

STATE OF OKLAHOMA

1st Session of the 55th Legislature (2015)

SENATE BILL 808

By: Bingman

AS INTRODUCED

An Act relating to wind energy facilities; amending 17 O.S. 2011, Section 160.15, which relates to evidence of financial security; modifying application of certain financial security requirements to certain wind energy facilities; providing for codification; providing an effective date; and declaring an emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 17 O.S. 2011, Section 160.15, is amended to read as follows:

Section 160.15. A. The provisions of this section shall only apply to wind energy facilities which have or will be commencing operation prior to July 1, 2015. Wind energy facilities commencing operation on or after July 1, 2015, shall be required to file evidence of financial security in accordance with the provisions of Section 2 of this act.

B. After the fifteenth year of operation of a wind energy facility, the owner shall file with the Corporation Commission evidence of financial security to cover the anticipated costs of

1 decommissioning the wind energy facility. Evidence of financial
2 security may be in the form of a surety bond, collateral bond,
3 parent guaranty, or letter of credit.

4 ~~B.~~ C. The evidence of financial security shall be accompanied
5 by an estimate of the total cost of decommissioning, minus the
6 salvage value of the equipment, prepared by a professional engineer
7 licensed in the State of Oklahoma. The amount of the evidence of
8 financial security shall be either:

9 1. The estimate of the total cost of decommissioning minus the
10 salvage value of the equipment which shall be filed with the
11 Commission in the fifteenth year of the project and every tenth year
12 thereafter for the life of the wind energy facility; or

13 2. One hundred twenty-five percent (125%) of the estimate of
14 the total cost of decommissioning which shall be filed with the
15 Commission in the fifteenth year of the project.

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

20 ~~D.~~ E. In the event of a transfer of ownership of a wind energy
21 facility, the evidence of financial security posted by the
22 transferor shall remain in place and shall not be released until
23 such time as evidence of financial security meeting the requirements
24

1 of this section is posted by the new owner of the wind energy
2 facility and deemed acceptable by the Commission.

3 ~~E.~~ F. The provisions of this section shall apply to any wind
4 energy facility or portion thereof entering into or renewing a power
5 purchase agreement (PPA) for the energy generated by the wind energy
6 facility on or after the effective date of this act. If a wind
7 energy facility does not sell its energy under a power purchase
8 agreement, the provisions of this section shall apply to the wind
9 energy facility or portion thereof which construction commences on
10 or after the effective date of this act.

11 SECTION 2. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 160.15A of Title17, unless there
13 is created a duplication in numbering, reads as follows:

14 A. Prior to commencing operation of a wind energy facility on
15 or after July 1, 2015, the owner shall file with the Corporation
16 Commission evidence of financial security in the form of a surety
17 bond to cover the anticipated costs of decommissioning the wind
18 energy facility.

19 B. The surety bond shall be accompanied by an estimate of the
20 total cost of decommissioning, to be prepared by a professional
21 engineer licensed in this state. The amount of the surety bond
22 shall be one hundred twenty-five percent (125%) of the estimate of
23 the total cost of decommissioning which shall be filed with the
24

1 Commission prior to commencing operation and every tenth year
2 thereafter for the life of the wind energy facility.

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

7 D. In the event of a transfer of ownership of a wind energy
8 facility, the surety bond posted by the transferor shall remain in
9 place and shall not be released until such time as evidence of
10 financial security meeting the requirements of this section is
11 posted by the new owner of the wind energy facility and deemed
12 acceptable by the Commission.

13 SECTION 3. This act shall become effective July 1, 2015.

14 SECTION 4. It being immediately necessary for the preservation
15 of the public peace, health and safety, an emergency is hereby
16 declared to exist, by reason whereof this act shall take effect and
17 be in full force from and after its passage and approval.

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