



Methane to Markets

Oil & Gas Subcommittee Report to Steering Committee

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Russia

Cruz Ernesto Hernandez, CO-CHAIR

Mexico

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Canada

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Mexico City, Mexico**

Overview

- Action Items from March 2010 Meeting
- Activities Since March 2010
 - New Delhi Subcommittee Meeting Highlights
 - Selected Subcommittee Achievements
- Issues for Steering Committee Consideration
- Next Steps

Action Items from March 2010 Meeting

- Subcommittee will review leadership per the agreed upon charge from the Steering Committee
- ASG, at the direction of Subcommittee and Project Network members, will assist with engaging those Subcommittee members not actively participating in Partnership activities
- Subcommittee and Project Network members to support the larger Partnership's strategic goals and Charge to the Subcommittee
- Subcommittee should explore linkages with other relevant international initiatives and partnerships

Subcommittee Activities Since March 2010

- Overall Partner Outreach
 - Email communications
 - Leadership review
 - Meeting agenda and objectives (discuss and plan next activities for Subcommittee)
 - Individual letter of invitation for delegate members
 - Website postings and updates
 - Capacity building; technical workshops and presentations

Subcommittee Activities Since March 2010 *(continued)*

- Strategic Project Development and Implementation
 - Continue projects and cooperation with Argentina, Brazil, Canada, Chile, China, Ecuador, India, Italy, Mexico, Poland, Russia, and Ukraine-based oil and gas companies
- Subcommittee Membership
 - Additions:
 - Ghana, Joseph Essando Yeddu

Issues for Steering Committee Consideration

- Raise awareness of re-branding to Global Methane Initiative and expansion of Terms of Reference
- Commit to placing greater emphasis on country-specific action plans
 - Development and Implementation
 - Provide assist countries as/if needed
- Engage partner countries not actively participating in Partnership

Next Steps

- Next Subcommittee Meeting
 - Co-located with the U.S. EPA's Natural Gas STAR Annual Implementation Workshop in New Orleans, Louisiana, USA
 - 1st through 3rd of November 2010
 - Workshop event to include:
 - 1 November: Site Tour (natural gas processing plant)
 - 2 November: Technology Transfer Workshop and Natural Gas STAR Award Ceremony
 - 3 November: Technology Transfer Workshop and Oil & Gas Systems Subcommittee Meeting

Next Steps (*continued*)

- Next Steps
 - By consensus, finalize leadership changes (as/if needed)
 - Continue to develop (if they have not already) and implement country-specific action plans
 - Identify linkages between Subcommittee work and other relevant international initiatives and partnerships
 - Subcommittee meeting will include a presentation from a representative of GGFR about their effort to improve use of CDM in oil and gas sector
 - Support the Partnership's larger strategic goals and Charges to the Subcommittee coming out of the Ministerial Meeting

Appendix: Example Activities by Country

- **Australia**

- Attended and actively participated in March 2010 Meeting
- Liquefied natural gas use and related activities continue to grow
- New carbon pollution reduction scheme before parliament

- **Brazil**

- U.S. EPA presented paper on “Designing Ideal Emissions Reductions Strategy for Offshore Platforms” at the SPE International conference on HSE in oil and gas exploration and production on April 18th in Rio de Janeiro, Brazil. Petrobras was a principal sponsor of the event

Appendix: Example Activities by Country (continued)

■ **Canada**

- Vice Chair of Subcommittee attended and actively participated in March 2010 Meeting
- Domestic Activity
 - Canada will share Terms of Reference for projects currently being undertaken in Canada concerning the development of two Best Management Practices and two emissions models
- International Activity
 - Continues to engage with U.S. EPA in ongoing projects with the China's China National Petroleum Company (CNPC) and Mexico's Petróleos Mexicanos (PEMEX)
 - Co-operative efforts have been leveraged to include energy efficiency and process optimization
 - One delegate from CNPC is working in Calgary to receive training on processing and analyzing field measurement data

Appendix: Example Activities by Country (continued)

- **Chile**
 - ENAP Sipepetrol, a Natural Gas STAR International Partner, has conducted pre-feasibility and measurement studies to evaluate emissions and is actively considering methane reduction projects
- **China**
 - Continues support of the identification and analysis of methane emission reduction opportunities at all three major Chinese oil and gas companies:
 - CNPC
 - Two volume corporate guidelines on energy and emissions management at upstream oil and natural gas facilities
 - Capacity building to process and analyze field measurement data
 - China National Offshore Oil Corporation and Sinopec
 - Working to secure National Development and Reform Commission approval of proposed collaboration

Appendix: Example Activities by Country (continued)

- **Ghana**

- Recently joined Subcommittee

- **India**

- Attended and actively participated in March 2010 Meeting
- On-going collaborations between U.S. EPA and ONGC
 - Making considerable progress to reduce emissions
 - Planning to issue a sustainability report
 - Working towards carbon neutrality
 - Planning to participate in Natural Gas STAR Annual Implementation Workshop and Subcommittee meeting as well as study tour of vapor recovery unit and dry seal compressor projects in the U.S.

Appendix: Example Activities by Country (continued)

- **Italy**

- Attended and actively participated in March 2010 Meeting
- Sector uses up-to-date technologies working on international collaborations

- **Mexico**

- Co-Chair of Subcommittee attended and actively participated in March 2010 Meeting
- On-going collaborations with U.S. EPA and PEMEX:
 - Recently completed a field measurement campaign of an offshore platform
 - Seeking to purchase field measurement equipment and organizing internal methane measurement teams

Appendix: Example Activities by Country (continued)

- **Ukraine**
 - On-going collaborations between U.S. EPA and the PNNL, Naftogaz and its subsidiary, Ukrtransgaz:
 - Exploring options to reduce methane leaks
 - Developing a corporate GHG monitoring system with an integrated methane leak detection and repair program

Appendix: Example Activities by Country (continued)

- **United States**

- Continuing collaborative activities in Argentina, Brazil, Canada, Chile, China, Ecuador, India, Mexico, Poland, Russia, and Ukraine to identify, analyze, promote, and track methane emissions reductions from projects. Working with Environment Canada in Mexico and China
- Actively engaging oil and gas companies worldwide to encourage the identification, measurement and mitigation of methane emissions in their operations
 - Two new domestic partners

Appendix: Example Activities by Country (continued)

- **United States (continued)**
 - Technology Transfer Workshops:
 - Farmington, NM and Vernal, UT
 - Ashgabat, Turkmenistan
 - Natural Gas STAR methane emission reduction numbers for 2009 – domestic partners (based in the United States) reported emissions reductions of 86 billion cubic feet (Bcf) and international partners reported emissions reductions of 13.1 Bcf