

Case Study: Global Energy Investors

Challenge: Creating a Project Investment Fund

Global Energy Investors (“GEI”) was established in 2009 to mobilize financing for renewable power projects. GEI recognized that renewable power had become the fastest growing segment of the power sector based on technological innovation and concerns about climate change and dependence on fossil fuels, and public interest. Institutional investors and high net worth individuals wanted to put money into the clean power sector, yet lacked the expertise and time to find suitable investment opportunities. GEI wanted to offer such investors an attractive investment fund vehicle to invest in high-quality renewable power projects.

GEI had to build a compelling investment proposition from a standing start and to do so in an economy still recovering from a major recession. The founding management team had strong backgrounds in sourcing and investing capital for fixed income and angel stage venture capital investments. They needed an industry expert to focus their vision. GEI researched the renewable finance field and asked Birch Tree Capital to help create the fund.

Approach

Birch Tree Capital used its knowledge of renewable power markets, public investment incentives, and project analysis experience to help GEI create an investment strategy tailored to its competitive strengths and structured to meet the return targets of its expected investors. Birch Tree Capital focused the fund on medium-scale distributed solar and wind power projects in the New England and Mid-Atlantic regions. Birch Tree Capital profiled the ideal project developer most likely to generate the types of projects targeted by GEI. Birch Tree Capital then identified suitable developer partners and sourced specific project opportunities to build a robust pipeline. The firm crafted GEI’s credit review process and criteria. Birch Tree Capital tapped its network of clean power advisory firms for financial modeling, insurance, accounting, and other technical and market analysis support. The firm helped GEI bring on board key advisors and other partners to build the GEI team. Birch Tree Capital helped write investment solicitation materials and market the fund to potential investors.

Solution

With assistance from Birch Tree Capital, GEI built an exciting investment proposition for potential investors in the clean power sector. While the difficult financing environment in 2010 prevented a successful fund-raising, the fund’s focus on mobilizing private and institutional equity for distributed commercial solar projects has since proved a successful financing formula.