Methane Emissions Reduction Program

Clean Air Act § 136

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EDF is one of the world's leading environmental organizations focused on addressing climate change using science, economics, partnerships, and advocacy to finding lasting solutions.

Methane is a key priority—EDF studies have revealed that emissions from oil and gas production are 60% higher than official estimates.

Methane Emissions Reduction Program
Timeline

- **August 2022** - IRA becomes law, including Methane Emissions Reduction Program

- **November 2022** - EPA seeks public input on implementation

- **March 2023** - Target proposed implementing regulation & public comment period

- **August 2023** - Target final implementing regulation

- **2024** - Methane waste charge begins

Key Components

- **Appropriations** - $1.55 billion for grants and other activities to reduce methane

- **Scope** - Oil and gas production, gathering, processing, transmission, storage, LNG

- **Waste Emissions Charge** - $900-1500 charge assessed on excessive emissions

- **Methane Reporting** - EPA to update oil and gas emissions reporting protocols

Appropriations

$1.55 billion available through "grants, rebates, contracts, loans, and other activities of EPA" for

- Methane and air pollution monitoring
- Technologies to reduce methane
- Improving methane reporting and estimates
- Mitigating oil and gas health impacts in frontline communities
- Plugging wells on non-federal land
- $700 million earmarked for same uses at "marginal conventional wells"

States, companies, agencies, local governments, communities, NGOs, and academic institutions are eligible recipients

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Scope

Waste emissions charge applies to facilities in various segments:

- Onshore and offshore oil and gas production
- Onshore gas processing and transmission compression
- Onshore oil and gas gathering and boosting
- Onshore gas transmission pipeline
- Underground gas storage
- Liquefied natural gas storage and import/export equipment

Small emitters not covered—only applies to facilities with annual emissions exceeding 25,000 tons of CO2e

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Waste Emissions Charge

Assessed on each ton of methane emissions exceeding intensity thresholds from covered facilities

- Companies with excessive emissions can pay the charge or reduce emissions to avoid the charge:

  $900/ton in 2024

  $1200/ton in 2025

  $1500/ton in 2026 and beyond

Funding and assistance available to help companies report and reduce emissions

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Waste Emissions Charge

Emissions below intensity thresholds not subject to charge

- Intensity thresholds vary by segment and align with industry-set targets:

  > 0.20% for production
  >
  > 0.05% for non-production
  >
  > 0.11% for transmission

- Owners and operators can "net" emissions across segments
- Exemptions for: regulatory compliance; permitting delay; plugged wells

Congress designed waste emissions charge to complement and reinforce EPA regulations

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Methane Reporting

EPA directed to update methane reporting requirements under the Greenhouse Gas Reporting Program (GHGRP)

- Field studies regularly uncover emissions orders of magnitude higher than reported
- Waste charge is assessed on emissions reported to EPA under the GHGRP
- Revised protocols must ensure reporting is empirically-based and accurately reflects total emissions from the oil and gas sector

To ensure the charge is effective, Congress directed EPA to fix the well-documented problem of underreporting

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Next Steps

Implementing Regulation

- EPA developing regulations to implement the waste charge and update methane reporting protocols

- Public comment period anticipated Spring 2023

Waste Charge Begins

- EPA assesses charge on excessive emissions reported in calendar year 2024 and after

Thank you!

Additional Resources:

[42 U.S.C § 7436 - *Methane Emissions Reduction Program*](#)

[EDF - *The Inflation Reduction Act is a game-changer on methane. Here's why.*](#)

[EPA Non-Regulatory Docket - *Methane Emissions Reduction Program*](#)

[EDF - *Comments on GHGRP Updates*](#)

[EDF - *Comments on Implementation*](#)

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