

HOUSE BILL NO. 4007

January 14, 2025, Introduced by Reps. Bohnak, Prestin, Markkanen, Cavitt, Maddock, DeSana, Paquette, Rigas, Johnsen, Alexander, Beson, Borton, Greene, Outman, Fairbairn, Roth and Neyer and referred to Committee on Energy.

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

1 provider's service territory.

2 (b) "Biomass" means any organic matter that is not derived
3 from fossil fuels, that can be converted to usable fuel for the
4 production of energy, and that replenishes over a human, not a
5 geological, time frame, including, but not limited to, all of the
6 following:

7 (i) Agricultural crops and crop wastes.

8 (ii) Short-rotation energy crops.

9 (iii) Herbaceous plants.

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

13 (v) Paper and pulp products.

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

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

17 (viii) Animal wastes.

18 (ix) Wastewater sludge or sewage.

19 (x) Aquatic plants.

20 (xi) Food production and processing waste.

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

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

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

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

29 (f) "Clean energy plan" means an electric provider's plan to

1 meet the clean energy standard approved under section 51.

2 (g) "Clean energy portfolio" means the percentage of an
3 electric provider's total retail electric sales consisting of clean
4 energy or renewable energy.

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

7 (i) "Clean energy system" means an electricity generation
8 facility or system or set of electricity generation systems that
9 meets any of the following requirements:

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

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

24 (iii) Is an independently owned combined cycle power plant
25 fueled by natural gas that has a power purchase agreement with an
26 electric provider as of ~~the effective date of the amendatory act~~
27 ~~that added this subparagraph~~ **February 27, 2024,** and that by 2030
28 receives approval from the commission for a plan that achieves
29 functional equivalence with the clean energy standard in section

1 51(1) (b) through reduction of greenhouse gas emissions using carbon
2 capture and sequestration and other available applications,
3 including, but not limited to, carbon removal technologies. In
4 reviewing and approving a plan submitted under this subparagraph,
5 the commission shall consider best available technology and
6 applications as well as rate affordability, resource adequacy, and
7 grid reliability.

8 **(iv) Is a reciprocating internal combustion engine placed in**
9 **service before the effective date of the amendatory act that added**
10 **this subparagraph to facilitate the retirement of coal-fired**
11 **generation located in the Upper Peninsula. This subparagraph does**
12 **not apply after the end of the Midcontinent Independent System**
13 **Operator planning year ending in 2050.**

14 **(v) ~~(iv)~~**—Is defined as a clean energy system in rules adopted
15 by the commission consistent with the purposes of this subdivision.

16 (j) "Commission" means the Michigan public service commission.

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

22 (l) "Distributed generation" means the generation of
23 electricity under the distributed generation program.

24 (m) "Distributed generation program" means the program
25 established by the commission under section 173.