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DEPARTMENT OF ENERGY AND NATURAL RESOURCES

November 1, 2024

**RE: Ongoing Feedback and Input on Proposed Reorganization
Phase 5 Outline Draft – 2024 JML-13**

As we continue our efforts to strengthen Louisiana's approach to energy and natural resources management, I am reaching out to request your ongoing engagement in shaping the Department's reorganization. Attached is a draft outline of the proposed restructuring and strategic direction in response to Executive Order 13, issued by Governor Jeff Landry this year. This outline reflects input gathered over the past few months from internal and external stakeholders, including nearly every employee in our Department through town halls and individual surveys. Your feedback has directly shaped the proposed structure and priorities within the Department of Energy and Natural Resources (DENR), and I am deeply appreciative of the insights you have provided.

This framework is designed to enhance our operational efficiency, improve interagency coordination, and strengthen our resilience in managing Louisiana's natural resources. It is also built to adapt transparently as we move forward, ensuring a streamlined and flexible process.

As we proceed, I encourage you to review the attached outline and share any additional insights, suggestions, or concerns. Your feedback will be crucial in refining our final report to meet the unique needs of our communities, resources, and stakeholders. Please submit your comments to me, Mr. Clay Parker, or via email to DRIVEInitiative@la.gov by November 30, 2024, so we can incorporate them into the next stages of our planning. We anticipate releasing the final document by the end of the year. If you would like to discuss your thoughts in more detail, I am more than willing to arrange a meeting to continue the conversation.

Thank you for your continued partnership and commitment to this important initiative. Together, we can build a robust and forward-looking foundation for managing Louisiana's energy and natural resources.

Sincerely,

Tyler Gray, Secretary
Louisiana Department of
Energy and Natural Resources

PHASE 5 – SUSTAINABLE CHANGE IMPLEMENTATION

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OVERVIEW

Overview of Phase Five goals for sustainable change and strategic alignment.

1. **Purpose:** To emphasize the strategic goals and clear implementation pathway for the reorganization of the Department of Energy and Natural Resources.
2. **Focus Areas:** Legal framework alignment, task assignment clarity, and budgetary structure refinements to support sustainable integration.
3. **Long-Term Vision:** Ensuring continuity and adaptability for future leadership in managing Louisiana's natural resources recognizing the constant change and adaptability needed to meet the needs of Louisiana.

The process remains developmental and flexible.

- This document outlines a proposed structure based on collected data to date.
- We are actively seeking feedback and plan to adapt the structure based on further input.

PHASE FIVE OF THE REORGANIZATION PLAN

- Focuses on **Sustainable Change Implementation**.
- Emphasizes effective execution of the strategic plan and associated tactics.
- Stresses the importance of both the rationale for changes and a clear execution pathway.

CLARIFYING AUTHORITY

- Key to implementation.
- Revising existing statutes to align with new objectives provides the necessary legal support.
- This alignment enables seamless integration into the Department's operations, allowing adaptation to evolving needs.
- Amending and editing rules and regulations, including new rulemaking where necessary.

NATURAL RESOURCES STEERING COMMISSION (NRSC) RECOMMENDATIONS

- Phase Five builds on NRSC recommendations to further detail departmental reorganization.
- The approach uses strategic steps to communicate changes effectively to stakeholders, with a focus on middle management and the regulated community providing an opportunity to provide more substantive feedback.

THREE FOCAL AREAS - OPERATIONAL CLARITY

To ensure alignment between departmental expectations and public expectations, the Department of Energy and Conservation will develop a structured approach based on three essential operational tracks. This clarity is necessary for every office, division, and employee, defining the scope of responsibilities and ensuring that individual roles contribute to the department's strategic goals. The current format of job descriptions under Civil Service, focused mainly on compliance rather than specific job duties, requires enhancement to

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provide clearer guidance on individual and departmental expectations. This approach will standardize expectations across the department, promoting accountability and fulfilling public service obligations.

Functional or Programmatic Track

- **Focus:** Statutes and Regulations – Addressing functional components to support strategic goals.
- **Objective:** Develop a clear structure around the legal and regulatory responsibilities and the expertise or subject matter experts needed or required to achieve strategic goals.
- **Actions**
 - Define statutory and regulatory expectations for each role to ensure every employee understands their compliance obligations.
 - Establish clear guidelines within each statute and regulation to align programmatic duties with departmental objectives.
- **Outcome:** Enhanced legal compliance and consistency in fulfilling programmatic duties, ensuring that operational actions reflect the department's strategic objectives.

Management Track

- **Focus:** Tasking, Expertise, and Review Mechanisms – Defining task assignments and mapping responsibilities.
- **Objective:** Provide clarity on management roles, including task assignments, areas of expertise, and consistent review processes.
- **Actions:**
 - Develop specific job descriptions that outline task responsibilities, required skills, and the scope of authority for each role.
 - Implement a structured review process to ensure tasks are performed with consistency, providing managers and staff with clear performance expectations.
- **Outcome:** Consistent execution of responsibilities across all levels, fostering an environment where expertise is applied effectively, and tasking aligns with both departmental and public expectations.

Budget and Reporting Track

- **Focus:** Budget Authority and Reporting Structure –
 - Clarifying budget authority, authorizations, and direct reporting hierarchies.
- **Objective:** Identify budget responsibilities, authorizations, and reporting lines to ensure financial accountability and transparency.
- **Actions:**
 - Develop budget guidelines that outline fiscal responsibilities and authority for each position, with clear reporting hierarchies to support accountability.

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- Align budget duties with departmental goals, emphasizing efficient resource use and compliance with public financial expectations.
- **Outcome:** A transparent budget and reporting structure that supports the department's goals, ensuring fiscal responsibility and reinforcing public trust.
- **Statutes and Regulations:** Addressing functional components to support strategic goals.

INTEGRATED JOB DESCRIPTIONS FOR OPERATIONAL CONSISTENCY

Redesigning Job Descriptions

- Current job descriptions under Civil Service prioritize compliance over specific job duties, which often leads to misalignment between individual and departmental expectations.
- To address this, each role within the department will have a job description that reflects not only compliance but also detailed responsibilities aligned with each operational track.

Enhancing Role Clarity

- Every office, division, and employee needs precise definitions around their responsibilities within each track.
- These job descriptions will act as foundational tools to ensure that individuals' expectations are consistent with departmental and public expectations, fostering greater accountability and transparency.

MULTI-FACETED APPROACH

- Developing detailed job descriptions across divisions, offices, and individual roles.
- Providing external stakeholders with a clear service roadmap.
- Incorporating a strategic review focused on specific tasks, goals, and outcomes for sustained progress.

LONG-TERM OBJECTIVE

- Aligning the structure with Louisiana's civil traditions for intuitive application and design reducing confusion and enhancing consistency of outcomes.
- Ensuring future leaders can sustain transformation beyond the DRIVE Initiative.

EMBEDDING STATUTORY REVISIONS

- This phased implementation embeds necessary legal changes to make initiatives actionable and resilient.
- Phase Five represents the pivotal step from vision to action, setting the stage for a more responsive, effective Department.

STRATEGIC GOVERNANCE

OVERSIGHT MODEL

Adoption of a flexible, responsive structure allowing quick adaptation to change, crises or policy shifts while maintaining proper oversight and public engagement.

- Flexible Oversight Structure
 - **Adaptability:** A flexible structure allows the agency to pivot in response to regulatory changes, environmental shifts, and technological advancements.
 - **Innovation Culture:** Encourages employees to explore new methods and technologies, fostering a culture of innovation without the limitations of rigid oversight.
 - **Enhanced Responsiveness:** Enables quicker decision-making and efficient responses to emerging issues like natural disasters or public concerns, streamlining approvals and stakeholder engagement.
- Natural Resources Commission Creation and Role
 - Commission Members and Their Representation
 - Seven members consisting of the executives of agencies affected by the natural resources management structure, including one representative of statewide flood control interests.
 - Legislative and Executive Branch Role Clarification
 - Allows legislative branch to focus on legislating “what” needs to be done and executive branch, through the Commission to focus on the “how” to implement strategic priorities of the legislature.

REGIONAL CUSTOMIZATION

- Tailored resource allocation to meet specific needs of coastal vs. inland areas.
 - **Tailored Oversight:** Flexibility allows oversight to be customized to diverse regional needs, ensuring that both coastal and inland areas receive appropriate resource allocation.
 - **Inter-Agency Collaboration:** Facilitates shared goals and resource-sharing for cross-agency projects such as flood management and coastal restoration, aligning with Louisiana’s unique geographic demands.

PERMANENT OVERSIGHT COMMISSION

- **Commission Model:** A dedicated commission will hold quarterly meetings focused on programmatic and functional oversight, replacing temporary committees or task forces.
- **Naming and Inspiration.** The proposed commission would be called the “Natural Resources Commission,” inspired by the first commission for the conservation on Natural Resources chaired

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by State Representative Thornton, from Shreveport, Louisiana, in 1908.¹ This historical commission consisted of seven ex officio members, ultimately reporting the need for a Department of Conservation in 1912,² providing a legacy of conservation oversight to inform the current initiative.

- **Commission Membership:** Members would include chief executives of their respective agencies, ensuring each agency's priorities are represented. For statewide flood control interests, the member would be the chief executive of as appointed by the Governor.
- **Cross-Functional and Cross-Agency Representation:** The Natural Resources Steering Commission (NRSC) recommended establishing this cross-functional commission to enhance efficiency and coordination across agencies related to energy and natural resource management. The commission would consist of seven voting members, each representing a key agency or function identified as essential for an integrated natural resources governance system.
- **Proposed Seats:** The seven seats on the Natural Resources Commission would be designated, without the ability to proxy, for:
 - Department of Energy and Natural Resourcesⁱ
 - Louisiana Economic Developmentⁱⁱ
 - Department of Environmental Qualityⁱⁱⁱ
 - Department of Revenue^{iv}
 - Department of Wildlife and Fisheries^v
 - Public Service Commission^{vi}
 - A representative for statewide flood protection interests^{vii}
- This structured, high-level composition supports the DRIVE Initiative's goal of an integrated, collaborative approach to managing Louisiana's natural resources.
- **Continuous Oversight:** Provides a structured, ongoing process to address emerging challenges, oversee projects, and ensure transparency in natural resource management.
- **Legislative Coordination:** Streamlines communication with the legislative branch, allowing formal discussions and resolutions of any concerns.
- **Clear Goals and Accountability:** The commission will operate under clearly defined goals, tasks, and reporting guidelines, formally assigned by both the legislative and executive branches. This ensures alignment with state policy and accountability at the highest levels.

¹ Act 144 of 1908 Regular Session. A conservation commission was also created in 1910 by Act 172.

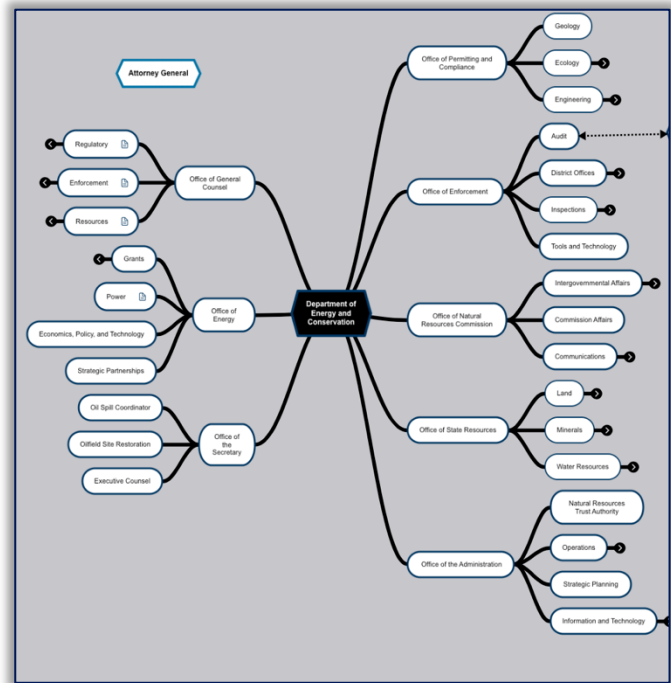
² Act 127 of 1912 Regular Session by Mr. Buie. Inspiration for this department was also drawn from the conservation commission created via Act 172 of the 1910 Regular Session.

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- **Proactive and Collaborative Management:** Institutionalizing this oversight within a permanent commission creates a proactive, transparent, and collaborative framework for managing Louisiana’s natural resources.

- **Efficient Resource Use:**

- **Strategic Allocation:** Ensures resources are allocated where they are most impactful, supporting longer-term planning focused on future challenges rather than only immediate concerns.
- **Workforce Exposure:** Allows the agency to make optimal use of its staff’s varied skills and perspectives, driving innovation and resilience across departments, including developing cross-agency short-term projects expanding knowledge of agencies operations



- **Public Engagement:** Emphasis on structured public participation to build trust and encourage ongoing improvement.

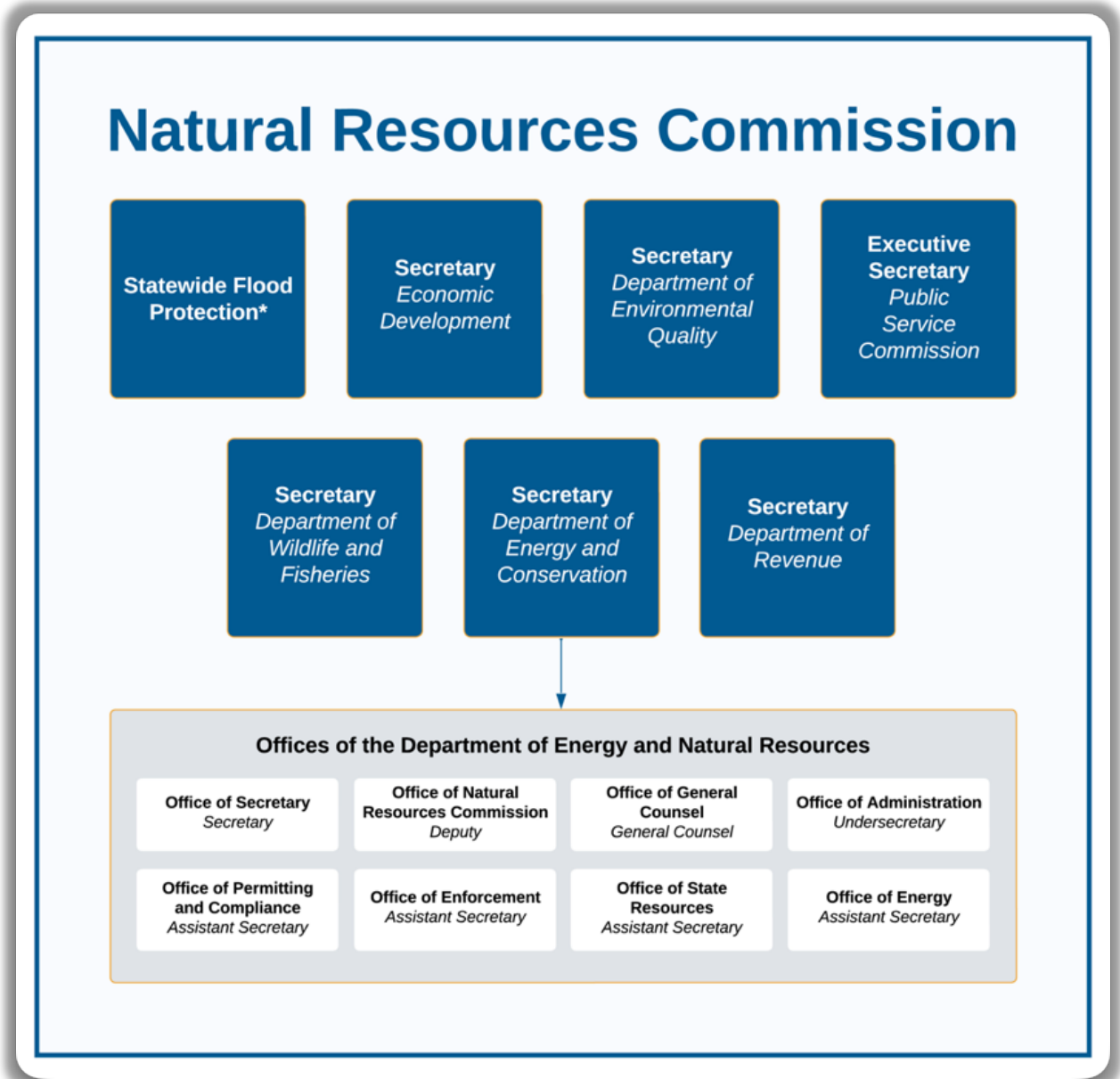
- **Structured Participation:** A flexible structure incorporates mechanisms for public input without being burdened by numerous task forces, promoting public trust.
- **Community Goals:** Allows the agency to integrate community goals effectively while maintaining efficiency and clarity in responsibilities.
- **Resiliency and Responsiveness:** This approach builds a resilient organization, fostering ongoing improvement through constructive public involvement.

Proposed Oversight Structure: Natural Resources Commission

- **Composition:** Seven members, each representing different departments or statewide interests in energy and natural resources.

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- **Functions:** Strategic coordination, eliminating task forces, and creating a platform for direct public engagement with the executive branch.
- **Legislative Integration:** Enabling legislation that includes clear roles, meeting requirements, and direct public reporting pathways.



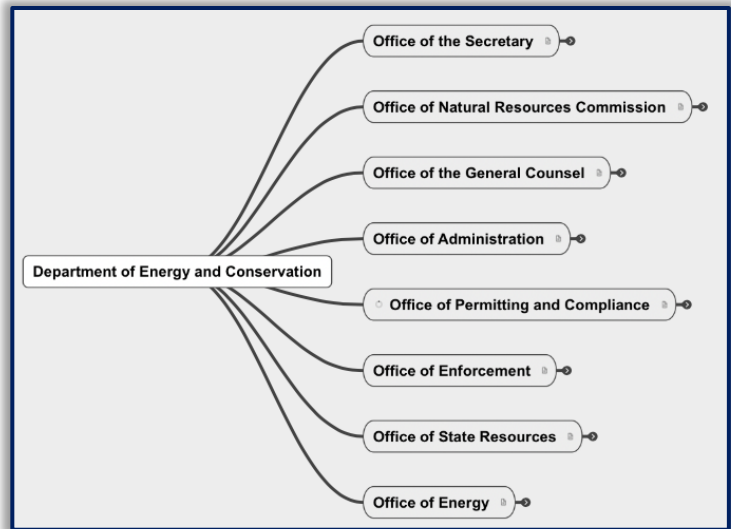
DEPARTMENTAL REORGANIZATION

Department of Energy and Conservation:

Rebranding and restructuring to honor Louisiana’s conservation legacy.^{viii}

Adoption of a Value Chain Approach:

- Emphasizes a streamlined, “one-stop shop” model for managing the full lifecycle of natural resource projects.
- Covers all aspects, from **permitting through to decommissioning and restoration**.
- Ensures efficient, integrated management practices that will serve Louisiana’s long-term resource conservation and energy needs.

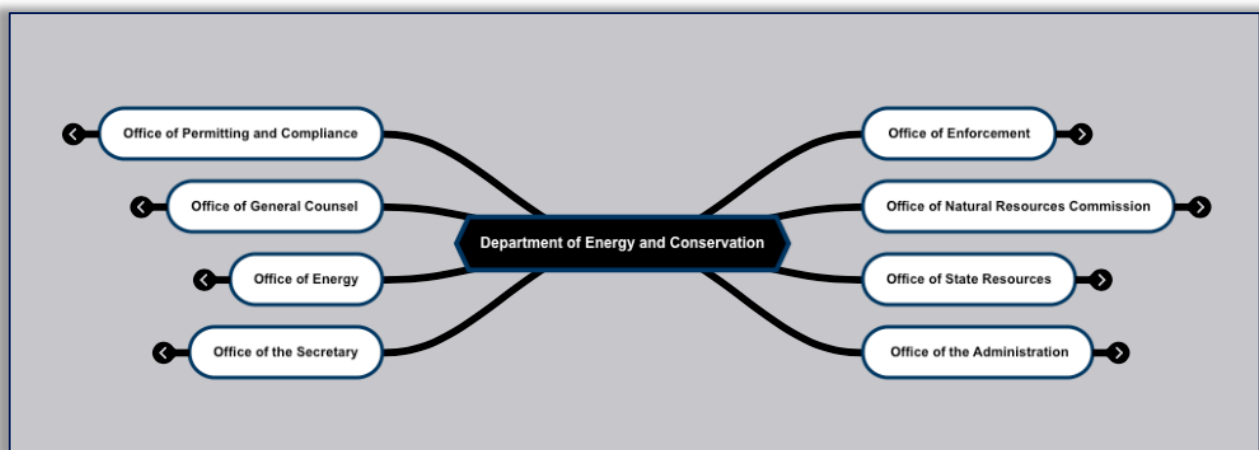


Strategic Plan Outline: Vision, mission, and core principles focused on competition, fiscal responsibility, and transparency.

- **Vision:** To create a dynamic and sustainable regulatory framework that fosters economic growth, encourages innovation, and protects responsible operators in Louisiana's energy and natural resources sectors.
- **Mission**
 - Act as a facilitator of economic development by:
 - Upholding free market principles.
 - Minimizing unnecessary government intervention.
 - Ensuring fair competition for responsible operators.
 - Create an environment encouraging private sector participation while safeguarding public welfare and environmental integrity.
- **Operational Core Principles**
 - **Promote Competition and Reduce Barriers:**
 - Actively reduce regulatory obstacles to business growth within energy and natural resources.
 - Streamline permitting and cut bureaucratic red tape to encourage innovation.
 - Foster private sector partnerships to invest in new technologies and sustainable practices.
- **Protection of Responsible Operators:**

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- Develop guidelines distinguishing compliant operators from those failing to meet standards.
- Implement a transparent enforcement framework that prioritizes responsible behavior.
- Use risk-based analysis to direct resources where enforcement is most needed.
- Launch a certification program for operators meeting high environmental and safety standards, incentivizing compliance.
- **Fiscal Responsibility:**
 - Prioritize budget allocations that support effective regulation without resource overextension.
 - Ensure efficient use of taxpayer dollars by focusing on cost-effective practices.
 - Develop revenue-generating initiatives, such as expedited permitting fees, to align with market principles and operational needs.
- **Expectations Match Outcomes:**
 - Emphasize transparency in decision-making and foster strong stakeholder relationships.
 - Collaborate with industry representatives, environmental groups, and communities for balanced resource management.
 - Regularly engage stakeholders to gather feedback, ensuring regulatory processes align with shared interests.
 - Provide educational programs to clarify compliance expectations and best practices, promoting accountability and continuous improvement.



IMPLEMENTATION FRAMEWORK

Clarifying Roles for Effective Management

- Legislative amendments have created complex, overlapping responsibilities between the Revised Statutes (R.S.) and Louisiana Administrative Code (La. Admin. Code).
- This complexity has blurred the roles of the legislative and executive branches, causing inefficiencies in natural resource management.
- A "reset" of roles is proposed to streamline the implementation of policies and regulations.

Clarification of Roles and Authority

- **Legislature:** Focus on setting priorities and appropriating funds for natural resource management, rather than micromanaging implementation.
- **Executive Branch (DENR):** Responsible for executing priorities with autonomy, utilizing a five-year planning horizon to guide long-term projects.

Prioritization and Implementation

- The Legislature will prioritize objectives and allocate resources, reducing restrictive processes.
- Agencies will implement these priorities with flexibility, allowing them to adapt and innovate.

Legislative Amendments and Administrative Code Restructuring

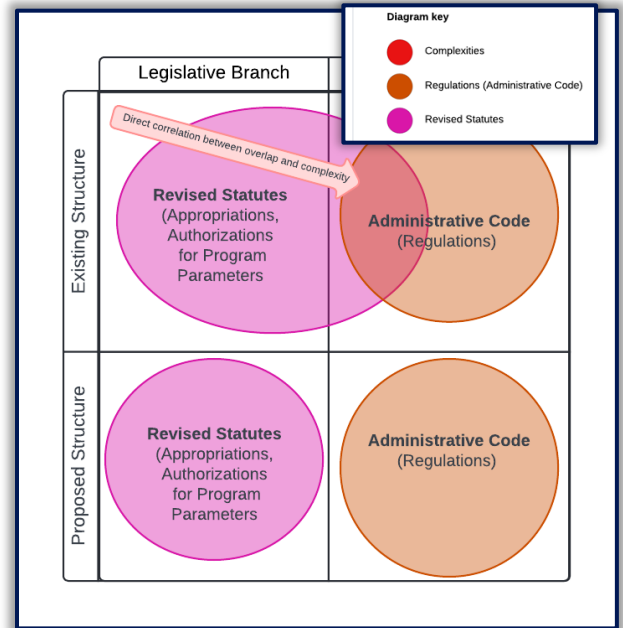
- Comprehensive review and restructuring of the Revised Statutes and Administrative Code.
- Objective: Remove outdated/conflicting provisions, streamline regulations, and create a cohesive framework for governance.

Five-Year Planning Horizon

- DENR will adopt a five-year planning horizon to enable long-term project planning and resource allocation.
- Budgetary processes will integrate periodic reviews to adjust priorities as needed.

Enhanced Collaboration and Communication

- Improved collaboration between the Legislature and Executive through regular consultations and updates.
- Shared understanding of each branch's role in achieving state natural resource goals.



DEVELOPING A PROACTIVE APPROACH WITH AN INNOVATIVE CULTURE

Adapting to Change

- Emphasis on a responsive culture to address state needs effectively.
- Focus on hiring individuals who align with DENR's responsive and adaptive culture.

Examples of Cultural Principles

- Amazon's "Have a Backbone, Disagree and Commit": Encourages well-thought-out decisions.
- AirBnB's "Make Room for Introverts": Offers technical career tracks for individual contributors.
- Pixar's "Share Unfinished Work": Promotes collaboration.
- Netflix's "No Brilliant Jerks": Fosters teamwork and sound decision-making.

Leadership's Role

- Leaders should exemplify the desired culture, creating cohesion and motivation within the workforce.
- Simplified decision-making processes empower employees and reduce bureaucracy.

Foundation of Successful Strategies

- Strong culture enables effective strategy implementation.
- Commitment to nurturing this culture aligns DENR with strategic goals.

Innovation and Empowerment

- Encourages trial and error for innovation, with an emphasis on calculated risks.
- Mistakes are acceptable as long as you learn from them, failure is not.
- Firm understanding of shortcomings and willingness to ask questions to subject matter experts.

Resource Management

- Efficient use of resources is crucial for DENR's success.
- Managers will be trained to prioritize resource effectiveness and flexibility in applying cultural principles.

Effective Communication

- Transparent communication builds trust, stability, and consistency.
- Balance transparency with focus, limiting unnecessary information.

Leveraging Technology

- Investment in advanced IT systems will enhance DENR's operational efficiency.

OFFICE OF PERMITTING AND COMPLIANCE

OVERVIEW

- **Mission:** Streamline all permitting activities under one office.
- **Divisions:** Engineering, Ecology, and Geology, with sub-divisions focused on operations like pipeline safety, exploration, and mining.
- **Enforcement Tools:** Automated monitoring, public non-compliance postings, interagency collaboration.

Act 727 of the 2024 Regular Session considered the Office of Conservation (OC) being reorganized into an office dedicated to permitting and compliance. The NRSC, after review, recommended that OC be renamed to better reflect its mission. The proposed Office of Permitting and Compliance will house all permitting and compliance activities overseen by the Department under one roof, providing an efficient and intuitive structure to permitting.

AUTHORITY AND ORGANIZATIONAL

- Louisiana Revised Statutes
 - R.S. 30:4 – Drilling Permits and Production Regulation
 - R.S. 30:82-89 – Oilfield Site Restoration Program
 - R.S. 30:2015.1 - Exemption from Remediation of Usable Groundwater
 - R.S. 30:9 – Production Pool, Drilling Units, Rulemaking Authority
 - R.S. 30:1, et seq – Jurisdiction of Department
 - R.S. 30:550 – Authority Over Intrastate Gas Pipelines
 - R.S. 30:901, et seq – Surface Mining Act
 - R.S. 49: 214.21, et seq – Coastal Zone Management Program
- Louisiana Administrative Code
 - Title 43, Part XIX, Subpart 1 – Statewide Order 29-B
 - Chapter 1: Definitions, Application To Drill, Financial Security
 - Chapter 3: Rules for Onsite Storage and Disposal of Exploration and Production Waste
 - Permitting and Monitoring of Class II Injection Wells
 - Title 43, Part XV – Surface Mining
 - Subpart 1: Responsibilities, Definitions, Rulemaking
 - Chapter 3: Regulatory Framework for Coal Mining
 - Chapter 5: Limitations on Financial Interests
 - Title 43, Part XVII – Surface Mining

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- Subpart 1 – Class I, III, IV, and V Injection Wells
- Subpart 2 – Class I Hazardous Waste Wells
- Subpart 3 – Hydrocarbon Storage Wells in Salt Dome Cavities
- Subpart 6 and 8 – Class VI Wells Title 43, Part XI – Pipelines
 - Subpart 1: Requirements for gas and coal slurry pipelines
 - Subpart 2: Management of underwater pipeline and facility obstructions
 - Subpart 3: Protocol for inspection, safety, and emergency response
 - Subpart 4: Rules for transporting carbon dioxide and reporting incidents
- Title 43, Part VII – Coastal Management
 - Chapter 3 – Oyster Lease Acquisition and Compensation Program

OPERATIONS

- The office will be led by an Assistant Secretary and organized into three divisions: Engineering, Ecology, and Geology.
- Division of Engineering, Ecology, and Geology will each be managed by an administrator.

LEADERSHIP

Assistant Secretary Responsibilities

- Overall management and budgeting of the office.
- Task assignment to division administrators, as needed, for completion.
- Direct division administrators to collaborate with other divisions and offices to fulfill the Department's mission efficiently.

ENGINEERING DIVISION

Chief Engineer

- Leads the Engineering Division and reports directly to the Assistant Secretary.
- Manages and coordinates all engineering tasks and projects across the department.
- Provides technical expertise and support to the Office of Permitting and Compliance and the Office of Enforcement.
- Responsible for assigning and overseeing tasks within the division to ensure project timelines and objectives are met.

Division Structure

- Reservoir: Oversees reservoir management, including production, transportation, safety, construction, and related permits.
- Operations: Focuses on injection operations, pipeline safety, transportation, and the management of exploration and production waste.

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- Coastal Engineering: Provides engineering solutions for coastal infrastructure, resilience projects, and shoreline stabilization.
- Hydrology Engineering: Manages flood control systems, water flow engineering, and infrastructure planning for water resource sustainability.

GEOLOGY DIVISION

Chief Geologist

- Leads the Geology Division, including oversight of the Louisiana Geological Survey, and reports directly to the Assistant Secretary.
- Coordinates all geology-related tasks, programs, and research within the department.
- Supports the Office of Permitting and Compliance and the Office of Resource Management with geologic expertise and oversight.
- Assigns tasks within the division, ensuring compliance with programmatic and statutory geologic requirements.

Division Structure

- **Exploration:** Manages oil and gas exploration efforts, including the administration of West and East Louisiana Oil & Gas Fields Orders.
- **Mining:** Oversees surface mining activities, ensuring regulatory compliance and environmental stewardship.
- **Coastal Geology:** Focuses on geological assessments for coastal restoration, sediment management, and shoreline geology.
- **Hydrogeology:** reviews any permitting or compliance issues as it relates to groundwater resources, aquifer protection, and geologic assessments related to water quality and availability.

ECOLOGICAL DIVISION

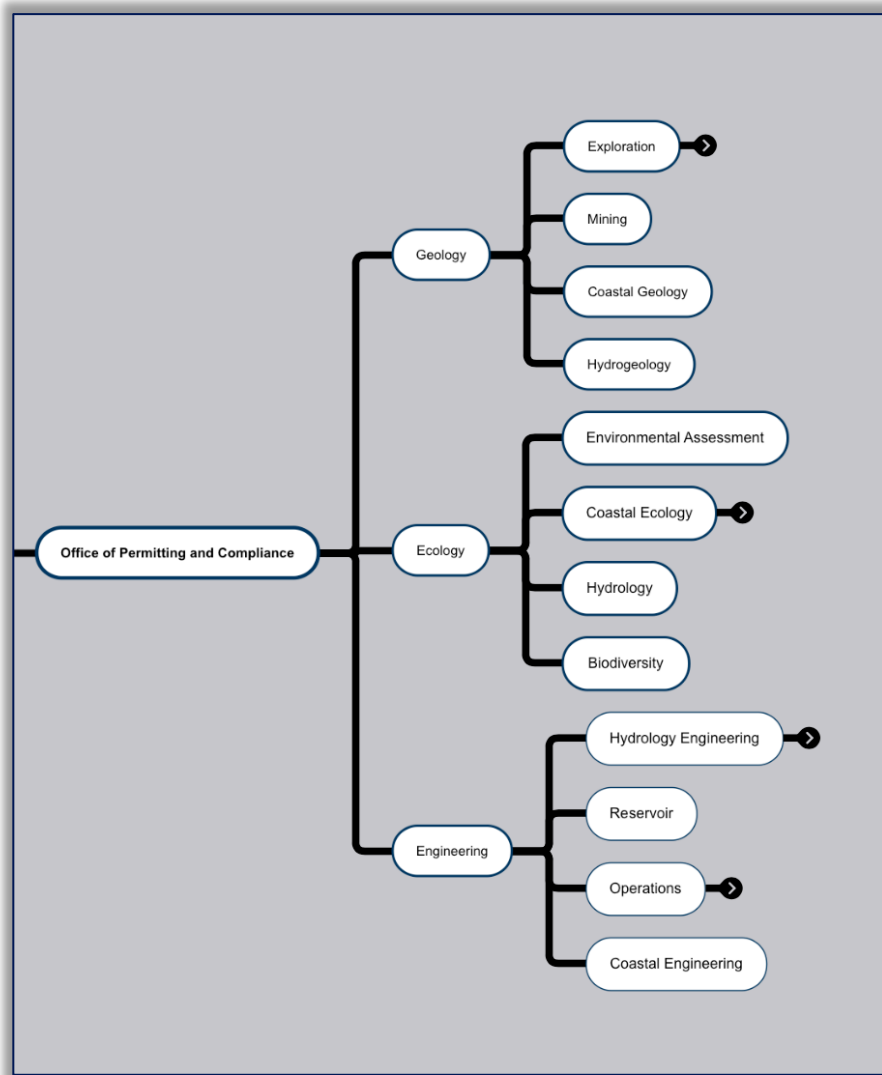
Chief Ecologist

- Leads the Ecological Division and reports directly to the Assistant Secretary.
- Manages and coordinates tasks related to coastal ecosystems, water resources, and biological conservation.
- Provides expert support to the Office of Permitting and Compliance and the Office of Resource Management.
- Responsible for assigning tasks to managers and employees within the division to ensure timely and effective completion.

Division Structure

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- **Coastal Ecology Section:** Oversees initiatives and permits related to coastal habitats, shoreline restoration, and wetland preservation.
- **Hydrology:** Reviews water resources, including watershed protection, flood management, and inventories of water bodies for permitting decisions.
- **Biodiversity:** Focuses on the conservation and management of native species, habitats, and biodiversity-related assessments.
- **Environmental Assessment:** Conducts environmental impact assessments, monitors ecological changes, and supports mitigation efforts across state projects.



OFFICE OF ENFORCEMENT

OVERVIEW

- **Mission:** Ensure regulatory compliance through modernized enforcement strategies.
- **Divisions:** Audit and Collections, Federal Programs, Inspections, Aerial Division.
- **Goals:** Protect responsible operators, allocate resources based on risk, prioritize high-impact enforcement.

OPERATIONS

OBJECTIVES

- Dedicated to protecting Louisiana's natural resources by enforcing compliance with environmental regulations.
- Prioritizes risk-based resource allocation, technological integration, and effective inter-agency collaboration.
- Streamline enforcement processes.
- Safeguard public safety.
- Support compliant operators.
- Address non-compliance efficiently.

MISSION

- Centralized focus on all enforcement activities within DENR.
- Provides clear pathways for out-of-compliance operators and improves department interface.

LEADERSHIP

- Overseen by an Assistant Secretary, who reports directly to the Secretary.
- Division administrators within the office report to the Assistant Secretary and handle day-to-day operations.

AUTHORITY

- Louisiana Revised Statutes
- Louisiana Administrative Code, as well as applicable federal laws.
- Relevant Louisiana Authorities:
 - Revised Statutes (R.S. 30:1-24) - Oil and Gas Conservation.
 - R.S. 40:1749.11, et seq. – Damage Prevention
 - Louisiana Administrative Code.

DIVISIONS

Audit and Collections Division

- Oversees audits of oil and gas production to ensure state law compliance.

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- **Leadership:**

- Led by an administrator who reports to the Assistant Secretary.
- Responsible for timely and efficient audits, with delegated tasks as necessary.
- May receive additional tasks from the Assistant Secretary.

Royalty Collection Implementation

Objective: Establish a royalty collection system mirroring the U.S. Department of the Interior’s practices, focusing on accounting, verification, and revenue collection. This is the intersection or nexus between DENR and LDR.

Key Pillars of the Strategy

1. **Accounting and Reporting:**

- Standardized reporting requirements.
- Data integration for accurate calculations.
- Clear audit trails and compliance timelines.

2. **Verification and Audit:**

- Revenue reconciliation, on-site audits, and risk-based auditing.
- Third-party verification for large operators or disputes.

3. **Revenue Collection:**

- Automated payment systems and Electronic Funds Transfer (EFT) for timely collection.
- Late payment penalties to reinforce timely compliance.

4. **Distribution of Revenues:**

- Transparent allocation formula and regular distribution to state/local entities.
- Public reporting for revenue clarity.

5. **Compliance and Enforcement:**

- Enforcement actions for non-compliance.
- Dispute resolution mechanisms.

6. **Technology and Modernization:**

- Cloud-based systems and blockchain for verification.
- Mobile-friendly platforms for reporting.

7. **Collaboration with External Agencies:**

- MOUs with other agencies for streamlined data sharing, LDR.
- Federal partnerships for joint audit efforts if needed.

8. **Training and Capacity Building:**

- Ongoing staff training on royalty laws and audit procedures.
- Cross-departmental expertise to ensure comprehensive revenue collection.

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Federal Programs Division

- Enforces federal programs managed by the Department.
- **Leadership:**
 - Directed by an administrator who reports to the Assistant Secretary.
 - Ensures effective enforcement and coordinates with the Audit and Collections Division.
 - May be assigned additional tasks by the Assistant Secretary.

State Programs

- Inspection functions managed and performed by district offices.
- **Leadership:**
 - Each district office is led by an administrator reporting to the Assistant Secretary.
 - Conducts inspections and ensures regulatory compliance.
 - Out-of-compliance cases are referred to the appropriate division based on whether the violation pertains to federal or state programs.
 - Administrators delegate tasks to ensure timely inspection and referral processes.

STRATEGY

- Department of Energy and Natural Resources (DENR) aims to:
 - Protect Louisiana's natural resources.
 - Enforce compliance with environmental regulations.
 - Prioritize risk-based resource allocation and collaboration with state agencies.
 - Streamline processes, safeguard public safety, and efficiently address non-compliance.

GOALS AND OBJECTIVES

- 1) **Protect Good Operators:** Support compliant entities and ensure they are not burdened by inefficient processes. Hold non-compliant operators accountable.
- 2) **Risk-Based Resource Prioritization:** Use strategic risk analysis to prioritize resources.
- 3) **Solution-Oriented Enforcement:** Focus on achieving compliance through outcome-based methods that protect public safety, environment, and operators.

RISK ANALYSIS AND STRATEGIC PRIORITIZATION

- **Risk Analysis Framework**
 - Guides resource allocation based on risk probability and impact magnitude.
- **Prioritization Process:**
 - **Severity:** Potential harm caused by non-compliance.
 - **Impact:** Damage to public safety, infrastructure, or the environment.

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- **Probability:** Likelihood of a violation based on historical data and operator behavior.
- **Resource Allocation:**
 - 80% focused on high-risk, high-impact operations, especially during operational phases.
 - 20% focused on compliance during the construction phase to ensure initial adherence.

Probability of Risk and Inspection Intervals

- **High-Risk Operations:**
 - Shorter inspection intervals for operators handling high-risk products, large geographic areas, or operating in vulnerable zones.
- **Low-Risk Operations:**
 - Longer inspection intervals for entities with strong compliance histories or minimal risk.

Magnitude of Impact

- High-impact operations face stricter oversight due to their potential for widespread harm.
- Lower-impact operations have proportionate compliance requirements.

Public Safety and Method of Violation Discovery

- **Public Safety Focus:**
 - Areas of consequence (e.g., highly populated or critical infrastructure areas) receive strict enforcement.
- **Violation Discovery Methods:**
 - **Self-Reporting:** Operators regularly report compliance.
 - **Self-Policing:** Encourages operators to create internal compliance programs.
 - **Inspections:** On-site inspections based on operation risk and impact.

Asset Size and Operational Scope

- **Enforcement Intensity Factors:**
 - **Volume of Products:** Large quantities of high-risk materials trigger frequent inspections.
 - **Geographic Range:** Entities covering vast areas, especially across regions, require more thorough oversight.
 - **Product Type:** High-risk products (e.g., crude oil, volatile chemicals) necessitate stricter compliance measures.

Governance Analysis

Public Entities

- governmental entities, political subdivisions or quasi-governmental entities
- managing essential services (e.g., water systems) in rural or impoverished areas may require tailored regulatory approaches, as they often operate with limited capitalization, which can increase vulnerability to compliance challenges.

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Private Entities (Non-Governmental)

- **Privately Owned Companies** may face transparency and resource challenges. Lower capitalization rates often correlate with a higher risk of non-compliance due to limited resources for regulatory adherence.
- **Publicly Traded Companies** are typically more capitalized, benefiting from stricter oversight and financial resources to manage compliance. Higher capitalization rates generally correlate with a lower incidence of violations, reducing operational risks.
- **Non-Compliance Impacts** can affect the economy and public safety, especially for large industrial operators. Highly capitalized companies, particularly those in high-risk industries, tend to have a lower incidence of regulatory violations, providing stability and minimizing disruptions.

Operations

- **Leadership Stability:**
 - Compliance risk varies based on an organization's leadership experience and history.
 - New companies or those with leadership transitions may present higher compliance risks.

ENFORCEMENT TOOLS AND TECHNOLOGIES

- **Modern Enforcement Framework**
 - **Automation and AI:**
 - Real-time data collection through drones, sensors, and automated systems.
 - AI-powered analytics to identify non-compliance patterns and forecast risks.
 - **Data Aggregation:** Centralized compliance data for cross-agency access.
- **Public Posting and Fines**
 - Violations publicly posted to encourage compliance and build public trust.
 - Financial penalties proportional to violation severity.
- **Interagency Collaboration and Joint Enforcement**
 - **Data Sharing:** Protocols with DEQ, LED, and others to track operator behavior.
 - **Non-Compliance Notifications:** Notify agencies like the Department of Revenue for financial enforcement.
- **Feedback and Evaluation**
 - Track success metrics (e.g., reduction in violations) and post non-compliance publicly.
 - Regular updates to enforcement strategy based on performance data.

BUDGET AND RESOURCE ALLOCATION

- **Resource Allocation:**
 - 80% dedicated to high-risk, operational-phase activities.
 - 20% focused on compliance during the construction phase.

OFFICE OF STATE RESOURCES

OVERVIEW

Mission: Manage state-owned lands and water assets sustainably.

Divisions: Land, Water Resources, and Minerals.

Goals: Efficient management of land and mineral leases, groundwater resource regulations.

MISSION

- Currently known as the Office of Land and Water, renamed by Act 727 of the 2024 Regular Session to reflect its mission to manage the state’s natural resources concerning quantity.
- Overseen by an Assistant Secretary responsible for personnel, budget, and task delegation within the office.
- Focuses on prudent management of state-owned lands and water bottoms, with an emphasis on oil, gas, and alternative energy resources.

AUTHORITY

- Operates under statutory and regulatory authority for mineral and energy administration per the Louisiana Revised Statutes and water administration per the Louisiana Administrative Code.
- **Key legal references:**
 - **Revised Statutes**
 - Title 31 – Mineral Code
 - R.S. 30:121 et seq – State Mineral and Energy Board
 - **Louisiana Administrative Code**
 - Title 43, Part V – Office of Mineral Resources
 - Title 43, Part VI – Water Resources Management
 - Subpart 1: Groundwater Management rules (definitions, application processes, hearings)
 - Title 56, Part I – Water Wells

OPERATIONS

- Comprised of three divisions: Land, Water, and Minerals, each led by a division administrator reporting directly to the Assistant Secretary.

LAND DIVISION

- Manages natural resources on state-owned lands and water bottoms, including:
 - Servitudes and rights of way
 - Leasing and title

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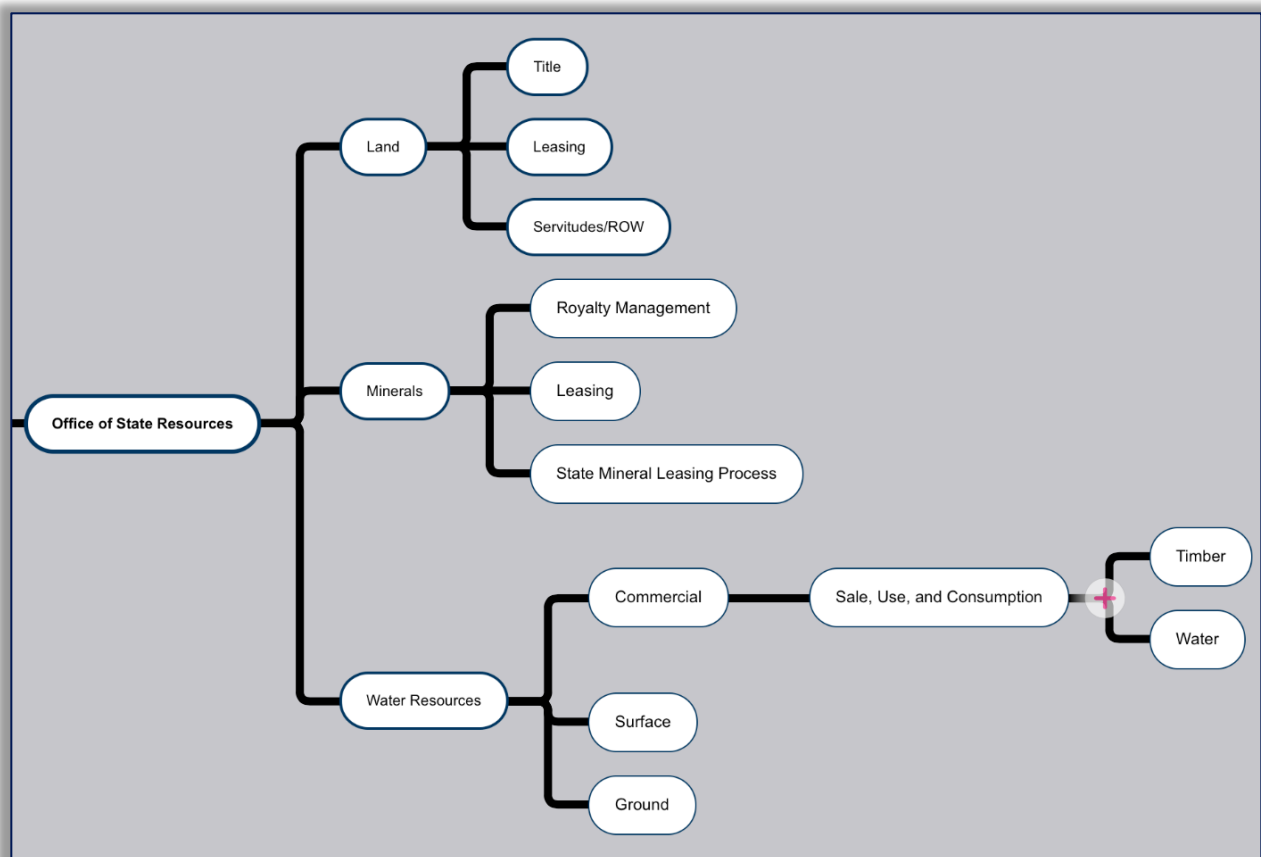
- Administrator oversees daily operations, with delegated tasks as necessary.

WATER RESOURCES DIVISION

- Transferred authority for managing the state's ground and surface water resources as to quantity (per Act 727).
- Prioritizes statewide management and regulation of groundwater and surface water; may grant local management authority to smaller districts.
- Overseen by an administrator, with two sections (surface and groundwater), each managed by a section manager.
 - Tasks include rulemaking and strategic planning for a statewide water management structure.
- Also holds authority over the commercial side of the state's water resources.

MINERALS DIVISION

- Manages mineral and energy leasing on state lands and water bottoms and royalty management, providing support to the State Mineral and Energy Board.
- Administrator reports to the Assistant Secretary, with delegated tasks for efficient division administration.
- Offers support to other divisions as needed for expertise in mineral and energy matters.



OFFICE OF ADMINISTRATION

OVERVIEW

Goal: Centralize administration, grants, and strategic planning.

MISSION

- Overseen by the Undersecretary to reflect an expanded role, including the Natural Resources Trust Authority and strategic planning.
- Purpose: Provide a defined framework for divisions under the Undersecretary's supervision, wholly focused on support and strategic planning.

AUTHORITY

- Based on Title 43, Part III of the Louisiana Administrative Code and future rules for the Natural Resources Trust Authority.

OPERATIONS

- Comprises five divisions: Natural Resources Trust Authority, Grant Administration, Planning and Strategy, IT/GIS, and Management and Budget.
- Each division administrator reports to the Undersecretary, responsible for office direction and task assignment.

DIVISIONS

Natural Resources Trust Authority

Introduction

- Established in DENR under the oversight of the State Mineral and Energy Board in collaboration with the State Bond Commission and Louisiana Department of Treasury.
- Governed by Standard Operating Procedures (SOPs) to guide development and management.

Strategic Planning

Strategic Plan Development

- Form a committee to develop and periodically review a comprehensive strategic plan addressing key financial challenges.

Executive Committee

- Oversee plan implementation, with diverse expertise on the committee.

Powers and Responsibilities

- **Financial Obligations:** Assess obligations for operators based on project factors.
- **Indemnification:** Protection policies for Authority members, evaluated on a case-by-case basis.
- **Contract Execution:** Transparent procurement and legal review for compliance.

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Rules and Regulations

- **Establishment of Rules:** Develop consultatively, allowing public feedback.
- **Compliance Monitoring:** Regular audits, inspections, and corrective actions for non-compliance.

Compliance and Review

- **Periodic Review:** Regular operational reviews for improvement.
- **External Audits:** Independent audits for compliance and financial integrity.

Implementation

- **Training:** Capacity-building programs covering compliance, financial management, and risk mitigation.
- **Stakeholder Engagement:** Regular outreach for inclusivity and transparency.

Issues and Opportunities:

- **Credit Approval:** Determine how credits will be approved.
- **Insurance Collateral:** Explore connections with the Department of Insurance for bonding collateral.
- **Potential Partnerships:** Partner with the Louisiana Community Development Authority (LCDA) for resources and co-financing opportunities.

Operations

Human Resources

- Manages HR functions for the Department.

Fiscal

- Performs budget analysis and planning, coordinating with the planning and strategy division and assistant secretaries for office budgets.

Grant Administration

- Oversee federal grant administration on behalf of Department of Energy and Natural Resources.
- Focus on grants from the Bipartisan Infrastructure Law, Investment in Infrastructure and Jobs Act, and Inflation Reduction Act, and other Federal grant programs that may come available.
- Work with the Office of Energy for grant review and develop administration plans, leveraging internal and external partnerships.

Information Technology

- Houses all GIS functions and supports state mineral and energy leasing, along with other offices and public requests as necessary.

Planning and Strategy

- Ensures strategic alignment with the Department and Commission's objectives.

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- Liaison with Louisiana Economic Development to align Department and LED's goals for greater investment opportunities in Louisiana.

OFFICE OF ENERGY

OVERVIEW

Mission: Pursue strategic energy policy goals, enhance grid resilience.

Divisions: Power, Economics, Policy & Technology, Strategic Partnerships, Grant Strategy.

Goals: Integrate advanced nuclear, focus on grid reliability, and enhance state energy resilience.

MISSION

The mission of the Office of Energy is to promote and encourage the exploration, production, conservation and efficient use of energy and natural resources in the State of Louisiana. Wise use and conservation of energy and natural resources improves the environment, enhances economic development and ensures a better quality of life for this and future generations.

OPERATIONS

OBJECTIVES

- Responsible for advancing the state's strategic energy goals, policy, and federal grant pursuits in alignment with state objectives.
- Works with the Public Service Commission (PSC) on energy policy related to power generation and supply and collaborates with the Natural Resources Commission for strategic policy development.
- Works with Economic Development ensuring the regulatory environment aligns with commerce recruited to the State.

AUTHORITY

- Functions under authority granted by state legislation and related regulatory frameworks.

LEADERSHIP

- Led by an Assistant Secretary, who manages the office's budget and oversees its divisions.

DIVISIONS

- Comprises four divisions: Power & Resiliency, Policy, Economics & Technology, Strategic Partnerships, and Grant Strategy.
 - Each division is led by an administrator reporting to the Assistant Secretary.

Power Division

Purpose

- Focuses on implementing Louisiana's strategic energy plan, particularly power generation, in collaboration with the PSC.

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- Represent the State’s interest at the Public Service Commission, advocating or engaging on projects on behalf of the State of Louisiana
- This is the intersecting point between the Department and Economic Development

Economics, Policy and Technology Division

- **Policy Considerations:**
 - **Power:** Aims to balance economic growth, environmental concerns, and resilience against flooding.
 - **Nuclear Energy Strategy:**
 - Integrates advanced nuclear energy, including Small Modular Reactors (SMRs) and microreactors, into Louisiana’s energy framework for reliable, low-emission energy.
 - Promotes nuclear energy for grid stability, disaster resilience, and economic competitiveness.
 - Supports workforce development, nuclear supply chain creation, and public outreach to foster trust in nuclear technology.
 - Advocates legislative support, such as tax exemptions and credits, to encourage nuclear investment.
 - Partners with utilities (e.g., Entergy) for nuclear integration in resource planning, including microgrid projects for disaster-prone areas.
 - Emphasizes co-location with industrial hubs to support economic growth and minimize transmission needs.
 - Critical Infrastructure Plan
 - **Innovation:** Invests in energy innovation, grid modernization, and smart grid technology to optimize efficiency and resilience.
 - **Energy Efficiency:** Promotes efficiency across sectors with financing options for technology adoption.
 - **Support for Operators:** Identify incentivizes responsible operators, reduces utility costs, and mitigates flood risk.
 - **Life of Asset:** Seeks federal funding opportunities for new and established technologies, especially for low-income and local communities.
 - **Innovative Energy:** Encourages investment in high-energy-density resources to support Louisiana’s diversified energy needs.
- **Data Management:** Enhances public energy data management for grid monitoring and maintenance.

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- **Inland Waterways:** Capitalizes on Louisiana’s inland waterways for efficient energy transport.
- **Decommissioning:** Plans for the decommissioning of aging infrastructure, particularly solar and wind, to maintain environmental standards.

Conclusion: Prioritizes energy security, economic growth, and resilience, leveraging waterways and fostering sustainable growth.

Strategic Partnerships Division

- Utilizes partnerships to expand departmental capabilities with a heavy focus on data management to keep up with demands of changing technology and critical need to evolve.
- Establish intellectual property protections allowing seamless transition between the Department and the partners, specifically Watershed Initiative, Water Institute of the Gulf, and Center for Energy Studies with consistent access to data hubs for all to use.
- Integrate partnerships throughout the energy structure.
- **Data Management:** Enhances public energy data management for grid monitoring and maintenance.

Grants Division

- Develop strategy for pursuing federal grants, with nearly \$1 billion already obtained for various projects.
- Focuses on grant acquisition while administration shifts to the proposed Office of Administration, allowing specialization in strategy and resource maximization.

OFFICE OF THE SECRETARY

MISSION

- The Secretary serves as the Department’s chief executive and oversees all operations and divisions.
- Involvement in the Natural Resources Commission to support strategic goals.

DIVISIONS

Executive Division

- Provides direct support to the Secretary, comprising the Deputy Secretary, Executive Assistant, Confidential Assistant, and additional personnel as needed.

Executive Counsel

- Offers legal counsel specifically to the Secretary and Department, separate from the proposed Office of General Counsel.

Oil Spill Coordinator

- Houses the Louisiana Oil Spill Coordinator’s Office (LOSCO) to quantify restoration costs and oversee Natural Resources Damage Assessment and Rulemaking Petitions, per Louisiana’s Oil Spill Prevention and Response Act.

OFFICE OF GENERAL COUNSEL

OVERVIEW

- Formally established office within the Department, led by the General Counsel for natural resources.
- Provides comprehensive legal support to the agency, managing the budget and operations of three divisions: Regulatory, Enforcement, and Resources.
- The General Counsel reports to the Executive Council and directly manages the legal divisions.

OPERATIONS

DIVISIONS

Regulatory Division

- Provides internal legal support, advisory services for department focusing on regulatory functions of the office, including permitting, compliance, enforcement, or any actions related to state resources in order to develop consistency in decision making.
- Collaborates with the Attorney General's office to provide efficient services and continuity of decisions.
- Handle contractual and employment matters by supporting human resources and engagement with civil service.
- The administrator, an attorney, manages requests for support, delegates tasks, and issues written rejections if necessary.
- **Functions include:**
 - Detailed Employee(s) in collaboration with Attorney General
 - Internal Legal Support
 - Decision Making Advisory Opinions

Enforcement Division

- Acts as the legal arm for the enforcement office, managing compliance order challenges, environmental remediation, and negligent operator claims.
- Oversees the Saltwater Oil Assessment Process (SOAP) for quantifying restoration costs when full assessment under the Natural Resources Damage Assessment Act isn't applicable.
- Administrator, an attorney, oversees task delegation and development of compliance order challenge procedures.
- **Key responsibilities:**
 - Environmental Remediation for negligent operator claims, operator disputes, and Act 312 legacy sites
 - Appeals and Oversight of Enforcement Actions

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- Impact Assessment through SOAP, focusing on data collection, ecological indicators, and cost estimation for environmental damages

Resources Division

- Supports the management of state water, land, and mineral resources, with a focus on protecting the state's interests.
- Administrator manages requests from other divisions and delegates to attorneys specializing in land, water, or minerals.
- Aims to develop legal expertise in specific areas to ensure thorough and effective resource management.
- Works with State Mineral and Energy Board

OFFICE OF THE NATURAL RESOURCES COMMISSION

MISSION

- Envisioned as a strategic body to oversee and coordinate natural resources management across the state.
- Proposed office under the Deputy Secretary, providing support for intergovernmental affairs, Commission affairs, and communications for the Department and Commission.

OPERATIONS

- Functions as a cross-agency coordination body, aligning with local, state, and federal government entities to meet Louisiana's strategic natural resources objectives.

LEADERSHIP

- Led by the Deputy Secretary

DIVISIONS

Organized into key areas

Intergovernmental Affairs:

State and Local Affairs

- Local Government Relations
- Legislative (Fiscal and Non-Fiscal matters)

Federal Affairs

- Executive Branch Relations
- Legislative Relations

Commission Affairs

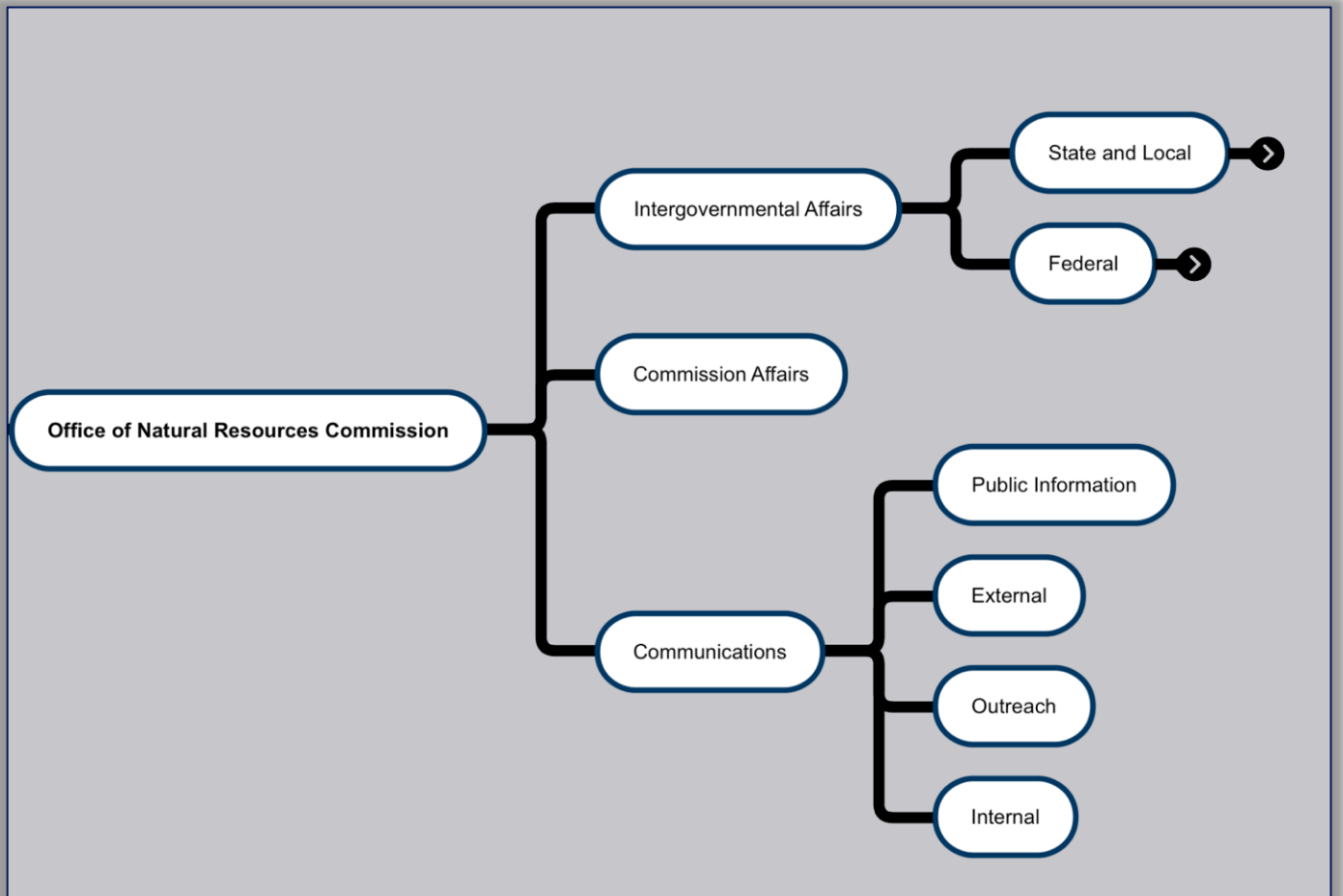
- Core support division for the Commission's operations, led by Deputy Secretary.
- Responsible for drafting the Commission agenda, publicizing meetings, coordinating presenters, conducting research, reviewing requests from legislators, public officials, and other assigned tasks.
- Works directly with Legislative Auditor for information gathering and reporting, ensuring proper oversight and archive management.
- Work with Secretary to develop strategic goals based with Commission.

Communications

- Essential for public participation, housed under the Natural Resources Commission to provide outreach, internal, and external communications.
- Led by the Public Information Director, who manages press requests and ensures effective communication support for both the Commission and Department.

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- Responsibilities include managing press contacts, publishing meeting information, and facilitating public engagement before and after meetings.



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ISSUES FOR REVIEW

Building on the CPRA model, what's the best structure for a statewide flood protection system that promotes resilience and equity across Louisiana's diverse flood-prone regions. This would involve aligning communication, strategy, and regionalization in a way that mirrors CPRA's approach but addresses the unique challenges of upland and rural areas. Here's how we can enhance coordination and effectiveness:

Communication Strategy

- **Centralized Public Information Role:** Place a Public Information Director under the Natural Resources Commission to ensure cohesive communication across flood management areas. This director could coordinate with both CPRA and URMA as proposed by the NRSC, managing press requests, publishing updates on meetings and projects, and conducting ongoing public engagement.
- **Outreach and Community Engagement:** Establish community liaisons in flood-prone areas who work with the Director to ensure that communities are informed and engaged in flood control projects, particularly those in under-resourced regions. These liaisons would help with public meetings, surveys, and on-the-ground updates on project progress.

Upland Resource Management Authority

- **Counterpart Role to CPRA:** The NRSC proposed URMA serve as the upland equivalent to CPRA, focused specifically on flood control, dam safety, and levee management in inland and rural areas. This would establish a centralized entity for flood protection in non-coastal zones, mirroring CPRA's coastal resilience efforts.
- **Strategic Planning and Data-Driven Resource Allocation:** The NRSC proposed URMA can use data to assess flood risks and prioritize projects across upland regions, ensuring a balanced approach to resource distribution. This strategy aligns with CPRA's data-informed decision-making for coastal projects but tailored to rural, upland landscapes.
- **Enhanced Emergency Preparedness:** URMA should include a unit that works in tandem with state and local emergency services to coordinate evacuation routes, floodplain mapping, and mitigation strategies. They would align closely with CPRA's emergency response protocols but adapt them for upland challenges.

Single Point of Contact for Flood Control

- **Centralized Authority:** URMA would act as the central contact for all flood management activities in upland areas, streamlining coordination with federal agencies, local governments, and the private sector. This approach would mirror CPRA's single point of contact for coastal protection, fostering collaboration and efficiency.
- **Coordination with Other Agencies:** Establish partnerships with entities like the Sewage and Water Board and other local utilities to address water management holistically, connecting stormwater, wastewater, and flood management efforts.

Regionalization of Water Management

- **Shared Resources and Technical Expertise:** A regional approach to water management would pool resources, ensuring that rural and low-resourced communities have equitable access to flood protection infrastructure. Regionalization could include forming cooperative agreements between neighboring jurisdictions, reducing redundancy and maximizing expertise.
- **Consistent Standards and Improved Infrastructure:** Establish baseline standards across regions to ensure all areas have access to reliable flood control and water management infrastructure, especially critical in flood-prone but underserved areas.

Flexible Funding Mechanisms

- **Annual Funding Allocation:** A dedicated \$20 million annually for statewide flood control would allow for sustained, incremental improvements across regions. This base funding can be supplemented by NRTA bonds and other state funds.
- **Expansion of the Natural Resources Trust Authority (NRTA):** NRTA could issue bonds to fund URMA projects, ensuring long-term financing for substantial flood control efforts in upland regions. This tool would provide scalable, sustained funding for larger infrastructure projects.
- **Red River Waterways Commission Expansion:** By extending RRWC's mandate to cover broader flood protection, we could create a dedicated funding source for upland areas, with potential for millage retention to maintain necessary infrastructure.

Ongoing Evaluation and Adaptation

- **Annual Review and Legislative Feedback:** Implementing regular reviews of URMA and CPRA projects would help assess successes and areas needing improvement, allowing flexibility for adjusting strategies based on real-time data and outcomes.

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- **Adaptive Strategic Planning:** URMA should adapt CPRA’s resilience focus, evolving its goals and strategies based on emerging flood risks, population shifts, and climate trends. Continuous evaluation will ensure URMA’s strategies remain effective and forward-looking.

By leveraging these elements, Louisiana can create a cohesive flood protection framework that not only addresses immediate flood risks but also builds a resilient and adaptable foundation for the future.

POTENTIAL REGIONALIZATION MODEL

- Proposed to pool resources, technical expertise, and cost-sharing for water services across jurisdictions.
- Aims for consistent standards, improved infrastructure, and more equitable access to services, especially for under-resourced communities.
- Includes canals, levees, and flood protection systems as critical components for statewide water infrastructure.
- Achieving sustainable, long-term improvements.
- Capitalize on Louisiana Watershed Initiative

Annual Funding

- Allocated \$20 million annually for statewide flood control initiatives.

Funding Sources

- **General Fund Dollars:** Core funding source.
- Opportunities to Expand
 - **Natural Resources Trust Authority (NRTA):** Long-term funding tool designed to finance natural resource management projects, including plugging orphan wells and supporting URMA. It can bond out future expected revenues, though it’s a supplementary mechanism.
 - **Red River Waterways Commission Expansion:**
 - Dedicated funding source for upland statewide flood control and protection
 - If RRWC is used to create URMA, its millage should be retained for maintenance (1.52) and new projects (1.81).
 - Add other upland parishes

TACTICAL PLAN: REVIEWING STATUTES AND ADMINISTRATIVE CODE

- **Objective:**
 - Address inefficiencies in Louisiana’s Revised Statutes and Administrative Code through comprehensive restructuring to enhance resource management.
- **Comprehensive Inventory:**
 - Create a complete catalog of relevant statutes and regulations, categorized by operational impact and regulatory authority.
- **Gap and Overlap Analysis:**
 - Analyze statutory and administrative provisions for conflicts, overlaps, and inefficiencies.
- **Prioritization of Revisions:**
 - Rank statutory provisions by their impact on resource management.
 - **Streamlining Plan:** Identify statutes for revision or repeal to create a simplified governance framework.
- **Drafting New Provisions:**
 - Create clear delineation of roles between Legislature (policy-setting) and Executive (implementation).
 - **Alignment:** Ensure new provisions support modern governance practices.
- **Stakeholder Validation:**
 - Publicize draft revisions for stakeholder feedback, refining based on input to ensure practicality and legal soundness.
- **Phased Implementation:**
 - Roll out changes in stages, beginning with high-priority areas, and monitor impact.
- **Annual Review Cycle:**
 - Conduct annual reviews to ensure statutes remain aligned with evolving needs.
 - Ongoing adjustments to maintain flexibility.

Section	Statutory Reference	LAC Reference	Description	Needs Amendment	Proposed Location
Key Amendments	R.S. 38:3092 to R.S. 38:3098.7	Title 43, LAC Chapter 15 (Water Well Rules)	Updates terminology and amends authority from DOTD Director to DNR Commissioner of Conservation.	Yes	
Responsibilities of the Commissioner of Conservation	R.S. 38:3093 to R.S. 38:3094	Title 43, LAC Chapter 15, § 1505-1507	Tasks Commissioner with enforcing groundwater management and well standards, data collection, and reporting.	Yes	Permitting/Compliance

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Licensing and Regulation of Drillers	R.S. 38:3098 to R.S. 38:3098.5	Title 43, LAC Chapter 15, § 1510-1511	Requires licensing for all drillers (excluding oil and gas) and establishes continuing education and record-keeping.	Yes	Licensing Board
Advisory Committee	R.S. 38:3098.6	Title 43, LAC Chapter 15, § 1515	Creates a 10-member advisory committee with representatives from DOTD, DNR, health departments, and drilling sectors.	Yes	Licensing Board
Penalties for Violations	R.S. 38:3097.3(F)	Title 43, LAC Chapter 15, § 1516	Outlines civil penalties for violations; fines vary by offense number and severity.		Enforcement

***** Table represents a working draft. More statutes and regulations to be added over time.*****

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STRATEGIC TIMELINE FOR DRIVE INITIATIVE

- **2024 - Third Quarter:**
 - **July:** Launch of Act 727, establishing new offices (Energy, Enforcement, Land and Water) and NRTA under the DRIVE Initiative.
 - **August:** Focus on establishing a responsive culture within DENR, emphasizing proactive, flexible problem-solving and effective leadership.
 - **September:** Continue gathering information for improvements, meet with Fiscal Division, and engage with DOTD leadership.
- **2024 - Fourth Quarter:**
 - **October:** Conduct employee surveys, compile NRSC report, and hold stakeholder meetings.
 - **November:** Draft DENR report and initiate NRTA rollout.
 - **December:** Finalize DENR report.
- **2025 - First Quarter:**
 - **January:** Begin preparing draft bills and engaging legislative interest.
 - **February:** Refine bill drafts and gather support for the DRIVE package.
 - **March:** Finalize and file bills; continue outreach to secure buy-in.
- **2025 - Second Quarter:**
 - **April:** 2025 Regular Session convenes (4/14).
 - **June:** 2025 Regular Session adjourns (6/12).
- **2025 - Third Quarter:**
 - **July 1, 2025:** Implement new organizational changes.

OTHER MATTERS FOR REVIEW

Potential Partners

Louisiana Community Development Authority (LCDA)

- **Mission:**
 - Provides economic development, infrastructure, and environmental facilities to support Louisiana’s political subdivisions in constructing, extending, rehabilitating, repairing, and renewing infrastructure.
 - Assists political subdivisions with financing needs for infrastructure and environmental projects.
- **Establishment:**
 - Created by **Act 813 of 1991 (R.S. 33:4548.1, et seq.)**, modeled after a similar authority in Georgia.
 - Established to allow participating subdivisions to finance environmental projects like wastewater, drinking water, and solid waste facilities.
- **Expansion and Amendments:**
 - Due to increased financial needs and decreased federal and state funding, the **Louisiana Municipal Association Executive Board** endorsed amendments in **1997** (Act 1151).
 - Amendments expanded membership to include school boards and special districts and added economic development, industrial development, and public infrastructure to the list of eligible projects.
 - Authorized the creation of an **Executive Committee** to operationalize the LCDA.
- **Impact:**
 - Since its inception, LCDA has issued over **\$18 billion** in bonds for local governments, nonprofits, and private activity entities.
 - Financed projects include storm recovery, coastal protection, town halls, sewer improvements, student housing, and various economic development initiatives.
- **Role:**
 - Serves as a resource for local governments to explore short- and long-term financing options.
 - Acts as a **sounding board** for evaluating financing alternatives, even if LCDA is not the best issuer for specific needs.

OUTLINE FOR PROPOSED RESPONSE
EXECUTIVE ORDER 2024 JML-13

Red River Waterway Commission

- **Purpose:**
 - Established to create, operate, and maintain the **Red River Waterway**, a navigable waterway system.
 - The waterway extends from the confluence of the Red River, Old River, and Atchafalaya River, northwestward through the Red River Valley to the state boundary.
- **Governance:**
 - Governed by the **Red River Waterway Commission**, which oversees operations and maintenance of the waterway.
 - Created by **Acts 1965, No. 17, §2**.

ⁱ Or, its successor being the proposed Department of Energy and Conservation will playing a central role in shaping Louisiana's natural resources management and regulatory framework. Consequently, it is essential for the Secretary of this Department to hold a seat on the Commission. This representation will allow the Secretary to contribute insights and perspectives on behalf of all offices within the Department, ensuring cohesive input on natural resource policy and strategy.

ⁱⁱ The Natural Resources Steering Commission (NRSC) recommended designating one Commission seat for finance, economic development, and planning, primarily represented by Louisiana Economic Development (LED). LED's mission focuses on attracting investment to Louisiana's economy and expanding economic opportunities for its citizens. Including LED on the Commission ensures that strategic oversight of natural resources aligns with economic development objectives, allowing LED to provide insight into emerging industries and opportunities that support Louisiana's broader economic and regulatory goals for natural resources management.

ⁱⁱⁱ The proposed Department of Energy and Conservation will focus on managing the quantity of Louisiana's natural resources, while the Department of Environmental Quality (DEQ) traditionally manages their quality. These two spheres of influence intersect across multiple areas, making collaboration essential. Consequently, the DRIVE Initiative proposes that DEQ's Secretary hold a seat on the strategic Commission, providing critical insight into how cross-agency policy decisions impact DEQ's mission. This representation ensures DEQ's perspective on natural resource quality is integrated into broader strategic planning for Louisiana's natural resource management.

^{iv} The Louisiana Department of Revenue (LDR) plays a crucial role as the state's revenue collection agency and is positioned to enhance natural resources management under the proposed reorganization plan. LDR's inclusion would bring necessary collections support to the Department, enabling timely and efficient collection of funds owed to the state—an area currently underserved within DENR. A Commission seat for the Secretary of LDR ensures that LDR can contribute insights on policies, statutes, and regulations that streamline revenue collection, supporting the state's financial stability and enhancing natural resource management.

^v The Louisiana Department of Wildlife and Fisheries (LDWF) plays a critical role beyond wildlife conservation, managing natural resources and minerals within wildlife management areas statewide. LDWF's input is essential for evaluating the impact of various natural resources projects—from coastal restoration to carbon capture—on the state's ecosystems and wildlife populations. A Commission seat for the LDWF Secretary would enable LDWF to participate in strategic decisions from the outset, improving planning and impact assessment for projects within conservation areas. This inclusion ensures a balanced approach to natural resources management, integrating industrial, conservation, and environmental sustainability goals.

^{vi} The Public Service Commission (PSC) oversees Louisiana's public utilities and common carriers, and its operations are closely impacted by the state's strategic policies, particularly in energy management. Given the increasing importance of strategic energy planning within natural resources management, PSC has a vested interest, as energy decisions directly affect power generation—a core aspect of PSC's regulatory scope. Therefore, it is recommended that the Executive Secretary of the PSC, serving as the PSC's CEO, hold a seat on the Commission, ensuring PSC's insights and regulatory perspectives are included in strategic planning.

^{vii} Under the Natural Resources Steering Commission, the implementation of the proposed creating Upland Resource Management Authority (URMA) to serve as a counterpart CPRA would centralize statewide flood control, covering dams, levees, and related infrastructure currently managed by DOTD's Public Works division. Currently, Louisiana lacks a coordinated office for statewide flood protection, creating a gap that URMA and a dedicated commission seat would aim to address. This unified, public platform will enable cohesive flood protection efforts across the state and foster collaboration with the Sewage and Water Board, promoting comprehensive water management in flood protection, sewage, and drainage. The dedicated commission seat for infrastructure will ensure coordinated oversight and address public support for a consolidated approach to statewide flood management.

^{viii} **Historical Significance:** Reflects Louisiana's longstanding commitment to resource management and conservation. Reflects Louisiana's longstanding commitment to resource management and conservation. 1908: Louisiana established the Natural Resources Commission, marking the beginning of a structured approach to managing the state's resources. 1912: The Department of Conservation was created, making conservation a cornerstone of Louisiana's resource strategy. 1976: The formation of the Natural Resources Agency broadened the state's focus to include various aspects of resource management beyond conservation alone. 2023: "Energy" was officially added by legislation, recognizing the growing importance of energy resources in Louisiana's natural resource portfolio. 2024: The Natural Resources Steering Commission was established to guide the state's resource management toward sustainable and strategic goals. Reinstating the Name: 2025: Returning to "Department of Energy and Conservation" honors the historical legacy while aligning with the department's foundational mission. This name reflects a renewed focus on balanced stewardship that addresses Louisiana's modern environmental and energy challenges.