



3/20/2017

To: Clark County Commissioners

From: Crocker Wind Farm

Re: Supplemental Information in Response to the Crocker Wind Farm Conditional Use Permit Application Hearing on 3/7/2017

Representatives from the Crocker Wind Farm (Project) had discussions with non-participating landowners about their concerns prior to the Conditional Use Permit (CUP) Application submittal and associated hearing. We also attended regularly scheduled Commission meetings on 2/7/2017 and 2/21/2017 in which non-participating landowners were given time to voice concerns to the Commission. A significant amount of effort has been spent internally to address those concerns while protecting the property rights of the Project participants and success of the Project.

There were few consistent requests from these concerned non-participants, were possible we have accommodated them and are providing modifications to the preliminary layout. We are also responding to the common request we heard, that of a 1-mile setback for turbines. Lastly, we are providing additional decommissioning information requested at the CUP application hearing on 3/7/2017.

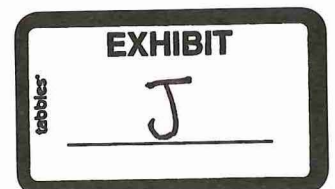
As the initial step in the permitting process, the County CUP marks the first opportunity for formal public review on the Project. The state and federal permitting process will follow on in timeline and will be increasingly restrictive on the project. All three of these processes have opportunity for the public to introduce information that may require modifications of the project design including elimination of turbines.

Proposed Layout Modifications

The Clark County wind energy provisions are very common in both county and state wind development requirements across the country. As previously mentioned, Crocker has invested significant time into meeting with members of the community and participating landowners to identify and accommodate reasonable siting concerns. In response to community input and further discussion with landowners hosting turbines, Crocker proposes the following modifications to the preliminary layout:

- Remove Turbine 58 and shift Turbine 56 north, putting it approximately 1.5 miles (8,278 feet) from the end of the private airstrip located in T118N, R59W, Section 18 and approximately 1,850 feet north of the centerline of the east-west private use/private ownership airstrip
- 2,000 foot setback from occupied unsigned non-participant home sites

An updated map reflecting these changes is attached. The map also reflects an updated boundary excluding unsigned landowners on the eastern side of the Project. These modifications address the immediate concerns of the neighboring non-participating landowners by providing additional distance



between the private airstrip and potential turbine locations and doubling the county imposed setback for unsigned non-participants. We specifically discussed these modifications with our landowners to make sure they were comfortable with the changes.

1-mile Setback Requests

Multiple unsigned non-participants have requested a 1-mile setback from their residence. The Crocker Wind Farm CUP Application demonstrates complete compliance with Chapter 4.21 of the Clark County Zoning Ordinance and sufficiently protects the health and welfare of residents in and around the Project. Crocker has provided the Commission with studies and data not required for the CUP application that verify this conclusion including information on property values, noise, shadow flicker, EMF, and wildlife. No credible evidence has been provided to warrant a 1-mile setback or additional setbacks beyond the current zoning ordinance.

Imposing a setback five times greater than required by the County zoning ordinance causes the Project to have generation and construction inefficiencies that are so great it would no longer be competitive and therefore ultimately making the Project unable to be constructed. Crocker has conducted an analysis of impacts to the Project if this setback was imposed. A total of 67 preliminary turbine locations (30% of the total preliminary turbine locations) would be immediately removed. The positions lost results in an inefficient design effectively eliminating the eastern half of the Project that makes the Project more expensive, less reliable, and ultimately not as desirable to potential power purchasers.

As mentioned at the CUP hearing, the federal permitting process will grant or deny Crocker the ability to construct facilities on United States Fish and Wildlife Service (USFWS) grassland easements and that process will not be completed until the summer of 2018. A total of 41 preliminary turbines locations are sited within USFWS grassland easements and only six are located within the 1 mile setback. Therefore, depending on the USFWS review of the Project, an additional 35 turbines could be eliminated from the Project layout.

Decommissioning

As stated at the CUP hearing, decommissioning of wind energy facilities, including the potential to require financial assurance, is regulated by the South Dakota Public Utilities Commission as a component of the Facility Permit. At the end of commercial operation (approximately 30 years beyond the date of first commercial operation), Crocker or the Project owners will be responsible for removing wind facilities, and removing the turbine foundations to a depth of four feet below grade. Crocker reserves the right to extend operations instead of decommissioning at the end of the Facility Permit term. As necessary, Crocker may apply for an extension of the Facility Permit to continue operation of the Project. In this case, a decision may be made on whether to continue operation with existing equipment or to retrofit the turbines and power system with upgrades based on newer technologies.

The estimated decommissioning cost per turbine, including associated facilities, is expected to be between \$100,000 - \$150,000. This information varies from comments made at the hearing but provides a more accurate estimate. Sample decommissioning plans from projects in Minnesota are attached to this memo to provide more details on the decommissioning process and a breakdown of the anticipated decommissioning costs. Crocker will be responsible for funding and updating costs on a regular basis.