

[Login / Sign-up](#)

NOW	HIGH	LOW
56°	54°	44°

Hazy

[MORE](#)

SEARCH

IN

Business

ADVERTISING

Jan. 14, 2008, 8:14PM

Fair winds: GE invests \$300 million in Houston-based power firm

By TOM FOWLER

Houston Chronicle Copyright 2008

This was a good day for the wind power business with GE announcing a \$300 million investment in Houston-based Horizon Wind and a controversial project off Cape Cod, Mass. clearing another regulatory hurdle.

GE Energy Financial Services, along with a Wachovia Corp. subsidiary, will take a stake in a 600-megawatt portfolio of projects being developed by Horizon in Oregon, Minnesota, Illinois and Texas.

All of the projects except the one in Texas are either operating or expected to start up this month. The Texas project, in Shackelford County with an expected capacity of 200 megawatts, should be running by mid-year, the companies said.

Also today, the U.S. Minerals Management Service said a proposed wind farm off Cape Cod would pose no major environmental problems, the Associated Press reported, giving a boost to the project that has sparked a long and bitter public fight.

The draft environmental report by the MMS said plans by developer Cape Wind Associates to build 130 windmills across 25 miles of federal waters in Nantucket Sound would have mostly "minor" or "negligible" effects on wildlife, ocean navigation, fishing and tourism.

The Horizon investment is part of GE's effort to increase its renewable energy investing goal for 2010

MORE STORIES

IN Business

- Kinder Morgan reports 10 percent profit rise
- Minute Maid moving headquarters to Sugar Land
- Oil falls to \$90.84 after unexpected jump in inventories
- Ex-CEO gets 21 months for first backdating conviction
- Roller-coaster day ends down on Wall Street
- Mortgage bankers urged to oppose Dodd bill
- Boeing announces another Dreamliner delay

SEARCH RESULTS

- Wind power gains steam with GE's investment in Houston company
- GE Raises Renewable Energy Target
- Cape Cod Wind Farm Plan Inches Forward
- Weak Dollar Good News for Some Companies
- Deregulation debate: Market fix rests on bright ideas
- ERCOT: Electricity A-OK for this summer
- GE Energy to Invest in Wind Farm
- GE to invest in \$350 million Texas wind farm
- Many call energy deregulation in Texas a failure
- First of two parts

TOOLS

[Email](#)

[Get section feed](#)

[Print](#)

[Subscribe NOW](#)

[Comments](#)

[TopJobs](#)

[Search All Jobs](#)

ADVERTISING

from \$4 billion to \$6 billion, said Alex Urquhart, president and CEO of GE Energy Financial Services.

Renewable energy has become the fastest growing part of GE Energy Financial Services' business, he said, thanks to the company's expertise and customer relationships, "high fossil fuel prices and popular support for cleaner power."

With the Horizon transaction, GE has invested or committed to invest \$3 billion in 85 wind farms with more than 3,600 megawatts of capacity.

Horizon is a subsidiary of the Portuguese utility Energias de Portugal SA, which bought the company from Goldman Sachs last year for \$2.2 billion.

With Monday's deal, Horizon will have financed over 1,300 megawatts of wind farm capacity in the equity market in 2007.

"The strong market for these types of investments allows Horizon to continue its ambitious growth program," said Horizon chief financial officer Jayshree Desai.

While wind still accounts for a tiny percentage of U.S. and global power production, capacity is set to more than triple from about 91 gigawatts now to more than 290 gigawatts by 2015, according to a recent forecast from Emerging Energy Research.

Texas is the largest producer of wind power in the U.S., having surpassed California in 2006.

In Texas wind power represents the largest share of new electric generation projects, with 39,555 megawatts proposed, according to a recent report by the Electric Reliability Council of Texas. It's followed by natural gas, 25,525 megawatts; nuclear, 12,386 megawatts; and coal, 7,549 megawatts.

Growth in the business had been hampered by a shortage of available wind turbines, but that's beginning to change. Nearly every major wind turbine supplier is increasing production capacity, with new plants planned in North America, Europe, Asia and South America.

But the business isn't without its problems.

Since wind isn't always reliable, wind power projects are included in a region's available resources on a discounted basis versus natural gas, coal or nuclear powered plants. ERCOT changed its methodology for counting wind generation recently, however, counting 8.7 percent of a turbine's total capacity in reliability calculations, up from just 2.6 percent.

Renewal of a key underpinning of the wind power business, a tax credit that is set to expire at the end of this year, wasn't included in federal energy legislation passed in December.

An even in wind-friendly Texas, projects are meeting resistance. Environmental groups are opposing a 1,200 megawatt project under construction in Kenedy County because of the dangers it might pose to migrating birds.

A study released this month predicted the "projects could result in the largest and most significant avian mortality event in the history of wind energy."


tom.fowler@chron.com

COMMENTS

Readers are solely responsible for the content of the comments they post here. Comments are subject to the site's [terms and conditions](#) of use and do not necessarily reflect the opinion or approval of the Houston Chronicle. Readers whose comments violate the terms of use may have their comments removed or all of their content blocked from viewing by other users without notification.



ADVERTISING: [Contests](#) | [Fraudulent Ads](#) | [Information & Rates](#) | [Place An Ad](#) | [Singles In Houston](#) | [Yellow Pages](#)
| [CHRONLINKS](#)

CHRONICLE: [Subscribe Now](#) | [Subscriber Services](#) | [Buy Photos & Page Prints 2005-Present](#) | [Historic Page Prints 1901-2004](#)
| [Chronicle in Education](#) | [Public Affairs](#) | [Corrections](#) | [RSS Feeds](#)  [RSS](#)

SERVICES: [Privacy Policy](#) | [Terms & Conditions](#) | [Help](#) | [Registration](#) | [Report a Problem](#) | [Site Map](#) | [News Alerts](#) | [Newsletters](#)



HEARST *newspapers*