

# HOUSE BILL No. 6540

September 20, 2006, Introduced by Reps. Kolb, Lipsey, Alma Smith, Tobocman and Plakas and referred to the Committee on Natural Resources, Great Lakes, Land Use, and Environment.

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," (MCL 324.101 to 324.90106) by adding part 56.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 PART 56. GREENHOUSE GAS EMISSION REPORTING

2 SEC. 5601. AS USED IN THIS PART:

3 (A) "CARBON DIOXIDE EQUIVALENTS" MEANS THE AMOUNT OF EACH GHG  
4 THAT MAKES THE SAME CONTRIBUTION TO GLOBAL WARMING AS 1 METRIC TON  
5 OF CARBON DIOXIDE, AS DETERMINED BY THE DEPARTMENT.

6 (B) "CLEAN AIR ACT" MEANS THAT TERM AS DEFINED IN SECTION  
7 5501.

8 (C) "DEPARTMENT" MEANS THE DEPARTMENT OF ENVIRONMENTAL  
9 QUALITY.

1 (D) "DIRECT GHG EMISSIONS" MEANS GREENHOUSE GAS EMISSIONS  
2 RELEASED FROM A MANDATORY REPORTING FACILITY OR A FACILITY THAT IS  
3 OWNED OR OPERATED BY A PERSON SUBMITTING INFORMATION UNDER THIS  
4 PART.

5 (E) "DIRECTOR" MEANS THE DIRECTOR OF THE DEPARTMENT.

6 (F) "FACILITY" MEANS ALL BUILDINGS, STRUCTURES, OR  
7 INSTALLATIONS OWNED OR OPERATED BY A PERSON AND LOCATED ON ANY 1 OR  
8 MORE CONTIGUOUS OR ADJACENT PARCELS OF PROPERTY.

9 (G) "GHG DATABASE" MEANS A RECORD OF GHG EMISSIONS REPORTED BY  
10 MANDATORY REPORTING FACILITIES AND ESTABLISHED UNDER SECTION 5605.

11 (H) "GHG EMISSIONS" INCLUDES ALL OF THE FOLLOWING EMISSIONS OF  
12 A GREENHOUSE GAS:

13 (i) STATIONARY COMBUSTION SOURCE EMISSIONS, WHICH ARE EMITTED  
14 AS A RESULT OF COMBUSTION OF FUELS IN STATIONARY EQUIPMENT SUCH AS  
15 BOILERS, FURNACES, BURNERS, TURBINES, HEATERS, INCINERATORS,  
16 ENGINES, FLARES, AND OTHER SIMILAR SOURCES.

17 (ii) PROCESS EMISSIONS, WHICH CONSIST OF EMISSIONS FROM  
18 CHEMICAL OR PHYSICAL PROCESSES OTHER THAN COMBUSTION.

19 (iii) FUGITIVE EMISSIONS, WHICH CONSIST OF INTENTIONAL AND  
20 UNINTENTIONAL EMISSIONS FROM EQUIPMENT LEAKS SUCH AS JOINTS, SEALS,  
21 PACKING, AND GASKETS OR FROM PILES, PITS, COOLING TOWERS, AND OTHER  
22 SIMILAR SOURCES.

23 (I) "GREENHOUSE GAS" OR "GHG" MEANS THE GASEOUS FORM OF CARBON  
24 DIOXIDE, METHANE, NITROUS OXIDE, HYDROFLUOROCARBONS,  
25 PERFLUOROCARBONS, OR SULFUR HEXAFLUORIDE.

26 (J) "MANDATORY REPORTING FACILITY" MEANS A FACILITY TO WHICH  
27 EITHER OR BOTH OF THE FOLLOWING APPLY:

1           (i) DURING THE PRECEDING CALENDAR YEAR, THE FACILITY OR ANY  
2 PART THEREOF WAS REQUIRED TO REPORT INFORMATION ON ANY OF ITS AIR  
3 EMISSIONS TO THE DEPARTMENT UNDER PART 55 OR TO THE UNITED STATES  
4 ENVIRONMENTAL PROTECTION AGENCY UNDER THE CLEAN AIR ACT.

5           (ii) DURING THE PRECEDING CALENDAR YEAR, THE FACILITY OR ANY  
6 PART THEREOF HAD GHG EMISSIONS OF MORE THAN 10,000 METRIC TONS,  
7 MEASURED IN CARBON DIOXIDE EQUIVALENTS.

8           SEC. 5603. (1) NOT LATER THAN JULY 1 OF EACH CALENDAR YEAR,  
9 BEGINNING IN 2007, EACH MANDATORY REPORTING FACILITY SHALL SUBMIT  
10 TO THE DEPARTMENT A REPORT THAT STATES, FOR THE PRECEDING CALENDAR  
11 YEAR, THE MANDATORY REPORTING FACILITY'S GHG EMISSIONS, EXPRESSED  
12 IN UNITS OF CARBON DIOXIDE EQUIVALENTS.

13           (2) UPON ESTABLISHMENT OF THE GHG DATABASE, ANY PERSON MAY  
14 SUBMIT TO THE DEPARTMENT A REPORT THAT STATES THE TOTAL EMISSIONS  
15 OF THE PERSON FOR YEARS AFTER 1990 FOR WHICH THERE IS VERIFIABLE  
16 INFORMATION.

17           SEC. 5605. (1) THE DEPARTMENT, IN CONSULTATION WITH PRIVATE  
18 BUSINESSES AND NONGOVERNMENTAL ORGANIZATIONS, SHALL ESTABLISH,  
19 OPERATE, AND MAINTAIN A GREENHOUSE GAS DATABASE, TO COLLECT,  
20 VERIFY, RECORD, AND ANALYZE INFORMATION ON GHG EMISSIONS AND TO  
21 ESTABLISH BASELINES FOR MANDATORY REPORTING FACILITIES AGAINST  
22 WHICH ANY FUTURE FEDERAL OR STATE GHG EMISSIONS REDUCTION  
23 REQUIREMENTS MAY BE APPLIED.

24           (2) BEFORE INCLUDING ANY INFORMATION REPORTED TO THE  
25 DEPARTMENT IN THE DATABASE, THE DEPARTMENT SHALL VERIFY THE  
26 COMPLETENESS, CONSISTENCY, AND ACCURACY OF THE INFORMATION IN  
27 CONFORMANCE WITH THE RULES PROMULGATED UNDER SECTION 5607.

1           (3) THE DEPARTMENT SHALL PUBLISH THE GHG DATABASE FOR  
2 DISTRIBUTION TO THE PUBLIC AND POST THE GHG DATABASE ON ITS  
3 WEBSITE, EXCEPT FOR INFORMATION TO WHICH 1 OR MORE OF THE FOLLOWING  
4 APPLY, AS DETERMINED BY THE DEPARTMENT:

5           (A) DISCLOSURE OF THE INFORMATION POSES A RISK TO NATIONAL  
6 SECURITY.

7           (B) THE INFORMATION IS CONFIDENTIAL BUSINESS INFORMATION THE  
8 DISCLOSURE OF WHICH WOULD CAUSE COMPETITIVE HARM AND CANNOT BE  
9 DERIVED FROM INFORMATION THAT IS OTHERWISE PUBLICLY AVAILABLE.

10           SEC. 5607. (1) THE DEPARTMENT SHALL PROMULGATE RULES TO  
11 ESTABLISH METHODS AND PROCEDURES FOR ALL OF THE FOLLOWING:

12           (A) REPORTING INFORMATION TO THE GHG DATABASE.

13           (B) CALCULATING, ESTIMATING, OR OTHERWISE QUANTIFYING DIRECT  
14 GHG EMISSIONS AND ANY OTHER GHG EMISSIONS THAT THE DEPARTMENT  
15 DETERMINES MAY BE REPORTED TO THE GHG DATABASE.

16           (C) VERIFYING INFORMATION REPORTED TO THE DATABASE.

17           (D) DETERMINING THAT A PARTICULAR FACILITY IS A MANDATORY  
18 REPORTING FACILITY.

19           (E) COMPLYING WITH THE REQUIREMENTS OF SECTION 5605(3).

20           (F) MINIMIZING THE COST, INCONVENIENCE, AND GENERAL BURDEN OF  
21 REPORTING ON THE MANDATORY REPORTING FACILITIES.

22           (G) GENERAL SUPERVISION AND ADMINISTRATION OF THIS PART.

23           (2) WITHIN 6 MONTHS AFTER THE EFFECTIVE DATE OF THIS PART, THE  
24 DEPARTMENT SHALL SUBMIT RULES PROPOSED UNDER SUBSECTION (1) FOR A  
25 PUBLIC HEARING PURSUANT TO THE ADMINISTRATIVE PROCEDURES ACT OF  
26 1969, 1969 PA 306, MCL 24.201 TO 24.328.

27           SEC. 5609. (1) AN INDIVIDUAL WHO VIOLATES THIS PART OR A RULE

1 PROMULGATED UNDER THIS PART IS GUILTY OF A MISDEMEANOR PUNISHABLE  
2 BY IMPRISONMENT FOR NOT MORE THAN 90 DAYS OR A FINE OF NOT MORE  
3 THAN \$500.00, OR BOTH.

4 (2) A PERSON, OTHER THAN AN INDIVIDUAL, THAT VIOLATES THIS  
5 PART OR A RULE PROMULGATED UNDER THIS PART IS GUILTY OF A FELONY  
6 PUNISHABLE BY IMPRISONMENT FOR NOT MORE THAN 4 YEARS OR A FINE OF  
7 NOT MORE THAN \$5,000.00, OR BOTH.

8 (3) THE DIRECTOR, AFTER NOTICE AND AN OPPORTUNITY FOR A  
9 HEARING, MAY IMPOSE UPON A PERSON THAT VIOLATES THIS PART OR A RULE  
10 PROMULGATED UNDER THIS PART AN ADMINISTRATIVE FINE OF NOT MORE THAN  
11 \$2,000.00 OR, FOR A VIOLATION COMMITTED AFTER A CONVICTION OR  
12 ADMINISTRATIVE DETERMINATION OF A FIRST VIOLATION, AN  
13 ADMINISTRATIVE FINE OF NOT MORE THAN \$4,000.00.