Mark R. Rielly
Senior Counsel

nationalgrid

March 23, 2015

Via Electronic Mail (david.wiesner@puc.nh.gov)

David K. Wiesner, Staff Attorney
N.H. Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301

Re: Site Evaluation Committee Docket No. 2014-04

Dear Attorney Wiesner:

Thank you for the opportunity to provide written comments regarding the initial proposals to readopt with amendments the Site Evaluation Committee's ("SEC") administrative rules, Site 100-300. By way of background, National Grid USA[1] is one of the largest electric transmission operators in New England and its subsidiary, New England Power Company d/b/a National Grid ("NEP", individually or together with National Grid USA, the "Company"), operates approximately 400 miles of electric transmission lines in New Hampshire. NEP recently received a Certificate of Site and Facility for a short 230-kV tap line in Littleton, NH, and is preparing an application for a new 345-kV line from the Massachusetts border to Eversource Energy's Scobie Pond substation located in Londonderry.[2] Accordingly, the SEC's proposed rules will have a direct and immediate impact on the Company.

During the pre-rulemaking phase, I participated in the focus group and the aesthetics working group. At the SEC's March 4, 2015 public comment hearing, I commented on the proposed aesthetics and decommissioning rules. I elaborate on those comments here and also address a request that I heard for the first time at the March 4th hearing that the SEC adopt a "fall zone" setback rule for transmission structures. This letter also supplements the written comments submitted this same date by a coalition of utilities and energy developers to which the Company is also a signatory.

Aesthetics

Proposed rule § 301.05(b)(4) would require "a visual impact assessment [("VIA")] . . . for electric transmission lines longer than 1 mile" at varying distances depending on the density of development in the area. Specifically, the study area for the VIA would extend to:

- one-half mile in urban areas;

[1] National Grid USA is a subsidiary of National Grid plc.
[2] This proposed project is a component of a preferred transmission solution recently selected by ISO New England, Inc., the regional transmission organization for New England.

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- two miles in suburban, rural residential, and village areas;
- three miles in lightly developed or undeveloped landscapes where the line follows an existing transmission corridor; and
- five miles in lightly developed or undeveloped landscapes where the line would be located in a new transmission corridor.

The rule as currently drafted is both ambiguous and overbroad.

The proposed rule is ambiguous because the terms "urban," "suburban," "rural residential," "village," "lightly developed" and "undeveloped" are undefined and lack plain, commonly-held meanings. In other words, one person's "rural residential" might be another's "lightly developed," but there is a one-mile difference in the study area between the two. Moreover, the transitions from one area to another is rarely clear on the ground and making meaningful, non-arbitrary distinctions between these areas would be difficult, at best, and, at worst, may encourage legal challenges and appeals. And even if clear definitions could be achieved, who would decide the line of demarcation between one area and the next? Relatedly, linear transmission line projects will undoubtedly traverse several of these areas, meaning that visual analyses could expand and contract several times over the course of the line. This lack of uniformity would complicate the analysis and add uncertainty, cost and delay to the permitting process. Moreover, unless there are uniform standards governing visual analyses VIAs will differ, creating inequities and dissatisfaction and increasing the possibility for legal challenges.

The proposed rule is overbroad because there is little or no empirical support for the need to perform a visual analysis of a transmission structure at three miles, let alone at five miles. Within the visual foreground – typically 0 to 0.5 miles – a viewer is able to perceive details of an object with clarity. However, at mid-ground distances of 0.5 to 3.5 miles, viewers can perceive individual structures but not in detail. At background distances of over 3.5-4.0 miles, only broad landforms are discernible, atmospheric conditions often render the landscape an overall bluish color, and texture has generally disappeared and color has flattened.[3] These limits of human vision suggest that there is no reasonable support for extending a visual analysis to three or five miles for transmission structures, particularly where such structures are 55-110 feet tall, have no moving parts and, whether made of wood or steel, are often of a color that either blends with or does not prominently stand out against their background.

In sum, the Company encourages the Committee to adopt a narrower visual impact study area for electric transmission projects. The Company is not categorically opposed to a tiered approach. Indeed, in urban settings (subject to defining that term) where visual obstacles are prevalent a ½-mile study area would be sensible. Outside of urban areas, however, visual impact study areas should be limited to one mile where the new line will be located in an existing corridor, since it will cause only an incremental change to existing viewsheds. Recognizing that the impacts of clearing a new corridor would be more significant, the Company would not oppose a two-mile study area where the new line will be located in a new corridor.

[3] See Jones and Jones, *Esthetics and Visual Resource Management for Highways* (1977); see also U.S. Dept. of Agriculture, Forest Service, *Landscape Aesthetics: A Handbook for Scenery Management* (1995).

Decommissioning

Proposed 301.08(c)(2) would require applications for "all energy facilities" to "[i]nclude a facility decommissioning plan with a description of sufficient and secure funding to implement the plan . . . including the provision of financial assurance in the form of an irrevocable letter of credit, performance bond, or surety bond." The Company urges the Committee to craft a more flexible regulation that would enable applicants to satisfy this financial assurance requirement by demonstrating their financial strength and reliability without having to post a bond or similar surety.

Electric transmission facilities have useful lives on the order of 50+ years. Thus, a surety requirement would require the Company to tie up money and to administer and monitor compliance with those accounts for decades. The additional costs associated with this approach would be borne by utility customers for something that, in reality, is unnecessary. It is unnecessary because the Company and other public utilities are both financially very strong and very reliable. Moreover, the costs of removing facilities generally is recoverable under FERC-approved tariffs, which should allay any concern that transmission companies would not remove retired structures for lack of funding. The intense state and federal regulatory scrutiny also obviates the risk that transmission operators would dissolve and leave de-energized assets in the ground for somebody else to clean up. Accordingly, the problem that this regulation is drafted to address does not exist for the Company and other similarly situated companies.

At the March 4th hearing, I suggested that one way to craft a more flexible approach could be found in the financial assurance regulations promulgated by the Federal Bureau of Ocean Energy Management ("BOEM"). BOEM requires financial assurance from applicants seeking to lease or obtain a right-of-way grant to submerged facilities on the Outer Continental Shelf. Companies may post a bond to cover decommissioning activities; however, BOEM also allows companies to satisfy this requirement by demonstrating financial strength and reliability. At the request of the Commission, I have enclosed a copy of the relevant BOEM regulations (30 C.F.R. § 585.520-529). The Company would also be comfortable with adopting the language from the RSA 162-H:7, V(g) or expanding the list to include a catch-all phrase that would not unduly restrict an applicant's ability to satisfy the financial assurance requirement.

Setbacks

Finally, the Company addresses a comment made during the March 4th public hearing that requested the SEC to adopt a rule that would require transmission structures to be setback from houses and/or property lines a distance equal at least to the height of the structure. The Company strongly urges the SEC not to adopt such a "fall zone" rule.

First, this proposal is largely a solution in search of a problem. Transmission structures are built in accordance with detailed and comprehensive engineering standards designed to protect public health and safety and that ensure that catastrophic failure of transmission structures – i.e., a tower falling over – are very rare. Organizations that develop and regularly update these safety standards include the American Society of Civil Engineers (ASCE), the

Electric Power Research Institute (EPRI) and the Council on Large Electric Systems (CIGRE). Furthermore, if a tower were to fail, that failure typically results in the tower either falling in-line with the wire or collapsing on itself due to a torsional failure at a particular point of inflection. In other words, catastrophic failures of transmission structures are rare and transverse failures, or a tower falling sideways, are rarer still. Thus, there is no need for a setback rule for transmission structures.

In addition to being unnecessary, a "fall zone" rule would dramatically affect the current rights a transmission company has to site, construct and operate its transmission lines within existing corridors. Specifically, a "fall zone" rule would have the effect of eliminating from siting consideration large portions of space currently available in existing corridors of transmission owners. The proposed setback rule, therefore, would require transmission owners to acquire larger amounts of fee property and/or easement rights in order to construct a new line or relocate an existing line. These additional costs would be borne by customers.

Finally, it bears noting that the only material on the topic of setbacks that is available in this rulemaking docket is excerpts from the *Report on Transmission Facility Outages during the Northeast Snowstorm of October 29–30, 2011: Causes and Recommendations, prepared by the Staffs of the Federal Energy Regulatory Commission and the North American Electric Reliability Corporation.* These excerpts demonstrate that FERC's and NERC's setback concern relates only to the distance of transmission lines from mature trees and the risk of outages if trees fall upon transmission lines; FERC and NERC did not note any risk that transmission structures may fall upon houses or property lines.

Thank you for your time and attention to the Company's comments.

Sincerely,

Mark R. Rielly
Senior Counsel
National Grid USA Service Co., Inc.

Encls (BOEM regulations)

1 of 8 DOCUMENTS

*** This document is current through the November 6, 2014 ***
*** issue of the Federal Register ***

TITLE 30 -- MINERAL RESOURCES
CHAPTER V--BUREAU OF OCEAN ENERGY MANAGMENT, DEPARTMENT OF THE INTERIOR
SUBCHAPTER B--OFFSHORE
PART 585--RENEWABLE ENERGY AND ALTERNATE USES OF EXISTING FACILITIES ON THE OUTER CONTINENTAL SHELF
SUBPART E--PAYMENTS AND FINANCIAL ASSURANCE REQUIREMENTS
FINANCIAL ASSURANCE FOR LIMITED LEASES, ROW GRANTS, AND RUE GRANTS

Go to the CFR Archive Directory

30 CFR 585.520

§ 585.520 What financial assurance must I provide when I obtain my limited lease, ROW grant, or RUE grant?

(a) Before BOEM will issue your limited lease, ROW grant, or RUE grant, you or a proposed assignee must guarantee compliance with all terms and conditions of the lease or grant by providing either:

(1) A $ 300,000 minimum, lease- or grant-specific bond; or

(2) Another approved financial assurance instrument of such minimum level as specified in §§ 585.526 through 585.529.

(b) You meet the financial assurance requirements under this subpart if your designated lease or grant operator provides a minimum limited lease-specific or grant-specific bond in an amount sufficient to guarantee compliance with all terms and conditions of the limited lease or grant.

(1) The dollar amount of the minimum, lease- or grant-specific financial assurance in paragraph (a)(1) of this section will be adjusted to reflect changes in the CPI-U or a substantially equivalent index if the CPI-U is discontinued; and

(2) The first CPI-U-based adjustment can be made no earlier than the 5-year anniversary of the adoption of this rule. Subsequent CPI-U-based adjustments may be made every 5 years thereafter.

HISTORY: *[76 FR 64432,* Oct. 18, 2011]

AUTHORITY: AUTHORITY NOTE APPLICABLE TO ENTIRE PART:
43 U.S.C. 1331 et seq., *43 U.S.C. 1337.*

NOTES: [EFFECTIVE DATE NOTE: *76 FR 64432,* Oct. 18, 2011, added Chapter V, effective Oct. 1, 2011.]
NOTES APPLICABLE TO ENTIRE TITLE:
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General Services Administration regulations for stockpiling of strategic and critical materials: 41 CFR subtitle C, subchapter C.
Geological Survey: 30 CFR chapter II.
Interstate Commerce Commission: 49 CFR chapter X.
Bureau of Indian Affairs, Department of the Interior, mining regulations: 25 CFR chapter I, subchapter I.
EDITORIAL NOTE: Other regulations issued by the Department of the Interior appear in title 25, chapters I and II; title 36, chapter I; title 41, chapter 114, title 43; and title 50, chapters I and IV.

2 of 8 DOCUMENTS

LEXISNEXIS' CODE OF FEDERAL REGULATIONS

*** This document is current through the November 6, 2014 ***
*** issue of the Federal Register ***

TITLE 30 -- MINERAL RESOURCES
CHAPTER V--BUREAU OF OCEAN ENERGY MANAGMENT, DEPARTMENT OF THE INTERIOR
SUBCHAPTER B--OFFSHORE
PART 585--RENEWABLE ENERGY AND ALTERNATE USES OF EXISTING FACILITIES ON THE OUTER CONTINENTAL SHELF
SUBPART E--PAYMENTS AND FINANCIAL ASSURANCE REQUIREMENTS
FINANCIAL ASSURANCE FOR LIMITED LEASES, ROW GRANTS, AND RUE GRANTS

Go to the CFR Archive Directory

30 CFR 585.521

§ 585.521 Do my financial assurance requirements change as activities progress on my limited lease or grant?

(a) BOEM may require you to increase the level of your financial assurance as activities progress on your limited lease or grant. We will base the determination for the amount of financial assurance requirements on our estimate of the cost to meet all accrued lease or grant obligations, including:

(1) The projected amount of rent and other payments due the Government over the next 12 months;

(2) Any past due rent and other payments;

(3) Other monetary obligations; and

(4) The estimated cost of facility decommissioning.

(b) You may satisfy the requirement for increased financial assurance levels for the limited lease or grant by increasing the amount of your existing bond or replacing your existing bond.

(c) BOEM will authorize you to establish a separate decommissioning bond or other financial assurance for your limited lease or grant.

(1) The separate decommissioning bond or other financial assurance instrument must meet the requirements specified in §§ 585.525 through 585.529.

(2) BOEM will allow you to provide your financial assurance for decommissioning in accordance with the number of facilities installed or being installed. BOEM must approve the schedule for providing the appropriate financial assurance coverage.

HISTORY: *[76 FR 64432,* Oct. 18, 2011]

AUTHORITY: AUTHORITY NOTE APPLICABLE TO ENTIRE PART:

43 U.S.C. 1331 et seq., *43 U.S.C. 1337.*

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3 of 8 DOCUMENTS

*** This document is current through the November 6, 2014 ***
*** issue of the Federal Register ***

TITLE 30 -- MINERAL RESOURCES
CHAPTER V--BUREAU OF OCEAN ENERGY MANAGMENT, DEPARTMENT OF THE INTERIOR
SUBCHAPTER B--OFFSHORE
PART 585--RENEWABLE ENERGY AND ALTERNATE USES OF EXISTING FACILITIES ON THE OUTER CONTINENTAL SHELF
SUBPART E--PAYMENTS AND FINANCIAL ASSURANCE REQUIREMENTS
FINANCIAL ASSURANCE FOR LIMITED LEASES, ROW GRANTS, AND RUE GRANTS

Go to the CFR Archive Directory

30 CFR 585.522

§§ 585.522--585.524 [Reserved]

[NO TEXT IN ORIGINAL]

HISTORY: *[76 FR 64432,* Oct. 18, 2011]

AUTHORITY: *(43 U.S.C. 1331* et seq., *43 U.S.C. 1337.)*

NOTES: [EFFECTIVE DATE NOTE: *76 FR 64432,* Oct. 18, 2011, added Chapter V, effective Oct. 1, 2011.]
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Forest Service regulations relating to mineral developments and mining in national forests: 36 CFR part 251.
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4 of 8 DOCUMENTS

LEXISNEXIS' CODE OF FEDERAL REGULATIONS

*** This document is current through the November 6, 2014 ***
*** issue of the Federal Register ***

TITLE 30 -- MINERAL RESOURCES
CHAPTER V--BUREAU OF OCEAN ENERGY MANAGMENT, DEPARTMENT OF THE INTERIOR
SUBCHAPTER B--OFFSHORE
PART 585--RENEWABLE ENERGY AND ALTERNATE USES OF EXISTING FACILITIES ON THE OUTER CONTINENTAL SHELF
SUBPART E--PAYMENTS AND FINANCIAL ASSURANCE REQUIREMENTS
REQUIREMENTS FOR FINANCIAL ASSURANCE INSTRUMENTS

Go to the CFR Archive Directory

30 CFR 585.525

§ 585.525 What general requirements must a financial assurance instrument meet?

(a) Any bond or other acceptable financial assurance instrument that you provide must:

(1) Be payable to BOEM upon demand; and

(2) Guarantee compliance of all lessees, grant holders, operators, and payors with all terms and conditions of the lease or grant, any subsequent approvals and authorizations, and all applicable regulations.

(b) All bonds and other forms of financial assurance must be on or in a form approved by BOEM. You may submit this on an approved form that you have reproduced or generated by use of a computer. If the document you submit omits any terms and conditions that are included on the BOEM-approved form, your bond is deemed to contain the omitted terms and conditions.

(c) Surety bonds must be issued by an approved surety listed in the current Treasury Circular 570, as required by *31 CFR 223.16*. You may obtain a copy of Circular 570 from the Treasury Web site at http://www.fms.treas.gov/c570/.

(d) Your surety bond cannot exceed the underwriting limit listed in the current Treasury Circular 570, except as permitted therein.

(e) You and a qualified surety must execute your bond. Whenthe surety is a corporation, an authorized corporate officer must sign the bond and attest to it over the corporate seal.

(f) You may not terminate the period of liability of your bond or cancel your bond, except as provided in this subpart. Bonds must continue in full force and effect even though an event has occurred that could diminish or terminate a surety's obligation under State law.

(g) Your surety must notify you and BOEM within 5 business days after:

(1) It initiates any judicial or administrative proceeding alleging its insolvency or bankruptcy; or

(2) The Treasury decertifies the surety.

HISTORY: *[76 FR 64432,* Oct. 18, 2011]

AUTHORITY: AUTHORITY NOTE APPLICABLE TO ENTIRE PART:
43 U.S.C. 1331 et seq., *43 U.S.C. 1337.*

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5 of 8 DOCUMENTS

LEXISNEXIS' CODE OF FEDERAL REGULATIONS

*** This document is current through the November 6, 2014 ***
*** issue of the Federal Register ***

TITLE 30 -- MINERAL RESOURCES
CHAPTER V--BUREAU OF OCEAN ENERGY MANAGMENT, DEPARTMENT OF THE INTERIOR
SUBCHAPTER B--OFFSHORE
PART 585--RENEWABLE ENERGY AND ALTERNATE USES OF EXISTING FACILITIES ON THE OUTER CONTINENTAL SHELF
SUBPART E--PAYMENTS AND FINANCIAL ASSURANCE REQUIREMENTS
REQUIREMENTS FOR FINANCIAL ASSURANCE INSTRUMENTS

Go to the CFR Archive Directory

30 CFR 585.526

§ 585.526 What instruments other than a surety bond may I use to meet the financial assurance requirement?

(a) You may use other types of security instruments, if BOEM determines that such security protects BOEM to the same extent as the surety bond. BOEM will consider pledges of the following:

(1) U.S. Department of Treasury securities identified in 31 CFR part 225;

(2) Cash in an amount equal to the required dollar amount of the financial assurance, to be deposited and maintained in a Federal depository account of the U.S. Treasury by BOEM;

(3) Certificates of deposit or savings accounts in a bank or financial institution organized or authorized to transact business in the United States with:

(i) Minimum net assets of $ 500,000,000; and

(ii) Minimum Bankrate.com Safe & Sound rating of 3 Stars, and Capitalization, Assets, Equity and Liquidity (CAEL) rating of 3 or less;

(4) Negotiable U.S. Government, State, and municipal securities or bonds having a market value of not less than the required dollar amount of the financial assurance and maintained in a Securities Investors Protection Corporation insured trust account by a licensed securities brokerage firm for the benefit of the BOEM;

(5) Investment-grade rated securities having a Standard and Poor's rating of AAA or an equivalent rating from a nationally recognized securities rating service having a market value of not less than the required dollar amount of the financial assurance and maintained in a Securities Investors Protection Corporation insured trust account by a licensed securities brokerage firm for the benefit of BOEM; and

(6) Insurance, if its form and function is such that the funding or enforceable pledges of funding are used to guarantee performance of regulatory obligations in the event of default on such obligations by the lessee. Insurance must have an A.M. Best rating of "superior" or an equivalent rating from a nationally recognized insurance rating service.

(b) If you use a Treasury security:

(1) You must post 115 percent of your financial assurance amount;

(2) You must monitor the collateral value of your security. If the collateral value of your security as determined in accordance with the 31 CFR part 203 Collateral Margins Table (which can be found at http://www.treasurydirect.gov) falls below the required level of coverage, you must pledge additional security to provide 115 percent of the required amount; and

(3) You must include with your pledge authority for us to sell the security and use the proceeds if we determine that you have failed to comply with any of the terms and conditions of your lease or grant, any subsequent approval or authorization, or applicable regulations.

(c) If you use the instruments described in paragraphs (a)(4) or (a)(5) of this section, you must provide BOEM by the end of each calendar year a certified statement describing the nature and market value of the instruments maintained in that account, and including any current statements or reports furnished by the brokerage firm to the lessee concerning the asset value of the account.

HISTORY: *[76 FR 64432,* Oct. 18, 2011]

AUTHORITY: AUTHORITY NOTE APPLICABLE TO ENTIRE PART:
43 U.S.C. 1331 et seq., *43 U.S.C. 1337.*

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Forest Service regulations relating to mineral developments and mining in national forests: 36 CFR part 251.
General Services Administration regulations for stockpiling of strategic and critical materials: 41 CFR subtitle C, subchapter C.
Geological Survey: 30 CFR chapter II.
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6 of 8 DOCUMENTS

LEXISNEXIS' CODE OF FEDERAL REGULATIONS

*** This document is current through the November 6, 2014 ***
*** issue of the Federal Register ***

TITLE 30 -- MINERAL RESOURCES
CHAPTER V--BUREAU OF OCEAN ENERGY MANAGMENT, DEPARTMENT OF THE INTERIOR
SUBCHAPTER B--OFFSHORE
PART 585--RENEWABLE ENERGY AND ALTERNATE USES OF EXISTING FACILITIES ON THE OUTER CONTINENTAL SHELF
SUBPART E--PAYMENTS AND FINANCIAL ASSURANCE REQUIREMENTS
REQUIREMENTS FOR FINANCIAL ASSURANCE INSTRUMENTS

Go to the CFR Archive Directory

30 CFR 585.527

§ 585.527 May I demonstrate financial strength and reliability to meet the financial assurance requirement for lease or grant activities?

BOEM may allow you to use your financial strength and reliability to meet financial assurance requirements. We will make this determination based on audited financial statements, business stability, reliability, and compliance with regulations.

(a) You must provide the following information if you want to demonstrate financial strength and reliability to meet your financial assurance requirements:

(1) Audited financial statements (including auditor's certificate, balance sheet, and profit and loss sheet) that show you have financial capacity substantially in excess of existing and anticipated lease and other obligations;

(2) Evidence that shows business stability based on 5 years of continuous operation and generation of renewable energy on the OCS or onshore;

(3) Evidence that shows reliability in meeting obligations based on credit ratings or trade references, including names and addresses of other lessees, contractors, and suppliers with whom you have dealt; and

(4) Evidence that shows a record of compliance with laws, regulations, and lease, ROW, or RUE terms.

(b) If we approve your request to use your financial strength and reliability to meet your financial assurance requirements, you must submit annual updates to the information required by paragraph (a) of this section. You must submit this information no later than March 31 of each year.

(c) If the annual updates to the information required by paragraph (a) of this section do not continue to demonstrate financial strength and reliability or BOEM has reason to believe that you are unable to meet the financial assurance requirements of this section, after notice and opportunity for a hearing, BOEM will terminate your ability to use financial strength and reliability for financial assurance and require you to provide another type of financial assurance.

You must provide this new financial assurance instrument within 90 days after we terminate your use of financial strength and reliability.

HISTORY: *[76 FR 64432,* Oct. 18, 2011]

AUTHORITY: AUTHORITY NOTE APPLICABLE TO ENTIRE PART:
43 U.S.C. 1331 et seq., *43 U.S.C. 1337.*

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7 of 8 DOCUMENTS

LEXISNEXIS' CODE OF FEDERAL REGULATIONS

*** This document is current through the November 6, 2014 ***
*** issue of the Federal Register ***

TITLE 30 -- MINERAL RESOURCES
CHAPTER V--BUREAU OF OCEAN ENERGY MANAGMENT, DEPARTMENT OF THE INTERIOR
SUBCHAPTER B--OFFSHORE
PART 585--RENEWABLE ENERGY AND ALTERNATE USES OF EXISTING FACILITIES ON THE OUTER CONTINENTAL SHELF
SUBPART E--PAYMENTS AND FINANCIAL ASSURANCE REQUIREMENTS
REQUIREMENTS FOR FINANCIAL ASSURANCE INSTRUMENTS

Go to the CFR Archive Directory

30 CFR 585.528

§ 585.528 May I use a third-party guaranty to meet the financial assurance requirement for lease or grant activities?

(a) You may use a third-party guaranty if the guarantor meets the criteria prescribed in paragraph (b) of this section and submits an agreement meeting the criteria prescribed in paragraph (c) of this section. The agreement must guarantee compliance with the obligations of all lessees and operators and grant holders.

(b) BOEM will consider the following factors in deciding whether to accept an agreement:

(1) The length of time that your guarantor has been in continuous operation as a business entity. You may exclude periods of interruption that are beyond the guarantor's control by demonstrating, to the satisfaction of the Director, that the interruptions do not affect the likelihood of your guarantor remaining in business during the SAP, COP, and decommissioning stages of activities covered by the indemnity agreement.

(2) Financial information available in the public record or submitted by your guarantor in sufficient detail to show us that your guarantor meets the criterion stated in paragraph (b)(4) of this section. Such detail includes:

(i) The current rating for your guarantor's most recent bond issuance by a generally recognized bond rating service such as Moody's Investor Service or Standard and Poor's Corporation;

(ii) Your guarantor's net worth, taking into account liabilities for compliance with all terms and conditions of your lease, regulations, and other guarantees;

(iii) Your guarantor's ratio of current assets to current liabilities, taking into account liabilities for compliance with all terms and conditions of your lease, regulations, and other guarantees; and

(iv) Your guarantor's unencumbered domestic fixed assets.

(3) If the information in paragraph (b)(2) of this section is not publicly available, your guarantor must submit the information in the following table, to be updated annually within 90 days of the end of the fiscal year (FY) or as otherwise prescribed.

Your guarantor must submit . . .	That . . .
(i) Financial statements for the most recently completed FY	Include a report by an independent certified public accountant containing the accountant's audit or review opinion of the statements. The report must be prepared in conformance with generally accepted accounting principles and contain no adverse opinion.
(ii) Financial statement for completed quarter in the current FY	Your guarantor's financial officer certifies to be correct.
(iii) Additional information related to bonds, if requested by the Director	Your guarantor's financial officer certifies to be correct.

(4) Your guarantor's total outstanding and proposed guarantees must not exceed 25 percent of its unencumbered domestic net worth.

(c) Your guarantor must submit an agreement executed by the guarantor and all parties bound by the agreement. All parties are bound jointly and severally and must meet the qualifications set forth in § 585.107.

(1) When any party is a corporation, two corporate officers authorized to execute the guaranty agreement on behalf of the corporation must sign the agreement.

(2) When any party is a partnership, joint venture, or syndicate, the guaranty agreement must bind each party who has a beneficial interest in your guarantor and provide that, upon BOEM demand under your guaranty, each party is jointly and severally liable for compliance with all terms and conditions of your lease(s) or grant(s) covered by the agreement.

(3) When forfeiture of the guaranty is called for, the agreement must provide that your guarantor will either bring your lease(s) or grant(s) into compliance or provide, within 7 days, sufficient funds to permit BOEM to complete corrective action.

(4) The guaranty agreement must contain a confession of judgment, providing that, if we determine that you are, or your operator or operating rights owner is, in default, the guarantor must not challenge the determination and must remedy the default.

(5) If you fail, or your operator or operating rights owner fails, to comply with any law, term, or regulation, your guarantor must either take corrective action or provide, within 7 days or other agreed upon time period, sufficient funds for BOEM to complete corrective action. Such compliance must not reduce your guarantor's liability.

(6) If your guarantor wants to terminate the period of liability, your guarantor must notify you and us at least 90 days before the proposed termination date, obtain our approval for termination of all or a specified portion of the guarantee for liabilities arising after that date, and remain liable for all your work performed during the period the agreement is in effect.

(7) Each guaranty submitted pursuant to this section is deemed to contain all the above terms, even if they are not actually in the agreement.

(d) Before the termination of your guaranty, you must provide an acceptable replacement in the form of a bond or other security.

HISTORY: *[76 FR 64432,* Oct. 18, 2011]

AUTHORITY: AUTHORITY NOTE APPLICABLE TO ENTIRE PART:
43 U.S.C. 1331 et seq., *43 U.S.C. 1337.*

NOTES: [EFFECTIVE DATE NOTE: *76 FR 64432,* Oct. 18, 2011, added Chapter V, effective Oct. 1, 2011.]
NOTES APPLICABLE TO ENTIRE TITLE:

CROSS REFERENCES: Bureau of Land Management, Department of the Interior, regulations with respect to mineral lands: 43 CFR, chapter II, subchapter C.
Federal Energy Regulatory Commission, Department of Energy: 18 CFR chapter I.
Foreign Trade Statistics, Bureau of the Census, Department of Commerce: 15 CFR part 30.
Forest Service regulations relating to mineral developments and mining in national forests: 36 CFR part 251.
General Services Administration regulations for stockpiling of strategic and critical materials: 41 CFR subtitle C, subchapter C.
Geological Survey: 30 CFR chapter II.
Interstate Commerce Commission: 49 CFR chapter X.
Bureau of Indian Affairs, Department of the Interior, mining regulations: 25 CFR chapter I, subchapter I.
EDITORIAL NOTE: Other regulations issued by the Department of the Interior appear in title 25, chapters I and II; title 36, chapter I; title 41, chapter 114, title 43; and title 50, chapters I and IV.

8 of 8 DOCUMENTS

LEXISNEXIS' CODE OF FEDERAL REGULATIONS

*** This document is current through the November 6, 2014 ***
*** issue of the Federal Register ***

TITLE 30 -- MINERAL RESOURCES
CHAPTER V--BUREAU OF OCEAN ENERGY MANAGMENT, DEPARTMENT OF THE INTERIOR
SUBCHAPTER B--OFFSHORE
PART 585--RENEWABLE ENERGY AND ALTERNATE USES OF EXISTING FACILITIES ON THE OUTER CONTINENTAL SHELF
SUBPART E--PAYMENTS AND FINANCIAL ASSURANCE REQUIREMENTS
REQUIREMENTS FOR FINANCIAL ASSURANCE INSTRUMENTS

Go to the CFR Archive Directory

30 CFR 585.529

§ 585.529 Can I use a lease- or grant-specific decommissioning account to meet the financial assurance requirements related to decommissioning?

(a) In lieu of a surety bond, BOEM may authorize you to establish a lease-, ROW grant-, or RUE grant-specific decommissioning account in a federally-insured institution. The funds may not be withdrawn from the account without our written approval.

(1) The funds must be payable to BOEM and pledged to meet your lease or grant decommissioning and site clearance obligations; and

(2) You must fully fund the account within the time BOEM prescribes to cover all costs of decommissioning including site clearance. BOEM will estimate the cost of decommissioning, including site clearance.

(b) Any interest paid on the account will be treated as account funds unless we authorize in writing that any interest be paid to the depositor.

(c) We may allow you to pledge Treasury securities, payable to BOEM on demand, to satisfy your obligation to make payments into the account. Acceptable Treasury securities and their collateral value are determined in accordance with 31 CFR part 203, Collateral Margins Table (which can be found at http://www.treasurydirect.gov).

(d) We may require you to commit a specified stream of revenues as payment into the account so that the account will be fully funded, as prescribed in paragraph (a)(2) of this section. The commitment may include revenue from other operations.

HISTORY: *[76 FR 64432,* Oct. 18, 2011]

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