

# power finance & risk

The exclusive source for power financing and M&A news

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## ArcLight Loan Offered At 375bps Spread

**Barclays Capital** and **Bank of America** are scouting lenders for a \$220 million loan to fund **ArcLight Capital Partners'** acquisition of five assets.

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## U.S. POWER IN REFINANCING TALKS

**U.S. Power Generating Co.** is looking at refinancing \$680 million of asset-level debt on three plants in its **Astoria Generating Co.** unit in Queens and Brooklyn, N.Y. Institutional demand in the leveraged loan market is paving the way for refinancings of riskier assets and the Astoria facilities are uncontracted peakers that have not been running at full capacity.

**Credit Suisse**, **Merrill Lynch**, **Morgan Stanley** and **Goldman Sachs** took the company public in 2007 and the latter three were joint book runners on some of the financing U.S. Power is seeking to rework. U.S. Power is said to be in discussions with all of them.

Neither U.S. Power nor bank officials would confirm or deny the refinancing reports.

The outstanding debt consists of \$283.6 million of first-lien loans and a \$100 million first lien working capital facility due 2012 with a BB- rating and a \$300 million second-lien bank loan with a B rating due in 2013. Institutional investors are looking for at least 6% on any new deal.

—*Jeanine Prezioso*

## U.K. WIND PROJECT EYES NEW FINANCING APPROACH

**Masdar**, Abu Dhabi's renewable energy company, has shortlisted banks to raise \$440 million in debt to finance its portion of a €2.2 billion (\$3.1 billion) offshore wind project in the U.K. The developer is looking to use an unincorporated joint-venture structure which has not been used for wind in the U.K. before and could pave the way for others. Until now, the size of the projects has been small enough to use traditional project financing.

The structure essentially allows companies with the ability to finance projects on their corporate balance sheets to work with less well capitalized companies who need to borrow funds. Unincorporated joint ventures are commonly used to finance North Sea oil and gas ventures, when a large multinational company partners with a smaller company on a

*(continued on page 8)*

## BG STARTS BID PROCESS FOR GENERATION SALE

**BG Energy** is shopping five plants in the U.S. and U.K. with 3,628 MW of capacity.

**Goldman Sachs** is compiling a shortlist after taking bids last week. The company owns a number of facilities around the world and has been the subject of much speculation as to which properties it would put on the block.

The sale includes:

- The 805 MW combined cycle Lake Road plant in Dayville, Conn., which BG bought for \$685 million (PFR, 12/21/06).
- The 262 MW combined cycle Masspower plant in Indian Orchard, Mass., which BG bought for \$150 million (PFR, 3/30/07).
- The 170 MW gas-fired Dighton plant in Bristol County, Mass., which BG bought for \$90.2 million.

*(continued on page 8)*

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

## At Press Time

## ArcLight Loan Pitched At 375bps Spread

ArcLight Capital Partners is offering 375 basis points over LIBOR, with a LIBOR floor of 200 bps for its \$220 million B loan backing the purchase of five generation and transmission assets from **Energy Investors Funds**. The deal also includes an original issue discount of 98.5 bps. Commitments for the seven-year facility are due on Jan 28.

Lead left **Barclays Capital** and **Bank of America** are looking to tap institutional investors, a deal watcher notes, adding the pricing of the deal reflects the perceived low risk of the contracted assets. They kicked off the deal at a bank meeting in New York on Thursday (PFR, 1/12). Bank officials and a spokesman did not return calls. The identity of interested investors could not be learned.

**John O' Connor**, cfo at ArcLight in New York, did not return a call. **Standard & Poor's Ratings Services** rates the loan BB+.

## Infigen Portfolio Bids Due

Binding offers for **Infigen Energy's** 1.1 GW U.S. wind portfolio were due last Thursday. Infrastructure funds were likely bidders, a banker in New York says. Calls to officials at Infigen in Sydney, Australia, and **Marathon Capital** and **UBS**, the firms running the sale, were not returned. The number of bidders could not be learned.

Shortlisted bidders visited some of the farms in late 2009. Infigen is selling 18 projects in California, New Mexico, Illinois, Oklahoma, Pennsylvania, Colorado, Texas and Oregon that are 80% contracted (PFR, 11/25).

## CPV Expects Feb. Close of SkyPower Wind Acquisition

CPV Canada Development expects to wrap the purchase of a wind development from **Interwind**, formerly part of **SkyPower**, early next month. **Marathon Capital** is running the sale of Toronto-based SkyPower's 10 GW wind pipeline (PFR, 11/13). How much of the pipeline CPV is purchasing could not be immediately learned.

The affiliate of **Competitive Power Ventures** received approval from the Ontario Superior Court of Justice last Tuesday to continue with the purchase. SkyPower put its assets on the market after the collapse of **Lehman Brothers**, which owned 80% of SkyPower. Calls to officials at CPV in Braintree, Mass., and Marathon Capital were not returned.

## 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 **Jeanine Prezioso**, managing editor, at 212-224-3226 or [jprezioso@iineews.com](mailto:jprezioso@iineews.com).

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## CS Takes Bids For LS Gas Plant

**Credit Suisse** accepted bids last Wednesday for **LS Power's** 572 MW Arlington Valley natural gas-fired plant, says a deal watcher. The number of bids submitted or the asking price could not be immediately learned.

The 572 MW combined cycle plant went on the market in December after LS Power acquired it from **Dynegy** (PFR, 12/18). Arlington Valley's EBITDA, which is expected to increase from \$35 million to \$48 million in two years, is likely to be attractive to buyers, the deal watcher says. The plant has a long-term PPA with a utility and has a 10-year tolling agreement, he notes.

Bank and LS Power officials declined to comment.

## Canadian Shop Scoops EIF Asset

**Fort Chicago Energy Partners** aims to purchase **Energy Investors Funds'** 33 MW Glen Park hydro facility in Watertown, N.Y., according to documents filed with the U.S. **Federal Energy Regulatory Commission**.

The plant, which sells all of its output to **Shell Energy North America**, had been included in the portfolio of six assets that EIF had put on the block (PFR, 6/26). **ArcLight Capital Partners** is purchasing the other five assets, including the Neptune Regional Transmission System (PFR, 1/12). The reason behind EIF's decision to separate Glen Park from the portfolio sale to ArcLight could not be learned by press time.

**John O'Rourke**, v.p. of power at the Calgary-based limited partnership, did not return a call and EIF declined to comment through a spokesman. The price of the asset could not be learned.

## N.J. Peaker Construction Deal Readied

**Calyon** and **WestLB** are preparing to launch \$300-400 million in financing backing **Pure Energy Resources'** construction of a 512 MW gas-fired peaker in Bayonne, N.J.

The deal will be structured as a mini-perm and could be launched as early as next quarter. A WestLB official declined to comment and a Calyon official did not return a call.

Pure is backed by **ArcLight Capital Partners** and is partnering with **Hess Corp.** for the \$500 million project. The facility will be built on a seven-acre site owned by Hess on Upper New York Bay. **Paul Barnett**, founder of Pure in Burlington, Mass., declined to elaborate on details of the financing. **John O'Connor**, cfo of ArcLight in New York, and a Hess spokesman in New York did not return calls.

The plant will be connected to a **Consolidated Edison Company of New York** substation via a submarine

transmission line in the Hudson River. It is slated for operation next year.

## Swedes Look To Land U.S. Gas Plants

**EQT Infrastructure Fund** is in early negotiations with a handful of companies to acquire gas-fired generation. Natural gas-fired plants in the U.S. are attractive because they complement renewable power sources, says **Glen Matsumoto**, partner and head of the New York office of the Stockholm-based private equity firm. "With all the emphasis on renewables, it's an important swing fuel." He declined to disclose which plants EQT is bidding on.

EQT acquired **Midland Cogeneration Venture's** 1.5 GW gas-fired plant in Midland, Mich., last year (PFR, 4/3). That was an ideal investment because the facility had a proven operational history and there was room to improve efficiency because the cooling pools and transmission were under-utilized, says Matsumoto.

The fund has roughly three-fourths of its EUR1.2 billion (\$1.69 billion) left to invest in the next four years. The fund finalized the purchase of **Swedegas**, a natural gas transmission operator, from **E.ON Ruhrgas**, **Statoil**, **DONG Energy** and **Fortum**, in December.

## Canadian Wind Co. Scopes PPA, Financing

**Greengate Power Corp.** is closing in on a PPA it needs to finalize financing for its 150 MW Halkirk project in Alberta. **Dan Balaban**, president and ceo in Calgary, says the late stage negotiations are with long-term utility offtakers. He declined to name the utility. Halkirk is slated to be online in the first quarter of 2011.

The company is also in talks with a bank for debt financing, Balaban says, declining to disclose the name or the amount of debt being sought for the roughly \$300 million project. Greengate is also close to wrapping separate discussions with a strategic partner for Halkirk, he says, noting "it's one element of our financing." He declined to name the party. Greengate is not using an advisor.

Greengate is also finalizing a PPA for its 300 MW Blackspring Ridge Project. The company expects to start construction on what will be the largest wind project in Canada just as it brings Halkirk online in early 2011. "We expect to be able to rinse and repeat for Blackspring Ridge," he says. Greengate will approach banks to finance a portion of the estimated \$600 million needed for Blackspring, which is in southeastern Alberta near Lethbridge.

Greengate has nine projects totaling 1,550 MW in its Alberta



pipeline and plans to bring a project online every twelve months until 2015 (PFR, 1/26). The company is primarily focused on its greenfield strategy but will consider acquisitions and expanding into other markets once a couple of projects are online in Canada, Balaban says.

## Worenklein Lands At Law Firm



Jay Worenklein

Sector veteran Jay Worenklein has joined law firm **Bingham McCutchen** in its New York office. Worenklein, who founded **U.S. Power Generating Co.** and left in Sept. 2008, has sat on six company boards in the last 18 months. He's also been providing independent advisory services to renewable energy clients.

"I felt I would be more effective with a platform of a major law firm rather than on a solo basis," he said of why he joined Bingham. "I can do what I most want to do, develop strategies to entry [for companies] in energy."

He joined as partner and focuses on project finance activities in power, renewable energy and infrastructure. He was hired by the firm's chairman, **Jay Zimmerman**. Before U.S. Power he was global head of the energy, power, infrastructure and project finance sectors at **Société Générale**. From 1973 to 1993, he was a partner at **Milbank, Tweed, Hadley & McCloy** in New York where he founded and headed the firm's project development and finance practice.

## LS Scopes WAPA Funding For Nev. Transmission

**LS Power** is talking with the **Western Area Power Administration** about financing for its share of a 235-mile transmission line its building with **NV Energy** in Nevada. "We'll bring equity from ourselves or investors and anticipate for our portion that WAPA would be primary lender," says **Mark Milburn**, assistant v.p. of LS Power. He declined to disclose how much equity or loans would be needed for the project that could cost \$470 million.

WAPA is looking to lend about \$3.25 billion to transmission projects (PFR, 8/25).

**Great Basin Transmission**, an affiliate of LS, will own 75% of the Southwest Intertie Project with NV Energy owning the remaining quarter. The shovel-ready line is awaiting approval from the **Public Utilities Commission of Nevada** and the U.S. **Federal Energy Regulatory Commission** on the partnership, says Milburn. Construction is slated for the summer and the project is expected to be online by 2012.

LS is evaluating bids from potential offtakers, Milburn says.

He declined to disclose the number or names of companies, but added that bids include companies interested in moving renewable power using expansion projects in Idaho and Wyoming. All three stages are expected to be online by 2015. Outside financing will likely be sought for the Idaho and Wyoming sections, he notes. Milburn declined to comment on how much funding would be needed or when LS Power would approach banks.

Calls to officials at NV Energy and WAPA were not returned.

## NRG Drops Solar Deal

**NRG Energy** has put its drive for a roughly \$200 million revolver backing solar plant construction on hold. It could not be determined exactly why the company halted its plans. "The company did not want to lock in financing at this time," says a deal watcher. The Houston-based company iced the deal last week.

**Royal Bank of Scotland** had been leading the deal, which was intended to back a series of utility-solar projects (PFR, 11/20). The loan would have been the largest of its kind to hit the U.S. market.

A spokeswoman at NRG in Houston did not return a call and a bank official declined to comment. The company's plans for financing the projects without the revolver could not be learned by press time.

## Puget Fires Up 1GW RFP

**Puget Sound Energy** is looking for up to 1 GW of generation in its latest request for proposals. It will consider investing in existing plants, taking ownership stakes in new facilities and signing long-term PPAs. The utility will hold a bidders' conference Thursday and bids are due on March 2.

Puget is expecting a robust response, a spokesman in Bellevue, Wash., says, pointing to the 30 bids garnered in its 2008 RFP. The results of that call included the purchase of the 310 MW gas-fired Mint Farm plant from **Wayzata Investment Partners** (PFR, 10/3/08) for \$240 million, the purchase of the 277 MW gas-fired Goldendale plant from **Calpine Corp.** for \$100 million and a 20-year PPA with **PPM Energy's** 50 MW wind farm in north central Oregon.

The company's resource acquisition department will vet all bids for technical and financial credibility. Developers must provide plans for financing structures and contact information and commitment letters for any debt or equity providers. They will also be responsible for grid interconnection. A shortlist of roughly six to eight bids will be provided sometime this spring ahead of finalizing PPAs or ownership stakes later this year.

An official was not available to comment by press time and the identity of potential bidders could not be learned.

## EME Deal To Wrap

**Edison Mission Energy** is set to wrap financing backing its \$300 million, 150 MW Cedro Hills wind farm in Webb County, Texas. **Union Bank, WestLB, Dexia Crédit Local, Banco Santander, Banco Espirito Santo** and **BBVA** are reportedly participating on the deal. Bank officials either declined to comment or did not return calls.

The company has secured a 15-year project finance loan, the longest tenor seen since the **Lehman Brothers** collapse (PFR, 12/16). Pricing is in the range of 325-375 basis points over LIBOR. **Gerard Loughman**, senior v.p. of development in Irvine, Calif., did not return a call. Commitment sizes could not be learned by press time.

The project has a PPA with **CPS Energy** and is slated for operation this year.

## Storage Shop Preps Financing

**Cardinal Gas Storage** is planning to launch roughly \$125 million in financing backing its 7.5 billion cubic feet Perryville gas storage facility in Franklin County, La. **WestLB** and **ING** are leading the deal, which the parties aim to wrap by the end of the quarter.

Cardinal, which is backed by **Energy Capital Partners** and **Martin Resources Management**, had been seeking five- to seven-year term loans for several of its projects (PFR, 5/9/08). A WestLB official declined to comment. **Murray Karp**, cfo of ECP in Short Hills, N.J., and **Robert Bondurant**, cfo of Martin Resources affiliate **Martin Midstream Partners** in Kilgore, Texas, did not return calls. Details of the deal, such as structure, tenor and pricing could not be learned by press time.

The project will eventually be expanded to 22.5 bcf and will connect to **CenterPoint Energy's** Perryville Hub and several other pipelines including the Southeast Supply Header. The first 7.5 bcf phase will be in operation by the third quarter of 2012.

## Enel's Wind Purchase Hooks It Into U.S. Market

**Enel North America's** purchase of **Padoma Wind Power** strengthens the company's foothold in the U.S. wind market as renewable subsidiary **Enel Green Power** preps for an initial public offering later this year, say market watchers.

The acquisition from **NRG Energy** was completed earlier this month. **Jan Paulin**, president and ceo of Padoma, will stay on, says an Enel spokesman, declining to specify or elaborate on the role he will take in Enel.

The decision to retain Padoma's development team will be

attractive to potential investors, says a deal watcher in New York. "This would be a good move to prove that you have a solid pipeline if you're planning to spin it off," he notes.

Calls to Padoma officials in La Jolla, Calif., and NRG officials were not returned.

Padoma's project pipeline, roughly 4 GW of early stage projects in California, and the development team made the acquisition attractive, says the spokesman. He declined to say whether Enel will look to develop greenfield or early stage projects. Enel North America did not use an advisor on the deal and the spokesman declined to disclose the cost of the transaction.

## Spanish Solar Co. Seeks Acquisitions

**Fotowatio Renewable Ventures** is in early negotiations with U.S. companies to acquire solar projects or pipelines.

**Mark McLanahan**, senior v.p. for project development in San Francisco, says Fotowatio is targeting projects larger than 10 MW. He declined to disclose details about potential acquisitions. The company is not using an advisor.

Fotowatio Renewable Ventures, the U.S. branch of Spanish company **Fotowatio**, is also looking at acquiring project pipelines. "We're looking at every opportunity to grow our project pipelines. Right now we're focused on large scale projects, we're a buyer," McLanahan says.

In addition, the company is partnering with the **Air Force Real Property Agency** to build a photovoltaic project on Edwards Air Force Base about 90 miles northwest of Los Angeles. Fotowatio will develop the project and own it upon completion, leasing the land from the Air Force. It will finance all preliminary studies and permitting on balance sheet. The project is slated for construction by 2013.

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## Infrastructure Fund Seeks EU Wind Investments

**Antin Infrastructure Partners**, a Paris-based infrastructure firm and partner of **BNP Paribas Investment Partners**, is looking to rebalance its portfolio this year by increasing investments in renewables.

The fund is looking at opportunities in renewable and midstream assets in Italy, Spain, Benelux, Germany and France, Crosbie explained. Wind assets are of particular interest, **Mark Crosbie**, managing partner at Antin, told *PFR* sister publication *Global Money Management*.

With competition expected to remain less intense in continental Europe than the U.K., the fund will not be looking to increase its exposure to British assets, he noted.

Crosbie declined to name clients, but indicated that they include five highly experienced pension investors. **Alain Rauscher**, founder and ceo of Antin, suggested that investors have been attracted by the fund's euro zone focus: "This is one of the only funds with over 80% commitment to the euro zone, with a well diversified portfolio of infrastructure assets in eight European countries," he said. The fund maintains a EUR1 billion growth target and works to an asset holding period of around 10 years. The portfolio's expected aggregate returns are 15%, with an expected yield of 5%.

## Corporate Strategies

### TrAILCo Pays Down Debt With Issue

The **Trans-Allegheny Interstate Line Company** is issuing \$450 million in senior unsecured notes to pay down \$550 million in debt used to fund a 240-mile transmission line.

The **Allegheny Energy** affiliate has also landed a three-year \$350 million revolving credit facility to pay down the balance of the debt and fund remaining construction costs, says **Kevin Beicke**, analyst at **Fitch Ratings** in New York.

The company will price the issue of two and five-year notes sometime this week. A spokesman in Greensburg, Pa., did not immediately return a call. Further details of the new financings could not be learned. **Barclays Capital** is the underwriter and an official there did not return a call.

**Citigroup** and **BNP Paribas** led the syndication of the original \$530 million term loan and \$20 million letter of credit (PFR, 8/22). The funds backed the \$1.3 billion, 500 kV project stretching from Washington County, Pa., to Loudon County, Va. TrAIL is building an \$820 million, 180-mile portion and **Dominion Resources** is building the remaining portion. The project is set to be complete by 2012.

## Project Finance Deal Book

*Deal Book is a matrix of energy project finance deals that PFR is tracking in the energy sector. The entries below are of new deals or deals where there has been change in their parameters or status. To report updates or provide additional information on the status of financings, please call Jeanine Prezioso at (212) 224-3226 or e-mail [jprezioso@iineews.com](mailto:jprezioso@iineews.com).*

### Live Deals: North America

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
Caithness Energy, GE Energy	Shepherds Flat (909 MW Wind)	Oregon	BoTM, WestLB, Morgan Stanley, Credit Suisse, RBS, Citi	TBA	TBA	TBA	Citi applies for FIPP (PFR, 1/18).
El Paso	Ruby Pipeline (675-mile Natural Gas Pipeline)	Wyoming to Oregon	Calyon	TBA	TBA	TBA	Six lenders to take \$175M slugs (PFR, 1/18).
enXco	Arnprior (23.4 MW Solar)	Arnprior, Ontario	Dexia, Union Bank	TBA	TBA	TBA	Deal wrapped (PFR, 1/18).
Hudson Transmission Partners	Hudson Transmission (8 miles Transmission)	Ridgefield, N.J.-New York	RBS, SocGen	TBA	TBA	TBA	Leads tapped (PFR, 1/18).
LS Power, NV Energy	Southwest Intertie (235 Miles Transmission)	Nevada	TBA	TBA	TBA	TBA	Talking to WAPA for funding (see story, page 4).
NRG Energy	Various (Solar)	Various, U.S.	Royal Bank of Scotland	Revolver	TBA	TBA	Deal on hold (see story, page 4).
St-Laurent Énergies	Various (954 MW Wind)	Ontario	TBA	TBA	TBA	TBA	Looking to mandate banks by mid-year (PFR, 1/18).
Starwood Energy	Unidentified (20 MW Solar)	Sault Ste. Marie, Ontario	NordLB	TBA	\$100M	TBA	Deal wrapped (PFR, 1/18).
	Unidentified (40 MW Solar)	Sault Ste. Marie, Ontario	TBA	TBA	TBA	TBA	Looking for financing this year (PFR, 1/18).

For a complete listing of the Project Finance Deal Book, please go to [iipower.com](http://iipower.com).

## Auction Batting Averages Nosedive

The odds of successfully selling a generation asset nosedived last year, with just 9% of deals launched landing a buyer. That's against a success rate of 55% in 2008, according to numbers from *PFR's* Generation Sale Database.

As with the total number of sales (PFR, 1/8), gas-fired generation saw a dramatic fall with just 4% of auctions launched last year resulting in a deal.

Depressed plant values, climate change legislation and natural gas prices will have the most impact on whether sales race to the finish line or languish until another year, bankers say.

*This is the second data run PFR has published based on the Generation Sale Database this quarter. We'll be doing this at the start of each quarter. Subscribers can access the data any time at*

*<http://www.iipower.com/GenerationSalePage.aspx>*

### Generation Auction Success Rates

	2008			2009		
	Deals Launched	Completed	Success Rate	Deals Launched	Completed	Success Rate
Gas	40	25	63%	26	1	4%
Coal	6	2	33%	7	1	14%
Wind	14	6	43%	21	3	14%
Nuclear	0	0	0%	1	0	0%
Geothermal	2	0	0%	0	0	0%
Biomass	9	4	44%	6	0	0%
Solar	0	0	0%	0	0	0%
Landfill Gas	4	3	75%	3	0	0%
Hydro	4	4	100%	7	2	29%
Gas/Solar	1	0	0%	0	0	0%
Naptha	0	0	0%	1	0	0%
Waste-to-Energy	0	0	0%	7	0	0%
<b>Total</b>	<b>80</b>	<b>44</b>	<b>55%</b>	<b>79</b>	<b>7</b>	<b>9%</b>

**Source:** PFR Generation Sale Database (<http://www.iipower.com/GenerationSalePage.aspx>)

**Notes:** Data Covers U.S. and Canada

Numbers represent individual power plants, not corporations

Completed number is for auctions launched and closed in that calendar year

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## BG STARTS

(continued from page 1)

- A 50% stake in the 1,145 MW Seabank combined cycle plant in Bristol, England.
- The 1,246 MW gas-fired Premier plant in Northern Ireland.

None of the principals would comment and it couldn't be determined if the assets are being sold separately or in a package. If it is the latter, a large, diversified utility would be a likely buyer.

"The company is looking to focus on LNG development in Australia and offshore exploration and production in Brazil," says **Sabrina Ran**, an analyst at **Fitch Ratings**.

Private equity shop **First Reserve** reportedly participated in the bidding but a spokeswoman there did not return a call.

—*Sara Rosner*

## U.K. WIND

(continued from page 1)

capital-intensive project, says **Jamieson Thrower**, director at **Royal Bank of Scotland**, one of the short-listed banks. The lenders recourse is to take part of the revenues from the oil and gas produced and sold if a debtor breaches a covenant. Exactly how this will work in a wind scenario is still being worked out, but bankers are now looking to interpret certain models of oil and gas financing in the power sector. One idea is for a bank to be able to take part of the revenues from the electricity sold from the wind farm in case of a default.

Masdar is developing the the so-called London Array project with **E.ON** and Denmark's **DONG Energy**. The project, one of the largest of the 15 approved, was greenlighted as part of the Crown Estate's round 2 offshore wind auctions. It will be developed in two phases for a total output of 1 GW. **Bank of Tokyo Mitsubishi** is advising Masdar.

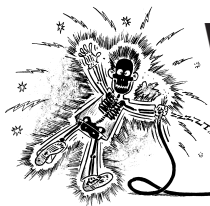
A BOTM banker in London declined to comment on the financing and referred questions to an official at Masdar who did not reply to an e-mail. Thrower did not know the names of the other banks on the short list. Officials at E.ON and DONG could not be reached for comment.

Earlier this month, the Crown Estate approved some 32 GWs of projects in round 3 of its auction expected to cost some €85 billion (\$120 billion) to develop. "What people do realize is it isn't all going to come from the traditional vanilla structure of 60% debt to 40% equity," says Thrower. "There just isn't that liquidity in the bank market to provide those levels of financing."

Other potential sources of funding might be to issue project bonds and tap the **European Investment Bank** and export credit agencies, Thrower adds.

—*J.P.*

## Alternating Current



### Wind Turbines: Better Than Bait

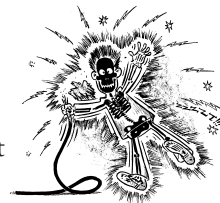
If the fish in *Finding Nemo* was really looking for a fresh start, he probably would have flocked to the nearest offshore wind turbine to join all other manner of marine life. **Dan Wilhelmsson**, a scientist at **Stockholm University's** Zoology Department, has found that sea beds in the vicinity of the turbines have higher densities of fish compared to areas farther away from the turbines.

Crabs, lobsters, plants and particularly blue mussels are attracted to the turbines' hard surfaces, an important foundation for building a crustaceous little home and one that is difficult to find on sandy ocean bottoms. The turbine foundations function as artificial reefs and could be manipulated to enhance conditions for species that need more protection, Wilhelmsson notes in *CleanTechnica*. He did not respond to e-mail for comment.

It has yet to be seen whether the discovery will break down environmental opposition to projects like Cape Wind. But at least we know the fish of Nantucket Bay would approve.



Credit: The Wall Street Journal



## Quote Of The Week

"What people do realize is it isn't all going to come from the traditional vanilla structure of 60% debt to 40% equity. There just isn't that liquidity in the bank market to provide those levels of financing." —**Jamieson Thrower**, director at **Royal Bank of Scotland** in London, on Abu Dhabi renewable energy company **Masdar** raising funds for a \$3.1 billion offshore wind project in the U.K. (see story, page 1).

## One Year Ago In Power Finance & Risk

**Union Bank** and **WestLB** were in talks with banks to secure commitments for 50 to 85% of **EQT Infrastructure Fund** and **Fortistar's** \$525 million acquisition costs for the 1.5 GW **Midland Cogeneration Venture**. [The banks issued tickets in \$15 million, \$25 million and \$50 million to roughly 30–40 lenders at the retail syndication launch (PFR, 4/3).]