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117TH CONGRESS
1ST SESSION

H. R. 2801

To establish a durable framework for achieving long-term reductions in methane emissions from the oil and gas sector through advanced detection, measurement, and abatement technologies and practices, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 22, 2021

Mr. PETERS introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Foreign Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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A BILL

To establish a durable framework for achieving long-term reductions in methane emissions from the oil and gas sector through advanced detection, measurement, and abatement technologies and practices, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Methane Emissions Technology to Help Achieve Net-zero Emissions Act of 2021'' or the ''METHANE Act of 2021''.

SEC. 2. DEFINITIONS.

In this Act:

(1) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of the Environmental Protection Agency.

(2) COVERED FACILITY.—The term ''covered facility'' means a facility on the list in effect under section 3(a).

(3) EMISSIONS REDUCTION TARGET.—The term ''emissions reduction target'' means the aggregate level of methane intensity of the regulated segments corresponding to a reduction of total methane emissions by 90 percent by 2030, relative to 2015 levels.

(4) METHANE INTENSITY.—The term ''methane intensity'' means the unitless ratio of methane emissions to the methane content of natural gas throughput.

(5) REGULATED SEGMENT.—The term ''regulated segment'' means each of the segments described in section 98.230(a) of title 40, Code of Federal Regulations, as in effect on the date of enactment of this Act.

(6) ROUTINE FLARING.—The term ''routine flaring''—

(A) means flaring of natural gas during normal oil and natural gas production oper-

ations in the absence of sufficient facilities to reinject the produced gas, utilize it onsite, or dispatch it to a market; and

(B) excludes flaring of natural gas that is required to ensure safe operation of the covered facility due to an unforeseen condition.

SEC. 3. METHANE INTENSITY STANDARDS.

(a) LIST OF COVERED FACILITIES.—

(1) INITIAL LIST.—Not later than 2 years after the date of enactment of this Act, the Administrator shall list the facilities that are subject to this Act, which shall include, at a minimum, the facilities that are subject to the requirements of section 98.230(a) of title 40, Code of Federal Regulations, as in effect on the date of enactment of this Act.

(2) REVIEW AND REVISION.—The Administrator shall periodically review and revise the list of covered facilities under this subsection as necessary to ensure sufficient coverage of methane emissions from the regulated segments to meet the emissions reduction target.

(b) CATEGORIZATION OF COVERED FACILITIES AND REGULATED EMISSIONS.—For purposes of establishing methane intensity standards under this section, the Administrator shall—

(1) group the types of covered facilities within a regulated segment into categories; and

(2) base the standards on the types of methane emissions at the category of covered facility, including vented emissions, fugitive emissions, and emissions from incomplete combustion.

(c) ESTABLISHMENT OF STANDARDS.—

(1) IN GENERAL.—The Administrator shall establish methane intensity standards for covered facilities in each of the regulated segments.

(2) INITIAL STANDARDS.—Not later than 4 years after the date of enactment of this Act, the Administrator shall establish the initial methane intensity standards required by paragraph (1). Such initial standards for each category of covered facilities shall—

(A) be equal to the top quartile of methane intensity performance in the applicable regulated segment, as determined by the Administrator, taking into account the findings of the studies under section 7(a)(1);

(B) ensure that the aggregate methane intensity from the regulated segments does not exceed the emissions reduction target; and

(C) use the methodologies for calculating methane intensity for each regulated segment described in the ''Natural Gas Sustainability Initiative Protocol'', version 1.0, dated February 2021, with such revisions as the Administrator determines are necessary due to the findings of the studies under section 7(a).

(3) COMPLIANCE PERIOD.—The initial and subsequent methane intensity standards required by paragraph (1) shall each apply for a three-year period.

(4) INCREASINGLY STRINGENT STANDARDS.—The methane intensity standards under this section shall—

(A) be increasingly stringent in each successive three-year period, consistent with ensuring that aggregate methane intensity of the regulated segments does not exceed the emissions reduction target; and

(B) be more stringent for each successive three-year period, as appropriate based on advancements in methane-related monitoring, detection, repair, or abatement methodologies.

(d) NEW AND EXISTING COVERED FACILITIES.—In establishing standards under this section, the Adminis-

trator may subcategorize new and existing covered facilities.

(e) DETERMINATION OF COMPLIANCE.—On an annual basis, the Administrator shall determine each covered facility's compliance with the applicable methane intensity standard under this section.

SEC. 4. CONTROLLING UNNECESSARY FLARING.

As part of the process of establishing methane intensity standards under section 3, the Administrator shall establish regulations that prohibit routine flaring of natural gas from covered facilities such that—

(1) greenhouse gas emissions from nationwide routine flaring shall be reduced by at least 80 percent below 2017 levels not later than the end of calendar year 2028; and

(2) greenhouse gas emissions from nationwide routine gas flaring shall be reduced by 100 percent below 2017 levels not later than the end of calendar year 2030.

SEC. 5. EMISSION DETECTION, MEASUREMENT, AND REPORTING.

(a) LEAK DETECTION AND REPAIR PLANS.—The Administrator shall require the owner or operator of each covered facility to submit to the Administrator a plan for methane leak detection and repair, which shall specify—

(1) the leak detection technology or technologies to be used;

(2) the frequency of inspections;

(3) the repair schedule for all detected leaks; and

(4) the procedures for biannual review for the plan to ensure the plan incorporates advancements in leak detection and repair technologies and practices.

(b) EMISSIONS MEASUREMENT AND REPORTING REQUIREMENTS.—

(1) IN GENERAL.—The Administrator shall establish requirements for covered facilities for the measurement and reporting of methane emissions.

(2) EMISSION FACTORS AND ACTIVITY DATA.—In determining the requirements related to emission factors, activity data, and other estimation methodologies, the Administrator shall consider the studies completed under section 7(a)(2).

(c) ALTERNATIVE EMISSIONS MEASUREMENT METHODOLOGIES.—

(1) IN GENERAL.—The Administrator shall approve an alternative emissions measurement methodology for a covered facility if the owner or operator of the facility demonstrates that such alternative

methodology will improve the accuracy of measurements, including through more frequent measurements and application of more sensitive emission detection technologies.

(2) FRAMEWORK FOR EVALUATION.—The Administrator shall establish a clear, transparent, and scientifically rigorous framework for evaluating the accuracy of proposed alternative methodologies, which shall include detailed guidance on—

(A) field testing and empirical data requirements for establishing the accuracy of any proposed emission factors or activity data;

(B) computer simulation and modeling requirements; and

(C) procedures for submitting and obtaining approval of an alternative methodology.

(3) SCOPE OF APPROVAL.—If the Administrator approves an alternative methodology for a covered facility, other covered facilities in the same category may use the methodology.

(d) REVIEW.—At least every 3 years, the Administrator shall review and, as appropriate, revise the requirements established under this section, taking into account advancements in technologies and practices.

SEC. 6. CONDITIONAL TRADABLE CREDITS PROGRAM.

(a) DETERMINATION OF SUFFICIENCY OF MONITORING, DETECTION, AND MEASUREMENT TECHNOLOGIES.—In establishing, reviewing, and revising the methane intensity standards under section 3, the Administrator shall determine whether commercially available detection and measurement technologies are sufficiently robust to provide the frequency and accuracy of methane missions monitoring, detection, and measurement to support a tradable methane intensity credit program described in subsection (b).

(b) ESTABLISHMENT OF TRADABLE CREDITS PROGRAM.—If the Administrator makes a positive determination under subsection (a), the Administrator shall establish a tradable methane intensity credit program under which—

(1) the Administrator shall issue tradable credits to the owner or operator of a covered facility that has a methane intensity lower than the applicable methane intensity standard under section 3; and

(2) the owner or operator of a covered facility may obtain and surrender such tradable credits to meet its compliance obligation under section 3(e), and such tradable credits shall not constitute nor confer property rights on the holder of such credits.

(c) MONITORING, DETECTION, MEASUREMENT, REPORTING, AND VERIFICATION.—The Administrator shall establish such requirements for monitoring, detection, measurement, reporting, and verification that the Administrator determines are necessary for the program under subsection (b).

SEC. 7. STUDIES.

(a) IN GENERAL.—The Administrator, in coordination with the Secretary of Energy, shall enter into an agreement with one or more research institutions to conduct—

(1) a study to identify the top quartile of methane intensity performance for a statistically representative sample of covered facilities in each regulated segment;

(2) a study of the accuracy of component-level emission factors, activity data, and estimation methodologies; and

(3) a study to integrate and reconcile top-down and bottom-up measurements of methane emissions from a statistically representative sample of covered facilities in each regulated segment.

(b) ADVANCING DETECTION AND MEASUREMENT TECHNOLOGIES.—The Administrator, in coordination with the Secretary of Energy, shall establish measurement

and testing protocols for assessing the performance of new emission detection technologies, such as stationary remote sensing devices, vehicle-based sensors, drones, aircraft, handheld equipment, and satellites in order to facilitate the development, evaluation, and deployment of such technologies.

SEC. 8. ENFORCEMENT.

The Administrator shall have the same authorities for enforcement of this Act as the Administrator has under section 113 of the Clean Air Act (42 U.S.C. 7413) for enforcement of requirements established under section 111 of such Act (42 U.S.C. 7411), including the same calculation of monetary penalties.

SEC. 9. JUDICIAL REVIEW.

(a) IN GENERAL.—A petition for review of action by the Administrator in promulgating any nationally-applicable requirements under this Act may be filed only in the Court of Appeals for the District of Columbia.

(b) TIMING OF FILING.—Any petition for review under this section shall be filed within 60 days from the date of publishing such requirements as a final regulation in the Federal Register, except that if such petition is based solely on grounds arising after such 60-day period, then such petition shall be filed within 60 days after such grounds arise.

SEC. 10. REGISTRY, EMISSION DATABASE, AND DATA VERIFICATION.

(a) REGISTRY.—The Administrator shall establish a registry that makes it possible to calculate the aggregate methane emissions intensity of deliveries of natural gas or natural gas products to end-users or exporters of liquefied natural gas.

(b) EMISSIONS DATABASE.—

(1) IN GENERAL.—The Administrator shall establish a national methane emissions database based on the data collected from the studies described in section 7(a) and the monitoring, detection, repair, and reporting activities undertaken by the owners or operators of covered facilities pursuant to the requirements of this Act.

(2) PUBLIC AVAILABILITY OF DATA; LIMITATION.—All data collected pursuant to this subsection shall be compiled and made available to the public in a manner that does not identify the covered facility or the owner or operator providing such data.

(c) DATA VERIFICATION.—

(1) IN GENERAL.—The Administrator shall establish robust procedures to ensure the accuracy, transparency, consistency, and completeness of all methane emissions and methane emissions reduction

data collected, reported, and verified pursuant to this Act.

(2) CONSISTENCY.—The procedures under paragraph (1) shall be consistent with, but may be more stringent than, International Organization for Standardization Standard 14064–2.

SEC. 11. INTERNATIONAL COORDINATION.

The Administrator shall engage with the Environmental Protection Agency's counterpart environmental agencies in other countries to coordinate a collective effort to reduce methane emissions from the global oil and natural gas supply chain.

SEC. 12. RELATION TO OTHER STANDARDS.

If the Administrator promulgates requirements under this Act for a covered facility, the Administrator may not enforce methane emission performance standards for such facility, or stationary sources within that facility, under section 111(b) and 111(d) of the Clean Air Act (42 U.S.C. 7411(b) and (d)).

SEC. 13. SAVINGS CLAUSE.

Nothing in this Act—

(1) subject to section 12, exempts covered facilities from limits on their emissions of air pollutants, as such term is defined in section 302(g) of the

Clean Air Act (42 U.S.C. 7602(g)), including volatile organic compounds and carbon dioxide; or

(2) preempts the authority of State, local, or Tribal governments to establish limitations on methane emissions from covered facilities.

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