

119TH CONGRESS
1ST SESSION

S. 514

To amend the Clean Air Act to modify the Methane Emissions Reduction Program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 11, 2025

Mr. LANKFORD introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

A BILL

To amend the Clean Air Act to modify the Methane Emissions Reduction Program, 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 Reduction Program Clarifications Act of 2025” or the
6 “MERP Clarifications Act of 2025”.

1 **SEC. 2. METHANE EMISSIONS AND WASTE REDUCTION IN-**
 2 **CENTIVE PROGRAM FOR PETROLEUM AND**
 3 **NATURAL GAS SYSTEMS.**

4 (a) AMENDMENTS.—Section 136 of the Clean Air Act
 5 (42 U.S.C. 7436) is amended—

6 (1) in subsection (f), by adding at the end the
 7 following:

8 “(8) EXEMPTION FOR SMALL UPSTREAM PRO-
 9 DUCERS.—

10 “(A) IN GENERAL.—The Administrator
 11 may not, pursuant to any requirement under
 12 this section, impose a reporting requirement or
 13 a charge under this section on an applicable fa-
 14 cility described in subparagraph (B).

15 “(B) APPLICABLE FACILITIES DE-
 16 SCRIBED.—An applicable facility referred to in
 17 subparagraphs (A), (C), and (D) is an applica-
 18 ble facility that, as of August 16, 2022—

19 “(i) was generating less than 25,000
 20 metric tons of carbon dioxide equivalent of
 21 greenhouse gases emitted per year; and

22 “(ii) had 2,500 or fewer full-time em-
 23 ployees.

24 “(C) NO REQUIREMENT TO DEM-
 25 ONSTRATE.—The Administrator may not im-
 26 pose a requirement that an applicable facility

described in subparagraph (B) demonstrate to the Administrator that the applicable facility meets the requirements described in that subparagraph.

“(D) NOTIFICATION.—

“(i) NOTICE TO FACILITY.—Not later than 60 days after the date of enactment of this paragraph, the Administrator shall provide written notice to each applicable facility described in subparagraph (B) that the applicable facility is not subject to the reporting requirements or charges imposed under this section.

“(ii) PUBLICATION.—The Administrator shall communicate publicly (including through press releases and messages on the website of the Environmental Protection Agency) that the applicable facilities described in subparagraph (B) are not subject to the reporting requirements or charges imposed under this section.

“(9) EXEMPTION FOR CERTAIN PRODUCERS.—

Notwithstanding any other requirement of this section, the Administrator may not impose a charge

1 under this section on an applicable facility during
 2 any period in which the applicable facility—

3 “(A) complies with subpart OOOOb and
 4 OOOOc, as applicable, of part 60 of title 40,
 5 Code of Federal Regulations (or successor regu-
 6 lations); and

7 “(B) is located in a State in compliance
 8 with the applicable State implementation plan
 9 required under subpart OOOOc of that part (or
 10 successor regulations).”;

11 (2) by striking subsection (g) and inserting the
 12 following:

13 “(g) PERIOD.—The Administrator may not impose or
 14 collect the charge under subsection (c) until January 1
 15 of the first calendar year that begins after the date on
 16 which the Administrator submits to the Committee on En-
 17 vironment and Public Works of the Senate and the Com-
 18 mittee on Energy and Commerce of the House of Rep-
 19 resentatives a written notice that each of the following re-
 20 quirements has been met for a period of not less than 1
 21 year before that January 1:

22 “(1) The grants authorized under subsections
 23 (a) and (b) have been fully disbursed to all eligible
 24 recipients.

1 “(2) The revisions to subpart W of part 98 of
2 title 40, Code of Federal Regulations, that are re-
3 quired under this section—

4 “(A) ensure the use of emissions factors
5 that have been validated by the Administrator
6 and posted to the website of the Administrator;
7 and

8 “(B) have been finalized.”;

9 (3) by redesignating subsection (i) as subsection
10 (k);

11 (4) by inserting after subsection (h) the fol-
12 lowing:

13 “(i) PUBLIC COMMENT PERIOD.—Except as provided
14 in section 2(c) of the MERP Clarifications Act of 2025,
15 any proposed regulation, rule, guidance, or directive with
16 respect to the implementation of this section from the Ad-
17 ministrator, the Executive Office of the President, or an-
18 other Federal agency shall, consistent with subchapter II
19 of chapter 5, and chapter 7, of title 5, United States Code
20 (commonly known as the ‘Administrative Procedure Act’),
21 be subject to a period of public comment of not less than
22 90 days.

23 “(j) DISPUTE RESOLUTION PROCEDURE.—Not later
24 than 60 days after the date of enactment of this sub-
25 section, the Administrator shall, consistent with sub-

1 chapter II of chapter 5, and chapter 7, of title 5, United
 2 States Code (commonly known as the ‘Administrative Pro-
 3 cedure Act’), propose a rule establishing an expedited
 4 process for an applicable facility to appeal or dispute the
 5 amount of a charge imposed under this section that is sep-
 6 arate and apart from any other such process under this
 7 Act.”; and

8 (5) by adding at the end the following:

9 “(1) SUNSET.—

10 “(1) TERMINATION OF EFFECTIVENESS.—The
 11 authority provided under this section terminates on
 12 December 31, 2034.

13 “(2) CONTINUED IMPOSITION OF WASTE
 14 CHARGE.—

15 “(A) IN GENERAL.—If this section is not
 16 reauthorized by December 31, 2034, the Ad-
 17 ministrator shall immediately cease all activities
 18 with respect to the imposition of the charge
 19 under this section.

20 “(B) ENFORCEMENT.—

21 “(i) IN GENERAL.—If the Adminis-
 22 trator or the head of any other applicable
 23 Federal agency carries out any authority
 24 under this section after the date described
 25 in subparagraph (A), a party that suffers

likely harm from the carrying out of that authority may seek financial compensation from the Federal Government in the appropriate Federal district court.

“(ii) EXPEDITED RELIEF.—A Federal district court shall expedite the consideration of an action described in clause (i) brought by the owner of an applicable facility with 2,500 or fewer full-time employees.

“(3) RESCISSION.—On December 31, 2034, there is rescinded the unobligated balance of amounts made available under subsections (a) and (b) as of that date.”.

(b) DESCRIPTION OF REQUIREMENTS AND CALCULATIONS.—

(1) IN GENERAL.—Not later than 60 days after the date of enactment of this Act, the Administrator of the Environmental Protection Agency (referred to in this section as the “Administrator”) shall make publicly available, including on the website of the Environmental Protection Agency, an Administrator’s Order that includes the following information:

(A) Consistent with the Plain Writing Act of 2010 (5 U.S.C. 301 note; Public Law 111–

274) and Executive Orders 12866 (5 U.S.C. 601 note; relating to regulatory planning and review), 12988 (28 U.S.C. 519 note; relating to civil justice reform), and 13563 (5 U.S.C. 601 note; relating to improving regulation and regulatory review), an easily understandable explanation of—

(i) the methods used for calculating, for purposes of section 136 of the Clean Air Act (42 U.S.C. 7436)—

(I) the carbon dioxide equivalent of greenhouse gases emitted;

(II) methane intensity; and

(III) other emissions factors; and

(ii) the key calculations necessary to understand the requirements of the program under that section, including the conversion from carbon dioxide emissions to methane emissions necessary for determining the amount of the charge imposed and collected under that section.

(B) The methods and mechanisms (including the methods and mechanisms described in subparagraph (A)(i), as applicable) used to calculate, for each category described in para-

graphs (1) through (9) of subsection (d) of that section, the charge imposed and collected pursuant to subsection (c) of that section.

(C) With respect to the development of any information described in subparagraphs (A)(i) and (B)—

(i) a list of the names, including titles, occupations, and biographies, of all consultants (including international and domestic consultants) that assisted in that development;

(ii)(I) a list of the academic institutions (including any international and domestic academic institutions) that assisted in that development; and

(II) points of contact for each such academic institution;

(iii)(I) a list of the nongovernmental institutions (including any international and domestic nongovernmental institutions) that assisted in that development; and

(II) points of contact for each such nongovernmental institution; and

1 (iv) a list of any other organizations
2 the resources or personnel of which were
3 used in any way in that development.

4 (D) A description, including citations and
5 hyperlinks, of all studies used by the Adminis-
6 trator to develop the information described in
7 subparagraphs (A)(i) and (B).

8 (E) A summary of all other information
9 collected and used by the Administrator to de-
10 velop the information described in subpara-
11 graphs (A)(i) and (B).

12 (2) REQUIREMENTS.—In carrying out para-
13 graph (1), the Administrator shall, in consultation
14 with the owners and operators of applicable facilities
15 (as defined in section 136(d) of the Clean Air Act
16 (42 U.S.C. 7436(d)) with fewer than 2,500 full-time
17 employees, ensure that the documentation required
18 under that paragraph will allow operators subject to
19 a reporting requirement or charge under section 136
20 of the Clean Air Act (42 U.S.C. 7436) to clearly un-
21 derstand the reporting requirements and calculations
22 required under that section.

23 (c) RULEMAKING REQUIREMENTS.—Except as other-
24 wise provided in this section or an amendment made by
25 this section, any proposed regulation, rule, guidance, or

1 other document required under this section or an amend-
2 ment made by this section shall be subject to, as applica-
3 ble—

4 (1) except as provided for in paragraph (2), the
5 notice and comment provisions of section 553 of title
6 5, United States Code; and

7 (2) a public comment period of not less than
8 120 days.

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