



Role of the oil and gas industry in methane emissions mitigation

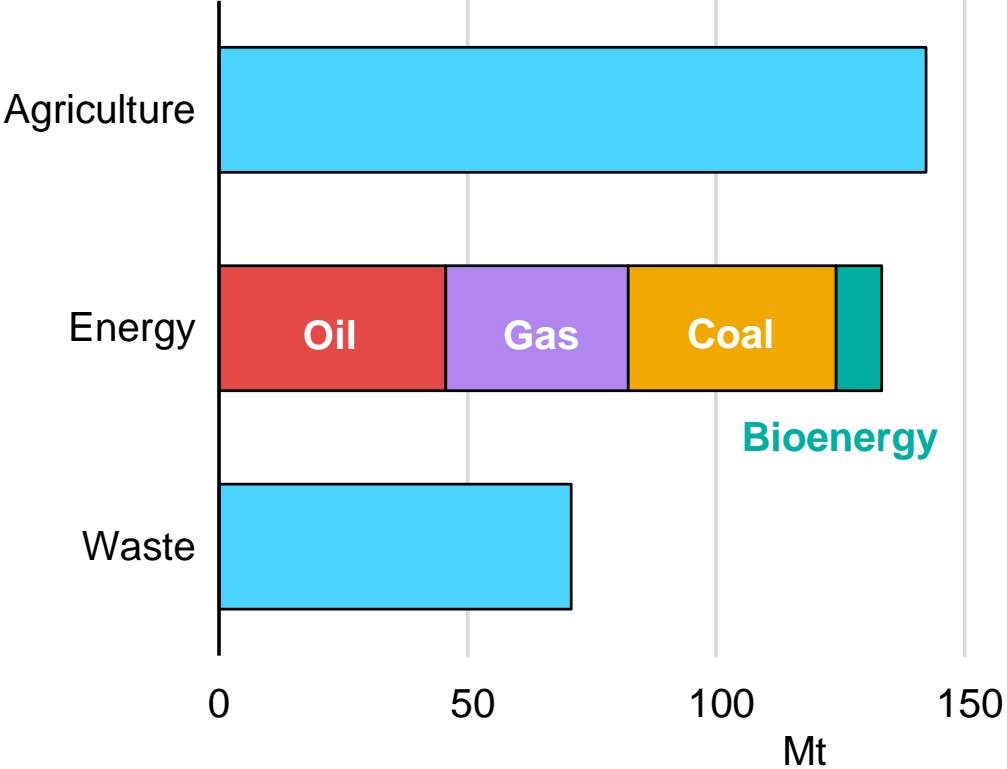
Peter Zeniewski, Supply Division, World Energy Outlook

Energy Community Gas Forum, 28 September 2023

Methane accounts for 30% of the rise in global temperatures



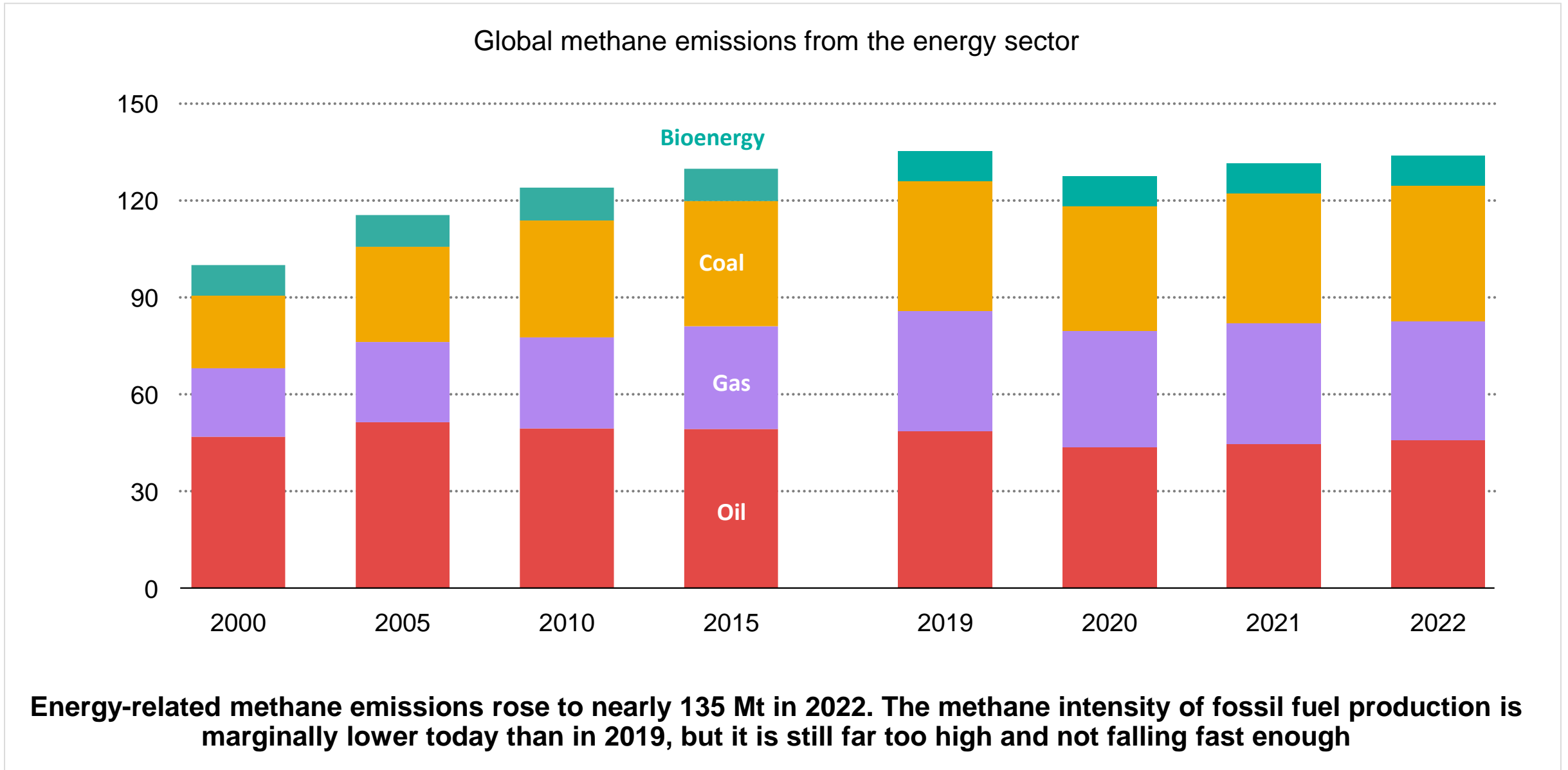
Main sources of methane from human activities



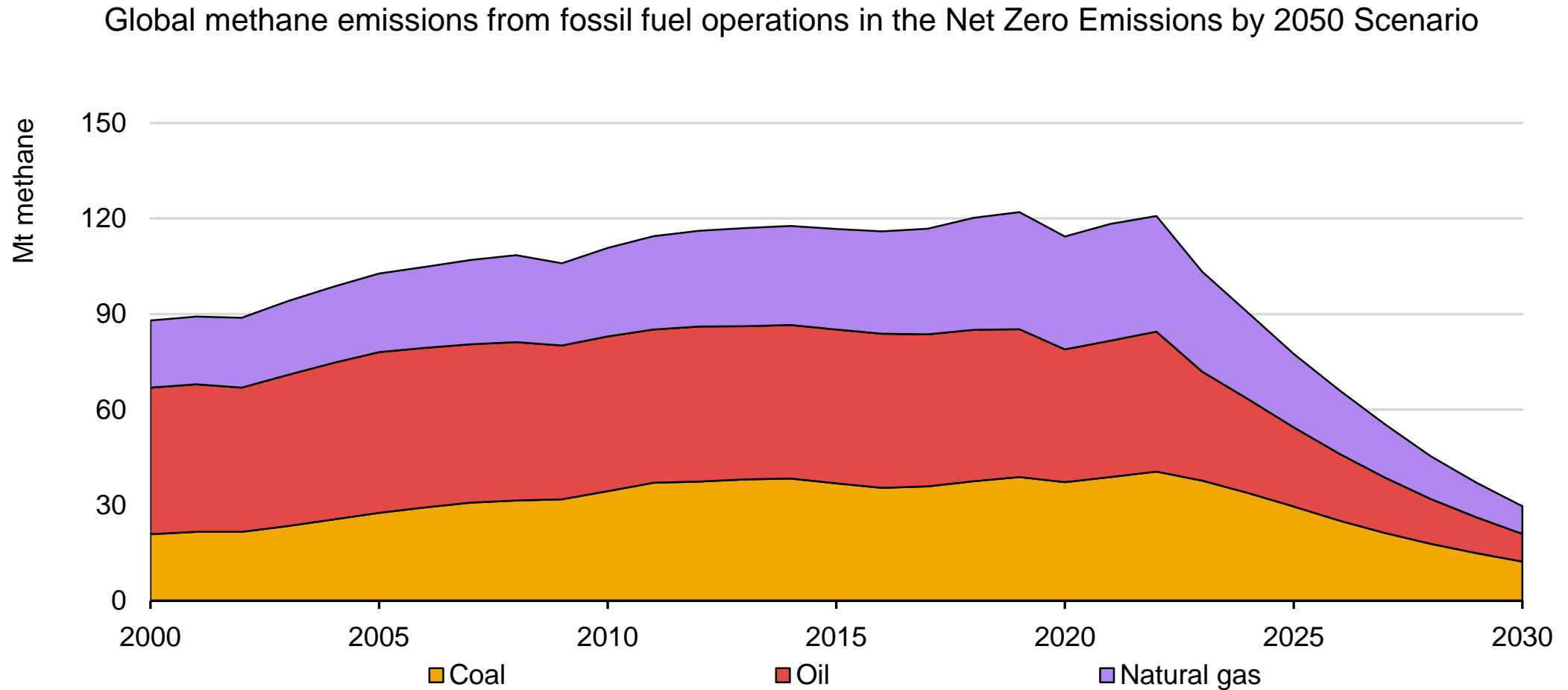
Tackling methane emissions is a key strategy to reduce global warming in the near term. About half of all opportunities to cut methane are in the fossil fuel industry



High gas prices in 2022 did not drive deep reductions in methane



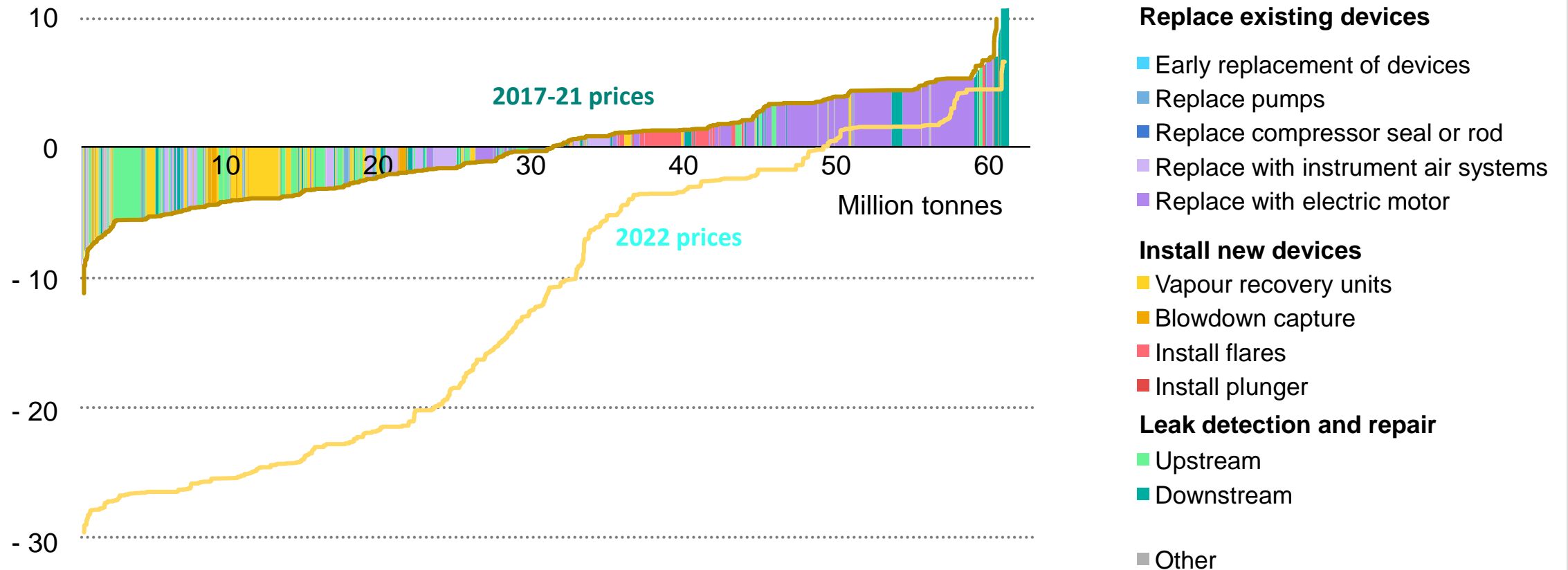
Methane emissions fall more than 75% by 2030 in our NZE Scenario



The reduction in methane emissions accounts for more than 15% of all energy-related GHG emissions reductions in the NZE Scenario to 2030

Cutting methane is a very cost-effective way to limit near-term warming

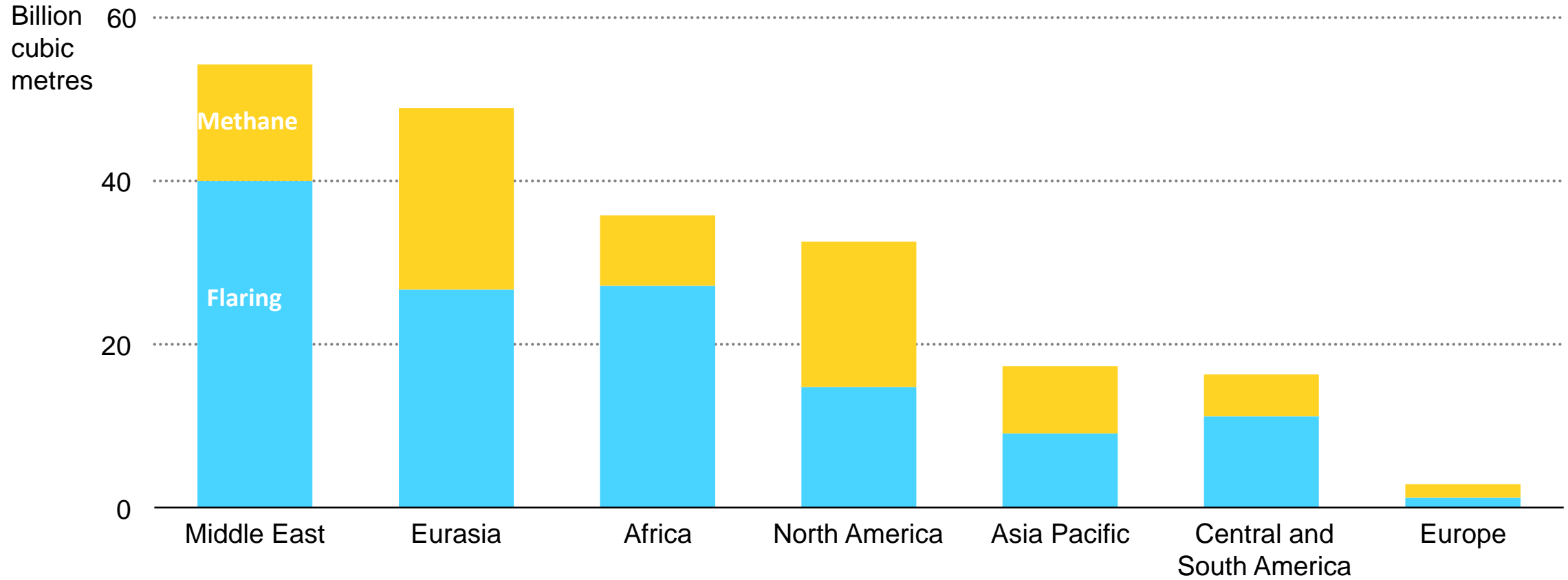
Global oil and gas methane abatement cost curve at 2017-21 prices



High prices in 2022 meant most abatement measures could have been deployed at no net cost. Around 2% of the net income received by the oil and gas industry in 2022 would be enough to cut emissions by 75% to 2030

Combined approaches can better tackle methane emissions & flaring

Potential additional gas supply from stopping all non-emergency flaring and curtailing methane emissions



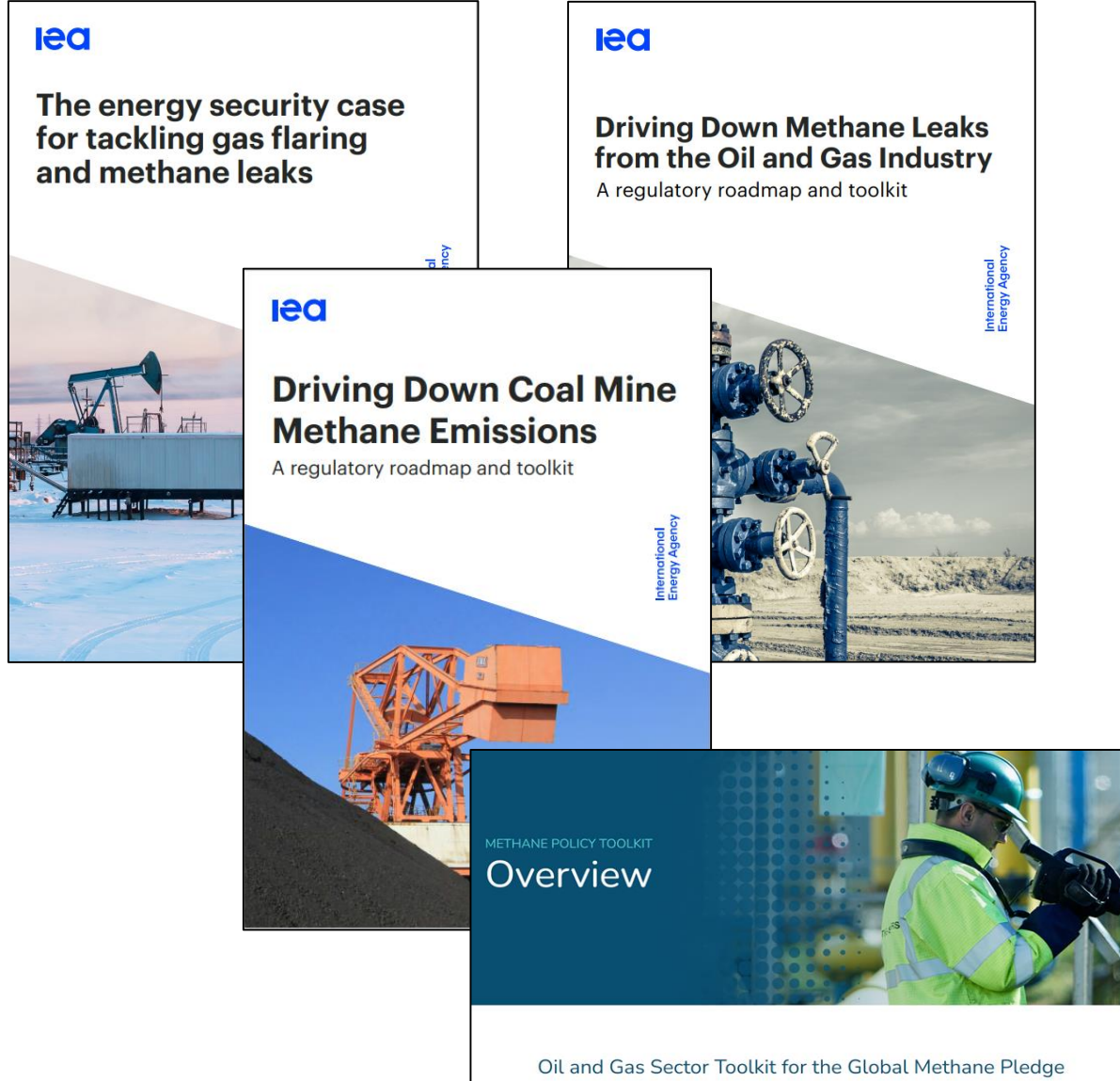
Source: Flaring data from World Bank (2022)

More than 200 billion cubic metres of natural gas could be brought to markets by stopping flaring methane emissions, more than the European Union's annual gas imports from Russia prior to the invasion of Ukraine

Six key recommendations for increased methane action



1. **The oil and gas industry** must lead efforts to tackle methane emissions and adopt a zero-tolerance approach to emissions along the value chain
2. **Policy-makers** should implement and enforce effective methane policies and regulations to incentivise early company action
3. **Investors and insurers** engaged with the oil and gas industry should promote methane abatement tied to strict performance standards, verifiable reductions and transparency on targets and reporting
4. **A new international effort** is needed to fill the financing gaps identified in this report, notably the USD 15-20 billion of spending required in low- and middle-income countries
5. **Financing efforts** should ensure rapid delivery of the most cost-effective mitigation opportunities, laying the groundwork for further reductions
6. **Investing in institutional capacity** for abatement, especially in low- and middle-income countries, is a vital part of the solution



- We have developed a number of resources for regulators and policy-makers looking to cut methane emissions highlighting the steps required and the benefits of doing so
- We will continue to highlight the importance of tackling methane emissions and provide new insights on this in upcoming publications (WEO 2023, updated NZE Scenario, Oil & Gas Industry in NZE Transitions, Latin America Energy Outlook)
- We look forward to strengthening our partnerships with other organisations to further methane abatement

led