

2026 Regular Session

SENATE BILL NO. 490

BY SENATOR HENSGENS

ENERGY DEVELOPMENT. Provides for private use electrical networks. (gov sig)

1 AN ACT

2 To enact R.S. 45:1231.1, relative to private use electrical networks; to provide for the  
3 construction and operation of generation and storage facilities serving industrial and  
4 digital infrastructure customers; to provide for nonutility status; to provide for  
5 backup and export interconnections; to require the Louisiana Public Service  
6 Commission to adopt implementing rules; to provide for an effective date; and to  
7 provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 45:1231.1 is hereby enacted to read as follows:

10 **§1231.1. Private use electrical networks**

11 **A. For purposes of this Section the following terms shall have the**  
12 **following meanings unless the context clearly indicates otherwise:**

13 **(1) "Private use electrical network" means generation, energy storage,**  
14 **and related electrical facilities that:**

15 **(a) Are located on contiguous, adjacent, or commonly controlled**  
16 **property.**

17 **(b) Are primarily dedicated to serving the electricity requirements of one**

1 or more identified load customers.

2 (c) Deliver electricity through privately owned electrical facilities.

3 (2) "Identified load customer" means an industrial facility,  
4 manufacturing operation, data center, digital infrastructure campus, or similar  
5 large-load customer.

6 (3) "Primarily dedicated" means that, measured on a rolling twelve-  
7 month basis, and notwithstanding deviations resulting from scheduled  
8 maintenance, force majeure, customer commissioning, or customer ramp-up,  
9 at least fifty percent of either the annual net electrical energy output of the  
10 private use electrical network, or the contract nameplate capacity of the  
11 network, is committed to serving one or more identified load customers under  
12 a written agreement with an initial term of five years or greater.

13 B. For purposes of this Section, retail sale of electricity shall not include  
14 the delivery or sale of electricity from a private use electrical network, or its  
15 owner or operator, to an identified load customer that is served by that  
16 network, regardless of the form of the commercial arrangement, including  
17 without limitation a power purchase agreement, energy services agreement,  
18 lease, tolling agreement, or affiliate transaction.

19 C. A private use electrical network shall not be deemed a public utility.  
20 The owner or operator thereof shall not be subject to regulation by the  
21 Louisiana Public Service Commission as a public utility and shall not be subject  
22 to any exclusive retail franchise, certificated service territory, or retail service  
23 right of any electric public utility, electric cooperative, or municipal electric  
24 provider, solely because the network satisfies one or more of the following:

25 (1) Serves one or more identified load customers.

26 (2) Is owned or operated by the load customer, an affiliate of the load  
27 customer, or an unaffiliated third party pursuant to contract.

28 (3) Maintains an interconnection with an electric utility for backup  
29 service, reliability service, emergency service, maintenance service, or export

1 of surplus electricity.

2 (4) Participates in any wholesale market, ancillary service, capacity  
3 market, emergency service, or reliability program administered by the  
4 Midcontinent Independent System Operator or any successor regional  
5 transmission organization.

6 D. Participation by a private use electrical network in any wholesale  
7 market, ancillary service, capacity market, emergency service, or reliability  
8 program administered by the Midcontinent Independent System Operator or  
9 any successor regional transmission organization shall not cause the network,  
10 its output, or any portion thereof to be characterized as a public utility service  
11 or retail sale.

12 E. The maintenance of backup utility service, standby service, or export  
13 capability shall not alter the status of a private use electrical network under this  
14 Section.

15 F. The export of electricity from a private use electrical network shall  
16 not cause such network to be deemed a public utility, provided that the network  
17 is primarily dedicated to serving one or more identified load customers.

18 G. Nothing in this Section shall impair the authority of the Louisiana  
19 Public Service Commission to regulate the rates, terms, and conditions of  
20 backup, standby, or export service provided by an electric utility.

21 H. Upon receipt of a complete interconnection application from a private  
22 use electrical network for backup, standby, reliability, or export service, the  
23 interconnecting electric utility shall complete all required interconnection  
24 studies and execute an interconnection agreement within one hundred eighty  
25 days. Failure by the utility to act within such period shall entitle the applicant  
26 to petition the commission for an order compelling interconnection on just and  
27 reasonable terms.

28 I. A declaration of nonjurisdiction issued by the commission pursuant  
29 to this Section, or deemed issued pursuant to Subsection K of this Section, shall

1 be binding on the commission and all parties, shall not be subject to collateral  
2 attack, and shall survive any subsequent change in the ownership, financing,  
3 affiliate structure, or customer identity of the private use electrical network,  
4 provided that the private use electrical network continues to satisfy the  
5 definition set forth in Paragraph (A)(1) of this Section and remains primarily  
6 dedicated to serving one or more identified load customers. The commission  
7 may revoke such declaration only upon a finding, after notice and hearing, that  
8 the network no longer satisfies these requirements.

9 J. An applicant for a declaration of nonjurisdiction under this Section  
10 may request confidential treatment of the identity of any identified load  
11 customer prior to public announcement of the project and may request power  
12 purchase agreement pricing and commercial terms submitted in support of the  
13 application. The commission shall grant such requests upon a showing that  
14 public disclosure would cause competitive harm to the applicant or its customer.  
15 The commission shall not publicly disclose information granted confidential  
16 treatment under this Subsection.

17 K. The Louisiana Public Service Commission shall adopt rules in  
18 accordance with the provisions of this Section no later than one hundred eighty  
19 days after the effective date of this Act, that shall include but not be limited to:

20 (1) An expedited process for issuance of a declaration of nonjurisdiction  
21 for a private use electrical network.

22 (2) A requirement that the commission issue a determination within  
23 thirty days of receipt of a complete application, which shall be deemed approved  
24 if the commission fails to act within such period.

25 (3) Nondiscriminatory tariffs and interconnection procedures for  
26 backup, standby, maintenance, and export service for a private use electrical  
27 network.

28 Section 2. This Act shall become effective upon signature by the governor or, if not  
29 signed by the governor, upon expiration of the time for bills to become law without signature

1 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
 2 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
 3 effective on the day following such approval.

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, 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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## DIGEST

SB 490 Engrossed

2026 Regular Session

Hensgens

Proposed law provides for private use electrical networks, defined as generation, storage, and related electrical facilities that are located on contiguous, adjacent, or commonly controlled property, that is primarily dedicated to serving the electricity requirements of one or more customers, and that provide power through privately-owned facilities.

Proposed law defines "identified load customer" as a large-load commercial customer.

Proposed law defines "primarily dedicated" as a private use electrical network in which, on a twelve-month basis, at least 50% of its energy output or capacity is committed to serving one or more identified customers under written agreements with an initial term of five years or more, excluding deviations resulting from scheduled maintenance, force majeure, customer commissioning, or customers ramp-up.

Proposed law provides that the retail sale of electricity shall not include the delivery or sale of electricity from a private use electrical network to an identified load customer served by the network, regardless of the type of commercial arrangement.

Proposed law provides that a private use electrical network is not a public utility and not subject to Louisiana Public Service Commission (LPSC) regulation based solely on its customer load, operator, interconnection, or Midcontinent Independent System Operator (MISO) program participation.

Proposed law provides that maintenance of backup or standby service or export capability shall not alter the network's status.

Proposed law provides that export of electricity from such a network shall not make it a public utility.

Proposed law provides that proposed law shall not impair the authority of LPSC to regulate electric utilities.

Proposed law provides that participation by a private use electrical network in wholesale markets, ancillary service, capacity market, emergency service, or reliability programs administered by the MISO or any successor regional transmission organization shall not cause the network's services to be considered a public utility service or retail sale.

Proposed law requires electric utilities to complete interconnection studies and execute an agreement within 180 days of receipt of a complete application from a private use electrical network and authorizes the applicant to seek commission action if the utility fails to comply.

Proposed law provides that a declaration of nonjurisdiction issued by the commission is binding, not subject to collateral attack, and remains effective despite changes in ownership or structure, as long as the network continues to meet statutory requirements. Further

provides that the commission may revoke the declaration only after notice and hearing upon a finding that the network no longer satisfies the requirements of proposed law.

Proposed law authorizes applicants for a declaration of nonjurisdiction to request confidential treatment of customer identities and commercial terms and requires the commission to grant the requests upon a showing of competitive harm. Further provides that the commission shall not publicly disclose information granted confidential treatment under proposed law.

Proposed law requires LPSC to adopt rules in accordance with proposed law no later than 180 days after the effective date to provide an expedited process for issuance of a declaration of nonjurisdiction, to require LPSC to issue a determination within 30 days of application receipt, and to create nondiscriminatory tariffs and interconnection procedures for backup, standby, maintenance, and export service.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 45:1231.1)

#### Summary of Amendments Adopted by Senate

##### Committee Amendments Proposed by Senate Committee on Commerce, Consumer Protection, and International Affairs to the original bill

1. Defines the term "primarily dedicated".
2. Provides that retail sale of electricity shall not include delivery or sale of electricity from a private use electrical network to an identified load customers.
3. Provides that wholesale market participation by a private use electrical network shall not cause the network's services to be considered a public utility or retail sale.
4. Requires upon receipt of electric utilities to complete an interconnection study and execute an interconnection agreement within 180 days of receiving a complete interconnection agreement from a private use electrical network.
5. Allows an applicant to petition the commission if utility fails to complete study or execute agreement.
6. Provides that nonjurisdiction determinations are binding and remain effective unless the statutory requirements are not met.
7. Provides for confidentiality of the identity of any identified lead customer prior to information being made public upon competitive harm.
8. Makes technical changes.