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## Xcel Energy agrees to buy N.D. wind farm project

Source: By DAVID SHAFFER , Minneapolis Star Tribune • Posted: Friday, May 1, 2015

The utility will complete the project being developed by Edina-based Geronimo Energy.



*The blades on this wind turbine slowly turned at the Eolos Wind Research Station in Coates, Min., Tuesday, March 19, 2013.*

Photo: **KYNDELL HARKNESS**, *Star Tribune file*

The nation's most windpower-reliant utility said it will invest \$300 million to purchase and complete a North Dakota wind farm under development by Edina-based Geronimo Energy.

The deal, announced to investors and regulators on Thursday, salvages a project that might otherwise not be built because no wind energy company had stepped forward to purchase and operate it.

Xcel always intended to buy the electricity produced by the 100-turbine Courtenay Wind Farm planned in Stutsman County, N.D. But the utility didn't initially intend to own the project, one of four large wind farms for which Xcel signed deals in 2013. Two others are under construction.

Xcel CEO Ben Fowke was upbeat about the changed deal, telling analysts that the wind farm's lifetime cost will be "way below" what the company would spend on buying natural gas to generate electricity. Xcel said the four wind farms will save customers more than \$225 million over the projects' lives.

Under the deal, Geronimo Energy will sell the Courtenay project, including leases for turbine sites, for an undisclosed price, and Xcel will purchase the turbines and oversee the construction. Xcel hopes to start construction this fall, but first needs approval of Minnesota and North Dakota regulators.

Betsy Engelking, Geronimo vice president, said an unfavorable North Dakota tax ruling made it difficult for an outside buyer to use tax-advantaged financing. The project, if completed before the end of 2016, also is expected to qualify for the federal wind Production Tax Credit, which is paid out over 10 years and represents about 30 percent of the project's cost.

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With this project, and the three other new wind farms, Xcel said it gains 750 million watts of wind power, a 42 percent increase in Upper Midwest region. That's enough power to serve about 200,000 homes, Xcel said. A megawatt is 1 million watts.

The other three projects are the 200-megawatt Odell Wind Farm near Windom, Minn. the 200-megawatt Pleasant Valley project near Austin, Minn., and the 150-megawatt Border Winds Project near Rolla, N.D. The Courtenay project is 200 megawatts.

The announcement came as the company reported first-quarter adjusted earnings of 46 cents per share, compared with 52 cents a year earlier. Wall Street analysts had expected 50 cents per share, according to Thomson Reuters.

Extreme cold weather in early 2014 had driven up earnings in that quarter by 5 cents per share, a factor in comparatively weak 2015 results, Xcel said. Operating revenue for both electric and gas was down in 2015.

SITEMAP

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