

SENATE RESOLUTION NO. 161

BY SENATOR ALLAIN

A RESOLUTION

To establish the Emerging Energy Codification Task Force to study and make recommendations regarding the codification of laws relative to emerging energy technologies.

WHEREAS, blessed with its abundance of oil and gas deposits, as Louisiana was poised to boom at the dawn of the petrochemical age over one hundred years ago, it is also well positioned to prosper from the expansion of energy sources beyond hydrocarbon based energy towards emerging energy technologies, including solar, wind, hydropower, and carbon dioxide capture and sequestration; and

WHEREAS, these technologies and similar emerging technologies will become increasingly important to provide the energy resources needed for future generations and the prosperity of our state and the nation; and

WHEREAS, Louisiana has developed a rich history and expertise in developing both public and private lands for energy development, and has established laws, customs, obligations, and covenants, both stated and implied, addressing the rights, responsibilities, and obligations between landowners and energy developers; and

WHEREAS, these rights, responsibilities, and obligations are well known between lessors, lessee's, other interested parties, the judiciary, and practicing attorneys, and are found in the Louisiana Mineral Code; and

WHEREAS, while the right to explore and develop one's property for the production of energy, whether it be oil and gas, solar, wind, or other source, belongs exclusively to the

landowner, the landowner may convey, reserve, or lease this privilege; and

WHEREAS, in Louisiana it is well settled law that the conventional energy lease arrangement between a landowner and a developer is in the nature of a cooperative venture in which the lessor contributes the land and the lessee, the capital and expertise necessary to develop the land for the mutual benefit of both parties; and

WHEREAS, the lessor-lessee relationship ensues from a reciprocal contract in which the obligation of each party is the cause of the other, and includes covenants, both stated and implied, including the lessee's obligation to protect the lessor's interest, the lessee's obligation to act as a good administrator, or reasonably prudent operator having due regard to the interest of both contracting parties; and

WHEREAS, for instance, the Louisiana Mineral Code addresses many issues including the simultaneous use of the same property by different interest holders for different purposes, ongoing liability and responsibility, assignability of ownership, prescription, and others; and

WHEREAS, there is not a unified body of law like the Louisiana Mineral Code to address and provide guidance for landowners, developers, attorneys, the judiciary, or state and local governments related to the leasing, development, rights, responsibilities, and obligations related to the development of new emerging energy technologies on public and private land; and

WHEREAS, a comprehensive body of law brings clarity and certainty to those entering this space and will foster growth in this highly competitive industry.

THEREFORE, BE IT RESOLVED that the Senate of the Legislature of Louisiana does hereby establish the Emerging Energy Codification Task Force to study and make recommendations regarding the codification of laws relative to emerging energy technologies and related issues.

BE IT FURTHER RESOLVED that the Emerging Energy Codification Task Force shall be comprised of the following members:

(1) One member appointed by the president of the Senate representing Louisiana landowner interests.

(2) One member appointed by the Public Service Commission.

(3) One member appointed by the chair of the Senate Committee on Natural Resources representing an electric utility provider regulated by the Public Service Commission.

(4) One member appointed by the chair of the Senate Committee on Commerce representing a cooperative-owned electric utility provider regulated by the Public Service Commission.

(5) The attorney general, or his designee.

(6) The secretary of the Department of Natural Resources, or his designee.

(7) One member appointed by the Louisiana State Law Institute.

(8) The director of the Louisiana Mineral Law Institute, or his designee.

(9) One member to be appointed jointly by the Louisiana Oil and Gas Association and the Louisiana Mid-Continent Oil and Gas Association.

(10) Three members appointed by the secretary of the Department of Natural Resources representing the emerging energy industry.

BE IT FURTHER RESOLVED that the members of this task force shall serve without compensation, except per diem or expenses reimbursement to which they may be individually entitled as members of the constituent organizations.

BE IT FURTHER RESOLVED that the member appointed by the president of the Senate shall call the first meeting and preside as chair until the task force elects a chair and vice chair at that meeting, and the task force shall follow applicable rules for committee procedure found in the Louisiana Senate Rules of Order.

BE IT FURTHER RESOLVED that a majority of the total membership shall constitute a quorum of the task force and any official action by the task force shall require an affirmative vote of a majority of the quorum present and voting.

BE IT FURTHER RESOLVED that the task force shall meet as necessary and shall be assisted by Senate staff and employees of the Department of Natural Resources.

BE IT FURTHER RESOLVED that the task force shall report an update on or before February 10, 2023, on its findings and recommendations, submit a final report on or before February 9, 2024, to the Senate Committee on Natural Resources and the Senate Committee on Judiciary A, and upon submission of the final report, cease to exist.

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the executive secretary of the Public Service Commission, the attorney general, the director of the Louisiana State Law Institute, the secretary of the Department of Natural Resources, the director of the Louisiana Mineral Law Institute, the executive director of the Louisiana Oil and Gas Association, and the executive director of the Louisiana Mid-Continent Oil and Gas Association.

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PRESIDENT OF THE SENATE