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Financial Responsibility Supplemental Comments

Please see attached letter with my supplemental concerns.

Additional submitted attachment is included below.

BEFORE THE CALIFORNIA ENERGY COMMISSION

Corby Battery Energy Storage System Project

Docket No. 24-OPT-05

**SUPPLEMENTAL COMMENTS REGARDING FINANCIAL RESPONSIBILITY
AND THIRD-PARTY LIABILITY**

Submitted by Michael Geller

Resident and Property Owner, Kilkenny Road, Solano County

Commissioners:

I submit these comments as a supplement to the thoughtful comments submitted by Colleen Britton on August 20, 2026, concerning liability and financial assurance for the Corby Battery Energy Storage System Project.

Ms. Britton raises a number of important questions concerning parent-company guarantees, environmental and third-party liability insurance, remediation funding, bankruptcy protection, emergency-response costs, and compensation for persons and property affected by a catastrophic event. I share those concerns and do not intend to repeat them here.

Instead, I wish to bring two additional matters to the Commission's attention.

First, Solano County raised substantially the same financial-assurance concern with the Commission in December 2024, long before the present Staff Assessment.

Second, whatever financial protections ultimately apply to this project should remain enforceable if Corby is subsequently sold, transferred, reorganized, or placed under different ownership.

I. SOLANO COUNTY RAISED THIS ISSUE IN DECEMBER 2024

The questions now being raised by members of the public are not new.

In comments submitted to the Commission on December 4, 2024, Solano County specifically identified Comment 13: "Inadequate Surety or Bonding for Potential Disaster Impacts."

The County stated that, considering the risks of thermal runaway, natural disasters, or equipment failure, a surety bond or other financial mechanism was necessary to cover potential disaster impacts, including property damage, environmental remediation, and public-health response costs.

The County further explained that its BESS Technical Working Group had recommended financial assurance for thermal-runaway incidents sufficient to address environmental cleanup, replacement of first-responder equipment, and restoration of agricultural lands.

Most importantly, Solano County stated:

"NextEra's current application contains no financial assurances either in the form of bonds or insurance policies that would protect Solano County taxpayers from bearing the cost of cleanup, restoration and equipment replacement in case of thermal runaway on site."

That comment has therefore been before the Commission since December 2024.

The significance of Ms. Britton's present questions is consequently greater than it might initially appear. Members of the public are now asking many of the same questions that Solano County itself raised near the beginning of this proceeding.

I have been unable to identify in the Staff Assessment where the County's underlying concern has been resolved through a parent-company guarantee, specified catastrophe insurance, surety, bond, or comparable financial-assurance mechanism.

If such protection has subsequently been provided, I respectfully request that Staff identify it and its location in the administrative record.

If it has not been provided, then the question raised by Solano County in December 2024 remains unresolved.

II. OWNERSHIP OF AN LLC IS NOT THE SAME AS A GUARANTEE OF ITS LIABILITIES

The Commission identifies Corby Energy Storage, LLC and North Bay Interconnect, LLC as the project owners. CEC filings have identified those entities as subsidiaries of NextEra Energy Resources.

The distinction between ownership and financial responsibility deserves clarification in the record.

The fact that a large parent corporation owns a limited liability company does not, by itself, answer whether that parent corporation is legally obligated to satisfy all liabilities incurred by the subsidiary.

Thus, the relevant question is not merely whether NextEra presently owns Corby.

The question is whether neighboring property owners and public agencies have an enforceable source of recovery if project liabilities exceed the assets or insurance of the project LLC.

Ms. Britton appropriately asks the Commission to clarify the existence and extent of any parent-company guarantee. I join in that request.

III. FINANCIAL PROTECTION SHOULD SURVIVE A SALE OR TRANSFER OF THE PROJECT

There is another issue that deserves consideration before certification.

Energy projects can be sold, transferred, reorganized, refinanced, or placed under new ownership during their operating lives.

Suppose the Commission approves this project based in part upon the financial strength, insurance program, or corporate backing associated with NextEra, and Corby Energy Storage, LLC is subsequently sold to another company.

What happens to the financial protection relied upon by the Commission?

A parent-company guarantee from NextEra would be of little protection to the surrounding community if that guarantee automatically terminated upon sale of the project.

Similarly, an insurance requirement would provide inadequate long-term protection if a subsequent owner could reduce coverage after acquiring the facility.

For that reason, any financial-assurance requirement imposed by the Commission should attach to the project rather than merely to its present owner.

Before any transfer of ownership or control, the Commission should require the successor owner to demonstrate financial protection at least equivalent to that required of the original applicant.

The Commission should also determine whether any existing parent guarantee, bond, letter of credit, insurance requirement, environmental impairment policy, or other financial assurance remains effective following a change in ownership.

IV. A SIMPLE CONTINUING CONDITION COULD ADDRESS THIS PROBLEM

The Commission has an opportunity to address this issue before it becomes a problem.

Any Condition of Certification establishing financial responsibility should provide, in substance, that:

- required liability insurance and environmental coverage remain continuously in effect throughout the operating life of the facility;
- required bonds, letters of credit, guarantees, or other financial-assurance instruments cannot be cancelled or materially reduced without advance notice to and approval by the Commission;
- a sale, assignment, transfer, corporate reorganization, or change of control does not eliminate the project's financial-assurance obligations; and
- before approving a transfer, the Commission must determine that the successor owner has provided financial assurance at least equivalent to that required of the existing owner.

Such a requirement would not prohibit the project from ever being sold.

It would simply ensure that the surrounding community does not lose its financial protection when ownership changes.

V. REQUEST TO THE COMMISSION

I support Ms. Britton's request that the Commission address the financial-responsibility questions identified in her August 20 comments.

I respectfully ask the Commission to go two steps further.

First, please explain how the Staff Assessment addresses Solano County's December 2024 Comment 13 concerning the absence of adequate financial assurance for the consequences of a thermal-runaway or other catastrophic event.

Second, please ensure that whatever financial protections are ultimately required remain enforceable for the life of the project and cannot be diminished or extinguished through a sale, transfer, restructuring, or change in ownership.

These are particularly appropriate questions to resolve before certification because the Commission can establish the necessary protections now, while the project remains subject to its approval authority.

VI. CONCLUSION

Ms. Britton has raised important questions concerning who ultimately bears the financial consequences if a serious incident occurs at the Corby facility.

Solano County raised substantially the same concern in December 2024.

The Commission now has an opportunity to provide a clear answer.

If NextEra or another financially substantial parent company will stand behind Corby Energy Storage, LLC, that commitment should be documented and enforceable.

If financial protection instead depends upon insurance, bonding, letters of credit, or other financial-assurance instruments, the nature and amount of that protection should be disclosed.

And whatever protection is required should follow the project through any future sale or transfer, so that the financial security of neighboring property owners, local government, and taxpayers does not depend upon who happens to own Corby at a particular point in its operating life.

Respectfully submitted,

Michael Geller

Kilkenny Road

Solano County, California