>

In the case of information of 2020: If you have submitted data for the OGMP 2.0 initiative, please enter the data already submitted to ensure consistency. In case you have not submitted data for OGMP 2.0, please provide your 2020's methane emissions:

CH ₄ breakdown	tCH ₄ in 2020
Fugitive emissions	<input type="text"/>
Vents	<input type="text"/>
Incomplete combustion	<input type="text"/>
Total	0

Additional comments:

3. State the total amount of methane emissions you expect for the following years:

Please provide your best available methane emission estimations for 2025 and 2030. This information will be aggregated and does not represent an individual target.

Year	tCH ₄
2025	<input type="text"/>
2030	<input type="text"/>

Have these estimations been disclosed as targets? Yes

If your estimations are based on an activity factor, please use your best previsions to obtain an absolute value for methane emissions.

Additional comments: