



441 G St. N.W.  
Washington, DC 20548

B-336371

May 29, 2024

The Honorable Thomas R. Carper  
Chairman  
The Honorable Shelley Moore Capito  
Ranking Member  
Committee on Environment and Public Works  
United States Senate

The Honorable Cathy McMorris Rodgers  
Chair  
The Honorable Frank Pallone, Jr.  
Ranking Member  
Committee on Energy and Commerce  
House of Representatives

Subject: *Environmental Protection Agency: Greenhouse Gas Reporting Rule: Revisions and Confidentiality Determinations for Petroleum and Natural Gas Systems*

Pursuant to section 801(a)(2)(A) of title 5, United States Code, this is our report on a major rule promulgated by the Environmental Protection Agency (EPA) titled “Greenhouse Gas Reporting Rule: Revisions and Confidentiality Determinations for Petroleum and Natural Gas Systems” (RIN: 2060-AV83). We received the rule on May 8, 2024. It was published in the *Federal Register* as a final rule on May 14, 2024. 89 Fed. Reg. 42062. This rule is effective on January 1, 2025, except for sections 98.233, 98.236, and 98.238 of title 40, *Code of Federal Regulations*, which are effective July 15, 2024.

According to EPA, it is amending requirements that apply to the petroleum and natural gas systems source category of the Greenhouse Gas Reporting Rule to ensure that reporting is based on empirical data, accurately reflects total methane emissions and waste emissions from applicable facilities, and allows owners and operators of applicable facilities to submit empirical emissions data that appropriately demonstrate the extent to which a charge is owed under the waste emissions charge. See *generally* 40 C.F.R. part 98 (Greenhouse Gas Reporting Rule). EPA stated that it is also amending certain requirements that apply to the general provisions, general stationary fuel combustion, and petroleum and natural gas systems source categories of the Greenhouse Gas Reporting Rule to improve calculation, monitoring, and reporting of greenhouse gas data for petroleum and natural gas systems facilities. EPA also stated that this action also establishes and amends confidentiality determinations for the reporting of certain data elements to be added or substantially revised in these amendments.

Enclosed is our assessment of EPA’s compliance with the procedural steps required by section 801(a)(1)(B)(i) through (iv) of title 5 with respect to the rule. If you have any questions about this report or wish to contact GAO officials responsible for the evaluation work relating to

the subject matter of the rule, please contact Charlie McKiver, Assistant General Counsel, at (202) 512-5992.

A handwritten signature in black ink that reads "Shirley A. Jones". The signature is written in a cursive style with a large initial 'S' and a distinct 'A'.

Shirley A. Jones  
Managing Associate General Counsel

REPORT UNDER 5 U.S.C. § 801(a)(2)(A) ON A MAJOR RULE  
ISSUED BY THE  
ENVIRONMENTAL PROTECTION AGENCY  
TITLED  
“GREENHOUSE GAS REPORTING RULE: REVISIONS AND CONFIDENTIALITY  
DETERMINATIONS FOR PETROLEUM AND NATURAL GAS SYSTEMS”  
(RIN: 2060-AV83)

(i) Cost-benefit analysis

The Environmental Protection Agency (EPA) prepared an analysis of the costs and benefits for this final rule. EPA estimates the annual average labor burden imposed by the rule to be \$169.4 million per year and the annual average labor burden per reporter to be \$55,100. EPA stated that there is an additional annualized incremental burden of \$14.1 million for operation and maintenance costs, which would make the total annual average burden \$183.6 million over the next three years. EPA also stated that it did not quantify estimated emission reductions or monetize the benefits from such reductions that could be associated with the rule because it is a reporting rule. According to EPA, the benefits of the rule are based on their relevance to policy making, transparency, and market efficiency. EPA stated for example that the amendments in the rule to the reporting system for petroleum and natural gas systems will benefit EPA, other policymakers, and the public by increasing the completeness and accuracy of facility emissions data.

(ii) Agency actions relevant to the Regulatory Flexibility Act (RFA), 5 U.S.C. §§ 603–605, 607, and 609

EPA certified that this action will not have a significant economic impact on a substantial number of small entities under the Act.

(iii) Agency actions relevant to sections 202–205 of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. §§ 1532–1535

EPA determined that this final rule will not have an effect on state, local, or tribal governments, in the aggregate, or on the private sector, of \$100 million, updated annually for inflation, in any one year.

(iv) Agency actions relevant to the Administrative Pay-As-You-Go-Act of 2023, Pub. L. No. 118-5, div. B, title III, 137 Stat 31 (June 3, 2023)

Section 270 of the Administrative Pay-As-You-Go-Act of 2023 amended 5 U.S.C. § 801(a)(2)(A) to require GAO to assess agency compliance with the Act, which establishes requirements for administrative actions that affect direct spending, in GAO’s major rule reports. In guidance to Executive Branch agencies, issued on September 1, 2023, the Office of Management and Budget (OMB) instructed that agencies should include a statement explaining that either: “the Act does not apply to this rule because it does not increase direct spending; the Act does not apply to this rule because it meets one of the Act’s exemptions (and specifying the relevant exemption); the OMB Director granted a waiver of the Act’s requirements pursuant to section 265(a)(1) or (2) of the Act; or the agency has submitted a notice or written opinion to the

OMB Director as required by section 263(a) or (b) of the Act” in their submissions of rules to GAO under the Congressional Review Act. OMB, *Memorandum for the Heads of Executive Departments and Agencies*, Subject: Guidance for Implementation of the Administrative Pay-As-You-Go Act of 2023, M-23-21 (Sept. 1, 2023), at 11–12. OMB also states that directives in the memorandum that supplement the requirements in the Act do not apply to proposed rules that have already been submitted to the Office of Information and Regulatory Affairs, however agencies must comply with any applicable requirements of the Act before finalizing such rules.

EPA did not discuss the Act in this final rule. In its submission to us, EPA indicated that the Act is not applicable to this final rule.

(v) Other relevant information or requirements under acts and executive orders

Administrative Procedure Act, 5 U.S.C. §§ 551 *et seq.*

On August 1, 2023, EPA issued a proposed rule. 88 Fed. Reg. 50282. EPA stated that it summarized major comments in the preamble of this final rule. EPA also stated that it provided the full text of all comments in a separate document housed under the rulemaking docket for the rule.

Paperwork Reduction Act (PRA), 44 U.S.C. §§ 3501–3520

EPA determined that this final rule contains information collection requirements (OMB Control Number 2060-0751). EPA estimates the annual average burden imposed by the rule to be 1,902,792 hours and \$183.6 million over the three years covered by this information collection.

Statutory authorization for the rule

EPA promulgated this final rule pursuant to sections 7401–7671q of title 42, United States Code.

Executive Order No. 12866 (Regulatory Planning and Review)

EPA determined that this final rule is economically significant under the Order and submitted it to OMB for review.

Executive Order No. 13132 (Federalism)

EPA determined that this final rule does not have federalism implications and will not have substantial direct effects on the states, on the relationship between the national government and the states, or on the distribution of power and responsibilities among the various levels of government.