

2021 Regular Session

HOUSE BILL NO. 572

BY REPRESENTATIVES WHITE, BISHOP, BOURRIAQUE, COUSSAN, DEVILLIER,  
EMERSON, FREEMAN, HARRIS, JONES, LARVADAIN, MACK,  
SCHEXNAYDER, AND THOMPSON AND SENATORS BOUIE, FESI,  
HENSGENS, HEWITT, AND WHITE

1 AN ACT

2 To amend and reenact R.S. 30:23(A), (B)(introductory paragraph), (1), (2), and (4), (C), and  
3 (D)(1), 1103(3) through (12), and 1110(C)(3) and (E)(5) and to enact R.S.  
4 30:1103(13), 1104(F), and 1110(F)(7), relative to the underground storage of  
5 hydrogen, nitrogen, ammonia, compressed air, or noble gases in underground  
6 reservoirs and salt domes; to include hydrogen, nitrogen, ammonia, compressed air,  
7 and noble gases as substances that can be stored in underground reservoirs and salt  
8 domes; to provide for definitions; to provide for the "reasons for confidentiality"  
9 requirements as it relates to certain business records; to provide relative to the  
10 Carbon Dioxide Geologic Storage Trust Fund; to provide for certain fee amounts; to  
11 authorize contracts for professional services; and to provide for related matters.

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. R.S. 30:23(A), (B)(introductory paragraph), (1), (2), and (4), (C), and  
14 (D)(1), 1103(3) through (12), and 1110(C)(3) and (E)(5) are hereby amended and reenacted  
15 and R.S. 30:1103(13), 1104(F), and 1110(F)(7) are hereby enacted to read as follows:

16 §23. Underground storage of liquid or gaseous hydrocarbons or ~~both or both,~~ carbon  
17 dioxide, hydrogen, nitrogen, ammonia, compressed air, or noble gases not  
18 otherwise prohibited by law

19 A. The underground storage of liquid or gaseous hydrocarbons, ~~or~~ carbon  
20 dioxide, hydrogen, nitrogen, ammonia, compressed air, or noble gases not otherwise  
21 prohibited by law will permit the accumulation of large quantities of such liquid or

1           gaseous hydrocarbons, carbon dioxide, hydrogen, nitrogen, ammonia, compressed  
 2           air, or noble gases not otherwise prohibited by law for orderly withdrawal in times  
 3           of greater demand, it being deemed in the public interest to have a supply of such  
 4           ~~hydrocarbons~~ substances readily available for consumption. The underground  
 5           storage of carbon dioxide which provides more uniform withdrawal from various gas  
 6           or oil fields is in the public interest and for a public purpose.

7           B. Except as to liquid or gas hydrocarbon, storage ~~or~~ carbon dioxide,  
 8           hydrogen, nitrogen, ammonia, compressed air, or noble gas storage projects begun  
 9           before the effective date of this Section, and prior to authorizing the use of any salt  
 10          dome cavity for the storage of liquid or gaseous hydrocarbons or carbon dioxide, the  
 11          assistant secretary, after public hearing pursuant to the provisions of R.S. 30:6, shall  
 12          have found all of the following:

13                 (1) That the area of the salt dome sought to be used for the injection, storage,  
 14                 and withdrawal of liquid or gaseous hydrocarbons, ~~or~~ carbon dioxide, hydrogen,  
 15                 nitrogen, ammonia, compressed air, or noble gases not otherwise prohibited by law  
 16                 is suitable and feasible for such use.

17                 (2) That the use of the salt dome cavity for the storage of liquid or gaseous  
 18                 hydrocarbons, ~~or~~ carbon dioxide, hydrogen, nitrogen, ammonia, compressed air, or  
 19                 noble gases not otherwise prohibited by law will not contaminate other formations  
 20                 containing fresh water, oil, gas, or other commercial mineral deposits, except salt.

21   \*         \*         \*

22                 (4) That temporary loss of jobs caused by the storage of liquid or gaseous  
 23                 hydrocarbons, ~~or~~ carbon dioxide, hydrogen, nitrogen, ammonia, compressed air, or  
 24                 noble gases not otherwise prohibited by law will be corrected by compensation,  
 25                 finding of new employment, or other provisions made for displaced labor.

26   \*         \*         \*

27           C. After having made the findings required in Subsection B of this Section,  
 28           the commissioner shall transmit a copy of the application, together with his findings,  
 29           to the natural resources committees of the Senate and House of Representatives.  
 30           These committees, meeting jointly, shall consider the facts surrounding the

1 application and the findings of the commissioner and may hold public hearings  
2 thereon. Based upon its deliberations, the committees, acting jointly, may submit a  
3 report and recommendations to the commissioner within fifteen days after receipt of  
4 the application. After consideration of any recommendations so made, the  
5 commissioner may issue all necessary orders providing that liquid or gaseous  
6 hydrocarbons, ~~or~~ carbon dioxide, hydrogen, nitrogen, ammonia, compressed air, or  
7 noble gases not otherwise prohibited by law, previously reduced to possession and  
8 which are subsequently injected and stored in a salt dome cavity, shall at all times  
9 be deemed the property of the injector, his successors, or assigns, subject to the  
10 provisions of any contract between the owner or owners of the solid mineral or land  
11 overlying the area affected as determined by the commissioner of conservation; and  
12 providing further that in no event shall the owner of the surface of the lands or water  
13 bottoms or of any mineral interest under or adjacent to which such salt dome cavity  
14 may lie, or any other person, be entitled to any right or claim in or to such liquid or  
15 gaseous hydrocarbons, ~~or~~ carbon dioxide, hydrogen, nitrogen, ammonia, compressed  
16 air, or noble gases not otherwise prohibited by law stored therein, including the right  
17 to produce, take, reduce to possession, waste, or otherwise interfere with or exercise  
18 any control thereover. The commissioner shall issue necessary orders, rules, and  
19 regulations for the protection from pollution of any salt dome cavity used for storage  
20 of liquid or gaseous hydrocarbons ~~or~~ carbon dioxide, hydrogen, nitrogen, ammonia,  
21 compressed air, or noble gases not otherwise prohibited by law, or any adjacent  
22 strata or formation; and such rules and regulations as may be necessary pertaining  
23 to surface storage facilities for the protection of the environment, drilling into any  
24 salt dome for the creation of cavities, and equipping of same for the injection,  
25 storage, and withdrawal of liquid or gaseous hydrocarbons, ~~or~~ carbon dioxide,  
26 hydrogen, nitrogen, ammonia, compressed air, or noble gases not otherwise  
27 prohibited by law. Subject to the exception provided in Subsection B of this Section,  
28 the commissioner shall not allow the use of any salt dome in the state of Louisiana  
29 for the purposes mentioned herein until such time as he has prepared and  
30 promulgated the regulations required herein according to the Louisiana

1 Administrative Procedure Act, ~~R.S. 49:951~~ R.S. 49:950 et seq. In addition, the  
 2 commissioner shall issue necessary orders, rules, and regulations for the protection  
 3 of the rights of owners of parts of the salt dome which are adjacent to any part  
 4 thereof sought to be used for the storage of liquid or gaseous hydrocarbon  
 5 hydrocarbons, or carbon dioxide, hydrogen, nitrogen, ammonia, compressed air, or  
 6 noble gases not otherwise prohibited by law storage.

7 D.(1) In furtherance of the development of comprehensive energy policy for  
 8 the state, the secretary of the Department of Natural Resources shall determine the  
 9 feasibility of initiating projects, by the state or by contract on behalf of the state, for  
 10 the storage of emergency supplies of state-owned oil and gas, ~~or carbon dioxide,~~  
 11 hydrogen, nitrogen, ammonia, compressed air, or noble gas not otherwise prohibited  
 12 by law. Such determination shall include consideration of the techniques, costs,  
 13 quantities of oil and gas, ~~or carbon dioxide,~~ hydrogen, nitrogen, ammonia,  
 14 compressed air, or noble gas not otherwise prohibited by law available for such  
 15 purpose and priorities for allocation in time of emergency.

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§1103. Definitions

Unless the context otherwise requires, the words defined in this Section have the following meaning when found in this Chapter:

\* \* \*

21 (3) "Confidential business information" means any information accepted or  
 22 determined by the United States Environmental Protection Agency to be subject to  
 23 confidential treatment.

24 ~~(3)~~(4) "Gas" has the same meaning as provided in R.S. 30:3.

25 ~~(4)~~(5) "Geologic storage" means the long-or short-term underground storage  
 26 of carbon dioxide in a reservoir.

27 ~~(5)~~(6) "Interested person" means any person who presently owns an interest  
 28 within the area of, or proximate to, the tracts directly affected by the storage facility.

29 ~~(6)~~(7) "Office" means the office of conservation, Department of Natural  
 30 Resources.





