

PPRP DRAFT DECOMMISSIONING AGREEMENT¹

April 6, 2026

Instructions to Applicant:

- *Complete the section below titled “Project Information”*
- *Complete the cost estimating worksheets included in **Attachment A**; provide relevant facility data (estimated number of solar panels, etc.) as required by the Attachment A worksheets. Attachment A must be prepared or reviewed and approved by a Professional Engineer licensed in Maryland.*
- *Identify all waste or recycling facilities where materials (including solar panels) would be transported for handling and disposal, assuming that decommissioning were to occur during the initial five (5) years of operation. This information must be included in Attachment A.*
- *Applicants are required to post a decommissioning bond as calculated in Attachment A. The Attachment A cost estimating worksheets and the decommissioning bond must be updated every five (5) years following initial filing of the Decommissioning Agreement with the PSC.*
- *By signing and submitting this Agreement, Applicant is accepting responsibility for implementing the decommissioning activities described herein, including provision of a surety bond to cover decommissioning costs. Applicant may request revisions to the standard language included in this Agreement by submitting a detailed explanation of the revisions and the rationale for the variance request. Any variances to the standard Agreement will be granted at the discretion of the PSC.*
- *Projects larger than 5 MW(ac) may be asked to provide additional narrative information to address site-specific decommissioning issues.*

¹ “An owner of a solar energy generating station: (1) shall enter into a decommissioning agreement with the commission on a form that the commission provides;(2) shall post a surety bond with the commission for not more than 125% of the estimated future cost of decommissioning the solar energy generating station and its related infrastructure, less any salvage value; and (3) shall execute a securitization bond true-up every 5 years.” Public Utilities Article 7-218(g).

PROJECT INFORMATION

Project Name:

Date of this Agreement:

Applicant (Developer) Name and Business Address:

Preparer of the Decommissioning Plan and Cost Estimate – Company Name and Address:

Project Location:

County:

Tax Map _____, Grid _____, Parcel Number(s) _____

Total property acreage:

Acreage of Project Area:

Is the land to be **owned** or **leased** by the Project Developer?

Nameplate capacity: _____ MW(ac) _____ MW(dc)

The Project will consist of the Project Components identified in Attachment A.

1. Purpose

This Decommissioning Agreement details the anticipated procedure and estimated cost associated with the decommissioning of the Project, as defined below. Decommissioning will aim to render the site suitable for its previous use, subject to the landowner’s wishes and all applicable laws and regulations in force at the time of decommissioning.

This Decommissioning Agreement is submitted to the Maryland Public Service Commission (PSC) in compliance with Public Utilities Article § 7-218(g).

2. Party Responsible for Decommissioning

The Project owner is responsible for decommissioning. However, the Project owner may contract with a third party to perform the decommissioning activities on its behalf.

3. Commencement of Decommissioning

The facility shall commence decommissioning in accordance with this Agreement within six (6) months after the end of energy production, abandonment, or termination of the Project. The Project owner shall notify PSC Staff and the County of its intent to commence decommissioning thirty (30) days prior to the implementation of this Decommissioning Agreement.

Unless waived by the relevant authority with siting jurisdiction (PSC, county, or municipal corporation), the Project will be decommissioned under any of the following conditions:

- The land lease (including the exercise of any extension options) ends and will either not be renewed, or a new lease will not be entered into for the Project within six (6) months.
- Abandonment, defined as discontinuation of operation such that the system does not produce power for sale for a consecutive six-month period, except in the instance of a force majeure event in which the Project is being repaired and/or restored. Near-zero power generation (below 5% capacity as measured by the electric company meter) for six months will also constitute abandonment, unless the developer demonstrates a good-faith repair is underway.
- The Project is damaged and will not be repaired or replaced.

Decommissioning shall include removal of all solar electric systems, buildings, cabling, electrical components, roads (unless landowner requests, and County approves, they be retained), foundations, pilings, and any other associated facilities.

4. Decommissioning Sequence

Decommissioning shall include removal of all solar electric systems, buildings, cabling, electrical components, roads (unless landowner requests, and County approves, they be retained), foundations, piling, and any other associated facilities.

The anticipated decommissioning sequence is outlined below. Some activities may progress concurrently.

- Coordinate with landowner and County to determine desired post-decommissioning site conditions and document landowner agreement with site restoration plan.
- Obtain all necessary permits (County and applicable State agencies):
 - Grading permit, demolition permit, NPDES permit, and any others required for the work to commence.
 - County approval of post-decommissioning site restoration plan.
- Meet disconnection requirements of the Project's interconnection agreement.
- Prepare laydown areas.

- Install perimeter erosion controls as required by County.
- Remove all Project components: panels, inverters, wire, cable, combiner boxes, transformers, racks, trackers, tracker motors, weather monitoring, security fencing, control system apparatus, etc. and backfill trenches where applicable.
- Remove all foundations, concrete pads, conduit, and cabling.
- Remove access drive section. Remove Geogrid and de-compact soils (if applicable). Till soil.
- Restore and revegetate disturbed areas to pre-construction conditions to the extent practicable, and in accordance with landowner wishes as applicable, including returning the Project site to tillable acreage. Disturbed areas will be ripped or chisel-plowed down to 12-18 inches to alleviate compaction from access roads or equipment pads. All holes left by post or pile removal will be backfilled with native soil or leveled.

If the property owner requests in writing for certain items to remain, including but not limited to access roads and landscape buffers, the Project owner will make reasonable efforts to accommodate the property owner's requests, subject to County approval.

If required, prior to beginning deconstruction activities, the decommissioning contractor will submit applicable demolition and construction plans and permit applications outlining the schedule, decommissioning sequencing, and any other details required by County or State agencies. Decommissioning activities shall not begin prior to issuance of approved permits by local regulatory agencies with appropriate jurisdiction. The Project owner shall ensure that County staff or representatives of the PSC or PPRP are afforded access to the Project at any reasonable time, with appropriate notification of no less than one business day, to inspect decommissioning progress.

The Project owner shall identify appropriate waste management, disposal and recycling facilities for all materials removed from the site. Details on locations and tipping fees for these facilities must be detailed in Attachment A. All materials shall be handled in accordance with applicable federal, State, County, and local requirements. Decommissioning activities shall maximize component reuse and recycling, where practicable, and minimize landfilling of solar panel components.

This Agreement is based on current best management practices and procedures for solar project decommissioning. At the time of decommissioning, or when preparing updated cost estimates every five (5) years during Project operation, the Project owner may request revisions to this Agreement based on updated standards and emergent best management. Notification will be given to PSC, PPRP, and County, of any requested modifications to the proposed decommissioning activities, and Project owner shall file any modifications to this Agreement with the PSC prior to the start of decommissioning activities.

5. Restoration of Property

The future use of the land will be determined at the time of decommissioning, depending upon landowner wishes, any subsequent PSC approvals, and County land use and comprehensive plans and regulations at the time of decommissioning, as applicable.

Project owner or operator shall not be required to replace any structures that were removed to build the Project.

Restoration and revegetation of disturbed areas to pre-construction conditions to the extent practicable in this context involves achieving the highest possible level of preconstruction conditions. In accordance with environmental site design standards outlined in Md. Environment Code Ann. § 4-201.1, this includes optimizing conservation of natural features, such as drainage patterns, soils, and vegetation.

The restoration will include re-vegetation of the Property. All stripped and stored topsoil shall be replaced, and any compacted areas of the project shall be ripped or chisel plowed to a depth of 12 to 18 inches. The Project area will be seeded and fertilized with native or naturalized vegetation as needed to return the site to its original or agreed-upon condition, to the closest extent practicable. The landscape buffering, access road, or other Project components may be retained following site restoration if requested in writing by the property owner.

Erosion and sediment control, re-seeding, soil stabilization, weed control, and fertilization will be provided by the Project owner or operator as needed until the site is stabilized.

6. Time Period to Complete Decommissioning

The Project owner or operator will have twelve (12) months from the date decommissioning commences to complete all decommissioning activities, including site restoration. The Project owner or operator shall be able to request an extension of an additional six (6) months if it is in good faith diligently decommissioning the Project site and is delayed due to circumstances outside the Project owner's control. An extension request will include written justification documenting weather delays, supply chain issues, or other circumstances out of the control of the Project owner, and will identify the expected completion date for decommissioning. The extension request with accompanying justification shall be submitted to both the PSC and the applicable County.

For projects larger than 5 MW(ac), if decommissioning activities are not completed within one year after the date decommissioning commences, the Project owner or operator will provide status reports to the PSC and the County every three (3) months, beginning one year after the start of decommissioning. Status reports will include a summary of completed decommissioning activities, tasks that remain to be done, and the expected timeline for completion.

7. Decommissioning Cost Estimate

Attachment A to this Agreement includes a workbook to calculate the estimated future decommissioning cost and the corresponding decommissioning bond value. The workbook provides the option of including revenue from salvage, recycling, and/or resale of solar modules as well as various commodities (steel, aluminum, copper) to offset the costs of decommissioning. The allowable revenue is limited to 85% of salvage value to account for variability in market conditions over time.

The workbook includes standard unit costs for decommissioning activities and standard salvage values for scrap metals. However, solar panel recycling and resale is an emerging market that could change significantly over time and therefore insufficient data currently exists to establish a standard salvage value per panel. The Project owner must provide documentation from a specific solar panel recycling or resale facility to support an estimate of panel salvage revenue.

The workbook calculates estimated costs associated with transporting all project materials to approved resale, recycling or disposal facilities, as well as any tipping fees associated with handling and disposal.

Attachment A requires certification by a professional engineer that the data provided by the Project owner is complete and accurate.

8. Decommissioning Bond

The initial Decommissioning Bond value shown in Attachment A is [_____], which represents 125% of the estimated net cost of decommissioning in Year 5, including inflation, or the estimated start-up decommissioning costs, including inflation, whichever is greater. The Project owner shall post the required financial surety bond prior to the start of construction. The PSC (for a project that requires a CPCN or DGCPCN) or the county or municipal corporation with siting jurisdiction (for a project that does not require a CPCN or DGCPCN will have the right to call on the surety to cause the Project to be decommissioned if the Project owner or operator fails to decommission the Project as specified herein. The bond shall be made payable to the State of Maryland (and, if applicable, to the county or municipal corporation where the Project is located) without requiring the governmental authority to perform decommissioning first. The financial mechanism shall be filed with the PSC (with a copy to the county or municipal corporation where the Project is located), and must utilize counter-party(ies) with appropriate credit-worthiness and financial abilities. The purpose of the financial surety mechanism is to ensure that decommissioning costs are not borne by the State and/or the County at the end of the useful life of the Project or in the event of abandonment of the Project.

The cost of decommissioning and salvage shall be recalculated and submitted to the PSC every five (5) years after the last surety bond was provided by the Project, using the most recent cost

estimate calculation worksheets adopted by the PSC. Upon filing of the updated cost estimate calculation with the PSC, the Project owner will adjust the value of the financial surety held by the PSC, or the county or municipal corporation with siting jurisdiction. At no time during the life of the Project, up to and including decommissioning, will the Project be without financial security to cover the costs associated with decommissioning. A new security must be supplied at least thirty (30) days prior to expiration of any previous security.

If during the useful life of the Project, it is sold to a new owner in a form other than through purchase of the LLC, the new owner will be required to replace the existing performance and financial assurance guarantees to include equivalent provisions and guarantees, within 20 days of the transfer.

9. Completion of Decommissioning

A Project will be considered fully decommissioned when all solar electric systems, buildings, cabling, electrical components, foundations, pilings, and any other associated facilities have been removed, and the Project site has been restored to its pre-construction conditions or in accordance with landowner wishes and environmental site design standards outlined in Md. Environment Code Ann. § 4-201.1, as approved by the County prior to the start of decommissioning. The Project owner will notify the County when decommissioning is complete, and the County will conduct any necessary inspections within sixty (60) days to confirm that site conditions are acceptable. The Project owner will be responsible for any remediation required to further restore the site. For projects subject to a CPCN or DGCPCN, complaints regarding post-restoration site conditions can be brought to the PSC for resolution.

After the County (and the PSC, if applicable) have agreed that decommissioning and site restoration activities are complete, the financial surety bond will be released.