

**Global Methane Initiative
Oil & Gas Subcommittee
13 April 2012
Denver, Colorado**

FINAL MINUTES

Summary of Key Discussions and Conclusions

Thirty-nine participants representing nine countries—Canada, Colombia, Ghana, India, Indonesia, Mexico, Norway, Ukraine, and the United States (U.S.)—attended the recent Oil & Gas Subcommittee meeting in Denver, Colorado. During this meeting, the attendees largely focused on issues related to the upcoming Methane Expo 2013 and Nationally Appropriate Mitigation Action (NAMA) Plans. Member countries also provided brief updates on relevant activities in their countries since the 2011 October meeting in Krakow, Poland. The meeting attendees established the following main action items:

- The Administrative Support Group (ASG) is committing to organizing conference calls to discuss the upcoming Methane Expo 2013, as well as the subcommittee's role to ensure the event is as useful as possible for the oil and gas sector participants.
- The ASG is also committing to organizing conference calls to advance discussions on Short-Lived Climate Pollutants (SLCPs).

The meeting agenda and list of participants are included as Annex I and II of this document, respectively. Additionally, the complete Annual Implementation Workshop and Oil & Gas Subcommittee meeting proceedings are available online at http://www.globalmethane.org/news-events/event_detailsByEventId.aspx?eventId=384.

Introduction and Welcome Addresses

Co-Chair Mr. Javier Bocanegra with Mexico's Petróleos Mexicanos (PEMEX) opened the meeting by thanking everyone for attending. He recognized everyone for their participation in the Natural Gas STAR Annual Implementation Workshop and looked forward to an engaging Subcommittee meeting with input from everyone in attendance. His sentiments were echoed by Co-Chair Mr. Michael Layer with Natural Resources Canada. Mr. Layer then led brief introductions of the meeting participants.

Adoption of Agenda

Ms. Carey Bylin with U.S. EPA reviewed the proposed agenda and noted one addition; specifically, a conference call with Jonathan Pershing with the U.S. State Department's Deputy Special Envoy for Climate Change to discuss the recently launched SLCP initiative, known as the Climate and Clean Air Coalition (CCAC). Ms. Bylin asked if there were other changes or additions to the agenda. Hearing none, she announced the adoption of the agenda.

Country-Specific Activities Update - India

Mr. Scott Bartos with U.S. EPA announced that Mr. Hazarika of Oil and Natural Gas Corporation (ONGC) of India would be stepping down as a subcommittee member and presented him with a certificate of appreciation acknowledging his service to the subcommittee, as well as his efforts to advance the overall goals of GMI. This was followed by an update on India's activities since the last subcommittee meeting. ONGC continues to make considerable progress to advance its greenhouse gas

(GHG) management program through leak surveys and measurement, emissions reduction activities, and capacity building and action planning. Lastly, ONGC has pledged to support the upcoming Methane Expo 2013 as called upon.

Update from the Administrative Support Group (ASG)

Mr. Henry Ferland of the ASG presented a brief update on the latest decisions/outcomes and charges from the Steering Committee. He also gave an overview of the CCAC launch, the Methane Expo 2013, the revised action plan guidance documents and anticipated future Subcommittee activities. He was excited to announce that Norway has officially joined GMI and additionally, delegates from Norway will join the Oil and Gas Subcommittee. The Initiative now has 41 Partners. He acknowledged that the wastewater task force has been elevated to Subcommittee status.

Mr. Ferland encouraged Partners to utilize GMI outreach and communications material and periodically report activities and/or achievements to the ASG. He reiterated the ASG's call for action plans and indicated the ASG has created new supportive guidance material (provided in the meeting folder). The goal of the action plan is to articulate the Partner's participation in GMI and outline activities to advance participation. The action plans could be integrated into each country's existing framework for environmental protection, clean energy, carbon mitigation, and/or other appropriate national-level plans. He encouraged everyone to continue to develop (if they have not already) and implement country-level, sector-specific action plans. It is requested that action plans be completed—or as appropriate, existing plans be updated—prior to the Methane Expo 2013.

Mr. Ferland reported the ASG has decided to hold a third Partnership expo. The Methane Expo 2013 will be held in Vancouver, Canada on 12 - 15 March 2013. A main purpose of the event will be to show case projects and success stories, with the overall goal of becoming the premier event for methane mitigation. (The co-chairs subsequently led a more detailed discussion on the event and the subcommittee's role in marketing, promoting, and identifying content.)

He announced details of the newly launched CCAC. Founding partners include Bangladesh, Canada, Ghana, Mexico, Sweden and the U.S. The next Initiative meeting is scheduled for 23 and 24 April 2012 in Stockholm, Sweden. (The Coalition was discussed in greater detail later during the meeting.)

He wrapped up his update by discussing future subcommittee activities, which included preparing for the Methane Expo 2013, developing NAMA Plans, and supporting CCAC.

Methane Expo 2013, Country-Specific Activities Update - Canada

Mr. Layer initiated dialogue on *actionable items* for the Methane Expo 2013, including marketing, promoting, and identifying content. Mr. Ferland interjected the ASG is also eager to engage the Project Network.

Mr. Brian Boyer of COMM Engineering commented the Project Network has emission reduction ideas but needs companies to implement them. The GMI and Methane Expo 2013 are ideal venues to bring ideas and interested parties together. Mr. Layer remarked that new funding mechanisms are in place to help facilitate project implementation. Mr. Don Robinson of ICF International encouraged the ASG to reach out to the Project Network as soon as possible to leverage its relations with oil and gas companies.

Mr. Ferland responded the ASG would seek better Project Network engagement to facilitate implementation of ideas and use webinars as a mechanism to increase participation. Ms. Bylin inquired about the types of projects and success stories that should be highlighted at the Methane Expo 2013, and

further, whether the subcommittee should better align itself with the World Bank's Global Gas Flaring Reduction (GGFR) public-private partnership.

Mr. Layer commented the passage of U.S. EPA's Greenhouse Gas Reporting Program, subpart W (petroleum and natural gas systems) creates additional links of commonality amongst subcommittee members. He encouraged Project Network members to share their challenges. Mr. Robinson suggested the ASG create a theme for the Methane Expo 2013 as a way to attract attention and draw greater attendance. He put forth emissions inventory as possible theme, suggesting it would lend itself as a poster idea too.

Mr. Joseph Essando-Yeddu from the Energy Commission of Ghana remarked the Intergovernmental Panel on Climate Change (IPCC) guidelines were cumbersome and legislative. He expressed the need for more standard, streamlined guidelines. Mr. Layer followed up stating the rationale of GMI is to bring together platforms like IPCC. Mr. Francisco Sucre of GGFR commented the Methane Expo 2013 is a significant event. As such, he encouraged the ASG to leverage GGFR and United Nations Framework Convention on Climate Change (UNFCCC) relations to draw greater interest in the event. He further remarked on the importance of monitoring and verification of data that can feed into broader efforts such as NAMAs.

Mr. Ferland closed the conversation by thanking everyone for their input and suggesting the ASG facilitate an additional conference call with the subcommittee and Project Network members on the Methane Expo 2013. Mr. Layer requested that, in the interim, members email the ASG with ideas.

Country-Specific Activities Updates

Following the ASG update, Mr. Layer led the member country updates:

Ghana

Mr. Essando-Yeddu thanked everyone for hosting this meeting and expressed appreciation for being able to participate. He provided an overview of activities in Ghana to include geopolitical considerations, the history of oil commerce, the transport of associated gas and status of two in-country Clean Development Mechanism project activities (focusing on associated gas recovery and utilization). He is looking forward to continued participation in GMI activities.

United States

Ms. Bylin reported the United States is actively providing technical support to Latin America (i.e., Colombia and Mexico), China, Indonesia, India and Russia-based oil and gas companies. Specifically, U.S EPA continues to work with these companies to identify, analyze, promote, and anticipate methane emission reductions from identified project opportunities. She also noted that GMI is commencing outreach activities in the Middle East; specifically, in Saudi Arabia, Kuwait, United Arab Emirates, Oman, and Qatar. Technology Transfer Workshops are schedule for May in Saudi Arabia and Qatar.

She reported GMI will be presenting technical papers at several upcoming global events including the World Gas Conference in Malaysia, Rio +20 Summit in Brazil, and the Society of Petroleum Engineers Conference and Exhibition in Australia.

Ukraine

Mr. Oleksandr Pryshchepo of Cherkasytransgas reported the company continues to identify and repair leaks. Their efforts are supported by laboratory staff looking at leak identification and prevention practices. Management staff are also evaluating their efforts and next steps for their emissions reduction program. He reported the experiences of peer companies in Europe and the United States will likely influence their future practices.

Norway

Tuva Grytli of Statoil reported on their companies' efforts to manage methane emissions and further, that Statoil is considering joining Natural Gas STAR International.

Short-Lived Climate Pollutants

Immediately following the break, Mr. Ferland introduced Jonathan Pershing and David Turk of the U.S. State Department (via conference call). Mr. Pershing thanked the ASG for arranging the conference call. He opened the call with some facts on CCAC (the SLCP initiative) and overall objective. It is their vision to facilitate the reduction of methane, black carbon, and hydro fluorocarbons (HFCs) by providing funding to developing countries to help implement technologies that reduce emissions. The Coalition has raised \$10 million in the first year to enhance public and private efforts worldwide that reduce these pollutants. He hopes to scale up these efforts moving forward. Supplemental funding is anticipated from public and private sector partners. The effort is complementary to GMI.

The next milestone for the Coalition is a late April meeting in Sweden. (Follow the link for a press release from this meeting: www.unep.org/newscentre/Default.aspx?DocumentID=2678&ArticleID=9116&l=en) In advance of the meeting, Mr. Pershing is seeking subcommittee member input. Specifically, he requested an expression of interest, as well as recommendations on countries to work with and activities that could be scaled up across the sector with political support.

Mr. Layer expressed openness to partnering under the Fast Start Funding mechanism, as the Coalition and Canada's work in this regard are in parallel. Both he and Mr. David Picard of Clearstone Engineering Ltd. updated everyone on the work being done with Carlton University to measure black carbon and how this will be used in the future to inform policy makers.

Ms. Bylin proposed that GMI and the State Department continue to communicate and the ASG should convene a conference call with its members to further discuss the CCAC. Mr. Pershing thanked everyone for their time and looked forward to hearing from the Subcommittee.

Country-Specific Activities Updates (Continued)

Colombia

Mr. Edgar Eduardo Yañez Angarita of EcoPetrol reported on the company's efforts to reduce emissions. He reported that EcoPetrol has set corporate goals to reduce emissions and waste, and increase operating efficiencies. EcoPetrol is currently working with U.S. EPA and Environment Canada to advance their overall strategies to reduce emissions.

Indonesia

Ms. Amar Meutia of Star Energy offered an update on the company's overall efforts and participation in the Natural Gas STAR Program, as well as Indonesia's regulatory framework. Indonesia has a goal to reduce emissions 26 percent by 2020 and eliminate gas flaring by 2025.

Subcommittee Future Activities, Including Nationally Appropriate Mitigation Action (NAMA) Plan Discussion

Mr. Layer led this discussion by introducing and explaining NAMAs. Specifically, they can be policies, programs, or projects implemented at national, regional, or local levels. They contribute to the goal of measurable and verifiable GHG reductions and are intended to enable mitigation action and access to financing under future climate agreements. Like the CCAC, NAMAs are a relatively new concept.

Canada is currently collaborating with Colombia and Mexico to develop credible NAMAs under the Fast Start Funding, which was established at UNFCCC 16th Conference of Parties (COP 16) in Cancun and brings \$30 billion in initial funding for period 2010-12. Mexico and Colombia's NAMA Plans will respectively address emerging priorities for management of energy, environment, and the economy; advance the development and transfer of knowledge and clean energy technologies; ensure the economic and environmental sustainability of oil and gas production; develop new and profitable opportunities to measurably improve resource recovery and environmental quality; and identify a list mitigation actions that can be implemented.

He reiterated the complementarities between NAMAs, CCAC, Fast Start Funding, and GMI. Benefits include accurate and verifiable emissions estimates, standardized and reproducible opportunities, implementation plan, leadership from international partnerships and finance brokers, and capacity building. Further, he commented these programs are scalable to other countries but must deliver results in order to be credible.

The resulting NAMAs would be recorded in a registry to facilitate matching of finance, technology, and capacity building support. Canada's beta version of the registry is expected in May and the final version will be rolled out at the COP 18 in late 2012. Mr. Essando-Yeddu offered Mr. Layer his support and encouraged everyone to collaborate and educate others about this issue.

Summary of Action Items Discussed at this Meeting

The meeting attendees established the following action items:

- The ASG is committing to organizing conference calls to discuss the upcoming Methane Expo 2013, as well as the subcommittee's role to ensure that the event is as useful as possible for the oil and gas sector participants.
- The ASG is also committing to organizing conference calls to advance discussions on SLCPs and the newly launched CCAC.

As appropriate, the ASG and U.S. EPA will work with the subcommittee over the next few months to complete these action items in anticipation of the next subcommittee meeting (to be held via webinar).

The co-chairs thanked everyone for their contributions to the meeting and continued support to the GMI. The meeting was adjourned.

Annex I

12 April 2012 – Subcommittee Meeting Final Agenda

13:15 – 13:30	Introduction and Welcome Addresses <i>Subcommittee Co-Chairs Javier Bocanegra (Mexico) and Michael Layer (Canada)</i>
13:30 – 13:40	Adoption of Agenda <i>Carey Bylin, U.S. EPA</i>
13:40 – 13:45	Country-Specific Activities Update - India <i>A.K. Hazarika, ONGC</i>
13:45 – 14:15	Update from the Administrative Support Group (ASG) <i>Henry Ferland, ASG</i> The ASG will provide an update on the latest charge from the Steering Committee, the launch of new Climate and Clean Air Coalition on Short-Lived Climate Pollutants, and the Methane Expo 2013. It will also distribute the revised Action Plan guidance.
14:15 – 14:45	Methane Expo 2013, Country-Specific Activities Update - Canada <i>Subcommittee Co-Chairs</i> Dialogue with Country Delegates on <i>actionable items</i> for the Methane Expo 2013, including marketing, promoting, and identifying content.
14:45 – 15:15	Country-Specific Activities Update <i>Subcommittee Co-Chairs</i> Member countries will provide a brief update on past and future GMI-related activities.
15:15 – 15:45	Break
15:45 – 16:15	Short-Lived Climate Pollutants and the Climate and Clean Air Coalition (CCAC) <i>Jonathan Pershing, U.S. State Department (via conference call)</i> General discussion on this new coalition to reduce short-lived climate pollutants (SLCPs) and efforts to advance public and private support.

16:15 – 16:45 **Subcommittee Future Activities, Including Nationally Appropriate Mitigation Action (NAMA) Plan Discussion**
Subcommittee Co-Chairs

General discussion about future activities, including subcommittee interest in such items as promoting methane inventory development, more closely linking to flare reduction work, and developing NAMA plans. The subcommittee can use their broad experience to discuss and coordinate future plans for the oil and natural gas sector work.

16:45 – 17:00 **Summary of Action Items, Wrap up and Adjourn**
ASG, Subcommittee Co-Chairs

Annex II

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