

HOUSE BILL NO. 5632

December 09, 2021, Introduced by Reps. Cherry, Haadsma and Sneller and referred to the Committee on Energy.

A bill to amend 2008 PA 295, entitled
"Clean and renewable energy and energy waste reduction act,"
(MCL 460.1001 to 460.1211) by adding section 197.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **Sec. 197. (1) Beginning not later than January 1, 2024, a**
2 **natural gas provider shall offer to all its customers the option to**
3 **participate in a carbon offset program. All of the following shall**
4 **occur under the program:**

5 **(a) A participating customer shall pay the natural gas**

1 provider both of the following:

2 (i) A share of the purchase price of a carbon offset credit
3 proportional to a percentage of the customer's natural gas usage.
4 The customer shall determine the percentage from options offered by
5 the natural gas provider. The options shall include fixed
6 percentages as well as percentages that escalate over time.

7 (ii) The customer's proportional share of the natural gas
8 provider's actual reasonable administrative costs of the program.

9 (b) The natural gas provider shall purchase or generate carbon
10 offset credits paid for by participating customers. The natural gas
11 provider may aggregate fractional purchases paid for by multiple
12 customers.

13 (c) The costs for which a customer is responsible under
14 subdivisions (a) and (b) shall be recovered by the natural gas
15 provider as an itemized charge on the customer's bill.

16 (2) A natural gas provider's program under this section,
17 including, but not limited to, the rates charged for carbon offset
18 credits, must be approved by the commission.

19 (3) The commission shall issue an order implementing this
20 section. The order shall, at a minimum, identify independent third
21 parties approved to certify carbon offset credits. Certification
22 bodies considered by the commission for approval shall include, but
23 need not be limited to, those recommended by natural gas providers.
24 The commission shall approve certification bodies that ensure that
25 carbon offsets are measured, are verified, and represent additional
26 activity that would not have occurred but for the carbon offset
27 program.

28 (4) As used in this section:

29 (a) "Carbon offset" means the storage of or reduction in

1 emissions of carbon dioxide or other greenhouse gases to compensate
2 for emissions made elsewhere.

3 (b) "Carbon offset credit" means a transferrable instrument
4 certified to represent an emission reduction of 1 metric ton of
5 carbon dioxide or an equivalent amount of another greenhouse gas.