

2021 Regular Session

HOUSE BILL NO. 246

BY REPRESENTATIVE COUSSAN

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

SALT DOMES: Provides relative to the storage of hydrogen in underground reservoirs and salt domes

1 AN ACT

2 To amend and reenact R.S. 30:23(A), (B)(introductory paragraph), (1), (2), and (4), (C), and  
3 (D)(1), relative to the underground storage of hydrogen in underground reservoirs  
4 and salt domes; to include hydrogen as a substance that can be stored in underground  
5 reservoirs and salt domes; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 30:23(A), (B)(introductory paragraph), (1), (2), and (4), (C), and  
8 (D)(1) are hereby amended and reenacted to read as follows:

9 §23. Underground storage of liquid or gaseous hydrocarbons or ~~both or both,~~ carbon  
10 dioxide, or hydrogen

11 A. The underground storage of liquid or gaseous hydrocarbons, ~~or carbon~~  
12 dioxide, or hydrogen will permit the accumulation of large quantities of such liquid  
13 or gaseous hydrocarbons or hydrogen for orderly withdrawal in times of greater  
14 demand, it being deemed in the public interest to have a supply of such hydrocarbons  
15 and hydrogen readily available for consumption. The underground storage of carbon  
16 dioxide which provides more uniform withdrawal from various gas or oil fields is in  
17 the public interest and for a public purpose.

18 B. Except as to liquid or gas storage, ~~or carbon dioxide,~~ or hydrogen projects  
19 begun before the effective date of this Section, and prior to authorizing the use of any  
20 salt dome cavity for the storage of liquid or gaseous hydrocarbons, ~~or carbon~~

1           dioxide, or hydrogen, the assistant secretary, after public hearing pursuant to the  
2           provisions of R.S. 30:6, shall have found all of the following:

3                     (1) That the area of the salt dome sought to be used for the injection, storage,  
4                     and withdrawal of liquid or gaseous hydrocarbons, ~~or carbon dioxide~~, or hydrogen  
5                     is suitable and feasible for such use.

6                     (2) That the use of the salt dome cavity for the storage of liquid or gaseous  
7                     hydrocarbons, ~~or carbon dioxide~~, or hydrogen will not contaminate other formations  
8                     containing fresh water, oil, gas, or other commercial mineral deposits, except salt.

9   \*       \*       \*

10                    (4) That temporary loss of jobs caused by the storage of liquid or gaseous  
11                    hydrocarbons, ~~or carbon dioxide~~, or hydrogen will be corrected by compensation,  
12                    finding of new employment, or other provisions made for displaced labor.

13    \*       \*       \*

14                    C. After having made the findings required in Subsection B of this Section,  
15                    the commissioner shall transmit a copy of the application, together with his findings,  
16                    to the natural resources committees of the Senate and House of Representatives.  
17                    These committees, meeting jointly, shall consider the facts surrounding the  
18                    application and the findings of the commissioner and may hold public hearings  
19                    thereon. Based upon its deliberations, the committees, acting jointly, may submit a  
20                    report and recommendations to the commissioner within fifteen days after receipt of  
21                    the application. After consideration of any recommendations so made, the  
22                    commissioner may issue all necessary orders providing that liquid or gaseous  
23                    hydrocarbons, ~~or carbon dioxide~~, or hydrogen previously reduced to possession and  
24                    which are subsequently injected and stored in a salt dome cavity, shall at all times  
25                    be deemed the property of the injector, his successors, or assigns, subject to the  
26                    provisions of any contract between the owner or owners of the solid mineral or land  
27                    overlying the area affected as determined by the commissioner of conservation; and  
28                    providing further that in no event shall the owner of the surface of the lands or water  
29                    bottoms or of any mineral interest under or adjacent to which such salt dome cavity

1           may lie, or any other person, be entitled to any right or claim in or to such liquid or  
2           gaseous hydrocarbons, ~~or carbon dioxide,~~ or hydrogen stored therein, including the  
3           right to produce, take, reduce to possession, waste, or otherwise interfere with or  
4           exercise any control thereover. The commissioner shall issue necessary orders, rules,  
5           and regulations for the protection from pollution of any salt dome cavity used for  
6           storage of liquid or gaseous hydrocarbons, ~~or carbon dioxide,~~ or hydrogen, or any  
7           adjacent strata or formation; and such rules and regulations as may be necessary  
8           pertaining to surface storage facilities for the protection of the environment, drilling  
9           into any salt dome for the creation of cavities, and equipping of same for the  
10          injection, storage, and withdrawal of liquid or gaseous hydrocarbons, ~~or carbon~~  
11          dioxide, or hydrogen. Subject to the exception provided in Subsection B of this  
12          Section, the commissioner shall not allow the use of any salt dome in the state of  
13          Louisiana for the purposes mentioned herein until such time as he has prepared and  
14          promulgated the regulations required herein according to the Louisiana  
15          Administrative Procedure Act, ~~R.S. 49:951~~ R.S. 49:950 et seq. In addition, the  
16          commissioner shall issue necessary orders, rules, and regulations for the protection  
17          of the rights of owners of parts of the salt dome which are adjacent to any part  
18          thereof sought to be used for liquid or gaseous ~~hydrocarbon~~ hydrocarbons, ~~or carbon~~  
19          dioxide, or hydrogen storage.

20                 D.(1) In furtherance of the development of comprehensive energy policy for  
21          the state, the secretary of the Department of Natural Resources shall determine the  
22          feasibility of initiating projects, by the state or by contract on behalf of the state, for  
23          the storage of emergency supplies of state-owned oil and gas, ~~or carbon dioxide,~~ or  
24          hydrogen. Such determination shall include consideration of the techniques, costs,  
25          quantities of oil and gas, ~~or carbon dioxide,~~ or hydrogen available for such purpose  
26          and priorities for allocation in time of emergency.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 246 Original

2021 Regular Session

Coussan

**Abstract:** Adds hydrogen to the list of substances that can be stored in underground reservoirs and salt domes.

Present law provides for the storage of natural gas, liquid hydrocarbons, and carbon dioxide in underground reservoirs and salt domes. Proposed law retains present law but also provides for the storage of hydrogen in such reservoirs and salt domes.

Present law provides that prior to using a salt dome as storage of liquid or gas hydrocarbons, or carbon dioxide, the commissioner must have a hearing and find that such use is feasible; that the storage will not contaminate other formations; the storage will not endanger lives or property and is environmentally compatible with existing dome uses; and that temporary loss of jobs caused by the storage will be corrected by compensation, new employment, or other provisions.

Present law provides that such findings along with the application for such use of a salt dome must be transmitted to the natural resources committees of the House and Senate, which may meet jointly to make recommendations to the commissioner. Proposed law retains present law and adds the storage of hydrogen.

Present law further provides that after receipt of such recommendations, if any, the commissioner is authorized to issue orders to ensure that liquid or gaseous hydrocarbons or carbon dioxide reduced to possession and then injected into a salt dome remains the property of the injector, not the surface or mineral rights owner, and to issue orders to protect the reservoir. Proposed law retains present law and adds hydrogen.

Present law requires the secretary of the Dept. of Natural Resources determine the feasibility of projects for the emergency storage of state-owned oil and gas or carbon dioxide. Proposed law retains present law and adds hydrogen.

(Amends R.S. 30:23(A), (B)(intro. para.), (1), (2), and (4), (C), and (D)(1))