

2023 Regular Session

SENATE BILL NO. 51

BY SENATOR MILLIGAN

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

UTILITIES. Provides relative to the Louisiana Electric Utility Energy Transition Securitization Act. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 45:1272(9)(b) and to enact R.S. 45:1281(C), relative to utilities;
3 to provide relative to securitization of energy transition costs; to provide for
4 definitions, terms, conditions, and procedures; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 45:1272(9)(b) is hereby amended and reenacted and R.S. 45:1281(C)
7 is hereby enacted to read as follows:

8 §1272. Definitions

9 As used in this Part:

10 * * *

11 (9) "Energy transition costs" means, if requested by the electric utility, and
12 as may be approved by the commission, costs incurred or to be incurred by an
13 electric utility consisting of any of the following:

14 * * *

15 (b)(i) Costs ~~not previously collected from the electric utility's customers~~ for
16 previously mined coal or lignite or for the closure and reclamation of an eligible
17 mine, including land remediation and liabilities. **These costs may include the**

1 **following:**

2 **(aa) Costs not previously collected from the electric utility's customers.**

3 **(bb) Costs previously collected from the electric utility's customers but**
4 **subsequently ordered by the commission to be refunded to customers. These**
5 **costs, including any interest component, ordered to be refunded may be**
6 **included in the energy transition costs being financed by the energy transition**
7 **bonds regardless of whether the refund credits are given before or after the date**
8 **the energy transition bonds are issued.**

9 **(ii)** Energy transition costs shall not include any monetary penalty, fine, or
10 forfeiture assessed against an electric utility or its affiliate by a government agency
11 or a court under a federal or state environmental statute, rule, or regulation.

12 * * *

13 §1281. No impairment of commission jurisdiction

14 * * *

15 **C. A utility may finance energy transition costs that were previously**
16 **collected from the utility's customers but were subsequently ordered by the**
17 **commission to be refunded to customers regardless of the date the costs were**
18 **collected or the date the commission issued the refund order.**

19 Section 2. This Act shall become effective upon signature by the governor or, if not
20 signed by the governor, upon expiration of the time for bills to become law without signature
21 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
22 vetoed by the governor and subsequently approved by the legislature, this Act shall become
23 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Michelle Ridge.

SB 51 Original DIGEST 2023 Regular Session Milligan

Present law provides relative to electric utility energy transition securitization.

Present law defines certain terms including "energy transition costs". Provides that "energy transition costs" means, if requested by the electric utility, and as may be approved by the commission, costs incurred or to be incurred by an electric utility consisting of certain costs,

including costs not previously collected from the electric utility's customers for previously mined coal or lignite or the closure and reclamation of an eligible mine, including land remediation and liabilities.

Proposed law specifies that the costs for previously mined coal or lignite or for the closure and reclamation of an eligible mine, including land remediation and liabilities, may include the following:

- (1) Costs not previously collected from the electric utility's customers.
- (2) Costs previously collected from the electric utility's customers but subsequently ordered by the commission to be refunded to customers. Such costs, including any interest component, ordered to be refunded may be included in the energy transition costs being financed by the energy transition bonds regardless of whether the refund credits are given before or after the date the energy transition bonds are issued.

Proposed law provides that a utility may finance energy transition costs that were previously collected from the utility's customers but were subsequently ordered by the commission to be refunded to customers regardless of the date the costs were collected or the date the commission issued the refund order.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 45:1272(9)(b); adds R.S. 45:1281(C))