

116TH CONGRESS
2D SESSION

S. 4523

To regulate large-scale emissions of methane and natural gas, and for other purposes.

IN THE SENATE OF THE UNITED STATES

AUGUST 12, 2020

Mr. MARKEY introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To regulate large-scale emissions of methane and natural gas, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Natural Gas Blowout
5 Prevention, Oversight, and Liability Act of 2020”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that—

8 (1) past oil and gas well blowouts, as well as
9 leaks that have released natural gas, have had dam-
10 aging consequences, including—

1 (A) the California Aliso Canyon gas leak in
2 2015, which—

3 (i) released 97,000 tons of methane
4 (the primary component of natural gas);
5 and

6 (ii) was the largest leak of
7 uncombusted natural gas in the history of
8 the United States, with a carbon footprint
9 larger than the Deepwater Horizon spill in
10 the Gulf of Mexico;

11 (B) the Ohio Schnegg C-7H gas blowout
12 in 2018, which released 60,000 tons of meth-
13 ane; and

14 (C) the Oklahoma Pryor Trust gas blowout
15 in 2018, which killed 5 workers;

16 (2) an estimated 40 well blowouts occur each
17 year in the United States, causing—

18 (A) environmental pollution;

19 (B) damaging releases of methane, an ex-
20 tremely potent greenhouse gas that contributes
21 to the warming climate; and

22 (C) occasional worker deaths and injuries;

23 (3) permitting and safety rules exist to prevent
24 blowouts and most blowouts are preventable, yet

1 there are still major incidents of natural gas well
2 blowouts;

3 (4) taxpayer money goes to paying for emer-
4 gency responses to natural gas well blowouts;

5 (5) there is no Federal record of oil and gas
6 well blowouts or of the causes of those blowouts,
7 which inhibits measures to prevent future blowouts;
8 and

9 (6) there is no mechanism at the Federal level
10 to deter well blowouts or to ensure that companies
11 are held responsible for those blowouts.

12 **SEC. 3. DEFINITIONS.**

13 In this Act:

14 (1) ADMINISTRATOR.—The term “Adminis-
15 trator” means the Administrator of the Environ-
16 mental Protection Agency.

17 (2) BLOWOUT.—The term “blowout” means the
18 loss of control of any well that leads to the release
19 of combusted or uncombusted natural gas into the
20 atmosphere.

21 (3) NATURAL GAS.—

22 (A) IN GENERAL.—The term “natural
23 gas” means a naturally occurring mixture of
24 hydrocarbon and nonhydrocarbon gases found
25 in geologic formations beneath the surface of

1 the Earth, of which the principal constituent is
2 methane.

3 (B) INCLUSIONS.—The term “natural gas”
4 includes—

5 (i) field natural gas and pipeline qual-
6 ity natural gas; and

7 (ii) similarly constituted fuels, such as
8 field gas, refinery gas, and syngas.

9 (4) OPERATOR.—

10 (A) IN GENERAL.—The term “operator”
11 means—

12 (i) if a permit is issued for the well or
13 the well is registered for the purpose of the
14 extraction of oil or gas, the person or enti-
15 ty designated as the well owner or oper-
16 ator, as applicable, on the application for
17 the permit or the registration, as applica-
18 ble; and

19 (ii) if no permit is issued for the well
20 or the well is not registered, the person or
21 entity that—

22 (I) locates, drills, operates, alters,
23 or plugs the well; or

1 (II) reconditions a well with the
2 purpose of production of oil or gas
3 from that well.

4 (B) INCLUSION.—The term “operator” in-
5 cludes a storage operator for a well, if the well
6 is used in connection with the underground
7 storage of gas.

8 (5) WELL.—The term “well” means any pro-
9 duction well, storage well, or injection well that is
10 used in the oil and gas industry.

11 **SEC. 4. BLOWOUT REPORTING AND FINES.**

12 (a) REPORTING.—

13 (1) IN GENERAL.—Subject to paragraph (2),
14 not later than 72 hours after a blowout occurs, the
15 operator of the well that undergoes the blowout shall
16 submit to the Administrator a report describing the
17 blowout, including the source of the blowout.

18 (2) ADDITIONAL REPORTING.—

19 (A) IN GENERAL.—The Administrator may
20 require a follow-up report after the conclusion
21 of a blowout for which a report is required to
22 be submitted under paragraph (1).

23 (B) INCLUSIONS.—In requiring a follow-up
24 report under subparagraph (A), the Adminis-

1 trator may require the inclusion of information
2 in that report, including—

- 3 (i) the cause of the blowout; and
4 (ii) methods by which the blowout
5 may have been prevented.

6 (3) DATABASE.—

7 (A) IN GENERAL.—The Administrator
8 shall establish and maintain a publicly acces-
9 sible database of—

- 10 (i) each blowout reported under para-
11 graph (1); and
12 (ii) any follow-up reports submitted to
13 the Administrator under paragraph (2).

14 (B) UPDATES.—The Administrator shall
15 update the database under subparagraph (A)
16 not less frequently than once every 180 days.

17 (b) FINES.—

18 (1) BLOWOUT.—

19 (A) BASE FINE AMOUNTS.—

- 20 (i) UNCOMBUSTED NATURAL GAS.—
21 Subject to subparagraphs (B)(i), (C), and
22 (D), in the case of a blowout consisting of
23 uncombusted natural gas, the Adminis-
24 trator shall fine the operator of the well
25 that undergoes the blowout \$5,900 for

1 each 100,000 standard cubic feet of
2 uncombusted natural gas that was released
3 as a result of the blowout.

4 (ii) COMBUSTED NATURAL GAS.—Sub-
5 ject to subparagraphs (B)(ii), (C), and
6 (D), in the case of a blowout of combusted
7 natural gas during which the natural gas
8 was flared, the Administrator shall fine the
9 operator of the well that undergoes the
10 blowout \$450 for each 100,000 standard
11 cubic feet of natural gas that was flared as
12 a result of the blowout.

13 (B) ADJUSTMENT.—

14 (i) UNCOMBUSTED NATURAL GAS.—
15 The Administrator may increase the
16 amount described in subparagraph (A)(i)
17 to not more than \$59,000 for each
18 100,000 standard cubic feet of
19 uncombusted natural gas that was released
20 as a result of the blowout.

21 (ii) COMBUSTED NATURAL GAS.—The
22 Administrator may increase the amount
23 described in subparagraph (A)(ii) to not
24 more than \$4,500 for each 100,000 stand-

1 ard cubic feet of natural gas that was
2 flared as a result of the blowout.

3 (C) GROSS NEGLIGENCE AND WILLFUL
4 MISCONDUCT.—If the Administrator determines
5 that a blowout of a well was a result of gross
6 negligence or willful misconduct on the part of
7 the operator of the well, the Administrator
8 shall, as applicable—

9 (i) increase the amount described in
10 subparagraph (A)(i) to not less than
11 \$59,000 for each 100,000 standard cubic
12 feet of uncombusted natural gas that was
13 released as a result of the blowout; and

14 (ii) increase the amount described in
15 subparagraph (A)(ii) to not less than
16 \$4,500 for each 100,000 standard cubic
17 feet of natural gas that was flared as a re-
18 sult of the blowout.

19 (D) DETERMINATION OF VOLUME.—

20 (i) IN GENERAL.—For purposes of as-
21 sessing a fine under subparagraph (A), the
22 Administrator shall obtain an estimate of
23 the volume of uncombusted natural gas
24 that was released or the volume of com-

1 busted natural gas that was flared, as ap-
2 plicable, as a result of a blowout.

3 (ii) SOURCE OF ESTIMATES.—The Ad-
4 ministrator may obtain an estimate de-
5 scribed in clause (i) from a relevant State
6 regulatory agency or the operator of the
7 well for which the fine is being assessed
8 under subparagraph (A).

9 (2) FAILURE TO FILE REPORT.—If an operator
10 fails to submit a report required under subsection
11 (a), in addition to the fine required under paragraph
12 (1), the Administrator shall fine the operator
13 \$100,000.

14 **SEC. 5. BLOWOUT PREVENTION AND RESPONSE PREPARA-**
15 **TION GRANT PROGRAM.**

16 (a) IN GENERAL.—The Administrator shall establish
17 a grant program for the purpose of providing grants to
18 eligible entities (which may include States, Indian Tribes,
19 and units of local government) for—

20 (1) reducing the scale and regularity of blow-
21 outs; and

22 (2) reducing the burden to States and units of
23 local government with respect to emergency re-
24 sponses to blowouts.

1 (b) USE OF FUNDS.—A grant received under sub-
2 section (a) may be used for—

3 (1) emergency response planning with respect
4 to blowouts;

5 (2) enforcement of well permitting require-
6 ments, requirements for well licenses, and other well
7 regulations;

8 (3) inspection of wells; and

9 (4) carrying out other activities to reduce the
10 regularity of blowouts.

11 (c) FUNDING.—

12 (1) IN GENERAL.—On October 1, 2021, and on
13 each October 1 thereafter, out of any funds in the
14 Treasury not otherwise appropriated, the Secretary
15 of the Treasury shall transfer to the Administrator
16 to carry out this section an amount equal to the sum
17 of all fines collected under section 4(b) during the
18 prior fiscal year.

19 (2) RECEIPT AND ACCEPTANCE.—The Adminis-
20 trator shall be entitled to receive, shall accept, and
21 shall use to carry out this section the funds trans-
22 ferred under paragraph (1), without further appro-
23 priation.

1 **SEC. 6. REPORT.**

2 Not later than 2 years after the date of enactment
3 of this Act, the Chemical Safety and Hazard Investigation
4 Board shall submit to the Committee on Environment and
5 Public Works of the Senate and the Committee on Energy
6 and Commerce of the House of Representatives a report—

7 (1) describing each blowout during the 10-year
8 period ending on the date of enactment of this Act;
9 and

10 (2) that includes recommendations for the re-
11 duction in the number of blowouts, including rec-
12 ommendations for protective well control practices.

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