

2022 Regular Session

HOUSE BILL NO. 165

BY REPRESENTATIVES ZERINGUE AND ORGERON

1 AN ACT

2 To amend and reenact R.S. 30:127(E) and 209(4)(a)(introductory paragraph) and R.S.
3 41:1732(C), 1733(D), and 1734, relative to wind energy; to establish a maximum
4 acreage for wind leases; to provide for operating agreements relative to the
5 production of wind energy; to provide for the powers and duties of the secretary of
6 the Department of Natural Resources; to provide for rules and regulations; and to
7 provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

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

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

12 * * *

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

21 * * *

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. 41:1732(C), 1733(D), and 1734 are hereby amended and reenacted
15 to read as follows:

16 §1732. Lease authority and royalties

17 * * *

18 C. Any lease granted under the provisions of this Chapter shall require a
19 decommissioning plan for the end of the facility's expected life or upon circumstance
20 that would require closure of the facility. The decommissioning plan shall include
21 the estimated cost of site closure and remediation that includes removing the wind
22 energy production facility along with any necessary infrastructure facilities and
23 restoring the property to as near as reasonably possible to the condition of the
24 property prior to the commencement of construction of the facility. Additionally, the
25 leases shall be subject to the same decommissioning rules and regulations as ~~oil and~~
26 ~~gas and sulphur facilities under~~ provided by the provisions of Subpart Q of Part 250
27 of Chapter H I of Part 585 of Subchapter B of Chapter V of Title 30 of the Code of
28 Federal Regulations (30CFR 250.1700 585.900 et seq.) to the extent they are not
29 inconsistent with the provisions of this Section or any rules or regulations
30 promulgated pursuant to this Chapter.

31 * * *

1 (3) Requirements for financial security to ensure proper closure of the site
2 pursuant to the decommissioning plan.

3 (4) Requirements for determining that if no responsible party can be located
4 or such party has failed or is financially unable to undertake decommissioning
5 required by the lease and that no energy has been produced from the facility from
6 wind for two years. These requirements shall include notice to the last operator of
7 record.

8 B. The secretary may expend sums payable to the department from the
9 financial security required by the rules and regulation promulgated pursuant to this
10 Section and enter into contracts for the purpose of restoration of wind energy sites
11 pursuant to the terms of the lease or when the secretary has determined there is no
12 responsible party pursuant to this Section. Restoration of a wind energy site includes
13 removing the wind energy production facility along with any necessary infrastructure
14 facilities and restoring the property to as near as reasonably possible to the condition
15 of the property prior to the commencement of construction of the facility.

16 Section 3. The rules and regulations provided for in R.S. 41:1734(A)(1) through (4)
17 as amended by this Act shall be promulgated by the secretary on or before January 1, 2023.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____