

**Global Methane Initiative
Oil & Gas Subcommittee
15 June 2011
Webinar**

FINAL MINUTES

Summary of Key Discussions and Conclusions

Eighteen participants from five countries— Canada, Denmark, India, Mexico, and the United States— attended the recent Global Methane Initiative (GMI) Oil & Gas Subcommittee meeting via webinar. During this meeting, the attendees largely focused on issues related to planning for the GMI all-partnership meeting planned for 12 – 14 October 2011 in Krakow, Poland. Delegates from Partner countries also provided brief updates on relevant activities in their country since the November 2010 Subcommittee meeting in New Orleans, Louisiana. The meeting attendees established the following main action items:

- The Administrative Support Group (ASG) is currently planning the agenda for an October 12-14 GMI all-partnership meeting in Krakow, Poland. This meeting will include technical and policy sessions for the Oil and Gas sector and each sector Subcommittee will be responsible for developing the agenda for their sector. The ASG will work with the Oil and Gas Subcommittee in seeking member input to ensure these sessions are as useful as possible to participants. Members are asked to provide speaker and case study ideas to the ASG by **29 July 2011** and to participate in upcoming planning calls as the Oil and Gas agenda for this all-partnership meeting is developed.
- The ASG is requesting Subcommittee members come to the next meeting with a list of potential work products (e.g., guidance documents, technical abstract) that members would be willing to develop and support.

The meeting agenda and list of participants are included in Annex I and II, respectively. Additionally, an audio recording of the complete Subcommittee webinar is available online at:
http://www.globalmethane.org/news-events/event_detailsByEventId.aspx?eventId=340.

Welcome Addresses and Adoption of Agenda

Oil & Gas Subcommittee Co-Chair Mr. Michael Layer with Natural Resources Canada opened the meeting by thanking everyone for attending. Mr. Layer further recognized that Mr. Javier Bocanegra with Mexico's Petróleos Mexicanos (PEMEX) has returned as a Subcommittee Co-Chair. He welcomed Mr. Bocanegra back to the Initiative and acknowledged his appreciation to participate in this important effort.

Update from the Administrative Support Group

Mr. Henry Ferland of the ASG presented an overview of GMI activities since the last Subcommittee meeting. He opened his presentation by thanking everyone for attending the webinar meeting and reiterated the benefits of a webinar. Lastly, he encouraged everyone to provide the ASG feedback on the overall webinar experience.

Mr. Ferland announced that GMI has welcomed Jordan as a new member. Delegates from Jordan will join the Agriculture, Landfill, and Wastewater Subcommittees. The initiative is currently at 39 partners, with

another application to join pending from Sri Lanka. The continued growth in membership is an indication of international interest in reducing methane and the recognition of GMI's overall success in coordinating global methane reduction activities.

Mr. Ferland updated attendees on progress on drafting guidance to assist with development of GMI Partner Action Plans. At the last Steering meeting during the launch of GMI, the Initiative agreed to the need for over-arching action plans and included this element in the new Terms of Reference for GMI. The goal of the GMI Partner Action Plans are to: articulate the overall vision for a Partner's participation in GMI; outline key country activities and priorities; and provide a mechanism to advance cooperation between Partners by identifying needs and opportunities.

He indicated the draft guidance was distributed on 24 May and encouraged delegates to review the guidance and provide any comments by 30 June. The ASG will incorporate suggestions and will develop a final draft for consideration at the Steering Committee planned for Krakow.

Mr. Ferland provided an update on GMI "re-branding" activities. Specifically, the ASG is updating the GMI booth and outreach materials to be more reflective of the Initiative's seven years of work. Fact sheets on the general Initiative background and global methane emissions and mitigation opportunities are currently available on the GMI website in Chinese, Korean, Russian, and Spanish. The ASG is in the process of revising all the sector-specific factsheets now (including a factsheet on the oil and gas sector).

Mr. Ferland reported the ASG has decided to hold an all-partnership meeting on 12-14 October 2011 in Krakow, Poland. The meeting will include a Steering Committee meeting, a high-level plenary session, sector-specific technical and policy sessions (including Subcommittee topics) and site tours. For Oil & Gas, Poland's Gaz-System—a natural gas transmission company—will host a site tour at a facility outside of Krakow.

Lastly, Mr. Ferland announced the ASG is moving forward with its plans to hold a third Expo in late 2012 and is looking at several potential host locations. The purpose of the Expo will be to showcase projects and serve as a premier event for methane mitigation. In closing, he encouraged members to provide comments and suggestions for a third Expo location to the ASG. He provided a re-cap of his presentation and offered to answer any questions.

Mr. Christopher Freitas of the U.S. Department of Energy (DOE) stated DOE is doing considerable work on unconventional natural gas sources through its Energy Science Advisor Board and offered to share a fact sheet that DOE is preparing. Ms. Carey Bylin of the U.S. Environmental Protection Agency (U.S. EPA) acknowledged his offer and further noted the U.S. EPA had many [fact sheets](#) on the Natural Gas STAR Program website on this topic.

Planning for October GMI All-Partnership Krakow Meeting

Mr. Ferland opened this discussion seeking speaker and case study ideas. Mr. Bocanegra remarked a lot of planning and logistical work is needed through October. He further asked everyone to collaborate on the agenda. Regarding the agenda, Mr. Ferland explained his intention to work with peers in Poland to draft the agenda, which could then be discussed by all via webinar.

Mr. Layer put forth a few possible agenda items for consideration, including regulatory developments (jurisdictions report on their experiences regulating methane) and offset and credit mechanisms. Ms. Bylin concurred these would be useful topic areas. Mr. Bocanegra offered to present on PEMEX's GMI experiences at the meeting. Building on Mr. Bocanegra's idea, Ms. Bylin suggested PEMEX's

presentation on their GMI experiences include a discussion of their internal measurement teams. She also offered the following possible agenda topics:

- Unconventional natural gas sources – Best practices and minimizing emissions.
- Transmission sector – General topic pertinent to the sector as host, Gaz-Systems is a transmission company.
- Finance options – Roundtable discussion on external funding.

Mr. Layer suggested methodological developments be added as a possible agenda topic area. The topic area could include a discussion of operational nodes with significant potential for emissions reduction opportunities such that methodological needs could be prioritized.

Mr. Freitas suggest a potential agenda item on life cycle greenhouse gas (GHG) analysis of natural gas extraction and delivery in the United States and an assessment of technical and policy issues associated with lost and unaccounted for natural gas in pipeline operations. He further suggested a presentation by Fiji George of El Paso on their program to reduce line losses.

Mr. Ferland asked Mr. A.B. Chakraborty of Oil and Natural Gas Corporation (ONGC) of India for his thoughts on possible agenda topics. Mr. Chakraborty expressed interest in one-on-one sessions with service providers and then, offered to present a case study on ONGCs GMI experiences. Further, he commented that ONGC will be meeting with Mr. Sucre of the World Bank's Global Gas Flaring Reduction (GGFR) public-private partnership.

Mr. Milton Heath of Heath Consultants offered to present on experiences and lessons learned using gas imaging cameras. Mr. Doug Hollenbeck of Questor Technology Inc. remarked his firm is currently providing support to PEMEX and suggested that their president, a recognized authority and a distinguished speaker, could make a presentation on waste gas incineration.

Mr. Ferland concluded the discussion by thanking everyone for their input.

Country-Specific Strategies and Activities Since the Last Subcommittee Meeting

Following the upcoming meeting planning discussion, Mr. Layer led the member country updates that mainly focused on activities since the last Subcommittee meeting.

India

Mr. Chakraborty thanked the U.S. EPA for its continued support and in particular, noted the success of the recent Study Tour. ONGC has made considerable progress to advance its GHG management program both at the operational and board room levels. Mr. Chakraborty remarked project implementation is not easy and ONGC continues to sort through related technical issues.

Lastly, Mr. Chakraborty commented that ONGC has an ambitious emissions reduction program. Mr. Layer asked how ONGCs program aligns with country priorities. Mr. Chakraborty replied their program has the overarching goals of sustainable development and growth. Their program draws from their experiences with industry associations and jurisdictional ministries; all aspects are in alignment with country priorities. He noted a second India-based oil and gas company is considering joining the Natural Gas STAR International Program.

Mexico

Mr. Bocanegra reported that PEMEX has completed several field measurement campaigns (on- and off-shore) and will present on these efforts at the next meeting. PEMEX is looking to share its success to help others in the region and worldwide. He also reported PEMEX is working to resolve identified barriers to advance action in order to meet its emission reductions commitments.

Mr. Layer inquired further about barriers. Mr. Bocanegra stated environmental issues are relatively new, and it takes time to change culture and attitudes in companies like PEMEX. Through GMI, PEMEX now has the data showing the environmental and economical importance of emissions reductions.

United States

Ms. Bylin reported the United States continued collaborative activities with partner companies in Chile, Argentina, Mexico, China, India, Poland, Russia, and Ukraine. Specifically, the U.S. EPA continues to work with these companies to identify, analyze, promote, and anticipate methane emission reductions from identified project opportunities. U.S. EPA has recently participated in workshops with PEMEX and GGFR, China University of Petroleum, UkrTransGas and Gazprom as well as hosted several Study Tours.

On behalf of the United States, Ms. Bylin attended the National Bureau of Asian Researchers' Pacific Energy Summit and Mr. Scott Bartos of the U.S. EPA presented at the Indonesian Petroleum Association Annual Convention. She noted the United States continues to engage domestic oil and natural gas companies. The Natural Gas STAR Program is currently compiling 2010 emission reduction data for release in late 2011.

Lastly, Ms. Bylin gave a brief domestic policy update that focused on the Mandatory Greenhouse Gas Reporting Rule for petroleum and natural gas systems. U.S. EPA hopes the reporting rule will yield information to support refinement of emissions factors.

Mr. Layer inquired about barriers that might exist in the United States with respect to GMI. Mr. Ferland commented the U.S. State Department has not determined how GMI will fit within its framework conventions as it has not focused on short-lived climate forcing issues yet. Mr. Layer concluded the discussion by suggesting the Subcommittee have additional discussions on short-lived climate forcing issues and be prepared for such a time when the issue is salient.

Canada

Mr. Layer reported Canada continues to focus on multilateral initiatives as well as working collaboratively with the United States. Mr. Layer recently spent three weeks attending workshops and advancing relations in China. Canada is proposing to fund an audit of a marine terminal in China. Also, Canada provided support for the PEMEX and GGFR workshop. Mr. Matthew Johnson of Carlton University presented at the workshop. He presented on the status of Carlton University's source location models and continuous methane monitoring research.

Mr. Layer reported no structural or procedural barriers, but noted that current regulatory uncertainty is preventing many companies from implementing projects. This concluded the member country updates.

Member Engagement

Ms. Bylin opened this discussion restating GMI objectives with respect to member engagement and then, put forth several possible work product ideas:

- Develop a Clean Development Mechanism (CDM) methodology

- Prepare a technical paper for an upcoming conference
- Draft a guidance document on a topic of interest to GMI

Everyone is encouraged to forward additional work product ideas to Ms. Bylin at bylin.carey@epa.gov.

Summary of Action Items Discussed at this Meeting

The meeting attendees established the following action items:

- The ASG is currently planning the agenda for an October 12-14 GMI all-partnership meeting in Krakow, Poland. This meeting will include technical and policy sessions for the Oil and Gas sector and each sector Subcommittee will be responsible for developing the agenda for their sector. The ASG will work with the Oil and Gas Subcommittee in seeking member input to ensure these sessions are as useful as possible to participants. Members are asked to provide speaker and case study ideas to the ASG by **29 July 2011** and to participate in upcoming planning calls as the Oil and Gas agenda for this all-partnership meeting is developed
- The ASG is requesting Subcommittee members come to the next meeting with a list of potential work products (e.g. guidance documents, technical abstract) that members would be willing to develop and support.

Mr. Ferland and the Co-Chairs thanked everyone for their contributions and continued support to the GMI. The meeting was adjourned.

Annex I

Oil & Gas Subcommittee Meeting Final Agenda

8:00 AM - 10:00 AM EST

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| 10 Minutes | Welcome Addresses
<i>Oil & Gas Subcommittee Co-Chairs Javier Bocanegra (Mexico) and Michael Layer (Canada)</i> |
| 20 Minutes | Update from the Administrative Support Group (ASG):
<i>Henry Ferland, ASG</i> <ul style="list-style-type: none">• New Partner Countries• Upcoming Outreach Events• Fall 2011 meeting (combined, all sectors)• Completing Action Plans and Lists of Questions |
| 20 Minutes | Planning for Cross-Sector End-of-Year Meeting
<i>Henry Ferland, ASG</i> <ul style="list-style-type: none">• Location• Technical and policy sessions for Oil & Gas• Speakers and case study ideas |
| 30 Minutes | Country-Specific Strategies and Activities
<i>Subcommittee Chairs</i> <ul style="list-style-type: none">• Member countries will provide a brief update on relevant activities in which their country has been involved since the last Subcommittee meeting in New Orleans, Louisiana. To include two additional new items:<ul style="list-style-type: none">○ A discussion of barriers and/or issues (if any) that prevent or limit methane emission reduction project in-country.○ An overview of how their country engages on UNFCCC or other global climate change initiatives, in order to better understand how GMI fits within country priorities and plans. |
| 15 Minutes | Member Engagement
<i>Carey Bylin, United States</i> <ul style="list-style-type: none">• We will discuss and seek participation from Subcommittee and Project Network members to identify a work product (guidance document, technical abstract, etc.) that members would be willing to develop and support. |
| 20 Minutes | Closing Remarks
<i>Subcommittee Chairs and Henry Ferland, ASG</i> |

Annex II

Participants

<i><u>Name</u></i>	<i><u>Email address</u></i>	<i><u>Notes</u></i>
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Please see the Global Methane Initiative website for full contact information.