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Cost of wind farm project falls

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MILWAUKEE, WIS.: Wind turbine prices have fallen significantly in recent months amid the economic slowdown, and that, in turn, has brought down the projected cost to build the state's largest wind farm.

The Glacier Hills Wind Park in Columbia County is now projected to cost a maximum of \$413.5 million, down from a projection of \$525.6 million when We Energies announced the project last year.

The Milwaukee utility is seeking to build the project in the next several years to comply with a state law that requires 10% of Wisconsin's electricity be supplied by wind turbines and other renewable energy sources by 2015.

"Market conditions for the procurement of wind turbine equipment have changed considerably" since the utility first submitted its proposal to the state Public Service Commission, We Energies said in a filing with state regulators.

We Energies is proposing a 90-turbine wind power project, the Glacier Hills Wind Park, northeast of Madison. It would be the largest wind farm in the state, slightly bigger than the 88-turbine Blue Sky Green Field wind farm We Energies began operating near Fond du Lac last year.

Glacier Hills would generate enough power over a year to supply 45,000 typical homes, the utility says.

The utility also said it has reached an agreement with Vestas to supply turbines for the wind project, if the development is given the go-ahead by state regulators.

The drop in prices for wind turbines is linked to the recession and a slowdown in wind power development caused by both the economy and tight credit markets.

Though prices have come down, some of the escalation seen in wind project pricing in recent years has held. The project is still more expensive than Blue Sky Green Field. That project cost \$295 million, utility spokesman Brian Manthey said.

We Energies bought the development rights to the project from FPL Energy for \$10 when the Milwaukee utility sold FPL the Point Beach nuclear power plant in 2007 for \$1 billion.

Chicago-based Invenergy LLC said it has an alternate project available to We Energies, a 100-turbine wind farm in Brown County that Invenergy said it would build if it gets approval from We Energies to buy power from Invenergy under a long-term contract.

Such a contract could save money for We Energies customers because they would be buying wind power without paying to build another wind farm, Invenergy says.

We Energies utility considered buying power from a wind developer but decided against that in part because of the strong winds in Columbia County and the fact that FPL was already in the process of developing Glacier Hills, Manthey said.

"We have a long way to go to meet the renewable portfolio standard for 2015, so it's quite likely that between now and then there may be a need for PPAs," he said.

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