

Case Study: Global Energy Investors

Challenge

Global Energy Investors (“GEI”) was established in 2009 to channel institutional investment capital into renewable power projects. GEI recognized the emergence of renewable power as the fastest growing segment of the power sector due to technological innovation, concerns about dependence on fossil fuels, and supportive government policies. GEI’s founders also saw institutional investors and high net worth individuals becoming interested in the clean power sector as an alternative to traditional private equity firm offerings, yet lacking the expertise and time to find suitable opportunities. GEI determined that it could offer such investors an attractive investment opportunity focusing on renewable power projects.

GEI had to build a compelling investment proposition from a standing start and to do so in a challenging financial environment. The founding management team had strong backgrounds in sourcing and investing capital for fixed income and angel stage venture capital investments. However, they wanted help to refine their investment strategy, identify specific project opportunities, and to set up a rigorous internal due diligence process. Seeking a recognized industry expert, GEI researched the renewable finance field and found Birch Tree Capital. GEI asked Birch Tree Capital to help move their concepts to reality.

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 investors. GEI is focusing on medium-scale distributed solar and wind power projects in the New England and Mid-Atlantic regions. Birch Tree Capital framed the profile of the ideal project developer most likely to generate the types of solar and wind projects targeted by GEI, and then used the profile to identify a small group of experienced active and emerging project developers. Birch Tree Capital helped GEI to source specific project opportunities to build a robust pipeline of attractive potential fund investments. The firm crafted a framework for GEI to review project opportunities and related due diligence procedures. Birch Tree Capital tapped its network of clean power advisory and service firms to help GEI secure needed 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 continues to aid GEI in discussions with potential investors and project developers.

Solution

With assistance from Birch Tree Capital, GEI has built an attractive and exciting investment proposition for investors previously unable to participate in the clean power sector. Closing of GEI’s investment vehicle will represent an innovative and efficient new source of financing for high quality solar and wind projects in several rapidly growing state markets.