### **European Parliament**



2019-2024

Committee on the Environment, Public Health and Food Safety Committee on Industry, Research and Energy

2021/0423(COD)

15.9.2022

# \*\*\*I DRAFT REPORT

on the 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 (COM(2021)0805 – C9-0467/2021 – 2021/0423(COD))

Committee on the Environment, Public Health and Food Safety Committee on Industry, Research and Energy

Rapporteurs: Silvia Sardone, Jutta Paulus

(Joint committee procedure – Rule 58 of the Rules of Procedure)

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#### Symbols for procedures

- \* Consultation procedure
- \*\*\* Consent procedure
- \*\*\*I Ordinary legislative procedure (first reading)
- \*\*\*II Ordinary legislative procedure (second reading)
- \*\*\*III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

#### Amendments to a draft act

#### Amendments by Parliament set out in two columns

Deletions are indicated in *bold italics* in the left-hand column. Replacements are indicated in *bold italics* in both columns. New text is indicated in *bold italics* in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

#### Amendments by Parliament in the form of a consolidated text

New text is highlighted in **bold italics**. Deletions are indicated using either the symbol or strikeout. Replacements are indicated by highlighting the new text in **bold italics** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

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#### DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the 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 (COM(2021)0805 – C9-0467/2021 – 2021/0423(COD))

#### (Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2021)0805),
- having regard to Article 294(2) and Article 194(2) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C9-0467/2021),
- having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
- having regard to the reasoned opinion submitted, within the framework of Protocol No 2 on the application of the principles of subsidiarity and proportionality, by the Czech Chamber of Deputies, asserting that the draft legislative act does not comply with the principle of subsidiarity,
- having regard to the opinion of the European Economic and Social Committee of 19 May 2022<sup>1</sup>,
- having regard to the opinion of the Committee of the Regions of xxx<sup>[2]</sup>,
- having regard to Rule 59 of its Rules of Procedure,
- having regard to the opinion of the Committee on Agriculture and Rural Development,
- having regard to the report of the Committee on the Environment, Public Health and Food Safety and the Committee on Industry, Research and Energy (A9-0000/2022),
- 1. Adopts its position at first reading hereinafter set out;
- 2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
- 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

<sup>&</sup>lt;sup>1</sup> OJ C 323, 26.8.2022, p. 101.

<sup>&</sup>lt;sup>[2]</sup> Not yet published in the Official Journal.

#### Proposal for a regulation Article 1 – paragraph 2 – point b

Text proposed by the Commission

(b) gas transmission, distribution, underground storage and *liquid* gas (LNG) terminals operating with fossil and/or renewable (bio-or synthetic) methane;

#### Amendment

(b) gas transmission, distribution, underground storage and *liquefied* gas (LNG) terminals operating with fossil and/or renewable (bio-or synthetic) methane;

Or. en

#### Amendment 2

Proposal for a regulation Article 2 – paragraph 1 – point 1

#### Text proposed by the Commission

(1) 'methane emissions' means all direct emissions occurring from all components that are potential sources of methane emissions, whether as a result of *intentional or unintentional* venting, incomplete combustion in flares or from other components and unintentional leaks;

#### Amendment

(1) 'methane emissions' means all direct emissions occurring from all components that are potential sources of methane emissions, whether as a result of venting, incomplete combustion in flares or from other components and unintentional leaks;

Or. en

#### Amendment 3

#### Proposal for a regulation Article 2 – paragraph 1 – point 12

Text proposed by the Commission

(12) 'specific emission factor' means an emission factor derived from direct measurements;

#### Amendment

(12) 'specific emission factor' means an emission factor *for a type of emission source that is* derived from direct measurements;

#### Proposal for a regulation Article 2 – paragraph 1 – point 15

#### Text proposed by the Commission

(15) 'site-level measurement' means a top-down measurement and typically involves the use of sensors mounted on a mobile platform, such as vehicles, drones, aircrafts, boats and satellites or other means to capture a complete overview of emissions across an entire site;

#### Amendment

(15) 'site-level measurement' means a top-down measurement and typically involves the use of sensors mounted on a mobile platform, such as vehicles, drones, aircrafts, boats and satellites, *the use of fixed sensors, such as continuous point sensor networks,* or other means to capture a complete overview of emissions across an entire site;

Or. en

#### Amendment 5

#### Proposal for a regulation Article 2 – paragraph 1 – point 17

#### Text proposed by the Commission

(17) 'leak detection and repair survey' means a survey to *identify sources of* methane emissions, *including* leaks and unintentional *venting*;

#### Amendment

(17) 'leak detection and repair survey' means a survey to *detect* methane emissions leaks and *other* unintentional *methane emissions*;

Or. en

#### Amendment 6

#### Proposal for a regulation Article 2 – paragraph 1 – point 22

Text proposed by the Commission

(22) 'routine flaring' means flaring during the normal production of oil or fossil gas and in the absence of sufficient facilities or amenable geology to re-inject

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#### Amendment

(22) 'routine flaring' means flaring during the normal production of oil or fossil gas and in the absence of sufficient facilities or amenable geology to re-inject

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*methane*, utilise it on-site, or dispatch it to a market;

*the produced gas*, utilise it on-site, or dispatch it to a market, *and excluding flaring caused by an emergency*;

Or. en

#### Amendment 7

#### Proposal for a regulation Article 3 – paragraph 2

#### Text proposed by the Commission

2. Every three years, the European Union Agency for the Cooperation of Energy Regulators (ACER) shall establish and make publicly available a set of indicators and corresponding reference values for the comparison of unit investment costs linked to measurement, reporting and abatement of methane emissions for comparable projects.

#### Amendment

2. Every three years, the European Union Agency for the Cooperation of Energy Regulators (ACER) shall establish and make publicly available a set of indicators and corresponding reference values for the comparison of unit investment costs linked to measurement, reporting and abatement of methane emissions for comparable projects. *The relevant regulatory authorities and the regulated operators shall provide ACER with all the data necessary for that comparison.* 

Or. en

Amendment 8

Proposal for a regulation Article 5 – paragraph 3 a (new)

Text proposed by the Commission

#### Amendment

3a. The competent authorities shall review and approve the mitigation plan to address methane emissions submitted by the operators.

#### **Proposal for a regulation Article 6 – paragraph 3**

#### Text proposed by the Commission

3. After the first inspection referred to in paragraph 1, the competent authorities shall draw up programmes for routine inspections. The period between inspections shall be based on an appraisal of the environmental risk and shall not exceed two years. Where an inspection has identified a serious breach of the requirements of this Regulation, the subsequent inspection shall take place within one year.

#### Amendment

3. After the first inspection referred to in paragraph 1, the competent authorities shall draw up programmes for routine inspections. The period between inspections shall be based on an appraisal of the environmental *and climate* risk and shall not exceed two years. Where an inspection has identified a serious breach of the requirements of this Regulation, the subsequent inspection shall take place within one year.

Or. en

#### Amendment 10

#### Proposal for a regulation Article 8 – paragraph 1 – introductory part

#### Text proposed by the Commission

1. Verifiers shall assess the conformity of the emissions reports submitted to them by operators or mine operators in accordance with this Regulation. They shall assess the conformity of the reports with the requirements laid down this Regulation and review all data sources and methodologies used in order to assess their reliability, credibility and accuracy, in particular the following points:

#### Amendment

1. Verifiers shall assess the conformity of the emissions reports submitted to them by operators or mine operators in accordance with this Regulation. They shall assess the conformity of the reports with the requirements laid down *in* this Regulation and review all data sources and methodologies used in order to assess their reliability, credibility and accuracy, in particular the following points:

#### Proposal for a regulation Article 8 – paragraph 2 – subparagraph 1

#### Text proposed by the Commission

In carrying out the verification activities referred to in paragraph 1, verifiers shall use *free and* publicly available European or international standards for methane emissions quantification as made applicable by the Commission in accordance with paragraph 5. Until such date where the applicability of those standards is determined by the Commission, verifiers shall use existing European or international standards for quantification and verification of greenhouse gas emissions.

#### Amendment

In carrying out the verification activities referred to in paragraph 1, verifiers shall use publicly available European or international standards for methane emissions quantification as made applicable by the Commission in accordance with paragraph 5. Until such date where the applicability of those standards is determined by the Commission, verifiers shall use existing European or international standards for quantification and verification of greenhouse gas emissions. Where no European or international standards are available, operators or mine operators shall provide information to the verifiers on the standards or methodologies used by the operators or mine operators for the purpose of verification activities.

Or. en

#### Amendment 12

#### Proposal for a regulation Article 8 – paragraph 2 a (new)

Text proposed by the Commission

#### Amendment

2a. The verification activities referred to in paragraphs 1 and 2 shall be aligned with current European or international standards and methodologies in order to limit the burden on operators or mine operators and on competent authorities.

#### Proposal for a regulation Article 8 – paragraph 5 a (new)

Text proposed by the Commission

#### Amendment

5a. Costs incurred from those activities shall be taken into account as referred to in Article 3.

Or. en

#### Amendment 14

#### Proposal for a regulation Article 10 – paragraph 1 – point e

#### Text proposed by the Commission

(e) reporting of findings on major discrepancies between data sources.

#### Amendment

(e) reporting of findings on major discrepancies between data sources, *contributing to build more robust methodologies;* 

Or. en

#### Amendment 15

#### Proposal for a regulation Article 10 – paragraph 1 a (new)

Text proposed by the Commission

#### Amendment

1a. The Commission shall seek the strengthening of the IMEO's role as a scientific-based institution.

#### Proposal for a regulation Article 10 – paragraph 2

#### Text proposed by the Commission

2. The Commission *may* submit methane emissions data to the International Methane Emissions Observatory, as made available to it by the competent authorities in accordance with this Regulation.

#### Amendment

2. The Commission *shall* submit methane emissions data to the International Methane Emissions Observatory, as made available to it by the competent authorities in accordance with this Regulation.

Or. en

#### Amendment 17

Proposal for a regulation Article 10 – paragraph 3

Text proposed by the Commission

3. The information produced by the International Methane Emissions Observatory shall be made available to the public and the Commission.

#### Amendment

3. The information, *including the reports*, produced by the International Methane Emissions Observatory shall be made available to the public and the Commission.

Or. en

#### Amendment 18

#### Proposal for a regulation Article 14 – paragraph 3

#### Text proposed by the Commission

3. In carrying out the surveys, operators shall use devices that allow detection of loss of methane from components of 500 parts per million or more.

#### Amendment

3. In carrying out the surveys, operators shall use *measuring* devices that allow detection of loss of methane from components of 500 parts per million or more, *of [XX g/hour], or of any visible emission from a fugitive emissions component observed using optical gas imaging.* 

Proposal for a regulation Article 14 – paragraph 4 – subparagraph 1

Text proposed by the Commission

Operators shall repair or replace all components found to be emitting *500 parts per million or more of* methane.

Amendment

Operators shall repair or replace all components found to be emitting methane *as referred to in paragraph 3*.

Or. en

#### Justification

Change is necessary to be consistent with changes made in paragraph 3.

Amendment 20

#### Proposal for a regulation Article 14 – paragraph 5 – subparagraph 1

Text proposed by the Commission

Notwithstanding paragraph 2, operators shall *survey* components that were found to be *emitting 500 parts per million or more of* methane during any of the previous surveys as soon as possible after the repair carried out pursuant to paragraph 4, and no later than 15 days thereafter to ensure that the repair was successful.

#### Amendment

Notwithstanding paragraph 2, operators shall *re-survey* components that were found to be *leaking* methane during any of the previous surveys as soon as possible after the repair carried out pursuant to paragraph 4, and no later than 15 days thereafter to ensure that the repair was successful.

Or. en

#### Justification

Changes are necessary to be consistent with changes made in paragraph 3.

#### Proposal for a regulation Article 14 – paragraph 5 – subparagraph 2

#### Text proposed by the Commission

Notwithstanding paragraph 2, operators shall survey components that were found to be emitting below *500 parts per million of methane*, no later than three months after the emissions were detected, to check whether the size of loss of methane has changed.

#### Amendment

Notwithstanding paragraph 2, operators shall survey components that were found to be emitting below *the threshold values referred to in paragraph 3 and were not repaired in accordance with paragraph 4*, no later than three months after the emissions were detected, to check whether the size of loss of methane has changed.

Or. en

#### Amendment 22

#### Proposal for a regulation Article 14 – paragraph 6 – subparagraph 1

#### Text proposed by the Commission

Without prejudice to the reporting obligations pursuant to paragraph 7, operators shall record all identified leaks, irrespective of their size, and shall *continually* survey them *to* ensure that they are repaired in accordance with paragraph 4.

#### Amendment

Without prejudice to the reporting obligations pursuant to paragraph 7, operators shall record all identified leaks, irrespective of their size, and shall *periodically* survey them *and* ensure that they are repaired in accordance with paragraph 4.

Or. en

#### Amendment 23

#### Proposal for a regulation Article 14 – paragraph 7 – subparagraph 1

Text proposed by the Commission

Within one month after each survey, operators shall submit a report with the results of the *survey and a* repair and

#### Amendment

Within one month after each survey, operators shall submit a report with the results of the *surveys summarising the*  monitoring schedule to the competent authorities of the Member State where the relevant assets are located. The report shall include at least the elements set out in Annex I.

#### leaks that could not be repaired and the

*corresponding* repair and monitoring schedule to the competent authorities of the Member State where the relevant assets are located. The report shall include at least the elements set out in Annex I.

Or. en

#### Amendment 24

#### Proposal for a regulation Article 15 – paragraph 2 – point b

#### Text proposed by the Commission

(b) where unavoidable and strictly necessary for the operation, repair, maintenance or testing of components or equipment and subject to the reporting obligations set out in Article 16.

#### Amendment

(b) where unavoidable and strictly necessary for the operation, repair, maintenance or testing of components or equipment and subject to the reporting obligations set out in Article 16. *In any case, the vented volume shall be minimised.* 

Or. en

#### Amendment 25

#### Proposal for a regulation Article 15 – paragraph 3 – introductory part

Text proposed by the Commission

3. Venting under point (b) of paragraph 2 shall *include* the following specific situations where venting cannot be completely eliminated:

#### Amendment

3. Venting under point (b) of paragraph 2 shall *be allowed in* the following specific situations where venting cannot be completely eliminated:

#### Proposal for a regulation Article 16 – paragraph 1 – subparagraph 1 – point a

Text proposed by the Commission

(a) caused by an emergency or a malfunction;

#### Amendment

(a) caused by an emergency or a malfunction; *or* 

Or. en

#### Amendment 27

#### Proposal for a regulation Article 17 – paragraph 1

#### Text proposed by the Commission

1. Where a *facility* is built, replaced or refurbished, or where new flare stacks or other combustion devices are installed, operators shall install only combustion devices with an auto-igniter or continuous pilot and a complete destruction removal efficiency for hydrocarbons.

#### Amendment

1. Where a *site* is built, replaced or refurbished *in whole or in part*, or where new flare stacks or other combustion devices are installed, operators shall install only combustion devices with an auto-igniter or continuous pilot and a complete destruction removal efficiency for hydrocarbons.

Or. en

Amendment 28

#### Proposal for a regulation Article 20 – paragraph 1

#### Text proposed by the Commission

1. For underground coal mines, mine operators shall perform continuous *ventilation air methane* emissions measurement *and quantification* on all exhaust ventilation shafts *used by the mine operator, using apparatus with a* methane *concentration sensitivity threshold of at least 100 parts per million. They shall also* 

#### Amendment

1. For underground coal mines, mine operators shall perform continuous *source level methane* emissions measurement on all exhaust ventilation shafts. *Mine operators shall report to the competent authorities* methane *releases per ventilation shaft per year in kt of methane, using equipment resulting in a* 

take monthly sample-based measurements.

Or. en

#### Amendment 29

#### Proposal for a regulation Article 20 – paragraph 2

#### Text proposed by the Commission

2. Drainage stations operators shall perform continuous measurements of *volumes* of vented and flared methane, regardless of the reasons for such venting and flaring activity.

#### Amendment

2. Drainage stations operators shall perform continuous measurements of *total releases* of vented and flared methane, regardless of the reasons for such venting and flaring activity.

Or. en

#### Amendment 30

#### Proposal for a regulation Article 22 – paragraph 1

#### Text proposed by the Commission

Venting and flaring of methane 1. from drainage stations shall be prohibited from [1 January 2025], except in the case of an emergency, a malfunction or where unavoidable and strictly necessary for maintenance. In such cases, drainage station operators shall vent only if flaring is not technically feasible or risks endangering safety of operations or personnel. In such a situation, as part of the reporting obligations set out in Article 23, drainage station operators shall demonstrate to the competent authorities the necessity to opt for venting instead of flaring.

#### Amendment

Venting and flaring *with a* 1. destruction and removal efficiency below 98% of methane from drainage stations shall be prohibited from [1 January 2025], except in the case of an emergency, a malfunction or where unavoidable and strictly necessary for maintenance. In such cases, drainage station operators shall vent only if flaring is not technically feasible or risks endangering safety of operations or personnel. In such a situation, as part of the reporting obligations set out in Article 23, drainage station operators shall demonstrate to the competent authorities the necessity to opt for venting instead of flaring.

Or. en

#### Proposal for a regulation Article 22 – paragraph 2

#### Text proposed by the Commission

2. Venting of methane through ventilation shafts in coal mines emitting more than **0.5** tonnes of methane/kilotonne of coal mined, other than coking coal mines, shall be prohibited from 1 January 2027.

#### Amendment

2. Venting of methane through ventilation shafts in coal mines emitting more than *3* tonnes of methane/kilotonne of coal mined, other than coking coal mines, shall be prohibited from 1 January 2027.

Or. en

#### Amendment 32

#### Proposal for a regulation Annex I – paragraph 2 – point iii

#### Text proposed by the Commission

(iii) For components found to be emitting 500 parts per *million* or more of methane, indication of whether repair was undertaken during the LDAR survey and if not why, taking into account the requirements as regards what elements can be taken into account for a delayed repair, as per Article 14, paragraph 4.

#### Amendment

(iii) For components found to be emitting 500 parts per *million / [XX g/hour]* or more of methane, indication of whether repair was undertaken during the LDAR survey and if not why, taking into account the requirements as regards what elements can be taken into account for a delayed repair, as per Article 14, paragraph 4.

Or. en

#### Amendment 33

#### Proposal for a regulation Annex I – paragraph 2 – point iv

Text proposed by the Commission

(iv) For components found to be emitting 500 parts per *million* or more of

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Amendment

(iv) For components found to be emitting 500 parts per *million / [XX* 

methane, planned repair schedule indicating planned date of repair,

*g/hour]* or more of methane, planned repair schedule indicating planned date of repair,

Or. en

#### Amendment 34

#### Proposal for a regulation Annex I – paragraph 2 – point v

#### Text proposed by the Commission

(v) For components found to be emitting less than 500 parts per *million* in previous LDAR survey, but found to be emitting 500 parts per *million* or more of methane during post LDAR monitoring to check whether the size of loss of methane has evolved, indication whether repair was undertaken immediately and if not, why not (as per iii), and planned repair schedule indicating planned date of repair.

#### Amendment

(v) For components found to be emitting less than 500 parts per *million / [XX g/hour]* in previous LDAR survey, but found to be emitting 500 parts per *million / [XX g/hour]* or more of methane during post LDAR monitoring to check whether the size of loss of methane has evolved, indication whether repair was undertaken immediately and if not, why not (as per iii), and planned repair schedule indicating planned date of repair.

Or. en

#### Amendment 35

#### Proposal for a regulation Annex I – paragraph 5 – point iii

Text proposed by the Commission

(iii) For components found to be emitting 500 parts per *million* or more of methane, results of monitoring after repair to check if repair was successful

#### Amendment

(iii) For components found to be emitting 500 parts per *million / [XX g/hour]* or more of methane, results of monitoring after repair to check if repair was successful

#### Proposal for a regulation Annex I – paragraph 5 – point iv

#### Text proposed by the Commission

(iv) For components found to be emitting less than 500 parts per *million* of methane, results of post LDAR monitoring to check whether the size of loss of methane has evolved and recommendation on the basis of finding.

#### Amendment

(iv) For components found to be emitting less than 500 parts per *million / [XX g/hour]* of methane, results of post LDAR monitoring to check whether the size of loss of methane has evolved and recommendation on the basis of finding.

Or. en

Amendment 37

#### Proposal for a regulation Annex II – paragraph 1 – point ii

Text proposed by the Commission

(ii) name and type of asset;

Amendment

(ii) *location*, name and type of asset;

Or. en

#### Amendment 38

#### Proposal for a regulation Annex II – paragraph 1 – point v

Text proposed by the Commission

(v) measured or estimated volume of vented or flared *natural gas*;

#### Amendment

(v) measured or estimated volume of vented or flared *methane*;

Or. en

#### Amendment 39

Proposal for a regulation Annex III – paragraph 1 - subparagraph 1

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Text proposed by the Commission

Weekly flare stack inspections must include a comprehensive Audio, Visual and Olfactory (AVO) inspection (including external visual inspection of flare stacks, listening for pressure and liquid leaks and smelling for unusual and strong odours).

#### Amendment

Weekly *or continuous monitoring* flare stack inspections must include a comprehensive Audio, Visual and Olfactory (AVO) inspection (including external visual inspection of flare stacks, listening for pressure and liquid leaks and smelling for unusual and strong odours).

Or. en

Amendment

(iii) cause of the venting and/or flaring event, *where applicable*;

Or. en

#### Amendment 41

Amendment 40

(iii)

event:

**Proposal for a regulation** 

Annex VI – paragraph 1 – point iii

Text proposed by the Commission

#### Proposal for a regulation Annex VII – Part 1 – paragraph 1 – point v – introductory part

Text proposed by the Commission

(v) results of *methane concentration* measurement at the following *elements*:

(v) results of *source level methane emissions* measurement at the following *emission sources*:

Amendment

Or. en

# cause of the venting and/or flaring