**U.S. Methane Emissions Reduction Program**

**Country:** United States

**Description:** The Inflation Reduction Act of 2022 (IRA) provides new authorities to reduce methane emissions from the petroleum and natural gas sector through the creation of the Methane Emissions Reduction Program. The program will provide $1.55 billion in funding, including financial and technical assistance, to improve methane monitoring and reduce methane and other greenhouse gas (GHG) emissions from the oil and gas sector with the co-benefit of reducing non-GHG emissions such as volatile organic compounds and hazardous air pollutants. The program will help industry monitor and reduce methane emissions from leaks and daily operations. This combination of technical and financial assistance is expected to help improve efficiency of U.S. oil and gas operations and provide new economic opportunities in energy communities, as well as realize near-term emission reductions. The IRA also directs the Environmental Protection Agency (EPA) to impose and collect a charge on methane emissions from applicable oil and gas facilities that exceed certain waste emissions thresholds, and to revise its Greenhouse Gas Reporting Program requirements for petroleum and natural gas systems facilities to ensure the reporting is based on empirical data and accurately reflects total methane emissions from applicable facilities.

**Type of Tool: Financial and Technical Assistance**

**Status:** In August 2023, the EPA and the United States Department of Energy (DOE), in collaboration with the National Energy Technology Laboratory, made $350 million in formula grant funding available to eligible state governments to help monitor and reduce methane emissions from marginal conventional wells. The funding would also help oil and gas well owners and operators to voluntarily and permanently reduce methane emissions from leaks and daily operations of marginal conventional wells (including elements of environmental restoration required to comply with applicable State or Federal plugging and abandonment standards and regulations) on non-Federal lands as well as monitor methane emissions from marginal conventional wells. This action is the first in a series of funding opportunities that will target monitoring and reduction of methane emissions from the oil and gas sector. EPA and DOE plan to announce competitive funding opportunities following this non-competitive solicitation.

**Implicated Parties**: EPA and DOE are partnering to provide financial and technical assistance under the Methane Emissions Reduction Program. This collaboration leverages EPA and DOE’s shared commitment to, and joint expertise in, advancing methane monitoring and reduction technologies for the oil and gas sector.

**Impact:** The program will facilitate preparing and submitting greenhouse gas reports, monitoring methane emissions, and reducing methane and other greenhouse gas emissions by improving and deploying equipment, supporting innovation, permanently reducing methane emissions from low-producing conventional wells, mitigating health effects in low-income and disadvantaged communities, improving climate resiliency, supporting environmental restoration, and mitigating legacy air pollution.

**Type of Tool: Regulatory/Administrative Action**

**Status:** The IRA directs EPA to revise the reporting requirements for petroleum and natural gas systems facilities under EPA’s Greenhouse Gas Reporting Program (GHGRP) to ensure reported emissions are based on empirical data, accurately reflect the total methane emissions from applicable facilities, and allow owners and operators of applicable facilities to submit empirical emissions data. EPA issued a proposal revising the GHGRP requirements on August 1, 2023. EPA is reviewing public comments on the proposal. The IRA directs EPA to finalize the revisions by August 2024.

Separately, the IRA directs EPA to establish a waste emissions charge on methane emissions from applicable petroleum and natural gas facilities that exceed waste emissions thresholds established by Congress. The IRA requires that applicable petroleum and natural gas facilities will be subject to the waste emissions charge beginning with methane emissions reported for 2024.

**Implicated Parties:** EPA is implementing the regulatory/administrative aspects of the program.

**Impact:** Congress designed the program to improve the accuracy of reported emissions, incentivize the adoption of cost-effective methane mitigation technologies and work practices, and reduce methane emissions from the oil and gas industry.

**Additional Resources**:

* [Methane Emissions Reduction Program | US EPA](https://www.epa.gov/inflation-reduction-act/methane-emissions-reduction-program)
* [Grant Opportunity Example (closed)](file:///C%3A/Users/emily.sandys/AppData/Local/Microsoft/Windows/INetCache/Content.Outlook/1MEUBTRO/grants.gov/search-results-detail/350045)
* [GHGRP Proposed Rule](https://www.govinfo.gov/content/pkg/FR-2023-08-01/pdf/2023-14338.pdf)