

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 7508

Petition of Georgia Mountain Community Wind, LLC, for a Certificate of Public Good, pursuant to 30 V.S.A. Section 248, authorizing the construction and operation of a 5-wind turbine electric generation facility, with associated electric and interconnection facilities, on Georgia Mountain in the Towns of Milton and Georgia, Vermont, to be known as the "Georgia Mountain Community Wind Project"	
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Order entered: 3/28/2017

ORDER RE: LETTER OF CREDIT

On June 11, 2010, the Vermont Public Service Board ("Board") issued an Order and Certificate of Public Good ("CPG") to Georgia Mountain Community Wind, LLC ("GMCW") authorizing the construction and operation of a 7.5 to 12 MW wind generation facility on Georgia Mountain in the Towns of Milton and Georgia, Vermont. Both the Order and the CPG contained a condition with the following language:

The Plan shall include a copy of the Letter of Credit to be posted by GMCW to secure the full amount of the Fund, and demonstrate that the Fund will be managed independently and be creditor- and bankruptcy-remote in the event of GMCW's insolvency or business failure. The Letter of Credit shall be issued by an A-rated financial institution, shall name the Board as the designated beneficiary, and shall be an "irrevocable standby" letter that includes an auto-extension provision (i.e., "evergreen clause"). Parties will have three weeks, from the date this Plan is filed with the Board, to comment on the Plan. GMCW cannot commence construction until the Plan is approved.¹

On March 8, 2017, the Board received a substitute letter of credit from Northfield Savings Bank on behalf of GMCW in fulfillment of the above requirement. In reviewing the replacement letter of credit, it has come to the Board's attention that the letter of credit does

¹ Docket 7508, Order of 6/11/10 at 89, CPG dated 6/11/10 at 3.

not contain the auto-extension provision, or "evergreen clause," and therefore does not comply with the requirements of the Order and CPG.

GMCW is hereby ordered to file with the Board a new letter of credit that contains the required auto-extension clause. Additionally, the Board has for some time been requiring the use of a standard form letter of credit – a copy of a recently approved letter of credit is attached hereto. In addition to including the auto-extension clause, the new letter of credit should adhere to the attached form. The new letter of credit shall be filed no later than close of business on April 10, 2017.

SO ORDERED.

Dated at Montpelier, Vermont this 28th day of March, 2017.

_____	)	
James Volz	)	PUBLIC SERVICE
	)	
	)	
s/Margaret Cheney	)	BOARD
Margaret Cheney	)	
	)	
	)	OF VERMONT
s/Sarah Hofmann	)	
Sarah Hofmann	)	

OFFICE OF THE CLERK

Filed: March 28, 2017

Attest: s/Judith C. Whitney
Clerk of the Board

Notice to Readers: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) or any apparent errors, in order that any necessary corrections may be made. (E-mail address: psb.clerk@vermont.gov)

Form of Letter of Credit

[NAME OF BANK]

IRREVOCABLE STANDBY LETTER OF CREDIT

Beneficiary

Vermont Public Service Board
112 State Street
Montpelier, VT 05620-2701
Attn: Contract Administration

Effective Date: []

Letter of Credit No.: []

Expiry Date: []

Re: GMPSolar-Panton, LLC Solar Project
PSB Docket No. 8637
CPG Issued on: _____

At the request of GMPSolar-Panton, LLC (the "Applicant"), [NAME OF BANK] (the "Issuer"), hereby issues this irrevocable Letter of Credit No. [] in the favor of the Vermont Public Service Board (the "Beneficiary") available for an aggregate amount up to the maximum amount of **\$270,000 (two hundred and seventy thousand United States Dollars)**, effective as of the date first set forth above and expiring at our office located at (or at any other office which may be designated by us by written notice delivered to you) on the earliest to occur of (i) [Expiration Date] (the "Stated Expiration Date") or any automatically extended Stated Expiration Date, (ii) payment by Issuer hereunder of the maximum amount written above, or (iii) surrender of this original Letter of Credit to us for cancellation.

It is a condition of this Letter of Credit that the Stated Expiration Date shall be automatically extended without amendment, for successive periods of one year each from the Stated Expiration Date hereof or any such automatically extended Stated Expiration Date, unless, no less than 60 days before any such Stated Expiration Date, Issuer sends Beneficiary notice stating that this Letter of Credit will not be extended beyond the then current Stated Expiration Date. Any such notice of non-extension shall be in writing, shall be sent by hand, by certified mail (return receipt requested), or by Federal Express or other overnight delivery service, and shall be addressed to Beneficiary at the address set forth above.

Issuer has been requested to issue this Letter of Credit in connection with Condition No. _____ of the Certificate of Public Good ("CPG") issued by the Vermont Public Service Board to GMPSolar-Panton, LLC on, _____ in Docket No. 8637. Said Condition No. _____ deals with the establishment of a Decommissioning Fund for GMPSolar-Panton, LLC's 4.90 MW electric generation project to be built in Panton, Vermont. However, Issuer assumes no obligations under the CPG or responsibility or duties thereunder.

Funds under this Letter of Credit are available to you by making a demand for payment by presentation to us at our offices at _____, Attention: Loan Administration (or at any other office which may be designated by us by written notice delivered to you) of your drawing certificate in the form attached hereto ("Drawing Certificate") and accompanied by the original of this Letter of Credit. A presentation under this Letter of Credit may be made only on a day, and only between the hours of 9:00 AM and 5:00 PM, which such office is open for business (a "Business Day").

If we receive your Drawing Certificate and the original of this Letter of Credit at such office on any Business Day, all in reasonable conformity with the terms and conditions of this Letter of Credit, we will honor the same by making payment in accordance with your payment instructions on the third succeeding Business Day after presentation so long as the amount of the drawing, together with all previous drawings honored pursuant to this Letter of Credit, does not exceed the aggregate amount of this Letter of Credit. Typographical errors other than in amounts will not violate the conformity provision in this paragraph. If a drawing fails to conform to the terms and conditions of this Letter of Credit it shall not (i) preclude the Beneficiary from correcting any such errors and resubmitting the request nor (ii) act as a waiver of any rights the Beneficiary has under this Letter of Credit.

Partial and multiple drawings are permitted. All of the banking charges are for Applicant's account.

This Letter of Credit sets forth in full the terms of our undertaking to you. Such undertaking to you shall not in any way be modified, amended or amplified by reference to any document or instrument referred to herein or in which this Letter of Credit is referred to or to which this Letter of Credit relates and any such reference shall not be deemed to incorporate herein by reference any document or instrument.

Except as otherwise expressly stated herein, this Letter of Credit is subject to the International Standby Practices 1998, I.C.C. Publication No. 590 ("ISP98"), excluding, however, Rules 4.09(c) and 5.06(c)(i), and shall be governed by and construed in accordance with the laws of the State of Vermont. In the event of conflict between the ISP98 and a non-mandatory (variable) provision of such laws, the ISP98 shall govern.

Yours faithfully, [NAME OF BANK]

By: _____

Name:

Title:

By: _____

Name:

Title:

DRAWING CERTIFICATE

NAME OF BANK

Ladies and Gentlemen:

Capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to such terms in the Letter of Credit.

The Beneficiary hereby certifies to the Issuer, with reference to the Issuer's Irrevocable Standby Letter of Credit No. _____ (the "Letter of Credit"); that:

In connection with the **CERTIFICATE OF PUBLIC GOOD ISSUED PURSUANT TO 30 V.S.A. SECTION 248** dated _____ and related documents between the Beneficiary and GMPSolar Panton, LLC, the Beneficiary is making a demand for payment under the Letter of Credit of the sum of \$270,000.00 which amount does not exceed the current Stated Amount of the Letter of Credit; and

[The Beneficiary represents that GMPSolar Panton, LLC has not commenced decommissioning after having a reasonable period of time, not to exceed ninety days, following issuance of an Order of the Vermont Public Service Board requiring decommissioning of the project per terms of the Certificate of Public Good issued to GMPSolar Panton, LLC by the Vermont Public Service Board in Docket No. 8637 dated _____.]

Or

[This Letter of Credit has fewer than thirty (30) days remaining prior to the date of expiration and the Beneficiary has not received a replacement letter of credit to the extent required by the CPG, and the undersigned hereby confirms that the amount of this drawing does not exceed the undrawn face amount of the Letter of Credit.]

The amount demanded hereby has been calculated in accordance with the terms of the Certificate of Public Good.

You are hereby directed to pay the amount so demanded to: **[Insert wire transfer instruction]**

IN WITNESS WHEREOF, the Beneficiary has executed and delivered this Certificate as of the ____ day of _____, 201__.

Very truly yours,

Name:

Title: