H. R. 1492

To prevent methane waste and pollution from oil and gas operations, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Ms. DeGette introduced the following bill; which was referred to the Committee on

A BILL

To prevent methane waste and pollution from oil and gas operations, 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 Waste Prevention Act of 2021”.
SEC. 2. CONTROLLING METHANE EMISSIONS FROM THE
OIL AND NATURAL GAS SECTOR.

(a) National Goals.—The goals of this section are to steadily reduce the quantity of United States methane emissions from the oil and natural gas sector such that—

(1) in calendar year 2025, the quantity of United States methane emissions from the oil and natural gas sector is at least 65 percent below calendar year 2012 emissions; and

(2) in calendar year 2030, the quantity of United States methane emissions from the oil and natural gas sector is at least 90 percent below calendar year 2012 emissions.

(b) Regulations to Meet the National Goals.—

(1) In General.—The Administrator shall issue regulations pursuant to the existing authority of the Administrator under section 111 of the Clean Air Act (42 U.S.C. 7411) to control methane emissions from the oil and natural gas sector to achieve the national goals described in subsection (a).

(2) Covered Sources.—The regulations promulgated pursuant to this subsection shall apply to sources of methane from every segment of oil and natural gas systems, including oil and natural gas...
production, processing, transmission, distribution, and storage.

(3) MEETING THE GOAL FOR 2025.—

(A) DEADLINE FOR ISSUANCE.—Not later than December 31, 2022, the Administrator shall finalize regulations pursuant to the existing authority of the Administrator under sections 111(b) and 111(d) of the Clean Air Act (42 U.S.C. 7411(b), (d)) to achieve the national goal described in subsection (a)(1).

(B) CONTENTS.—The regulations required by subparagraph (A) shall include the following:

(i) The regulations shall prescribe procedures for the establishment, implementation, and enforcement of standards of performance or design, equipment, work practice, or operational standards, or combination thereof, for existing sources and guidelines for States.

(ii) The regulations shall require States to submit plans in accordance with section 111(d) of the Clean Air Act (42 U.S.C. 7411(d)) no later than 30 months after the date of enactment of this Act.
(iii) The regulations shall provide for the Administrator to prescribe, not later than 42 months after the date of enactment of this Act, a plan in accordance with such section 111(d)—

(I) for a State that fails to submit a plan by the deadline specified in clause (ii); or

(II) for a State for which the Administrator disapproves the State plan.

(4) MEETING THE GOAL FOR 2030.—

(A) IN GENERAL.—Not later than December 31, 2023, the Administrator shall finalize regulations pursuant to the existing authority of the Administrator under sections 111(b) and 111(d) to achieve the national goal described in subsection (a)(2).

(B) CONTENTS.—The regulations required by subparagraph (A) shall provide for the establishment, implementation, and enforcement of standards of performance or design, equipment, work practice, or operational standards, or combination thereof, for new sources and ex-
isting sources, and guidelines for States, that include requirements for—

(i) new and existing natural gas transmission, gathering, and distribution pipelines to reduce methane emissions by application of the best system of emissions reduction pertaining to venting, flaring, and leakage reduction;

(ii) new sources, and existing sources, with equipment that handles liquefied natural gas to reduce methane emissions from that equipment by application of the best system of emission reduction;

(iii) new and existing offshore petroleum and natural gas production facilities to reduce methane emissions by application of the best system of emission reduction;

and

(iv) any source addressed under the regulations promulgated under paragraph (3) for which the Administrator determines that a more stringent standard is necessary to achieve the national goal under subsection (a)(2).
(C) DISTRIBUTION OF HYDROGEN.—In implementing this section, the Administrator shall ensure that any new distribution infrastructure is compatible with the distribution of hydrogen.

(c) DEFINITIONS.—In this section:

(1) The term “Administrator” means the Administrator of the Environmental Protection Agency.

(2) The phrase “design, equipment, work practice, or operational standard, or combination thereof” has the meaning given to such phrase for purposes of section 111(h) of the Clean Air Act (42 U.S.C. 7411(h)).

(3) The terms “existing source”, “new source”, and “standard of performance” have the meanings given such terms in section 111(a) of the Clean Air Act (42 U.S.C. 7411(a)).

SEC. 3. GAS WASTE REDUCTION AND ENHANCEMENT OF GAS MEASURING AND REPORTING.

(a) IN GENERAL.—Title I of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1711 et seq.) is amended by adding at the end the following:
“SEC. 118. GAS WASTE REDUCTION AND ENHANCEMENT OF GAS MEASURING AND REPORTING.

“(a) Regulations for Preventing and Reducing Waste of Gas Via Venting, Flaring, and Fugitive Releases.—

“(1) Requirement to issue regulations.—
Not later than 2 years after the date of enactment of the Methane Waste Prevention Act of 2021, the Secretary shall issue regulations pursuant to the Secretary’s authority under the Mineral Leasing Act, the Federal Land Policy and Management Act of 1976, the Indian Mineral Leasing Act of 1938, and other statutes authorizing the Secretary to regulate oil and gas activities on Federal land and Indian lands, that establish requirements for reducing and preventing the waste of gas, including by venting, flaring, and fugitive releases, from covered operations.

“(2) Content of regulations.—The regulations shall, with respect to covered operations—

“(A) require that, beginning not later than 1 year after the date of enactment of the Methane Waste Prevention Act of 2021, each operator captures at least 85 percent of all gas produced in each year from each onshore well that is subject to a mineral leasing law;
“(B) require that, beginning not later than 5 years after the date of enactment of the Methane Waste Prevention Act of 2021, each operator captures at least 99 percent of all gas produced in each year from each onshore well that is subject to a mineral leasing law;

“(C) require flaring of gas, rather than venting, in all instances in which gas is not captured;

“(D) require that every application for a permit to drill a production well—

“(i) demonstrate sufficient infrastructure and capacity is in place to capture the expected quantity of produced gas from the well; and

“(ii) be published with an opportunity for a public comment period of at least 30 days;

“(E) beginning not later than 2 years after the date of enactment of the Methane Waste Prevention Act of 2021, prohibit all new and refractured production wells from venting or flaring;

“(F) require the operator of any covered operation that routinely flares gas before the ef-
fective date of a regulation prohibiting flaring
issued pursuant to subparagraph (E) to submit
a gas capture plan to the Secretary not later
than 180 days before such effective date that
ensures that such operator will meet the re-
quirements described in subparagraphs (A) and
(B);

“(G) set performance standards for newly
installed equipment based on modern equipment
that minimize gas loss from—

“(i) storage tanks;
“(ii) dehydrators;
“(iii) compressors;
“(iv) open-ended valves or lines; and
“(v) such other equipment as the Sec-
retary determines appropriate to reduce
and prevent gas release;

“(H) require that operators replace exist-
ing equipment within one year of the publica-
tion date of performance standards established
under subsection (G);

“(I) require the replacement of all gas-ac-
tuated pneumatic controllers and pumps with
nonemitting equipment not later than 180 days
after the date of issuance of the regulation enacted under subparagraph (A);

“(J) set performance standards based on modern procedures and equipment that minimize gas loss from—

“(i) downhole maintenance;

“(ii) liquids unloading;

“(iii) well completion; and

“(iv) such other procedures as the Secretary determines appropriate to reduce and prevent gas release;

“(K) require all operators to have leak detection programs with monthly inspections that assess the entire covered operation using an infrared camera or other equipment with methods that provide overall at least equivalent sensitivity and effectiveness in detecting leaks on a timely basis;

“(L) require any leaks found to be repaired promptly, and in any case not later than 4 weeks after the discovery of the leak, except where exceptional circumstances warrant an extension of not more than 8 additional weeks; and

“(M) require recordkeeping for—
“(i) equipment maintenance;
“(ii) leak detection and repair;
“(iii) venting events;
“(iv) flaring events; and
“(v) such other operations as the Secretary determines appropriate to reduce and prevent gas release.

“(b) GAS MEASURING, REPORTING, AND TRANSPARENCY REQUIREMENTS.—

“(1) IN GENERAL.—The Secretary shall, not later than one year after the date of enactment of the Methane Waste Prevention Act of 2021, issue regulations requiring each operator to measure and report, with respect to all gas subject to the mineral leasing laws, all such gas produced, consumed on site, or lost through venting, flaring, or fugitive releases.

“(2) MEASURING AND REPORTING REQUIREMENTS.—To account for all gas referred to in paragraph (1), the Secretary shall issue regulations requiring each operator to—

“(A) install metering devices to measure all flared gas; and
“(B) report to the Secretary the volumes of gas measured pursuant to the requirements of this subsection, including—

“(i) all new measured values for production and disposition, including vented and flared volumes; and

“(ii) values for fugitive releases based on guidelines for their calculation established by the Secretary in such regulations.

“(3) TRANSPARENCY.—The Secretary shall make all new data produced under the requirements established by the Secretary under this subsection, including calculated fugitive releases and volumes of gas lost to venting and flaring, publicly available through the internet—

“(A) without a fee or other access charge;

“(B) in a searchable, sortable, and downloadable manner, to the extent technically possible; and

“(C) as soon as technically practicable after the report by the operator is filed.

“(c) APPLICATION.—Except as otherwise specified in this section, the requirements established by the Secretary under this section shall apply to—
“(1) the construction and operation of any covered operation initiated, including the refracturing of existing wells, on or after the date of the issuance of regulations under this section; and

“(2) after the end of the 1-year period beginning on the date of the issuance of such regulations, any covered operation initiated before the date of the issuance of such regulations.

“(d) Enforcement Mechanisms.—

“(1) In General.—The Secretary shall include in the regulations issued under this section consistent enforcement mechanisms for covered operations that are not in compliance with the requirements established by the regulations.

“(2) Requirements.—The Secretary shall include in the enforcement mechanisms described in paragraph (1)—

“(A) civil penalties for unauthorized venting and flaring, which shall—

“(i) apply in lieu of the penalties and related provisions under section 109; and

“(ii) include production restrictions and civil monetary penalties equivalent to 15 times the market value of the vented
gas and 3 times the value of the flared gas; and

“(B) civil penalties that apply to non-compliance with other new or existing procedures, which shall—

“(i) apply in addition to or in lieu of the penalties and related provisions under section 109;

“(ii) include production restrictions or monetary penalties, or both; and

“(iii) in the case of monetary penalties, be proportional to market conditions.

“(e) DEFINITIONS.—In this section:

“(1) CAPTURE.—The term ‘capture’ means the physical containment of natural gas for transportation to market or productive use of natural gas, and includes reinjection and royalty-free on-site uses.

“(2) COVERED OPERATIONS.—The term ‘covered operations’ means all oil and gas operations that are subject to mineral leasing law or title V of the Federal Land Policy and Management Act of 1976 (30 U.S.C. 1761 et seq.), regardless of size, in-
cluding production, storage, gathering, processing, and handling operations.

“(3) FLARE AND FLARING.—The terms ‘flare’ and ‘flaring’ mean the intentional and controlled burning of gas that occurs in the course of oil and gas operations to limit release of gas to the atmosphere.

“(4) FUGITIVE RELEASE.—The term ‘fugitive release’ means the unintentional and uncontrolled release of gas into the atmosphere in the course of oil and gas operations.

“(5) GAS CAPTURE PLAN.—The term ‘gas capture plan’ means a plan that includes specific goals, including equipment and timelines, for capturing, gathering, and processing gas produced under an oil or gas lease.

“(6) GAS RELEASE.—The term ‘gas release’ includes all gas that is discharged to the atmosphere via venting or fugitive release.

“(7) VENT AND VENTING.—The terms ‘vent’ and ‘venting’ mean the intentional and controlled release of gas into the atmosphere in the course of oil and gas operations.”.
(b) Clerical Amendment.—The table of contents in section 1 of such Act is amended by inserting after the item relating to section 117 the following:

“Sec. 118. Gas waste reduction and enhancement of gas measuring and reporting.”

(c) Updates.—The Secretary of the Interior shall update the regulations required by the amendments made by this section when the Secretary determines appropriate, but no less frequently than once every five years, to reflect new information regarding gas waste, the impacts of that waste, and the availability of technologies and performance measures to reduce gas waste.

(d) Application of Prior Rule.—The final rule entitled “Waste Prevention, Production Subject to Royalties, and Resource Conservation”, as published in the Federal Register November 18, 2016 (81 Fed. Reg. 83008), is hereby reinstated, and each of its provisions shall apply unless and until the effective date of a subsequent final rule promulgated under the amendment made by subsection (a), or promulgated under another applicable authority, that replaces or repeals such provision.

(e) Assessment of Venting, Flaring, and Fugitive Releases.—Not later than 180 days after the end of the 1-year period beginning on the date the Secretary of the Interior first receives data submitted under the requirements established under subsection (b) of section 118
of the Federal Oil and Gas Royalty Management Act of 1982, as amended by this section, the Secretary shall—

(1) submit a report to Congress describing—

(A) the volume of fugitive releases, and gas consumed or lost by venting and flaring, from covered operations (as those terms are used in such section); and

(B) additional regulations the Secretary considers would help further curtail venting, flaring, and fugitive releases, or the rational basis for not issuing such additional regulations if the Secretary considers additional regulations would not be appropriate to further curtail venting, flaring, and fugitive releases; and

(2) issue regulations described in the report required by paragraph (1)(B) not later than 1 year after the date of the submission of the report.