



Capitol: Baton Rouge
Governor: John Bel Edwards (D)
General Elections: **4** Years (House, Senate, Governor)

Legislature Convenes: Annually
Even Years: General Sessions (85 Days)
Odd Year: Fiscal Sessions (60 Days)

State Senate

Republicans: 25 (64%)
Democrats: 14 (36%)
Independents: 0
Senate President: John Alario (R)
Majority Leader: Danny Martiny (R)
Minority Leader: Eric Lafleur (D)
Major Utility Committee: Commerce

House of Representatives

Republicans: 61 (58%)
Democrats: 42 (40%)
Independents: **2** (2%)
House Speaker: Taylor Barras (R)
Majority Leader: Lance Harris (R)
Minority Leader: Gene Reynolds (D)
Major Utility Committee: Commerce

Entergy Louisiana

Regulatory Body: Louisiana Public Service Commission
Members: **5** Elected Commissioners
Election Cycle: **6** Year Alternating Terms

Entergy New Orleans

Regulatory Body: City Council of New Orleans
Members: **7** Elected Councilmembers
Election Cycle: **4** year

The Louisiana Constitution provides that the Legislature is a continuous body during the term for which its members are elected; however, a bill or resolution not passed during a session in which it is introduced cannot carry over to a subsequent session. During even numbered years, the sessions are considered "general in nature." The general sessions run for not more than 60 legislative days (a day when either or both houses are meeting) during a continuous 85 day period. The legislature is prohibited from considering any proposals that are fiscal in nature. However, legislators may pre-file an unlimited number of general bills and may file five (5) bills after the session opening.

During odd numbered years, the sessions are considered "fiscal in nature." Fiscal sessions may not run longer than 45 legislative days during a continuous 60 day period. Fiscal sessions include matters pertaining to the enactment of a general appropriations bill; implementation of a capital budget; making an appropriation; levying or authorizing a new tax; increasing an existing tax; legislating with regard to tax exemptions, exclusions, deductions, reductions, repeals or credits. In addition, during a fiscal session, each legislator may file five (5) bills which are not fiscal in nature.

The 2017 session was considered a fiscal session. In addition, Governor Edwards called two "special sessions" to address budgetary matters.

2017 First Special Session

The First Special Session convened Monday, February 13, 2017, with final adjournment Wednesday, February 22, 2017. The Governor's Executive call for legislation was limited to five items that addressed state operating expenses and statutory dedication discrepancies. The Legislature passed a supplemental appropriations bill for FY 2016-17 during this short session.

2017 Regular Session

The 2017 Regular Session began April 10, 2017 and adjourned June 8, 2017 at 6pm. A total of 949 bills were filed, broken out as follows: 692 House bills, 257 Senate bills and 50 Constitutional amendments (three will go to voters).

During the two special sessions of 2016, the legislature raised approximately \$1.4 billion through new taxes or spending cuts; however, the majority of those increases will sunset in June 2019, an election year. Thus, it was anticipated that the 2017 fiscal session would address tax reform and/or stabilizing the budget as to avoid more special sessions or voting on taxes during an election year. As a result, lobbying efforts were focused on tax legislation and the Governor's proposed Commercial Activity Tax based on Louisiana gross receipts. Business and industry groups successfully thwarted all attempts at corporate tax reform, including a gross receipts tax and other variations that subsequently followed including a corporate minimum tax and a margins tax.

The following non-tax bills were also filed that affected our electric and gas utilities:

HB 394 (K. Cox) The legislation attempted to require repeat offenders of air quality permit violations to install and continuously operate a fence-line air monitoring system at the property boundary of the facility closest to the nearest residential community. Similar legislation was filed and defeated in previous sessions. The bill was defeated in committee.

HB 689 (D. Marcelle) As originally filed in this and previous sessions, the bill attempted to restrict industrial usage of ground water in southeast Louisiana. After initial defeat by utilities and industrials along the lower Mississippi River, the author amended the bill to a semiannual ground water reporting requirement. This was acceptable to all parties. The bill awaits signature of the Governor.

Act 218/HB 389 (T. Carmody) The Department of Public Safety (DPS) previously enforced the Louisiana Underground Utilities and Facilities Damage Prevention (OneCall) law for all utilities, pipelines and excavators. Act 218 authorizes the Commissioner of Conservation of the Louisiana Department of Natural Resources to enforce the OneCall law as it applies to pipelines. The legislation was filed after the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA) urged the State to change the enforcement procedures of pipeline safety as an alternative to further federal enforcement. Non-gas utilities remain under DPS jurisdiction, for OneCall enforcement purposes.

HB 187 (G. Cromer) The legislation terminates the solar energy systems tax credit June 30, 2017, six months early. It also provides relative to the payment of claims for the tax credit above and beyond the state tax credit cap for systems purchased and installed prior to December 31, 2015. Present law imposed a \$10 million cap on credits issued in 2016 and 2017 for systems install prior to December 31 of the preceding year and a \$5 million cap for the first six months of 2018. Some homeowners met the deadlines for installation, but the cap had already been exceeded. This legislation allows for a credit for those systems installed in 2015, but denied credit because of the cap limits. Subsequent installations are not allowed to exceed the remaining caps, as the Department of Revenue argued that homeowners are now well aware of the expiration of the credits. The bill currently awaits signature of the Governor.

HB 639 (C. Schexnayder) During disasters and weather events, utilities commonly share restoration resources with neighboring states. In Louisiana, the out-of-state employee was required to file a Louisiana tax return and apply for an exemption to avoid paying tax on their income while in Louisiana. This bill remedied the issue by excluding compensation earned by certain out-of-state employees and nonresident businesses for disaster or emergency-related work performed during disaster periods from state income tax. Entergy and AT&T partnered to pass the bill. The bill currently awaits signature of the Governor.

2017 Second Special Session

Per the Constitution, the Legislature adjourned the Regular Session at 6pm, June 8, 2017. However, the House and Senate deadlocked on budget negotiations, failed to pass both the capital and operating budgets prior to adjournment. This triggered a special session, which the Governor had provisionally called in the event of such an outcome. The Second Extraordinary Session of 2017 began June 8, 2017, at 6:30pm (30 minutes after the conclusion of the 60 day session) and ran 8 days, ending the afternoon of June 16, 2017. A budget was passed that appropriates all of the 2017-18 revenue projected by the Revenue Estimating Conference. This was the Senate's proposal.

2017 Net Metering Update

As of November 2016, Entergy's operating companies in Louisiana recognized a solar PV penetration rate of 3.55% with a total of 16,346 solar PV systems. Net energy metering (NEM) customers located in the metro New Orleans area comprise more than half of Entergy's NEM customers across Louisiana. Entergy utilities have consistently advocated for more equitable treatment of all customers and have proposed constructive solutions such as 2-channel billing to help balance the interests of all stakeholders. The proposed 2-channel billing framework allows for a NEM cap of 0.5% retail peak demand, unlimited kWh credit (\$) carryover with system size cap of 25 kW residential and 300 kW commercial. Currently Entergy Louisiana (ELL) and Entergy New Orleans (ENOI) allow for a full 1:1 retail credit with unlimited kWh credit carryover and an overall program cap 0.5% ELL/no cap ENOI. Out of the top 20 US utilities with the highest solar adoption, seven have adopted 2-channel billing. Conversations with the Louisiana Public Service Commission and the City Council of New Orleans regarding the issue of a successor program for NEM are ongoing.