

PIOGA at the Table: Legislative and Regulatory Issues Continue to Develop



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Pennsylvania Independent
Oil & Gas Association

This update highlights key legislative and regulatory issues discussed during PIOGA's early October Legislative Committee meeting that the association continues to monitor on behalf of Pennsylvania's oil and natural gas industry.

With Pennsylvania lawmakers entering the final weeks of the 2025–2026 legislative session, several important issues affecting the state's oil and natural gas industry remain unresolved. During PIOGA's October 1 Legislative Committee meeting, Executive Director Dan Weaver, Todd Pappasergi and Chris Lammando of Gmerek Government Relations provided updates on the latest developments involving methane regulations, distributed generation, net metering and activity in Harrisburg.

While progress on some legislative priorities has slowed, PIOGA continues working with lawmakers, regulators and industry partners to protect the interests of Pennsylvania's oil and natural gas producers.

Federal Methane Regulations: Still Waiting on EPA - One of the biggest regulatory issues facing Pennsylvania's conventional oil and gas producers remains EPA's reconsideration of its OOOOC methane regulations. According to Pappasergi, industry representatives recently met with the U.S. Small Business Administration and the Office of Management and Budget, both of which are involved in reviewing the proposed reconsideration rule. The industry is hopeful that a preliminary version of the rule will be released sometime in October, with the administration working toward publication in the Federal Register before Christmas.

Although no draft had been available for review at the time of the meeting, discussions suggest the revised regulations could provide some relief for marginal and stripper wells.

The big question is how much relief. One possibility being discussed is an exemption for wells producing less than 15 barrels of oil equivalent per day. However, until EPA releases the proposed language, there is no way to know what the final approach might look like. In the meantime, PIOGA continues participating in discussions at both the federal and state levels to ensure the economic realities of conventional production are considered.

Working with DEP on Conventional Well Regulations - Closer to home, PIOGA is continuing discussions with the Pennsylvania Department of Environmental Protection (DEP) as the Commonwealth prepares for potential changes to its methane regulatory program. Weaver and Pappasergi recently participated in a planning call with DEP officials regarding a proposed conventional producer roundtable at the Drake Well Museum. Originally expected in October, the meeting is now anticipated in early November. The purpose of the roundtable is to give DEP a better understanding of conventional oil and gas operations throughout Pennsylvania.

DEP is particularly interested in learning more about different well configurations, equipment and operating practices, including issues involving associated gas, flaring and venting. For PIOGA, this presents an opportunity to help regulators better understand the differences between conventional operations and larger unconventional production facilities.

However, protecting operators and the information they provide remains an important part of those discussions. PIOGA has proposed serving as a clearinghouse for information submitted by producers. Under this approach, operators could provide examples of their well sites to PIOGA, which could then remove identifying information where appropriate before sharing it with DEP. This would allow regulators to better understand the industry's operations without requiring individual producers to directly submit potentially sensitive information. Committee members emphasized the importance of ensuring information shared for regulatory development is not later used for targeted enforcement.

While many questions remain, recent discussions with DEP have been more cooperative, providing an opportunity for PIOGA and its members to help shape regulations before they are finalized.

Distributed Generation and Net Metering: Progress Stalls in Harrisburg - Efforts to update Pennsylvania's Alternative Energy Portfolio Standards (AEPS) and netmetering policies have encountered another setback. During the October 1 meeting, Pappasergi reported that Representative Elizabeth Fiedler had withdrawn House Bill

2349 from consideration, effectively ending the bill's chances of advancing during the current legislative session. The legislation had been part of broader efforts to address distributed generation and net-metering policies, including opportunities for natural gas-powered generation. A separate AEPS-related bill did pass the House. However, that legislation primarily addresses the timeframe in which electric distribution companies must respond to interconnection requests.

Proposed amendments that would have changed compensation and other AEPS provisions were not adopted. Although the broader reform effort has stalled, PIOGA is continuing to monitor the remaining legislation closely. With only a limited number of voting days remaining, there is still an opportunity for additional amendments as bills move through the Senate. That is particularly important because changes to net-metering compensation could directly affect the financial viability of existing and future distributed-generation projects.

For now, Pennsylvania's current AEPS law remains unchanged. While significant reform appears unlikely before the end of the year, PIOGA expects the issue to remain part of the legislative conversation in 2027.

Court Decisions Could Also Affect Distributed Generation - Legislative activity is not the only concern surrounding distributed generation. Several ongoing proceedings before the Pennsylvania Public Utility Commission (PUC) and the courts could affect how distributed-generation projects are compensated.

During the meeting, committee members discussed the UGI matter and other pending utility cases, including proceedings involving FirstEnergy. Depending on the outcome, these decisions could affect the profitability of projects that generate electricity for local use or delivery to the grid. PIOGA continues evaluating opportunities to participate in these cases, including potentially submitting an amicus curiae, or friend-of-the-court, brief if the FirstEnergy matter advances to Commonwealth Court. Rather than independently intervening at the initial stage of the proceedings, which would involve significant legal costs, PIOGA has focused on opportunities to support legal arguments already being advanced by other distributed-generation interests.

The association continues to view legislative reform as the preferred long-term solution for providing greater certainty to producers and businesses investing in distributed energy projects.

A Busy Finish to Pennsylvania's Legislative Session - According to Lammando, legislative activity is increasing as lawmakers approach the November election and the November 30 end of session. Legislation not enacted by that deadline must be reintroduced in 2027. With several key issues unresolved, PIOGA continues monitoring legislation involving energy costs, distributed generation and net metering. Election results could also influence legislative priorities in the new year.

Staying at the Table - Although some of the industry's legislative priorities may not advance before the end of the year, PIOGA's work is far from finished. From federal methane regulations and discussions with DEP to distributed generation and activity in Harrisburg, the association continues advocating for policies that recognize the realities of producing oil and natural gas in Pennsylvania.

The coming months could bring important developments, particularly as EPA moves closer to releasing its reconsidered methane regulations and Pennsylvania prepares for a new legislative session. PIOGA will continue working with members, lawmakers, regulators and industry partners to make sure Pennsylvania's oil and gas producers have a voice in the decisions that affect their operations and their future. PIOGA remains committed to working with lawmakers, regulators and industry partners to ensure Pennsylvania's oil and natural gas industry has a voice in decisions affecting its future.

This information came from pioga.org website.

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