

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 52<sup>nd</sup> Legislature

<b>Bill No.:</b>	<b>HB 2973</b>
<b>Version:</b>	<b>Introduced</b>
<b>Author:</b>	<b>Sanders</b>
<b>Date:</b>	<b>2/15/2010</b>
<b>Impact:</b>	<b>\$150,000 year in personnel costs, not needed until such time as an actual decommission is required. Costs are supposed to be paid for from Program Fund.</b>

**Bill Summary**

Research Analyst:       Dusty Darr

This measure, as introduced, creates the “Oklahoma Wind Energy Development Act.” The measure specifically requires that all wind turbines and wind energy facilities be decommissioned at the end of their useful lives. The owner or operator of the wind turbine or facility is responsible for all costs associated with decommissioning, which is described as including those activities necessary to return the property to a condition as close to the original condition of the property as commercially possible. Such activities are to include, but not limited to, the dismantling and removal of all towers, turbines, generators, transformers, overhead and underground cables, foundation, buildings and certain surface road materials. The decommissioning of a wind turbine or wind energy facility is required to commence within six (6) months and be completed within eighteen (18) months of the end of the useful life of the wind turbine or facility. In addition, the measure also authorizes the Oklahoma Corporation Commission (OCC) and the Oklahoma Department of Agriculture, Food, and Forestry to promulgate rules for the implementation of the decommissioning requirements.

The measure also creates within the OCC the “Oklahoma Wind Turbine Decommissioning Indemnity Program Fund.” The OCC is authorized to hire an Administrator or may assign the responsibility for the administration to an existing OCC employee. The measure requires owners and operators of any wind turbine construction which commences on or after June 1, 2011 to deposit a decommissioning deposit within the fund for each turbine owned or operated. Owners and operators of any turbine constructed prior to the aforementioned date may be allowed to opt into the provisions of the fund. The required deposits range from Seventy Thousand Dollars (\$70,000.00) per turbine to One Hundred Fifteen Thousand Dollars (\$115,000.00) per turbine depending on the time the deposit is made from the commercial generation date.

Owners and operators are required to submit to the Administrator a decommissioning plan setting forth the anticipated useful life of the wind turbine or wind energy facility, a detailed plan for the activities that will be undertaken to satisfy the decommissioning requirements and an objectively verifiable estimate of the decommissioning costs for the wind turbine or wind energy facility. Upon the successful completion of the decommissioning of the turbine or facility, the decommissioning deposit will be returned to the owner or operator. In the event that decommissioning activities are not executed, the decommissioning deposit is forfeited to the Oklahoma Wind Turbine Decommissioning Indemnity Program Fund.

## **Fiscal Summary**

Fiscal Analyst: Mark Nichols

The introduced version of HB 2973 creates the Oklahoma Wind Energy Development Act. This act creates the Oklahoma Wind Turbine Decommissioning Indemnity Program under the auspices of the Corporation Commission.

The measure provides for the decommissioning of wind turbines. The Corporation Commission is authorized to employ inspectors for said decommissioning, with their compensation paid from the Oklahoma Wind Turbine Decommissioning Indemnity Program Fund, also created in this act. The Commission may also hire an Administrator to oversee the Fund, whose compensation shall also be paid from the Fund.

The Fund shall contain deposits placed by wind turbine owners and owners of wind generation facilities. If an owner or operator filed a decommission plan at the time of deposit, and such plan was followed out, the deposit shall be returned to the owner or operator. If not, the deposit shall be forfeit and remain in the Fund.

Owners and operators are required to submit a power generation report to the Commission once a month.

## **Fiscal Analysis**

Officials at the Corporation Commission state that the provisions of this measure would require additional personnel, at a cost of salary and benefits of \$150,000 per year. These personnel, and the costs associated with them, will not be required until a windmill needs to be decommissioned, which the Commission states could be up to five years away. The expenses for these employees are supposed to be paid for from deposits into the Program Fund.

## **Long Term Fiscal Considerations**

None

Fiscal Analysis Reviewed By:

*Janice Buchanan*

House Fiscal Director