



# The EU Methane Regulation: strengthening energy security and market stability

Analysis shows the EU Methane Regulation (EUMR) can be implemented while strengthening energy security and market stability, keeping compliance costs low and delivering substantial methane emissions reductions over time.

## Background

Environmental Defense Fund Europe (EDFE) has commissioned a set of analyses to assess key questions raised about the EU Methane Regulation, including impacts on energy security and supply availability, producer compliance costs, gas-markets and prices and emissions reductions.

This factsheet summarises findings from:

- **Rystad Energy** analysis of the EUMR's phased MRV requirements, assessing implications for security of supply, global gas markets and trade flows
- **Carbon Limits** study of the costs of monitoring, reporting and verification (MRV) for oil and gas producers

## KEY FINDINGS

- **Energy security:** Evidence shows EUMR supports supply reliability and market stability, without restricting the EU's access to supplies.
- **Supply availability:** Sufficient volumes of gas meeting high methane reporting standards are expected to remain available to the EU.
- **Costs and prices:** Producer MRV compliance costs represent a marginal share of production value, and methane measurement costs are a small fraction of delivered LNG prices.
- **Implementation:** Flexible compliance pathways allow implementation across complex global supply chains, with traceability and verification scaling over time.

## Energy security and supply availability

Analysis by **Rystad Energy** finds that EUMR's phased MRV requirements are compatible with stable market functioning and continued supply reliability, with no material impact on trade flows or the EU's access to gas supply.

Near-term energy security risks are driven by geopolitics, transit vulnerabilities and infrastructure constraints, not the Methane Regulation, which introduces no new supply constraints over the medium or long term.

Additionally, reducing upstream gas waste is one of the fastest, most cost-effective ways to strengthen energy security. Large volumes of gas are lost through venting, flaring and avoidable leaks - wasted methane that never reaches markets. The [IEA](#) estimates that methane abatement could have made nearly 100 bcm of gas available in 2024, comparable to Qatar's entire annual LNG exports. Recovering even part of this would ease pressure on supply and strengthen market resilience.

### **Low producer compliance costs**

A cost analysis by Carbon Limits finds that full compliance with methane MRV requirements represents just 0.03–0.6 percent of production value, even under conservative assumptions, including outsourced measurement campaigns and a transition to OGMP 2.0 Level 5 reporting by 2029.

### **Limited impact on prices and markets**

Rystad Energy estimates methane measurement costs at approximately \$0.01–\$0.02 per MMBtu, a very small share of total LNG supply costs once liquefaction, shipping and regasification are included.

These costs are expected to be front-loaded and to decline as measurement systems scale.

### **Traceability and implementation can scale over time**

Direct producer-level traceability is already in use across parts of global oil and gas supply chains and is expected to expand. Rystad Energy highlights certification-based approaches as central in the near term, while Carbon Limits shows credible verification can rely on proportionate, non-universal methodologies.



### **The bottom line**

The available evidence shows that the EU MR strengthens energy security and market stability, can be implemented at low cost, and delivers significant methane emissions reductions over time.