

EXHIBIT W

FACILITY RETIREMENT AND SITE RESTORATION

Information about site restoration, providing evidence to support a finding by the Council as required by OAR 345-022-0050(1). The applicant shall include:

(A) The estimated useful life of the proposed facility.

(B) Specific actions and tasks to restore the site to a useful, non-hazardous condition.

(C) An estimate, in current dollars, of the total and unit costs of restoring the site to a useful, non-hazardous condition.

(D) A discussion and justification of the methods and assumptions used to estimate site restoration costs.

(E) For facilities that might produce site contamination by hazardous materials, a proposed monitoring plan, such as periodic environmental site assessment and reporting, or an explanation why a monitoring plan is unnecessary.

In its First Amended Project Order dated July 12 2011, the Department expanded upon the requirements of Exhibit W as follows:

All paragraphs apply. The Department recommends estimating site restoration costs based on determining the unit costs for removal of facility components and reclamation of the affected lands. The applicant should review recent Siting Council orders as a guide to the level of the detail required in the cost estimate. The Siting Council does not allow any deduction for the salvage or scrap value of wind turbines or turbine towers.

Estimated useful life

Generally, the estimated useful life of a wind facility is given as 20 years. However, as with Model-Ts still on the road, maintenance (including component replacement) can extend the useful life. Wind facilities are modular by their nature, and it is more likely that a change in the economics of electricity production, rather than the age of the facility, will end its useful life.

Restoration tasks

Applicant acknowledges that it is required to provide for the worst possible assumptions with respect to facility restoration (that the State of Oregon, rather than a defaulting Certificate Holder, will be responsible for reclaiming the facility). So, while the secondary market for wind turbine generators is well established, no resale value may be considered; and while the scrap value of steel and copper are such that wind facilities regularly experience the theft of same, no scrap value may be considered.

Restoration tasks in the table below are therefore based on the Council's guidance rather than the Applicant's experience.

Cost of restoration

The Figure W-1 lists the assumptions used in Applicant's cost of restoration estimate of \$12.737 million. Unit entries are based on the facility's worst-case footprint but substituting our longest Transmission Option (S-DB) for Option S (which is used in the worst-case footprint). Unit entries are also adjusted upward to provide a "maxima table," which may be translated into "not to exceed" language in any eventual Site Certificate.

Applicant understands that the index multiplier (if not the amounts) will be adjusted to reflect the date of any Final Order on the Site Certificate.

Hazardous materials

Assuming the disassembly steps listed on figure W-1, the facility will produce no contamination of the site by hazardous materials.

Figure W-1

Saddle Butte Wind Park

July 10, 2012

Initial Financial Assurance Calculation

unit costs in 3Q 2009 dollars

	Quantity	Unit Cost	Extension
<u>Turbines</u>			
Disconnect electrical and ready for disassembly (per tower)	133	\$1,061	\$141,113
Remove turbine hubs and blades (per tower)	133	\$4,106	\$546,098
Remove turbine nacelles and towers (per net ton of steel)	40,166	\$76.67	\$3,079,527
Remove and load pad-mounted transformers (per tower)	133	\$38.68	\$5,144
Remove tower foundations (per cubic yard of concrete)	133	\$2,407	\$320,131
Restore turbine turnouts (per tower)	111	\$97	\$10,767
<u>Met Towers</u>			
Dismantle and dispose of met towers (per tower)	6	\$9,483	\$56,898
<u>Substations and Field Workshops</u>			
Dismantle and dispose of substation	2	\$88,577	\$177,154
Dismantle and dispose of O&M buildings	2	\$27,798	\$55,596
<u>Transmission Line</u>			
Remove 230-kV single-circuit transmission line on monopoles (per mile)	42	\$15,270	\$641,340
Remove 34.5-kV transmission line and SCADA (per mile)	20	\$2,132	\$42,640
Remove junction boxes & electrical to 4' below grade (each)	25	\$1,416	\$35,400
<u>Access Roads</u>			
Remove roads, grade and seed (per mile)	30	\$17,460	\$523,800
<u>Restore Additional Areas Disturbed by Facility Removal</u>			
Around turbine pads and turnouts (per acre)	116	\$5,988	\$694,608
Around turnarounds and turning radii (per acre)	12.7	\$5,988	\$76,048
Around met towers (per acre)	1.0	\$5,988	\$5,988
Around substations (per acre)	10.9	\$5,988	\$65,269
Around 34.5-kV transmission line poles (per acre)	12	\$2,973	\$35,676
Around 230-kV monopole power line supports (per acre)	110	\$2,973	\$327,030
Around string access roads (per acre)	417	\$5,988	\$2,496,996
Around cross-country crane paths (per acre)	49.5	\$2,973	\$147,164
Laydown and storage areas (per acre)	15	\$2,973	\$44,595
Around field workshop (per acre)	5.2	\$2,973	\$15,460
<u>General Costs</u>			
Permits, mobilization, engineering, overhead, utility disconnects (unit cost)	1	\$475,517	\$475,517
Subtotal			\$10,019,959
Subtotal adjusted to 3rd Q 2012 dollars		1.0488	\$10,508,933
Performance Bond		1%	\$105,089
Gross Cost			\$10,614,022
Administration and Project Management		10%	\$1,061,402
Future Developments Contingency		10%	\$1,061,402
Total Site Restoration Cost (rounded to nearest \$1,000)			\$12,737,000

<http://www.oregon.gov/DAS/OEA/economic.shtml>

2005=100

3Q 2009	BY	109.763
3Q 2012	RY	115.1166
Ratio: RY/BY		1.0488