

COMMON METHANE REPORTING TEMPLATE: COMMENTS FROM SWG ON FIRST DRAFT (18/05/18)

CURRENT TEMPLATE TEXT	BP COMMENTS	EQUINOR COMMENTS	TOTAL COMMENTS	REPSOL COMMENTS	WIHO Comments
	<p>As an overall comment – this template feels more like a CDP-style submission for methane rather than a data reporting template i.e. it's very qualitative rather than quantitative. BP feels a quantitative approach would be a significant benefit.</p> <p>We are not sure how effective the current template would be in harmonization of the various data requests across the different methane initiatives.</p> <p>Shell response:</p> <p>First para: Re quantitative vs qualitative, we feel that we need both. Numbers by themselves do not mean much without context. We welcome proposals on what additional quantitative metrics can be included, focusing on those that add value to the industry as well as external stakeholders and are not reported for the sake of reporting.</p> <p>Second para: As part of this process, it will be important to</p>	<p>A harmonized methane reporting template is very much welcomed from an industry point of view. However, we anticipate that the different methane initiatives and sustainability disclosures all have some special items of interest. Hence, a close dialogue with organizations like CCAC OGMP, CDP, IOGP, OneFuture etc. could be very useful. As an example, CCAC is constructed around methane emission reduction, and one should expect that reduction data should be a natural add on from their side. One option could be to have each initiative prepare an appendix (using a somewhat standardized format) where additional information could be</p>	<p>Before giving our feedback on the content, it could be maybe useful to indicate how this template will be used, by whom, frequency, objective, publication? What are the terms of reference? Is this template based on the CDP questionnaire? Keeping in mind that the reporting to IOGP, OCGI, etc. is much more detailed, and at this stage this template could not replace it.</p> <p>Shell response: the effort underway is to streamline and simplify the information requests from various external initiatives that seek companies to report on methane. This endeavour is to make reporting less burdensome, and enhance the quality and</p>		<p>Generally, we propose to structure the reporting template along the GPs. Some of the question address general topics that should be covered in the overall emission reporting. More transparent reporting should be focused on improved quantitative data instead of general qualitative statements. The ratio between strategic and operative data should be balanced. There could be core questions and optional add. questions.</p>

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	bring different initiatives to the table, so we can work on harmonising the requests.	reported that is specific to that initiative. Shell response: That's the plan	usefulness of the information, and hopefully encourage more companies to report. This refers to Principle 5 of the Methane Guiding Principles. The sorts of organisations we are referring to include CDP, GRI etc. This work aims to closely align with OGCI's current work, and as IOGP is an associate signatory they too will be involved.		
Question 1: What are your company's total methane emissions? Include additional data such as an intensity rate that provide context to the emissions magnitude. (If an appropriate company-wide intensity rate cannot be provided, then the intensity rate and relative emissions contribution of	Question 1: Simply asking for a company provided intensity will not help comparison between companies (if that is the aim) because different companies approach calculating intensity differently. It would be better to ask for methane emissions and production data (e.g. total sales production, sales gas), but even this is not straight forward – this is what the OGCI RoG (Role of Gas) group are trying to align on at the moment.	Question 1 and 2 might be combined. Shell response: As these are long questions, we propose to keep them separate. It should be specified how the methane intensity shall be calculated, to ensure that companies' reported intensities can be compared. OGCI is currently working with a methodology that might be considered. A		(And applies to Appendix 1 too): In which units should the methane emissions be reported (volume, mass, mole basis)? And a similar question regarding the intensity rate: In which units should it be expressed: volume/volume, mass CH4/mass produced gas, mass	

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individual segments may be valuable.)	<p>The Reporting template needs to be a lot clearer as to what the intent is behind this question:</p> <ol style="list-style-type: none"> 1) Operated only (100%) 2) Equity based 3) Upstream only 4) Upstream plus midstream 5) Need to be very clear as the basis of the intensity (denominator) – see comment above 6) Intensity rate for refineries and pet-chemicals does not make sense on the same basis as no produced or marketed gas <p>Shell response:</p> <p>We have agreed to wait for OGCI to figure out it wants to determine the methane target and consider adopting the same methodology here.</p>	<p>separately reporting for oil and gas production (and mixed production?) should be considered.</p> <p>Shell response: Agree and we have discussed it with EDF. The intention is to align with OGCI.</p> <p>The reporting scheme should avoid the upstream, mid- and downstream confusions. Clear boundaries should be set.</p> <p>Shell response: These terms are not used in the document.</p>		<p>CH4/total hydrocarbons, etc.? Will any recommendation be included regarding this issue?</p> <p>Shell Response:</p> <p>Absolute emissions should be reported in metric tonnes?</p> <p>The intention is to align with OGCI.</p>	
Question 2: What are your applicable emissions by sources and value chain segment? Use the matrix template	<p>Question 2: Suggest changing the phrase “value chain segment” to something like value chain component/ part of the value chain.</p> <p>Shell response: Agree</p>				<p>The appendix should be more general to make it also possible for companies with different organization to be able to meet the requirements. E.g. Exploration,</p>

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provided in Appendix 1 as an example.					Development, Production, Distribution with further optional segments. Same for the sources: The categories should be more general one.
<p>Question 3: Describe what techniques you use to develop and validate your methane emissions inventory.</p>	<p>Question 3: Need to be clearer here to avoid the confusion experienced with the IEA spreadsheet request last year:</p> <ol style="list-style-type: none"> 1. The approach can be different across Companies/Regions/Countries so submitters need clarity on how to answer for these different situations. 2. Validation: to ensure consistency can we describe what is meant by validation e.g. external checks by 3rd Parties such as E&Y, Deloitte on GHG data also includes methane <p>Shell response: Agree – should be added to the list of the items to be addressed (e.g. by developing a guidance to accompany the reporting template).</p>	<p>Question 3 states “Describe what techniques you use...”. A better wording might be to change “techniques” with “methodologies”.</p> <p>Shell response: OK with us. “Methodologies” is clearer.</p>		<p>Maybe a list of techniques could be suggested as examples.</p> <p>Shell response: Proposal from Statoil is to replace the term “techniques” with “methodologies” – hopefully it will be more self-explanatory. If not, we can work on including a couple of examples.</p>	

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Question 4: Do you have a methane emission reduction target? ...					Here we propose to include this in general emission reporting and ask for company emission reduction target incl. methane if necessary.
Question 5: What is the geographic scope, frequency and predominant methodology for conducting LDAR?	<p>Question 5: Again, this can vary from between Companies/Regions/Countries.</p> <p>CCAC TGD2 (Technical Guidance Document) refers to Directed Inspection and Maintenance not LDAR.</p> <p>LDAR can have a very specific meaning in the US versus a more general meaning in other countries.</p> <p>Shell response:</p> <p>We need to defer to EDF on the phrasing of this question and how they expect companies operating in different countries to respond to it.</p> <p>CCAC notes the following difference between the DI&M and LDAR:</p> <ul style="list-style-type: none"> • In some countries, for regulatory compliance, 				

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		<p>operators are required to implement a LDAR (Leak Detection and Repair)</p> <ul style="list-style-type: none"> • Program. DI&M and LDAR are significantly different while the objective is the same: reduction of fugitive emissions. The DI&M • practice is based on cost-effective methane emission reduction, whereas LDAR defines leaks that must be repaired, even when • not economical. LDAR regulations are very prescriptive and inflexible, with considerable records-keeping and retention, and • potential penalties for non-compliance. DI&M is strictly voluntary best practice of methane fugitive emissions reduction. <p>Do other companies differentiate on the terminology used?</p>				
Question 6: How does methane management fit into your company's management and						We would waive this question. If, it should be part of overall emission reporting.

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scenario related to climate risk mitigation strategy? (e.g. 2C scenario)					
<h1>Redacted - First Amendment</h1>					
Question 11: Aside from complying with applicable statutes and regulations, do you have a company policy to limit routine flaring ¹ ? Please describe the policy (e.g. limited number of days, volumetric	Question 11: The GGFR definition is a Guide and under ZRF it is left to each company to define routine flaring for itself and that is not currently shared Shell response: We presume the companies that submit their data under ZRF follow the definition used by	Question regarding flaring: Should this question be rephrased to include cold venting policy and compliance? Shell response: This might be an issue for some companies. Suggest		Examples provided seem too restrictive. Other ones as flaring minimization best practices and/or adequate operative criteria application could be included.	This question should be also part of general emission reporting. Why is it of specific relevance for methane reporting? With regards to methane emissions venting should have to be covered, shouldn't?

¹ <http://documents.worldbank.org/curated/en/755071467695306362/pdf/106662-NEWS-PUBLIC-GFR-Gas-Flaring-Definitions-29-June-2016.pdf>

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limits, offtake options).	GGFR (Shell does). If some companies do not use the same definition, we should modify the question e.g. "if your definition is different from the one used by GGFR, please provide it".	including it as a separate question instead of adding to the flaring question.		Shell response: These are just examples. We can include others.	
Question 16: How are board members, senior leaders, field staff and contractors encouraged and incentivized to reduce methane emissions? Who is responsible?		A rewording might be considered for: How are board members, senior leaders, field staff and contractors encouraged and incentivized to reduce methane emissions? Who is responsible? Shell response: Happy to consider some alternative wording.			
Question 17: As you create and manage partnerships/JVs, how do you ensure strong standards for new and existing operations in terms of methane reduction? Whose standards do you use?					We propose to waive the question or rephrase it. Question:, do you have standards for joint operations in terms of methane reductions?
	Appendix 1: Completing the categories in Appendix 1 would be challenging for many	In the Appendix we suggest including Produced water			

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		<p>Companies in part because the classification of different parts of the value chain are not always well defined or standardized e.g. categorizing LNG operations would be difficult as they can encompass both offshore production, processing and LNG.</p> <p>Shell Response:</p> <p>Agree, and both Shell and ENI raised the same challenge to EDF. EDF have framed it as a “suggested list” and that companies might consider splitting their emissions using a different segment breakdown. We still need to do some work on this section, which might be easier once we have more participants. We can define what works for us, but it might not work for other companies.</p>	<p>treatment/handling as an emission source and replace Stationary combustion with Energy production (e.g. power and heat).</p> <p>Shell response:</p> <p>The list included in the Appendix is not exhaustive. If a company wishes to add one more category to their own disclosure because these emissions are material to them, they are at liberty to do so. The intent here is to capture the most material methane sources in the list and include “Other” category, so companies can expand it if they want to. Not all emission sources on the list are going to be material to all companies, so some degree of flexibility is expected (this was also Shell’s comment to EDF)</p> <p>To the point about renaming “Stationary Combustion”, IPIECA</p>			

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			refers to them as Combustion emissions, so we would prefer to stick with the same terminology to avoid confusion.			