

## Navigating the Energy Landscape

An Interview with Elizabeth K. Weymouth, Partner, Riverstone Holdings LLC

**EDITORS' NOTE** As Head of Limited Partner Relations and Fundraising, Elizabeth Weymouth led Riverstone's efforts to raise \$14 billion of incremental capital since 2007. Weymouth serves on the board of directors of Riverstone portfolio companies Pattern Energy Group and Dynamic Offshore Holdings, and she participates on Riverstone's Investment Committees. Prior to joining Riverstone, Weymouth was with J.P. Morgan, most recently as Head of Northeast U.S. Investments at J.P. Morgan Private Bank, responsible for \$83 billion of assets under management. Weymouth received a B.A. from the University of Virginia and an M.B.A. from the Darden Graduate School of Business, where she has served on the Board of Trustees since 2007.



Elizabeth K. Weymouth

**COMPANY BRIEF** Founded in 2000, Riverstone Holdings LLC ([www.riverstonellc.com](http://www.riverstonellc.com)) is an energy and power-focused private equity firm with over \$20 billion of equity capital raised across seven investment funds and co-investments, including the world's largest renewable energy fund. Riverstone conducts buyout and growth capital investments in the midstream, exploration and production, oil field services, power, and renewable sectors of the energy industry. With offices in New York, London, and Houston, the firm has committed approximately \$17.8 billion to 84 investments in North America, Latin America, Europe, and Asia.

### How do you define Riverstone and its place within the market?

Riverstone was founded by David Leuschen and Pierre Lapeyre 12 years ago and is now one of the world's most influential energy-focused private equity firms. Uniquely, our investment team consists of veterans from the energy industry and we consider ourselves an energy player that happens to be funded by private equity. We invest on behalf of the major institutional investors across the world.

The energy complex is a huge \$8-trillion industry, arguably the world's most important industry. In every commodity price and economic environment, we have a great number of investment opportunities. We build and grow companies in conventional energy sectors like exploration and production, midstream,

services, power, and coal, and we have the world's largest renewable energy fund as well.

### Is your focus on emerging markets?

No. The vast majority of Riverstone's investment activity is in North America – 65 percent – but we are also active in Western Europe, Latin America, and off the coast of West Africa.

### What is the secret to Riverstone's continual success?

We have a world-class team that has worked together for almost the entire history of Riverstone. It's a highly sophisticated team in the energy world that has a lot of know-who in addition to a lot of know-how.

We've also been successful because we know when to get in and get out of investments. With energy, despite the economy and the commodity price cycle, there is always an opportunity to invest. We have ferreted out ways to do that profitably as a relatively small player within the huge energy sector.

### Is it tougher today to evaluate the risk?

The energy landscape has changed dramatically. That said, it's exciting to be at the nexus of this growth opportunity. The shale revolution, for instance, has truly changed the energy prospects for the U.S. and other parts of the world. New technologies in hydraulic fracturing and horizontal drilling are major advances within this old energy complex that have given us many new opportunities.

### A lot of people don't necessarily think of innovation in terms of energy. Why do you think that is the case?

Innovation is occurring in front of our eyes. Due to advancements in resource extraction techniques including horizontal drilling and hydraulic fracturing, the U.S. has become a net energy exporter for the first time in 62 years. This innovation is being applied to shale gas, tight oil, and even old oil fields and reservoirs to increase oil and gas production. Through many of our portfolio companies, Riverstone has facilitated this growth.

### The energy debate has gone on for years without a clear energy plan ever being enacted. Does it surprise you as to where we are politically and why can't we achieve real reform?

Energy security has been a focus publicly since the 1970s. We often hear about government subsidies involved in renewable energy, but there have been as many, if not more, subsidies involved in conventional energy. So there has been government support but clearly we need continued government focus. Innovation and entrepreneurship are America's secret sauce and we now see those forces being applied to energy. We have a terrific opportunity to advance America's progress in the quest for energy independence.

### When you look at the future of energy in America, will we need a combination of solar, wind, power, and nuclear, or are there more opportunities in one area?

We will need a mix. As a result of the tragedy at Fukushima, nuclear is a complicated topic. Also, the innovations in the extraction of natural gas have led to innovations in the extraction of tight oil. This is a game-changer.

But there is still room for coal. In fact, coal is the source for about 45 percent of our electricity use in the U.S. In the meantime, we are trying to get sectors like wind and solar to the point where they are competitive without government subsidies, which will take time.

Today, renewable energy sources in the U.S. don't account for even 5 percent of the total energy use. So there is huge potential for growth because we're starting from such a small base. Riverstone has the largest renewable fund globally. Wind, solar, and maybe biomass are contenders, but I don't believe they will be a dominant source of power, at least not in my lifetime. We expect oil to remain the dominant transportation fuel in the U.S.

### Are there more senior leadership opportunities for women in energy today and how important was it for you to create a diverse workforce at Riverstone?

Mentoring those who follow me is important to me. In 10 years, there will be more women partners in private equity. I'd like to think it's not about being a woman but about accomplishment, drive, intellect, and being good at what you do. Private equity does stick out as an industry with few women at the top, but it's my hope that by a few of us joining together, it will change. There is, however, a clear focus on getting more women into M.B.A. programs, which is where the path starts. ●