**EXPENDITURE EXPLANATION**

Proposed law will increase expenditures from the statutorily dedicated Mineral and Energy Operation Fund as a result of adding two new positions for oversight of the solar leases. The Department of Natural Resources (DNR) anticipates it will need two Federal Energy Program Manager positions to coordinate and manage the solar program. The department plans to fill these positions with one expert in financial securities and risk analysis and one expert in engineering that has a technical understanding of solar facilities. The positions will be based in Baton Rouge but will require travel throughout the state to 

monitoring and inspections. Based on current publicly available information, DNR anticipates there is potential for 16 facilities to apply for permits starting in FY 23 that are currently in the planning or building process. The department anticipates that the total expenditures to implement the program are as follows: FY 23 = $250,186; FY 24 = $245,240; FY 25 = $249,375; FY 26 = $253,592; and FY 27 = $257,894.

**EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO**

**REVENUE EXPLANATION**

Proposed law is anticipated to increase revenues to the Department of Natural Resources (DNR) by an indeterminable amount. Proposed law would require DNR to establish applications and annual monitoring and maintenance fees for permits to construct or operate a solar power generation facility that has a footprint of ten or more acres. Propose law sets the maximum potential fees at $15/acre for application fees, $500 application processing fee, and $15/acre for monitoring and maintenance fees. Proposed law requires a permit to construct or operate a solar power generation facility that has a footprint of ten or more acres. In addition to other requirements, proposed law establishes an application fee of no more than $15 per acre plus a $500 processing fee and an annual monitoring and maintenance fee; beginning the year after issuance, of no more than $15 per acre. All fees shall be deposited into the Mineral and Energy Operation Fund.
The department is considering different scenarios that would attempt to create the most revenue neutral--equating yearly revenues to yearly expenditures--fund structure for the program. Proposed law stipulates that no applicant or permit holders will be charged a fee that exceeds the department's budgeted costs of implementing and administering this program. Based on the department's knowledge of the industry and assumptions about the potential number of applications and the potential acreage, DNR expects the revenue using the maximum allowable fees is more than sufficient to completely fund the program.

Note: If the department receives SGF to cover their expenses in FY 23 and FY 24, they will be required to reimburse the state general fund in FY 26 from any revenues received from fees collected for the program.