DECOMMISSIONING PLAN
STONY CREEK WIND FARM
WYOMING COUNTY, NEW YORK

1 PROJECT INFORMATION

The Stony Creek Wind Farm is a wind project proposed to be constructed in the Town of Orangeville in Wyoming County, New York by Stony Creek Energy LLC ("Stony Creek"). The project includes the construction and operation of up to 59 wind turbines, the installation and operation of associated collection lines, access roads, substation, and related facilities (the "Project"). The work shall comply with all applicable Town Codes, requirements of the New York State Department of Agriculture and Markets, applicable portions of the FEIS, the FEIS Findings Statement and the Site Plan Conditions.

2 DECOMMISSIONING TASKS

2.1 Wind Turbine Removal

Wind turbines are bolted to the foundation and pedestal and can be removed in a relatively straightforward manner using appropriately sized cranes and equipment. After removal the wind turbines could be either scrapped or transported to another site for reuse.

If the wind turbines are resold for reuse, the rotor, nacelle and tower sections would be disassembled and transported from the site in a manner similar as would be used to deliver the turbines to the site.

If the wind turbines are not sold for reuse, they would be disassembled and sold for scrap. This would require the same cranes as used for assembly. The hub, blades, and nacelle would be removed to ground level for a scrap company to breakdown and strip high value components. Cabling internal to the towers would be removed and scrapped to recover the high value copper conductor materials. Tower sections would be lowered to grade and cut into transportable sections for delivery to a scrap metal purchaser. Control cabinets in the base would be stripped of high value components and the balance turned over to a scrap company for haul and disposal. The area would then be cleaned and all debris removed.

2.2 Removal of Pad Mount Transformers

The pad mount transformers at the base of every wind turbine would have little wear and would be valuable for reuse. The transformers could be unbolted from their foundations, removed from the site, refurbished, and resold. Transformer fluid shall not be spilled during removal and transport.

2.3 Foundation Removal

After the wind turbine and pad-mount transformer are removed, topsoil in the area of the wind turbine foundation pedestal and the pad-mount transformer foundation would be removed to a proper temporary storage pile, and the foundation pedestal and transformer foundation would be exposed. The anchor bolts, rebar, conduits, and concrete in the wind turbine foundation pedestal and transformer foundation shall be removed to 4 feet below grade.

After removal of the foundation materials, the areas would be filled with clean compatible sub-grade material compacted to a density similar to the surrounding fields. All rocks four (4) inches and larger shall be removed from the surface of the subgrade. Topsoil would then be replaced. All rocks four (4) inches and larger shall also be removed from the surface of the topsoil. Unexcavated areas compacted by

equipment used in the decommissioning process would be tilled in a manner adequate to restore the topsoil and subgrade material to the density consistent with surrounding fields. The disturbed areas would be seeded and mulched with a seed mix approved by each landowner and the Town.. The method would depend upon surrounding land use or vegetation.

2.4 Electrical Collection System

The electrical collection system cables will be removed such that the main conductors will be 48" or more below grade. Cables in the area of the pad-mount transformers would be cut to a depth of 48" or more, but the cables between the transformers would not be removed as part of project decommissioning. Environmental and agricultural impacts are minimized by leaving the cables in place. The cables contain no materials known to be harmful to the environment. The cable installation would include a warning tape and tracer cable that would warn anyone that could be digging in the area of the proximity of the cables both during and after project operation.

2.5 Access Roads and Turbine Pads.

Access roads may be left in place for use by the property owners. A copy of the property owner's agreement to leave the access roads and turbine pads in place shall be provided to the Town. Otherwise the access roads and turbine pads shall be removed and the fields and forested areas restored in accordance with NYSDAM and any applicable Town and NYSDEC requirements. If the substation and maintenance facility are abandoned, the improvements shall be removed and the land restored in a similar manner.

2.6 Material Removal

The demolition contractor will remove decommissioning debris to a disposal facility permitted to operate under the current and applicable regulations at the time the equipment is removed.

3 DECOMMISSIONING COSTS

The cost to decommission the Project is equal to the cost to perform the decommissioning tasks of Section 2. Decommissioning costs, as estimated by the country's largest remediation and facility services company, LVI Environmental Services, are attached here as Attachment A. The LVI estimates conservatively assume that the turbines would only be valuable as scrap after their removal. The cost of decommissioning based on the LVI costs and LVI scrap valuation is discussed in Section 3.2

3.1 Decommissioning Costs with Turbine Resale

The greatest value of the removed wind turbines would be realized by selling the wind turbines for reuse. The wind turbines have a value of approximately $1.8 million dollars just prior to installation. After installation, Stony Creek conservatively estimates the turbines would lose 50% of their value in year 1 and then 5% every year thereafter. Table 1 summarizes resale value of the wind turbines calculated under these assumptions.

Table 1. WTG Resale Value Assumptions

Year	WTG Resale Value	Depreciation
0	1,800,000	Na
1	900,000	-50%
2	855,000	-5%

3	812,250	-5%
4	771,638	-5%
5	733,056	-5%
6	696,403	-5%
7	661,583	-5%
8	628,504	-5%
9	597,078	-5%
10	567,224	-5%

3.2 Decommissioning Costs with Turbine Salvage

A more conservative assessment of decommissioning costs is made by assuming that the wind turbines cannot be sold for re-use, and instead, must be salvaged and sold for scrap. This case conservatively assumes not only that the complete wind turbines will not be resold, but that the individual components such as the wind turbine towers, blades, generator, gearbox, cabling, transformer, and switchgear have no market value for re-use. The value of the removed wind turbine is based solely on its value as scrap metal, with the greatest value being in the steel of the wind turbine tower.

This is considered a conservative scenario given the increased number of wind projects in the U.S. that would place value on second-hand components.

Based on current values for recycled steel, copper and machinery, LVI Environmental estimates the net cost to decommission the wind farm after the first year of operation to be $44,474 per wind turbine, inclusive of all decommissioning tasks of Section 2. For the proposed 59 turbine Project, this results in a total net decommissioning cost of $2,623,966.

4 DECOMMISSIONING BOND

To ensure funds are available to the Town of Orangeville to cover costs of decommissioning, Stony Creek will post a surety bond or equivalent financial security instrument that would be in place on or before the date thirty (30) days after the commencement of the pouring of concrete for the first wind turbine foundation, and would be in place for the life of the project. The security would be renewed by Stony Creek annually, or another schedule agreed to by the Town and Stony Creek.

The amount of the financial security will be $2,623,966 provided, however, that if less than 59 wind turbines are installed, the amount of security will be reduced by multiplying the amount by the number of wind turbines installed and dividing by 59. Terms of the security instrument will include:

- Designation of the Town of Orangeville as beneficiary,
- Terms under which funds would be dispersed, and
- A provision that the Town of Orangeville could draw 100% of the funds if Stony Creek does not renew the security instrument prior to its expiration date.

Every year an independent engineering firm agreed to by both parties, will review the decommissioning costs in a report to the Town Board. Any adjustment to the security value recommended by the engineers report would be in place within ninety (90) days of delivery of the report to the Town Board.