

2022 Regular Session

HOUSE BILL NO. 655

BY REPRESENTATIVE COUSSAN

ENERGY/ALTERNATE: Provides relative to the management of solar resources

1 AN ACT

2 To amend and reenact R.S. 30:136.3(D) and 1154(A)(introductory paragraph) and (6), (B),
3 (C), and (D) and to enact R.S. 30:136.3(B)(5) and 1154(A)(9), (E), and (F), relative
4 to solar energy; to provide for the powers and duties of the secretary of the
5 Department of Natural Resources; to require a permit to operate a solar power
6 generation facility; to provide for fees; to provide for financial security; to provide
7 for the Mineral and Energy Operation Fund; to provide for definitions; and to
8 provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 30:136.3(D) and 1154(A)(introductory paragraph) and (6), (B), (C),
11 and (D) are hereby amended and reenacted and R.S. 30:136.3(B)(5) and 1154(A)(9), (E),
12 and (F) are hereby enacted to read as follows:

13 §136.3. Mineral and Energy Operation Fund

14 * * *

15 B. Out of the funds remaining in the Bond Security and Redemption Fund,
16 after a sufficient amount is allocated from that fund to pay all obligations secured by
17 the full faith and credit of the state which become due and payable within any fiscal
18 year as required by Article VII, Section 9(B) of the Constitution of Louisiana, the

1 treasurer in each fiscal year shall pay into the fund revenues and amounts from the
2 following sources:

3 * * *

4 (5) All revenue received from fees collected pursuant to R.S. 30:1154.

5 * * *

6 D. The monies in the fund shall be appropriated by the legislature to the
7 Department of Natural Resources to be used solely for the administration and
8 regulation of minerals, ground water, and related energy activities. Additionally,
9 monies deposited into the fund pursuant to Paragraph (B)(5) of this Section shall be
10 used solely for the administration and regulation of solar devices and solar power
11 generation facilities.

12 * * *

13 §1154. Regulations governing solar devices; solar leases

14 A. The secretary shall develop and adopt, in cooperation with affected
15 utility, agricultural, and solar industries, landowners, and consumer representatives
16 and after one or more public hearings, regulations governing solar ~~devices~~ power
17 generation facilities and property leases for the exploration, development, and
18 production of solar energy. The regulations shall be designed to encourage the
19 development and use of solar energy and to provide maximum information to the
20 public concerning solar devices and solar power generation facilities. The
21 regulations may include all of the following:

22 * * *

23 (6) Prohibitions on the ~~safe~~ installation of solar devices in a solar power
24 generation facility that do not meet minimum requirements for safety, capacity, and
25 durability as established by the secretary.

26 * * *

27 (9)(a) Requirements for a permit to construct and operate a solar power
28 generation facility shall include a bond or other acceptable financial security in an
29 amount determined by the secretary to ensure proper site closure. Any bond shall

1 be executed by the permittee and a corporate surety licensed to do business in the
2 state. The bond or other instrument shall be payable to the Department of Natural
3 Resources and shall ensure the following:

4 (i) Substantial compliance with this Section and any rule or regulation
5 promulgated pursuant to this Section.

6 (ii) Compliance with any permit issued or enforced pursuant to this Section.

7 (iii) Compliance, as determined by a court of competent jurisdiction, with
8 provisions of the property lease for the exploration, development, and production of
9 solar energy on which the facility is located and that the violation would require
10 closure of the facility. The department shall notify the lessor of any enforcement
11 action against a permittee or upon a claim against the bond or other instrument.

12 (b) In determining the adequacy of the amount or other specific requirements
13 of the bond or other financial security, the secretary shall consider the following:

14 (i) The assets, debts, and compliance history of the applicant or permittee.

15 (ii) The condition and capacity of the facilities to be covered by such
16 security.

17 (iii) The estimated cost of site closure, including remediation of the property.

18 (iv) Any other factor that may impact the ability to operate and maintain the
19 facilities.

20 B. The secretary shall give due consideration to the effects of the regulations
21 on the cost of purchasing, installing, operating, and maintaining solar devices in a
22 solar power generation facility, and shall reassess and amend the regulations as often
23 as deemed necessary considering their effect upon the benefits and disadvantages to
24 the widespread adoption of solar energy systems and the need to encourage creativity
25 and innovative adaptations of solar energy.

26 C. Under no circumstances may the secretary preclude any person from
27 developing, installing, or operating a solar device on his own property for residential
28 use or collect any fee for such use.

1 D. No person shall construct or operate a solar power generation facility that
2 has a footprint of ten or more acres without holding a permit issued pursuant to the
3 rules and regulations provided for in this Section. In addition to other requirements
4 for the issuance of a permit, the department shall collect an application fee not to
5 exceed five hundred dollars and fifty dollars per acre of the solar power generation
6 facility footprint. Additionally, the department shall collect an annual monitoring
7 and maintenance fee beginning the year after issuance and every year thereafter not
8 to exceed fifty dollars per acre of the facility footprint. Any application for a permit
9 shall include a decommissioning plan for the facility that plans for closure at the end
10 of life of the facility as well as closure in the event of a disaster making operation of
11 the power generation facility impossible. The decommissioning plan shall be
12 reviewed for sufficiency by the department. All the monies collected from the fees
13 provided for in this Subsection shall be deposited in the Mineral and Energy
14 Operation Fund.

15 E. For purposes of this Section, the following terms shall have the meanings
16 ascribed to them in this Subsection, unless the context or use clearly indicates
17 otherwise:

18 (1) "Solar power generation facility" means one or more solar devices and
19 any facility or equipment used to support the operation of the solar devices, including
20 any underground or above ground electrical transmission or communications line,
21 an electric transformer, a battery storage facility, an energy storage facility,
22 telecommunications equipment, a road, a meteorological tower, or a maintenance
23 yard.

24 (2) "Solar device" means a solar energy collector or solar energy system that
25 provides for the collection of solar energy or the subsequent use of that energy as
26 thermal, mechanical, or electrical energy.

27 E. Any violation of any regulation adopted by the secretary pursuant to this
28 Section may be enjoined in the manner prescribed by law.

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 655 Original

2022 Regular Session

Coussan

Abstract: Establishes a regulatory framework for the management of solar resources.

Present law provides for the sources of payments into the Bond Security and Redemption Fund. Proposed law adds solar power and limits the use of any monies deposited into the account to the administration and regulation of solar devices or solar power generation facilities.

Present law provides for the regulation of solar devices. Proposed law provides for the regulation of solar power generating facilities.

Present law prohibits the sale of solar devices that do not meet certain minimum requirements. Proposed law modifies present law by prohibiting the installation, instead of the sale, of solar devices in a solar power generation facility that do not meet certain minimum requirements.

Proposed law requires a permit to construct and operate a solar power generation facility. Further provides that the permit be bonded or secured in an amount to be determined by the secretary of the Dept. of Natural Resources to ensure proper site closure.

Proposed law further requires the instrument be payable to the Dept. of Natural Resources and ensure all of the following:

- (1) Substantial compliance with this Section and any rule or regulation promulgated pursuant to this Section.
- (2) Compliance with any permit issued or enforced pursuant to this Section.
- (3) Compliance, as determined by a court of competent jurisdiction, with provisions of the property lease for the exploration, development, and production of solar energy on which the facility is located and that the violation would require closure of the facility. Also requires the department notify the lessor of any enforcement action against a permittee or upon a claim against the bond or other instrument.

Proposed law further specifies that in determining the adequacy of the amount or other specific requirements of the bond or other financial security, the secretary must consider the following:

- (1) The assets, debts, and compliance history of the applicant or permittee.
- (2) The condition and capacity of the facilities to be covered by such security.
- (3) The estimated cost of site closure, including remediation of the property.
- (4) Any other factor that may impact the ability to operate and maintain the facilities.

Present law prohibits the secretary from preventing any person from developing, installing, or operating a solar device on his own property for residential use. Proposed law retains present law and adds a prohibition on the collection of any fee associated with such use.

Proposed law prohibits the construction or operation of any solar power generation facility that has a footprint of 10 or more acres without holding a permit issued pursuant to the rules and regulations provided for in proposed law.

Proposed law mandates the collection of an application fee not to exceed \$550 per acre of the solar power generation facility footprint. Additionally, requires the collection of an annual monitoring and maintenance fee beginning the year after issuance and every year thereafter not to exceed \$50 per acre of the facility footprint.

Proposed law requires a decommissioning plan for the facility that plans for closure at the end of life of the facility as well as closure in the event of a disaster making operation of the power generation facility impossible. Further requires that the plan be reviewed for sufficiency by the department.

Proposed law provides for the disposition of all moneys collected from fees provided for in proposed law into the Mineral and Energy Operation Fund.

Proposed law defines the terms "solar power generation facility" and "solar device".

(Amends R.S. 30:136.3(D) and 1154(A)(intro. para.) and (6), (B), (C), and (D); Adds R.S. 30:136.3(B)(5) and 1154(A)(9), (E), and (F))