

Memorandum

To: Commissioners Brian Kroshus, Julie Fedorchak, and Randy Christmann

From: Adam Renfandt

Date: August 30, 2019 

Re: 40.5 MW Langdon Wind and 48 MW Ashtabula Wind Revised Decommissioning Plan, Cost Estimates, and Financial Assurances (Case Nos. PU-09-244 & PU-09-245)

On June 12, 2019, the Commission held an Informal Hearing with Otter Tail Power Company (Otter Tail) regarding their wind decommissioning plans, cost estimates, and financial assurances for the two above-captioned wind facilities.

The last decommissioning plans, cost estimates, and financial assurances for the two facilities were filed on January 11, 2019. In that update, the decommissioning estimates for each facility is \$125,000 per wind turbine generator, which included salvage value and excluded the cost of hauling it away.

After the June 12, 2019 Informal Hearing, the Commission provided Otter Tail guidance to 1) update its decommissioning estimates to exclude salvage value, 2) include the cost of hauling away the salvage, and 3) update its plan to clarify that any landowner requesting that access roads be left in place be approved by the Commission per N.D. Admin. Code section 69-09-09-05(5).

On July 12, 2019, Otter Tail filed revisions to its decommissioning plans and cost estimates to address the Commission's concerns. Their revised estimates exclude salvage value and include additional costs associated with treating the facilities as a waste liability, included costs for hauling the scrap to a disposal site. The effect was a net increase of \$97,000, or \$222,000 per wind turbine generator. Otter Tail also included language that the Commission must approve any landowner request to leave access roads in place.

The Revised Decommissioning Plan also proposed an alternative form of financial assurance in the form of a financial test, which offered no guarantee. On August 29, 2019, Staff had a conversation with an Otter Tail representative, who agreed that Otter Tail would file self-guarantees for each facility.

Given that Otter Tail addressed the Commission's concerns raised in the Informal Hearing and upon review, Staff finds the plans reasonable and recommends the Commission approve the Revised Decommissioning Plan and Cost Estimates.