

**SUBSTITUTE FOR
HOUSE BILL NO. 4007**

A bill to amend 2008 PA 295, entitled
"Clean and renewable energy and energy waste reduction act,"
by amending section 3 (MCL 460.1003), as amended by 2023 PA 235.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. As used in this act:

2 (a) "Applicable regional transmission organization" means a
3 nonprofit, member-based organization governed by an independent
4 board of directors that serves as the regional transmission
5 organization approved by the Federal Energy Regulatory Commission
6 with oversight responsibility for the region that includes the
7 provider's service territory.

8 (b) "Biomass" means any organic matter that is not derived
9 from fossil fuels, that can be converted to usable fuel for the

1 production of energy, and that replenishes over a human, not a
2 geological, time frame, including, but not limited to, all of the
3 following:

4 (i) Agricultural crops and crop wastes.

5 (ii) Short-rotation energy crops.

6 (iii) Herbaceous plants.

7 (iv) Trees and wood, but only if derived from sustainably
8 managed forests or procurement systems, as defined in section 261c
9 of the management and budget act, 1984 PA 431, MCL 18.1261c.

10 (v) Paper and pulp products.

11 (vi) Precommercial wood thinning waste, brush, or yard waste.

12 (vii) Wood wastes and residues from the processing of wood
13 products or paper.

14 (viii) Animal wastes.

15 (ix) Wastewater sludge or sewage.

16 (x) Aquatic plants.

17 (xi) Food production and processing waste.

18 (xii) Organic by-products from the production of biofuels.

19 (c) "Board" means the wind energy resource zone board created
20 under section 143.

21 (d) "Carbon capture and storage" means a process that involves
22 collecting carbon dioxide at its source and storing, or
23 sequestering, it to prevent its release into the atmosphere.

24 (e) "Clean energy" means electricity or steam generated using
25 a clean energy system.

26 (f) "Clean energy plan" means an electric provider's plan to
27 meet the clean energy standard approved under section 51.

28 (g) "Clean energy portfolio" means the percentage of an
29 electric provider's total retail electric sales consisting of clean

1 energy or renewable energy.

2 (h) "Clean energy standard" means the clean energy portfolio
3 required under section 51(1).

4 (i) "Clean energy system" means an electricity generation
5 facility or system or set of electricity generation systems that
6 meets any of the following requirements:

7 (i) Generates electricity or steam without emitting greenhouse
8 gas, including nuclear generation.

9 (ii) Is fueled by natural gas and uses carbon capture and
10 storage that is at least 90% effective in capturing and permanently
11 storing carbon dioxide. If the department of environment, Great
12 Lakes, and energy determines, through a facility-specific major
13 source permitting analysis consistent with applicable United States
14 Environmental Protection Agency rules, that a capture rate higher
15 than 90% meets the best available control technology standard, as
16 applicable, that higher percentage shall be used instead of 90% for
17 facilities permitted after ~~the effective date of the amendatory act~~
18 ~~that added section 51.~~ **February 27, 2024.** Using carbon dioxide for
19 enhanced oil recovery is not considered to be permanent storage for
20 the purposes of this subparagraph.

21 (iii) Is an independently owned combined cycle power plant
22 fueled by natural gas that has a power purchase agreement with an
23 electric provider as of ~~the effective date of the amendatory act~~
24 ~~that added this subparagraph~~ **February 27, 2024,** and that by 2030
25 receives approval from the commission for a plan that achieves
26 functional equivalence with the clean energy standard in section
27 51(1)(b) through reduction of greenhouse gas emissions using carbon
28 capture and sequestration and other available applications,
29 including, but not limited to, carbon removal technologies. In

1 reviewing and approving a plan submitted under this subparagraph,
 2 the commission shall consider best available technology and
 3 applications as well as rate affordability, resource adequacy, and
 4 grid reliability.

5 (iv) Is defined as a clean energy system in rules adopted by
 6 the commission consistent with the purposes of this subdivision.

7 (j) **"Coal replacement engine" means a reciprocating internal**
 8 **combustion engine placed in service before February 27, 2024, to**
 9 **facilitate the retirement of coal-fired generation located in the**
 10 **Upper Peninsula.**

11 (k) ~~(j)~~—"Commission" means the Michigan public service
 12 commission.

13 (l) ~~(k)~~—"Customer meter" means an electric meter of a
 14 provider's retail customer. Customer meter does not include a
 15 municipal water pumping meter or additional meters at a single site
 16 that were installed specifically to support interruptible air
 17 conditioning, interruptible water heating, net metering, or time-
 18 of-day tariffs.

19 (m) ~~(l)~~—"Distributed generation" means the generation of
 20 electricity under the distributed generation program.

21 (n) ~~(m)~~—"Distributed generation program" means the program
 22 established by the commission under section 173.

23 Enacting section 1. This amendatory act does not take effect
 24 unless House Bill No. 4283 of the 103rd Legislature is enacted into
 25 law.