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Himanshu Saxena named Starwood Energy CEO

Former co-head promoted as firm raises its third energy fund. Brad Nordholm, who was also co-head, will become vice chairman.



Saxena: Natural gas driving coal and nuclear out of business in US.

Starwood Energy, a Greenwich, Connecticut-based energy investment firm, has promoted co-head Himanshu Saxena to chief executive.

Saxena joined the firm in January 2008, coming from JPMorgan's global energy and utilities group. Since 2015, he and former chief executive Brad Nordholm have served as co-heads of Starwood. Saxena said his appointment will not substantially change the firm's day-to-day operations but will clarify the management structure and reporting lines. Nordholm, the firm's first chief executive when he joined in 2006, will become Starwood's vice chairman.

Launched in 2005 by Barry Sternlicht, the chairman of Starwood Capital Group, Starwood Energy has focused on

investments in natural gas-fired power generation, renewable energy and transmission. In August 2016, Starwood expanded into the energy storage sector with a \$100 million investment in Stem, a California-based energy software and storage provider.

"What we are seeing is that the cost of batteries is continuing to come down very rapidly," Saxena told Infrastructure Investor. "Any time you talk about a large number of renewables coming on to a grid, battery storage becomes an immediate next discussion."

Starwood is currently raising its third fund, which is targeting \$1.25 billion with a hard-cap of \$1.5 billion. The fund has raised more than \$1 billion, Infrastructure Investor has learnt, already making it the firm's largest fund. The firm's second fund closed in 2014 on \$983 million, while Fund I closed on \$433 million in 2008. Starwood declined to comment on fundraising.

Saxena sees the low price of natural gas as the driving force in the US energy sector, lowering the wholesale price of power and making coal and nuclear power plants unprofitable.

"[It is] not quite regulatorily driven. It is simply driven by supply-and-demand economics," Saxena said.

On renewables, Saxena said the sector has so far not been crippled by the change in administration, despite President Donald Trump's decisions to pull out of the Paris Climate Agreement and repeal the Clean Power Plan. Tax reform has caused some uncertainty in the renewables sector, he added, since a reduction in production tax credits or in the corporate tax rate could have a negative impact. Continued state-level support, however, along with corporate demand for clean power continue to propel the industry.