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## FIRM NEWS

### Energy Investors Powers Up \$1.35B Fund

#### SNAPSHOT:

**Firm:** Energy Investors Funds

**Fund:** United States Power Fund III, L.P.

**Target:** \$1 billion

**Amount Raised:** \$1.35 billion

**Placement Agent:** Principle Advisory Services (in Australia only)

**Legal Advisor:** Bingham McCutchen

**Energy Investors Funds** closed its seventh fund last month, eclipsing its \$1 billion target by 35 percent. At \$1.35 billion, United States Power Fund III, L.P. represents Energy Investors's largest haul to date, surpassing its \$750 million, vintage 2005 predecessor.

The Boston-based firm tapped 43 limited partners, many returning investors, for Fund III. They include **ABP Investments, Contra Costa County Employees' Retirement Association, Howard Hughes Medical Institute, John Hancock Life Insurance Co., Mayo Clinic, New York Life Investment Management** and **University of Toronto Endowment Fund and Pension Plan**. As it did with Fund II, the firm ventured to Australia for fundraising, taking advantage of the immense pool of capital held by the nation's superannuation

funds, the Australian equivalent of U.S. pension funds.

Energy Investors specializes in investing in independent power and electric projects and companies, with an emphasis on buying power plants and transmission systems. Managing Partner **John Buehler** said that despite the new fund's larger size, the firm's investment strategy won't be "dramatically different" from that of previous funds. The firm came out of the gates early with the new vehicle, pumping an undisclosed amount of money into the top-secret "Green Line" development project after the fund's first close in mid-February. Buehler said the deal reflected "the robustness of the marketplace" rather than a need to put the new money to work right away.

With roughly half a dozen bills designed to curb global climate change kicking around the halls of Congress, the federal government is getting closer to setting mandatory limits on carbon dioxide emissions, which in turn will dictate investment decisions. "One [of those bills] will be out by year's end, and it'll have a huge effect," Buehler said.

Energy Investors focuses almost exclu-

sively on targets in the United States, although the firm expects to make a small number of investments in Canadian projects. Energy consumption in the United States is projected to rise by 31 percent by 2030, according to U.S. Energy Department projections. "It's a good time to be an energy investor," Buehler said, though he acknowledged it's also an unpredictable time.

The firm's previous investments include ones in Northbrook Energy LLC, a Chicago-based company that owns 14 hydroelectric power generating stations throughout the United States; Burney Forest Products, a wood-fueled power plant located near Burney, Calif. that sells all of its electrical capacity and energy to Pacific Gas and Electric Co.; and Astoria Energy, a gas-fired power plant in Queens, N.Y. that supplies power to Consolidated Edison, New York City's electrical utility.

Energy Investors manages six funds, including United States Power Fund LP, which closed in December 2003 with \$250 million and is fully invested, and United States Power Fund II, L.P., which is more than 75 percent committed.—J.P.