



Oregon

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To: Oregon Energy Facility Siting Council

From: Sisily Fleming, Fiscal Analyst

Date: January 8, 2021

Subject: Agenda Item D (Action Item): Annual Financial Assurance Update for the Retirement of Energy Facilities with Site Certificates for the January 22, 2021 EFSC Meeting

Attachments: Attachment 1: Bond Template
Attachment 2: Letter of Credit Template
Attachment 3: Proposed 2021 Pre-Approved Financial Institutions

BACKGROUND

In May 2015, the Energy Facility Siting Council (Council) approved a process for annual review of Bond and Letter of Credit (LOC) templates and the pre-approved financial institution list for certificate holder use in obtaining the financial assurance instruments for the retirement (decommissioning) of their facility. This staff report and attachments provide the relevant information for Council's annual review for its approval, modification or denial of the financial instrument templates and list of financial institutions.

2021 BOND AND LETTER OF CREDIT TEMPLATES

The proposed 2021 Bond template remains unchanged from Council's 2020 template. The proposed 2021 LOC template includes one change, as presented below:

*If a draft made by Beneficiary does not conform to the terms and conditions of this Letter of Credit, we will give Beneficiary ~~prompt~~ notice **within three business days** that the demand for payment will not be affected.*

The 2021 Bond and LOC templates are provided in Attachments 1 and 2 of this staff report.

2021 FINANCIAL INSTITUTIONS

As provided in Attachment 3 of this staff report, staff's proposed 2021 list of pre-approved financial institutions includes all previous institutions from the 2020 list and one new institution – US Bank. Staff researched credit ratings of each institution and found that all demonstrate sufficient financial strength to act as issuers for coverage required by the State of Oregon.

RECOMMENDED COUNCIL ACTION

Staff recommend Council approve the proposed 2021 LOC and Bond templates, and the list of financial institutions as provided in Attachments 1-3 of this staff report.