

December 8, 2023

Spotlight on Methane: Regulatory Efforts Continue to Accelerate;
Key New Initiatives Announced at COP28

Methane, a greenhouse gas that has been labeled a “super pollutant” by the U.S. Environmental Protection Agency (the “EPA”) due to its outsized impact on atmospheric warming, has emerged as a priority for regulators, with several new initiatives announced at COP28. On December 2, 2023, the EPA finalized a [rule](#) to reduce methane emissions from oil and gas operations. On December 4, Canada, Egypt and Brazil committed to new methane regulations in the oil and gas sector. This week also saw the launch of the [Subnational Methane Action Coalition](#), comprising signatories including California and Colorado as well as jurisdictions within Brazil, Bolivia, Germany, India, Mexico, Nigeria, South Africa and South Korea, to promote methane reductions in the energy, agricultural and waste sectors.

The newly finalized EPA rules will, among other things, (1) require well sites and compressor stations to be routinely monitored for methane leaks, (2) phase out routine flaring from new oil wells over two years, and (3) establish a “Super-Emitter Program” to allow certified third parties to use remote-sensing technologies to monitor oil and gas sites for large methane releases and report information to the EPA.

The new EPA rules come on the heels of the Inflation Reduction Act’s Methane Emissions Reduction Program, which is set to impose a methane fee on facilities that emit over 25,000 metric tons of carbon dioxide equivalent per year and exceed applicable waste emissions thresholds beginning next year.

Focus on methane emissions in agriculture has also grown: the [Dairy Methane Action Alliance](#), unveiled earlier this week, will see six of the world’s largest dairy companies commence reporting on methane emissions within their dairy supply chains and implementing an action plan by end of 2024. And members of the financial sector have also begun taking action on methane, including releasing policies with respect to the [financing](#) and [underwriting](#) of oil and gas sector projects and corporate [engagement](#).

Meanwhile, climate advocacy groups have also continued to ramp up efforts to curb methane emissions. In particular, [MethaneSAT](#), recently launched by the Environmental Defense Fund, will enable the tracking of methane emissions across the globe, with data to be made available publicly.

Carmen X. W. Lu
Joseph A. Singh

*If your address changes or if you do not wish to continue receiving these memos,
please send an e-mail to Publications@wlrk.com or call 212-403-1443.*