[redacted]

Network of Competent Authorities

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Subject: Enabling a pragmatic and legally certain implementation of the import provisions under the EU Methane Regulation

Dear [redacted]

We write on behalf of the undersigned industry associations, representing **producers**, **exporters**, **importers, energy suppliers, traders** and **energy intensive industries** ahead of the European Commission's meeting with Member State Network of Competent Authorities on the **implementation of the import requirements** of the EU Methane Regulation (EU MR).

We welcome the Commission's efforts to date to initiate a structured process with the Network of Competent Authorities to develop guidance and recommendations that support a pragmatic and harmonised implementation across the Union. These efforts must now be translated, as a matter of urgency, into clear and detailed deliverables from both the Commission and Member States that businesses can rely on with legal certainty.

This is essential for developing compliance tools such as certification schemes, as well as enabling the contracting of new supplies that support the Union's diversification objectives, including phasing out Russian gas, while safeguarding secure and affordable energy supplies for Europe. At present, the absence of concrete, workable compliance pathways is hindering the demonstration of compliance and hindering the conclusion of new contracts while allowing inconsistent approaches to emerge across Member States.

Industry expectations for the process and deliverables

We encourage the Commission and the Network of Competent Authorities to prioritise the following outcomes on every aspect of the EU MR:

1. **Concrete, practical guidance from the European Commission** that Member States can formalise at national level to provide the necessary legal certainty;
2. **Harmonized implementation across Member States** is needed to prevent fragmented national reporting guidelines and market distortion. This will help to avoid the need for reporting to multiple competent authorities, inconsistent requirements from different EU competent authorities and mitigate the risk of facing redundant penalties. It will also ensure

consistent approach to assessing the risk to security of supply and determining the level of penalties across Member States.

3. **Timely delivery aligned with EU MR implementation and real-world contracting timelines,** recognising that supply decisions are being made now.
4. **Structured engagement with industry** for example via setting up and regularly consulting an Industry Advisory Group and its ability to participate in collaborative meetings with the Network of Competent Authorities

National frameworks including penalty regimes must reflect security of supply issues and provide legal certainty

We support the inclusion of security of supply considerations[1] within national frameworks, including penalty regimes, that enable the conclusion of new contracts, avoid the risk of supply disruptions and ensure the affordability of gas and oil supplies to the Union's industry and private consumers and hence facilitate economic growth in the Union.

In this context, we would welcome clarity that **security of supply should be interpreted broadly**, including situations where EU MR requirements national frameworks are at risk to:

1. **Undermine diversification efforts** (e.g. in the context of enabling the phase-out of Russian oil and gas) by creating barriers to contracting or the renewal of security of supply arrangements from certain origins and routes as well as oil grades, overall detrimental to energy security and autonomy.
2. Have a **material adverse impact on affordability** of energy supplies, or,
3. Have a material adverse impact on the **operations of critical infrastructure e.g. such as refineries.**

Importantly, these safeguards should apply **not only where a security-of-supply risk has materialised in the past,** but also **prevent a foreseeable security-of-supply risk** from emerging.

National frameworks should therefore include **explicit circumstances in which penalties shall be suspended or deferred or producers/importers exempted. Such explicit circumstances must be complemented by clear derogation procedures to follow,** along with detailed documents to be presented and timeframes applicable for such request.

Beyond security of supply considerations, several technologies, standards and necessary implementing tools required for compliance are yet to be deployed (notably measurement technology, accredited verification bodies with sufficient capacities to audit as well as certification schemes and their availability in relevant export countries). To that end, Member States should include a **unified grace period** in their penalty regimes with appropriate **grandfathering** to protect contracts concluded in the interim, and ensure that penalties reflect

[1] In line with EU MR Article 33 (2) stating: that Member States shall have the power to impose penalties *"provided that they do not endanger the security of energy supply"*

available compliance options. Commercial counterparties entering into contracts during this interim period shall remain subject to a **duty to employ all reasonable efforts** to meet their obligations under the Regulation.

Certification pathways

We welcome that the European Commission provided elements about its intention to accept certificates as a tool for compliance with the EU MR. This must now be translated into concrete guidance documents. We urgently request clarity on the acceptability, for compliance purposes, of **independently verified, separately tradeable certificates** as a compliance option that allow importers to evidence production-level methane-related attributes and information required under the EU MR, including in complex value chains where traceability to a producer is not possible without disrupting established markets.

As set out in the attached industry paper, solutions to address the "tracing issue" in complex value chains **should be entirely voluntary**: importers should remain free to select **alternative approaches** to comply with the import requirements. However, authorities should provide legal certainty about their minimum requirements for compliance. In that context, verified, separately transferrable "EU MR attribute" certificates can provide an **efficient compliance option for portfolio-based and hub-traded supply chains**, creating compliance incentives for producers while avoiding disruption to existing market structures. The paper outlines core principles that should govern the acceptance by Competent Authorities.

The following elements should in addition urgently be established to underpin confidence:

- The **minimum information ('attributes')** expected on a certificate (reference or information from Annex IX datapoints);
- **That authorities will accept certificates transferred independently** from the underlying commodity: while such "book-and-claim" should be geographically constrained, a granularity at country level shall be sufficient as the only readily available solution;
- That verifiers will be **accredited** by competent national bodies (or otherwise authorised in a manner comparable to Regulation (EC) No 765/2008) either directly or through certification schemes that in turn have been accredited; and
- **That mutual acceptance will govern the recognition across Member States**, so that verification by a verification body accredited in one Member State ensures acceptance of verification statements in every other Member State.

Certification Schemes should be voluntary, **open to competition**, and users should be free to choose the scheme offering the most suitable solution to their individual needs. In addition, while registries and databases may facilitate the issuance, transfer and retirement of certificates, they **should not be a prerequisite** for acceptance of certification as a compliance option; equivalent assurance can be provided through robust verification/audit processes.

Stop the clock and address the shortcomings of the Regulation through targeted adjustments

While the points above are focused on the **import provisions** of the EU MR, significant implementation challenges also exist and will remain for **domestic producers and infrastructure operators as well as traders and producers**. While the measures set out above may reduce some of the security of supply risks associated with the import requirements, **targeted adjustments** will nonetheless be needed to ensure a sound and coherent regulatory framework over time **as some of the implementation challenges are structural in nature. Assessing and addressing these challenges is a critical exercise that should be urgently carried out.**

Considering the deadlines and the time required for assessing and revisiting the Regulation, it is of critical importance to **stop the clock of the implementation deadline** to deliver the needed legal certainty to market players/operators and preserve the Union's Security of Supply. This would enable the identification of necessary adjustments and to help define a Regulation that is proportionate, implementable, and aligned with the Union's broader energy and climate objectives. Implementation of such a pause could take the form of what has been seen in the previous Omnibus package as part of the Simplification agenda which delivered relief in only a few months' time (EC proposal in February 2025, entry into force late 2025) or through other avenues, as seen recently with the postponement of the implementation of the ETS 2.

We would welcome if the upcoming meeting of the Network of Competent Authorities would provide clarity on its workplan, indicative timelines, and the form of the deliverables (for example Commission guidance documents, Network recommendations, and common reporting templates/platforms).

We remain ready to support the Commission and Member States with input on compliance options, contracting realities and value-chain complexity, including through exchanges with the Network of Competent Authorities.


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