



Energy on Federal Lands

The bill would direct the Interior Department to award leases for wind generation and transmission in offshore areas in the Atlantic Ocean and the eastern Gulf of Mexico, as well in offshore areas near U.S. territories.

Revenue raisers and other provisions aimed at the oil and gas industry would:

- Increase leasing fees and royalty rates for onshore and offshore oil and gas extraction and charge annual fees for idled wells.
- Set the duration of initial onshore leases at five years.
- Prohibit the Interior Department from making oil and gas leases available without competitive bidding.
- Require a fee to be paid by anyone submitting an expression of interest for oil and gas exploration on federal lands.
- Require oil and gas lease owners to pay a bond before drilling starts to ensure that land and water resources that are affected are restored after the end of operations.
- Require royalties to be paid for methane that's used in the leased area or vented or flared, in addition to what's sent to market.
- Charge offshore pipeline owners annual fees based on the length of their pipeline systems.
- Establish an oil and gas leasing moratorium on the Atlantic and Pacific coasts and in the eastern Gulf of Mexico.
- Repeal a previous authorization for drilling in the coastal plain of the Arctic National Wildlife Refuge and void nine leases in the area issued this year.

The bill also would set the length of new coal leases at 10 years, or five years if commercial quantities aren't being produced.

Methane Fee: The measure would establish a fee on methane emissions from the oil and gas industry. It would apply to emissions from onshore and offshore production, processing,

transport, and storage operations that exceed thresholds for each segment of the industry as defined in the bill.

The fee would start at \$900 per ton of methane exceeding the relevant threshold in calendar year 2023. It would increase to \$1,200 per ton in 2024 and \$1,500 per ton for subsequent years.

The bill would provide \$775 million for Environmental Protection Agency costs to implement the fee, including for grants, loans, and other support for monitoring, compliance, and reducing emissions.