

26th World Gas Conference

1 – 5 June 2015, Paris, France



CCAC Oil & Gas Methane Partnership
(Strategic Panel 2)

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Additional to flaring & venting of associated gas

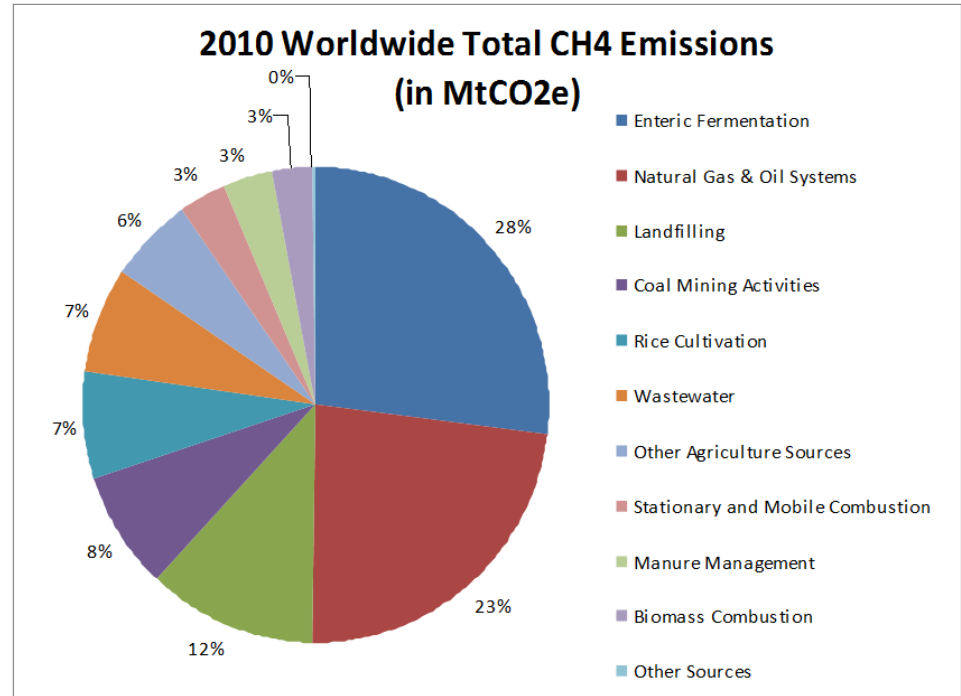


Summary

- Many CCAC countries envision increased role for gas
- stakeholder concern that methane emissions undermine net climate benefits
- OGMP provides mechanism to help companies
 - Address emissions in a systematic manner & demonstrate this systematic approach to concerned stakeholders
 - Produce credible emissions data
 - Provide high-level recognition of leadership

Methane

- 84 X more potent than CO₂ over 20-years
- Oil & gas sector considered largest human emitter after ag
- But data patchy
- IEA: upstream methane emissions one of 4 key GHG opportunities in energy sector



Designed through collaboration

- Ministers gave CCAC mandate to create a voluntary mechanism that meets concerns of stakeholders, doable by companies
- Developed with GMI, Natural Gas Star, World Bank
- CCAC held consultations in IPIECA workshops and individually
 - Oil & gas companies
 - NGOs, investor groups, reporting initiatives, governments
- OGMP launched at UN Climate Summit, September 2014
 - 7 Partner companies: BG-Group, ENI, Pemex, PTT, Southwestern, Statoil, Total



Focus on 9 “core” methane emission sources

Identified through U.S. EPA experience and talks with industry, environmental stakeholders to account for much of upstream methane emissions

1. Natural Gas Driven Pneumatic Controllers and Pumps
2. Fugitive Equipment and Process Leaks
3. Centrifugal Compressors with “Wet” (Oil) Seals
4. Reciprocating Compressor Rod Seal/Packing Vents
5. Glycol Dehydrators
6. Hydrocarbon Liquid Storage Tanks
7. Well Venting for Liquids Unloading
8. Well Venting/Flaring during Well Completion for Hydraulically Fractured Gas Wells
9. Casinghead Gas Venting

Important features

- Provides up-front flexibility
 - Company selects participating assets
 - Company decides pace of implementation
 - Reporting begins following first full year
- Platform for peer to peer learning
- Recognises prior actions
- Reporting format – aim to synchronise
- Any changes to OGMP are by consensus
- No membership fee

Partner benefits

- Credibility of public-private partnership
- Recognition of present and past efforts to control emissions
- Increased product recoverability and revenue + increased operational and safety benefits through enhanced asset integrity;
- Harmonisation with other reporting and disclosure standards;
- Best practice sharing and support;
- Development of a reliable industry data set to underpin the climate credentials and growth of natural gas.

Please join us in this endeavour!



THANK YOU

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