

Administrative Rule Analysis



OIL AND GAS OPERATIONS, PARTS 1 THROUGH 14

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Rule Set No.: 2017-017 EQ

Submitted to JCAR on: 05/31/2018

Department: Environmental Quality

Agency: Oil, Gas, and Minerals Division

Enabling Statute: Natural Resources and Environmental Protection Act, 1994 PA 451, MCL 324.101 et seq.

Analysis Complete to: 06/04/2018

BACKGROUND AND SUMMARY OF PROPOSED RULES

The proposed rules revise permit requirements for individuals seeking injection well permits. The rules include wide ranging requirements for Class II injection wells as defined by the United States Environmental Protection Agency (EPA). The purpose of these changes is to position Michigan to apply for primacy in the administration of the EPA's Class II Underground Injection Control Program within the federal Safe Drinking Water Act. These rule changes are necessary in order for DEQ's regulatory framework to match that of the EPA and integrate feedback given by the EPA on Michigan's draft application from 2015.

FISCAL IMPACT OF PROPOSED RULES

The DEQ expects a modest increase in administrative costs to result from the implementation of these proposed changes. Additional application review and additional well monitoring results are likely to require increased attention from departmental staff. The department projects that these costs may require an additional FTE, though no additional funding has been appropriated for this purpose. Federal funding may be available to cover these additional costs as the implementation of EPA's Class II program. It is unlikely that the proposed rule changes will have a fiscal impact on local units of government.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.