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Administrator Lee Zeldin
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue NW
Washington, DC 20460

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Taxpayers for Common Sense Comments on the Proposed Rule "Reconsideration of the Greenhouse Gas Reporting Program"

Dear Administrator Zeldin:

Taxpayers for Common Sense (TCS) appreciates the opportunity to comment on the Environmental Protection Agency's (EPA) proposed rule "Reconsideration of the Greenhouse Gas Reporting Program." Since 1995, TCS has served as a nonpartisan budget watchdog working to ensure federal policy serves the public, not special interests. Our work focuses on identifying and eliminating programs and policies that are both wasteful and harmful—subsidies to polluting industries, weapons systems that do not work, and perverse incentives that increase taxpayer and environmental risks.

TCS is deeply concerned by EPA's proposal to remove all greenhouse gas (GHG) reporting requirements for non-Subpart W sectors, eliminate reporting for the Natural Gas Systems segment of Subpart W, and suspend all remaining Subpart W reporting until Reporting Year 2034. The proposed rule would obscure the true costs and impacts of weather-related natural disasters which are increasing in frequency and severity, weaken transparency and accountability, and hinder effective stewardship of domestic energy resources. It would also compromise the integrity of major federal tax-credit programs—such as the Section 45Q Carbon Oxide Sequestration Credit and the Section 45V Clean Hydrogen Production Credit—by removing the data needed to verify claims and protect taxpayers.

EPA's Greenhouse Gas Reporting Program and Fiscal Implications

EPA's Greenhouse Gas Reporting Program (GHGRP) applies to large industrial facilities that emit more than 25,000 metric tons of carbon dioxide equivalent (CO_2e) per year, upstream suppliers of fossil fuels and industrial GHGs, and operators that capture and sequester

CO_2 to reduce emissions. EPA reports that about 8,200 facilities, suppliers, and CO_2 injection sites submit data each year.[1]

In the proposed rule, EPA estimates annual compliance costs for these covered facilities at roughly $303 million, including the oil and natural gas sector.[2] However, it would be incorrect to assume that eliminating these reporting requirements would save regulated entities $303 million a year without taking into account the far greater costs that would follow due to the loss of important GHGRP data.

Taxpayers and communities would lose access to publicly available data needed to assess GHG emissions levels from nearby facilities. Policymakers and regulators would no longer have the means to evaluate the need for or effectiveness of emissions-reduction policies and programs. There would be no way to quantify the revenue and economic losses from wasted methane—a potent greenhouse gas but also a valuable energy resource.

Companies that invested in reporting systems would face stranded costs and a patchwork of inconsistent state requirements in the absence of a comprehensive national reporting program. Taxpayers would face increased risks of paying billions of dollars in carbon capture and storage (CCS) and clean hydrogen tax credit claims without sufficient verification. The proposed rule would undermine the implementation of many federal, state, and local programs, potentially costing taxpayers billions of dollars.

Increased Frequency and Severity of Weather-Related Disasters Cost Taxpayers

EPA's GHGRP plays a critical role in understanding GHG emissions across economic sectors, which contribute to increasingly frequent and costly weather-related disasters. By systematically collecting emissions data from major sources, the program provides a robust foundation for assessing how various industries contribute to increased emissions. GHGRP enables policymakers and the public to identify emission trends, evaluate the effectiveness of reduction programs and policies, and hold companies receiving federal subsidies accountable for their performance. Without GHGRP to inform and evaluate these strategies, taxpayers are left shouldering the liabilities associated with higher emissions and have no meaningful way to reduce such liabilities over time.

Each year, taxpayers pay both the direct and hidden costs of damages from extreme weather events. From agriculture to defense to transportation, a changing climate

[1] 90 FR 44591
[2] Ibid.

affects the entire federal budget. On a cost-adjusted basis, billion-dollar disasters in the U.S. have risen from an average of 3.1 per year at $20.5 billion annually in the 1980s to 17.8 per year at $119.1 billion from 2018 to 2022.[3]

Federal disaster spending now exceeds the budgets of many federal agencies. Taxpayers spent more than $120 billion responding to 2017 disasters alone—more than the annual discretionary budget of every federal agency except the Pentagon.[4] Between 2018 and 2022, taxpayers spent an average of $62 billion annually on federal programs to combat and mitigate the impacts of climate change—an increase of $16 billion, or 35%, over the previous five-year average.

These costs will continue to grow. Federal crop insurance payments and emergency agricultural disaster bills will rise as more frequent and prolonged drought reduces productivity, depletes irrigation supplies, and expands the distribution and incidence of pests and diseases for crops and livestock.

Disaster spending is not the only fiscal impact of a changing climate. Future costs for mitigation and adaptation, while necessary, will be enormous. A three-foot sea level rise could threaten as many as 128 U.S. military bases worldwide, valued at roughly $100 billion. Taxpayers also face increased risks to national security, both through direct impacts on military infrastructure and worsening food and water shortages that can exacerbate conflict outside U.S. borders.

Taxpayers face additional financial exposure through federally backed mortgages. Floods, storms, and wildfires destroy property and displace people from their homes. The federal government, as a guarantor of both mortgages and mortgage-backed securities, is inevitably exposed to increased risk of mortgage defaults. Because the federal government guarantees roughly two-thirds of the mortgage market—through the Federal Housing Administration, Department of Veterans Affairs, USDA Rural Development, and the Government National Mortgage Association, as well as government-sponsored enterprises such as Fannie Mae and Freddie Mac[5]—it is increasingly vulnerable to climate-related losses in the housing sector.

Requiring covered facilities to disclose and report GHG emissions and maintaining a standardized national dataset are essential to understanding emission trends and mitigation strategies at both the facility and sector levels. Mitigating these emissions is one

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[3] National Oceanic and Atmospheric Administration (NOAA), "Billion-Dollar Weather and Climate Disasters," Accessed October 2025. https://www.ncei.noaa.gov/access/billions/

[4] TCS, "Paying the Price: Taxpayers Footing the Bill for Increasing Costs of Climate Change," June 2023. https://www.taxpayer.net/disaster/paying-the-price/

[5] Ibid.

of the few tools available to protect taxpayers from mounting disaster liabilities—an effort that depends on comprehensive, accurate emissions accounting. GHGRP data help evaluate the effectiveness of mitigation strategies and inform future policy decisions. EPA's proposal would severely hinder those efforts, exposing taxpayers to mounting costs and long-term fiscal risk.

Removing GHGRP Undermines Transparency and Accountability

Taxpayers are currently shouldering the costs of weather-related disasters, which are only expected to increase. The proposal to remove GHGRP would undermine the public's, policymakers', and watchdog organizations' ability to track a facility's or a sector's contribution to emissions. Removing transparency will hinder the public's understanding of what drives our emissions and where we can make reductions and force taxpayers to shoulder the financial burden created by emission-intensive industries.

Taxpayers have a vested interest in accessing information reported under GHGRP. The emissions of private companies have a direct impact on taxpayers and the federal budget. Private companies often receive public funds through federal subsidies and contracts, execute federally funded projects, and create financial liabilities that may strain public finances. Therefore, taxpayers have a right to know how their tax dollars may be supporting the operations of private companies that exacerbate the taxpayer costs and create long-term liabilities.

Removing GHGRP reporting would hinder the public's understanding of how companies and industries contribute to climate change. GHGRP is the only national, publicly accessible database of GHG emissions at the facility level, allowing taxpayers, stakeholders, and state, local and Tribal governments to assess and evaluate the impacts of these emissions in their communities. Without GHGRP, there would be little to no transparency, and watchdog organizations like TCS and others would have no means to account for how companies supported by federal dollars are increasing the financial burden felt by taxpayers. Transparency is key to maintaining public trust and ensuring industry accountability. Without knowledge of who contributes to our nation's emissions, policymakers cannot ensure that the responsible parties—rather than taxpayers—bear the costs of their impact on communities and individuals.

GHGRP can also help foster greater industry accountability even without promulgating additional regulations. With GHGRP data, the public can track companies' progress toward meeting publicly disclosed emissions targets and hold them accountable to those commitments. Investors rely on detailed information on a company's emissions to evaluate how that company is addressing climate-related risks and to make informed

investment decisions. Without access to reliable emissions information, companies cannot be held accountable for the emissions-reduction pledges they have made or assessed for the effectiveness of their mitigation strategies. Eliminating this data would undermine their credibility, investor confidence, and public trust.

Methane Waste Costs Taxpayers

Subpart W is essential for understanding and addressing methane emissions from the oil and gas sector, the largest industrial source of methane in the U.S. EPA's proposal would suspend all GHG reporting for every Subpart W segment except Natural Gas Distribution until Reporting Year 2034. This suspension would deprive taxpayers and communities of the information needed to evaluate methane emissions from the petroleum and natural gas industry and to assess whether public resources are being used responsibly. Accurate data from Subpart W enables the EPA to shape and implement effective performance standards and identify cost-effective ways to cut emissions from oil and gas facilities.

With global warming potential roughly 80 times greater than carbon dioxide over the first 20 years it remains in the atmosphere, methane poses not only environmental but also fiscal risks. Every cubic foot of natural gas flared, vented, or leaked during production is a valuable product lost, revenue forgone, and liability shifted onto taxpayers.

Methane waste from oil and gas operations has been a persistent and costly problem. According to the Energy Information Administration (EIA), operators vented or flared about 3,170 billion cubic feet (bcf) of natural gas nationwide between FY2012 and FY2021.[6] On federal lands alone, 300 bcf was released.[7] That gas could have powered more than 3.2 million households for one year, with a market value of nearly $950 million.[8] The 300 bcf figure is likely conservative because Interior data are self-reported by operators. A 2019 study by TCS and the Environmental Defense Fund found that satellite data indicated roughly 163 bcf of natural gas was vented, flared, and leaked on federal and tribal lands in just that year— worth roughly $509 million and enough to meet the annual energy needs of 2.2 million households.[9]

This waste also translates directly into lost public revenue. Natural-gas production on federal lands is subject to a 12.5 percent royalty. Taxpayers should have received roughly

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[6] U.S. Energy Information Administration, "Natural Gas Gross Withdrawals and Production Data," 2022. https://www.eia.gov/dnav/ng/ng_prod_sum_dc_nus_mmcf_m.htm

[7] TCS, "Gas Giveaways II: Methane Waste on Federal Lands is Business as Usual," August 2022. https://www.taxpayer.net/energy-natural-resources/gas-giveaways-ii-methane-waste-on-federal-lands-is-business-as-usual/

[8] Ibid.

[9] TCS and EDF, "Onshore Oil and Natural Gas Operations on Federal and Tribal Lands in the United States," January 2023. https://www.taxpayer.net/wp-content/uploads/2023/01/EDF-TCS_Public_Lands_Analysis.pdf

$119 million in royalties from wasted gas between FY2012 and FY2021, but the Office of Natural Resources Revenue collected only $43 million—about one-third of what was due.[10] The 2019 TCS/EDF study likewise found that flaring on federal and tribal lands that year deprived taxpayers of an estimated $64 million in federal, tribal, and state royalties.[11]

Beyond lost royalties, methane waste drives climate-related disasters, health costs, and safety risks for nearby communities—costs that taxpayers absorb through disaster aid, health-care spending, and infrastructure repairs.

The recently enacted FY2025 budget-reconciliation law postponed implementation of the methane waste emissions charge, which applies to facilities in all Subpart W segments except natural gas distribution. This delay will cost taxpayers about $7.2 billion in projected revenue through 2034. If EPA suspends Subpart W reporting on top of this, taxpayers and communities will lose the means to quantify wasted resources and enforce accountability.

Methane waste is more than an environmental issue. When companies vent, flare, or leak gas into the air, taxpayers lose—first through wasted product, then through lost royalties, and again through the ballooning costs of natural disasters and public health impacts.

GHGRP Aids Implementation of Tax Credits

The EPA GHGRP also serves as the bedrock of many federal, state, and local programs and initiatives. Various states, Tribes, and local governments, as well as industry and the public, use GHGRP to track, inform, and evaluate policies and strategies regarding potential reductions of GHG emissions. For example, several states use emissions estimation, reporting methodologies, and data from GHGRP to develop or supplement state-level GHG emissions inventory programs. Local governments and communities draw from GHGRP to track nearby polluters. The Treasury and Internal Revenue Service (IRS) rely on it to issue regulations implementing federal energy tax credits.

Ending the GHGRP would severely delay and obstruct the implementation of these federal and non-federal policies and programs. In particular, the proposal would minimize federal oversight of related energy programs and subsidies such as Section 45Q Carbon Oxide Sequestration Credit and Section 45V Clean Hydrogen Production Credit, leaving the public and stakeholders with no means to verify taxpayer dollars are being spent without waste, fraud, and abuse.

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[10] TCS, "Gas Giveaways II: Methane Waste on Federal Lands is Business as Usual," August 2022. https://www.taxpayer.net/energy-natural-resources/gas-giveaways-ii-methane-waste-on-federal-lands-is-business-as-usual/

[11] TCS and EDF, "Onshore Oil and Natural Gas Operations on Federal and Tribal Lands in the United States," January 2023. https://www.taxpayer.net/wp-content/uploads/2023/01/EDF-TCS_Public_Lands_Analysis.pdf

Treasury and the IRS rely on EPA GHGRP to implement the 45Q carbon capture credit and the 45V hydrogen production credit. Section 45Q of the Internal Revenue Code (IRC) makes specific reference to the monitoring, review, and verification plans and geologic sequestration data under GHGRP Subpart RR, which apply to facilities that inject CO_2 for underground storage.[12] IRS final rules on the 45V credit use emissions data from GHGRP Subpart W to calculate the GHG intensity of the hydrogen produced and the corresponding credit amount.[13]

These tax credits are particularly vulnerable to waste and abuse without a robust reporting and verification system. Weak oversight invites abuse and 45Q has already been plagued by problems. In 2020, an IRS review identified 672 taxpayers who claimed 45Q tax credits between 2010 and 2019, totaling over $1 billion. In an audit examining discrepancies between the amount of sequestered carbon claimed under 45Q versus the amount reported to the EPA, the IRS focused efforts on 10 taxpayers who claimed over $1 million each, accounting for 99.9% of all the credits.[14] It was discovered that $893,935,025 worth of credits were claimed by these 10 taxpayers without complying with the EPA's reporting requirements. These 10 taxpayers failed to document whether the carbon they claimed to capture remained securely underground.

Ending EPA's GHGRP would significantly undermine the implementation and integrity of the 45Q tax credit for carbon capture and storage.

The 2021 IRS rules on 45Q clarify requirements to prove "secure storage" to claim 45Q for facilities that inject and store carbon in underground rock formations (geological sequestration) and those that inject carbon to recover more oil from depleted wells and store carbon as part of their oil recovery operations. IRS requires geological sequestration facilities to report data to Subpart RR of GHGRP and have EPA-approved monitoring, reporting, and verification (MRV) plans to demonstrate "secure storage." The IRS also gives enhanced oil recovery facilities the additional option to report data and prove "secure storage" using the International Organization for Standardization (ISO) standard for carbon dioxide capture, transportation, and geological storage (CSA/ANSI ISO 27916:2019) instead but does not require such data to be publicly available. The EPA updated rules in 2024 and addressed this data gap—now enhanced oil recovery facilities must report under GHGRP Subpart VV regardless of which reporting standard they use, and the data are publicly accessible through EPA's website.

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[12] 86 FR 4728

[13] 90 FR 2224

[14] Inspector General for Tax Administration, April 15, 2020. https://www.menendez.senate.gov/imo/media/doc/TIGTA%20IRC%2045Q%20Response%20Letter%20FINAL%2004-15-2020.pdf

Given the heavy reliance on EPA data to determine eligibility and verify compliance of 45Q claims, the IRS would be unable to administer 45Q credits accurately in the absence of GHGRP, especially for facilities that store carbon through geological sequestration. With no IRS announcement to halt the administration of 45Q or promulgate new rules to address the verification and compliance gap, EPA's proposal to repeal GHGRP risks fraud and abuse and jeopardizes billions of taxpayer dollars.

The fiscal risks of 45Q to federal taxpayers are further exacerbated by recent expansions of the credit. The Inflation Reduction Act (IRA) increased the maximum credit amount, extended the credit through the end of 2032, and lowered the minimum capture thresholds. The One Big Beautiful Bill Act (OBBBA) raised the credit value for enhanced oil recovery and other uses to match the maximum $180-per-ton rate previously reserved for geological sequestration. Following the IRA expansion, 45Q is estimated to cost taxpayers over $36 billion over the next ten years,[15] and the OBBBA expansion is projected to cost an additional $14 billion on top.[16]

There are still insufficiencies in relying on EPA GHGRP to provide enough assurance for verifying 45Q claims. EPA GHGRP is intended to monitor total GHG emissions, not to be used for 45Q tax credit enforcement. For example, even though GHGRP data reported to claim 45Q are publicly available, they do not provide enough information to verify the actual amount eligible for the credit because EPA requires reporting of aggregate volumes of sequestered carbon, but not the sources or quantities of carbon received for injection, which may include carbon from sources that are ineligible for the 45Q credit.

Although the GHGRP is not perfect, eliminating it will shake the foundation of the 45Q program, increase the risk of fraud and abuse, and further undermine public confidence.

GHGRP Repeal Creates Regulatory Uncertainty and Costs Businesses and Investors

Establishing a replacement for the GHGRP would be a major financial and administrative challenge. The costs of creating separate reporting systems or relying on third-party verification could exceed the current costs of GHGRP compliance. Any potential savings from eliminating GHGRP reporting would likely be outweighed by the costs incurred to comply with inconsistent state programs or international reporting requirements.

Eliminating GHGRP would also penalize companies that have already invested in the systems and personnel needed to meet its reporting requirements. Companies that acted

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[15] U.S. Department of Treasury, "Tax Expenditures." https://home.treasury.gov/system/files/131/Tax-Expenditures-FY2025.pdf

[16] Joint Committee on Taxation (JCT), "Estimated Revenue Effects Relative To The Present Law Baseline Of The Tax Provisions In "Title VII – Finance" Of The Substitute Legislation As Passed By The Senate To Provide For Reconciliation Of The Fiscal Year 2025 Budget," JCX-35-25. https://www.jct.gov/publications/2025/jcx-35-25/

in good faith to comply would be left with stranded costs, while competitors that did not invest in comparable infrastructure could benefit from reduced transparency and accountability.

Repeal would create regulatory uncertainty that discourages long-term planning and investment. Without a consistent national reporting framework, firms would face a patchwork of state and international systems, and the administrative burden of duplicative or conflicting requirements would rise. EPA estimates this repeal would reduce industry reporting costs by roughly $303 million annually but does not estimate the costs of transition or data loss. In practice, the absence of a standardized federal system would create greater administrative expenses, uncertainty, and market confusion.

Investors and insurers rely on GHGRP data to assess companies' exposure to climate and regulatory risks. Eliminating the program would deprive markets of reliable, facility-level data, reducing confidence in corporate disclosures and impairing the ability to evaluate risk accurately. The resulting uncertainty could ripple through supply chains and financial markets, ultimately increasing costs for businesses, consumers, and taxpayers alike.

Conclusion

Taxpayers for Common Sense opposes EPA's proposed rule because it undermines public trust, fiscal responsibility, and transparency. Repealing the GHGRP would dismantle the only comprehensive, facility-level dataset of greenhouse gas emissions in the U.S. It would also erode oversight of federal tax credits, weaken accountability for industry, and expose taxpayers to billions of dollars in preventable costs.

As stewards of taxpayer interests, TCS urges EPA to withdraw the proposal and maintain the GHGRP as an essential tool for transparency, accountability, and sound fiscal governance.

Thank you for the opportunity to submit comments and for your consideration. We look forward to continued engagement on these important issues.

Sincerely,

President, Taxpayers for Common Sense