Department of the Interior passes methane emission reduction rule, faces lawsuit

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The Department of the Interior (DOI) released a final rule to cut methane emissions from oil and gas operations on federal and tribal lands. According to Secretary of the Interior Sally Jewell, the goal of the Methane and Waste Prevention Rule is to reduce “harmful methane emissions that contribute to climate change” through economically viable actions. The rule requires oil and gas companies to incorporate modern technologies into infrastructure planning that will reduce methane flaring events. The rule also requires companies to carry out periodic inspections of equipment for leaks and establishes limits to oil and gas storage tank venting. The rule lists guidelines on royalty amounts to be paid by operators exhibiting excessive methane gas flaring. These rates vary and can total up to, and in excess of, 12.5 percent of the production value of oil and gas at that particular site.

The Western Energy Alliance (WEA) and the Independent Petroleum Association of America have responded negatively to the new rule: the two organizations filed a lawsuit against the Bureau of Land Management in the U.S. District Court for Wyoming. The lawsuit claims that the rule is an “unlawful and unconstitutional agency action,” on the basis that Congress previously delegated the authority to regulate air quality to the Environmental Protection Agency. The states of Wyoming and Montana have also leveled a lawsuit against DOI for the same reason.

While a hearing date has yet to be announced, WEA has submitted a preliminary injunction to stop the rule from being implemented in the meantime.

Sources: Department of the Interior, Montana Department of Justice, Western Energy Alliance