

Analysis and Recommendations Pursuant to Executive Order JML 24-13

Land and Water Working Group



Working Group Introduction

- Andrew Young
 - Assistant Secretary, Office of Mineral Resources (DENR)
- Keith Lovell
 - Assistant Secretary, Office of Coastal Management (DENR)



Statutory Directives

- “The Department of Energy and Natural Resources, through its offices and officers, shall be responsible for the conservation, management, and development of water, minerals, and other such natural resources of the state, including coastal management, *state water bottom management and permitting, the issuance of energy-related rights of way on state water bottoms and state lands, and energy-related leasing of state water bottoms and state lands as further set forth in law...*”
 - La. R.S. 36:351(B) - H.B. 810 (2024).



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Part I.

Public Land and Mineral Resources



Public Land and Mineral Resources

Current Status

Mineral Resources

- State Mineral and Energy Board
- Office of Mineral Resources (DENR)
 - Oil & Gas Leases
 - Other Mineral and Energy Rights:
 - Storage
 - Injection
 - Seismic Surveys
 - Alternative – Solar and Wind
 - Lithium and Geothermal Energy
 - Mineral Income

Land Resources

- Office of State Lands (DOA)
 - Recreational, Residential, Commercial uses
 - Surface and Subsurface Leases
 - Rights of Way
 - Waterbottom Permits and Leases
 - State Land Sales
 - Surveying, Mapping, Recordkeeping



Public Land and Mineral Resources

Office of Mineral Resources

- **State Mineral and Energy Board:** “[s]hall administer the State’s proprietary interest in minerals...” (La. R.S. 30:121).
 - Oil & Gas Leases and Operating Agreements
 - Other Mineral and Energy Rights:
 - Storage
 - Injection
 - Seismic Surveys
 - Alternative – Solar and Wind
 - Lithium and Geothermal Energy
 - State Agencies and Subdivisions (La. R.S. 30:153)
- **Office of Mineral Resources:** “The Department of Energy and Natural Resources, through the office of mineral resources, shall provide the necessary staff functions to assist the board in its leasing, supervisory, and other activities, and the assistant secretary thereof shall serve as secretary to the board.” (La. R.S. 30:135).

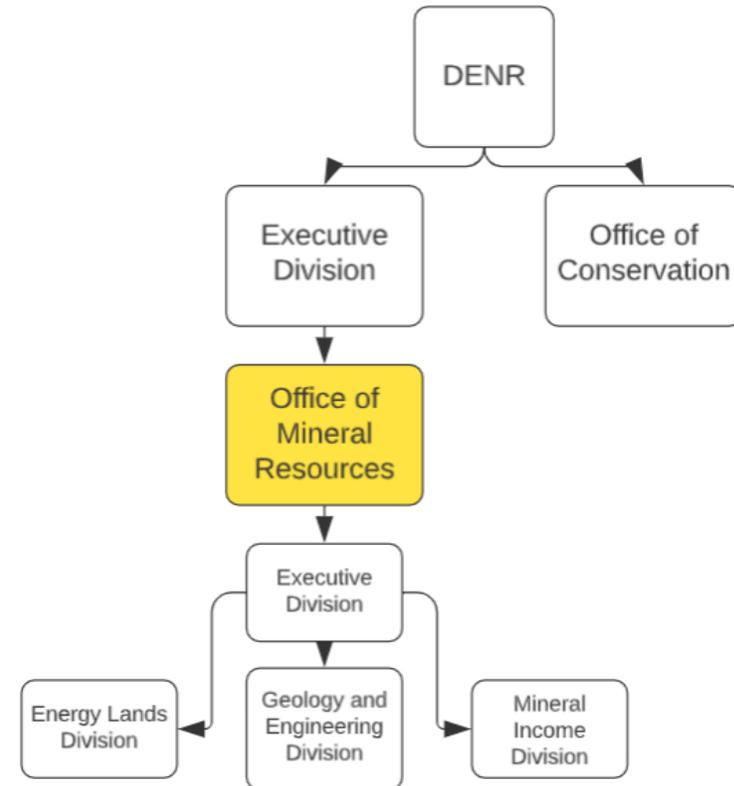


Public Land and Mineral Resources

Office of Mineral Resources

Office of Mineral Resources

- Operations:
 - Oil & Gas Leasing
 - Other Uses of State Minerals
 - Alternative Energy Sources
 - Injection/Storage
 - Seismic Licenses
 - Lease Supervision and Maintenance
- Enforcement:
 - Income Collection and Audit
 - Legal Matters: In-House Counsel and Attorney General's Office



Public Land and Mineral Resources

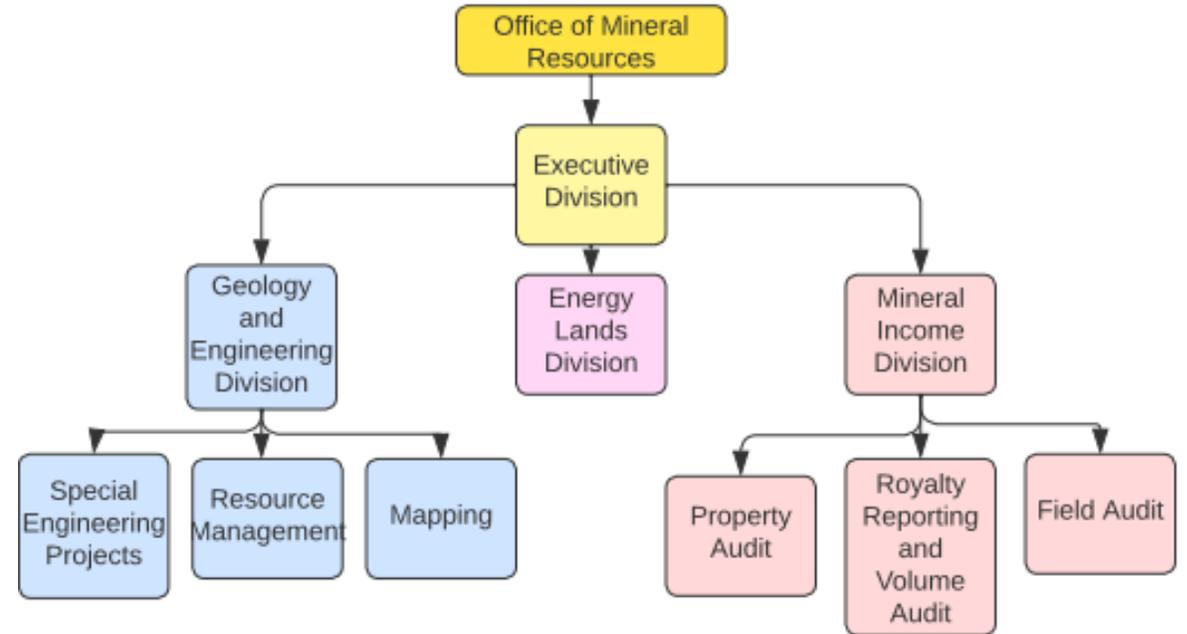
Office of Mineral Resources

- Subdivisions:

- Executive Division
- Energy Lands
- Geology and Engineering
- Mineral Income

- Personnel:

- Assistant Secretary
- 57 Classified Positions



Public Land and Mineral Resources

Office of Mineral Resources

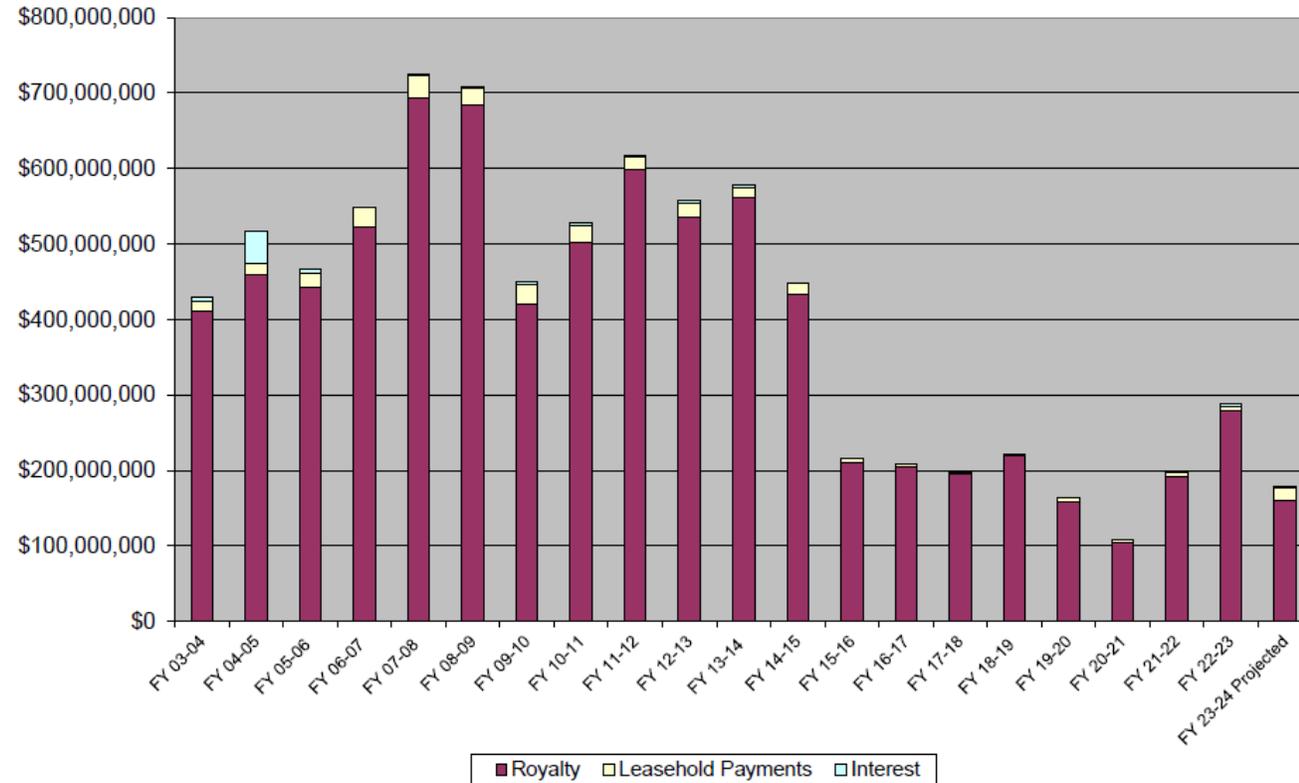
Budget Analysis:

- Means of Financing:
 - State Mineral and Energy Fund (~ 55%)
 - State General Fund (~ 40%)
 - Inter-Agency Transfer Fund (~ 5%)
- Noteworthy Items:
 - IAT Funds
 - Cooperative Endeavor Agreement - LDWF
 - Professional Services Expense
 - Title and hydrological consultants



Public Land and Mineral Resources

Office of Mineral Resources



State Mineral
Income 2003 -
Present



Public Land and Mineral Resources

Office of State Lands

- **Location:** Louisiana Division of Administration
- **Functions:**
 - Survey, Title, and Recordkeeping:
 - “[t]he State Land Office shall identify all public lands and water bottoms within the state and develop and maintain a current master list of those lands and water bottoms.” (La. R.S. 41:1701).
 - Public Land Management and Administration:
 - “the State Land Office shall develop and promulgate a comprehensive state master plan for the administration of state lands and water bottoms and shall ensure that all public lands and water bottoms are protected, administered, and conserved in a manner consistent with the Constitution.” (La. R.S. 41:1701).

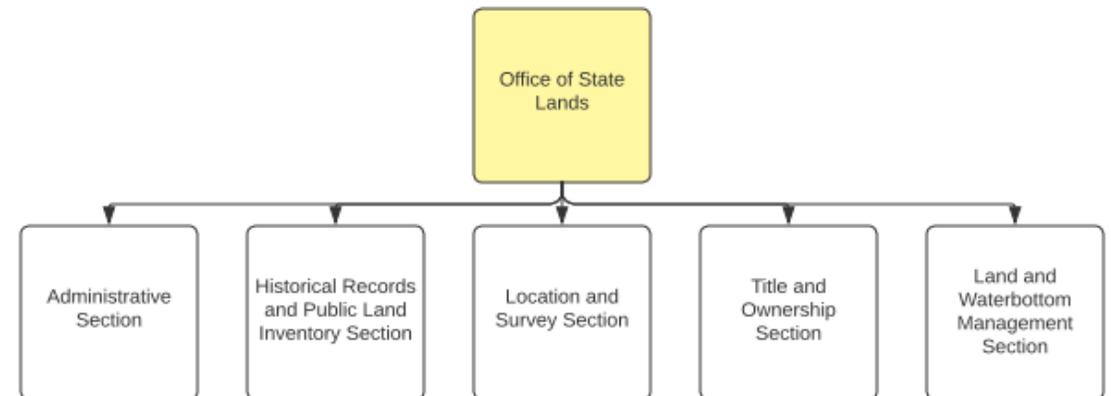


Public Land and Mineral Resources

Office of State Lands

- **Administrative Division**
 - 2 Positions (both vacant)
- **Historical Records and Public Land Inventory Division**
 - 4 Positions (2 vacant)
 - Maintain records, inventory, and maps of public land and real property
- **Title and Ownership Division**
 - 3 Positions (all vacant)
 - Title research and abstracts
 - Consultant to Attorney General, Mineral Board, Coastal Management, Wildlife and Fisheries
- **Location and Survey Division**
 - 9 Positions (4 Vacant)
 - Field surveys and mapping
- **Land and Waterbottom Management Division**
 - 7 Positions (3 Vacant)
 - State Land Sales
 - Rights of Way
 - Surface / Subsurface Leases
 - Waterbottom Permits and Leases

Leader: Public Lands Administrator
25 Classified Positions – 14 Vacant



Public Land and Mineral Resources

Office of State Lands

- **Land and Waterbottom Management Functions**
 - **Rights of Way:**
 - Energy-Related – Pipelines, Power Transmission
 - Non Energy-Related – Access Easements, Telecommunications
 - **Surface and Subsurface Leases:**
 - Energy-Related - Drilling Infrastructure, Horizontal Drilling, Saltwater Disposal Wells
 - Non Energy-Related – Commercial Developments; Recreational Use (e.g., Camping)
 - **Waterbottom Permits and Leases:**
 - **Permits:** Class "A" through "E"
 - A: Reclamation of Land - Erosion
 - B: Construction of Bulkheads / Flood Protection Structures
 - C: Commercial Construction: Wharves and Piers
 - D: Commercial Construction: Structures Other than Wharves and Piers
 - E: Construction of Landfills
 - **Leases:**
 - Recreational
 - Residential
 - Commercial



Public Land and Mineral Resources

Office of State Lands

- **Budget Analysis:**
 - Self-Generated Income
 - Surface, Subsurface, and Water-bottom Leases
 - Permit Fees
 - Property Sales
 - Timber Sales
 - Approx. 70% from energy-related land-use agreements



Public Land and Mineral Resources

Centralizing Energy-Related Functions

H.B. 810 (2024):

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Public Land and Mineral Resources

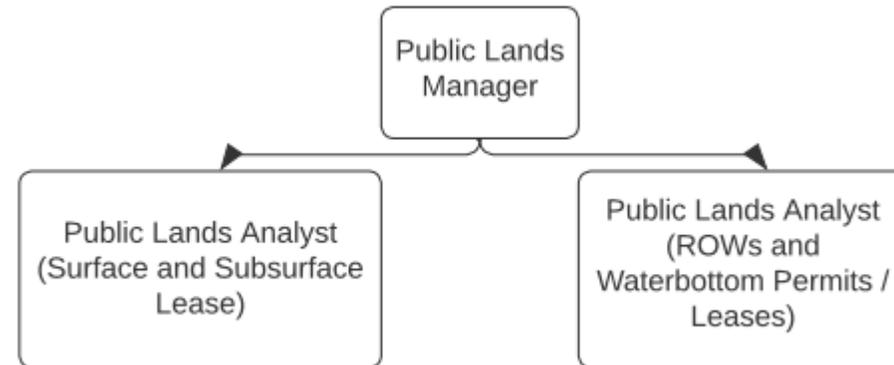
Centralizing Energy-Related Functions

- **Recommendation – Incorporate OSL’s energy-related land administration functions into DENR**

- Surface and Subsurface Leases
- Rights of Way
- Waterbottom Permits and Leases

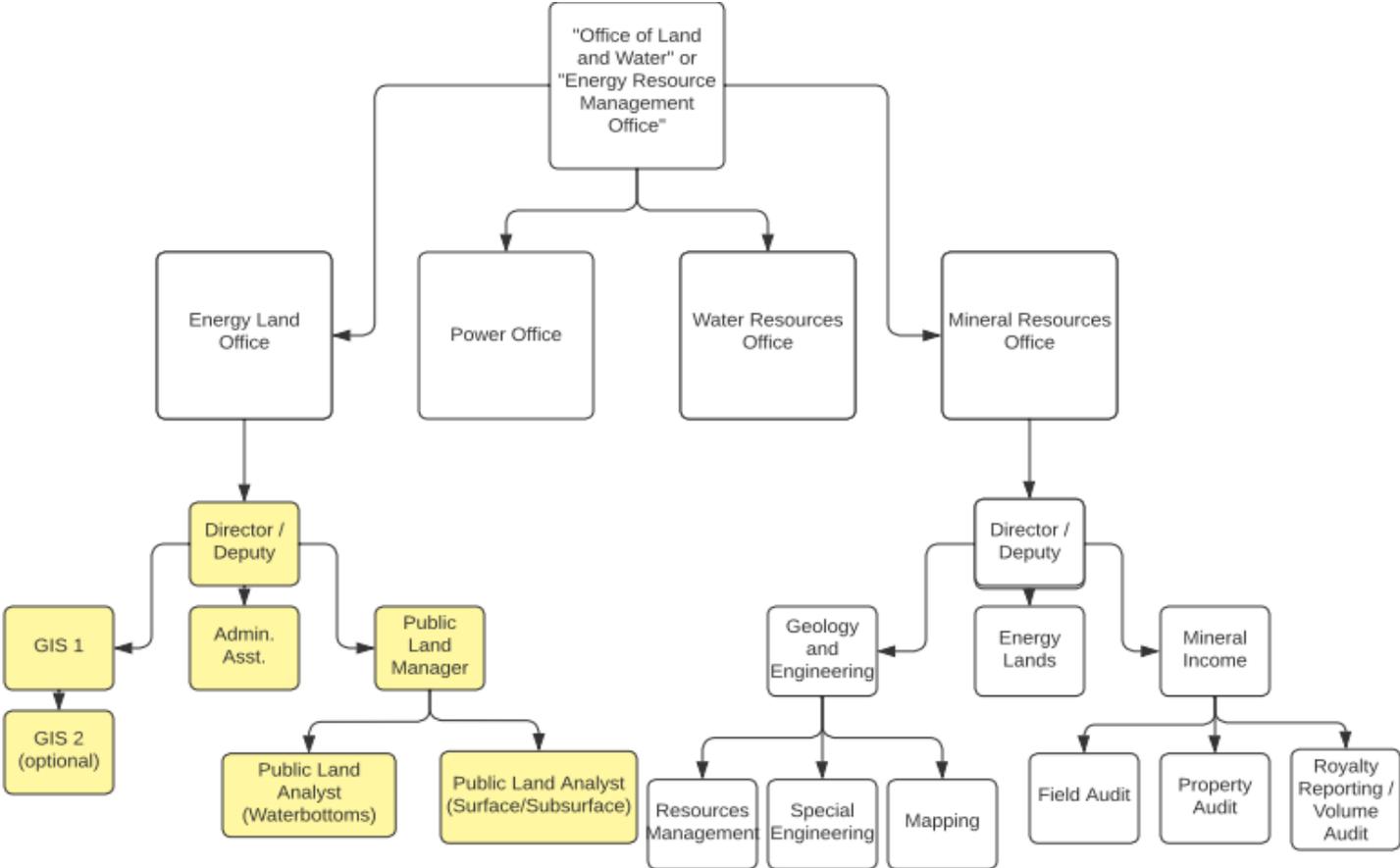
- **Personnel:**

- Minimum – 3 Unclassified Positions
- Other Considerations:
 - GIS / Mapping Position(s)
 - Administrative Position(s)



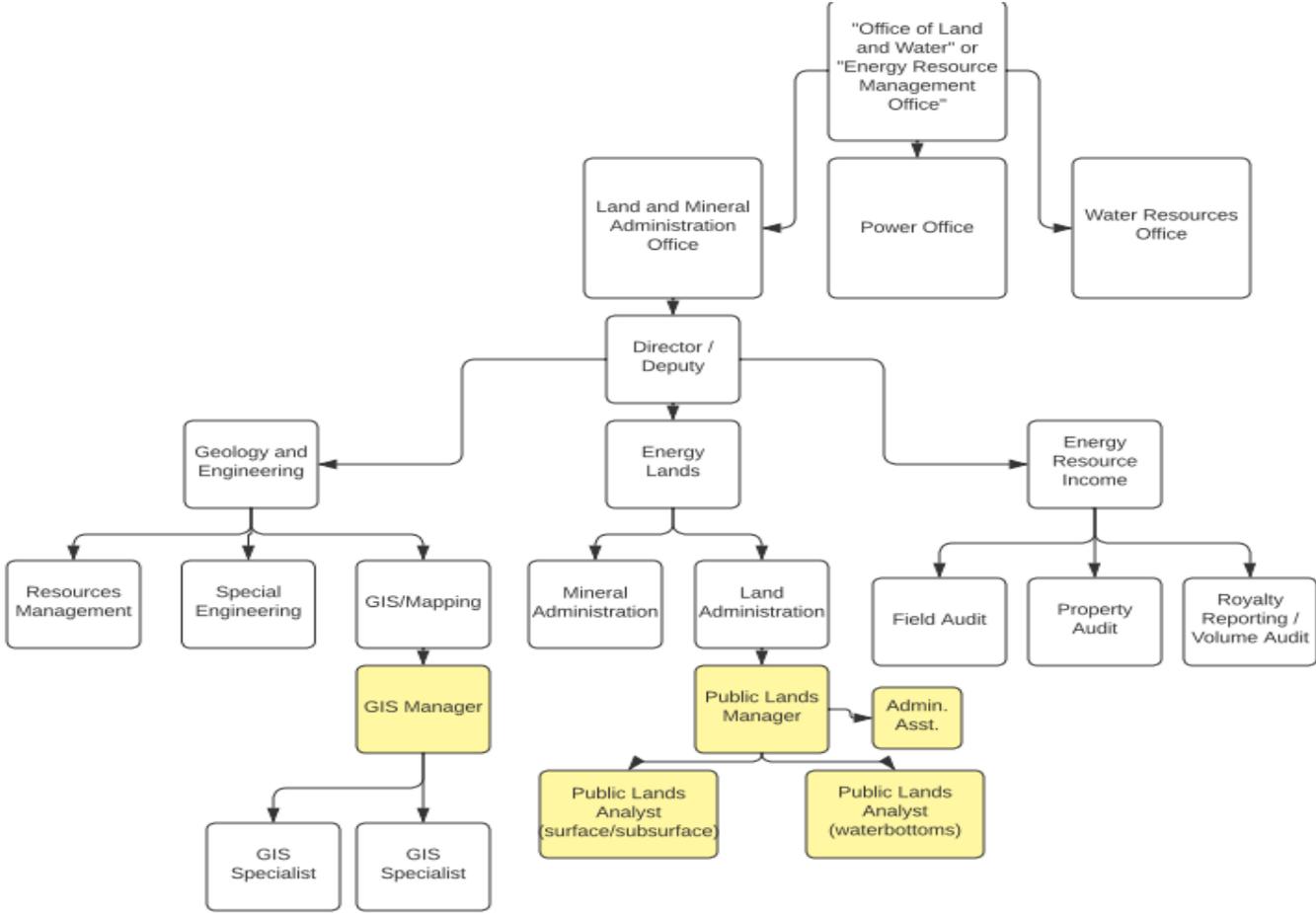
Public Land and Mineral Resources

Structural Alternatives



Public Land and Mineral Resources

Structural Alternatives



Public Land and Mineral Resources

Centralizing Energy-Related Functions

- **Financial Considerations:**
 - **OSL Functions** – Sustainable; No General Fund Dependence
 - **OMR Functions** – Options for Reducing General Fund Dependence
 - Enforcement:
 - Mineral Income and Audit
 - Acreage Conflicts
 - Operations:
 - Reduce Contract Expenses
 - Emphasize Statewide Mineral Management – Inter-Agency Transfers



Public Land and Mineral Resources

Challenges

- Clarifying Operational Scope:
 - "Energy-Related"
 - OSL – Other Recreational, Residential, and Non-Energy Commercial Land and Waterbottom Administration
- Staffing and Training – Subject Matter Expertise
- Statutory and Regulatory Adjustments
- OSL Budgetary Concerns
- Role of the Mineral & Energy Board – Implications for OMR functions and Personnel



Part II. Power



Power Overview

- Current Status: State and Federal Energy Programs
- Current Issues: Bureau of Reclamation, FERC, LPSC, State Energy Office
- Analysis of the Issues: DENR and LPSC Overlap and Gaps
- Proposed Office Structure: Energy Office or Division of Power
- Recommendations and NRSC Review and Approval



Current Status

- Currently, there is no Division of Power in DENR
- Louisiana Public Service Commission PSC: Consists of five elected Commissioners and regulatory staff that exercises regulatory jurisdiction over public utilities providing electric, gas, etc.
- Technology Assessment Division/State Energy Office: U.S. Department of Energy Efficiency Programs



Issues Presented (Current Status)

- The Federal Energy Regulatory Commission, or FERC, is an independent agency that regulates the interstate transmission of electricity, natural gas, and oil. FERC also reviews proposals to build liquefied natural gas (LNG) terminals and interstate natural gas pipelines as well as licensing hydropower projects.
- As part of that responsibility, FERC:
- Regulates the transmission and wholesale sale of electricity in interstate commerce
- Reviews certain mergers and acquisitions and corporate transactions by electricity companies
- Regulates the transmission and sale of natural gas for resale in interstate commerce
- Regulates the transportation of oil by pipelines in interstate commerce



Issues Presented (Current Status)

- Neither FERC nor DEI's Bureau of Reclamation regulate distribution of utilities (mainly gas and electricity) to individual consumers. These power policies are managed at the state level by the Public Service Commission. Currently, there remain questions regarding whether or not the power utilizing citizens of the state are adequately represented with issues and policies brought before the state's Public Service Commission.
- There are a myriad of issues in the state where the DENR and the PSC may have a regulatory nexus and/or a regulatory gap. For example, the regulation of some liquid petroleum and/or natural gas pipelines that are for intrastate transmission of these petroleum products.



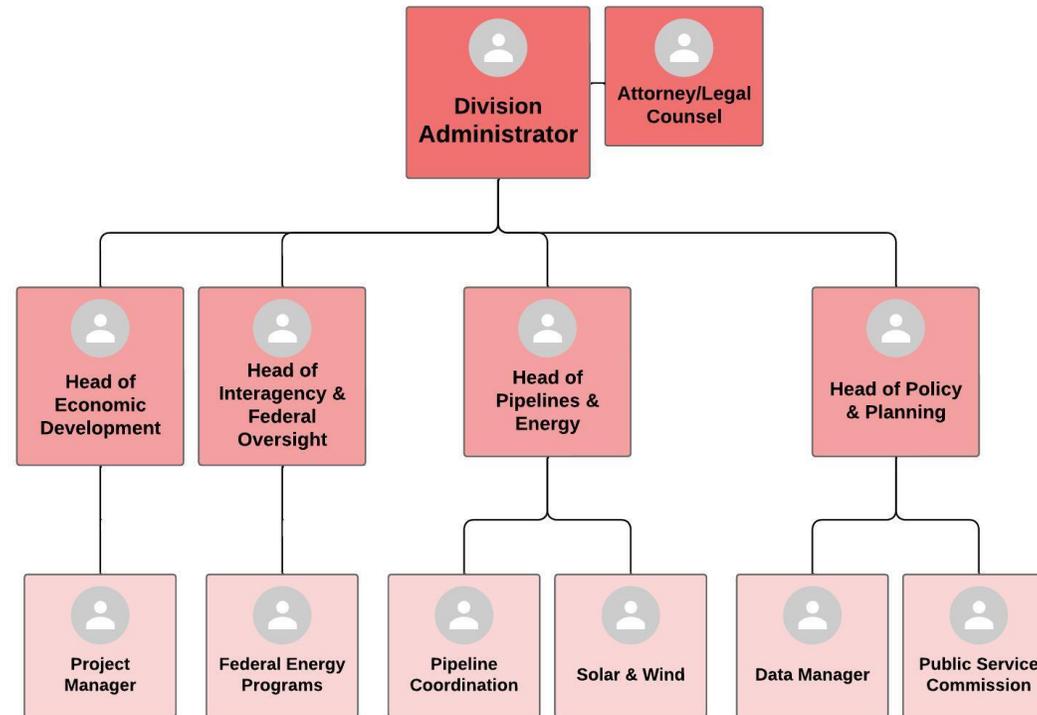
Analysis of Issues

- Closing the gap on Intrastate Pipelines (LP and NG)
- There is currently a data gap with regard to generators (co-gen) at certain facilities and their environmental requirements
- There may also be a significant benefit to DENR coordination and information sharing with the PSC with regard to solar and wind energy projects
- Economic Development - large power-consuming projects that are in early stages of development
- Data and Information Analysis & Information Sharing (LPSC)



Proposed Office Structure

Department of Energy and Natural Resources
Office of Land and Water
Division of Power



Necessary Changes

- Division of Power vs State Energy Office
- The working group believes that consideration should be made for placing the Power Division/Section in the State Energy office. There has been previous coordination between the Energy Office and PSC with initiatives such as energy efficiency.
- Office of Land and Water to stand-up a data analytics and policy Division/Section within the Office of Land and Water to represent the state before the PSC and work to liaison with the PSC on project development and implementation, as well liaison with the PSC.



For NRSC Review and Approval

- New Power Entity within DENR?
- State Energy Office or Office of Land and Water?



Part III.

Water Resources



Water Overview

- Current Status: State Water Program Overview
- Current Issues: Agency Interaction and Coordination, Surface vs Groundwater Resources, Louisiana Watershed Initiative, Data and Policy
- Analysis of the Issues: Holistic Water Management, LWI Watershed Modeling Initiative, DOTD Public Works
- Proposed Office Structure: Initial and Future Structure Discussion
- Recommendations and NRSC Review and Approval



Current Status

- Currently, there is no Division of Water in DENR
- OCM: Surface Water Program
- OC: Groundwater Resources Program, Water Wells, etc.
- Groundwater Authorities (Aquaifers)
- DOTD Public Works
- OCD Louisiana Watershed Initiative



Issues Presented (Current Status)

- Agency interaction and coordination – MOU's with other state and local resource agencies
- In general, separation of all of different water management agencies has led to inefficient water management statewide
- Both OCM and OC collect minimal amounts of data for surface and groundwater withdrawals
- Currently, there is no executive office that establishes water policy
- Watershed Models: OCD and DOTD



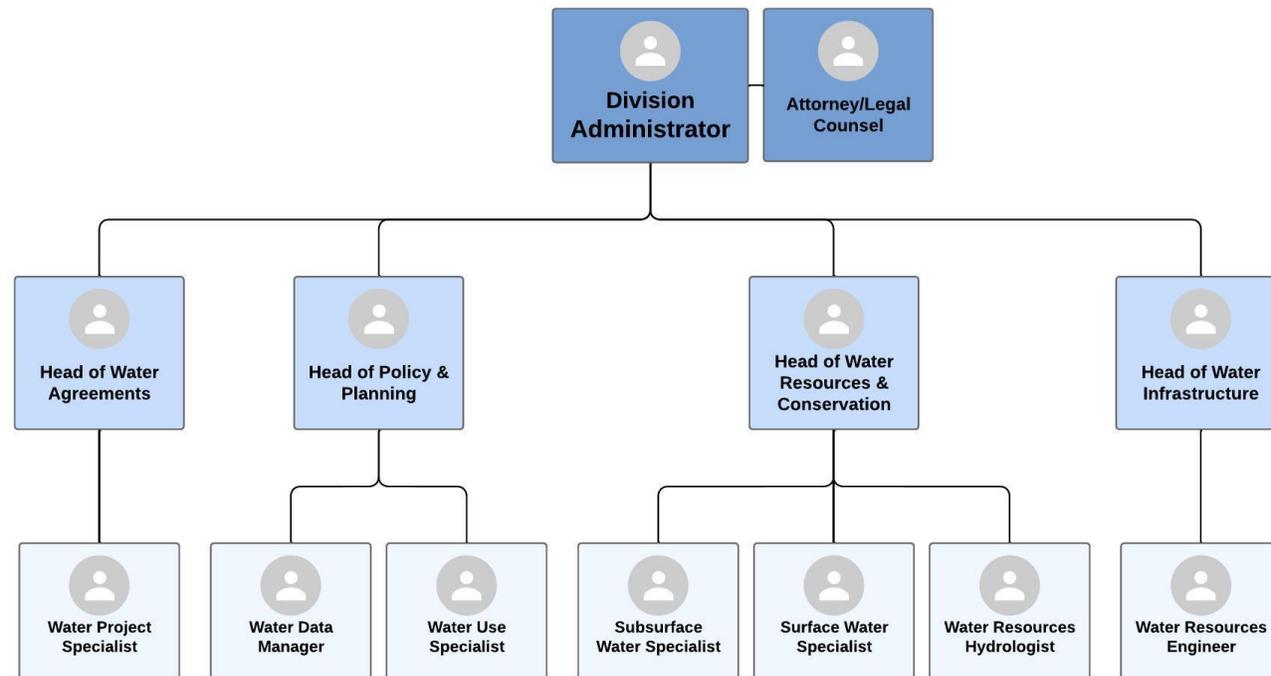
Analysis of Issues

- The state has never prioritized the importance of having a central, statewide water management agency to oversee all water resource management activities
- Creation of a centralized water resources management office
- Data collection and analysis and water policy development
- Creation of a Water Master Plan and State Water Budget
- Water Agreements and Utilization/Sale of Water
- Louisiana Watershed Initiative and Watershed Models



Proposed Office Structure

Department of Energy and Natural Resources
Office of Land and Water
Water Division



Necessary Changes

- Creation of the Water Division in the Office of Land and Water
- Leverage technology and data analytics to optimize the management of water resources in the state
- Enhance coordination with federal agencies and other stakeholders involved in resource management
- Maximize the opportunities to integrate sustainable development principles into water management practices across the spectrum of water resources management programs
- Future management of the Louisiana Watershed Initiative (Watershed Models)



For NRSC Review and Approval

- NRSC Support for Water Division?
- Support for Water Policy Development and Self-Generated Funding Mechanisms?
- LWI – Direction on future of Watershed Model Maintenance and Utilization

