

Goose Prairie SCA Transfer Public Comment Hearing

In the Matter of: OER WA Solar 1, LLC - Goose Prairie Solar

March 15, 2022



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BEFORE THE STATE OF WASHINGTON
ENERGY FACILITY SITE EVALUATION COUNCIL

In the Matter of)
Application No. 2021-01 of) No. 2021-01
OER WA Solar 1, LLC -)
Goose Prairie Solar)

GOOSE PRAIRIE SCA TRANSFER PUBLIC COMMENT MEETING

MARCH 15, 2022

5:00 P.M.

(All parties appeared via videoconference)

REPORTED BY: CRYSTAL R. McAULIFFE, RPR, CCR, #2121

1 A P P E A R A N C E S

2 (All parties appeared via videoconference)

3 Councilmembers:

- 4 KATHLEEN DREW, Chair
- KATE KELLY, Department of Commerce
- 5 LEVI LEVITT, Department of Ecology
- STACEY BREWSTER, Utilities and Transportation Commission
- 6 LENNY YOUNG, Department of Natural Resources

7 EFSEC Staff:

- 8 ANDRES GRANTHAM
- KYLE OVERTON
- 9 JOAN OWENS
- AMI HAFKEMEYER
- 10 JOSEPH WOOD

11 Also in Attendance:

- 12 JON THOMPSON, AAG
- BILL SHERMAN, Counsel for the Environment
- 13 MARK SCANLAN, Brookfield Renewables
- TIM McMAHAN, Energy Counsel
- 14 BLAKE BJORNSON, OneEnergy Renewables

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1 MARCH 15, 2022

2 5:00 P.M.

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4 PROCEEDINGS

5 CHAIR DREW: Good evening. This is Kathleen
6 Drew, Chair of the Energy Facility Site Evaluation
7 Council for a special meeting for Goose Prairie Solar
8 Project on their request to amend the Goose Prairie
9 Solar Site Certification Agreement. And the purpose --
10 their request is to -- for the Council to approve an
11 amendment to transfer ownership of the Site
12 Certification Agreement from OneEnergy OER Washington
13 Solar 1 LLC to Goose Prairie Solar, LLC.

14 And this evening we will hear from the
15 applicant about this request, council members will have
16 opportunity for questions, and then we will have public
17 comments, followed by the information about the process
18 from Ms. Hafkemeyer on EFSEC's staff about the transfer
19 request process.

20 I have a question before we go further.

21 Ms. Hafkemeyer, do you want to give your
22 presentation before the public comments or after?

23 MS. HAFKEMEYER: I don't have so much of a
24 presentation as just updating the Council on what staff
25 would recommend as the next steps for the transfer.

1 CHAIR DREW: Okay. Thank you.

2 And -- so we will have you after the public
3 comments, as it says in the agenda.

4 So with that introduction, Ms. Grantham,
5 Ms. Owens, will you call the roll?

6 MS. OWENS: It's Ms. Owens today.

7 CHAIR DREW: Thank you.

8 MS. OWENS: Department of Commerce.

9 MS. KELLY: Kate Kelly, present.

10 MS. OWENS: Department of Ecology.

11 MR. LEVITT: Eli Levitt, present.

12 MS. OWENS: Department of Fish and Wildlife.

13 CHAIR DREW: Excused.

14 MS. OWENS: Department of Natural Resources.

15 MR. YOUNG: Lenny Young, present.

16 MS. OWENS: Utilities and Transportation
17 Commission.

18 MS. BREWSTER: Stacy Brewster, present.

19 MS. OWENS: Assistant Attorney General.

20 MR. THOMPSON: Jon Thompson, present.

21 MS. OWENS: For counsel staff, Ami
22 Hafkemeyer.

23 MS. HAFKEMEYER: Present.

24 MS. OWENS: Andrea Grantham.

25 MS. GRANTHAM: Andrea Grantham, present.

1 MS. OWENS: For counsel for the environment,
2 Bill Sherman.

3 MR. SHERMAN: Bill Sherman is present.

4 MS. OWENS: And I'm not sure. Is Meagan
5 Salami on the line as well?

6 MALE SPEAKER: No, she's not.

7 MS. OWENS: Okay. Great.

8 Chair, there's a quorum for the regular
9 council.

10 Chair, you're muted.

11 CHAIR DREW: Thank you.

12 We will move on now to the presentation by
13 the applicant, Blake Bjornson and Mark Scanlan.

14 MR. BJORNSON: Great. Thank you, Chair
15 Drew.

16 Is it possible to do video or --

17 CHAIR DREW: Actually, I think I should call
18 you a certificate holder.

19 MR. BJORNSON: That's right.

20 CHAIR DREW: So let's change that as well.
21 Okay. Mr. Bjornson.

22 MR. BJORNSON: Great. It looks like the
23 video doesn't like me.

24 Good evening, Chair Drew and EFSEC Council.
25 Thank you all for being here this evening.

1 As you all know me, Blake Bjornson from
2 OneEnergy Renewables and here for a pretty brief
3 presentation.

4 So we can just jump straight to this slide.
5 This is the important slide here.

6 So what we are asking for in conjunction
7 with the purchase and sale agreement -- so One Energy
8 has been working with Brookfield Renewables to sell the
9 Goose Prairie Solar Project. And as part of that
10 transfer, we are requesting -- per the WAC 463-66-100,
11 we are requesting that EFSEC grant a direct transfer of
12 the Site Certificate Agreement from OER WA Solar 1 to
13 Goose Prairie Solar LLC.

14 And just to clarify, OER WA OneEnergy is a
15 project-level company that we created, OneEnergy
16 created, in order to develop the project to have assets
17 owned by that project. And that is a wholly owned
18 subsidiary of OneEnergy Development LLC.

19 So just to clarify that. OER WA Solar 1 is
20 a company of OneEnergy Developments. And we are also
21 requesting an upstream indirect transfer of control of
22 that SCA to Brookfield.

23 So just a little bit of discussion.
24 OneEnergy and Brookfield have agreed to sell the
25 project, and the project being sold to Goose Prairie

1 Solar LLC. Again, pursuant to that code, we are seeking
2 your approval.

3 Goose Prairie LLC, similar to OER WA Solar
4 LLC is a wholly owned subsidiary of Brookfield. And
5 Brookfield agrees to comply with all of the conditions
6 and requirements of the SCA, including financial
7 assurance requirements.

8 For those of you who were involved with the
9 Columbia Solar transfer, we have a bit of a different
10 situation here. Because for the Goose Prairie Solar, we
11 were not submitted that financial assurance. So we
12 don't have the same need to not have any time lapse of
13 no financial assurance. So Brookfield will take on
14 that requirement and will provide that when necessary.

15 With that, we can switch to the next slide.

16 And I will turn it over to Mark Scanlan to
17 introduce himself and Brookfield Renewables.

18 MR. SCANLAN: Perfect. Thank you, Blake.

19 Yeah. So my name is Mark Scanlan. I'm a
20 Senior Director of Asset Development with Brookfield
21 Renewables here in the U.S.

22 And as Blake pointed out there, we've been
23 working with OneEnergy for the best part of a year on
24 acquiring this project. And just kind of over the next
25 couple of slides give you an overview of who Brookfield

1 Renewable U.S. are and what kind of capabilities we
2 possess and looking to kind of take over this solar
3 development project in Washington and bring it into
4 operation in 2023.

5 So, firstly, Brookfield Renewable are one of
6 the world's largest pure-play power platform globally
7 with its largest footprint being in the U.S. In the
8 U.S., we employ over 800 people; operating in 34 states.
9 This would give us our first operating asset in
10 Washington and increase that number to 35. And we have
11 a deep history, due to our hydro fleet, and some of our
12 hydro assets are over 120 years old.

13 And we operate in all kind of renewable
14 classes. So we have hydro facilities, wind facilities,
15 solar facilities, which are one of our big grow
16 platforms and we hope to double that figure in the next
17 two years with projects such as Goose Prairie and other
18 projects that we're building across the U.S.

19 And we have a distributed generation
20 business that's separate from our utility scale solar.
21 And we have energy storage which comprises of batteries,
22 but also a very large pump hydro station in the U.S. as
23 well. And the bottom part of this slide here is
24 referring to the -- to the pipeline of -- of potential
25 renewable projects that we have in the U.S. as well.

1 So this touches, again, on the Brookfield
2 capabilities in terms of what we can do, what we do do
3 across the U.S. So, basically, we can provide a
4 one-stop shop servicing and kind of bring -- bring
5 projects to all stages of their life from development,
6 in the case of Goose Prairie.

7 And then we have a very large operating
8 fleet of the asset classes that I mentioned and we can
9 do all our sources in-house in terms of we have a
10 trading team, operational team, development team, and --
11 and basically have operate -- operate assets currently
12 to provide enough energy in the U.S. to -- to -- to --
13 to energize 3 million homes annually.

14 And this -- this kind of touches on some of
15 our sustainability initiatives in terms of what -- what
16 we do with our existing assets and kind of -- and just
17 on that as well.

18 And this is kind of what we can do, given
19 our suite of services as well, in terms of just the
20 energy trading team we have that can maximize the
21 production and the utilization of the -- of the
22 renewable energy being created by what are wind, hydro,
23 and solar assets. And we think we are uniquely
24 positioned as well, given how these assets can
25 complement each other.

1 If one would imagine, if it's not raining,
2 it's sunny. And if it's not either of those, it should
3 be somewhat windy.

4 And -- and this map, again, just kind of
5 gives an overview of where our assets are within the
6 U.S. and moving into, kind of, Pacific Northwest. It's
7 even only kind of the three years that we've really
8 grown our footprint here. And the three wind sites you
9 can see just on the Oregon/Washington boarder at
10 Shepherds Flat Wind site that we acquired in early 2021.

11 So that's a high-level overview of
12 Brookfield and kind of the capabilities we have and how
13 we see this asset as a fit to our growing U.S. fleet.
14 And also -- sorry.

15 The other part I should have touched on,
16 too, is this asset is part of the Brookfield Global
17 Transition Fund, which is a \$15 billion fund that
18 focuses specifically on decarbonization initiatives
19 globally.

20 I have no further comments and questions,
21 but happy to take any questions that the counselors may
22 have.

23 CHAIR DREW: Thank you.

24 First of all, I would like to understand, as
25 you take over the -- as this moves forward, should this

1 move forward, what is your plan for who you would have
2 on the ground from your company to -- to work with us
3 through the construction process and into the future?

4 MR. SCANLAN: Yeah. There's probably a
5 couple of parts to that. It will be myself and members
6 of the Brookfield asset development team that will be
7 taking over Blake's position in terms of communication
8 with the EFSEC Council. And as we plan to progress this
9 project.

10 We will be looking for an EPC provider, so
11 an Engineering Procurement and Construction Provider to
12 build the asset.

13 We look for a Tier One Provider. Brookfield
14 maintains very high health and safety standards, and we
15 will have -- will have staff on-site maintaining all the
16 build practices in place from that perspective as well.

17 And, obviously, the site certificate
18 outlines the required submissions that are up to 90 days
19 in advance of on-site work taking place.

20 So we basically have been working closely
21 with Blake and the OneEnergy team that we are aware of
22 all the kind of requirements outlined within the site
23 certificate. And we will obviously comply with those
24 requirements.

25 And as Blake touched on as well, we would

1 be the entity posting the security for the site
2 restoration at the back end of this proposed project as
3 well.

4 CHAIR DREW: And do you plan to both
5 construct the project and then continue into -- not that
6 things don't change, but --

7 MR. SCANLAN: Yeah.

8 CHAIR DREW: -- continue in to keeping it
9 for the operation.

10 MR. SCANLAN: Yes. So like, we -- we would
11 see ourselves as an owner-operator of this project. So
12 we will take it over at this point. We'll engage with
13 the EPC to build the project. We will procure panels,
14 and at that point, we take over the operation of the
15 project.

16 CHAIR DREW: Thank you.

17 MR. SCANLAN: Yep.

18 CHAIR DREW: Are there questions from
19 council members?

20 MS. KELLY: Chair Drew, this is Kate Kelly.
21 I do have a question.

22 So and -- and I have one of two questions, I
23 guess.

24 But the first one is when you are talking
25 about them taking it over and -- during the construction

1 phase, given the national and almost global footprint
2 that you just described to us, would the intent be to
3 use Washington construction workers or to bring people
4 in from your international team.

5 MR. SCANLAN: Yes. So there will be a mix.
6 Like, I think we have one or two guys on our team that
7 would definitely work with the health and safety in
8 terms of putting in Brookfield practices. And the main
9 contractor will not be Brookfield. We will engage the
10 EPC provider. But we are cognizant of the Washington
11 and sales tax abatements and such in terms of what --
12 what kind of different categories of labor and the --
13 the incentives towards using those. So there's been
14 nothing decided on that yet, but we would look to use
15 Washington labor in the course of the build and the
16 operations.

17 MS. KELLY: Thank you. We hope you do.
18 Chair Drew, if it is okay, I've got one more
19 question.

20 So the very first slide described an
21 upstream indirect transfer, and I don't know what that
22 means.

23 MR. SCANLAN: Do you want to take that one,
24 Blake?

25 MR. BJORNSON: I actually might hand that

1 over to either Tim McMahan or Jon Tompson. That was
2 some specific language there.

3 Tim?

4 MR. McMAHAN: Tim McMahan here. And
5 actually, Jon Tompson has made himself the expert on
6 characterizing these transfers in terms of upstream or
7 indirect and whatever. So I am going to punt this
8 directly to Jon.

9 MR. THOMPSON: Yeah. So if you look at
10 the rule under EFSEC's rules about -- that requires
11 approval for transfers of a Site Certification
12 Agreement, it's carefully written to include not just a
13 situation where there's a, you know, transfer from the
14 named entity in the SCA to a different -- different
15 business entity, you know, such that you would just
16 change the name on the SCA.

17 It also includes where the ownership of
18 that -- of that business entity is changing. So it
19 could be -- it could be the same corporation continues
20 to own -- to hold the certificate, but -- but its
21 owner -- you know, if it has a parent company, you know,
22 it could -- the company itself could be transferred to a
23 different parent.

24 And the rule is written in such a way --
25 that's why I think -- yeah, it's referred to here as the

1 upstream transfer. So, like, at a higher level in a
2 corporate family tree, so to speak, you know, it's
3 being -- the corporate entity is being transferred to a
4 new owner.

5 So I think here you have both, it sounds
6 like, where not only is it going to -- it will have a
7 new name as the holder of the SCA, a new business
8 entity, but then also that entity will be owned by a
9 different parent company.

10 So anyway -- so both of those are captured
11 by the rule that requires approval of the transfer by
12 EFSEC. I hope that makes sense.

13 MS. KELLY: Thank you.

14 CHAIR DREW: Yeah, I have a follow-up
15 question on that.

16 So, in essence, if this is going to Goose
17 Prairie Solar LLC, which is a separate entity, but if
18 that -- Goose Prairie LLC now is sold to another owner,
19 then that would have to come back to us.

20 MR. THOMPSON: Right. Right.

21 CHAIR DREW: Okay.

22 MR. THOMPSON: But, I think -- well, correct
23 me if I'm wrong, but it sounds as if there's going to be
24 a new -- a transfer to a different -- a different holder
25 business entity and then, in addition, that entity will

1 be owned by somebody else.

2 CHAIR DREW: Yes. Yes. Yes. Both are
3 happening.

4 But in a future instance, just because Goose
5 Prairie Solar LLC is a separate -- is a wholly owned
6 company, the ownership of that company still is
7 something that needs to -- to come to us for approval
8 for being sold.

9 MR. THOMPSON: Right. Yes.

10 CHAIR DREW: Okay. Thank you for raising
11 those questions, Ms. Kelly.

12 Are there other questions from council
13 members?

14 Okay. Hearing none, let's move to the
15 public comment period.

16 We are now going to take public comment from
17 anyone who is at this meeting who wishes to ask -- to
18 make a comment. You will have three minutes.

19 Ms. Grantham, are there any speakers signed
20 up to comment?

21 MS. GRANTHAM: I still have not received any
22 speakers to sign up, so no.

23 CHAIR DREW: Okay. Thank you.

24 Is there anyone who is present at this
25 meeting, at this virtual meeting, who would like to make

1 a comment?

2 Is there anyone present at this meeting who
3 would like to make a comment?

4 Is there anyone present at this meeting who
5 would like to make a comment?

6 Seeing that I don't believe we have anyone
7 who has joined the call that would like to make a
8 comment, we will now move on to Ms. Hafkemeyer.

9 MS. HAFKEMEYER: Thank you, Chair Drew.

10 So EFSEC staff would like to recommend that
11 the Council direct staff to draft an order or
12 resolution -- I apologize. I'm not quite sure which is
13 appropriate -- incorporating the events of this evening
14 for review and approval of the Council of our
15 recommendation on the transfer of ownership of the Site
16 Certificate Agreement.

17 CHAIR DREW: Okay. Thank you.

18 A couple of questions. Maybe, Mr. Thompson,
19 you can help here.

20 One is that this is a site certificate -- an
21 SCA amendment. So the documents that will be prepared
22 for Council to review at the next meeting, would be that
23 amendment and an order; is that correct?

24 MR. THOMPSON: Correct. There would be a
25 very simple Site Certification Agreement Amendment, you

1 know, for -- if the decision is for approval, just to
2 basically replace the name of the holder and some other
3 minor details, perhaps.

4 But -- and then there would be a -- right,
5 an order -- as we did recently with the Columbia Solar
6 transfer, an order approving transfer, if that's your
7 decision.

8 CHAIR DREW: Okay.

9 MR. THOMPSON: So -- right.

10 CHAIR DREW: Is there a motion to direct
11 the -- to direct the staff to prepare the order and the
12 motion to approve this transfer of ownership?

13 MR. YOUNG: Lenny Young. So moved.

14 CHAIR DREW: Thank you.

15 Second?

16 MS. KELLY: Kate Kelly. Second.

17 CHAIR DREW: Thanks.

18 Is there discussion?

19 Are there -- Council Members, do you have
20 further questions?

21 I see that we have -- certainly at this
22 point in the process not having put forward that
23 financial security -- a simpler process in front of us.

24 We have, to my information and knowledge, a
25 very capable new owner that has stepped forward with

1 significant experience around the world and in the U.S.
2 So from my standpoint, that looks like a very secure
3 opportunity.

4 Are there any other comments?

5 We can certainly discuss this further in the
6 next meeting as you get an opportunity to think about
7 the information -- or if you have any additional
8 questions.

9 Okay. Are -- so I -- all those in favor of
10 the motion for -- to direct the staff to prepare those
11 documents for our next meeting, please say aye.

12 (Verbal responses.)

13 CHAIR DREW: Those opposed?

14 (No audible response.)

15 CHAIR DREW: Motion is adopted.

16 Council, please -- Council staff, please
17 prepare the documents for our April meeting.

18 Thank you all very much. This meeting now
19 is adjourned.

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21 (Meeting adjourned at 5:25 p.m.)

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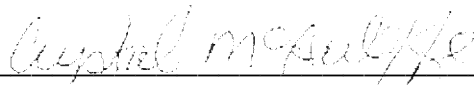
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C E R T I F I C A T E

STATE OF WASHINGTON)
) ss.
COUNTY OF KITSAP)

I, CRYSTAL R. MCAULIFFE, a Certified Court Reporter in and for the State of Washington, do hereby certify that the foregoing transcript of the videoconference public meeting on MARCH 15, 2022, is true and accurate to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 24th day of March, 2022.


CRYSTAL R. MCAULIFFE, RPR, CCR #2121

