



new energy finance week in review

Your free round-up of this week's clean energy investment news

[Previous editions >>>](#)

[Click here to upgrade to the New Energy Finance Briefing Service for full text of all stories >>>](#)

09 - 15 September 2008

Vol IV - Issue 67



This Week

RENEWABLES DIVE IN THE WAKE OF LEHMAN BROTHERS, AS AN EBBING TIDE LOWERS ALL BOATS

It has been a rough week in the markets, and things only got worse in the wake of investment bank Lehman Brothers' bankruptcy.

While a rapidly ebbing tide lowers all boats, the fall for clean energy shares has been steeper than in the broader market, with the WilderHill New Energy Global Innovation index of clean energy shares – or NEX for short – plunging some 7.5% over the past week compared with the approximately 5% drop in the Dow Jones Industrial Average by late Monday.

The pain was felt broadly across the clean energy sector with solar, wind, and biofuel firms all taking a hit. Evergreen Solar suffered the largest loss on Monday, on a percentage basis. The Massachusetts-based solar PV equipment maker saw its shares fall USD 1.79, or 28.4%, to end the day at USD 4.51. Chinese firm JA Solar was off USD 2.42, or 18.5% to end at USD 10.68. California-based SunPower's stock dropped USD 10.19, or 12.3%, to close at USD 72.50.

It is worth taking a look at the renewables companies in which Lehman played a direct role. Lehman is by no measure the biggest player on the renewables block, but it is the third most active arranger in the US tax equity market – behind JP Morgan and General Electric Energy Financial Services – and has participated in a handful of clean energy equity deals.

US-based wind developer First Wind, for one, will have to lean more heavily on other tax equity investors following Lehman's collapse.

First Wind said in a July 2008 regulatory filing that it had signed an agreement with Lehman for USD 208m in tax equity financing for its Steel Wind I, Cohocton I and Prattsburgh I projects. The company did not immediately respond to New Energy Finance's questions about its financing plans now that Lehman is out of the picture.

Lehman also held a 9.7% stake in Clipper Windpower as of the company's 2007 annual report, and a 6.8% stake in geothermal developer Ormat Technologies as of 16 May 2008.

Lehman was also listed as one of four underwriters for wind project developer Noble Environmental Power's planned USD 375m initial public offering. The company did not immediately respond to questions about whether other underwriters Citi, JP Morgan and Credit Suisse would now pick up Lehman's slack under the offering.

New Energy Finance has been reporting that even despite woes in the broader financial market – reflected so dramatically in the NEX – funds have still made their way steadily into the renewables sector: witness the record USD 5.8bn VC and PE investment in clean energy companies in the second quarter.

But the shockwaves sent by the Lehman failure nonetheless bode ill for much of the sector, as it shows the worst effects of the credit crunch may not yet have passed.

With stock markets already wobbly, if credit now tightens further companies looking for expansion capital will be hard pressed indeed.

It will be interesting to see, for instance, how German integrated PV manufacturer Schott Solar goes about its planned float. Last week, it was reported that the company planned to sell as many as 38.6m shares in an IPO with a deadline for subscription later this month.

India's agro-chemical firm Chemcel Biotech wants to raise INR 246m (USD 5.4m) from the capital markets to help fund its expansion plans, including construction of a biodiesel production unit. It had better brace itself for choppy waters.

[Top](#)

Information

New Energy Finance's latest podcast reviewing the week's news on clean energy will be published on Wednesday 17 Sept 2008.

Week in Review contains a taster of the editorial content enjoyed by subscribers to our Briefing service.

The New Energy Finance Briefing service consists of one weekly and one monthly newsletter. The Weekly Briefing contains all the top news stories, reports on the NEX index of clean energy stocks, reports on the carbon and biofuel commodities markets, and a comprehensive list of deals. The Monthly Briefing delivers detailed analysis of the latest investment trends in clean energy, including VC/PE, M&A, funds, asset finance and public markets, plus features on key player strategies, technology and industry issues.

[Click here to upgrade to the New Energy Finance Briefing service >>](#)

Contents of this Newsletter:

- [News Highlights: Americas](#)
- [News Highlights: Europe](#)
- [News Highlights: Asia](#)
- [NEX Week](#)
- [Commodities Week](#)
- [Carbon Week](#)
- [Dealwatch](#)
- [NEF Insight Notes](#)
- [NEF Focus Reports](#)
- [NEF Features](#)
- [Forthcoming Events](#)
- [News of the Week](#)

Dealwatch Summary

09 - 15 SEPTEMBER 2008

Category	Value	Count
Projects	\$143.0m	10
Public Market	\$33.7m	2
M&A	\$323.0m	6
VC/PE	\$15.0m	2

The New Energy Finance Weekly Briefing contains details of all these deals. [Click here to upgrade >>>](#)

Index Watch

	15/09/08	Since 09/09/08	Since 01/01/08
NEX	304.08	-9.5%	-33.2%
AMEX Oil	1143.96	-6.2%	-26.7%

THE DEALS BEFORE THE STORM: TRANSACTIONS COMPLETED BEFORE LEHMAN/MERRILL MELTDOWN

The disappearance of Lehman Brothers and the acquisition of Merrill Lynch by Bank of America over the weekend dwarfed all clean energy business news from the prior week.

S

Read more by subscribing to the NEF Briefing Service. Please click [here](#)

[Top](#)

NASDAQ	2179.91	-8.0%	-17.8%
S&P 500	1192.7	-5.9%	-18.8%

Upcoming Events

[EABS III - Eastern Australasia Basins Symposium](#)

Australia (Sydney)

The EABS III theme is: Energy Security for the 21st Century. Plenary speakers will address topics including climate change, clean coal technology, carbon capture and storage and the role of clean energy sources (gas and geothermal).

15 Sep 2008 to 17 Sep 2008

[Carbon Markets USA](#)

United States (Washington D.C.)

16 Sep 2008 to 17 Sep 2008

[FT WEC Energy Leaders Summit](#)

United Kingdom (London)

16 Sep 2008 to 17 Sep 2008

[Bioenergy World Americas 2008](#)

Brazil (Salvador)

The central objective of the event is to provide a platform for international bioenergy and agriculture stakeholders to explore and define together the sustainable path for bioenergy and to identify investments and develop projects that will stand up to the test of sustainability criteria.

16 Sep 2008 to 20 Sep 2008

[Soya & Oilseed Summit](#)

United States (St. Louis, Missouri)

Soya & Oilseed Summit 2008 will bring together leaders in agribusiness, policy, and academia to discuss practical strategies for the most pressing challenges and opportunities facing the oilseed industry today.

17 Sep 2008 to 19 Sep 2008

[Climate Control Regimes in California and the West](#)

United States (San Francisco)

Leading industry representatives and regulators provide the latest information on the new California and Western climate control regimes.

17 Sep 2008 to 19 Sep 2008

[Stepping into the Spotlight: British Hydropower Association's Annual Conference](#)

United Kingdom (Bristol)

The annual conference of the British Hydropower Association, incorporating

News Highlights - Europe, Middle East and Africa

TAKEOVER BREEZE BLOWS THROUGH WIND SECTOR

European clean energy has finally snapped out of its late summer torpor in the last week, but via a stream of medium-sized acquisitions, financings, policy moves and projects rather than any one dramatic development.

Read more by subscribing to the NEF Briefing Service. Please click [here](#)

[Top](#)

News Highlights - Asia and Australasia

PANAX GEOTHERMAL TO ACQUIRE AUSTRALIAN COUNTERPART

Australia's Panax Geothermal has agreed to acquire unlisted geothermal exploration company Osiris Energy for USD 12m. The merger is subject to Panax raising a minimum of USD 16.2m in new working capital and has to be

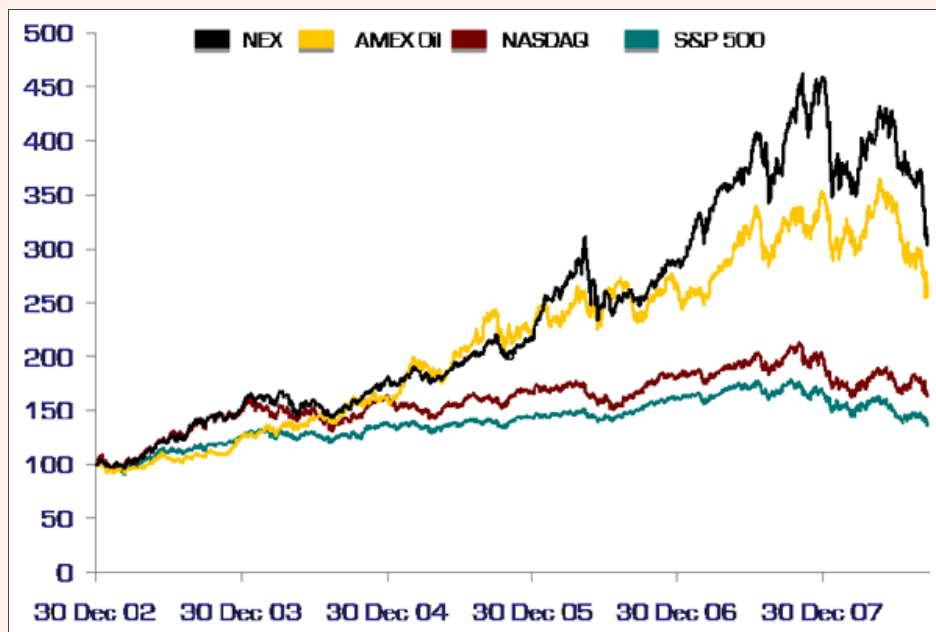
Read more by subscribing to the NEF Briefing Service. Please click [here](#)

[Top](#)

China Carbon Trade Summit 2008
 Where can we find the most potential and valuable CDM projects in China?
 22nd-24th October, 2008 Asia Hotel, Beijing [Click Here](#)

NEX Weekly Market Report 09 Sep 2008 – 15 Sep 2008

NEX vs AMEX Oil, Nasdaq and S&P 500 (2002 to date)



The NEX finished last week at 304.08, off 9.5%, while Nasdaq and S&P 500 declined 8% and 5.9%, respectively, as US investment bank Lehman Brothers lurched into deep crisis as a result of its exposure to the US mortgage market. AMEX Oil fell 6.2% as crude oil prices continued to slip, dropping below USD 100 per barrel for the first time in six months, on expectations that the economic slowdown will reduce demand.

The solar sector was the worst affected, falling by 12%. Nasdaq-listed US solar panel maker Evergreen Solar plummeted 40.2%. There were concerns over a stock-lending deal in which the company lent 30.9m shares to Lehman Brothers after the bank agreed to underwrite USD 325m senior notes of 4% due 2013, in July this year.

JA Solar, a Chinese PV cell maker, sank 28.1% due to similar concerns over a USD 300m convertible deal completed in May, in which it entered into a stock-lending deal with Lehman and Credit Suisse.

The energy efficiency sector dropped 10.4% as AIM-listed Climate Exchange lost 28.2%, and Taiwanese LED chip maker Epistar chalked up a similar loss of 23.2%.

The wind sector followed closely with a loss of 10.1%. French wind power project developer Theolia dived 26.1% after the company slashed its EBITDA forecast for 2008 and announced a H1 loss. Shares in Australian wind farm developer Babcock & Brown Wind Partners plunged 22.7%.

Biofuel and biomass developers dipped 8.9%. NYSE-listed Chinese biodiesel producer Gushan Environmental Energy dropped 18.7%, and US bioethanol producer Aventine retreated 17% after it agreed to buy the remaining 21.6% interest in a 40m gallon per year ethanol plant in Aurora, Nebraska.

The 'renewable-other' sector (mainly made up of mini-hydro and geothermal companies) did better than all the rest, limiting its losses to 1.6%. NYSE-listed geothermal project developer Ormat Technologies dropped 10.1%, while Toronto-listed Canadian Hydro Developers soared 12%.

NEX top gainers since 09 Sept 2008

Canadian Hydro Developers	KHD	+ 12.0%
Ebara	6361	+ 6.5%
Plug Power	PLUG	+ 6.0%
Zhejiang Yankon Group	600261	+ 4.4%
Meidensha Corp.	6508	+ 4.1%

NEX top losers since 09 Sept 2008

Evergreen Solar	ESLR	- 40.2%
Climate Exchange	CLE	- 28.2%
JA Solar Holdings	JASO	- 28.1%
Theolia	TEO	- 26.1%
Medis Technologies	MDTL	- 25.0%

[Top](#)

Commodities Market Report 09 Sep 2008 – 15 Sep 2008

CBOT DENATURED FUEL ETHANOL PRICE

a technical exhibition and gala dinner.

17 Sep 2008 to 18 Sep 2008

[International Summit on Algae Biofuels](#)

India (New Delhi)

Conference looking into the future of algae biofuels.

17 Sep 2008 to 19 Sep 2008

[Top](#)

Most Recent Research

[EU members gear up for season of hectic climate and energy negotiations](#)

12 Sep 2008 - Analyst Reaction



The end of the summer holidays in Europe has kicked off an intense period of negotiations within the European Union over the package of climate change and renewable energy legislation proposed by the European Commission in January. Included in this is a directive promoting the use of renewable energy... »

[Top](#)

[Power from the people - an overview of micro-generation technologies](#)

12 Sep 2008 - Research Note



Micro-generation is the generation of electricity or heat by small-scale installations on domestic or commercial properties using renewable sources. There is a range of different technologies at different stages of commercialisation, development and consumer acceptance. This Research Note introduces... »

[Top](#)

[Economy v environment: Canada's October 2008 election](#)

10 Sep 2008 - Analyst Reaction



Canadians will head to the polls in October for a federal election that some are billing as a choice between the country's strong economy – including a current USD 9.5bn budget surplus – and the environment, as a potential carbon tax is sure to take centre stage in the election. New Energy Finance e... »

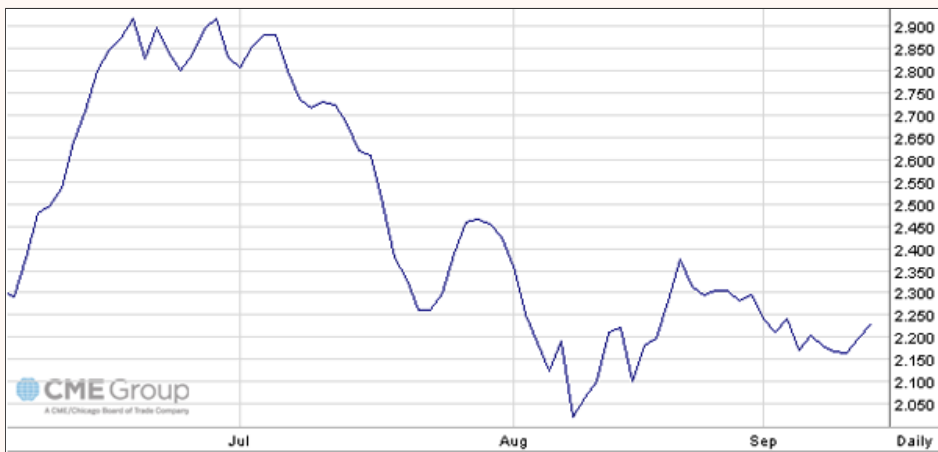
[Top](#)

[Point A to B: bulk transmission launches, regulators follow suit](#)

04 Sep 2008 - Research Note



The US is now one of the largest producers of wind energy in the world and is on pace for 45%



Nearby month USD settlement price of one US gallon

Source: Chicago Board of Trade

The West Texas crude spot price continued its tumble, moving from USD 106 per barrel on Monday 8 September to USD 95 per barrel on Friday 12 September as energy demands slacken in a stalling global economy.

In contrast, the conventional gasoline price had an extremely volatile ...

Read more by subscribing to the NEF Briefing Service. Please click [here](#)

[Top](#)



NEW CARBON FINANCE: Carbon Market Report 09 Sep 2008 – 15 Sep 2008

EU-ETS PHASE II CARBON PRICE



Phase I - Mar 2008 settlement price
Phase II - Dec 2008 settlement price

Source: New Carbon Finance

EUAs for December 2008 settlement fell from their closing price of EUR 24.40/t on Friday 5 September to EUR 22.77/t on Wednesday 10 September before recovering slightly to close at EUR 23.90/t last Friday, tracking a weakening energy commodity complex.

Brent crude prices weak ...

Read more by subscribing to the NEF Briefing Service. Please click [here](#)

[Top](#)



growth this year. While Capitol Hill squabbles over the PTC, active progress is being made towards relieving pent-up demand for new transmission. New Energy Finance looks at a cadre of projects in this ve... »

[Top](#)

Most Recent Features

[March of the giants - records shattered anew in surge for scale](#)

21 Aug 2008 - Feature



In the world of evolutionary biology, Cope's Rule states that a species' body size tends to increase over time, absenting a good reason to the contrary. You can see Cope's Rule at work not only in the animal world; it happens with cars, it happens with Olympic Athletes. »

[Top](#)

[Bales of energy: Straw's power potential](#)

21 Aug 2008 - Feature



Every year Germany produces 35m tonnes of straw, most of which is ploughed back into the land or sold for animal bedding. Martin Bensmann looks at how this plentiful resource can be used to generate heat and power, and asks whether Germany and other cereal-producing nations are sitting on a potentia... »

[Top](#)

[The most powerful man in offshore wind?](#)

21 Aug 2008 - Feature



As marine director at the Crown Estate, Rob Hastings will decide which developers will win leases for up to 25GW of offshore wind sites around the UK, the world's biggest offshore market for at least the next four years and possibly beyond. »

[Top](#)

[Bioenergy tree takes root in Madagascar](#)

21 Aug 2008 - Feature



It is hard to go to a biofuels conference nowadays without encountering heckling from green groups. It is harder still to find a biodiesel producer that is not sensitive to the food versus fuel debate. Gem Biofuels, an AIM-listed jatropha grower, might just prove the exception to the rule. »

[Top](#)

Biofuels

- [European Commission to scrutinise US biodiesel producers' books](#) 12 Sep 2008
- [IDB asks for feedback on biofuels scorecard](#) 15 Sep 2008
- [Philippines sets aside USD 1bn for 2009 alternative fuel programme](#) 15 Sep 2008
- [Allegro completes sale of Vanguard Synfuels](#) 12 Sep 2008
- [Cosan to create Mexican subsidiary](#) 09 Sep 2008
- [Metodo enters Brazil biofuels with mill expansion](#) 09 Sep 2008

Biomass & Waste

- [Gammon India acquires Italian biomass boiler firm](#) 15 Sep 2008
- [UOP and Ensyn launch biomass technology JV](#) 11 Sep 2008
- [International Power Group forms JV to build waste-to-energy plant in Indiana](#) 10 Sep 2008

Mini-Hydro

- [Brazil official: Amazon home to 100GW of hydro power](#) 12 Sep 2008

Solar

- [California thin-film hopeful Solexel attracts VC money](#) 11 Sep 2008
- [Evelop moving towards construction on USD 350m STEG project near Seville](#) 12 Sep 2008

- [Japan looks into massive wind-solar floating generators](#) 12 Sep 2008
- [Solel and Glaston launch USD 9m STEG reflector plant in Finland](#) 11 Sep 2008
- [China Guodian to build polysilicon plant in China](#) 10 Sep 2008
- [Zhejiang Jinggong reports sales progress on PV equipment](#) 10 Sep 2008
- [Enphase raises USD 15m round B for micro-inverters](#) 09 Sep 2008
- [Schott Solar sets deadline for share subscription later this month: reports](#) 09 Sep 2008

Wind

- [Martifer to construct USD 40m Texas wind tower factory](#) 15 Sep 2008
- [Welwind signs JV deal for 50% stake in Ningxia wind farm](#) 12 Sep 2008
- [New Zealand's Meridian Energy evaluating 99MW wind project](#) 12 Sep 2008
- [REpower to supply 15 turbines to Saxovent](#) 11 Sep 2008

Efficiency: Energy-Smart Buildings

- [Brown the builder hopes to insulate every home in Britain by 2020](#) 11 Sep 2008

Carbon Capture and Sequestration

- [Norway in search for CO2 storage site at Troll field](#) 12 Sep 2008

Fuel Cells

- [POSCO opens 50MW fuel cell power plant in Pohang](#) 12 Sep 2008

[Upgrade now](#) to the New Energy Finance Briefing Service to read the full text of all these stories and many more we have covered in the past week.

[Top](#)

[Home](#) | [About Us](#) | [Feedback](#)

Copyright 2007-2008 (c) New Energy Finance Limited. This e-mail has been sent to you by New Energy Finance Limited, New Penderel House, 283-288 High Holborn, London WC1V 7HP, UK. Please feel free to forward it to colleagues interested in renewable energy and energy technologies, provided it is complete and identifies New Energy Finance as the source. New Energy Finance Limited complies with EC directive 2002/58/EC as it applies to electronic communications from commercial organisations. New Energy Finance Limited does not purchase or supply address data from or to third parties. If you have received this from a colleague and would like to receive your own personal copy each week, please contact sales@newenergyfinance.com. Please send any queries/comments to the Week in Review editor, and make sure you send us news of your own financial transactions in the renewable energy and energy technology sector: newsdesk@newenergyfinance.com. For full terms and conditions of service, click [here](#).