12/8/24, 11:40 AM

Methane Emissions Reduction Program – Technical and Financial Assistance | Department of Energy

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Office of Fossil Energy and Carbon Management Methane Emissions Reduction Program – Technical and Financial Assistance

Methane Emissions Reduction Program – Technical and Financial Assistance

The Inflation Reduction Act (IRA) provides new authorities under Section 136 of the Clean Air Act to tackle methane emissions from the oil and natural gas sector through the creation of the Methane Emissions Reduction Program (MERP). This program will help reduce emissions of methane and other greenhouse gas (GHGs) from the oil and natural gas sector, and will have the co-benefit of reducing non-GHG emissions. In keeping with the Administration's <u>Justice40</u> <u>Initiative</u>, the program will also reduce emissions from oil and natural gas infrastructure in or near overburdened communities.

Through the Methane Emissions Reduction Program, the U.S. Department of Energy's (DOE) Office of Fossil Energy and Carbon Management (FECM), U.S. Environmental Protection Agency (EPA), and DOE's National Energy Technology Laboratory (NETL) are partnering to provide up to \$1.36 billion in financial and technical assistance through an interagency agreement to improve methane emissions monitoring, detection, measurement, and quantification and also reduce methane and other GHG emissions from the oil and natural gas sector.

The Methane Emissions Reduction Program includes the following financial assistance opportunities:

An \$850 million funding opportunity announcement (FOA-3256) to help small oil and natural gas
operators reduce methane emissions and transition to available and innovative methane emissions

Dkt. No. 24-87-LNG Exh. B Page 2 of 8

12/8/24, 11:40 AM

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- reduction technologies, while also supporting partnerships that improve emissions measurement and provide accurate, transparent data to impacted communities. • \$350 million (<u>FOA-3109</u>) in formula funding was awarded to 14 eligible states to assist oil and gas well
- \$350 million (<u>FOA-3109</u>) in formula funding was awarded to 14 eligible states to assist oil and gas well owners and/or operators as they reduce methane emissions from low-producing conventional wells on nonfederal lands through voluntary, permanent well plugging.

The Methane Emissions Reduction Program includes the following technical assistance:

EPA and DOE will provide technical assistance to help states, industry, and other partners implement
cost-effective solutions that reduce methane emissions. The partnering agencies and departments will
work with partners to implement and prioritize best practices and mitigation decision-support tools
across the broader oil and natural gas sector. This technical assistance will also ensure efforts are fully
aligned with the needs of local communities and help inform key decision-makers of mitigation
opportunities across states, industry, and other partners.

To learn more about other the EPA managed regulatory aspects of Methane Emissions Reduction Program, please visit the EPA website.

Learn more about FECM's Methane Mitigation Technologies program.

Last Updated: September 10, 2024

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12/10/24, 9:24 AM

Office of Public Affairs | Justice Department and EPA Announce \$241.5M Settlement with Marathon Oil to Reduce Climate- and He...



PRESS RELEASE

Justice Department and EPA Announce \$241.5M Settlement with Marathon Oil to Reduce Climate- and Health-Harming Emissions in North Dakota

Thursday, July 11, 2024

For Immediate Release Office of Public Affairs

Settlement Includes Largest Ever Clean Air Act Stationary Source Penalty and Will Result in Over 2.3 Million Tons' Worth of Pollution Reduction

The Justice Department and Environmental Protection Agency (EPA) today announced a settlement with Marathon Oil Company resolving Clean Air Act violations at the company's oil and gas production operations on the Fort Berthold Indian Reservation in North Dakota. The settlement requires that Marathon pay a civil penalty of \$64.5 million, the largest ever for violations of the Clean Air Act at stationary sources, which include facilities such as oil and gas tank systems. Under the settlement agreement, Marathon will implement extensive compliance measures to achieve major reductions in harmful emissions from over 200 facilities across the state.

"This historic settlement — the largest ever civil penalty for violations of the Clean Air Act at stationary sources — will ensure cleaner air for the Fort Berthold Indian Reservation and other communities in North Dakota, while holding Marathon accountable for its illegal pollution," said Attorney General Merrick B. Garland. "The complaint alleges that Clean Air Act violations at

12/10/24, 9:24 AM Office of Public Affairs | Justice Department and EPA Announce \$241.5M Settlement with Marathon Oil to Reduce Climate- and He... nearly 90 Marathon facilities resulted in thousands of tons of illegal emissions. The work that Marathon will do under this agreement will result in the equivalent of over 2.25 million tons of reduced carbon-dioxide emissions over the next five years and also eliminate nearly 110,000 tons of VOC emissions. The Justice Department will continue to vigorously enforce our environmental laws to protect the health of the American people."

The case is the first of its kind against an oil and gas producer for violations of major source emissions permitting requirements under the Clean Air Act's Prevention of Significant Deterioration (PSD) program. The complaint alleges that these and other Clean Air Act violations at nearly 90 Marathon facilities resulted in thousands of tons of illegal pollution, including volatile organic compounds (VOCs) and carbon monoxide, which contribute to asthma and increase susceptibility to respiratory illnesses. Additionally, greenhouse gases, including methane, were released in large quantities, contributing to climate change.

While Marathon is the nation's 22nd largest producer of oil based on 2022 data, it is the 7th largest emitter of greenhouse gas emissions in the oil and gas industry. A large portion of these emissions come from flaring, an industry practice that combusts but also releases methane, a climate super-pollutant. The work that Marathon will do under this agreement will result in the equivalent of over 2.25 million tons of reduced carbon-dioxide emissions over the next five years, similar to the amount of reductions achieved by taking 487,000 cars off the road for one year. The settlement will also eliminate nearly 110,000 tons of VOC emissions.

"The record civil penalty and extensive compliance measures, including an innovative cap on VOC emissions, set a benchmark for the Department's enforcement efforts at oil and gas production facilities," said Acting Associate Attorney General Benjamin C. Mizer. "Those who are historically overburdened by pollution are the most at risk of being harmed by these emissions. The Justice Department is committed to enforcing laws such as the Clean Air Act to protect the health of everyone in the United States, including Tribal Nations and their members."

"This landmark settlement will ensure cleaner air throughout the State of North Dakota and substantially reduce pollutants that contribute to global warming," said Assistant Attorney General Todd Kim of the Justice Department's Environment and Natural Resources Division. "We are committed to taking strong action to ensure that oil and gas production operations across the nation comply with environmental laws designed to protect human health and the environment."

"Today's historic settlement is the most significant to date under EPA's climate enforcement initiative as well as part of a larger effort to hold oil and gas companies accountable for widespread violations at oil and gas facilities throughout the country," said Assistant Administrator David M. Uhlmann of EPA's Office of Enforcement and Compliance Assurance. "As a result of today's settlement, Marathon will dramatically cut its emissions, including the release of methane, a climate super-pollutant that is 25 times more potent in the near term than 12/10/24, 9:24 AM Office of Public Affairs | Justice Department and EPA Announce \$241.5M Settlement with Marathon Oil to Reduce Climate- and He... carbon dioxide. EPA is committed to doing everything possible to limit climate change and ensure a sustainable future."

"This settlement is a major win for the health and future of our Tribal communities, including people and families who are often overburdened by pollution," said KC Becker, EPA Region 8 Administrator. "As a result of the agreement, Marathon has and will continue to take comprehensive measures to come into compliance and reduce harmful emissions across hundreds of production sources. These investments will improve air quality and reduce respiratory illnesses across the Fort Berthold Indian Reservation and western North Dakota."

The agreement requires Marathon to invest in extensive compliance measures estimated to cost \$177 million, much of which will be expended by the end of 2024. The settlement requires Marathon to obtain permits with federally enforceable emissions limits at production facilities on the Fort Berthold Indian Reservation and future operations in the state of North Dakota. Compliance measures also include flare monitoring, periodic infrared camera inspections and implementation of storage tank design requirements.

These actions will significantly reduce harmful health-related emissions from 169 existing facilities on state land and on the Fort Berthold Indian Reservation, as well as at new facilities built in North Dakota. Therefore, the United States will secure pollution limits on twice the number of facilities where it investigated and alleged violations.

The complaint alleges that Marathon failed to obtain required preconstruction permits under the PSD program and operating permits under the Title V program.

The settlement is part of EPA's National Enforcement and Compliance Initiative, <u>Mitigating</u> <u>Climate Change</u>. This initiative focuses, in part, on reducing methane emissions from oil and gas and landfill sources. Like all of EPA's national enforcement initiatives, this initiative prioritizes communities already overburdened by pollution and other potential environmental justice concerns.

The complaint and the proposed consent decree were filed by the Justice Department's Environmental Enforcement Section. The proposed consent decree is subject to a 30-day public comment period. It can be viewed on the Justice Department's website at www.justice.gov/enrd/consent-decrees.

Background

The complaint also alleges failure to comply with storage tank design, operation and maintenance requirements at 66 facilities on the Fort Berthold Indian Reservation. The settlement requires Marathon to obtain permits for its existing facilities on the Reservation and for new facilities it builds in North Dakota. These actions will cap VOC emissions at under 100 tons per year.

12/10/24, 9:24 AM Office of Public Affairs | Justice Department and EPA Announce \$241.5M Settlement with Marathon Oil to Reduce Climate- and He... The settlement further requires auditor checks on Marathon's permit applications and ongoing audits of emissions from its facilities. Marathon must temporarily stop production if facilitywide emissions limits are exceeded or if flares are not operating properly.

In addition to three other projects to reduce emissions, Marathon will purchase two infrared cameras for use by the Mandan, Hidatsa and Arikara (MHA) Nation during oil and natural gas production facility inspections.

A major part of this case is the reduction of flaring at the facility. Flaring burns harmful natural gas components such as VOCs and methane, but the process is not 100% efficient meaning that in addition to water and carbon dioxide, some methane is still released to the atmosphere. These inefficiencies, exacerbated by improper flare operation or unlit flares, result in excess emissions being released to the atmosphere and can have health impacts on the surrounding communities.

Updated July 11, 2024

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12/8/24, 11:58 AM

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PRESS RELEASE

Ovintiv USA to Pay \$5.5M Penalty and Upgrade Facilities in Utah to Resolve Clean Air Act Violations

Monday, September 30, 2024

For Immediate Release

Office of Public Affairs

Compliance Measures Address Violations at 22 Facilities in Utah Including on Uintah and Ouray Reservation Lands

The Justice Department and Environmental Protection Agency (EPA) today announced a more than \$16 million settlement with Ovintiv USA Inc. resolving Clean Air Act violations at the company's oil and gas production facilities on the Uintah and Ouray Reservation in Utah and Utah state lands. The settlement requires Ovintiv to pay the United States and the state of Utah a civil penalty of \$5.5 million. It also requires Ovintiv to implement extensive compliance measures to achieve major reductions in pollutants emitted from 139 of its facilities across the state.

The settlement resolves a civil suit, filed jointly by the United States and the state of Utah, alleging that Ovintiv failed to comply with federal and state requirements to capture and control air emissions and comply with inspection, monitoring and recordkeeping requirements from 22 of its oil and gas production facilities in the Uintah Basin. These violations resulted in illegal emissions of volatile organic compounds (VOC), which contribute to asthma and increase susceptibility to respiratory illnesses. Additionally, greenhouse gases, including methane, were released in large quantities, contributing to climate change.

Along with the civil penalty, the settlement requires Ovintiv to take corrective action and mitigation projects estimated to cost over \$10 million at 139 of its facilities that will eliminate over 2,000 tons of VOC emissions annually. It will also eliminate methane emissions equivalent to a reduction of over 50,000 tons of carbon dioxide emissions annually, a reduction similar to taking nearly 13,000 gas powered cars off the road each year.

"This case is a win for the environment and for consumers," said Assistant Attorney General Todd Kim of the Justice Department's Environment and Natural Resources Division. "The work required under the consent decree will significantly reduce the amount of gas Ovintiv facilities vent into the atmosphere and return some of that gas to the sales pipeline where it can be sent to productive use."

"As climate change accelerates and wreaks havoc in communities across the nation, EPA is doing everything possible to limit the methane emissions that are among the most powerful drivers of climate change," said Assistant Administrator David M. Uhlmann of EPA's Office of Enforcement and Compliance Assurance. "Today's settlement with Ovintiv will

12/8/24, 11:58 AM Office of Public Affairs | Ovintiv USA to Pay \$5.5M Penalty and Upgrade Facilities in Utah to Resolve Clean Air Act Violations | Unit... significantly reduce emissions across 139 facilities on Tribal and state lands and provides another example of how EPA is delivering on its climate enforcement strategy and holding companies accountable for climate pollution."

The settlement requires Ovintiv to invest in extensive compliance measures for the proper design of Ovintiv's oil and gas facilities to capture all VOC emissions and send the emissions to an appropriate control device. Compliance measures also include periodic infrared camera inspections, enhanced maintenance requirements and installation of storage tank pressure monitors at many facilities. The settlement is part of EPA's National Enforcement and Compliance Initiative, <u>Mitigating Climate Change</u>. This initiative focuses, in part, on reducing methane emissions from oil and gas and landfill sources. Like all of EPA's national enforcement initiatives, this initiative prioritizes communities already overburdened by pollution and other potential environmental justice concerns.

More information on the settlement agreement is available on EPA's webpage at <u>www.epa.gov/enforcement/ovintiv-usa-inc-2024-clean-air-act-stationary-source-case-summary</u>.

The complaint and proposed consent decree were filed in the U.S. District Court for the District of Utah. The consent decree is subject to a 30-day comment period. A copy of the complaint and the proposed consent decree are available at www.justice.gov/enrd/consent-decrees.

The EPA investigated the case.

Attorneys with the Environment and Natural Resources Division's Environmental Enforcement Section are handling the case.

Updated September 30, 2024

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Two Men Sentenced for Illegally Smuggling Juvenile Eels from Puerto Rico

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