

Synergrid contribution in response to the European Commission's consultation on the proposal for a 'Hydrogen and Gas Market Decarbonisation package':

- **Regulation on methane emissions reduction in the energy sector and amending Regulation (EU) 2019/942 – deadline 18.04.2022**
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1. Introduction

Synergrid is focusing in its response on the:

- Regulation on methane emissions reduction in the energy sector.

Our paper and response starts with a **general position on the proposed EU legislation**, followed by the **main attention points in the new proposed legislation**.

Amended text proposals can be found in the **Annex I** (still in elaboration).

2. General position

Synergrid welcomes the European Commission "*Proposal for a Regulation on methane emissions reduction in the energy sector*" [COM(2021) 805 final, 15.12.2021].

The Belgian mid- and downstream operators have been working for many years to reduce methane emissions and are committed to pursuing and intensifying their contribution to mitigate methane emissions.

Publishing the EC Regulation proposal is a key milestone. However, there are provisions that require further attention and adjustments to ensure effectiveness, commensurability, feasibility and applicability of the Regulation.

Our general concerns are related to the proportionality of the required measures and the impact they may entail considering that:

- **One type of solution does not fit all cases** along the value chains – the different segments (upstream, transmission, storage, LNG and distribution) have different specificities and challenges in tackling methane emissions.
 - **Materiality and proportionality** should be key to properly allocate efforts (balanced between mitigation actions and reporting) to achieve quick and significant reduction of methane emissions.
 - **Flexibility** is needed to **prioritize** the tools and available technologies enabling the most efficient emissions reduction at the right cost.
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3. Main attention points

Our comments below are addressing the following specific provisions of the Regulation proposal on:

- Costs of network operators;
- International Methane Emissions Observatory (IMEO);
- Inspections and Verifiers;
- Monitoring, and Reporting and Verification (MRV);
- General Mitigation obligation;
- Leak Detection and Repair (LDAR);
- Venting and Flaring.

Costs of network operators

European gas infrastructure operators welcome that the Regulation proposal recommends the investments and costs undertaken by infrastructure operators for improvement of the MRV and further reduction of methane emissions to be recognized within the scope of regulated activities. This will allow Regulatory Authorities to take these costs into consideration.

For estimation and justification of proportionate costs indicators linked to abatement of methane emissions, we recommend taking into account the various types of assets, their characteristics and specific condition.

Gas infrastructure operators should agree with Competent Authorities on a pathway to achieve the methane emissions reduction targets and to prioritize the cost-efficiency and cost-effectiveness measures.

International Methane Emissions Observatory (IMEO)

IMEO should build on the requirements defined by the Regulation to become an impartial and scientifically based body to analyse and aggregate the reported data, keeping in mind that double reporting and/or double verification must be avoided.

Inspections and Verifiers

The administrative burden and costs associated with the independent verification are a concern and cannot be justified in achieving an efficient mitigation. The roles and missions of verifiers and of Competent Authorities should be clear to avoid overlap.

The inspections by authorities should be aligned with other inspections required by other legislation to avoid increased efforts and useless burdens for both operators and Competent Authorities.

Considering the high quality of technical standards and skills of some operators, it may be reasonable to consider an accreditation scheme for qualified teams of operators.

Monitoring, Reporting and Verification (MRV)

The Belgian TSO and DSOs support the implementation of transparent and harmonised MRV system.

We advise aligning key concepts, definitions and requirements of this regulation with existing reporting initiatives (e.g. the reporting template from OGMP2.0), allowing a more accurate and transparent reporting.

MRV provisions should take into account the specificities of the installations and should be realistic regarding the implementation timing and the sampling strategy. The use of quantification

methodologies instead of measurement has to be possible since in many cases, direct measurements are neither feasible nor lead to a higher data accuracy in comparison with engineering methods, simulation tools and specific emissions factors.

Also, the use of generic emission factors should remain allowed for the reporting of emissions from TSO and DSOs since individual measurements are in many cases not possible or will entail excessive costs with limited added value on the reporting.

To ensure a correct application of the regulation, a clear definition of "site" is required knowing that according to our interpretation buried pipeline and directly connected pressure reduction station are not to be considered as a site as such.

The top-down reconciliation of emissions on a representative sample should not be foreseen until the site-level reconciliation techniques and methodology are mature and accurate enough, described by harmonized CEN or ISO standards, and available in the market.

General mitigation obligation

The mitigation measures should be reasonable and proportional, based on best available techniques allowing flexibility in the solution to apply. TSO and DSOs should have the liberty to choose the most appropriate actions depending on the applicability in view of their own installation specificities.

Leak Detection and Repair (LDAR)

Avoiding leaks and the reduction of methane emissions have always been a high priority for the gas TSO and DSOs. Leak Detection and Repair (LDAR) is part of our core business. Decades ago, LDAR was performed mostly for safety reasons, but for many years, the environmental aspects became also increasingly important.

The Commission should consider the operators' experience and the regulation should allow flexibility in the LDAR practices and techniques ensuring efficient detection taking into account the specificities of the installations.

The LDAR periodicity should be based on experience and the concept of condition based maintenance.

Timing for reparation should consider the technical feasibility, the safety and the environmental benefits. This decision should be made by competent authorities in a close cooperation with the gas operators. This approach will essentially allow to adapt Regulation's requirements to the local context: decreasing the frequency of the surveys where it is not urgent and increasing it when it is necessary.

The LDAR requirements should focus on avoidance and rapid abatement of emissions rather than their precise quantification during LDAR. Since leaks are not directly quantified with LDAR, generic emission factors should be used for the reporting of these leaks.

The reporting associated to the LDAR should be the subject of annual reports, and double reporting should be avoided.

Venting and flaring

We recognize the importance of minimizing venting and flaring, acknowledging that mitigation efforts must remain proportionate and that in some specific situations, venting cannot be completely eliminated and must remain allowed, with integration of decommissioning in art. 15 §3 (j).

The reporting requirement regarding venting and flaring does not give any added value for the methane reduction and will entail a huge cost and administrative burden. Specific reporting of

venting and flaring activities should be aligned with MRV reporting periodicity and remain limited to emergency or malfunction lasting for more than 8 hours and so to avoid overlap with the requested MRV that will already include other emissions. Venting and flaring operations generating minor emissions, should be exempted from individual reporting.

We urge to recognize that a lead time for implementing the venting & flaring provisions is required.

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About Synergrid :

Synergrid, the Belgian Federation of Electricity and Gas System Operators, is committed to safeguard the common interests of its members, the Belgian Transmission System Operators (TSOs: Elia, Fluxys) and Distribution System Operators (DSOs : Aieg, Aiesh, Fluvius, Ores, Resa, REW, Sibelga).

In this context, Synergrid :

- organises and facilitates contacts between the various electricity and gas TSOs and DSOs in Belgium in order to improve service efficiency, formulate common positions and enhance service to network users;
- represents the TSOs and DSOs in their relations with the authorities, advisory bodies or other instances, authorities or organisations at all levels ;
- defends the interests of electricity and gas TSOs and DSOs;
- develops technical, environmental and safety standards and prescriptions in relation to the TSOs and DSOs
- is the reference adviser to TSOs and DSOs on social relations and act as their spokesperson in social concertation bodies at national level;
- collects data on flows and consumption of electricity and gas in Belgium and provides statistics on these figures