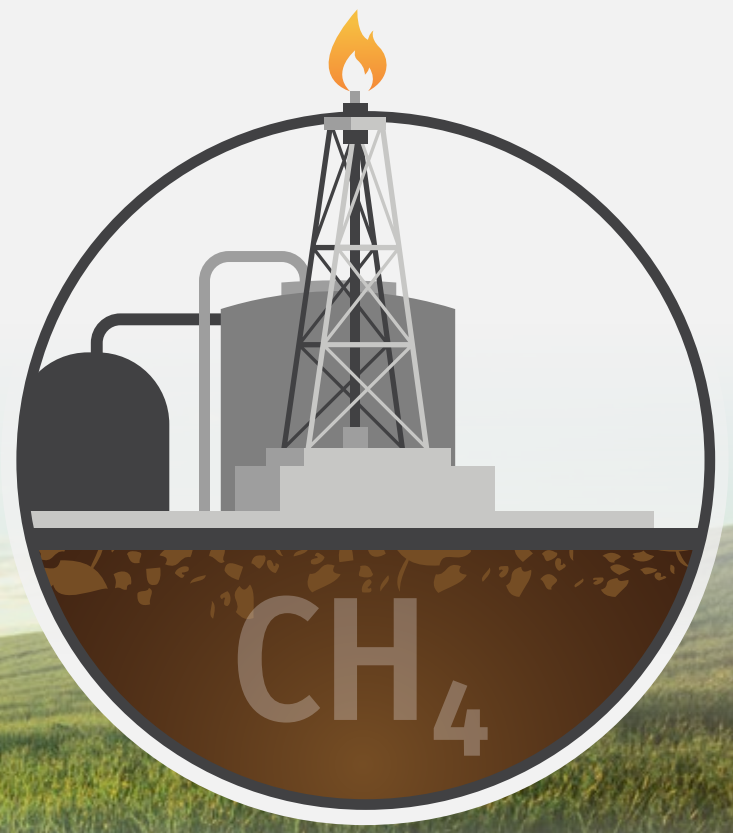
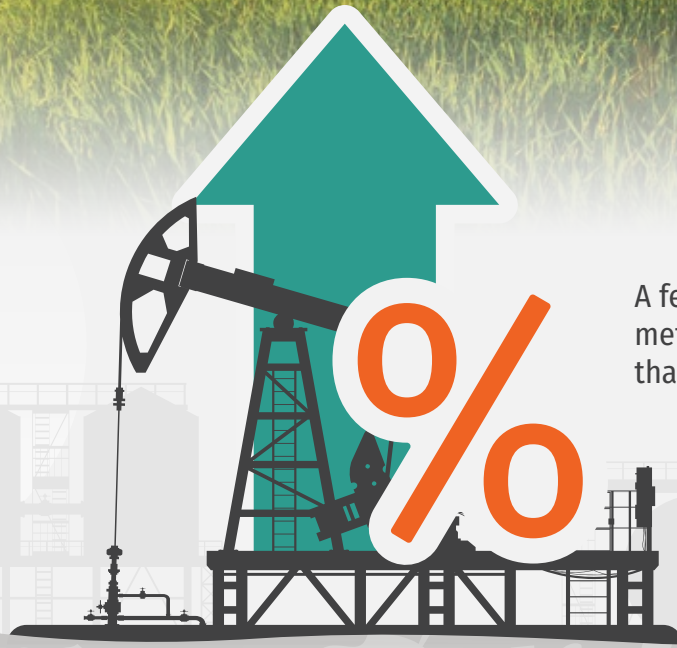


How does the IRA Methane Emission Reduction Program's Waste Emissions Charge Impact the Oil & Gas Industry?

Adapting to regulatory changes is nothing new for the oil and gas industry. And although the MERP Waste Emissions Charge may appear daunting at first glance, organizations can view this as an opportunity to improve their environmental performance and demonstrate their commitment to sustainability.



Oil and Gas companies whose methane emissions exceed specified thresholds are subject to a waste charge



A fee is calculated based on the amount of methane emitted (as a % of gas sent to sales) that is above the corresponding threshold

Who's included?

Petroleum and Natural Gas Facilities reporting more than 25,000 mt CO₂e pursuant to EPA's GHG Reporting Program, 40 CFR 98

- Gathering & Boosting
- LNG Storage, Import & Export
- Natural Gas Processing
- Production
- Transmission Compression & Pipelines
- Underground Storage

Who's left out?

Natural gas distribution



What's the goal?

Decreasing U.S. GHG emissions by HALF by 2030, as much as 40% reduction from MERP

What are the charge amounts?

Any methane emissions above those thresholds are considered "waste" and are subject to the methane charge. The charge will begin in 2024 with a fee of \$900/ton of methane, then increase to \$1,200/ton in 2025, and then \$1,500/ton in 2026.



Waste emissions thresholds are as follows:

Gas Production:
0.2% of gas sent to sales

Non-production:
0.05% of gas sent to sales

Oil Production:
10 mt methane/million bbls oil sent to sales

Transmission:
0.11% sent to sales

What's the next step?

What makes the MERP a bit more challenging is that applicability and compliance are intertwined with other existing and evolving federal rules and programs. This adds complexity and uncertainty to oil and gas operators who may be trying to evaluate their risks and liabilities under the program.

Questions about your organization's future impact under MERP? Reach out to Trinity Consultants at 800.229.6655.

