

OIL AND GAS METHANE PARTNERSHIP MODULE

PRESENTATION 3 – The journey to the gold standard

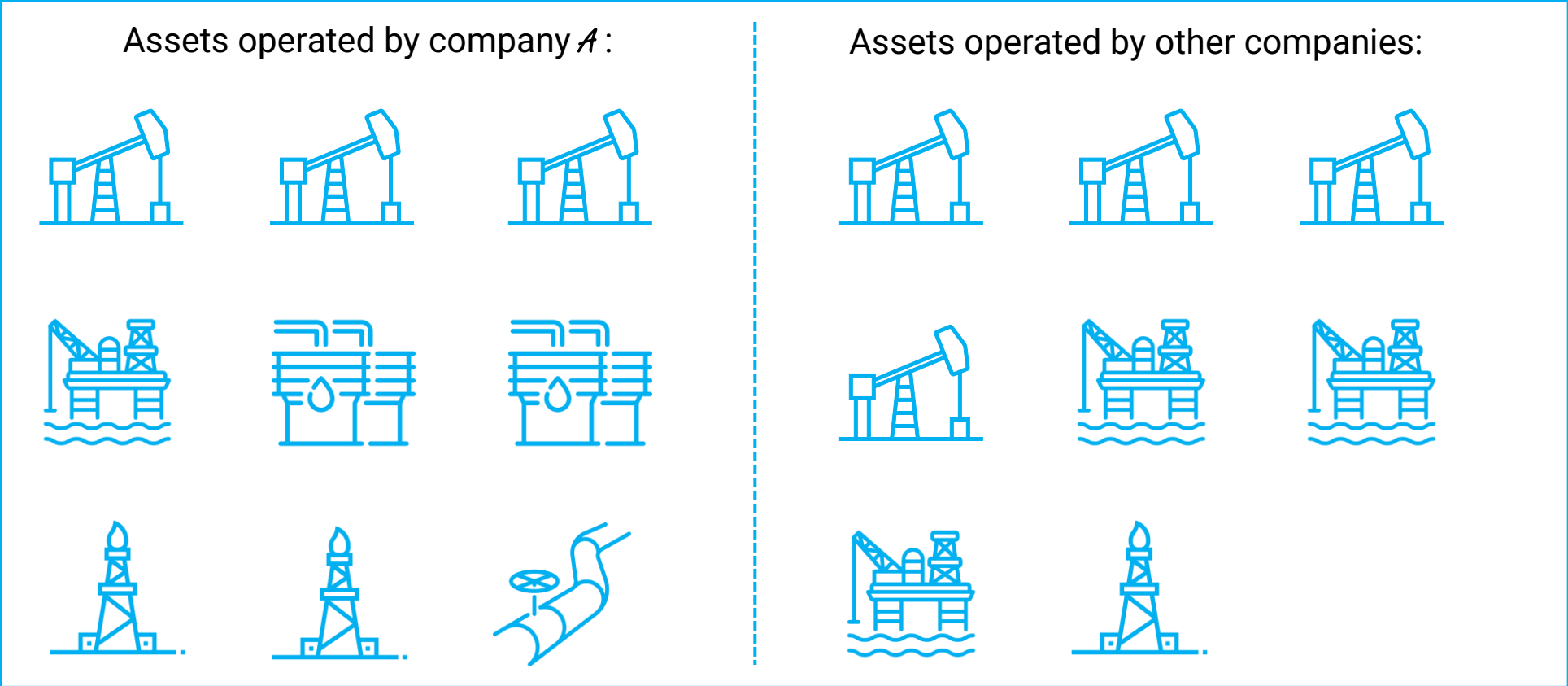




TO UNDERSTAND THE STEPS REQUIRED FROM A COMPANY JOINING THE OGMP
2.0 FRAMEWORK TO REACH THE GOLD STANDARD

Materiality at portfolio level: Listing all assets

Company *A*'s portfolio (ownership):



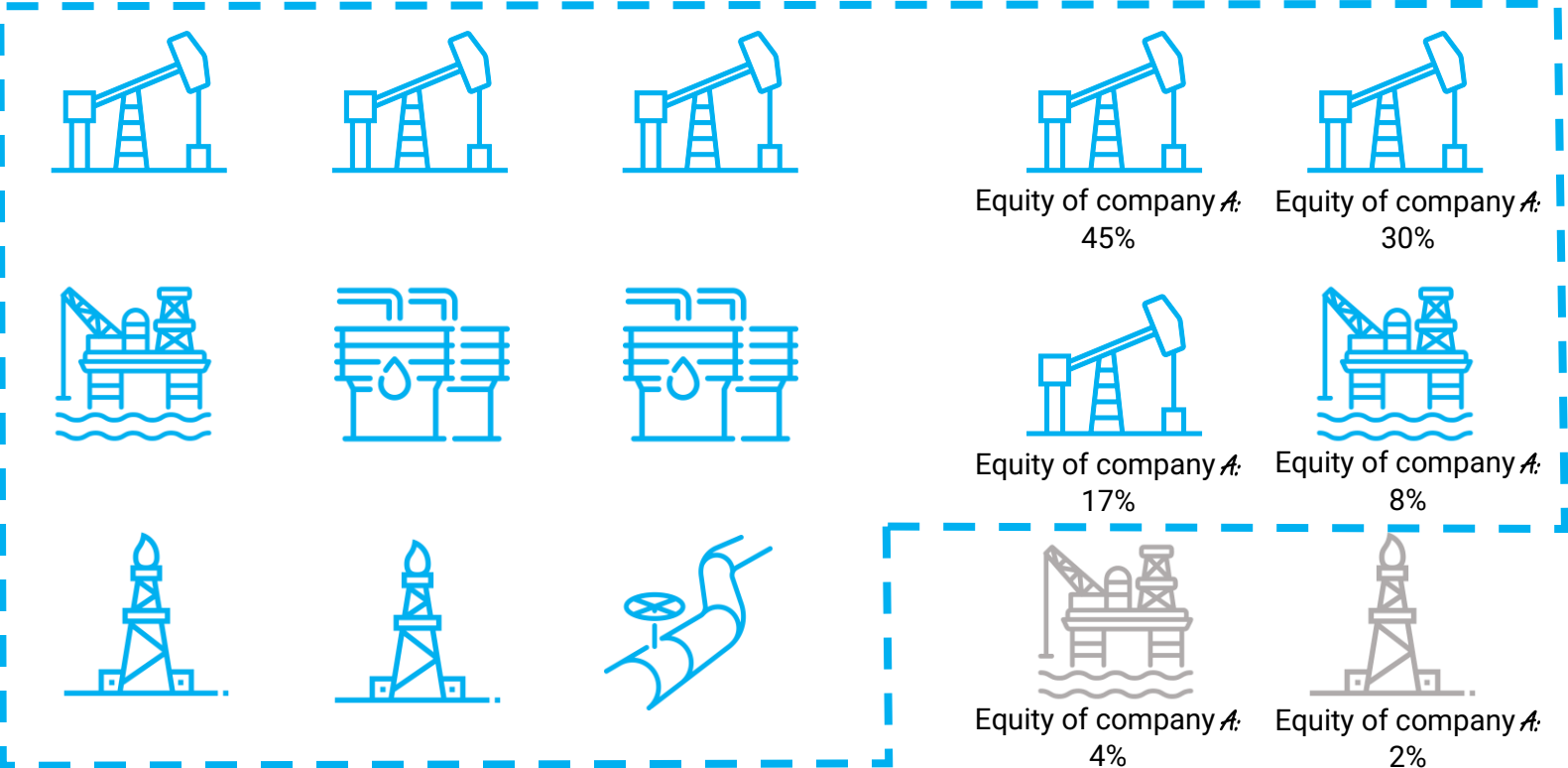
Materiality at portfolio level: examine equity

Company A reports:

Assets operated by company A:

Assets operated by other companies:

Quantification at level 3 required for assessing materiality



Less than 5% equity: immaterial
 → Reported as «Excluded»

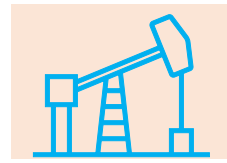
Materiality at portfolio level: rank assets per emissions

Company *A* reports:

Ranking of assets operated by company *A* in terms of absolute emissions:



29% of operated assets' emissions



20% of operated assets' emissions



14% of operated assets' emissions



13% of operated assets' emissions



9% of operated assets' emissions



6% of operated assets' emissions



4% of operated assets' emissions



3% of operated assets' emissions



2% of operated assets' emissions

Ranking of non-operated assets in terms of absolute emissions:



68% of non-operated assets' emissions



24% of non-operated assets' emissions



5% of non-operated assets' emissions



3% of non-operated assets' emissions

! For the ranking, do not account for equity

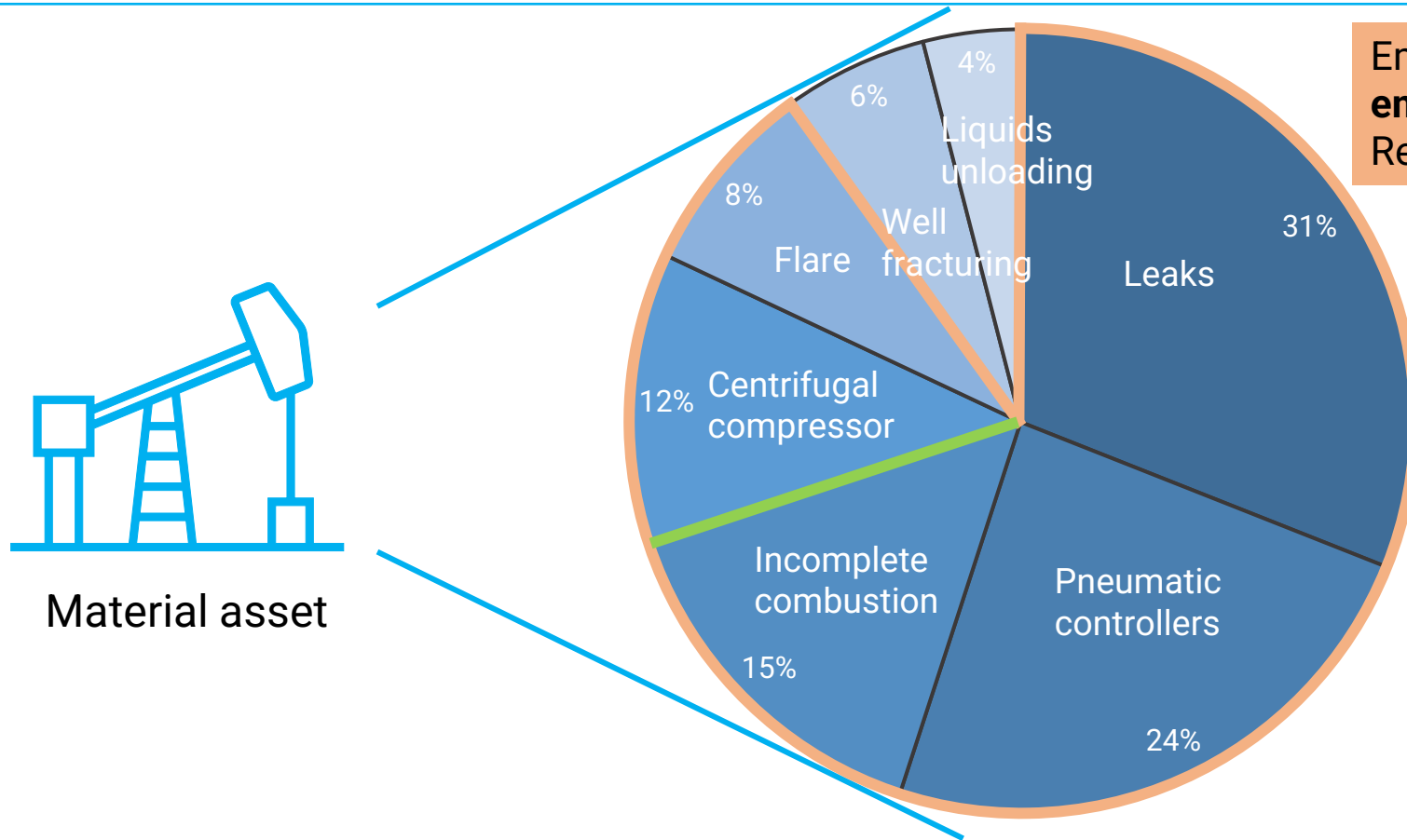


Ranking of assets based on emission estimates at level 3:

Top 95% of operated and non-operated assets
 → **material**
 Require level 4/5 quantification for gold standard

Part of the **5% bottom** emissions → **immaterial**
 Require reporting at level 3 but level 4/5 not mandatory

Materiality at asset level



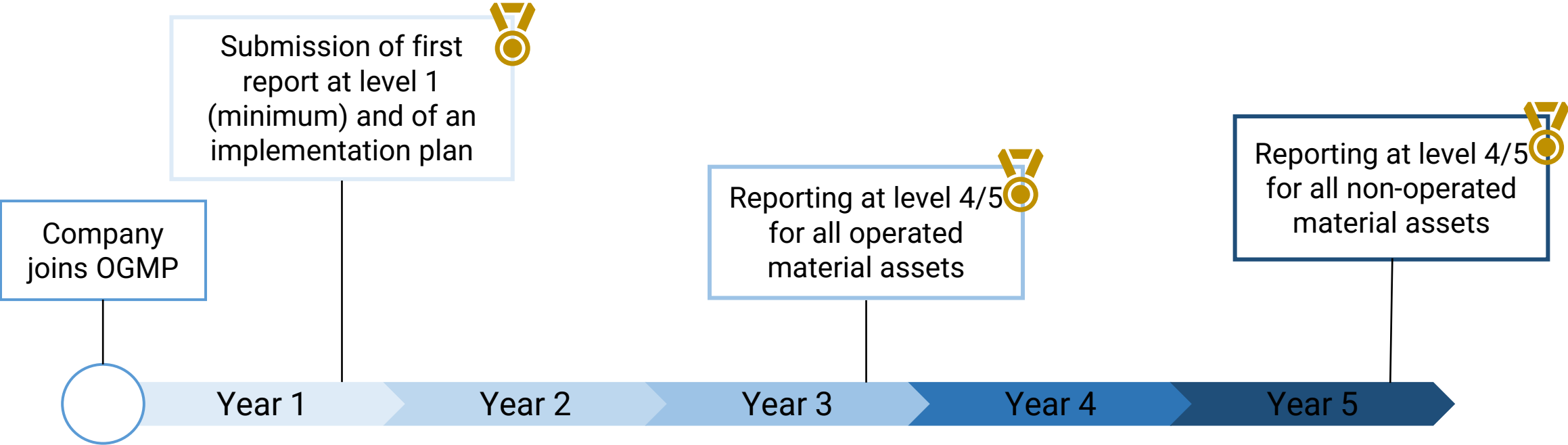
Emission sources contributing to top **90% of emissions at asset level** → **material sources**
Require level 4 quantification *

* Or at least 70% with a justification as to why >90% is not reached

Ranking based on best available data (minimum level 3 estimates)

De minimis (very minor) sources are out of scope of reporting (e.g. incomplete combustion in domestic boilers in the facility's buildings)

Reporting timeline: how to obtain and maintain the Gold Standard



Attributed or maintained Gold standard if criteria are met

Setting targets consistent with the starting point

Quantified emissions

Starting point

How much emissions are reported by the company in the baseline year?



Target and plan

Set reduction targets for 2025 which corresponds to actual reductions compared to the baseline year.

Aligned with the Paris Agreement. Complying with internal/national/regional policies.

Emissions reporting

How are the emissions quantified for the different assets? At which levels ?



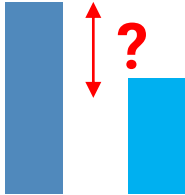







Design a credible phasing plan to bring all material assets to level 4/5 by the agreed deadline.

e.g. assets already reported at level 3 in the first year may reach level 4/5 before assets reported at level 1.

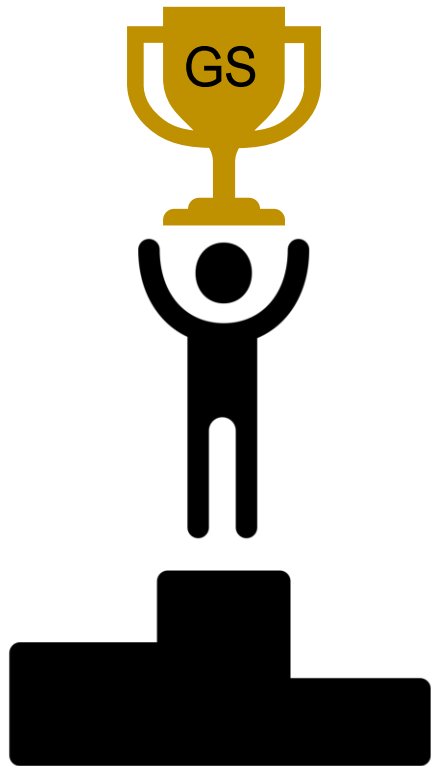
! Companies are encouraged to review target and plan upon changes in methodology and/or new findings

Implementation plan: the roadmap to reach the gold standard

	<h3>Performance target</h3> <ul style="list-style-type: none">Absolute reduction of or near-zero intensity2025 delivery timeframe 		<h3>Level 4/5 reconciliation considerations</h3> <ul style="list-style-type: none">Describe and justify the choice of methodIndicate possible technologies/methodologies 
	<h3>Phasing plan</h3> <ul style="list-style-type: none">Commitment to reach level 4/5 on operated material assets within 3 yearsCredible path (staged approach, technologies...) 	 NOJV	<h3>Joint venture dynamics</h3> <ul style="list-style-type: none">List of non-operated assetsCommitment to reach level 4/5 within 5 years (on material assets) 

Link to the Implementation plan guidance: <https://www.ogmpartnership.com/ogmp-20-implementation-plan-guidance>

At the end of the journey: rewards of the gold standard



Detailed and robust methane inventory: key for **implementing mitigation strategies**. Mitigation reduces emissions and recovers economic value of gas losses.

Demonstrates responsible methane emission management: **positive image** in the eyes of regulators, investors and the general public.

Compliance with **national or international regulations**: adapt to current and anticipate future regulations - more and more stringent on reporting and levels of emissions.

Reporting principles: adaptability within a guided framework



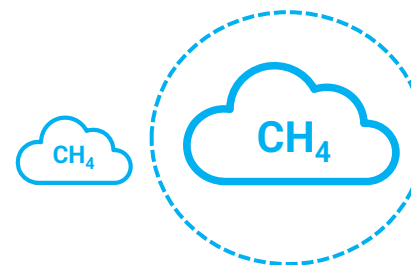
Flexible quantification methods.
Companies adopt the accurate methods that best suit their situation.



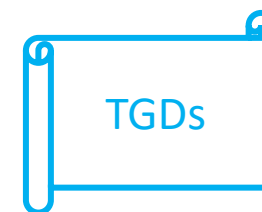
Documentation of the methods used for the purpose of **transparency**.



Recognition that measurement methodologies & technologies are still emergent and experience **continuous improvements**.



Focus on improving the reporting and reducing uncertainty on the **largest sources** of emissions first.



Updated **guidance** in the TGDs and reporting templates provided by OGMP.

**Phased approach to the gold standard with different timeline for operated and non-operated assets.
Quantification methods are flexible and documented.**



Thanks for your attention.

Training material developed by: **CARBON LIMITS**

In collaboration with the **UNEP OGMP 2.0 Team**

