

US wind firms win capital funding

Wind projects are going ahead in the US despite the harsh economic environment

July 23, 2009

Two US renewables firms - First Wind and Terra-Gen Power - won capital funding for wind farms this week despite the harsh economic environment, while a third Nordex AG began construction on a manufacturing facility for turbines.

Newton, Massachusetts-based First Wind, which generated sales of \$12m (£7.3m) and a net loss of \$73m in fiscal 2008, has just closed two transactions totalling \$191m.

The first is a \$115m, 8.5-year loan facility from Alberta Investment Management, while the second is a \$76m, one-year loan from HSH Nordbank. The money will be used to finance operations, boost development activity, service the company's debt and fund its ongoing Stetson project.

Stetson, which is based in Maine, New England, is the largest operational wind farm in the US. It currently has 38 General Electric 1.5MW turbines in place, although permits have now been granted to expand capacity by 25.5MW.

The latest funding round follows the provision of a loan to First Wind by HSH Nordbank in April, in a deal worth \$376m. The loan will be employed to finance the first phase of building a 200MW wind farm in Milford, Utah.

In total, the firm has five operational facilities so far that generate 274MW across three states - two are in Maine, two in New York and one in Hawaii.

New York-based Terra-Gen Power, meanwhile, has just closed its own \$115m initial funding round from a consortium of investors, including Calyon and the Prudential Capital Group, although it hopes to obtain another \$25m in later rounds.

The aim of the move is to raise enough money to purchase 100 General Electric 1.5MW wind turbines, which will be deployed at its Alta Wind I project in the Tehachapi area of California.

Alta Wind I comprises the first phase of a 3,000MW initiative called the Alta Wind Energy Center. The centre will belong to California Highwind Power, an affiliate of ArcLight Capital Partners, which has also invested in Terra-Gen Power, and sell the energy it generates to the Southern California Edison utility firm.

Terra-Gen Power currently operates 21 renewable energy schemes across the western US.

A third company, the US subsidiary of German firm Nordex AG, also began building its first \$100m US-based manufacturing plant in Jonesboro, Arkansas, this week. The first phase of the construction project, a nacelle assembly plant, will cost \$40m to build and the aim is to start production in the second half of 2010.

The second stage will see the creation of a rotor blade manufacturing facility at the same location, which is expected to be fully operational by 2010. The site will employ about 700 staff and, over time, is expected to generate about 20 per cent of Nordex's global revenues.