

# Memorandum

To: Commissioners Brian Kroshus, Julie Fedorchak, and Randy Christmann  
From: Adam Renfandt  
Date: November 25, 2019  
Subject: Otter Tail Power Company, 49.5 MW Luverne Wind Farm (Ashtabula II) –  
Griggs, Decommissioning Plan & Cost

Case No. PU-18-343

On June 12, 2019, the Commission held an Informal Hearing with Otter Tail Power Company (Otter Tail) regarding decommissioning plans, cost estimates, and financial assurances in Case numbers PU-09-244 (Langdon Wind) and PU-09-245 (48 MW Ashtabula Wind).

Prior to the Informal Hearing, Otter Tail's decommissioning estimates for those facilities were \$125,000 per turbine, which included salvage value. Otter Tail subsequently filed revisions to its decommissioning plans and cost estimates on July 12, 2019, that excluded salvage value from the estimates and included additional costs associated with treating the facilities as a waste liability. Otter Tail subsequently increased its estimate by \$97,000 per turbine to \$222,000 per turbine for Langdon Wind and the 48 MW portion of Ashtabula Wind.

On September 4, 2019, the Commission approved Otter Tail's decommissioning plans and cost estimates in PU-09-244 and PU-09-245.

On November 5, 2019, Otter Tail filed with the Commission an updated decommissioning plan, cost estimate, and financial assurance for the Luverne facility, which has a nameplate capacity of 49.5 MW and consists of 33 turbines. The purpose of the update was to align the Luverne facility's decommissioning plan and cost estimate with the plans and cost estimates that the Commission approved in Case numbers PU-09-244 and PU-09-245. The same two revisions that were made to Langdon Wind and Ashtabula Wind were made to the Luverne facility. The current decommissioning cost estimate for Luverne, excluding salvage totals \$7.326 million, or \$222,000 per turbine.

Staff is in the process of working with Otter Tail in developing a decommissioning financial assurance that would be acceptable to the Commission.

Staff has reviewed the decommissioning plan and cost estimate for the Luverne facility, and recommends that the Commission approve them. Staff believes both the plan and the cost estimate is reasonable.