

U.S. Technical Assistance for Methane Emissions Abatement Governance / Legal & Regulatory Regimes



20 March 2024
UNECE Global Methane Forum

Supported by
U.S. Department of State –
Bureau of Energy Resources



A Global Effort

- **Governments are prioritizing methane.** More than 150 countries, including Indonesia, have joined the Global Methane Pledge (GMP), which commits to collectively reduce man-made methane by at least 30 percent below 2020 levels by 2030.
- **IEA estimates 70% of methane from oil and gas can be reduced with well known technology that is currently available.** Rapid reduction is feasible, and the technologies are time-tested and ready for deployment.



Climate
Leadership

Global
Methane
Pledge



The U.S. Government and Methane Abatement

- U.S. Government is focused on methane abatement globally, leveraging a whole of government approach that is coordinated across many departments and agencies.
- The U.S. Department of State and the Environmental Protection Agency (EPA) play the lead roles on international cooperation on methane and on domestic methane abatement and expertise.
- Other USG involved include: the Pipeline and Hazardous Materials Safety Agency (PHMSA), the U.S. Trade and Development Agency (USTDA), USAID, the DFC, NASA, EXIM Bank, and the U.S. Department of Commerce, among others.
- Within the U.S. Department of Commerce, we have not only engagement on trade in methane abatement goods and services, but also a small office under the Office of General Counsel, called the Commercial Law Development Program or CLDP.
- CLDP - Energy Transition Team (<https://cldp.doc.gov/areas-expertise/energy-transition>) provides legal, regulatory, and governance technical assistance for all energy transition issues, focused on making energy sectors sustainable and “clean” or “green” while also improving the climate for business. Our methane technical assistance is entirely sponsored and directed by the State Department, Bureau of Energy Resources (State/ENR).
- CLDP is engaged in technical assistance in a number of countries globally, but primarily in Asia, both Central and South.

About CLDP

Mission: Improve the legal environment for business worldwide

- Established in 1992
- Provides legal technical assistance to countries and governments around the world on behalf of the U.S. Department of Commerce

What we do: CLDP provides government-to-government technical assistance, drawing upon experienced regulators, judges, policymakers, business leaders, and attorneys from the public and private sectors, supporting U.S. foreign policy goals and helping host countries implement legal reforms that:

- Modernize their commercial legal environments
- Support their economic development

Energy Transition Team: focuses on power sector reform, renewable energy, sustainable investment in minerals & mining, and decarbonization (methane, carbon capture, utilization & storage) in support of our funder's (State/ENR) strategic objectives



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**Introduction to the *Methane
Abatement for Oil & Gas:
Handbook for Policy Makers***

Methane Abatement for Oil and Gas: Handbook for Policymakers

About the Handbook

A 'how-to' action guide to empower legislators, regulators, and NOC officials to adopt and enforce legal instruments to reduce methane emissions from the oil and gas sector.

Available here:

<https://cldp.doc.gov/methane-abatement-resources>

**Methane Abatement
for Oil and Gas**
Handbook for Policymakers



Methane Abatement for Oil and Gas: Handbook for Policymakers

About the Handbook (continued)

- Sponsored by **U.S. Department of State, Bureau of Energy Resources (State/ENR)**
- Drafted by 13 expert co-authors.
- Co-written by authors from:
 - Government (U.S., Sri Lanka, and Bangladesh)
 - NGOs
 - Multilaterals
 - Industry
 - Academia



Energy Resources
U.S. DEPARTMENT *of* STATE



Berkeley
Law



The Commonwealth



CLEAN AIR
TASK FORCE



Key Takeaways

- Methane, a key component of natural gas, is both a global commodity and a greenhouse gas (GHG) that contributes to climate change.
- Near-term methane reduction across all economic sectors, including oil and gas, is vital to achieving global climate goals.
- Methane abatement can generate revenue, improve energy access, create jobs, enhance energy security, provide access to investment, enhance safety, advance community health, and showcase leadership.
- Governments can design win-win oil and gas methane abatement policies to achieve these objectives.
- Governments can seize the methane opportunity, abating emissions and advancing their economic and social goals.



Potential Policy and Regulatory Strategies

Prescriptive:

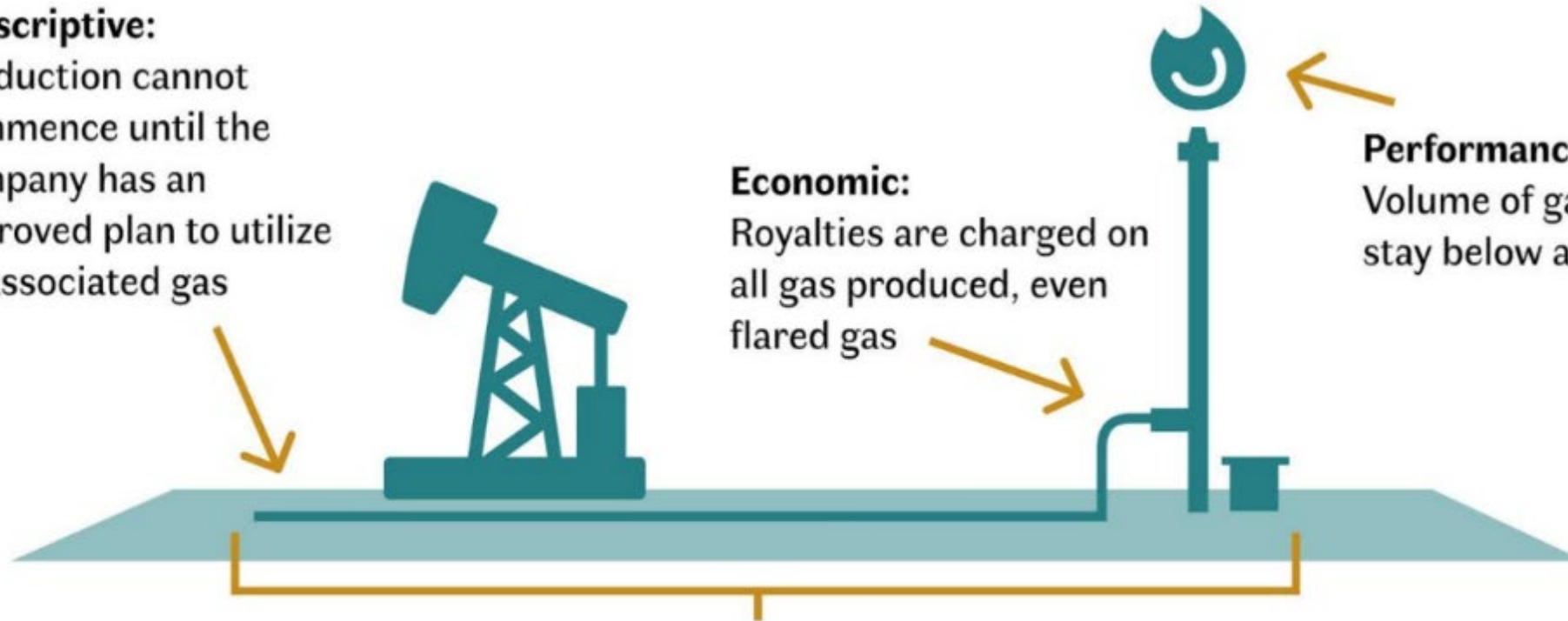
Production cannot commence until the company has an approved plan to utilize all associated gas

Economic:

Royalties are charged on all gas produced, even flared gas

Performance:

Volume of gas flared must stay below a target level

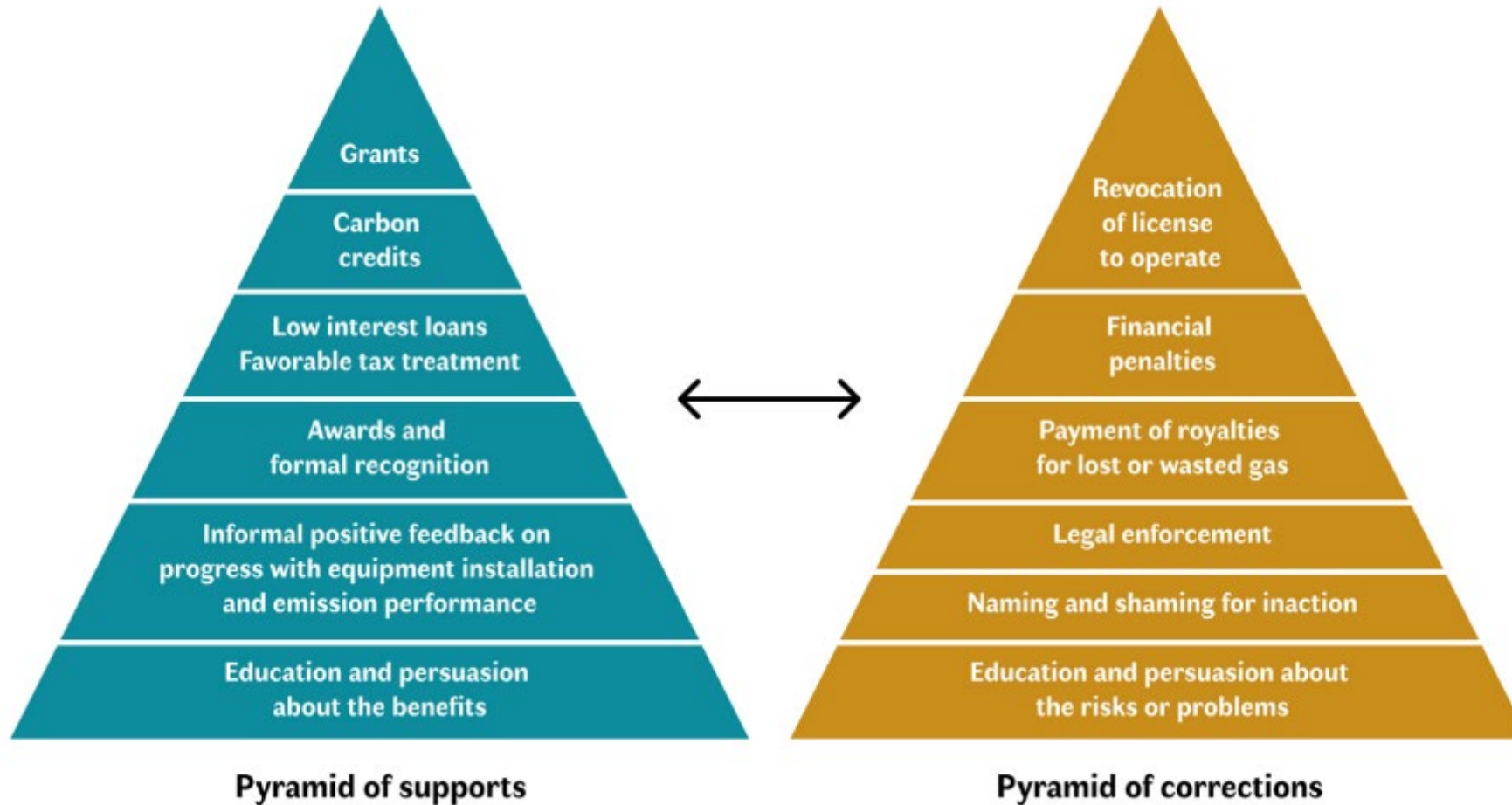


Information:

Public reporting of emissions and flaring volumes



Pyramids of Supports & Corrections



Pyramid of supports

Pyramid of corrections



National Methane Action Plans

Ghana's National Action Plan to Mitigate Short-Lived Climate Pollutants (2018)

- Identifies specific measures to reduce methane and other pollutants across all sectors.

Norway's National Methane Action Plan (2022)

- Does not establish a separate target for methane but notes that methane is covered by Norway's overarching GHG emissions reduction goal of 55 percent by 2030 and 90-95 percent by 2050 (compared to 1990).

United States Methane Emissions Reduction Action Plan (2021)

- Details regulatory and non-regulatory steps to reduce methane from oil and gas, landfills, coal mines, agriculture, and other industries and buildings.

Canada's Methane Strategy (2022)

- Outlines abatement measures and supporting programs to reduce domestic methane emissions by more than 35 percent by 2030 (compared to 2020).



Case Study: Vietnam

Methane Action Plan 2020

- Vietnam's Methane Action Plan 2030 establishes targets to reduce overall emissions by at least 30 percent below 2020 levels by 2030, with specific targets for the agriculture, waste, and energy sectors, and includes provisions to:
 - Promote technology transfer to support methane abatement.
 - Set up the regulatory framework for managing carbon credits from methane reduction.
- The Plan requires that methane emission reductions are based on cost-benefit analysis and promote innovations serving Vietnam's sustainable socio-economic development.
- The Plan mandates that actions to curtail methane align with existing policies, instructing ministry officials to include methane emissions reduction in climate change response strategy, national green growth plan, and sectoral and provincial master plans.



Case Study: Capturing Methane Emissions from Gas-to-Power in Egypt



Climate
Leadership



Enhanced Energy
Security



Improved
Community Health

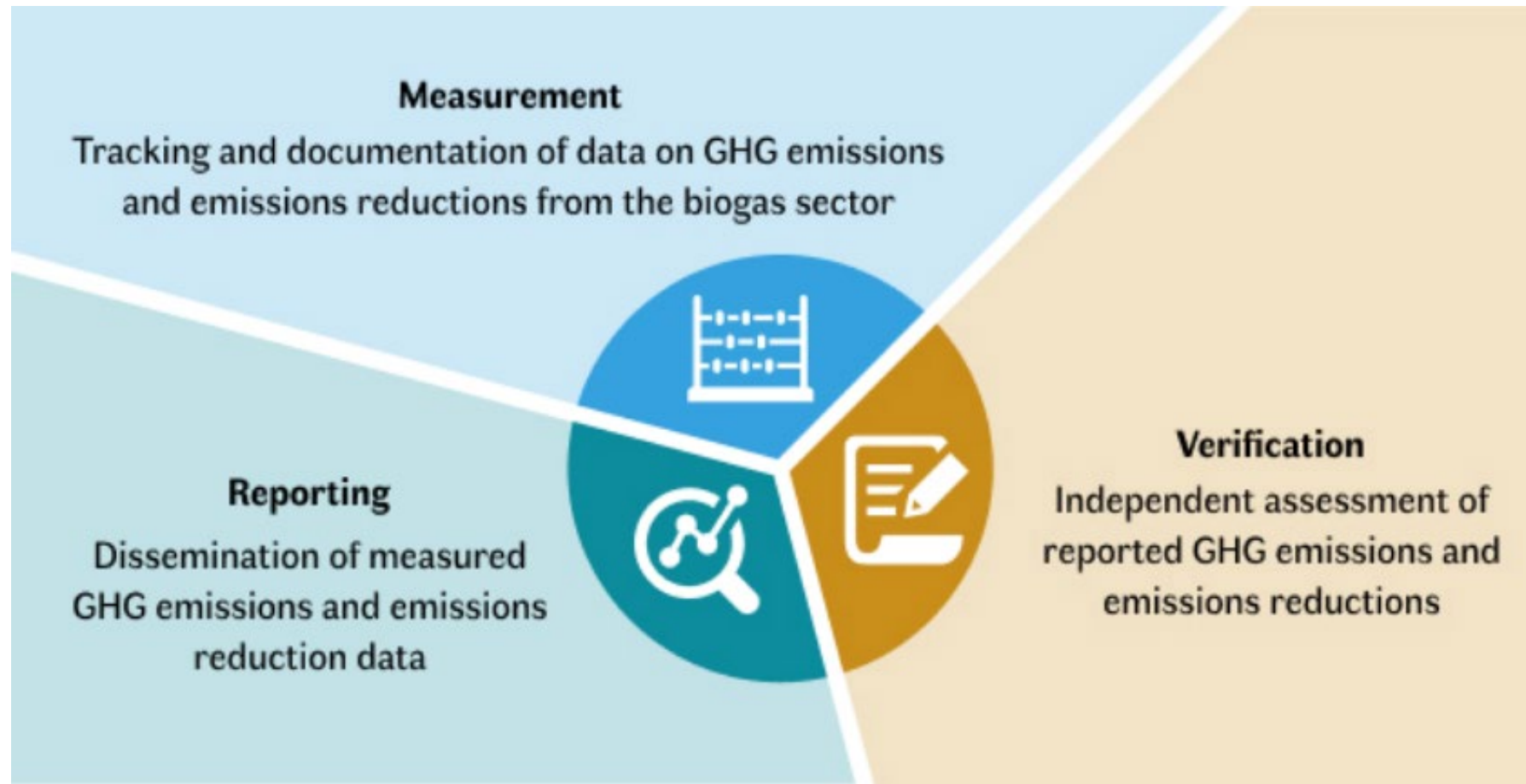
- In Egypt, new gas-fired power generation used natural gas that had previously been flared, and converted it into electricity.
- This electricity also replaced dirtier diesel generation. This project reduced an estimated 42,000 CO₂-equivalent tonnes per year as a result of both the reduction in flaring and the replacement of diesel power generation.



FlareIntel



MRV – Supporting Regulatory Frameworks



Global Methane Initiative, <https://globalmethane.org/mrv/>



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