PENN ENERGY RENEWABLES, LTD.
a Penn Real Estate Group, LTD company

Decommissioning Plan Report

In support of an application for a
Renewable Energy Approval (REA)
Pursuant to Ontario Regulation 359/09

For the

Penn Energy – Edwardsburgh_Morrisburg-1

SOLAR ENERGY FACILITY

FIT Contract No. F-000628-SPV-130-505
FIT Application No. FIT-F46NQGB

In the
Township of Edwardsburgh/Cardinal
County of Leeds and Grenville
ONTARIO, CANADA

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A note regarding REA application requirements and additional Project Information:
This document is one component of a series of reports and other related documents that, collectively, constitute a complete Renewable Energy Approval (REA) application package which will be submitted to the Ministry of the Environment (MOE) for review and approval. As such, this report is intended to compliment the other documents and may reference and/or rely upon information contained in them; therefore, the contents herein should not be considered independently.

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1.0 INTRODUCTION

Penn Energy Renewables, Ltd. (Penn) has executed a FIT contract with the Ontario Power Authority (OPA) for the construction of a 10 MW, ground-mounted, Class 3 solar energy facility near the Town of Prescott, in the County of Leeds and Grenville, Ontario. The subject lands are located in part of Lots 34 Concession 1 of the Township of Edwardsburgh/Cardinal (former Township of Edwardsburgh). The proposed Renewable Energy Generation Facility (REGF) would consist of a collection of solar photovoltaic (PV) modules (each approximately 1.00 m x 1.67 m or 1.00 m x 2.00 m in dimension) that are grouped into arrays tilted and facing south. These stationary arrays are strung together forming a series of rows oriented east to west. The Environmental Protection Act (EPA) administered by the Ministry of the Environment (MOE) regulates Renewable Energy Approvals (REAs) under Part V.0.1 of the act, pursuant to Ontario Regulation 359/09. A proponent of a renewable energy project is required to submit numerous reports as part of an REA application; one of which is a Decommissioning Plan Report (DPR).

According to the MOE's publication "Technical Bulletin #4: Guidance for preparing the Decommissioning Plan Report as part of an application under O.Reg.359/09," among other things:

> *[a] DPR is required to describe how applicant proposes to restore the project location to a clean and safe condition. This includes retiring the elements of the renewable energy generation facility, restoring the land and water and managing the excess materials and waste. The DPR describes the plans for decommissioning the renewable energy generation facility and is required to contain, at a minimum, the following information:*
>
> 1. *Procedures for dismantling or demolishing the facility*
> 2. *Activities related to the restoration of any land and water negatively affected by the facility*
> 3. *Procedures for managing excess materials and waste*

Although components of the REGF have an estimated useful lifetime in excess of twenty years, twenty years is the term of the FIT contract. If power generation from this facility is no longer necessary at the point of the FIT contract's expiration, the REGF may be decommissioned. This DPR, therefore, is based on the scenario that the FIT contract has expired and not been renewed and that there is no demand for power generation on the site. In such event, upon the request of the landowner, the REGF will be dismantled, any lands and water negatively affected by the REGF will be restored, and the site will be left in a safe and clean condition. It is difficult to predict precise demolition activities, procedures and technologies that may become available over time. Assumptions have been made, therefore, and some task descriptions generalized to allow for a degree of flexibility and innovation regarding dismantling/ demolition means and methods.

The REGF is located in an area of primarily fallow fields and formerly wooded areas that were historically used for grazing. Aquatic features included a closed wayside pit, small ponded areas and ditches. No named watercourses are located on or adjacent to the REGF project area. The land use designation of the project area is Industrial Park Policy Area (Schedule A of the Township of Edwardsburgh/Cardinal Official Plan (OP). There are active railroads located near the western and northern edges , outside the REGF project area as well as an abandoned railway. There is evidence of past and current logging. Dependent upon the landowner's proposed

land-use following the REGF's lifespan, the site could be prepared for industrial development, reverted back to grazing use or allowed to naturalize on its own.

2.0 PROCEDURES FOR DISMANTLING/DEMOLISHING THE R.E.G.F.

Decommissioning will consist primarily of dismantling and removing facilities, wiring and equipment as well as land restoration, if necessary. This section also briefly addresses procedures for the unlikely event that the project is abandoned during construction.

2.1 Decommissioning After Ceasing Operation

The likely decommissioning tasks are follows:

1. The Facility is disconnected from the Hydro One Networks, Inc. (HONI) grid, according to federal and/or provincial requirements and in accordance with HONI procedures and policies.
2. Individual PV modules or panels are disconnected and removed from the site, and shipped, to the extent possible, to recycling facilities for recycling, or for disposal.
3. Electrical cables and equipment owned by Penn shall be removed and recycled, re-used or disposed of off-site. This includes all above-ground electrical structures and wiring, inverters, combiners, low voltage switch gear and transformers and the interconnection substation equipment, if applicable.
4. The collection houses and their foundations (if necessary) shall be removed and recycled, re-used or disposed of off-site.
5. All above-grade PV module array support posts and structures shall be removed and recycled or disposed of off-site.
6. The safety and security fencing shall be removed and recycled, re-used or disposed of off-site.
7. Road connections and internal lanes (and their sub-base materials) used for the project, drainage structures, etc. may be removed, depending on the wishes of the landowner.
8. The site could be converted to other uses in accordance with applicable land use regulations and the landowner's wishes.

2.2 Decommissioning During Construction

It is unlikely that the Facility will have to be dismantled during construction. Should this occur, similar procedures as outlined above and throughout the rest of this report (regarding decommissioning after ceasing operations) would be followed.

3.0 RESTORATION OF LANDS/WATERS NEGATIVELY AFFECTED BY THE R.E.G.F.

Following decommissioning the Facility site will be restored, to the extent possible, to pre-Facility conditions in accordance with local land use laws or regulations and pursuant to the landowner's desires. As indicated earlier, depending on the proposed land-use following decommissioning, the site could be prepared for industrial development, reverted back to grazing use or allowed to naturalize on its own.

3.1 Lands

During decommissioning the woodland identified in the Natural Heritage Assessment Report could be impacted during the removal of the security fence along with use of the associated machinery during the removal. Although unlikely, this activity could result indirectly in the loss or harm of surrounding trees. These potential impacts may be minimized or eliminated altogether, however, through utilizing small machinery to remove the fencing and by minimizing any backfilling within 30m of the woodland.

3.2 Waters

As confirmed in the NHA and Water Bodies reports, there are no water bodies (as defined by O.Reg. 359/09) in or within 120m of the REGF project location.

With respect to wetlands, the Natural Heritage Assessment indicates that there are no provincially significant wetlands located within the REGF project area. There is, however, a small isolated insignificant wetland complex within the project location that will be reduced in size during construction, this feature will remain as-is following decommissioning. As long as proper sediment control strategies are implemented, it is not anticipated that decommissioning will have negative effects on remaining wetlands.

4.0 PROCEDURES FOR MANAGING EXCESS MATERIALS AND WASTE DURING DECOMMISSIONING PHASE

As indicated above, the REGF consist of numerous materials that are potentially recyclable, including glass, semiconductor material, steel, and (copper) wiring. After operations have ceased and the REGF is no longer generating power, the component parts after having been dismantled will ideally be recycled or re-used following decommissioning. Beyond the project components, it is not anticipated there will be additional materials or waste as part of decommissioning. Section 3.0 of this report details the steps Penn will take to recycle or dispose of project components following decommissioning.

5.0 MISCELLANEAOUS INFORMATION

5.1 Emergency Response and Communications Plan

For further information on the Emergency Response and Communications Plan please reference the Design and Operations Report.

Given the relative lack of risk involved in dismantling the Facility, it is not anticipated that emergency situations (fire, spills of operating fluids, etc.) will take place. Nevertheless, Penn may prepare a detailed Emergency Response and Communications Plan prior to decommissioning in coordination with local, and municipal authorities prior to the start of any decommissioning activity. Such plan could detail communication procedures including a list of relevant emergency contact numbers for Penn and local fire, police and medical agencies,

directions to the nearest hospital, and evacuation procedures for each type of emergency. During decommissioning, among other things, signage will be posted listing emergency contact numbers for Penn along with the agencies referenced above.

Prior to the commencement of decommissioning, a fire response plan may be implemented. This will include the notification of appropriate emergency personnel, including the Township Fire Department, to be contacted if a fire occurs at the site.

Similarly, a spill response plan may also be formulated prior to decommissioning. Spills of operating fluids (gasoline, diesel fuel, lubricants) are possible from construction equipment and vehicles. Further, spills of transformer insulating oils are possible.

5.2 Decommissioning Notification

For further information about Decommissioning Notification, please reference the Design and Operations Report. Prior to decommissioning Penn will notify the Ministry of the Environment, the Township (police, fire, medical, etc), the County, and Hydro One Networks, Inc.

5.3 Other Approvals

At decommissioning, it could be a requirement that a Record of Site Condition (O. Reg 153/04) be filed with the MOE. All required local permits with respect to decommissioning will be obtained by Penn.

5.4 Financial Assurance

In consultations with the Ministry of the Environment during the early stages of Penn's due diligence process, it was advised that financial assurance of decommissioning plans would likely not be required. There has since been no information discovered to the contrary.