

Section 29 Decommissioning Plan

TABLE OF CONTENTS

29.0 DECOMMISSIONING.....29-1
 29.1 Trigger for Decommissioning.....29-1
 29.2 Description of Work Required.....29-1
 29.3 Decommissioning Estimate29-2
 29.4 Estimated Decommissioning Cost Itemization29-3
 29.5 Financial Assurance of Decommissioning Costs.....29-3

TABLE

Table 29-1. Financial Assurance and Decommissioning Cost Reassessment Schedule29-3

29.0 DECOMMISSIONING

Utility-scale wind turbines are designed and certified by independent agencies for a minimum expected operational life of 20 years.

It is in the best interest of Canton Mountain Wind, LLC (CMW) to utilize the full operational lifespan of each wind turbine. A proactive maintenance program will ensure the turbines are in working order for at least the 20 years of their expected lives. When the turbines do reach the end of their lifespans, CMW may choose to decommission the entire Canton Mountain Wind Project (Project) or replace the turbines with new technology.

While it is not financially feasible to fully fund the decommissioning fund on the first day of project operation, it is also not necessary. CMW's decommissioning plan is partially funded on day 1 of commercial operation and fully funded by year 13 of operation, many years before decommissioning will occur. The Project's components will be under warranty during the initial two to five-year operating period, and the Project is expected to have a contractual obligation to produce electricity for 15 years. GE and Gamesa wind turbines are independently certified to have a useful life of at least 20 years (see Section 27). Therefore, CMW expects the decommissioning fund to be fully funded two years before the end of its power sales obligation, and seven years before the end of the certified useful life of the wind turbines.

29.1 Trigger for Decommissioning

The Project will follow all decommissioning standards set by the Maine Department of Environmental Protection (Maine DEP). Currently, "decommissioning is required if no electricity is generated for a continuous period of twelve (12) months."¹ An exception to this trigger may be granted by providing evidence of a period of "force majeure" or an act of God where the cause of the interruption of generation is beyond the reasonable control of CMW.

29.2 Description of Work Required

The decommissioning and restoration process will consist of removal of aboveground structures, removal of subgrade structures to a depth of 24 inches, and restoration of the affected areas. Components that can be salvaged, restored, or recycled will be removed and transported to the appropriate facilities. Components for disposal may be disassembled on-site to ensure compliance with applicable disposal regulations. The decommissioning and restoration process will follow all requirements of the overseeing authority and be in accordance with all applicable local, state, and federal permits. CMW will follow all best management practices during the decommissioning of the Project.

The turbines will be removed in the reverse order that they were constructed. Equipment and support vehicles will need to be mobilized, along with a crane that will be assembled on-site. Turbine deconstruction will likely proceed as follows: provide erosion control; widen road to accommodate crane, if necessary; assemble the crane; remove electrical components and internal cabling; and lower the blades, nacelle, and tower sections to the ground. Depending on the most cost-effective transportation methods and destinations of the decommissioned tower, nacelle, and blades, the turbine components may

¹ 38 M.R.S.A. §481-490

be transported in their entirety for restoration or disassembled into more maneuverable sections for salvage, recycling, or disposal.

Any non-turbine components will be removed according to Maine DEP guidelines. The belowground components such as foundations, anchor bolts, rebar, etc. will be removed to a depth of 24 inches below grade. Any soils that are disturbed during the extraction of these below-grade components will be backfilled with soil similar to soil found in the immediate area.

The transmission system, including poles and electrical wires, will be removed and salvaged in the most cost-effective manner, following all applicable regulations. All holes created by the transmission poles will be filled in with soil similar to soil found in the surrounding area. Any subsurface cables or conduits that are buried deeper than 24 inches and do not contain any material that may be harmful to the environment will be left at CMW's discretion. Any materials that cannot be salvaged will be transported to the appropriate disposal sites.

Stream crossings, road improvements, the substation, and the substation access road will be left in place; all other affected areas will be restored unless otherwise instructed by the landowner in writing. After all components have been disassembled, removed, and disposed of, the site will be graded and reseeded in compliance with all applicable guidelines.

29.3 Decommissioning Estimate

The Project is being developed by Patriot Renewables, LLC (Patriot), a wind development company affiliated with Jay Cashman, Inc. (Cashman), a well-established heavy civil and marine construction contractor. Cashman's main offices are located in Quincy, Massachusetts, and it has construction experience throughout the United States. Cashman and affiliated companies have significant experience in the metal recycling and salvage business, as well as an extensive estimating department that regularly bids demolition jobs.

One of its affiliated companies, Stoughton Recycling Technologies (SRT) located in Stoughton, Massachusetts, has been in business since 2007. SRT is a processing facility for construction and demolition debris that handles approximately 500 tons of material a day. This facility specializes in sorting, removing and reclaiming any materials of value, especially metals. This facility has handled approximately 23,000 tons of ferrous and non-ferrous metals since 2007.

Quincy Recycling, LLC, another affiliated company, is expressly a metal salvage and reclamation company based next to Patriot's office in the Quincy, Massachusetts shipyard. As a result of their affiliation with these companies, CMW and Patriot are keenly aware of the value of recycled materials.

Representatives from SRT and Quincy Recycling were consulted to assess the current salvage value (in December 2011) of the individual components from GE 2.75-103 wind turbines with 85-meter towers. The salvage value took into account component weights, composition, transportation costs, and current market prices. The disposal costs for items with no salvage value were also accounted for and subtracted from the total.

CMW estimates that decommissioning of the Project, while minimizing the effects on the surrounding area and following all applicable guidelines, will cost \$128,000 per turbine, including \$10,000 per turbine to remove the operations and maintenance (O&M) building and overhead distribution lines. The salvage

Financial Assurance may be in the form of a performance bond, surety bond, letter of credit, parental guarantee or other acceptable form of financial guarantee. The decommissioning cost (decommissioning costs minus salvage value) will be reassessed during construction of the Project, and the initial Financial Assurance Level (Years 1-3) will be in place prior to commercial operation. This amount will be increased 20% every three years until the beginning of Year 13, when the Financial Assurance Level reaches 100% of the estimated decommissioning cost. Financial Assurance will be in place at all times during the operation of the Project according to the schedule in Table 29-1. Prior to the end of Years 6, 12, 18, 20, and each year thereafter, the estimated decommissioning cost will be reassessed and submitted to Maine DEP for review and approval; once approved, the Financial Assurance will be adjusted to cover the appropriate percentage of the revised decommissioning cost.

CMW will make Maine DEP the obligee of any performance bond used for Financial Assurance, and the Maine DEP will have the right to call the bond in the case of non-performance. The trigger for Maine DEP's third-party right is non-compliance with the decommissioning trigger described in Section 29.1 above. Upon decommissioning of the site, any remaining balance of the Financial Assurance shall be returned to Canton Mountain Wind, LLC.