

2025 Regular Session

HOUSE BILL NO. 353

BY REPRESENTATIVE MACK

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

ENERGY: Provides relative to carbon dioxide sequestration

1 AN ACT

2 To amend and reenact R.S. 30:1104(C)(introductory paragraph), 1107.2, 1113, and 1114 and

3 to enact R.S. 30:1103(17) and (18), 1104(C)(4), 1107.1(D), 1107.3, and 1109(B)(3),

4 relative to carbon dioxide sequestration; to provide definitions; to provide for

5 mineral reservoirs located beneath proposed carbon dioxide storage facilities; to

6 establish criminal penalties for the violation of reporting requirements; to expand

7 emergency preparedness requirements for storage facilities and carbon dioxide

8 transmission pipelines; to require community notification systems for emergencies;

9 to require financial security related to possible contamination of public water

10 systems by carbon dioxide; to provide for storage facility and transmission pipeline

11 liability for damages stemming from unauthorized releases of carbon dioxide; to

12 increase setbacks and expand the applicability of setbacks; to require notice of the

13 construction of Class VI injection wells and transmission pipelines; to provide for

14 ground water quality monitoring; to require remediation plans for ground water

15 contamination by carbon dioxide; and to provide for related matters.

16 Be it enacted by the Legislature of Louisiana:

17 Section 1. R.S. 30:1104(C)(introductory paragraph), 1107.2, 1113, and 1114 are

18 hereby amended and reenacted and R.S. 30:1103(17) and (18), 1104(C)(4), 1107.1(D),

19 1107.3, and 1109(B)(3) are hereby enacted to read as follows:

1 §1103. Definitions

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

4 * * *

5 (17) "Public water system" means a system for the provision to the public
6 of piped water for human consumption, if such system has at least fifteen service
7 connections or regularly serves at least twenty-five individuals and includes any
8 collection, pretreatment, treatment, storage, and distribution facilities used primarily
9 in connection with the system.

10 (18) "Transmission pipeline" means a pipeline used to transport carbon
11 dioxide for the purpose of geologic storage or sequestration.

12 §1104. Duties and powers of the commissioner; rules and regulations; permits

13 * * *

14 C. Prior to the use of any reservoir for the storage of carbon dioxide and
15 prior to the exercise of eminent domain pursuant to the provisions of R.S. 19:2(11)
16 and R.S. 30:1108 by any person, firm, or corporation having such right under laws
17 of the state of Louisiana, and as a condition precedent to such use or to the exercise
18 of such rights of eminent domain pursuant to the provisions of R.S. 19:2(11) and
19 R.S. 30:1108, the commissioner, after public hearing pursuant to the provisions of
20 R.S. 30:6, held in the parish where the storage facility is to be located, shall have
21 found ~~at least one~~ all of the following:

22 * * *

23 (4) That the reservoir sought to be used for the injection and storage of
24 carbon dioxide is not located above a reservoir any part of which is producing or is
25 capable of producing oil, gas, condensate, salt, or other minerals in paying quantities,
26 unless one of the following applies:

27 (a) The reservoir located beneath the proposed storage facility is producing
28 or is capable of producing oil, gas, condensate, salt, or other minerals in paying

1 quantities and all mineral interest owners within the area of review have agreed in
2 writing to the proposed storage facility.

3 (b) The oil, gas, condensate, salt, or other minerals capable of being
4 produced in paying quantities have all been produced.

5 * * *

6 §1107.1. Reporting; recordkeeping

7 * * *

8 D.(1) Civil penalties. Failure to comply with the requirements of this
9 Section or with any reporting or recordkeeping required by the department pursuant
10 to administrative rules shall subject the storage operator to the remedies authorized
11 by R.S. 30:1106.

12 (2) Criminal penalties. Except as otherwise provided by law, any person
13 who willfully or knowingly fails to report or keep records as required by this Section
14 shall be fined not more than twenty-five thousand dollars per day of violation and the
15 costs of prosecution, or imprisoned for not more than one year, or both. The
16 prosecution may be instituted by the district attorney having criminal jurisdiction.
17 No criminal prosecution for a violation of this Section shall be instituted against any
18 person while the person is under a compliance order or subject to an action to assess
19 civil penalties for the same violation.

20 §1107.2. Emergency preparedness

21 A.(1) Prior to the commencement of carbon dioxide injection, an owner or
22 operator of a storage facility shall have in place an emergency and remedial response
23 plan as required by this Section and the administrative rules regarding Class VI
24 injection wells and shall provide a copy of the plan to the ~~parish president, police~~
25 ~~jury president, or mayor-president, depending on the form of parish government, for~~
26 governing authority of each parish within the area of review for dissemination to the
27 office of homeland security, local emergency preparedness committee, or other
28 appropriate emergency preparedness or response agencies.

1 (2) Prior to the commencement of carbon dioxide transportation, the owner
2 or operator of a transmission pipeline shall have in place an emergency and remedial
3 response plan as required by this Section and the administrative rules regarding
4 carbon dioxide transmission pipelines and shall provide a copy of the plan to the
5 governing authority of each parish in which the transmission pipeline will operate
6 for dissemination to the office of homeland security, local emergency preparedness
7 committee, or other appropriate emergency preparedness or response agencies.

8 B. In addition to any other requirements imposed by administrative rules, the
9 emergency and remedial response plan shall provide for the following:

10 (1) ~~continuing~~ Continuing training programs for storage facility and
11 transmission pipeline operating and maintenance personnel and for law enforcement
12 agencies, fire departments, 911 communications directors, parish offices of
13 homeland security and emergency preparedness, and other first responders having
14 jurisdiction in or servicing any location within the area of review or along a
15 transmission pipeline regarding potential hazards, risk scenarios, and response
16 actions.

17 (2) A community notification system approved by the parish office of
18 homeland security and emergency preparedness director for each parish within the
19 area of review and within two miles of a transmission pipeline that complies with all
20 of the following:

21 (a) The system shall function to alert all persons within an affected area or,
22 at a minimum, all persons within a two mile radius of any incident that poses an
23 immediate threat to public health, safety, or welfare.

24 (b) The system shall be tested semiannually.

25 (c) The plan shall include procedures for use of the system and for the use
26 of evacuation and shelter-in-place notifications via the system.

27 (d) The plan shall provide for continuing outreach and educational
28 programming for the public and local governmental agencies and officials to learn

1 about the community notification system and evacuation and shelter-in-place
2 procedures.

3 C. The owner or operator of each storage facility shall also conduct at least
4 one tabletop exercise ~~for each storage facility~~ prior to the commencement of
5 injection and once per year for the duration of injection operations to simulate
6 emergency situations and responses thereto in coordination with the appropriate
7 emergency preparedness and response agencies, as designated by the parish
8 president, police jury president, or mayor-president, depending on the form of parish
9 government, for each parish within the area of review.

10 D.(1) The equipment and supplies necessary to effectively respond to an
11 emergency caused by a storage facility loss of containment shall be provided by the
12 owner or operator of the storage facility to all fire departments that may have to
13 respond to such an emergency.

14 (2) The equipment and supplies necessary to effectively respond to an
15 emergency related to an unauthorized release from a transmission pipeline shall be
16 provided by the owner or operator of the transmission pipeline to all fire departments
17 that may have to respond to such an emergency.

18 §1107.3. Financial security

19 In addition to any financial security required by the department pursuant to
20 administrative rules, prior to injection operations, the storage facility owner or
21 operator shall obtain financial security or insurance coverage for each public water
22 system within the area of review sufficient to cover all of the following:

23 (1) The cost to remediate contamination of the public water system by
24 carbon dioxide.

25 (2) Damages to the system's equipment and facilities caused by
26 contamination or remediation thereof.

27 (3) Any expenses incurred by the system in response to or because of
28 contamination or remediation thereof.

29 * * *

1 §1109. Cessation of storage operations; limited liability release

2 * * *

3 B.

4 * * *

5 (3) Notwithstanding any provision of law to the contrary, and in addition to
6 any other liability imposed by this Chapter and the general laws of this state:

7 (a) The owner and operator of a storage facility shall be liable for any and
8 all damages, including but not limited to, wrongful death, bodily injury, and property
9 damage, caused by a loss of containment, failure of facility infrastructure or
10 associated equipment, or any other unauthorized release of carbon dioxide
11 attributable to the storage facility or any action taken in response to the unauthorized
12 release.

13 (b) The owner and operator of a transmission pipeline shall be liable for any
14 and all damage, including but not limited to, wrongful death, bodily injury, and
15 property damage, caused by a pipeline rupture or failure, the failure of associated
16 infrastructure or equipment, or any other unauthorized release of carbon dioxide
17 attributable to the pipeline or any action taken in response to the unauthorized
18 release.

19 * * *

20 §1113. Siting requirements

21 A. No Class VI injection wellhead or transmission pipeline shall be located
22 constructed within ~~five hundred feet~~ one half mile of the following:

23 (1) Inhabited dwellings not owned by the storage operator or any owner in
24 interest bound by a contract with the storage operator that allows for location of a
25 Class VI injection well or transmission pipeline within ~~five hundred feet~~ one half
26 mile of an inhabited dwelling.

27 (2) Schools or educational institutions.

28 (3) Healthcare facilities, as defined in R.S. 46:1802.

29 (4) Houses of worship.

1 B. Notice of the construction of a Class VI well or transmission pipeline
2 shall be provided by the operator to every residence, business, and government entity
3 within a two mile radius at least sixty days prior to any public hearing on the permit
4 application required for construction or sixty days prior to any public comment
5 period on the permit application required for construction, whichever is earlier.

6 §1114. ~~Groundwater~~ Ground water quality monitoring

7 ~~The owner or operator of a storage facility shall conduct periodic testing and~~
8 ~~monitoring of ground water quality above the confining zone and shall report the~~
9 ~~testing and monitoring conducted to the commissioner semiannually.~~

10 A. The storage operator shall have in place prior to injection operations a
11 remediation plan for ground water contamination. The plan shall include procedures
12 the operator will employ to remediate contamination caused by a loss of containment
13 and return an underground source of drinking water to its previous condition.

14 B. The storage operator shall continuously monitor the water quality of all
15 underground sources of drinking water and shall submit semiannual reports of this
16 monitoring in a form prescribed by the department.

17 C. Upon request of a public water system within the area of review, the
18 storage operator shall cause routine sampling and testing of the public water system
19 water supply to be performed by a third party at the operator's expense. The results
20 of any testing performed pursuant to this Subsection shall be provided to the public
21 water system and to the department.

22 D. If ground water monitoring indicates that a source of drinking water has
23 been rendered unsafe to drink or to provide to livestock, the storage operator shall
24 immediately execute the ground water remediation plan and shall provide an
25 alternative supply of potable drinking within twenty-four hours and an alternative
26 supply of water that is safe for other uses within thirty days. The supplies of both
27 potable water and water that is safe for other uses shall continue until additional
28 monitoring by the storage operator shows that the source of drinking water is safe for

1 drinking and other uses and such results are confirmed by independent testing
2 performed by the department.

3 Section 2. The Louisiana State Law Institute is hereby authorized and directed to
4 alphabetize and renumber the definitions contained in R.S. 30:1103 and to correct any cross-
5 references to the renumbered Paragraphs if necessary, consistent with the provisions of this
6 Act.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 353 Original

2025 Regular Session

Mack

Abstract: Establishes requirements for carbon dioxide sequestration regarding stranded minerals, emergency preparedness, financial security, liability, siting restrictions, and water quality and provides for liability and penalties for reporting violations.

Present law establishes the La. Geologic Sequestration of Carbon Dioxide Act, which provides for definitions, authority of the commissioner of conservation, and requirements for the injection of carbon dioxide and for carbon dioxide storage facilities.

Proposed law retains present law and adds definitions for "public water system" and "transmission pipeline".

Present law establishes duties of the commissioner, including required findings for the use of an underground reservoir for carbon dioxide storage.

Proposed law retains present law and adds a requirement that the commissioner also find that the proposed storage facility is either not located above a oil, gas, or other mineral reservoir, or that, if it is located above such a reservoir, that the affected mineral interest owners have consented to the storage facility or that all of the minerals in such reservoir have already been produced.

Present law requires storage facility owners and operators to report certain operational data quarterly and report certain conditions or events within 24 hours of their occurrence.

Proposed law retains present law and adds that a violation of these reporting requirements subjects the operator and owner to the following:

- (1) Civil penalties established under present law for violations of any carbon dioxide sequestration statutes.
- (2) Criminal penalties for any knowing or willful violation, which may include fines of up to \$25,000 per day of violation, the costs of prosecution, and up to one year of imprisonment. Restricts criminal prosecution if the person is under a compliance order or subject to a civil penalty action for the same violation.

Present law requires storage facilities to have an emergency and remedial response plan in place prior to injection and requires storage facility owners and operators to provide parish governing authorities with a copy of the plan.

Present law requires that the plan include continuing training for operating and maintenance personnel and one tabletop exercise for emergency response with each parish within the facility's area of review.

Proposed law retains present law and adds that transmission pipelines must also have emergency and remedial response plans that the pipeline operator must provide to parish governing authorities.

Proposed law also adds that the following be included as part of the facility and pipeline emergency and remedial response plans:

- (1) Continuing training for law enforcement and emergency response agencies, first responders, and parish offices of homeland security and emergency preparedness.
- (2) Community notification systems to warn people within an affected area, or at least within a two mile radius, of an imminent threat involving the storage facility or pipeline, which system must be tested semiannually.
- (3) Procedures for the use of the community notification system, the use of evacuation and shelter-in-place notifications, and continuing outreach and educational programming about the system and these notifications for the public and local government agencies.

Proposed law provides that the tabletop exercise required under present law be conducted once a year for the duration of injection operations, in addition to the one tabletop exercise prior to injection.

Proposed law also requires storage facility and transmission pipeline owners or operators to provide fire departments that may have to respond to facility- and pipeline-related emergencies with the equipment and supplies necessary for an effective response.

Proposed law requires storage facility's to obtain financial security or insurance to cover the costs of the following related to contamination of public water systems by carbon dioxide:

- (1) Remediation of the contamination.
- (2) Damages to system equipment and facilities caused by contamination or remediation.
- (3) Expenses incurred by the system due to contamination or remediation.

Proposed law specifies that the owners and operators of storage facilities and transmission pipelines are liable for damages stemming from a loss of containment or unauthorized release of carbon dioxide.

Present law prohibits the commissioner of conservation from permitting a Class VI injection wellhead within 500 feet of any school, health care facility, or inhabited dwelling not owned by the operator or an owner in interest that has agreed to a wellhead being located within 500 feet of the dwelling.

Proposed law modifies present law by making transmission pipelines also subject to the setback requirements and increases the setback from 500 feet to a ½ mile.

Proposed law also expands the establishments from which the wells and pipelines must be set back from to include other educational institutions, all healthcare facilities as defined under present law definition contained in R.S. 40:1802, and houses of worship.

Proposed law requires that notice of the construction of any Class VI well or transmission pipeline must be provided to all residences, businesses, and governmental entities within two

miles of the construction. Proposed law further requires that this notice be provided at least 60 days prior to any required public hearing or comment period.

Present law requires that storage facility owners and operators conduct periodic testing and monitoring of ground water quality above the confining zone and report semiannually to the office of conservation regarding such testing and monitoring.

Proposed law repeals present law and requires the following of storage facility owners and operators instead:

- (1) Remediation plans for ground water contamination by carbon dioxide.
- (2) Continuous monitoring of all underground sources of drinking water and semiannual reporting to the department.
- (3) Routine sampling of public water systems by a third party when requested by the system.
- (4) Provision of potable water and water safe for other uses when monitoring indicates that a source of drinking water is unsafe and for as long as that source of drinking water remains unsafe.

Directs the La. State Law Institute to alphabetize and renumber the definitions contained in proposed law and to correct any cross-references that may need to be changed as a result of the renumbering.

(Amends R.S. 30:1104(C)(intro. para.), 1107.2, 1113, and 1114; Adds R.S. 30:1103(17) and (18), 1104(C)(4), 1107.1(D), 1107.3, and 1109(B)(3))