

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

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.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Methane Emissions
5 Technology to Help Achieve Net-zero Emissions Act of
6 2021” or the “METHANE Act of 2021”.

1 **SEC. 2. DEFINITIONS.**

2 In this Act:

3 (1) ADMINISTRATOR.—The term “Adminis-
4 trator” means the Administrator of the Environ-
5 mental Protection Agency.

6 (2) COVERED FACILITY.—The term “covered
7 facility” means a facility on the list in effect under
8 section 3(a).

9 (3) EMISSIONS REDUCTION TARGET.—The term
10 “emissions reduction target” means the aggregate
11 level of methane intensity of the regulated segments
12 corresponding to a reduction of total methane emis-
13 sions by 90 percent by 2030, relative to 2015 levels.

14 (4) METHANE INTENSITY.—The term “methane
15 intensity” means the unitless ratio of methane emis-
16 sions to the methane content of natural gas through-
17 put.

18 (5) REGULATED SEGMENT.—The term “regu-
19 lated segment” means each of the segments de-
20 scribed in section 98.230(a) of title 40, Code of Fed-
21 eral Regulations, as in effect on the date of enact-
22 ment of this Act.

23 (6) ROUTINE FLARING.—The term “routine
24 flaring”—

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

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

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

7 **SEC. 3. METHANE INTENSITY STANDARDS.**

8 (a) LIST OF COVERED FACILITIES.—

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

16 (2) REVIEW AND REVISION.—The Adminis-
17 trator shall periodically review and revise the list of
18 covered facilities under this subsection as necessary
19 to ensure sufficient coverage of methane emissions
20 from the regulated segments to meet the emissions
21 reduction target.

22 (b) CATEGORIZATION OF COVERED FACILITIES AND
23 REGULATED EMISSIONS.—For purposes of establishing
24 methane intensity standards under this section, the Ad-
25 ministrators shall—

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

3 (2) base the standards on the types of methane
4 emissions at the category of covered facility, includ-
5 ing vented emissions, fugitive emissions, and emis-
6 sions from incomplete combustion.

7 (c) ESTABLISHMENT OF STANDARDS.—

8 (1) IN GENERAL.—The Administrator shall es-
9 tablish methane intensity standards for covered fa-
10 cilities in each of the regulated segments.

11 (2) INITIAL STANDARDS.—Not later than 4
12 years after the date of enactment of this Act, the
13 Administrator shall establish the initial methane in-
14 tensity standards required by paragraph (1). Such
15 initial standards for each category of covered facili-
16 ties shall—

17 (A) be equal to the top quartile of methane
18 intensity performance in the applicable regu-
19 lated segment, as determined by the Adminis-
20 trator, taking into account the findings of the
21 studies under section 7(a)(1);

22 (B) ensure that the aggregate methane in-
23 tensity from the regulated segments does not
24 exceed the emissions reduction target; and

1 (C) use the methodologies for calculating
2 methane intensity for each regulated segment
3 described in the “Natural Gas Sustainability
4 Initiative Protocol”, version 1.0, dated Feb-
5 ruary 2021, with such revisions as the Adminis-
6 trator determines are necessary due to the find-
7 ings of the studies under section 7(a).

8 (3) COMPLIANCE PERIOD.—The initial and sub-
9 sequent methane intensity standards required by
10 paragraph (1) shall each apply for a three-year pe-
11 riod.

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

15 (A) be increasingly stringent in each suc-
16 cessive three-year period, consistent with ensur-
17 ing that aggregate methane intensity of the reg-
18 ulated segments does not exceed the emissions
19 reduction target; and

20 (B) be more stringent for each successive
21 three-year period, as appropriate based on ad-
22 vancements in methane-related monitoring, de-
23 tection, repair, or abatement methodologies.

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

1 trator may subcategorize new and existing covered facili-
2 ties.

3 (e) DETERMINATION OF COMPLIANCE.—On an an-
4 nual basis, the Administrator shall determine each covered
5 facility’s compliance with the applicable methane intensity
6 standard under this section.

7 **SEC. 4. CONTROLLING UNNECESSARY FLARING.**

8 As part of the process of establishing methane inten-
9 sity standards under section 3, the Administrator shall es-
10 tablish regulations that prohibit routine flaring of natural
11 gas from covered facilities such that—

12 (1) greenhouse gas emissions from nationwide
13 routine flaring shall be reduced by at least 80 per-
14 cent below 2017 levels not later than the end of cal-
15 endar year 2028; and

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

20 **SEC. 5. EMISSION DETECTION, MEASUREMENT, AND RE-**
21 **PORTING.**

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

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

3 (2) the frequency of inspections;

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

6 (4) the procedures for biannual review for the
7 plan to ensure the plan incorporates advancements
8 in leak detection and repair technologies and prac-
9 tices.

10 (b) EMISSIONS MEASUREMENT AND REPORTING RE-
11 QUIREMENTS.—

12 (1) IN GENERAL.—The Administrator shall es-
13 tablish requirements for covered facilities for the
14 measurement and reporting of methane emissions.

15 (2) EMISSION FACTORS AND ACTIVITY DATA.—
16 In determining the requirements related to emission
17 factors, activity data, and other estimation meth-
18 odologies, the Administrator shall consider the stud-
19 ies completed under section 7(a)(2).

20 (c) ALTERNATIVE EMISSIONS MEASUREMENT METH-
21 ODOLOGIES.—

22 (1) IN GENERAL.—The Administrator shall ap-
23 prove an alternative emissions measurement method-
24 ology for a covered facility if the owner or operator
25 of the facility demonstrates that such alternative

1 methodology will improve the accuracy of measure-
2 ments, including through more frequent measure-
3 ments and application of more sensitive emission de-
4 tection technologies.

5 (2) FRAMEWORK FOR EVALUATION.—The Ad-
6 ministrator shall establish a clear, transparent, and
7 scientifically rigorous framework for evaluating the
8 accuracy of proposed alternative methodologies,
9 which shall include detailed guidance on—

10 (A) field testing and empirical data re-
11 quirements for establishing the accuracy of any
12 proposed emission factors or activity data;

13 (B) computer simulation and modeling re-
14 quirements; and

15 (C) procedures for submitting and obtain-
16 ing approval of an alternative methodology.

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

21 (d) REVIEW.—At least every 3 years, the Adminis-
22 trator shall review and, as appropriate, revise the require-
23 ments established under this section, taking into account
24 advancements in technologies and practices.

1 **SEC. 6. CONDITIONAL TRADABLE CREDITS PROGRAM.**

2 (a) DETERMINATION OF SUFFICIENCY OF MONI-
3 TORING, DETECTION, AND MEASUREMENT TECH-
4 NOLOGIES.—In establishing, reviewing, and revising the
5 methane intensity standards under section 3, the Adminis-
6 trator shall determine whether commercially available de-
7 tection and measurement technologies are sufficiently ro-
8 bust to provide the frequency and accuracy of methane
9 missions monitoring, detection, and measurement to sup-
10 port a tradable methane intensity credit program de-
11 scribed in subsection (b).

12 (b) ESTABLISHMENT OF TRADABLE CREDITS PRO-
13 GRAM.—If the Administrator makes a positive determina-
14 tion under subsection (a), the Administrator shall estab-
15 lish a tradable methane intensity credit program under
16 which—

17 (1) the Administrator shall issue tradable cred-
18 its to the owner or operator of a covered facility that
19 has a methane intensity lower than the applicable
20 methane intensity standard under section 3; and

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

1 (c) MONITORING, DETECTION, MEASUREMENT, RE-
2 PORTING, AND VERIFICATION.—The Administrator shall
3 establish such requirements for monitoring, detection,
4 measurement, reporting, and verification that the Admin-
5 istrator determines are necessary for the program under
6 subsection (b).

7 **SEC. 7. STUDIES.**

8 (a) IN GENERAL.—The Administrator, in coordina-
9 tion with the Secretary of Energy, shall enter into an
10 agreement with one or more research institutions to con-
11 duct—

12 (1) a study to identify the top quartile of meth-
13 ane intensity performance for a statistically rep-
14 resentative sample of covered facilities in each regu-
15 lated segment;

16 (2) a study of the accuracy of component-level
17 emission factors, activity data, and estimation meth-
18 odologies; and

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

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

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

7 **SEC. 8. ENFORCEMENT.**

8 The Administrator shall have the same authorities for
9 enforcement of this Act as the Administrator has under
10 section 113 of the Clean Air Act (42 U.S.C. 7413) for
11 enforcement of requirements established under section
12 111 of such Act (42 U.S.C. 7411), including the same cal-
13 culation of monetary penalties.

14 **SEC. 9. JUDICIAL REVIEW.**

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

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

1 **SEC. 10. REGISTRY, EMISSION DATABASE, AND DATA**
2 **VERIFICATION.**

3 (a) **REGISTRY.**—The Administrator shall establish a
4 registry that makes it possible to calculate the aggregate
5 methane emissions intensity of deliveries of natural gas
6 or natural gas products to end-users or exporters of lique-
7 fied natural gas.

8 (b) **EMISSIONS DATABASE.**—

9 (1) **IN GENERAL.**—The Administrator shall es-
10 tablish a national methane emissions database based
11 on the data collected from the studies described in
12 section 7(a) and the monitoring, detection, repair,
13 and reporting activities undertaken by the owners or
14 operators of covered facilities pursuant to the re-
15 quirements of this Act.

16 (2) **PUBLIC AVAILABILITY OF DATA; LIMITA-**
17 **TION.**—All data collected pursuant to this subsection
18 shall be compiled and made available to the public
19 in a manner that does not identify the covered facil-
20 ity or the owner or operator providing such data.

21 (c) **DATA VERIFICATION.**—

22 (1) **IN GENERAL.**—The Administrator shall es-
23 tablish robust procedures to ensure the accuracy,
24 transparency, consistency, and completeness of all
25 methane emissions and methane emissions reduction

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

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

7 **SEC. 11. INTERNATIONAL COORDINATION.**

8 The Administrator shall engage with the Environ-
9 mental Protection Agency’s counterpart environmental
10 agencies in other countries to coordinate a collective effort
11 to reduce methane emissions from the global oil and nat-
12 ural gas supply chain.

13 **SEC. 12. RELATION TO OTHER STANDARDS.**

14 If the Administrator promulgates requirements under
15 this Act for a covered facility, the Administrator may not
16 enforce methane emission performance standards for such
17 facility, or stationary sources within that facility, under
18 section 111(b) and 111(d) of the Clean Air Act (42 U.S.C.
19 7411(b) and (d)).

20 **SEC. 13. SAVINGS CLAUSE.**

21 Nothing in this Act—

22 (1) subject to section 12, exempts covered facili-
23 ties from limits on their emissions of air pollutants,
24 as such term is defined in section 302(g) of the

1 Clean Air Act (42 U.S.C. 7602(g)), including vola-
2 tile organic compounds and carbon dioxide; or

3 (2) preempts the authority of State, local, or
4 Tribal governments to establish limitations on meth-
5 ane emissions from covered facilities.

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