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Xcel Energy finalizes Sagamore Wind Project plans

Roosevelt County wind farm, New Mexico's largest, will power up to 194,000 typical homes

PORTALES, New Mexico (Aug. 28, 2019) – Xcel Energy announced today that construction on the 522-megawatt Sagamore Wind Project in Roosevelt County will commence in the fourth quarter. Once completed, it will provide enough clean, affordable electricity to power close to 194,000 typical homes annually, driving millions of dollars in economic benefits to the eastern part of the state.

David Hudson, president, Xcel Energy – New Mexico, Texas, reported to the New Mexico Public Regulation Commission that Xcel Energy has completed its development phase, including grid interconnection studies, paving the way for construction to start. Upon completion in late 2020, Sagamore will be New Mexico's single largest wind generating facility.

"Sagamore will pay for itself in the fuel cost savings it will generate by using one of the region's most abundant resources – the wind – to drive its generators," Hudson said. "It will be among the cheapest generating resources on our system, and will help us conserve precious groundwater and protect the environment while bringing an immense economic benefit to eastern New Mexico."

The Sagamore Wind Project is expected to cost approximately $900 million, and will involve many New Mexico companies and employees. The turbines are being purchased from Vestas, and Wanzek Construction will build out the site using the skills of an estimated 400 highly trained construction workers. Xcel Energy expects 20 to 30 full-time, permanent positions will be created to support the operation and maintenance of the wind energy plant once it is completed and on line.

The initial work at the site, which covers more than 100,000 acres, will involve construction of roads and preparations to build the 240 foundations that will support the turbines. General inquiries concerning construction contracts and employment can be emailed to sagamorewind@xcelenergy.com.

Chicago-based Invenergy developed Sagamore before entering into an agreement with Xcel Energy in 2017 for Xcel Energy to acquire the project and erect the turbines. Sagamore is the largest and final component of a 1,230-megawatt expansion of wind energy on Xcel Energy's New Mexico-Texas system. The 478-megawatt Hale Wind Project near Plainview, Texas, was completed in June, on time and $60 million under budget. Hale has already led to fuel cost reductions for Texas and New Mexico customers.

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As part of the wind energy expansion that brought about Hale and Sagamore, Xcel Energy also began purchasing 230 megawatts of wind energy from two wind farms in the region owned and operated by NextEra Energy Resources.

Xcel Energy has been purchasing wind energy for customers in New Mexico and Texas for almost 20 years, but before Hale and Sagamore, has never directly built or owned wind farms in this region. The decision to build Sagamore and Hale was based on the favorable economic and environmental benefits. Sagamore won't use water in its production of emissions-free electricity. Most area power generating facilities require water to cool the steam cycle, supplies of which are becoming increasingly difficult to procure on the semi-arid plains of eastern New Mexico and West Texas.

Xcel Energy has committed to an 80% reduction in carbon emissions by 2030 and aspires to provide 100% carbon-free electricity by 2050. In 2019, the state of New Mexico adopted the Energy Transition Act that mandates a 100% carbon-free electricity future by 2045. With the addition of Hale and Sagamore, Xcel Energy expects nearly half of its New Mexico and Texas electricity supply to be derived from carbon-free renewable electricity, primarily wind energy, by 2023.

About Xcel Energy

Xcel Energy (NASDAQ: XEL) provides the energy that powers millions of homes and businesses across eight Western and Midwestern states. Headquartered in Minneapolis, the company is an industry leader in responsibly reducing carbon emissions and producing and delivering clean energy solutions from a variety of renewable sources at competitive prices. For more information, visit xcelenergy.com or follow us on Twitter and Facebook.

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