

# Clarifying industry myths and arguments about the EU Methane Regulation

IOGP's letter<sup>1</sup> and position paper<sup>2</sup> of 1 September 2026, urging the European Commission and EU Member States to re-open and delay the EU Methane Regulation (EUMR) are based on several wrong or misleading assumptions. The main industry arguments are paraphrased below, alongside explanations of why they don't stand up to deeper scrutiny.

## **Argument: There is no compliance framework and no pathway for importers to meet the EUMR requirements, so importer obligations should be delayed for three years.**

- The technical infrastructure and building blocks already exist and certification options are already available for Member States to recognise, following the Commission's guidance. Expanding and scaling existing solutions is real work, but does not require creating new infrastructure from scratch. Furthermore, importers with simple, direct supply chains don't need a certification scheme and can obtain MRV data directly from producers.
- The remaining technical bottleneck is for Member States to endorse a verification protocol built for EUMR compliance, such as the EEMDL verification protocol. This protocol has already been presented to Member States' competent authorities and covers Articles 8 and 9 requirements.<sup>3</sup>
- Closing this gap is important and will allow National Accreditation Bodies to accredit the verifiers that will evaluate emissions reports. It should be fixed quickly but does not justify a blanket three-year postponement.

## **Argument: A three-year delay on penalty implementation isn't durable enough, companies are still exposed to reputational risks for being non-compliant.**

- Article 27(1) of the EUMR anticipates scenarios where importers are unable to obtain all necessary information. When information can't be provided, importers must provide "sound justification" to the competent authority and explain the steps they took to obtain it. Articles 28(1) and 29(1) explicitly require importers to report according to Article 27(1), linking MRV equivalence and methane-intensity reporting to the same reporting framework.<sup>4</sup> This is a good-faith mechanism, under which an importer making a genuine effort has an explicit route to document and explain information shortfalls.

1 IOGP. "Joint industry reaction and recommendations EU Methane Regulation – DG ENER Recommendations." 1 September 2026. [Available here.](#)

2 IOGP. "Joint industry reaction and recommendations - EU Methane Regulation - Elements of concern in the DG ENER Recommendations." 1 September 2026. [Available here.](#)

3 University of Texas at Austin, Energy Emissions Modeling and Data Lab. "European Union Methane Regulation: Verification & Reporting Protocol." Version 1.0. 2026. [Available here.](#)

4 Article 27(1) states that "Where importers fail to provide that information, in whole or in part, they shall provide sound justification to those competent authorities for such failure and set out the actions that they have undertaken to obtain that information." This applies to Article 27, 28 (MRV), and 29 (methane intensity) reporting. Article 28(1) requires importers to "report in accordance with Article 27(1)" and Article 29(1) states that importers shall report "pursuant to Article 27(1)."

- The reputational risk argument is therefore underspecified. Industry’s technical annex cites risks including reputational damage, credit rating downgrades, and litigation exposure, without explaining their likelihood or scale, or distinguishing between companies making documented good-faith efforts to meet the requirements and those that simply fail to act.
- These claims are harder to sustain given that the Regulation has a justification mechanism for competent authorities to assess and contextualise missing or incomplete data.

### **Argument: The EU Methane Regulation is a threat to energy security and affordability, and long-term contracts will be re-directed away from Europe.**

- Compliance for the initial MRV requirements is estimated at just 0.03-0.6% of production costs.<sup>5</sup> A cost increase of \$0.05 per MMBtu is 60-80 times lower than the added \$3-4 cost of diverting a cargo to Asia.<sup>6</sup> Costs this small don’t move cargo-routing decisions, freight and price spreads do.
- Compliance costs for the future performance standard (including abatement and potential methane fees) are projected to add less than 1% of the total cost of supply for imported gas and less than 2% of imported oil.<sup>7</sup>
- There are no bans on non-compliant fuel imports, the Commission has explicitly clarified that physical tracing is not required. The alarming results in the IOGP-commissioned Wood Mackenzie study<sup>8</sup> rest on assumptions of strict tracing requirements that don’t apply.
- Furthermore, methane abatement supports energy security, the IEA estimates that capturing emissions could bring 200 bcm of gas to market, equivalent to nearly 70% of the EU’s total gas imports in 2025, and between 15-20 bcm could be brought to market in short-term.<sup>9</sup>

### **Argument: We can only have long-term legal certainty if we re-open the regulation, the European Commission’s recommendations don’t go far enough.**

- Re-opening the EUMR would not deliver legal certainty but rather undermine it. Amending the EUMR requires agreement between the European Parliament and Council, so re-opening would launch a new period of uncertainty through a slower, less certain route.
- Greater near-term certainty can come from consistent implementation by Member States, including rapid adoption of scaled penalty regimes, which would allow companies to price the cost of inaction.

### **Argument: Industry is committed to compliance and is not seeking reduced penalties or weaker obligations.**

- Industry can demonstrate its good-faith commitment to compliance by advancing available solutions, documenting barriers, and submitting progress to competent authorities, using the reporting and justification mechanism in Article 27(1), rather than pushing for a blanket postponement of obligations.

5 EDF and Carbon Limits. “EU MR MRV compliance costs.” 2026. [Available here.](#)

6 S&P Global Energy CERA. “The widening spread is incentivizing cargoes to divert from Europe to Asia, but it’s also accounting for the higher shipping rate.” 11 March 2026. [Available here.](#)

7 Clean Air Task Force and Rystad Energy. “Impact of EU methane import performance standard Impact assessment report.” 2023. [Available here.](#)

8 Wood Mackenzie. “EU Methane Emissions Regulation – Analysis of Market Impacts.” March 2026. [Available here.](#)

9 International Energy Agency. “Global Methane Tracker 2026”. [Available here.](#)