

Power Finance & Risk

Exclusive Insight on Power M&A and Project Financing

By the publisher of GlobalCapital

● PROJECT FINANCE

● PPA PULSE

● BORROWER STRATEGIES

Recurrent Ends Year with Solar Deal Duo

The **Canadian Solar** subsidiary has accrued around \$3 billion in seven financings in 2015. Page 5

Corporations Amass Offtake Agreements

Non-utility businesses continue to garner power purchase agreements to bolster their green credentials. Page 9

SunEdison Launches Second Lien Refi

The renewables sponsor has priced a pair of short term loans and agreed a debt for equity swap. Page 11

MUFG Tops Power Project Finance League Table for Fifth Year Running

Richard Metcalf

Mitsubishi UFJ Financial Group is set to top the league table for mandated lead arrangers of power generation project finance deals in the Americas for

the fifth year in a row, according to data from **Dealogic**.

The Tokyo-headquartered bank was MLA on 26 deals with a total value of \$1.77 billion on an apportioned basis, according to the latest figures, which do not

include some deals which closed in December. Last year, MUFG was on 35 deals totaling \$2.64 billion.

Large deals on which the bank took an MLA role this year include the nearly \$600 million refinancing of **LS Power's** 738 MW West Deptford gas-fired facility in January, \$680 million of loans for **Competitive Power Ventures'** 720 MW Valley gas-fired project in June, and a \$600 million debt package backing **Moxie Energy's** and **Caithness Energy's** 1,050 MW gas-fired Freedom project (PFR, 1/21, PFR, 6/15, PFR, 11/10).

Santander is on track to place second in the league table, as it did last year, while **KeyBank** has risen from ninth place last year to third this year, thanks to its participation as an MLA in deals such as a \$1 billion debt package for **SunEdison's** First Reserve warehouse in May. ■

CPV Unveils New England Debt Financing

Olivia Feld

Competitive Power Ventures has assigned joint lead arrangers to launch a debt financing imminently for the 785 MW Towantic Energy Center gas-fired project in Oxford, Conn.

MUFG, Crédit Agricole and **CIT Group** are arranging a term loan, a deal watcher tells *PFR*, adding that financial close is slated for the first PAGE 5 »

Entergy Subsidiary Kicks off 2016 Utility Bond Issuance

Richard Metcalf

Entergy Arkansas became the first U.S. electric utility to bring a bond to the market in 2016 when it priced a \$325 million long 10-year first mortgage bond on Tuesday.

The Entergy subsidiary was one of 10 corporate issuers, including banks, to come to the U.S. bond market on Jan. 5, after the first business day of 2016 failed to bring a single deal.

One New York-

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Power generation project finance, Americas, 2015

Rank	Mandated Lead Arranger	Deal Value (\$ million)	No. of Deals
1	Mitsubishi UFJ Financial Group	1,765.95	26
2	Santander	1,717.96	34
3	Keybank Capital Markets	1,496.16	19
4	Crédit Agricole	1,359.42	21
5	Sumitomo Mitsui Financial Group	1,329.72	19
6	Mizho	1,007.38	15
7	CIT Group	878.06	14
8	Morgan Stanley	807.27	3
9	Siemens	678.13	10
10	BNDES	674.82	25

Deal values apportioned between MLAs

Source: Dealogic, as of Jan. 7, 2016

● POWER UP: CHECK OUT A SELECTION OF THE WEEK'S POWER AND UTILITY NEWS ON TWITTER



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● PROJECT FINANCE

DG Wind Shop Nets \$200M in Equity

Brooklyn, N.Y.-based distributed wind start-up **United Wind** has secured a \$200 million sponsor equity investment from Toronto's **Forum Equity Partners**. United will use the funds alongside tax equity to be sourced from third parties to develop a portfolio of distributed wind generation assets with an aggregate project value of between \$300 million and \$400 million. Since it was established in 2013, United Wind has completed 26 projects in the Northeast, each between 10kW and 100kW in size. Construction is beginning on a further 20 projects this month. The company has signed leases for more than 150

projects so far, and plans to bring that figure to over 1,000 in the next 12 to 24 months, says **Russel Tencer**, United Wind's founder and ceo. The extension of tax credits for wind projects passed by the U.S. **Congress** at the end of last year (PFR, 12/16) was a boon for United Wind, but the company had made plans to adapt to a tax credit free environment, says Tencer. "The market would have constricted quite considerably, but we still had a path to provide discounted energy to those property owners that had the highest wind regimes, the highest energy prices," he says. United Wind provides its

clients with wind projects through 20-year leases, using a model similar to that which has allowed distributed solar to take off. The lease model means that customers, often farmers, can install wind on their land without having to shoulder the up-front costs. Nevertheless, the potential market for distributed wind is limited by the large size of wind turbines compared to rooftop solar panels, which has restricted DG wind installation primarily to agricultural land. United Wind has already successfully raised tax equity and debt. In October, the company announced that it had secured \$13.5 million from two financial institutions. **US Bank** committed \$9.5 million in tax equity while **New York Green Bank** is providing a \$4 million construction loan. ■

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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	Advisor	Status/Comment
● AEI Holdings, Grupo Lakas and Baragua Energia	Fenix Power (570 MW Gas)	Peru		A consortium led by Chile's Colbún is acquiring the 570 MW Fenix Power Peru gas-fired facility for \$171.4 million. Consortium members include Abu Dhabi Investment Authority and Sigma Capital (see story, page 9).
● Alette Clean Energy	Thunder Spirit (107.5 MW Wind)	Adams County, N.D.		Montana-Dakota Utilities has acquired the Thunder Spirit wind facility from Alette for \$220 million (see story, page 8).
● ArcLight Capital Partners	Hamakua facility (60 MW Oil)	Honokaa, Hawaii		Hawaii Electric Light is purchasing the oil-fired combined-cycle Hamakua plant from ArcLight pending approval from the Hawaiian regulatory and consumer commissions (see story, page 7).
Canadian Solar	Illumination Solar Facility (10 MW Solar)	Scugog, Canada	Macquarie	Dutch Infrastructure Fund closed on the third of four 10 MW solar projects it expects to acquire in Ontario, according to a 2013 agreement (PFR 12/21).
● Canadian Solar	Aria Solar Facility (9 MW Solar)	Springwater Township, Ontario	ManuLife	Aria is the fourth deal to close in Concord Pacific's 53 MW five-project portfolio acquisition (see story, page 7).
● Dominion	Portfolio (253 MW Solar)	U.S.	KeyBanc, Santander	SunEdison and JP Morgan Asset Management's partnership, Terra Nova Renewable Energy Partners, have closed on 253 MW of a 425 MW acquisition from Dominion Energy expected to close early this year (see story, page 8).
● Enel Green Power	Chisholm View (235 MW Wind) Prairie Rose (200 MW Wind)	Garfield and Grant counties, Okla., Rock County, Minn.		GE has increased its stakes in two U.S. wind facilities owned by Italy's Enel Green Power (see story, page 7).
Entergy Corp.	Rhode Island State Energy Center (583 MW Gas)	Johnston, R.I.		The Carlyle Group has priced a \$375 million loan backing its acquisition of the project, and is also contributing \$207 million of sponsor equity (PFR 12/14).
Goldman Sachs	Raft River (13 MW Geothermal)	Malta, Idaho		U.S. Geothermal has acquired 95% of Goldman Sachs's cash flow interest in and ownership of the Raft River geothermal project in Malta, Idaho (PFR 12/21).
● Hudson Energy	Galloo Island Wind Project (Wind 102 MW)	Galloo Island, Jefferson County, N.Y.		Apex Clean Energy is purchasing the development assets in the Galloo Island Wind Project from developer Hudson Energy (see story, online).
IFM Investors	Portfolio (1.08MW Gas, Oil, Hydro)	U.S.	Morgan Stanley	IFM has launched the sale of its Essential Power portfolio (PFR, 8/31)
Invenergy	Portfolio (914 MW Wind, 91%)	U.S., Canada	Morgan Stanley, Citi, Goldman Sachs	Terra Form has closed its acquisition of 91% of a 914 MW wind portfolio from Invenergy with a second deal (98 MW) expected to close in April (PFR 12/21).
● Iowa Renewable Energy	Crescent Peak (200-600 MW Wind), Comstock (20-100 MW Wind)	Clark, Storey, Washoe, and Carson City counties, Nevada		Hässelholm, Sweden wind developer Eolus has purchased two Nevada projects from Iowa Renewable Energy subsidiary Crescent Peak Development in a \$50,000 transaction that includes a profit-sharing mechanism for a future sale (see story, 8).
KKR Credit, Ascribe Capital (American Securities), Centerbridge Partners	Longview (775 MW Coal)	Malden, W.Va.		The three private equity firms are seeking to increase their shares in the facility (PFR 12/21).
LS Power	Portfolio (4,300 MW Gas)	U.S.	Citi, Morgan Stanley	The auction for the assets is in an "extended second round" according to a deal watcher (PRF, 11/16).
Natural Gas Partners, Beowulf Energy	Malburg (159 MW Gas)	Vernon, Calif.		Bicent Power, owned by Blackstone's GSO Capital Partners, is acquiring the project from its former parents (PFR, 12/14).
NRG Energy (525 MW Coal)	Seward Power Plant (525 MW Waste Coal)	New Florence, Penn.		NRG Energy is selling the 525 MW waste coal-fired Seward facility in Westmoreland, Penn. to Pittsburgh-based Robindale Energy. (PFR 12/7)
● Riverstone Holdings	ReEnergy Sterling (30 MW Waste Tire, Biomass)	Sterling, Conn.		Riverstone, through portfolio company ReEnergy, is selling a waste tire and biomass-fired facility to a local tire dealership, Empire Tire of Edgewater II (see story, page 7).
SolarPack	Alto Cielo (26 MW Solar)	Artigas Department, Uruguay		SunEdison has closed its acquisition of the facility. Renewia Energy had sold Alto Cielo to Solarpack earlier this year (PFR 12/21).
SunEdison	Bingham (185 MW Solar), Oakfield (148 MW Solar)	Maine	KeyBanc (SunEdison), CohnReznick (JP Morgan)	Terra Nova, a joint venture between SunEdison and JP Morgan Asset Management, is acquiring the projects for \$209 million in equity (PFR, 12/14).
Talen Energy	Ironwood (778 MW, Gas)	Lebanon, Pa.	Credit Suisse, Kirkland & Ellis (legal)	TransCanada has agreed to acquire the project for \$654M following an auction (PFR, 10/12).
	Holtwood (252 MW, Hydro)	Holtwood, Pa.	RBC Capital Markets, Simpson Thacher & Bartlett (legal), Morrison & Foerster (legal, buyer)	Brookfield Renewable Energy and institutional partners have agreed to acquire the assets for \$860 million (PFR, 10/12).
	Lake Wallenpaupack (40 MW Hydro)	Hawley, Pa.		
	C.P. Crane (399 MW Coal)	Middle River, Md.		Avenue Capital Group has agreed to acquire the project for \$100M (PFR 10/23).
Talen Energy	Sapphire Portfolio (655 MW Gas Oil)	New Jersey, Pennsylvania		FERC has approved a third divestiture plan proposed by Talen Energy. As a result, Talen is not under immediate regulatory pressure to sell the portfolio (PFR 12/7)
Valhalla	Espejo de Tarapacá (300 MW Hydro), Cielos de Tarapacá (<=600MW Solar)	Tarapacá, Chile		The Santiago, Chile-based developer is looking for an experienced equity partner (PFR 12/21).
● Various	Neptune Regional Transmission System (Transmission 660 MW DC)	Long Island Sound		Ridgewood Private Equity Partners is making a \$100 million passive equity investment in the Neptune Regional Transmission line connecting New Jersey and Long Island (see story, page 6).

● 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 Editor Richard Metcalf at (212) 224 3259 or e-mail richard.metcalf@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)	Loan	Loan	Tenor	Notes
Brookfield Renewable Energy, Emera	Bear Swamp (600 MW Hydro), Fife Brook (10 MW Hydro).	Massachusetts	CIBC, Scotiabank	Private placement	\$400M	10-yr	The deal, which carries a 4.89% coupon, closed on Sept. 30 (PFR, 12/14).
Competitive Power Ventures	Towantic (785 MW Gas)	Oxford, Conn.	MUFG, Crédit Agricole and CIT Group	Debt	TBA	TBA	The sponsor is in the market for debt and is in talks with the lenders listed here (see story, page 1).
Citizens Energy Corp, ClearGrid Energy	Portfolio (Capacity Unknown, Solar)	Massachusetts	TBA	Debt, Tax Equity	TBA	TBA	Sponsors will seek tax equity and debt financing for a number of community solar projects (PFR, 10/26).
Forum Equity Partners	United Wind (100kW wind start-up)	Brooklyn, New York, N.Y.	US Bank, New York Green Bank	Private placement	\$200M	20-yr	Brooklyn-based United Wind has secured a \$200 million equity investment from Toronto-based Forum Equity Partners (see story, page 2).
GE, MetLife	Pilot Hill Wind Project (175 MW Wind)	Kankakee and Iroquois counties, Ill.	TBA	Tax Equity	TBA	TBA	The deal has closed with GE and MetLife taking 50% each of the passive class A interests in the project (PFR, 11/30).
Invenergy	Clear River (900 MW+ Gas)	Burrillville, R.I.	TBA	TBA	TBA	TBA	The project is slated to cost \$700M to develop (PFR, 8/10).
LS Power	University Park North (540 MW Gas)	University Park, Ill.	TBA	TBA	TBA	TBA	LS Power is refinancing three gas-fired peakers that are part of larger portfolio of assets up for sale (PFR, 11/16).
	University Park South (300 MW Gas)	University Park, Ill.	TBA	TBA	TBA	TBA	
	Riverside (856 MW Gas)	Zelda, Ky.	TBA	TBA	TBA	TBA	
Mexico Power Group	La Bufa (130 MW Wind)	Zacatecas, Mexico	SMBC, Korea Development Bank, Nacional Financiera and Bancomext	Debt, Equity	TBA	18-yr	Debt and equity financing for the 130 MW La Bufa wind farm in Zacatecas, Mexico closed on Dec. 2 (PFR 12/7).
Neoen	Providencia (100 MW Solar)	San Salvador, El Salvador	Inter-American Development Bank	Term loan	\$57.7M	18.5-yr	The IDB has arranged \$87.7 million of loans for the project and is in talks with a third lender to secure an additional \$28 million (PFR 12/21).
			Canadian Climate Fund for the Private Sector in the Americas	Term loan	\$30M	18.5-yr	
			TBA, not a commercial bank	Term loan	\$28M	18.5-yr	
NextEra Energy	Golden West (250 MW Wind)	El Paso County, Colo.	BALIA (BAML), BNY Mellon	Tax Equity	TBA	TBA	BAL Investment Advisory has taken 60% and BNY Mellon 40% of the tax equity in the project (PFR, 12/14).
NRG Energy	Carlsbad Energy Center (632 MW Gas)	Carlsbad, Calif.	TBA	TBA	TBA	TBA	The sponsor is exploring financing options for the \$850M project (PFR, 11/9).
Panda Power Funds	Panda Sherman (1,200 MW Gas post expansion)	Grayson County, Texas	Paris, Texas	TBA	TBA	TBA	The 450 MW expansion project is pegged at a cost of \$200M to \$300M (PFR, 8/30).
Pattern Energy	St. Joseph (138 MW Wind)	Manitoba, Canada	TBA	TBA	TBA	TBA	Pattern is refinancing the project's 20-year loan sealed in 2010 (PFR, 11/9).
Recurrent Energy	Garland (200 MW Solar)	Kern County, Calif.	NordLB, CIT, Keybank, Rabobank, Santander	Construction Loan, LOC, back-leveraged term facility	\$480	7-yr	Recurrent Energy has closed a 7-year mini perm for the facility (see story, page 5).
	Astoria 2 (75 MW Solar)	Kern County, Calif.	Santander, NordLB, Rabobank, Key Bank, CIT Bank	Construction, Term Loan	\$180 M	7-yr	Recurrent Energy has completed financing for its late-stage solar project portfolio (see story, page 5).
Recurrent Energy	Astoria (100 MW Solar)	Kern County, Calif.	Santander, Nord LB, Rabobank, Key Bank, CIT Bank	Construction, Term Loan	\$260M	TBA	Recurrent Energy has sealed \$260M in debt and tax equity for the project, which has a 15-year PPA (PFR, 11/23).
			GE Energy Financial Services	Tax Equity	TBA	TBA	
Rockland Capital	Michigan Power (125 MW Gas)	Ludington, Mich.	BNP Paribas	Term Loan	\$216M	7-yr	Price talk on the term loan is said to be around Libor plus 375 basis points (PFR, 11/23).
				Credit Facility	\$47M	5-yr	
Transmission Developers Inc. (Blackstone)	New England Clean Power Link (1,000 MW Hydro and Wind Transmission)	Canada, Vermont		Construction Loan	TBA	TBA	Transmission Developers Inc. is developing the project that will run from the U.S.-Canadian border to New England (see story, page 6).
	Champlain Hudson Power Express (1000 MW Hydro, Wind)	U.S., Canada		Construction Loan	TBA	TBA	The 154-mile project will run from the U.S.-Canadian border to the New York metro area (see story, page 6).
Valhalla	Espejo de Tarapacá (300 MW Hydro), Cielos de Tarapacá (<=600MW Solar)	Tarapacá, Chile	TBA	Debt	TBA	TBA	The sponsor expects the project financing to launch in early 2016 (PFR 12/21).

● New or updated listing

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To report updates or provide additional information on the status of financings, please call Managing Editor Olivia Feld at (212) 224-3260 or e-mail olivia.feld@powerfinancerisk.com

PROJECT FINANCE ●

Recurrent Wraps up 2015 with Duo of Deals

Canadian Solar subsidiary **Recurrent Energy** rounded out a busy year of project financing in December, closing debt and tax equity deals backing the last two in its portfolio of seven late stage solar projects. The financings bring the total amount raised by Recurrent in 2015 to around \$3 billion.

The San Francisco-based sponsor closed debt and equity financing for the 200 MW Garland solar project in mid-December, and then sealed loans and tax equity for the 75 MW Astoria 2 project as the year was drawing to a close. Both projects are located in Kern County, Calif.

The financings were the last in a series of deals backing Recurrent solar facilities in the U.S. All seven projects had similar financings structures, with some variation in pricing, according to a financier. "Each deal was replicated as closely as possible," he says.

NordLB was coordinating lead and **CIT**, **Keybank**, **Rabobank** and **Santander** were joint lead arrangers on the \$480 million debt financing for Garland, which consists of a construction loan, letter of credit facilities and a back-leveraged term facility.

The bank group was the same for the club loan for Astoria 2, except that Santander was coordinating lead instead of NordLB. The debt for Astoria 2 consists of a project level construction loan, a letter of credit facility and a back-leveraged term loan totaling \$180 million.

The tenor and pricing of the two term loans are in the same range as Recurrent's previous six deals, say deal watchers. All of those deals were seven-year mini-perms, priced between 175 and 200 basis points over Libor

(PFR, 12/18).

Southern Power, a subsidiary of **Southern Company**, has taken a 51% equity stake in the Garland project through a joint venture with Recurrent, in a structure similar to that employed in previous deals for

and the cities of Lodi, Corona, Morena Valley and Rancho Cucamonga, all in California.

All seven projects are due to be complete by the end of 2016, adds the deal watcher. This would have allowed them to qualify for the investment tax



Construction is underway at the Astoria and Astoria 2 solar projects in Southern California. Photo: Recurrent Energy

the Tranquility and Rose Rock projects (PFR, 11/30). Under the terms of the deal, Southern Power is entitled to the federal tax benefits associated with the project, says a spokesperson for Southern Co. in Atlanta.

GE Energy Financial Services is investing tax equity in the Astoria project.

Southern California Edison has two long term power purchase agreements with the Garland project for its generation and the associated renewable energy credits. The project is expected to be online in the fourth quarter of 2016.

The Astoria 2 project will sell its output to the **Southern California Public Power Authority**, the **Power and Water Resources Pooling Authority**

credit before the deadline was extended to 2024 (PFR, 12/16).

Boston-based boutique investment banking firm **CCA Group** advised Recurrent on its recent tax equity and equity deals, **Josh Goldstein**, senior v.p. for finance and capital markets tells *PFR*.

Canadian Solar bought Recurrent from **Sharp Corp.** in 2015. Following the acquisition, the sponsor has moved away from a develop-to-sell model and has begun to develop, build, own and operate its projects, says a deal watcher.

Representatives for NordLB, CIT, Keybank, Rabobank, Santander and GE Energy Financial Services either declined to comment or did not respond to inquiries. ■

CPV Unveils New England Debt Financing

◀ FROM PAGE 1

quarter of this year. Bank meetings are taking place this week to launch the deal, he adds. The size, tenor and expected pricing of the loan could not be learned by press time.

The quasi-merchant project has a seven-year capacity contract with **ISO New England** (PFR, 8/12) and is due to be online in 2018.

Last year, CPV picked MUFG and Cr dit Agricole to arrange a \$985 million deal for the 720 MW Valley Energy Center combined-cycle gas-fired project in Orange County, N.Y. The construction plus five-year mini-perm was priced at 325 basis points over Libor (PFR, 6/15).

In late 2014, CIT backed CPV's 725 MW St. Charles combined cycle project in Waldorf, Md. (PFR, 9/11/14)

After the Towantic project, the next slated CPV debt financing will be for the 980 MW Fairview Energy Center, a combined-cycle gas-fired project in Cambria County, Pa. A deal for the \$900 million project is likely to be launched in the third quarter of this year (PFR, 6/11).

Spokespeople for CPV in Braintree, Mass., MUFG, Cr dit Agricole and CIT Group in New York did not immediately respond to inquiries. ■

FAST FACT

\$900M

Deal size for CPV Fairview Energy Center, set to launch in Q3

● PROJECT FINANCE

Blackstone-backed Developer Scopes \$3.4B for Transmission Lines

A **Blackstone** portfolio company is aiming to secure \$3.4 billion in financing for two transmission projects in North America by the end of the year. **Transmission Developers Inc.** is developing the two projects in New England and New York.

The Champlain Hudson Power Express project is a 333-mile merchant transmission line that will transmit 1,000 MW of hydro and wind power from the U.S.-Canadian border largely underwater to the New York metropolitan area. The line is estimated to cost \$2.2 billion to build and is expected to be in service by fall 2017.

"We're in conversations with many lenders" says **Donald Jessome**, ceo and co-founder of TDI about the company's plans to finance construction of the Champlain Hudson project. The U.S. **Department of Ener-**

gy approved the project in 2015.

The other project, the New England Clean Power Link, is a proposed 154-mile merchant line that will transmit 1,000 MW from Canada to Vermont and New England. The capital structure has not yet been decided.

"We're in conversations with many lenders"

The project has an estimated construction cost of \$1.2 billion and is slated to be online in 2019.

"We'll be looking for all opportunities in the debt financing world," adds Jessome of the New England project, which is at a less advanced stage of development than the Champlain Hudson project. The New England

project has received its state permit for construction but is awaiting Department of Energy and **Army Corps** permits.

Transmission Developers Inc. was founded by Jessome and **John Douglas** in 2008. The Blackstone Group acquired the New York-based company in 2010.

This year could prove to be a big year for the development of transmission line projects in the

"We'll be looking for all opportunities in the debt financing world"

U.S. Two sponsors are expecting decisions on federal permit applications for large scale projects in 2016.

FAST FACT

2010

Blackstone acquired Transmission Developers Inc in 2010.

Clean Line Energy Partners, which is developing four transmission line projects in the U.S., is awaiting a final decision from the Department of Energy for its Plains and Eastern Clean Line Transmission Project, a 700-mile line which would transmit 4,000 MW from the Oklahoma Panhandle region to Memphis, Tenn. The line is expected to cost \$2 billion to build.

TransWest Express, an affiliate of **The Anschutz Corporation** is developing the TransWest Express Transmission Project, a proposed 725-mile transmission line which will carry 3,000 MW from Wyoming to Las Vegas is also under review by the Department of Energy. The construction cost is pegged at \$3 billion. ■

● MERGERS & ACQUISITIONS

Ridgewood Announces \$100M Investment in Neptune Transmission

Ridgewood Private Equity Partners has announced a \$100 million passive equity investment in the Neptune Regional Transmission System, a 660 MW DC transmission cable connecting New Jersey and Long Island.

Three Ridgewood-controlled entities entered into a sale and purchase agreement for 40.8% of a passive class of interests in the facility on Sept. 30, according to a filing with U.S. **Federal Energy Regulatory Commission**. FERC approved the transaction on Dec. 9.

The buyers are Ridgewood-managed investment vehicles of the **State of Michigan Retirement System**, various trusts and agencies of the State of Michigan and the **Stewart J. Rahr Revocable Trust**.

The sellers are:

- ◆ **Boundless Energy**, an affiliate of energy consulting firm **Tompkins Research and Management Consulting**,
- ◆ **Anbaric Neptune**, a subsidiary of **Anbaric Transmission**,
- ◆ **Standard Energy Development**, an affiliate of Canadian project development company-**William Alexander & Associates**,
- ◆ **Cianbro Development Corp.**, a subsidiary of construction group **The Cianbro Companies**,
- ◆ the **Charles J Micleau Trust**,
- ◆ **CTSBM Investments**, an investment vehicle owned by individuals based in Maine,
- ◆ **James Broder**
- ◆ and **Charles E. Hewett**.

Following the transaction, the sellers will continue to own 31.4% of the passive class B interests in the project. The distribution of the interests among the sellers is not described in the filings.

The 66-mile underwater transmission line, which became operational in mid-2007, has a long-term contract with the **Long Island Power Authority**.

The project has provided approximately 20% of the electricity for Long Island since it came online, according to Ridgewood.

Neptune Power Ventures controls and manages the facility.

Loop Capital advised Ridgewood on the transaction. ■

MERGERS & ACQUISITIONS ●

GE Increases Stake in Two Wind Facilities

GE Energy Financial Services has closed a \$74 million investment in two U.S. wind projects, acquiring an additional 24% stake in both the 235 MW Chisholm View project and the 200 MW Prairie Rose project from **Enel Green Power**.

GE's additional 24% share in each project brings its ownership of the facilities from 25% to 49%.

Enel Green Power will continue to own a controlling 51% stake in both Chisholm and Prairie Rose through **Enel Green Power North America Renewable Energy Partners** (EGPNA REP), a joint venture between the Italian developer and GE Energy Financial Services.

Chisholm, located in Garfield and Grant counties, Okla., cost \$305 million to construct and was completed in Dec. 2012. Prairie Rose, in Rock County, Minn., cost \$375 million and was completed in Nov. 2012. The projects have power purchase agreements with **Alabama Power Company** and **Xcel Energy** subsidiary **Northern**

States Power Company respectively, according to filings made with the U.S. **Federal Energy Regulatory Commission**.

Enel Green Power North America, which owns a more than 2,000MW portfolio of operational wind, solar, hydropower, and geothermal assets, will run the operations and management of the facilities.

"This transaction strengthens the strategic partnership formed last March between EGP and GE Energy Financial Services," said Enel Green Power ceo **Francesco Venturini** in a statement. "At the same time, the sale is part of our strategy to actively manage assets in a way that contributes to diversification and growth opportunities both in North America and elsewhere around the world."

A spokesperson for GE declined to comment on whether either party had worked with a financial adviser on the deal. Representatives from Enel Green Power North America in Andover, Mass. were unavailable for comment. ■

Concord Green Closes Fourth Deal in Canadian Solar Portfolio Sale

The sale of Canadian Solar's 9 MW Aria solar facility to **Concord Pacific** subsidiary **Concord Green Energy** has closed.

The C\$65.6 million (\$47.2 million) acquisition of the Springwater Township, Ontario-based facility is the fourth and penultimate deal to close in Concord's acquisition of a 53 MW five-project portfolio from Canadian Solar.

Canadian Solar, which will continue to carry out the management and operations of the facility, obtained a C\$52.8 million (\$40.8 million) financing package from the **Manufacturers Life Insurance Company** backing the project (PFR 7/22).

Representatives of Canadian Solar and Concord Green Energy were not immediately available for comment. ■

Riverstone to Sell Connecticut Waste Tire and Biomass Facility

Energy-focused private equity firm **Riverstone Holdings** is selling a 30 MW waste tire and biomass-fired facility in Connecticut to a local tire dealership, **Empire Tire of Edgewater II**.

The facility, located near the town of Sterling, is wholly owned by Riverstone's portfolio company, **ReEnergy Holdings**.

The Sterling project, which ReEnergy purchased in 2011, began commercial operation in

the **ISO-New England** market in 1991. The project is interconnected to the **Connecticut Light and Power Company** transmission system.

According to a Dec. 29 filing with the U.S. **Federal Energy Regulatory Commission**, the sale was agreed on Dec. 21, 2015.

Representatives from Riverstone in Houston, ReEnergy in Latham, N.Y., and Empire Tire in Plainfield, Conn. were not immediately available for comment. ■

ArcLight Agrees Sale of Hawaii Oil-fired Plant

ArcLight Capital Partners has agreed to sell the 60 MW oil-fired combined-cycle Hamakua plant in Honokaa, Hawaii, to local utility **Hawaii Electric Light**, for \$84.5 million.

The transaction will allow HEL to terminate a power purchase agreement with the project, including capacity payments, saving the company's customers a net \$42 million over the 15 years remaining on the contract, according to the utility company.

The termination of the PPA would also remove certain operating restrictions at the plant, giving HEL greater flexibility to coordinate the project's operations with the output of renewable resources on the island.

The transaction is subject to approval by the **Hawaii Public Utilities Commission**. HEL plans to file paperwork with the Hawaii PUC and the **Hawaii Division of Consumer Advocacy** by the end of March.

The plant, which began commercial operations in 2000, runs

on naphtha, an oil-based fuel, but HEL could convert it to run on biomass or gas. The utility is planning to file for permission to import liquid natural gas from Canada in the coming months, a spokesperson tells *PFR*.

"If that goes through, which could be years of work, this plant would be a candidate for using natural gas," he says. "The other possibility is biofuel."

The spokesperson declined to comment on how HEL would finance the acquisition.

ArcLight acquired Hamakua from funds managed by **EIF Management** in June 2010, according to a filing with the U.S. **Federal Energy Regulatory Commission**. The Boston-based private equity firm put the plant up for sale in July last year, with **Energy Advisory Partners** advising (PFR, 7/23).

David Bryant, the founder of the Chicago-based boutique advisory firm, declined to comment on the deal. An ArcLight official did not respond to inquiries. ■

● MERGERS & ACQUISITIONS

SunEd's Terra Nova Closes Part of Dominion Portfolio Buy-up

Terra Nova Renewable Partners has acquired a 33% stake in 253 MW of solar assets from **Dominion Energy**, part of the 425 MW portfolio Terra Nova agreed to purchase in September. The sale of the remainder of the portfolio is expected to close early this year.

Terra Nova, a strategic partnership between **SunEdison** and **JP Morgan Asset Management**, announced the closing of the \$180 million deal on Dec. 30. The acquisition includes 15 of the 24 projects that were to be sold in the transaction as originally announced. The 15 projects all became operational in 2013 and 2014, says a spokesperson for Dominion, while the nine remaining projects went online in 2015.

The total purchase price of the 33% stake in the 24 projects is \$300 million.

Under the agreement between SunEdison and JP Morgan, Terra Nova acquires projects using a combination of equity from the asset manager's clients, limited recourse commercial bank debt and tax equity. **KeyBank** and **Santander** provided project debt financing for the Dominion portfolio, a SunEdison spokesperson confirmed.

Richmond, Va.-based Dominion expects to use the cash proceeds of the sale to pay down debt, the company said in a statement issued last week.

Terra Nova has the option to purchase the remaining 67% interest in all of the projects at the end of their investment tax credit holding periods, upon the occurrence of certain "triggering events".

Dominion intends to sell its 67% interest at the end of the

ITC holding period, which lasts five years from each facility's date of operation, and will look for buyers in the wider market if Terra Nova chooses not to exercise its option, says a Dominion spokesperson.

Maryland Heights, Mo.-based SunEdison retains the option to repurchase the projects from Terra Nova for a period of five years, and may assign **TerraForm Power** call rights to the projects if it exercises that right.

The deal closed in the same week that SunEdison announced its intention to secure up to \$650 million in financing via a second lien credit facility, part of a restructuring aimed at providing financial stability to the beleaguered solar provider. The sponsor announced the pricing of the dual tranche, two-year facility, at an increased size of

\$725 million, alongside details of a convertible debt for equity swap, on Jan. 7 (see story, page 11).

A team from **Milbank, Tweed, Hadley, & McCloy**, headed up by corporate partner **John Franchini** in New York and project finance partner **Timothy Wendling** in Los Angeles, advised Terra Nova on the purchase.

Last year, Dominion acquired 50% stakes in SunEdison's Utah-based Four Brothers and Three Cedars solar projects, which are expected to be completed this year (PFR, 9/10). ■

FAST FACT

\$300M

Total purchase price of 33% stake in 24 projects

Eolus Acquires Two U.S. Wind Projects

Swedish wind developer **Eolus** has acquired two wind projects under development near the Californian border in Nevada, marking its entry into the U.S. wind market.

Hässelholm-headquartered Eolus purchased the projects from a subsidiary of **Iown Renewable Energy** for \$50,000 in a transaction that includes a profit-sharing mechanism for Eolus' intended future sale of the projects.

Crescent Peak is the larger of the two projects, with a projected capacity of between 200 MW and 600 MW. The project is located in Clark County, whose county seat is Las Vegas.

Comstock, projected to generate between 20 MW and 100 MW, spreads across Storey, Washoe, and Carson City counties.

"Through these acquisitions the first step on to the U.S. market have been taken by Eolus," the company said in a statement, noting that "the purpose of the acquisitions is to develop and optimize the projects and then sell them

as ready to build projects."

The seller, **Crescent Peak Development**, is indirectly 65% owned by Eolus former deputy

ceo **Hans-Christian Schulze**, which means that the deal will need to be approved at Eolus' annual general meeting on Jan. 30, 2016. ■

Montana-Dakota Purchases Allete Wind Facility

Montana-Dakota Utilities has purchased a 107.5 MW wind facility from **Allete Clean Energy** for \$220 million, a spokesperson for MDU in Bismarck, N.D., has confirmed.

The Thunder Spirit wind farm, located near the town of Hettinger in Adams County, N.D. became operational at the end of Dec. 2015.

Nordex, which constructed the building for Allete alongside **Wanzek Construction**,

will handle management and operations for the project. Montana-Dakota's employees will manage the site and maintain the grounds.

Montana-Dakota ceo **Nicole Kivisto** lauded the move in a statement as an opportunity to offer lower prices to ratepayers.

Representatives from ALLETE in Duluth, Minn. were not immediately available for comment. ■

MERGERS & ACQUISITIONS ●

Colbún-led Consortium to Acquire Peru's Fenix Power

A consortium led by Chilean private utility company **Colbún** is acquiring the 570 MW Fenix Power Peru gas-fired facility for \$171.4 million from **AEI Holdings**, **Grupo Lakas** and **Baragua Energia**.

The Colbún-led consortium will assume Fenix Power Peru's \$614.6 million debt as part of the deal, putting the total value of the assets at \$786 million, according to a statement from Colbún.

The Santiago-based utility company, with a 51% share in the three-member acquiring partnership, will be project's majority owner. **Abu Dhabi Investment Authority** and a fund managed by Peruvian asset manager **Sigma Capital** will own 36% and 13%, respectively.

"Our fund's objective is to invest in the power, transportation and treatment plants in Peru, amid others," said Sigma ceo **Gonzalo De Las Casas** in a statement.

zalo De Las Casas in a statement.

Fenix Power Peru is a combined-cycle facility in the Chilca District of Peru, near Lima. It meets 10% of Peru's energy demand, according to **SNC-Lavalin**, which built the project.

The facility went online in Dec. 2014, and has long-term contracts with several Peruvian distribution companies.

Fenix Power Peru is majority-owned by **AEI Holdings**, which has an 87% stake. Panama-based power companies **Grupo Lakas** and **Baragua Energia** each hold approximately 6%.

Representatives of the companies were not immediately available for comment. ■

PPA PULSE ●

PPA Pulse: Renewables Remain in Vogue for Corporations

Corporations in a range of industries continue to supplant utilities as offtakers for renewable projects in the U.S., as they seek to bolster their green credentials.

Energy-intensive data center businesses are among the most prolific, including **Equinix**, which has pledged to purchase enough renewable generation to meet all of its power needs.

On Nov. 16, the company announced that it had inked PPAs with a **NextEra Energy Resources** affiliate for the output of the 125 MW Rush Springs wind farm in Grady and Stephen counties, Okla., and with **Invenery** for 100MW of generation from the 125MW Wake wind project in Floyd and Crosby counties, Texas.

Equinix says the PPAs help it to meet its sustainability targets. The agreements "will cover all Equinix data centers throughout North America," reads a statement from the company. The output will be delivered into

the Southwest Power Pool and ERCOT.

Earlier in the year, Equinix signed a PPA with **SunEdison** for two-thirds of the output of the 150 MW Mount Signal Solar II project near Calexico, Calif. (PFR, 11/5).

Other industries have also been getting in on the act. Insulation, roofing and fiberglass manufacturer **Owens Corning** has sealed a PPA with Chicago-based Invenery for output from the 125 MW Wake wind project in Floyd and Crosby counties, Texas.

General Motors has inked a PPA with **EDP Renewables North America**, a subsidiary of **EDP Renovaveis**, for 30 MW of the capacity of its 250 MW Hidalgo wind project in Edinburg, Texas. GM says it will use the generation to build up to 125,000 trucks a year at its Arlington, Texas, assembly plant — half of the plant's total output.

The Detroit-based vehicle maker signed its first wind PPA

in the first half of this year for the output of a 34 MW project being developed by **Enel Green Power** (PFR, 4/17).

Here is a round-up of the rest of the PPAs signed in the Americas in November and December:

U.S.

Wind

■ **Salesforce**, has signed a 12-year PPAs with **Enbridge** for 40 MW of the output of the 103 MW New Wind Creek wind project that Enbridge is constructing in Grant County, W.Va. Enbridge acquired the project from **EverPower Wind Holdings** in November (PFR, 12/1).

■ **Amazon Web Services** has signed a PPA with EDP Renewables for the 100 MW Amazon Wind Farm US Central in Paulding County, Ohio, which is slated to come online in May 2017.

■ **City Utilities** of Springfield, Mo., has signed a 22-year

PPA with **Duke Energy Renewables** for the generation produced by the 200 MW Frontier wind project in Kay County, Okla. The facility is scheduled to be operational by the end of 2016.

■ Nebraska's **Lincoln Electric System** has inked a 20-year PPA with EDP Renewables for the output of the 100 MW Arbuckle Mountain wind project in Murray County, Okla.

■ The **Oklahoma Municipal Power Authority** has inked a PPA with an **Apex Clean Energy** subsidiary for the output of the 41.1 MW Grant Plains wind project, which is expected to go online in Grant County, Okla., in 2016.

Solar

■ **Corning Inc.** has signed a 25-year PPA with Duke Energy Renewables for 62.5% of the capacity of 80 MW Conetoe II solar facility it is building in Conetoe, N.C. When completed, it will be the largest solar facility east of the Mississippi River, according to Duke.

■ **Eastman Chemical Company** has PAGE 10 »

● PPA PULSE

PPA Pulse: Renewables Remain in Vogue for Corporations

◀ FROM PAGE 9

- signed a 20-year PPA with **Community Energy** for the output of a 5 MW solar facility to be constructed on the eastern shore of Maryland.
- **Eastman Chemical Company** has signed a 20-year PPA with **Community Energy** for the output of a 5 MW solar facility to be constructed on the eastern shore of Maryland.
 - The U.S. **General Services Administration**, in partnership with the U.S. **Department of Energy**, the U.S. **Environmental Protection Agency** and the U.S. **Forest Service**, has awarded **SolarCity** Nevada a PPA as part of the federal aggregated solar procurement pilot. Under the PPA, SolarCity will install and operate solar photovoltaic systems spanning nine federal sites in San Jose, Menlo Park, Sacramento, San Francisco, San Bruno, Santa Rosa, Vallejo, Carson City and Reno, and sell power by the kilowatt-hour to the federal government. It is the first joint solar procurement exercise carried out by the federal government in California and Nevada.
 - The **University of California, Santa Barbara** has entered into a long-term PPA with **SunPower Corp.** for the 5.2 MW generated by rooftop solar at parking lots on the university's campus.
 - The city of San Diego has inked a 20-year PPA with **SunEdison** for 6.6 MW from solar installations at 25 city-owned sites. Construction is expected to begin in the second quarter of 2016 and completed by the fourth quarter.
 - The District of Columbia **Department of General Services** has signed a PPA with **Nextility** (formerly known as **Skyline Innovations**) for 11.4 MW of solar generation from 34 facilities on District-owned property. The PPA is expected to boost D.C.'s total solar generation capacity by about 70%.
 - The U.S. **Department of the Navy** has signed a 25-year PPA with **NextEra Energy Resources** for 17 MW from three solar projects at three military installations on Oahu, Hawaii. Construction of the projects, which comprise one ground-mounted facility, three carport solar systems and 10 rooftop solar systems, is expected to begin in February and be completed by the end of 2016.
 - Los Angeles County has entered into a 20-year PPA with **SunEdison** for 6.2 MW of solar generation to power nine government facilities. **SunEdison** will install solar parking canopies to fulfill the contract.
 - The city of Houston has entered into a 20-year PPA with **Hecate Energy** for a 30 MW solar plant to be built in Alpine in west Texas. The facility is expected to begin operation in December 2016.
 - **Pacificorp's Rocky Mountain Power** has signed a 20-year PPA with **Scatec Solar** for the output of the 104 MW Utah Red Hills Renewable Park in Parowan, Utah. **Scatec** says it is Utah's first utility-scale solar plant and will "more than double the state's current solar footprint."
 - Montana's **NorthWestern Energy** has signed a 25-year PPA with California-based **Cypress Creek Renewables** for the output of the 5 MW Green Meadow solar project near Helena, Mont. **Cypress Creek** expects the project to be built in 2016.
 - California's **Turlock Irrigation District** has signed a 20-year PPA with **SunPower** for the energy from the 54 MW Rosamond solar project in Kern County, Calif. The facility is expected to go online by the end of 2016.
- Other
- **Hawaiian Electric** has signed a PPA with **AES Hawaii** for a further 9 MW from Hawaii's only coal-fired facility, called **Kapolei**, in addition to an existing 180 MW contract. The agreement also extends the term of the 30-year PPA, which has been in effect since September 1992, through 2030. The agreement is conditional on **AES** converting the plant from a 100% coal-fired facility to half-coal and half-biomass.
- Canada
- **Hydro-Quebec Distribution** has signed a 20-year PPA with **EDF EN Canada**, a subsidiary of **EDF Energies Nouvelles Group**, for generation from the 74 MW Mont-Rothery wind project in the regional county municipalities of Haute-Gaspésie and Côte-de-Gaspé, Québec.
- Latin America
- Solar
- Mexican airport group **Grupo Aeroportuario del Sur** (ASUR) has inked a long-term PPA with **SunPower** for the generation from a 36 MW solar project the company plans to begin constructing in 2016. **ASUR** operates Cancun Airport and eight other airports in southeast Mexico.
 - **EDF EN do Brasil** won a 20-year PPA with Brazil's **Power Trading Chamber** in a government-run auction for 117 MW to be installed in the state of Bahia.
- Wind
- **Volkswagen de Mexico** has entered into a 20-year PPA with **Mexico Power Group** for the output of the 130 MW La Bufa 1 Wind Farm in Zacatecas, Mexico. **MPG** is a spin-off of **Cannon Power Group**. **Sumitomo Mitsui Banking Corp.**, **Korean Development Bank**, **Nacional Financiera** and **Banco-mex** are providing financing for the project.
 - Argentine wholesale power market administrator **Cam-mesa** has inked a PPA with **Sinowind** for the output of the 200 MW El Angelito wind project in Chubut Province. Chinese banks are providing the financing for the project, which will require an investment of \$435 million.
- Caribbean
- The **Nevis Electricity Company** has signed a PPA with **Nevis Renewable Energy International** for output from a geothermal project on the Caribbean island of Nevis. The first phase of the project, slated to come online in late 2017, will generate 9 MW. **NREI** plans to add 40 MW to 50 MW of capacity later. ■

S&P Downgrades Both of SunEdison's Yieldcos

Standard & Poor's lowered the credit ratings of both of SunEdison's yield companies on Dec. 18 following the closing of **TerraForm Power's** acquisition of a wind portfolio from **Invenery**.

TerraForm Power, the SunEdison yieldco which holds generation assets in developed countries, funded its \$1.9 billion acquisition of 832 MW of wind projects in part with a \$500 million term loan. The company also assumed about \$800 million of project debt as part of the transaction (PFR, 12/16).

As a result, S&P said it expected leverage at TerraForm Power to remain elevated in 2016 — with debt at around 6.5 times Ebitda — and lowered the rating of the company's unsecured and secured debt from B+ to B and from BB to BB- respectively.

The rating changes came just over a month after a previous downgrade, when S&P lowered the ratings of **TerraForm Pow-**

er's unsecured bonds from BB- to B+ (PFR, 11/18).

The ratings carry a negative outlook because of "challenging market conditions" and execution risks associated with TerraForm Power and SunEdison's joint acquisition of rooftop solar company **Vivint Solar**, according to S&P.

"The downgrade on TERP mainly reflects its aggressive debt financing of the recently closed Invenery acquisition and potentially a similar aggressive financing of the pending Vivint acquisition," says **Nora Pickens**, the author of the report, referring to TerraForm Power by its ticker symbol.

SunEdison announced that it had renegotiated the terms of its acquisition of Vivint earlier in December, reducing the purchase price by \$1.25 a share (PFR, 12/10).

The renewables sponsor has been reviewing announced

acquisitions since November, with a view to rewriting or scrapping them as it deals with the precipitous decline in its share price since July (PFR, 11/13).

Since November, besides modifying the terms of the Vivint deal, SunEdison has scrapped an announced agreement with Brazil's **Renova Energia** to buy a portfolio of assets and a stake in the company (PFR, 12/3).

In December, the company said that it had closed part of an announced deal to buy a 33% stake in a solar portfolio from Dominion, through a strategic partnership with **JP Morgan Asset Management** (see story, page 8).

S&P also downgraded SunEdison's other yieldco, **TerraForm Global**, from B+ to B to account for recent management changes.

Carlos Domenech left his position as CEO of both of the yieldcos in November, at the request of the companies'

boards. **Brian Wuebbels** took over the two roles while remaining CFO at SunEdison (PFR, 11/23).

As a result of the reshuffle, both TerraForm Power and TerraForm Global are more closely linked to their sponsor, according to S&P, which says that SunEdison's credit profile therefore has more of a bearing on the yield companies' ratings than it did before.

SunEdison itself has not had credit ratings from any of the three main rating agencies since December 2013, when **Moody's Investors Service** withdrew its B3 rating. Moody's ceased rating SunEdison because the company had repaid all of its rated debt.

Moody's downgraded TerraForm Power and TerraForm Global — from Ba3 to B2 and from B1 to B2 respectively — on Nov. 23. The rating agency rates both issuers' unsecured bonds B3. ■

SunEd Launches Refi and Debt Exchange

SunEdison has started the new year with a refinancing scheme aimed at stabilizing the company in the aftermath of a tumultuous 2015.

The renewables sponsor has priced a pair of two-year second lien secured term loans totaling \$725 million and agreed a debt for equity swap, the company announced on Thursday, Jan. 7.

SunEdison had previously disclosed plans to secure the second lien credit facility, initially stating in a Dec. 24 filing with U.S. **Securities and Exchange Commission** that it would seek up to \$650 million, with a portion

of the funds being used to repay SunEdison's existing \$170 million second lien credit facility as well as interest, transaction costs, and other corporate costs.

The second lien refinancing comprises two tranches, \$500 million and \$225 million in size, each bearing interest at an eye-watering 10% over Libor. The lenders under the two facilities will also receive warrants for an aggregate of 28.7 million new SunEdison shares, which they can exercise at any time at a price of \$0.01 a share.

Deutsche Bank, Barclays, Macquarie, Keybank

NA, and BBVA Securities are the bookrunners and lead arrangers on the deal. Deutsche Bank is also the administrative agent.

In addition to the debt financing, the struggling solar developer has entered into a series of debt for equity exchange agreements with holders of its convertible senior notes maturing in 2018, 2020, 2022 and 2025 and its perpetual convertible preferred stock.

Bond and preferred share holders that have agreed to the debt for equity swap will receive new SunEdison common stock and convertible bonds in exchange for the securities that will be retired.

SunEdison will issue the new convertible bonds as a \$225 million series of second lien notes due 2018, and will issue an esti-

mated 39.8 million shares as part of the transaction.

The existing debt will be retired at an implied share price of \$10.78, representing a 96% premium over the closing price of \$5.51 on Jan. 6, the day the deal was agreed. SunEdison's total net recourse debt is expected to shrink by \$300 million as a result of the exchange, while its preferred equity will be reduced by \$158 million.

Including the warrants issued as part of the second lien debt transaction, the company's fully diluted shares outstanding will increase by an estimated 69 million shares, implying a 17% dilution, according to SunEdison.

The financing is expected to close on Jan. 11. ■

● PEOPLE & FIRMS

Principal Departs ArcLight

Jim Steggall, a capital markets principal at **ArcLight Capital Partners**, has retired from the company.

Steggall, who had been at ArcLight since 2001, was responsible for debt financing for the sponsor. He retired in mid-December.

Based in the Boston office, Steggall worked on financing for projects including the Bayonne Energy Center in Bayonne, N.J. The deal was runner up for *PFR*'s Best Non-Renewables Deal of 2011 (*PFR*, 4/21/11).

Steggall previously worked in the project finance and utility team at **John Hancock**,



Jim Steggall

where he structured and closed private debt and equity investments in the energy sector. Prior to this, Steggall was a v.p. at **Putnam Investments**.

A number of assets in ArcLight's portfolio have changed hands in recent months. The sponsor sold its 60 MW oil-fired combined-cycle Hamakua plant in Honokaa, Hawaii to **Hawaii Electric Light** (see story, page 7). A subsidiary of **Rockland Capital** acquired the 125 MW Michigan Power gas-fired cogeneration facility in Ludington, Mich., from ArcLight at the end of last year (*PFR*, 11/18).

At around the same time, an ArcLight portfolio company acquired seven power projects totaling 4.8 GW from **Tenaska Capital Management** (*PFR*, 10/12). ■

● STRATEGIES

Entergy Subsidiary Kicks off 2016 Utility Bond Issuance

◀ FROM PAGE 1

based syndicate banker blamed market turbulence in China and the diplomatic spat between Saudi Arabia and Iran for the lack of deals on Monday, Jan. 4. "Equity futures were down 300 points," she said. "No one was going to issue in that market."

But by Jan. 5, the tone of the market had improved enough for investment grade borrowers to launch deals, and investors responded with strong demand. Entergy's deal was more than six times oversubscribed, said a banker at one of Entergy Arkansas' bookrunners, **Bank of New York, Goldman Sachs, ScotiaBank** and **Stephens**. The fact that Entergy's deal and Tuesday's other investment grade transactions were successful bodes well for issuance in the coming weeks, the bookrunner adds.

The U.S. **Securities and Exchange Commission**-registered FMB was launched as a no-grow deal with initial price thoughts of 155 basis points area over Treasuries. Guidance was between 130 bps and 140 bps and the deal was priced at the tight end of that range. The bond carries a coupon of 3.5%.

Moody's Investors Service rates Entergy Arkansas's unsecured debt Baa2 and its first mortgage bonds A3, with a positive outlook. The outlook takes into account a state law passed in March 2015 which opened up the possibility of formula rate making in Arkansas. If approved by the **Arkansas Public Services Commission** and implemented, formula rate making in the state would be a credit positive for Entergy Arkansas, the rating agency says.

Standard & Poor's rates the issuer's unsecured and first mortgage bonds BBB and A- respectively.

How Entergy Arkansas intends to use the proceeds of the bond could not be established. Company officials in Little Rock, Ark., were not immediately available for comment. ■

● ALTERNATING CURRENT

Colossus of Rhodes Project Attempts Solar Spin on Ancient Wonder



What once could be thought of as mythological parable, a mighty sun god harnessing the energy of the sky and distributing it to humanity, could become a reality.

The Colossus of Rhodes, built in 280 BC only to be destroyed in an earthquake in 226 BC, has endured in the West's cultural memory as one of the Seven Wonders of the Ancient World.

Now the statue of the Greek god of the sun, Helios, memorialized in **Emma Lazarus'** poem on the base of the Statue of Liberty, may rise again on the Greek island, five times the height of antiquity's original and three times taller than Lady Liberty herself.

The **Colossus of Rhodes Project**, launched by a team from Greece, Italy, Spain, and the U.K., aims to erect a €240 to €260 million reimagining of the statue on the Greek island. The proposed site would serve as monument and museum, cultural center and exhibition hall, lighthouse and power generator.

What may be the new Colossus' most ambitious aspect is also its most poetic: the golden exterior of the sun god is to be comprised entirely of solar panels.

Perhaps humanity's capabilities aren't that far from Olympus after all. ■



An artist's impression of how the 21st century Colossus might look.