



Oregon

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MEMORANDUM

To: Energy Facility Siting Council

From: Sisily Fleming, Fiscal Analyst

Date: January 7, 2020

Re: **Agenda Item B:** Council Consideration of adding Travelers Casualty and Surety Company of America to its list of Pre-Approved Financial Institutions

Attachments: Attachment 1: Financial Analysis by John Hobbs: Travelers Casualty and Surety Company of America

STAFF RECOMMENDATION

Staff recommends Council approve Travelers Casualty and Surety Company of America as a pre-approved financial institution for site certificate holder's use in obtaining the financial assurance instruments for the retirement of their facilities, and direct staff to add Travelers Casualty and Surety Company of America to the pre-approved list for 2020.

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 occurred at the Council meeting November 21, 2019.

REQUEST FOR ADDITION

On December 17, 2019, the Department received a bond from NextEra Energy, in the amount of \$10,410,000, issued by Travelers Casualty and Surety Company of America to satisfy Site Certificate Conditions PRE-RF-01 and PRE-RF-02 of the Fourth Amended Site Certificate for the Wheatridge Wind Energy Facility. Travelers Casualty and Surety Company of America is not currently on the Council's approved list of financial institutions authorized to provide financial assurance and would require Council approval prior to the acceptance of the bond to satisfy the pre-construction conditions.

John Hobbs, Project Development Officer from the Oregon Department of Energy Loan Development Division reviewed the qualifications of Travelers Casualty and Surety Company of America and concluded that the company demonstrates sufficient financial strength to act as issuers for coverage provided to the State of Oregon. A copy of the financial analysis completed by Mr. Hobbs is included in as Attachment A.

RECOMMENDED COUNCIL ACTION

Staff recommends Council approve Travelers Casualty and Surety Company of America as a pre-approved financial institution for site certificate holder's use in obtaining the financial assurance

instruments for the retirement of their facilities, and direct staff to add Travelers Casualty and Surety Company of America to the pre-approved list for 2020.

Attachments:

Attachment 1: Financial Analysis by John Hobbs: Travelers Casualty and Surety Company of America