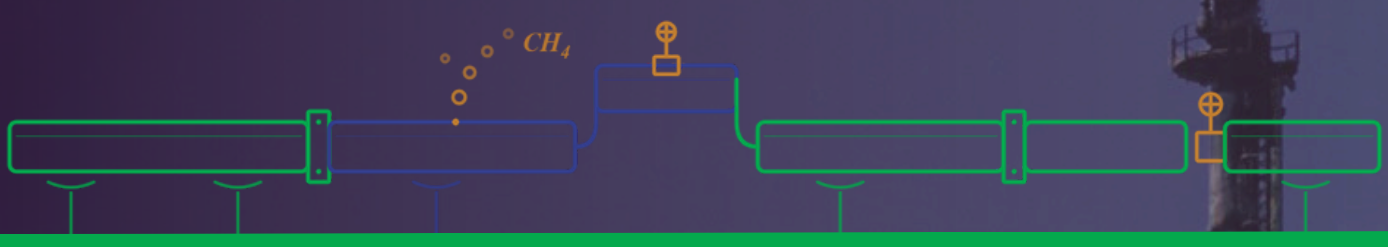
POLICY BRIEF
CLIMATE ACTION NETWORK EUROPE

FIVE REASONS · WHY IT MATTERS

Five Reasons Why The EU Methane Regulation Matters



A CAN EUROPE BRIEFING

Five Reasons Why The EU Methane Regulation Matters

The war in Iran and the wider region is a dramatic human tragedy that is also triggering a renewed global fossil fuel crisis. Once again, **it exposes Europe's structural dependence on imported fossil fuels** traded on volatile global markets, particularly Liquefied "Natural" Gas (LNG), and contributes to rising energy prices across the continent. These recurring crises highlight the urgent need to **strengthen Europe's energy security by reducing fossil fuel dependency through renewable energy, energy efficiency, renewables-based electrification, and sustained gas demand reduction.** Only by addressing this structural dependence can Europe durably shield its economy and citizens from external shocks and geopolitical instability.

In this context, accelerating the implementation of key energy and climate policies, including the EU Methane Regulation (EUMR), is more critical than ever. The EUMR is the first first-ever regulation targeting methane emissions from the energy sector. As 35% of methane emissions from human activity come from fossil fuel operations, **the EUMR has far-reaching implications for the EU's energy security**, beyond climate objectives, as it can offer, amongst other, large gas saving opportunities in a context of tightening gas markets due to wars. Furthermore, emissions from oil and gas can be reduced by up to 70% using existing technologies, highlighting both the urgency and feasibility of action. The EU Methane Regulation represents a landmark step forward. While it introduces long-overdue requirements to ban routine venting and flaring, to monitor, report, verify (MRV) emissions, and to apply leak detection and repair (LDAR) measures within the EU, its most transformative element lies in its **import framework**. As the EU imports more than 90% of its oil and gas, most methane emissions linked to European energy consumption occur outside EU borders. By addressing emissions across global supply chains, the EUMR has the potential to deliver significant reductions worldwide while holding the EU accountable for the emissions associated with its energy demand.

However, the Regulation's implementation is now facing mounting challenges. The energy security and competitiveness objectives linked to the current geopolitical context, combined with administrative delays, technical complexities, and rising political pressure, are creating uncertainty at a time when consistent execution is essential. Europe's political landscape has shifted, **and the recent efforts to phase out Russian gas have led to new dependency on US LNG.** In parallel, the United States administration and fossil fuel industries have increasingly criticised the EUMR, including in the context of ongoing EU–US trade negotiations that could risk locking the EU into deeper fossil fuel dependency. These pressures are especially concerning given that a significant share of **US gas is fracked gas**, relying on methane-intensive extraction methods, while LNG supply chains remain highly emission-intensive.

Against this backdrop, **the EU Methane Regulation stands at the intersection of climate ambition, energy security, and geopolitical resilience.** In a world marked by intensifying fossil-fuelled wars, volatile energy markets, and accelerating climate risks, methane mitigation represents one of the fastest and most cost-effective opportunities to deliver security, climate and economic benefits simultaneously. Its success will not only determine the EU's credibility as a global climate leader but also influence the stability of its energy system and its capacity to reduce reliance on imported fossil fuels.

This policy brief outlines five key reasons why the EU Methane Regulation matters in the current geopolitical context and why its strong and timely implementation is essential for Europe's climate objectives, energy security, and strategic autonomy.

01 *Reduce Europe's structural dependence on fossil fuels*

02 *Strengthen energy security through efficiency and transparency*

03 *Protect competitiveness and affordability through low-cost mitigation*

04 *Deliver the regulatory stability businesses need*

05 *Protect public health and the climate*

01 Reduce Europe's structural dependence on fossil fuels

TAKEAWAY

A strong EU Methane Regulation helps the EU reduce its reliance on volatile fossil fuel imports and avoid locking itself into long-term dependency on gas - strengthening both energy security and strategic autonomy.

CORE ARGUMENT

Europe's main energy vulnerability is not a lack of supply, but its structural dependence on fossil fuel imports traded on volatile global markets, with over 90% of its fossil fuels consumption being imported. The EUMR is therefore a **tool to reduce the reliance on volatile fossil markets**: recent geopolitical events have shown how quickly disruptions translate into energy crises with higher prices for consumers and supply risks for Europe. Attacking methane rules in the midst of a renewed fossil fuel crisis is a dangerous distraction. Applying these rules, instead, helps saving large quantities of unnecessary lost gas through leaks, venting and flaring, and would help reduce the fossil fuel reliance by prioritising more efficient, methane-low imports.

Avoiding lock-in into long term dependency: the EU gas demand is projected to gradually decline due to efficiency, electrification and renewables, while energy outlooks indicate that global LNG capacity is rapidly expanding and will continue to do so in the late 2020s. **These trends improve Europe's ability to prioritise lower-methane supply over time**. It allows the EU to differentiate among suppliers using verifiable methane data and progressively prioritise lower-methane gas while supply continues to flow, so without creating any short term supply disruption, and without affecting the EU's energy transition objectives on the longer-term.

The EUMR is therefore a **tool to help Europe manage its declining gas consumption**, avoiding locking into long-term fossil gas dependency. By imposing strict methane standards on imports, it reduces the attractiveness of high-emission fossil fuels and discourages long-term reliance on gas. This also helps incentivise ongoing gas demand reduction efforts and helps prevent costly infrastructure lock-in and stranded assets, such as LNG terminals and long-term supply contracts, that would tie Europe to fossil fuels for decades.

80%

According to a recent IEEFA study, the US is now projected to supply **80%** of the EU's LNG imports by 2030. The EU is currently shifting one dependency from Russian gas to another one with US LNG, instead of phasing out fossil gas.

WHY NOW? - GEOPOLITICAL ANGLE

This is particularly relevant now as an intensive lobby from US oil and gas industries, supported by the Trump administration, is endangering the implementation of the EUMR. With the closure of the Strait of Hormuz tightening global oil and gas supplies, the current negotiations on the EU-US Trade Deal, and the US and Central and Eastern Europe Joint Statement on gas supply security, the pressure from the US on the EUMR but also on broader energy policies has undoubtedly increased. Pursuing this way will undermine EU energy security and strategic autonomy, while only satisfying the US energy dominance agenda, enabling interference in EU democratic policymaking. Giving into this external pressure, especially for the EUMR, would only invite more pressure and coercion in the future. Yet, instead of being a threat to the EU's supply, the EUMR is a tool on the long term to manage this dependency, by incentivising methane mitigation measure by US industries who are able to do so, while offering a way to phase out methane intense fracked LNG as of 2030, when the intensity target will be defined and applied by the European Commission.

02 Strengthen energy security through efficiency and transparency

TAKEAWAY

Robust, well-implemented EUMR would enhance the EU's real energy security by reducing gas losses across the supply chain, making every cubic metre count and increasing transparency requirements of the supply chain through the MRV obligations.

CORE ARGUMENT

Global mitigation efforts from the fossil fuel sector can save roughly 100 billion cubic metres (bcm) of fossil gas annually; with further 100 bcm being made available through the elimination of non-emergency flaring globally each year. This amount is roughly equivalent to two-thirds of the European Union's actual annual consumption, knowing that the EU gas demand is set to decline in coming years. It is also equivalent to almost double the quantity of gas that passed through the Strait of Hormuz in 2025, which would also allow in the longer term to alleviate tightened gas markets due to the current fossil crisis. And while energy efficiency improves, electrification expands, and renewables grow, **current European supply needs are guaranteed by already concluded long term contracts**. By 2027, the volume of gas meeting high methane standards is expected to be twice EU demand, allowing Europe to be selective with suppliers without tightening markets.

The EUMR does not represent any direct threat for the EU's security of supply as it cannot be the reason for short term supply shortages. **Non compliance leads to proportionate sanctions, not import bans**. The Regulation offers flexible compliance pathways where penalties are the last resource for non-compliance, they are proportionate and do not trigger unmanageable liability risks. The highest fines are reserved for exceptional situations involving repeated, deliberate, and uncorrected violations - circumstances that do not arise from simple mistakes or negligence. Any responsible organisation that makes a genuine effort to comply with the Regulation faces no realistic risk of incurring maximum-level fines. Routine errors, or even more serious breaches that are promptly addressed would not be expected to trigger such penalties.

Energy security depends not just on volume but also on reliability. The EUMR defines MRV requirements for importers, which will provide information on the origin of fossil fuel imports, enabling buyers, regulators and policymakers to make informed, secure and efficient energy decisions that benefit energy security. By bringing **transparency** to Europe's energy sector, the EUMR provides a clear, harmonised view of emissions and gas flows across the supply chain - a missing piece in today's EU energy framework. This helps identify hidden risks, strengthens the security and resilience of energy imports, improves EU control over its supply chain, increases market transparency, and supports diversification away from higher-risk sources.

100+100

Methane mitigation measures can save **200bcm** of gas: roughly 100 billion cubic metres (bcm) of gas could be made available annually through global efforts, with further 100 bcm of flared gas that could be captured using existing technologies. This is almost two times the quantity of gas that passed through the Strait of Hormuz in 2025!

WHY NOW? - GEOPOLITICAL ANGLE

Suppliers already know how to comply - Many companies are already measuring methane, showing that compliance is fully achievable, and most have the technical ability to meet MRV standards. Even under a conservative scenario, fossil fuel production with full measurement could cover about 25% of global outputs by 2027 and 30% by 2030, demonstrating a quickly growing base of fossil fuel imports available for measurement-based reporting. In parallel, the IEA's latest update of the Global Methane Tracker shows that, if countries with spare export capacity and gas importers were to implement abatement measures straight away across their upstream and downstream operation, nearly 15 bcm of gas could be made available in a sufficiently short period of time to provide some immediate relief to gas markets.

03 Protect competitiveness and affordability through low-cost mitigation

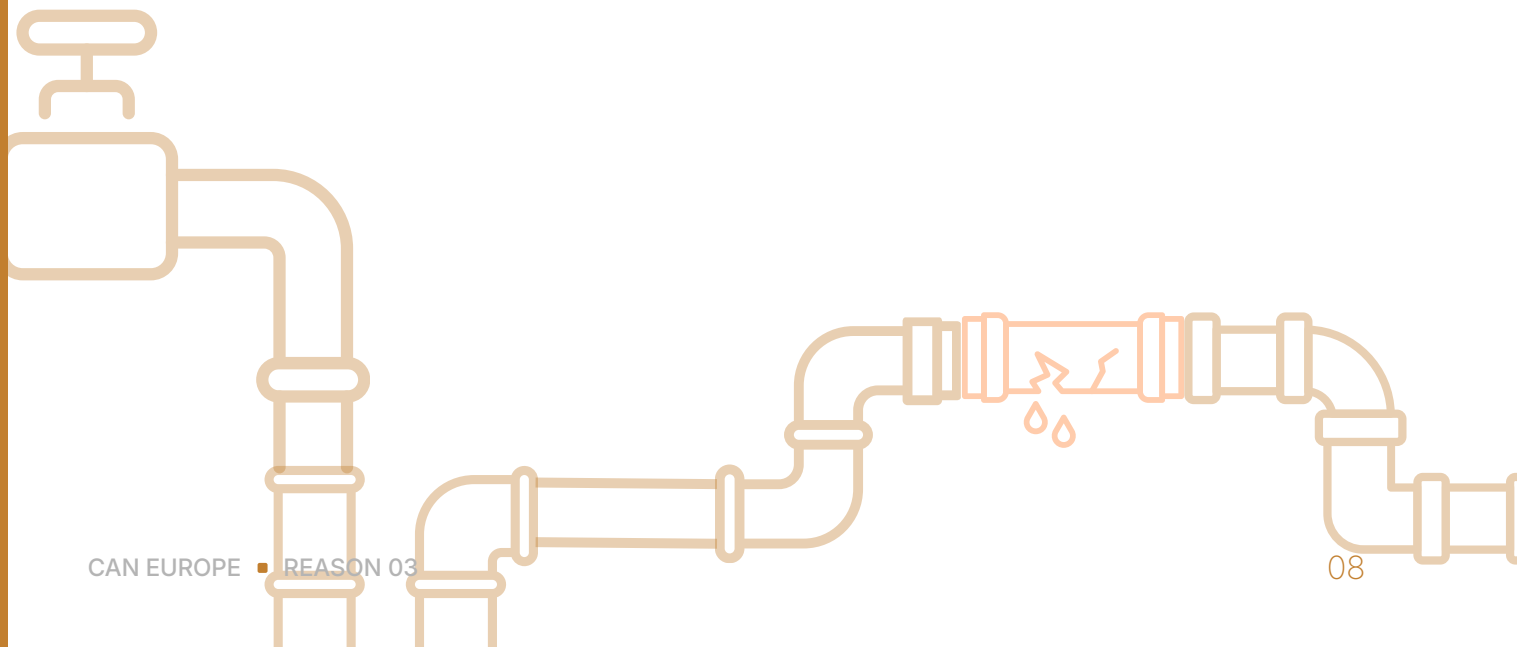
TAKEAWAY

The EU Methane Regulation delivers cost-effective emissions reductions by reducing waste, keeping compliance costs low, and avoiding any significant impact on consumer energy prices.

CORE ARGUMENT

Wasted methane is wasted money: In the oil and gas sector, **large quantities of already extracted and produced gas are not being put to a productive use**, because of unrepaired leaks and venting and flaring events. Reducing emissions is cost-effective and profitable in many cases. With over 200 bcm of gas being lost every year, EUMR-compliant leak detection, repair, and flaring reduction programs can recover a significant portion of this gas, directly translating into financial returns for companies; and with the potential of reducing over 30% of global methane emissions from the oil and gas sector. Methane abatement allows for cost-effective gas savings opportunities: around **30% of methane emissions can be avoided at no net costs**, as the market value of the captured gas covers the cost of the abatement measures.

Compliance pays off with minimal costs compared to normal energy price volatility: Monitoring, reporting and verification requirements are a standard operational step, not a burden. Even for companies starting from scratch, the cost is minimal, estimated at **just 0.03% to 0.6% of production value**, and it will decrease as processes become routine. The economic impact on suppliers would remain moderate relative to normal fluctuations in oil and gas prices. The revenue from selling previously wasted or vented methane can offset, or even exceed, the cost of installing leak detection, repair, and capture technologies.



It is **imports of fossil fuels that are driving up energy prices** in Europe, not key policies such as the EU Methane Regulation. The compliance costs of the EUMR are not a threat to the EU's competitiveness, as they will be implemented within the broader industrial transition strategy already underway in Europe. Long-term competitiveness increasingly depends on access to affordable clean energy and **reduced exposure to fossil fuel price volatility**, rather than continued dependence on imported fossil fuels. Furthermore, studies estimate that the EUMR's full implementation would have a very **limited impact on gas prices for consumers**. High energy costs are primarily driven by fossil fuel dependence and geopolitical volatility, rather than methane mitigation costs. Any resulting effect on oil and gas prices is expected to be minimal, as the additional costs are low and can be absorbed within the profit margins of fossil fuel companies.

70%

Methane abatement allows for cost-effective gas savings opportunities: 70% of global emissions can be cut with existing technologies and 30% of methane emissions can be avoided at no net costs (as the market value of the captured gas covers the cost of the abatement measures).

WHY NOW? - GEOPOLITICAL ANGLE

Oil & gas companies are earning billions in windfall profits due to war in the Middle East, and can afford to comply with the EU methane regulation. With shipping disruptions through the Strait of Hormuz, the profitability of US LNG is sky-rocketing, and US LNG exporters stand to pocket a multi-billion-dollar windfall. Companies that claim the rules risk adding to the price of oil and gas earn more in one quarter than the entire sector would spend on methane compliance over a decade. Meanwhile, billions have already been siphoned from ordinary people to oil and gas companies due to soaring energy prices since the start of the war.

04 Deliver the regulatory stability businesses need

TAKEAWAY

The EU Methane Regulation provides businesses and investors with predictable rules that reduce risk. Amid geopolitical uncertainty, energy market volatility, and deregulatory pressures, companies need stable, enforceable standards to plan investments, secure financing, and maintain clearly regulated access to Europe's gas market.

CORE ARGUMENT

The EU Methane Regulation provides **businesses and investors with predictable rules that reduce risk, unlock capital, and ensure continued access to Europe's fossil gas market**. A uniform EU framework simplifies cross-border operations, reduces the likelihood of disputes, and allows companies to plan long-term investments with confidence. While some jurisdictions, including the US, have weakened methane rules, the EU has reinforced its commitment with the EUMR. Amid geopolitical uncertainty, energy market volatility, and deregulatory pressures, companies need stable, enforceable standards to plan investments, secure financing, and maintain clearly regulated access to Europe's gas market, which imports roughly 90% of its supply.

Exporters won't exit a premium market: The EU remains one of the world's most valuable energy markets. In 2025, the bloc spent approximately €396 billion on fossil fuel imports. This **purchasing power creates strong incentives for exporters to comply with European regulatory requirements** rather than risk losing access to the market. Furthermore, market design favours continued and low methane intensive supply. With global gas markets shifting from a sellers' to a buyers' market, producers are incentivising to comply to maintain access to the EU market.

Clear methane rules protect EU competitiveness: They ensure a level playing field for EU and non-EU suppliers, prevent stranded assets, and give regulatory certainty. Timely implementation attracts investment, drives innovation, and positions EU companies as global leaders as markets like Japan, South Korea, and the UK also increase transparency and drive down methane emissions through collective standards.

94%

According to the EU Commission's Impact Assessment, 65% of respondents supported prescriptive MRV measures, and 94% agreed that MRV must be accurate to fairly assess company performance.

WHY NOW? - GEOPOLITICAL ANGLE

Investors increasingly demand transparency and verified environmental performance. Over 300 global financial institutions have signed the Climate Action 100+ initiative, calling for robust methane disclosure. In the EU Commission's Impact Assessment, an overwhelming majority of respondents, 65%, supported prescriptive measures for MRV in the oil and gas sector, highlighting the necessity of robust data collection and reporting as the foundation for performance-based regulation. A further 94% of respondents, including companies and business associations, agreed that MRV needs to be solid and accurate to enable fair assessment of company performance. This broad-based endorsement underscores how clear, standardized MRV rules benefit business: they reduce regulatory ambiguity, offer clarity for long-term planning, and lay the groundwork for fair and comparable performance evaluation, especially in a fast-evolving regulatory context.

05 Protect public health and the climate

TAKEAWAY

Reducing methane emissions protects human health and reduces social injustice by cutting harmful air pollution that disproportionately impacts vulnerable communities worldwide.

CORE ARGUMENT

Methane is a **highly potent climate pollutant**, around 80 times more powerful than CO_2 over a 20-year period, making rapid methane reductions one of the most effective ways to slow global warming in the near term.

But **methane also plays a major, often overlooked, role in air pollution** by contributing significantly to the formation of ground-level ozone (smog). Ground-level ozone is a well-known driver of **respiratory and cardiovascular disease**: short-term exposure triggers breathing problems, asthma attacks and inflammation, while long-term exposure increases the risk of chronic diseases, strokes, and premature mortality. The EEA's latest assessments show that cutting anthropogenic methane emissions could avoid hundreds of thousands of premature deaths, that 95% of urban Europeans remain exposed to air pollutant concentrations above World Health Organization (WHO) recommendations and that new evidence suggests that air pollution may also cause dementia. Air pollution remains the single **greatest environmental health risk in the EU**: in 2023, over 182,000 premature deaths were linked to long-term exposure to fine particulate matter ($PM_{2.5}$). 63,000 deaths to ozone (O3) exposure and 34,000 deaths to nitrogen dioxide (NO2) exposure.

Specifically, **a 45% reduction in human-caused methane emissions would prevent approximately 260,000 premature deaths and 775,000 asthma-related hospital visits globally each year**. Implementing the EU Methane Regulation (EUMR) in full is a concrete step towards achieving this reduction: by requiring stringent methane mitigation across both EU operations and imported fossil fuels, the EUMR directly targets the largest sources of methane in the energy sector. In practice, this means that EU demand for cleaner energy supply chains can help prevent thousands of pollution-related deaths and illnesses every year, both within Europe and in producing regions, turning a regulatory measure into a powerful tool for protecting human health.

Beyond aggregate global benefits, methane reduction is also a matter of environmental and social justice. The burdens of air pollution, from fossil fuel production, harms particularly communities already facing disadvantage, including Indigenous peoples, racial minorities, and low-income groups, bearing the heaviest burden, often in "sacrifice zones" near polluting infrastructure. By tackling methane emissions at the source and across supply chains (not just within the EU), a robust Methane Regulation helps protect those communities from needless harm, reducing health inequalities and increasing and protecting social rights.

260K

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WHY NOW? - GEOPOLITICAL ANGLE

As the war in Iran exposes the global dependence on fossil fuels, let's not forget that the massive destruction of fossil fuel infrastructures drives a massive surge in methane and other carbon pollution, increasing global warming. Satellite data revealed that gas infrastructures are spewing methane and carbon dioxide into the atmosphere as airstrikes intensify and the Strait of Hormuz remains closed, endangering human lives not just from the direct impacts of the war, but also on the longer term from the hidden impacts of this massive air pollution.

In parallel, within the EU, recent studies have shown that the implementation of the EUMR is showing rapid evidence of progress in terms of concrete methane cuts, even if it is being implemented too slowly. There is a real urgent need to implement the EUMR consistently across the Member States, to protect EU citizens, as emissions impact Europe in an unequal way: Eastern and south-eastern European countries suffer the most significant health impacts from air pollution due to high pollution levels.

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