Understanding Poverty

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Zero Routine Flaring by 2030 Initiative cited in IEA report















The International Energy Agency's (IEA) new analysis, The Oil and Gas Industry in Energy Transitions, found that the commitments from the Bank's Zero Routine Flaring Initiative will be an integral component of the path to ending routine flaring globally and the Paris goal of limiting global warming to well below 2°C.

The report says:

"There are various initiatives under way to reduce flaring. For example, various energy companies, governments and institutions have endorsed the **Zero Routine Flaring by 2030** initiative launched by the World Bank and the United Nations in 2015. For new fields, operators should aim to develop plans to use or conserve all the field's associated gas without routine flaring. At existing oil fields, operators are asked to eliminate routine flaring when it is economically viable as soon as possible, and no later than 2030.

Since it is a wasteful practice, flaring drops steadily over the period to 2040 in the STEPS.* In the SDS**, as a result of strong policy interventions and industry efforts, the volume of gas flared drops much more dramatically over the next decade. Flaring is soon eliminated in all but the most extreme cases, with less than 13 bcm flared from 2025 onwards, less than 10% of the 2018 level."

* STEPS (Stated Policies Scenario) provides an indication of where today's policy ambitions and plans would lead the energy sector.

In the SDS, the volume of flared gas drops dramatically over the coming decade

Most wells that are drilled to target oil formations also yield a mixture of other hydrocarbons such as condensates, NGLs and natural gas. Natural gas is known as "associated gas" and it has often been seen as an inconvenient by-product of oil production: it is generally less valuable than oil per unit of output and is costlier to transport and store.

Only 75% of the associated gas produced today around the world is put to some kind of productive use, either marketed directly to end consumers via gas grids, used on-site as a source of power or heat or reinjected into oil wells to create pressure for secondary liquids recovery.

The remainder (some 200 bcm in 2018) is either flared (140 bcm) or vented to the atmosphere (an estimated 60 bcm, including deliberate venting and unintentional fugitive emissions). "Routine" flaring typically occurs because of the remoteness of fields or the topography of the surrounding area, because the price of gas in accessible markets discourages operators from developing gas transportation infrastructure to reach existing or potential new markets, or because of the time lag between developing a new resource and connecting this to a gas pipeline.

Together, such non-productive uses of gas have significant and damaging environmental consequences. They make up around 40% of the scope 1 and 2 emissions associated with oil production. The flared volumes alone in 2018 were responsible for 270 Mt CO2, as well as additional methane emissions to the atmosphere because of incomplete combustion (flares are rarely 100% efficient).

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