

# power finance & risk

The exclusive source for power financing and trading news

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## Gas-Fired Plants For Sale

**RPL Holdings** is selling two plants totaling 150 MW via **Fieldstone Private Capital Group**.

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## GREENFIELD GAS STORAGE DEVELOPMENT ON BLOCK

Dallas-based **Atmos Energy** is weighing the sale of all or part of the interest in its greenfield Fort Necessity Gas Storage facility. **JPMorgan** is running the process.

"There is nothing that is off the table," says an Atmos spokesman, noting that the company will heed JPMorgan's advice as it seeks to raise the capital for development.

The cost of the facility in Franklin Parish, La., will depend on how many storage caverns are developed in the salt dome. The first three are set to become operational in 2011, 2012 and 2014—each 5 billion cubic feet—and the site allows for an additional four to be developed, for a total of 35 bcf. A similar facility in Texas was said to cost \$430 million a year ago (PFR 1/18/08).

*(continued on page 8)*

## CANADIAN DEVELOPER, ARRANGER TO SEEK C\$1.3B



*Vick Dusik*

Delta, B.C.-based **Run of River Power** has hired boutique **Jacob & Co. Securities** to begin arranging C\$759 million (\$608.52 million) in senior long-term debt and equity for its 190 MW pipeline of run-of-river facilities and C\$500 million for up to 90 MW of biomass projects in British Columbia. The arranger will launch the process in two to three weeks for the hydro projects and in a few months for the biomass financing, says **Vick Dusik**, v.p. of finance and cfo at ROR in Vancouver.

"Equity requirements have significantly increased in this space," says **Sasha Jacob**, president and ceo at Jacob & Co. in Toronto. "We just want to be the most conservative we can be," he adds, noting equity may comprise up to 40%. Strategic and institutional investors will be sought first in North America and Europe, says Jacob,

*(continued on page 8)*

## MINN. WIND START-UP MULLS \$3B PROJECTS

Excelsior, Minn.-based **Just-Wind** is talking to lenders and tax equity investors regarding two wind projects with a combined cost of \$3.25 billion. "This is long term and this is not a quick buck. We're looking for the best deal that meets our cash flow," says **Jeff Metzger**, president. The company is talking to U.S. banks and large tax equity investors that have remained active despite that market's downturn, he says, noting that the blend of financing will depend on the investors. He declined to name the firms.

The company expects to secure financing for its \$950 million, 368 MW wind farm in Logan County, N.D., by month-end. Construction will begin this spring to install the 160 **Siemens** turbines that are scheduled for operation in late 2010. The **Western Area Power Administration** has a five-year power purchase agreement for the project and Metzger notes that the company is negotiating a PPA with an undisclosed regional utility for up to 20 years

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Check [www.iipower.com](http://www.iipower.com) during the week for breaking news and updates.

## At Press Time

## Renewable Power &amp; Light Sub To Sell Plants

RPL Holdings is selling two natural-gas fired plants in New York and New Jersey via Fieldstone Private Capital Group.

The subsidiary of U.K.-based **Renewable Power & Light** is marketing 85 MW Massena in Massena, N.Y., and 65 MW Elmwood Park plant in Elmwood Park, N.J. Massena sells its power into NYISO and Elmwood into PJM. The facilities also have biodiesel capability. Separately, it is selling biodiesel equipment.

Fieldstone is running a two-step auction, with indicative non-binding bids due Feb. 4, says **Anastasia Pozdniakova** at Fieldstone in New York. A shortlist will be finalized in late February with the transaction expected to be complete by March 31. **Tim Hunstad**, v.p. and cfo at RPL in Minnetonka, Minn., declined to comment on who the company is looking to sell the facilities to and for how much.

## Good Energies Appoints MD

**William Nesbitt** has been appointed managing director on the solar team at Good Energies in New York. He was previously director and executive v.p. He started in the new position Jan. 1, reporting to **Richard Kauffman**, ceo in New York.

Since joining Good Energies in 2007 Nesbitt has worked on the company's investments in solar parts manufacturers **Solarfun** and **Q-Cells** and will continue to manage and evaluate solar investments. "What I bring to the table is experience in investing and structuring transactions," Nesbitt says. He spent 20 years in the private equity space, most recently as a managing director at boutique banking firm **Kirkland Investment** and before that a partner at **Park Avenue Equity Partners**.

## LBBW Scopes Wind/Expansion In Mexico

**Landesbank Baden-Wuerttemberg** is talking to a sponsor and a Mexican bank about financing the first \$50-80 million phase of a wind project in Mexico. "It's an opportunity with an existing customer. It's like every business. If you have a good experience and good customers and we have success, we will go further," says **Wolf-Ruediger Stahl**, head of project finance renewables in Stuttgart, Germany. The bank would close the deal sometime this year. He declined to identify a sponsor, the other bank or details of the project.

The bank opened a Mexico City office headed by **Volker Helms**, managing director, last February and is looking to double its EUR2 billion (\$2.6 billion) power and infrastructure portfolio by 2010. "Our main focus is that we need proven technology," says Stahl of the bank's appetite, adding that LBBW will focus on photovoltaic and wind projects on the renewables side. Legislation efforts in Mexico and the U.S. which encourage renewable development will also affect the bank's activity in those markets, Stahl explains. Helms declined to comment. **Mary Power** joined the bank in New York to establish a North American project finance presence (PFR, 6/27) and Stahl notes that she will be involved in the transaction in Mexico. Power declined to comment.

The bank is in talks with **Juwi Solar** (see story, page 3) to finance planned PV projects. Last year, it joined the acquisition financing for **Starwood Energy Group Global's** Thermo Ft. Lupton facility (PFR, 6/13).

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**Institutional Investor NEWS**  
INTELLIGENCE FIRST

## Calif. Biomass Auction Iced

**Colmac Energy** has decided to ice the sale of its 47 MW biomass facility south of Palm Springs, Calif., near Mecca, due to the financial crisis. "The recent market downturn and financial markets have made it less than an optimum time," says **Chris Thompson**, senior v.p. at Colmac's parent company **American Consumer Industries** in Highlands Ranch, Colo., declining to name bidders or number of bids received.

The facility was put on the block last year (PFR, 9/05) with final bids taken in December via auctioneer **Bodington & Co.** **Jeff Bodington** president at Bodington in San Francisco, declined to comment.

The company may decide to put the facility back on the market at a future date. "We'll continue to re-evaluate things," Thompson says. The facility connects to the **Imperial Irrigation District** transmission system and sells its output to **Southern California Edison** under a PPA that expires in 2022.

## Solar Co. Seeks Financing For +200 MW

Boulder, Colo.-based **Juwi Solar** is in talks with lenders and equity investors to finance an international photovoltaic portfolio of more than 200 MW. "We're looking for long tenor, the lowest rates possible and non-recourse," says **Michael Martin**, managing director, of the ideal debt structure. The projects are slated for operation between year-end and 2011.

The company aims to develop projects of 40 MW or larger, Martin says, adding the portfolio includes projects in the Czech Republic, France, Germany, Italy, Spain and the U.S. Martin declined to specify the number or costs of the projects in the portfolio, but a banker familiar with solar finance says developing PV costs between \$4-8 million per megawatt and projects can carry 50-60% debt depending on location and technology.

The subsidiary of German developer **Juwi International** is looking to U.S. and European banks. "We like to work with lenders that have an international breadth of experience and understand renewable energy transactions," Martin notes. **Sachsen Landesbank Group**, which merged with **LBBW** in 2007, provided structured financing and organized equity investors for the company's EUR130 million (\$172 million), 40 MW Waldpolenz farm in Saxony, Germany which went online in November. He declined to identify potential lenders, specify the amount of debt and equity in the projects or a timeline to secure financing. A Sachsen spokesman says the bank is working with the company to finance future projects.

Additionally, the company is looking for tax and private equity investors with long-term ownership interests, Martin explains. "We look for strategic partners for equity purposes

rather than development. Our focus has not been on ownership," he notes. He declined to identify potential investors.

The company has 160 MW online and is participating in several renewable tenders in the U.S., such as **Taunton Municipal Lighting Plant's** call for 260,000 MWh of renewable generation (PFR, 1/12). Martin declined to comment on the details of the bid or alternative plans for the proposed project if it does not garner a power purchase agreement this spring.

## Canadian Co. Sells Wind Farm To Repay Debt

**Vindt Resources** has sold its 100 MW Glenridge wind farm in development in southeastern Alberta to an undisclosed entity to pay down debt. "We needed to bring some cash into the company," says **Mike Magnus**, president and ceo of Canadian renewable developer and parent company **Shear Wind** in Halifax, Nova Scotia. Neither party used an advisor for the negotiated transaction.

Proceeds will repay shareholder loans, says Magnus, who declined to reveal the sale price. The company was originally seeking debt for its pipeline of wind projects in Alberta and Nova Scotia (PFR, 1/25), but he says sale proceeds will satisfy its funding requirements for now. However, the company would be open to financing offers if approached. "We like [this option] because there are strategic elements to it with the acquirer," he says, noting there may be further partnerships down the line.

## Ridgewood Puts Landfill Plants On The Block

**Ridgewood Renewable Power** is marketing two landfill gas-to-energy facilities in Orange County, Calif., and Providence, R.I., via **Ewing Bemiss & Co.**

The operating 5 MW Brea Project in Brea, Calif., is being expanded to 37 MW and the operating 20 MW Rhode Island facility to 47 MW. The company was originally seeking debt and equity to finance the \$125 million expansion costs (PFR, 12/05). "We need a large amount of financing for them," says **Randall Holmes**, president and ceo at Ridgewood in Ridgewood, N.J., noting the decision to instead offload the plants. An official at Ewing in Richmond, Va., declined to comment.

The company is aiming to complete the sale process within three to four months, says Holmes. Ridgewood is also in the final stages of agreeing to sell 26 MW of hydro plants in Maine, Virginia, New York and California to an undisclosed buyer. Affiliate **Ridgewood Maine** together with co-owner **Indeck Energy Services** sold two biomass services to **Covanta Holding** in December for \$52 million.



## Native American Tribes Plot Wind Farm Financing

The **Confederated Tribes of Warm Springs** will determine late this year financing plans for development of a 100 MW wind farm on Mutton Mountain in central Oregon. The entity is exploring tax equity financing, outside developer involvement and its own equity contribution to fund the project, says **Jim Manion**, general manager in Warm Springs, Ore., of **Warm Springs Power and Water Enterprises**—a corporate entity owned by the Confederated Tribes responsible for managing generation on tribal lands. “We’re open to developers putting proposals on the table,” he says.

Manion declined to disclose the project cost for the wind farm but says it is equivalent to other new builds for wind. The final funding plans are likely to be determined after a construction schedule is outlined by June and a final report is sent to the Tribal Council. The project is scheduled to come online as early as the beginning of 2010.

The Tribes are developing an energy portfolio to boost the economy and employment, says Manion. It received about \$222,000 from the U.S. **Department of Energy** to conduct feasibility studies for the project and has been measuring wind capacity for the past five years. It is also planning to develop a 20 MW biomass plant on the reservation and is considering the same financing options to finance that facility, which is expected to be online in 2011. All of the energy from both facilities will be sold wholesale to undisclosed parties.

## French Solar Co. Hunts Debt, Equity



Thierry Lepercq

**Solaire Direct**, a Paris, France-based solar operator, is seeking EUR100 million (\$132 million) in the next few weeks to fund a portion of its EUR1.2 billion, 300 MW pipeline of utility-scale photovoltaic solar projects. Its projects are financed with 20% equity and the remaining debt, says **Thierry Lepercq**, founder and CEO.

It already has a few commitments for the debt and works with three French banks, says Lepercq, declining to disclose them but noting it can raise equity and debt at attractive rates because it is backed by the government. The company formed a 50:50 joint venture with **Caisse des Dépôts**—the French state-owned financial institution—in December 2007 to share development costs. It is also seeking EUR20-30 million in equity this year after securing EUR20 million in a round of fundraising last fall. “It’s an ongoing process,” he says. Next year, it will look for about EUR100-150 (\$132-198 million) in equity.

The company will be completing its first utility-scale plant—a 4 MW photovoltaic solar facility—in the next few weeks in

southeastern France near Aix-en-Provence. It will start construction on its second park next month, which also will be located in southeastern France. The 24 MW farm will be the largest in the nation once online. The entire pipeline is expected to be online by 2011.

Lepercq founded **Solaire Direct** with the ambition to be a pure play solar operator soon after the French government established feed-in tariffs for solar. In 2006, the French mainland only had 6 MW of solar, and this year it is expected to have at least 250 MW online. “It’s a fast-growing market,” he says. U.S. companies like **SolarCity** and **SunEdison** were inspiration for the turnkey business model, he says. It works all along the value chain, having everything from a manufacturing plant to a structured project finance team.

## PGE Zeros In On Renewable PPA

**Portland General Electric** is negotiating with a final shortlist of a dozen bidders to award power purchase agreements for roughly 218 MW of renewables by the end of the quarter.

More than 95% of the shortlisted proposals are wind and have an average 255 MW capacity, a spokesman says. Independent evaluator **Accion Group** and the utility judged bids based on the feasibility of transmission hook-up, the viability of the project’s technology and resource and the financial credibility of the company, says **Harry Judd**, president of Accion Group. Project financing arrangements must be in place before a PPA is executed, notes Judd.

The utility has awarded PPAs of at least 20 years in past tenders, notes **James Lobdell**, v.p. of planning and resources, but he declined to comment on bidders or whether winners of this tender would receive PPAs. All projects must be in operation before 2014.

The tender, which PGE issued in April, garnered 38 proposals with a combined 3,000 MW capacity of solar, geothermal, wind and hydro by the submission deadline in June. PGE made a preliminary shortlist of preferred bidders in September, before selecting the final round of bidders last month.

## Dexia, Rabo To Club Wind Financing

Lead arrangers **Dexia Crédit Local** and **Rabobank** are looking to club a EUR900 million (\$1.176 billion) financing supporting the 330 MW Belwind offshore wind project. The farm is being developed by **Evelop** in Bligh Bank, 29 miles off the coast of Zeebrugge, Belgium.

The start of construction is tied to financial close, which is anticipated for the first or second quarter. The project is expected to come online this year or next. The structure of the financing could not be learned.

Officials at the banks declined to comment and an official at the sponsor in Utrecht, the Netherlands, could not be reached.

## Vermont Utilities Take RFP Bids

Three Vermont utilities have received dozens of bids in response to a request for proposals seeking up to 100 MW of generation capacity. **Central Vermont Power Service**, **Green Mountain Power** and **Vermont Electric Cooperative** are jointly looking to secure 20-100 MW of any kind of generation to replace energy supply contracts expiring in 2012.

A short-list will be drawn up Feb. 2 from the bids by power marketers, developers, generation owners and banks owning power supply portfolios, says a spokeswoman for CVPS in Rutland. Winners will be chosen March 18. **Kirk Shields**, manager of power supply at CVPS, was not available for comment. **Robert Griffin**, v.p., power supply and risk management in Colchester, did not return a call, nor did a spokeswoman for VEC in Johnson. Neither the number of bids received by the Jan. 7 deadline nor specific bidders could be learned.

The RFP was issued in November as the utilities attempt to diversify their energy sources in preparation for expiring contracts with **Hydro-Québec** and **Vermont Yankee**. CVPS is responsible for roughly 45% of Vermont's service territory, Green Mountain covers 25% and VEC about 10%.

## Starwood Takes Stake in Solar Co.

**Starwood Energy Group** has taken a majority stake in solar developer **Nautilus Solar Energy** ahead of a buildout of its utility-scale project pipeline. "We always knew we needed to reach this point where we needed to scale up dramatically and it fits now," says **Jim Rice**, Nautilus ceo in Chatham, N.J. The deal includes a \$50 million commitment for future projects, but the specific size of the investment could not be learned.

Nautilus has more than 1 GW in development across more than 12 projects ranging from 10-290 MW with a total cost exceeding \$5 billion, explains **Brad Nordholm**, ceo at Starwood in Greenwich, Conn. The photovoltaic projects are located across North America, while the thermal projects will be in the Southwest and Southeast. "There's a [price] premium in the Southeast. The solar is not as good as in the Southwest, but generating costs are generally higher in the Southeast anyway," he explains, pointing in particular to peak costs in Florida.

Starwood and Nautilus have been working with each other for several years, Nordholm and Rice say, and this investment formalizes the relationship. "We have been very impressed

with the progress they have made over the last year in development and completing a series of photovoltaic opportunities," Nordholm adds, noting that Starwood has funded some of the projects, while Nautilus has supported the development of Starwood's teaming agreement for solar projects with **Lockheed Martin** (PFR, 12/19). The developer brought three small-scale projects online in New Jersey in the fall of 2007.

## Alinda Brings On Director Of Energy

**Alinda Capital Partners**, an infrastructure fund manager, has hired **Sean Dolan** to the new position of director focusing on equity investments in midstream energy assets, according to *PFR* sister publication *Money Management Letter*. The position was created because of Dolan's extensive experience in the sector, which is an area of focus for Alinda, says **Chris Beale**, managing partner.

Dolan joins from **Citigroup's** investment bank, where he served as a director in the Global Energy Group. Dolan worked in mergers and acquisitions for 12 years. He is based in New York.

## Clean-Tech Co. Seeks Partner After \$20M Financing

Boston-based **Ze-Gen** is in talks with industrial companies for an offtake agreement for its debut commercial facility after securing \$20 million of in its second round of equity funding to support the project. **George McMillan**, cfo and coo, says the company aims to have an offtaker for the facility by the second quarter and the project in operation by 2010. He declined to name potential offtakers.

Ze-Gen's technology converts wood debris and solid waste into fuel to power industrial boilers. The amount of fuel produced at the proposed facility and the waste sources will depend on the needs of the offtaker, McMillan says, adding that the project will likely be somewhere in the Northeast.

Investment management company **Waroz Holding**, a subsidiary of Oman-based industrial conglomerate **Omsezt Group**, led the Series B financing with venture capital firms **Flagship Ventures**, **Massachusetts Technology Development** and **Vantage Point Venture Partners**. The investors have relationships with several of the principles at Ze-Gen, McMillan notes, and also participated in the company's \$7 million Series A financing in 2007 to fund development of the company's demonstration and research facility in New Bedford, Mass. He declined to specify details of the Series A and B funding. Officials at the firms did not return calls.



Brad Nordholm

## JV Taps RBS For Peaker Financing

**GenConn**, a joint venture between **NRG Energy** and **United Illuminating**, has tapped **Royal Bank of Scotland** to lead \$520 million in financing supporting two Connecticut peakers. "It was a competitive process," notes **Gaetan Frotte**, v.p. of finance at NRG Energy in Princeton, N.J., confirming that RBS was chosen because of proposed pricing and deal structure. He declined to elaborate on those details or on the tenor of the deal, but a deal tracker notes the package consists of some \$470 million in loans and roughly \$50 million in letters of credit.

**BNP Paribas**, **Calyon**, **Dexia**, **Natixis**, **Union Bank of California** and **WestLB** are in talks with RBS and the sponsor to join the deal as joint lead arrangers ahead of a retail syndication launch at month-end or early next month. RBS will likely do most of the financing at the top-tier levels due to the lack in depth in the retail market, some deal trackers say, adding that the projects' conventional technology and lengthy power purchase agreement with an investment grade offtaker makes the deal particularly attractive in a conservative risk market.

The syndication may still encounter some difficulty, another dealtracker notes, due to the lack of activity on the market. "The market as it is today is untested and no one knows anything," a banker notes of lenders' appetite for the deal. "The proof is in the pudding, when and if a lending opportunity arises and if banks

participate or not will be the true indicator," the banker adds.

The financing will fund the JV's 194 MW peaker in Devon and its 200 MW peaker in Middletown (PFR, 11/26), which are slated for operation in 2010 and 2011, respectively. Each facility will cost in the mid-\$200 million range, Frotte notes, and both have 30-year power purchase agreements with the **Connecticut Department of Public Utility Control**.

## BoTM Taps Ex-Citi MD

**Jonathan Lindenberg** has joined **Bank of Tokyo-Mitsubishi UFJ** in the newly created position of senior v.p. and head of project finance for the Americas. Previously, he spent 18 years at **Citigroup**, where he was most recently managing director of global infrastructure and energy finance.

Lindenberg started last Monday in New York and directly reports to **Takeshi Takahashi**, head of structured finance, and ultimately to **Randall Chafetz**, head of corporate and investment banking for the Americas. "We have a strong presence in Asia and Europe in that asset class and we want to make sure that we have equal and comparable leg on that stool," says Chafetz of the new position and Lindenberg. He declined to elaborate on details of the hiring process or Lindenberg's exit from Citi.

A Citi official declined comment and a spokeswoman did not immediately return calls. Lindenberg was not available for comment.

## Corporate Strategies

### PacifiCorp Issues \$1B For Capex, Debt Repayment



Anne Selting

**PacifiCorp**, a subsidiary of **Mid-American Energy Holdings**, will use the proceeds of a \$1 billion first mortgage bonds offering to fund capital expenditures and repay short-term debt. The two-part offering consisted of \$650 million in 30-year bonds at 6% and \$350 million 10-year bonds at 5.5%. The deal was priced Jan. 5 and closed Jan. 8.

**Standard & Poor's** assigned an A- to the issue. **Anne Selting**, director at S&P, says it will use the proceeds for its significant capex program, declining to elaborate. The company's Web site says it is planning to add 2 GW of renewable generation by 2013. The strength of the rating lies partly in PacifiCorp's diverse service territory and backing by Mid-American, Selting says, but notes the company's parent also weakens the rating. "Mid-American's willingness to acquire [**Constellation Energy Group**], although not consummated, signals a departure in its strategy," she says.

**Fitch Ratings** also assigned an A- to the issue.

**Banc of America Securities**, **Barclays**, **BNP Paribas** and **RBS Greenwich Capital** were joint bookrunning managers. **Doug Stuver**, senior v.p. and cfo at PacifiCorp in Portland, did not return calls. **Patrick Goodman**, senior v.p. and cfo at Mid-American in Des Moines, Iowa, declined to comment.

### TransCanada Bags Pipeline, Project Funds

Calgary-based **TransCanada Pipelines** will use proceeds from its \$2 billion offering of unsecured notes to finance the \$10.5 billion **Keystone** pipeline and other projects. "It's a once in a 10-year type of event for this company. It came during a period in which capital is scarce, but the company is proactively getting the financing done and getting debt secured," says **Kenton Freitag**, an analyst for **Standard & Poor's** in Toronto. The company priced the bonds Jan. 6 and closed Jan. 9.

The offering consists of \$1.25 billion of 7.625% notes due in 2039 and \$750 million of 7.125% notes due in 2018. The



tenors reflect the life of underlying assets and the pricing is typical of A-rated companies, Freitag notes. "This is the new spread that we're seeing for well-rated issuers. Spreads have been much higher than they have been historically," he explains. S&P rates the bonds and the company A-. **Gregory Lohnes**, cfo for TransCanada, did not return calls, and spokeswomen declined to comment or to make officials available.

**Citigroup** and **HSBC** are joint bookrunners for the deal with \$610 million tranches. **Deutsche Bank**, **JPMorgan** and **Mitsubishi UFJ** are co-managers with \$301 million, \$240 million, \$160 million tranches, respectively. **Mizuho Securities** and **Société Générale Americas** are co-managers with \$40 million tranches. TransCanada chose the underwriters from a group of 13 relationship banks from which it rotates leads for such deals, Dobson says.

The 1.9 billion barrel-per-day Keystone pipeline will stretch from Hardisty, Alberta, to Illinois and Oklahoma and account for 80% of TransCanada's three-year \$13.5 billion capital expenditure program. Other capex projects include the \$400 million, 132 MW Kibby Wind project in Kibby Township, Maine, the \$400 million, 550 MW gas-fired Portlands Energy Centre in Toronto, and the \$700 million 683 MW Halton Hills gas-fired plant in Halton Hills, Ontario. The projects are scheduled for operation between this year and next year.

## CenterPoint Unit Joins Peers For Bond Issues

**CenterPoint Energy** subsidiary **CenterPoint Energy Houston Electric** has joined other power companies in a flurry of issues as it sold \$500 million in general mortgage bonds. "They had been watching the market for at least a couple of months and the spread was tightening and it was an opportune time for them to go to market," says **Sharon Bonelli**, director at **Fitch Ratings** in New York, on CenterPoint, **PacifiCorp** (see story, page 6) and other utilities issuing bonds last week due to favorable conditions. The company priced the 7%, five-year notes Jan. 6 and closed the deal Jan. 9. Fitch rates the notes BBB+.

The majority of the proceeds from CEHE's issue will pay down the utility's \$300 million revolving credit facility, which expires in 2012, Bonelli says. CEHE had drawn \$285 million on the facility to pay some of the \$650-750 million in repairs following damages from Hurricane Ike in September, she explains. The remaining proceeds will repay an outstanding \$22 million loan from the parent company and fund working capital needs. **Credit Suisse**, **Scotia Capital** and **UBS Securities** are joint bookrunning managers and **Comerica Securities**, **HSBC**, **Mitsubishi**, **RBC Capital Markets**, **SunTrust Robinson Humphrey** and **Wells Fargo** are co-

managers. **Barclays** and **Wachovia** are joint lead arrangers and bookrunners on the CEHE's revolving \$300 million credit facility while **Deutsche Bank** and **UBS** are co-documentation agents and **JPMorgan** is the administrative agent. **Marc Kilbride**, v.p. and treasurer, did not return calls and **Marianne Paulsen**, director of investor relations, directed questions to Kilbride.

## Nevada Power Taps Out Bond Coffers



Bill Rogers

Nevada Power has asked the **Public Utilities Commission of Nevada** for financing authority to issue \$1.25 billion in new bonds after using its \$125 million of remaining authority in a recent bond offering. If the company did not employ the remainder of its financing authority, it would have expired by the time a new one was granted or by year-

end. As a regulated public utility, it must apply in order to access the debt capital markets. "It really consumes the last of our financing authority," says **Bill Rogers**, cfo of parent **NV Energy** in Las Vegas, of the five-year mortgage bonds priced at 7.375% with a yield of the same amount. The offering was priced Jan. 7 and closed Jan. 12.

The proceeds from the \$125 million issue will pay down a revolver originally sized at \$600 million, says Rogers. That facility has been decreased in size due to an agent dropping out, he adds, declining to reveal names. The revolver led by **Wells Fargo** was put in place originally with **Wachovia** in November 2005 and expires November 2010. Rogers declined to disclose how much has been drawn. **Moody's Investors Service** rated the issue Baa3, **Standard & Poor's** BBB and **Fitch Ratings** BBB-. Fitch notes in a Jan. 8 report the rating reflects the company's highly leveraged balance sheet and need to access debt and equity capital markets over the next few years.

**UBS** was the sole bookrunning manager for the sale with **Commerzbank** as co-manager. "It's one of our core relationship banks," says Rogers of UBS, noting it has also used **Commerzbank** for other deals in the past. Nevada Power has a 44:56 equity-to-total-capitalization ratio.

It submitted an application to the Commission in October to replenish its funding capabilities ahead of presenting its case last Monday, which it does about every two years, says Rogers. The Commission is expected to hand down a decision this quarter. Nevada Power plans to use the proceeds from future bond offerings to fund ongoing capital needs, he says, including the 500 MW Harry Allen plant in Clark County, Nev.

## GREENFIELD GAS

(continued from page 1)

Fort Necessity is located one mile from pipelines operated by Tennessee Gas Pipeline and Columbia Gulf, six miles from a Regency Energy Partners pipeline and eight miles from an ANR pipeline.

—Thomas Rains

## MINN. WIND

(continued from page 1)

thereafter in the next few weeks. He declined to comment on funding for the turbine order. An official at WAPA did not return calls.

The group of lenders and investors on the Logan County project will have first right of refusal to finance the company's planned 900 MW wind project in neighboring Emmons County. Metzger aims to nail down financing later this year. The company is also talking to European and U.S. developers such as Xcel Energy for development partnerships on that project ahead of construction starting in 2010.. The project is set to come online in 2011.

Metzger started the company in 2004 and has funded its operations with investors from Logan and Emmons County.

—Sara Rosner

## CANADIAN DEVELOPER

(continued from page 1)

noting financial close is expected in about six to seven months. Jacob has had a relationship with ROR since the firm raised C\$11 million for the company about a year and a half ago and has known Dusik since he served as v.p. of finance and cfo at Maxim Power.

ROR is looking for debt and equity for the planned Upper Pitt Cluster—eight hydro developments near Whistler, B.C.—and Mamquam Cluster also near Whistler, comprising planned 10 MW Raffuse Creek and 25 MW Skookum Creek. The Mamquam Cluster is expected to come online first near the end of 2011. Its only operational facility—7.6 MW Brandywine near Whistler—came online in 2005 when the company was founded. The biomass plants—Tsilhqot'In in Williams Lake, B.C., and Suskwa in New Hazelton, B.C.—are expected to be online in the first quarter of 2012.

The developer bid both hydro project clusters into the BC Hydro Clean Power Call for 20-year PPAs in November and expects to hear the outcome after provincial elections in early May, says Dusik. It also bid the biomass projects into the BC Hydro Bioenergy Call For Power. Those projects were not awarded contracts in the first round in December, but could still receive contracts in round two in summer, he says. With the

## Alternating Current



Björk

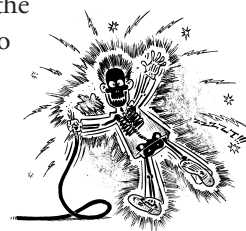
### Björk's Latest Song

Björk is known for her eclectic music and eccentric style, but most recently she has become the spokeswoman for Audur Capital's BJÖRK private equity fund. The Icelandic financial services firm started by women a year ago is looking to kick-off fundraising at month-end for a sustainable investment fund, says Arna

Harðardóttir, head of private equity at Audur in Reykjavík.

The firm's goal is to raise ISK1.5-2 billion (\$11.8-15.77 million) in two months for the fund to invest in renewables and sustainable business. It has already contributed ISK100 million of its own money and is targeting Icelandic investors, including pension funds, high-net-worth individuals and institutional investors. Investments will range from 5-10% of the total and the fund will have a 10-year life with a two-year extension.

Audur and Björk came together for the collaboration after realizing a need to do business in more socially responsible ways. "We have all this green energy and it wasn't being used in the right way," says Harðardóttir. "It's all about sustainable investments," she says.



company's construction experience, its ability to deploy capex and having Jacob in place to arrange financing, it well positioned to secure PPAs, he says. A spokeswoman at BC Hydro in Vancouver did not return a call.

—Katie Hale

## Quote Of The Week

"There's a [price] premium in the Southeast. The solarity is not as good as in the Southwest, but generating costs are generally higher in the Southeast." —Brad Nordholm, ceo of Starwood Energy Group in Greenwich, Conn., on developing solar in the Southeast (see story, page 5).

## One Year Ago In Power Finance & Risk

Peter Gaw, global head of power at ABN AMRO, joined CIT Energy as president after John Sullivan left the position to lead U.S. syndications at Fortis. [CIT closed 20 deals last year after Gaw revamped operations and is now looking for a portfolio manager to oversee \$2.5 billion of assets.]