

2022 Regular Session

HOUSE BILL NO. 1010

BY REPRESENTATIVE WRIGHT

LAND USE: Provides relative to deregulated power zones

1 AN ACT

2 To enact Chapter 3-B of Title 45 of the Louisiana Revised Statutes of 1950, to be comprised
3 of R.S. 45:151 through 155, relative to public utilities; to provide for the creation of
4 deregulated industrial power zones; to provide for the exemption of rate regulation
5 and service territory requirements for electrical service; to provide for definitions;
6 to require rulemaking; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. Chapter 3-B of Title 45 of the Louisiana Revised Statutes of 1950,
9 comprised of R.S. 45:151 through 155, is hereby enacted to read as follows:

CHAPTER 3-B. DEREGULATED INDUSTRIAL POWER ZONES ACT

§151. Short title

The provisions of this Chapter shall be known and may be cited as the

"Deregulated Industrial Power Zones Act."

§152. Definitions

As used in this Chapter, the following words have the following meanings:

(1) "Deregulated industrial power zone" means an area of designated state not less than six hundred forty contiguous acres situated entirely within a parish.

(2) "Governing authority" means a parish or municipality planning commission operating pursuant to R.S. 33:102.

1 (3) "State lands" means any land under the jurisdiction of the state land
2 office.

3 §153. Designation of land

4 A. The governing authority in each parish may petition the state land office
5 to designate not more than one area of unincorporated state land within the parish
6 constituting not less than six hundred forty contiguous acres as a deregulated
7 industrial power zone. The designated land shall not include any part of a
8 municipality or land outside the boundaries of the parish. A petition may be filed
9 pursuant to this Section to modify as well as create a deregulated industrial power
10 zone.

11 B. Prior to petitioning the state land office as described in Subsection A of
12 this Section, the governing authority shall hold at least one public hearing with notice
13 of the time and place of the hearing being given by publication in a newspaper of
14 general circulation in the parish not less than one time and not less than fourteen
15 days before the date of the hearing.

16 C. The governing authority shall provide the state land office with an
17 analysis of the potential impact the deregulated industrial zone may have on retail
18 customers outside of the zone, nonparticipating retail customers within the zone, and
19 any other information required by rules promulgated in accordance with R.S. 45:155.

20 D. The state land office may consider the analysis described in Subsection
21 C of this Section and any other factors it deems relevant in determining whether to
22 approve a petition submitted pursuant to this Section. The state land office shall not
23 approve a petition that does not meet the requirements of Subsection A of this
24 Section but may otherwise approve or deny a petition at its discretion.

25 §154. Regulation exemptions; limitations

26 A. Except as otherwise provided in this Section, the provisions of this Title
27 relative to the public service commission rate regulation shall not apply to rates
28 charged for the sale of electricity to a customer who satisfies all of the following:

1 (1) Consumes the electricity entirely within a deregulated industrial power
2 zone.

3 (2) Consumes the electricity for commercial or industrial use.
4 (3) Is not purchasing the electricity to replace electrical service capacity that
5 existed prior to the establishment of the deregulated industrial power zone.

6 B. Except as otherwise provided in this Section, the provisions of this Title
7 that prohibit the sale of electricity outside a specified service territory shall not apply
8 to sales to a customer within a deregulated industrial power zone who meets all of
9 the requirements of Subsection A of this Section.

10 C. Nothing in this Section shall be construed to reduce, modify, eliminate,
11 or otherwise alter any applicable requirements of federal law or any local, state, or
12 federal tax that may be imposed.

13 D. Any public utility providing service pursuant to this Section shall not
14 recover costs associated with that service through rates imposed on retail customers
15 outside of or not participating in the exemptions provided by a deregulated industrial
16 power zone.

17 E. Service provided by a public utility pursuant to this Section shall not
18 adversely affect the service provided to other retail customers not participating in the
19 deregulated industrial power zone.

20 F. The public service commission shall regulate rates charged for the use of
21 transmission lines transmitting electricity generated outside of a deregulated
22 industrial zone to the deregulated industrial zone through transmission lines
23 otherwise regulated by the public service commission by setting a rate that ensures
24 other retail customers not receiving the benefits of any exemption described in this
25 Section are not disproportionately paying joint and common costs of transmission.

26 §155. Rulemaking

27 The division of administration shall promulgate rules in accordance with the
28 Administrative Procedure Act to carry out the provisions of this Chapter.

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)]

HB 1010 Original

2022 Regular Session

Wright

Abstract: Allows a governing authority to petition the state land office (office) to create deregulated industrial power zones (power zones).

Proposed law shall be known and may be cited as the "Deregulated Industrial Power Zones Act."

Proposed law defines "deregulated industrial power zone", "governing authority", and "state lands".

Proposed law allows a governing authority to petition the office to designate a tract of land within the parish as a power zone.

Prior to petitioning the office, proposed law requires the governing authority to hold at least 1 public meeting within 15 days of the hearing.

Proposed law requires the governing authority to provide the office with an analysis of the potential impact of the power zone.

Proposed law allows the office to approve or deny the application at its discretion, unless the petition does not meet the requirements of proposed law, in which case the office shall deny the petition.

Present law allows the public service commission to set rates and to prohibit the sale of electricity outside a specified service territory.

Proposed law retains present law but provides an exception to applicability for a customer who satisfies all of the following:

- (1) Consumes all electricity within the power zone.
- (2) Consumes the electricity for commercial or industrial use.
- (3) Is not purchasing the electricity to replace electrical service capacity that existed prior to the establishment of the power zone.

Proposed law does not allow for a utility provider to recover costs.

Proposed law shall not adversely affect the service provided to other retail customers.

The department of administration shall promulgate rules in accordance with the APA to carry out the provisions of proposed law.

(Adds R.S. 45:151-155)