



Emera Sells 8.6 Million Shares to Fuel Future Growth

Description

By: Cameron Conway

The stock offering

Last week **Emera** ([TSX:EMA](#)) [completed](#) its previously announced bought deal offering. The company raised about \$250 million by issuing 8,660,000 common shares priced at \$28.85.

The funds are set to be used “for general corporate purposes to support the Company’s recently announced growth initiatives and to reduce indebtedness outstanding under Emera’s credit facility.” Emera has been active on the corporate expansion front – a trend that may be set to continue given this capital injection.

Current subsidiaries

While most people probably don’t recognize the name Emera, Eastern Canadians and New Englanders would recognize one of their many [subsidiaries](#) including:

Canada

Nova Scotia Power Inc.	Algonquin Power & Utilities Corp
Emera Newfoundland	Emera Brunswick Pipeline Company Limited
Emera New Brunswick	Atlantic Hydrogen Inc.
Maritimes & Northeast Pipeline	OpenHydro
Bayside Power	Brooklyn Power (Nova Scotia not NY)
Northeast Wind Partners (aka First Wind)	

US

Rumford Power (new)	Emera Maine,
Tiverton Power (new)	Maine Public Service Company
Bridgeport Energy (new)	Bangor Hydro Electric Company

Caribbean

Grand Bahama Power Company
Light & Power Holdings Ltd.

Growth through acquisitions

This company has made a recent push into the U.S. Just a couple of months ago Emera purchased three “combined cycle natural gas fired electricity generating facilities” in New England from **Capital Power Corporation** ([TSX:CPX](#)).

At a cost of US\$541 million, these three facilities have the ability to produce a combined 1,050 MW of power. The facilities are located in Bridgeport, Connecticut (520 MW), Tiverton, Rhode Island (265 MW), and Rumford Maine (265 MW).

This is the first foray into natural gas power in the U.S. for Emera and could be a signpost of their future plans to expand down the eastern seaboard. This move fulfills a long awaited goal for the company according to Chris Huskison, (President & CEO) of Emera, “Adding gas generation to our existing portfolio in New England has been a strategic objective for Emera.”

Maritime link project

Despite this U.S. expansion, Emera has not forgotten about its homeland. Back in November they received approval from the Nova Scotia Utility and Review Board for a \$1.5 billion project that will create a 520km long, 500MW transmission line linking Nova Scotia and Newfoundland/Labrador.

Flip the switch and give me a conclusion

With growth in the U.S., capital upgrades in Atlantic Canada and a seemingly semi-annual appetite for acquisitions, Emera is positioning itself to be a contending force in the eastern energy market. Plus a healthy quarterly dividend of \$0.3625 is a nice touch as well.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:EMA (Emera Incorporated)

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