

Environment and Climate Change Canada
August 27, 2024

In 2016, Canada—along with the U.S. and Mexico—committed to reduce methane emissions from the oil and gas sector by 40-45% below 2012 levels by 2025. Federal methane regulations designed to meet this target were finalized in 2018. Through Environment and Climate Change Canada (ECCC)'s federal methane regulations, Canada limits deliberate and ongoing releases of methane from upstream oil and gas operations. The design of Canada's regulations recognize that accurately estimating methane emissions from oil and gas operations remains a challenge. As such, the regulations do not limit loss rates and instead establish work practices and provisions that industry is required to follow. Similarly, the US EPA and EU have regulations in place to reduce oil and gas methane which focus on work practices and do not seek to quantify loss rates.

To estimate the impact of the regulations, ECCC considers the most up to date science, information and data on a continuous improvement basis. Scientific studies such as the recent Environmental Science and Technology article are considered by ECCC as part of this process. Where methodological and data improvements result in revisions to historical time-series methane emissions data, it is important to note that methane reduction objectives also scale. In practical terms, for example, this means that if methane emissions in the 2012 base year are found to be higher than previously reported, the 2030 reduction goals will also be greater, since the 2030 target is a percent reduction and not an absolute level.

In December 2021, ECCC released a review of its work to reduce oil and gas methane confirming that more work needs to be done to improve the accuracy of methane emissions reporting in the oil and gas sector. The industry in Canada includes tens of thousands of facilities, hundreds of thousands of wells and millions of components with the potential to emit. ECCC is actively working with researchers on a continuous improvement basis to update inventory methods and atmospheric measurements with the goal of improving the accuracy of its emissions inventories and reporting. The latest inventory was published in April 2024 Canada's official greenhouse gas inventory - Canada.ca. Energy and Natural Resources Canada, through the Centre of Excellence's Energy Innovation Program will invest in expertise from Canada to accelerate development of accuracy of methane measurement and reporting and is expected to sign a number of contribution agreements to advance science in this area in fall/winter 2024-2025.

In March 2022, Canada's 2030 Emissions Reduction Plan included a commitment to further reduce oil and gas methane emission by at least 75 percent by 2030 compared to 2012 levels and in December 2023, published draft regulations to meet this commitment. Comments from Canadians have been received and are available publicly Canada Gazette, Part 1, Volume 157, Number 50: Regulations Amending the Regulations Respecting Reduction in the Release of Methane and Certain Volatile Organic Compounds (Upstream Oil and Gas Sector)). Work is ongoing to finalize these regulations for publication in the Canada Gazette 2 in the coming months.

ECCC is always open to working with interested jurisdictions towards equivalency agreements. The current federal regulations stand down in the provinces of Saskatchewan, Alberta and British Columbia where equivalency agreements are in place for up to five years.

The agreement with Saskatchewan terminates December 31, 2024. ECCC has published a new draft agreement and draft Order to stand down the regulations in the province of Saskatchewan for a new 5 year period (2025-2029) as the Government of Saskatchewan has introduced additional regulatory measures to manage methane emissions from the upstream oil and gas sector in a manner that is expected to achieve equivalent methane emissions reductions to the federal regulations. Comments from interested parties on the draft agreement and Order are being accepted until September 4, 2024 (Canada Gazette, Part 1, Volume 158, Number 27: Order Declaring that the Provisions of the Regulations Respecting Reduction in the Release of Methane and Certain Volatile Organic Compounds (Upstream Oil and Gas Sector) Do Not Apply in Saskatchewan, 2025). Following the publication of final amendments to the Federal Methane Regulations in the Canada Gazette, Part 2, Canada will undertake a reassessment of the determination of equivalency between the federal and provincial regimes, with input from Saskatchewan. In the event that this reassessment shows ongoing equivalent outcomes, it may form the basis of a renewed agreement and associated order. In the event that this reassessment does not show equivalent outcomes between the federal and provincial regimes, Canada will provide three months' notice of termination, and this Agreement will terminate on December 31, 2026.