

GER written comments on the EU Methane Regulation: PRES and COM Proposals for compromise on Chapter 5 (Articles 13 und 27)

We generally **support the compromise proposals by the European Commission and the Spanish Presidency**. They have interesting ideas and are a step in the right direction if the following issues will be addressed properly:

Security of Supply and energy prices: As many other EU MS have emphasized, any regulation of gas needs to take the EU's and members states' security of supply as well its impact on energy prices in consideration.

For that reason, we propose – as already included in the Council's General Approach - an **impact assessment** alongside the development of the Upstream Methane Intensity and Performance Indicator as well as the inclusion of **additional safeguards in relation to SoS** in phase three once importers will need to comply with a performance standard.

Before setting an adequate level of methane intensity for imports, the impact assessment should analyze costs and benefits, security of supply and impact on energy prices of exporting countries and as well as the feasibility of a gradual increasing standard to allow EU importers sufficient time to adapt their supply.

Another safeguard could be based on provisions set out in the regulation on measures to safeguard security of gas supply (EU) 2017/1938 and foresee that if competent authorities of member states declared an alert at national level, they may suspend the requirement to impose penalties related to methane emissions in order to avoid additional pressure on energy prices.

Once a methane intensity performance obligation for importers would be introduced, we **prefer a general pricing mechanism over penalty schemes**. Banning imports from the EU market should not be an option

Harmonization efforts: Any definition of MMRV standards as well as a pricing mechanism set by EU member states/ EU COM should strive towards international harmonization. In that regard we welcome international efforts such as the MMRV-Working group led by the EU COM and the US, to harmonize and unify **MRV standards**. Furthermore, we welcome efforts to simplify the proof of **MRV Equivalence and the option for MS and COM** to initiate a process to assess whether the regulatory framework of a third country ensures that the relevant entities operating in the fossil energy supply chain comply with legally binding requirements which are at least equivalent to those resulting from the EU methane regulation.

Grandfathering: We welcome the proposal of the Presidency that states that MRV equivalence obligations apply to new contracts. The same principle should be foreseen for emission performance standards, once they are introduced.

Super emitter events: We welcome the focus on short-term super emitting events, as satellite data on huge methane leaks is already widely available. We would welcome the definition of a threshold for such events and need more clarity on the process set out to

consult with the country in question. In any case, consultations **need to include the members states which import oil and gas from those countries.**





Council of the European Union
General Secretariat

Brussels, 03 November 2023

WK 14242/2023 INIT

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CONTRIBUTION

From: General Secretariat of the Council
To: Working Party on Energy

Subject: DE comments on Methane Regulation

Delegations will find in the DE comments on the Methane Regulation.