

SENATE BILL NO. 966

July 30, 2024, Introduced by Senators IRWIN, BAYER, GEISS and SHINK and referred to the Committee on Energy and Environment.

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) "VOC" means volatile organic compounds.**
3 **(b) "Well" means an oil or gas well but does not include an**
4 **oil or gas well that consists only of a wellhead.**
5 **(2) The operator of a well shall reduce fugitive methane and**

1 VOC emissions by at least 95% by using 1 or more of the following
2 methods:

3 (a) Routing captured gas to a sales line.

4 (b) Using captured gas as an on-site fuel source.

5 (c) Using captured gas for another purpose.

6 (d) Reinjecting captured gas into a well.

7 (e) Flaring or another method approved by the department. This
8 subdivision does not apply to a well that produces more than 40
9 tons per year of fugitive methane and VOC emissions unless 1 or
10 both of the following apply:

11 (i) The operator demonstrates to the department that the
12 methods in subdivisions (a) to (d) are technically infeasible. The
13 demonstration shall include an evaluation of each of those methods
14 and an explanation of why it is technically infeasible for the
15 well. The demonstration shall be certified by a qualified
16 professional engineer or other qualified individual.

17 (ii) A temporary situation beyond the operator's control makes
18 the methods in subdivisions (a) to (d) unsafe or technically
19 infeasible.

20 (3) Subsection (2) applies beginning on the date rules are
21 promulgated under subsection (4). However, if a permit was issued
22 for a well under section 61525 before the date rules are
23 promulgated under subsection (4), subsection (2) applies to that
24 well according to the schedule described in subsection (4)(b).

25 (4) Within 180 days after the effective date of this section,
26 the supervisor shall promulgate rules to implement this section. At
27 a minimum, the rules shall provide for all of the following:

28 (a) The specific types of fugitive methane and VOC capture and
29 control systems that may be used to comply with this section.

1 (b) A schedule for the operator of a well to comply with this
2 section and the rules if a permit was issued for the well before
3 the date the rules are promulgated.

4 (c) Procedures and schedules for inspections by the supervisor
5 to verify compliance with this section and the rules.

6 (d) Procedures for operators to report compliance with this
7 section and the rules.

8 (e) Procedures and schedules for maintenance and performance
9 testing of a fugitive methane and VOC control or capture system
10 required under subsection (2).

11 (f) Requirements for the prompt repair of a malfunctioning
12 fugitive methane and VOC control or capture system required under
13 subsection (2).

14 (5) Subject to subsections (6) and (7), if an operator
15 violates subsection (2), both of the following apply:

16 (a) The operator shall be ordered to pay a civil fine of
17 \$100,000.00.

18 (b) If the operator fails to first comply with subsection (2)
19 by 180 days after the date when subsection (2) first applies to the
20 well, as provided by subsection (3), the supervisor shall revoke
21 the operator's permit for the well.

22 (6) Subject to subsection (7), if an operator uses flaring in
23 violation of subsection (2), both of the following apply:

24 (a) The operator shall be ordered to pay a civil fine of
25 \$100,000.00.

26 (b) The supervisor shall revoke the operator's permit for the
27 well.

28 (7) Subsections (5) and (6) do not apply if the fugitive
29 methane and VOC control or capture system malfunctioned and the

1 **operator promptly repaired the system.**

2 Enacting section 1. This amendatory act takes effect 90 days

3 after the date it is enacted into law.