methane policy

We aim to lead in lower carbon intensity oil, products and natural gas and to advance new products and solutions that reduce the carbon emissions of major industries. Chevron believes that methane management is critical to a lower carbon future and that methane reductions are possible in the energy industry, and in other key sectors, through adoption of industry best practices, advancement in measurement technologies, carbon pricing and methane regulations.

We support carbon pricing as the primary tool to most efficiently and effectively enable GHG emissions reductions, including methane. However, carbon pricing requires robust measurement, reporting and verification (MRV) programs to accurately quantify emissions, and continued advances in methane measurement technologies and protocols are needed. In jurisdictions where MRV programs for methane are not robust and mature, we continue to engage on and support effective methane regulations as the transitional policy approach.

Chevron supports:

- **MRV programs:** Methodologies need detection technology performance specifications, measurement protocols and verification to ensure consistent quantification and reporting of methane emissions across all covered operators and sectors. Currently, there is greater measurement uncertainty with methane emissions than with CO_2 emissions. A robust MRV framework will need emission factors, engineering estimates and the use of advanced technologies.

- **Technological innovation:** Policy should flexibly incorporate advanced technologies, such as aerial and drone monitoring, that can detect and measure methane emissions most effectively, particularly from super-emitters that have a disproportionate impact on overall emissions. Policy frameworks should be based on realistic current capabilities of measurement technologies.

- **All sectors contributing:** Improving methane emissions performance is important for oil and natural gas (24% of global methane emissions), as well as other sectors, which make up the remaining 76%. Policy should apply to all key sectors.

- **Performance-based regulation:** When jurisdictions pursue effective methane regulations, they should set appropriate methane targets based on industry best practices, including reasonable minimum equipment standards, while providing flexibility for companies to determine the optimal way to meet those targets.

Learning from and sharing best practices within the oil and gas industry can help improve industrywide methane management. We engage to share our experiences on what has been effective within our operations.

Chevron has actively engaged with the U.S. Environmental Protection Agency, New Mexico Environment Department, New Mexico Oil Conservation Division, Colorado Department of Public Health and Environment, and other entities for knowledge sharing on methane. We have also provided policy feedback to Nigeria's Ministry of Petroleum Resources and Kazakhstan's Ministry of Ecology, Geology and Natural Resources. Additional examples include:

- **U.S. Environmental Protection Agency Methane Detection Technology Workshop:** Our subject matter experts shared our experiences with traditional and emerging methane detection technology approaches and views on the way advanced technologies could more easily be integrated into regulatory programs.

- **U.S. House Committee on Science, Space and Technology:** Chevron provided information on methane detection trials in the Permian and our approach to methane management in the region.

- **International Energy Agency Workshop:** We shared our methane management experience and discussed how industry and regulators can encourage methane reductions.

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