

2022 Regular Session

HOUSE BILL NO. 165

BY REPRESENTATIVES ZERINGUE AND ORGERON

ENERGY PRODUCTION: Provides relative to lease sales for wind energy

1 AN ACT

2 To amend and reenact R.S. 30:127(E) and 209(4)(a)(introductory paragraph) and R.S.
3 41:1733(D), relative to wind energy; to establish a maximum acreage for wind
4 leases; to provide for operating agreements relative to the production of wind energy;
5 and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 30:127(E) and 209(4)(a)(introductory paragraph) are hereby
8 amended and reenacted to read as follows:

9 §127. Opening bids; minimum royalties; terms of lease; deposit; security

10 * * *

11 E. If all written bids are rejected, the board may immediately offer for
12 competitive bidding a lease upon all or any designated part of the land advertised,
13 upon terms appearing most advantageous to the state. This offering shall be subject
14 to the board's right to reject any and all bids. No lease shall be for more than five
15 thousand acres, except leases for wind energy production which shall not exceed
16 twenty five thousand acres. Where a lease provides for delay rental, the annual
17 rental shall not be for less than one-half the cash bonus. All lands shall be accurately
18 described in a lease.

19 * * *

1 §209. State Mineral and Energy Board, ~~authority of;~~ authority

2 In order to carry out the provisions of R.S. 30:208, the State Mineral and
3 Energy Board may:

4 * * *

5 (4)(a) Enter into operating agreements whereby the state receives a share of
6 revenues from the production of oil, gas, and other minerals, and wind energy, after
7 deduction of costs, in whole or in part, such as for drilling, testing, completion,
8 equipping, or operating a well or wells, as may be agreed upon by the parties, and
9 assumes all or a portion of the risk cost of development or production activity in
10 those situations where the board determines it is in the best interest of the state,
11 either in equity or in developmental productivity to do so, such as, but not limited to
12 the following illustrations:

13 * * *

14 Section 2. R.S. 41:1733(D) is hereby amended and reenacted to read as follows:

15 §1733. Award of state wind leases

16 * * *

17 D. A lease may be granted in whole or in part. ~~Prior to the advertisement for~~
18 ~~bids for each lease there shall be a minimum dollar amount set and a minimum~~
19 ~~percentage of revenue to be produced by each wind turbine to be known as an~~
20 ~~"electric power production royalty", which shall be advertised by the State Mineral~~
21 ~~and Energy Board as a minimum requirement for granting the lease. No lease shall~~
22 ~~be granted in whole or part unless the amount of any electric power production~~
23 ~~royalty has been approved by the House Committee on Natural Resources and~~
24 ~~Environment and the Senate Committee on Natural Resources prior to advertisement.~~

25 The State Mineral and Energy Board has authority to accept the bid it finds is most
26 advantageous to the state and may lease upon whatever terms it considers proper.
27 Such lease shall include a provision permitting the state, at its option, to take in kind
28 all or any of the portion due it as royalty.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 165 Engrossed

2022 Regular Session

Zeringue

Abstract: Establishes a maximum acreage for wind leases and provides for operating agreements for the production of wind energy.

Present law sets the maximum acreage for oil and gas leases at 5,000 acres. Proposed law retains present law and provides for leases for wind energy and sets the maximum acreage for such at 25,000 acres.

Present law authorizes the State Mineral and Energy Board (board) to enter into operating agreements whereby the state receives a share of revenues from the production of oil, gas, and other minerals. Proposed law retains present law and adds wind energy as a source of energy whereby the board may enter into operating agreements for the state to receive a share of revenues.

Present law requires a minimum dollar amount set and a minimum percentage of revenue to be produced by each wind turbine prior to the advertisement for bids for each lease. Further requires approval of these minimum amounts by the House Committee on Natural Resources and Environment and the Senate Committee on Natural Resources prior to advertisement. Proposed law removes these requirements and solely grants the board the authority to accept the bid it finds is most advantageous to the state.

(Amends R.S. 30:127(E) and 209(4)(a)(intro. para.) and R.S. 41:1733(D))