



The Danish Government's response to the European Commission's public consultation on legislation to measure and mitigate methane emissions in the energy sector

The Danish Government's key priorities for the EU strategy to reduce methane emissions in the energy sector

- A uniform, industry wide approach to measurement, reporting and verification (MRV) of all energy-related methane emissions.
- Obligations to improve the potential of leak detection and repair of leaks (LDAR) in fossil gas infrastructure and oil and gas process facilities.
- Restrictions of flaring and venting activities along with efficiency standards for flaring.
- Mitigating methane emissions from biogas facilities by breaking down the RED default methane leakage values by source of emissions.
- An alignment of future EU regulation for reducing methane emissions with the revision of the EU ETS – to ensure ambitious and cost-effective reductions across Member States without incurring unreasonable implementation costs to the operators already covered by the EU ETS.
- Strengthening of the international cooperation and knowledge sharing on decreasing methane emissions on a global scale.

The Danish Government welcomes the EU strategy to reduce methane emissions and the current proposal for developing EU legislation to prevent methane leakage in the energy sector. The Commission's priorities are consistent with the Danish Government's agenda on climate and energy.

The Danish Government supports ambitious and cost effective climate action within the EU and finds it important to ensure that the most cost effective actions to reduce emissions of greenhouse gasses will be of first priority. This also goes for the specific efforts to reduce methane emissions.

Denmark supports the specific objectives of the policy proposal to reduce methane emissions,

- i) to improve the availability and accuracy of information on the specific sources of methane emissions associated with energy consumed in the EU, and
- ii) to put in place EU measures to mitigate those emissions across different segments of the energy supply chain to support the enhanced 2030 climate target of at least 55 pct. and climate neutrality by 2050 at the latest.



Measurement, reporting, and verification (MRV) for all energy-related methane emissions

The Danish Government supports the objective of introducing legislation for measurement, reporting and verification (MRV) for energy-related methane emissions as proposed by the Commission in the strategy. Improving measuring and reporting of methane emissions will lead to an increased understanding of where and how emissions occur in the energy sector and in turn form the basis for effective mitigation and ultimately reductions.

The Danish government acknowledges the advantages of a uniform industry wide approach to detect, monitor and report methane emissions as a means to benchmark between assets, companies and regions, and as an effective incentive to take steps towards reducing emissions. The Danish Government thus supports the Commission's proposal to base legislative proposals on MRV on the methodology of already existing global voluntary oil and gas industry initiative Oil and Gas Methane Partnership (OMGP). The Commission is encouraged to align rules on MRV for all energy-related methane emissions with the EU Emissions Trading System (EU ETS), cf. below.

It should be acknowledged that not all operators in the oil and gas value chain are currently following the OGMP framework and that technical feasibility and cost for implementation is currently unknown. Information on the magnitude and distribution of costs associated with measuring, reporting and mitigation of methane emissions would be helpful to ensure that MRV is introduced in an economically efficient way with prioritisation of installations where the potential emissions are highest.

Obligation to improve leak detection and repair of leaks (LDAR)

The Danish government agrees with the Commission in introducing an obligation to improve leak detection and repair of leaks (LDAR) on fossil gas infrastructure, as well as any other production, transport or use of fossil gas. An improved LDAR program may prove as an efficient mitigation strategy for reducing emissions from fugitive methane leaks from pressurised equipment used in the oil and gas industry.

Proposed obligations should consider the level of technical feasibility in the different parts of the oil and gas supply chain and for instance take into account the challenging nature of the offshore environment compared to onshore facilities.

On a more general level, Denmark supports a revision of existing BREF documents with more focus on methane emission sources from all industries to give the industries an overview of the tools and methodologies available to reach BAT.

Venting and flaring

Denmark supports the Commission's considerations concerning legislation on eliminating routine venting and flaring in the energy sector covering the full supply chain, from production to the end user including refineries.



The Danish Government finds it relevant to explore a more precise standard for flaring efficiency, with the objective of further reducing both fugitive emissions and emissions from incomplete combustion of fuels. New standards for flaring should be imposed on new developments, while the cost effectiveness of imposing new standards should be reviewed especially when involving alterations to existing offshore installations, which may be burdensome both technically and cost-wise. As an alternative in the case of existing offshore installations, the Danish Government finds that monitoring of methane slip in flaring operations and its mitigation may provide sufficient and cost effective advancement towards emission reductions.

Denmark does not allow routine flaring and venting and has joined the World Bank “Zero Routine Flaring by 2030” initiative. We can therefore support that its implementation is moved forward to 2025.

Flaring and venting cannot be fully avoided and may be necessary occasionally due to safety and process specific conditions (non-routine). The Danish Government thus finds it important to obtain clarity on the definitions under this scope, such as what is defined by the term “routine” in the context of flaring and venting, in order to ensure clarity for the industry and prevent possible loopholes. Definitions may be developed in cooperation with relevant sector stakeholders. However, MRV provisions should include all kinds of methane venting and flaring/combustion, including accidental, emergency and other non-routine events.

Abandoned sites

The Danish Government finds it important to extend the mitigations to include abandoned sites, specifically abandoned coalmines and abandoned oil and gas wells.

Concerning abandoned oil and gas wells, the Danish authorities and operators acknowledges the responsibility for correct P&A of all wells within Danish jurisdiction, which follows international standards. The authority to impose monitoring activities on abandoned offshore wells is already available to the European national authorities and further legislation on this matter may not be warranted, since the requirement for monitoring, if appropriate, is already included in the EIA directive, cf. article 8 a (4) in the EIA directive. The obligation and costs of monitoring lie with the asset owner/Licensee according to the conditions in the Danish licenses.

Denmark generally supports sharing of information and experiences across the EU and North Sea region regarding long-term hazards from decommissioned assets and well sites. With regard to e.g. technological improvements, this is periodically reviewed within the OSPAR Offshore industry Committee (OIC).



Furthermore, it is suggested that periodical reviews of long-term environmental hazards such as methane leakage from decommissioned assets could be coordinated by the European Union Offshore Oil and Gas Authorities Group (EUOAG).

Legislating mitigation of emissions from biogas/biomethane

The Danish Government is generally concerned on the subject of methane emissions from biogas plants and biogas upgrading facilities. Denmark is currently making efforts to address the issue nationally, through a project designed to investigate methane leakages from different biogas facilities and to convey awareness on the issue in the industry.

The Danish Government acknowledges the possibility to address the issue through the Renewable Energy Directive (RED) or the revision of the RED II, but would like to point towards the fact that the requirements of the minimum greenhouse gas savings threshold only applies to biogas facilities, which started operation on January 1st 2021 or later. Because of this, the RED does not put forward any incentive towards biogas facilities, which were in operation before this date. Denmark finds it very important that older as well as new biogas facilities have incentives to reduce methane leakages.

Denmark welcomes the suggestion to break down the RED default methane leakage values by source of emissions and different types of anaerobic digestion, since this would provide a more accurate calculation of the greenhouse gas savings and provide incentives to reduce leakages. It is very important to review the values thoroughly and investigate the issue further, in order for the values to correctly represent the most recent methane leakage estimations from biogas facilities.

Aligning the future EU rules for reducing methane emissions with the EU ETS

Denmark is calling on the Commission to align the future EU rules for reducing methane emissions with the EU ETS directive (2003/87/EC), where the status of methane emissions currently remains ambiguous. This is in addition to the E-PRTR Regulation and the Industrial Emissions Directive as well as other regulation already under consideration by the Commission.

On the one hand, the EU ETS directive undoubtedly covers carbon dioxide emissions from relevant oil and gas sector industries, such as refineries, cf. Annex I to the directive. It is also beyond doubt that within the context of the EU ETS directive, methane is to be considered a greenhouse gas, cf. Annex II. On the other hand, relevant industrial activities such as combustion of fossil fuels or refining of mineral oil are not subject to MRV obligations beyond the emission of carbon dioxide, cf. Annex I. In effect, methane emissions from production platforms to refineries are currently exempted from MRV obligations in spite of those installations being monitored for carbon dioxide emissions.



The Commission is currently revising the EU ETS directive and will propose draft legislation later this year with the intention to possibly extend emissions trading to new sectors and broaden the scope of emissions. The revision presents an important chance to lift current limitations to the scope of MRV obligations for ETS-covered installations making sure that methane emissions will be covered by EU ETS. In this light, Denmark encourages the Commission to align its regulatory approach to methane emissions – e.g. MRV obligations for all energy-related methane emissions – with its revision of the EU ETS. A strong and uniform CO₂ price signal on methane emissions in the energy sector will ensure ambitious and cost-effective reductions across Member States without incurring unreasonable implementation costs to the operators already covered by the EU ETS.

If the Commission would deem it unavoidable to establish new separate methane MRV regulation outside the EU ETS directive, it is still imperative to design this new regulation in a way that allows for easy adoption of methane MRV into the EU ETS framework at a later stage. In cases where methane emitting installations in the energy and industry sector is not covered by the EU ETS yet, it is worth assessing if those installations should be included either now or at a later time.

The EU ETS is not only a proven system for incentivizing energy and industry to reduce greenhouse gas emissions without incurring unreasonable costs on operators. It is also an efficient mechanism for providing financial means for investments necessary to combat greenhouse gas emissions.

International cooperation

The Danish government agrees with the Commission in the importance of strengthening the international cooperation with the aim of decreasing methane emissions on a global scale. Denmark acknowledges that emissions in the oil and gas industry is a global issue and supports the proposal to strengthen the international cooperation of the priority objectives of the strategy to ensure that companies use uniform and more accurate methods of measuring and reporting methane emissions than they do today.

The Danish government supports the considerations for EU to include in the scope of its regulation all of the methane emissions linked to its consumption of fossil energy (oil, gas and coal). The Commission should examine whether obligations on MRV, LDAR and venting and flaring could somehow be extended to cover exporting companies of oil and gas, or even types of fossil energy, to the EU.

The Danish Government supports EU and international efforts to use satellite surveillance and establish the International Methane Emission Observatory (IMEO). Denmark supports the IMEOs aim of collecting, reconciling and verifying methane emissions data at a global level, adding value by cross checking data with science studies, country reporting and data sources such as satellite measurements.



An important task of the IMEO will be publishing and sharing of data internationally and providing the methane-supply index (MSI) at EU and international level. The Danish Government agrees that the MSI will be an important market transparency instrument, allowing buyers to make informed choices on the methane intensity of fossil energy sources before the purchasing decision.