

Attachment 11
Decommissioning Plan

MOHAVE COUNTY WIND FARM

DECOMMISSIONING PLAN

DRAFT

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1. PURPOSE

This Decommissioning Plan (plan) is being submitted to Bureau of Land Management (BLM) and Bureau of Reclamation (Reclamation) to fulfill one of the NEPA requirements for the project. The terms of this Decommissioning Plan shall be binding upon the wind farm owner, Developer and any of its successors, assigns, or heirs. The plan will be implemented to ensure that the project and associated structures are removed after operations cease and that the property is reasonably restored in accordance with the BLM / BOR Right of Way Grant.

This plan generally outlines the procedures for decommissioning the project and restoring lands to their original condition. Decommissioning procedures involve the physical removal of certain facilities, structures and components associated with the project, the disposal of solid and hazardous waste, and identification of physical elements that may remain on the property at the discretion of the participating property owners. Restoration includes the stabilization or re-vegetation of the project site to minimize erosion and facilitate subsequent land uses as determined by the property owner.

2.1 DECOMMISSIONING

In the context of this plan, decommissioning is the act of removing the wind energy system from service. Decommissioning is a step-by-step deconstruction process that involves carefully and safely removing and appropriately salvaging, recycling and disposing of the infrastructure and appurtenant facilities. It includes the physical removal of facility-associated structures and components (including portions of the foundations) from the Project Area. In accordance with the proposed BLM Right of Way Grant, decommissioning of the project will include removal of the following infrastructures:

Aboveground equipment, including towers, concrete pads (does not include foundations), anchors, guy wires, fences, fixtures, materials, buildings, structures, improvements, and personal property installed by Developer or by its agents, will be removed and recycled or disposed of at approved off-site facilities.

Where feasible, wind turbines, including blades and towers, 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.

Foundations will be removed to a depth of three (3) feet below the surface. Structures and debris located below the soil surface will also be removed to a depth of three (3) feet (or such greater depth as required under the applicable lease agreement) below the surface. All pit holes, trenches or other borings or excavations (but not roads) created during decommissioning will be properly filled and compacted.

Underground power and communication lines will be decommissioned in place. Underground cables will be cut off at ground surface at the cabinets. Transformers will be removed from the site.

Solid waste and hazardous material will be disposed of offsite in accordance with applicable state and federal regulations. Decommissioned gearboxes, transformers, and hydraulic systems will be drained of fluids, put into appropriate containers before dismantling, and then transported and disposed of off-site in accordance with state and federal regulations.

2.2 RECLAMATION

In the context of this plan, reclamation is the process of restoring lands affected by the project or its dependent components to a land use condition that satisfies the landowner and complies with County requirements. The process may require grading, contouring, removal of compacted soils, stabilization, re-vegetation, and drainage control.

Reclamation of the project will include the following:

Disturbed on-site soils and vegetation will be reasonably restored to their original condition. Reclamation procedures will be based on site-specific requirements and techniques commonly

employed at the time the area is reclaimed. If the land is to be reclaimed to its natural state, reclamation will include re-grading, seedbed preparation, and revegetation with native seed.

Following removal of wind project roads, these roads will be scarified, decompacted, and recontoured as needed to provide a condition that will facilitate revegetation or agricultural use, allow for proper drainage, and prevent erosion. If requested by the property owner, the area will be reseeded with native grass seed.

2.3 SCHEDULE

The wind turbines proposed for use in the project are expected to be operational for up to 25 years. It is anticipated that as these turbines reach the end of their expected life, technological advances may allow for a repowering where the existing turbines would be replaced with more efficient and cost-effective generators that extends the life of the project. Many older wind energy facilities have been re-powered by upgrading or replacing existing towers and other infrastructure with more efficient turbines and related equipment.

Should the operation of the project be terminated, Developer would provide County with a written Notice of Termination of Operations. The date of the Notice of Termination of Operations is the Termination Date. The notice will be provided within 30 days of terminating operation of the system. The project will be removed in accordance with the terms of existing easement and lease agreements with the landowners.

Decommissioning and reclamation prior to the end of the 25 year life-expectancy of the project could occur under certain unlikely conditions such as condemnation or the cessation of power generation by the project.

2.4 ESTIMATED DECOMMISSIONING AND RECLAMATION COSTS

Total decommissioning and reclamation costs will be offset by the salvage value of towers, turbines and associated facilities that were sold or reused. Developer will cause the estimated decommissioning and reclamation costs to be updated by an independent engineer every five years beginning in year 10 of the project.

2.5 RESPONSIBILITY

Developer, and its successors or assigns or heirs, would be responsible for decommissioning the facility and all costs associated with decommissioning the project and associated facilities. Developer will be responsible for ensuring that decommissioning activities occurred in accordance with this plan. Upon completion of decommissioning, the BLM and RECLAMATION will have the right to review final decommissioning and reclamation to confirm it was consistent with this plan. If decommissioning does not proceed in accordance with this plan, BLM and RECLAMATION will have the right to enter the property and cause the appropriate abandonment and decommissioning measures as determined by this plan.

2.6 FINANCIAL ASSURANCE

Financial assurance will be provided by Developer in a manner sufficient to adequately satisfy decommissioning and reclamation commitments under this plan. Financial assurance will be provided in the form of an irrevocable letter of credit, surety bond or cash. To determine the amount of financial assurance, Developer will hire an independent engineer to provide an estimate of the salvage value of the towers, turbines and associated facilities as well as an estimate of the decommissioning reclamation costs for the project every five years beginning in year 10 of the project. If the decommissioning and reclamation costs exceed the estimated salvage value of the towers, turbines and associated facilities, Developer will post financial assurance for 1.2 times the difference between the salvage value of the towers, turbines and associated facilities and the decommissioning and reclamation costs. Developer shall consult with BLM & RECLAMATION to obtain a reasonably acceptable form when obtaining a letter of credit. A copy of said form shall be provided to Developer upon request.

Any surety bond shall be given by a corporate surety authorized to do business in the State of Arizona. The surety bond shall conform to and be subject to the reasonable requirements of the BLM and RECLAMATION.

The BLM and BOR reserves the right to reject collateral which is deemed inappropriate or insufficient, which may be either as collateral in the form of a letter of credit offered by a banking institution which has a financial institution or company that is major United States commercial bank or foreign bank with a United States branch office, with a senior unsecured bond rating (unenhanced by third party support), equivalent to A- or better as determined by Standard & Poor's or A3 or better as determined by Moody's, or as collateral in the form of a performance bond offered by an insurance company which does not have at least a B+ rating or better as determined by Standard & Poor's. The Board further reserves the right to require Developer to obtain replacement collateral if the rating of the financial institution providing any collateral drops below the levels stated above. Replacement collateral shall be submitted by Developer within sixty (60) days of the BLM or BOR's notice to Developer that the rating has fallen and that the collateral must be replaced. Developer may not terminate existing collateral until replacement collateral has been secured.