

**Joint statement on methane emissions by Institutional Investors Group on Climate Change (IIGCC), the Investor Network on Climate Risk (INCR) and the Investors Group on Climate Change (IGCC)**

IIGCC, INCR and IGCC represent more than 200 institutional investors with \$20 trillion in assets that share a common concern about the potential for climate change to have major negative impacts on the global economy and the long-term financial performance of our investments. Our members support cost-effective efforts to mitigate climate change.

We are concerned about the volume of natural gas that is emitted to the atmosphere through venting or leakage, or flared - equivalent to nearly two gigatons CO<sub>2</sub> of greenhouse gas emissions per year.<sup>1</sup> We are particularly concerned about methane, given its short-term potency as a greenhouse gas. High methane leakage rates undermine the climate change benefit of using natural gas as an energy source.

In 2012 we called<sup>2</sup> on natural gas producing companies and government regulators to consider how they can play a role in encouraging the more effective control of methane emissions. We subsequently engaged with companies on these issues and asked the CDP to incorporate questions on methane control into their survey.

Companies told us that when using the best new technologies, methane emissions from oil and gas production can be reduced to close to zero. This feedback is backed by new research evidence.<sup>3</sup> Research also indicates that methane emissions can be very high in gas producing regions where these new technologies have not been widely implemented.<sup>4</sup>

This evidence on emissions patterns underlines the importance of adopting best practice methane emissions controls. We support efforts by the global oil and gas industry to encourage *universal* implementation of best practices, in order to maintain the chance of achieving a 2°C trajectory.<sup>5</sup>

We therefore encourage oil and gas companies to join the new CCAC Oil and Gas Methane Partnership. The Climate and Clean Air Coalition (CCAC) is an international effort backed by over 30 governments to bring together countries, companies, and others to work together to substantially and cost-effectively reduce methane, black carbon, and HFCs. The Oil and Gas Methane Partnership is a global initiative to encourage systematic evaluation and management of methane emissions in a flexible, cost-effective manner. The initiative aims to develop the technical support, publically reporting and national policies that will ensure progress is made on this issue.

We believe that participation in the CCAC Oil and Gas Methane Partnership will help companies to reduce their emissions, improve the efficiency of company operations and enhance the role and credibility of natural gas as a bridge to a low carbon future.

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<sup>1</sup> UNEP CCAC "Climate and Clean Air Coalition Working with Oil and Gas Companies to Reduce Methane and Black Carbon Emissions" <http://www.unep.org/ccac/News/WorkingtoReduceMethaneandBlackCarbon/tabid/105825/Default.aspx>

<sup>2</sup> IIGCC, INCR and IGCC (2012) Controlling methane emissions in the oil and gas sector. <http://www.iigcc.org/publications/publication/controlling-methane-emissions-in-the-oil-and-gas-sector>

<sup>3</sup> Allen D. et al. (2013) Measurements of methane emissions at natural gas production sites in the United States. *PNAS* <http://www.pnas.org/content/110/44/17768>

<sup>4</sup> Miller, S (2013) Anthropogenic emissions of methane in the United States. *PNAS*. <http://www.pnas.org/content/110/50/20018.abstract>

<sup>5</sup> IEA (2013) "Redrawing the energy-climate map."

<http://www.worldenergyoutlook.org/media/weowebiste/2013/energyclimatemap/RedrawingEnergyClimateMap.pdf>