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## MIDAMERICAN LAUNCHES \$900 MILLION WIND FARM DEVELOPMENT PLANS

*Utility seeks to add up to 552 MW of wind generation capacity in Iowa in 2016*



MidAmerican Energy is in the process of obtaining necessary permits and easements for the construction of wind farms at two new sites. Pending IUB approval, the company plans to begin construction in spring 2016, with completion scheduled for the end

of 2016. Total cost of the project is approximately \$900 million. Bill Fehrman, president and CEO of MidAmerican Energy said, “We are very excited about building additional wind farms that will produce clean, carbon-free energy.”

Fehrman said the company con-

tinues to focus on developing wind projects because wind generation offers many clear benefits for MidAmerican Energy customers. “Wind continues to be a factor in keeping our customers’ electricity rates among the lowest in the nation.”

Iowa Gov. Terry Branstad noted that MidAmerican Energy's efforts have helped the state become a national leader in wind generation. "Iowa derives a greater percentage of its electricity from wind than any other state, and we're second in the nation in the number of people employed in the wind industry," Branstad said. "Thanks to our low electricity prices and commitment to renewable energy, major tech companies and other energy-intensive businesses are interested in locating and expanding facilities here, which is good economic news for all Iowans."


Increasing the company's investment in wind turbines gives MidAmerican Energy the ability to reduce its reliance on coal, which helps protect customers from rising costs associated with meeting stricter environmental standards.

"If we look back a little more than a decade ago, we did not own any wind generation resources across our system," said Fehrman. "As a company, we made a commitment to developing wind as a resource for our customers, and we're proud to say we've followed through with and expanded upon that commitment. Once the proposed projects are completed, we're projecting that 57 percent of our total retail load could be served with energy from these turbines. This puts

us in a strong position to comply with future carbon emissions limits without placing the significant financial burden of that compliance on our customers."

MidAmerican Energy customers have expressed their support for renewable energy, and today, wind makes the most economic sense for Iowa and the Midwest.

"We have abundant wind resources in Iowa and community leaders and landowners who want wind development in their areas," Fehrman said. "Over the next 30 years, an estimated \$1.5 billion in property taxes and lease payments will flow to local communities as a result of our wind projects."

Since 2004, MidAmerican Energy has invested approximately \$5.8 billion building wind projects in Iowa, placing the company far ahead of all other rate-regulated utilities in the nation in terms of wind ownership. With the addition of the two projects announced today, MidAmerican Energy's wind assets will include approximately 2,000 turbines, more than 4,000 megawatts of wind generation capacity and a total investment of approximately \$6.7 billion. 

— Source: MidAmerican Energy Company








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# CENTERBRIDGE PARTNERS CLOSE SENVION ACQUISITION DEAL

*Turbine manufacturer positions itself for growth under new ownership*



Wind turbine manufacturer Senvion SE, previously part of the Indian group Suzlon Energy Limited, has changed owners. Centerbridge Partners, L.P., through its Centerbridge Capital Partners private equity investing strategy, has successfully completed the acquisition of Hamburg-based Senvion. All the necessary administrative, legal and financial preparations for the transfer of ownership are now completed. The relevant antitrust authorities have approved the transaction.

Senvion will remain headquartered in Hamburg, Germany.

Following the acquisition, the Supervisory Board members mandated by the old owner have stepped down from their positions. The new Supervisory Board consists of four shareholder representatives (Stefan Kowski, Steven M. Silver, Todd Morgan, and Martin Skiba) and two

present employee representatives (Bernhard Band and Thomas Rex).

Senvion put in place a new 950 million euro guarantee and credit facility from a consortium of 15 international banks and credit insurances (issued in April 2015 in a significantly over-subscribed syndication). The new facility is 100 million euro larger than the company's previous facility in order to support further growth under the new owner.

More than half the transaction capitalization will be funded with equity.

"We are very excited to welcome Centerbridge as our strong new partner," said Andreas Nauen, CEO of Senvion. "Together, we will take even greater advantage of our potential in the wind energy market. With its leading product portfolio, market position and by leveraging Centerbridge's strong network, Senvion is now very well placed to benefit

from the continued shift towards renewable energy and to continue our course of profitable growth. We will continue to expand our onshore market share, both in our top five markets of Germany, the UK, Australia, Canada and France and in other target markets and will also cement our strong position in the offshore market."

"Senvion is a highly innovative company with outstanding technology, a leading market position and an experienced, committed workforce and strong prospects," Stefan Kowski, Managing Director at Centerbridge said. "By working closely with the management, we want to help to further accelerate the company's growth plans by investing in product development, service excellence and expansion in new markets."

— Source: Senvion SE



## ZF TO ACQUIRE GEARBOX BUSINESS FROM BOSCH REXROTH

*Deal boosts wind segment, marks entry into industrial gears*

ZF Friedrichshafen AG will take over the large gearbox business of Bosch Rexroth AG with more than 1,200 employees. For ZF, the acquisition is an entry into the business with industrial gears that are used in oil rigs, mine vehicles, tunnel drilling machines, or cableways, for instance. In addition, the technology company is strengthening its wind turbine gearbox business. The acquisition agreement signed on May 13 is still subject to the approval of antitrust authorities. The companies agreed to not disclose financial details.

“Strengthening our non-automotive segment is an important objective of our long-term corporate strategy,” said ZF CEO Dr. Stefan Sommer. “The acquisition of the industrial gears and wind turbine gearbox segments of Bosch Rexroth AG is an excellent supplement to our Industrial Technology portfolio and opens up new customer groups.”

In 2014, Bosch Rexroth generated sales of approximately EUR 300 million with the large gearbox business. In the same year, ZF generated roughly 12 percent of its Group sales with the Industrial Technology division in which the company bundles its off-road activities. This share is expected to grow in the long term.

ZF is taking over the two production locations of Bosch Rexroth AG in Witten (North Rhine-Westphalia, Germany) with almost 900 employees and in Beijing (China) with more than 300 employees, as



Courtesy of Bosch Rexroth

Courtesy of Bosch Rexroth



well as the service location in Lake Zurich (USA) with approximately 15 employees — totaling more than 1,200 employees. The primary plant in Witten is not only home to production, but also to the administration, development, and sales departments for large gearbox technologies (industrial gears and wind turbine gearboxes); in Beijing, Bosch Rexroth exclusively produces wind turbine gearboxes. At both locations as well as in Lake Zurich, the company offers its customers support services.

“We are confident that our large gearbox business will benefit from ZF’s transmission expertise, and be able to make the best possible use of its growth opportunities in the new unit to be created at ZF,” said Karl Tragl, Chairman of the Executive Board of Bosch Rexroth. He added that Bosch Rexroth has successfully advanced the business in recent years. “We have specifically broadened our product range with the development of the new wind turbine gearboxes for the weak wind segment,” said Tragl. Going forward, Bosch Rexroth will focus more intensively on the core business with industrial and mobile applications.

“We are looking forward to working together with experienced staff with more than 30 years of development and production know-how for wind turbine gearboxes and even over half a century of expertise in industrial gears,” said Wilhelm Rehm, responsible for corporate materials management, and industrial technology on the ZF Board of Management. “We take account of this by making Witten the headquarters of our new Industrial Drives business unit.”

— Source: ZF

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# CLEAN LINE, TEXAS CO-OPS INK 50 MW OWNERSHIP OPTION

*Deal allows utilities to buy capacity and assets of Plains & Eastern project*



Clean Line Energy Partners

Clean Line Energy has reached an agreement with the East Texas cooperatives that provides the cooperatives with an option to own up to 50 MW of capacity on the Plains & Eastern Clean Line and a portion of the project's assets. The Plains & Eastern Clean Line will deliver more than 3,500 MW of low-cost wind power from the Oklahoma Panhandle region to utilities and customers in Arkansas, Tennessee, and other markets in the Mid-South and Southeast. The East Texas cooperatives include four generation and transmission cooperatives throughout East Texas — East Texas Electric Cooperative (ETEC), Northeast Texas Electric Cooperative (NTEC), Sam Rayburn Generation and Transmission Cooperative (SRG&T), and Tex-La Electric Cooperative of Texas (Tex-La) — and collectively serve ten not-for-profit distribution cooperatives serving approximately 330,000 member-owners. For many decades, the East Texas Cooperatives have made it possible for thousands of residents and businesses in their service territories to take advantage of the lowest-cost, reliable energy available.

“The agreement with Clean Line allows us to potentially realize the benefits from owning important new energy infrastructure while maintaining our commitment to provide long-term, reliable and affordable electric power to our members,” said Edd Hargett, general manager of ETEC.

The Plains & Eastern Clean Line represents a \$2 billion investment in infrastructure that will provide low-cost renewable energy to the Mid-South

and Southeast regions of the United States, areas currently lacking access to renewable, affordable energy. The Plains & Eastern Clean Line will help unlock more than \$6 billion in investments in new wind farms that could not otherwise be built due to the limitations of the existing electric grid. The infrastructure project will create demand for thousands of jobs in manufacturing, construction, and operations while meeting the increase in demand for additional electric transmission capacity to deliver renewable energy.

“We are thrilled to sign an agreement with the East Texas Cooperatives allowing the option to own a part of the Plains & Eastern Clean Line. As the permitting and regulatory processes advance, we look forward to welcoming more participants in the project,” said Michael Skelly, president of Clean Line. “This is a great step forward for the Plains & Eastern Clean Line, and we commend the East Texas Cooperatives for their commitment to adopting innovative infrastructure in order to improve clean energy delivery while keeping costs low.”

Construction of the Plains & Eastern Clean Line is estimated to begin in 2016 and will require approximately two to three years to complete. The Plains & Eastern Clean Line is expected to begin delivering electricity as early as 2018 and will provide clean power to more than one million American homes, providing public benefits for years to come.

— Source: Clean Line Energy Partners