

Power Finance & Risk

Exclusive Insight on Power M&A and Project Financing

By the publisher of GlobalCapital

● At Press Time

● Awards

GE EFS, Morgan Stanley Seal Texas Wind Funding

GE Energy Financial Services and Morgan Stanley have wrapped tax equity and debt financing backing a **Capital Dynamics** wind farm in Texas.

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12th Annual Deals & Firms Of The Year Awards

Power Finance & Risk is gearing up to launch the voting process for our 12th Annual Deals & Firms Of The Year Awards. Stay tuned to www.powerfinancerisk.com for procedures, deadlines and announcements.

Banks Circle \$1.3B Mexico Pipeline Deal

Sara Rosner

Prospective lenders are aiming to make commitments to **PEMEX** and **IE Nova**'s \$1.3 billion financing backing their Los Ramones II Norte pipeline in Mexico. **Banco Santander** is underwriting and leading the deal, which it expects to be oversubscribed when the deal closes next month.

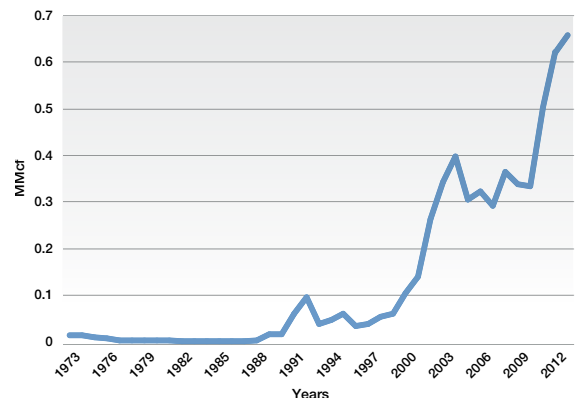
"It's a really solid deal because of the

offtaker. It's a strategic paroject for Mexico, attractive and well-priced," says a project financier in Mexico City. Pricing is roughly 250 basis points over LIBOR. The transaction is split into two tranches, a piece with a 12-year tenor for commercial banks and a piece with a 20-year tenor for development banks.

Lenders that participated in the \$890 million financing backing **GDF Suez** and **PEMEX**' Los Ramones II

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U.S. Natural Gas Pipeline Exports to Mexico



Source: U.S. Energy Information Administration.

Q&A: John Foster, Southwest Generation - Part 1

Denver-based Southwest Generation recently wrapped a refinancing and an asset sale that ultimately put it on its current path to growth. "The new objective, as agreed with our shareholders, is to create a diversified, sustainable, self-funding power generation platform in North America," **John Foster**, president and ceo, tells *PFR* in an exclusive interview. Foster took some time out from **Infocast**'s 7th Annual Projects & Money conference in New Orleans to speak with



PFR Managing Editor, **Sara Rosner**, about the company's recent activities and its strategy for building out its portfolio.

PFR: Tell me about Southwest Generation and your new role there, John. What does your hire mean for the company in the bigger picture?

Foster: Southwest Generation was formed in 2008 with the acquisition of **Black Hills Corp.**'s unregulated assets, which were acquired by **Hastings Management Fund** and **JPMorgan**.

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TerraForm Hits Road Show for \$800M Notes

Olivia Feld

SunEdison's yield company **TerraForm Power** has embarked on a road show for its \$800 million offering of senior unsecured notes to fund a portion of its acquisition of **First Wind**.

The sponsor and bookrunners are visiting New York, Boston, Los Angeles and San Francisco this week. The response from prospective investors has been very positive, according to a deal watcher. **Barclays**, **Bank of America Merrill Lynch**, **Goldman Sachs**, **Citigroup** and **Macquarie Capital** are joint book runners.

SunEdison and TerraForm agreed to buy First Wind for \$2.4 billion, including a \$510 million earn-out (PFR, 11/18). Proceeds from the issuance of the notes and of common stock will be used to retire existing term

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● AT PRESS TIME

GE, Morgan Stanley Seal Lone Star Wind Financing

Capital Dynamics has sealed financing for the 150 MW Briscoe wind project in Briscoe County, Texas. **GE Energy Financial Services** and **Morgan Stanley** will provide tax equity, with Morgan Stanley also supplying construction debt and a letter of credit.

Briscoe is due to be operational in the second half of 2015 and will sell power into ERCOT. Spokespeople did not respond to inquiries and details such as pricing and tenor could not be learned by press time.

The sponsor acquired the project from **EBW**

and **juwi Wind**.

Juwi continues to provide support through a development services agreement. In October, Capital Dynamics and **Prudential Capital Group** bought a 300 MW wind project in Texas from **Pioneer Green Energy** (PFR, 10/7).

Capital Dynamics, a Zug, Switzerland-based global asset manager, has signed a 10-year full service agreement with GE to operate and maintain the 81 GE 1.85 MW wind turbines. ■



Credit: Fotolia

● THE BUZZ

The Buzz: Hitting The Road

Sponsors and their lead bankers are making the rounds this month to potential lenders. **SunEdison's** yield company **TerraForm Power** is in New York, Boston, Los Angeles and San Francisco on a road show for an \$800 million bond offering (see story, page 1). **Barclays**, **Bank of America** **Merrill Lynch**, **Citigroup**, **Goldman Sachs** and **Macquarie Capital** are leading the deal and proceeds of the senior, unsecured eight-year notes will fund a portion of TerraForm's acquisition of **First Wind**.

Royal Bank of Scotland is flying a team of bankers from London to the U.S. to meet with up to 30 lenders regarding client **Energy Transfer Partners'** financing of its \$11 bil-

lion Lake Charles LNG project in Louisiana (see story, page 5). **BG Group** has contracted capacity on the project and that company's participation is casting Lake Charles in a rosier light for bankers.

Borrowers are continuing to tap an attractive market for repricings and refinancings. **GE Energy Financial Services** and **ING Capital** led a deal to refinance **LS Power's** West Deptford combined cycle plant in New Jersey (see story, page 5). Pricing reportedly came in at 312.5 basis points over LIBOR for the transaction. Meanwhile, **Rabobank** lead a \$125 million deal to finance three solar projects in Ontario developed by **Penn Energy Renewables** (see story, page 5). The developer is part of the **Penn Group of Companies** based in Philadelphia that originally got their start in real estate development. ■

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Power Finance & Risk is a general circulation newsweekly.

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Power Finance & Risk ©2014

Institutional Investor, LLC Issn# 1529-6652

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

Feel free to contact **Sara Rosner**, editor, at (212) 224-3165 or sara.rosner@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	Advisor	Status/Comment
American Electric Power	Portfolio (7,923 MW Gas, Coal)	Indiana and Ohio	Goldman Sachs	AEP has tapped Goldman to sell a portfolio of assets.
Apex Clean Energy	Balko (314 MW Wind)	Beaver County, Okla.	Macquarie Capital	D.E. Shaw is buying the project (PFR, 1/12).
Apex Clean Energy	Kay (314 MW Wind)	Kay County, Okla.		Southern Power Co. is considering buying the project (PFR, 1/12).
Calpine	Osprey (550 MW CCGT)	Florida	TBA	Comes after Duke recently said it wanted to build not buy plants (PFR, 9/1)
Covanta Holdings Corp	Portfolio (113 MW Biomass)	Various, California	Ewing Berriss	Teasers out this month (PFR, 11/3).
Dynegy	Portfolio (2.7 GW Gas, Oil-Fired)	Various, California	Bank of America Merrill Lynch, Barclays	Teasers recently released (PFR, 10/27).
E.ON Climate & Renewables North America	Stake (Wind Portfolio)	Various	Bank of America Merrill Lynch	Looking to sell 80% of several projects (PFR, 9/15).
Emera	Stake (Northeast Wind Partners)	Various		First Wind is buying Emera out as part of deal with TerraForm (PFR, 11/24).
Energisa	Portfolio (488 MW Wind, Biomass, Hydro)	Brazil		Brookfield Renewable Energy Partners is buying the portfolio for \$545M (PFR, 12/8).
Energy Investors Funds	Stake (Oregon 789 MW CCGT)	Oregon, Ohio	BNP Paribas	I Squared Capital is buying 50% (PFR, 11/24).
Entegra	Gila River (2.2 GW Gas)	Gila Bend, Ariz.		Tucson Electric Power is buying a 25% stake in the asset (PFR, 12/8).
ET Solar Energy Corp., Geenex	Halifax (20 MW Solar)	Roanoke Rapids, N.C.		Duke Energy Renewables is buying the asset (PFR, 1/12).
Exelon	Keystone (1,711 MW Coal)	Pennsylvania		ArcLight has launched a TLB package to finance its acquisition of stakes in Keystone and Conemaugh (PFR, 12/8).
Exelon	Conemaugh (1,711 MW Coal)	Pennsylvania		ArcLight has launched a TLB package to finance its acquisition of stakes in Keystone and Conemaugh (PFR, 12/8).
First Wind	Portfolio (512 MW Wind)	Various	Goldman Sachs	TerraForm Power is buying operational assets (PFR, 11/24).
First Wind	Portfolio (1.6 GW Wind Project Pipeline)	Various	Goldman Sachs	SunEdison is buying the development assets (PFR, 11/24).
First Wind	Stakes(255 MW Wind)	Texas, Washington		Individuals affiliated with Southwest Generation are taking stakes in the project (PFR, 10/20).
● Footprint Power	Salem Harbor (674 MW Gas)	Massachusetts	Macquarie Capital	Highstar Capital and Oaktree are taking equity stakes in the project (PFR, 1/19).
LS Power	Portfolio (544 MW Hydro)	Various, PJM		Sale is reportedly between the first and second round (PFR, 10/20).
LS Power	Portfolio (Various)	PJM, New England		Mulling a sale of assets in its second fund (PFR, 11/17).
Neptune Power Ventures	Neptune (65 Miles Transmission)	New York, New Jersey		Several owners selling down stakes to Ullico (PFR, 11/10).
NRG Energy	Portfolio (785 MW Wind, Gas)	Various		NRG Yield is buying them (PFR, 11/17).
NRG Energy	Storm Lake 1 (108 MW Wind)	Iowa		Allete Clean Energy is buying the asset (PFR, 12/8).
NTR	Portfolio (Wind)	Various	Marathon Capital	Deal to launch soon (PFR, 11/17).
Riverstone Holdings	Sapphire Power (807 MW Gas)	Various	Barclays	First round bids submitted mid-October (PFR, 10/27).
Sempra U.S. Gas & Power	Mesquite (1250 MW CCGT)	Arizona		Sempra is on track to sell the facility for more than its \$300M book value (PFR, 11/10).
Verso Paper Corp.	Various (118.4 MW)	Bucksport, Maine		American Iron & Metal is buying the plants as part of its \$60 million acquisition of the Bucksport Paper Mill (PFR, 12/15).
Verso Paper Corp.	Bucksport Power (185 MW Cogen)	Bucksport, Maine		American Iron & Metal is buying the plants as part of its \$60 million acquisition of the Bucksport Paper Mill (PFR, 12/15).

● New or updated listing

The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed.
To report updates or provide additional information on the status of financings, please call Editor Sara Rosner at (212) 224 3165 or e-mail sara.rosner@powerfinancerisk.com

PROJECT FINANCE

Deal Book is a matrix of energy project finance deals that Power Finance & Risk is tracking in the energy sector.

A full listing of deals for the last several years is available at <http://www.powerfinancerisk.com/Data.html>

Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
8minutenergy Renewables & D. E. Shaw Renewable Investments	Springbok (133 MW Solar)	Kern County, Calif	TBA	TBA	TBA	TBA	Debt financing deal sealed (PFR, 1/12).
ATCO Group & Quanta Services	Fort McMurray (Transmission)	Alberta	TBA	TBA	TBA	TBA	Sponers looking to finance \$1.43 billion project (PFR, 1/12).
Alterra, Fierri Axium	Jimmie Creek (62 MW Hydro)	British Columbia	Manufacturers LifeCo	Construction, Term	C167.5	C+40-yr	Five lenders participated (PFR, 10/27).
Cape Wind Associates	Cape Wind (468 MW Wind)	Cape Cod, Mass.	MUFJ	TBA	\$1.95B	TBA	National Grid and NStar terminate their offtake contracts (PFR, 1/12).
Cheniere Energy	Corpus Christi (LNG Export Facility)	Corpus Christi, Texas	SocGen	TBA	\$11.5B	7-yr	Cheniere Energy mandates 18 joint lead arrangers (PFR, 1/12).
Deepwater Wind	Block Island (30 MW Wind)	Rhode Island	TBA	TBA	TBA	TBA	Aiming to close finance in the coming months (PFR, 10/27).
EDP Renewables North America	Rising Tree 1 & 2 (99 MW Wind)	Kern County, Calif	MUFG Union Bank	Tax Equity	TBA	TBA	MUFG Union Bank agreed to make a tax equity investment (PFR, 11/24).
EDP Renewables North America	Headwaters (200 MW Wind)	Randolph County, Ind.	BAML	Equity, Tax Equity	TBA	TBA	Tax equity investment wrapped from Bank of America Merrill Lynch subsidiary (PFR, 1/12).
Energy Investors Funds	Oregon (800 MW Gas)	Oregon, Ohio	BNP, Crédit Agricole	Term	\$591.4M	7-yr	Half of project sold to I Squared Capital in tandem with \$591.4 million financing (PFR, 11/24).
Energy Transfer Partners	Lake Charles (LNG Export Facility)	Calcasieu Parish, La	Royal Bank of Scotland	TBA	TBA	TBA	ETP and RBS target bank rounds (PFR, 1/26).
Exmar NV	Floating Liquefaction Project	Colombia	TBA	B Loan	\$170M	TBA	Sponsor looking to land a B loan for the debt on the project (PFR, 5/5).
Footprint Power	Salem Habor (647 MW Gas)	Massachusetts	BNP, GE, EFS, MUFG	Term Loan	\$600M		Deal wraps with 10 lenders (PFR, 1/19).
Freeport LNG	Freeport (LNG Export Terminal)	Freeport, Texas	Macquarie Capital, Credit Suisse	Debt, Equity	\$11B	7-yr	Debt financing for first two trains was three times oversubscribed (PFR, 12/8).
First Wind	South Plains (200 MW Wind)	Floyd County, Texas	BayernLB	Tax Equity, Debt	\$254M	TBA	Financing closed with term debt and tax equity (PFR, 11/19)
GDF Suez, Pemex	Los Ramones II Sur (178-mile Pipeline)	Mexico	Santander	TBA	TBA	TBA	Deal wrapped at the end of 2014.
Greenwood Energy, ILIOSS	Portfolio (250 MW Solar)	Mexico	TBA	TBA	TBA	TBA	The sponsors are speaking to lenders and potential mid-size commercial and industrial offtakers (PFR, 10/6).
Invenenergy	Rattlesnake (207 MW Wind)	Glasscock County, Texas	Morgan Stanley	Construction, Term, Tax Equity	TBA	TBA	Deal wrapped with financing led by affiliates of Morgan Stanley (PFR, 12/1).
Korea Southern Power Corp., Samsung C&T	Kelar (517 MW Gas)	Chile	Natixis	Gaurantee, VAT, LC, Working Capital	\$477 M	C+ 14.5-yr	Deal wrapped with Export-Import Bank of Korea providing loans and guarantee (PFR, 12/1).
NextEra Energy Partners	Palo Duro (250 MW Wind)	Randell, Texas	TBA	TBA	TBA	TBA	BAL Investment & Advisory and Bank of New York Mellon made tax equity investment (PFR, 12/8).
NextEra Energy Resources	Mammoth Plains (200 MW Wind)	Oklahoma	GE Energy Financial Services, JPMorgan Capital Corp	Tax Equity	TBA		Tax equity investments agreed (PFR, 11/17)
NextEra Energy Resources	Selling Wind I (200 MW) and Selling Wind II (100 MW)	Oklahoma	TBA	Tax Equity	TBA	TBA	BAL Investment & Advisory and Bank of New York Mellon invest tax equity (PFR, 12/15).
Penn Energy Renewables	Various (Solar 37 MW)	Ontario	Rabobank				Deal wrapped (see story, page 5).
Panda Power Funds	Stonewall (750 MW CCGT)	Leesburg, Virginia	Goldman Sachs, Credit Suisse, ICBC, Investec, MUFG Union Bank, Ares Capital	B Loan, Debt	\$571M	7-yr	Deal wrapped at L + 550 (PFR, 11/24).

New or updated listing

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

PROJECT FINANCE ●

ETP, RBS Target Bank Rounds For LNG

Energy Transfer Partners is meeting with potential lenders to launch a financing its \$11 billion Lake Charles LNG project in Calcasieu Parish, La. The **Royal Bank of Scotland** is advising ETP on the deal.

RBS' London-based LNG specialist team is flying to New York to meet with upwards of 30 potential lenders in the next few weeks. **Moody's Investors Service** is currently rating the project, according to a deal watcher.

Lake Charles LNG consists of three liquefaction trains. In 2013 the U.S. **Department of Energy** conditionally approved the project to export up to 2.0 billion cubic feet of natural gas a day for up to 20 years to non-free trade agreement countries (PFR, 12/12).

The project is contracted to London-based **BG Group**, which will also operate and maintain Lake Charles once the project is constructed. BG Group

was the first to sign an offtake agreement with **Cheniere Energy** for a portion of output from its Sabine Pass LNG export facility (PFR, 11/20). The international reputation of BG Group makes the project attractive to financiers, notes another deal watcher.

Construction is expected to begin this year, with an in-service date slated for the second quarter in 2019. The project is awaiting approval from the U.S. **Federal Energy Regulatory Commission** for the siting, construction, ownership, and operation of Lake Charles.

A number of large-scale LNG deals are due to close this year, including Cheniere's Corpus Christi (PFR, 12/15) and the third train for **Freeport LNG** (PFR 12/1).

Spokespeople for ETP in Dallas and RBS in London declined to comment. ■

Rabo Wraps Ontario Solar Financing

Penn Energy Renewables has closed a \$125 million deal backing three solar projects in Ontario. **Rabobank** led the deal, which includes construction and term loan facilities for each project, as coordinating lead arranger.

KeyBank National Association and **National Bank of Canada** are joint lead arrangers on the transaction. **Aaron Klein**, v.p. of

KeyBank Capital Markets' utilities, power and renewables group in Boston, took the lead on the deal for that lender. The projects total 37 MW and comprise the Roseplain project in Uxbridge, the Brantgate project in Burford and the Ridgefield project in the city of Kawartha Lakes. The **Ontario Power Authority** has 20-year contracts with project under its feed-in tariff program.

Penn Energy is part of the **Penn Group of Companies** headquartered in Philadelphia. Officials and spokespeople did not respond to inquiries and details such as pricing and tenor could not be learned by press time. ■

FAST FACT

20yrs

The **Ontario Power Authority** has 20-year contracts with projects under its feed-in tariff program.

PEOPLE & FIRMS ●

Ashby Joins Whitehall & Co.

Whitehall & Co. has hired **Richard Ashby**, founder and managing partner of **Infrastructure Finance Advisors**, as a managing director. Ashby started his post with the New York-based boutique late last year.

Ashby will focus on M&A and raising capital for renewables developers. IFA and Whitehall have worked

together on many transactions in the past several years, a deal watcher observes. **Jon Cody**, managing director, oversees Whitehall's investment banking business.

Prior to founding Boulder, Colo.-based IFA in 2011, Ashby was the cfo of **RES Americas**, where he led project finance, tax equity and equity transactions backing more than 2.2 GW of renewables from 2007 to 2010. He was also cfo at **Perennial Power**, the U.S. independent power producer arm of **Sumitomo Corp.**, from 2005 until 2007 and a co-head of the U.S. power market consulting group at **Pace Global Energy Services** from 2000 to 2005.

IFA advised community solar developer **SunShare** on its hunt for an equity partner (PFR, 8/12). Residential solar leasing shop **Sungevity** also tapped IFA to help raise capital (PFR, 10/3/13). ■

FAST FACT

2011

Prior to founding Boulder, Colo.-based IFA in 2011, Ashby was the cfo of **RES Americas**,

STRATEGIES ●

LS Wraps West Deptford Refi

LS Power has sealed a refinancing backing its West Deptford combined cycle plant in New Jersey. **GE Energy Financial Services** and **ING Capital** led the transaction, which wrapped late last week.

Pricing on the eight-year package is reportedly 312.5 basis points over LIBOR and participating lenders are making \$100 million commitments (PFR, 1/15). ING led a \$300 million non-recourse financing for the 738 MW West Deptford plant, while GE EFS reportedly considered taking a piece of that debt (PFR, 12/7/2011).

West Deptford cleared PJM's capacity auction in May 2012, along with **Competitive Power Ventures'** 663 MW Woodbridge plant in Woodbridge and **Hess Corp.'**s 625 MW plant in Newark. A spokeswoman for GE EFS declined to comment and an ING banker was not immediately available. The size of the financing could not be learned by press time. An official at LS Power declined to comment. ■

● Q&A: JOHN FOSTER, SOUTHWEST GENERATION



Q&A: John Foster, Southwest Generation - Part 1

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These assets were bought right before the Great Recession. A big part of the acquisition analysis involved re-contracting assumptions. When these assets came off contracts in 2011, 2012 and 2013, the re-contracting possibilities were pretty weak. The demand destruction in Colorado and the other markets where these assets were, resulting from the recession, really put a crimp on those assumptions and made it harder to achieve the results that were originally expected.

The team, including **David Rhodes** and **Greg Trewitt**, who were part of the original Black Hills team that developed many of these assets, and some other men and women at the company, and **Rob Witwer**, who came on as counselor, worked very hard, against considerable odds, to get these assets re-contracted over the last several years.

Ultimately, the acquisition financing was coming due this year. It was imperative that the company figure out a way to retire the original debt and stabilize the portfolio. That required, in addition to the refinancing, some de-levering through an asset sale. This resulted in the sale of the company's Las Vegas assets to **Nevada Power**. The proceeds from this sale, and execution of a refinancing that took advantage of the current attractive debt market, stabilized the platform and gave us a base from which we can grow now.

Southwest Gen brought me in to structure and execute the refinancing and subsequently asked me to stay on to lead the regrowth of the company.

PFR: You mentioned the refinancing and the asset sale. Can you describe those deals a bit more and how they evolved?

Foster: Let's start with the asset sale. Two of the original seven assets were in northern Las Vegas, really at the heart of the load center. The contracts on those assets rolled off at the end of 2013. The company

had expected to renew those, enter into new contracts, or extend them. At the same time that was under discussion, legislation passed in Nevada that required Nevada Power to retire the Reid Gardner coal facility. Part of the bargain for Nevada Power was that it was allowed to replace that capacity through new-build or acquisition.

Nevada Power came to us and said, 'We don't actually want to extend your contracts now, we'd prefer to buy your assets.' That wasn't necessarily initially the highest choice or objective for the company. But as the discussion proceeded, we were able to reach a very attractive valuation for the assets.

Ultimately, being somewhat captive to the Nevada Power system, it turned out to

“Southwest Gen brought me in to structure and execute the refinancing and subsequently asked me to stay on to lead the regrowth of the company.”

be the right economic choice and it also satisfies the company's need to de-lever by raising proceeds and paying off the existing debt. That was really important and came together in a short period of time in early 2014 and led to signing that purchase and sale agreement in May 2014. That went to the PUC of Nevada along with a couple of other assets that Nevada Power was either developing or purchasing. That package required a 180-day process to get approved and the ultimate order was issued in October. There were other details around that package, unrelated to our assets, that slowed the final order until December. But that was the key lynchpin to the restructuring of the company without the need for

additional equity injections.

Once we had that filing with the regulatory commission, we launched the refi based on the three remaining contracted assets in the portfolio. There is one in New Mexico called Valencia which is contracted to **PNM Resources** along with two in Colorado which had been contracted through 2013, Arapahoe and Fountain Valley. Those three formed the basis for the refinance.

Several of the existing lenders were interested in doing the refinancing. We also had parties from the fixed-rate market and elsewhere proposing different arrangements. We ultimately did an RFP to decide which was the best way to proceed. We decided to go with a term loan A, a nine-year, mini perm loan. We were able to agree on an amortization schedule that extended to the life of our longest PPA. We were able to take advantage of what was obviously a very attractive lending market for contracted assets.

Credit Agricole, which was a lender in the original facility, put together the best proposal and spent the most time with the company helping arrange the pathway forward. We selected them as the lead arranger and then we built a club with five other lead arrangers that rounded out the facility. It was ultimately about \$250 million, \$165 million in the term loan and the rest in PPA letters of credit, revolver and working capital.

Working with CreditAg, we brought together a group that included **Mitsubishi UFJ Financial Group**, **Sumitomo Mitsui Banking Corp.**, **Prudential**, **NordLB** and **Siemens Financial Services**. They all actually committed to much larger amounts than we ultimately needed if they all stayed in, which they did. We were able to complete all of the documentation in the September/October timeframe. Then we just waited for the Las Vegas closing. We needed to take those proceeds, along with the refi proceeds, to retire the existing debt. The Las Vegas sale finally closed on Friday Decem-

Q&A: JOHN FOSTER, SOUTHWEST GENERATION ●

ber 19. We then closed the refinancing on Monday, Dec. 22. While it went down to the wire, we were able to get it done in time to enjoy the holidays.

That put us in position, starting in 2015, to begin the regrowth of the platform.

PFR: How did you find the financing market in terms of response for the refi transaction? How are you finding it now? What's your take on the debt markets as they stand this year?

Foster: They remain very robust. After the Great Recession and the challenges that some of the European banks had in Europe itself, there was definitely a contraction for a number of project finance lenders and in deal terms. That's really changed over the last several years. Now there are actually a number of new entrants and there is a significant amount of very attractive debt available, both for contracted asset plays and partially contracted assets. It's a great

"At the end of the day, it wasn't our intention to push every part of that refinancing to the absolute maximum limit of what could be done. But we still wanted to be reasonably aggressive."

time to be in the market.

PFR: You did mention a bit about how you came to work with CreditAg. Can you expand on what it brought to the table or what Southwest Gen looks for when it's working with lenders?

Foster: Ultimately there were a number of good choices to help us with the transaction. At the end of the day, it wasn't such

a large transaction. You could consider co-leads or even more, but for the size of this transaction that didn't really make sense.

Credit Agricole distinguished itself in two ways. First, they were extremely constructive in working through some of the issues in the old loan. They were a very positive force in 2013 and early 2014 as the company worked through some issues in the old financing. Second, we did put out a debt RFP asking people to pose terms for some of the key parameters in the loan such as tenor, spreads or how we're going to do the swaps. Credit Agricole was one of the most creative and aggressive. At the end of the day, it wasn't our intention to push every part of that refinancing to the absolute maximum limit of what could be done. But we still wanted to be reasonably aggressive. Credit Agricole did a really good job of that. ■

Check back next for the second installement of this Q&A with John Foster.



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Banks Circle \$1.3B Mexico Pipeline Deal

« FROM PAGE 1 Sur have been invited to make commitments to this latest financing. **BBVA, Credit Agricole, Mizuho, Natixis, Sumitomo Mitsui Banking Corp.,** and Mexico's National Bank of Public Works **Banobras** participated in the senior secured facility backing Los Ramones II Sur that closed in December.

The 274-mile Los Ramones II Norte will run from Los Ramones in the state of Nuevo Leon to San Luis Potosi. It will connect with Los Ramones I, which runs to Agua Dulce, Texas. The entire Los Ramones pipeline complex will be about 621 miles long and capable of importing up to 2.1 bcf of gas capacity into Mexico from the U.S. Los Ramones II Sur is expected to begin operating this year.

Exports of natural gas from the U.S. to Mexico have increased dramatically, according to data from the U.S. **Energy Information Administration** and that growth is expected to continue (PFR, 11/6/2013). A Santander official declined to comment on the transaction. ■

TerraForm Hits Road Show for \$800M Notes

« FROM PAGE 1 loan B debt, fund the acquisition of First Wind and pay related fees and expenses for the acquisition and capital market transaction.

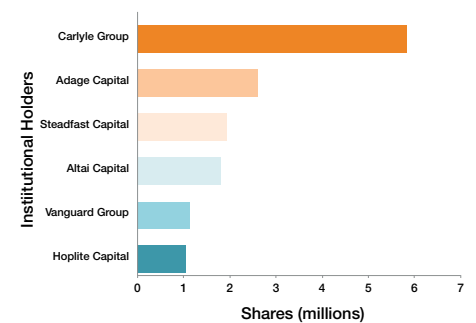
TerraForm raised \$350 million in November through a private equity offering to a select group of institutional investors. The company also expects to close another \$352 million equity offering in the public market today. Barclays, BAML, Citi, Goldman Sachs, Macquarie Capital and **Morgan Stanley** are the lead underwriters on that latest equity deal.

The borrower's decision to issue the unsecured eight-year notes is a sign of TerraForm's status and recognition in the market, **Aneesh Prabhu**, senior director at **Standard & Poor's Ratings Services** told PFR. Its largely contracted assets are attractive to a several lenders which prefer to skirt merchant risk. Standard & Poor's has rated the notes BB-.

The acquisition of First Wind was TerraForm's first venture outside of the solar sector. The yieldco owns 1.5 GW of contracted generation assets, comprising 42 solar and wind portfolios across 409 project sites in North America, the United Kingdom and Chile.

Spokespeople for TerraForm, Barclays, BAML, Goldman Sachs, Citigroup and Macquarie Capital either declined to comment or did not respond to enquire by press time. ■

TerraForm Top Institutional Holders*



Source: Yahoo! Finance

*As of Sept. 30, 2014

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@generalelectric

The inside of the crankcase of a GE Jenbacher gas engine is a sight to behold.

@george_landman

Will #yieldcos be restructured to LPs to receive "qualifying income" under the Master Limited Partnership Parity Act?
<http://www.fool.com/investing/general/2015/01/18/high-yield-limited-partnerships-the-next-home-for.aspx> ...

@iEPAclimate

International: Climate change on the agenda as Obama heads to India <http://dlvr.it/8BpCpC>

@tautechnical

For the first time in two decades, U.S. #coal production fell below one billion short tons: <http://ow.ly/HIZKF> via @EIAgov #energy

EIA@EIAgov

Today in #Energy: Northern #Maine considers gaining direct access to New England electric grid <http://go.usa.gov/Jmx4>

@jgellman57 2h

#PJM files with #FERC 'stop-gap' proposal for allowing #DR participation in capacity auctions - <http://ow.ly/H-JhZv> #FERCOrder745 #SEER

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From oil to natural gas: Check out the dramatic switch in #electricity generation in #Mexico <http://ht.ly/HF9h4> @energydata21

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"There is no growth in demand" says @VanderHoeven_M of #OMR <http://bit.ly/1CSLkV7> #oil

@fcgasintel

Will #naturalgas overtake #coal as power generation king by 2035? | <http://bit.ly/1xUXIVn> #powergeneration

@RichardMeyerDC

Why is #natgas for electricity gen so high this Jan? 1) lower prices. 2) new structural demand, eg coal/nuke retirements; 3) pretty cold.