METHANE WASTE UNDERMINES AMERICA'S ENERGY ECONOMY AND COSTS TAXPAYERS
OPPOSE H.J. RES 35

February 24, 2025

Dear Representative,

We urge you to **oppose efforts to repeal the Waste Emissions Charge for Petroleum and Natural Gas Systems through the Congressional Review Act (CRA)**. This fee, assessed on needlessly wasted natural gas, is a fiscally responsible measure to curb methane waste—a practice that costs taxpayers millions in lost revenue and keeps a valuable energy resource from reaching consumers. Rescinding it via the CRA would not only eliminate its immediate benefits—including $2.3 billion in projected revenue—but also permanently restrict Congress and federal agencies from addressing methane waste effectively in the future, locking taxpayers into costly, avoidable losses.

The oil and gas industry is one of the largest sources of methane emissions in the U.S.[1] Every year, companies release hundreds of billions of cubic feet of natural gas into the atmosphere during the extraction, development, and transportation of oil and natural gas. Methane—the largest component of natural gas—is a valuable energy resource. When it is released into the atmosphere rather than being brought to market, it decreases our domestic energy supply and becomes a significant source of pollution.

Despite the increasingly widespread availability of cost-effective methane mitigation technology, oil and gas operators routinely vent, flare, or leak methane. This waste decreases our domestic energy supply and deprives taxpayers of federal, tribal, and state royalty revenues. In 2019, $509 million worth of gas (163 billion cubic feet) was wasted on federal and tribal lands, depriving taxpayers of $64 million in royalties.[2]

The Waste Emissions Charge directly addresses this by imposing modest fees on methane emissions above a set threshold. The fee only applies to facilities emitting over 25,000 metric tons of CO_2-equivalent annually, exempting small operators.[3] Less than 500 oil and gas facilities are

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[1] U.S. Environmental Protection Agency, "Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2022 U.S. Environmental Protection Agency," April 2024. https://www.epa.gov/ghgemissions/inventory-us-greenhouse-gas-emissions-and-sinks-1990-2022

[2] Taxpayers for Common Sense and the Environmental Defense Fund, "Onshore Oil and Natural Gas Operations on Federal and Tribal Lands in the United States," January 2023. https://www.taxpayer.net/wp-content/uploads/2023/01/EDF-TCS_Public_Lands_Analysis.pdf

[3] Taxpayers for Common Sense, "Comments on Proposed Waste Emissions Charge for Petroleum and Natural Gas Systems," March 2024, https://www.taxpayer.net/wp-content/uploads/2024/03/3-26-24_TCS_Comments-on-Proposed-Waste-Emissions-Charge-for-Petroleum-and-Natural-Gas-Systems.pdf

predicted to be subject to the charge. The charge will raise $2.3 billion through 2035 while cutting methane emissions by 1.2 million metric tons.[4]

The industry already has cost-effective tools to reduce waste. A 2010 Government Accountability Office study found 40% of vented and flared gas could be profitably captured using existing technology.[5] Yet without accountability, operators prioritize rapid oil extraction over gas capture, leaving taxpayers and consumers to shoulder the fallout.

The U.S. methane mitigation industry is booming, demonstrating that smart policy can drive both economic growth and pollution reduction. A 2024 Datu Research analysis for the Environmental Defense Fund found the sector has grown significantly since 2017, with an 88% increase in manufacturing firms and a 105% expansion in service providers, creating more than 1,040 job locations nationwide.[6] These firms provide cost-effective technologies and services that help operators reduce methane leaks—solutions already in use in states like Texas, where companies are preparing for federal standards ahead of compliance deadlines. By imposing fees on excessive emitters, the Waste Emissions Charge accelerates the adoption of these tools, turning waste into economic value. Rescinding this rule via the CRA would destabilize a growing domestic industry, reduce royalty collections, and leave taxpayers subsidizing preventable emissions indefinitely.

Using the CRA to repeal this rule is a short-sighted maneuver that rewards wasteful industry practices, forfeits revenue, and ties policymakers' hands. **Reject H.J. Res 25** and uphold a commonsense policy that safeguards taxpayer dollars and promotes energy security.

Sincerely,

Stephen Ellis
President, Taxpayers for Common Sense Action

Isaac Brown
Executive Director, Center for Methane Emissions Solutions

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[4] U.S. Environmental Protection Agency, "Waste Emissions Charge," last modified February 12, 2024. https://www.epa.gov/inflation-reduction-act/waste-emissions-charge

[5] Government Accountability Office, "Federal Oil and Gas Leases: Opportunities Exist to Capture Vented and Flared Natural Gas, Which Would Increase Royalty Payments and Reduce Greenhouse Gases," GAO-11-34, October 2010. https://www.gao.gov/assets/gao-11-34.pdf

[6] Environmental Defense Fund, "Growing Strong: Methane Mitigation Industry Expands Nationwide, Driving Economic Growth and Cutting Emissions," last modified February 18, 2025, https://www.edf.org/media/growing-strong-methane-mitigation-industry-expands-nationwide-driving-economic-growth-and