

# METHANE EMISSIONS REDUCTION PROGRAM



Program 162, December 2024



## BACKGROUND

NETL, a U.S. Department of Energy national laboratory with a distinguished history of delivering solutions for an environmentally sustainable and prosperous energy future, is leading a \$1.36 billion interagency initiative with the U.S. Environmental Protection Agency to provide financial and technical assistance in support of the Methane Emissions Reduction Program (MERP). The initiative drives critical methane emissions reduction activity across the U.S. oil and gas industries as directed by the Inflation Reduction Act statutory requirements under Section 60113 amending the Clean Air Act by adding Section 136.

Natural gas is a vital energy and industrial commodity resource. Its domestic abundance is an economic asset that can provide environmental benefits to communities and climate change abatement, support energy security and fuel availability for grid resilience for a sustainable energy mix. Methane is a primary constituent of natural gas. It is also 28 times more potent as a climate greenhouse gas than carbon dioxide. The 150-years of oil and gas development has also left an environmental challenge from natural gas recovering, processing and use. Rapid cuts in methane emissions can generate near term economic and climate benefits that are a crucial addition to cutting greenhouse gas emissions to slow the warming of Earth's atmosphere.



Recognizing the significant need to address the situation, the Inflation Reduction Act committed funding for the MERP activity to address methane emissions from legacy wells and oil and gas infrastructure. MERP was devised to mitigate methane emissions and restore environmental integrity to well sites and eliminate methane and other greenhouse gas emissions across the oil and gas industry value chain. MERP's work will speed up implementation of the U.S. Methane Emissions Reduction Action Plan.

## MERP PROGRAM GOALS

MERP helps reduce waste, create new jobs in energy communities and realize near-term emission reductions to reach the nation's ambitious climate and clean air goals by:

- Addressing the administration's climate change directive to achieve a greenhouse gas-neutral economy by 2050 by providing financial and technical assistance components for methane reduction.
- Focusing resources to effectively reduce methane emissions by accelerating efficient measurement, monitoring and mitigation technologies and supporting approaches in the sectors of oil and gas industries where methane emissions are most prevalent.
- Building a clean and equitable energy economy by:
  - » Supporting meaningful community and labor engagement.
  - » Investing in America's workforce.
  - » Contributing to benefits from key federal investments to disadvantaged communities.

## FINANCIAL ASSISTANCE

MERP provides formula funding to eligible states to assist industry to voluntarily identify and permanently reduce methane emissions from low-producing (marginal) conventional wells. These investments are expected to improve the economic competitiveness of small and medium-sized producers while reducing associated harmful air pollution, mitigating health effects in nearby communities and creating jobs in energy communities. States also will be able to use a portion of their award for environmental restoration and to invest in monitoring for low-producing conventional wells, which will improve the ability to identify sources of methane emissions and to effectively prioritize mitigation.

Additional competitive solicitations are anticipated to monitor and mitigate methane emissions from the oil and gas sector, which will be available to a broader range of applicants and are expected to advance the deployment of technologies and practices to monitor and reduce emissions of methane and other greenhouse gases.

## TECHNICAL ASSISTANCE

In addition, MERP provides technical assistance to help states, industry and other partners implement cost-effective solutions that reduce methane leak emissions. MERP supports small and medium-sized producers that often lack the capital and expertise of the larger oil and gas companies and will work with partners to implement and prioritize best practices and mitigation decision-support tools across the broader oil and gas sector. This technical assistance will also ensure efforts are fully aligned with the needs of local communities and help inform key decision-makers of mitigation opportunities across states, industry and other partners.

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NETL is a U.S. Department of Energy (DOE) national laboratory dedicated to advancing the nation's energy future by creating innovative solutions that strengthen the security, affordability and reliability of energy systems and natural resources. With laboratories and computational capabilities at research facilities in Albany, Oregon; Morgantown, West Virginia; and Pittsburgh, Pennsylvania, NETL addresses energy challenges through implementing DOE programs across the nation and advancing energy technologies related to fossil fuels. By fostering collaborations and conducting world-class research, NETL strives to strengthen national energy security through energy technology development.

### Contacts

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