

Cape Wind-fall Up on Cards

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Similar to the unloading of a power plant for wood burning even prior to the construction last year, developers in Cape Wind could make massive gains by selling off their rights to the wind farm proposed. Energy and financial experts estimate the pre-construction value to range anywhere between \$80 million and \$1.2 billion. The project Cape Wind off the Cape Cod coast might have developers seeing it through the construction period of the 130 turbine wind farm and operation of a facility for over 15 years.

It is said to be a common practice amongst energy companies to arrange for all necessary permits and new power plant financing before turning it over to other investors even as the projects are ready to go. The American Renewables LLC, did the same thing last year by selling the bio-mass project, in Sacul, Texas after approvals, to another investor called Southern Power. This was after a \$2.3 billion, 20 year deal was secured to sell electricity to Austin Energy which is an electric company owned by the Municipality in the capital of Texas.

American Renewables is indeed an arm of the Cape Wind project's backer, the Energy management Inc. of Boston. Experts still don't rule out an eventual sale of the Cape Win project even as the intentions were denied by the involved company. Robert McCullough who is an energy expert at the McCullough Research center in Oregon, feels this is how entrepreneurs work and there is nothing unethical about a rapid turnover in the energy business. The estimated opening price of \$80 million is only a small profit for Cape Wind after it spend almost 45 million dollars on getting the permits, according to Bill Aulet, who is a senior lecturer at Sloan School of Management.

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