

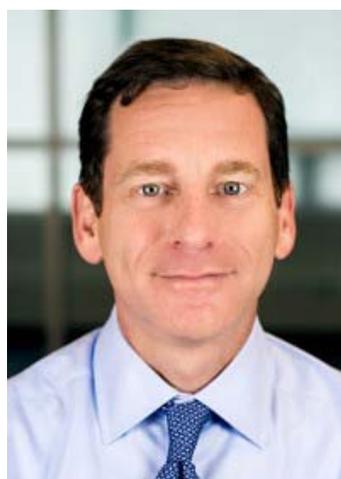
Topics	Videos	Reports	Articles	Events	Who's on Privcap	Account	Search: <input type="text"/>
--------	--------	---------	----------	--------	------------------	---------	------------------------------

# Infra Expertise Leads to Neptune Power Deal

By Andrea Heisinger, Privcap, January 19, 2016

*Ridgewood Private Equity Partners made its first investment in the submarine power- transmission cable between New Jersey and Long Island. Senior managing director Ross Posner explains the attraction of the deal.*

When the opportunity arose to invest in the Neptune Regional Transmission System, those at Ridgewood Private Equity Partners jumped at the chance, as investors globally have been increasing their allocation to infrastructure.



Ross Posner, Ridgewood Private Equity Partners

This increased competition has made strong industry relationships, proven experience, and the ability to act quickly key differentiating factors. “All of those elements were at play in our Neptune investment,” says Ross Posner, senior managing director of Ridgewood PE. “[Power] transmission, like the broader infrastructure sector, has become more competitive, and we’re not immune to that.”

In December the power-transmission cable became the first investment made by the firm that focuses on energy and infrastructure real assets. Ridgewood Private Equity Partners is a new offshoot of the Ridgewood Companies, joining Ridgewood Energy Corp.

Neptune, a 65-mile-long submarine power-transmission cable connecting New Jersey and Long Island, is under a long-term contract with the Long Island Power Authority (LIPA). Posner says that this investment is an ideal example of the kind of deals the firm will be doing. The investment was done on behalf of entities representing the State of Michigan Retirement Systems and a family office, according to a press release.

Posner comes to Ridgewood from Allstate Investments, where he led its global infrastructure and real asset PE investment team. He says that the Neptune investment had key elements that made it desirable, including that “it’s a critical piece of infrastructure with a proven record of operating performance.” Neptune came online in 2007, and Ridgewood bought shares from some initial shareholders who were involved in the development of Neptune, some of whom were related service providers.

He says that the power line has had, on average, 98 percent or greater availability, typically providing 20 percent of the electricity on Long Island. The long-term contract with LIPA, combined with a prudent capital structure and strong operating performance, have “created a backdrop for a strong risk-adjusted return,” Posner adds.

The anticipated hold period will be longer than a traditional PE energy investment where a project developer will sell once it reaches a certain milestone, and the investors were aware of that going in, he says.

Ridgewood plans to support the Neptune management as it continues to service LIPA, Posner explains. “It’s a key piece of infrastructure that’s been operating very well for a number of years.” He says that Ridgewood will also continue to identify other opportunities for future investments.

---

*Share Via: [Email](#), [Twitter](#),*