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# Power Finance & Risk

Exclusive Insight on Power M&A and Project Financing

**PROJECT FINANCE**

### Investment Bank Pitches for CCGT Funding

**NOVI Energy** has hired **Marathon Capital** to raise financing for the **Ares-EIF**-backed 1,060 MW C4GT facility. Page 7

**MERGERS & ACQUISITIONS**

### GenOn Emerges from Chapter 11

**GenOn Energy** has emerged from bankruptcy after a business reorganization, with a new management team. Page 12

**PEOPLE & FIRMS**

### Oil & Gas Pros Depart GE EFS

A Houston-based pair of upstream and midstream energy specialists have left **GE Energy Financial Services**. Page 16

## Power Sector Outlook 2019

Shravan Bhat

Executives at wind, solar and gas-fired power companies told *PFR* about the challenges and opportunities they see for the U.S. power sector next year.

The overall sentiment is that capital chasing projects will remain plentiful through 2019, while offtake contract prices and tenors will generally continue to shrink.

**PTC CLIFFHANGER**

Though it will be a few years before the first offshore wind projects begin generating power, onshore wind developers are racing to complete and finance projects before the production tax credit phases out after 2021.

"By and large we are seeing confidence in the market because [the PTC phase-out] has been designed as a "phase down" rather than a "cliff"," says **Chris Brown**, president, **Vestas Americas**. "2020 will be the peak year for deployment and it'll slow after that, though there is a robust market for even 60% [PTC qualified] equipment."

Wind watchers point to under-penetrated markets like the Southeast as potential areas for growth, as the prospect of overbuild is touted in previously attractive West Texas.

While states like Louisiana and Arkansas have been open to buying wind power—evidenced by **Invenergy**'s ill-fated Wind-catcher project (PFR, 7/26), the region has not seen the kind of project development boom in neighboring **ERCOT**.

A concern for Brown is supply chain constraint, which he says will "come less from [original equipment manufacturers] and more from a lack of construction cranes, transport vehicles and truck drivers."

Turbine makers like Vestas know they have to work with sponsors to grow new markets in the Southeast where taller towers will be needed.

"We've been a bridge between sponsors and utilities in the past and we see tur- PAGE 11 »

## Carlyle Nails Down Buyer for Golden State Peakers

Taryana Odayar

**The Carlyle Group** has found a buyer for its 416 MW portfolio of gas-fired peakers in California, which an investment bank put on the auction block last June.

The buyer is **Middle River Power IV**; a portfolio company of New York-headquartered **Avenue Capital Group**, according to a US **Federal Energy Regulatory Commission** filing dated Dec. 31.

The parties to the deal have requested FERC approval by Feb. 14.

*PFR* reported in August that Carlyle had hired **Guggenheim Securities** to run the two-stage auction process (PFR, 8/3/18).

Avenue Capital did not use a financial adviser on the transaction but is PAGE 13 »

## CPV Fends Off Market Headwinds to Land Shore Pricing

Richard Metcalf

**Competitive Power Ventures** has closed the refinancing of its Woodbridge Energy Center, also known as CPV Shore, in a challenging term loan B market, prompting admiration and potentially encouraging others to launch their own deals in the New Year.

**Morgan Stanley** was left lead on the $545 million debt package, split between PAGE 5 »

## Macquarie, AMS Seal Battery Portfolio Refi

Shravan Bhat

A trio of lenders closed $100 million in refinancing for a 35 MW behind-the-meter distributed storage portfolio in California on Dec. 21.

Left-lead **CIT Bank** was joined by **Rabobank** and **Sumitomo Mitsui Banking Corp.** in backing **Macquarie Capital** and **Advanced Microgrid Solutions**' landmark Electrodes portfolio. PAGE 6 »

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## IN THIS ISSUE



PROJECT FINANCE

# Showa Shell Buys Stake in Advanced Power's Cricket Valley

**Showa Shell Sekiyu** has bought a 10% stake in the 1,181 MW gas-fired, combined cycle Cricket Valley Energy Center in the Hudson Valley from **Advanced Power**, the project's developer.

Located in Dover, Dutchess County, adjacent to the Iroquois natural gas pipeline, the facility is under construction and expected to be online in 2020.

**Bechtel** is handling construction of the project, which is being fitted with **General Electric** turbines, under a turnkey construction contract.

Cricket Valley will sell its output into the **New York Independent System Operator** market through an interconnection with **Con Edison**'s nearby 345 KV transmission line.

Advanced Power closed a $1.584 billion project financing for the plant last January. **GE Energy Financial Services, BNP Paribas** and **Crédit Agricole** arranged an approximately $700 million term loan A as part of a $875 million debt package (PFR, 1/24/17).

Other shareholders in Cricket Valley include **JERA Co.**, a Japanese joint venture between **TEPCO Fuel & Power** and **Chubu Electric Power Co.**, which earlier this year sold a 6% slice of its 44% stake in the facility to **Development Bank of Japan**, which now owns a 14% stake (PFR, 1/5).

**TIAA Global Asset Management, BlackRock Financial Management, NongHyup Financial Group** and **Kiwoom** also own interests in the project.

**Jonathan Winslow**, chief operating officer of Advanced Power's development business in Boston, did not respond to inquiries by press time. Spokespeople for Showa Shell could not be reached.

Showa Shell was created in 1985 following a merger between **Showa Oil Co.** and **Shell Sekiyu**. In December 2016, the **Royal Dutch Shell** affiliate merged with local oil refiner **Idemitsu Kosan**. ■


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Do you have questions, comments or criticisms about a story that appeared in ***PFR***? Should we be covering more or less of a given area? The staff of ***PFR*** is committed as ever to evolving with the markets and we welcome your feedback.

Feel free to contact **Richard Metcalf**, editor, at (212) 224-3259 or richard.metcalf@powerfinancerisk.com

## GENERATION AUCTION & SALE CALENDAR

These are the current live generation asset sales and auctions, according to Power Finance and Risk's database.
A full listing of completed sales for the last 10 years is available at http://www.powerfinancerisk.com/AuctionSalesData.html

# Generation Sale DATABASE

| | Seller | Assets | Location | Adviser | Status/Comment |
|---|---|---|---|---|---|
| | Abengoa | A3T (220 MW Gas) | Mexico | TBA | Private equity firms are sizing up the project, which is part of Abengoa's insolvency divestments (PFR, 10/8). |
| ● | Apex Clean Energy | Sugar Creek (202 MW Wind) | Logan County, Ill. | | Canadian regulated utility Algonquin Power & Utilities Corp. has bought the project (see story, page 15). |
| | Blackstone | Lonestar Portfolio (1,110 MW Gas, Coal) | Texas | Citi | The sale of the portfolio, code named Project Matador, is said to be entering a second round (PFR, 10/15). |
| ● | Bow Power | CCNCM (Transmission line) | Peru | | Red Eléctrica has bought the company that holds the concession contract for the line (see story, page 14). |
| | Brookfield Renewable Partners | Portfolio (413 MW Hydro, 25%) | Canada | TD Securities | Brookfield is selling another 25% stake after Investment Management Corp. of Ontario bought 25% last month (PFR, 12/10). |
| ● | Canadian Solar | Mustang Two (150 MW Solar) | Kings County, Calif. | | Showa Shell Sekiyu has bought the contracted, construction-stage project (see story, page 14). |
| ● | Companhia de Energias Renováveis | Assuruá (303 MW Wind) | Brazil | | Brazil's Omega Generation is buying the project for around R$1.9 billion ($498 million) (see story, page 14). |
| ● | Carlyle Group | Portfolio (416 MW Gas) | California | Guggenheim Securities (seller) | Middle River Power IV, a portfolio company of Avenue Capital Group, is the buyer (see story, page 1). |
| | Coronal Energy | Portfolio (345 MW solar) | U.S. | BAML, Scotia | The sale process for the 20-project platform has entered its second phase (PFR, 11/26). |
| ● | Dominion Energy | Fairless (1,240 MW Gas) | Fair Hills, Pa. | JP Morgan, Citi (seller) | Starwood has bought both projects for about $1.23 billion (see story, page 13). |
| | | Manchester Street (468 MW Gas) | Manchester, R.I. | | |
| | | Catalyst Old River (192 MW Hydro) | Vidalia, La. | | A 25% stake in the facility has been sold to Rougaroux Power for about $90 million (see story, page 13). |
| | | Blue Racer midstream | U.S. | Goldman Sachs (seller) | First Reserve is paying about $1.5 billion for Dominion's 50% stake (see story, page 13). |
| | Duke Energy | Renewables Portfolio (2,907 MW Wind, Solar) | U.S. | Morgan Stanley | Duke is running a sale process to formalize inbound interest it has received (PFR, 10/1). |
| ● | Enel Green Power | Melowind (50 MW Wind) | Uruguay | | Enel's sale of the project to Atlantica Yield marks its exit from the Uruguayan market (see story, page 12). |
| | Engie N.A., Harbert Management Corp., Mitsui & Co. | Astoria I, II (1,230 MW, Gas) | Queens, N.Y. | Morgan Stanley, PJ Solomon | As the sale of the assets nears a second round of bidding, deal watchers note varying levels of interest (PFR, 10/15). |
| | EDP Renewables | Sharp Hills (250 MW Wind) | Special Areas 3 & 4, Alberta | CIBC | Canadian Imperial Bank of Commerce is trying to find a buyer for a majority interest in the two projects (PFR, 11/12). |
| | | Nation Rise (100 MW Wind) | North Stormont, Ontario | | |
| | JERA, Toyota Tsusho | Goreway (875 MW Gas) | Ontario | TD Securities | The sale process for Canada's second largest CCGT launched two weeks ago (PFR, 11/19). |
| | NextEra Energy | Oleander (789 MW Gas) | Brevard County, Fla. | | GE EFS is leasing the five-unit CCGT as its PPA's expire over the next decade (PFR, 12/3). |
| | North American Power Group | Rio Bravo Fresno (28 MW Biomass, 50%) | Fresno, Calif. | | NAPG is in talks with potential buyers of its 50% stakes in the projects (PFR, 8/27). |
| | | Rio Bravo Rocklin (28 MW Biomass, 50%) | Lincoln, Calif. | | |
| ● | Pine Gate Renewables | Peony (39 MW Solar) | Orangeburg County, S.C. | | John Hancock Life Insurance is buying stakes in Peony Solar and the 35-project portfolio (see stories, pages 15 & 16). |
| | | Portfolio (413 MW Solar) | North Carolina, South Carolina, Oregon | | |
| | Renova Energia | Alto Sertão III (400 MW Wind) | Brazil | Brookfield Asset Management | AES Tietê has made a bid for Renova's wind complex and a 1.1 GW project pipeline (PFR, 10/17). |
| | | Development pipeline (1.1 GW Wind) | | | |
| ● | Sol Systems | Phoenix (10.8 MW Solar) | Maryland | | A Greenbacker Renewable Energy subsidiary has purchased the portfolio (see story, page 11). |
| ● | Sempra Energy | Portfolio (980 MW Wind, Solar) | U.S. | Credit Suisse, JP Morgan, Lazard (seller), Citi, CCA Group (buyer) | Con Ed has bought the portfolio for about $1.6 billion in cash, subject to adjustments (see story, page 15). |
| | SunEnergy1 | Portfolio (550 MW), Dev. Pipeline (1.6 GW) | U.S. | Marathon Capital | SunEnergy1 is exploring strategic alternatives, including partnerships and the monetization of assets (PFR, 10/17). |
| ● | Total Eren | Vientos Los Hercules (97.3 MW Wind) | Argentina | | Mitsui has entered Argentina's power market with the purchase of the wind farm (see story, page 15). |
| ● | TransCanada | Coolidge (575 MW Gas) | Coolidge, Ariz. | | Southwest Generation is paying C$623 million ($465 million) for the facility (see story, page 13). |

● **New or updated listing**

*The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed.*
*To report updates or provide additional information on the status of financings, please call Taryana Odayar at (212) 224 3258 or e-mail taryana.odayar@powerfinancerisk.com*

## PROJECT FINANCE

Deal Book is a matrix of energy project finance deals that Power Finance & Risk is tracking in the energy sector.
A full listing of deals for the last several years is available at http://www.powerfinancerisk.com/Data.html

# Live Deals: Americas

| Sponsor | Project | Location | Lead(s) | Deal Type | Loan Amount | Tenor | Notes |
|---|---|---|---|---|---|---|---|
| ● Advanced Microgrid Solutions, Macquarie Capital | Eletrodes (35 MW Battery Storage) | California | CIT (left), Rabobank, SMBC | Debt | $103M | TBA | The refinancing has been in the works since September, with the debt being structured as a mini-perm (see story, page 1). |
| ● AES Corp. | MM Solar (27 MW Solar) | Ariz., Mass., Conn. | MUFG, Silicon Valley | Term Loan | $53.32M | 5.5-yr | The 77-project portfolio has an average remaining contracted life of 15 years (see story, page 6). |
| | | | | Letter of Credit | $5.12M | | |
| Ares-EIF, I Squared Capital, CEF | Oregon I (869 MW Gas) | Lucas County, Ohio | Barclays, Credit Suisse | Debt | TBA | TBA | The term loan B refinancing has been pushed into the new year amid tough market conditions (PFR, 12/10). |
| ● Ares Management Corp. | Phoenix Portfolio (430 MW Wind) | Texas | MUFG, NordLB, Santander | Construction Loan | $335.93M | 2-yr | Berkshire Hathaway provided the tax equity commitment - CCA Group advised Ares on this process (see story, page 7). |
| | | | | Letter of Credit | $28.71M | | |
| ● Axium Infrastructure | K2 (270 MW Wind) | Ontario, Canada | CIBC (left), BMO, National Bank of Canada | Debt | $760.37M | 7-yr | An Axium-led consortium has completed the purchase and refinancing of K2 (see story, page 5). |
| Caithness Energy, Moxie Energy | Moxie Freedom (1,000 MW Gas) | Luzerne County, Pa. | Citi | Term Loan B | TBA | | The project has been online since the end of August and has a 10-year gas netback hedge (PFR, 12/17). |
| Canadian Solar | Cafayate (80 MW Solar) | Salta, Argentina | CAF | Term Loan A | $30M | 15-yr | Canadian Solar and CAF are looking for another $25 million to complete the debt financing next year (PFR, 12/17). |
| | | | Banco BICE | Term Loan | $15M | 15-yr | |
| | | | Banco de la Ciudad | Term Loan | $5M | 10-yr | |
| ● Cementos Mexicanos, Pattern Development | San Matias (30 MW Wind) | Mexico | Banobras | Debt | $50M | | Cemex and Pattern have reached financial close on the project, which is expected online by year-end (see story, page 7). |
| Cordelio Power (CPPIB) | Jericho (149 MW Wind), Bluewater (59.9 MW Wind), Sombra (20 MW Solar), Moore (20 MW Solar) | Ontario | BMO, National Bank Financial | Private Placement | C$433.4M ($324.6M) | 15.5-yr | Cordelio issued the dual-tranche private placement to refinance assets it had acquired in June from NextEra Energy (PFR, 12/17). |
| | | | | | C$424.8M ($318.2M) | 15.75-yr | |
| ● Competitive Power Ventures | Woodbridge (725 MW Gas) | N.J. | Morgan Stanley, Crédit Agricole, MUFG | Term Loan B | $425M | 7-yr | CPV has closed refinancing on the $545 million debt package in a challenging term loan B market (see story, page 1). |
| | | | | Revolver | $120M | 5-yr | |
| ● Enel Green Power NA | Diamond Vista (300 MW Wind) | Salina, Kan. | JP Morgan, Bank of America Merrill Lynch | Tax Equity | $317M | | Enel was advised on the process by CCA Group, its long-standing tax equity adviser (see story, page 8). |
| | Rattlesnake Creek (320 MW Wind) | Dixon County, Neb. | | | $334M | | |
| Fortistar | Primary Energy (298 MW Waste Heat) | Indiana | Investec | Debt | $250M | 7-yr | Investec has launched the refinancing into syndication at an initial price talk of 300 bp over Libor (PFR, 12/10). |
| ● Innergex Renewable Energy | Cartier Énergie Éolienne Portfolio (590 MW Wind) | Québec, Canada | MUFG & Bank of Montreal (left), CIBC, Sumitomo, BayernLB | Debt | $423.16M | 14-yr | The lending syndicate provided Innergex with an interest rate hedge, locking the all-in coupon at 4.33% (see story, page 8). |
| | Foard City (350 MW Wind) | Foard County, Texas | Berkshire Hathaway | Tax Equity | | | Berkshire Hathaway is in talks with Innergex to invest in the $400 million construction-stage facility (see story, page 8). |
| Longroad Energy, Fengate | Weaver (72.6 MW Wind) | Hancock County, Maine | TBA | Debt, Tax Equity | | | The sponsors will hit the project finance market early this year (PFR, 12/10). |
| LS Power | LS Power Grid DRS Holding | U.S. | BNP Paribas, CoBank, MUFG | Term Loan A | $180M | | LS Power completed the holdco/opco financing for the two under-construction transmission projects on Sept. 14 (PFR, 12/17). |
| | | | | Ancillary Facilities | $20M | | |
| | DesertLink (Transmission) | Clark County, Nev. | | Term Loan A | $103M | | |
| | | | | Ancillary Facilities | $7M | | |
| | Silver Run (Transmission) | Delaware, New Jersey | | Term Loan A | $73M | | |
| | | | | Ancillary Facilities | $10M | | |
| ● Mainstream Renewable Power | Andes Portfolio (1.3 MW Wind, Solar) | Chile | KPMG London | Equity | | | Mainstream has taken indicative offers for the $1.65 billion, ten-project renewable portfolio in Chile (see story, page 6). |
| Morgan Stanley Infrastructure Partners | Red Oak (870 MW Gas) | Sayreville, N.J. | Investec, ICBC, Nomura, China Merchants Bank | Term Loan A | $334M | 7-yr | The debt was twice oversubscribed and pricing remained at the initial price talk of L+275 (PFR, 12/17). |
| | | | | Revolver | $35M | | |
| ● NOVI Energy, Ares | C4GT (1,060 MW Gas) | Virginia | | Debt, Equity | | | Marathon Capital is advising on the financing (see story, page 7). |
| oneGrid | Empire State Connector (Transmission) | New York | TBA | Debt | >$1B | TBA | The 265-mile line would deliver power from Utica to the Gowanus neighborhood in Brooklyn (PFR, 12/3). |

● **New or updated listing**

*The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed.*
*To report updates or provide additional information on the status of financings, please call Shravan Bhat at (212) 224-3260 or e-mail shravan.bhat@powerfinancerisk.com*

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PROJECT FINANCE

# Axium Closes K2 Acquisition Financing

An **Axium Infrastructure**-led consortium has completed the purchase and refinancing of the 270 MW K2 wind project in Ontario.

**CIBC** led the financing, with **BMO Capital Markets** and **National Bank of Canada** also acting as joint bookrunners on a C$1.026 billion ($760.37 million), seven-year debt package.

The deal was signed on Dec. 31, concurrent with Axium taking full ownership of the project (PFR, 11/7).

**Crédit Agricole, BayernLB, Mizuho, NordLB, Siemens Financial Services** and **Sumitomo Mistui Banking Corp.** served as mandated lead arrangers.

The deal upsizes the previous term loan by C$147.84 million ($109.56 million) to C$965.84 million ($715.78 million) and comes with a C$60.6 million ($44.91 million) letter of credit.

The mini-perm priced at CDOR-plus-125 bp and pushed out the maturity of the original debt by roughly three years.

One deal watcher tells *PFR* this is the lowest spread for renewables in Canada.

Officials at Axium in Toronto and the bookrunners New York either declined to comment or did not respond to inquiry.

**Pattern Development**'s yieldco, **Pattern Energy Group**, and **Capital Power** had agreed to sell their one-third stakes to Axium—which already owned the other one-third stake—in November.

With a 15-strong lending club, Pattern had initially financed K2 with a C$850 million ($757.78 million) seven-year construction-to-mini-perm back in 2014 (PFR, 5/23/14).

Capital Power originally developed K2 under the Knightsbridge II name, in Ashfield-Colbourne-Wawanoush in 2011, obtaining a 20-year power purchase agreement from the **Ontario Power Authority** (PFR, 8/8/11).

Pattern and **Samsung Renewable Energy** then came on board as co-sponsors—Samsung would eventually sell its stake in 2016 to the Axium-led consortium that features **Alberta Teacher's Retirement Fund** and **Manulife Financial Group**. ■

**FAST** FACT

**125 bp**

The spread over CDOR—50 bp below previous levels—now believed to be the lowest for Canadian renewables.

# CPV Fends Off Market Headwinds to Land Shore Pricing

« FROM PAGE 1

a $425 million seven-year term loan and a $120 million five-year revolver, which was signed on Dec. 27.

The final margin of 375 basis points over Libor was at the wide end of initial price talk, while the original issue discount of 99 was also at the investor-friendly end of the range first touted by the bookrunner.

Given the choppiness of the market in recent weeks, however, that was "a really good print for CPV Shore," says a leveraged finance banker.

"It's a great asset with a great operating history, it has some hedging and it's in a premium zone," the banker notes. "Relative to some other single asset deals that have been done, this is a little better. I think that was enough to win the day. I'm sure it was not easy for CPV."

Officials at Morgan Stanley in New York did not immediately respond to requests for comment and a call to **Paul Buckovich**, cfo of CPV in Braintree, Mass., was not returned by press time.

### DIVIDEND RECAP

The 725 MW Woodbridge Energy Center, located on the site of an abandoned chemical factory in Woodbridge, N.J., was originally financed in 2013 with a $561 million construction-plus-five-year loan that was priced at 425 basis points over Libor (PFR, 9/23/13).

It has been online since January 2016 and **S&P Global Ratings** expects it to maintain a capacity factor of between 70% and 80% and a heat rate of between 6,800 Btu/kWh and 6,950 Btu/kWh over the next five years.

The project has a five-year heat rate call option covering its entire output with an investment grade counterparty as well as capacity contracts through May 2022 that it has won by clearing **PJM Interconnection** auctions.

By the time the refinancing was launched, at the beginning of December, the original project finance loan had amortized to about $311 million, according to S&P.

Besides refinancing the outstanding debt, the proceeds of the term loan B will be used to pay a $100 million dividend to the project's owners, which include **Toyota Tsusho Corp.**, **Osaka Gas USA Corp.** and **John Hancock Life Insurance Co.** as well as CPV.

**"Relative to some other single asset deals that have been done, this is a little better."**

**Crédit Agricole** and **MUFG** were billed alongside left lead Morgan Stanley as bookrunners on the deal, which bears Ba2 and BB ratings from **Moody's Investors Service** and S&P.

### "THAT'S NOT BAD"

The success of CPV's deal is an encouraging sign in a term loan B market that has been shaky since Thanksgiving.

A loan for **Ares-EIF** and **I Squared Capital**'s Oregon Clean Energy Center in Ohio was originally expected to wrap by the end of the year, but poor conditions are understood to be behind the decision to shelve it until January (PFR, 12/6).

"There's not really time to get into market at this point," says the levfin banker of the prospects for more term loan B activity before the end of the year. "My guess is people saw what CPV did with Shore and they're like, 'That's not bad,' but everything has to go at least into January or February." ■

PROJECT FINANCE

# Macquarie, AMS Seal Battery Portfolio Refi

« FROM PAGE 1

The refinancing had been in the works since September and replaces and upsizes debt that CIT had provided for the 10 MW / 66 MWh first tranche (PFR, 11/19).

"It was important to bring new banks into the asset class and to create a club of lenders, which gives us a sustainable source of funding as we develop more battery opportunities," says **Chris Archer**, head of green energy Americas for Macquarie Capital.

The roughly 25 MW of new projects financed in the deal corresponds to some 177 MWh of storage potential, according to a Dec. 20 press release.

While the exact tenor and pricing of the new facility could not immediately be learned, *PFR* understands the debt has been structured as a mini-perm.

"One challenge was getting lenders comfortable with the distributed nature of the portfolio—you have lot of underlying contracts that back the single revenue agreement and you try to keep those as uniform as possible since each project is slightly different," Archer adds.

The portfolio has 10-year offtake contracts with **Southern California Edison** (PFR, 9/19), which can call upon generation from the portfolio a fixed number of times each year.

The units are spread across commercial, industrial and government sites in Los Angeles and Orange counties and range in size from 250 kW to 2.5 MW.

"The other challenge is that batteries are still a relatively new asset class without much of a long-term track record," says Archer. "Long-term performance is something that banks are focused on, so we needed to get the right technology guarantees and performance assumptions in place."

Macquarie will look to sell down equity in the portfolio once it develops and finances the remaining 15 MW third tranche of the overall 52.5 MW / 315 MWh portfolio in the first quarter of 2019. ■

## Mainstream Advances Chilean Platform Financing

Dublin-based **Mainstream Renewable Power** is moving ahead with its search for an equity partner to help build and operate its $1.65 billion wind and solar portfolio in Chile.

*PFR* previously reported that **KPMG London** was seeking expressions of interest for a stake in the developer's 1.3 GW Andes Renovables Chilean platform (PFR, 9/7).

Now, deal watchers in Chile tell *PFR* that indicative offers have been received for the ten-project pipeline.

The platform comprises seven development-stage wind farms and three development-stage solar plants, all of which hold power purchase agreements in the range of $41/MWh, and are expected to come online between 2021 and 2022.

Mainstream is advancing with construction financing as part of the portfolio sale, a Mainstream spokesperson in Chile tells *PFR*.

"We have a lot of investors, banks, that are very keen on financing those projects," says the spokesperson. "There are some investors who have come forward because we have a large pipeline of projects in Chile and renewables have been very aggressive in the last four years. So there is a lot of interest from international investors. Japanese and Chinese investors have shown some interest and also from the U.S."

A bank financing is expected to close early in 2019 for the 550 MW first tranche of the portfolio, after which potential equity investors can expect to take ownership over the assets.

The first tranche comprises three wind projects and one solar facility. The Mainstream spokesperson declined to comment on the identities of the banks involved.

"I am skeptical on the terms, and more specifically the tenor of the financing, if it's done under a commercial project finance structure," said a Latin America project finance banker following the process. "We will see." ■

## AES Seals D.G. Refinancing

**AES Corp.** closed bank refinancing for a 27 MW distributed solar portfolio last month.

**MUFG** and **Silicon Valley Bank** signed a $53.32 million, five-and-a-half-year term loan agreement for the MM Solar portfolio on Dec. 21, along with a $5.12 million letter of credit.

"There's still a very small premium for distributed portfolios over utility-scale assets but the spread has diminished in the past year and we expect distributed solar in 2019 to price around 5 to 10 bp above utility-scale solar," says **Brian Cassutt**, cfo at **AES Distributed Energy**, who declined to comment further on the terms of the refinancing.

The deal replaced seven debt facilities put in place five years ago and cut pricing around 75 basis points on average, increasing the portfolio's leverage ratio by about two-thirds.

By using **kWh Analytics**' solar revenue put insurance product—which guarantees up to 95% of a portfolio's output (PFR, 11/19)—AES reduced its P50 debt service coverage ratio and unlocked enough cash distributions to buy back third party equity.

The 77 projects are located across Arizona, Massachusetts and Connecticut and sell their output to investment grade educational, municipal and utility counterparties under long-term power purchase agreements.

The facilities range in size from 60 kW to 6 MW and came online between 2012 and 2014. The portfolio has an average remaining contracted life of 15 years.

Spokespeople for MUFG in New York and SVB officials in San Francisco declined to comment. ■

**FAST FACT**

**75 bp**

Margin that AES was able to cut on portfolio debt through the refinancing


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# Ares Draws Debt, Tax Equity for Wind Repowering

**Ares Management Corp**. reached financial close for the repowering of three Texas wind projects concurrent with buying the fleet from **BP Wind Energy North America** on Dec. 21.

**MUFG**, **NordLB** and **Santander** were coordinating lead arrangers on a $335.93 million, two-year construction loan and a $28.71 million letter of credit to back the 430 MW Phoenix portfolio (PFR, 8/31).

**Associated Bank, Bank of China, CoBank, DNB, Siemens Financial Services, Société Générale** and **Sumitomo Mitsui Trust Bank** also took tickets.

**Berkshire Hathaway Energy** provided the tax equity commitment—**CCA Group** advised Ares on this process.

Law firm **Latham & Watkins** advised Ares on both the acquisition and the financing of the portfolio with **Winston & Strawn** advising the lenders.

**Steve Porto**, who led the deal for Ares, declined to comment while bank spokespeople in New York did not immediately respond to inquiry.

The portfolio comprises the 60 MW Silver Star I facility in Eastland and Erath counties, the 145 MW Sherbino II unit in Pecos County and the 225 Trinity Hills project in Archer and Young counties.

They came online in 2008, 2011 and 2012 respectively and were sold in a process run by **Bank of America Merrill Lynch**. The trio will sell their output merchant into **ERCOT**.

The financing marks the first repowering to attract bank debt as well as the first repowering to replace technology providers, say deal watchers.

The **Clipper Windpower** turbines will be replaced by **Vestas** blades with commercial operations pegged for 2020.

Clipper had taken a 15% equity stake in the $100 million Silver Star I project when work began in 2007 (PFR, 9/14/07).

**FAST FACT**

**$335.93M**

The size of the two-year construction loan—the first bank debt for a wind repowering

# Cemex and Pattern Close Mexican Wind Financing

**Cementos Mexicanos** (Cemex) and **Pattern Development** have reached financial close on their 30 MW San Matías wind project in Baja California, Mexico.

The transaction closed on Nov. 20. Commercial operation is expected to commence by the end of this year.

State-owned development bank **Banobras** provided the debt, which is estimated at around $50 million. The precise amount was not disclosed in a statement announcing the deal on Dec. 17.

Private offtakers will purchase the project's output under a long-term power purchase agreement.

Legal advisers on the deal were **Rodriguez Davalos Abogados**, to the lender, and **Jones Day** and **Galicia,** to the borrower.

# CCGT Developer Plots Equity Hunt

The sponsor behind a delayed, new-build combined-cycled gas-fired facility in Ohio plans to hire an investment bank this month.

**Clean Energy Future** says it will now begin looking for equity for its 940 MW Trumbull Energy Center in Trumbull County.

CEF founder and president **Bill Siderewicz** confirmed to *PFR* that the equity hunt will begin once the project company is transferred the requisite land in the Lordstown Industrial Park, where the proposed facility is to be constructed.

Trumbull has been delayed for a year due to a legal dispute with the **Macquarie Group**-led project company that owns the neighboring 940 MW Lordstown gas-fired project, located in the same industrial park (PFR, 8/3).

Siderewicz hopes to circle $425 million in equity by April and to appoint a financial advisor to arrange $475 million in debt by the first quarter of 2019, with the goal of reaching financial close by May or June.

CEF is working with **Cantor Fitzgerald** and **BNP Paribas** to raise equity and debt respectively for its greenfield 955 MW Oregon Energy Center—known as Oregon II—in Lucas County, Ohio (PFR, 11/13).

# Investment Bank Pitches for CCGT Funding

The developer behind a new-build combined-cycle gas-fired facility in Virginia has hired an investment bank to market debt and equity in the fully-permitted project.

**NOVI Energy** hired **Marathon Capital** to advise on the financing of the 1,060 MW C4GT facility in Charles City County in November.

"Equity investors like C4GT because it's not 'part of the pack'—it's not in eastern Ohio or western Pennsylvania," says **Anand Gangadharan**, NOVI's president and ceo. "Virginia has a good gas story with increased access coming through the new Mountain Valley and Atlantic Coast pipelines. Additionally, the Commonwealth of Virginia enjoys a positive electricity demand growth with new large data centers and continued federal government spending."

Gangadharan declined to comment further. The roughly $1.05 billion greenfield CCGT is also backed by private equity sponsor **Ares-EIF** (PFR, 9/7).

The sponsors plan to solicit best and final equity offers by March before mandating lead arrangers at a 48-to-52 debt-to-equity ratio and achieving financial close early in the third quarter of this year.

While NOVI has not yet selected a turbine supplier, equity offers from potential original equipment manufacturers are understood to have come in already.

Circling equity has been the most difficult part of CCGT financing in recent times and OEMs like **Siemens** have stepped in to take equity tickets in new-build projects like **Clean Energy Future**'s 955 MW Oregon Energy Center in Lucas County, Ohio (PFR, 11/13).

Just down the road from C4GT is another greenfield CCGT angling for equity—**Balico**'s 1,650 MW Chickahominy project (PFR, 8/13).

PROJECT FINANCE

# Enel Circles Tax Equity for Wind Farm Duo

**Enel Green Power North America** has clinched tax equity financing for a pair of contracted wind farms in Kansas and Nebraska.

The portfolio comprises the 300 MW Diamond Vista wind farm near Salina, Kan. and the 320 MW Rattlesnake Creek wind farm in Dixon County, Neb.

**JP Morgan** and **Bank of America Merrill Lynch** have emerged as the tax equity investors, each taking a 50% stake in both farms, which were brought online last month.

The two investment banks are paying approximately $334 million and $317 million for the interests Rattlesnake Creek and Diamond Vista, respectively.

*PFR* reported in November that Enel's long-standing tax equity adviser, **CCA Group**, was in the midst of locking down tax equity investors for the farms (PFR, 11/15). **Stoel Rives** provided legal counsel to Enel on the deal, while **Milbank** advised the banks.

Rattlesnake Creek is contracted under a bundled power purchase agreement with **Facebook**, through a partnership with the **Omaha Public Power District** (PFR, 11/14), and **Adobe**.

Facebook will initially buy 200 MW of the project's output and Adobe 10 MW until 2029, when Facebook begins buying its entire output (PFR, 3/19).

Diamond Vista, located in Marion, Dickinson and McPherson Counties, Kan., will sell 100 MW of its output to bathroom fixture manufacturer **Kohler Co.** under a 15-year power purchase agreement, 100 MW to **City Utilities of Springfield**, Missouri, and 84 MW to **Tri-County Electric Cooperative** (PFR, 3/9).

Enel and CCA officials in Boston, and spokespeople for the banks in New York, did not immediately respond to inquiries. ■

# Innergex Cashes in on Cartier Refinancing

**Innergex Renewable Energy** has secured long-term, fixed-rate bank debt to refinance its now wholly owned Cartier wind portfolio in the Gaspé peninsula of Québec.

**MUFG** and **Bank of Montreal** led on a C$570.4 million, 14-year deal with **CIBC**, **Sumitomo Mitsui Banking Corp**. and **BayernLB** participating as mandated lead arrangers.

The lending syndicate provided Innergex with an interest rate hedge, locking in the all-in coupon at 4.33%.

C$400 million will pay down a one-year bridge facility that BMO and **TD Securities** provided Innergex when it bought the remaining 62% stake in the five operational projects from **TransCanada** (PFR, 11/15).

C$94.1 million will repay existing project financing on the portfolio while Innergex will use the remaining C$69 million to pay off corporate debt, pushing out its maturity by one year to December 2023. ■

# Canadian Sponsor Nears Tax Equity

A developer is said to be in talks with a tax equity investor for a wind project under-construction in Texas.

**Berkshire Hathaway Energy** has been lined up to invest in **Innergex Renewable Energy**'s 350 MW Foard City facility in Foard County, a deal watcher tells *PFR*.

The $400 million project is under construction and negotiations with bridge lenders are underway (PFR, 11/15).

Foard City has a 12-year power purchase agreement with independent power producer **Luminant** for 300 MW of its output (PFR, 5/7).

Spokespeople for BHE in Des Moines, Iowa, Innergex representatives in Montreal and Luminant officials in Irving, Texas, did not immediately respond to inquiry about the financing or plans for the remaining 50 MW of uncontracted capacity.

Innergex took ownership of the project when it acquired Foard City's original developer, **Alterra** (PFR, 10/31/17). ■

# Miner Takes Bids for Chile Renewables RFP

An international commodities firm with mining operations in Chile has taken indicative bids for renewable generation in the country.

*PFR* reported in November that Melbourne-headquartered **BHP**, formerly known as **BHP Billiton**, had issued a request for proposals for 600 MW of renewable generation (PFR, 11/16).

Indicative bids have now been submitted for the process, as of Dec. 7, according to deal watchers in Chile. Selected bidders for the binding stage of the process are expected to be confirmed towards the end of this month.

The process has piqued interest both from firms with an existing presence in the country, as well as those looking to use it as a potential entry point.

"Interest is high," says one deal watcher based in Chile. "Some participants from abroad have submitted proposals. The process has resulted in renewed appetite for wind and solar project acquisition. However, 24x7 solutions such as CSP and hydro pumped storage are also expected to be among the bidders."

The bidders are also expected to include the lion's share of Chile's power auction winners, who won disco power purchase agreements to supply electricity in the country from 2020 and 2024 onwards, says a project finance banker based in Chile.

"More and more parties are coming to us for pricing indications," he commented. "We don't have clear visibility as to what the final PPA will look like. All the bidders are saying what they need but we don't know whether the deal is accessible or not. So that's a major obstacle on our side. The timeline is aggressive. Hopefully something bankable will come sooner rather than later. Everybody is jumping in on this."

The Chilean government is expected to issue tender documents for the process detailing the specifics around March, he added.

Spokespeople for BHP in Chile could not be immediately reached by press time. ■

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# PPA Pulse: Alberta Awards Wind PPAs Totaling C$1.2B

While many in the industry took a well-deserved break over the festive period, there was no let-up in power contracting activity and this week's round-up covers conventional renewables as well as offshore wind and even fuel cell technology.

The government of **Alberta** has awarded power purchase agreements totaling 763 MW in its latest renewable energy auction, which is estimated to lead to C$1.2 billion ($890 million) of private sector investment.

The sponsors of the five selected projects won contracts with the province at a weighted average price of C$39/MWh ($29/MWh) in rounds two and three of its renewable energy procurement process, the government announced on Dec. 17. All five projects are wind farms.

The weighted average price is "just shy" of the Canadian record low price achieved in last year's auction in Alberta, and is less than half the price of a similar recent auction in Ontario, according to the Alberta government.

The projects are:

- **TransAlta Corp.**'s 207 MW Windrise asset,
- **EDF Renewables Canada** and the **Kainai First Nation**'s 202 MW Cypress facility,
- **Potentia Renewables**' 193 MW two-phase Jenner unit,
- the 113 MW Stirling wind project, which is co-sponsored by Potentia, the **Paul First Nation** and **Greengate Power Corp.**,
- and **Capstone Infrastructure Corporation** and,

the **Sawridge First Nation**'s 48 MW Buffalo Atlee wind farm.

Potential Renewables alone plans to invest almost $500 million into its wind projects.

The three projects that involve partnerships with First Nations meet a minimum requirement for a 25% indigenous equity component.

With its Renewable Electricity Program, Alberta aims to bring 5 GW of renewable energy online to help it meet its target of sourcing 30% of its energy from renewable sources by 2030.

*Here is a round-up of the rest of the week's offtake contract news:*

### SOLAR DEVELOPER SEALS 25-YEAR PPA FOR IOWA PROJECT

A solar developer has signed a 25-year agreement with an electric cooperative for the output of a project in Iowa.

The developer, **Clēnera**, was established in 2013 in Boise, Idaho, by the entrepreneurs behind **Sunlight Partners—Jason Ellsworth** and **Adam Pishl**. Ellsworth is Clēnara's president and ceo while Pishl is chief operating officer.

**Central Iowa Power Cooperative** will buy the output of the company's 100 MW Wapello Solar project in Louisa County, Iowa, under the terms of the recently signed PPA.

The project is expected to be completed in December 2020.

The PPA is the second signed by CIPCO this year, after it inked a deal with **NextEra Energy Resources** for the generation from the 104 MW Heartland Divide Wind Energy Center in Audubon and Gunthrie counties in April (PFR, 4/5).

The coop is due to lose about 120 MW of nuclear capacity when the 601 MW Duane Arnold Energy Center in Linn County, Iowa, is closed in 2020, some 14 years before its operating license expires.

NextEra, which owns a 70% stake in the nuclear plant, petitioned the **Iowa Utilities Board** to shutter the plant this summer. CIPCO owns a 20% stake in the facility.

Meanwhile, the coop has engaged NextEra to repower its 84 MW dual-fuel Summit Lake Generating Station in Creston, Iowa, with a 60 MW gas-fired reciprocating facility by late 2022.

### XCEL TO BUY OUTPUT OF WIND PROJECT ACQUIRED BY ENGIE

**Xcel Energy** has signed a 12-year contract for a development-stage project that **Engie** recently acquired from **Apex Clean Energy**.

The project is the 151.2 MW Dakota Range III wind farm in Grant and Roberts counties, S.D., which is expected to begin operations at the end of 2020.

The utility intends to use the generation, along with the output of one or more other wind projects, to supply an unnamed, large commercial and industrial customer with 300 MW of renewable energy, according to a filing with the **Minnesota Public Utilities Commission**.

Xcel intends to file a petition in early 2019 for the remaining 150 MW. The end user's identity was not disclosed in the filing.

Under the terms of the PPA, Xcel also has a right of first offer over the project should Engie decide to sell it to a third party. Xcel also has the option to acquire the facility if the PPA is terminated due to an uncured default by the project.

### REAL ESTATE CO. SIGNS DEAL FOR RECS FROM REPOWERED TEXAS WIND PROJECT

A real estate developer and manager has signed a three-year deal with **Calpine Energy Solutions** for renewable energy credits from a recently repowered wind project in Texas.

**Boston Properties** says the RECs will offset the electric consumption of 33 of its properties in Boston, Cambridge, Waltham, Lexington, Weston and Needham, Mass.

**Taylor Consulting and Contracting** acted as consultant and broker on the deal.

The RECs will come from the 662 MW Capricorn Ridge II wind project in Sterling, Texas, which **NextEra Energy** recently repowered.

### ECOLAB SIGNS VPPA FOR TEXAS WIND

Ecolab, a provider of water, hygiene and energy technologies and services, has signed a 100 MW virtual power purchase agreement with **Clearway Energy Group**'s 419 MW Mesquite Star project.

The wind project is scheduled to begin construction in the first half of 2019 in Fisher County, Texas.

Under the VPPA, the electricity produced will cover 100% of Ecolab's annual domestic energy use and builds on the 5 MW of community solar subscriptions in Minnesota that the company signed with Clearway in 2015.

### MINN. APPROVES TENASKA 20-YEAR WIND PPA

The **Minnesota Public Utilities Commission** has approved a 20-year power purchase agreement between **Minnesota Power** and **Tenaska** for the output from the 250 MW Nobles 2 Wind Farm.

The facility will be located in Nobles County, Minn., on the Buffalo Ridge in the PAGE 10 »

● PPA PULSE

# PPA Pulse: Alberta Awards Wind PPAs Totaling C$1.2B

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southwestern part of the state, known for its high-quality wind resources.

Construction is expected to begin in 2019 and the project is scheduled to come online in October 2020.

The PPA, according to **Brad Oachs**, senior vp at **Allete**, the parent company of Minnesota Power, is a "key component of [its] EnergyForward Strategy to transform the company's energy mix to 44% renewable by 2025."

### FUELCELL ENERGY SIGNS 20-YEAR PPA WITH PSEG

FuelCell Energy has signed a 20-year power purchase agreement with **PSEG Long Island** for the output of a 7.4 MW fuel cell project, the first of three PPAs it was awarded under the Fuel Cell Resources Feed-in Tariff IV program administered by PSEG.

Construction of the plant, to be located in Yaphank, Long Island, N.Y., is expected to begin 2019, with FuelCell Energy subsidiary **Yaphank Fuel Cell Park** owning, operating and maintaining the unit.

FuelCell Energy was awarded two other PPAs—an 18.5 MW project located at the Brookhaven Rail Terminal and a 13.9 MW facility at an industrial park, both in Yaphank.

PSEG Long Island operates the Long Island electric power delivery system for **Long Island Power Authority**.

### CONN. OKS ØRSTED 20-YEAR WIND PPA

Connecticut's **Public Utilities Regulatory Authority** has approved a 20-year power purchase agreement between **Ørsted US Offshore Wind** (formerly **Deepwater Wind**) and **Eversource** and **United Illuminating** for the output of the 200 MW Revolution wind project.

Construction on the offshore project is expected to begin in 2022 and commercial operations are pegged for 2023.

It will be located in federal waters roughly halfway between Montauk, N.Y., and Martha's Vineyard, Mass.

Ørsted—which acquired Deepwater in October (PFR, 10/8)—has committed to investing at least $15 million in the Port of New London, Conn., for construction of the project.

### SALT RIVER GREEN TARIFF ATTRACTS CORPORATE OFFTAKE

**Walmart** along with 10 municipalities—including the city of Phoenix—have signed on to **Salt River Project**'s Sustainable Energy Offering Program.

Under the program, participants will replace a portion of their current energy usage with solar energy.

The power will come from the 100 MW Saint Solar Project that a **NextEra Energy Resources** subsidiary will build in Coolidge, Ariz.

Salt River has set a goal of reducing carbon dioxide emissions from power generation by 33% by 2035. The company says it plans to add 1,000 MW of new utility-scale solar generation between now and the end of 2035. ■

● STRATEGIES

# Massachusetts Wind Auction Smashes U.S. Records

A trio of sponsors have bid a record breaking $405 million for offshore wind lease areas off the coast of Massachusetts, paving the way for the development of up to 4.1 GW of commercial wind generation.

**Equinor**, **Vineyard Wind** and a joint venture between **Royal Dutch Shell** and **EDP Renewables** called **Mayflower Wind Energy** beat off competition from eight other companies to win the leases via an auction held by the **U.S. Department of the Interior**'s **Bureau of Ocean Energy Management**.

Until now, the highest bid for a single lease area in the U.S. was the $42.5 million offered by Equinor (the Norwegian state energy company then known as **Statoil**) in a 2016 New York auction, according to the trade body **American Wind Energy Association**.

In the Massachusetts auction, however, Mayflower alone bid $135 million for the exclusive rights to block 0521, which has the potential for a 1.6 GW wind farm. Equinor's bid for block 0520, meanwhile, was also $135 million, as was Vineyard Wind's bid for its block, although Vineyard is the only sponsor of the three not to confirm this.

"The intense competition we've seen in this offshore wind lease auction is completely unprecedented," said **Nancy Sopko**, director, offshore wind, for AWEA.

Mayflower expects to bring its wind farm into operation by the middle of the next decade. The joint venture still has to initiate formal development efforts and approve the final investment decision.

If all three wind farms reach the full 4.1 GW of generational capacity forecast by BOEM, the fleet will collectively dwarf the output of the world's largest existing offshore wind project. The Walney Expansion wind farm off the coast of the U.K.—which holds the record—has a generational capacity of up to 659 MW.

The 4.1 GW figure comes from a 2016 report from the **National Renewable Energy Laboratory** called *2016 Offshore Wind Energy Resource Assessment for the United States*.

This year, Massachusetts has doubled its goal for offshore wind capacity installation to 3.2 GW by 2035, making it one of the most ambitious offshore wind policies in the U.S., according to AWEA.

Offshore wind is still a nascent industry in the U.S. The 30 MW Block Island Wind Farm was the first to come online in the country in 2016.

Financers have previously told *PFR* that European offshore financing models, including covenants and leverage, will be used as a template for U.S. deals.

"The first few deals in the U.S. may not be so long-dated from a debt tenor perspective," said **Jennie Rose**, director of infrastructure debt at **Barings**, at *PFR*'s Offshore Wind Roundtable 2018 (PFR, 12/7). "But gradually, over time—again depending on the project contractual structure and the maturity of the market—you are likely to see longer-term financing available." ■

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STRATEGIES

# Power Sector Outlook 2019

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bine manufacturers continuing to play this role," Brown says. "For instance, if a utility wants 95% completion by a certain date, we will work with sponsors to make sure there's a hand-off at COD—we'll take some of that development risk and/or facilitate PTC qualifications."

### SOUTH BY SOUTHEAST

Solar developers, like those in the wind industry, also see the Southeast as a major area for growth in 2019.

**Canadian Solar** subsidiary **Recurrent Energy** signed a build-transfer agreement with **Entergy Mississippi** for the 100 MW Sunflower project in Mississippi in November (PFR, 11/8).

Aside from diversifying geographically, the sponsor is hoping to expand to new project structures such as community choice aggregators and to integrate new technologies such as battery storage.

It signed 15-year PPAs with two CCAs that both include storage components in October (PFR, 10/30).

"When we first started working on [CCAs], there was skepticism around financing them. Some didn't have a credit rating, which raised concerns," says **Ty Daul**, Canadian Solar's Americas energy group v.p. "But we dug into their customer base, growth rate, operational execution, reserve margins, etc. At first the audience was small but we worked with investors, lenders and tax equity to get them comfortable. Now there's more interest."

While storage has not yet caught on in the wind space, market watchers say most new solar PPAs now include storage components.

It's no secret that storage PPAs are complex, since different customers require different solutions.

One type of structure emerging is based on contracts for gas-fired peakers, where a monthly capacity payment forms the foundation of revenue streams—whether the facility is used or not.

In some cases, the contracts are structured such that utilities agree to call upon generation from storage assets a fixed number of times per year (PFR, 10/21).

These cash flows are complemented by a payment for every MWh generated, so projects are compensated for both storing and releasing power.

"Storage is one of the most exciting things that has come along—for me personally in my career," says Daul. "In next five years, between wind, energy storage, solar we can solve almost energy challenge out there."

### HITTING THE GAS

Developers of natural gas-fired projects have been buoyed in recent times by abundant natural gas supply as well as coal and nuclear plant closures but circling equity will continue to remain challenging going into 2019.

Despite the euphoria over higher than expected capacity auction results in **PJM Interconnection**, a number of long-touted, new-build, gas-fired projects did not secure financing in 2018 (PFR, 4/26).

"The next couple years might be slower for [independent power producers] in PJM and Texas as the market catches up with itself," says **Bill Siderewicz**, found and president of **Clean Energy Future**—the sponsor behind a number of projects in Ohio (PFR, 11/13).

"But regulated markets across the Southeast are ripe for CCGT development given their coal closures and nuclear plant cancellations," Siderewicz adds. "If I were a turbine manufacturer, I'd be knocking on the doors of regulated utilities because they've been behind the curve."

One issue that numerous gas-fired project developers repeatedly flag is what they consider 'out of market' subsidies, particularly in PJM (PFR, 8/15).

"My main concern next year is continued political intervention in power markets. Regulated utilities have been masterful at going to state capitals and arguing that rate-payers should overpay to subsidise inefficient coal and nuclear plants," says Siderewicz. "For instance, **General Motors** have cut thousands of jobs at their facility in Lordstown, Ohio—but no one is going door-to-door taking collections to keep those jobs alive." ■

MERGERS & ACQUISITIONS

# Greenbacker Acquires Maryland Solar Portfolio

A **Greenbacker Renewable Energy** subsidiary has purchased a construction-stage portfolio of solar projects located in Maryland.

Greenbacker has purchased the 10.8 MW portfolio comprising Project Blue Star and Project Phoenix, collectively called the Phoenix Solar Portfolio, from **Sol Systems**. Both projects are scheduled to be online by June 2019.

Greenbacker typically does not hire external financial or legal advisers, *PFR* was told by **David Sher**, co-ceo of the **Greenbacker Group**. Spokespeople for Sol Systems did not respond to inquiries regarding the use of advisers by press time.

The 7.8 MW Project Blue Star is located in Chestertown, Kent County and has a 25-year power purchase agreement with **Washington College**.

The 3 MW Project Phoenix is located in Capitol Heights, Prince George's County, and has a 12-year PPA with a subsidiary of **WGL Holdings**; a public utility holding company serving the greater Washington D.C. area.

Greenbacker also recently acquired a 21.8 MW solar portfolio in North Carolina from **SunEnergy1**, simultaneously arranging back leverage and tax equity financing (PFR, 11/28).

The addition of the Phoenix Solar Portfolio brings Greenbacker's capacity up to about 290 MW, including assets that are to be constructed, comprising about 62 MW of wind generation and 228 MW of utility-scale and distributed solar generation.

"The Phoenix Solar Portfolio is an excellent addition to the Company's solar portfolio, providing long-term, investment grade cash flows and furthering the Company's targeted expansion into net-metered and utility scale wind and solar assets," said **Charles Wheeler**, ceo of Greenbacker, in a statement. ■

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MERGERS & ACQUISITIONS

# GenOn Emerges from Chapter 11

**GenOn Energy**, the former subsidiary of **NRG Energy**, has emerged from bankruptcy after completing a reorganization of its businesses and appointing a new management team and board of directors.

GenOn filed for Chapter 11 protection on June 14, 2017, after entering into a restructuring agreement with its creditors (PFR, 6/14/17). The reorganization included a separate reorganization of its **NRG REMA** subsidiary, which began in October 2018 and concluded on Dec. 14 with the simultaneous emergence of GenOn and REMA.

**Rothschild & Co.** advised NRG on the restructuring and **Ducera Partners** advised the senior secured creditor group that now owns post-bankruptcy GenOn (PFR, 5/23/17). **Kirkland & Ellis** served as lead counsel to NRG while **Davis Polk & Wardwell** advised the creditors.

GenOn was initially formed following a merger between two independent power producers, **RRI Energy** and **Mirant**, in the spring of 2010. NRG acquired GenOn in 2012 in a stock-for-stock deal totaling approximately $1.7 billion, with **Credit Suisse** and **Morgan Stanley** advising NRG on the transaciton (PFR, 8/10/16).

## REORGANIZATION

The reorganization has seen GenOn repay debt totaling $1.8 billion with a combinbation of:

- $790 million of cash ($190 million in connection with the emergence from bankruptcy),
- $400 million of corporate debt and reorganized equity,
- $2.2 billion from asset sales, not all of which have closed,
- the repayment of about $700 million of claims related to certain notes of GenOn's subsidiary **GenOn Americas Generation**, and
- the resolution of over 800 other general unsecured claims.

Through the REMA reorganization, the company also amended the Shawville Generating Station facility lease, which removed certain restrictions governing REMA's assets, and eliminated lease obligations by transferring stakes in its primarily coal-fired Keystone and Conemaugh Generating Stations to a group of financial investors for $209.4 million (PFR, 10/11).

The newly formed company, **GenOn Holdings**, has "strong credit metrics," $400 million of corporate debt, over $85 million of cash and a $125 million revolving credit facility to provide liquidity and letters of credit for general corporate purposes, according to the company.

A spokesperson for GenOn did not immediately respond to requests for more information about the nature of the debt and credit facility by press time.

Ownership of the restructured company is held through 5 million Class A and B shares. The Class B shares are linked to approximately 3 million interests in a GenOn subsidiary, **GenOn Holdings**.

## NEW MANAGEMENT

As part of the reorganization, **David Freysinger** has been appointed ceo of the new company. He previously served as an independent consultant in the power industry and has held executive positions at **EquiPower Resources** as well as GenOn and its predecessor companies from 2001 to 2011.

The new management team also includes:

- **Darren Olagues,** cfo,
- **Dan McDevitt,** general counsel,
- **Eric Watts,** chief commercial officer,
- **Mark Gouveia,** senior vice president, plant operations, and
- **Jon Sacks,** senior vice president, strategy.

The company has also appointed a new board of directors, with **Mark "Mac" McFarland** serving as Chairman.

## REMAINING ASSETS

Following an asset sale run for the creditors by **Credit Suisse**, nearly three-quarters of the slimmed-down GenOn generation fleet is fueled by natural gas. The 11,699 MW portfolio is primarily located in the **PJM Interconnection** and **NYISO** markets. It includes:

- The 648 MW coal and oil-fired Avon Lake facility in PJM,
- The 19 MW gas-fired Blossburg facility in PJM,
- The 1,142 MW gas-fired Bowline facility NYISO,
- The 259 MW gas and oil-fired Brunot Island facility in PJM,
- The 565 MW coal-fired Cheswick facility in PJM,
- The 810 MW gas-fired Choctaw facility in the **Tennessee Valley Authority**'s territory,
- The 54 MW gas-fired Ellwood facility in **CAISO**,
- The 438 MW gas-fired Gilbert facility in PJM,
- The 20 MW oil-fired Hamilton facility in PJM,
- The 60 MW gas-fired facility Hunterstown facility in PJM,
- The 14 MW oil-fired Martha's Vineyard facility in **ISO-NE**,
- The 40 MW oil-fired Mountain facility in PJM,
- The 328 MW gas and oil-fired New Castle facility in PJM,
- The 25 MW oil-fired Niles facility in PJM,
- The 1,516 MW gas-fired Ormond Beach facility in CAISO,
- The 20 MW oil-fired Orrtana facility in PJM,
- The 169 MW oil-fired Portland facility in PJM,
- The 217 MW gas-fired Sayreville facility in PJM,
- The 20 MW oil-fired Shawnee facility in PJM,
- The 603 MW gas and oil-fired Shawville facility in PJM,
- The 31 MW oil-fired Titus facility in PJM,
- The 39 MW oil-fired Tolna facility in PJM,
- The 57 MW gas-fired Warren facility in PJM,
- The 2,279 MW coal, gas and oil-fired Chalk Point facility in PJM,
- The 849 MW coal, gas and oil-fired Dickerson facility in PJM,
- The 1,477 MW coal and oil-fired Morgantown facility in PJM. ■

# Atlantica Yield Acquires Uruguay Wind Project

**Atlantica Yield** has acquired the 50 MW Melowind project in Uruguay from **Enel Green Power**.

The sale marks Enel's exit from the Uruguayan market as part of its strategy to divest non-core assets.

The financing for the acquisition totaled $121 million, divided into $45 million in equity and $76 million in debt arranged by **Santander**.

Located in Cerro Largo, around 200 miles from the capital Montevideo, the project has been operational since 2015 and sells its output to **UTE** under a 20-year dollar-denominated power purchase agreement (PFR, 8/8/14).

The acquisition increases the size of Atlantica Yield's Uruguay wind fleet to 150 MW. ■


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# Dominion Closes Asset Sales

**Dominion Energy** has closed the sales of stakes in three generation assets located in Pennsylvania, Rhode Island and Louisiana.

The deal includes the acquisition by **Starwood Energy Group Global** of the 1,240 MW gas-fired, combined-cycle Fairless Power Station in Fairhills, Pa. and the 468 MW gas-fired, combined-cycle Manchester Street Power Station in Manchester, R.I., for about $1.23 billion, not including working capital (PFR, 9/25).

**JP Morgan** ran the auction process for the assets and **Citi** also advised Dominion on the transaction. The seller's legal counsel was **McGuireWoods**, while **King & Spalding** advised Starwood.

### TERM LOAN B

**Credit Suisse** led on the $1.05 billion acquisition financing for Fairless and Manchester Street in a deal that closed on Dec. 14.

The package included a $925 million, seven-year term loan B which priced at 375 bp over Libor with a 0% index floor and was issued at a 99.75 discount.

Pricing on the facility flexed down from initial levels of 375 bp to 400 bp with a 99.5 OID.

Starwood also secured a $60 million revolving credit facility and a $65 million letter of credit for the merchant duo, both with five-year maturities.

Spokespeople for Credit Suisse in New York did not respond to inquiry about market interest in the debt by press time.

### ROUGAROUX

Dominion has also sold a 25% stake in **Catalyst Old River Hydroelectric**, a partnership that owns the 192 MW Sidney A. Murray Jr. hydro project in Vidalia, La., for approximately $90 million.

The buyer of the hydro partnership stake is a recently incorporated company called **Rougaroux Power**, according to a financial report filed with the U.S. **Federal Energy Regulatory Commission** on Nov. 28.

Rougaroux Power was incorporated in Delaware on Sept. 7 and the sale took place on Sept. 28. Further details of the company's ownership could not immediately be established.

**Brookfield Asset Management** owns the other 75% stake in Catalyst Old River Hydroelectric, through general partner **Catalyst Vidalia Corp.** and limited partner **Vidalia Holding**.

The fourth asset is Dominion's 50% stake in its Blue Racer midstream joint venture with **Caiman Energy II**, for which **First Reserve** is paying some $1.5 billion following a competitive sales process run by **Goldman Sachs** (PFR, 11/1).

Spokespeople for Dominion did not immediately respond to inquiries by press time. ■

# TransCanada to Net $465M with Coolidge Generating Station Sale

**TransCanada Corp.** is set to make C$623 million ($465 million) from the sale of a simple cycle gas-fired peaker in Coolidge, Ariz., to **Southwest Generation**.

SWG has agreed to buy the 575 MW facility, which has been online since May 2011, through subsidiary **SWG Coolidge Holdings**, subject to certain approvals.

The **Salt River Project Agricultural Improvement and Power District**, which is Coolidge's offtaker under a 20-year power purchase agreement, has a right of first refusal on any sale to a third party.

**Mayer Brown** provided legal counsel to TransCanada on the transaction. Spokespeople for TransCanada based in Toronto and Calgary, and Southwest Generation in Denver, Colo., did not immediately respond to inquiries regarding the use of financial advisers by press time.

Combined with its recent sale of its 590 MW Cartier Wind portfolio to **Innergex** for C$630 million ($484 million) (PFR, 11/15, 8/2) and the reimbursement of pre-development costs on the Coastal GasLink pipeline project, TransCanada expects the sale of Coolidge to realize about $1.7 billion toward its near-term capital program.

The Calgary-headquartered company has a backlog of projects estimated to bring cash flow growth of between 8% and 10% annually, according to an **Edward Jones** analyst report dated Nov. 13.

"The company has amassed the largest project backlog in the midstream sector, with C$36 billion of growth projects planned through 2023," reads the report. "Half of the backlog is in the Canadian Natural Gas Pipeline segment and boosted by the recent addition of the C$6.2 billion Coastal Gas Link project that will supply gas to the LNG Canada facility. Beyond this sizeable secured backlog is another C$20 billion of potential projects, over half of which is Keystone XL."

Approximately C$10 billion of the above-mentioned C$36 billion worth of planned growth projects are expected to be online by early 2019, with the rest to follow through 2023, said **Russ Girling**, president and chief executive officer of TransCanada, in a statement. ■

# Carlyle Nails Down Buyer for Golden State Peakers

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receiving legal counsel from **Latham & Watkins**, deal watchers tell *PFR*. **King & Spalding** is providing legal advice to Carlyle.

Officials at Carlyle in Washington, D.C. and Avenue Capital in New York, as well as an official at Guggenheim, did not immediately respond to inquiries regarding Middle River Power IV's financing of the acquisition.

The peakers sell their output into the **California Independent System Operator** market as well as several load serving entities.The portfolio comprises:

- the 122 MW Midway Peaking project in Firebaugh, which came online in 2009,
- the 96 MW Malaga facility in Fresno, which came online in 2005,
- the 49.5 MW Border project in San Diego, which came online in 2001,
- the 49.5 MW Enterprise plant in Escondido, which came online in 2001,
- the 49.5 MW Panoche facility in Firebaugh, which came online in 2001, and
- the 49.5 MW Vaca Dixon plant in Vacaville, which came online in 2002.

All the peakers are fitted with **Pratt & Whitney** turbines, except for Malaga, which is fitted with **General Electric** turbines. ■

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MERGERS & ACQUISITIONS

# Brazil's Omega Kicks Off 2019 with Wind Acquisition

Brazil's **Omega Generation** will buy a 303 MW wind farm in its home country for an enterprise value of R$1.9 billion ($498 million), as the renewables company continues its acquisition streak.

Omega has signed a binding agreement for 100% of the Assuruá Wind Complex in Bahia from **FIP IEER**, the investment arm of **Companhia de Energias Renováveis**.

Omega will finance the bulk of the transaction by raising R$1.018 billion of new debt and also plans to draw down on existing financing.

Meanwhile, 28% of the cash offer can be paid in shares within three years—at Omega's discretion.

The price tag could still be adjusted between now and the date the acquisition goes through, depending on the working capital considerations.

Assuruá Wind Complex is already operational, with the final part of the farm having online in February 2017.

The 13 farms that make up the complex have 20-year power purchase agreements that were awarded in Brazil's 2013 and 2014 Reserve Energy Auctions.

As well as adding the wind farm to its portfolio, Omega will also have the right-of-first-offer on any more projects developed by FIP IEER in the region.

The transaction comes after Omega made its first foray into solar last year, when it acquired half of the 321 MW Pirapora solar complex from **EDF Energies Nouvelles** and **Canadian Solar** for an enterprise value of R$1.1 billion (PFR 08/18). ■

# Red Eléctrica Internacional Picks Up Peru Transmission Line

The Latin American arm of Spain's **Red Eléctrica** has bought the company that holds the concession contract for a 220 kV transmission line in Peru for an enterprise value of €181.36 million ($207.2 million).

**Red Eléctrica Internacional** has agreed with Spain's **Bow Power**—co-owned by **ACS Group** and **Global Infrastructure Partners**—to buy 100% of Bow Power-owned **CCNCM**, which holds the 30 year concession contacts.

CCNCM manages and operates around 215 miles of 220 kV and 138 kV circuit and four substations through the Carhuaquero-Cajamarca Norte-Cáclic-Moyobamba electricity line in the northern Peru. The company generates around $18 million in revenues a year.

The purchase price includes the assumption of project debt. In September, Bow Power agreed on a $175 million, 29-year hybrid private placement and fixed rate loan package to refinance the power line.

**Natixis** arranged the financing, with $100 million of the debt placed among three US insurance companies. The balance was made up from a Natixis loan.

With this acquisition, Red Eléctrica Internacional will manage around 1047 miles of transmission lines in Peru.

The company said in a statement that it is looking to expand in the north of the country and put "itself in a preferential position for both the future interconnection between Peru and Ecuador and for other electricity transmission grid developments in northern Peru." ■

# Solar Frontier Buys Recurrent Project

**Canadian Solar** subsidiary **Recurrent Energy** has closed the sale of its 150 MW Mustang Two solar project to **Solar Frontier Americas**, an independent power producer and subsidiary of Japan's **Showa Shell Sekiyu**.

Located in Kings County, Calif., the project is scheduled to be online in 2020. Recurrent is managing development while Solar Frontier is expected to provide financing and oversee construction and operations.

The output of Mustang 2 will be split between two long-term power purchase agreements. **Peninsula Clean Energy** which serves San Mateo County, will purchase 100 MW under one 15-year contract, while the **Modesto Irrigation District** will buy the other 50 MW under a 20-year deal.

"We already have a substantial greenfield pipeline and are actively acquiring utility-scale projects and development assets to further scale our business," said **Charles Pimentel**, ceo of Solar Frontier's IPP business unit, in a statement.

Solar Frontier has offices in both California and Nevada overseeing its growing 1 GW development pipeline of utility-scale projects.

Its parent company, Showa Shell, recently bought a 10% stake in the gas-fired, combined cycle Cricket Valley Energy Center in New York from **Advanced Power** (see story, page 2). The company recently launched a "Go into overseas business" strategy.

Recurrent received legal counsel from **Orrick** on the transaction but did not use a financial adviser. Spokespeople for Solar Frontier, Canadian Solar and Recurrent did not immediately respond to inquiries regarding the involvement of advisers or the financial terms of the Mustang Two transaction by press time.

The project is located next to the 100 MW Mustang project, which is contracted under three 20-year power purchase agreements with **Sonoma Clean Power**.

Last year, **Shenzhen Energy Group Co.** agreed to acquire Mustang from Recurrent (PFR, 10/16/17), along with a 49% stake in the 200 MW Tranquility project in Fresno County and the 200 MW Garland facility in Kern County, but the $232 million transaction failed to obtain the approval of the **Committee on Foreign Investment in the United States** and was called off in early August (PFR, 8/8).

While Recurrent has since sold Tranquillity and Garland to Dutch pension fund manager **PKA** (PFR, 10/25), the fate of Mustang is unclear. ■

**FAST FACT**

**20 years**

The length of the project's 50 MW PPA with Modesto Irrigation District

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# Mitsui Breaks into Argentine Wind

Japan's **Mitsui & Co.** has entered Argentina's electric power market after buying a minority stake in a 97.3 MW wind farm under construction from France's **Total Eren**.

Mitsui, operating through its local subsidiary **MIT Argentina Generation Holding**, has agreed to buy a 34% stake in the $220 million Vientos Los Hercules wind farm. This is Mitsui's first power project in the Latin American country.

"We are very confident that participating in this project will pave the way for further opportunities in Argentina," said **Ryo Zushiden**, director of Mitsui's Argentine subsidiary in a Dec. 14 press release.

The wind farm is being built in the Santa Cruz Province and is due to come online in the middle of 2019. It has a 20-year power purchase agreement with **Cammesa**.

The project is being financed by a 16 year non-recourse loan from **KfW IPEX-Bank** and a 15-year loan jointly provided by Germany's **DEG** and Dutch development bank **Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden** (PFR, 12/20/17)

Furthermore, Mitsui has also secured a guarantee from the **World Bank**'s **Multilateral Investment Guarantee Agency** against losses arising from political and non-commercial risks.

Mitsui owned 9.1 GW of generational capacity as of September 30, 2018, of which 16% came from renewable sources. The company wants to grow this to 30% by 2030.

Meanwhile, Total Eren is building a 50.4 MW wind project in Argentina's Chubut Province and already has an operating 30 MW farm in San Luis Province. Both of those facilities also have offtake arrangements with Cammesa. ■

# Apex Sells Illinois Wind Project

Wind developer **Apex Clean Energy** has sold a wind project located in central Illinois to a regulated utility.

The buyer of the 202 MW Sugar Creek wind facility in Logan County is Canada's **Algonquin Power & Utilities Corp.**

Spokespeople for Apex and Algonquin in Charlottesville, Va., and Ontario, Canada, respectively, did not respond to inquiries regarding the use of advisers or the project's offtake arrangements by press time.

Apex originally purchased the project in 2016 from **American Wind Energy Management** (PFR, 4/18/16).

Last fall, Apex inked a long-term contract with **Illinois Power Agency** to provide renewable energy certificates to utilities within the state.

"Sugar Creek Wind demonstrates the Apex team's proven ability to identify and advance projects with strong fundamentals, including access to transmission, exceptional resources, strong community support, and financeable offtake," said **Mark Goodwin**, president and ceo of Apex, in a statement. ■

# Sempra Closes 980 MW Portfolio Sale to ConEd

**Sempra Energy** has closed its sale of a 980 MW portfolio of renewable projects to **Consolidated Edison** for approximately $1.6 billion in cash, subject to adjustments.

The portfolio comprises operational solar projects, development-stage solar and battery storage projects, and a single wind farm (PFR, 9/21).

Sempra intends to use the sale proceeds to fund the approximately $1.12 billion expansion of its regulated Texas utility platform through **Oncor Electric Delivery Co.**'s pending acquisition of **InfraREIT** (PFR, 10/19), and to pay down debt.

Sempra-owned Oncor recently agreed to buy InfraREIT from **Hunt Consolidated** and public shareholders for about $1.275 billion and the assumption of $945 million of debt in a complex transaction that is expected to close by mid-2019, pursuant to regulatory and stockholder approvals (PFR, 12/7, 11/26).

Meanwhile, Sempra will carry on with its sales process for the rest of its U.S. wind facilities and a selection of U.S. midstream natural gas assets.

**Citi** and **CCA Group** advised ConEd on the acquisition of the 980 MW portfolio, with Citi also providing bridge financing. **Troutman Sanders** provided legal counsel.

**Credit Suisse, JP Morgan** and **Lazard** advised on the sell-side while **Latham & Watkins** provided legal counsel. ■

# John Hancock Invests in S.C. Solar Project

**John Hancock Life Insurance**, a division of **Manulife Financial Corp.**, is investing in a solar project in South Carolina.

The project is **Pine Gate Renewables**' 39 MW Peony Solar facility, located in Springfield, Orangeburg County, which came online on Dec. 10.

Pine Gate will hold on to an equity stake while selling an undisclosed portion to John Hancock.

John Hancock is making the acquisition through its **Back Bay Solar** subsidiary, which makes passive investments in solar projects in the U.S., according to a U.S. **Federal Energy Regulatory Commission** filing dated Dec. 13.

The parties to the deal have requested FERC approval by this month.

Ownership of Back Bay Solar is split equally between John Hancock and a vehicle called John Hancock Infrastructure Master Fund 2.

**Foley & Lardner** is providing legal advice to Pine Gate Renewables on the transaction. Attorneys at the law firm in Milwaukee declined to comment.

Spokespeople for John Hancock and Pine Gate Renewables in Boston and Jacksonville, Fla., respectively, either declined to comment on the use of advisers or did not immediately respond to inquiries by press time.

Pine Gate recently wrapped debt and tax equity financing for the project (PFR, 10/19) with **Macquarie Group** providing construction financing. ■

PEOPLE & FIRMS

## Energy Banker Moves to Credit Fund

A structured finance professional left **Deutsche Bank**'s infrastructure and energy team in New York for a new position in November.

**Shan Arunachalam** joined **BlackRock** U.S. Private Capital as a credit analyst, after a year as v.p. in Deutsche's global structured credit division (PFR, 21/12).

Arunachalam declined to comment while Deutsche spokespeople did not respond to inquiry about his replacement.

He will report to managing directors **Michael Leitner** and **Mark Kronfeld**. The pair were previously at **Tennenbaum Capital Partners**, which BlackRock acquired in April.

The 30-strong former TCP investment team is mostly based in Santa Monica, Calif., with five members—including Arunachalam—in New York.

He will focus on investment opportunities ranging from private loans to purchases of public securities.

Asset manager TCP owned a less-than-10% interest in the 700 MW Longview coal-fired power plant in Maidsville, W.Va., and had requested U.S. **Federal Energy Regulatory Commission** to increase its stake in the restructured project (PFR, 4/5).

Arunachalam was part of the Deutsche team that put together a C$270 million aggregation-to-term loan for Canada's **Grasshopper Solar** last year (PFR, 4/26), working alongside infrastructure and energy debt origination head **Brent Canada** (PFR, 10/4/17).

Arunachalam joined the bank in 2017 after two years as v.p. with **ING Capital**.

Prior to that, he had been v.p. energy project finance at **Rabobank** from 2010 to 2015.

He began his financial services career with stints at **Citi** and **HSH Nordbank**. ■

## Oil & Gas Pros Depart GE EFS

A Houston-based pair of upstream and midstream energy specialists have left **GE Energy Financial Services**.

**Suresh Vasan** was managing director and **Matt Lemieux** was senior vice president when they left the company on Dec. 14.

Vasan worked at GE EFS for some 12 years in Houston, London and Dubai. He already left the company once, in 2013, to join **Cargill** in Houston, but returned to the GE fold in 2015.

Earlier in his career, he worked at **Enron** and **BHP Billiton**.

Lemieux had been with GE EFS for 10 years, working primarily on private equity investments in the U.S. and also in Mexico, and was senior vice president when he left the company.

"I've been having lots of discussions with infrastructure and energy funds as well as operating/portfolio companies but don't have anything firmed up yet," he tells *PFR*. "I expect to hit the ground running in Jan/Feb 2019."

Before joining GE EFS, initially in Stamford, Conn., in 2008, Lemieux had worked at **Wachovia Capital Markets** and **Merrill Lynch**.

"The private equity market is still very hot despite the recent pullback in the public markets," Lemieux notes. "Funds have a lot of capital to put to work and energy infrastructure continues to need substantial investment so it's a match made in heaven." ■

## CohnReznick Reveals New Management Structure

**CohnReznick Capital** has announced a fresh leadership structure as president **Nick Knapp** and principal and managing director **Conor McKenna** both assume the title of senior managing director.

The boutique investment bank says the changes reflect the long-term vision of the firm.

Knapp and McKenna will continue to focus on strategic and operational oversight as well as business development and firm growth, while four existing managing directors will formally join the leadership team and will continue to provide broader guidance in the firm's management.

The managing directors joining the leadership team are **Gary Durden**, **Britta von Oesen**, **Frank Palladino** and **Jeff Manning**.

"We are committed to a meritocratic partnership structure, which streamlines our client-first approach and focus on team growth," said McKenna, in a statement. "The ability to leverage our collective industry expertise, deep transaction experience and strong relationship networks further enhance our overall M&A and project finance franchise." ■

MERGERS & ACQUISITIONS

## John Hancock Picks Up Pine Gate Portfolio Stake

**John Hancock Life Insurance**, a division of **Manulife Financial Corp.**, has entered into a partnership with utility-scale solar developer **Pine Gate Renewables**.

Under the terms of the partnership, Pine Gate and John Hancock will own and manage a 413 MW solar portfolio, comprising 35 plants located in North Carolina, South Carolina and Oregon.

John Hancock is taking an equity stake in the facilities, via John Hancock Life Insurance and the John Hancock Infrastructure Fund.

The latter has approximately $2 billion of committed capital managed by John Hancock's power and infrastructure team.

Pine Gate, meanwhile, will oversee the facilities' operations and provide asset management services. The financial terms of the deal are not being disclosed.

Spokespeople for John Hancock and Pine Gate in Boston and Jacksonville, Fla., respectively, either declined to comment on the use of advisers or did not immediately respond by press time.

John Hancock recently invested in Pine Gate's 39 MW Peony Solar project, which came online on Dec. 10 and is located in Springfield, Orangeburg County, S.C. (see story, page 15).

Pine Gate is holding on to an equity stake while selling an undisclosed portion to John Hancock.

Pine Gate also recently wrapped debt and tax equity financing for the project, with **Macquarie Group** providing construction financing and **Live Oak Bank** funding long-term debt (PFR, 10/19).

Tax equity co-investors in the project are **U.S. Bank** and **Publix Super Markets**, the second largest supermarket chain in the U.S. ■


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