

# Environmental Liability Assumption for Power Plant Closures

Real Estate & Environmental Liability Acquisition | Environmental Risk Transfers | Robust Indemnification

## Overview

Today's market conditions are forcing energy companies to retool for the future. Often times this leads to operational slowdowns and plant closures. As a result, energy companies end up holding blighted facilities, severely-impacted and highly-contaminated by decades of operations.

Unresolved environmental issues pose multiple threats to the corporate property holder: threats to corporate growth potential, threats to corporate image and public perception, threats to public health and safety, and others. An environmental liability assumption provides a "walk away" solution from these issues.

## Case Study: DTE Energy



In 2009, ELT acquired the real estate, assumed the environmental liabilities, and indemnified DTE Energy from environmental concerns (past, present, future) at this historic 511-MW coal-fired power plant in Marysville, MI.

The transfer of environmental risk was the catalyst needed to jumpstart the environmental clean-up and demolition - paving the way for a community-focused, mixed-use development.

## Benefits & Advantages

### Environmental Liability Assumption (with or without Real Estate)

All liabilities, known, unknown, contractual and legal are transferred to ELT affording maximum allowable release and insulation from future liability with complete indemnification of the Seller.

### Guaranteed Cost Certainty

ELT provides a fixed-cost solution for environmental obligations and uncertainties.

### Elimination of Compliance Issues

ELT assumes all liabilities regardless of whether regulations change, ensuring the risk never reverts back to the Seller.

### Financial and Economic Considerations

Liability transference allows the Seller to report to stakeholders a financially more stable and liability free balance sheet.

### Insurance Protection

Environmental and other types of insurance, including Pollution Liability policies, protect corporations and the company assuming the environmental liabilities from unknown conditions.

### Site Repurposed for Highest and Best Use

Following remediation, the site will be repurposed for its highest and best use, in line with any guidance set forth by the Seller. Brownfield remediation preserves the legacy and brand of the Seller when they cease operations, and provides ancillary benefits to the local community, such as job creation.

**Environmental Liability Transfer, Inc. (ELT)** is a comprehensive environmental liability acquisition company providing its clients complete and final environmental liability transference services. With robust financial backing and a unique blend of expertise – real estate, environmental, legal, and insurance – ELT has successfully assumed over \$1 billion USD in corporate environmental liability for its clients throughout North America.

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