

# Action plan to address key challenges on importers' requirements in the Methane Regulation

09 July 2025

**We believe it is necessary to urgently put in place a clear action plan covering the responsibilities and tasks of each involved party (Member State, European Commission, Industry) to address the key challenges in natural gas and crude oil imports under the EU Methane Regulation (EU MR).**

## Context – Challenges and current status of the Methane Regulation implementation

- The Methane Regulation (MR)<sup>1</sup> is an important step in aligning climate ambitions with global energy trade. **The industry supports** the objectives and, in principle endorses the EU's goals to enhance transparency with regards to imports of fossil natural gas and crude oil and the wider uptake of methane emission mitigation solutions across the globe.
- **As voiced by the industry during the 39<sup>th</sup> Madrid Forum and in the recent ACER 2025 Monitoring report<sup>2</sup>, the implementation of the MR is currently facing significant challenges, at all levels.** This is linked to the implementation of complex technical/operational requirements, the demanding timelines of the MR, the remaining regulatory uncertainties<sup>3</sup> and the MR's extraterritorial implications. These challenges are creating risks for the security and affordability of energy supply and feedstock to the EU. Accessing compliant supply is even more challenging for refiners, as they require specific crude grades for their operations. This comes at a time when the EU faces a significant and growing natural gas supply gap in coming years<sup>4</sup>.
- The regulatory uncertainty<sup>3</sup> is impacting market participants with, for example, undefined future compliance rules and severe liability risks **with potential penalties of up to 20% of an importer's annual turnover.** In addition, **Member States are finding it hard to match the timeline: some are** delaying implementation and enforcement as a result. **Taken together, these issues stall risk assessments, delay contract negotiations, the conclusion of deals and could ultimately threaten Europe's energy security.**
- Considering the complex nature of global supply chains with commingled products from multiple sources involving a large number of market participants, it is a significant challenge for importers to identify the producer of the imported volumes, which also explains the limited number of data reported to competent authorities under the recent Art.27 deadline.
- We recommend that importers' obligations - like MRV equivalence and methane intensity reporting requirements - only apply after **all elements required for implementation<sup>3</sup> including relevant CEN/ISO standards (and 3<sup>rd</sup> party verification) are in place.** At a minimum, pending clear rules on how importers can demonstrate compliance, a **penalty grace period should be put in place, with appropriate grandfathering** to protect contracts signed in the interim. The Commission sending a signal to Member States in that direction would encourage contract negotiations to recommence.
- As the Commission strives to simplify business rules, **the industry urges a similar, streamlined approach for the simplification of the EU Methane Regulation, as also supported in the 16 June Presidency Conclusions<sup>5</sup>, and stands ready to help.**

<sup>1</sup> Regulation (EU) 2024/1787 on the reduction of methane emissions in the energy sector and amending Regulation (EU) 2019/942

<sup>2</sup> ACER, 2025, '[2025 Monitoring Report: Analysis of the European LNG market developments](#)'

<sup>3</sup> Including notably, as part as the legal obligations from the Regulation: Rules for determining country-level equivalence (Art. 28.6); Designation of all national competent authorities (Art. 4); Process to be followed for the reporting of non-EU entities importers (Art. 27.1 and 28.3); Model contract clauses (Art. 28.3); Methane intensity calculation methodology (Art. 29.4), Relevant standards (Art. 8 and 32)

<sup>4</sup> S&P Global, 2025, [US LNG Exports at Risk: Potential Unwinding of Sanctions on Russian Natural Gas](#) | S&P Global

<sup>5</sup> [Council Presidency Conclusions on strengthening the Energy Union through reinforcing energy security, 16 June 2025](#)

*Please find below the actions we recommend each party take to address key challenges on requirements for importers of natural gas and crude oil in support of a pragmatic and effective implementation.*

### **Actions we recommend for the European Commission**

- In order to keep the grace period to a minimum, **we strongly encourage the Commission to accelerate work on the secondary legislation**: these are pre-requisites for the required certainty on compliance pathways and for ensuring efficient implementation<sup>3</sup>.
- To duly assess all challenges and rapidly address Member States' concerns regarding the Methane Regulation expressed during the Council meeting on 16 June 2025.
- The Commission should **actively engage and cooperate with exporting countries and suppliers** to overcome any issues related to the MR implementation (e.g. MRV equivalence).

### **Actions we recommend for Member States**

- **Member States should carefully prepare for implementation and ask for any guidance to do so.** Despite the February 2025 deadline, only around 17 Member States have communicated their respective Competent Authorities and only a handful of Member States developed and communicated some details about the national implementation e.g. empowerment of the Competent Authorities, clarification of the reporting process, templates and penalties. **As highlighted above, we encourage Member States to implement a unified grace period with adequate grandfathering provisions to properly reflect the challenges currently encountered, to be applied until the relevant rules are in place and operational.**
- We recommend strong **coordination between Member States, supported by the Commission with the involvement of ACER**, notably through the recently established Network of competent authorities. This coordination should cover aspects of the implementation and enforcement, and should deliver unified guidelines for the **acceptance, by Member States, of voluntary frameworks for the certification and verification of methane attributes**. Such coordination should also involve operators and relevant industry stakeholders.
- Member States **must ensure that their national implementation is consistent and harmonized** across the Union. Member States **coordination is key to ensure capacity building, resources allocation and ultimately harmonized implementation**<sup>6</sup>. Industry stands ready to get involved in those discussions, in a similar approach already taken by the critical Gas and Oil Coordination Groups and underline the importance of engagement by Member States.
- When setting the enforcement provisions, Member States should consider the importers' efforts and their actual compliance options.

### **Actions for the Industry to carry out**

- **The Industry representatives supporting this Action Plan are actively cooperating with the Member States and the Commission with a view to address any issues related to EU MR implementation of the importers' requirements, notably by exploring voluntary compliance pathways**, particularly to address the challenge of certifying and tracking methane emissions attributes and information from producers. Certification and traceability have broader relevance too - impacting Low Carbon Hydrogen and ESG reporting. Therefore, the undersigned are currently working on options to transfer methane attributes and related information from producers to EU importers.

<sup>6</sup> For example, legal certainty to importers to ensure that information data does not need to be reported multiple times in different Member States and that a proper harmonization of reporting procedures and formats is achieved across the EU.