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Power Finance & Risk

Exclusive Insight on Power M&A and Project Financing

LATIN AMERICA

Mainstreams Brings DFI into Andes Portfolio

Dealwatchers are wondering why **Mainstream Renewable Power** is considering an **IDB** loan for its Andes deal in Chile. Page 8

MERGERS & ACQUISITIONS

Bids Due in Sale of Arizona CCGT

Barclays is taking final round bids for **Oaktree Capital Management**'s 570 MW Griffith Energy Facility in Mohave County. Page 11

PEOPLE & FIRMS

Google Makes Double Hire

Data center power procurement stalwart **Google** has strengthened its team with hires from **LightsourceBP** and **PG&E**. Page 12

PTC Curveball Upends Wind Project Qualification Plans

Richard Metcalf

After working hard to qualify wind projects for the production tax credit ahead of its planned phase out at the end of last year, some developers spent the final days of 2019 frantically cancelling or rewriting contracts after the incentive was unexpectedly extended in a tax bill signed by President **Donald Trump** just before Christmas.

Under the old schedule, wind projects on which construction commenced in 2019 were eligible for tax credits at 0.92¢/kWh, while projects entering construction in 2020 would get zero.

The new tax bill, signed on Dec. 20, not only extends the PTC window by a year but also increases the PTC to 1.38¢/kWh for wind farms qualifying in 2020. Meanwhile, wind farms qualifying in PAGE 7 »

"Bring them back in four months!"

As Investor Interest in C&I Solar Grows, Developers Have Options

Shravan Bhat, Richard Metcalf

While yield-hungry investors of all stripes are viewing distributed, small-scale solar companies ever more favorably, the founders and management of the target companies are finding that there are attractive alternatives to selling stakes in their businesses outright.

Interest in commercial and industrial-scale developers has come from a wide range of investors in recent years, from utility holding companies and larger developers to private equity and infrastructure fund managers.

They are drawn to the sub-sector by its relatively high returns, as the deluge of capital into more mainstream PAGE 5 »

Sale Process Underway for Terra-Gen

Taryana Odayar

Investors are considering placing bids for Terra-Gen, a renewables developer and owner with a portfolio skewed toward older wind projects in California, after its owner, **Energy Capital Partners**, put it up for sale in December.

ECP's financial advisers, **Citi** and **PJ Solomon**, are running an auction that has been described by a person close PAGE 10 »

Panda Inks Sale of Two Pennsylvania Projects

Richard Metcalf, Taryana Odayar

Panda Power Funds has signed a deal to sell two of its gas-fired projects in Pennsylvania to two investors**.**

The Carlyle Group and **EIG Global Energy Partners** will buy the Liberty and Patriot CCGTs under the terms of the agreement, a person familiar with the deal has confirmed.

Liberty and PAGE 11 »

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

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PROJECT FINANCE

Sunnova, Lightsource Close Safe Harbor Loans at Eleventh Hour

Many solar equipment safe harbor deals that were in the works since early 2019 reached financial close at the end of the year, including **Sunnova** and **Lightsource BP**, which crossed the finish line at the last possible moment.

Developers such as **Cypress Creek Renewables**, **Recurrent Energy**, **Invenergy**, **7X Energy**, **Sunrun** and **Greenbacker Renewable Energy** were all busy securing loans to finance the purchase of solar equipment to safe harbor U.S. projects for the investment tax credit, in preparation for the step-down in the incentive at the end of last year to 26%. A further reduction to 22% is scheduled for 2021 and the tax credits will disappear entirely for grid-scale projects in 2022.

The last deal known to have closed in 2019 was a $150 million financing for Sunnova, a chunk of which will go towards purchasing solar equipment that can be safe harbored for the full 30% ITC. The transaction closed on Dec. 30, almost the eleventh hour.

The company planned to draw the entire $95 million revolver by the end of December—just one day later—to fund equipment purchase, with a maximum facility size of about $138 million, subject to lender consent. The lenders include **Credit Suisse** and **LibreMax Capital**.

The convertible notes, which were placed privately with investors, provide for the issuance of $55 million in corporate level debt, with an option to increase to $75 million if all parties consent. Funds managed by **Magnetar Capital** and **Tortoise Capital Advisors** purchased the convertible notes.

Lightsource BP also closed a deal last month to buy $100 million in single-axis solar tracking equipment from **Array Technologies**, financed with an equipment loan underwritten by **CoBank**.

The equipment purchase is the first phase in the construction of over 1.5 GW of large-scale solar projects across the U.S.

"We're pleased that we will have certainty of equipment supply as well as cost savings for our solar projects located across the country," said **Kevin Smith**, Lightsource BP's CEO of the Americas, in a statement. "Lightsource BP is well positioned to execute its ambitious plan to deliver more than 4 gigawatts in the U.S. by 2023."

A deal for Cypress Creek, meanwhile, closed just before Christmas, with the developer using $125 million from **CarVal Investors** to qualify equipment for the ITC at 30% (PFR, 23/12). **Norton Rose Fulbright** advised Cypress Creek on the transaction. ■

TELL US WHAT YOU THINK!

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

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

GENERATION AUCTION & SALE CALENDAR

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

Generation Sale DATABASE

Seller	Assets	Location	Adviser	Status/Comment
● 8minute Solar Energy	Eagle Shadow (300 MW Solar)	Clark County, Nev.		Capital Dynamics has acquired the plant (see story, page 11).
Ares Management	St Joseph (715 MW Gas 80%)	New Carlisle, Ind.	Citi	The sale process was launched in June (PFR, 9/16).
Avangrid	Vertex (1.15 GW Wind)	U.S.	Wells Fargo	A process was underway in August (PFR, 8/12).
Caprock Renewables	Portfolio (677 MW[DC] Solar)	Texas	Javelin Capital	The three projects are uncontracted (PFR, 9/23).
Calpine Corp.	High Bridge, Bluestone (224 MW Wind)	New York, Oklahoma	Greentech	Final round bids were received on Oct. 10 (PFR, 10/21).
Caithness Energy	Shepherds Flat (845 MW Wind)	Oregon	Greentech	First round bids were due on Dec. 6 (PFR, 12/9).
● Clean Focus Yield	Greenskies Renewable Energy (Solar)	U.S.	Keybanc (buyer)	JLC Infrastructure has taken a stake in the platform (see story, page 1).
● Energy Capital Partners	Terra-Gen (1.3 GW Wind. Solar Geothermal)	U.S.	Citi, PJ Solomon	Bids for the wind developer are due in the coming weeks (see story, page 1).
Engie North America	Jupiter (2,300 MW Wind, Solar)	U.S.	BAML	Bids were due in November (PFR, 11/16).
FIP IEER	Assuruá CEA III (50 MW Wind)	Brazil		Omega Geração de Energia is buying the 50 MW expansion of the project (PFR, 1/13).
Fortistar-led consortium	Primary Energy (Behind-the-fence generation assets, 50%)	Indiana	Bank of America, Macquarie Capital (sellers), Goldman Sachs (buyer)	SDCL Energy Efficiency Income Trust has been revealed as the buyer (PFR, 1/13).
Fortress	Hannibal Port Power (485 MW Gas, 49.9%)	Monroe County, Ohio	Citi (seller), TD Securities, Baker Botts (buyer)	GCM Grosvenor is buying the stake for $150 million in cash plus an earn-out (PFR, 1/13).
Hecate Energy	Hera (500 MW Solar)	Wharton County, Texas	Cantor Fitzgerald	Funding talks are in advanced stages (PFR, 12/9).
Hecate Energy	Portfolio (110 MW Solar)	New York		Greenbacker Renewable Energy is buying the portfolio (PFR, 1/13).
LS Power	West Deptford (744 MW Gas, 17.84%)	New Jersey	Whitehall	A stake in the CCGT is up for sale (PFR, 11/11).
Macquarie, GE	Brooke County (830 MW Gas)	West Virginia	Macquarie Capital	The sale was launched recently (PFR, 12/9).
Marubeni Power America	Spindle Hill (314 MW Gas/oil, 49%)	Fredrick, Colo.	Guggenheim	Teasers were distributed in November (PFR, 12/2).
	Cannon Falls (357 MW Gas, 49%)	Minneapolis		
	Hardee (370 MW Gas, 49%)	Tampa, Fla.		
NextEra Energy	Scherer (635 MW Coal, 75%)	Juliette, Ga.	Goldman Sachs	The low-key process was launched earlier this year (PFR, 11/16).
NextEra Energy Resources	Bluebell II, Wilmot (215 MW Solar, Storage)	Arizona, Texas	Marathon Capital	NextEra is looking to sell the contracted projects (PFR, 10/7).
New Energy Solar	Boulder Solar I (100 MW)	Boulder City, Nev.	Jefferies	The Australian fund manager is preparing a sale process (PFR, 12/2).
NTE Energy	Killingly (650 MW Gas)	Connecticut	Whitehall	A two-stage equity raise has been launched (PFR, 11/18).
● Oaktree Capital Management	Griffith (570 MW Gas)	Mohave County, Ariz.	Barclays	Bids are likely due by the end of January (see story, page 11).
● Panda Power	Liberty, Patriot (1.65 GW Gas)	Pennsylvania		Carlyle and EIG are buying the two CCGTs (see story, page 1).
PSEG	Bethlehem (815 MW Gas)	Albany County, N.Y.	Goldman Sachs	First-round bids were taken on Nov. 22 (PFR, 12/2).
Receivership sale	Krayn (62.5 MW Wind)	Cambria County, Pa.		Oppidum Green Energy is buying the project, which was placed into receivership after its PPA with First Energy Solutions was rejected in the offtaker's bankruptcy (PFR, 1/13).
Southern Company	Ravenswood (250 MW Gas)	New York	Whitehall	A lessor stake is up for sale (PFR, 12/9).
Stonepeak	RED-Rochester (158 MW Gas)	Rochester, N.Y.	Scotia	The marketing process began in November (PFR, 12/2).
Tenaska	Clear Creek, Nobles 2 (242 MW, 250 MW Wind)	Montana , Minnesota		Bright Canyon acquired minority stakes in the projects on Dec. 20 (PFR, 1/13).
● TerraForm Investors	$TERP (4 GW, 38%)	U.S., Europe		Brookfield Renewable Partners has made a bid for the shares it doesn't own (see story, page 12).
● Unidentified	Astidey (50 MW Wind)	Uruguay		Cubico Sustainable Investments is the buyer (see story, page 9).
● Virgo Investment Group	Portfolio (31.5 MW Solar)	U.S.	Fifth Third	Nautilus Solar Energy has bought the assets (see story, page 10).

● **New or updated listing**

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

PROJECT FINANCE

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

Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Deal Type	Loan Amount	Tenor	Notes
● Altus Power	Portfolio (180 MW Solar)	U.S.	Blackstone	Securitization			Blackstone Insurance Solutions provided the senior notes (see story, page 1).
● Antin Infrastructure	Veolia District Energy Networks	Massachusetts	BNP Paribas	Term Loan A	$625M	7-yr	The loan was priced at L+175 bp and lenders earned a 50 bp fee (see story, page 6).
				Capex Facility	$80M		
				Revolver	$65M		
Brookfield Renewable Partners	Prince (189 MW Wind)	Sault Ste. Marie, Ontario	MUFG (left), Mizuho, Siemens FS, SMBC	Term Loan	C$126M	8-yr	The loan was priced at Cidor+137.5bp and closed on Dec. 31 (PFR, 1/13).
	Gosfield (51 MW Wind)	Kingsville, Ontario	MUFG (left), Siemens FS	Term Loan	C$95M	12-yr	The loan was priced at Cidor+125bp and closed on Dec. 31 (PFR, 1/13).
Carlyle	RISEC (583 MW Gas)	Johnston, R.I.	Investec	Term Loan	$284M	6-yr	Carlyle closed the amend-and-extend deal on Dec. 23, repricing the loan at L+250bp (PFR, 1/13).
				Revolver	$45M		
● D.E. Shaw Renewable Investments	Orchard (40 MW Wind)	Morrow County, Ore.	Keybanc	Debt			The project has a 15-year PPA with PacifiCorp (see story, page 6).
			U.S. Bank	Tax Equity			
Dividend Finance	Resi Solar Portfolio	U.S.		Forward-Flow	$200M		The company is selling the loans to an institutional investor (PFR, 1/13).
Enel Mexico	Dolores (244 MW Wind)	Nuevo Leon, Mexico	IDB Invest	Term Loan	$150M	7-yr	IDB is in the process of structuring the loan, which is not yet approved (PFR, 1/13).
	Amistad IV (149 MW Wind)	Coahuila, Mexico					
	Magdalena II (220 MW Solar)	Tlaxcala, Mexico					
● Helios Infrastructure	Ruff (22 MW Solar)	North Carolina	U.S. Bank	Tax Equity			Helios is owned by Sol Systems and Nationwide Mutual (see story, online).
Invenergy, Quantum Energy, Grupo Calleja, VC Energy de Centro América	Energía del Pacifico (378 MW LNG-to-Power)	El Salvador	OPIC	Term Loan	$350M		The project finance transaction closed in December (PFR, 1/13).
			IFC	Term Loan	$195M		
			IDB Invest	Term Loan	$115M		
			KfW, Finnvera	Term Loan	$142M		
I Squared Capital	Nautilus Energy Partners	Peru	CS, JPM, Scotia (leads), BTG, SMBC, Santander, BD Capital Partners	Term Loan	$200M	4-yr	The refinancings were signed on Dec. 19. The holdco loan replaces an acquisition bridge loan (PFR, 1/13).
	Samay (632 MW Gas)	Arequipa, Peru	SMBC, Scotia	Term Loan	$330M	7-yr	
KEPCO, Samsung, Techint	Norte II (433 MW Gas)	Chuhuahua, Mexico	Crédit Agricole	Project Bond (Covered)	$250M	18-yr	The consortium refinanced the project in December. The wrapped portion was guaranteed by KEXIM (PFR, 1/13).
				Project Bond	$151.27M	18-yr	
● Longroad	Jeffers, Community North (70 MW Wind)	Minnesota	KeyBank, HSBC	Debt	$128M		Xcel Energy will buy the repowered duo (see story, page 6).
● Mainstream	Huemul, Copihue (730 MW Wind, Solar)	Chile	IDB Invest	Debt	$150M		The sponsor sent term sheets to commercial banks in December (see story, page 8).
ODPEnergy	Sol de Los Andes (100 MW Solar)	Atacama, Chile	SMBC	Term Loan	$130M		The deal is expected to close in February (PFR, 1/13).
	Estrella (50 MW Wind)	O'Higgins, Chile					
● Sonnedix	Portfolio (123.1 MW Solar)	Puerto Rico	City National Bank of Florida	Debt	$15M		Sonnedix has a 50 MW project in development on the island (see story online).
● SunEnergy1	Ranchland, Holloman (140 MW Solar)	North Carolina	Ares Management	Mezzanine	$50M		The holdco debt sits behind senior debt from ING Capital (see story, page 1).
● Termocandelaria	TECAN (324 MW Gas)	Colombia	JP Morgan, Scotia	Unsecured Bonds	$186M	9-yr	The bond tap will be used to convert the plant to a CCGT (see story, page 8).
● X-Elio	Xoxocotla (70 MW Solar)	Mexico	IDB Invest	Debt	$17.2M	20-yr	Two other projects were expected to be financed by the same lender group (see story, online).

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DISTRIBUTED GENERATION IN-DEPTH

As Investor Interest in C&I Solar Grows,Developers Have Options

« FROM PAGE 1

renewable energy investments—such as grid-scale solar with utility offtakers—has compressed yields, say deal watchers.

In one of the most recent such transactions, **JLC Infrastructure**, an investor and asset management firm backed by former **Los Angeles Lakers** star **Earvin "Magic" Johnson, Jr.**, acquired a stake in **Greenskies Renewable Energy**.

SLAM DUNK

Based in Middletown, Conn., Greenskies has built and now operates commercial and industrial projects with a combined capacity in excess of 230 MW. Its development pipeline includes contracted projects totaling more than 100 MW that are due to be brought online in the next 18 months.

JLC, a joint venture founded in 2015 by **Magic Johnson Enterprises** and **Loop Capital Markets**, joins **Clean Focus Yield**, a subsidiary of Taiwanese solar module manufacturer **Neo Solar Power Energy Corp.**, as an investor in Greenskies. The developer is set to be rebranded Greenskies Clean Energy.

Such deals are a boon for financial and legal advisory firms with a strong track record in C&I solar, such as **KeyBanc Capital Markets**. A pioneering lender and capital markets shop for distributed generation companies, Key acted as financial adviser to JLC on the Greenskies deal. On the legal side, meanwhile, **Winston & Strawn** advised JLC while **Troutman Sanders** advised Greenskies.

But while some solar developers are eager to bring in equity partners, others that have explored selling stakes in their businesses have ultimately opted instead for alternatives such as mezzanine capital.

"We get offers all the time," the CEO of a distributed solar company told *PFR* recently. "But if you look at some of the companies that have been acquired by utility companies, for example, it doesn't always seem to work out that well."

BIG SUN ENERGY

SunEnergy1, which started off as a rooftop solar developer but has since moved to ground-mounted, grid-scale projects for mainly corporate clients, hired **Marathon Capital** to run a strategic review in 2018 to assess options including selling an equity stake in the company.

After receiving several offers, however, the company—owned and run by Australian race car driver **Kenny Habul**—decided to keep control of itself and lever up with mezzanine capital instead.

Ares Management provided the roughly $50 million in mezzanine debt, which was structured at the holdco level above two SunEnergy1 projects in North Carolina, around six weeks ago. The projects are the 60 MW Ranchland project in Currituck County, and the 80 MW Aulander Holloman facility in Hertford County (PFR, 9/21/18).

ING Capital provided the senior debt for both projects, while **U.S. Bank** acquired tax equity stakes in the projects, investing $61 million in Ranchland and $87 million in Holloman.

Ranchland came online in March 2018 and sells 50% of its output to **Digital Realty**, which uses the power to support several of its data center customers in Ashburn, Va., according to Digital Realty's senior director of sustainability **Aaron Binkley**.

Holloman began commercial operations in August 2019 and has a power purchase agreement with **Fifth Third Bank**.

The exact structure of the Ares deal was not disclosed, but other mezzanine loans in the market generally have tenors ranging from four to 10 years and are typically priced around 10%, while borrowers often have the option to repay in cash or in kind, says a deal watcher.

SunEnergy1 is using the proceeds of the transaction with Ares to transition from a develop-build-sell business model to a develop-own-operate approach. The mezzanine funding helps the developer hold onto equity in its operating units, opening up the possibility of aggregating a larger portfolio to sell or refinance at a later date.

Another solar shop, **Soltage**, took back ownership control over the summer when it raised fresh capital with which to buy out equity investor **Tenaska**.

Prudential Capital Group supplied the cash, which was described as "growth funding" in an announcement in June.

The company's management used at least some of the proceeds to buy back Tenaska's stake in the company, says a person familiar with the situation. Tenaska made its first investment in Soltage in 2008 and increased its stake in 2015.

TRIPLE THREAT

Altus Power America further demonstrated the range of funding options available to C&I solar developers when it announced an $850 million funding package comprising a securitization, a bank loan and a preferred equity investment.

Altus' private equity backer, **Blackstone**, played a major role. An affiliate of the firm, **Blackstone Insurance Solutions**, arranged the investment grade securitization, which was secured on Altus' 130-asset operational project portfolio, which totals some 180 MW, while **GSO Capital Partners**, Blackstone's credit arm, provided the preferred equity.

Meanwhile, a syndicate of banks signed a delayed-draw construction-to-term loan facility to support projects in development.

"With this Blackstone-led recapitalization, we have now optimized our capital structure with investment grade-rated debt as well as delayed draw committed capital," says Altus managing partner **Gregg Felton**. "We believe this combination provides us with some of the most competitive and flexible capital in the market."

The structure of the securitization was not disclosed. The issuance of bonds backed by residential solar loans, leases and power purchase agreement cashflows has gradually become an established funding mechanism in recent years and C&I solar is considered to be the next frontier by solar securitization specialists.

Rooftop solar-focused Altus aims to turn Blackstone's formidable real estate network to its advantage as it seeks to bolster its origination efforts.

"Our 10-plus-years history combined with the backing of Blackstone gives us the credibility to pursue partnerships with REITs and other large corporations," adds **Lars Norell**, also a managing partner at Altus. ■

PROJECT FINANCE

Antin Seals Veolia Acquisition Financing

The deal that **Antin Infrastructure Partners** put in place to finance its $1.25 billion acquisition of **Veolia**'s District Energy Networks business reached financial close late last month.

The transaction, codenamed Project Franklin, closed on Dec. 30.

BNP Paribas led a club of seven lenders on the deal, with **MUFG, Crédit Agricole, Bank of Montréal, Société Générale, SMBC** and **Natixis** acting as bookrunners.

The debt package comprises a $625 million seven-year term loan A, an $80 million capex facility and a $65 million revolving credit facility. Bankers previously noted the conservative debt-to-equity ratio of the financing (PFR, 9/16).

The loan was priced at 175 basis points over Libor and the lenders also earned a 50 bp fee.

The acquisition is the result of a sale process run for Veolia last year by a **Bank of America Merrill Lynch** team led by **Mike Dunne** (PFR, 4/10). The business comprises steam, hot and chilled water and electric generation plants, including cogeneration, and 13 networks in 10 U.S. cities.

Antin was advised on its winning bid by **Royal Bank of Canada** as well as French financial advisory boutiques **Messier Maris et Associés** and **PH Villin Conseil**, and was represented by law firm **White & Case**. ■

FAST FACT

$770 million

The total size of the three-tranche acquisition finance package, which supports the $1.25 billion purchase at a 61.6% leverage ratio.

Longroad Finances Wind Repowerings

Longroad Energy Partners has sealed construction debt for two wind repowering projects in Minnesota.

KeyBank and **HSBC** provided a $128 million loan to fund work on the Community Wind North and Jeffers assets in Lincoln and Pipestone counties, which will have a combined output of 70 MW, according to a Jan. 15 announcement.

Longroad will sell the plants to **Xcel Energy** once the duo begin operations at the end of this year (PFR, 10/21).

Xcel received approval from the Minnesota **Public Utilities Commission** to acquire them on Oct. 31.

"This is one of the first repowering projects in Minnesota, so there was not a lot of precedent to rely on," said Longroad's CEO **Paul Gaynor** in a statement. "The regulatory community was constructive and supportive."

> **"This is one of the first repowering projects in Minnesota, so there was not a lot of precedent to rely on"**

Longroad will replace the 2.5 MW **Clipper** turbines with 2.2 MW **Vestas** equipment, reducing their nameplate capacity from 80 MW while increasing energy production. ■

Swiss Re Inks Agency Agreement with kWh Analytics

Solar data and risk management firm kWh Analytics has signed an agency agreement with **Swiss Re Corporate Solutions**.

The contract formalizes the cooperation between kWh Analytics and Swiss Re, which has already underwritten several solar revenue puts provided to solar project developers since the risk mitigation tool was pioneered in 2017.

Agency agreements typically define the ownership of renewals, commission percentages, and duties and responsibilities of an insurance provider and agent.

Swiss Re has underwritten solar revenue puts brokered by kWh Analytics for clients including **GCL New Energy** and **IGS Solar** (PFR, 8/29/18, 11/19/18).

The solar revenue put has been implemented on solar projects representing a combined investment of $1 billion to date, according to kWh Analytics.

The revenue put product is designed to allow project sponsors to increase the amount of leverage they can apply to solar projects or lower the cost of capital, but it has also been used for other purposes, such as bridging between warranties provided by construction contractors and operations and maintenance providers. ■

D.E. Shaw Draws ITC-based Wind Financing

D.E. Shaw Renewable Investments closed financing for a small wind project in the Pacific Northwest late last year.

Keybanc Capital Markets provided the debt for the 40 MW Orchard Windfarm in Morrow County, Ore., while **U.S. Bank** committed tax equity structured around the investment tax credit rather than the production tax credit.

The deal closed in November and construction is underway, with commercial operations expected in fall of this year.

The plant has a 15-year power purchase agreement with **PacifiCorp**.

Officials at D.E. Shaw in New York and U.S. Bank in Minneapolis declined to comment while representatives at Keybanc in Cleveland did not respond to inquiries by press time.

This is not the first wind deal done by ITC-based tax equity investor U.S. Bank in recent times—the bank also provided financing for **Longroad Energy Partners**' 72.6 MW Weaver wind project in Hancock County, Maine in November (PFR, 11/5). Sponsors tend to finance wind projects on the ITC when the project faces lower wind speeds and therefore cannot generate the capacity factors required for PTC-based financing. ■

FAST FACT

15 Years

The length of the Orchard Windfarm power purchase agreement with **PacifiCorp**, which starts at a $32.60/MWh on-peak rate.

PROJECT FINANCE

PTC Curveball Upends Wind Project Qualification Plans

« FROM PAGE 1 2019 will still only get the reduced rate of 0.92¢.

This created an immediate incentive to push the commencement of construction on wind farms back into 2020 where possible, prompting many developers to try to extricate themselves from project contracts, says a project finance attorney.

"It was a last minute curveball," says a finance official at a wind project sponsor who dealt with the situation.

The rules that define "commencing construction" for the purposes of qualifying for the tax credits are complicated but there are two main approaches—developers can either carry out significant physical work at the project site or they can rack up 5% of the total cost of the project, for example by purchasing equipment like wind turbines.

For developers pursuing the latter approach, it is not enough to spend the money by the end of the year. Equipment that is purchased must be delivered within three-and-a-half months of the payment, although this can happen the following calendar year.

As a result, sponsors that paid for turbines toward the end of 2019 might be able to qualify the associated projects for the higher 2020 PTCs by delaying delivery of the equipment beyond the three-and-a-half month deadline, says the finance official at the developer.

Among the sponsors that closed financing or started construction on U.S. wind farms late last year was **D.E. Shaw Renewable Investments**, which obtained debt from **KeyBanc Capital Markets** and a tax equity commitment from **U.S. Bank** for its 40 MW Orchard Windfarm in Oregon in November (PFR, 1/14).

In that case, D.E. Shaw opted for the investment tax credit rather than the PTC, but the extension has the same effect whichever tax credit is chosen. The ITC for wind was due to step down from 12% to zero but will now instead be increased to 18% for projects qualifying in 2020. ■

Stepping Up

Construction starts in...	...2019	...2020
PTC for Wind:	0.92¢/kWh	1.38¢/kWh
ITC for Wind:	12%	18%

PPA PULSE

CCAs Sign Up for Geothermal

Ormat Technologies has inked a pair of 10-year power purchase agreements with California community choice aggregators **Silicon Valley Clean Energy** and **Monterey Bay Community Power** for a geothermal project it is developing in the state.

Each of the two CCAs will purchase 7 MW from Ormat's 30 MW Casa Diablo-IV geothermal plant in Mammoth Lakes, Calif., which is expected to be online by the end of 2021.

The remaining 16 MW of the project's output was already contracted to **Southern California Public Power Authority** under the terms of a 25-year PPA signed last year (PFR, 3/20/19). Under that PPA, the utility will pay a rate of $68/MWh. The rate for the new fixed-price PPAs was not disclosed.

Casa Diablo-IV will be the first geothermal plant to be constructed in the **CAISO** region in 30 years.

Here is a round-up of the rest of this week's PPA news:

BRAZIL CORPORATE PPA

Madrid-headquartered **EDP Renováveis** has signed a 19-year power purchase agreement with a corporate offtaker for the output of a solar project in Brazil.

The 66 MW Lagoa solar park, located in the state of Paraíba, is under development, according to an EDPR representative in Madrid. It is expected to start commercial operations in 2022. The identity of the offtaker was not disclosed.

This PPA is the latest offtake contract signed by EDPR in the country after the sponsor inked several other corporate PPAs last year.

EDPR signed a 16-year PPA for the 96 MW Catanduba wind farm in Rio Grande do Norte in December (PFR, 12/2/19), while over the summer the company announced 20-year PPAs for the Monte Verde VI and Boqueirao I-II wind farms, which have a total capacity of 126 MW and are also located in Rio Grande do Norte (PFR, 10/07/19). So far, the company has not disclosed the names of the power purchasers.

FOURTH DELAY FOR URUGUAY SOLAR TENDER

Uruguay's state-owned utility company **Administración Nacional de Usinas y Trasmisiones Eléctricas** (UTE) has postponed for a fourth time the tender for a 65 MW solar project.

The new bidding date for the solar plant has been set to Feb. 28.

At first, UTE had planned to hold the tender on Oct. 25, 2019, but granted a delay until Nov. 26, after prospective bidders asked for more time to structure their offers (PFR, 10/15). Since then, bidders have requested several extensions, with UTE postponing the process two other times—first until Dec. 18, 2019, and, later, until Jan. 15 (PFR, 11/20/19, 12/11/19).

Commercial banks and institutional investors are continuing to follow the slow process in the hope of providing financing.

The bids are for turnkey design and construction contracts, with UTE procuring the solar panels. Prospective bidders must have experience developing solar plants of 10 MW or more, and building at least five buildings larger than half of the control center building needed for the plant (PFR, 9/30). ■

LATIN AMERICA

Mainstream Brings in DFI For Huemul and Copihue

Mainstream Renewable Power is bringing in a multilateral institution for the financing of Huemul and Copihue, the second and third phases of its 1.3 GW Andes Renovables solar and wind portfolio in Chile.

The sponsor sent out term-sheets to commercial banks in December, after reaching financial close on the 571 MW Condor first phase on Nov. 4, 2019 (PFR, 11/5/19).

This time, Mainstream is bringing in the **Inter-American Development Bank** to finance part of the 730 MW in Huemul and Copihue, say two sources in New York. The IDB is expected to provide approximately $150 million of the total debt package, which is said to be between $500 and $600 million. IDB representatives in Washington D.C. did not respond to an inquiry by press time.

While six banks participated in the $580 million, 19-year debt package for Condor, some may stay out of this second loan, say deal watchers. "With the IDB, the sponsor will have more leverage with the banks," explains one source, adding that banks that do not agree to the terms could be dropped. A second dealwatcher says that they do not understand the decision to include the IDB, as it would be faster and easier to replicate Condor's financing structure.

The six banks that provided Condor's term loan financing are:

- **Caixabank**,
- **DNB**,
- **KfW Ipex Bank**, which has since revealed that its allocation of the loan was $106 million (PFR, 26/11/19),
- **Natixis**,
- **Société Générale,** and
- **SMBC**.

The loan was priced at 230 basis points over Libor, with step-ups beginning in year six (PFR, 11/8/19). **Banco Santander** provided a VAT facility.

> **"With the IDB, the sponsor will have more leverage with the banks"**

Despite the loan closing during Chile's protests, the deal was not impacted by the government's bill to freeze consumer power prices, which did affect old power purchase agreements (PFR, 11/6/19). However, a source close to the deal says the banks included a clause in the debt package to protect themselves in case something similar happens in the future. Further details could not be learned at this time.

The lead arrangers funded the deal on Dec. 4, 2019, one month after signing (PFR, 12/4/19).

Huemul and Copihue comprise four wind projects with a total capacity of 525 MW and two solar plants totaling 205 MW. The projects, which are expected to start commercial operations by 2021 and 2022, have 20-year, U.S. dollar-denominated PPAs with Chile's **National Energy Commission**, awarded during the 2016 auction.

The sponsor has not decided yet whether it will finance all the projects together under the Huemul phase or whether it will leave a smaller amount to finance in the third and final Copihue phase.

Either way, the financing for both is expected to close this quarter. Although bankers expected the closing to be fast, they think IDB's involvement will delay the transaction.

It would not be the first delay for the Andes Renovables portfolio, as the closing for Condor's debt package was postponed for months. Mainstream was meant to use turbines from **Senvion**, prior to the turbine supplier filing for bankruptcy. "They had to use turbines from multiple manufacturers for the projects," says a dealwatcher. "It was a mess." ■

Colombia's Termocandelaria Taps 2029 Notes to Fund Plant Upgrade

Colombia's **Termocandelaria Power** has tapped a series of unsecured bonds maturing in January 2029 for $186 million to finance the conversion of one of its gas-fired assets from open to combined-cycle.

JP Morgan and **Scotiabank** were the bookrunners in the reopening, which was priced on Jan. 9.

The existing bond was originally priced a year ago, in January 2019, with a coupon of 7.875%.

The performance of the bonds since then allowed the bookrunners to approach the market this time with initial price thoughts of 109.5 for the new notes. This was increased to final pricing of 110, translating into a yield of 5.9%.

The company will use the proceeds to convert its 324 MW Termocandelaria (TECAN) open-cycle gas-fired plant on the Caribbean coast of Colombia, in the department of Atlántico, into a combined-cycle facility with an increased capacity of 566 MW.

Termocandelaria's other asset is the 918 MW Termobarranquilla (TEBSA) combined-cycle plant, also in Atlántico.

Both plants have supply contracts with Colombia's only LNG import facility, **Sociedad Portuaria el Cayao** (SPEC), in Cartagena. Dutch company **Royal Vopak** bought a 49% stake in SPEC in September, with **Promigas** owning the remaining 51% (PFR 9/13/19).

S&P Global Ratings and **Fitch Ratings** affirmed their respective BB and BB+ ratings for the debt after the tap.

"TPL's ratings reflect the combined operations of TEBSA and TECAN, their relative competitive position in the electricity generation market in Colombia, as well as TPL's limited geographical diversification and asset mix," wrote analysts at Fitch.

Scotia and Bank of America were the bookrunners on the original $410 million issuance last year, the proceeds of which were used for refinancing. The bonds are scheduled amortize at 7.5% annually until 2029, when the 40% balance will be repaid. ■

Bankers Expect Local Players in Electricaribe Auction

The delayed auction to sell Colombia's power distributor **Electricaribe** is likely to attract mainly local players when it takes place next month, say deal watchers.

The auction for the struggling business was initially scheduled for December but was rescheduled for Feb. 26 and 28 in late November. By then, six companies had expressed an interest in the company, including Colombia's **Celsia** and **Empresas Públicas de Medellín** (EPM). At least one Chinese investor is also among the interested bidders, said a source.

However, any deal is not expected to involve financing from international institutions, as local Colombian banks and multilateral institutions will most likely do the financing if needed, say bankers in New York.

"Local banks are funding everything in Colombia," says a Latin America-focused banker, pointing to projects that came out of the renewable power auction in October as an example (PFR, 12/13/19). "But their capacity will dry up eventually," the banker adds.

Another project finance banker agrees, saying that sponsors turned down his institution's proposal to finance projects that won government contracts in the renewables auction with loans provided in local currency "synthetically", i.e. using cross-currency swaps.

The delay to the Elecricaribe auction was ascribed to changes in Colombian tax law, which could alter the company's final value by 500 billion Colombian pesos ($150.6 million) (PFR, 11/7/19).

The government had relaunched the process in April 2019 after suspending a sale in late 2018 because of a lack of investor interest. The new bidding process contemplates the division of Electricaribe into two geographical segments, which has stirred investors. The two divisions are:

- **Caribe Mar**, which has 1.51 million customers in the departments of Bolívar, Córdoba, Sucre and Cesar, and
- **Caribe Sol**, with 1.21 million customers in Atlántico, Magdalena, and La Guajira.

Bidders can present offers for the whole company or one of the assets. However, **Javier Lastra**, who led Electricaribe until 2018, told local media on Jan. 6 that there's more interest in the Caribe Mar segment, as that region encompasses thriving hospitality, tourism, and real estate industries. ■

Cubico Snaps Up Uruguayan Wind

British developer **Cubico Sustainable Investments** has acquired a 50 MW operational wind farm in Uruguay from a group of three investors.

The Astidey wind farm, located in the department of Flores, has been operational since 2015 and sells its output under a long-term power purchase agreement to Uruguay's state-owned utility **Administración Nacional de Usinas y Transmisiones Eléctricas** (UTE).

The purchase price was not disclosed. Of the three previous owners of the project, two are Uruguayan and one is based in Andorra, says a representative of Cubico in London, without identifying them.

Cubico already owns a separate 50 MW wind farm in Uruguay. Located in the Florida region, outside of Montevideo, this project was refinanced in 2017 with an $81 million, 16-year debt package provided by **Caixabank** and **Export Development Canada**.

International lenders relish doing project finance deals in Uruguay—a stable and predictable if small market—but there are usually relatively few opportunities.

The past month, however, has been relatively busy, with transactions involving two other wind farms.

On Jan. 2, **DIF Capital Partners** bought the 50 MW Cerro Grande wind farm from German companies **Enercon** and **EAB Energy** (PFR, 1/2). Two weeks earlier, **Allianz Global Investors** provided refinancing for the **Grupo ACS** 42 MW Kiyú wind farm in the form of an $88.5 million project bond (PFR, 12/17/19).

Project finance bankers and institutional investors are also following the delayed tender for a 65 MW solar project in the country, a process which has been postponed four times (PFR, 1/10). ■

P. E. Firm Invests in LatAm-Focused Developer

Private equity firm **Denham Capital** has announced a $250 million investment in **Ceiba Energy**, a Latin America-focused power project developer headquartered in Houston.

The investment, which will be made through Denham's International Power Fund, will be used for the development, construction and acquisition of energy projects in the region.

Founded in 2015, Ceiba is primarily targeting six markets in the continent—Mexico, Colombia, Chile, Brazil, Panama, and Peru.

The company is jointly developing an LNG-to-power project in northeastern Brazil with **Rio Energy**. Called Portocem, the project will have a generation capacity of up to 2.2 GW. ■

Fotowatio, Verano Plot Chilean Wind Project

Energia Renovable Verano—a joint venture between Spain's **Fotowatio Renewable Ventures** and Chile's **Verano Capital**—is developing a 198 MW wind project in Chile.

The Rarinco wind farm, located in the Los Angeles commune in the Biobio region, will require a total investment of $180 million, according to a filing with Chile's **Environmental Evaluation Service**. Its output will be injected into Chile's National Electric System grid through a 33 kV transmission line.

Energia Renovable Verano is also plotting other projects in the country, such as the 145 MW Punta del Viento solar park in Coquimbo, which will require a total investment of $138 million (PFR, 11/19/19).

Construction for Rarinco, which will be fitted with 36 5.5 MW wind turbines, is expected to start in July 2021. ■

● MERGERS & ACQUISITIONS

Sale Process Underway for Terra-Gen

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to the process as "very targeted." A deadline for bids is expected to be set sometime around the end of January or early February, adds the source.

ECP has owned Terra-Gen since 2015, when it acquired the company from **ArcLight Capital Partners** and **Global Infrastructure Partners**.

The operational portfolio totals some 1.3 GW across wind, geothermal and solar projects, and the company's development pipeline features energy storage and wind repowering projects.

Spokespeople and officials at Citi, PJ Solomon, Terra-Gen and Energy Capital Partners either declined to comment or did not immediately respond to inquiries.

REFRESHING WIND

Terra-Gen's portfolio includes some of the oldest utility wind projects in the U.S., such as the Windland Refresh projects in Kern County, which were originally placed in service in 1982 and are among several projects that Terra-Gen is in the process of repowering, according to a recent filing with the U.S. **Federal Energy Regulatory Commission**, which also mentions the Terra-Gen 251 Wind project and Victory Garden Phase IV.

The company says that it is well positioned for further wind development in the state, noting on its website that it "holds the majority of the in state wind interconnection positions."

Other projects the company has recently repowered or is in the process of repowering include:

- the CalTex project, which consists of the simultaneous repowering of the 193 MW Voyager II wind farm in California and the 34 MW Texas Big Spring wind farm in Texas,
- the 131 MW Voyager I wind farm in California, which has a 15-year power purchase agreement with **Southern California Edison**, and
- CalWinds, which is made up of three repowered California wind farms, namely Coachella Hills, Oasis and Point Wind, with a combined capacity of 250 MW.

Terra-Gen has continued to build out its position in California recently, buying the 15-year-old, 60 MW Oasis wind farm in Kern County from **EDF Renewables** and **Eurus Energy Americas** last fall (PFR, 11/1). It also recently landed $650 million in construction financing for its 400 MW High Prairie wind project in Northern Missouri (PFR, 9/4).

However, deal watchers note cash flows from the operational assets as a potential sticking point for would-be buyers while rating agency reports highlight an upcoming debt maturity as a potential issue.

"There hasn't been much excitement about it because there's not a lot of cash flow," says a project finance banker following the deal. "It will be good to see a capital injection," says another lender.

Terra-Gen holds a large chunk of its portfolio through a term loan B financing vehicle called **Terra-Gen Finance Co.** with a maturity coming up in 2021.

The debt is rated B2 and B- by **Moody's Investors Services** and **S&P Global Ratings** following downgrades in June 2018 and February 2019, respectively. S&P cited weak cash flows and sustained elevated leverage ratios in its report and projected a debt-to-Ebitda ratio above 10 times.

"The negative outlook reflects our expectations that Terra-Gen's cash flow generation profile could worsen further, particularly given the age of Terra-Gen's wind fleet, and that the company may have difficulty refinancing in 2021," wrote the rating agency's analysts. Several of the assets had negative free cash flow in 2018.

There is about $253 million outstanding under the term loan B, of which $230 million is not expected to be repaid by the time the loan matures in 2021, according to the report, which flagged this as a refinancing risk. ■

Nautilus Buys C&I Solar Portfolio from Former Backer Virgo

Nautilus Solar Energy has acquired a 31.5 MW portfolio of community solar and large-scale C&I projects from its former owner, private equity firm **Virgo Investment Group**, bringing the developer and the assets it manages back under one roof at Montréal-based **Power Energy Corp.**

PEC, a Canadian investment holding company, had inked a deal to acquire Nautilus itself from Virgo Investment Group last summer (PFR, 7/31) but the project portfolio, known as Virgo Helios I, had remained under Virgo ownership.

The projects came online between 2016 and 2019 and are located in seven U.S. states from California to Rhode Island. They sell their electricity to hospitals, housing authorities, a community college, a regulated utility and residential customers under long-term power purchase agreements.

While Virgo was hammering out the deal to sell Nautilus to PEC, it was working with **Fifth Third Bank** as financial adviser on a parallel process to sell the Helios I portfolio, *PFR* understands. The deal Nautilus has struck with Virgo to buy back the assets it developed marks the conclusion of that process.

"This sale of our Virgo Helios I portfolio completes the 2019 sale of Nautilus Solar to Power Energy Corporation," said **Eli Aheto**, partner at Virgo Investment Group, in a statement. "Our thesis when we were introduced to the Nautilus team by Virgo Senior Advisor & Operating Partner **Perry Cole** was that the community solar market would provide a unique opportunity to own attractive projects and drive substantial growth of the distributed generation solar market."

Virgo was represented on the deal by Fifth Third Bank as financial adviser and **Morrison & Foerster** as legal counsel, while Nautilus was advised by **National Bank Financial** and **Rath, Young and Pignatelli**.

Meanwhile, a member of Nautilus' asset management team, **Stefanie Padgett**, has recently left the company. Padgett, who was vice president, asset management, for three years, joined **NAES Corp.**'s power services division as V.P. renewables in November (PFR, 12/9). She reports to **Dan Consie**, senior vice president, power services. ■

Bids Due in Sale of Arizona CCGT

Bids are due over the coming weeks in the sale of a combined-cycle gas-fired project located in Arizona.

Barclays is taking final round bids as financial adviser on behalf of **Oaktree Capital Management** for the sponsor's 570 MW Griffith Energy Facility in Mohave County.

Would-be buyers have until the end of the month or early February, according to a person familiar with the situation. Bids will likely be due on Jan. 30, says the source, though this could not be confirmed. Spokespeople for Oaktree and Barclays declined to comment.

Some of the bidders rumored to be in the mix are **Avenue Capital**, particularly given their West Coast exposure, and potentially **The Carlyle Group** given its familiarity with California, as well as **Rockland Capital**, a project finance banker following the deal tells *PFR*.

The Griffith Facility bids into merchant energy markets throughout the year and has a tolling agreement which starts in 2020 with a "creditworthy utility counterparty," according to Oaktree's website. The plant's offtaker is **Arizona Public Service Electric**, according to an investment banker.

"That part of the world is tough – bilateral market," says another investment banker, referring to the Desert Southwest region where the Griffith plant is located. "Utilities or munis are the best buyers."

CHANGING HANDS

The plant's owner until 2011, **LS Power**, acquired it in 2006, taking a 50% stake from **Duke Energy North America**, along with eight other merchant power plants in four states, and then acquiring the remaining 50% from **PPL Corp.** later that year for about $115 million.

In 2011, **Highstar Capital** acquired Griffith along with LS Power's Arlington Valley facility, also in Arizona. Barclays advised Highstar on that deal, while **Credit Suisse** and **Citigroup** advised the seller (PFR, 3/29/11).

The pricing on final bids in 2011 was described as aggressive by deal watchers, and said to be similar to the $680/kW that **Capital Power** paid for LS Power's 520 MW Bridgeport facility in Connecticut. The auction saw bids from **ArcLight Capital Partners**, **Capital Power** and **Quantum Utility Generation** (PFR, 3/28/11).

Three years later, Oaktree acquired Highstar and its 2,057 MW gas-fired fleet in the U.S., most of which was arranged under portfolio company **Star West Generation** (PFR, 6/9/14).

Star West refinanced Griffith and Arlington Valley in 2015 to allow the sale of a fleet of contracted assets in California to **AltaGas** (PFR, 11/13/15).

Panda Inks Sale of Two Pennsylvania Projects

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Patriot are each 829 MW in size. Liberty is located in Bradford County, while Patriot is in Lycoming County.

The transactions will require regulatory approval including from the U.S. **Federal Energy Regulatory Commission** and could close in a few months. In the meantime, Carlyle and EIG will look to assemble a debt package to refinance the senior debt on the two projects.

Last week, Carlyle and EIG made equity cures of about $5 million at each of the two plants. EIG is already a mezzanine debt investor in the projects.

The sale agreement was struck in the wake of efforts to find a new owner for Panda's general partner entity. **Kindle Energy**, a portfolio company of **The Blackstone Group**, was undertaking due diligence on such a deal last year but the talks had collapsed by October (PFR, 10/31/19).

Officials at Panda in Dallas and Carlyle and EIG in New York either declined to comment or did not respond to requests for comment.

FAST FACT

$5 million

The size of the equity cures already provided by Carlyle and EIG for each of the two plants.

CapDyn, 8minute Ink Solar Acquisition

8minute Solar Energy has announced the acquisition of a solar project it is developing in Nevada by **Capital Dynamics**.

Situated on land owned by the **Moapa Band of Paiutes** near Clark County, north of Las Vegas, the 300 MW Eagle Shadow Mountain Solar Project is the first of two projects on the site that 8minute is contracted to develop and deploy. The project is slated for completion by the end of 2021.

NV Energy has a 25-year power purchase agreement for the project's output, as previously reported (PFR, 6/1/18).

"The Eagle Shadow Mountain project marks our third transaction with 8minute and further strengthens our partnership with the country's most sought-after clean energy developer," said **Benoit Allehaut**, a managing director on Capital Dynamics' clean energy infrastructure team. "We look forward not just to a successful deployment of the plant, but fostering the development of a solar-dominant culture throughout Nevada."

MORE ONLINE

SOL SYSTEMS CLOSES LATEST HELIOS DEAL

U.S. Bank has committed tax equity for Sol Systems and **Nationwide Mutual Insurance**'s 22 MW Ruff solar project in North Carolina.

X-ELIO SEALS MULTI-TRANCHE LOAN

MUFG provided a 16-year loan as X-Elio sealed $39.4 million in triple-tranche debt financing for its 70 MW Xoxocotla solar asset in Mexico.

YIELDCO SWEEP

Brookfield Makes Bid for TerraForm Power Shares

One by one, amid much fanfare, the yield companies came to the stock market. Now, after a tumultuous few years and some big M&A deals, they are disappearing as their public floats are acquired by their sponsors. It looks like **TerraForm Power** will be next, although existing investors would still be able to hold on to the assets through a proposed new vehicle.

Considered the darlings of renewable energy finance when they first came on the scene in 2013, yieldcos fell dramatically out of favor in 2015 as **SunEdison**, one of the most prominent yieldco sponsors and the sponsor of TerraForm Power, began to teeter toward bankruptcy (PFR, 9/16).

Now, **Brookfield Renewable Partners**, which took a controlling stake in TerraForm Power in 2017 following the SunEdison bankruptcy, has announced its intent to acquire all of the outstanding shares of the listed renewables roll-up from its investors.

Brookfield, whose existing interest in the yieldco amounts to a 62% stake, submitted its unsolicited, non-binding acquisition proposal on Jan. 11. The bid has prompted TerraForm's board of directors to form a special committee of non-executive, independent directors, which is in the process of engaging financial and legal advisers.

Under the terms of the proposal, each share of Class A common stock of TerraForm Power would be acquired for 0.36 of a Class A share of **Brookfield Renewable Corp.** (BEPC). BEPC is a Canadian subsidiary of Brookfield Renewable Partners and will be a publicly traded corporation.

BEPC's Class A shares will be economically equivalent to Brookfield Renewable units and fully exchangeable, on a one-for-one basis, into units of Brookfield Renewable.

SECOND TIME LUCKY?

Last summer, Brookfield Renewables' own sponsor, **Brookfield Asset Management**, was touted as one of the potential bidders for renewables yieldco **Pattern Energy Group** (PFR, 8/13), which eventually went to **Canada Pension Plan Investment Board** (CPPIB) for about 15 times its estimated 2020 Ebitda (PFR, 11/4).

A 35-day go-shop period for competing bids for Pattern Energy expired on Dec. 9, leaving CPPIB one step closer to completing its take-private (PFR, 12/13). CPPIB has also signed an agreement with **Riverstone Holding**, the private equity backer behind Pattern's development company sponsor, **Pattern Development**, to combine the businesses into an "integrated renewable energy company."

In 2014, there were six renewable energy yieldcos, including TerraForm Power, Pattern Energy Group, **NRG Yield**, **TransAlta Renewables**, **Abengoa Yield** and **Next Era Energy Partners**. In 2015, **SunPower** and **First Solar** launched their joint yieldco, **8point3 Energy Partners**. But cracks in the yieldco model soon started to show, including perceived conflicts of interest, overly exuberant investor marketing and a flawed incentive structure (PFR, 9/16). ■

PEOPLE & FIRMS

Lee Joins NAB in New York

Peter Lee has joined **National Australia Bank** as a director in specialised and acquisition finance after stepping down from his role at **Natixis**.

He will be based out of the New York office and started his new job earlier this month.

Lee, who was a director covering the Americas in Natixis' global infrastructure and projects group, resigned from his role in December alongside **Jonathan Kim**, managing director and head of the group (PFR, 12/13).

Lee started his career in **BlackRock**'s insurance group before joining **GE Energy Financial Services** in 2006 as an associate. In 2010, he moved to **Rabobank** as a vice-president in the project finance group, focusing on renewables, before joining Natixis in 2014. ■

Fifth Third Adds Woo in Toronto

Michael Woo has joined **Fifth Third Bank** as principal of corporate banking in Toronto.

Woo started his new job in December. He had previously spent just under seven years working at **CIT Bank** as vice president of energy and infrastructure.

He was part of a seven-strong team at CIT that structured, underwrote and closed on over $1.35 billion in renewable energy project financing.

Before that he spent four years at **CIBC** and started his career as a senior analyst at **Scotiabank**. ■

Google Strengthens Energy & Infra Team

Fresh from announcing an almost 1 GW renewables procurement last year, Google has hired in two additional contract structuring professionals to its energy and infrastructure team.

The new transaction leads, **Sana Ouji** and **Dmitri Jarocki**, started work at Google this month. They report to **Will Conkling**, senior lead for global data center energy and location strategy.

Ouji previously worked in business development at solar developer **Lightsource BP**, while Jarocki had been a procurement manager in the structured energy transactions department of California utility **Pacific Gas and Electric** since 2016.

Google has been a regular wind and solar purchaser in recent times and the company is working with **NV Energy** to structure a supply agreement for its Henderson, Nev., data center with generation from a battery storage unit (PFR, 1/9).

The tech giant unveiled new power purchase agreements totaling 845 MW across wind and solar plants in the U.S. and Chile in September (PFR, 9/23/19). ■