



Oregon

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To: Energy Facility Siting Council

From: Sisily Fleming, Siting Fiscal Analyst

Date: December 5, 2025

Subject: Agenda Item E (Action Item): Annual Financial Assurance Evaluation for the December 19, 2025 EFSC Meeting

Attachments: Attachment 1: Proposed Financial Institutions for 2025 (with ratings)

Attachment 2: Proposed Bond Template for 2025

Attachment 3: Proposed Letter of Credit Template 2025

BACKGROUND

Applicable Oregon Administrative Rule 345-025-0050 mandatory conditions (paraphrased):

- (8) Certificate holder must submit and maintain a bond or letter of credit in a form and in an amount satisfactory to the Council to retire the facility and restore the site to a useful, non-hazardous condition through the life of the facility.
- (9) Certificate holder must retire the facility and restore the site to a useful, non-hazardous condition consistent with a retirement plan approved by the Council once the facility permanently ceases construction or operation.
- (16) If the Council finds a certificate holder has permanently ceased construction or operation of the facility without retiring the facility according to an approved retirement plan, the Council can direct the Department to draw on the bond or letter of credit and propose a final retirement plan in order to retire the facility and restore the site to a useful, non-hazardous condition.

\$313,218,175= Current total amount of bonds and letters of credit consistent with Mandatory Condition (8).

\$10,440,606 = Current average amount per facility of bonds and letters of credit consistent with Mandatory Condition (8).

To ensure Council can rely on the viability of bonds and letters of credit required under Mandatory Condition (8), should they be required to implement Mandatory Condition (16), the Council annually reviews and pre-approves for the next twelve months a list of financial

institutions and template language for bonds and letters of credit for use by site certificate holders.

This annual review was established in 2015 to streamline the process for site certificate holders to meet Mandatory Condition (8). As long as certificate holders submit a bond or letter of credit consistent with the approved form and choose a financial institution from the pre-approved list, they do not need specific Council approval. Prior to 2015, certificate holders had to seek Council approval for both during a regularly scheduled meeting.

ANALYSIS

The Department conducted a credit rating evaluation for each entity on the prior approved financial institution list in December 2025 and each entity continues to demonstrate sufficient stability to continue issuing financial assurance instruments. The Department's evaluation was conducted by researching each entity's current Long Term Issuer Default Rating and Outlook from the following credit rating companies:

- S&P Global: [S&P Global Ratings | S&P Global](#)
- Moody's: [Moody's - credit ratings, research, and data for global capital markets](#)
- Fitch: [Fitch Ratings: Credit Ratings & Analysis For Financial Markets](#)
- AM Best: [Company and Rating Search - Best's Credit Rating Center](#)

In addition to this annual review, staff receives periodic emails from these ratings companies highlighting changes in ratings and market trends. Should there be any significant negative changes in a financial institution's rating throughout the year, the Department will complete the evaluation for Council's consideration for removal from the pre-approved list.

The proposed bond and letter of credit templates were last modified by Council in November 2023 and approved again for use in 2025 during the Council's December 2024 meeting. Upon further evaluation by the Department, the proposed bond and letter of credit templates remain unchanged from the form Council approved in December 2024.

RECOMMENDED COUNCIL ACTION

Staff recommends Council approve the list of financial institutions in Attachment 1, and the bond and letter of credit templates in Attachments 2 and 3.