#### CEC Fact Sheet #98 | October 2023

#### **Canadian Energy Centre**

# INTERNATIONAL COMPARISONS OFGAS FLARINGAMONG TOP OIL PRODUCERS

#### **Overview**

This Fact Sheet analyzes the upstream oil industry's record on flaring in Canada relative to other top oil-producing countries. Gas flaring is the burning off of the natural gas that is generated in the process of oil extraction and production. Flaring is relevant because it is a source of greenhouse gas emissions (GHGs) (see Appendix).

In 2022, 138,549 million cubic meters (m<sup>3</sup>) (or 139 billion cubic meters (bcm)) of flared gases were emitted worldwide, creating 350 million tonnes of CO2 emissions annually. Canada is a significant oil producer; it has the <u>third-largest</u> proven crude oil reserves and is the fourthlargest crude oil producer in the world (Natural Resources Canada, undated), and so contributes to flaring.

#### **Flaring comparisons**

This Fact Sheet uses World Bank data to provide international comparisons of flaring. It also draws on U.S. Energy Information Administration (EIA) crude oil production data to compare flaring among the top 10 crude oil producing countries.

Table 1 shows gas flaring volumes in 2012 and 2022. In absolute terms, Russia recorded more flaring than any other country at 25,495 million m<sup>3</sup> (25.4 bcm) in 2022, which was 1,628 million m<sup>3</sup> (7%) higher than in 2012.

The four countries that are the top GHG emitters through flaring (Russia, Iraq, Iran, and Algeria) accounted for 50% of global gas flaring in 2022.

At 945 million m<sup>3</sup>, Canada was the eighth lowest flarer in 2022 (23rd spot out of the top 30 countries). It decreased its flaring emissions by 320 million m<sup>3</sup> from the 2012 level of 1,264 million m<sup>3</sup>, a 25% drop.

In 2022, Canada contributed just 0.7% of the global amount of gas flaring despite being the world's fourth largest oil producer (see Table 1).

# Flaring declined worldwide between 2012 and 2022

Figure 1 shows the change in flaring volumes between 2012 and 2022. Nine countries flared more in 2022 than in 2012, while 21 countries flared less. In the last decade, the global flaring volume decreased by 3 percent.

- The three countries that most significantly increased flaring between 2012 and 2022 were the Republic of the Congo (65%), Iran (56%), and Iraq (41%).
- The three countries that most significantly decreased flaring between 2012 and 2022 were Uzbekistan (-76%), Columbia (-75"%) and Kazakhstan (-74"%).
- As noted earlier, flaring fell by 25% in Canada between 2012 and 2022.

Table 1

## Gas Flaring Volumes from 2012 to 2022 (in million m<sup>3</sup> flared/year) in the 30 Countries with the Highest Volume of Flaring as of 2022

Flaring Rank based on million m <sup>3</sup> gas flared in 2022	Country	2012	2022	2012 to 2022 change
2022		Million m <sup>3</sup> gas flared/year		
1	Russia	23,867	25,495	1,628
2	Iraq	12,701	17,903	5,202
3	Iran	11,027	17,221	6,194
4	Algeria	7,599	8,614	1,015
5	Venezuela	8,151	8,612	460
6	United States	9,530	7,967	-1,563
7	Mexico	4,282	5,668	1,386
8	Libya	5,945	5,420	-524
9	Nigeria	9,622	5,318	-4,304
10	China	1,985	2,488	503
11	Oman	2,113	2,072	-41
12	Egypt	2,668	1,969	-698
13	Saudi Arabia	1,939	1,860	-80
14	Republic of the Congo	1,104	1,820	716
15	Indonesia	3,537	1,682	-1,854
16	Angola	3,247	1,676	-1,571
17	Malaysia	2,364	1,610	-754
18	India	1,911	1,555	-356
19	Gabon	1,344	1,403	59
20	Turkmenistan	2,449	1,070	-1,379
21	Kazakhstan	3,959	1,026	-2,934
22	Qatar	1,260	987	-273
23	Canada	1,264	945	-320
24	United Arab Emirates	949	927	-22
25	Brazil	1,595	881	-714
26	Yemen	1,110	728	-383
27	Kuwait	1,132	582	-550
28	United Kingdom	1,296	579	-717
29	Uzbekistan	1,828	438	-1,390
30	Colombia	984	244	-741
	Rest of world	10,503	9,790	-713
	Global total	143,267	138,549	-4,718

Source: World Bank (Undated).



#### **Comparing flaring to increased production**

The decreases in flaring in Canada between 2012 and 2022 shown in Table 1 and Figure 1 understate the magnitude of the decline in flaring in the country. That is because Canada's crude oil production increased by 45% in that period, even as absolute flaring decreased by 25% (see Table 2). Canada compares very favourably with the United States, which increased crude oil production by 82% and decreased flaring by 16%.

Table 2	Та	bl	е	2	
---------	----	----	---	---	--

#### **Comparing Countries on Oil Production\* and Flaring**

2012 vs. 2022 (percent change)

Rank	Country	Production increase or decrease of crude oil	Increase or decrease in absolute gas flaring
1	United States	82%	-16%
2	Iraq	50%	41%
3	Brazil	47%	-45%
4	Canada	45%	-25%
5	United Arab Emirates	16%	-2%
6	Oman	16%	-2%
7	Kazakhstan	14%	-74%
8	Kuwait	7%	-49%
9	Saudi Arabia	6%	-4%
10	Republic of the Congo	5%	65%
11	Russia	4%	7%
12	China	0.5%	25%
13	Iran	-3%	56%
14	Qatar	-11%	-22%
15	Egypt	-12%	-26%
16	Turkmenistan	-13%	-56%
17	Malaysia	-14%	-32%
18	Gabon	-15%	4%
19	United Kingdom	-16%	-55%
20	Colombia	-21%	-75%
21	Algeria	-21%	13%
22	India	-23%	-19%
23	Libya	-26%	-9%
24	Indonesia	-29%	-52%
25	Mexico	-34%	32%
26	Angola	-35%	-48%
27	Nigeria	-46%	-45%
28	Uzbekistan	-48%	-76%
29	Yemen	-71%	-34%
30	Venezuela	-72%	6%

\*Ranking based on increase (decrease) in crude oil production.

Sources: World Bank (Undated) and EIA (2023).

#### Largest oil producers and flaring intensity

To fully grasp how much more effective Canada has been than many other oil producers in reducing flaring, Table 3 compares both flaring intensity (gas flared per unit of oil production) and crude oil production among the top 10 oil producing countries (which account for 73% of the world oil production). Canada is the fourth-largest producer of crude oil, and its gas flaring intensity declined by 48% between 2012 and 2022. Four of the top 10 oil producers witnessed their flaring intensity increase between 2012 and 2022.

Table 3 Top 10 Oil Producers* and Flaring Intensity					
	Million barrels per day (2022)	Share of world total (2022)	Global Gas Flaring Intensity for Crude Oil Production, 2012	Global Gas Flaring Intensity for Crude Oil Production, 2022	Percent change in m <sup>3</sup> gas flared per barrel of oil produced (m <sup>3</sup> /b) 2022 vs. 2012
United States	20.21	20%	3.99	1.84	-54%
Saudi Arabia	12.14	12%	0.53	0.48	-10%
Russia	10.94	11%	6.57	6.80	3%
Canada	5.70	6%	1.10	0.57	-48%
China	5.12	5%	1.33	1.67	25%
Iraq	4.55	5%	11.63	10.97	-6%
United Arab Emirates	4.24	4%	0.87	0.73	-15%
Brazil	3.77	4%	2.11	0.80	-62%
Iran	3.66	4%	8.90	14.33	61%
Kuwait	3.02	3%	1.17	0.56	-52%
Total top 10	73.36	73%	3.87*	3.87	1%
World total	99.89		5.11	4.72	-8%

\*Arithmetic mean of top 10 oil producers. **Sources:** World Bank (undated) and EIA (2023).

### Conclusion

Gas flaring contributes to greenhouse gas emissions. However, it is possible for countries to both increase their oil production and still reduce flaring. Canada is one noteworthy example of a country that has significantly reduced flaring not only compared to its increased production of crude oil, but also in absolute terms.

#### Appendix

#### Background

Flaring and venting are two ways in which an oil or natural gas producer can dispose of waste gases. Venting is the intentional controlled release of uncombusted gases directly to the atmosphere, and flaring is combusting natural gas or gas derived from petroleum in order to dispose of it.<sup>1</sup> As Matthew R. Johnson and Adam R. Coderre noted in their <u>2012 paper</u> on the subject, flaring in the petroleum industry generally falls within three broad categories:

- Emergency flaring (large, unplanned, and very short-duration releases, typically at larger downstream facilities or off-shore platforms);
- Process flaring (intermittent large or small releases that may last for a few hours or a few days as occurs in the upstream industry during well-test flaring to assess the size of a reservoir or at a downstream plant during a planned process blowdown); and
- Production flaring (may occur continuously for years while oil is being produced).

To track GHGs from flaring and venting, Environment Canada (2016) defines such emissions as:

- Fugitive emissions: Unintentional releases from venting, flaring, or leakage of gases from fossil fuel production and processing, iron and steel coke oven batteries, or CO2 capture, transport, injection, and storage infrastructure.
- Flaring emissions: Controlled releases of gases from industrial activities from the combustion of a gas or liquid stream produced at a facility, the purpose
  of which is not to produce useful heat or work. This includes releases from waste petroleum incineration, hazardous emission prevention systems, well
  testing, natural gas gathering systems, natural gas processing plant operations, crude oil production, pipeline operations, petroleum refining, chemical
  fertilizer production, and steel production.
- Venting emissions: Controlled releases of a process or waste gas, including releases of CO2 associated with carbon capture, transport, injection, and storage; from hydrogen production associated with fossil fuel production and processing; of casing gas; of gases associated with a liquid or a solution gas; of treater, stabilizer, or dehydrator off-gas; of blanket gases; from pneumatic devices that use natural gas as a driver; from compressor start-ups, pipelines, and other blowdowns; and from metering and regulation station control loops.

#### Notes

This CEC Fact Sheet was compiled by Ven Venkatachalam and Lennie Kaplan at the Canadian Energy Centre: <u>www.canadianenergycentre.ca</u>. All percentages in this report are calculated from the original data, which can run to multiple decimal points. They are not calculated using the rounded figures that may appear in charts and in the text, which are more reader friendly. Thus, calculations made from the rounded figures (and not the more precise source data) will differ from the more statistically precise percentages we arrive at using source data. The authors and the Canadian Energy Centre would like to thank and acknowledge the assistance of an anonymous reviewer in reviewing the data and research for this Fact Sheet. Image credits: Gas is burned off at a mobile flare system in Germany. Getty Images photo

#### **References** (All links live as of September 23, 2023)

Alberta Energy Regulator (2022), Directive 060: Upstream Petroleum Industry Faring, Incinerating, and Venting <a href="https://bit.ly/3AMYett">https://bit.ly/3AMYett">https://bit.ly/3AMYett</a>; BC Oil and Gas Commission (2021), Flaring and Venting Reduction Guideline, version 5.2 <a href="https://bit.ly/3CWRa0i">https://bit.ly/3CWRa0i</a>; Canada-Newfoundland and Labrador Offshore Petroleum Board (2007), Offshore Newfoundland and Labrador Gas Flaring Reduction <a href="https://bit.ly/3RhKpKu">https://bit.ly/3RhKpKu</a>; D& Services (2010), Saskatchewan Energy and Resources: S-10 and S-20 <a href="https://bit.ly/3TBrVGJ">https://bit.ly/3TBrVGJ</a>; Johnson, Matthew R., and Adam R. Coderre (2012), Compositions and Greenhouse Gas Emission Factors of Flared and Vented Gas in the Western Canadian Sedimentary Basin, Journal of the Air & Waste Management Association 62, 9: 992-1002 <a href="https://bit.ly/3CRqPd">https://bit.ly/3CRqPd</a>; Environment Canada (2016), Technical Guidance on Reporting Greenhouse Gas Emissions/Facility Greenhouse Gas Emissions Reporting Program <a href="https://bit.ly/3CWQR5C">https://bit.ly/3CWQR5C</a>; Natural Resources Canada (Undated), Oil Resources <a href="https://bit.ly/3CWWWW">https://bit.ly/3CWWWW</a>. Energy Information Administration (undated), Petroleum and Other Liquids <a href="https://bit.ly/2Ad6S9i">https://bit.ly/2Ad6S9i</a>; World Bank (Undated), Global Gas Flaring Data <a href="https://bit.ly/3ZuxGX">https://bit.ly/3ZuxGX</a>.

#### **Creative Commons Copyright**

Research and data from the Canadian Energy Centre (CEC) is available for public usage under creative commons copyright terms with attribution to the CEC. Attribution and specific restrictions on usage including non-commercial use only and no changes to material should follow guidelines enunciated by Creative Commons here: <u>Attribution-NonCommercial-NoDerivs CC BY-NC-ND</u>.

Many provinces regulate flaring and venting including Alberta (<u>Directive 060</u>) British Columbia (<u>Flaring and Venting Reduction Guideline</u>), and Saskatchewan (<u>S-10 and S-20</u>). Newfoundland & Labrador also has regulations that govern <u>offshore flaring</u>.