

RÉSUMÉ DIGEST

ACT 443 (HB 165)

2022 Regular Session

Zeringue

Existing law sets the maximum acreage for oil and gas leases at 5,000 acres. New law retains existing law and provides for leases for wind energy and sets the maximum acreage for such at 25,000 acres.

Existing 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. New law retains existing 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.

Prior law required 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 required approval of these minimum amounts by the House Committee on Natural Resources and Environment and the Senate Committee on Natural Resources prior to advertisement. New law removes these requirements and solely grants the board the authority to accept the bid it finds is most advantageous to the state.

Prior law specified that any lease granted pursuant to existing law is subject to the same decommissioning rules and regulations applicable to oil and gas and sulphur facilities.

New law modifies prior law to provide a decommissioning plan specific to wind energy production facilities, instead of those applicable to oil and gas and sulphur facilities, that would require the plan for the end of the facility's expected life or upon a circumstance that would require closure of the facility. Requires the decommissioning plan include the estimated cost of site closure and remediation, with specific requirements.

Proposed law requires the Dept. of Natural Resources to promulgate rules and regulations by Jan. 1, 2023, that provide criteria for setting the annual rent or royalty amounts; criteria for setting primary terms for leases and the energy production or other actions needed to retain acreage after the primary term; requirements for financial security; and requirements for determining if no responsible party can be located. Further authorizes the secretary to use the funds from the financial security to remediate a wind energy production site by the terms of the lease or when there is no responsible party.

Effective August 1, 2022.

(Amends R.S. 30:127(E) and 209(4)(a)(intro. para.) and R.S. 41:1732(C), 1733(D), and 1734)