

First OGMP 2.0 Experience Sharing Workshop

22 March 2022, 2-4pm CET

Introduction: This is the first OGMP 2.0 experience sharing workshop dedicated to implementation plans, target setting and reporting templates. UNEP plans to organise such sessions on a quarterly basis with the next one devoted to sharing companies' experience with L4 measurement technologies to take place before the summer leave (sometime in June).

Part I - Implementation Plan & Target Setting (1h)

1. **Presentation on the implementation plans by UNEP**– 15 minutes
2. **Experience sharing session** – 40 minutes

Target setting

- For upstream members, it is difficult to set an absolute target hence the preference for intensity-based one. The main challenge is **insufficient forecasting**, making it difficult to understand what is driving the intensity of emissions and how to counterbalance it. Companies will learn a lot about their sources by conducting measurements and will be able to adjust the targets accordingly. OGMP **technical guidance documents** also contribute to improved emissions estimations and better target setting.
- Another challenge is setting the target and progressing towards it in the **context of expanding operations**, e.g., non-conventional assets such as fracking.
- Some companies started this exercise by conducting a diagnosis of methane emissions or had discussions with UNEP to come up with a **meaningful baseline** for target setting.

Implementation Plans

- The methodology to **assess the implementation plans** will be the same as last year. Based on experience from first cycle of reporting, UNEP plans to send an excel file to companies where it will rate elements of implementation plans for more structured feedback. Revised plans or those submitted last year will be assessed and compared with reports to see if reporting levels fit those announced in the plans. If they do not match, UNEP will reach out to companies bilaterally.
- **Implementation plans are meant to be living documents**, which companies are encouraged to update on an annual basis if needed. They are a tool helping UNEP assess if companies are on the right pathway towards reaching the Gold Standard, also for non-operated assets.
- To demonstrate a viable approach to achieve L4 reporting, companies should provide **description of the types of technologies, methodologies and sampling strategies** they plan to use. This might include information about potential difficulties with technology deployment for certain assets/sources and, in case of sampling frequencies, the expected activity variability.
- What is sometimes more difficult than obtaining NOJVs data or deploying new technologies is **bringing operated assets to Level 4 and 5**. Some companies start by mapping them out and identifying potential difficulties.
- It is important for companies to **start with pilots**, e.g., on LDAR which might take 2-3 years, be patient and revise implementation plans as their knowledge improves, as well as reach out to UNEP's team to discuss potential obstacles.

- **Years 0-5:** The year of joining the Partnership is Year 0. First reporting is expected in Year 1 and reaching the Gold Standard in Year 3 for operated and Year 5 for non-operated assets. Companies are invited to specify in brackets the year they refer to when they indicate Years 0-5 in their implementation plans to avoid confusion.
- **Gold Standard** is not about reaching L4 of reporting but reconciling L4 and site level data. UNEP acknowledges this is challenging for many companies. The Gold Standard is not the end goal, what matters is starting the **journey of improvements** to get there. Before Year 3, the Gold Standard is attributed on the basis of a credible implementation plan which UNEP refers to as “**Gold Standard Pathway**”, in contrast to “**Gold Standard Reporting**” which is reaching L4/L5 reporting within Year 3 deadline for operated assets and Year 5 for non-operated assets
- **Companies not reaching Gold Standard in Year 3 do not lose OGMP membership.** They are encouraged to make progress over time and strive to reach it the following year.
- Companies shared concerns about the **limited number of experienced contractors** able to meet L4 reporting requirements. The market of service providers can become even tighter with EU regulation introducing the obligation of independent verification. It is important to well frame the expected deliverables with contractors which might specialise in different services, e.g. L5 measurements or source level inventories.

Engagement with NOJVs

- It is challenging for many companies to **engage with NOJVs** and convince them of the importance of managing methane emissions. One of the midstream members shared their experience with engaging with joint venture partners. The company conducted a preliminary climate action assessment among NOJV partners, consisting of a questionnaire on their climate change commitments with focus on methane looking at (1) existence of emissions reduction target & its nature (absolute or intensity, covering all GHGs or only methane); (2) methane calculation methodologies and reporting practices and (3) methane mitigation measures and initiatives.
- UNEP is available to participate in discussions with NOJVs, present the Partnership and answer any questions. Some partners initiated such discussions in the past.

Part II – Use of Reporting Templates (1h)

1. Presentation of updated reporting templates by UNEP - 10 minutes

- All members received the revised reporting templates, first via mirror groups and then Steering Group (to be approved by 30 March if no objections received).
- No empty cells are allowed for both templates, hence, companies can now report only numerical values, “missing information” or “not applicable” options, which can be accompanied by an explanation.
- For the upstream template, two columns for latitude and longitude were added.
- Another column was added for a brief description of asset type in the upstream template.
- In the mid- and downstream template, companies are invited to indicate how many similar facilities they have under the scope of reporting table in the first sheet of the reporting template.
- Compressors for distribution networks were added as a new source in the mid- and downstream template.
- UNEP remains available to answer any questions about the revised templates.

2. Experience sharing session on the use of reporting templates by companies – 45 minutes

- It is important to **leave templates stable** – collect remarks from all companies and do consolidated modifications next year.
- Aggregation formulas in excel may be prone not to work as intended and should be checked by companies.
- Biogas compressor stations can be added under compressor stations category with an explanatory note. The new template allows companies to insert names of each asset.
- Companies are struggling to receive **location coordinates** for some assets, esp. the dispersed ones. Sharing coordinates either through the centroid of such assets or a polygon comprising them would be very helpful for UNEP to distinguish facilities. However, coordinates may overlap between different operators so they have the option to use judgement into how they disclose this information.
- The problem with last year's reporting was that **names of assets provided often made it difficult to identify the type and location of facilities in question**. Moreover, with similar assets owned by different operators in one region, it is often difficult to identify the owner. This even leads to the existence of different names under the reporting template and the implementation plan.
- UNEP needs to understand the context to be able to evaluate reports, as well as to build data layers within IMEO - know where to cross-check emissions with satellite data and where to conduct studies.
- **Lessons learnt from first year of using the templates** include:
 - (1) L2/ L3 split for venting emissions of some companies does not match the one of OGMP. By default, companies put venting emissions under L2 but that does not represent the reality of their emissions.
 - (2) There were some misunderstandings on whether assets are material or not and some were wrongly grouped by companies.
 - (3) Companies need to be as precise as possible and use the comments sections to provide additional information to avoid misunderstandings. TGDs also help to improve the accuracy of reporting.
 - (4) Some emissions categories reported by companies are not covered by the OGMP (e.g., tankers' loading) or do not quite fit the existing reporting boundaries. When in doubt, companies tend to add such sources in their reports. In the future, the partnership might consider adding additional categories and respective quantification guidance.
- **Companies can report different assets at different levels**. In case a company plans to report aggregated emissions from similar sources in the same asset on different reporting levels, it should indicate in notes the relative % for different reporting levels (e.g. L3=35%, L4=65%). This will be adequately reflected by UNEP in the annual report.
- It is important for companies to **align with NOJVs partners** to avoid double reporting, non-reporting or reporting the same assets at different levels and with different names.
- DSOs companies based in Netherlands are jointly developing emissions factors for different gas distribution grids based on measurements. They would like to know if this collective data can be used for L4 or if additional measurements for each DSO need to be made. This issue will be bilaterally discussed with UNEP.

Conclusion: All OGMP companies face challenges and there is no one size fits all approach. UNEP team is available to continue discussing these challenges with members on a bilateral basis. Information about the next workshop will be shared soon.