

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Petition of VT Real Estate Holdings 1 LLC)
("Shaftsbury Solar") for a Certificate of)
Public Good, pursuant to 30 V.S.A. § 248,)
authorizing the installation and operation of a) Case No. 23-____-PET
20 megawatt ("MW") solar electric generation)
facility off Holy Smoke Road in Shaftsbury,)
Vermont to be known as the "Shaftsbury)
Solar Project")

VT Real Estate Holdings 1 LLC 's Decommissioning Plan

1. Introduction

VT Real Estate Holdings 1 LLC (to be referred to as "Shaftsbury Solar," "SS" or "Petitioner") submits this plan for the eventual decommissioning of the proposed 20 MW (AC) photovoltaic electric generation facility to be located off Holy Smoke Road in Shaftsbury, Vermont (the so-called "Shaftsbury Solar Project" or "Project") and the establishment of a decommissioning fund, pursuant to Vermont Public Utility Commission ("Commission") Rule 5.900 and the Section 248 Certificate of Public Good ("CPG") to be issued for the Project.

2. Decommissioning Activities

At the time the Project permanently ceases to operate, Petitioner will perform decommissioning activities to restore the Project site to its condition prior to installation of the Project to the greatest extent practicable. The decommissioning activities will include: dismantling and off-site removal of the solar panels, support structures, underground electrical lines, inverters, transformers, concrete pads, fencing/fence posts, and any other ancillary project-related infrastructure. Also included will be reseeded the array areas prescribed by acceptable reclamation practices and any specific requirements imposed under the CPG related to restoration of Prime Agricultural Soils at the site.

3. Cost of Decommissioning

The Estimated Cost of Decommissioning the Project is \$1,680,192 as provided in Attachment A and includes all costs associated with the dismantlement and off-site removal of the Project components and site restoration activities pursuant to Rule 5.904(B)(1). The Estimated Cost of Decommissioning shall be adjusted for inflation every three years based upon the net positive change in the annual average of the U.S. Bureau of Labor Statistics' Northeast Urban Consumer Price Index ("NECPI") for the preceding three-year period ("Revised Estimate Cost of Decommissioning"). The decommissioning fund amount shall not be reduced in periods when the NECPI reports a net negative change for the preceding three-year period.

4. The Decommissioning Fund

Establishment. The Decommissioning Fund will initially be funded with a Surety Bond that: (i) is bankruptcy remote; (ii) includes an auto-extension provision (i.e., “evergreen clause”); and (iii) is issued solely for the benefit of the Commission. No other entity, including Petitioner, shall have the ability to demand payment under the LC (or other appropriate financial security). A draft of the Decommissioning Bond is attached to this Plan as Attachment B. A Commission-approved instrument of financial security shall be in place and filed with the Commission for approval prior to commencement of construction.

If the Revised Estimated Cost of Decommissioning exceeds the then-current Estimated Cost of Decommissioning, Petitioner shall cause a new or amended Surety Bond (or other appropriate financial security) to be issued to reflect the Revised Estimated Cost of Decommissioning. In the event the NECPI has a negative value at the time the annual adjustment is calculated, the value of the Surety Bond (or other appropriate financial security) shall not be reduced. Revisions to the Surety Bond will be made no later than February 28 of the given year, in conjunction with the report required pursuant to the next paragraph.

Reporting. Every three years, Petitioner shall file a report with the Commission, the Vermont Department of Public Service, and each party to the proceeding in which the facility’s CPG was granted, describing any adjustments and changes to the decommissioning fund in the previous three- year period. This report shall be filed no later than February 28 of the third year following the issuance of the CPG and every subsequent third year.

Decommissioning. At the time the Project permanently ceases to operate, and in the event the Petitioner does not seek Commission approval to repower the Project, Petitioner will decommission the Project as required under the Commission’s Order and CPG issued in this docket. Upon completion of decommissioning, Petitioner shall seek a certification of completion from the Commission. The certification will be provided to the issuing bank with instructions to terminate the Surety Bond (or another appropriate financial security).

The Commission shall have the right to draw on the Surety Bond (or other appropriate financial security) to pay the costs of decommissioning in the event that the CPG holder has not commenced decommissioning activities within 90 days of a Commission order directing decommissioning.

Release of excess funds upon completion of decommissioning activities. Upon completion of all decommissioning and site restoration activities, Petitioner will request a determination from the Commission that its decommissioning obligations have been satisfied. Upon the Commission’s determination that the decommissioning obligations have been satisfied, the Commission will terminate the Project’s Surety Bond.

Attachment A Decommissioning Cost Estimate

Estimated quantities and associated costs, inclusive of labor, equipment, transportation, disposal, federal/state/local permits or fees, decommissioning activity management, site supervision, and site safety costs, in present-day dollars to decommission the improvements and restore the Project site to its condition prior to installation of the facility to the greatest extent practicable. See Exhibit SS- SW-2 (Site Plans) and Decommissioning Plan (Exhibit SS-RW-4).

This cost estimate was prepared for the Petitioner by Dennis Moran, PE, Project Manager at Tighe & Bond Inc. Tighe & Bond is a leading engineering and design firm with offices throughout the Northeast that specializes in the design and permitting of large-scale solar energy projects. Tighe & Bond is the Engineer of Record for similarly-sized solar projects in the region and has developed decommissioning plans for projects of similar capacity and complexity.

	Activity	Quantity (units)	Material & Labor Costs	Total Cost
1	Solar Modules	44,250	\$5.00	\$221,250
2	Permitting, Oversight, General Conditions	1	\$100,000	\$100,000
3	Inverters	8	\$3,500	\$28,000
4	Transformers/Substation	1	\$150,000	\$150,000
5	Racking Frames	1,844	\$135.00	\$248,940
6	Racking Posts	14,752	\$8.50	\$125,392
7	Wire (Aluminum)	70,000	\$2.00	\$140,000
8	Wire (Copper)	240,000	\$0.70	\$168,000
9	Concrete Removal	300	\$125.00	\$37,500
10	Gravel Removal	9,500	\$16.00	\$152,000
11	Fencing	13,800	\$4.00	\$55,200
12	Grading/Seeding/Mulching	16.8	\$2,000	\$33,600
13	Subsoil tilling and plowing	16.8	\$1,200	\$20,160
14	Permitting & Oversight	1	\$50,000	\$50,000
15	Prime Agricultural Soils *	5,500	\$27	\$150,150
	TOTAL			\$1,680,192

* Prime Ag Soils budget prepared by VHB Civil Engineer Stephanie Wyman

Attachment B
Decommissioning Fund - Form of Financial Security

Beneficiary/Obligee

Vermont Public Utility Commission
112 State Street
Montpelier, VT 05620-2701
Attn: Contract Administration

Effective Date: [_____]
Bond No.: [_____]
Effective Date: [_____]

Re: VT Real Estate Holdings 1 LLC (dba Shaftsbury Solar)
PUC Case No. _____
CPG Issued on: _____

DECOMMISSIONING SURETY BOND

KNOW ALL BY THESE PRESENTS: That we, **VT Real Estate Holdings 1 LLC**, as **Principal**, and **United States Fire Insurance Company** a corporation duly authorized under the laws of the State of Delaware, as **Surety**, are held and firmly bound unto **STATE OF VERMONT PUBLIC UTILITY COMMISSION**, as sole **Obligee** in the maximum aggregate penal sum of One Million, Six Hundred Eighty Thousand, One Hundred and Ninety-two Dollars (\$1,680,192.00), lawful money of the United States of America, to be paid to the said Obligee, successors or assigns; for which payment, well and truly to be made, we bind ourselves, our heirs, executors, successors, administrators and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THE OBLIGATION IS SUCH THAT:

Whereas, Principal is required under the Certificate of Public Good (“CPG”) issued on _____ in Case No. _____, and under the related Decommissioning Plan (Exhibit No. SS-RW-4), to complete decommissioning activities for the Shaftsbury Solar Project; and

Whereas, said Principal is required under the terms of the CPG to furnish a bond for the faithful performance of the decommissioning referred to in said CPG; and

Whereas, Obligee is issued solely for the benefit of the Obligee and no other entity, including the Principal, shall have the ability to demand payment under this Surety Bond; and

Now, Therefore, the condition of this obligation is such that if the above bounded Principal, its successors or assigns, shall in all thing stand to and abide by, and well and truly keep and perform the decommissioning provisions in the said CPG and any alteration thereof made as therein provided, on their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the Obligee, its officers, agents and employees, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

Provided further, that if the Principal fails to commence decommissioning activities within 90 days of the Obligees order to Principal directing it to Decommission the Project, all responsibilities as outlined in said CPG, the Surety shall promptly and at the Surety's election and expense take one of the following actions:

1. Arrange for the Principal, with consent of the Obligees, to timely perform and complete the Decommissioning; or
2. Undertake to timely perform and complete the Decommissioning itself, through its agents or through independent contractors; or
3. Waive its right to perform the Decommissioning and forfeit the full bond penalty to the Obligees.

This Surety Bond shall have no expiration date and shall continue in full force and effect, provided that the Surety may cancel this Surety Bond at any time by giving the Obligees sixty (60) days written notice of its desire to be relieved of Liability. Any such notice shall be in writing, shall be sent by hand, by certified mail (return receipt requested), or by Federal Express or other overnight delivery service, and shall be addressed to Obligees at the address set forth above. Should the Principal fail to provide a replacement bond or alternate financial assurance acceptable to the Obligees within thirty (30) days of the receipt by the Obligees of the Notice of Cancellation, the Surety may choose to reinstate this bond, otherwise the Surety will be in default and shall forfeit the full Penal Sum of this Bond to Obligees.

Nonpayment of the premiums associated with this Bond by the Principal, nor the Bankruptcy of the Principal, shall not invalidate this Bond nor shall Obligees be obligated for any premium payment(s) thereof.

The liability of the Surety under this bond and all continuation certificates issued in connection therewith shall not be cumulative and shall in no event exceed the amount as set forth in this bond or in any additions, riders, or endorsements properly issued by the Surety as supplements thereto.

IN WITNESS WHEREOF, the signature of said Principal is hereto affixed and the corporate seal and the name of the Surety is hereto affixed and attested by its duly authorized Attorney-in-Fact, this ___day of _____, _____.