

EPA Actions to Reduce Methane Emissions from Oil & Natural Gas Operations

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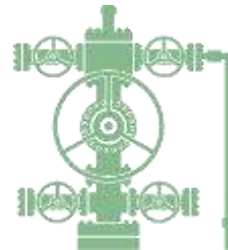
EPA's Methane Programs for the Oil and Gas Sector

- ▶ Clean Air Act regulations for new and existing oil and natural gas operations
- ▶ Inflation Reduction Act – Methane Emissions Reduction Program
 - ▶ More than \$1B in financial and technical assistance (with DOE) for methane monitoring and reduction
 - ▶ Improved reporting of methane emissions
 - ▶ Waste Emissions Charge to incentivize reductions while Clean Air Act regulations are implemented



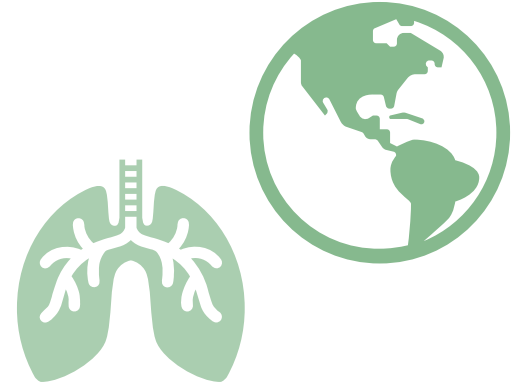
Oil and Gas Final Rule

- ▶ New Source Performance Standards for methane and VOCs from new, modified, and reconstructed sources
- ▶ Emissions Guidelines for states to develop & implement plans to limit methane emissions from existing sources
- ▶ A suite of cost-effective measures based on proven solutions:
 - ▶ Ensures all well sites, centralized production facilities and compressor stations are routinely monitored for leaks
 - ▶ Allows flexibility to deploy innovative and advanced monitoring tech
 - ▶ Cuts methane from process controllers, pumps, and other equipment
 - ▶ Eliminates routine flaring of natural gas from new oil wells
 - ▶ Addresses “super-emitting” sources



Climate and Health Benefits

- ▶ The rule will achieve:
 - ▶ Historic reductions in methane pollution
 - ▶ Reductions in smog-forming VOCs
 - ▶ Reductions in air toxics like benzene
- ▶ From 2024-2038 the rule will avoid:
 - ▶ 58 million tons of methane – nearly 80 percent lower than expected emissions without the rule
 - ▶ 16 million tons of VOCs
 - ▶ 590,000 tons of air toxics
- ▶ Net climate and ozone health benefits from 2024-2038 (\$2019)
 - ▶ \$97 to \$98 billion dollars / \$7.3 to \$7.6 billion a year



Financial & Technical Assistance

- ▶ Under Inflation Reduction Act, EPA & DOE will provide \$1B in financial and technical assistance to accelerate the transition to no- and low- emitting oil and gas technologies
- ▶ December 2023, EPA & DOE announced first round of formula grant funds
 - ▶ 14 states to receive \$350m in funding to help oil and gas owners and operators voluntarily and permanently reduce methane from low-producing conventional wells
- ▶ Second round of funding will be competitive grants
 - ▶ Will be available to a variety of stakeholders for mitigation and monitoring from low-producing wells, other oil and natural gas assets, and related activities

Revisions to Subpart W

- ▶ As required by Congress in Inflation Reduction Act, in August 2023 EPA proposed changes to Subpart W of Greenhouse Gas Reporting Program
- ▶ Would improve the accuracy of reporting emissions, including methane
- ▶ Final Revisions expected before August 2024 deadline
- ▶ Updated reporting practices would begin for 2025 reporting year



Waste Emissions Charge

- ▶ January 12, 2024 Proposed Rule to tackle wasteful emissions from oil and gas sector, as required by Inflation Reduction Act
- ▶ Impacts facilities with high methane emissions exceeding levels set by Congress
- ▶ Incentive to deploy best practices and available technologies to meet levels of performance already achieved by leading companies
- ▶ Will work in tandem with Methane Emissions Funding Program financial assistance and Clean Air Act standards to encourage methane reductions before new standards take effect

Supporting Global Methane Pledge

▶ Global Methane Initiative

- ▶ Launched in 2004
- ▶ Public-private initiative advancing cost-effective, near-term methane abatement and recovery
- ▶ Three sectors: Biogas (agriculture, MSW, wastewater), coal mines, and oil & gas systems

▶ Global Methane Pledge

- ▶ Launched in 2021
- ▶ Agreement to take voluntary action to reduce methane emissions 30% by 2030
- ▶ 155 countries have joined to date

