

Brussels, 21 October 2022 (OR. en)

13764/22

Interinstitutional File: 2021/0423(COD)

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ENER 522 CLIMA 524 ENV 1042 IND 423 COMPET 813 RECH 551 AGRI 557 RELEX 1376 CODEC 1557

## NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee
No. Cion doc.:	15063/21 +RE1CO1 + ADD1-ADD4
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on methane emissions reduction in the energy sector and amending Regulation (EU) 2019/942
	- Guidance for further work

## I. <u>INTRODUCTION</u>

1. The Commission presented the proposal for a Regulation on methane emissions reduction in the energy sector on 15 December 2021, as a second part of the 'Fit for 55' legislative proposals that aims to implement the European Green Deal with a view to achieving climate neutrality in the Union by 2050. It was submitted together with the Regulation and Directive on the internal markets for renewable and natural gases and for hydrogen (Gas Package) as a part of new EU framework to decarbonise gas markets, promote hydrogen and reduce methane emissions.

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## II. STATE OF PLAY

- 2. The Regulation, together with its impact assessment, was presented to the Working Party on Energy on 7 February 2022. Further meetings of the Energy Working Party during the first half of 2022, under the French Presidency, gave way to changes reflected in the first revision of the proposal published on 20 April 2022. The overall progress was summarized in the report published on 10 June 2022. The Czech Presidency prepared a second revision on 12 July 2022 based on comments sent earlier by the Member States. Further discussions in the Energy Working Party and comments sent by the MS were reflected in the third revision released on 3 October 2022. The third revision was presented on 6 October 2022 and further discussed with the Member States on 17 October 2022 during the Energy Working Party.
- 3. The third revision brings a more comprehensive version of the text of the Regulation dealing with wording corrections, adding and clarifying its scope and definitions, as well as trying to introduce a solution to several issues that are at the core of the Regulation. Notably Article 6 on 'Inspections' underwent changes in the direction of a better-balanced wording that does not dilute the goals of the Regulation and at the same time makes the inspections a powerful tool for the competent authorities to oversee compliance with the Regulation.
- 4. Article 14 on leak detection and repair obligations (LDAR) in the oil and gas sectors, which is a crucial provision of the Regulation, was left unchanged in REV3 and an alternative proposal was submitted to the Member States in the informal note WK 13168 2022 as the Presidency seeks guidance for further work. The necessary changes to Article 14 are planned to be included in the fourth revision (REV4).
- 5. This note and the part of note WK 13168 2022 concerning art. 14 should serve as a basis for discussion in view of the COREPER debate on 26 October 2022.
- 6. A new approach, as described below, tries to address many of the considerations raised during the previous Energy Working Parties and aims at finding a good compromise between technical and economic feasibility, and high ambition to mitigate methane emissions in the energy sector. It consists of an LDAR obligation with a dual survey structure, which includes obligations to conduct:

- 1. a remote source-level LDAR survey to be carried out every 3 months with a detection limit of 17 grams per hour and a leak threshold triggering a repair also of 17 grams per hour. This survey focuses on detecting riskier larger leaks and on repairing them as soon as possible thereafter. It includes a leak threshold and sensitivity corresponding to detection technologies, such as optical gas imaging cameras (or any other detection devices that meet the requirements in terms of minimum detection limit and leak threshold), which allow operators to quickly survey their sites in the most cost-effective way;
- 2. a contact source-level LDAR survey to be carried out every 9 months with a minimum detection limit of 10 ppm or 8.3 milligrams per hour and a leak threshold triggering a repair of 500 ppm or 0.15 grams per hour. This survey focuses on detecting smaller leaks that must be repaired soon thereafter. It will require surveyors to use sensitive low-range devices that are typically used to detect and repair small leaks, such as Photoionization detectors (PIDs) and flame ionization detectors (FIDs) or any other detection devices that meet the requirements in terms of minimum detection limit and leak threshold
- 7. The new approach sets sensitivities and leak thresholds in flow rates using the existing CEN standard EN 15 446 (which provides conversion ratios for flow rates). This approach maintains technological neutrality on leak detection systems as the dual survey structure does not dictate (and therefore does not mention) which detection equipment should be used.

## III. ISSUES FOR POLITICAL GUIDANCE

Based on the aforementioned proposal on Article 14, the Presidency would like to ask the following questions:

- 1. What is your view on the proposal on Article 14, especially on the dual structure for smaller and larger leaks with the specific frequencies and the presented thresholds for repairs of components?
- 2. Alternatively, would you envisage different threshold values than those presented above?
- 3. Are there any significant outstanding issues that need to be addressed in the next revision of the proposal?

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