

# Ensuring Compliance



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Methane Abatement for Oil and Gas: Handbook for Policymakers

# About the Handbook

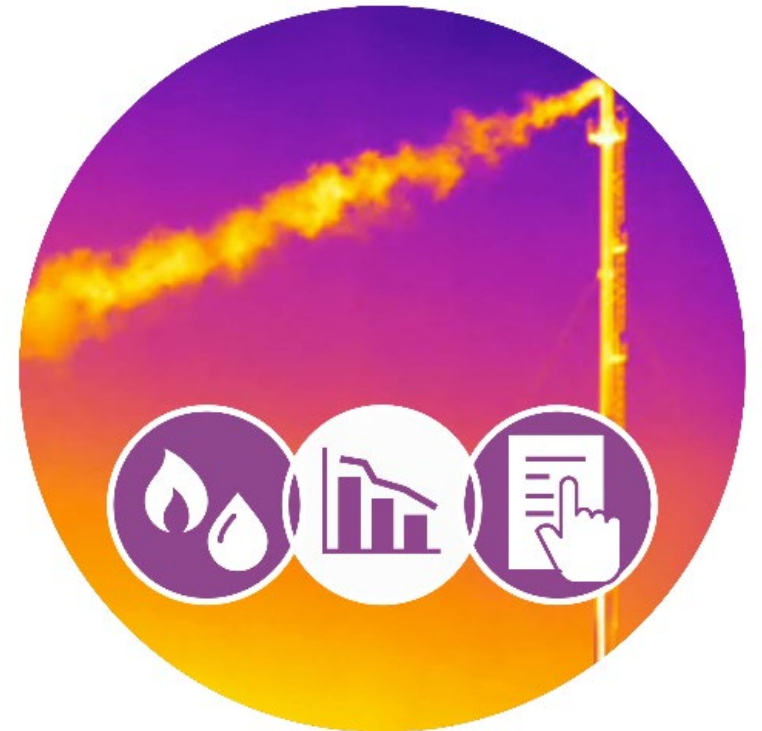
A 'how-to' action guide to empower legislators, ministries, regulators, and NOC officials to adopt and enforce legal instruments that will rapidly and effectively reduce methane emissions from the oil and gas sector.

Available here:

<https://cldp.doc.gov/methane-abatement-resources>

## Methane Abatement for Oil and Gas

Handbook for Policymakers



Methane Abatement for Oil and Gas: Handbook for Policymakers

# About the Handbook (Cont.)

- Sponsored by **U.S. Department of State, Bureau of Energy Resources.**
- Drafted over one week in an intense session with 13 expert co-authors.
- Co-written by authors representing:
  - Government (U.S., Sri Lanka, and Bangladesh)
  - NGOs
  - Multilaterals
  - Industry
  - Academia



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## Ensuring Compliance

# Key Takeaways

- Regulatory compliance systems for methane abatement requirements can include penalties and rewards.
- Regulatory compliance systems can also include the types of monitoring, reporting, and public accountability structures to make operators' performance more self-implementing, so regulators do not have to rely only on enforcement.
- In designing a regulatory compliance program, therefore, regulators can draw on many options.
- Enforcement actions foster compliance and a level playing field by providing a credible threat of enforcement for violations; transparency programs built on required monitoring and reporting serve a similar function.



## Ensuring Compliance

# Methane Abatement Compliance Activities



Awareness building and compliance promotion



Third-party audits or certification



Notice requirements



Reporting and recordkeeping requirements



Verification of compliance, e.g., by inspections, fence-line surveys, remote sensing



Enforcement for violations



## Ensuring Compliance

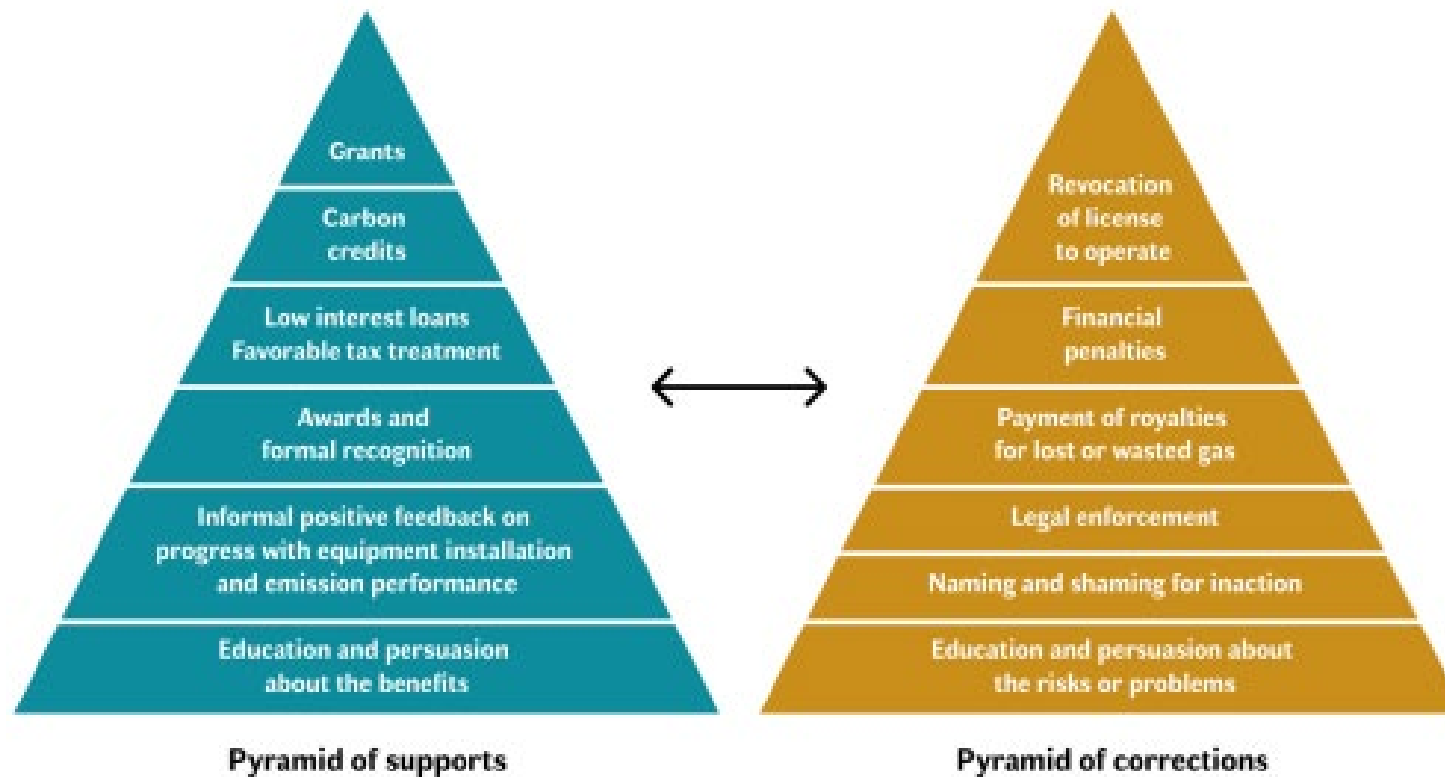
# Communicating Expectations

- Clarity and breadth of the outreach by the regulatory to regulated actors in the market is critical.
- Mechanisms of verifying compliance:
  - Incentivizing Self-Regulation
  - Compliance and Monitoring Strategies
  - Self Monitoring
  - Inspection
  - Third party Emissions Monitoring
  - Third-Party Audits
- Fence-Line Surveys
- Electronic Reporting Measurement
- Inspection
- Digitization



## Ensuring Compliance

# Pyramids of Supports & Corrections



Governments have many options for both the 'carrots' (incentives) and the 'sticks' (penalties) as illustrated to the left.





## Ensuring Compliance

# Enforcement

- Enforcement Actions **foster compliance** and provide a **level playing field** by providing a credible threat of appropriate actions for violations.
- The enforcer needs clear legal authority for inspections and enforcement, with power to impose an escalating range of actions to incentivize compliance.
- **Warning letters** can be an effective tool to inform a company of the violations found and list specific steps to come into compliance.
- Assess the **dimension of the violation** based on:
  - Actual/potential harm
  - Extent of deviation from requirements;
  - Violator's compliance history; and
  - Whether the violation was self-disclosed or discovered.

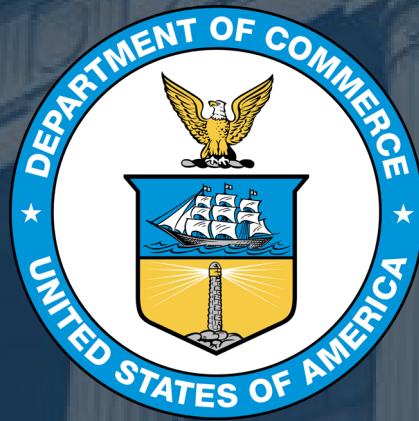


## Ensuring Compliance

# Inspection Plan

- Inspection resources will always be limited. Prioritize the most serious emissions violations, repeat violators, and companies with a history of large emission events.
- Considerations when developing an inspection plan:
  - Objectives
  - Tasks
  - Procedures
  - Resources
  - Schedule





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