

Regular Session, 2010

SENATE BILL NO. 183

BY SENATOR N. GAUTREAUX

ENERGY DEVELOPMENT. Authorizes the State Mineral and Energy Board to lease state lands for the development or production of alternate energy resources. (8/15/10)

1 AN ACT

2 To amend and reenact R.S. 30:124, relative to the State Mineral and Energy Board; to  
3 provide for alternate energy resources; to authorize the State Mineral and Energy  
4 Board to lease state lands for the exploration, development, and production of energy  
5 from alternative energy resources; to provide definitions, terms, and conditions; to  
6 provide for rulemaking authority; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 30:124 is hereby amended and reenacted to read as follows:

9 §124. Board may lease public lands; fee

10 **A. The legislature finds that the state, through the Department of**  
11 **Natural Resources, should promote the generation and use of alternative energy**  
12 **sources, including but not limited to wind energy, geothermal energy, solar**  
13 **energy and hydrokinetic energy, throughout the state to ensure the viability of**  
14 **the state's natural resources, to provide a continuing utility-scale clean energy**  
15 **source for the citizens and businesses of Louisiana, to support economic**  
16 **development through job retention and creation in Louisiana, and to promote**  
17 **a clean environment.**

1           **B.** The State Mineral and Energy Board, **hereinafter referred to as the**  
2           **"board"**, has authority to lease for the development and production of minerals, oil,  
3           **and gas, or alternative energy sources,** any lands belonging to the state, or the title  
4           to which is in the public, including road beds, water bottoms, vacant state lands, and  
5           lands adjudicated to the state at tax sale. **The board shall adopt rules and**  
6           **regulations in accordance with the Administrative Procedure Act to implement**  
7           **the provisions of this Subpart.**

8           **C.** As used in this Section, "alternative energy sources" means energy  
9           **sources other than oil, gas, and other liquid, solid or gaseous minerals. It shall**  
10          **include, but not be limited to, wind energy, geothermal energy, solar energy and**  
11          **hydrokinetic energy. It shall not include the cultivation or harvesting of**  
12          **biomass fuels or the use of state land or water bottoms for facilities which utilize**  
13          **biomass fuel to produce energy.**

14          **D. (1) No lease shall be granted for hydrokinetic energy development**  
15          **that is inconsistent with the terms of a preliminary permit, license, exemption,**  
16          **or other authorization issued by the Federal Energy Regulatory Commission**  
17          **pursuant to its authority under the Federal Power Act, 16 U.S.C. Sec 791a, et**  
18          **seq.**

19          **(2) No lease affecting the following lands shall be granted for alternative**  
20          **energy sources development on such lands without prior written approval of a**  
21          **port or terminal district: (a) lands held in title by the port or terminal district**  
22          **or held by lease or servitude by such port or terminal district, or (b) public**  
23          **navigable waters that flow through any lands within the jurisdiction of a port**  
24          **or terminal district. Such approval shall not be unreasonably withheld unless**  
25          **such lease would be detrimental to the needs of commerce and navigation. No**  
26          **port or terminal district shall receive compensation for their approval.**

27          **E.** The ~~mineral~~ board is further authorized to collect a fee for such leasing  
28          in the amount of ten percent of the total cash bonus paid at the lease sale. The fee  
29          shall be in addition to the total cash bonus paid.

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The original instrument was prepared by J. W. Wiley. The following digest, which does not constitute a part of the legislative instrument, was prepared by Christopher D. Adams.

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#### DIGEST

N. Gautreaux (SB 183)

Present law authorizes the State Mineral and Energy Board ("board") to lease for the development and production of minerals, oil, and gas, any lands belonging to the state, or the title to which is in the public, including road beds, water bottoms, vacant state lands, and lands adjudicated to the state at tax sale.

Proposed law retains present law and authorizes the board to lease for the development and production of "alternative energy sources".

Proposed law authorizes the board to adopt rules and regulations in accordance with the APA.

Proposed law defines "alternative energy sources" as energy sources other than oil, gas, and other liquid, solid or gaseous minerals. It will include, but not limited to, wind energy, geothermal energy, solar energy and hydrokinetic energy. It does not include the cultivation or harvesting of biomass fuels or the use of state land or water bottoms for facilities which utilize biomass fuel to produce energy.

Proposed law further provides that no lease shall be granted for hydrokinetic energy development that is inconsistent with the terms of a permit, license, exemption, or other authorization issued by the Federal Energy Regulatory Commission. No lease will be granted for alternative energy sources development on lands or public navigable waterways without prior written approval of a port or terminal, and the approval of the lease will not be unreasonably withheld unless the lease will be detrimental to the needs of commerce and navigation. Prohibits a port or terminal district from receiving compensation for its approval.

Effective August 15, 2010.

(Amends R.S. 30:124)

#### Summary of Amendments Adopted by Senate

##### Committee Amendments Proposed by Senate Committee on Natural Resources to the original bill.

1. Adds legislative findings.
2. Adds that no lease shall be granted for hydrokinetic energy development that is inconsistent with a permit, license, or exemption issued by the Federal Energy Regulatory Commission.

##### Senate Floor Amendments to engrossed bill.

1. Requires a port or terminal district to give prior approval for the lease.
2. Prohibits unreasonable withholding of lease approval.

3. Prohibits a port or terminal district from receiving compensation for lease approval.
4. Legislative Bureau technical amendments.