

# UNDERSTANDING THE END-OF-LIFE CYCLE DECOMMISSIONING PROCESS OF RENEWABLE PROJECTS

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As industry leaders and businesses tackle the question of how to decommission, repower, or redevelop our renewable energy generation technology that has reached the end of its useful life, important considerations must be weighed, including:

- What are the regulatory risks?
- Do the existing laws apply?
- What permits, approvals or exemptions are needed?

Over the past decade, increased deployment of solar and wind projects has been more and more prevalent as policy makers at all levels of government seek to increase renewable energy portfolios. This, of course, is aided by rapidly declining costs of solar and wind systems, increasing demand for clean energy technologies, the passage of supportive public policy, investing in transmission infrastructure, increasing social acceptance and improvements in technology.

As many of our nation's first-generation energy projects reach the end of their lifespan, discussions of decommissioning weigh heavy on the minds of our elected officials and industry leaders. An early focus on the need to incorporate a government relations strategy into the mix may be wise, as companies navigate compliance with existing and new utility laws, environmental and waste laws and regulations, taxation and bonding, and other regulatory requirements. The foundations to these government relations strategies are relationships with executive branch officials, including agency administrators, utility commissions, environmental regulators, and federal land management agencies who may all play a role as renewable project owners seek to decommission older projects. In addition, legislators and other elected officials also may need to be consulted.

Early interaction is almost always best, as a strategic component of the due diligence and planning efforts. A government relations strategy should be launched well before the decommissioning process begins. Representatives must conduct an environmental scan, and determine where attention needs to be focused to secure introductions that can lead to negotiations surrounding issues such as taxation and bonding, jobs, existing infrastructure, as well as waste and recycling, before the terms of new or developing policies are thrust upon project owners.

## Understanding the End-of-Life Cycle Decommissioning Process of Renewable Projects

For example, the Texas legislature recently passed legislation to promote the decommissioning of solar and wind power facilities, which created new definitions for *solar power facility agreements*, *solar power facility* as well as *wind power facility*. This new law specifically addresses decommissioning as a component of entering into an agreement to build a solar or wind facility. Other states, including Montana, have acted to address bonding and decommissioning plans. The ability to modernize outdated laws can enable companies to plan ahead and incorporate all costs of a power project – planning, construction, operation and decommissioning – at the outset. Innovators in the renewable energy field have seen the need for certainty. This development is possible by creating holistic decommissioning strategies, and holistic strategies need to be implemented now.

Strategic planning will identify the legal and regulatory hurdles to be overcome. It is important to coordinate efforts with internal government relations team members to evaluate and determine a plan to work within the existing framework or on a strategy to modernize and update those hurdles.

For more information visit our [Renewable Energy End-of-Life Planning](#) page or contact Steve Moortel at [smoortel@lewisroca.com](mailto:smoortel@lewisroca.com).

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