

Update on Sandow Lakes Ranch

by Travis Brown, June 22, 2024

As you may already know, Sandow Lakes Energy is planning to build a 1200-megawatt natural gas electrical generating plant in the Blue area.

So far, the company has refused to say exactly where this plant will be built. However, based on what the company has said and on information we've gathered from other sources, it appears the plant will be built near the intersection of County Road 309 and CRs 312 and 306. That's just west of the Adina Christian Church.

If built, this would be among the largest natural gas plants in Texas. There likely would be several negative impacts on the Blue community. These would include air pollution harmful to human health; increased noise, lights and traffic congestion; further groundwater depletion; and decreased property values.

This huge industrial facility would dramatically alter the rural nature of the Blue community.

Some of your neighbors, including myself, have been exploring ways to stop this plant from being built in our community. Yes, the odds are not good, given the project already has garnered support from elected officials from the governor's office on down.

However, there are some actions that could possibly kill this project. There also are some economic factors favorable to this project falling apart on its own.

Sandow Lakes Energy is part of Sandow Lakes Ranch, which is part of Xebec, a Dallas real estate development company that bought the huge tract of land where Alcoa's aluminum smelter, coal-fired power plants and Sandow strip mine were located. Most of that land is in Milam County.

But there is a fairly narrow strip of Sandow Lakes Ranch land that extends across northwest Lee County and connects with the old Three Oaks Mine. SLR Property I LP (SLR), the apparent real estate and development arm of Sandow Lakes Ranch and the holder of groundwater permits in Milam and Lee counties, owns at least 72 parcels of real estate in Lee County, according to the appraisal district.

SLR reportedly acquired Sandow Lakes Ranch, along with its groundwater and surface water permits from Alcoa in 2021. SLR has additional groundwater permits pending at the Post Oak Savannah Groundwater Conservation District, which serves Milam and Burleson counties.

Sandow Lakes Energy wants to build the plant on that strip near the Adina church so it can be close to the Matterhorn natural gas pipeline as a fuel supply. That pipeline, which will carry natural gas from West Texas to the Gulf Coast, crosses FM 696 near CR 306.

However, it is likely that the company's ability to carry out this project is heavily dependent on receiving low-interest loans and possibly grants from the new Texas Energy Fund (TEF). Last year, the Texas legislature approved \$10 billion for the fund, with most of that money going to help build new natural gas generating plants.

Sandow Lakes Energy is seeking \$295 million from the TEF to help pay for the cost of its gas plant, total cost of about \$1 billion.

The good news is that more than 100 other companies, many of them major energy companies such as NRG, also have applied for large amounts of TEF money. There is a lot of competition for those funds. Among the factors not in Sandow Lakes Energy's favor is that it's the creation of a real estate development company with apparently zero experience in energy development.

In fact, some state officials we've talked with have expressed doubts Sandow Lakes Energy has the ability to carry out such a large project.

So, it may be that it will lose out on funding from TEF and abandon the project.

Sandow Lakes Energy also will have to obtain air permits from the state and possibly other state and federal permits before it can begin construction. There may be opposition filed against those permits.

We've recently met with County Judge Malinak and our commissioner Alan Turner, to discuss this project. We've also met with the staffs of our state representative Stan Gerdes and our state senator Lois Kolkhorst.

We were somewhat surprised to find that the staffs of Gerdes and Kolkhorst were under the impression the gas plant would be built at the site of the old Alcoa smelter and power plants. The company's press release and subsequent media reports certainly promoted that impression. However, it's clear the company wants to build the plant in the Blue area, some 15 to 20 miles away from the old smelter site.

We have urged these elected officials to oppose Sandow Lakes Energy from receiving funds from TEF unless it agrees to build the gas plant NOT in Lee County, but at the site of the old Alcoa smelter and coal plants.

However, it does not appear at this time that these officials are willing to publicly oppose the location of the gas plant in the Blue area.

WE NEED TO URGE OUR ELECTED OFFICIALS TO STAND UP FOR THEIR CONSTITUENTS IN NORTH LEE COUNTY!

Some of these officials we talked to agreed it made more sense to build this plant at an existing industrial site instead of a site in rural Lee County that is surrounded by houses, farms and ranches.

Of course, if the plant were built at the old Alcoa industrial site, that would mean the company would have to spend more money on a longer pipeline to connect to the Matterhorn line. But if the company expects to use taxpayer dollars for its project, then it should use some of those dollars for the expense of a longer pipeline.

The company also claims it doesn't want to build the gas plant at the old Alcoa smelter site because it plans to develop that area into another "Woodlands." It has predicted the new "Woodlands" would one day be home to 120,000 or more people with shopping centers, hospitals and other commercial and manufacturing development.

Given the extensive, well-documented contamination of the old Alcoa smelter, coal power plant and strip-mine site, it seems very unlikely that area would be suitable for a new unincorporated city like the “Woodlands.”

For more information, or if you’d like to get involved, please contact Travis Brown at travisbrown983@gmail.com or at 512-560-0341.