

Memo

Date: October 29, 2020

To: Will Seuffert – Minnesota Public Utilities Commission

From: Suzanne Steinhauer – Energy Environmental Review and Analysis

Subject: EERA Status Update on Review of Solar and Wind Decommissioning Plans (Commission Docket Number E999/M-17-123)

Background

In its May 22, 2020 reply comments, Minnesota Department of Commerce Energy Environmental Review and Analysis (EERA) staff proposed a 5-year review schedule of decommissioning plans.¹ That proposed schedule (adapted to accept changes incorporating comments from permittees) is shown in Table 1.

Table 1. Proposed Review Schedule - May 2020²

Review Year	Count	Projects
2020	18	Big Blue Wind, Blazing Star I Wind, Blazing Star II Wind, Buffalo Ridge Wind, Chanarambie Wind, Community Wind North, Fenton Wind, Freeborn Wind, Grant County Wind, Jeffers Wind, Lake Benton I Wind, Lake Benton II Wind, Lakota Ridge Wind, Mower County Wind, Nobles 2 Wind, Pleasant Valley Wind, Shaokatan Hills Wind, Trimont Wind
2021	7	Elm Creek Wind I, Elm Creek Wind II, MinnDakota Wind, Moraine Wind I, Moraine Wind II, Prairie Rose Wind, Prairie Star Wind, Ridgewood Wind, Taconite Ridge Wind
2022	5	Bent Tree Wind, Lakefield Wind, Lakeswind, Nobles Wind, Grand Meadow/Wapsipinicon Wind
2023	4	Community Wind South, Oak Glen Wind, Palmer’s Creek Wind, Red Pine Wind
2024	8	Aurora Solar, Black Oak Wind, Getty Wind, Marshall Solar, North Star Solar, Odell Wind, Stoneray Wind,

Since its May 22, 2020 filing, EERA has filed ten reviews, worked with permittees to move towards a standard decommissioning plan format, and developed a template for plan reviews. As the review process moves forward, EERA staff would like to update the Commission on the status of reviews to date and seek the Commission’s guidance on the following items related to decommissioning plan review:

¹ EERA Reply Comments, May 22, 2020, (eDocket ID: [20205-163419-01](#)) at p. 3

² Ibid., at p. 3

- how to initiate planned periodic review of decommissioning plans for existing project,
- changes to proposed review schedule, and
- whether depreciation studies required for Xcel Energy (and other regulated utilities) substitute for site-specific decommissioning plans for solar and wind projects.

Status Update

EERA staff has modified the proposed review schedule in its May 2020 comments in response to several changed circumstances. The revised schedule shown in Table 2 represents EERA’s best judgement as to a reasonable review schedule through 2025 (the May 2020 schedule ran 2020 – 2024). Additional detail explaining the rationale behind the revisions follows the table.

Table 2. Proposed Review Schedule – October 2020

Review Year	Count	Projects
2020	18 <u>10</u>	Big Blue Wind, Blazing Star I Wind, *Blazing Star II Wind, Buffalo Ridge Wind, Chanarambie Wind, Community Wind North, * Fenton Wind, Freeborn Wind, Grant County Wind, Jeffers Wind* , Lake Benton I Wind, Lake Benton II Wind, Lakota Ridge Wind , Mower County Wind, Nobles 2 Wind, Pleasant Valley Wind, Shaokatan Hills Wind , Trimont Wind
2021	7 <u>23</u>	Blazing Star I Wind, * Buffalo Ridge Wind, Chanarambie Wind, Community Wind North Wind, * Elm Creek Wind I, Elm Creek Wind II, Freeborn Wind, Grand Meadow/Wapsipinicon Wind, Grant County Wind, Jeffers Wind* , MinnDakota Wind, Lakota Ridge Wind , Moraine Wind I, Moraine Wind II, Nobles Wind, Pleasant Valley Wind, Plum Creek Wind , Prairie Rose Wind, Prairie Star Wind, Ridgewood Wind, Shaokatan Hills Wind, Taconite Ridge Wind, Walleye Wind
2022	5 <u>3</u>	Bent Tree Wind, Lakefield Wind, Lakeswind, Nobles Wind, Grand Meadow/Wapsipinicon Wind
2023	4	Community Wind South, Oak Glen Wind, Palmer’s Creek Wind, Red Pine Wind
2024	8	Aurora Solar, Black Oak Wind, <u>Blazing Star II Wind</u> , Getty Wind, Marshall Solar, North Star Solar, Odell Wind, Stoneray Wind,
<u>2025</u>	<u>3</u>	<u>Big Blue Wind, Mower County Wind, Lake Benton Wind, Mower Wind, Nobles 2 Wind, Trimont Wind</u>

Review Completed

EERA staff has completed review of four decommissioning plans: Big Blue Wind, Blazing Star I Wind, Mower County Wind and Trimont Wind. Barring changes in ownership or any other event that would indicate an earlier review, these four plans are scheduled to be updated and reviewed in 2025.

Review Completed – Updates Related to Ownership Changes Anticipated

Three plans (Community Wind North, Blazing Star I, and Jeffers Wind) were reviewed in 2020, but are scheduled to be updated in 2021 at the time of anticipated ownership changes. They are included in both 2020 and 2021 review schedules.

Review in Process

EERA staff has requested changes to three plans filed in 2020 (Fenton Wind, Lake Benton Wind I, and Nobles 2 Wind). EERA staff has worked with the three permittees identified and believes that reviews of these plans can be completed by the end of 2020 and has included these projects in the 2020 and 2025 projects list.

In addition to the afore-mentioned projects, project developers are including draft decommissioning plans in recent site permit applications (Three Waters, Plum Creek Wind, Elm Creek Solar, Regal Solar, Walleye Wind). Including draft decommissioning plans early in the application process allows the public, including local government, to access and comment on potential decommissioning issues and help ensure that by construction, the decommissioning plan is fully developed. Anticipating a pre-construction compliance review, these projects have been added to the 2021 review schedule.

Review Postponed

For various reasons, EERA has adjusted the review timeframe for eight projects

Project Delays: Project delays have pushed review of three plans (Blazing Star II, Buffalo Ridge Wind, and Freeborn Wind) into 2021.

Repowering: Based on communications with permittees, EERA staff anticipates repowering applications for Chanarambie Wind, Nobles Wind (scheduled for review in 2022), and possibly Grand Meadow/Wapsipinicon Wind in 2021.

Special Situations: Two projects have unique circumstances that caused EERA staff to move the proposed review date back from 2020.

- **Pleasant Valley:** The Pleasant Valley Wind project is owned by Xcel Energy. In its Xcel requested decommissioning plan review for all Xcel-owned wind farms be coordinated with the five-year decommissioning study. Xcel Energy noted that, as a regulated utility, it is required to file information on decommissioning for its generating portfolio every five years and requested that review of plans for all Xcel-owned wind farms be coordinated with the five-year depreciation study. Xcel filed its *2020 Review of Remaining Lives and Five-Year Depreciation and Net Salvage Study Petition (Five-Year Depreciation Study)* in in Docket No. E,G002/D-19-723 on August 18, 2020. Based on the Commission's October 19, 2020, notice in that matter,³ it appears that review of that matter will extend into 2021. EERA staff has moved review of the Pleasant Valley plan to 2021.

As noted in its May 22, 2020 reply comments, EERA staff supports efforts to remove duplication of work, but notes that, although related, the remaining lives/depreciation and decommissioning requirements address different issues.⁴ EERA staff recommends a site-specific decommissioning plan be filed in each related siting docket.

- **Lake Benton II:** The Lake Benton II project was repowered by NextEra Energy and recently transferred to Xcel Energy (d/b/a Northern States Power Company). On October 16, 2019, the Commission, through its Executive Secretary, agreed with EERA staff's recommendation to find the decommissioning plan filed by NextEra Energy Resources consistent with the conditions of the site permit.⁵ EERA staff's intent was to revisit the decommissioning plan at the time of the permit transfer. However, that desire was not effectively communicated at the time of transfer. Because the project is relatively new, EERA staff has moved review to the 2024 schedule.

³ Commission, Notice of Comment Period, October 19, 2020, (eDocket ID: [202010-167463-01](#))

⁴ EERA Reply Comments, at pp. 3-4.

⁵ Commission, *Review of Compliance Documents*, October 16, 2019 (eDocket ID: [201910-156648-01](#))

However, cognizant of Xcel Energy's preference to coordinate plan reviews at all its facilities at the same time, EERA staff would be amenable to moving up the review to 2021 if Xcel Energy so desires.

No updated plans

In addition to the projects above, EERA staff anticipated reviewing three additional projects for in 2020 - Grant County Wind, Lakota Ridge Wind, and Shaokatan Hills Wind. None of the permittees provided updated plans proactively. As EERA staff prepared to contact the remaining projects to request updated plans, the permit language raised questions for the EERA staff about how to initiate the review, as discussed below. EERA staff has moved these three projects to the 2021 review timeframe pending direction from the Commission.

Initiating Scheduled Periodic Review

Recently issued permits include language in the permit requiring the decommissioning plans be updated every five years. See, for example, the language from the Jeffers Repowering Permit issued in October 2019 (emphasis added to highlight scheduled periodic review):

11.1 Decommissioning Plan

*The Permittee shall submit a decommissioning plan to the Commission within 90 days of the site permit issuance **and provide updates to the plan every five years thereafter**. The plan shall provide information identifying all surety and financial securities established for decommissioning and site restoration of the project in accordance with the requirements of Minn. R. 7854.0500, subp. 13. The decommissioning plan shall provide an itemized breakdown of costs of decommissioning all project components, which shall include labor and equipment. The plan shall identify cost estimates for the removal of turbines, turbine foundations, underground collection cables, access roads, crane pads, substations, and other project components. The plan may also include anticipated costs for the replacement of turbines or repowering the project by upgrading equipment.⁶*

In contrast, older permits require filing of decommissioning plans prior to commercial operation, but do not specifically require regular updates. The permits provide that the Commission may at any time request an update on how the Permittee is fulfilling its obligation. The projects in question fall into this category – permits for the Lakota Ridge and Shaokatan Hills projects were issued in 1997, the Grant County in 2009.

III. G.1. DECOMMISSIONING PLAN

Prior to commercial operation, the Permittee shall submit to the Commission Decommissioning Plan documenting the manner in which the Permittee anticipates decommissioning the Project in accordance with the requirements of Minnesota Rules part 7836.0500, subp.13. The Permittee shall ensure that it carries out its obligations to provide for the resources necessary to fulfill its requirements to properly decommission the Project at the appropriate time. The Commission may at any time request the Permittee to file report with the Commission describing how the Permittee is fulfilling this obligation.

⁶ Commission, *Erratum to Order Issuing Amended Site Permit*, October 1, 2020 (eDocket ID: [201910-156225-01](#))

The Memorandum of Understanding between the Commission and Department delegates review of required compliance filings to the Department. The permit language in the older permits raises a question about whether requests for updated plans are the type of actions normally covered under the delegated authority, or whether such requests must come from the Commission.

Request to the Commission

EERA staff is pleased to provide this status update to the Commission and respectfully requests the Commission:

1. Clarify whether Commission or Department staff should initiate scheduled periodic review of plans for existing projects,
2. Inform EERA staff of any revisions to the proposed review schedule, and
3. Clarify whether the depreciation and dismantling studies required for Xcel Energy (and other regulated utilities) can substitute for site-specific decommissioning plans for solar and wind projects. If the Commission finds that the depreciation studies adequately address decommissioning requirements, EERA staff requests guidance from the Commission on how that information should be made available in the individual siting dockets and what role, if any, EERA staff should play in review of depreciation and dismantling studies.