



# Oregon

Kate Brown, Governor



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**To:** Oregon Energy Facility Siting Council (EFSC)

**From:** Sisily Fleming, Siting Fiscal Analyst

**Date:** June 15, 2018

**Re:** Agenda Item H (Action Item): Request for addition to the Approved Financial Institution List for EFSC Financial Assurance for the June 29, 2018 EFSC Meeting

## Background

In May 2015 the Council approved a process for the annual approval of bond and letter of credit templates and a pre-approved financial institution list for site certificate holder's use in obtaining the financial assurance instruments for the retirement of their facilities. The most recent update to the pre-approved financial institution list occurred at the Council meeting February 23, 2018.

## Request for Addition

The department has received a request from Calpine Corporation for the Council to consider three additional financial institutions for the pre-approved list to potentially provide financial assurance for the Hermiston Power Project. Currently, the department retains a letter of credit from Deutsche Bank for the Hermiston Power Project that must be replaced prior to December 13, 2018. If Council approves the three requested financial institutions, they would be available for use by all certificate holders, not just Calpine Corporation for Hermiston Power Project.

Calpine Corporation requests the Council add the New York Branch of Natixis, a French multinational investment and corporate banking firm; the New York Branch of Royal Bank of Canada, a Canadian multinational investment and retail banking firm that is one of the 30 largest banks in the world; and the New York Branch of Barclay's Bank PLC, a UK based investment and retail banking firm focused on international markets.

John Hobbs, Project Development Officer from the Department's Loan Development Division reviewed the qualifications of these institutions and concluded that each demonstrates sufficient financial strength to act as issuers for coverage provided by the state of Oregon. A copy of the financial analysis completed by Mr. Hobbs is attached to this staff report.

## **Staff Recommendation**

Staff recommends Council approve Natixis, Royal Bank of Canada, and Barclay's Bank PLC, as pre-approved financial institutions for site certificate holder's use in obtaining the financial assurance instruments for the retirement of their facilities, and direct staff to add these entities to the pre-approved list for 2018.

## **Attachments**

- Financial analysis by John Hobbs: Natixis, New York Branch
- Financial analysis by John Hobbs: Royal Bank of Canada, New York Branch
- Financial analysis by John Hobbs: Barclay's Bank PLC, New York Branch