

## **Decommissioning and Site Restoration Plan Prevailing Winds, LLC**

Decommissioning will be triggered at the end of the Wind Plant's serviceable life or upon discontinuation of its use, as described below. The Wind Plant shall be considered a discontinued use after 1 year without energy production, unless a plan is developed outlining the steps and schedule for returning the Wind Plant to service. The Wind Plant and accessory facilities shall be decommissioned following discontinuation of use.

The purpose of the Decommissioning Plan is to ensure that the Wind Plant facility and its related structures are properly removed at the end of their useful life and that the surrounding soil and vegetation is restored to a usable and nonhazardous condition. Moreover, the Decommissioning Plan also ensures that sufficient financial resources are available to undertake proper decommissioning. The Decommissioning Plan contains three components: (1) the manner of equipment removal and site restoration; (2) the estimated costs of decommissioning and salvage; and (3) a description of alternative financial assurance instruments to assure the availability of funds to cover the estimated decommissioning costs.

### **Facility Dismantling, Removal, and Site Restoration**

Based on experience in the Wind Plant industry, the decommissioning process for the project will be as follows:

1. Mobilize cranes to the site for each wind turbine.
2. Dismantle and remove the rotor, nacelle and towers and transport entire wind turbine generator off-site.
3. An excavator will be brought in to expose applicable portions of each foundation. Then with an air hammer or comparable equipment, the concrete foundations and transformer pads would be removed to a depth of at least 48" in compliance with the landowner's agreement, and all applicable state and federal environmental regulations. For the purposes of the decommissioning cost estimates, it is assumed that the facility equipment will be removed to a depth of 4 feet below ground surface.
4. Within the foundation excavation limits, the metal and cable would be removed to a depth of 4 feet below ground surface. For the purposes of the decommissioning cost estimates it is assumed that the facility equipment will be removed to a depth of 4 feet below ground surface. Where possible, the metal and cable items would be separated and recycled.
5. Backfill the holes with the soil that was excavated and grade the foundation areas to as close as reasonably possible to the original ground contours. These areas would be returned as close as reasonably possible to preconstruction conditions. Topsoil would be added as required to support revegetation to original condition.
6. Other than those roads that the landowners wish to retain, access roads owned by the wind plant operator that lead to the wind turbines would be removed and restored to preconstruction conditions. Areas would be graded as close as reasonably possible to the

original ground contours. For the purposes of the decommissioning cost estimate, it is assumed that all the site access roads will be removed.

7. Remove transformers and all other substation equipment from the site associated with the Wind Farm. Remove all concrete foundations, gravel and fencing, and grade area as close as reasonably possible to the original substation conditions. Again, this area shall be returned as close as reasonably possible to pre-construction conditions.
8. Underground cable circuits are anticipated to be buried at a depth of 4 feet below grade. All cable will be cut off and abandoned as is. For the purposes of the decommissioning cost estimates, it is assumed that the facility equipment will be removed to a depth of 4 feet below ground surface.
9. Materials and components that can be salvaged will be recycled or resold.
10. All decommissioning and restoration activities will be performed in accordance with South Dakota PUC Wind Energy Ordinance and county, city or municipal permit conditions. The permittee will submit a copy of such permits and authorizations to the County upon request.
11. The permittee will comply with all laws applicable to the generation, storage, transportation, clean-up, and disposal of hazardous wastes generated during any phase of the project's life.

In addition to the foregoing, all decommissioned gearboxes, transformers, and hydraulic systems would be drained of fluids and put into appropriate containers before dismantling, and would be transported and disposed of in accordance with all state and federal environmental regulations. Moreover, to the extent that it is determined that it is more cost-effective to remove the turbine foundations using blasting techniques, a Blasting Plan would be developed and prior approval would be obtained from County officials. All blasting operations would be conducted in accordance with State Fire Marshall and OSHA rules and regulations.

### **Estimated Costs for Decommissioning and Site Restoration**

Please see Attachment A for the current estimate of costs for decommissioning and restoration of the Wind Plant facility and returning the site, as close as reasonably possible, to preconstruction condition suitable for agricultural use. The estimate is based on the decommissioning approach outlined above and is conservatively based on the removal of 87, 2.3-MW wind turbine generators, turbine transformers, the collector substation, the site access roads, and two meteorological tower.

The cost estimate presented in Attachment A takes into account two major financial considerations; the cost to conduct the Wind Plant decommissioning and restoration activities (i.e., outgoing expenditures), and, when applicable, the salvage value of components being decommissioned (i.e., incoming revenue). To be conservative, the salvage value used in this cost estimate is 70 percent of the currently estimated market value for those salvaged components.

### **Financial Assurance to Accomplish Decommissioning**

Per the State and County Permits, the Decommissioning Plan “shall also identify the financial resources that will be available to pay for decommissioning and removal of the Wind Plant and accessory facilities.” Prevailing Winds, LLC shall demonstrate financial resources to complete all requirements of the approved Decommissioning Plan after the tenth (10<sup>th</sup>) year of operation of the Wind Plant, in the amount tabulated in Attachment A by one of the following methods of Financial Assurance:

Letter of Credit

Net Worth Test

Escrow Account

Performance or Forfeiture Bond

If any portion of the Wind Plant has been decommissioned in accordance with this Decommissioning Plan and to the satisfaction of the State and Counties, Prevailing Winds, LLC shall be entitled to refund of any or all the amount of financial assurance in the amount of decommissioning cost set forth in this Decommissioning Plan allocable to the portion of the project so decommissioned by Prevailing Winds, LLC.

Prevailing Winds, LLC shall provide for the right of entry by authorized agents of the State and Counties onto the project site, subject to the delivery of reasonable prior notice, for the purposes of effecting or completing any required decommissioning under this Decommissioning Plan, in the event that Prevailing Winds, LLC fails to perform its obligations under this Plan.

**Attachment A**  
**Prevailing Winds, LLC**  
**Estimate of Decommissioning Costs**

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT DECOMMISSIONING COST	70% OF UNIT SALVAGE	NET UNIT COST	NET TOTAL COST
Wind turbine blades and tower	Wind turbine, blades and tower will be removed in a manner to allow for refurbishment and resale of each component. Removal will require cranes, construction of temporary crane pads, plus some access road improvements to accommodate large cranes and trucks. An off-site transportation cost is included. Unit cost reflects 70 percent of estimated salvage value.	87	ea	\$38,500	\$26,950	\$11,550	\$1,004,850
Wind turbine foundation	Foundation will be removed to ground surface or to a depth in compliance with the landowner's agreement. Foundation pit will be backfilled with native soil, covered with 4 inches of black dirt and seeded.	87	ea	\$2,400	\$0	\$2,400	\$208,800
Wind turbine transformer	Transformers will be removed from the site and refurbished. Transformer pads and/or support structures will be removed and disposed of. All cables and conduits will be removed to ground surface or to a depth in compliance with the landowner's agreement. Area will be backfilled with native soil, covered with 4 inches of black dirt and seeded. Unit cost reflects 70 percent of estimated salvage value.	87	ea	\$3,000	\$2,520	\$480	\$41,760
Wind plant substation	The above ground electrical collection components associated with the Wind Project will be removed in its entirety. Equipment will be removed, refurbished and resold. Fencing will be removed and scrapped. Cables and conduits will be removed to a depth of 4 feet below the surface or to a depth in compliance with the landowner's agreement. Steel structures will be removed and salvaged. Area will be backfilled with native soil, covered with 4 inches of topsoil and seeded. Unit cost reflects 70 percent of estimated salvage value.	1	LS	\$125,000	\$87,500	\$37,500	\$37,500
Met tower	Met tower structure will be removed, refurbished and sold. Met tower foundations will be removed to 4' below ground surface or to a depth in compliance with the landowner's agreement. Area will be backfilled with native soil, covered with 4 inches of black dirt and seeded. Unit cost reflects 70 percent of estimated salvage value.	2	ea	\$9,000	\$6,300	\$2,700	\$5,400
Underground cable circuits	Underground cable circuits are anticipated to be buried to a depth in compliance with the landowner's agreement. All cable at this depth or approximately at this depth will be abandoned as is. All above ground structures associated with the underground cable system such as cabinets and signs will be removed and scrapped. Underground cables at the cabinets will be cut off at ground surface or to a depth in compliance with the landowner's agreement. All disturbed areas will be backfilled with native, covered with 4 inches of black dirt and seeded.	1	lot	\$27,000	\$0	\$27,000	\$27,000
Roads owned by wind plant operator	Roads that land owner agreements dictate to remain will be left as is. All other roads will be removed with the road areas being restored in a manner consistent with current uses. Disturbed areas will be leveled, decompacted and seeded. This price assumes all roads are removed.	74,000	ft	\$5.75	\$0	\$425,500	\$425,500
<b>Decommissioning Only Total</b>							<b>\$4,414,800</b>
<b>70% Salvage Value Total</b>							<b>\$2,663,990</b>
<b>Net Total Estimated Decommissioning Cost</b>							<b>\$1,750,810</b>
<b>Net Estimated Average Decommissioning Cost per Turbine</b>							<b>\$20,125</b>

Notes:

- The above information is based upon turbines that are 2.3 MWs in size.
- For the purposes of the decommissioning cost estimates, it is assumed that the facility equipment will be removed to a depth of 4 feet below ground surface.
- The above information and costs are based upon discussions information from equipment suppliers and contractors familiar with removal/refurbishment of sites.  
In addition, the above information and costs are based upon previous decommissioning documents/submittals for other wind plants.