

Dow Jones

American Wind Capital Raises Tens Of Millions For Land-Lease Business

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private equity

9/11/2009 – American Wind Capital Co. executives have raised growth equity from private equity backers to accelerate the rollout of their business of giving landowners lump-sum payments for their wind turbine land leases.

Barclays Capital, the investment banking division of Barclays Bank PLC and NGP Energy Technology Partners, provided "tens of millions of dollars" to the company, said Charles C. Hinckley, chief executive of Essex, Conn.-based American Wind Capital, in an interview.

The company already expects to turn over between \$50 million and \$100 million in deals in the first 12 months of operations, he said.

American Wind Capital, formed by several former executives with wind project developer Noble Environmental Capital LLC, launched operations early this year, said Hinckley.

"We've been working with this exact same customer base [at Noble Environmental]," said Hinckley. While there, Hinckley said it became obvious that many landowners were interested in receiving a one-time upfront payment instead of the annual rent payments typical of land leases for wind turbines.

American Wind Capital's customers are primarily farmers who already lease their land to renewable energy project operators and are interested in bundling up the future payments.

The capital from the new private equity backers, said Hinckley, will go both to support the operations of American Wind Capital as well as to fund the acquisition of the royalty streams.

"It's enough to fund our business plan for the foreseeable future," he said.

Hinckley, who was previously chairman and chief executive at Noble Environmental, said the company raised the capital on its own, without use of placement agents or investment banks. "I knocked on a lot of doors," he said. He said that he also consults Thomas H. Lee Partners on energy issues.

Noble Environmental withdrew its registration with the Securities and Exchange Commission to go public in the summer.

Hinckley said that American Wind Capital has already drawn down some of the capital and will continue to do so as needed. It is the only company that does this type of business on scale, he said.

<http://www.americanwindcapital.com>