

Ares Management and Starwood Energy to Sell 660 MW Electric Transmission Line to Argo Infrastructure Partners

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LOS ANGELES & GREENWICH, Conn.--(BUSINESS WIRE)-- Ares EIF, the power and infrastructure strategy at Ares Management, L.P. (NYSE: ARES), and Starwood Energy Group Global, LLC, a leading private investment firm focused on energy infrastructure, announced today that they have signed an agreement to sell their respective interests in Hudson Transmission Partners, LLC (“HTP”) to an investment vehicle managed by Argo Infrastructure Partners, LLC. Financial details were not disclosed. A subsidiary of PowerBridge, LLC of Fairfield, CT, the developer of the project, will continue to operate and maintain the asset on behalf of Argo Infrastructure and other stakeholders. The transaction is subject to customary regulatory approvals and is expected to close later in 2018 or in early 2019.

HTP is a joint venture formed solely to develop, construct, operate and maintain the Hudson Transmission Project, a 660 MW High Voltage Direct Current electric transmission system connecting the PSEG-North zone of the PJM Interconnection to the New York Independent System Operator Zone J power market via a subsea cable beneath the Hudson River.

The line runs approximately 7.1 miles from a converter station in Ridgefield, NJ to a substation located at W. 49th Street in New York City. Approximately 87%, or 575 MW, of the project’s capacity is contracted with the New York Power Authority through a long-term capacity purchase agreement through June 2033. Construction of the project began in May 2011, with a commercial operations date achieved in June 2013.

“HTP is a prime illustration of Ares’ investment strategy to develop a core energy infrastructure asset in a premium location with significant barriers to entry, and create value for our limited partners,” said Andrew Schroeder, Partner with Ares EIF. “The constrained NYC-PJM market dynamics coupled with high quality, long-term contracted cash flows led to a robust and efficient sales process.”

“Starwood is proud to have been involved in taking this project from the concept stage to being one of the marquee transmission assets in the U.S.,” said Himanshu Saxena, CEO of Starwood Energy. “We are pleased to be transitioning ownership to Argo, given their unique experience and capabilities in this sub-sector.”

Norton Rose Fulbright US LLP served as legal counsel to Ares EIF and Starwood; Bracewell LLP acted as Argo’s legal counsel.

Goldman Sachs & Co. LLC and PJ Solomon served as financial advisors to Ares EIF and Starwood.

About Ares Management, L.P.

Ares Management, L.P. is a publicly traded, leading global alternative asset manager with approximately \$121.4 billion of assets under management as of June 30, 2018 and 18 offices in the United States, Europe, Asia and Australia. 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.

Ares EIF is the power and infrastructure strategy within Ares' Private Equity Group, with a 31-year track record of investing in assets and companies in the power generation, transmission and midstream sectors. Since inception, Ares EIF-managed funds have made approximately 70 equity investments in nearly 130 different power and energy infrastructure assets with a combined underlying enterprise value exceeding \$20 billion. During the last 15 years, Ares EIF has invested in nearly 9,000 MW of greenfield generation and transmission projects, as well as 200 miles of greenfield pipeline projects, representing over \$11 billion of capital costs.

About Starwood Energy Group Global, LLC

Starwood Energy Group is a private investment firm based in Greenwich, CT that specializes in energy infrastructure investments. Through its general opportunity funds and other affiliated investment vehicles, Starwood Energy Group has raised equity commitments of approximately \$3 billion and has executed transactions totaling more than \$6 billion in enterprise value. The Starwood Energy Group team brings extensive development, construction, operations, acquisition and financing expertise to its investments, with a focus on the natural gas and renewable power generation, and transmission sectors. Starwood Energy Group is an affiliate of Starwood Capital Group Global, L.P. Additional information about Starwood Energy Group as well as Starwood Capital Group can be found at www.starwoodenergygroup.com.

About Argo Infrastructure Partners

Argo Infrastructure Partners is an independent investment manager with a long-term approach to infrastructure investing. Argo seeks investments in high-quality physical assets providing essential services. The firm's investment group includes a highly-qualified and experienced team of industry specialists with over \$38 billion of transaction and investment management experience. Argo provides its investor partners with access to high-quality infrastructure investment opportunities with effective alignment of interest and unique transparency. For more information, please visit www.ArgoIP.com or email [\[email protected\]](mailto:).

About PowerBridge, LLC

PowerBridge, LLC is a developer, operator, and manager of major infrastructure facilities, including the Hudson Transmission Project and the Neptune Regional Transmission System, which provide a combined total of 1,320 MW of transmission capacity to New York via undersea and underground cables and associated voltage conversion equipment. Both of these complex projects were completed within budget and ahead of schedule under PowerBridge's direction. Please visit www.powerbridge.us for more information.

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