From:	Howard, Ann
To:	WasteRule, EMNRD, EMNRD
Subject:	[EXT] Feedback on EMNRD Draft Rule
Date:	Wednesday, September 16, 2020 1:36:03 PM
Attachments:	ANAB Comments NM EMNRD.pdf

To Whom It May Concern,

ANAB respectfully submits comment on the draft rules regulating methane emissions in NM. Please let me know if you would like to discuss further.

Kind Regards,
Ann

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September 16, 2020

Tiffany Polak
New Mexico Department of Energy, Minerals and Natural Resources
3rd Floor, Wendell Chino Building
1220 South St. Francis Drive
Santa Fe, NM 87505
Comments submitted by email to: EMNRD.WasteRule@state.nm.us

Dear Ms. Polak and EMNRD staff,

The American National Standards Institute (ANSI) National Accreditation Board (ANAB) is thankful for the opportunity to submit comments on EMNRD's draft regulations.

ANAB is a non-governmental organization that provides accreditation services and training to public and private-sector organizations, serving the global marketplace. ANAB is the largest accreditation body in North America and provides services in more than 75 countries. ANAB has been active in the accreditation of greenhouse gas validation and verification bodies in a variety of regulatory and voluntary disclosure programs since 2008.[1]

Our comments focus on the accuracy of emissions measurements necessary to assess document emissions credibly along the gas value chain. In this context, and given the specific challenges associated with methane MRV, emission reports should be based on robust and transparent approaches. In addition, stakeholders may consider the value of opening facilities to qualified independent verifiers who can assess the situation. Several studies, as well as our own experience, suggest that measured emissions can be significantly higher than what operators report to inventories. We support the requirements in the draft that operators monitor and measure (rather than estimate) the volume of gas being flared or vented. Additionally, we also recommend that EMNRD consider the requirement for operators to periodically undergo third-party verification of reported reductions.

Verification of emission reports, or verification of changes in emissions is an independent and documented evaluation of a greenhouse gas inventory report, or of an emission reduction claim, against agreed verification criteria[2].

[1] https://anab.ansi.org/greenhouse-gas-validation-verification/
[2] Verification of methane emissions can be mandatory as part of regulatory requirements or voluntary for the purpose of internal use by a company or for public disclose of information.

The stated goals of the oil and natural gas methane rules are: 1) to achieve measurable, durable reductions, 2) create regulatory certainty, 3) promote technology innovation, and 4) ensure compliance mechanisms[i]. These goals would be supported by periodic accredited third-party verification which is best practice now globally in the majority of GHG reporting programs. The European Commission has begun work on tackling the methane issue and recommendations from a recent workshop called for "…a holistic strategy to address methane emissions, covering measurement, reporting, and verification, integrity, and validation (MRV(IV)) across the oil, gas, and coal sectors and supply chains." and "…an independent body that can provide transparency and credibility to emissions reporting."[ii]

Monitoring, Reporting, and Verification (MRV) covers a variety of methods for quantifying through bottom-up or top-down approaches, reporting by compiling quantified emissions in specific formats for internal use or external circulation, and verification of emissions and/or emission reductions, sometimes by a third-party in accordance with reference standards. MRV serves several purposes, from identifying specific mitigation at the company level to providing valuable data and information for decisions on policies and regulations and tracking their effectiveness. A number of elements should be considered when designing company/facility reporting procedures including emission coverage, consistency, transparency, identification of emission reduction opportunities, and representativeness of measurements.

Challenges of reporting include the potentially large number of emission points, the variability of the emissions rate, the geographic dispersion of the emission points (equipment is often dispersed and in remote locations), and lastly, since methane is invisible and odorless in most cases, it is inherently difficult to identify and estimate emissions without formalized measurement programs that require specialized equipment. Because of these challenges, in countries such as Norway, US, Canada, Russia and Kazakhstan, operators are required to report methane emissions on an annual basis, followed by (depending on the country) by verification conducted by the regulator or a third party[iii]. Verification of emission reports can involve a desk review of activity data, risk assessment of sources, evidence-based sampling plan and verification of the adequacy of the applied methodology for emissions.

Depending on the context/objective of the emission disclosure, there are specific requirements for monitoring and reporting methodologies and plans (monitoring plans, calibration of instrumentation, uncertainty analysis). There are a number of protocols consistent with international standards (ISO 14064) that are subject to verification by a third party verification body. More examples are available upon request. Verification bodies (VBs) are overseen by an accreditation body such as ANAB to ensure that the verification team is competent for the scope and complexity of the assertion and also that the VB follows the applicable reporting protocol and international standards (ISO 14064-3[3], ISO 14065[4]).

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[3] ISO 14064-3:2006 – *Greenhouse Gases – Part 3: Specification with guidance for the verification and validation of greenhouse gas statements.*

[4] ISO 14065:2013 – *Greenhouse gases – Requirements for Greenhouse Gas Validation and Verification bodies for use in accreditation or other forms of recognition.*

The ISO 14064 series standards specify the internationally prevailing data compilation, detection and quantification and verification methods for GHG emissions for organizations and projects. These series standards can improve the consistency, transparency, and reliability of reported GHG emissions and can facilitate verification and crediting or trading programs. The part ISO 14065, specifies the requirements and guidelines for the independence, quality management, and competence of validation and verification bodies.

The administrative cost of compliance and enforcement can be significant and we recognize that this can be a barrier in implementing more robust reporting requirements. However verification may provide return on investment in the way of increased reliability of data and identification of opportunities for further emission reductions. Therefore, we recommend that options for verification be discussed further.

Thank you for your work and consideration of our comments.

Sincerely,

Ann Howard
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[i] Developing New Mexico's Methane Strategy. New Mexico Environment Department. New Mexico Energy, Minerals and Natural Resources Department. Summer 2019. https://www.nmlegis.gov/handouts/WNR%20090519%20Item%203%20NMED%20and%20EMNRD%20Methane%20Strategy.pdf

[ii] Workshop: Strategic plan to reduce methane emissions in the energy sector. 20 March 2020. https://ec.europa.eu/info/events/workshop-strategic-plan-reduce-methane-emissions-energy-sector-2020-mar-20_en

[iii] Haugland, Torleif. August, 2019. *Best Practice Guidance for Effective Methane Management in the Oil and Gas Sector. Monitoring, Reporting, and Verification (MRV) and Mitigation*. Accessed at: https://www.unece.org/fileadmin/DAM/energy/images/CMM/CMM_CE/BPG_Methane_final_draft_190912.pdf