



Oregon

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To: Energy Facility Siting Council

From: Sisily Fleming, Fiscal Analyst

Date: August 14, 2020

Subject: Agenda Item G (Action Item):
Consideration of adding Citibank to the Council's Pre-Approved Financial Assurance Institution List and changes to the Letter of Credit form for the Summit Ridge Wind (SRW) Farm at the August 21, 2020 EFSC Meeting

Attachments: Attachment 1: Financial Analysis prepared by John Hobbs, ODOE
Attachment 2: Proposed Pre-Approved Financial Institution List
Attachment 3: Citibank's proposed edits to Letter of Credit Template for SRW

STAFF RECOMMENDATION

Staff recommends Council approve Citibank 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 Citibank 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 April 24, 2020.

REQUEST FOR ADDITION

On August 3, 2020 the Department received electronically a Letter of Credit from Summit Ridge Wind, LLC, to satisfy the requirements of Condition 14.1 of the Fourth Amended Site Certificate related to the first components to be constructed at the Summit Ridge Wind Farm, and to allow construction activities to begin the week of August 4, 2020. However, Citibank is currently not listed on the Council's pre-approved list of financial assurance providers and requires Council approval to be added.

Citibank has also requested minor changes to the Letter of Credit template form. These changes, if approved, would only apply to the Letter of Credit accepted from Citibank on behalf

of Summit Ridge Wind Farm, and would not require existing Letters of Credit instruments, on hand for other facilities, to be modified. Patrick Rowe, Assistant Attorney General, has reviewed the changes presented by Citibank to the Letter of Credit Template form and had no objections to the proposed language.

The Department agreed to temporarily accept the Letter of Credit as issued by Citibank, pending Council consideration at this meeting, to allow Summit Ridge Wind Power to begin construction activities the week of August 4, 2020. Citibank is one of the largest financial institutions in the nation.

John Hobbs, Project Development Officer from the Oregon Department of Energy Loan Development Division reviewed the qualifications of Citibank and concluded that the company demonstrates sufficient financial strength to act as issuers for coverage required by the State of Oregon. A copy of the financial analysis completed by Mr. Hobbs is included in as Attachment 1.

RECOMMENDED COUNCIL ACTION

Staff recommends Council approve Citibank as a pre-approved financial institution for all site certificate holders use in obtaining the financial assurance instruments for the retirement of their facilities, and direct staff to add Citibank to the pre-approved list for 2020.

ATTACHMENTS:

- Attachment 1: Financial Analysis prepared by John Hobbs, ODOE
- Attachment 2: Proposed Pre-Approved Financial Institution List
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