



# RESILIENT LOUISIANA COMMISSION

CO-CHAIR DON PIERSON

CO-CHAIR TERRIE STERLING

## Energy Task Force

May 26, 2020

Meeting called to order at: 4:00 p.m.

### Task Force Members Present:

- Shane Hilton (Co-Chair)
- Mayor Jennifer Vidrine
- Mayor Nic Hunter
- Matt Jewell
- Blake Canfield
- Randy Pierce
- Jody Montelaro
- Karl Weber
- Brian Bond
- Tyler Gray
- Elizabeth Ellison-Frost
- Nick Piatek
- Chip Little
- Rochelle Michaud-Dugas
- Laura Ferrell
- Kati Hyer (sitting in for Gifford Briggs)

- **Welcome Introduction**
  - Roll was called and quorum was confirmed.
  - May 18<sup>th</sup> meeting minutes were approved by the members.
- **Opening Remarks:**
  - The Co-Chair provided an update on the recent Commission meeting where a guest, Dr. Jim Richardson, presented structural changes in budget and tax policy. Members were asked to review this presentation and keep it in mind while working on the Charge 2 issues.
  - During the update on the Commissions meeting, unemployment was a major topic. The energy sector is still dealing with this. New Orleans is at the top of the list for cities with unemployment impacts, through it is still being felt across all major cities in LA.
  - Members were also asked to review The Call from the Legislature.
  - The members were asked to think about what our consideration is as we move forward in the new energies' technology. Including wind, solar and battery storage. Have team think about:
    - How do we look at it?
    - How do we incorporate it?
  - New energies are a big driver for businesses nowadays. Many large-scale C&I customers are now asking for sustainability reports and fleet diversity, price and reliability.
  - How can Louisiana's energy sector be a player in the carbon capture sector? This is a great state geographically to consider more carbon capture projects.
- **Charge 2 Discussion:**
  - Blake Canfield provided an update on the Public and Government Officials Charge 2 Recommendations.
    - The sub team believes that many of the Charge 1 recommendations will continue into Charge 2.
    - Continue to work the low-income support and expanding federal programs.
    - Need to continue to look for small business support.
    - As it appears COVID-19 is not going away any time soon, need to continue to increase testing capacity both for the virus and antibody. Increase health centers and mobile units for the lower income population.
    - More PPE is still needed. Have ideas around a working group between industry and government on creating a stockpile. Have them available locally for businesses and hospitals to access.
  - Jody Montelaro provided an update for the Utilities sub team.

- Continue to invest large amounts of money into the grid. Would love to work with the Public and Government Officials group on the grid updates. Need ways to improve the grid for stronger storms that are predicted in the future.
- Modernizing the grid system is a way to communicate with individual and their meters that they will know in advanced of any outages / issues.
- Want to ensure any future investment that is made is affordable power. Proud that Louisiana has the lower cost of power on the residential front.
- Look at diversifying portfolios. Need to be able to meet the progressive expectations as they evolve in the community.
- Lara Ferrell provided an update for the LNG sub team
  - Main area of focus for Charge 2 will be to recommend strengthening self-reporting and self-auditing programs. This will be beneficial for Louisiana's future.
  - The practice of self-reporting/self-auditing programs are very common in other states with regulated entities.
  - This is needed in a time when human interaction needs to be reduced out of caution for spreading COVID-19.
  - Additionally, a program like this could be beneficial for the long term environmental and health/safety compliance.
- Tyler Gray provided an update for the Oil and Gas sub team. The oil and gas sector haven't had significant shut down during the crisis, but there were several items identified to help stimulate more O&G business in the state and incentivize companies to work in Louisiana.
  - Eliminate or phase out the corporate franchise tax. This would be positive to increase investment.
  - Rebate a portion of the Payroll tax paid by companies that maintained a minimum percentage of its resident employees through the end of this year.
  - Helping to support the offshore industry clarify the process on how property tax is being administered in the parishes as the property is resting in the state temporarily prior to being used offshore for production facilities. Have had some challenges with this over the year. The group asks that this is reviewed.
  - In 2015/2016 several changes were made to the Net Operating Loss Deductions (NOLs), know this will come up in special session and would like it addressed.

- Help improve economic climate - expand the application of the quality jobs program.
- Have the Dept of Revenue reduce and/or waive penalties that are involved in tax disputes.
- Tyler also provided a few new ideas that the sub team is proposing for a resilient energy sector.
  - Look at way to expand the application and use of the industrial tax exemption program. Calling this the SIMPLE plan.
  - The Pilot program has been a challenge, transfer of properties. This has been a nonstarter for many companies over the years. A change would likely require a constitutional amendment.
  - Looking at investments, jobs are critical, but don't make them the only indicator of economic success. Need to identify other indicators.
- **Review of Action & Closing Remarks:**
  - Shane close the meeting with some remarks based off the Charge 2 recommendations discussion.
    - A continued focus on infrastructure is going to be important to keep in mind for the energy sector.
    - Need to be thinking about infrastructure and base load opportunities.
    - Focus in on some concrete recommendations and how to advance them.
  - This week work on pulling together members comments from this call and circulate back to team by end of week. Draft will be a living document for a couple of weeks as the team refines its Charge 2 recommendations.

**Adjourned meeting**