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The USLNG Association



Joint Statement:

calling for reducing methane emissions while ensuring EU energy security

12 December 2025

The undersigned representatives of Europe's energy suppliers support the EU's ambition to reduce methane emissions and share the objective of delivering meaningful reductions. The industry has made significant progress in reducing methane emissions, while developing best practices and acquiring operational know-how along the way. Precisely because of this, we wish to express concerns about the growing pressure on EU's industrial base, where high energy costs are increasingly eroding competitiveness. As Europe emerges from one supply crisis, certain provisions in the EU Methane Regulation (EUMR) already are creating supply constraints that could further drive-up energy costs.

By introducing significant regulatory uncertainty and prescriptive compliance obligations with challenging timelines, the EUMR could make a number of natural gas and crude oil importers de facto non-compliant as of 2027 and expose them to penalties of up to 20% of previous year's annual turnover. Combined with disproportionate requirements put on domestic producers, the EUMR thereby jeopardizes the EU's energy security of supply and is likely to lead to higher energy costs, while threatening domestic production, putting at risk strategic autonomy, and hindering the development of low-carbon hydrogen in the process.

As stated in its 16 June 2025 Presidency Conclusions and reiterated at the 20 October 2025 TTE meeting, the Council has called for inclusion of the EUMR in the Simplification agenda as it realizes the affordability/security of supply risks posed by some of the EUMR's requirements at a time when Europe is working to transform its energy system while substituting Russian energy imports.

The signatories support the EU's objective to reduce methane emissions – but achieving this requires a EUMR that is technically feasible and proportionate so as not to further weaken the competitiveness of energy-intensive industries.

We therefore echo the **Council's call to the European Commission to include the EUMR in an Omnibus to provide clarity, reduce compliance burdens, and safeguard both energy security and industrial competitiveness.**

It is important to recognize that these risks cannot be fully mitigated through implementation measures or adjustments in secondary legislation. While the acceptance of certification schemes by the European Commission /Member States would be a positive first step if it comes with legal certainty, this will not address the remaining gaps that make compliance infeasible – in particular with the equivalency requirement from January 2027. Addressing them effectively requires targeted amendments to the Regulation itself – and this should be done as a matter of urgency, covering both domestic and import provisions.

While sizable new LNG capacity is expected to come online by 2030 (50% growth from 600 to 900 bcm/y), EU buyers remain reluctant to sign contracts, unlike competitors in other regions who continue to secure volumes through such contracts. **The cumulative impact of specific EUMR requirements and other legislative initiatives**, contributes to the reluctance to enter into contracts due to the perceived risks.

Deindustrialization and security of supply risks are not theoretical - they are already shaping investment decisions and production capacities across the EU, with energy intensive industries offshoring production facilities as they are facing an existential threat due to energy cost disparities compared to non-EU countries. Without secure and competitively priced natural gas, crude oil and power, Europe may well lose its industrial backbone long before it reaches climate neutrality.

Therefore, **targeted, well-defined adjustments to the primary legislation are needed** to provide clarity, consistency, and confidence for operators, importers, investors, industry, and Competent Authorities. These targeted amendments should:

- provide technically feasible and proportionate compliance pathways, ensuring requirements reflect available technologies and operational realities across both domestic and imported value chains;
- decrease the risk of unintended price and supply disruptions by introducing realistic importer timelines;
- streamline reporting obligations, reducing duplication and administrative burden for domestic producers;
- clarify definitions and procedural uncertainties, including adjustment of disproportionate non-compliance penalty provisions (up to 20% of annual turnover) according to the real implementation progress and existing compliance options.

Moreover, a clear, workable pathway for the production and import of low-carbon fuels should be provided, including low-carbon hydrogen, as it is closely linked with EUMR provisions.

During a meeting between industry and DG ENER ahead of the 15 December Energy Council, signatories recognized the willingness of the Director General for Energy of the European Commission to find solutions through pragmatic implementation and secondary legislation, including the certification scheme and penalty regimes. We thank the Director-General for her leadership in strengthening and structuring the collaboration with industry. As important as these are, the solutions envisaged by the Commission, while welcomed by industry, still do not address the full range of concerns listed above.

The European Commission must act now, and we stand ready to engage in constructive dialogue to support a balanced and effective simplification process. We believe that **applying a stop-the-clock mechanism for obligations under Chapter 5** should be the first step to provide parties with the time needed to complete such a process, which must ensure that EUMR maintains its objective, whilst being proportionate, effective, practical, and reconciling the EU's broader objectives on climate, energy affordability, and industrial competitiveness.