

FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES

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| Return Address: | <u>Injection & Mining</u> <u>617 N. Third St.</u> <u>Baton Rouge, LA, 70802</u> | Rule Title: <u>Statewide Order No. 29-N-6</u> <u>LAC 43:XVII. Ch. 36. Class VI Injection Wells</u> Date Rule Takes Effect: <u>Upon Promulgation</u> |

SUMMARY
(Use complete sentences)

In accordance with Section 961 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, repeal or amendment. THE FOLLOWING STATEMENTS SUMMARIZE ATTACHED WORKSHEETS, I THROUGH IV AND WILL BE PUBLISHED IN THE LOUISIANA REGISTER WITH THE PROPOSED AGENCY RULE.

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

The proposed rule change is not anticipated to result in costs or savings to state or local governmental units. The proposed rule change makes technical and process changes to the existing rule that governs the operation of Class VI injection wells for carbon sequestration as a result of the passage of Act 702 and Act 645 of the 2024 Regular Session and Act 378 of the 2023 Regular Session, in response to stakeholder feedback, and changes to operational best practices for Class VI wells.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

This proposed rule change is not anticipated to have any effect on revenue collections for state or local governmental units.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NON-GOVERNMENTAL GROUPS (Summary)

The proposed rule change includes minor process and technical updates to reflect changes in operational best practices for the operators of Class VI wells and to reflect recent changes in relevant statutes. Some of these changes may result in additional costs to these operators. Any increase will be based on the particular status of their site and injection well, so quantification of any incremental increase in costs is indeterminable. Operators may expend additional resources to comply with enhanced requirements for environmental monitoring and reporting. These resources will generally be paid to technical and engineering companies that provide services to Louisiana Class VI operators.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

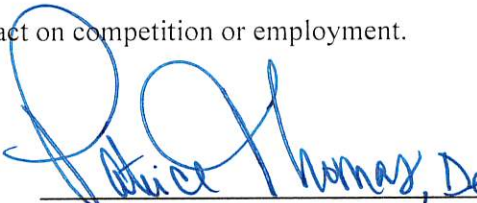
The proposed rule change is not anticipated to have any impact on competition or employment.

Steven Giambrone Digitally signed by Steven Giambrone
Date: 2024.12.09 15:40:42 -06'00'

Signature of Agency Head or Designee
Steven Giambrone, Interim Director

Typed Name & Title of Agency Head or Designee
12/09/2024

Date of Signature



Legislative Fiscal Officer or Designee

12/10/2024

Date of Signature

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The following information is required in order to assist the Legislative Fiscal Office in its review of the fiscal and economic impact statement and to assist the appropriate legislative oversight subcommittee in its deliberation on the proposed rule.

- A. Provide a brief summary of the content of the rule (if proposed for adoption, or repeal) or a brief summary of the change in the rule (if proposed for amendment). Attach a copy of the notice of intent and a copy of the rule proposed for initial adoption or repeal (or, in the case of a rule change, copies of both the current and proposed rules with amended portions indicated).

The existing rule governs the operation of Class VI geologic sequestration wells. The proposed rule changes include process changes throughout the document, minor technical changes to reflect evolving operational best practices, and consistency changes between this rule and the statutory changes included in Act 645 and Act 702 of the 2024 Regular Session and Act 378 of the 2023 Regular Session.

- B. Summarize the circumstances, which require this action. If the Action is required by federal regulation, attach a copy of the applicable regulation.

The passage of Act 702 and Act 645 of the 2024 Regular Session and Act 378 of the 2023 Regular Session created additional requirements for Class VI procedures for testing and monitoring, public notice, and emergency and remedial response.

- C. Compliance with Act 11 of the 1986 First Extraordinary Session

- (1) Will the proposed rule change result in any increase in the expenditure of funds? If so, specify amount and source of funding.

The proposed rule change will not result in an expenditure increase.

- (2) If the answer to (1) above is yes, has the Legislature specifically appropriated the funds necessary for the associated expenditure increase?

(a) _____ Yes. If yes, attach documentation.

(b) _____ NO. If no, provide justification as to why this rule change should be published at this time

Not applicable.

FISCAL AND ECONOMIC IMPACT STATEMENT
WORKSHEET

I. A. COSTS OR SAVINGS TO STATE AGENCIES RESULTING FROM THE ACTION PROPOSED

1. What is the anticipated increase (decrease) in costs to implement the proposed action?

| COSTS | FY 25 | FY 26 | FY 27 |
|-------------------------|-------|-------|-------|
| Personal Services | \$0 | \$0 | \$0 |
| Operating Expenses | \$0 | \$0 | \$0 |
| Professional Services | \$0 | \$0 | \$0 |
| Other Charges | \$0 | \$0 | \$0 |
| Equipment | \$0 | \$0 | \$0 |
| Major Repairs & Constr. | \$0 | \$0 | \$0 |
| TOTAL | \$0 | \$0 | \$0 |
| POSITIONS (#) | 0 | 0 | 0 |

2. Provide a narrative explanation of the costs or savings shown in "A. 1.", including the increase or reduction in workload or additional paperwork (number of new forms, additional documentation, etc.) anticipated as a result of the implementation of the proposed action. Describe all data, assumptions, and methods used in calculating these costs.

No costs or savings to state agencies are anticipated in any of the categories as a result of the proposed rule change.

3. Sources of funding for implementing the proposed rule or rule change.

| SOURCE | FY 25 | FY 26 | FY 27 |
|-----------------------|-------|-------|-------|
| State General Fund | \$0 | \$0 | \$0 |
| Agency Self-Generated | \$0 | \$0 | \$0 |
| Dedicated | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 |
| Other (Specify) | \$0 | \$0 | \$0 |
| TOTAL | \$0 | \$0 | \$0 |

4. Does your agency currently have sufficient funds to implement the proposed action? If not, how and when do you anticipate obtaining such funds?

Not Applicable.

B. COST OR SAVINGS TO LOCAL GOVERNMENTAL UNITS RESULTING FROM THE ACTION PROPOSED.

1. Provide an estimate of the anticipated impact of the proposed action on local governmental units, including adjustments in workload and paperwork requirements. Describe all data, assumptions and methods used in calculating this impact.

The proposed rule change is not anticipated to impact local governmental units.

2. Indicate the sources of funding of the local governmental unit, which will be affected by these costs or savings.

Not applicable.

FISCAL AND ECONOMIC IMPACT STATEMENT
WORKSHEET

II. EFFECT ON REVENUE COLLECTIONS OF STATE AND LOCAL GOVERNMENTAL UNITS

A. What increase (decrease) in revenues can be anticipated from the proposed action?

| REVENUE INCREASE/DECREASE | FY 25 | FY 26 | FY 27 |
|---------------------------|-------|-------|-------|
| State General Fund | \$0 | \$0 | \$0 |
| Agency Self-Generated | \$0 | \$0 | \$0 |
| Dedicated Funds | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 |
| Local Funds | \$0 | \$0 | \$0 |
| TOTAL | \$0 | \$0 | \$0 |

A. Provide a narrative explanation of each increase or decrease in revenues shown in "A." Describe all data, assumptions, and methods used in calculating these increases or decreases.

State and local government revenues are not anticipated to be affected by the proposed rule change.

III. COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NONGOVERNMENTAL GROUPS

A. What persons, small businesses, or non-governmental groups would be directly affected by the proposed action? For each, provide an estimate and a narrative description of any effect on costs, including workload adjustments and additional paperwork (number of new forms, additional documentation, etc.), they may have to incur as a result of the proposed action.

Operators of Class VI wells may be required to expend additional resources due to this rule change. However, any increase will be based on the particular status of their site and well(s), so quantification of any incremental increase in costs is indeterminable at this time.

B. Also provide an estimate and a narrative description of any impact on receipts and/or income resulting from this rule or rule change to these groups.

Operators may expend incremental additional resources to comply with the rule change. These resources will generally be paid to technical and engineering companies that provide services to Louisiana Class VI operators.

IV. EFFECTS ON COMPETITION AND EMPLOYMENT

Identify and provide estimates of the impact of the proposed action on competition and employment in the public and private sectors. Include a summary of any data, assumptions and methods used in making these estimates.

Implementation of this proposed rule change is not anticipated to impact competition or employment.