

Memorandum

To: Commissioners Brian Kroshus, Julie Fedorchak, and Randy Christmann
From: Adam Renfandt
Date: December 5, 2019
Subject: Minot Wind & PrairieWinds ND1 Decommissioning Plan, Cost Estimates, and Self-Guarantee

Case No. PU-10-078

On June 29, 2018, Basin Electric Power Cooperative (Basin) filed a revised decommissioning plan and cost estimate for its Minot Wind and PrairieWinds ND1 facilities. Minot Wind has a nameplate capacity of 7.1 MWs and consists of two 1.3 MW turbines and three 1.5 MW turbines. Prairie Winds has a nameplate capacity of 115.5 MWs and consists of seventy-seven 1.5 MW turbines. In the filing, the total cost to decommission both facilities was approximately \$6.9 million, or \$84,000 per turbine in 2018 dollars.

Through subsequent discussions with Staff, Basin decided to increase the decommissioning plan's contingency estimate from 10% to 20% and update its tipping fees to reflect current pricing.

On December 5, 2019, Basin filed an updated decommissioning plan and cost estimate for the Minot Wind and Prairie Winds ND1 facilities, as well as a financial assurance in the form of self-guarantee to ensure decommissioning.

The net effect was that the total decommissioning cost increased to approximately \$13.3 million, or \$163,000 per turbine. Furthermore, each facility went operational in December 2009. Therefore, Basin is required to file financial assurance necessary to ensure decommissioning with the Commission in December 2019. S&P Global Ratings assigned Basin an A issuer credit rating, and it meets the other Commission's requirements to propose a self-guarantee.

Staff has reviewed Minot Wind and PraireWind ND1's decommissioning plan, cost estimate, and self-guarantee, and find them to be reasonable and consistent with the Commission's rules. Therefore, Staff recommends that the Commission approve the decommissioning plan, cost estimate, and self-guarantee for the Minot Wind and PraireWinds ND1 facilities.