



ASSISTANT ADMINISTRATOR FOR AIR AND RADIATION

WASHINGTON, D.C. 20460

Via Electronic Mail:

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December 17, 2024

Ms. Ditte Juul Jørgensen
Director-General for Energy
European Commission
1049 Bruxelles/Brussels

BELGIUM

Dear Director-General Juul Jorgensen:

Brad Crabtree and I wrote to you on October 28, 2024, concerning the efforts across the United States government to reduce methane emissions. I am following up with more details about the U.S. Environmental Protection Agency (EPA) regulations, which we cited in our letter, that support our equivalency determination inquiry.

As you know, the EPA has adopted several rules to significantly reduce methane releases in the U.S. oil and gas sector that will achieve substantial methane reductions and dramatically increase quantification, transparency, and accountability for methane releases across the sector. Below are some specific provisions of those rules that align with the European Union (EU)'s goals in EU/2024/1787.

In 2024, the EPA updated and finalized, and has now begun implementing, methane emissions standards for new, modified, and reconstructed sources in the oil and gas sector. The EPA also finalized emission guidelines for states to regulate methane emissions from existing sources.

The new source standards accomplish the following:

- Require fugitive methane emissions monitoring surveys which require repair within a specified timeline if a leak is detected. The rule also incorporates the use of advanced methane monitoring solutions, subject to approval, that would achieve similar (or better) results than the standard leak detection and repair surveys.

- Require fugitive monitoring to continue for all well sites until the site has been closed, including plugging the wells at the site and submitting a well closure report.
- Require reductions in emissions from high-emitting equipment like process controllers, pumps, and storage tanks.
- Refine monitoring of control devices like flares to ensure proper operation.
- Phase out routine flaring of associated gas from new oil wells.
- Set standards for previously unregulated methane emissions sources such as liquids unloading, increase stringency of standards for compressors, and retain standards for well completions and sweetening units.
- Establish a “super-emitter program” that uses third party expertise to identify the largest emission events, which research has shown could account for as much as 50% of total sector emissions. The super-emitter program requires the EPA to check incoming notices of potential super-emitter events for accuracy and completeness, publicly post the super-emitter event information, and convey a notice of the event to operators. After such notification, operators must investigate and report on their actions to identify and if necessary, address the emissions.

The EPA has updated the Greenhouse Gas Reporting Program, specifically for the oil and gas sector (known as “Subpart W” regulations), which now includes the following elements:

- Mandatory annual monitoring, measurement, and reporting across the sector at the source level with prescribed use of defined quantification methodologies to increase the accuracy and reliability of reported emissions.
- Scientific- and empirically based emissions reporting, including an emissions factor to account for leak emissions, especially those known to be underestimated.
- Mandatory reporting and quantification of super-emitter events identified through EPA’s oil and gas rule, or by the owner/operator or EPA. This process would significantly improve the breadth of coverage of sector-wide emissions, which are undercounted without including such super-emitter emissions.
- Inclusion of other equipment emission sources not previously reported, ensuring emissions totals are complete.

The Greenhouse Gas Reporting Program verifies the reported data and ensures transparency through:

- Programs for checking the submitted data, including a verification system and public accountability for unverified reports and non-compliant facilities. Part 98, which includes subpart W, requires prompt response, and revisions, if necessary, to verification questions from the EPA.
- Under the revised subpart A, Part 98 also requires reporting of ownership and/or operatorship at the facility level in addition to parent company reporting.

The Greenhouse Gas Reporting Program provides annual publication of the reported and checked (non-CBI) emissions data.

The EPA has also issued regulations facilitating implementation of a Waste Emissions Charge, which Congress mandated under the Inflation Reduction Act. The Waste Emissions Charge applies to methane from certain oil and gas facilities that report emissions of more than 25,000 metric tons of carbon dioxide equivalent per year, beginning with methane emissions reported in calendar year 2024. The Waste Emissions Charge starts at \$900 per metric ton of wasteful emissions in 2024, increasing to \$1,200 for 2025, and \$1,500 for 2026 and beyond. The Waste Emissions Charge only applies to emissions that exceed statutorily specified methane intensity levels. The Waste Emissions Charge incentivizes timely compliance with the requirements of the 2024 methane emissions standards for the oil and gas sector, as well as early steps to reduce methane intensities at covered facilities.

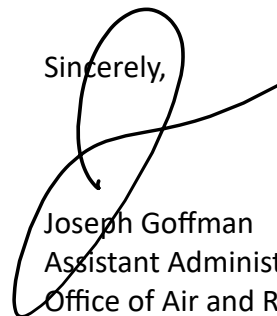
Total emissions reductions and benefits for all of these rules include:

- The new source performance standards and emission guidelines for methane from new and existing sources will avoid an estimated 58 million tons of methane emissions from 2024 to 2038. These reductions represent nearly 80 percent of projected emissions from regulated sources in the absence of the rule. The rule will also avoid 16 million tons of volatile organic compound (VOC) emissions and 590,000 tons of hazardous air pollutant (HAP) emissions over the same period.
- EPA estimates that the Waste Emissions Charge rule alone will result in cumulative emissions reductions of 1.2 million metric tons of methane (34 million metric tons CO₂-equivalent) through 2035. These reductions are incremental to reductions anticipated from the new source performance standards and emission guidelines for new and existing oil and gas facilities.

These rules, together with the continued implementation and enforcement steps that are necessary to ensure they achieve their intended benefits, will provide the emissions reduction, measurement, quantification, and reporting requirements that are central to alignment with the EU's rule, and are the foundation of a US equivalence determination application.

Thank you for the opportunity to provide this additional detail in support of our equivalence determination inquiry.

Sincerely,



Joseph Goffman
Assistant Administrator
Office of Air and Radiation
U.S. Environmental Protection Agency

cc: Brad Crabtree, Assistant Secretary
Office of Fossil Energy and Carbon Management
U.S. Department of Energy