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Decommissioning Cost - Warwick ES3

The purpose of this document is to provide an overview of costs associated with the decommissioning of Convergent's Battery Energy Storage System (BESS), Warwick ES3 facility, located in the Village of Warwick, NY within the Orange and Rockland (O&R) service territory.

Convergent's purchase agreement with the battery supplier (GE/LG-Chem in this case) includes reclaiming and recycling the battery cabinets and modules upon decommissioning of the facility meaning that a majority of the decommissioning cost is effectively accounted for at commissioning of the project. Information on the removal and recycling of the batteries is provided in Section 2.1 of the Warwick ES3 Decommissioning Plan.

Therefore, with an understanding that the batteries comprise a majority of the facility, the decommission costs provided are determined based on the current estimated costs to have other ancillary equipment at the site (such as described in the Warwick ES3 Decommissioning Plan Sections 2.2, 2.3, 2.4) removed by a contractor, and for site restoration. Just as a note, most of the ancillary equipment will retain some residual/second-hand/scrap value that is not even accounted for at this time but may balance some of the cost for decommissioning.

Examples of other decommissioning bond Convergent has posted in other jurisdictions was requested by the Planning Board. Convergent is currently constructing the Cannon House Solar and Battery Energy Storage System project located in Caroline County, Maryland. This project consists of a 1.2 MW BESS and 0.8 MW solar array. The total letter of credit posted for the decommissioning bond is $66,183, attached is a copy of the bond. Although this project consists of both solar and BESS, below is a breakdown of the decommissioning costs associated with each portion of the project.

Cannon House 0.8 MW Solar Decommissioning Cost Breakdown	
Task	**Cost**
Remove Panels	$ 1,000
Remove Rack Wiring	$ 1,000
Dismantle Racks	$ 5,000
Remove and Load Electrical Equipment	$ 1,000
Break up Concrete Pads	$ 1,000
Remove Racks	$ 3,000
Remove Cable	$ 2,000
Remove Ground Screws and Power Poles	$ 5,000
Remove Fence	$ 2,000
Grading	$ 4,000
Seed Disturbed Areas	$ 250
Truck to Recycling Center	$ 2,390
Current Total	**$ 27,640**
Total After 35 Years at 2% Inflation	**$ 46,988**

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Cannon House 1.2 MW BESS Decommissioning Cost Breakdown	
Tasks	**Cost**
Deenergizing and Disconnection	$ 972
Removal of the BESS	$ 3,528
Removal of Ancillary Electrical Systems	$ 1,151
Removal of Equipment Pads, Supports, Gravel & Perimeter Fence	$ 2,640
Site Restoration	$ 3,000
Current Total	**$ 11,291**
Total After 35 Years at 2% Inflation	**$ 19,195**

The table below provides the cost per MW Convergent has utilized for the various decommissioning tasks and a comparison of Convergent's Cannon House project and the Warwick ES3 project based on this cost per MW. In conclusion the cost provided in the Warwick ES3 Decommissioning Plan are consistent with cost reviewed, approved, and bonded in other jurisdictions.

BESS Decommissioning Cost Comparison			
Tasks	**BESS Cost per 1.0 MW**	**Cannon House 1.2 MW BESS Cost**	**Warwick ES3 3.4 MW BESS Cost**
Deenergizing and Disconnection	$ 810	$ 972	$ 2,750
Removal of the BESS	$ 2,940	$ 3,528	$ 10,000
Removal of Ancillary Electrical Systems	$ 960	$ 1,151	$ 3,250
Removal of Equipment Pads, Supports, Gravel & Perimeter Fence	$ 2,200	$ 2,640	$ 7,500
Site Restoration	$ 2,500	$ 3,000	$ 8,500
Current Total	**$ 9,410**	**$ 11,291**	**$ 32,000**
Total After 35 Years at 2% Inflation	**$ 15,997**	**$ 19,195**	**$ 54,400**