

Credit crunch stalls Noble

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BELLMONT — The instability of the financial markets has caused Noble Environmental Power to “scale back its development plans for 2009” and “(cut) back its workforce.”

Immediately, construction of a 14-turbine windpark planned for the town of Belmont will be suspended until July or August of 2009, Belmont Town Supervisor Bruce Russell said Friday.

He also said that a “significant” number of local Noble employees have been laid off, both due to the company’s current financial situation and because the construction of Noble’s local windparks — one in Chateaugay and another in Altona in Clinton County — is winding down. Construction requires the largest workforce.

‘When credit stops, the world comes awfully close to a screeching halt.’

— Belmont Town Supervisor
Bruce Russell

Russell said Noble’s senior management has officially communicated to the Town of Belmont that construction will be suspended, and said he believes the company will make good on its word to return next year.

To date, the company has laid foundations for the town’s 14 turbines and installed wiring, he said.

“You don’t put that much money in the ground and then walk away,” he said. “They were caught in the middle of this (financial) crunch,” which he stressed is common with the current state of the economy, and reflects no malfeasance on the part of Noble.

Questions posed to officials at the Noble office in Churubusco about a rumored mass lay off and suspension of the Belmont project were directed the company’s legal counsel, and then passed to the company’s CEO, Walter Howard, who released a statement late Friday.

“We deeply regret this unfortunate situation,” Howard said. “We believe that we have assembled an exceptional group of people at Noble, and these decisions have been extremely difficult for me, our company founders, and others in management. We value all of our employees, and we appreciate their hard work and dedication to Noble.”

Russell said that in meeting with Noble’s management, he

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was given more details about the direct cause of the company's financial troubles.

He said that Noble has been in the process of going public by issuing a Initial Public Offering (IPO), during which, generally speaking, a major investment bank puts a value on a company. The company then determines its amount of shares and what percentage of those shares it wants to put in public hands. A price per share is then determined based on the market.

Russell, who spent 30 years in the finance industry both as a stock broker and certified financial planner, said Noble utilized the recently bankrupt Lehman Brothers as its key underwriter, with Goldman Sachs as their secondary. Shares are divided according to this pecking order.

Lehman Brothers never got Noble's IPO off the ground, he said.

At the same time, the New York State Attorney General launched an investigation into Noble and a second wind company for alleged improper dealings with public officials and anti-competitive practices.

"One thing that venture capital and money stays away from are attorney general investigations," he said, stating his own opinion and not information relayed to him by Noble officials.

The perception of wrong doing is enough to drive financing away, and Russell stressed that in his dealings with Noble, he has never seen any misdeeds committed by

Noble officials and doesn't suspect any have been committed.

"Those kinds of stories get the scent of deceit and deceptive practices, the smell starts to permeate the air, and everyone backs away," he said.

All of the 71 turbines in the Chateaugay windpark have reportedly been raised and the company is finishing the wiring.

Russell said Noble is proceeding with improvements to the Cooper Road, which runs between Belmont and Chateaugay. The work, which will cost \$100,000, was includ-

ed in the towns' Road Use Agreements with Noble.

He stressed that the company has followed through with all of its promises to the Town of Belmont.

However, as a result of its financial troubles, Russell said Noble — like many companies right now — basically has no financing to move forward with the Belmont project.

"It isn't something to be ashamed of," he said. "When credit stops, the world comes awfully close to a screeching halt."

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