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March 7, 2017

**VIA EMAIL AND FEDERAL EXPRESS**

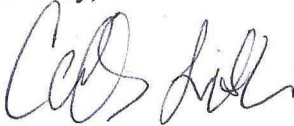
Mr. Darrell Nitschke  
Executive Director  
North Dakota Public Service Commission  
600 E. Boulevard, Dept. 408  
Bismarck, ND 58505-0480

Re: Public Service Commission  
Public Utilities  
Rulemaking  
Case No. PU-16-775  
and  
Public Service Commission  
Public Utilities – Wind Decommissioning  
Rulemaking  
Case No. PU-17-023

Dear Mr. Nitschke,

Capital Power Corporation respectfully submits the enclosed comments for filing in the above referenced rulemaking cases. If you have any questions, please contact the undersigned.

Sincerely,



Colleen Smith  
Capital Power Corporation



25 PU-17-23 Filed 03/07/2017 Pages: 3  
Comments on proposed rules  
Capital Power Corporation  
Colleen Smith, Senior Advisor

25 PU-16-775 Filed 03/07/2017 Pages: 3  
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**STATE OF NORTH DAKOTA  
PUBLIC SERVICE COMMISSION**

**Public Service Commission  
Public Utilities  
Rulemaking**

**Case No. PU-16-775**

**Public Service Commission  
Public Utilities – Wind Decommissioning  
Rulemaking**

**Case No. PU-17-023**

**COMMENTS OF CAPITAL POWER CORPORATION**

Capital Power Corporation (“Capital Power”) is an independent power producer that currently owns more than 3,200 megawatts of power generation across North America. In the U.S., Capital Power owns a solar and wind facility, two mixed biomass-fueled plants, and a development portfolio of solar and wind projects, including two wind development sites in North Dakota.

Capital Power appreciates the opportunity to provide formal comments to the North Dakota Public Service Commission (“Commission”) regarding its proposal to modify the state’s decommissioning requirements for wind energy facilities. Decommissioning rules are a critical component of the wind development process and we encourage the Commission to continue its efforts in developing reasonable regulations that properly weigh the public interest while maintaining a fair and competitive environment for the state’s growing wind industry.

Capital Power writes in support of comments submitted by Wind on the Wires, while respectfully offering the following comments on the Commission’s proposed changes to the state’s financial assurance requirements.

**69-09-09-08: Financial Assurance**

The Commission’s proposed rule requires companies to provide full financial assurance prior to construction of a wind energy facility. Capital Power is opposed to this requirement as it will impose an unnecessary economic burden on wind companies that will hinder future wind development in the state. The proposed requirement also runs counter to the industry norm, as most states, counties and municipalities typically do not require posting of financial assurance until 10 to 15 years after the facility has begun operation. Further, as indicated in comments submitted by Wind on the Wires, the Commission’s underlying concerns addressed by this proposal are perhaps unfounded as there is no instance of a wind facility being prematurely abandoned. Capital Power therefore urges the Commission to maintain the current requirements, or at the very least,

adopt a more reasonable, phased-in approach to posting financial assurance as put forth in comments submitted by Wind on the Wires.

The Commission's proposed rule conditions the ability to post a corporate guarantee on a credit rating of "A" or higher. Capital Power is opposed to this arbitrary requirement as it is too limiting and will likely impose unwarranted additional costs on many companies developing wind energy facilities within the state. The requirement may even deter some companies from making such investments in local communities.

Capital Power urges the Commission to condition the ability to provide a corporate guarantee on a credit rating of "BBB-" or higher, which is still investment grade. This is consistent with the requirements for posting security in most electric power markets, including MISO where investment grade parties (those rated at least BBB-) are able to post credit through parent guarantees or other less onerous mechanisms than posting cash or a bond. Financial markets generally apply the same approach as these ratings offer a mechanism for distinguishing between corporate creditworthiness. This distinction between investment grade companies and others should suffice for North Dakota as well.