

تحت رعاية صاحب السمو الشيخ محمد بن زايد آل نهيان، رئيس دولة الإمارات العربية المتحدة
Under The Patronage of H.H Sheikh Mohamed Bin Zayed Al Nahyan, President Of The United Arab Emirates



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Middle East Energy Club



ADIPEC 2022 LEADERSHIP ROUNDTABLE SUMMARY

Tackling the methane challenge: UNEP's Oil
and Gas Methane Partnership 2.0 and Aiming
for Zero Methane Emissions Initiative

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Foreword

HOSTED BY



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Achieving near zero methane emissions in the oil and gas industry is one of the most urgent tasks facing this sector to tackle climate change. Companies are starting to coordinate a global effort to take on this challenge. Yet, more is needed to achieve the 75% reduction in methane emissions by 2030 required to support the [Global Methane Pledge](#) and avoid the worst impacts of climate change. In particular, companies must ramp up efforts to cut methane emissions across the entire sector and reliably quantify and report emissions. A higher bar needs to be set.

That's why over 30 industry leaders in the oil and gas industry took part in an ADIPEC 2022 roundtable discussion, to discuss paths forward for tackling the methane challenge. While it won't be easy, progress is already being made. Overall, this discussion underscored one key point, major oil and gas industry stakeholders must work with urgency and teamwork to take on this profound challenge.





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The ADIPEC Leadership Roundtable discussions are held under Chatham House Rule.

Tackling the Methane Challenge: UNEP's Oil and Gas Methane Partnership 2.0 (OGMP 2.0) and Aiming for Zero Methane Emissions Initiative

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This roundtable explored what it will take to drastically reduce oil and gas methane emissions and the opportunities that could arise from such a reduction. The talk built on the experiences of 30 industry leaders across oil and gas companies, contractors and third-party organisations. The speakers emphasised removing barriers to entry and accelerating results from two initiatives: the Oil and Gas Methane Partnership 2.0 ([OGMP 2.0](#)), the flagship oil and gas reporting and mitigation programme of the United Nations Environment

Programme (UNEP) and [OGCI's Aiming for Zero Methane Emissions Initiative](#). These initiatives play a key role in oil and gas methane emissions quantification and elimination.

The discussion began by recapping how critical it is to reduce oil and gas methane emissions. In IEA's Net Zero by 2050 Roadmap, **achieving net-zero by 2050 requires a 75% reduction in oil and gas methane emissions by 2030**. Unfortunately, there are no global



coordinated efforts pushing emitters to reduce their fair share of methane emissions. Therefore, progress largely relies on the commitments and actions of individual companies and governments.

The discussion outlined the progress already being made to reduce methane emissions. For instance, some countries and companies have methane-specific reduction targets and programmes underway. Nearly 90 oil and gas companies (representing over 30% of global oil and gas production) have joined OGMP 2.0, and ~70 companies have joined the Aiming for Zero initiative. Most of these abatement solutions are mature, with the potential to deliver ~45% reduction in emissions intensity at no net cost, according to the IEA, making them attractive to investors. Furthermore, awareness and enthusiasm are high for oil and gas methane emissions abatement. This comes at a moment when competing for attention, capital, and talent is hard. This means we are in a privileged position and need to seize this opportunity.

But this is not enough. We need to fund and deploy at scale a set of mature and fit-for-purpose solutions that we can integrate into our decision-making and workflows. Meanwhile, we must continue to invest in innovative abatement and digital solutions. We need to demonstrate our ability to deliver oil and gas operations, decommissioning with zero methane emissions and transfer this capability to emerging supply chains such as hydrogen and ammonia and other sectors of the economy (e.g., agriculture, waste management, etc.).

The industry needs a radical change in mindset and culture that moves us away from incremental improvements and toward radical bold moves. Joining the Aiming for Zero Methane Emissions initiative, incubated by the CEOs of the Oil and Gas Climate Initiative (OGCI), is such a move. This initiative is an all-in approach that treats methane emissions as seriously as the oil and gas industry already treats safety or oil spills — which means aiming for zero and striving to do whatever it takes to get there.

Major stakeholders must also work together to create an ecosystem of targets, policies, regulation, decision-making and workflows that incentivise investment that favours zero methane emissions. This includes targeting zero routine flaring by 2030, requiring teams to retrofit existing assets for zero methane venting, designing future assets for zero methane venting, and creating aggressive reliability improvement programs.

In addition, **the industry needs a standard for transparency of methane emissions reporting.** This is where joining OGMP 2.0 makes a difference. OGMP 2.0 is the only comprehensive, measurement-based international reporting framework for the sector. It provides credibility to companies.

The industry also needs a trusted and global database of empirically verified methane emissions to incentivise companies and governments across the globe to target strategic mitigation actions and identify science-based policy options to cut methane. If you can't measure it, you can't fix it. This is where UNEP's [International Methane Emissions Observatory \(IMEO\)](#) comes in. IMEO is establishing a methane emissions dataset at an unprecedented level of accuracy and granularity by integrating and verifying data from company reporting through OGMP 2.0, satellites, scientific studies, and national inventories. This way, IMEO provides the highest level of confidence for companies and governments to act on.

Furthermore, oil and gas companies must build on existing best practices, such as MGP, to develop a digital solution that integrates methane emissions measurements with sources and repair crews. Today methane emissions data comes from multiple technologies, including satellites, drones and ground-based sensors. Meanwhile, repair efforts are often ineffective in dealing with accidental and intermittent releases.

None of these ambitious goals will be reached without deep collaboration that benefits from existing knowledge, equipment, data and insights. Teams across industries must pool their human capital to develop the policies and technologies needed to achieve net-zero in a timely fashion.

This discussion was borne out of passion and concern — as well as a genuine sense of urgency and responsibility. We have what it takes as a sector. The challenge lies in the fact that the largest emitting countries and companies need to move at pace.

KEY TAKEAWAYS:

- Successfully solving the methane challenge will require a 75% reduction in oil and gas methane emissions by 2030
- Dozens of companies are already tackling this issue through their participation in OGMP 2.0 and Aiming for Zero, two major initiatives that are contributing to reducing methane emissions
- Tackling the methane challenge will require targets and regulations that incentivise zero-emission investments
- Trusted data sources and accurate measurement of emissions will be needed to set targets, keep track of progress, and have a broad picture of methane emissions
- Collaboration and human capital lie at the heart of achieving net-zero emissions by 2030



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