



JEFF M. LANDRY
GOVERNOR

TYLER PATRICK GRAY
SECRETARY

State of Louisiana

DEPARTMENT OF ENERGY AND NATURAL RESOURCES
OFFICE OF THE SECRETARY

April 15, 2024

The Honorable Gordon “Gordy” Dove
Executive Assistant to the Governor
For Coastal Activities
Annex Building
Baton Rouge, LA 70802

The Honorable Benjamin Bienvenu,
Commissioner, Office of Conservation
Dept. of Energy & Nat’l Resources
LaSalle Building
Baton Rouge, LA 70802

RE: Natural Resources Steering Commission – Meeting and Overview

Members:

I hope this message finds you well. In light of Executive Order 2024 JML-13 and the legislative directives specified in R.S. 36:351(C)(2) and R.S. 36:354(A)(11), I am excited to present a comprehensive plan for the reorganization and optimization of the Department of Energy and Natural Resources (DENR). While I recognize this is over thirty days from Governor Landry’s letter on the Natural Resources Steering Commission (Commission), however a public comment period was established allowing stakeholders to provide input into a proposed schedule of review. Following this period, a schedule has been set.

Before presenting the schedule, I offer for consideration a framing of our tremendous opportunity. This initiative is not just about reshuffling organizational charts; it's about igniting innovation, fostering collaboration, and aligning our efforts with the evolving needs of Louisiana. The intersection of legislation and regulation is complexity. To reduce the unnecessary burden created by this complexity, the public must trust their interactions with our representatives through intuitive, clear solutions. Trust is gained through accountability, transparency, and clear and realistic timelines.

Going forward, our goal is clear: to equip Louisiana to effectively manage its natural resources in the face of future challenges and opportunities. To achieve this, we must embark on a journey of introspection and collaboration, asking ourselves critical questions and working together to find the best solutions.

The most important aspect of this process is to look for solutions through removal of unnecessary roadblocks impeding accomplishing our goals. We must focus on how we will accomplish it, not why we couldn't.

To provide the analysis, internal working groups will be led by subject matter experts to provide recommendations for the Steering Commission to consider at our first meeting on **June 18, 2024**, in Baton Rouge. The working groups shall be led by agency staff, coordinated by J. Clay Parker, Special Counsel, as follows:

- Office of the Secretary shall be led by the Chief of Staff and Deputy Secretary, Dustin Davidson, to include Legal, Interagency and Legislative Affairs, along with a boards and commissions as led by Darren Bossie, Special Assistant to the Secretary.
- Office of Energy (*proposed under HB810*) shall be led by State Energy Office Director, Jason Lanclos, Justin Crossie, and Dr. Greg Upton, Executive Director of the Center for Energy Studies, giving consideration to functions divided into two sections, Information and Strategic Planning & Policy.
- Office of Conservation, the working group will be led by Blake Canfield, Executive Counsel for DENR, with a focus on the proposed structure being made up of the following divisions, engineering, coastal, injection & mining, geology, and water resources divisions.
- Office of Management, Budget, and Finance, has Mark Normand, Undersecretary of DENR and Janice Lansing, Chief Financial Officer of CPRA as co-leads. This proposal will include an analysis of the Natural Resources Trust Authority, as proposed under HB810.
- Office of Enforcement, (*proposed under HB810*) includes pipeline, injection & mining, oil & gas, and emergency response//LOSCO divisions, is led by Steven Giambrone, Director of the Pipeline Safety Division of the Office of Conservation, with Karolein Debusschere, Deputy Director of the Louisiana Oil Spill Coordinator's Office as co-lead.
- Office of Land and Water, (*proposed under HB810*) with divisions in Water Resources, Mineral Resources, Lands, and Power, sees Keith Lovell, Assistant Secretary to Office of Coastal Management, as the lead of its working group, working closely with Andrew Young, Assistant Secretary of Mineral Resources,

Gina Campo, Office of Community Development (Watershed Initiative), and Cheston Hill, Director of the Office of State Lands.

- Implementation shall be led by CPRA's Executive Director, Glenn Ledet, Jr. leads the Working Group, along with Bren Haase, Deputy Director, with more to come.

In anticipation of our work on this project, I offer the following questions to consider with a focus on DENR.

1. Office of Conservation:

- How can we streamline permitting processes to ensure efficiency and environmental stewardship?
- What measures can we implement to foster compliance with regulatory frameworks while promoting sustainable resource management?
- Are there opportunities for strategic partnerships to enhance regulatory oversight and enforcement efforts?
- How can the permitting, compliance, and regulatory processes be analyzed such that unclear topics needing further examination can be identified?
- How will the federal and state programs be treated differently?
- Should Conservation consider applying to the U.S. Army Corps of Engineers for CWA Section 404 permitting authority in Louisiana?

2. Office of Enforcement:

- How would the office operate?
- Are there opportunities to streamline enforcement currently not under consideration?
- How can we bolster emergency response capabilities to mitigate the impact emergencies?
- What strategies can we employ to ensure consistent enforcement of laws and regulations across all sectors of natural resource management?
- Are there innovative approaches to incentivize compliance and proactive environmental stewardship?
- How can we streamline resources to provide enforcement more tools to quickly and efficiently locate non-compliance?
- How will information be efficiently shared across offices?
- What are the state programs? Federal programs?

- How could the state be organized, from a district standpoint, to efficiently enforce?

3. Office of Land and Water:

- How might we leverage technology and data analytics to optimize the management of land and water resources?
- What steps can we take to enhance coordination with federal agencies and other stakeholders involved in resource management? Are there any lost opportunities? Future, past, or present?
- Are there opportunities to integrate sustainable development principles into land and water management practices?
- What functions of the Department of Interior's Reclamation Office that could provide value to Louisiana citizens if replicated at the state level?
- How are the watersheds organized?
- How is the use, sale, and consumption of water, both surface and ground, managed? Are there existing political subdivisions or quasi-governmental entities? If so, what are their standards? Programs?
- What is the revenue structure for these assets? State waters in Gulf of Mexico?
- How does Louisiana receive revenue of offshore activity? How does this relate to physical impact of operations to recover resources?

4. Implementation//CPRA:

- How do the levee board's function? Are they all the same?
- How is flood protection managed?
- What is the relationship between CPRA and The Water Institute?
- What models does CPRA use? Does the State own the intellectual property?
- How would a restoration project be built outside coastal area?
- Is Natural Resource Damage Assessment the largest resource for funding coastal projects?
- Are there any lost opportunities for funding?

5. Office of Energy:

- How can we facilitate greater transparency and accessibility of energy-related data and models for policymakers, researchers, and the public?
- What energy-related data and information is present and how is it managed?
- Are there ways to foster collaboration between the public and private sectors to advance open-source initiatives?

- What role can Center for Energy Studies play?
- What is the energy demand for citizens, corporate and individual, of the State of Louisiana in the near, mid, and long term?
- How can the Office of Energy bridge existing jurisdictional or legal gaps to collaborate effectively with regulators, such as the Public Service Commission and the City of New Orleans, regarding utilities and common carriers? Additionally, how can the Energy Office ensure its operations complement rather than disrupt the regulatory authority of these entities?

6. Office of Management and Budget and Natural Resources Trust Authority:

- What is the expected revenue over the next eight years for natural resource funds?
- What would be the best operating strategy for the authorities? Are there models to emulate?
- How can we optimize the management of financial assurances provided by operators to safeguard against potential liabilities?
- What mechanisms can we establish to ensure accountability and transparency in the management of financial resources?
- Are there innovative financing strategies that can support critical infrastructure projects and environmental conservation efforts?
- What is the standard for Louisiana to stand up a federal program? Are there funding opportunities that have not been pursued? What do those decision-making processes look like?
- How with each office be funded? Should it have it's own fund?
- How will we evaluate needs of each office? Resources? Staffing?

A critical aspect of this project is the consolidation of functions to improve the public good, particularly in anticipation of a fiscal shortfall of \$558 million for FY25-26 and a coastal funding drop-off in 2031. Therefore, reporting under the budgeting process is paramount, with a goal of a 10% reduction through optimization, considering factors such as natural attrition of offices, retirements, vacancies, utility, grants/funding, and expertise.

To ensure a structured and efficient process, we have devised a project schedule spanning from April 3, 2024, to October 31, 2024, comprising three parts:

- **Part I:** Regular Session (April 3, 2024, to June 3, 2024)
- **Part II:** Analysis and Planning (June 4, 2024, to August 1, 2024)
 - **Public Meeting:** June 18, 2024, LaBelle Room, LaSalle Building, 617 N. 3rd Street, Baton Rouge, LA 70802.
 - **Deadline for Submission to Governor:** August 1, 2024
- **Part III:** Public Engagement and Finalization (August 2, 2024, to October 31, 2024)
 - **Executive Budget Due: November 1, 2024**

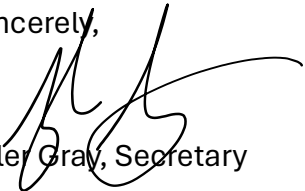
Each phase includes specific tasks, milestones, and engagement opportunities to facilitate transparency and collaboration among stakeholders.

We believe that this review and reorganization effort will position Louisiana as a vital contributor to the nation's energy security while addressing the challenges of recurring flooding and environmental impacts. By optimizing our structure and operations, we can better serve the needs of our state and its people. Going forward, please do not hesitate to reach out to Mr. Parker, Special Counsel, who will be coordinating from now on. His contact information is:

Mr. J. Clay Parker, Special Counsel
900 North Third Street, Sixth Floor
Baton Rouge, Louisiana 70802
Phone: (225) 506-6421
Email: Clay.Parker@la.gov

Should you have any questions, please do not hesitate to reach out.

Sincerely,



Tyler Gray, Secretary

Department of Energy and Natural Resources

CC: The Honorable Jeff M. Landry, Governor
Mr. J. Clay Parker, Special Counsel