



Kingman County Commission

Fred Foley, County Commissioner District #1
Carol F. Voran, County Commissioner District #2
John Steffen, County Commissioner District #3

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Kingman County Commissioners Carol Voran, Fred Foley and John Steffen (seated) sign off on agreements with Kingman Wind Energy 1, LLC on Monday, June 27. Standing, left to right, are County Counselor John Caton and Kingman Wind Energy's David Gil. Construction on the company's commercial wind farm is expected to begin now that the mandatory agreements are signed. *Photo by Nancy D. Borst*

Kingman County signs wind farm agreements

Kingman County Commissioners have signed long-term agreements valued at \$26.4 million with Kingman Wind Energy 1, LLC, which will build a 200 megawatt commercial wind farm in the county this year. The agreements were signed June 27 as part of the regular weekly commission meeting

Kingman Wind Energy is a subsidiary of NextEra Energy Capital Holdings, Inc., a Florida corporation. The company and the county have discussed and fine-tuned the agreements for several months. All are mandatory before construction can begin.

County regulations require that anyone wanting to build a commercial wind farm must first have an agreement to sell the power. Kingman Wind Energy has a 20-year contract to sell the power to Westar Energy.

The county also requires written agreements that: specify how to pay for and maintain roads used to build and maintain the wind farm; define an annual payment in lieu of taxes (PILOT), and that define the costs and manner of decommissioning the wind farm if it ceases operations.

Kingman Wind Energy I will make a one-time payment to the county of \$2.2 million to cover various permits and other expenses. That payment will be made no later than July 27.

The agreements also stipulate that the company will make an annual PILOT of \$800,000 for the first 20 years, and \$700,000 annually after that as long as the CWF is in operation. If the electrical capacity of the CWF increases, the PILOT will increase by \$4,000 per megawatt for the first 20 years and \$3,500 per megawatt annually thereafter. The first PILOT will be made on or before Dec. 31, 2017.

The company anticipates using up to 14.3 miles of paved county roads during construction. In return, it will pay the county \$500,000 to cover the costs to resurface 10 miles of roadway and an additional \$170,000 per mile if more than 10 miles are used. These monies will be paid by the end of 2016. Kingman Wind Energy is responsible for maintaining all roads it uses during construction. Kingman County will do any needed resurfacing of paved roads after construction is completed.

The total value of the permit fee, PILOT and road agreements is \$26.4 million over the 30-year anticipated life of the wind farm.

The decommissioning agreement stipulates a payment of \$100,000 per turbine to remove all equipment, concrete foundations to a depth of four feet and remove access roads (landowners may opt to keep the roads). The agreement calls for restoration of property to its condition prior to the wind farm.

NextEra Energy Capital Holdings has signed a guaranty for the decommissioning and road agreements for \$12.5 million and \$6 million, respectively.

NextEra representative David Gil told commissioners Monday that the company is ready to begin construction immediately. Gil said the wind farm should be complete and operational by the end of 2016.

In addition to Commissioners Fred Foley, Carol Voran and John Steffen, other county staff involved in the negotiations included County Counselor John Caton, Planning/Zoning Director Stan Goetz and Public Works Director Charles Arensdorf.

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