

BILL SUMMARY
2nd Session of the 52nd Legislature

Bill No.:	SB 2132
Version:	Engrossed
Author:	Sanders
Date:	3/29/2010
Impact:	\$0 state cost

Bill Summary

Research Analyst: Dusty Darr

Engrossed Senate Bill (ESB) 2132 creates the “Oklahoma Wind Energy Development Act.” The measure provides that the owner of a wind energy facility will be responsible, at its expense, for the proper decommissioning of the facility upon abandonment or at the end of the useful life of the commercial wind energy equipment located at the facility. Proper decommissioning is defined as the removal of wind turbines, towers, buildings, cabling, electrical components, foundations and any other associated facilities, to a depth of thirty (30) inches below grade. Owners of such facilities must complete decommissioning within twelve (12) months of abandonment or the end of the useful life of the facility. The Oklahoma Corporation Commission (OCC) is authorized to complete the decommissioning should the owner fail to do so within the aforementioned time period.

In addition, the measure requires the owner of wind energy facilities to provide the OCC with evidence of financial security to cover the anticipated costs of decommissioning after the tenth year of operating the facility. If an entity fails to provide the OCC with such evidence, the owner is subject to a fine not to exceed One Thousand Five Hundred Dollars (\$1,500.00) per day. Owners and operators of wind energy facilities are also required to obtain and keep in effect a broad-form, comprehensive general liability insurance policy with a limit of no less than Five Million Dollars (\$5,000,000.00) of combined single-limit liability coverage per occurrence, accident or incident, with a commercially reasonable deductible. The measure also authorizes the OCC or any other state agency affected by the requirements of the measure to promulgate rules as necessary to implement the provisions of the act.

The title and enacting clause have been stricken from the measure in its current form.

Fiscal Summary

Fiscal Analyst: Mark Nichols

The engrossed version of SB 2132 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, at the owner’s expense, and describes the process involved. If the decommissioning isn’t properly completed by the owner, the Corporation Commission is tasked with completion. At the end of ten years of turbine operation, the owner shall file with the Commission evidence of financial security to cover the costs of decommissioning. This evidence is filed alongside an estimate, prepared by a

professional engineer of the salvage value of the turbine and the total cost of the decommissioning. Failure to do so will lead to an administrative fine of \$1,500 per day. Prior to constructing a turbine, an insurance policy in the amount of no less than \$5,000,000 shall be purchased by the owner. Owners and operators are required to submit a power generation report to the Commission once a month. The Commission is authorized to promulgate rules to cover this section.

Fiscal Analysis

The provisions of the measure should place no burden on the state. The Commission would have to finish decommissioning turbines that the owner failed to; however, the cost should be offset by the financial security required of the owner.

Long Term Fiscal Considerations

None

Fiscal Analysis Reviewed By:

Janice Buchanan

House Fiscal Director