

**South Forty Solar Farm  
South Forty Solar, LLC  
Plan for Decommissioning Fund**

**1. Introduction**

South Forty Solar, LLC (“SFS” or “Petitioner”) submits this plan for the creation of a decommissioning fund in conjunction with its Petition for a section 248 Certificate of Public Good before the Vermont Public Service Board (“Board”) regarding the South Forty Solar Farm.

**2. Decommissioning Activities**

As stated in Petitioner’s prefiled testimony, at the time the Project ceases to operate, Petitioner will perform decommissioning which will include off-site removal of the solar panels, support structures, underground electrical lines, inverters, transformers, concrete pads, and fencing/fence posts. Decommissioning will also include restoring existing site conditions by returning soil immediately to areas that have been disturbed to remove underground wires.

**3. Cost of Decommissioning**

The Estimated Cost of Decommissioning the Project is \$116,000, as reflected in the attached document. The Estimated Cost of Decommissioning shall be adjusted annually to account for inflation, based upon the current Consumer Price Index (“CPI”) as maintained by the Bureau of Labor Statistics (the Revised Estimated Cost of Decommissioning). Petitioner shall file annual reports with the Board and the Department of Public Service on the status of the Decommissioning Fund after each annual adjustment.

**4. Establishment of Decommissioning Fund**

The Decommissioning Fund will initially be funded with an irrevocable standby Letter of Credit (“LC”), escrow account, bond, or other appropriate financial security 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 Board. No other entity, including Petitioner, shall have the ability to demand payment under the LC (or other appropriate financial security). A draft Letter of Credit is attached to this Plan. An executed Letter of Credit, or other Board-approved financial security, shall be in place and filed with the Board prior to commencement of construction.

Petitioner shall calculate the annual inflation adjustment, as noted above, to determine the Revised Estimated Cost of Decommissioning. If the Revised Estimated Cost of Decommissioning exceeds the then-current Estimated Cost of Decommissioning, Petitioner shall cause a new or amended LC (or other appropriate financial security) to be issued to reflect the Revised Estimated Cost of Decommissioning. In the event the CPI has a negative value at the time the annual adjustment is calculated, the value of the LC (or other appropriate financial security) shall not be reduced.

At the end of the Project's useful life, and in the event Petitioner does not seek Board approval to repower the Project, Petitioner will decommission the Project as required under the Board's Order and CPG issued in this docket. Upon completion of decommissioning, Petitioner shall seek a certification of completion from the Board. The certification will be provided to the issuing bank with instructions to terminate the LC (or another appropriate financial security).

The Board shall have the right to draw on the LC (or other appropriate financial security) to pay the costs of decommissioning in the event that Petitioner (or its successor) is unable or unwilling to commence decommissioning due to dissolution, bankruptcy, or otherwise. Prior to the Board drawing on the LC (or other appropriate financial security), Petitioner shall have a reasonable period of time to commence decommissioning, not to exceed ninety days following issuance of a Board order requiring decommissioning of the Project.

**Decommissioning Cost Estimate**  
**South Forty Solar Farm, 2.5 MW PV — Estimate July 14, 2015**

**Removal**

Remove modules	\$17,000
Package & ship modules	\$9,000
Disassemble rack	\$20,000
Pull posts	\$28,000
Package & ship rack & posts	\$13,500
Remove & ship inverter sheds	\$11,500
Remove electrical equipment & wiring	\$4,500
Remove DC conduit & inverter foundation	\$5,500
Dispose of material with no salvage value	\$3,500
Site restoration – harrow & seed	\$3,500
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<i>Total Decommission Cost</i>	<i>\$116,000</i>

**Form of Letter of Credit**

**[NAME OF BANK]**  
IRREVOCABLE STANDBY LETTER OF CREDIT

**Beneficiary**

Vermont Public Service Board  
112 State Street  
Montpelier, VT 05620-2701  
Attn: Contract Administration

Effective Date: [\_\_\_\_\_]

Letter of Credit No.: [\_\_\_\_\_]

Expiry Date: [\_\_\_\_\_]

Re: \_\_\_\_\_ Project  
PSB Docket No. \_\_\_\_\_  
CPG Issued on \_\_\_\_\_

At the request of \_\_\_\_\_ (the "Applicant" (the "Applicant"), **[NAME OF BANK]** (the "Issuer"), hereby issues this irrevocable Letter of Credit No. [\_\_\_\_\_] in the favor of the Vermont Public Service Board (the "Beneficiary") available for an aggregate amount up to the maximum amount of \$**[Amount]** (**[Amount in words]** United States Dollars), effective as of the date first set forth above and expiring at our office located at (or at any other office which may be designated by us by written notice delivered to you) on the earliest to occur of (i) **[Expiration Date]** (the "Stated Expiration Date") or any automatically extended Stated Expiration Date, (ii) payment by Issuer hereunder of the maximum amount written above, or (iii) surrender of this original Letter of Credit to us for cancellation.

It is a condition of this Letter of Credit that the Stated Expiration Date shall be automatically extended without amendment, for successive periods of one year each from the Stated Expiration Date hereof or any such automatically extended Stated Expiration Date, unless, no less than 60 days before any such Stated Expiration Date, Issuer sends Beneficiary notice stating that this Letter of Credit will not be extended beyond the then current Stated Expiration Date. Any such notice of non-extension 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 Beneficiary at the address set forth above.

Issuer has been requested to issue this Letter of Credit in connection with Condition No. \_\_\_ of the Certificate of Public Good ("CPG") issued by the Vermont Public Service Board to \_\_\_\_\_ on \_\_\_\_\_, in Board Docket No. \_\_\_\_\_. Said Condition No. \_\_\_ deals with the establishment of a Decommissioning Fund for \_\_\_\_\_'s \_\_\_ MW \_\_\_\_\_ electric generation project to be built in \_\_\_\_\_, Vermont. However, Issuer assumes no obligations under the CPG or responsibility or duties thereunder.

Funds under this Letter of Credit are available to you by making a demand for payment by presentation to us at our offices at \_\_\_\_\_, Attention: Loan Administration (or at any other office which may be designated by us by written notice delivered to you) of your drawing certificate in the form attached hereto (“Drawing Certificate”) and accompanied by the original of this Letter of Credit. A presentation under this Letter of Credit may be made only on a day, and only between the hours of 9:00 AM and 5:00 PM, which such office is open for business (a “Business Day”).

If we receive your Drawing Certificate and the original of this Letter of Credit at such office on any Business Day, all in reasonable conformity with the terms and conditions of this Letter of Credit, we will honor the same by making payment in accordance with your payment instructions on the third succeeding Business Day after presentation so long as the amount of the drawing, together with all previous drawings honored pursuant to this Letter of Credit, does not exceed the aggregate amount of this Letter of Credit. Typographical errors other than in amounts will not violate the conformity provision in this paragraph. If a drawing fails to conform to the terms and conditions of this Letter of Credit it shall not (i) preclude the Beneficiary from correcting any such errors and resubmitting the request nor (ii) act as a waiver of any rights the Beneficiary has under this Letter of Credit.

Partial and multiple drawings are permitted. All of the banking charges are for Applicant's account.

This Letter of Credit sets forth in full the terms of our undertaking to you (but not any of your duties, obligations or responsibilities to Issuer hereunder or otherwise). Such undertaking to you shall not in any way be modified, amended or amplified by reference to any document or instrument referred to herein or in which this Letter of Credit is referred to or to which this Letter of Credit relates and any such reference shall not be deemed to incorporate herein by reference any document or instrument.

Except as otherwise expressly stated herein, this Letter of Credit is subject to the International Standby Practices 1998, I.C.C. Publication No. 590 (“ISP98”), excluding, however, Rules 4.09(c) and 5.06(c)(i), and shall be governed by and construed in accordance with the laws of the State of \_\_\_\_\_. In the event of conflict between the ISP98 and a non-mandatory (variable) provision of such laws, the ISP98 shall govern.

Yours faithfully, **[NAME OF BANK]**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name:

Name:

Title:

Title:

## DRAWING CERTIFICATE

### NAME OF BANK

Ladies and Gentlemen:

*Capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to such terms in the Letter of Credit.*

The Beneficiary hereby certifies to the Issuer, with reference to the Issuer's Irrevocable Standby Letter of Credit No. \_\_\_\_\_ (the "Letter of Credit"); that:

In connection with the Agreement for the **CERTIFICATE OF PUBLIC GOOD ISSUED PURSUANT TO 30 V.S.A. SECTION 248** dated \_\_\_\_\_ and related documents between the Beneficiary and \_\_\_\_\_, the Beneficiary is making a demand for payment under the Letter of Credit of the sum of \$\_\_\_\_\_ which amount does not exceed the current Stated Amount of the Letter of Credit; and

[The Beneficiary represents that it has issued an order that decommissioning shall occur and \_\_\_\_\_ or its successor is unable or unwilling to commence decommissioning activities within a reasonable period of time after the issuance of the order.]

Or

[This Letter of Credit has fewer than thirty (30) days remaining prior to the date of expiration and the Beneficiary has not received a replacement letter of credit to the extent required by the Agreement, and the undersigned hereby confirms that that the amount of this drawing does not exceed the undrawn face amount of the Letter of Credit.]

The amount demanded hereby has been calculated in accordance with the terms of the Agreement.

You are hereby directed to pay the amount so demanded to: [**Insert wire transfer instruction**]

IN WITNESS WHEREOF, the Beneficiary has executed and delivered this Certificate as of the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

Very truly yours,

\_\_\_\_\_

Name:

Title: