

BRIEFING: Understanding the claim that “43%” of EU’s gas imports are at risk if EUMR goes ahead.

Climate Crisis Advisory Group, September 2026.

Foreword. I have spent a good part of this year hearing about the claim that 43% of Europe's gas imports are at risk if the Methane Regulation is enforced from January. I have heard it from a minister at the Energy Council, in the industry's letters to ministers and in most of what has been written about the Regulation since March. So I asked our team to read the study and lay out what it says about the price of cutting methane and on what keeps Europe's gas flowing. Their note is below. The summary version is that the number describes something the law does not do. There is enough compliant gas that meets the test the law sets out. Proving that costs a fraction of a per cent of the price. Some important questions remain, and we set out some ideas on how to answer them. None of them is a reason to put off a law that Europe fought hard for.

Sir David King

The number comes from a single study. Wood Mackenzie wrote it for IOGP Europe, the upstream industry's Brussels lobby, and Concawe, the refining industry's research body, and it was published on 9 March.¹ It says that “by 2027, approximately 43% of the natural gas (114 billion cubic meters or bcm) and 87% of the crude oil (9.8 million barrels per day or mb/d) imported into the EU in 2024 could be non-compliant with MER”. On page 8 the same study says its results are “illustrative and should not be viewed as a forecast” and that its assumptions “carry considerable uncertainty”. We have not seen those two sentences quoted anywhere since March. But the number has been everywhere.

Three assumptions are doing important work. **The first is that gas which cannot show its paperwork stops arriving.** The study is candid about this: “While MER does not ban non-compliant gas/LNG or crude oil, the modelling assumes that penalties imposed by EU Member States on non-compliant imports would be dissuasive – effectively excluding such volumes from the market.” The Regulation contains no ban. It leaves penalties to each member state, and requires them to be proportionate. And since 20 July the Commission has asked member states not to penalise reporting failures at all in 2027, 2028 and 2029, short of fraud.² So the thing that removes 114 bcm from the market in the model is one the Commission has asked member states not to operate, across the whole period the model covers.

The second is that gas only counts as compliant if it is reported at OGMP 2.0 Level 5 and the importer can point to the producer through what the study calls a 'simple' value chain. On that basis its summary lets through 2% of American gas and 1% of Algerian gas on producer-level compliance alone. It is the pre-August 2024 contracts that bring the compliant share up to 57%. The Commission's then Director-General for Energy said on 9 April that compliance “will not require tracking or tracing at the level of the molecule or at the level of the cargo or at the level of the basin or at the level of the specific company”,³ and the Recommendation of 20 July spells out two other routes, trace-and-claim and certification. The study's own softer Adaptive scenario, with flexible country level equivalence, brings the excluded volume down from 114 bcm to 53. Even that scenario still assumes the gas is excluded.

The third is more of an absence, in that the study did not look at third-party verification “as no standardized verification protocol currently exists”. Verification is how anyone knows whether a claim is true. Leaving it out is a hole in the model. It is not evidence that supply is at risk.

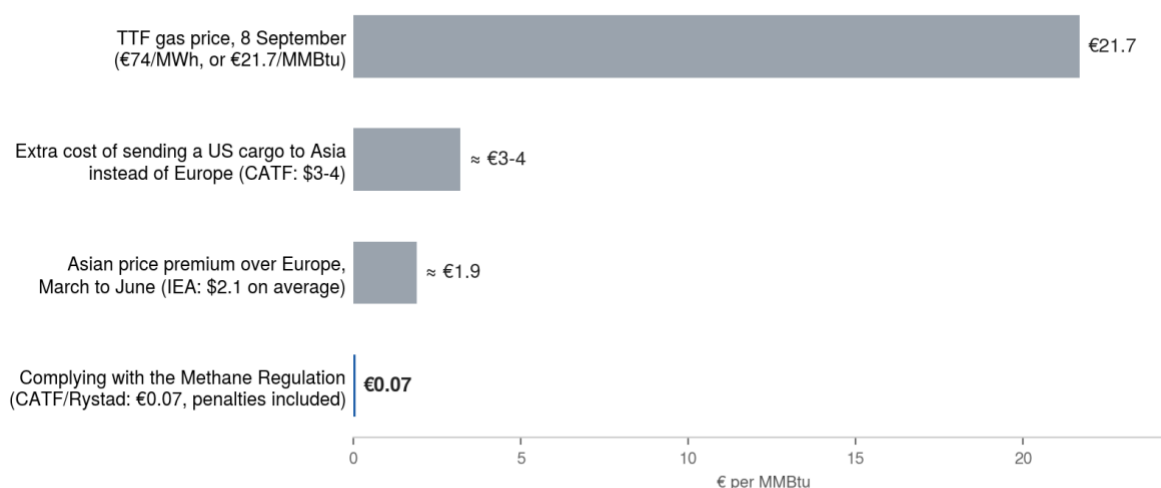
From 1 January 2027, legal requirements from the market are simpler than many think. An importer has to show that the producer it buys from measures, reports and verifies its methane to a standard equivalent to the EU's. Contracts signed before 4 August 2024 need *reasonable* efforts, nothing more. The intensity limit, the one part of the law that could in principle shut a supplier out, arrives in 2030 and its level has not been set.⁴ So the 43% is a claim about whether contracts can document producer monitoring in time. It is not a claim about cost, and it has nothing to say about 2030.

Is there enough compliant gas that meets the test? Rystad Energy, working for the Environmental Defense Fund, put gas reported at OGMP 2.0 Level 5 at more than three times the EU's import needs in its June 2026 update.⁵ Level 5 with independent verification is the route that the Regulation specifies. But Rystad is clear about the limits, that the systems to verify and trace the gas still have to be built, and it did not look at legal risk. We add one more. Level 5

tells you that a company has committed to measuring and reporting. But it does not tell you the numbers are correct, and the measurement technology is not yet good enough to determine that. We believe that is a question about how penalties should be designed for 2030 rather than whether supply exists in 2027. On that the two studies do agree. The supply is there and the paperwork is not, which is the reason for the model clauses and certification routes.

There are questions the study leaves open: the heavier crude grades some European refineries depend on, what is deliverable on day one, and whether measurement is yet good enough to base a penalty on a measured number. We are able to answer the first two. The third one matters for 2030 but it does not change the legal requirements in 2027, and that should run alongside enforcement on the timetable of the Commission's 2028 review.

Gas price, Asia spread, shipping, and the cost of complying, in euros per MMBtu



Sources: CATF/Rystad (2023, 2026); IEA Gas Market Report Q3-2026; TTF front-month, 8 September 2026. Dollar figures are shown as euros without conversion.

Compliance cost: CATF/Rystad modelled average of €0.07 per MMBtu, penalties included. Asia premium: IEA average JKM-over-TTF spread, March-June 2026 (\$2.10). Shipping: CATF estimate of the extra cost of routing a US cargo to Asia via Panama or the Cape (\$3.50). Gas price: TTF front-month, 8 September 2026, €74/MWh at 3.412 MWh per MMBtu. Dollar figures converted at \$1.10 to the euro.

What applies and when

Date	Obligation	Source
4 Aug 2024	Regulation is in force. Contracts concluded or renewed on or after this date are fully subject to Chapter V; earlier contracts require "all reasonable efforts".	Reg. (EU) 2024/1787, Art. 28
1 Jan 2027	Importers demonstrate that producers are subject to measurement, monitoring, reporting and verification equivalent to the EU standard. No physical tracing of molecules, cargoes or basins required; trace-and-claim and certification accepted.	Art. 28; Recommendation (EU) 2026/1834, 20 July 2026
2027–2029	Member states asked not to penalise importers' information failures, fraud excepted. Obligations remain in force; member states retain discretion. Review by 1 Jan 2028.	Recommendation (EU) 2026/1835
31 May 2028	First importer MRV-equivalence report due.	Art. 28
5 Aug 2030	Importers demonstrate methane intensity of production below maximum values, still to be set by the Commission.	Art. 29

References

- Wood Mackenzie Consulting, *EU Methane Emissions Regulation – Analysis of Market Impacts*, prepared for Concawe and IOGP Europe, March 2026 (concaawe.eu; iogpeurope.org summary report). Press release: IOGP Europe / FuelsEurope, 9 March 2026.
- Commission Recommendation (EU) 2026/1835 on the application of penalties in relation to obligations of importers (C/2026/5176), 20 July 2026; Commission Recommendation (EU) 2026/1834 on optional model clauses and compliance solutions (C/2026/5172), 20 July 2026; press release IP/26/1651.

3. Ditte Juul Jørgensen, Director-General, DG ENER, at the Eurogas Methane Emissions Conference, Brussels, 9 April 2026, as reported by S&P Global Commodity Insights, 9 April 2026.
4. Regulation (EU) 2024/1787, Articles 27–29 and 33; M. Olczak, *How is the EU Methane Emissions Regulation being implemented?*, OIES Paper NG-205, June 2026.
5. Rystad Energy for the Environmental Defense Fund, *The EU Methane Regulation: The 2027 MRV requirement's impact on EU Oil and Gas Supply*, December 2025; EDF Europe, 22 June 2026; Rystad Energy statement, updated 25 June 2026.
6. Rystad Energy for Clean Air Task Force, *Impact of EU methane import performance standard*, 13 November 2023; CATF, *EU Methane Regulation Penalties*, 9 June 2026; CATF, *Why claims that the EU Methane Regulation threatens energy supply miss the mark*, 21 April 2026.
7. IEA, *Gas Market Report Q3-2026*; IEA, *Global Methane Tracker 2026* (May 2026); European Commission, quarterly gas market report for 2025 (imports by source); TTF front month, 8 September 2026.