

Canadian sponsor takes over US wind farm

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14/04/2011

Canada-based Wind Works Power has acquired a 75 per cent interest in the 150MW Thunder Spirit wind farm project in North Dakota from wind developer Global Winds Harvest.

Wind Works Power agreed to pay a nominal purchase price for the stake, thereby taking on the obligation to pay for all future development costs. The project's cost is estimated at US\$300 million.

Wind Works Power is currently looking for a utility to enter into a PPA with to get the project operational by the end of 2012, before the deadline passes for receiving US\$0.02/kWh of production tax credits.

Dr. Ingo Stuckmann, chief executive of Wind Works Power, said: "Any utility that we sign with will get US\$0.02/kWh off their tariff which could be as much as 20 per cent of total price so we are trying to move quickly."

The chief executive called the project "the only game in town" for the utilities since it was the only wind project to qualify for interconnection onto the Midwest ISO grid in North Dakota.

From initially 7.8 GW wind prospects applying for interconnection into the Midwest ISO market in North Dakota, the Thunder Spirit wind farm was among seven shortlisted candidates from about 1GW worth of wind IPP applications studied by grid-operator Midwest ISO, which connects IPPs across much of the mid-west and Canada.

Recently, the Midwest ISO published its results of the current Definitive Planning Phase and Thunder Spirit is the only wind project that was sufficiently cost-effective to achieve interconnection in North Dakota.

Under the terms of this acquisition, Wind Works Power will pay a US\$260,000 interconnection deposit for the Midwest ISO as well as development costs to get the project ready for construction.

Stuckmann said that Wind Works Power wished to sell its offtake directly to a utility rather than through the locational marginal pricing (LMP) mechanism widely used in the US, wherein a market price is determined hourly for electricity purchased from the grid. He added that he expected the cost of Thunder Spirit's power to be significantly lower than the 15-year expected average of LMP index.

Wind Works Power is also seeking a co-sponsor to jointly contribute around US\$100 million in equity to the construction costs. Stuckmann said the company intended to have prospective

meetings with potential partners at the American Wind Energy Association conference in Anaheim, California on May 22.