

FINANCE & COMMERCE

Energy

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National Wind expanding into Texas - plans 300-megawatt project

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UPDATE

Minneapolis-based National Wind is expanding into the gusty Texas Panhandle.

The company is teaming with Centennial, Colo.-based KRS Energy to build Buffalo Wind Energy, a wind project that eventually could generate 300 megawatts of power.

Twelve families representing 14,500 acres of land between the Texas cities of Amarillo and Umbarger have signed onto the Buffalo Wind project, which will soon have a wind tower put up to measure wind speed in the development's footprint.

Assuming today's \$2.3 million-per-megawatt cost for wind turbines, the project likely will end up costing about \$690 million to build.

Patrick Pelstring, co-chairman and founder of National Wind, said a 345-kilovolt transmission line is expected to be built near Buffalo Wind, thus minimizing the cost of connecting the new project to the country's existing power grid. That high-voltage transmission line is being built by the Electric Reliability Council of Texas (ERCOT), which serves 22 million residents of Texas and is aggressively adding to its system, providing hook-ups to wind-energy developments in the state.

ERCOT plans to build the new transmission line within three years; Pelstring estimated that such a project would require five years in Minnesota or other states in the Midwest Independent System Operator system.

"Let's say they've got a more efficient process," he said.

National Wind and KRS Energy plan to develop Buffalo Wind under the community wind model – a specialty of National Wind. The approach involves forming local advisory boards to give landowners input during the development.

That community wind model has been extended to selling state-backed securities for several of National Wind's developments to offer landowners and other parties a chance to buy stock in a wind development in several states, including Minnesota.

"Our model provides various opportunities for ownership," said Pelstring, who declined comment on whether the wind developer plans to sell Buffalo Wind securities.

Currently, he said, National Wind is focused on erecting towers to gather data on wind speed and consistency on the project.

Crews are expected to begin putting up wind turbines in late 2013, after National Wind picks the type of wind turbines for the project.

Buffalo is National Wind's first such project in the Lone Star State, which ranks No. 1 in installed wind energy projects with 9,506 megawatts as of March 31, according to the American Wind Energy Association.

By contrast, Minnesota has 1,796 megawatts of wind energy production capacity, ranking sixth nationwide.

Before announcing Buffalo Wind, National Wind had operated in seven Midwest and western states: Minnesota, Colorado, Iowa, Montana, North Dakota, South Dakota and Ohio.

National Wind already has a website, www.buffalowindenergy.com, dedicated to the project.