

Volume 272 February 7, 2012

Wind and solar markets active

Renewables policy may be a mess. Company stocks may be depressed. But there are segments of the clean energy business showing healthy prospects.

Mergers and acquisitions are a vibrant part of the renewable energy business for at least the next year. That's the word from Raj Prabhu, managing partner of Mercom Capital Group. Mercom just released reports on the solar and wind energy businesses, which showed a vibrant amount of activity from the venture capital community, and in mergers and acquisitions. "One thing we have seen is that capital is being put into the wind and solar sectors, but on the stock markets, these renewable companies have not fared very well," Prabhu said. In the U.S., the wind market could go above 10 gigawatts this year, as uncertainty of an extension would cause developers to rush projects to completion.

In 2011, venture capital funding for wind energy continued to increase over previous years, totaling \$369 million in 14 deals, compared to \$277 million in 11 deals in 2010, and \$198 million in 20 deals in 2009. Wind power start-up ReNew Wind Power's \$202 million raise was the top venture capital funding deal. Boulder Wind Power and Wind Energy Direct were second and third highest, with \$35 million and \$29 million raised respectively. Project-specific funding also was higher than previous years, reaching nearly \$11 billion - \$1.6 billion more than in 2010.

Merger and acquisition activity amounted to \$1.7 billion in 17 deals, the largest being the \$724 million acquisition of wind gear maker Hansen Transmissions, a subsidiary of Suzlon, by ZF Friedrichshafen. The \$596 million acquisition of Brazilian wind power operator Jantus by CPFL Energia was the second largest deal of 2011. Wind component companies accounted for \$1 billion and wind downstream companies for \$700 million in 2011.

On the solar side, both venture capital and merger & acquisition activity were strong in 2011. Venture capital investment in solar totaled \$1.9 billion for 111 deals in 2011; the highest number of deals ever in a single year. By comparison, there were 65 deals in 2010, 84 in 2009, 93 in 2008, and 71 in 2007.

Thin-film technology raised the most venture capital funding (\$595.5 million in 17 deals), beating downstream companies (\$339 million in 26 deals), crystalline-silicon PV (\$338 million in 20 deals), concentrated solar power (\$308 million in 13 deals), and concentrated PV (\$129 million in 10 deals).

Electricity Pricing Areas - Feb 7, 2012

On-Peak	Per kWh
Cinergy	\$.02880
PJM West	\$.03443

ComEd Average Day Ahead LMP Electric Price

Time Period	Average per Kwh
Jan 1 - Jan 31, 2011	\$.03871
Feb 1 - Feb 28	\$.03581
March 1- Mar 31	\$.03668
April 1 - April 30	\$.03448
May1- May 31	\$.03954
June 1 - June 30	\$.03851
July 1 thru July 31	\$.05170
Aug 1 - Aug 31	\$.04064
Sep 1 - Sep 30	\$.03058
Oct 1- Oct31	\$.02968
Nov 1- Nov 30	\$.02816
Dec 1 - Dec 31	\$.02971
Jan 1 - Jan 31, 2012	\$.03043

Weather Today: Variable clouds with snow showers in the mid 30s. Winds NNE at 15 to 25 mph. Chance of snow 40%. An accumulation of less than one inch. **Tonight:** Flurries and a few snow showers throughout the night. Low near 30F. Winds N at 10 to 20 mph. Chance of snow 40%. **Wed:** Mainly sunny. High 37F. Winds NW at 10 to 20 mph. **Tomorrow night:** A mostly clear sky. Low 28F. Winds W at 10 to 15 mph. **Thu:** Sunshine. Highs in the low 40s and lows in the low 30s. **Fri:** Chance of a few snow showers. Highs in the low 30s. **Sat:** Cloudy with flurries. Highs in the mid 20s and lows in the low 20s.

