Regulators Approve Wind Farm, Natural Gas Plant

DALE WETZEL - Associated Press - Associated Press

State regulators on Wednesday approved construction of a wind energy project and a natural gas processing plant in western North Dakota that will represent about $360 million worth of new construction.

A subsidiary of Oneok Inc., an energy company based in Tulsa, Okla., intends to build a factory capable of processing about 100 million cubic feet of natural gas daily, the state Public Service Commission said.

Oneok already operates two natural gas processing factories in northwestern North Dakota, and has two more already under construction. The fourth, called Garden Creek II, will be located about six miles northeast of Watford City, in McKenzie County.

The commission approved the plant's siting application Wednesday, clearing the way for construction to start. An Oneok spokeswoman said the company hopes to finish the project by the fall of 2014.

North Dakota's mushrooming oil production has led to a concurrent increase in the state's output of natural gas, which is an oil byproduct. About a third of the state's natural gas production is now burned off and wasted, because the pipeline network needed to transport the fuel to processing plants is not fully developed.

"We like to see that gas being gathered and processed and moved to market. It's a much better destination than flaring it," Public Service Commissioner Kevin Cramer said. "When you live in a cold-weather state, watching 30 percent of (natural gas) being flared is hard to take."

The Garden Creek II factory will be able to process enough natural gas each day to heat about 900 homes for a year. It will be able to process roughly one-seventh of North Dakota's current daily natural gas output, which was an average of almost 713,000 cubic feet in June.

Separately, the commission endorsed a construction permit for Allete Clean Energy, a unit of Allete Inc. of Duluth, Minn., to build a 100-megawatt wind farm in Mercer and Morton counties, north of Glen Ullin.

Cramer and Brian Kalk, the commission's chairman, said Allete has not yet decided how many wind towers it will build, or on the size of the turbines it will use to generate the power. The company will have to provide that information before construction may start, they said.

Allete has already finished an 82-megawatt wind farm, called Bison I, in Oliver and Morton counties, and has two other projects under construction. The wind farm

approved Wednesday will be capable of supplying power to about 40,000 homes.

North Dakota wind energy projects have the capacity to generate almost 1,500 megawatts of power, Public Service Commission filings say. Wind farms capable of generating more than 7,600 megawatts have been proposed.

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