

Ares EIF to Sell Pio Pico Energy Center

Dec 13, 2016 6:15 AM

LOS ANGELES--(BUSINESS WIRE)-- Ares Management, L.P. (NYSE:ARES) announced today that a fund managed by the Ares EIF Group has agreed to sell the Pio Pico Energy Center, a 322-MW simple cycle gas-fired power facility located in Otay Mesa, California, to institutional investors advised by J.P. Morgan Asset Management. The buyer was supported by its existing independent power platform, Southwest Generation. Terms of the transaction were not announced, and the transaction is subject to certain regulatory approvals and consents.

Ares EIF developed, financed and constructed Pio Pico, which began commercial operations in November 2016. The project utilizes state-of-the-art GE LMS100 technology, which features the leading simple cycle efficiency in the industry. Pio Pico's flexible quick-start capabilities support grid stability and the continued integration of renewable resources such as wind and solar generation in California. The capacity and energy generated by the project is provided to San Diego Gas & Electric under a long-term, 25-year power purchase and tolling agreement.

"Today's announcement is a culmination of years of development and construction efforts and is representative of our firm's commitment to developing new, reliable and efficient power generation in markets like California, where there is strong demand for these types of projects," said Warren MacGillivray, a Partner in the Ares EIF Group. "We are proud to have led every phase of this project, from development to financing to construction to bringing the project into operations where it will be instrumental in supporting California's renewable goals."

"Pio Pico is a unique asset providing long-term cash flow visibility that complements our growing portfolio of long-term contracted thermal and renewable generation assets," said Matt LeBlanc, Chief Investment Officer, OECD Infrastructure at J.P. Morgan Asset Management.

Since 2002, Ares EIF has invested in more than 8,200 MW of greenfield generation and transmission construction projects representing nearly \$10 billion of capital costs. Pio Pico is the latest of these facilities to reach commercial operations, demonstrating Ares EIF's leading position as a value-added infrastructure investor. Ares EIF's other noteworthy greenfield projects which have been developed, constructed, operated and subsequently monetized are both Astoria Energy I and II in New York City, the Neptune Regional Transmission System in NY/NJ, and the Path 15 Transmission Upgrade in California.

The Ares EIF Group, formerly known as Energy Investors Funds (EIF), was acquired by Ares in January 2015. Founded in 1987, Ares EIF has a 29-year track record and is one of the first managers focused on the independent power and electric utility industry. Ares EIF's investment strategy is to create geographically and technologically diversified portfolios of energy infrastructure investments via acquisitions as well as development and construction across the power generation, transmission and midstream sectors.

About Ares Management, L.P.

Ares Management, L.P. is a publicly traded, leading global alternative asset manager with approximately \$97 billion of assets under management as of September 30, 2016 and more than 15 offices in the United States, Europe and Asia. Since its inception in 1997, Ares has adhered to a disciplined investment philosophy that focuses on delivering strong risk-adjusted investment returns throughout market cycles. Ares believes each of its three distinct but complementary investment

groups in Credit, Private Equity and Real Estate is a market leader based on assets under management and investment performance. Ares was built upon the fundamental principle that each group benefits from being part of the greater whole. For more information, visit www.aresmgmt.com.

About J.P. Morgan Asset Management – Global Real Assets

J.P. Morgan Asset Management – Global Real Assets has more than \$96 billion in assets under management and more than 400 professionals in 20 offices throughout the Americas, Europe and Asia Pacific, as of September 30, 2016. With a 45-plus year history of successful investing, J.P. Morgan Asset Management – Global Real Assets' broad capabilities provide many of the world's most sophisticated investors with a global platform of real estate, infrastructure and transportation strategies driven by local investment talent with disciplined investment processes consistently implemented across asset types and regions. For more information: jpmorgan.com/institutional/global_real_assets.



View source version on [businesswire.com](http://www.businesswire.com): <http://www.businesswire.com/news/home/20161213005455/en/>

For Ares Management:

Media:

Mendel Communications

Bill Mendel, 212-397-1030

[\[email protected\]](#)

or

Investors:

Ares Management, L.P.

Carl Drake, 800-340-6497

[\[email protected\]](#)

Source: Ares Management, L.P.