

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

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NOTICE OF INTENT

Department of Energy and Natural Resources Office of Conservation Injection and Mining Division

Class VI Injection Well Supplemental Rules—Fee Schedule (LAC 43:XVII.Chapter 38)

In accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., and through the power delegated under the laws of the state of Louisiana, notice is hereby given that the Department of Energy and Natural Resources, Office of Conservation, Injection and Mining Division proposes to amend Statewide Order No. 29-N-7 (LAC 43:XVII.Subpart 8, Chapter 38), to facilitate the fee issuance and collections relative to the Class VI geologic sequestration well permitting program.

The Department of Energy and Natural Resources, Office of Conservation, Injection and Mining Division proposes to amend provisions governing the oversight of the Class VI carbon sequestration application fee standards within the Underground Injection Control (UIC) Program located within the Office of Conservation. Class VI wells are a federally-designated well class for wells that inject carbon dioxide gas underground for long-term containment or sequestration, ultimately limiting net emissions for this greenhouse gas. The UIC Program received primary enforcement authority (primacy) from the United States Environmental Protection Agency on February 5, 2024, modifying the UIC Program oversight to include Class VI wells in addition to current oversight authority for Class I, II, III, IV, and V wells. Modification of Statewide Order No. 29-N-7 is proposed in order to clarify the application filing fees for this new program.

Title 43

NATURAL RESOURCES

Part XVII. Injection and Mining

Subpart 8. Statewide Order No. 29-N-7

Chapter 38. Class VI Injection Well Supplemental Rules—Fee Schedule

§3801. Definitions.

* * *

Escrow Account—an account held by the Office of Conservation within the Carbon Dioxide Geologic Storage Trust Fund in favor of each Class VI applicant into which funds paid by the applicant are deposited and from which funds are drawn in order to provide for the review of a Class VI permit application.

* * *

Residual Escrow Funds—any remaining funds on deposit with the Office of Conservation in favor of an applicant or permittee after a final decision on a Class VI permit application is rendered by the commissioner and all qualified expenses have been deducted from the escrow account.

Residual escrow funds do not include any interest accrued on an escrow account.

* * *

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:1101 et seq.

HISTORICAL NOTE: Promulgated by the Department of Energy and Natural Resources, Office of Conservation, Injection and Mining Division, LR 50:683 (May 2024), amended LR 51:

§3803. General Provisions.

A - B.2. ...

C. Expedited Permit Review

1. An expedited permit review pursuant to LAC 43:XIX.4701 et seq. by Office of Conservation staff is separate from the reviews pursuant to this Chapter. An applicant may request an expedited permit review, which, if granted, shall require the applicant to pay additional fees.

D - D.2.c. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:1101 et seq.

HISTORICAL NOTE: Promulgated by the Department of Energy and Natural Resources, Office of Conservation, Injection and Mining Division, LR 50:683 (May 2024), amended LR 51:

§3805. Filing and Application Fees

A - A.2. ...

3. For all Class VI permit applications, additional funds not to exceed the total, actual cost of review may be required to be paid by the applicant pursuant to La R.S. 30:1110.C(3). Accordingly, the application fee for a Class VI permit application may exceed \$200,000.

B - B.1. ...

C. Payment, Deposit, and Withdrawal of Fees

1. An applicant must pay the filing fee to the Office of Conservation upon submission of its Class VI permit application.

2. An applicant must pay any other funds comprising the application fee to the Office of Conservation within 30 days after the issuance to the applicant of a notice and invoice for such amounts. The Office of Conservation shall withdraw funds from each filing fee account upon expenditures associated with incurred costs described in Subsection B of this Section. Upon request by an applicant, the Office of Conservation shall provide a detailed, itemized list of any costs incurred in the review of the applicant's Class VI permit application.

3. The Office of Conservation shall deposit the fees collected under this Chapter into a separate escrow account for each applicant. If an applicant has multiple Class VI permit applications pending before the Office of Conservation, the escrow account for such applicant may be divided into separate accounts for each application. The Office of Conservation may draw upon the escrow account whenever the office determines a draft to be necessary in order to pay for any cost incurred in the review of a permit application.

4. Any interest accrued on an escrow account shall be the property of the Office of Conservation and shall be deposited in the Geologic Storage Trust Fund.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:1101 et seq.

HISTORICAL NOTE: Promulgated by the Department of Energy and Natural Resources, Office of Conservation, Injection and Mining Division, LR 50:683 (May 2024), amended LR 51:

§3807. Residual Escrow Funds.

A. Reimbursement

1. Within 30 days after the commissioner renders a final decision on a Class VI permit application and once all qualified expenses have been deducted from an escrow account, the Office of Conservation shall determine whether residual escrow funds for an applicant or permit application exist.

2. If the Office of Conservation determines that residual escrow funds exist, it shall reimburse the applicant that paid the funds within 30 days after such determination.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:1101 et seq.

HISTORICAL NOTE: Promulgated by the Department of Natural Resources, Office of Conservation, Injection and Mining Division, LR 51:

§3811. Failure to Comply

A. Upon failure to comply after notice, operators who have violated any requirement of this Chapter may be liable for a civil penalty or liable for appropriate relief granted in a civil action pursuant to R.S. 30:1106.

B. The operator must comply with all requirements of this Chapter. Any noncompliance may result in enforcement action; permit termination, revocation and reissuance, or modification; suspension of a permit application review; or denial of a permit application.

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:1101 et seq.

HISTORICAL NOTE: Promulgated by the Department of Energy and Natural Resources, Office of Conservation, Injection and Mining Division, LR 50:683 (May 2024), amended LR 51:

Family Impact Statement

In compliance with Act 1183 of the 1999 Regular Session of the Louisiana Legislature, the impact of this proposed Rule on the family has been considered. The proposed Rule has a positive impact on family functioning, stability, or autonomy as described in R.S. 49:972.

Poverty Impact Statement

The proposed Rule should not have any known or foreseeable impact on any child, individual or family as defined by R.S. 973.B. In particular, there should be no known or foreseeable effect on:

1. the effect on household income, assets, and financial security;
2. the effect on early childhood development and preschool through postsecondary education development;
3. the effect on employment and workforce development;
4. the effect on taxes and tax credits;
5. the effect on child and dependent care, housing, health care, housing, health care, nutrition, transportation, and utilities assistance.

Small Business Analysis

Pursuant to R.S. 49:965.6, methods for reduction of the impact on small business, as defined in the Regulatory Flexibility Act, have been considered when creating this proposed Rule.

This proposed Rule is not anticipated to have an adverse impact on small businesses; therefore, a Small Business Economic Impact Statement has not been prepared.

Provider Impact Statement

The proposed Rule is not anticipated to have an impact on providers of services funded by the state as described in HCR 170 of the 2014 Regular Legislative Session. In particular, there should be no known or foreseeable effect on:

1. the effect on the staffing level requirements or qualifications required to provide the same level of service;
2. the total direct and indirect effect on the cost to the providers to provide the same level of service; or
3. the overall effect on the ability of the provider to provide the same level of service.

Public Comments

Interested persons may submit written comments to H. Barlow Holley, Office of Conservation, Louisiana Department of Energy and Natural Resources, 617 North 3rd St., 9th Floor, Baton Rouge, LA 70802 or to info@la.gov. Written comments will be accepted through the close of business, 5 p.m. on January 24, 2025.

Public Hearing

Interested persons may submit written comments to H. Barlow Holley, Office of Conservation, Louisiana Department of Energy and Natural Resources, 617 North 3rd St., 9th Floor, Baton Rouge, LA 70802 or to info@la.gov. Written comments will be accepted through the close of business, 5 p.m. on January 24, 2025. A public hearing is not currently scheduled, but if requested will be held on the evening of Thursday, January 23, 2025.

Steven M. Giambrone
Interim Director

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Class VI Injection Well Supplemental Rules—Fee Schedule

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

The proposed Rule change is not anticipated to result in costs or savings to state or local governmental units. This proposed Rule adds language to clarify the fee process for Class VI injection wells and for the reimbursement of residual escrow funds from the existing application filing fee.

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

The proposed Rule change is not anticipated to have an impact on revenues for state or local governmental units.

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

The proposed Rule change is not anticipated to have any impact on costs and/or economic benefits to directly affected persons, small businesses, or non-governmental groups.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

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

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