



ENERGY
INVESTORS
FUNDS*



FOR IMMEDIATE RELEASE

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**HUDSON TRANSMISSION PROJECT BEGINS DELIVERING POWER TO
NEW YORK CITY**

*Critical Infrastructure Project, Financed by Energy Investors Funds and Starwood
Energy Group, Provides New York Region Access to the PJM Energy Grid*

NEW YORK, NY (June 3, 2013) – Energy Investors Funds (“EIF”) and Starwood Energy Infrastructure Fund I, LP (“Starwood”), an affiliate of Starwood Energy Group Global LLC, both established private investment firms focused on the energy sector, announced today that after extensive testing, the Hudson Transmission project (“Hudson”), a 660 megawatt undersea/underground electric transmission link between Ridgefield, N.J. and New York, N.Y., began delivering power to customers of the New York Power Authority (“NYPA”). The project, which was completed ahead of schedule, will now service clients including the Metropolitan Transit Authority, the New York City Housing Authority, and the Port Authority of New York and New Jersey.

United States Power Fund II, L.P. (“USPF II”), a fund managed by EIF, and investment affiliates of Starwood Energy are the principal equity investors in Hudson Transmission Partners, LLC (“HTP”), the developer, owner and operator of the Hudson project. HTP was responsible for the project’s planning, permitting, financing and construction. HTP is managed by PowerBridge, LLC of Fairfield, Connecticut. USPF II and Starwood began funding the development of Hudson in October 2005 and closed their permanent equity investments in May 2011.

“We are thrilled to complete the Hudson project just in time for peak summer power demand and approximately six weeks ahead of schedule,” said Andrew Schroeder, Senior Partner with EIF.

“We are very pleased to deliver such an important addition to the energy infrastructure of the New York City metropolitan area,” said Madison Grose, Vice Chairman, of Starwood Energy Group. “The Hudson Transmission project will play an important role in enhancing grid reliability and making energy delivery in the region more efficient for generations to come.”

At a total project cost of approximately \$850 million, Hudson is an undersea and underground High Voltage Direct Current (HVDC) system that includes a cable running from Ridgefield, New Jersey to the Con Edison West 49th Street substation. It is capable of providing approximately 5 percent of New York City's peak power needs. Hudson provides NYPA with access to the reliable PJM energy grid over which approximately 165,000 MW of generating capacity is dispatched. PJM coordinates the movement of wholesale electricity in 13 states and the District of Columbia. The completion of this project is expected to reduce energy costs for NYPA, improve the electrical grid in Northern New Jersey through required upgrades, and improve the reliability of the electric grid throughout the region. The project was under development for almost seven years and construction lasted approximately two years from May 2011 until June 2013 and was completed six weeks ahead of schedule, despite the two hurricanes that hit the area during the construction period.

The Hudson project is the second major underwater cable project completed by PowerBridge that has been backed by investments from EIF-managed funds and Starwood. Hudson follows the success of the Neptune Regional Transmission System ("Neptune") undersea cable, completed in June of 2007, that extends 65 miles between New Jersey and Long Island, and which delivers approximately 20% of the electrical power required for Long Island at lower costs than available from alternative sources.

"Like Neptune, the Hudson project shows how this type of technology can bring reliable electric power to densely populated areas in a cost-effective, non-controversial, and environmentally friendly way," said Edward M. Stern, President and Chief Executive Officer of PowerBridge. "It is also a great example of public and private interests working successfully in partnership to expand and modernize the nation's electric system."

Hudson has a 20-year Firm Transmission Capacity Purchase Agreement contract with NYPA, which followed NYPA's selection of the project in 2006 via a competitive selection.

About Energy Investors Funds

EIF was founded in 1987 as one of the first private equity fund managers focused on the independent power and electric utility industry. EIF's consistent, proven investment strategy is to create geographically and technologically diversified portfolios of electric power-related assets across the power generation, transmission, and midstream sectors that provide superior risk-adjusted equity returns with current cash flow and capital appreciation. EIF has raised over \$5 billion in equity capital and currently manages multiple private equity funds from its offices in Boston, New York, and San Francisco. These funds have made over 100 diversified investments with an underlying asset value greater than \$15 billion. EIF-managed funds own approximately 4,000 MW of capacity in facilities that are currently operating or under construction and an additional 6,000 MW in facilities that are in various stages of development. EIF closed on its latest fund,

EIF United States Power Fund IV, L.P., in October 2011, with \$1.713 billion in capital commitments. For more information, visit www.eif.com.

About Starwood Energy Group

Starwood Energy Group Global, L.L.C. ("Starwood Energy" or the "Firm") is a value-add and opportunistic energy infrastructure investment firm focused on power generation and transmission in the U.S. and Canada. Since the inception of its first fund, Starwood Energy Infrastructure Fund I, LP, Starwood Energy has made sixteen investments with enterprise value in excess of \$3.2 billion. Starwood Energy is an affiliate of Starwood Capital Group Global, L.P. ("Starwood Capital"), a leading global private investment group founded and led by Barry Sternlicht with over 270 professionals located across ten offices in five countries. Starwood Capital has raised nearly \$19 billion of equity capital since it was founded in 1991. For more information, please visit www.starwoodenergygroup.com.

About PowerBridge, LLC

Since 2005, PowerBridge, LLC has been responsible for the development, financing, construction, and operation of 1,320 MW of power transmission infrastructure representing \$1.5 billion in private investment. PowerBridge is an active developer and owner, either on its own or in partnership with others with complementary skill sets. PowerBridge sources initial and late-stage development capital, selects primary contractors, directs permitting and financing efforts, oversees project execution, and manages project operations. The PowerBridge team has played a unique role in bringing new, private sector sources of capital for the construction and operation of major infrastructure projects that have traditionally been built by the public sector or regulated utilities. PowerBridge works in partnership with these entities to facilitate these critically-needed projects. For more information, visit www.powerbridge.us.

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