

# Cape Wind gets \$200M investment from Danish fund

June 19 2013, by Jay Lindsay

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The Cape Wind offshore wind project has secured a \$200 million investment from a Danish pension fund in what the wind farm's president said Tuesday is a milestone for the long-delayed project.

In a statement announcing the commitment, PensionDanmark's chief executive Torben Moger Pedersen noted the fund has already invested in two offshore wind projects in Denmark and said it was "delighted to participate in the [Cape Wind](#) project."

The \$2.6 billion Cape Wind project aims to be the United States' first [offshore wind farm](#). But the project, proposed in 2001, has been beset by lengthy review and entrenched opposition and has been seeking investors.

The PensionDanmark announcement is the first guaranteed financing commitment of a specific dollar amount that's been announced by Cape Wind.

In March, Cape Wind said The Bank of Tokyo-Mitsubishi UFJ would coordinate its financing, and also invest in the project, but no specific commitment was disclosed. Cape Wind has said its turbine supplier, Siemens, was tentatively committed to a \$100 million investment.

Cape Wind is also pursuing a Department of Energy loan guarantee of an unspecified amount.

PensionDanmark's investment is conditioned on whether Cape Wind officials have the rest of the project financed by year's end, but Pedersen said he's confident they will.

Cape Wind president Jim Gordon said PensionDanmark's "important investment is a milestone in the Cape [Wind project](#)." Project spokesman Mark Rodgers said the fund is a respected global voice on offshore wind financing, and called its commitment "a great validation of the soundness and merits of the project."

But project opponent Audra Parker of the Alliance to Protect Nantucket Sound called Tuesday's announcement a "non-event," noting the \$200 million is less than 10 percent of the project's development costs.

She said pending lawsuits and opposition from some prominent Massachusetts business groups, who recently took out newspaper ads against Cape Wind, "show 2013 is the beginning of the end for Cape Wind."

The project, planned for Nantucket Sound, is touted as a way to reduce pollution and dependence on fossil fuels, while jumpstarting a new industry that can bring critical jobs and local investment.

But critics say the project will ruin the pristine sound while producing electricity at above-market cost that will make Massachusetts less competitive.

Cape Wind plans to be operating by 2015, when the starting price for its power is 20 cents per kilowatt hour under its power purchase deals. That's well above the cost of other alternative fuel and fossil fuel energy sources, including onshore wind and natural gas.

But state regulators who approved the deals, which Cape Wind made

with the state's two largest utilities, said Cape Wind's benefits are worth the price.

Cape Wind is proposed as a 130-turbine wind farm. But since it doesn't have committed buyers for 23 percent of its planned power output, officials are currently trying to finance just the first 101 turbines, then seek investors for the remaining turbines if and when it finds a buyer for the remaining power.

If the project ends up being smaller than originally planned, the price of Cape Wind's electricity goes up under the terms of its existing power purchase deals.

PensionDanmark's Pedersen said Cape Wind is an attractive investment at a time when bond yields are low and said he's confident the long-stalled project will succeed. The weather conditions off New England are comparable to those off Denmark, and he believes the region will prove a similarly good place for offshore wind energy, he said.

"It fits very well into our business portfolio," Pedersen said.

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