Memorandum

To: Commissioners Brian Kroshus, Julie Fedorchak, and Randy Christmann

From: Adam Renfandt

Date: July 27, 2020

Re: Decommissioning Financial Assurance for Case Nos. PU-10-102 (Wilton Wind Energy I, LLC) & PU-10-108 (Wilton Wind II, LLC)

On July 1, 2020, Wilton Wind Energy I, LLC and Wilton Wind Energy II, LLC filed decommissioning financial assurances with the Commission, and on July 14, 2020, Wilton Wind Energy I, LLC had to refile its financial assurance to correct the dollar amount the parent guarantee is covering for decommissioning.

The facilities have been operational for greater than ten years. Based on the Commission's prior rulemaking, they were not required to file decommissioning financial assurances. However, effective July 1, 2020, the Commission will now require facilities for which site certificates were not issued to file financial assurances after they have been operational for ten years per the recent rulemaking in Case No. PU-19-291.

On June 27, 2018, the Commission approved each facility's decommissioning plan and cost estimate. The facilities proposed parent guarantees for the full amount of the approved decommissioning dollar amounts, without deducting salvage value, with NextEra Energy Capital Holdings, Inc. (NEECH) as the guarantor. Since NEECH is rated in the A category by S&P Global Ratings, they can propose a parent guarantee.

NextEra Energy, Inc. (NEE) provides an unconditional guarantee of all NEECH's debt and payment obligations. Therefore, NEECH's credit rating reflects the credit strength of all entities that report under NEE, including, NextEra Energy Resource, LLC's power projects, Florida Power and Light Company, and Gulf Power Company. NEECH's 5-year average cash flow from operations is $2.4 billion as of December 2019, and its tangible book value is $9.8 billion. NEE's average 5-year cash flow from operations is 5.9 billion as of December 2019, and it ended that year with a tangible book value of $32 billion, along with a market capitalization of $166 billion. NEE also obtains approximately 70% of consolidated earnings before interest, taxes, depreciation, and amortization from its regulated utility business.

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The table below lists attributes for NextEra Energy wind facilities that have previously-approved decommissioning parent guarantees along with the proposed and approved financial assurance dollar amounts.

Facility	MWs	WTGs	Financial Assurance ($M)	Years in Service (Year, Month)
Wilton Wind Energy I, LLC	49.5	33	$4.125M	14y, 7m
Wilton Wind Energy II, LLC	49.5	33	$4.125M	10y, 9m
Total Proposed	**99**	**66**	**$8.250M**	
Previously Approved:				
Langdon Renewables, LLC	159	106	$13.25M	
Ashtabula Wind I, LLC	148.5	99	$12.375M	
Ashtabula Wind II, LLC	120	80	$10.0M	
FPL Energy Oliver Wind I, LLC	50.6	22	$2.97M	
FPL Energy Oliver Wind II, LLC	48.0	32	$4.0M	
FPL Energy ND Wind, LLC	40.5	27	$3.375M	
FPL Energy ND Wind II, LLC	21.0	14	$1.75M	
Total Proposed and Approved	**686.6**	**446**	**$55.97M**	

Given that NEECH's credit rating is in the A category, Staff recommends approval of the decommissioning financial assurances in the above-captioned cases.