

Gordon Butte Wind Farm: 100% Montana

A Community Wind Case Study



The Gordon Butte wind farm - developed, constructed, owned, and operated by Montanans.

Great Wind, Great Potential

Wind energy is clean, renewable, uses no water, and produces zero greenhouse gas emissions; however, that's only partially why the owners of the Gordon Butte wind farm decided to invest in it. For them, wind energy represents a diverse income stream and allows them to maximize their property's income generating potential. The 9.6 MW Gordon Butte wind farm, located near Martinsdale, Montana, is 100% owned, operated, and constructed by Montanans and has provided direct economic benefit to both the owners and the community.

Assembling the Project Team

The potential of Gordon Butte was first recognized in 2004 when Errol and Sharrie Galt, co-owners of 71 Ranch, were approached by commercial wind farm developers looking to lease the wind rights on their land. Not wanting to rush into a decision without being informed, the Galts reached out to family member Bryan Rogan to help gauge the value of the wind blowing across their land. Together they formed Oversight Resources, based in Bozeman, which helps individuals to diversify their income by fully utilizing non-agricultural resources located on agricultural land.

Bryan and Errol installed several meteorological towers to collect wind data and estimate the energy production potential of the site. The data showed that the site's average wind speed was an astonishing 20 miles per hour (8.9 meters/second at an 80-meter height). Rather than pass along such a resource to an external developer, the two decided to develop the site themselves.

Dick Anderson heard about Bryan and Errol's wind project through another family member and recognized it as an opportunity for his construction company to enter the up-and-coming Montana wind industry. For Bryan and Errol, having a construction company on the project team provided them with the confidence to move forward. The three entities – 71 Ranch, Oversight Resources, and Dick Anderson Construction – pooled their resources to complete the project development tasks and are now co-owners of the Gordon Butte wind farm. Dick Anderson Construction has since provided construction services for a number of other Montana wind farms.

The team leveraged assets from their three companies to secure a construction loan and long-term financing from Montana-based Stockman Bank, representing the bank's first investment in wind energy. The project also received a federal Investment Tax Credit grant through the 1603 Treasury Program and secured a power purchase agreement with NorthWestern Energy.



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Local Ownership, Local Benefits

Overall Gordon Butte was a particularly successful wind project because all phases were Montanan. The wind farm was built on private land, developed by Bozeman-based Oversight Resources, constructed by Dick Anderson Construction from Helena, financed by Stockman Bank headquartered in Miles City, and continues to be operated by Montanans. According to Oversight Resources, local ownership and operation of the project has enabled the team to make decisions quickly, to maintain direct control of project costs, and to minimize turbine downtime. The result is an impressive 50% annual average capacity factor, or 40 million kWh per year.

“These kinds of community wind projects are extremely popular and should be roundly supported as they recycle profits back into the state, to create an even bigger economic impact.”

*– Jeff Fox
Renewable Northwest*

The Gordon Butte wind farm cost about \$20 million to construct and went online in January of 2012, on budget and within the planned commercial operation date. General Electric (GE) supplied the six 1.5 MW wind turbines, the initial warranty service, and continues to provide twice a year maintenance inspections. Since Gordon Butte was completed, several other wind farms have been constructed in the area, and GE now employs a staff of regional wind technicians. For operations, Gordon Butte hired one local full-time contractor, and Errol's son Brock Galt acts as the site manager responsible for day-to-day operations, maintenance, and repair. In addition, the Gordon Butte project will pay an estimated \$2.5 million in local property taxes throughout the life of the project, which supports the local school and fire district.

Gordon Butte is a shining example of how the state's natural resources can be used for long-term economic growth while protecting Montanan's quality of life. Environmental benefits are icing on the cake.



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The \$20 million project was financed by a Montana-based bank, keeping investment dollars local.

Photo sources: Oversight Resources

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