

Solar Decommissioning

Background & Overview

The solar industry is committed to responsible land use and acting as good stewards of the sites our systems occupy. To this end, we support the industry best practice of including decommissioning provisions within landowner/development agreements to provide assurances that solar systems will be decommissioned safely and responsibly and won't place an undue burden on landowners or other community stakeholders.

Key Principles

To promote transparency and clarity while encouraging responsible development of solar projects, SEIA can support state-level decommissioning requirements that incorporate the following key concepts:

- ◇ Landowners may require leases for solar projects to provide for decommissioning of the project at the termination of the lease
- ◇ Where a landowner requires decommissioning provisions in a solar project lease, the [developer/owner] of the solar project shall file a decommissioning plan with the county that has jurisdiction over the land in question
- ◇ Decommissioning plans should describe the steps that would be taken to remove the project equipment from the landowner's property and restore the property or to a condition that is reasonably similar to its condition prior to the commencement of construction
 - The plan should allow for the landowner and developer to mutually agree upon an alternative condition for land restoration
- ◇ Small, distributed, behind-the-meter solar projects should be exempt from decommissioning requirements
- ◇ The amount of financial assurance for the decommissioning plan must be equal to the cost of decommissioning the project, minus the facility's salvage value
 - These costs should be determined by a third-party professional engineer, retained by the developer of the project
 - The cost calculation should be reassessed periodically to ensure it remains accurate over the lifetime of the project
 - Acceptable forms of financial assurance include a parent company guaranty with a minimum credit rating of A-/A3 by a major domestic credit rating agency, a bond, or an escrow account, along with any other forms deemed acceptable by the county of jurisdiction
- ◇ When enacted, state-level decommissioning requirements should supersede any local, county, or municipal requirements

These principles are consistent with industry best practices for decommissioning projects and will allow solar development to flourish responsibly, providing economic benefits to local communities.