



West Texas Wind Wire



March 2007

Scurry County prepares for arrival of 3 MW Vestas turbines

With operation imminent at the 130.5 MW Invenergy project at Camp Springs, Scurry County is now getting ready for the largest North American deployment of the world's largest commercial turbine.

Also located at Camp Springs — in southeastern Scurry County — the Snyder Wind Project will feature 21 Vestas V90 3.0 MW turbines. This project surpasses an 24 MW California project with 8 of the V90 turbines.

Scurry County is also home to the 160 MW Brazos Project and the 84 MW Red Canyon project — both located near Fluvanna in north-western Scurry County.

The 63 MW Snyder project will be operated by Enel North America. Enel is the third largest utility in Europe and the largest in Italy. Enel bought the project in late 2006 from the German firm Windkraftnord, or WKN.

Enel expects to have the Snyder project operational in 2007. Preliminary site work is already underway.

Invenergy's 130.5 MW Camp Springs Energy Center features 87 GE Wind 1.5 MW turbines. Expected annual energy output will be almost 500 million kilowatt-hours — enough to power roughly 45,000 homes.

Full commercial operation for the Invenergy site is expected by June 2007.

Both Camp Springs projects are interconnected in the Electric Reliability Council of Texas (ERCOT).



Photo courtesy of Vestas Wind Systems A/S

Wildorado energizes Panhandle

Where the conquistador Coronado once searched for the fabled cities of gold, a wind energy project valued at more than \$200,000,000 is in the final construction stage.

The 161 MW Wildorado Wind Ranch features 70 Siemens 2.3 MW MKII turbines in Oldham County.

Wildorado has been a joint development of Austin's Cielo Wind Power LP and Edison Mission Group of California.

This Panhandle project is inter-

connected within the Southwest Power Pool, and the output is sold to Excel Energy subsidiary Southwestern Public Service.



Wildorado is the largest project in Edison Mission's almost 500 MW of U.S. wind energy operations. The company's second largest wind investment is at the 120 MW San Juan Mesa project in New Mexico.

Other operational Panhandle projects include White Deer (160 MW) in Carson County and various John Deere Wind projects in Hansford County (110 MW). Hansford County also hosts an operational prototype of the 3.0 MW Vestas V90.

Volume 3, Issue 2

March 2007

Largest Operational Texas Wind Projects

- *Horse Hollow — 735 MW — Taylor & Nolan counties — USA #1*
- *Sweetwater — 600 MW — Nolan County — USA #2*
- *King Mountain — 282 MW — Upton County — USA #4*
- *Desert Sky — 160.5 MW — Pecos County*
- *Brazos — 160 MW — Scurry & Borden counties*
- *Woodward Mountain — 159.7 MW — Pecos & Upton counties*

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POLICY MONITOR

Texas deliberates — New Mexico acts

Texas House fights back bureaucracy proposal

With active input from West Texas, the Subcommittee on Renewable Energy and Transmission defeated a proposal by the King Ranch to create a new bureaucracy for wind energy project siting.

HB 2794 by Rep. Robert Puente (San Antonio) on March 22 was left pending in the Subcommittee of the House Regulated Industries Committee. No action was taken on the bill (a virtual finality in Texas legislative procedure), although it could resurface as an amendment to another bill.

HB 2794 would have interfered with private property rights, created new layers of government regulations, and negated local control over wind energy projects in favor of a state agency's decisions.

TXU transformation pivotal to West Texas wind energy

The dramatic buyout plan that would transfer control of TXU Corp. to private ownership has fundamentally altered the politics of wind energy development in West Texas.

In late February, a record \$45 billion buyout plan was announced by Texas Energy Future Holding limited Partnership (TEF), the holding company formed by Kohlberg Kravis Roberts & Co. (KKR) and Texas Pacific Group (TPG) to acquire TXU Corp.

TEF and TXU immediately announced the withdrawal of several proposed coal plants, including one planned for

Mitchell County. TEF and TXU also announced a major new commitment to wind energy, and West Texans hope that some of that investment will be in Mitchell County.

On March 30, 2007, TXU and Airtricity announced that TXU will purchase all output from the 125 MW Forest Creek Wind Project in Sterling, Howard, and Glasscock counties.

New Mexico enacts Transmission Authority

New Mexico Governor Bill Richardson on March 5 signed into law HB 188,

establishing the Renewable Energy Transmission Authority (RETA). RETA will help New Mexico export solar, wind and other renewable energy and "further build our high-wage, and high-tech economy."

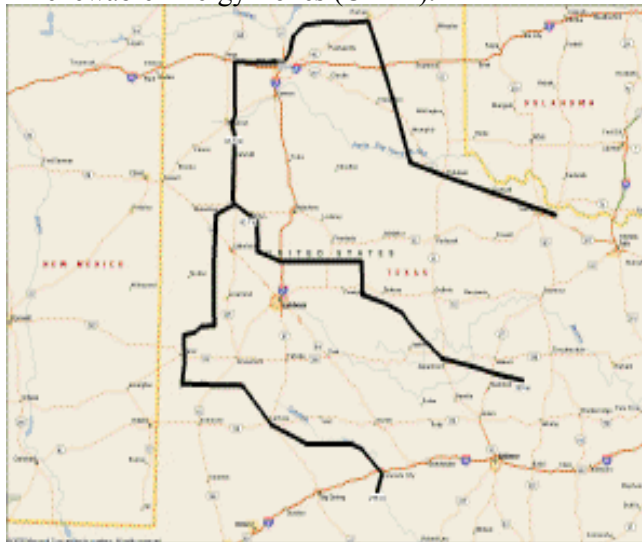
Gov. Richardson, a 2008 Presidential candidate and former U.S. Secretary of Energy, viewed West Texas wind energy projects in Sweetwater and Abilene March 18-19.

New Mexico also has the only state production tax credit, and Gov. Richardson also signed a 20% by 2020 renewable portfolio standard into law on March 5.

PUC CREZ case continues

The Public Utility Commission of Texas (PUC) continues its efforts to implement the 2005 legislative directive to streamline new transmission to move wind energy to markets.

PUC contested case No. 33672 is designed to designate Competitive Renewable Energy Zones (CREZ).



Panhandle interests have generally coalesced around the "big E" transmission proposal pictured below. This three-pronged variation on the "Panhandle Loop" concept would connect superior Panhandle wind resources to Texas metro markets via a special connection to the ERCOT grid.

In addition, the Southwest Power Pool has proposed an "X" Plan that would be capable of exporting West Texas wind resources to markets in the U.S. Midwest and East.

The PUC has requested that all parties proposing CREZ submit maps of their proposals by April 24.

PUC designation of the first CREZ is still scheduled for July 2007.





Wind News Round-Up

Baylor goes GREEN to save GOLD

In a move that is both bold and prudent, Baylor University has signed a 10-year deal to supply electricity for its Waco campus with Texas wind energy.

Baylor officials expect that the initiative will save the University at least \$2 million every year. Baylor currently spends about \$13.5 million annually to power the 735-acre campus.

“This is a win-win both financially and environmentally,” said Don Bagby, director of facilities management at Baylor. “The fact that we can go 10 years and know how much we will pay for electricity is an added benefit.”

“Baylor, through our consistent retail demand, is ultimately financing and supporting the development of wind farms in Texas,” Bagby said.

West Texas to host Border Energy Summit focus on wind energy

West Texas will host a wind energy session of the Border Governors’ Conference Energy Working Table from April 23-25.

Representatives from four U.S. states and six Mexican states will gather in Taylor and Nolan counties to tour some of the world’s largest wind energy projects — both operational and under construction.

The international group will convene will have events at Frontier Texas and Hardin-Simmons University in Abilene, as well as at the offices of the West Texas Wind Energy Consortium in downtown Sweetwater. They will also have a ranch barbeque celebration in Nolan County.

The participating states are Texas, New Mexico, Arizona, California, Baja California, Sonora, Nuevo León, Tamaulipas, Chihuahua, and Coahuila.



First “Made in Texas” turbine orders on the books

EU Energy reports that it has received the first orders for its “Made in Texas” wind energy turbines.

XRG Development Partners LLC will purchase 18 of the 2.0 MW DeWind 8.2 turbines. The Texas turbines — valued in excess of \$40 million — are destined for an XRG project in Minnesota. XRG anticipates that it will purchase as many as 750 of the Texas turbines by 2012.

EU Energy and TECO-Westinghouse signed a strategic alliance in November 2006 to produce the turbines at the TECO-Westinghouse factory in Round Rock.

The DeWind 8.2 prototype is operational in Cuxhaven, Germany.

Portuguese energy giant purchases Horizon Wind

On March 27, 2007, Goldman Sachs sold 100% of Horizon Wind Energy LLC to Energias de Portugal (EDP) for roughly \$2.15 billion. Goldman Sachs purchased Horizon’s predecessor — Zilkha Wind Energy — in 2005.

Commercial operation is imminent at Horizon’s 400 MW Lone Star Wind Project in Shackelford and Callahan counties. Lone Star will feature 200 Gamesa 2.0 MW turbines manufactured in Spain using blade carbon fiber from Zoltek in Abilene.

EDP is one of the largest renewable energy electric providers in the world. With generation, transmission, and supply operations in Portugal, Spain, and Brazil, EDP is the third largest integrated electric utility in the Iberian peninsula and also holds 62% of Energias do Brasil.

Direct Energy in late 2006 signed a 15-year agreement for offtake from the first 200 MW phase.

Largest wind project in North Dakota tops 150 MW

Touted as the state with greatest wind resource, North Dakota has announced its largest wind energy project to date — 159 MW. This is equivalent to several West Texas projects operational since 2001, including Woodward Mountain, King Mountain, Trent Mesa, Brazos, and others.

Vestas locates U.S. blade factory in . . . Colorado

Vestas announced on March 20, 2007, that it will open its first USA blade factory. Unfortunately, the \$60 million manufacturing facility is in Colorado, where it will likely employ 400 workers. The Vestas blades will feature carbon fiber from Zoltek in Abilene.

Upcoming West Texas Wind Energy Consortium Events

April 5 — TSTC Sweetwater — WTWEC luncheon featuring EU Energy to discuss Texas turbine manufacturing — 12 noon

April 11 — Eagle Pass — RC&D event

April 17 — Spur — Dickens County workshop — 6:30 pm

April 24-26 — Abilene-Sweetwater — USA-Mexico Border States Energy Summit (governors’ designees)

May 3 — TSTC Sweetwater — WTWEC luncheon — 12 noon

June 3-6 — Windpower 2007 at Los Angeles

June 7 — TSTC Sweetwater — WTWEC luncheon — 12 noon

June 14-15 — Wind Law Institute — TSTC Sweetwater

July 10-13 — 3rd Annual West Texas Wind Energy Trade Fair — Trent

March 2007



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West Texas Wind Energy Consortium invites you to join in a new era of joint action to capitalize on the value of wind energy to West Texas.

Our region supplies more than 25 percent of U.S. wind energy capacity, and only 3 foreign nations produce more wind energy than West Texas. This rapidly expanding industry provides substantial job creation potential and tax base growth for our region, and the outlook is strong into coming decades.

To facilitate a strong West Texas-wide effort to maximize our common economic benefits, leaders throughout the region have formed the West Texas Wind Energy Consortium across the breadth of West Texas: the Rolling Plains, Permian Basin, Pecos Valley, Texas Panhandle, Texas Mountains, and the Red River Valley —

West Texas . . .

America's energy independence region.



West Texas summer seminars taking shape

2007 Wind Law Institute — Sweetwater

“Where the wind meets the blade.” That’s the theme of the second annual wind energy law conference to be held June 14-15 at Texas State Technical College West Texas in Sweetwater.

Working with the Texas Tech University School of Law, the West Texas Wind Energy Consortium once again presents the nation’s premier hands-on legal seminar in the heart of the world’s most active wind energy development region.

Seminar brochures are expected to hit the mail by May 1.

Topics covered at the 2007 Wind Law Institute will include case law, wind rights transfers, legislative update, latest lease issues, interconnec-

**Wind Law Institute — Sweetwater
— June 14-15, 2007 —
Texas Tech Law School &
West Texas Wind**

tion processes, transmission expansion proceedings, and other timely topics. The June event will also include tours of active construction sites and some of the world’s largest wind projects, as well as interaction with wind project operators in the field.

3rd Annual West Texas Wind Energy Trade Fair — Trent

In 2007, the Trent conference will be expanded to two days of seminar and one day of wind project tours. The conference will feature dozens of seminars, vendor exhibits, private consultation rooms with major wind players, and casual networking opportunities.

Day One at Trent (July 10) will focus on small wind turbines for

use at schools and for farm and ranch use. There is growing interest throughout the region in small turbines.

Day Two at Trent (July 11) will be an enhanced version of the traditional “MegaWind” seminars related to large-scale development.

3rd Annual West Texas Wind Energy Trade Fair — Trent —

**July 10 — Small Wind
July 11 — Mega Wind
July 12 — Wind Tours**

Day Three (July 12) will feature half-day tours of wind projects from Sweetwater.

Trent conference information will be released in May.

