Steps for Determining Waste Emissions Charge Applicability and Obligation

The steps below summarize how the Waste Emissions Charge (WEC) is calculated for WEC-obligated parties.

Step 1

Do you own or operate a facility that reports total GHG emissions of more than 25,000 metric tons of carbon dioxide equivalent (mt CO_2e) per year to subpart W?

Facilities that report under multiple subpart W industry segments must sum the CO_2e across all segments.

Yes. Go to Step 2

Step 2

Is your facility in one of the following subpart W industry segments?

- Onshore petroleum and natural gas production
- Onshore natural gas processing
- Underground natural gas storage
- Offshore petroleum and natural gas production
- Onshore natural gas transmission compression
- Liquified natural gas (LNG) import and export equipment
- Onshore petroleum and natural gas gathering and boosting
- Onshore natural gas transmission pipeline
- LNG storage

No. Your facility is not subject to the proposed WEC

Yes. You have a WEC applicable facility. Go to Step 3

Step 3

Calculate the **Waste Emissions Threshold** in metric tons (mt) of methane (CH_4) for your facility.

- If your facility is an onshore or offshore production facility that does not send any natural gas to sale, use the oil-basis threshold calculation. All other facilities must use the gas-basis threshold calculation.
- If your facility reports under multiple subpart W industry segments, perform this calculation uniquely for each industry segment and then sum the industry segment thresholds together to calculate the total Waste Emissions Threshold for the facility.
- Refer to Table 2 in the WEC Preamblefor the Facility Throughput definition and Methane Intensity Threshold for each industry segment.

Gas-basis threshold.
Facility throughput in calendar year (mscf)
× Methane Intensity Threshold x 0.192

Oil-basis threshold.
Facility throughput in calendar year (bbl)
× 10 ÷ 1,000,000

Step 4

Determine **Facility Methane Emissions**.
This equals a facility's reported subpart W methane emissions in metric tons CH_4.

If a facility reports under multiple subpart W industry segments, sum the reported subpart W methane emissions from each segment together.

Step 5

Calculate **Facility Applicable Emissions**.

Facility Applicable Emissions =
Facility Methane Emissions (Step 4 total)
– Waste Emissions Threshold (Step 3 total)

This value may be positive or negative.

Step 6

Calculate **WEC Applicable Emissions**.

Remove any exempted emissions.

For onshore and offshore production facilities:

WEC Applicable Emissions = Facility Applicable Emissions – Unreasonable delay in permitting exemption emissions – Plugged wells exemption emissions

The lowest possible WEC applicable emissions value for a facility with these exempted emissions is zero.

For facilities that qualify for the regulatory compliance exemption:

WEC Applicable Emissions = 0

For all other facilities:

WEC Applicable Emissions = Facility Applicable Emissions

Step 7

Calculate **Net WEC Emissions**.

If a WEC-obligated party has ownership or control of only a single facility:

Net WEC Emissions = WEC Applicable Emissions

If a WEC-obligated party has multiple facilities under common ownership or control:

Net WEC Emissions = Sum of WEC Applicable Emissions, for each facility under common ownership or control

Step 8

Calculate **WEC Obligation**.

If Net WEC Emissions are equal to or below zero, the WEC-obligated party does not owe any WEC.
If Net WEC Emissions are greater than zero, then the annual WEC amount is applied (e.g., $900/mt in 2024).

WEC Obligation = Net WEC Emissions × $900 [year 2024 example]

Table 1

Industry Segment	Facility Throughput	Industry Segment
Onshore petroleum and natural gas production	The quantity of natural gas produced from producing wells that is sent to sale , in thousand standard cubic feet (mscf); or the quantity of crude oil produced from producing wells that is sent to sale (barrels), if facility sends no natural gas to sale	0.20 percent; or 10 metric tons of methane per million barrels of oil, if facility sends no natural gas to sale
Offshore petroleum and natural gas production		
Onshore petroleum and natural gas gathering and boosting	The quantity of natural gas transported through the facility to a downstream endpoint in the calendar year (mscf)	0.05 percent
Onshore natural gas processing	The quantity of residue gas leaving that has been processed by the facility and any gas that passes through the facility to sale without being processed by the facility (mscf)	
Onshore natural gas transmission compression	The quantity of natural gas transported through the compressor station (mscf)	0.11 percent
Onshore natural gas transmission pipeline	The quantity of natural gas transported through the facility and transferred to third parties (mscf)	
Underground natural gas storage	The quantity of natural gas withdrawn from storage and sent to sale (mscf)	
LNG import and export equipment	For LNG import equipment, the quantity of LNG imported that is sent to sale (mscf); for LNG export equipment, the quantity of LNG exported that is sent to sale (mscf)	0.05 percent
LNG storage	The quantity of LNG withdrawn from storage and sent to sale (mscf)	