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Methane and GHG Emissions Management Issues in LNG **- Policy, markets, and companies - March 2026**

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Introduction

The monthly report, in this latest edition, outlines global advancements in methane management and greenhouse gas reduction strategies within the energy sector, notably in the LNG industry, as of March 2026.

Corporate reduction efforts and transparency in information reporting: Producers are seeking independent certification to validate their methane emission reduction claims. In North America, major natural gas producers have achieved top-tier ratings for their integrated production systems, marking a significant step in verifying emissions across the full value chain. The relevant parties claim that certifications rely on measurement-based third-party verification and the deployment of advanced monitoring technologies. Significant progress in operational efficiency has been reported in Australia, where annual flaring volumes at a major gas plant have reached record lows. In the maritime sector, independent verification is being utilised to document actual methane slip values on LNG-fuelled vessels.

Sustainability strengthening efforts by Japanese companies and government: In Japan, both the public and private sectors are advancing diverse decarbonisation projects. Recent milestones include the commencement of demonstration operations for a world-class methanation facility, which has begun injecting e-methane into existing gas pipelines. The Ministry of Agriculture, Forestry and Fisheries has expanded J-Credit Scheme to include agricultural innovations, such as the use of methane-reducing feed additives for cattle. Japanese companies are spearheading the creation of a hydrogen supply chain corridor with New Zealand. A private-sector project to reduce methane from rice cultivation in the Philippines is advancing.

Publication of methane emission data: A recent report by an international monitoring organisation indicates that global greenhouse gas and methane emissions reached record highs in 2025. Advanced satellite technology and artificial intelligence are being utilised to pinpoint specific "super-emitting" sites.

Industry views on EU methane regulations: The industry has expressed concerns regarding the implementation of methane regulations in the European Union.

Trade associations have urged for clearer compliance pathways and the formal recognition of independently verified certificates to ensure legal certainty and security of supply. There are warnings that a substantial portion of gas and oil imports may become non-compliant by 2027 if reporting standards and certification systems are not harmonised, potentially leading to supply shortages and price volatility.

[Global Developments]

MiQ announced on 24 February 2026 that Tourmaline Oil Corporation, Canada's largest natural gas producer, obtained independent certification under MiQ's methane emissions standard for an integrated natural gas production system - becoming the first company globally to achieve such certification and earning the highest "Grade A" rating - following third-party verification of methane emissions data across the full value chain from onshore production and gathering to gas processing, with the certification covering approximately 1.6 Bcf per day of MiQ "Grade A" natural gas and applying a methodology that combines multiple monitoring technologies to ensure reliability under harsh Canadian weather conditions.

California Resources Corporation (CRC) announced on 25 February 2026 that it had obtained a "Grade A" certification through MiQ for production segments across its operating assets in the San Joaquin Valley, in Fresno and Kern Counties in California. This marks CRC's third MiQ certification, with the majority of its production now covered under independently verified standards. According to the announcement, the certification followed measurement-based third-party verification, with high scores achieved in three categories: company practices, deployment of monitoring technologies, and methane intensity.

Eurogas and 31 other associations urged on 27 January 2026 DG ENER (European Commission) to establish practical and clear compliance pathways for the EU Methane Regulation's import requirements. The associations called for harmonized implementation across Member States, legal certainty, timely guidance aligned with contractual practices, and continued dialogue with industry. The groups also stressed the need to consider impacts on security of supply and prices, and to formally recognize independently verified, tradable certificates as a compliance tool.

IOGP Europe (International Association of Oil & Gas Producers Europe) stated on 9 March 2026 that under the EU Methane Regulation's MRV requirements, up to 43% of the EU's gas imports and 87% of its crude oil imports could become non-compliant from 2027 onward. IOGP noted that, at present, no exporting countries were recognized as MRV-equivalent, OGMP 2.0 Level 5 reporting remained limited, and certification

systems were not yet in place. Warning that this could lead to supply shortages, higher prices, and reduced refining capacity, the association called for revisions to the regulation and the introduction of a "Stop-the-Clock" mechanism.

Australia's Woodside Energy reported on 6 February 2026 that in 2025 it recorded its lowest-ever annual flaring volume at the Karratha Gas Plant (KGP). Flaring fell to less than 10% of its 2013 peak, resulting in a reduction of 62,000 tonnes of CO₂ equivalent compared with the original budget plan. Scope 1 and 2 emissions met the company's target of a 15% reduction from the baseline year, and methane emissions in 2025 were aligned with the Oil and Gas Climate Initiative (OGCI) target of below 0.2%.

Groups filed a lawsuit on 18 February 2026 challenging the administration's decision to revoke 2009 Endangerment Finding, which determined that greenhouse gases pose a threat to public health and welfare. Plaintiffs include EDF, Center for Biological Diversity, Sierra Club, and others. The lawsuit also challenges the repeal of carbon emissions standards from vehicles.

Climate TRACE, a monitoring initiative that leverages AI and satellite data, released its global GHG emissions data for 2025 on 18 March 2026. Total emissions increased by 0.5% year-on-year (331.9 million tonnes CO₂e) to 60.63 BtCO₂e, reaching a record high. Methane emissions also rose by 1.03% (4.2 million tonnes CH₄) to 412.59 million tonnes CH₄, also marking a record high. Decline of emissions from China's power sector was offset by an increase in U.S. power sector emissions, according to the announcement.

UCLA's *Stop Methane Project* identified on 18 March 2026 the top 25 methane super-emitting oil and gas sites worldwide using data from Carbon Mapper. Carbon Mapper utilizes data from Planet Labs' Tanager-1 satellite and NASA's EMIT instrument aboard the International Space Station to detect and quantify emission sources.

EC (European Commission) said on 19 March 2026 that ETS (Emissions Trading System) needed to be modernised: updating benchmarks for free allocations and taking into account concerns of industry; and ETS review including: a more realistic trajectory free allowances beyond 2034 and a level playing field for the maritime sector. EC announced on 1 April a proposal that adapts the Market Stability Reserve enhancing stability and predictability. A comprehensive review of the EU ETS is planned in July 2026.

Bureau Veritas Marine & Offshore (BV) announced on 19 March 2026 that it had completed the independent verification of methane emissions measurements conducted on board four LNG-fuelled vessels operated by Brittany Ferries. Performed in collaboration with the French authorities, this work supports the establishment of a documented and compliant methane (CH₄) emissions profile, enabling the vessels to

report actual measured methane slip values under the European MRV and FuelEU Maritime requirements, instead of relying on the default emission factors set out in current regulations. According to the announcement, the findings demonstrate that the vessel's average annual methane slip rate is reduced compared to the default values of up to 3.1% currently referenced in European regulatory frameworks and international guidelines issued by the International Maritime Organization (IMO).

[Developments in Japan]

INPEX and Osaka Gas announced on 24 February 2026 that they had completed a world-class methanation project, commenced demonstration operations, and injected the produced e-methane into a pipeline. Subsidized by NEDO (New Energy and Industrial Technology Development Organization), the companies have been advancing methanation technology and constructed a test facility with a capacity of 400 Nm³-CO₂/h at the Koshijihara Plant in Nagaoka.

Japan's Ministry of Agriculture, Forestry and Fisheries (MAFF) announced on 20 February 2026 that the "use of feed containing methane-reducing additives for cattle" had been approved under the J-Credit Scheme. The method reduces methane emissions from enteric fermentation by suppressing the activity of methane-producing microbes in the digestive system of cattle.

Mitsui O.S.K. Lines, OBAYASHI CORPORATION, Kawasaki Heavy Industries, and Chiyoda Corporation established the Japan-New Zealand Hydrogen Corridor consortium on 5 March 2026. Studies will begin in fiscal 2026 (April to March 2027) to build a hydrogen supply chain from New Zealand, commencing in the early 2030s.

Japan's Kubota, CreaTura and Tokyo Gas agreed on 5 March 2026 to advance to the full-scale commercialization phase of a private-sector project under the Joint Crediting Mechanism (JCM) that utilizes the Alternate Wetting and Drying (AWD) water management method to reduce methane emissions from rice paddies in the Philippines, based on the results of a joint demonstration project launched in September 2023. The project has been promoting the adoption of AWD while supporting farmers in cooperation with local irrigation authorities.

Japan's METI (Ministry of Economy, Trade and Industry) and Korea's MOTIR (Ministry of Trade, Industry and Resources) signed on 15 March 2026 *the Supply Chain Partnership Arrangement* to strengthen bilateral cooperation and enhance supply chain resilience. The Arrangement is based on the Three Rs principles related to the: Readiness for disruptions, Restoration from disruptions, and Resilience against disruptions.

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