

H.R. 2801 –The METHANE Act of 2021

The Methane Emissions Technology to Help Achieve Net-Zero Emissions Act of 2021

Background: Methane is 80 times more potent and harmful than CO₂ and responsible for about 25% of the man-made warming we experience today. In the U.S., nearly one-third of all methane released into the atmosphere comes from oil and gas production. The EPA under the Obama Administration set a goal to reduce methane emissions from the oil and gas sector by 40 to 45 percent from 2012 levels by 2025. In 2016, the EPA took action to achieve this goal by promulgating New Source Performance Standards for methane emitted from new and modified sources in the oil and gas sector. The rule set limitations on methane for specific pieces of equipment across the industry (e.g., pneumatic controllers, pneumatic pumps, and compressors) and required owners and operators to find and repair leaks, also known as “fugitive emissions.” However, the Trump Administration never enforced the rule and reversed it entirely in August 2020. In January of 2021, President Biden issued an executive order directing EPA to review the Trump Administration’s reversal of the rule and to propose new regulations to establish standards for methane emissions from both new and existing sources.

Proposal: *The Methane Emissions Technology to Help Achieve Net-Zero Emissions Act of 2021 (“The METHANE Act”)* provides a durable foundation for the EPA to use performance-based standards and robust emissions measurement, reporting and verification requirements to achieve ambitious methane emissions reductions, establish U.S. leadership internationally, and provide businesses with regulatory certainty and flexibility to innovate.

Specifically, the bill:

- Directs the EPA to establish a list of “covered facilities” in all segments of the oil and gas sector (production, gathering and boosting, processing, transmission and storage, and distribution) no later than 2 years after enactment, which shall include, at a minimum, the facilities described in EPA’s Greenhouse Gas Reporting Program. Directs the EPA to separate the covered facilities into categories.
- Directs EPA to establish methane intensity¹ standards for each category of covered facilities no later than 4 years after enactment. These standards must decline in three-year increments to reach an emissions reduction target of 90 percent by 2030, relative to 2015 levels.
- Directs the EPA to require owners or operators of covered facilities to file their leak detection and repair plans with the EPA. Establishes minimum content requirements for such plans.
- Directs the EPA to establish requirements for emissions reporting and measurement.
- Directs the EPA to set limits on routine flaring by covered facilities such that greenhouse gas emissions from such flaring decline by 80% from 2017 levels by 2028 and by 100% from 2017 levels by 2030.
- Directs the EPA to establish a tradable credits program for covered facilities if the EPA makes a determination that available emissions detection and measurement technologies are sufficiently robust to support such a program.
- Directs the EPA to coordinate various studies to advance knowledge about methane emission from the oil and gas sector and promote the development of new methane emission prevention, detection, measurement and abatement technologies.
- Directs the EPA to establish a registry that tracks methane intensity along supply chains, thereby generating information that is useful for end-users—such as electric utilities or LNG facilities.

¹ Methane intensity is a measure of how much methane a facility emits for each unit of natural gas that it produces, processes, compresses, or distributes.

To learn more about or to cosponsor the METHANE Act, please contact Tom Erb (Rep. Peters), 202-507-0547

- Directs the EPA to establish robust procedures for ensuring the accuracy, transparency, consistency, and completeness of all data collected, reported, and verified under the Act.
- Provides that once the EPA promulgates methane standards for covered facilities under the Act, the EPA may not also enforce methane emission standards of performance under Sec. 111 of the Clean Air Act for such facilities.

Goals of the legislation:

- Reduce U.S. methane emissions from the oil and gas sector by 90 percent from 2015 levels by 2030.
- Establish a performance-based regulatory framework that is better aligned with the science of methane emissions, more effective at reducing emissions from “super-emitters”, and less costly for industry.
- Standardize a framework for measuring, reporting, and verifying methane emissions from the oil and gas sector to better align the U.S. regulatory framework with the EU Methane Strategy and the international Oil and Gas Methane Partnership.
- Establish a clear, transparent, and scientifically robust framework for EPA to review and approve new emission detection and abatement technologies.