



7 Steps to a Decommissioning Plan

With a typical lifespan of just thirty years and with technology and markets changing constantly, it makes sense that operators and governing jurisdictions plan for the inevitable removal of renewable facilities, even as their installation is being planned. While setback, screening and noise concerns might be what most people are focused on when a renewable energy facility is proposed, what happens to the property at the end of the project's life is equally important. Perhaps even more so, given that the taxpayers might be on the hook for decommissioning if the operator fails to complete it, and because everyone suffers when properties are blighted or environmentally damaged. Therefore, local ordinances should provide requirements for decommissioning and ensure that operators bear their responsibilities and protect the local community.

Through extensive reviews of renewable energy ordinances around the Midwest, The Center has identified several elements that should be required by ordinance to ensure a site is properly decommissioned:

1. The steps for removal and disposal of all equipment and materials. The removal should be to a depth specified by ordinance (typically three to four feet) unless the landowner desires otherwise.
2. A description of how the soil, vegetation, and previously disturbed earth will be restored to a state where it can readily be used for farmland, or other use as desired by the owner.
3. The length of time needed to complete decommissioning and the consequences for failing to meet that schedule.

4. A statement that the owner/operator will notify the local government in advance of the planned decommissioning of a facility, the required timing of the notice, and the means by which the notice will be provided.

5. Financial assurance provided by the owner/operator based on cost estimates provided by a certified third party engineer that incorporates the salvage value and is periodically reviewed, typically every five (5) years. This assurance usually takes the form of a surety bond, letter of credit, parent guarantee or other agreed method of assurance. This assurance is typically funded incrementally over an agreed period of time and should not be expected fully upfront.

6. A means for declaring the facility abandoned that will then trigger the decommissioning process. Typically, this is after one (1) year of no electricity generation, unless a mitigation plan is established between the owner/operator and the county to restore energy generation over an agreed period of time.

7. Provision establishing for any transfer of ownership, all agreements and obligations made by the prior owner to the county will be assumed by any subsequent owner/operator.

These are the most critical elements that will comprise the decommissioning pieces of a solar or wind ordinance. We encourage local leaders to explore the many ordinances on our website to see how other communities have applied these principles.