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DEPARTMENT OF ENERGY AND NATURAL RESOURCES

August 28, 2024

Mr. Guy Cormier, Exec. Director Louisiana Police Jury Association 707 North 7th Street Baton Rouge, LA 70802

Mr. Barney Arceneaux Louisiana Municipal Association 700 North 10th Street Baton Rouge, LA 70802

RE: LDENR Regulations on Solar Power Generation Facilities

Dear Mr. Cormier and Mr. Arceneaux,

We are writing to share next steps regarding state regulation of solar power generation facilities in Louisiana and to ask for feedback as we move forward. Louisiana Department of Energy and Natural Resources (LDENR) recognizes the important role played and invaluable place held by both parish and municipal governments regarding land use planning, zoning, and construction within their jurisdictions. We have also heard from some, that more information about the current status of statewide regulation of solar power generation facilities is warranted. Below, is a summary of the current status and future plans of LDENR and where additional information may be located. We ask that you please share this with your members.

Act 555 of 2022 requires LDENR to adopt regulations mandating decommissioning at the end of the productive life of a solar power generation facility, maintaining financial security to assure coverage of these decommissioning costs, and permitting such facilities as a requirement for their construction and continued operation. LDENR has prioritized promulgating these rules and expects a final draft to be publicly available by the end of September with formal rule adoption beginning soon thereafter in accordance with the Louisiana Administrative Procedures Act (La. R.S. 49:950, et seq.). Due to this rulemaking, parish and municipal governments are advised that any solar power generation facilities approved by them for construction prior to those rules' adoption may be subject to such rules and at risk of being out of compliance with the future requirements. Parish and municipal governments wishing to ensure that solar power generation facilities located in their jurisdictions are compliant with these state requirements should wait until those rules are enacted prior to approving new solar facility construction.

LDENR has continued to solicit and receive feedback from a broad range of stakeholders, including landowners, agricultural representatives, solar developers, surety providers, consumer representatives, and specifically members of the Louisiana Public Service Commission. In recent months, LDENR has also aligned its efforts with Executive Order JML 24-13, which directed a critical review and restructuring of statewide energy and natural resources management. For instance, through Act 727 of the 2024 regular session, LDENR established the Natural Resources Trust Authority (NRTA). The NRTA will function

as a financial planning and rulemaking entity, complementing the regulatory functions of the Office of Conservation. Among other responsibilities, the NRTA will focus on the research, planning, and development of financial assurance policies for energy-related projects, including solar developments.

LDENR is actively taking steps to leverage our State's evolving political, economic, and regulatory landscape to implement structural changes that will allow the flexibility necessary to effectively regulate the relatively nascent solar industry. In addition to the creation of the NRTA, LDENR also created an internal Office of Enforcement to oversee industry compliance with energy development regulations—including solar, oil and gas, and water resource utilization.

Additionally, at a recent joint committee hearing of the Louisiana House Committee on Natural Resources & Environment and on Committee on Agriculture, Forestry, Aquaculture & Rural Development, it was stated multiple times that legislation to create a comprehensive regulatory program for solar developments at LDENR – creating statewide minimum requirements for such things as wildlife protection, siting, and setbacks – would be considered during the 2025 Regular Session. It is likely, should such a program be created, that additional rulemaking would follow.

LDENR asks for your feedback on solar development regulations and in addition to the Louisiana State Register notes that information and updates on LDENR's solar regulations and related information can be accessed at our website at: https://www.dnnr.louisiana.gov/index.cfm/page.1773.

Comments and questions can be submitted to <u>DNR-SolarReg@la.gov</u>. Please let us know if you have any questions.

Yours truly,

Tyler P. Gray Secretary