Impact of EU Proposal for a Regulation on Methane Emission Along the Whole Value Chain:

the Perspective of the Italian Industry

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On December 16th, 2021, the European Parliament and the Council published the proposal for a regulation on "methane emissions reduction in the energy sector and amending Regulation (EU) 2019/942". The proposal is meant to support the widespread development of a robust MRV (Monitoring, Report and Verification) standard for methane emission in the energy sector and to put into EU law an obligation on leak detection and repair (LDAR), given that NGOs and industry respondents to the open public consultation believed that it is indeed feasible to phase out routine venting and flaring associated with energy produced and consumed in the EU.

The impact of the regulation is going to be huge and therefore the proposal is currently under scrutiny by most operators and key stakeholders, both at/ European and national levels.

This paper has been prepared by the members of Assorisorse Working Group on Methane Emissions, representing players along the whole value chain: technology providers, engineering contractors, EPC contractors, operators, testing, inspection and certification bodies and consultants focused on environment protection, H&S, and R&D. The group has been established at the end of 2021 to intercept the growing interest on the topic and the need to reduce emissions to the atmosphere, whatever the origin, reason, and duration: incident emissions from unplanned events, incomplete combustion, operational emissions, permeation, pneumatic, and vented emissions. The need for reduction goes together with the need to keep stakeholders and the community informed, which is achieved through the publication of yearly sustainability reports.

Assorisorse is committed to support public decision makers and key stakeholders and engaged in constant monitoring and proposal action – at European, national, and local level – relating to legislative and regulatory activity, and collaborate with various national and international bodies, creating synergies that favor business operations and developing common strategies on core topics.

The paper addresses the key changes introduced by the proposal and highlights some of the "hot topics" under discussion to contribute to the final version of the regulation, such as the prescriptive nature of some of the requirements, the lack of specific requirements for the various industries involved, the lack of cost-to-benefit analysis to prioritize interventions and maximize the positive return of the investments, the timing for the implementation, and the consistency between current technical standards and future ones.

The paper also addresses the best available technologies, design standards and O&M practices to reduce emissions and to improve the accuracy of their estimate, monitoring, and reporting, with a focus on innovation, R&D, and showing a few significant case histories.