

Memorandum

To: Commissioners Julie Fedorchak, Randy Christmann, and Sheri Haugen-Hoffart

From: Adam Renfandt

Date: February 14, 2022

Subject: Decommissioning Financial Assurance: Allete, Inc., Bison 1 Wind Project - Oliver & Morton Counties, Decommissioning Plan & Cost (Case No. PU-11-560)

On October 2, 2019, the Commission approved Allete, Inc.'s (Allete) decommissioning plan and cost estimate for phase one of the Bison Wind Energy Center (Bison One). Excluding salvage value, the total amount approved was \$4,709,710.

Bison One consists of 31 turbines with a nameplate capacity of 82 MWs. The facility is ten years into its operational life; therefore, Allete is required to post financial assurance with the Commission.

On January 26, 2022, Allete filed a request to execute a letter of credit with Bank of America as the issuer for the full amount of decommissioning (\$4,709,710) to satisfy its financial assurance obligations. Allete proposes to use its operating division, Minnesota Power, as the named applicant on the letter of credit. The filing contains letters from both Allete and Minnesota Power stating that they both agree to be responsible for decommissioning Bison One. The letter of credit is automatically renewed every year, and if it is not renewed, the Commission must be given a ninety-day notice.

The terms and conditions of the letter of credit have gone through Staff and Legal review, and Staff believes the letter of credit satisfies Allete's financial assurance obligations. Therefore, Staff recommends that the Commission approve Allete's request to execute the letter of credit to satisfy its financial assurance obligation for Bison One.