

BILLIONAIRES DAILY COVER

Exclusive: Inside A Chinese Billionaire's Bizarre Maneuvers To Save His Texas Land

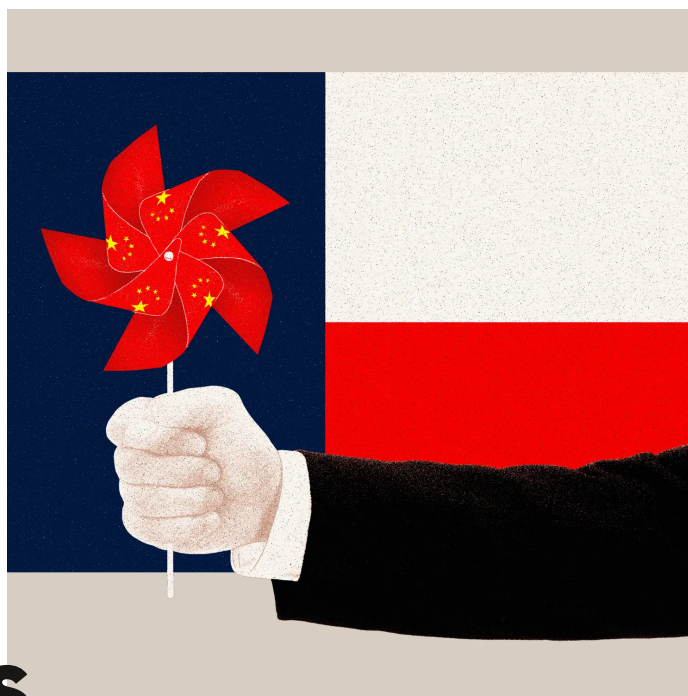


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I write about wealth, billionaires and their companies.

The Lone Star State’s legislators passed a bill in 2021 to stop Sun Guangxin from building a controversial wind farm. New documents and emails obtained by *Forbes* shed light on Sun’s effort to keep the project alive.

In **June 2021**, Texas Governor Greg Abbot signed the Lone Star Infrastructure Protection Act, a bill that banned companies controlled by individuals who are citizens of China, Iran, North Korea and Russia from accessing Texas’ electrical grid and other “critical infrastructure” assets.

It’s a broad law—inspired by one specific Chinese billionaire, as *Forbes* [reported](#) at the time: Sun Guangxin, a former People’s Liberation Army captain and Texas landowner, whose controversial Blue Hills Wind development, near the U.S.-Mexico border and the Laughlin Air Force Base, sparked backlash in Texas and attracted national attention.

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through on their contract. It's like I was a pawn.”

What began as an environmental campaign to protect a local river soon escalated into a national security storm around Sun and his ties to China's Communist Party. The uproar and the passage of Texas' law, also known as Senate Bill 2116, helped usher in similar state bans on foreign ownership of agricultural lands across the U.S., [according](#) to the National Agricultural Law Center.

Yet, over the past two years, Sun has not retreated quietly into the night. Documents and email communications obtained by Forbes paint a portrait of a billionaire reluctant to part with his Texas assets, and whose U.S. companies have engaged in a series of maneuvers to appease regulators and keep his renewables projects viable.

Banned from operating or owning a wind farm in Texas, Sun's U.S. company GH America Energy sold the rights to develop and operate Blue Hills Wind, a 46-turbine, 303-megawatt wind farm that would feed Texas' electric grid, ERCOT. Yet as of late May, Sun still owns the

15,300 acres of land beneath the Blue Hills Wind site (known as Carma Ranch) which has prevented the construction of the wind farm under Texas law. According to one investor, Sun's company twice promised to sell them the land, in February and July 2022, asking them to sign preliminary transaction agreements—only to back out of negotiations.

One individual familiar with GH America's operations, who asked to remain anonymous in order to speak about sensitive information, indicates that Sun is still planning to sell the property, but has been orchestrating a bidding war in order to secure a higher return on his investment: "It's been an ongoing strategy; they've been trying to shop it around and drive up the bidding price to an eventual top bidder."

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it.”

But others don't see Sun's moves as just tough negotiating. Sun has used the claim of ongoing deal talks to win at least one extension on the deadline for compliance set by ERCOT, which had threatened to revoke the projects' interconnection agreement—its permission from the state regulator to connect to the grid—if it doesn't comply with the foreign ownership ban.

“It looks like they were using me to show compliance without genuinely intending to follow through on their contract,” says Jim Spano, a New Jersey-based renewable energy investor who says that he spent thousands of dollars on due diligence and lawyer fees on deals he and his partners struck with GH America, only for the agreements to then collapse. “It's like I was a pawn.”

Jim Bradbury, a lawyer and professor at Texas A&M Law School who teaches agricultural law, reviewed the documents and *Forbes'* reporting. “Having a sequence of LOIs [letters of intent] and terminations between the same purchaser and the same buyer on the same assets is unusual,” he says. “I've never seen anything like it.”

Sun Guangxin, who declined to comment for this story, is worth an estimated \$2.9 billion, mostly due to a controlling stake in Xinjiang Guanghui Industry Investment Group, which is based in China's Western state of Xinjiang. The company has interests in energy, automotive services and real estate, particularly in Urumqi, Xinjiang's capital city.

Sun began pumping some of his riches into Texas in 2016, incorporating GHA Barnett, a holding company that owns natural gas wells in Texas' Barnett Shale region. He then bought over 130,000 acres of land in Val Verde County for an estimated \$110 million beginning in 2016; he still collects royalties from Rocksprings, a wind farm operation that has turbines on land he owns in the eastern part of the county. In 2018, Sun bought Carma Ranch from David Frankens, a businessman and land flipper from East Texas, who sold him on the opportunity to develop an onshore wind farm on the site.

In the months after SB 2116 came into law in June 2021, ERCOT pressed GH America about compliance. In emails seen by *Forbes*, ERCOT told GH America it would revoke its permission for two other solar projects controlled by Sun that were slated for development – Blue Star Solar and Blue Valley Solar, both located in Val Verde County – until they complied with the

new law. Similar pressure from ERCOT on Blue Hills Wind is “what led to this whole chase to divest not only the project but also the land,” says an individual familiar with the communications.

Nearly eight months after the law’s passage, GH America sold the rights to develop and operate Blue Hills Wind, according to a January 31, 2022 asset purchase agreement, reviewed by *Forbes*. The buyer, Babcock & Wilcox, a publicly traded energy technology firm headquartered in Akron, Ohio, paid \$11 million for the project rights: \$1 million upfront, and two \$5 million milestone payments. The deal also included the option to buy the land on which the project would be developed, Carma Ranch, for \$22 million, according to the document.

Around that time, Babcock & Wilcox welcomed a new employee to manage the project: Jamil Neto, a Houston-based businessman and attorney trained in Brazil, who had joined Babcock’s renewables division, Fosler Solar. “He came to us with an interest in wanting to be part of a growing renewable energy team,” said one company *Facebook* post. Neto has ties to Sun. He is the younger brother of Gustavo Solon, another Brazilian lawyer and Texas-based businessman who has worked for Sun’s Guanghai conglomerate since June 2021,

according to his [LinkedIn](#). Solon also runs Two Bros Consulting, a Houston-based firm that describes itself as an “international business development” consultancy. (A photo of Solon and former Brazilian president Jair Bolsonaro is prominent on its website.) Neto and Mingyu Tang, a vice president for Sun’s GH America, do consulting work for Two Bros, according to its website.

Despite selling the project rights to Babcock & Wilcox, GH America kept dealing, holding another series of negotiations with Jim Spano, a New Jersey-based investor in green technology and real estate, for some of the same assets GH America had already sold. Spano wanted to buy Carma Ranch and the rights to part of Blue Hills Wind in order to develop solar panels on the site. He says he executed a letter of intent to purchase Carma Ranch on February 9, 2022, and made a deposit of \$500,000 on February 22, 2022. About a month later, Spano says, GH America terminated that agreement and returned the deposit to him.

Instead, it appeared that Babcock & Wilcox was going to exercise its option to buy the Carma Ranch land. A document obtained by *Forbes* shows that Jamil Neto, in his capacity as Babcock & Wilcox’s project manager for Blue Hills Wind, signed a form on April 4, 2022

affirming to ERCOT, the Texas power grid manager, that the project was now in full compliance under the Lone Star Infrastructure Protection Act. “Both Project and Land belong solely to B&W,” the document stated. B&W never ended up exercising the option to purchase the land.

“I think that attestation is very fuzzy,” says Bradbury, who reviewed the document. “You’re *exercising* the option: What does that mean? You exercise the option or you don’t.”

Jamil Neto did not respond to *Forbes*’ requests for comment. A spokesperson for Babcock & Wilcox said in an email: “As a publicly traded company, we don’t comment on matters not disclosed in our public filings and have no additional comment for this story.”

In May 2022, GH America reengaged Spano on a separate project, Blue Star Solar, a 71-megawatts site permitted for development. Spano executed a second letter of intent with GH, this time to acquire the Blue Star Solar project rights and the associated 1,000 acres of land for \$3 million, according to a document dated May 20 seen by *Forbes*. Later that day, GH America forwarded Spano’s letter to ERCOT, which had also been threatening to cancel the project. Three days later, ERCOT granted GH America a three-

month extension for compliance (until August 1), so that Spano's firm could complete the deal, according to emails seen by *Forbes*.

“It's not beyond these guys to game the system and secure letters of intent for people to buy the property and then share those with ERCOT,” says one individual familiar with GH America's operations.

According to Spano, after he signed the letter of intent to buy Blue Star Solar, GH America tied up finalizing that deal in a new round of negotiations on Carma Ranch, the land beneath the Blue Hills Wind project that Spano had originally tried to buy. This time, there was a new buyer lined up to take over the project's rights from Babcock & Wilcox: Greenalia, a Spanish energy company that operates dozens of renewable energy facilities in Spain and has several investments in Texas solar projects. (It [entered](#) the U.S. market in 2021 when it bought a renewable energy company as part of its COVID Resilience Plan.)

Greenalia completed its purchase of Blue Hills Wind on June 30, 2022, per a transaction document. It reportedly paid \$15 million, according to several individuals familiar with the price (Babcock & Wilcox, meanwhile, likely made a \$4 million profit in just five months.) On

July 22, Spano says he executed yet another letter of intent to acquire Carma Ranch. But final negotiations dragged on, and by September the deal was off once again.

“GH came back and told me their owner decided not to sell, that he was going to fight the state,” says Spano. According to one individual familiar with GH America’s operations, all deals are run by Sun Guangxin for final sign off. “He’s the boss,” says the individual. “It is pretty much what he dictates in terms of what you should be doing.”

Ultimately, ERCOT got fed up. It suspended the Blue Hills Winds project in August 2022, “pending confirmation of compliance with the Lone Star Infrastructure Protection Act and other registration information” and canceled the Blue Star Solar project in October 2022, the agency told *Forbes* in an emailed statement. “Neither project ever connected to the ERCOT grid. ERCOT remains vigilant regarding compliance with the Act,” a spokesperson added.

It’s not clear why Greenalia has not exercised its option to buy Carma Ranch for \$22 million. “The problem is Greenalia wanted to pay over time, but because of the law they had to turn title over,” says Spano, who adds that Greenalia was banking on him and his investor group buying

the land instead, making Carma Ranch compliant with the U.S. ownership law—without Greenalia having to fork over more money to buy the land itself. “I got the impression they wanted my cash more than I needed theirs,” says Gregg Beldock, a partner of Spano’s who was involved in the negotiations.

Gustavo Solon, who was GH America’s point of negotiation with Spano, says Greenalia had exercised its right of first refusal to block Spano from buying the land, and that negotiations between Greenalia and GH America for a deal on Carma Ranch remain ongoing.

For its part, Greenalia denied that it believed Spano would be acquiring Carma Ranch as compliant landowners, as well as Solon’s assertion that it had blocked Spano’s bid. It also denied that it acquired Blue Hills for \$15 million. The company declined to clarify or provide further information, citing confidentiality agreements.

Yet even with the projects blocked by the Texas grid regulator and the land deals stymied, in March GH America reopened talks with Spano on the Blue Star Solar project (despite it having been canceled), and according to Spano, asked him to sign a second letter of intent to acquire the rights and land for the project. (He

declined.) He also claims that GH America reached out to him, yet again, in April to yet again gauge his interest in buying Carma Ranch. (He is not moving forward.)

According to Sun's camp, the billionaire is still trying to sell off his land and projects. Gustavo Solon (of Two Bros Consulting and Sun's parent company) told *Forbes* that GH America is working on other deals to offload Sun's other Val Verde land and assets to other companies.

"Everybody wants to buy parts of the portfolio," claims Solon. He named one company in particular that is nearing a deal: "The new company that's taking over is called Visel Energy Inc."

Reached by phone, a secretary for Houston-based Visel Energy Inc. referred *Forbes* to an individual named Valdie Jackson, who is also a vice president at Foret Global Oil Equipment Inc., according to his two [LinkedIn profiles](#). Both Visel Energy and Foret, which share an address in Houston, were dissolved in 2020 and 2021, respectively, for tax forfeiture, according to Texas records. However, the groups appear to both still be active, and they share a president, Forster Duru, who appears to have been [involved](#) in a medicare fraud scheme, for which Valdie Jackson [pleaded guilty](#) in 2014 and was

sentenced to 12 months in prison. (Duru was not charged in the case.) Duru and Jackson did not respond to requests for comment.

Spano is skeptical in the sincerity of this latest in a long string of purported deals for Sun to finally hand over ownership of the land and energy projects the state of Texas banned him from owning. “I think that this Chinese billionaire is trying to figure out a way not to sell properties,” he says. “That’s what it appears to me, anyway.”

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