

Memorandum

To: Commissioners Christmann, Haugen-Hoffart, and Fedorchak

From: Adam Renfandt, Analyst

Date: February 14, 2023

Subject: Decommissioning Financial Assurances for Allete, Inc., Bison 2 Wind Project - Oliver & Morton, Decommissioning Plan & Cost (Case No. PU-12-241) & Allete, Inc., Bison 3 Wind Project – Oliver & Morton, Decommissioning Plan & Cost (Case No. PU-18-232)

On October 2, 2019, the Commission approved Allete, Inc.'s (Allete) decommissioning plan and cost estimate for phase two of the Bison Wind Energy Center (Bison Two). Excluding salvage value, the total amount approved was \$5,014,690. On the same date, the Commission approved Allete's decommissioning plan and cost estimate for phase three of the Bison Wind Energy Center (Bison Three)

Bison Two and Bison Three each consist of 35 turbines with a nameplate capacity of 105 MW. The facilities are ten years into their operational life; therefore, Allete is required to post decommissioning financial assurances with the Commission.

On February 2, 2023, Allete filed an amended request to approve two letters of credit with Bank of America as the issuer for the full decommissioning amounts for each facility. Allete proposes to use its operating division, Minnesota Power, as the named applicant on the letters of credit. The filing also contains letters from both Allete and Minnesota Power stating that they both agree to be responsible for decommissioning the facilities. The letters of credit are automatically renewed every year, and if they are not renewed, the Commission must be given a ninety-day notice.

The terms and conditions of the letters of credit have gone through Staff and Legal review, and Staff believes the letters of credit satisfy Allete's financial assurance obligations. Therefore, Staff recommends that the Commission approve the financial assurances.