

# Brady Wind II, LLC

## STATE OF NORTH DAKOTA PUBLIC SERVICE COMMISSION

Brady Wind II, LLC  
Brady Wind Energy Center – Hettinger and Stark County

Case No. PU-16-\_\_\_\_

### DECOMMISSIONING PLAN

Pursuant to ND Administrative Code Chapter 69-09-09, Brady Wind II, LLC provides this decommissioning plan for the 150 MW Brady Wind II wind energy center in Hettinger and Stark County, North Dakota (“Brady Wind II”) as approved in North Dakota Public Service Commission Case No. PU-16-042.

Brady Wind II will be comprised of 65 GE 2.1 MW wind turbine generators and 7 GE 1.79 MW Xle wind turbine generators, which will be installed in 2016. The representations set forth in this decommissioning plan are presumed based upon the proper treatment of the asset retirement obligation, pursuant to generally accepted accounting principles or “GAAP,” associated with Brady Wind. The per turbine cost for decommissioning and restoration is approximately \$31,953.00, excluding salvage value. Further details are provided in Exhibit A attached hereto and incorporated by reference.

**Decommissioning Activities.** Decommissioning of turbines and towers for this estimate includes dismantling of turbine components and transporting offsite. The costs and activities for the removal of the tower and wind turbine components, the meteorological tower, access roads, and the collection system have been evaluated, as follows:

Tower and Wind Turbine Components. The turbines are GE 2.1 MW (65 turbines) and GE 1.79 MW Xle (7 turbines) on 80 meter steel towers. Activities have been estimated for dismantling the turbines, the tower sections and wind turbine blades. Removal of the tower wiring and transformer is also included. All components would be removed from the property.

Tower and Transformer Foundations. Tower and transformer foundations, conduits and connections will be removed to a depth of four (4) feet below existing grade. The foundation sites would be graded to match surrounding contours and be restored to conditions that will support surrounding vegetation.

Tower Access Roads. Aggregate base roads will be scarified, loaded, and removed from site to an appropriate location. Remaining subgrade will be decompacted and graded into the adjacent soils to the approximate existing topography. This area will be covered with topsoil from the site and vegetation re-established.

Collection System. The collection system terminations near the transformer will be removed to a depth of four (4) feet below existing ground line. The underground collection system cabling is assumed to be left in place at its current depth of below (2) feet.

Disturbed areas will be restored and reclaimed to the same general topography. Topsoil will be spread over the disturbed area at a depth similar to that in existence prior to the disturbance. The disturbed areas would be graded, top-soiled, and reseeded according to National Resource Conservation Service guidelines, unless the landowner requests, in writing, that the access roads or other land surface areas be retained.

Brady Wind II turbines have an anticipated useful life of at least thirty (30) years. Upgrades based on new technology may allow the wind facility to produce efficiently and successfully well beyond this period of time. Within eight (8) months after the facility or turbine reaches the end of its useful life,<sup>1</sup> decommissioning shall begin and will be completed within eighteen (18) months after the facility or turbine reaches the end of its useful life. Decommissioning and site restoration will be completed within 180 days of termination or abandonment of leases or easements.

The cost of the decommissioning would be paid for using funds obtained from internally generated cash flows.

**Asset Retirement Obligation.** In accordance with GAAP, Brady Wind II will assess, maintain, and recognize its asset retirement obligation, which includes decommissioning and restoration. The asset retirement obligation does not assume the recoupment of the salvage value associated with Brady Wind II's components. The total cost of decommissioning and restoration at the end of the asset's life is estimated to be approximately \$15 per kilowatt. For Brady Wind II, this equates to \$2,300,618. The asset retirement obligation will be reviewed on an annual basis in compliance with GAAP and the company's internal Sarbanes-Oxley 404 policy.

**Salvage and Resale Value.** The resale value of a wind turbine refers to the potential salvage value at the end of its useful life. Brady Wind II does not assume salvage value in its decommissioning cost estimates because of the variability associated with the value of scrap metals.

Brady Wind II, LLC is a wholly-owned, indirect subsidiary of NextEra Energy, Inc., a leading clean energy company with consolidated revenues of approximately \$17.5 billion, and more than 45,000 megawatts of generating capacity as of year-end 2015. NextEra Energy's principal subsidiaries are Florida Power & Light Company and NextEra Energy Resources, LLC, which together with affiliated entities is the largest generator of wind and solar energy in North America. NextEra Energy, Inc. has credit ratings of Baa1 from Moody's, A- from Standard & Poor's, and A- from Fitch as of February 19, 2016. NextEra Energy Resources, LLC continues to invest in and develop clean generating facilities in the State of North Dakota.

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<sup>1</sup> Under ND Administrative Code § 69-09-09-03, there is a presumption that a facility or individual wind turbine is at the end of its useful life "if the facility or turbine generates no electricity for a continuing period of 24-months." This presumption may be rebutted by providing to the Commission for approval a plan for returning the facility or turbine to service.

Exhibit A

**Wind Tower Decommission and Site Restoration Estimate Summaries**

Site	Brady Wind II	
Location	Hettinger and Stark County, ND	
Date of Estimate	6/28/2016	
Turbines	GE 2.1 / GE 1.79 XLe	
Tower Height	80 / 116m	
Number of Turbines	72	
Site Capacity	149.0 MW	
1.0	Turbines and Towers	
1.1	Dismantle of Turbines and Towers	\$ 241,200
1.2	Removal of Transformers	\$ 106,200
	<b>Turbine and Tower Subtotal</b>	<b>\$ 347,400</b>
2.0	Tower Foundations	
2.1	Foundation Removal, Disposal and Grading	\$ 432,000
2.2	Transformer Pad Removal and Disposal	\$ 79,200
	<b>Tower Foundations Subtotal</b>	<b>\$ 511,200</b>
3.0	Other Structures	
3.1	80 meter Meteorological Towers	\$ -
3.2	Substation Foundations, Fence, Steel and Grading	\$ 215,000
	<b>Other Structures Subtotal</b>	<b>\$ 215,000</b>
4.0	Tower Access and Site Roads	
4.1	Remove Access Roads	\$ 962,618
	<b>Tower Access and Site Roads Subtotal</b>	<b>\$ 962,618</b>
5.0	Collection System	
5.1	Remove collection system terminations	\$ 104,400
	<b>Collection System Subtotal</b>	<b>\$ 104,400</b>
6.0	Mobilization/Demobilization	
6.1	Mobilization/Demobilization	\$ 160,000
	<b>Mobilization/Demobilization Subtotal</b>	<b>\$ 160,000</b>
	<b>Site Decommission Total</b>	<b>\$ 2,300,618</b>
	<b>Site Decommission per WTG</b>	<b>\$ 31,953</b>