The Honorable Brett Guthrie Chairman House Committee on Energy and Commerce 2125 Rayburn House Office Building Washington, D.C., 20515 The Honorable Frank Pallone Ranking Member House Committee on Energy and Commerce 2322A Rayburn House Office Building Washington, D.C., 20515

Re: Oppose Provision to Defund and Delay the Methane Emissions Reduction Program

Dear Chairman Guthrie and Ranking Member Pallone,

The groups listed below are writing to express our strong opposition to the provision in the House Energy and Commerce Committee's budget reconciliation legislation that would defund and delay implementation of the Methane Emissions Reduction Program (MERP), a practical, cost-effective solution to reduce pollution and the waste of our natural resources. At a time when leadership in the congressional majority is proposing massive cuts to critical programs, including Medicaid, that protect the health and safety of communities, delaying implementation of MERP would be an attack on the public's ability to breathe clean air. A ten year pause on implementation of this program as well as rescinding assistance and research grants would cause irreversible damage to public health, increase energy waste, cause uncertainty for operators, and imperil America's position as a global leader on reducing methane pollution.

Each year, operators in the oil and gas industry needlessly waste vast amounts of methane through leaks, venting and flaring. By imposing a fee on companies for each ton of wasted methane that exceeds specified thresholds, MERP corrects this market failure by incentivizing operators to repair leaks and capture gas rather than vent and flare it. This is a triple win for American taxpayers and consumers--cutting methane waste, keeping methane and co-emitted pollution out of the air, and raising revenue on wasted gas. In fact, according to the Congressional Budget Office the methane polluter fee is projected to generate \$8.47 billion in revenue over FY2026 to FY2031.

Reducing methane pollution also helps protect the health and safety of communities living near oil and gas facilities. Methane pollution is released alongside other dangerous pollutants, such as smog-causing volatile organic compounds (VOCs) which can worsen asthma, cause cardiovascular disease and respiratory diseases, and result in premature death, as well as toxic air pollutants such as benzene, which is known to cause cancer. Over 10.1 million people in the United States, including 645,400 children under the age of 5, live within a half-mile of active oil and gas production, breathing in polluted air contaminated as a result.

The methane polluter fee is an important tool to ensure companies follow the law and reduce methane as well as VOCs and hazardous air pollutants to improve air quality for communities across the U.S. In fact, by oil and gas companies cutting emissions and meeting the standard set in the methane polluter fee, the U.S. health system stands to benefit \$7.3 to \$7.6 billion a year in climate and ozone health benefits even after accounting for compliance costs.

Many leading companies have already pledged to limit waste below the methane polluter fee's thresholds and would avoid being subjected to the fee if those commitments are met. The fee only targets large producers that exceed emissions thresholds, while smaller companies with lower emission profiles are not subject to the fee. Operators using readily available, cost-effective solutions to reduce methane pollution can avoid the fee entirely. And many are already investing in technologies to avoid needless venting and flaring, such as advanced monitoring techniques and zero-emitting process controllers.

The <u>International Energy Agency</u> estimates that 40% of upstream oil and gas methane emissions can be avoided at no net cost, making these reductions both feasible and practical. Because methane traps more than 80 times as much heat as carbon dioxide, this reduction in emissions would also reduce dangerous impacts of climate change, such as increased storms, droughts, and heat-related deaths.

Lastly, the methane polluter fee is helping to boost good-paying American jobs that can't be offshored. Innovative new methane mitigation companies are already scaling up and ready to meet the challenge. According to a new February 2025 <u>analysis</u>, there are 268 manufacturing and service companies in the methane mitigation industry paying competitive wages. In fact, the number of employee locations grew 39% and the number of firms grew nearly 24% in just the last three years. The methane mitigation service sector in the U.S. has doubled in size since 2017, and the manufacturing industry has grown by 88% since 2014.

The Methane Emission Reduction Program reduces the waste of natural gas, advances public health, limits pollution in local communities, and drives America forward as a global leader on methane. For these reasons we urge you to oppose the inclusion of this provision to weaken and delay implementation of the Methane Emission Reduction Program.

Sincerely,

350 Colorado Alaska Community Action on Toxics Appalachian Voices Breathe Utah Ceres Citizens for Clean Air Grand Junction CO Clean Air Council Clean Water Action

Climate Action Campaign

Climate Hawks Vote

Commission Shift Action

Dakota Resource Council

Dayenu: A Jewish Call to Climate Action

Earthjustice

Earthworks

EcoMadres

EDF Action

Environment Texas

Environmental Law & Policy Center

Evergreen Action

Green America

GreenLatinos

Greenpeace USA

Health Care Without Harm

Healthy Gulf

Jewish Earth Alliance-PA

League of Conservation Voters

Liveable Arlington

Mi Familia en Acción

Micah Six Eight Mission

Moms Clean Air Force

Natural Resources Defense Council (NRDC)

Next 100 Coalition

Northern Plains Resource Council

Nuclear Information and Resource Service

Ocean Conservation Research

Oceana

Oxfam America

PennEnvironment

Physicians for Social Responsibility Pennsylvania

Protect PT

Public Land Solutions

Rio Grande International Study Center

Rocky Mountain Farmers Union

Sierra Club

Sierra Club Colorado Chapter

Texas Impact

Vet Voice Foundation

Western Colorado Alliance

Western Leaders Network

Western Organization of Resource Councils