

Subject: EU Methane Regulation – legal uncertainty and compliance challenges for Member States and companies highlight need for timely and targeted revision of the legislation

Equinor is a long-term energy partner and currently the largest supplier of natural gas to Europe with a high focus on reducing the carbon and methane intensity of our products. With an average methane intensity of 0,01% in 2025 we seek to remain an industry leader in managing methane emission associated with our operations.

As a supplier and importer of natural gas in the EU, Equinor has engaged in the legislative process of the now adopted EU Methane Regulation (EU) 2024/1787. While Equinor fully support the objectives of the Regulation, many core elements of the legislation are regrettably still unclear or to be defined, while others remain difficult to implement. European industry associations have addressed the issues during the legislative process and, in recent times, suggested a series of measures to mitigate compliance risk for operators and importers. For Member States, a workable regulation is also pivotal to avoid potential unintended consequences for security of supply.

The Commission has expressed a commitment to work towards concrete compliance solutions, and it has announced a non-binding recommendation on both penalties and MRV (measurement, reporting, and verification) requirements under the Regulation, expected to be made public ahead of the Energy Council on 26 June.

Equinor appreciates the Commission's acknowledgement of the operationalisation issues connected with the Regulation, along with the potential impacts of penalties for security of energy supply in the current market situation. However, the recommendation will not alleviate our concerns with the significant legal uncertainty around: i) what is required to be compliant for producers and importers, ii) the inherently ambiguous "security of supply" criteria related to the Member States' obligation to impose penalties, and iii) the legal standing of the announced recommendations from the Commission applicable up to end of 2029.

As Equinor sees it, this is a shared challenge for operators, importers and Member States alike. While operators and importers are currently focusing their efforts on identifying viable pathways to compliance, we see that the situation will also pose challenges to the Member States who are tasked with implementing and enforcing the Regulation. To provide some examples:

- Recommendation to act contrary to the legislation: During the period of validity of the Commission recommendation; the Member States will have an obligation under the Regulation to impose penalties on importers for non-compliance, while at the same time being subject to the Commission recommendation which recommends not to penalise such non-compliance. These conflicting expectations/requirements put Member States in a difficult situation.
- Upon expiry of the period of validity of the Commission recommendation:
 - o Member States must enforce penalties against importers based on legal requirements that are unclear and operationally immature;
 - o Member States are exposed to the inherent legal uncertainty of when to rely on the "endanger security of supply" caveat to the penalty application, which exposes them to uncertainty of whether they will be deemed to be implementing the Regulation correctly.

According to Art. 36 of the Regulation, the Commission shall review and submit a report to the European Parliament and the Council within 1 January 2028 and shall “where appropriate” submit a legislative proposal together with its report. Equinor sees it as imperative that targeted legislative amendments be proposed in conjunction with the report to solve *inter alia* the challenges pointed out above, and that such amendments be in place before end of 2029, i.e. within the expiry of validity period of the Commission’s upcoming recommendation on penalties.

Until targeted amendments to the regulation are adopted, the temporary penalty waiver – expected to be recommended by the Commission – can indeed represent a partial relief, provided that the Member States implement it in a harmonised way. However, the recommendation does not solve the challenge with legal uncertainty and workability of requirements inherent to the current version of the Regulation. As we understand, several Member States share these concerns and would welcome a postponement in the application of several EU MER provisions – notably under the Importer Requirements’ Chapter V, as also requested in a [joint statement](#) by European industry associations.

In light of this, we encourage Member States to address EU MER implementation challenges at the upcoming Energy Council and request the Commission to commit to launch preparatory work on the review of the legislation within the Commission’s 2027 Work Programme, or, ideally, already this year, in close cooperation with all affected parties – Member States, competent authorities and market players.

We remain available for any clarification you may need.

Sincerely yours,

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