

WINDY CITY MAN

By Anne Moore

Photography
by Paul Elledge

Michael Polsky came to America from Ukraine with virtually nothing. Today his giant wind farms are generating millions.

Power-industry mogul Michael Polsky has a messy desk and a lousy view of South Wacker Drive. His Russian-accented English makes him seem gruff and forbidding. (He's neither.) At 58, he's a millionaire hundreds of times over, yet the prices he's hearing for a chauffeured drive to and from Madison, Wis., are too rich for his blood. Even seated in his office, his restless energy is apparent.

Polsky grew up in Soviet Ukraine, sharing a single 190-square-foot room with his parents and grandparents. A Jewish refugee, he came to the U.S. in 1976, at age 27, with little money and less English. Two years later, the federal

government changed electricity regulations to allow private ownership of wholesale power plants. "Own a power plant?" he exclaims, still electrified by the thought. Today, Polsky's third startup, Chicago-based Invenergy, is the nation's fourth-largest developer of wind energy.

"I'm just an average guy," he insists. He's not, of course. His Aspen ski house is valued at \$7 million, and his assistant reminds him about his opera tickets before she leaves for the day. A brochure for Art Basel Miami Beach—known as the art world's wildest party—tops the other clutter on his desk. When he vacations, he hires outfitters to get him "out there."

Recently he traveled to India and China for business and South America and Africa for pleasure. He has climbed Mount Kilimanjaro and Mount Elbert, the highest peak in Colorado, but his definition of cool is someone who reaches the top and doesn't need to talk about it: He's a doer, not a boaster.

America is a cornucopia of immigrant success stories. Few are so fast, rich, and sweet as Polsky's.

His first break in the U.S. came during a job interview at Bechtel in Detroit, only months after he and his new bride, Maya, had emigrated. His interviewer was a Chinese engineer who also spoke little English. They switched to the language of math, doing engineering calculations, and Polsky landed a job working on the design of a nuclear power plant.

FALLING OUT

Four years later, the restive engineer was on his third gig in the Midwest, chafing under what he considered to be poor decisions from out-of-touch upper management. "Pretty quickly I realized I didn't like big companies," Polsky recalls. It was 1980, and he was working for Fluor in the Chicago suburbs. That 1978 rule change had entrepreneurs nosing around, trying to figure out the inner workings of power plants. "I can do that," Polsky recalls thinking. But he'd need dough—and lots of it—to own a power plant.

Over the next few years, Polsky tried to hitch his skills to someone else's money. By 1985, he had a deal and a title: co-founder and president of Indeck Energy Services, an independent power company based in northwest suburban Wheeling. When he left five years later, after a falling out with his partner, he pocketed \$20 million from a mediated settlement over the company's worth.

He then turned around and started another business, SkyGen Energy. The Northbrook company had grown into one of the largest independents in wholesale electricity production

capital. "Polsky is a moneymaker, and he has a strong and talented group," says Ned Jannotta, senior adviser at GTCR Golder Rauner, a Chicago private equity firm. In 2003, GTCR announced a deal with Invernergy to build a \$1 billion power portfolio. But in a rare misstep, Polsky set up the wrong business; few plants were for sale, at least at reasonable prices. To survive, Invernergy had to change course—and do it quickly.

That's when Polsky caught the wind.

Intensely practical, Polsky is no Quixote. Building wind farms "just makes sense," he says, for the nation's economy and security as well as the global environment. Since 2003, Invernergy has built seven wind farms in the U.S. and one in Poland. Each site consists of 25 to 90 turbines, spinning atop towers 30 stories tall and generating enough elec-

tricity for as many as 45,000 homes year-round. Four more are under construction—two in Texas, one in southern Wisconsin, and one near LaSalle, Ill., 90 miles south of Chicago.

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HIS SMALL OFFICE SUGGESTS MIDLEVEL MANAGER INSTEAD OF COMPANY PRESIDENT—UNTIL YOU SEE THE MUSEUM-QUALITY ART THAT LINES HIS WALLS



others say, is to change public policy. That's happening: Two dozen states, including Illinois, now require utilities to buy some renewable energy.

The LaSalle wind farm is "a sweet spot," says Howard A. Learner, president and executive director of Chicago-based Environmental Law & Policy Center. "It's near Chicago and its eight million customers, there's fair transmission, and Illinois has good public policy."

So would Polsky drive there to show it off? He hugs his arms to his chest, and demurs: "It's too cold." Instead, he pulls up images of wind farms on the computer in his 20th-floor office, a smallish space that suggests midlevel executive instead of company president—until you glance at the museum-quality art that lines the walls. There's a wall-size 1991 photo montage of grim Moscow apartments, *Triptych*, by French photographer Stéphane Couturier, as well as lush oil-on-canvas works by such Russian artists as Vasily Shulzhenko.

Polsky's confidence in wind power's future is evident from his upfront purchases of the giant turbines; he buys the equipment even before he has land to plant them on. The rotors of commercial wind turbines span 300 feet—which is as long as a football field—and each turbine costs about \$1.5 million. There's been a wind-turbine shortage since 2005. Polsky's stockpile is one reason why.

In Polsky's view, Invenergy's wind projects are a lot like everything else he has done in his 30-year energy career. "It's a basic infrastructure business," he says. "It's stuff we already know: elementary engineering and packaging, not high tech."

That may sound dreary, but there's rarely a dull moment at the company, which now has 150 employees. "His mind is operating 24/7," says James Murphy, Invenergy's CFO and senior vice-president who has worked with Polsky since 1993. "He's an idea-generation machine. He doesn't turn off at 5 or 7 or 8 p.m., so if it's 11:30 at night, and he wants to deal with it, we deal with it." BlackBerrys, cell phones, computers—they're always on.

HANDS ON, HANDS OFF

By his own account, Polsky works less than he used to. At his first two startups, he'd arrive by 7 a.m., eating his bagel breakfast while driving, then staying put into the night and over weekends. Around the same time, he earned his MBA from the University of Chicago's Graduate School of Business. He took one course per semester, at night, until he got his degree in 1987, after five years. These days, Polsky gets to the office around 9:30, after a morning workout, and stays until early evening. Now that he works downtown, he even gets out for lunch with other business executives and colleagues.

Polsky describes himself as a hands-on manager, but those who work for him, or see how he works, don't view him that way. They say he's deeply involved in key decisions, but otherwise he sets people off to do what they do best, whether it's to finance a wind farm or book a driver. He's not looking over shoulders. "I manage by example," says Polsky. "They see me working hard and they fall into it."

CFO Murphy agrees: "It's a flat organization. People don't hesitate to talk to anyone two levels up or down; Michael sets that tone. He's always searching for 'what makes sense here?' and he's not afraid to change course. He'll turn on a dime and not be concerned with the implications if, in his gut, it makes sense and it's highly likely to be profitable for the company." Case in point: Invenergy itself.

Polsky is an unforgettable character, a heady mix of extremes: impatient but thoughtful, ambitious but modest. He's also charming, witty, and generous. He looks the lesser side of 50, and he's so slender his shoulder blades poke from his dress shirt. He's a light eater, he explains, and his idea of a great vacation day is one that ends in exhaustion. "I'm not a sitting-on-the-beach kind of traveler."

He grew up in Ukraine's capital, Kiev, when it was part of the Soviet Union. An only and precocious child, Polsky could tick off place names from a world map at age 3. His father was an industrial mechanic, and neither parent was highly educated. But it was always expected that he would be. "I didn't need to be encouraged. I was always a good student—not straight A—but good in most subjects, and I liked physics and math." Polsky wanted to study physics, but Jews had to have exceptionally high math scores to get into that field, he says, so he settled on mechanical engineering, earning a master's degree

Polsky's first wind farm, built by Invenergy on Tennessee's Buffalo Mountain

LINKS

One for the Record Books

When a Cook County judge awarded Michael Polsky's ex, Maya, \$184 million last June, no one could think of a bigger divorce verdict in Illinois, reported *Chicago Sun-Times*. So what did she get besides money? The former couple's Lake Shore Drive home, worth \$3.7 million, a house in Glencoe valued at \$2 million, plus \$839,000 in jewelry. Michael kept their three other homes, listed at \$12 million.



at the local university, the Kiev Polytechnic Institute.

A year before emigrating, he married Maya, an English teacher from Kiev. A Jewish aid agency placed the couple in Detroit. His parents remained in Kiev, and he has been back to visit several times over the years. His first language is Russian; he understands but doesn't speak Ukrainian.

TALKING ENERGY

One thing that makes him nuts is tabloid press coverage of his 2003 divorce, notable for the vast sums involved and the equal split of his estate with ex-wife Maya, who was awarded \$184 million last spring. It's one of the largest divorce settlements in U.S. history. Maya is known for her eponymous River North art gallery, opened in 1989. She represents the late Chicago artist Ed Paschke and many Russian artists. They have two adult sons. Polsky shuts down whenever someone mentions his former wife in conversation.

He becomes a chatterbox, though, on the subject of energy. Polsky bent every ear at a recent conference linking investors with energy inventors. After all, he's the embodiment of all that they hope to be: a wildly successful energy entrepreneur. "We in the Midwest could take a leading role," he said. "When I got into wind in 2002, I thought we were late. But I look at this country, and I see that we're at the very, very beginning stage of using alternative energies. It makes sense. But just because it makes sense doesn't make it happen."

Edward A. Snyder, dean of the Chicago Graduate School of Business, first met Polsky in 2001, when he was raising funds for Polsky's alma mater. It was a dreadful time to wring money from people, Snyder notes, and he was new to the university. Polsky was considering a \$2 million gift, which would pay for a professorship. "The conversation moved pretty quickly to a much bigger gift," Snyder recalls. The Polsky Center for Entrepreneurship at the Chicago GSB is funded by a \$7 million gift from Polsky. "I was very grateful to be accepted," Polsky explains. "I had high math scores, but I didn't speak good English in 1982."

He is not a passive donor, Snyder says. "He chides me: 'Come on, let's get going with that.' He

gets people moving." Polsky wants the school to take its New Venture Challenge—a business plan competition—around the world. "He doesn't tire," says Snyder, who traveled with Polsky to India last year, meeting with entrepreneurs, alumni, and India's then-President A.P.J. Abdul Kalam. "He connects with people," says Snyder. "He's very approachable, and he listens. And when he tells the story of his life, it's so compelling. There aren't many stories like it, that are so tied into the American dream. People draw a lot of strength and inspiration from Michael."

Polsky is a taut coil during an interview. He springs up and out of the room to verify the date of his first wind farm. He's gone again to check on the progress his assistant is making on lining up that chauffeur, to save him all that driving for a two-hour meeting. He is the last to leave on a wintry Friday evening. His points to his uninspiring view—he looks across Wacker Drive at the lighted square windows of another office building—and recalls that he used to have a spectacular view from the 94th floor of the Sears Tower. He stopped noticing it, so he gave it up.

He leads a visitor down the hall to oversize photographs of his wind farms, the first of which he built on rolling hills for the Tennessee Valley Authority. "I like to see results. I like to see a wind farm going up. I say to my people, 'We are changing how energy is produced in this country.' I say, 'We are making history!'" **BW**