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NRSC-6-2024: OFFICE OF ENERGY

The Office of Energy working group was tasked with review of the new Office of Energy, which was created from the State Energy Office (SEO). The SEO was previously housed within the Office of the Secretary at DENR but was made a separate office in the 2024 regular session. Currently, the energy office houses technology assessment and federal grants as their main functions. The SEO has recently received an influx of federal funding but does not have the administrative capacity to administer these grants on its own and also pursue the energy policy envisioned in its current state. The office's current functions are necessary, but more functions are needed within the office for effective natural resources management. For example, there is no statewide energy plan.

Statewide energy planning is necessary to provide the state's natural resources with guidance and attainable goals for energy policy and planning. The drafting and management of a statewide strategic energy plan could be housed within the new energy office. Further, both the working groups and NRSC commissioners have seen the need for coordination with the Public Service Commission (PSC) on matters of power and energy. Coordination with the PSC could help address regulatory gaps related to competitiveness, similar to how the Federal Energy Regulatory Commission (FERC) operates at the federal level. Additionally, stronger alignment with the PSC could establish a clear state position on energy matters and allow Louisiana to pursue its interests, particularly in decisions affecting competition in a manner akin to FERC's approach. Further, there is also a dire need to revive strategic partnerships and develop new ones, such as the Water Institute, Center for Energy Studies, and the Louisiana Geological Survey, creating significant opportunity for management of geologic and engineering data with a goal of developing a national lab. Lastly, a workforce and economic development function could also utilize strategic partnerships within the energy office. Further, there is a need for a focus on resiliency, as the influx of Federal grants focused on resiliency has shown.

Creating a standalone energy office within DENR prioritizes energy within the natural resources management structure. However, the energy office is not limited by regulatory programs thus may be afforded more priority and flexibility if it were to be moved to the Executive Department or combined with other functions. For example, considering how to integrate the Chief Resiliency Officer position, or function, could be used to great effect in a reorganized energy office, whether located within DENR or at the Executive Department. The NRSC recommends that the DENR continue exploring how to efficiently incorporate these functions as part of EO-13 and the Governor seriously consider moving some or all of the functions contained within the proposed Office of Energy to the Executive Department or remain at the agency.