

Fact Sheet

Final Rule: Revisions and Confidentiality Determinations for Petroleum and Natural Gas Systems

Action

- With this action, the U.S. Environmental Protection Agency (EPA) is finalizing amendments to the Petroleum and Natural Gas Systems source category (subpart W) of the Greenhouse Gas Reporting Program (GHGRP). The final amendments consist of four parts: revisions to address potential gaps in reporting of emissions data for specific sectors to ensure the reporting under subpart W reflects total methane emissions from the applicable facilities; revisions to add new emissions calculation methodologies or improve existing emissions calculation methodologies to ensure the reporting under subpart W is based on empirical data; revisions to reporting requirements to improve verification and transparency of the data collected; and technical amendments, clarifications, and corrections. EPA will phase in implementation of the revisions over reporting years 2024 and 2025.
- This action also finalizes revisions to the general provisions (subpart A) and the general stationary fuel combustion (subpart C) source category of the Greenhouse Gas Reporting Rule to improve calculation, monitoring, and reporting of greenhouse gas data for petroleum and natural gas systems facilities.
- In addition, EPA is finalizing confidentiality and reporting determinations for data elements that are added or substantially revised with this final rule as well as for existing data elements where no confidentiality determination has previously been made. These final determinations establish whether data submitted to EPA will be entitled to confidential treatment.

Background

- The GHGRP, consistent with the Fiscal Year 2008 Consolidated Appropriations Act and promulgated under Clean Air Act (CAA) authority, requires reporting of greenhouse gas (GHG) data from certain large GHG emission sources, fuel and industrial gas suppliers, and CO₂ injection sites in the United States.
- In August 2022, the Inflation Reduction Act (IRA) was signed into law. Section 60113 of the IRA amended the CAA by adding section 136, “Methane Emissions and Waste Reduction Incentive Program for Petroleum and Natural Gas Systems.” In the IRA addition of CAA section 136, Congress expressly affirmed EPA’s authority to address methane pollution under the Clean Air Act – and built a three-part framework Methane Emissions Reduction Program of additional measures to complement that authority and drive reductions in methane from the oil and gas sector. This final rulemaking addresses one part of this framework regarding the directives from Congress to EPA in CAA section 136(h).
- CAA section 136(h) requires that EPA shall, within two years after the date of enactment of section 60113 of the IRA, revise the requirements of subpart W to ensure the reporting under subpart W is based on empirical data, accurately reflects the total methane emissions (and waste emissions) from the applicable facilities, and allow owners and operators of applicable facilities to submit empirical emissions data, in a manner to be prescribed by the Administrator, to demonstrate the extent to which a charge is owed under CAA section 136. Today’s action fulfills that requirement.

- This action is part of the three-part framework of the Inflation Reduction Act’s Methane Emissions Reduction Program to help states, industry and communities implement recently issued Clean Air Act standards and slash methane emissions, which also includes:
 - Resources provided by Congress in the IRA. EPA is partnering with DOE to provide over \$1 billion dollars in financial and technical assistance provided under the Inflation Reduction Act to accelerate the transition to no- and low-emitting oil and gas technologies, including funds for activities associated with low-producing conventional wells; support methane monitoring; and reduce pollution from oil and gas operations.
 - Implementation of Congress’ requirement for a Waste Emissions Charge. To take advantage of near-term opportunities for methane reductions while EPA and states work toward full implementation of the final oil and gas rule, Congress directed EPA to collect a charge on methane emissions from large oil and gas facilities that are high-emitting and wasteful, based on data submitted under subpart W. EPA issued a proposed rule in January 2024.

Final Revisions

- EPA is finalizing several revisions to add new or revise existing calculation methodologies to improve the accuracy of emissions data reported to the GHGRP, incorporate additional empirical data, and to allow owners and operators of applicable facilities to submit empirical emissions data that appropriately could demonstrate the extent to which a charge is owed in future implementation of CAA section 136, as directed by CAA section 136(h).
- These revisions include finalizing several amendments to include calculation methodologies and reporting requirements of additional emissions or emissions sources to address potential gaps in the total methane emissions reported per facility to subpart W. Based on recent analyses such as those conducted for the Inventory of U.S. Greenhouse Gas Emissions and Sinks and data newly available from atmospheric observations, EPA became aware of potentially significant sources of emissions for which there were no emission estimation methods or reporting requirements within subpart W. This final rule includes previously unreported sources such as other large release events, nitrogen removal units, produced water tanks, mud degassing, and crankcase venting. EPA is also finalizing reporting from additional industry segments for certain emissions sources (*e.g.*, blowdown vent stacks, natural gas pneumatic device venting, dehydrator vents, acid gas removal units) that previously were only required to be reported for some, but not all, of the industry segments in which those sources exist.
- The “other large release events” category captures abnormal emission events that are not accurately accounted for using existing methods in subpart W. This rule streamlines this source category by finalizing a single threshold of 100 kg/hr methane and specifying that the only third-party information required to be considered under other large release events are the notifications sent by the EPA through the Super-Emitter Program.
- With the addition of the other large release events category, for the first time in the Greenhouse Gas Reporting Program, EPA is finalizing the option to use top-down monitoring to estimate emissions associated with other large release events. The finalized revisions allow the use of advanced technologies (*e.g.*, aircraft or satellite measurement) to help identify and quantify large release events.
- The finalized revisions also add calculation methodologies that allow for direct emissions measurements for certain sources (*e.g.*, equipment leaks and natural gas pneumatic devices) where direct measurement options were not previously provided.

- The final rule allows facilities to use a consistent method to demonstrate compliance with multiple EPA programs, limiting burden for subpart W facilities with affected sources that are also required to comply with the NSPS OOOOb or a state or Federal plan in 40 CFR part 62 implementing EG OOOOc.
- The final rule incorporates advanced measurement approaches including to help identify and quantify large release events, quantify emissions from completions and workovers with hydraulic fracturing, and determine flare efficiency.
- EPA is also finalizing several revisions to existing reporting requirements to collect data that will improve verification and transparency of the data collected and reported and thus better ensure accurate reported emissions.
 - Data will be collected at the level of individual well pad sites and gathering boosting sites for onshore production and gathering and boosting facilities, respectively, to improve verification and transparency of the data reported.
- EPA is finalizing that most of the revisions would become effective on January 1, 2025 and that reporters would implement the majority of the changes beginning with reports prepared for the 2025 reporting year and submitted March 31, 2026. One exception is the reporting of the quantities of natural gas, crude oil, and condensate produced that is sent to sale in the calendar year for each well permanently taken out of production (*i.e.*, plugged and abandoned); those provisions would become effective on January 1, 2025 and reporters must include that information in their reports prepared for RY2024 and submitted March 31, 2025.
- The final rule allows for the optional earlier use of new calculation methodologies for facilities that prefer to use them to quantify 2024 emissions, affording facilities additional empirical data options to demonstrate the extent to which a waste emission charge (WEC) is owed for the first year of the WEC. EPA is finalizing that these optional calculation methods will become effective 60 days after publication of this final rule and provide reporters with the option to use these newly available calculation methods for their RY2024 reports that are submitted March 31, 2025.
- EPA is also finalizing other technical amendments, corrections, and clarifications. The primary purpose of these revisions is to better reflect EPA’s intent or to provide editorial changes.

Subpart W and Advanced Technologies

- These revisions help ensure that reporting of methane emissions is complete and accurate and based on the most up-to-date science available. EPA also recognizes that advanced measurement technologies, and their use for annual quantification of emissions, are evolving rapidly. EPA is committed to transparent and continual improvements to its programs to ensure reporting is accurate and complete. EPA intends to take the following steps to gather further information about advanced measurement technologies and to inform potential regulatory changes or other standard setting programs that encourage the use of more accurate and comprehensive measurement strategies:
 - This summer, EPA plans to solicit input on the use of advanced measurement data and methods in subpart W by issuing a Request for Information and opening a non-regulatory docket, including specific questions and topics on which EPA seeks input from the public. EPA intends to use the feedback received to consider whether it is appropriate to undertake further rulemaking addressing the use of advanced measurement technologies in subpart W.

- EPA also seeks to continuously update its knowledge about new measurement and detection technologies, and to elicit input from stakeholders and experts about how such advances should inform EPA’s regulations. In order to keep pace with this dynamic field, EPA plans to undertake a solicitation or engagement for information about advanced measurement and detection technologies (in the form of a Request for Information, workshop, or similar mechanism) on at least a biennial basis. These engagements will enable EPA to learn about technological advances and the extent to which there is robust information about their accuracy, reliability, and appropriateness for use in a regulatory reporting program.

More Information

- For more information on the GHGRP and an unofficial prepublication version of this action, please visit our website: <https://www.epa.gov/ghgreporting/rulemaking-notices-ghg-reporting>. The *Federal Register* notice for this final rule will be posted on this webpage when it is available.