

Orr&Reno

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July 30, 2021

Via Email Only

Dianne Martin, Chair and Presiding Officer
New Hampshire Site Evaluation Committee
c/o New Hampshire Public Utilities Commission
21 South Fruit St., Suite 10
Concord, NH 03301-2429

Re: SEC Docket No. 2021-03 - Joint Petition for Approval of the Transfer of Membership Interests in BAIF Granite Holdings LLC and Granite Reliable Power, LLC to Tusk Wind Holdings III, LLC – Decommissioning Clarification

Dear Ms. Martin:

This letter is submitted on behalf of Tusk Wind Holdings III, LLC to clarify certain matters addressed at the hearing on July 26, 2021 in the above-captioned proceeding regarding financial assurance requirements for decommissioning the turbines at the Granite Reliable Power (“GRP”) wind energy project.

As was mentioned during the hearing, the specific terms and conditions regarding decommissioning cost estimates, funding, and assurances are contained in the Agreement between Coos County (the “County”) and GRP (the “Agreement”) which the Site Evaluation Committee (“SEC”) included as a condition of the Certificate it granted for the GRP wind project in 2009. See Order and Certificate of Site and Facility, SEC Docket No. 2008-04 (July 15, 2009), Appendix II. These conditions have been implemented and will continue to be implemented after the closing of the transaction that is the subject of the instant docket.

Under the terms of the Agreement, GRP was required to provide an estimate of net decommissioning costs (i.e., decommissioning costs and salvage value) to the County prior to construction. The Agreement also provides that the financial assurance for net decommissioning costs, in a form acceptable to the County, must be fully established within the first 10 years following completion of construction, which completion occurred in early 2012. On or prior to December 31 of each year in the first 10 years of the project’s operation, 10 percent of the total estimated net decommissioning costs must be secured in a form acceptable to the County. Consistent with that Agreement the current owners of GRP had an estimate of net decommissioning costs prepared by a third party consultant in 2010. That total estimate was \$844,033.30 (in 2010 dollars) and was prepared before the current SEC rules regarding proposed wind energy systems took effect in 2015. Among other things, those rules indicate that a description of sufficient and secure funding to implement a decommissioning plan for a proposed

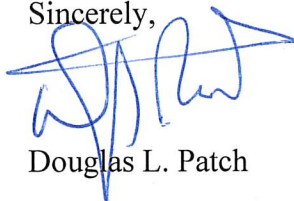
wind energy system “shall not account for anticipated salvage value of facility components or materials.” Admin. Rule Site 301.08(a)(8)a.

Based on the cost estimate noted above, the current owners of GRP have made nine payments into a decommissioning fund which currently has a cash balance of \$759,630. The amount of the final payment due to be made into that fund on or before December 31, 2021 to meet the current decommissioning estimate is \$84,403.30. Matthew Roskot’s prefiled testimony (p. 6) states: “At closing of the acquisition, GRP will replace the current...Financial Assurance Mechanism (FAM) *balance* with an irrevocable standby letter of credit in the amount of \$84,403.30...” [Emphasis added.] Following the posting of this irrevocable standby letter of credit, GRP will have posted to the fund the full \$844,033.30 estimate of net decommissioning costs that was provided by the third-party consultant in 2010. As discussed during the hearing, GRP expects to update the estimate of decommissioning costs following closing.

We trust that the foregoing will assist in clarifying information about the current net decommissioning cost estimate, how it was arrived at, and the financial assurance mechanism that is currently in place, consistent with the terms of the Coos County Agreement. If you have any questions, please do not hesitate to contact me.

Thank you for your assistance.

Sincerely,



Douglas L. Patch

DLP/eac

cc (via email): Service List in SEC Docket 2021-03
Coos County Commissioners

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