

FLOOR AMENDMENT

HOUSE OF REPRESENTATIVES

State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB1549 _____
 Page 2-7 Section 1-3 Lines _____

 _____ Of the printed Bill
 _____ Of the Engrossed Bill

By deleting all of Sections 1 and 2 and by inserting new Sections 1, 2 and 3 to read as follows:

(See Attached)

And by renumbering the subsequent sections;

By inserting on page 5, line 22 after the word "of" and before the word "filing" the language "the initial";

By inserting on page 5, line 23 after the word "(FAA)" and before the word "a" the word "of"

By deleting on page 6 all of the language beginning with the comma and word ", or" on line 2 through the word "earlier" on line 4;

By deleting on page 6 all of the language beginning with the word "filing" on line 22 through the word "Commission" on line 23 and by inserting in lieu thereof the following language:

"publishing the notification in a newspaper"

By deleting on page 6, line 23 the letter "A" and inserting the letter "B";

By deleting the word "hearing" on page 6, line 24 and on page 7, lines 1, 4, 5, 9 and 11 and inserting the word "meeting".

AMEND TITLE TO CONFORM TO AMENDMENTS

Amendment submitted by: Earl Sears

Adopted: _____

Reading Clerk

1 "SECTION 1. AMENDATORY 17 O.S. 2011, Section 160.13, is
2 amended to read as follows:

3 Section 160.13 As used in the Oklahoma Wind Energy Development
4 Act:

5 1. "Abandonment" means the failure to generate electricity from
6 commercial wind energy equipment for a period of twenty-four (24)
7 consecutive months for reasons other than curtailment, repowering, a
8 valid judicial order or other governmental regulatory action, with
9 no pending negotiations for purchase. A wind energy facility shall
10 not be considered abandoned if the owner or operator has elected not
11 to run the facility, but it has been maintained in proper working
12 order and is capable of generating electricity;

13 2. "Commencement of construction" means beginning excavation of
14 wind turbine foundations or other actions relating to the actual
15 erection and installation of commercial wind energy equipment. It
16 shall not include erection of meteorological towers, environmental
17 assessments, surveys, preliminary engineering or other activities
18 associated with assessment of development of the wind resources on a
19 given parcel of property;

20 3. "Commercial generation date" means the date on which the
21 wind turbine in question first generates electrical energy in
22 commercial quantities;

1 4. "Commercial wind energy equipment" means a wind tower and
2 turbine with five hundred kilowatts (500kw) or greater of total
3 nameplate generating capacity;

4 5. "Commercial quantities" means an amount of electrical energy
5 sufficient for sale or use off-site from a wind turbine or wind
6 energy facility, and shall not include amounts of electrical energy
7 used only for the maintenance or testing of the wind turbine or wind
8 energy facility itself;

9 6. "Interconnection agreement" means a signed agreement with
10 the Southwest Power Pool relating to the interconnection of a wind
11 energy facility;

12 7. "Owner" means the entity having a majority equity interest
13 in commercial wind energy equipment, including their respective
14 successors and assigns;

15 ~~7.~~ 8. "Useful life" means the time during which a wind turbine
16 or wind energy facility is generating electricity in commercial
17 quantities;

18 ~~8.~~ 9. "Wind turbine" means a wind energy conversion system
19 which converts wind energy into electricity through the use of a
20 wind turbine generator and includes the turbine, blade, tower, base
21 and pad transformer, if any; and

22 ~~9.~~ 10. "Wind energy facility" means an electrical generation
23 facility consisting of one or more wind turbines under common
24 ownership or operating control, and includes substations,

1 meteorological data towers, aboveground and underground electrical
2 transmission lines, transformers, control systems, and other
3 buildings or facilities used to support the operation of the
4 facility, and whose primary purpose is to supply electricity to an
5 off-site customer or customers. Wind energy facility shall not
6 include a wind energy facility located entirely on property held in
7 fee simple absolute estate by the owner of the wind energy facility.

8 SECTION 2. AMENDATORY 17 O.S. 2011, Section 160.15, is
9 amended to read as follows:

10 Section 160.15 A. ~~After the fifteenth year of operation of a~~
11 ~~wind energy facility, the~~ The owner of a wind energy facility shall
12 file with the Corporation Commission evidence of financial security
13 to cover the anticipated costs of decommissioning the wind energy
14 facility. For a wind energy facility or portion thereof which has
15 entered into an interconnection agreement prior to January 1, 2016,
16 the evidence of financial security shall be filed after the
17 fifteenth year of operation of the facility. For a wind energy
18 facility or portion thereof which enters into an interconnection
19 agreement on or after January 1, 2016, the evidence of financial
20 security shall be filed prior to commencement of construction.

21 Evidence of financial security may be in the form of a surety bond,
22 collateral bond, parent guaranty, ~~or letter of credit~~ cash, cashiers
23 check, certificate of deposit, bank joint custody receipt or other

1 approved negotiable instrument as established in rules promulgated
2 by the Commission.

3 B. ~~The~~ 1. For a wind energy facility which has entered into an
4 interconnection agreement prior to January 1, 2016, the evidence of
5 financial security shall be accompanied by an estimate of the total
6 cost of decommissioning, minus the salvage value of the equipment,
7 prepared by a professional engineer licensed in ~~the State of~~
8 ~~Oklahoma~~ this state. The amount of the evidence of financial
9 security shall be either:

10 ~~1. The~~

11 a. the estimate of the total cost of decommissioning
12 minus the salvage value of the equipment which shall
13 be filed with the Commission in the fifteenth year of
14 the project and every tenth year thereafter for the
15 life of the wind energy facility~~†~~, or

16 ~~2. One~~

17 b. one hundred twenty-five percent (125%) of the estimate
18 of the total cost of decommissioning which shall be
19 filed with the Commission in the fifteenth year of the
20 project.

21 2. For a wind energy facility which enters into an
22 interconnection agreement on or after January 1, 2016, the evidence
23 of financial security shall be accompanied by an estimate of the
24 total cost of decommissioning and an estimate of the salvage value

1 of the equipment prepared by a professional engineer licensed in
2 this state. The amount of the evidence of financial security shall
3 be one hundred twenty-five percent (125%) of the estimate of the
4 total cost of decommissioning, minus the salvage value of the
5 equipment, which shall be filed with the Commission prior to
6 commencement of construction and every fifth year thereafter for the
7 life of the wind energy facility.

8 C. If the owner of a wind energy facility fails to file the
9 information with the Commission as is required by this section, the
10 owner shall be subject to an administrative penalty not to exceed
11 One Thousand Five Hundred Dollars (\$1,500.00) per day.

12 D. In the event of a transfer of ownership of a wind energy
13 facility, the evidence of financial security posted by the
14 transferor shall remain in place and shall not be released until
15 such time as evidence of financial security meeting the requirements
16 of this section is posted by the new owner of the wind energy
17 facility and deemed acceptable by the Commission.

18 E. The provisions of this section shall apply to any wind
19 energy facility or portion thereof entering into or renewing a power
20 purchase agreement (PPA) for the energy generated by the wind energy
21 facility on or after ~~the effective date of this act~~ January 1, 2011.
22 If a wind energy facility does not sell its energy under a power
23 purchase agreement, the provisions of this section shall apply to
24 the wind energy facility or portion thereof which construction

1 commences on or after ~~the effective date of this act~~ January 1,
2 2011.

3 SECTION 3. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 160.20 of Title 17, unless there
5 is created a duplication in numbering, reads as follows:

6 After the effective date of this act, no wind energy facility
7 may be constructed if the base of any tower is located at a distance
8 of less than:

9 1. One and one-half (1 1/2) nautical miles from the centerline
10 of any runway located on:

11 a. a public-use airport as defined in Section 120.2 of
12 Title 3 of the Oklahoma Statutes,

13 b. a private-use airport as defined in Section 157.2 of
14 Title 14 of the Code of Federal Regulations and for
15 which:

16 (1) a notice to the Federal Aviation Administration
17 (FAA) has been filed under Section 157.3 of Title
18 14 of the Code of Federal Regulations prior to
19 the notification of intent to build a facility
20 with the Corporation Commission pursuant to
21 subsection A of Section 4 of this act, and

22 (2) an airport determination has been issued by the
23 FAA with a determination of no objection or a
24

1 conditional determination or the airport
2 determination remains pending, or

3 c. an airport owned by a municipality;

4 2. One and one-half (1 1/2) nautical miles from any public
5 school which is a part of a public school district; or

6 3. One and one-half (1 1/2) nautical miles from a hospital."

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