

HOUSE BILL No. 5975

October 19, 2016, Introduced by Reps. Irwin and Sarah Roberts and referred to the Committee on Energy Policy.

A bill to amend 1994 PA 451, entitled
"Natural resources and environmental protection act,"
(MCL 324.101 to 324.90106) by adding section 61506e.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 61506E. (1) AS USED IN THIS SECTION:

2 (A) "COMPRESSOR" MEANS A RECIPROCATING COMPRESSOR THAT IS
3 LOCATED BETWEEN THE WELLHEAD AND THE POINT OF CUSTODY TRANSFER TO
4 NATURAL GAS TRANSMISSION AND STORAGE OPERATIONS.

5 (B) "LEAK" MEANS AN EMISSION OF A RELEVANT GAS INTO THE AIR AT
6 A CONCENTRATION ABOVE THE FOLLOWING, FOR A WELL OR COMPRESSOR
7 STATION THE CONSTRUCTION OF WHICH COMMENCED BEFORE THE DATE RULES
8 ARE PROMULGATED UNDER SUBSECTION (5), OR ABOVE THE GREATER OF THE
9 BASELINE LEVEL DETERMINED UNDER SUBSECTION (2) AND THE FOLLOWING
10 FOR ANY OTHER WELL OR COMPRESSOR STATION:

11 (i) THE MINIMAL RISK LEVEL FOR THAT RELEVANT GAS SET BY THE

1 AGENCY FOR TOXIC SUBSTANCES AND DISEASE REGISTRY OF THE UNITED
2 STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES UNDER 42 USC
3 9604 (I) (3) .

4 (ii) FOR METHANE, IF THERE IS NO MINIMAL RISK LEVEL SET AS
5 DESCRIBED BY SUBPARAGRAPH (i) , 500 PARTS PER MILLION.

6 (iii) FOR A RELEVANT GAS OTHER THAN METHANE FOR WHICH THERE IS
7 NO MINIMAL RISK LEVEL SET AS DESCRIBED BY SUBPARAGRAPH (i) , A LEVEL
8 DETERMINED BY THE SUPERVISOR, AFTER CONSULTATION WITH THE
9 DEPARTMENT OF HEALTH AND HUMAN SERVICES, BASED ON FACTORS SIMILAR
10 TO THOSE USED TO ESTABLISH MINIMAL RISK LEVELS DESCRIBED IN
11 SUBPARAGRAPH (i) .

12 (C) "RELEVANT GAS" MEANS ANY OF THE FOLLOWING:

13 (i) HYDROGEN SULFIDE .

14 (ii) VOLATILE ORGANIC COMPOUNDS, INCLUDING, BUT NOT LIMITED
15 TO, FORMALDEHYDE, HEXANE, BENZENE, XYLENES, AND TOLUENE.

16 (iii) OTHER GASES AS DETERMINED BY THE SUPERVISOR, AFTER
17 CONSULTATION WITH THE DEPARTMENT OF HEALTH AND HUMAN SERVICES,
18 BASED ON HUMAN HEALTH RISKS AND ON THE LIKELIHOOD OF THE GAS BEING
19 GENERATED IN CONJUNCTION WITH OIL AND GAS OPERATIONS.

20 (D) "WELL" MEANS AN OIL OR GAS WELL. FOR THE PURPOSES OF THIS
21 SECTION, A WELLHEAD ALONE IS NOT A WELL.

22 (2) SUBJECT TO SUBSECTION (5), BEFORE COMMENCING CONSTRUCTION
23 OF A WELL OR COMPRESSOR STATION, THE OPERATOR SHALL TEST THE AIR TO
24 DETERMINE BASELINE LEVELS OF RELEVANT GASES AND REPORT THOSE LEVELS
25 TO THE SUPERVISOR. IF A WELL IS IN PRODUCTION OR A COMPRESSOR
26 STATION IS IN OPERATION, THE OPERATOR SHALL DAILY TEST THE AIR TO
27 DETERMINE LEVELS OF RELEVANT GASES. THE OPERATOR SHALL REPORT THE

1 TEST RESULTS TO THE SUPERVISOR WITHIN 30 DAYS AFTER TESTING BEGINS,
2 AND QUARTERLY THEREAFTER. HOWEVER, IF THE TEST RESULTS INDICATE NO
3 LEAKS IN THE PRECEDING 4 QUARTERS, THE OPERATOR MAY REPORT TO THE
4 SUPERVISOR ON AN ANNUAL BASIS.

5 (3) IF TESTING UNDER SUBSECTION (2) INDICATES THAT A LEAK HAS
6 OCCURRED, THE OPERATOR SHALL ELIMINATE THE LEAK WITHIN 15 DAYS.

7 (4) AN OPERATOR THAT FAILS TO FILE A REPORT OR ELIMINATE A
8 LEAK AS REQUIRED BY THIS SECTION SHALL BE ORDERED TO PAY AN
9 ADMINISTRATIVE FINE OF \$25,000.00. HOWEVER, FOR A SECOND VIOLATION
10 WITHIN 5 YEARS, THE OPERATOR SHALL BE ORDERED TO PAY AN
11 ADMINISTRATIVE FINE OF \$75,000.00. FOR A THIRD VIOLATION WITHIN 5
12 YEARS, THE SUPERVISOR SHALL REVOKE THE OPERATOR'S PERMIT FOR THE
13 WELL.

14 (5) BY 6 MONTHS AFTER THE EFFECTIVE DATE OF THIS SECTION, THE
15 SUPERVISOR SHALL PROMULGATE RULES TO IMPLEMENT THIS SECTION.
16 SUBSECTIONS (2) TO (4) DO NOT APPLY UNTIL THE DATE RULES ARE
17 PROMULGATED. THE RULES SHALL BE BASED ON THE UNITED STATES
18 ENVIRONMENTAL PROTECTION AGENCY'S "CONTROL TECHNIQUES GUIDELINES
19 FOR THE OIL AND NATURAL GAS INDUSTRY (DRAFT)", DATED AUGUST 2015,
20 OR THE FINAL CONTROL TECHNIQUES GUIDELINES, IF AVAILABLE. AT A
21 MINIMUM, THE RULES SHALL ADDRESS ALL OF THE FOLLOWING:

22 (A) TESTING EQUIPMENT AND TEST METHODS. THE RULES SHALL
23 REQUIRE THAT TESTING BE CARRIED OUT BY METHOD 21--DETERMINATION OF
24 VOLATILE ORGANIC COMPOUND LEAKS AS SET FORTH IN 40 CFR 60, APPENDIX
25 A-7, IF APPLICABLE TO THE GAS BEING TESTED.

26 (B) PROCEDURES FOR TESTING AND REPORTING.

27 (C) MAXIMUM WIND SPEED AT WHICH TESTING CAN BE CARRIED OUT,

1 AND MEASURES FOR ENSURING THAT WIND SPEED DOES NOT INTERFERE UNDULY
2 WITH TIMELY TESTING.

3 (D) WHICH COMPONENTS SHALL BE TESTED FOR LEAKS.

4 (E) PROCEDURES FOR VERIFYING THE ELIMINATION OF LEAKS.

5 (F) WHICH ADDITIONAL CHEMICALS SHOULD BE CLASSIFIED AS
6 RELEVANT GASES.

7 (G) PROCEDURES AND SCHEDULES FOR INSPECTIONS BY THE SUPERVISOR
8 TO VERIFY COMPLIANCE WITH THIS SECTION AND RULES PROMULGATED UNDER
9 THIS SECTION.

10 Enacting section 1. This amendatory act takes effect 90 days
11 after the date it is enacted into law.