

# Energy Gateway Fund nearing decision on initial investments

**Business First - by Jeff Bell**

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The investment manager for the state's \$40 million advanced energy fund is on the cusp of tapping the first projects to be financed by the public-private program.

The first deals could be selected within weeks, with more to come, said **Tucker Twitmyer**, managing director of EnerTech Capital, which is managing the Ohio Energy Gateway Fund for the state.

Created last year by former Gov. **Ted Strickland** and state legislators, the fund was seeded with \$40 million in federal and state stimulus money. EnerTech is managing \$30 million for the fund, with management of the other \$10 million still in negotiations, Twitmyer said.

Fund managers are required by the state to match the public contribution with dollars from private investors, providing a minimum of \$80 million for investments in advanced energy projects in Ohio. But that amount could go as high as \$115 million because money will be recycled through the fund as the investments pay off, Twitmyer said.

"It is further possible," he wrote in an email to Columbus Business First, "that this \$115 million can unlock hundreds of millions of dollars in further Ohio investment from banks and other co-investors."

That's what the Strickland administration had in mind when it created the Energy Gateway Fund. The goal, according to the state Department of Development, is for money from the fund to speed development of advanced energy projects such as wind, solar, geothermal, biomass and hydroelectric power, electric batteries, fuel cells and energy efficiency efforts. Such projects also can build on the state's industrial strengths, such as manufacturing of components for wind turbines, solar panels and other equipment.

Twitmyer said he has seen no drop in support for the Energy Gateway Fund since Gov. **John Kasich** took office.

"The reality," Twitmyer said, "is the new administration has been absolutely terrific and continues to be a wonderful partner with us."

Officials at the state weren't available for comment. In a previous interview with Business First, a Development Department official said the administration sees alternative energy such as solar, wind and biomass as part of a diversified energy portfolio that also includes

natural gas and coal.

### **Meeting potential**

Based in Philadelphia, EnerTech is an investment manager that was founded in 1996 and has committed nearly \$400 million to companies and projects worldwide. It has an advisory board that includes former New York Gov. **George Pataki**; **Mike Harris**, former premier of Ontario; **Charles Freeman**, former U.S. ambassador to Saudi Arabia; and **Donald McConnell**, president of Battelle Energy Technology.

In Ohio, EnerTech has been given sole authority over the selection of investments for its portion of the Energy Gateway Fund. Twitmyer said the focus is on picking a mix of on-site power generation projects, including solar, geothermal and biomass; energy efficiency projects, such as building retrofits; and manufacturers of clean-energy products.

The fund is to support up to 25 Ohio advanced energy investments, he said.

“We have a robust pipeline of energy manufacturing, generation and efficiency investment opportunities,” Twitmyer said, adding there are several dozen projects that look promising.

Investments by the Energy Gateway Fund have the potential to turn Ohio into a hub of innovation for advanced energy, said **Paul Centolella**, a commissioner with the Public Utilities Commission of Ohio and former senior economist in the Energy Solutions Group of SAIC Inc. in McLean, Va. He has 30 years of experience in public utilities, energy issues and environmental law. Centolella said Ohio is primed to become an advanced energy leader because of its manufacturing base, the quality of its universities and research institutions, and having three of the nation’s largest electric utilities, including Columbus-based American Electric Power Company Inc. , based within its boundaries.

The missing piece, he said, has been money for new projects and technology.

“This fund will help bring some innovation into the marketplace,” Centolella said. “We face a chasm when technology works well in the lab but needs to enter the market and achieve its commercial potential.”

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