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Hannon Armstrong Closes \$400 Million Financing for Construction of a 49 MW [Geothermal Project](#) in Imperial Valley, CA

The Hudson Ranch I Power project will be one of the best geothermal resources in North America and will create over 200 jobs in Imperial County

Annapolis, MD - (May 13, 2010) [Hannon Armstrong](#) LLC, a 30-year old Annapolis based investment and merchant bank specializing in financing energy, telecommunication and water infrastructure assets announced the commencement of construction of the Hudson Ranch I project, a 49 MW high temperature geothermal power generation project in Imperial County, California, owned and operated by, EnergySource LLC (EnergySource). Hannon Armstrong co-founded EnergySource in 2006 with Catalyst Renewables with the vision of creating an independent developer, constructor, operator and owner of utility scale [geothermal and solar power generation](#) projects in the Southwestern U.S. Hannon Armstrong is the largest shareholder in EnergySource.

“Hannon Armstrong has a long track history of creating, funding and managing sound transactions that make a positive contribution to the nation’s economic and environmental health,” remarked Jeff Eckel, CEO and President of Hannon Armstrong. “The Hudson Ranch Power I project developed by EnergySource, will commence construction in one of the best geothermal resources in North America, as well as create much-needed employment opportunities in Imperial County.”

Hannon Armstrong represented EnergySource and sourced both the debt and equity financing needed for the construction of the nearly \$400 million project. The construction debt was raised from a club of eight financial institutions. Additional project equity was raised from GeoGlobal Energy LLC, a privately held geothermal energy-focused investment firm backed by Mighty River Power, a state-owned New Zealand utility.

Brian Harenza, Senior Vice President at Hannon Armstrong commented, “We are pleased the project finance market responded so favorably to the EnergySource ‘owner-construct’ model. The team developed a structure that met the needs of the owner while providing an attractive investment in this still challenging project finance environment.”

The project will take 21 months to build and will create 200 full-time equivalent construction jobs. Once completed, it will employ 35 full-time plant operations employees. Dave Watson, President of EnergySource remarked, “It has been 20 years since the last stand-alone flash geothermal plant was built in this excellent resource and we are excited to use all the lessons learned from the existing plants to make this a best-available-technology [geothermal power plant](#). This plant design ensures very efficient water use, which is a critical attribute in the southwestern U.S.”.

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About Hannon Armstrong Capital, LLC

Hannon Armstrong finances infrastructure technology upgrades by providing capital to companies and governments that are solving the critical issues of today. A new generation of technologies is updating and replacing fragile and aging infrastructure throughout the world in energy, water, information technology and telecommunication systems. These conversions are an important part of an overall solution to address [climate change](#), sustainability, national security and global competitiveness. Over nearly three decades, Hannon Armstrong has built a solid reputation for offering innovative finance solutions that [encourage progressive investments in new technologies](#). With a head office in Annapolis, MD and support offices in San Francisco and San Diego, Hannon Armstrong serves a national client base of primarily Fortune 100 companies. Hannon Armstrong has a seasoned, experienced team of finance professionals committed to creating, funding and managing sound transactions that make a positive contribution to the nation’s economic and environmental health. For more information visit www.hannonarmstrong.com.

About EnergySource: EnergySource is an independent developer, constructor, operator and owner of utility scale geothermal and solar power generation projects in the southwestern U.S., selling wholesale power and environmental attributes to utilities subject to state requirements to purchase energy from renewable resources. EnergySource employs a strong team of professionals with long experience in energy development and in particular, the unique field of geothermal power. The company is has an advanced pipeline of geothermal and solar projects it is currently developing. EnergySource is headquartered in San Diego, with a full office in El Centro, CA. www.energysource.us.com