

1 STATE OF OKLAHOMA

2 1st Session of the 57th Legislature (2019)

3 HOUSE BILL 1235

By: McBride

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5
6 AS INTRODUCED

7 An Act relating to wind energy; amending 17 O.S.
8 2011, Section 160.15, as amended by Section 1,
9 Chapter 92, O.S.L. 2015 (17 O.S. Supp. 2018, Section
10 160.15), which relates to the Oklahoma Wind Energy
11 Development Act; modifying requirements related to
12 decommissioning costs and proof of financial
13 responsibility; and providing an effective date.

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

15 SECTION 1. AMENDATORY 17 O.S. 2011, Section 160.15, as
16 amended by Section 1, Chapter 92, O.S.L. 2015 (17 O.S. Supp. 2018,
17 Section 160.15), is amended to read as follows:

18 Section 160.15 A. The owner of a wind energy facility shall
19 submit to the Corporation Commission evidence of financial security
20 to cover the anticipated costs of decommissioning the wind energy
21 facility. For a wind energy facility or portion thereof which
22 reaches the commercial generation date prior to December 31, 2016,
23 the evidence of financial security shall be submitted after the
24 fifteenth year of operation of the facility. For a wind energy
facility or portion thereof which reaches the commercial generation

1 date on or after ~~December 31, 2016~~ the effective date of this act,
2 the evidence of financial security shall be submitted by the fifth
3 year of operation of the facility. Evidence of financial security
4 ~~may~~ shall be in the form of a surety bond, ~~collateral bond, parent~~
5 ~~guaranty, cash, cashier's check, certificate of deposit, bank joint~~
6 ~~custody receipt or other approved negotiable instrument as~~
7 ~~established.~~ The Oklahoma Corporation Commission shall establish
8 requirements related to the financial solvency of the surety bond
9 provider in rules promulgated by the Commission.

10 B. 1. For a wind energy facility which reaches the commercial
11 generation date prior to December 31, 2016, the evidence of
12 financial security shall be accompanied by an estimate of the total
13 cost of decommissioning, minus the salvage value of the equipment,
14 prepared by a professional engineer licensed in this state. The
15 amount of the evidence of financial security shall be either:

- 16 a. the estimate of the total cost of decommissioning
17 minus the salvage value of the equipment which shall
18 be submitted to the Commission in the fifteenth year
19 of the project and every tenth year thereafter for the
20 life of the wind energy facility, or
21 b. one hundred twenty-five percent (125%) of the estimate
22 of the total cost of decommissioning which shall be
23 submitted to the Commission in the fifteenth year of
24 the project.

1 2. For a wind energy facility which reaches the commercial
2 generation date on or after December 31, 2016, the evidence of
3 financial security shall be accompanied by an estimate of the total
4 cost of decommissioning and an estimate of the salvage value of the
5 equipment prepared by a professional engineer licensed in this
6 state. The amount of the evidence of financial security shall be
7 one hundred twenty-five percent (125%) of the estimate of the total
8 cost of decommissioning, minus the salvage value of the equipment,
9 which shall be submitted to the Commission by the fifth year after
10 reaching the commercial generation date and thereafter upon request
11 by the Commission.

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

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

22 E. The provisions of this section shall apply to any wind
23 energy facility or portion thereof entering into or renewing a power
24 purchase agreement (PPA) for the energy generated by the wind energy

1 facility on or after January 1, 2011. If a wind energy facility
2 does not sell its energy under a power purchase agreement, the
3 provisions of this section shall apply to the wind energy facility
4 or portion thereof which construction commences on or after January
5 1, 2011.

6 SECTION 2. This act shall become effective November 1, 2019.

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