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

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,e) per year to subpart W?

Facilities that report under multiple subpart W industry segments must sum the CO,e across all segments.

Yes. Go to Step 2

Step

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 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 (CH₁) 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.

Step

Gas-basis threshold.

Facility throughput in calendar year (mscf) × Methane Intensity Threshold x 0.0192

Oil-basis threshold.

Facility throughput in calendar year (bbl) \times 10 ÷ 1,000,000

Determine Facility Methane Emissions.

This equals a facility's reported subpart W methane emissions in metric tons CH₁.

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

Step

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

Calculate WEC Applicable Emissions.

If Facility Applicable Emissions are positive, remove any exempted emissions.

For onshore and offshore production facilities:

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

For underground storage facilities:

WEC Applicable Emissions = Facility Applicable Emissions

 Regulatory compliance exemption emissions – Plugged well exemption emissions.

For other facilities that qualify for the regulatory compliance exemption:

WEC Applicable Emissions = Facility Applicable Emissions – Regulatory compliance

exemption emissions.

WEC Applicable Emissions = Facility Applicable Emissions.

For facilities without

exemptions:

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

Step

Calculate **Net WEC Emissions**.

Sum WEC Applicable Emissions across all of a WEC-obligated party's WEC applicable facilities.

Step

Net WEC Emissions After Transfers

For WEC-obligated parties with the same parent company, WEC-obligated parties with negative net WEC emissions may transfer those negative emissions to WEC-obligated parties with positive net WEC emissions.

Calculate WEC Obligation.

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

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