Environment & Energy

Tackling Methane Requires Federal Framework, Governor Testifies

By Zach Bright

June 14, 2022, 6:07 PM

- New Mexico governor calls state rules a model
- Calls for federal regulations for uniform guidance

Tackling methane emissions from oil and gas wells requires federal rules and investments, New Mexico's governor said Tuesday in a congressional hearing on how states are trying to reduce the release of the potent greenhouse gas.

Gov. Michelle Lujan Grisham (D) called for clear federal rules to complement state regulations, saying at the House Special Committee on the Climate Crisis that the existing patchwork of regulations isn't enough to resolve a problem that extends beyond state borders

Lujan Grisham noted her "balanced approach" relied on working with a committee of oil and gas industry representatives and environmental advocates to develop the state's Energy Transition Act. The act sets a 50% renewable energy standard by 2030 for investor-owned utilities and rural electric cooperatives and a 80% goal by 2040.

New Mexico avoided the pitfall of ignoring the views of "the actual industry who is critical to our success," Lujan Grisham said. The state hasn't been challenged in court for legal concerns over the new regulatory work as a result, she said.

A 2021 New Mexico law requires oil and gas operators to reduce the volume of gas they flare or vent in order to meet a 98% gas capture goal by 2026. The state also rolled out ozone rules estimated to eliminate up to 426,000 tons of methane emissions annually.

"The rules are a model for the nation and other states, complementing each other without conflicts," Lujan Grisham said.

Lujan Grisham signed an executive order in 2019 committing New Mexico—the second highest oil-producing state behind Texas—to reduce greenhouse gas emissions by 45% of 2005 levels by 2030. Oil and gas made up 53% of state emissions, according to a 2021 climate report.

Wyoming Gov. Mark Gordon (R), who also spoke at the hearing, disagreed with Lujan Grisham, saying states didn't need "additional layers of federal regulation" on methane.

Gordon voiced support for fossil fuels as a continued "essential component of energy consumption for years to come." He said the state should focus on exporting coal and would turn to nascent technologies carbon capture and hydrogen power to reduce greenhouse gas emissions.

To contact the reporter on this story: Zach Bright at zbright@bloombergindustry.com

To contact the editor responsible for this story: Renee Schoof at rschoof@bloombergindustry.com

Related Articles

New Mexico Rule Requires Oil, Gas Operators to Cut Emissions April 14, 2022, 3:42 (1)

New Mexico Oil and Gas to Face 98% Methane Capture Requirement

March 25, 2021, 11:26

AM

Topics

renewable energy
oil and gas exploration and extraction
exports
coal
hazardous air pollutant emission standards
carbon sequestration

© 2022 The Bureau of National Affairs, Inc. All Rights Reserved