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Dear President von der Leyen,

CC: Commissioner Jørgensen, Vice-President Šefčovič, and Executive Vice-President Dombrovskis

## Subject: Urgently Preserve the Integrity and Impact of the EU Methane Regulation

The EU Methane Regulation (EUMR) represents one of the EU's most significant steps forward on climate and energy leadership. It has already had a profound impact around the world. From Kazakhstan to Nigeria, Egypt to Turkmenistan, exporters are moving quickly to align their regulations and emissions intensities with the EUMR's Import Standard. It has sparked a tidal wave of action to reduce methane emissions unlike anything we have seen before. While we recognise that implementing such an ambitious regulation presents new challenges, we are deeply concerned that these challenges are being overstated and used by some trading partners to justify going backwards.

The Import Standard hinges on tracing the attributes of imported fossil fuels back to their origins, and developing comparable standards for measuring, reporting and verifying methane emissions. Some stakeholders, particularly in the U.S., have speculated that both of these core pillars of the regulation's import standard may be too difficult or complicated to implement, especially given the fragmented nature of gas production and trading systems in North America.

Given that the U.S. is the leading energy supplier to the EU, it is crucial to evaluate these concerns and underline that these claims are unfounded. Given the low marginal costs of compliance and the generous timeline for regulatory implementation, the EUMR can be feasibly implemented globally without market disruption, while guaranteeing emissions reductions, EU energy security, and the critical partnership between the U.S. and EU.

Therefore, ahead of your team's discussions with the U.S. Secretary of Energy on the EU-U.S. trade agreement, we urge you to defend the Methane Regulation and its Import Standard, and discourage against its inclusion in the next omnibus package, by taking the following concerns into consideration:

1. Holding the U.S. to the import standards in the EUMR will greatly reduce climate pollution and support the U.S. economy: The U.S. is one of the world's largest oil and gas producers, and therefore methane emitters – and a large portion of the U.S.'s production is exported to the EU. If the EUMR leads the U.S. to reduce emissions to the levels which industry leaders have pledged to achieve, just for oil and gas exported to the EU, emissions will be reduced by 1 million tons of methane per year, saving U.S. gas companies at least \$200 million based on current prices. Actual emissions reductions will be larger, as many producers will reduce emissions across their operations to have trade advantages in the EU market.

- 2. The U.S. has invested heavily in methane emissions reductions and the EUMR gives the U.S. a competitive advantage: While the methane intensity of gas produced at some sites in the US remains high, many U.S. oil and gas producers understand and measure their emissions better than producers from any other country, having invested millions of dollars into both voluntary measurement initiatives and measurement capabilities for compliance with State and Federal reporting and mitigation requirements. This puts the U.S. many years ahead of other oil and gas exporting competitors for compliance with both the EU's measurement, reporting, and verification (MRV) standards and the forthcoming import emissions standards. Furthermore, U.S. service companies are among the top providers of monitoring and mitigation services for methane around the world.
- 3. Traceability is not difficult to ensure, even for complex international supply chains: Several approaches to track origins and attributes of fossil fuels have been demonstrated and implemented for complex gas value chains, such as <a href="trace-and-claim">trace-and-claim</a>, trace-and-aggregate, and book-and-claim. CATF, EDF, and RMI have <a href="proposed a practical path">proposed a practical path</a> forward where the most direct approach possible is required for a given supply chain, which would give limited flexibility for complex supply chains until the necessary systems and data infrastructure for such pathways are developed. This would provide U.S. operators and exporters clear, practical pathways to demonstrate compliance without causing market disruption, while maintaining the regulation's core ambition.
- 4. EUMR will not create trade disruptions, impact market competitiveness, or compromise EU energy security: Current fundamentals of the LNG market heavily favour European buyers in the latter half of this decade. Europe is a premium market, and exporters are unlikely to abandon high-value customers, especially as global gas markets move towards oversupply after 2027. The recent Russia-China deal on Power of Siberia 2 will further exacerbate downward pressure on LNG supply markets, dampening an expected growth market for U.S. LNG suppliers and increasing U.S. reliance on European demand. The added costs of traceability and MRV compliance, expected at cents per MMBTU, would affect producer margins, not consumer prices. Concerns that the Import Standard will harm EU energy security are unfounded.

The EU Methane Regulation and its Import Standard is a rare and strategic opportunity – to reduce emissions, improve impact, and develop global best practices. The EU has built global momentum for critical emissions reductions around the world and is creating a world where demonstration of environmental attributes is key.

We urge you to protect this ambition, preserve the Regulation's integrity, and safeguard the EU's credibility as a global leader on climate change and methane mitigation.

## Signatories,

- 1. Mihai Stoica, Executive Director, 2C
- 2. Tommaso Franci, Head of Energy, Amici della Terra
- 3. Chiara Martinelli, Director, Climate Action Network Europe
- 4. Julia Solana, Methane Program Director, Center for Climate Crime Analysis
- 5. Barbora Urbanová, Director, Centre for Transport and Energy
- 6. András Lukács, President, Clean Air Action Group
- 7. Jonathan Banks, Global Director, Clean Air Task Force
- 8. Sascha Müller-Kraenner, Executive Director, Deutsche Umwelthilfe (DUH)
- 9. Matteo Leonardi, Director and Co-founder, ECCO
- 10. Anastasia Tsougka, Programme Manager, ECOS
- 11. Richard Black, Director of Policy and Strategy, Ember
- 12. Mary Rice, Executive Director, Environmental Investigation Agency UK
- 13. Marcelo Mena, CEO, Global Methane Hub
- 14. Durwood Zaelke, President and Founder, IGSD

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<sup>&</sup>lt;sup>1</sup> Current leak estimate is based on data from the International Energy Agency Methane Tracker 2025 and Shen et al. "National quantifications of methane emissions from fuel exploitation using high resolution inversions of satellite observations." Nature. 2023. <u>Available here.</u> Estimated emissions reduction calculated by adjusting the leak rate to a 0.2% equivalent standard.