Docket #0012 Date Filed: 1/26/2026

UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	Chapter 11
SHANNON WIND, LLC,	Case No. 26-90124 (ARP)
Debtor.[1]	(Emergency Hearing Requested)

EMERGENCY MOTION OF DEBTOR FOR ORDER (I) APPROVING DEBTOR'S PROPOSED FORM OF ADEQUATE ASSURANCE OF PAYMENT TO UTILITY COMPANIES; (II) ESTABLISHING PROCEDURES FOR RESOLVING OBJECTIONS BY UTILITY COMPANIES; (III) PROHIBITING UTILITY COMPANIES FROM ALTERING, REFUSING, OR DISCONTINUING SERVICE; AND (IV) GRANTING RELATED RELIEF

EMERGENCY RELIEF HAS BEEN REQUESTED. RELIEF IS REQUESTED NOT LATER THAN 3:00 P.M. (PREVAILING CENTRAL TIME) ON JANUARY 28, 2026.

IF YOU OBJECT TO THE RELIEF REQUESTED OR YOU BELIEVE THAT EMERGENCY CONSIDERATION IS NOT WARRANTED, YOU MUST APPEAR AT THE HEARING IF ONE IS SET, OR FILE A WRITTEN RESPONSE PRIOR TO THE DATE THAT RELIEF IS REQUESTED IN THE PRECEDING PARAGRAPH. OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.

A HEARING WILL BE CONDUCTED ON THIS MATTER ON JANUARY 28, 2026, AT 3:00 P.M. (PREVAILING CENTRAL TIME) IN COURTROOM 400, 4TH FLOOR, 515 RUSK STREET, HOUSTON, TEXAS 77002. PARTICIPATION AT THE HEARING WILL ONLY BE PERMITTED BY AN AUDIO AND VIDEO CONNECTION. AUDIO COMMUNICATION WILL BE BY USE OF THE COURT'S DIAL-IN FACILITY. YOU MAY ACCESS THE FACILITY AT (832) 917-1510. ONCE CONNECTED, YOU WILL BE ASKED TO ENTER THE CONFERENCE ROOM NUMBER. JUDGE PÉREZ'S CONFERENCE ROOM NUMBER IS 282694. VIDEO COMMUNICATION WILL BE BY USE OF THE GOTOMEETING PLATFORM. CONNECT VIA THE FREE GOTOMEETING APPLICATION OR CLICK THE LINK ON JUDGE PÉREZ'S HOMEPAGE. CLICK THE SETTINGS ICON IN THE UPPER RIGHT CORNER AND ENTER YOUR NAME UNDER THE PERSONAL INFORMATION SETTING.

HEARING APPEARANCES MUST BE MADE ELECTRONICALLY IN ADVANCE OF BOTH ELECTRONIC AND IN-PERSON HEARINGS. TO MAKE YOUR APPEARANCE,

[1] The last four digits of the Debtor's federal tax identification number are 3562. For the purpose of this chapter 11 case, the Debtor's address is 1920 McKinney Ave, Suite 950, Dallas, TX, 75201. Additional information regarding the Debtor's case can be found on the website of the Debtor's proposed claims and noticing agent at https://www.veritaglobal.net/shannon.

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CLICK THE "ELECTRONIC APPEARANCE" LINK ON JUDGE PÉREZ'S HOMEPAGE. SELECT THE CASE NAME, COMPLETE THE REQUIRED FIELDS AND CLICK "SUBMIT" TO COMPLETE YOUR APPEARANCE.

Shannon Wind, LLC, as debtor and debtor in possession in the above-captioned chapter 11 case (the "**Debtor**")[2], respectfully represents as follows:

RELIEF REQUESTED

1. By this motion (the "**Motion**"), pursuant to sections 366 and 105(a) of title 11 of the United States Code (the "**Bankruptcy Code**") and Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), the Debtor requests entry of an order (i) approving the Debtor's proposed form of adequate assurance of payment to the Utility Companies (as defined herein), (ii) establishing procedures for resolving objections by the Utility Companies relating to the adequacy of the proposed adequate assurance, (iii) prohibiting the Utility Companies from altering, refusing, or discontinuing service to, or discriminating against, the Debtor on account of the commencement of this chapter 11 case or outstanding prepetition invoices, and (iv) granting related relief.

2. A proposed form of order granting the relief requested herein is annexed hereto as **Exhibit A** (the "**Proposed Order**").

BACKGROUND

3. On January 25, 2026, (the "**Petition Date**") Shannon Wind, LLC, the debtor in the above captioned chapter 11 case, filed with the Court a voluntary petition under chapter 11 of the Bankruptcy Code. The Debtor is authorized to continue to operate its business and manage its property as debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

[2] The last four digits of the Debtor's federal tax identification number are 3562. For the purpose of this chapter 11 case, the Debtor's address is 1920 McKinney Ave, Suite 950, Dallas, TX, 75201.

No trustee, examiner, or statutory committee has been appointed in this chapter 11 case.

4. Additional information regarding the Debtor's business and capital structure and the circumstances leading to the commencement of this chapter 11 case is set forth in the *Declaration of John Shepherd in Support of Debtor's Chapter 11 Petition and First Day Relief* (the "**First Day Declaration**"),[3] filed contemporaneously herewith and incorporated herein by reference.

JURISDICTION AND VENUE

5. The Court has jurisdiction and authority to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

DEBTOR'S UTILITIES

6. The Debtor owns a 204.1 MW wind farm in Clay County, Texas (the "**Project**") comprised of 119 wind turbines.

7. In the ordinary course of business, the Debtor incurs utility expenses, including on account of electricity, waste management services, telecommunications, and water (collectively, the "**Utility Services**") from several utility companies (collectively, the "**Utility Companies**"). A nonexclusive list of the Utility Companies that provide Utility Services to the Debtor as of the Petition Date is annexed as **Exhibit 1** to the Proposed Order (the "**Utility Services List**").[4]

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[3] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the First Day Declaration.

[4] Although **Exhibit 1** to the Proposed Order is intended to be comprehensive, the Debtor may have inadvertently omitted one or more Utility Companies. By this Motion, the Debtor request relief applicable to all Utility Companies, regardless of whether such Utility Company is specifically identified on **Exhibit 1**. Additionally, the inclusion of any entity on, or the omission of any entity from, the Utility Services List is not an admission by the Debtor that such entity is, or is not, a utility within the meaning of section 366 of the Bankruptcy Code, and the Debtor reserve all rights with respect to any such determination. Further, the descriptions of the Utility Services set forth in this Motion constitute a summary only. The actual terms of the Utility Services and related agreements will govern in the event of any inconsistency with the description thereof set forth herein.

8. The Utility Companies provide Utility Services to the Debtor's business operation located at 4130 Cobb Rd, Henrietta, TX 76365. The Debtor relies on the Utility Companies to provide necessary support to the operation of the Project. Preserving the Utility Services on an uninterrupted basis is essential to the Debtor's ongoing operations, and even a brief alteration or discontinuation of service would likely cause severe disruption to the Debtor's business. Based on a monthly average for the twelve (12) months prior to the Petition Date, the Debtor estimates that its cost of Utility Services for the next thirty (30) days will be approximately $12,600.

A. Proposed Adequate Assurance

9. The Debtor intends to pay all postpetition obligations owed to the Utility Companies in a timely manner and anticipate having sufficient funds to do so.[5] To provide the Utility Companies with adequate assurance pursuant to section 366 of the Bankruptcy Code, the Debtor proposes to deposit cash in an amount equal to approximately two weeks' cost of the Utility Services (less any amounts guaranteed pursuant to a letter of credit issued in favor of, or deposit held by, any such Utility Company that have not been applied to outstanding prepetition amounts), calculated using the historical average for such payments during the 12 months prior to the Petition Date (the "**Adequate Assurance Deposit**") into a segregated account held by the Debtor for the benefit of the Utility Companies (the "**Utility Deposit Account**"). As of the Petition Date, the Debtor estimates that the total amount of the Adequate Assurance Deposit will be $4,725.00.[6]

[5] For the avoidance of confusion, and as more particularly discussed in the First Day Declaration, the Debtor pays for Utility Services indirectly through Consolidated Asset Management Services ("**CAMS**"), a vendor contracted by the Debtor to that manage the day-to-day administration and operations of the Project.

[6] As noted on the Utilities Service List, JAC Electric Cooperative holds a deposit in excess of the amount equal to approximately two weeks' cost of the Utility Services it provides, and the Debtor does not propose to provide JAC Electric Cooperative any additional security as the existing deposit already provides adequate assurance for future services.

10. The Adequate Assurance Deposit will be placed into the Utility Deposit Account within twenty (20) days after the Petition Date and will be held by the Debtor in the Utility Deposit Account for the benefit of the Utility Companies on the Utility Services List until either (i) the Debtor's termination of Utility Services provided by a Utility Company, at the earliest, if there are no outstanding disputes related to postpetition payments due, or (ii) at the conclusion of the chapter 11 case, if not applied earlier. The Adequate Assurance Deposit may be adjusted if the Debtor terminates any of the Utility Services provided by a Utility Company, makes other arrangements with certain Utility Companies for adequate assurance of payment, determines that an entity listed on the Utility Services List is not a utility company as defined by section 366 of the Bankruptcy Code, or supplements the Utility Services List to include additional Utility Companies.

11. The Debtor submits that the Adequate Assurance Deposit, in conjunction with the Debtor's ability to pay for future Utility Services in the ordinary course of business (together, the "**Proposed Adequate Assurance**"), constitutes sufficient adequate assurance to the Utility Companies in full satisfaction of section 366 of the Bankruptcy Code.

B. Proposed Adequate Assurance Procedure

12. Any Utility Company that is not satisfied with the Proposed Adequate Assurance may request additional or different adequate assurance of future payment pursuant to the procedures set forth below (the "**Adequate Assurance Procedures**"):

a. Within three business days after entry of the Proposed Order (upon entry of the Proposed Order, the "**Utility Order**"), the Debtor will e-mail, serve by mail, or otherwise expeditiously send a copy of the Motion and the Proposed Order to the Utility Companies on the Utility Services List.

b. The Debtor will deposit the Adequate Assurance Deposit in the Utility Deposit Account within 20 days after entry of the Utility Order; *provided, however*, that to the extent any Utility Company receives, or is holding, any other value from the Debtor as adequate assurance of payment (such as deposits held by or letter(s) of credit issued in favor of a Utility Company), the Debtor may reduce the Adequate Assurance Deposit maintained in the Utility Deposit Account on account of such

Utility Company by the amount of such other value without further order of the Court.

c. The funds in the Utility Deposit Account will constitute adequate assurance for each Utility Company in the amount set forth for such Utility Company in the column labeled "Adequate Assurance Deposit" on the Utility Services List.

d. If an amount relating to Utility Services provided postpetition by a Utility Company is not paid when due, and remains unpaid beyond any applicable grace period, such Utility Company may request a disbursement from the Utility Deposit Account by giving notice to: (i) proposed counsel for the Debtor, Bradley Arant Boult Cummings LLP, 600 Travis, Suite 5600 Houston, Texas 77002(Attn: Jarrod B. Martin, Esq. (jbmartin@bradley.com), James B. Bailey, Esq. (jbailey@bradley.com); and Michael K. Riordan, Esq. (mriordan@bradley.com), (ii) counsel for the United States Trustee for the Southern District of Texas, 515 Rusk Street, Suite 3516, Houston, TX 77002, (iii) counsel for Citigroup Energy Inc. and Citibank, N.A., Attn: Jennifer Hardy (JHardy2@willkie.com) and (iv) counsel for any official committee of unsecured creditors appointed in this chapter 11 case (collectively, the "**Utility Notice Parties**"). The Debtor will honor such request within five business days after the date the request is received by the Debtor, subject to the ability of the Debtor and any such requesting Utility Company to resolve any dispute regarding such request without further order of the Court. To the extent a Utility Company receives a disbursement from the Utility Deposit Account, the Debtor will replenish the Utility Deposit Account in the amount so disbursed.

e. The portion of the Adequate Assurance Deposit attributable to each Utility Company will be returned to the Debtor automatically, without further order of the Court, on the earlier of (i) reconciliation and payment by the Debtor of the Utility Company's final invoice in accordance with applicable nonbankruptcy law following the Debtor's termination of Utility Services from such Utility Company, (ii) the effective date of any chapter 11 plan confirmed in this chapter 11 case, or (iii) such time as this chapter 11 case may be closed.

f. Any Utility Company desiring additional assurances of payment in the form of deposits, prepayments, or otherwise must serve a request for additional assurance (an "**Additional Assurance Request**") on the Utility Notice Parties.

g. The Additional Assurance Request must: (i) be made in writing, (ii) set forth the location(s) for which Utility Services are provided, the account number(s) for such location(s), and the outstanding balance for each such account, (iii) summarize the Debtor's payment history relevant to the affected account(s), including any security deposits, and (iv) explain why the Utility Company believes the Proposed Adequate Assurance is not sufficient adequate assurance of future payment.

h. Any Additional Assurance Request must be made and actually received by the Utility Notice Parties by no later than twenty (20) days after entry of the Utilities

Order. If a Utility Company fails to file and serve a timely Additional Assurance Request, it will be (i) deemed to have received adequate assurance of payment "satisfactory" to such Utility Company in compliance with section 366 of the Bankruptcy Code and (ii) forbidden to discontinue, alter, or refuse service to, or discriminate against, the Debtor on account of the commencement of this chapter 11 case or any unpaid prepetition charges or require additional assurance of payment other than the Proposed Adequate Assurance.

i. The Debtor may, without further order from the Court, resolve an Additional Assurance Request by mutual agreement with a Utility Company, and the Debtor may, in connection with any such agreement, provide a Utility Company with additional adequate assurance of payment including cash deposits, prepayments, or other forms of security if the Debtor believe that such adequate assurance is reasonable.

j. If the Debtor and the Utility Company are not able to reach a resolution within 14 days of receipt of the Additional Assurance Request, the Debtor will request a hearing before the Court to determine the adequacy of assurances of payment with respect to a particular Utility Company (the "**Determination Hearing**") pursuant to section 366(c)(3) of the Bankruptcy Code.

k. Pending resolution of the Determination Hearing, the Utility Company filing such Additional Assurance Request will be prohibited from altering, refusing, or discontinuing Utility Services to the Debtor on account of unpaid charges for prepetition services or on account of any objections to the Proposed Adequate Assurance.

C. Subsequent Modifications to the Utility Service List.

13. Although the Debtor has made an extensive and good faith effort to identify all the Utility Companies that provide Utility Services as set forth on the Utility Services List, certain Utility Companies may not be listed therein. To the extent the Debtor identifies additional Utility Companies, the Debtor will promptly file amendments to the Utility Services List and serve copies of the Utilities Order on any newly identified Utility Companies in time for a final hearing on this matter, should one be required, set in accordance with paragraph 4(f) of the Procedures for Complex Cases in the Southern District of Texas. In addition, the Debtor will increase the amount of the Adequate Assurance Deposit to account for any newly identified Utility Companies.

14. The Debtor requests that the Utilities Order bind all Utility Companies, regardless of when the Utility Companies are added to the Utility Services List.

BASIS FOR RELIEF REQUESTED

15. Section 1107(a) of the Bankruptcy Code "contains an implied duty of the debtor-in possession to 'protect and preserve the estate, including an operating business' going-concern value.'" *In re CEI Roofing, Inc.*, 315 B.R. 50, 59 (Bankr. N.D. Tex. 2004) (quoting *In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002)).

16. The relief requested in this Motion will ensure the continuation of the Utility Services as the Debtor transitions into chapter 11. The relief requested also provides the Utility Companies with a fair and orderly procedure for determining requests for additional adequate assurance, without which the Debtor could be forced to address multiple requests by Utility Companies in a disorganized manner when the Debtor's efforts should be more productively focused on continuing to operate and restructure its business for the benefit of all parties in interest.

I. Proposed Adequate Assurance is Sufficient

17. Section 366 of the Bankruptcy Code is designed to serve the dual purposes of protecting a debtor from being cut off from utility services and providing utility companies with "adequate assurance" that the debtor will be able to pay for postpetition services. *See* H.R. Rep. No. 95-595, at 350 (1978), reprinted in 1978 U.S.C.C.A.N 5963, 6306. To that end, pursuant to section 366(c) of the Bankruptcy Code, during the first thirty (30) days of a chapter 11 case, a utility company may not alter, refuse, or discontinue service to, or discriminate against, a debtor solely on the basis of the commencement of a chapter 11 case or unpaid prepetition amounts, but after the first thirty (30) days, however, a utility company may alter, refuse, or discontinue service

if a debtor does not provide adequate assurance of payment for postpetition utility services in satisfactory form.

18. Section 366(c)(1)(A) of the Bankruptcy Code defines "assurance of payment" to mean several enumerated forms of security (e.g., a cash deposit, letter of credit, certificate of deposit, surety bond, prepayment of utility consumption, or other mutually agreed upon security), while section 366(c)(1)(B) expressly excludes from such definition an administrative expense priority for a utility's claim. In addition, section 366(c)(3)(B) of the Bankruptcy Code provides a list of factors that courts are not to consider when evaluating whether a proposed adequate assurance payment is in fact adequate. These factors include (i) the absence of security before the Petition Date, (ii) the debtor's history of timely payments, and (iii) the availability of an administrative expense priority.

19. Although section 366(c) of the Bankruptcy Code clarifies what does and does not constitute "assurance of payment" and what can be considered in determining whether such assurance is adequate, Congress, in enacting such section, did not divest the Court of its power to determine what amount, if any, is necessary to provide adequate assurance of payment to a Utility Company. *See* 11 U.S.C. § 366(c). Specifically, section 366(c)(3)(A) states that "[o]n request of a party in interest and after notice and a hearing, the court may order modification of the amount of an assurance of payment." 11 U.S.C. § 366(c)(3)(A). Thus, nothing prevents a court from deciding, on the facts of the case before it, that the amount required of a debtor to provide adequate assurance of payment to a utility company should be nominal or even zero. *See*, *e.g., In re SQLC Senior Living Ctr. At Corpus Christi, Inc.*, No. 19-20063 (DRJ) (Bankr. S.D. Tex. Feb. 12, 2019) (Docket No. 40); *In re Pac-West Telecomm, Inc*., No. 07-10562 (BLS) (Bankr. D. Del. May 2, 2007) (Docket No. 39) (approving adequate assurance in the form of one-time supplemental prepayment

to each utility company equal to the prorated amount of one week's charges). This principle may be applicable in cases where a debtor has made prepetition deposits or prepayments for services that the utility providers ultimately will render postpetition. *See* 11 U.S.C. § 366(c)(1)(A)(v) (recognizing a prepayment for postpetition services as adequate assurance).

20. While section 366(c)(2) of the Bankruptcy Code allows a utility to take action if the debtor fails to provide adequate assurance of payment that is "satisfactory" to the utility, the bankruptcy court is the ultimate arbiter of what is "satisfactory" assurance after taking into consideration the relationship between the debtor and the utility. *See, e.g.*, *In re Penn. Cent. Transp. Co.*, 467 F.2d 100, 103–04 (3d Cir. 1972) (affirming the bankruptcy court's decision that no utility deposit was necessary where such deposits would "jeopardize the continuing operation of the [debtor] merely to give further security to suppliers who already [were] reasonably protected"); *see, e.g.*, *In re Heard*, 84 B.R. 454, 459 (Bankr. W.D. Tex. 1987) (holding that since the utility had not had any difficulty with the debtors during 14 years of service, "the utility need[ed] no adequate assurance"). Section 366 of the Bankruptcy Code only requires that assurance of payment be "adequate," and courts have long recognized that adequate assurance of payment does not constitute an absolute guarantee of the debtor's ability to pay. *See, e.g.*, *In re Caldor, Inc.—N.Y.*, 199 B.R. 1, 3 (S.D.N.Y. 1996) ("Section 366(b) requires . . . the Bankruptcy Court to determine whether the circumstances are sufficient to provide a utility with 'adequate assurance' of payment. The statute does not require an 'absolute guarantee of payment.'" (citation omitted)), aff'd sub nom. *Va. Elec. & Power Co. v. Caldor, Inc.—N.Y.*, 117 F.3d 646 (2d Cir. 1997). Indeed, "[c]ourts will approve an amount that is adequate enough to insure against unreasonable risk of nonpayment, but are not required to give the equivalent of a guaranty of

payment in full." *In re Great Atl. & Pac. Tea Co.*, No. 11-CV-1338 (CS), 2011 WL 5546954, at *5 (S.D.N.Y. Nov. 14, 2011) (citations omitted).

21. Here, the Utility Companies are adequately assured against any risk of nonpayment for future services. The Adequate Assurance Deposit and the Debtor's ability to meet obligations as they come due in the ordinary course provide assurance of the Debtor's payment of future obligations to the Utility Companies. Accordingly, the Adequate Assurance Deposit and the Debtor's ongoing ability to meet obligations as they come due provide assurance of the Debtor's payment of its future obligations to the Utility Companies.

II. Adequate Assurance Procedures Are Reasonable and Appropriate

22. If a Utility Company does not believe the Proposed Adequate Assurance is "satisfactory," such Utility Company may file an objection or an Adequate Assurance Request pursuant to the Adequate Assurance Procedures described above. The proposed Adequate Assurance Procedures are reasonable because they will ensure that the Utility Services continue while providing a streamlined process for Utility Companies to challenge the adequacy of the Proposed Adequate Assurance or seek an alternative form of adequate assurance. The Court has the power to approve these Adequate Assurance Procedures pursuant to section 105(a) of the Bankruptcy Code, which provides that a bankruptcy court "may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions" of the Bankruptcy Code. 11 U.S.C. § 105(a). The Adequate Assurance Procedures are necessary and appropriate to carry out the provisions of the Bankruptcy Code, particularly section 366 of the Bankruptcy Code.

23. For the foregoing reasons, the Proposed Adequate Assurance and the Adequate Assurance Procedures are necessary, appropriate, and in the best interests of the Debtor, its estate,

and all other parties in interest in this chapter 11 case. Accordingly, the Court should authorize the relief requested herein.

EMERGENCY CONSIDERATION

24. Pursuant to Rule 9013-1 of the Bankruptcy Local Rules for the United States Bankruptcy Court for the Southern District of Texas (the "**Bankruptcy Local Rule**"), the Debtor respectfully requests emergency consideration of this Motion under Bankruptcy Rule 6003. Bankruptcy Rule 6003(a) provides that, to the extent relief is needed to avoid immediate and irreparable harm, a bankruptcy court may issue an order granting a motion to "use, sell, or lease property of the estate, including a motion to pay all or a part of a claim that arose before the petition was filed" or a motion to "incur any other obligation regarding the property of the estate" prior to twenty-one (21) days after the Petition Date. Fed. R. Bankr. P. 6003(a). As explained above and in the First Day Declaration, the Debtor would suffer immediate and irreparable harm if the relief sought herein is not promptly granted. Accordingly, the Debtor submits that the relief requested herein is needed to avoid immediate and irreparable harm, and, therefore, Bankruptcy Rule 6003 is satisfied.

REQUEST FOR BANKRUPTCY RULE 6004 WAIVERS

25. The Debtor requests a waiver of any applicable notice requirements under Bankruptcy Rule 6004(a) and any stay of the order granting the relief requested herein pursuant to Bankruptcy Rule 6004(h). As explained above and in the First Day Declarations, the relief requested herein is necessary to avoid immediate and irreparable harm to the Debtor's ongoing operations and value-maximization process. Accordingly, ample cause exists to justify the waiver of the notice requirements under Bankruptcy Rule 6004(a) and the 14-day stay imposed by Bankruptcy Rule 6004(h), to the extent such notice requirements and such stay apply.

RESERVATION OF RIGHTS

26. Nothing contained herein or any action taken pursuant to relief requested is intended to be or shall be construed as (a) an admission as to the validity of any claim against the Debtor; (b) a waiver of the Debtor's or any party in interest's rights to dispute the amount of, basis for, or validity of any claim or interest under applicable law or nonbankruptcy law; (c) a promise or requirement to pay any claim; (d) other than as provided in the Adequate Assurance Procedures with respect to the Utility Companies' rights under section 366 of the Bankruptcy Code, a waiver of the Debtor's or any other party in interest's rights under the Bankruptcy Code, or any other applicable law; (e) a request for or granting of approval for assumption of any agreement, contract, program, policy, or lease under section 365 of the Bankruptcy Code; or (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtor's estates. Likewise, if the Court grants the relief sought herein, any payment made pursuant to the Adequate Assurance Procedures shall not result in any allowed claim against the Debtor or its estate or a waiver of the Debtor's or any party in interest's rights to subsequently dispute such claim.

NOTICE

27. Notice of this Motion has been or will be provided to: (a) counsel for the U.S. Trustee; (b) counsel for the United States District Attorney's Office for the Southern District of Texas; (c) those creditors holding the twenty largest unsecured claims against the Debtor's estate; (d) Claimant Firms[7]; (e) counsel to Citigroup Energy Inc. and Citibank, N.A., Attn: Jennifer Hardy (JHardy2@willkie.com); (f) Lotus Infrastructure Partners; (g) Berkshire Hathaway Energy; and

[7] As defined in the *Debtor's Emergency Motion for an Order (I) Approving Notice Procedures for Litigation Claimants; and (II) Approving Form and Notice of Commencement of this Case* filed contemporaneously with this motion.

(h) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtor submits that, in light of the nature of the relief requested, no other or further notice need be given.

NO PREVIOUS REQUEST

28. No previous request for the relief sought herein has been made by the Debtor to this or any other court.

WHEREFORE the Debtor respectfully requests entry of the Proposed Order granting the relief requested herein and such other and further relief as the Court may deem just and appropriate.

Dated: January 26, 2026
Houston, Texas

Respectfully submitted,

/s/ Jarrod B. Martin

BRADLEY ARANT BOULT CUMMINGS LLP
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-and-

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Proposed Counsel for Debtor and Debtor in Possession

CERTIFICATE OF ACCURACY

In accordance with Local Rule 9013-1(i), I hereby certify that the foregoing statements regarding the nature of the emergency with respect to the Debtor are true and accurate to the best of my knowledge.

/s/ *Jarrod B. Martin*
Jarrod B. Martin

CERTIFICATE OF SERVICE

I certify that on the date hereof, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ *Jarrod B. Martin*
Jarrod B. Martin

UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	Chapter 11
SHANNON WIND, LLC,	Case No. 26-90124 (ARP)
Debtor.[1]	

ORDER (I) APPROVING DEBTOR'S PROPOSED FORM OF ADEQUATE ASSURANCE OF PAYMENT TO UTILITY COMPANIES; (II) ESTABLISHING PROCEDURES FOR RESOLVING OBJECTIONS BY UTILITY COMPANIES; (III) PROHIBITING UTILITY COMPANIES FROM ALTERING, REFUSING, OR DISCONTINUING SERVICE; AND (IV) GRANTING RELATED RELIEF

Upon the motion, dated January 26, 2026 (the "**Motion**"),[2] of Shannon Wind, LLC, as debtor and debtor in possession in the above-captioned chapter 11 case (the "**Debtor**"), for entry of an order, pursuant to sections 366 and 105(a) of the Bankruptcy Code and Bankruptcy Rules 6003 and 6004, (i) approving the Debtor's proposed form of adequate assurance of payment to the Utility Companies, (ii) establishing procedures for resolving objections by the Utility Companies relating to the adequacy of the proposed adequate assurance, (iii) prohibiting the Utility Companies from altering, refusing, or discontinuing service to, or discriminating against, the Debtor on account of the commencement of this chapter 11 case or outstanding prepetition invoices, and (iv) granting related relief, all as more fully set forth in the Motion; and this Court having jurisdiction and authority to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157(a)–(b) and 1334(b); and consideration of the Motion and the requested relief being a core

[1] The last four digits of the Debtor's federal tax identification number are 3562. For the purpose of this chapter 11 case, the Debtor's address is 1920 McKinney Ave, Suite 950, Dallas, TX, 75201. Additional information regarding the Debtor's case can be found on the website of the Debtor's proposed claims and noticing agent at https://www.veritaglobal.net/shannon.

[2] Unless otherwise defined herein, all capitalized terms shall have the meanings provided in the Motion.

proceeding pursuant to 28 U.S.C. § 157(b); and it appearing that venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided; and such notice having been adequate and appropriate under the circumstances, and it appearing that no other or further notice need be provided; and this Court having reviewed the Motion; and upon consideration of the First Day Declaration; and upon any hearing held on the Motion; and all objections, if any, to the Motion having been withdrawn, resolved, or overruled; and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtor and its estate as contemplated by Bankruptcy Rule 6003 and is in the best interests of the Debtor and its respective estate and creditors; and upon all of the proceedings had before this Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT

1. The Proposed Adequate Assurance and Adequate Assurance Deposit shall constitute adequate assurance of future payment as required by section 366 of the Bankruptcy Code.

2. The Debtor shall deposit the Adequate Assurance Deposit in the amount of $4,725.00 in a segregated account held by the Debtor for the benefit of the Utility Companies within 20 days after the entry of this Order. The Debtor is authorized to cause the Adequate Assurance Deposit to be held in the Utility Deposit Account until either (i) the Debtor's termination of Utility Services provided by a Utility Company, at the earliest, if there are no outstanding disputes related to postpetition payments due, or (ii) at the conclusion of the chapter 11 case, if not applied earlier; provided that, the Debtor is not authorized to pay (directly or

indirectly) any prepetition amount owed to the Utilities Companies unless otherwise ordered by the Court.

3. All Utility Companies, whether they have historically been paid directly by the Debtor for Utility Services or indirectly for the benefit of the Debtor through one of the Debtor's contractors, are prohibited from altering, refusing, or discontinuing Utility Services, or otherwise discriminating against the Debtor, on account of any unpaid prepetition charges or any perceived inadequacy of the Debtor's Proposed Adequate Assurance.

4. The following Adequate Assurance Procedures are hereby approved, as follows:

(a) Except as provided by the Adequate Assurance Procedures, the Utility Companies are forbidden to discontinue, alter, or refuse service on account of any unpaid prepetition charges, or require additional adequate assurance of payment.

(b) Within three business days after entry of this Order the Debtor shall e-mail, serve by mail, or otherwise expeditiously send a copy of the Motion and this Order to the Utility Companies on the Utility Services List.

(c) The Debtor shall deposit the Adequate Assurance Deposit in the Utility Deposit Account within 20 days after entry of this Order; *provided, however*, that to the extent any Utility Company receives, or is holding, any other value from the Debtor as adequate assurance of payment (such as deposits held by or letter(s) of credit issued in favor of a Utility Company), the Debtor may reduce the Adequate Assurance Deposit maintained in the Utility Deposit Account on account of such Utility Company by the amount of such other value without further order of the Court.

(d) The funds in the Utility Deposit Account shall constitute adequate assurance for each Utility Company in the amount set forth for such Utility Company in the column labeled "Adequate Assurance Deposit" on the Utility Services List.

(e) If an amount relating to Utility Services provided postpetition by a Utility Company is not paid when due, and remains unpaid beyond any applicable grace period, such Utility Company may request a disbursement from the Utility Deposit Account by giving notice to: (i) proposed counsel for the Debtor, Bradley Arant Boult Cummings LLP, 600 Travis, Suite 5600 Houston, Texas 77002 (Attn: Jarrod B. Martin, Esq. (jbmartin@bradley.com), Michael K. Riordan, Esq. (mriordan@bradley.com), and James B. Bailey, Esq. (jbailey@bradley.com)), (ii) the United States Trustee for the Southern District of Texas, (iii) counsel for Citigroup Energy Inc. and Citibank, N.A. and (iv) counsel for any official

committee of unsecured creditors appointed in these chapter 11 case (collectively, the "**Utility Notice Parties**"). The Debtor shall honor such request within five business days after the date the request is received by the Debtor, subject to the ability of the Debtor and any such requesting Utility Company to resolve any dispute regarding such request without further order of the Court. To the extent a Utility Company receives a disbursement from the Utility Deposit Account, the Debtor will replenish the Utility Deposit Account in the amount so disbursed.

(a) The portion of the Adequate Assurance Deposit attributable to each Utility Company shall be returned to the Debtor automatically, without further order of the Court, on the earlier of (i) reconciliation and payment by the Debtor of the Utility Company's final invoice in accordance with applicable nonbankruptcy law following the Debtor's termination of Utility Services from such Utility Company, (ii) the effective date of any chapter 11 plan confirmed in this chapter 11 case, or (iii) such time as this chapter 11 case may be closed.

(b) Any Utility Company desiring additional assurances of payment in the form of deposits, prepayments, or otherwise must serve a request for additional assurance (an "**Additional Assurance Request**") on the Utility Notice Parties.

(c) The Additional Assurance Request must: (i) be made in writing, (ii) set forth the location(s) for which Utility Services are provided, the account number(s) for such location(s), and the outstanding balance for each such account, (iii) summarize the Debtor's payment history relevant to the affected account(s), including any security deposits, and (iv) explain why the Utility Company believes the Proposed Adequate Assurance is not sufficient adequate assurance of future payment.

(d) Any Additional Assurance Request must be made and actually received by the Utility Notice Parties by no later than 20 days after entry of the Utilities Order. If a Utility Company fails to file and serve a timely Additional Assurance Request, it shall be (i) deemed to have received adequate assurance of payment "satisfactory" to such Utility Company in compliance with section 366 of the Bankruptcy Code and (ii) forbidden to discontinue, alter, or refuse service to, or discriminate against, the Debtor on account of the commencement of this chapter 11 case or any unpaid prepetition charges or require additional assurance of payment other than the Proposed Adequate Assurance.

(e) The Debtor may, without further order from the Court, resolve an Additional Assurance Request by mutual agreement with a Utility Company, and the Debtor may, in connection with any such agreement, provide a Utility Company with additional adequate assurance of payment including cash deposits, prepayments, or other forms of security if the Debtor believe that such adequate assurance is reasonable.

(f) If the Debtor and the Utility Company are not able to reach a resolution within 14 days of receipt of the Additional Assurance Request, the Debtor shall request a

hearing before the Court to determine the adequacy of assurances of payment with respect to a particular Utility Company (the "**Determination Hearing**") pursuant to section 366(c)(3) of the Bankruptcy Code.

(g) Pending resolution of the Determination Hearing, the Utility Company filing such Additional Assurance Request will be prohibited from altering, refusing, or discontinuing Utility Services to the Debtor on account of unpaid charges for prepetition services or on account of any objections to the Proposed Adequate Assurance.

5. Notwithstanding anything in this Order, upon a timely objection filed and served on the Utility Notice Parties by any Utility Company, this Court shall conduct a hearing on , 2026, at (Prevailing Central Time) (the "**Final Hearing**") to resolve any dispute between the Debtor and such Utility Company regarding the Adequate Assurance Procedures. If no such motion or objection is filed by , 2026, at 4:00 p.m. (Prevailing Central Time) (the "**Objection Deadline**"), the Final Hearing shall be canceled.

6. Absent compliance with the procedures set forth in the Motion and this Order, the Utility Companies, including those listed on **Exhibit 1** to the Order, are prohibited from altering, refusing, or discontinuing Utility Services, or otherwise discriminating against the Debtor, on account of any unpaid prepetition charges or any perceived inadequacy of the Debtor's Proposed Adequate Assurance. The Utility Companies are prohibited from requiring additional adequate assurance of payment other than pursuant to the Adequate Assurance Procedures set forth herein.

7. The inclusion of any entity in, as well as any omission of any entity from, the Utility Services List shall not be deemed an admission by the Debtor that such entity is, or is not, a utility within the meaning of section 366 of the Bankruptcy Code, and the Debtor reserves all rights and defenses with respect thereto.

8. The Debtor is authorized to amend the Utility Services List attached to the Order as **Exhibit 1**, to add or delete any Utility Companies, with such amendment to be filed with this

Court and timely served on the affected Utility Company (the "**Subsequently Identified Utility Company**") as provided in paragraph 10 of this Order to allow sufficient time for parties to object.

9. The Debtor shall serve a copy of this Order upon any Subsequently Identified Utility Company added to the Utility Services List within three business days. Upon such amendment, any Subsequently Identified Utility Company that is added to the Utility Services List has the right to object to such inclusion within 14 days after it receives notice of the Motion and this Order. If no objection is timely received, the provisions of this Order shall apply to the Subsequently Identified Utility Company. Should any objection properly be made, such Subsequently Identified Utility Company shall be permitted to make an Additional Assurance Request in accordance with the Adequate Assurance Procedures set forth herein.

10. The Debtor shall increase the amount of the Adequate Assurance Deposit if an additional Utility Company is added to the Utility Services List by an amount equal to two weeks of the Utility Services provided by such Subsequently Identified Utility Company, calculated, where practicable, using the historical average for such payments during the 12 months prior to the Petition Date.

11. The Debtor may terminate the services of any Utility Company and reduce the Adequate Assurance Deposit by the amount held on account of such terminated Utility Company upon reconciliation and payment by the Debtor of the Utility Company's final invoice in accordance with applicable non-bankruptcy law following the Debtor's termination of Utility Services provided by such Utility Company; *provided* that there are no outstanding disputes related to postpetition payments due; *provided, further*, that the Debtor shall, to the extent reasonably practicable, provide at least seven days' notice to any Utility Company prior to removal and shall only reduce the Adequate Assurance Deposit absent a response from any such Utility Company.

12. The Debtor is authorized, but not directed, to adjust the Adequate Assurance Deposit if the Debtor determines that a service provider listed on the Utility Services List is not a "utility" as that term is used in section 366 of the Bankruptcy Code or if the Debtor makes other arrangements with certain Utility Companies for adequate assurance of payment. Notwithstanding the foregoing, the Debtor shall provide 14 days' notice to the Utility Company that it is being removed from the Utility Services List and that the corresponding amount in the Adequate Assurance Deposit will be deducted from the Adequate Assurance Account. If an objection is received, the Debtor may request a hearing before this Court regarding such objection. The Debtor shall not deduct the Adequate Assurance Deposit in the amount set aside for any Utility Company that the Debtor seeks to terminate or delete from the Utility Services List unless and until the 14-day notice period has expired.

13. The relief granted herein is for all Utility Companies providing Utility Services to the Debtor and is not limited to those parties or entities listed on the Utility Services List.

14. Nothing in the Motion or this Order or any payment made pursuant to the authority granted by this Order is intended to be or shall be construed as (i) an admission as to the validity of any claim against the Debtor or any liens satisfied pursuant to this Order, (ii) an agreement or obligation to pay any claims, (iii) a waiver of any claims or causes of action that may exist against any creditor or interest holder, (iv) a waiver of the Debtor's or any appropriate party in interest's rights to dispute any claim, (v) a waiver or limitation of the Debtor's or any other party in interest's rights under the Bankruptcy Code or any other applicable nonbankruptcy law, (vi) a waiver of the obligation of any party in interest to file a proof of claim, or (vii) an approval, assumption, or rejection of any unexpired lease or executory contract under section 365 of the Bankruptcy Code.

15. Notwithstanding anything to the contrary contained in the Motion or this Order,

any payment made or to be made pursuant to the authority granted herein, and any authorization contained herein, shall be subject to and in accordance with any interim and final orders, as applicable, entered by the Court approving the Debtor's use of cash collateral (such orders, the "**Cash Collateral Orders**") and any budget in connection with any use of cash collateral (subject to any permitted variances). To the extent there is any inconsistency between the terms of the Cash Collateral Orders and any action taken or proposed to be taken under this Order, the terms of the Cash Collateral Orders shall control. Nothing in the Motion or this Order shall constitute a waiver or substitution of any consent right required under the Cash Collateral Orders.

16. The requirements of Bankruptcy Rule 6003(a) have been satisfied.

17. Notice of the Motion is adequate under Bankruptcy Rule 6004(a) and the Bankruptcy Local Rules.

18. Notwithstanding the provisions of Bankruptcy Rule 6004(h), this Order shall be immediately effective and enforceable upon its entry.

19. The Debtor is authorized to take all actions necessary or appropriate to carry out the relief granted in this Order.

20. This Court retains exclusive jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

Dated: , 2026
Houston, Texas

ALFREDO R. P RE
UNITED STATES BANKRUPTCY JUD E

Exhibit 1

Utility Services List

Utility Provider	Utility	Average Monthly Billing	Deposit Held (if any)
JAC Electric Cooperative	Electric	$3,150	11,000.00
Tenaska Power	Electric	$5,000	N/A
Comcell	Telephone	$1,850	N/A
Safety Kleen	Garbage	$650	N/A
Waste Connections	Garbage	$950	N/A
WaterPro	Water	$1,000	N/A
Avg. Monthly Total		**$12,600**	
Avg. Monthly Total (Utilities w/o deposit)		**$9,450**	