

The background features a large teal-to-purple gradient circle on the left. To its right is a white circle, and below that are two overlapping teal circles. The text is positioned on the left side of the teal-to-purple circle.

MiQ STANDARD

for Methane Emissions Performance

INTRODUCTION AND READING
GUIDE

v0.9



1 Introduction

Natural gas will play an important role in the energy transition, but opinions differ on how long that role will last. However, there is growing consensus that the longevity of natural gas in our energy system will depend on the ability of oil and gas producers to control and drastically reduce emissions of greenhouse gases (GHGs), including methane. The proliferation of voluntary industry initiatives focused on controlling GHG emissions, as well as decarbonization commitments announced by several major oil and gas companies over the past year, is an indication of growing momentum to tackle these emissions in a major way.

RMIⁱ and SYSTEMIQ Ltdⁱⁱ launched the Partnership in 2019 because we believe that the natural gas industry is capable of drastically improving its emissions performance, and indeed, needs to do so if gas is to play any role in our energy future. We believe that most, if not all, of the gas currently used in buildings and power plants can and must be replaced with readily available clean energy options. However, we also acknowledge that the timeline for phasing out gas in the industrial sector remains uncertain, as there is no readily available alternative for gas in many industrial processes. Therefore, we created the Partnership to tackle the idea of how to produce “better” gas as long as it remains part of our energy economy. We are pleased to share the initial draft of the MiQ Standard, which lays out a framework for assessing natural gas production based on its methane emissions performance.

The Standard is designed to bring a level of transparency to Facility Level methane emissions monitoring and abatement that does not exist today. It requires operators to disclose their methane emissions intensity, deploy methane monitoring technology, and internalize and act on company practices that prioritize emissions controls. Performance relative to these elements is validated by third-party auditors and transparently indicated on certificates that travel along with the supply of gas, assuring buyers are purchasing a gas product based on its methane-emissions profile.

The MiQ Standard is designed to incentivize continuous improvement in methane emissions monitoring and abatement on a global scale. It uses a grading system to enable participation by many types of natural gas producers, ranging from those just beginning to establish inventory and mitigate their methane emissions, to those truly pushing the envelope with the latest production equipment and methane monitoring technologies.

ⁱ RMI (Rocky Mountain Institute), <https://www.rmi.org>

ⁱⁱ SYSTEMIQ Ltd | Transforming Systems For a Better Future, <https://www.systemiq.earth>



This Standard leverages, and will continue to leverage, the critical work of many other organizations. This work includes the voluntary emissions reporting framework created by the United Nations Environment Programme’s Oil and Gas Methane Partnership (OGMP), the best practices outlined by the Methane Guiding Principles (MGP) partnership, and the many methane monitoring technology studies conducted by the Environmental Defense Fund (EDF) and the academic community.

The certificate grading system in the Standard aligns with the OGMP 2.0 reporting requirements (at level 3 and above) and sets a pathway for facilities to transition from emission factor-based methane intensity estimates to those based on measurements, as enabled by rapidly evolving monitoring technology. It is the intention of the Standard to align with OGMP 2.0 gold standard (direct measurement, reconciled with top down surveys) reporting requirements and methods in future iterations.

2 Reading Guide

The MiQ Standard for natural gas consists of six documents (as illustrated in Figure 1) that detail the requirements a natural gas Producer must meet to be eligible for certification.

The Standard combines several Standard elements – (1) a calculated Methane Intensity, (2) Producer policies and procedures focused on Methane Emissions prevention, detection, and abatement (Company Practices), and (3) detection and mitigation of Methane Emissions through Monitoring Technology Deployment – to provide a robust and reliable method to certify natural gas production according to its Methane Emissions performance. The Standard is designed to incentivize continuous improvement in Methane Emissions monitoring and abatement.

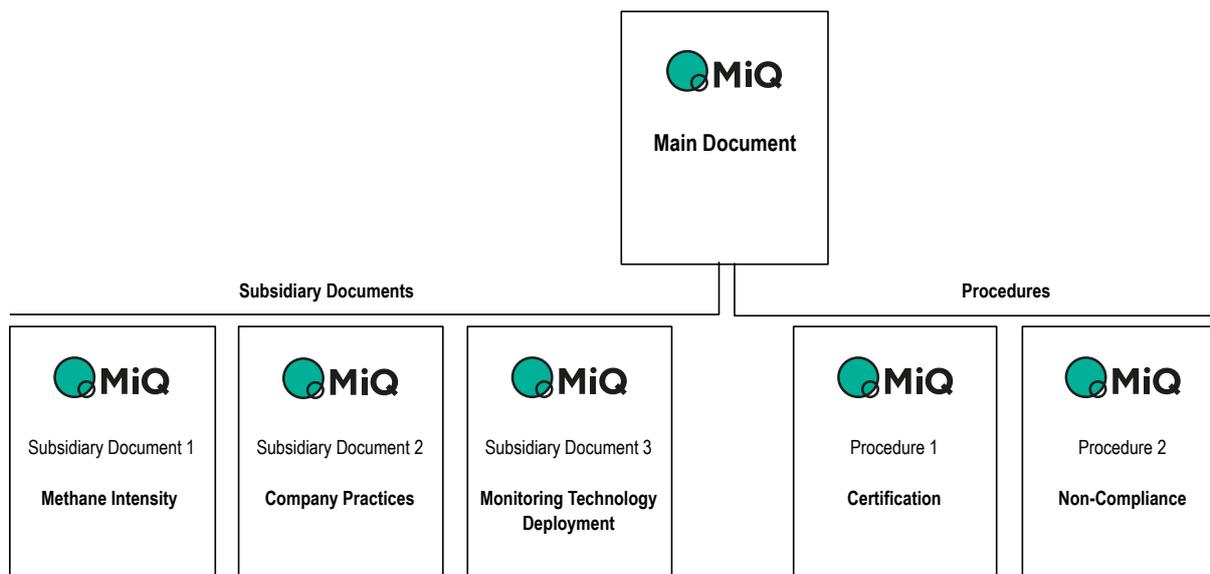


Figure 1: Document hierarchy

Readers should begin with the *Main Document*, to gain an understanding of the overall approach of the Standard. Next, readers should review the three Subsidiary Documents, which detail the requirements under each of the three Standard elements that a Producer must meet to achieve certification. Finally, readers should review the two Procedure Documents, that detail the certification process and how non-compliance events will be assessed and managed.

The following is a brief summary of the content of each of the six Standard documents:

The **Main Document** of the Standard starts with an overview of oil and gas Methane Emissions and the purpose of the Standard. It defines the overall scope of the Standard, the terms and definitions used throughout the Standard documents, and the core principles that comprise the foundation for this Standard. Additionally, it outlines the roles and responsibilities of key actors in the Certification process, and the general applicability and criteria for *MiQ Certificate* issuance, including the Certificate Grading System based on the three Standard elements elaborated further in the Subsidiary Documents.

Subsidiary Document 1: Methane Intensity defines the criteria, method, and documentation required for Producers to determine the Methane Intensity of a Facility. The methodology is based on the protocol established by the *Natural Gas Sustainability Initiative (NGSI)*.

Subsidiary Document 2: Company Practices outlines the mandatory policies and procedures related to methane emissions management at the Facility, including but



not limited to: monitoring for unintended methane emissions, minimizing intended methane emissions, reporting systems and processes, and training. It also outlines additional improved practices which may allow a Facility to qualify for a higher MiQ Grade.

Subsidiary Document 3: Monitoring Technology Deployment details the technology deployment requirements for methane emissions detection, including criteria for Facility Level and Source Level inspections.

Procedure 1: Certification defines the certification objectives as well as the certification process under this Standard. It details each step of the certification cycle, including Ex-Ante Audit and Ex-Post Audit. This document also details requirements for auditors.

Procedure 2: Non-Compliance defines possible non-compliance events (e.g. material deviations in Methane Intensity, implemented Company Practices and/or planned deployment of Monitoring Technology from what was estimated or planned as of Ex-Ante Audit). The document specifies the steps a Producer must take if such an event occurs during the Certification Period (documentation and notification), and details the recordkeeping requirements for the non-compliance assessment at the Ex-Post Audit stage.

RMI and SYSTEMIQ are the Standard Holder of the MiQ Standard. Therefore, the development of this Standard as well as any changes with regards to the Standard documents is the exclusive responsibility of RMI and SYSTEMIQ.

Details on the application, organization, and administration of the Standard are to be defined in a set of Program documents, which will be available with the final version of the Standard. The Program documents will outline the process for registration and certificate issuance as defined by the Issuing Body.

This Standard has been developed in consultation with oil and gas producers, gas buyers, technology providers, academics, and members of civil society. We are grateful for the feedback received to date and looks forward to additional comments on this initial draft.