

# Natural Gas Flaring Policy Statement

## Our Position

We support the development of well-designed policies and voluntary initiatives aimed at eliminating routine flaring<sup>1</sup> by 2030 and at continuously improving the efficiency of flare systems. Such efforts must be supported by demand-side action to build infrastructure and markets for associated natural gas in the context of a low-carbon energy future.

## Our Rationale

- Climate change is one of the most significant challenges facing the world and warrants meaningful action to reduce the greenhouse gas (GHG) emissions resulting from human activities.
- Natural gas production, distribution and end-use, with appropriate abatement of GHG emissions, has an important role to play in a lower-carbon energy future and performance-based policies should support the continued use of natural gas.
- However, the continued routine flaring of natural gas from oil and gas operations around the world emits CO<sub>2</sub>, methane, black carbon, and other pollutants; thus, undermining the ability of countries to meet their commitments under the Paris Agreement.
- Approximately 150 billion cubic meters of natural gas per annum has been flared globally in recent years, releasing about 400 million tons of CO<sub>2</sub> equivalent emissions, inclusive of un-combusted methane.<sup>2</sup>
- The impact of flaring goes beyond climate change; it also affects the health, safety, and quality of life for workers and local communities.
- Failure to meaningfully address routine flaring threatens to undermine the future value of natural gas in the energy market and to impact the oil and gas industry's license to operate.

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<sup>1</sup> The World Bank defines routine flaring as flaring during normal oil production operations in the absence of sufficient facilities or amenable geology to re-inject the produced gas, utilize it on-site, or dispatch it to a market; flaring to ensure safe operation of the facility remains an important process for protecting workers, communities, and other stakeholders.

<sup>2</sup> See the [World Bank Global Gas Flaring Tracker Report: April 2021](#)

- Policy, financing, and technology tools are available today to avoid, optimize and eliminate flaring, and new technologies continue to be developed to further reduce the cost of flaring management.
- Finally, there is growing support from the industry, governments, and development institutions to eliminate routine flaring by 2030.<sup>3</sup>

## Policy Priorities

The following represent some of the key public policy priorities for reducing and eventually eliminating routine flaring by 2030:

- National strategy: Oil and gas producing countries should develop comprehensive national strategies to eliminate routine flaring by 2030, complete with targets, timelines, and an integrated implementation framework.
- Financial incentives: Create incentives to finance natural gas transmission infrastructure and end-use project development, such as gas-fueled power generation with appropriate abatement, to strengthen the market for associated natural gas.
- Regulatory measures: Develop laws and regulations to eliminate routine flaring starting with new oil and gas developments, and eventually including existing sources.
- Efficient Permitting: Streamline permitting processes that impede the development of necessary natural gas pipeline infrastructure.
- Measurement, reporting, and public disclosure: Require direct metering of routine and safety flaring by operators that is monitored through independent remote sensing measurement, verified annual reporting of flare volumes, and public disclosure of reported volumes.
- Flare quality: Develop precise standards for continuous monitoring of flaring combustion efficiency and measurement requirements, to reduce methane emissions from incomplete combustion of fuels.
- Enforcement: Establish and implement effective enforcement of any mandatory monitoring and reporting activities.
- Integrate with venting regulations: Integrate flaring and venting regulations to eliminate the potential for producers to vent rather than flare associated natural gas.
- Research and development: Dedicate funding for technology improvement and innovation to prevent, eliminate, or monetize associated natural gas production.

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<sup>3</sup> See World Bank [“Zero Routine Flaring by 2030” Initiative](#)

- Carbon offset certificates: Support certification of emission reductions from flaring avoidance or elimination projects in carbon offset markets.

## **Our Actions**

Baker Hughes became a signatory to the Methane Guiding Principles in 2019 and we support the flaring best practices developed by that initiative. We remain actively and constructively engaged with policymakers, associations, and customers to address the priorities necessary to eliminate routine flaring of natural gas.

Our goal as an energy technology company is to ensure a role for natural gas in a sustainable energy future by helping customers mitigate CO<sub>2</sub> and methane emissions from production, transmission, and end-use applications. To address flaring reduction, Baker Hughes offers a full range of products, integrated solutions, and services to help customers prevent flaring by recovering, reinjecting, and utilizing associated natural gas production. We offer solutions to monitor and improve the combustion efficiency of existing flaring operations, while saving on operational costs at the same time. Baker Hughes continues to develop new economic and efficient technologies to monetize stranded associated gas resources.