

# power finance & risk

The exclusive source for power financing and trading news

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## Contenders Surface In Channelview Auction

**Fortistar** together with **AllCapital**, and **Kelson Holdings**, are left in the race to acquire **Reliant Energy's** 830 MW Channelview cogen in Lyondell, Texas.

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## KELSON SEEN PLANNING EQUITY OFFERING

**Kelson Holdings** is planning to sell a minority interest to position itself for growth. As first reported by *PFR* last Tuesday, between 20% and 40% could be sold as a precursor to an initial public offering, according to market chatter. **Neal Cody**, president, declined to comment.

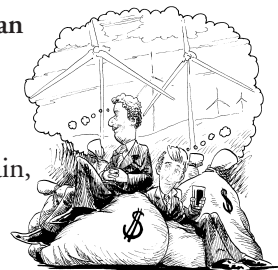
**Goldman Sachs** and **Merrill Lynch** are advising **Kelson** on strategic alternatives, including the potential sale of its merchant generating units in the South (PFR, 10/12) or a merger with a like-minded entity. Last Monday, it announced the sale of its 1,230 MW Redbud plant in Luther, Okla., to a consortium of load-serving entities (PFR, 1/21). Deal watchers note the Redbud deal will provide a valuation mark for the rest of the portfolio.

(continued on page 12)

## AIRTRICITY EXECS HATCH NEW WIND VEHICLE

**Eddie O'Connor**, ceo and founder of **Airtricity Holdings**, and **Fintan Whelan**, the developer's corporate finance manager, are preparing to launch a new wind energy company. "We chose wind because the economics work," says Whelan, declining to provide the venture's name. "We'll be nurturing all our relationships across the supply chain, including turbine [manufacturers]." O'Connor declined to comment.

(continued on page 12)



## INFRASTRUCTURE, STRATEGIC PLAYERS VIE FOR BLACK HILLS ASSETS

Six contenders have reportedly made the shortlist to acquire 974 MW of contracted generation from **Black Hills Corp.** They are:

- Australian infrastructure funds **Hastings Funds Management**
- Fellow Aussie fund **AllCapital**
- **Paul Prager's Beowulf Energy** in partnership with **Natural Gas Partners**
- **Tenaska Energy**

(continued on page 12)

## CANADIAN WIND DEVELOPER SEEKS FINANCING

Canadian developer **Shear Wind** is seeking debt for 80-90% of the cost of three wind farms under development in Alberta and Nova Scotia ranging from 80-120 MW. "I've been spending a lot of my time down on Bay Street," says **Mike Magnus**, president and ceo of **Shear** in Halifax.

**Shear** may issue RFPs for each of the farms, each costing roughly C\$250 million (\$248.9 million). But initially it will look to line up \$7-10 million in short-term financing for development. "We have a lot of relationships," Magnus says, citing **Scotia Capital**,

(continued on page 12)

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## At Press Time

### BofA Wields Axe On London, Big Apple Trading Desks

Bank of America has cut the bulk of its London-based energy traders and eliminated a number of positions at its New York energy trading operation. The move comes after the bank announced it planned to eliminate 650 positions in its global markets and investment banking platforms, partly with a view to centralizing its commodities focus on U.S. clients.

A spokeswoman confirmed the EMEA commodities team was impacted in the realignment, but said she was not in a position to confirm the number of employees affected. She declined to make **Paul Broderick**, global head of commodities in New York, and **Paul Barwell**, head of European energy trading in London, available.

BofA announced last Tuesday that net income for last year declined 29% to \$14.98 billion from \$21.13 billion the year before. Fourth-quarter income was \$268 million, down from \$5.26 billion the year earlier, largely due to trading account losses of \$5.44 billion.

## Finalists In Reliant Channelview Auction Emerge

FORTISTAR and partner Australian infrastructure player AllCapital are among a handful of contenders left in the race to acquire **Reliant Energy's** 830 MW Channelview gas-fired cogeneration plant in Lyondell, Texas, as first reported by *PFR* last Wednesday. Also in the running is **Kelson Holdings**, which is understood to be seeking ERCOT exposure to round out its portfolio in advance of a planned equity offering (*PFR*, 1/22) (see story, page 1).



Channelview plant

First-round bids on Channelview were taken June 6 (*PFR*, 5/11) and second-round offers in the third quarter via restructuring advisor **Houlihan Lokey Howard & Zukin Capital**. The full list of bidders could not be gleaned, but offers submitted are thought to far surpass the extent of non-recourse debt outstanding on the plant—\$342 million as of June 30, according to a report by **Fitch Ratings**. Officials at Houlihan Lokey and the bidders either declined to comment or did not immediately return calls. A spokeswoman for Reliant declined to comment.

The plant is under contract through 2023 with **Equistar Chemicals**, which draws power and steam for use in an adjacent manufacturing plant and other Equistar Gulf Coast facilities. The remainder is sold spot into ERCOT. When Channelview breached its loan covenants last March, Reliant had planned to turn the keys over to the plant's lender, **Bank of America**, but decided to sell when investors began to pile into its project debt.

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## Starwood Preps West Coast Peaker Financing



Brad Nordholm

Starwood Energy Group Global is preparing to appoint leads on the construction financing for its proposed 120 MW Midway peaker near Mendota in Western Fresno County, Calif.

**Brad Nordholm**, ceo in Greenwich, Conn., says a single bank or small syndicate of lenders will get the nod and mandates

should be awarded within a month.

"We think for a high-quality, investment-grade project the markets are open," he says, declining to identify which firms are in the mix.

The simple-cycle gas-fired plant will need about \$100 million in debt, which Nordholm says will need to be in place, but not funded, by the end of this quarter for equipment purchases. The project, approved by the **California Energy Commission** Jan. 16 but subject to a 30-day notice period for any appeals, will connect to 230-kV transmission line owned by **Pacific Gas & Electric**. PG&E will buy power from the facility under a 15-year PPA. Groundbreaking is slated to begin in June with a view to bringing the plant online in May 2009.

Starwood separately owns 80% of the nearby, five-plant CalPeak portfolio with joint venture partner **Tyr Energy**, which Nordholm helped to found (PFR, 6/12/06).

Another project, the 400 MW Panoche Energy Center sponsored by **Energy Investors Funds**, was also licensed to begin construction in Mendota and will simultaneously be financed via **BNP Paribas** (PFR, 12/10) in the form of \$330 million senior secured bonds due July 2029.

## Goldman Power Trader Defects To Fortis

**Flint Mitchell**, v.p. power trading for the Western U.S. power team at **Goldman Sachs** in New York, has left to join **Fortis Energy Marketing & Trading** in Houston. He started last Thursday in a newly created role as desk head for Western power trading, reporting to **Jack Farley**, managing director. A spokeswoman for Fortis confirmed the hire, while a call to Goldman was not returned.

At Goldman, Mitchell was the primary lead for the Western power team, working on term, cash and real-time trading as well as sales, product structuring and building the firm's presence in Western markets. Before that, he was at **PacifiCorp Power Marketing** for five years in Portland, Ore., where he most recently served as director for term trading, responsible for the firm's asset portfolio, middle-market origination and proprietary

power trading book. Previously, he was a senior term electricity trader at **Puget Sound Energy** in Bellevue, Wash.

## Invenergy Taps HVB For Construction Funds

Invenergy has mandated **UniCredit HVB** to lead construction financing for its 150 MW McAdoo Wind Energy project in Texas and 99 MW Grand Ridge farm near Chicago, according to industry officials. Invenergy had an RFP out last fall to finance the McAdoo farm—estimated to cost around \$330 million (PFR, 11/30).

The developer has loans in place with HVB and **HSB Nordbank** for 800 MW of **General Electric** turbines and HVB has committed the financing for 600 MW of those turbines for use across North America.

Construction is under way on both farms. Grand Ridge, near Ottawa, Ill., is scheduled to come online later this year, and McAdoo in Dickens County, east of Lubbock, is set to become operational next year. The amount being sought and terms could not be determined but is expected to be syndicated. Calls to **Jim Murphy**, cfo of Invenergy, were not returned, and officials at HVB declined to comment.

## Macquarie/Puget Financing Kicks Off

**Barclays Capital** and **Dresdner Kleinwort** have launched a \$3.575 billion debt package helping to fund a **Macquarie Infrastructure Partners**-led consortium's \$7.4 billion move to take **Puget Energy** private. A group of lenders were invited to a noon bank meeting at the Four Seasons hotel in New York last Thursday. Macquarie and the leads declined to identify firms, but roughly 25 accounts are believed to be interested, including **Calyon**, **RBC Capital Markets** and **Royal Bank of Scotland**, who lost out on a lead role in the financing (PFR, 10/27), as well as **JPMorgan**, **Commonwealth Bank of Australia** and **Dexia Crédit Local**.

The five-year debt will take out existing operating company loans, ring-fencing the Bellevue, Wash., utility for regulatory purposes (PFR, 11/2). At the opco will be a new \$400 million senior facility for capital expenditures, a \$400 million revolver and \$350 million tranche for hedging purposes. Already at the opco are \$2.3 billion in senior bonds, \$250 million in hybrid securities and \$1.9 million of preferred securities. The opco piece is priced LIBOR plus 100 and expected to be rated BBB- by **Standard & Poor's** and Baa3 by **Moody's Investors Service**. At





the holdco will be \$2.4 billion in new, non-recourse debt, priced at 200 over with an expected rating of BB+/Ba2. On deck is a \$1.425 billion senior term loan, to be drawn immediately, and a \$1 billion line for capex. Both will be stripped and sold pro-rata.

Ticket levels on the top tier are \$300 million for an agent title and \$200 million for a senior managing agent title. Fees are 50 basis points for committing to the higher ticket, plus an additional 60 bps based on final allocation, and on the lower ticket they are 30 bps for committing and another 50 bps for what is allocated. Commitments are due Feb. 15. The syndication timeline is relatively slack because the deal has several months to pass regulatory muster, but bankers say the leads wanted to get a head start to get the debt off their books. A second tier will be invited into general syndication as the first round is concluded next month. Financial close is slated for September.

Puget's investor consortium comprises divisions of Macquarie family (51.5%) and three Canadian investors (48.5%), the **Canada Pension Plan Investment Board**, **British Columbia Investment Management Corporation** and **Alberta Investment Management**, who will pay a combined \$3.2 billion in shareholder capital. **Morgan Stanley** advised Puget on the transaction.

## National Wind Plots \$1.5B Dakota Financing



Mark Lucas

National Wind will seek project financing and tax equity investment for \$1.5 billion of wind projects its subsidiary **Dakota Wind Energy** has under development in South Dakota. "It will start coming together a year or so before the projects go under construction," says **Mark Lucas**, senior wind developer in Minneapolis, noting, "We make

sure people we're working with people we know so they have it on their radar." The company wants to have the financing in place about two years from now and will start considering investors in about a year's time.

Some 750 MW is under development to be located across 700 square miles in Roberts, Marshall and Day Counties. Lucas declined to name potential power purchasers but says discussions have begun for the three sites, set to come online over the next five to 10 years. "We're not going to start construction on a phase of the project without knowing how the power will get out," he says. Last year, **Leon Steinberg**, ceo of National Wind, told *PFR* the company would explore 1.5 GW of projects in South Dakota (*PFR*, 12/20).

Additionally, National Wind plans to build a private transmission line capable of delivering 1,500 MW to Minneapolis, the nearest load center, to be ready in conjunction

with phase one of the wind. The company, founded in 2003, has participated in developing 12 wind farms to date and has 2 GW in its pipeline across Minnesota, Iowa and the Dakotas. Around 70% of each project is owned by members of the surrounding communities.

## Airtricity CFO Lands At Irish Bank

**Senan Murphy**, cfo of **Airtricity Holdings**, has taken the group finance director position at **Ulster Bank Group**, part of the **Royal Bank of Scotland**, in Dublin. He started last Wednesday, reporting to CEO **Cormac McCarthy**, and replaces **Michael Torpey**, who left for a lifestyle change, according to a bank official who declined to be identified. A spokeswoman for the bank confirmed the hire, but declined to comment about Torpey's whereabouts.

Murphy's slot at Airtricity is vacant pending the closure of its sale to **Scottish and Southern Energy**, which is expected to close by the end of this quarter.

In addition to his financial duties, Murphy will join the Ulster Bank executive management board. Before his three-year stint at Airtricity, he worked at **GE Capital** for eight years, where he held a variety of roles including cfo for **GE Capital Vendor Financial Services**, a \$10 billion global mid-market leasing business, and European director of strategic and financial planning for **GE Capital Global Consumer Finance**.

## Mass. Developer Plots Financing For Clean Energy Facility



John Harper

Boston-based developer **Ze-gen** has begun talks with prospective equity providers and lenders for a planned 30 MW waste-to-energy facility at yet-to-be-named site in southeastern Massachusetts. **John Harper**, v.p. of finance and treasurer, said it would be premature to identify the firms approached but all are familiar with clean-energy project development and new technologies.

"We've not decided on a financing plan," says Harper. "We're in discussions with a lot of different parties and hope to raise the financing this year." Ze-gen may also decide to go all-equity. "We're very comfortable that we can raise debt, it's a question of whether we choose to." In the mix are strategic investors interested in participating at the corporate level, some interested in investing across multiple projects at the asset level, investors looking for access to new technology and financial players. Harper would not provide details about offtake negotiations, permitting or costs for the facility, on which groundbreaking is slated to begin by year-end.

The facility will feature gasification technology already demonstrated on a site in New Bedford, whereby construction and demolition waste is converted to a synthetic natural gas byproduct that can be burned to produce power with low emissions. The test site did not produce electricity and was financed via equity capital, including a portion of a \$500,000 sustainable energy grant from the **Massachusetts Technology Development Corporation**. To date, Ze-gen has raised \$8 million from its investor syndicate, including Palo Alto, Calif.-based **Pinnacle Ventures**, with which it closed a \$2.5 million term debt facility earlier this month, **Flagship Ventures**, **VantagePoint Venture Partners** and the state-affiliated **Massachusetts Renewable Energy Trust**. Ze-gen was formed in 2004.

## Waste-To-Energy Mart Heats Up

The waste-to-energy sector is booming due to a Landfill Directive implemented by E.U. member states in 2001. **John Raspin**, practicing director for energy and environment at consultancy **Frost & Sullivan** in London, says investors see it as a growth area even though projects do not yet produce hefty returns because the technology is still expensive. The area is attractive because it is simple and sustainable.

The E.U. directive requires increasing amounts of waste to be treated by a physical, thermal, chemical or biological process before it is landfilled. Europe currently leads the way with 350 such plants, and about 100 more are expected to come online in Europe by 2012. Japan has around 200 and North America about 100. Asia also is growing rapidly, with Singapore, Malaysia, Taiwan, China and India all needing an alternative to landfill gas, as open garbage dumping becomes a thing of the past.

Another driver, says Raspin, is that cities and municipalities do not have the capital to fund new plants, so private money is needed to help fund the units, each costing upwards of \$100 million. Lead investors in the space are France's **EdF Group**, whose **TIRU** subsidiary is a waste-to-energy operations specialist, **Suez** and **Veolia Environmental Services**, as well as Germany's **Remondis**.

## Calif. Player Delays Turbine Funding

**Third Planet Windpower** will come to market in the second or third quarter for construction and turbine financing, after purchasing a portion of its 2009 turbines on balance sheet. "With the turmoil in credit markets, we thought it would be best to put the [turbine supply loan] in place after the markets settled down," says **Richard Goff**, cfo of in San Ramon, Calif. "We know all the banks well and have been in discussions with many of them. We would enter into discussions with a few," he adds, noting that Third Planet does not plan to issue

an RFP for financing.

The developer will seek both construction financing and a tax equity investment for three farms on which construction will begin later this year or early next, Goff explains, with a view to bringing them online by the fourth quarter of 2009. In development are a 325 MW facility in Loraine, Texas, an 80 MW unit in Nebraska and a 250 MW farm in Wyoming. Additionally, Third Planet would likely refinance its \$350 million purchase of 167, 1.5 MW **General Electric** turbines done on balance sheet in late October, says Goff. "It's been difficult," he says of the debt market crisis. "We're just happy we can sit on the sidelines and pick our time to go to market."

Third Planet had begun to arrange financing last summer for its Loraine wind farm (PFR, 8/17) but decided to wait. In addition to the three set to come online in 2009, it has six other projects scheduled to come online through 2012.

## Developer Seeks Debt For 1GW Mexican Wind

**Cannon Power** will come to market later this year or early next seeking financing for its planned 1 GW Aubanel wind farm south of the U.S. border near La Rumarosa, costing in excess of \$2.5 billion. "We'll cover the development financing ourselves, but when we get into actual construction financing and turbine supply loan financing, we'll go out to a shortlist of lenders that would be a good fit for the project," says **Gary Hardke**, president and managing director in Rancho Santa Fe, north of San Diego, who says the project will come online in phases beginning in 2010.

Hardke declined to name any potential lenders other than its incumbent relationship bank **HSH Nordbank**, but says it has been approached by Mexican and Latin American banks. "What we're finding is a lot of lenders are eager to get into [renewable financing] in not just Mexico, but Latin America, and are expecting a large project like this to be their point of entry." The amount of leverage it will need is yet to be determined, but Hardke says the funds will need to be in place by the second quarter of next year.

HSH is providing construction and turbine financing for Cannon's 450-500 MW Windy Point project in Klickitat County, Wash. About 100 MW of that farm will be operational this year, and another 350 MW early next at an eventual cost of more than \$1 billion. Calls to HSH were not returned. Once online, the Aubanel project would have multiple offtakers on both sides of the border. Separately, Cannon sold a 250 MW project in Mexico (PFR, 7/13) to **Sempra Energy**, which has a PPA with **Southern California Edison**.

## Calypso Financing Flexed On Retail Launch

Calypso has flexed pricing with the launch of retail syndication of the \$850 million financing tied to EIF Calypso's purchase of interests in 14 plants from Cogentrix Energy. A bank meeting was held at 3:00pm at Calypso's offices in New York last Wednesday. Seven banks have taken tickets in the deal so far and commitments are due by Feb. 13.

Pricing was flexed up to 237.5 basis points over LIBOR from 225 (PFR, 12/20) on the seven-year \$200 million revolver and term loan A, one third of a \$650 million chunk. Pricing on the 12-year term loan B, making up two thirds of the term loan tranche, was flexed up to 300 from 262.5. Commercial banks and institutional investors are looking at the deal, according to an

official at Calypso, who notes lenders are being asked to join pro-rata in all three pieces but institutions will probably not take slugs of the revolver.

ING Capital recently came into the deal in wholesale syndication, joining Mizuho Corporate Bank and Natixis with \$60 million buy-and-hold stakes and Sumitomo-Mitsui Banking Corp., which joined last week on the wholesale level with a \$50 million ticket. TD Securities took a \$30 million buy-and-hold slug before Christmas (PFR, 1/10), while Union Bank of California and DZ Bank each took tickets of \$25 million.

Servicing the holdco debt are investment-grade contracts from all but one of the projects. The deal is not rated. Calls to Calypso and EIF were not returned, and officials at the banks either did not return calls or declined to comment.

## Corporate Strategies

### Dominion Targets Debt Trimming Via Re-Try On Gas Co. Sale

Dominion will put its Peoples and Hope natural gas distribution businesses back out to market, following the termination of its \$970 million sale agreement with Equitable Jan. 15, so it can repay short-term debt. Joseph O'Hare, v.p. of budgeting, forecasting and investor relations in Richmond, Va., says the company had earmarked the anticipated proceeds to retire debt, so plans to entertain talks with other buyers.

Goldman Sachs, which advised on the original deal announced last March, will continue to run the process, which may see Dominion return to the negotiating table with parties that submitted unsolicited bids that were not entertained the first time around. O'Hare would not comment on the nature of existing offers received or whether the utility already is in talks with new potential acquirers.

Dominion encountered regulatory hurdles on the federal level in Pennsylvania and at the state level in West Virginia, causing the transaction with Equitable to drag on for 22 months. Any purchase price of \$59.6 million or more must be cleared with the U.S. Federal Trade Commission to ensure competition standards are met, according to Mitchell Katz, FTC spokesman, who notes that there are three or four cases each year in which competition is questioned, as it was in this case. "We mutually agreed to cancel the deal when we saw there was no certain outcome in sight," laments O'Hare, who says Dominion will continue to manage its balance of debt and equity prudently.

PPL's parallel sale of PPL Gas Utilities and Penn Fuel Propane via Lehman Brothers reportedly could face similar disruption, as well as the potential upset of certain parties

diverting their attention to Dominion's assets. That deal is expected to close in the second half of this year, according to George Biechler, PPL spokesman, who declined to comment on its status.

Todd Shipman, analyst at Standard & Poor's in New York, says it is assumed Dominion's corporate rating will be on negative watch only if Peoples and Hope are sold for a price significantly lower than that negotiated with Equitable. Dominion's acquisition activity at the end of last year prompted S&P to raise the company two notches to A- and the current sale is not a big factor in the company's outlook, he adds.

### TVA To Pay Down Debt With \$500M Note Proceeds

The Tennessee Valley Authority plans to use proceeds from its sale of \$500 million in global 40-year bullet bonds to refinance a portion of some \$2 billion of debt that falls due in November. The deal launched and priced Jan. 16 with a 4.875% coupon, and closed last Wednesday.

"Investors have few opportunities to buy long-duration paper over 30 years at such a low interest rate," says John Hoskins, senior v.p. and treasurer in Knoxville, Tenn. "The long-term treasury rates have only been lower 1% of the time and there are very few opportunities to issue long-term debt under 5%."

Merrill Lynch and Lehman Brothers managed the sale. Morgan Stanley and Barclays Capital served as co-managers and were selected because of their sound market intelligence on 40-year bonds, according to Hoskins. TVA, a self-financed government agency, chose such long-dated paper because rates were not materially different from 10-year or 30-year paper. The debt is rated AAA by Fitch Ratings, reflecting the TVA's



government backing, and must be repaid in a single lump sum.

TVA is the nation's largest public power company, with 3.3 GW of generation. Of that, 64% is fossil-fired, 30% is nuclear and 6% is hydro. Hoskins says it may come to the market in the near future if low interest rates continue in the current environment. The agency last approached the market in July with \$1 billion in global 10-year bullet bonds that priced with a 5.5% coupon. But it recently approved a new budget that includes \$9.7 billion to cover total expenses this year and a separate \$2 billion in capital spending, including \$1 billion for new plants.

## Fund Extends Revolver For Growth

Algonquin Power Income Fund has renewed its \$175 million revolver for a three-year term and added an accordion feature allowing it to expand the facility to \$225 million in anticipation of growth and additional credit market disruption. "There's certainly going to be some uncertainty in the markets over the next several years, so locking in for a three-year term seemed to be the right point for it," says **David Bronicheski**, cfo of Algonquin Power in Oakville, Ontario.

The fund does not expect trouble with its underlying assets, but the revolver was set to expire this summer. "[We] wanted to make sure we had the renewed facility in place before then so that we sent a strong signal to the market that we are in a strong financial position and not waiting...until the eleventh hour," says Bronicheski.

The renewed revolver also has a lower rate and came with the addition of a new bank. "We already had very good terms under the previous agreement, but this saves \$400,000-\$500,000 a year in cost of financing," says Bronicheski, declining to elaborate. **National Bank of Canada** leads the lender syndicate, with **Toronto-Dominion Bank**, **Bank of Montreal**, and the new member, **Canadian Imperial Bank of Commerce**. "With all the potential projects and acquisitions that we could see over the next three years, we felt it was important to have another bank," says Bronicheski. "The fund has a long, established relationship with CIBC on the investment-banking side, so it was natural that they be invited to be in the banker syndicate."

The income fund's assets include 47 hydro facilities, five cogeneration facilities, seven alternative fuel facilities and 17

water distribution and waste-water facilities. Bronicheski says it is looking for other assets that would generate positive and stable cash flows but it also plans to grow organically. One project in development is the upsizing of the 15 MW Algonquin Power Energy-From-Waste facility in the Peel Region of Ontario, and two wind farms recently shortlisted among a total of five selected in a **Manitoba Hydro** RFP. One of these is a new 100 MW facility and the other is a 66 MW expansion of the fund's existing 99 MW St. Leon Wind Energy project southwest of Winnipeg, Manitoba.

## BC Transmission Eyes Private Foray For C\$5.1B Capex



Janet Woodruff

BC Transmission, a wires enterprise owned by the government of British Columbia, is considering a new strategy of using private capital to finance a portion of its 10-year capital expenditure plan, estimated at C\$5.1 billion (\$4.9 billion). "We'll be looking at some of the projects to be a P3 [public-private partnership]," says **Janet Woodruff**, cfo in Vancouver. Since its creation in 2003, it has used only public funding.

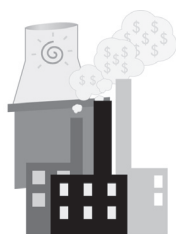
When the time comes, BC Transmission will issue an RFP for new transmission projects. "If it's going to be a design-build-own-operate kind of deal, it will have your major financiers," adds Woodruff, explaining any private partner would take the lead on a project financing or equity-raising. The company has not yet decided what type of projects would benefit from private capital, but not all facilities would be eligible. Substations would be one possibility because they can be singled out from the grid.

BC Transmission issues a new 10-year capex plan annually, as required by the **BC Utilities Commission**, and the new C\$5.1 billion plan is up on last year's estimate of C\$3.4 million. "We're seeing quite a significant increase in construction," she continues. "That's driving up labor costs as well as material costs. We also have an old system and see a bit of a wave coming at us that we need to be upgrading."

The largest allocation will be C\$900 million for transmission and generation under development to meet British Columbia's goal of becoming energy independent by 2016. Woodruff points to **EarthFirst Canada's** 144 MW Dokie I wind farm in the Peace River region, set to come online next year before Vancouver hosts the 2010 Winter Olympic Games (PFR, 12/20), **NaiKun Wind Development's** 1,750 MW offshore wind farm, slated to come online from 2011-2022 (PFR, 12/14), and **Plutonic Power** and **Cloudworks Energy's** proposed run-of-river hydro plant, as notable projects.

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## Generation Auction & Sale Calendar

Following is a directory of ongoing generation asset sales. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report new auctions or changes in the status of a sale, please call Katy Burne, Managing Editor, at (212) 224-3165 or e-mail [kburne@iinews.com](mailto:kburne@iinews.com).

| Seller   | Plants  | Location   | MW   | Plant Type  | Advisor         | Status/Comments   |
|--|---|--|--|---|-----------------|---|
| Airtricity Holdings                              | Various   | Europe   | 259 operational  | Wind  | Credit Suisse   | To be acquired by Scottish & Southern Energy for EUR1.08 billion (\$1.59 billion).  |
| American Electric Power                          | Fort Phantom<br>Abilene Power Station<br>Lake Pauline<br>Rio Pecos<br>Oak Creek<br>Paint Creek<br>San Angelo                | Abilene, Texas<br>Abilene, Texas<br>Quanah, Texas<br>Girvin, Texas<br>Bronte, Texas<br>Stamford, Texas<br>San Angelo, Texas                                | 362<br>18<br>35<br>136<br>75<br>218<br>110   | Gas   | N/A             | Took final bids Nov. 14. Reportedly negotiating with a single party.  |
| Astoria Energy                                   | Astoria plant   | Queens, N.Y.   | 500<br>1,000 permitted   | Gas   | N/A             | Owners fielding offers. Suez Energy acquiring a 30% stake (PFR 9/29).   |
| Barry Bates and Michael Underwood                | Thompson River Cogen  | Montana  | 16   | Coal, Waste Wood  | Energy Advisory | Teasers went out late June. Plant has a 20-year PPA with Avista Utilities.  |
| Bicent Power                                     | Mountain View   | Palm Springs, Calif.   | 67   | Wind  | Goldman Sachs   | AES to acquire (PFR, 1/7).  |
| Black Hills Corp.                                | Arapahoe<br>Valmont<br>Fountain Valley<br>Las Vegas I<br>Las Vegas II<br>Harbor<br>Valencia                                 | Denver, Colo.<br>Valmont, Colo.<br>Colorado Springs, Colo.<br>Las Vegas, Nev.<br>Las Vegas, Nev.<br>Long Beach, Calif.<br>Albuquerque, N.M.                | 130<br>80<br>240<br>53<br>224<br>98<br>149   | Gas<br>Gas<br>Gas<br>Gas<br>Gas<br>Gas<br>Gas                     | Credit Suisse   | Seller looking for an all-cash transaction. Preliminary bids taken Nov. 20. Bids said be close to \$800 million (PFR, 12/10).   |
| Bluff Power Partners E/S Solutions               | McCommas Bluff  | Dallas, Texas  |  | Landfill Gas  | CRG Partners    | Cambrian Energy Development named stalking horse, replacing Montauk Energy Capital (PFR, 10/12).  |
| Calpine  | Acadia Energy Center<br>Fremont Energy Center<br><br>Hillabee Energy Center<br><br>Texas City<br>Clear Lake                 | Eunice, La.<br>Sandusky County, Ohio<br><br>Alexander City, Ala.<br><br>Texas City, Texas<br>Clear Lake, Texas   | 1,016 (50%)<br>512<br><br>774<br><br>425<br>375  | Gas<br>Gas<br><br>Gas<br>Gas                                      | Miller Buckfire | Sold to Cajun Gas Energy for \$189 million (PFR, 8/6). American Municipal Power-Ohio named as stalking horse. Overbids due Jan. 21. Auction set for Jan. 28. CER Generation, a unit of Constellation Energy, named stalking horse. Overbids due Jan. 31 (PFR, 1/7). |
| Catamount Energy                                 | Sweetwater<br>Ryegate Power<br>Rumford  | Nolan County, Texas<br>Vermont<br>Rumford, Me.   | 505 (50%)<br>20<br>85  | Wind<br>Wood waste<br>Cogen                                       | Goldman Sachs   | Unsolicted approaches have been made to backer Diamond Castle Holdings (PFR, 8/31).   |
| CIT Group  | RockGen Energy Center   | Cambridge, Wis.  | 460  | Gas   | Bear Stearns    | Lessee Calpine to acquire for an undisclosed sum.   |
| Central Vermont Public Service                   | Various   | Vermont  | 70 in summer,<br>86 in winter  | Hydro   | Morgan Stanley  | Believed to be in advanced stages.  |
| City of Vernon                                   | Malburg Generating Station<br>Palo Verde Power<br>Hoover Upgrading  | Southern Calif.<br>Southern Calif.<br>Southern Calif.  | 134<br>11<br>22  | Gas<br>Nuclear<br>Hydro   | Lehman Brothers | Beowulf Energy and Natural Gas Partners agreed to buy for \$342 million. Lehman Brothers to lead debt financing (PFR, 10/22). Pending regulatory approval.  |
| Conduit Capital                                  | Various   | Latin America<br>Caribbean   | 939 net ownership  | Diverse   | BNP Paribas     | Basic Energy acquired plant in 124 MW Jamaica plant for \$92.5 million and a 90 MW one in Colombia acquired by group investors for \$17.5 million (PFR, 12/17).   |
| Conectiv Energy (Pepco Holdings)                 | Various   | PJM Interconnection  | 3,700  | Various (merchant)  | Credit Suisse   | Company reviewing strategic alternatives, including whole or partial sale and merger (PFR, 12/10).  |
| Con Ed Development                               | CEEMI<br>Newington Energy<br>Ada Cogeneration<br>Lakewood<br>Ocean Peaking Power<br>Rock Springs<br>Genor<br>EverPower Wind | Springfield, Mass.<br>Newington, N.H.<br>Ada, Mich.<br>Lakewood, N.J.<br>Lakewood, N.J.<br>Rising Sun, Md.<br>Puerto Barrios, Guatemala<br>NEPOOL, NY, PJM | 185<br>525 (99.5%)<br>29 (48%)<br>246 (80%)<br>339<br>670 (50%)<br>42 (49.5%)<br>500 planned | Gas, Oil, Hydro<br>Gas<br>Gas<br>Gas<br>Gas<br>Gas<br>Oil<br>Wind | Morgan Stanley  | AllCapital and Industry Funds Management in final stage negotiations to acquire for north of \$1.2 billion (PFR, 12/3). Barclays Capital to handle the financing. Sub-underwriter not yet appointed.  |
| ConocoPhillips                                   | Immingham   | Lincolnshire, U.K.   | 730  | Gas   | Citigroup       | Status unclear. 50% stake sold in Oct. (PFR, 12/9).   |
| Complete Energy Holdings                         | La Paloma<br>Batesville   | McKittrick, Calif.<br>Batesville, Miss.  | 1,022<br>837   | Gas<br>Gas  | JPMorgan        | Reportedly looking at strategic options on the plant, (PFR, 1/18). In second round. Shortlist unclear.  |
| Corona Power                                     | Sunbury Generating  | Shamokin Dam, PA   | 432  | Coal, oil, diesel   | Merrill Lynch   | Soliciting fresh equity investment to complete \$250M of upgrades (PFR, 12/24).   |
| Dominion Resources                               | Dresden Energy  | Muskingum County, Ohio   | 580  | Gas   | N/A             | American Electric Power bought for \$85 million in September.   |
| DONG Energy                                      | Evia, Karistos and Tourla   | Greece   | 18.6 MW  | Wind  | HSBC            | Teasers expected later this quarter after IPO on Copenhagen Stock Exchange.   |
| DTE Energy                                       | East China<br>River Rouge   | East China, Mich.<br>Detroit, Mich.  | 320<br>240   | Gas<br>Gas  | N/A<br>N/A      | Seller exploring options, including outright sale. On books at scrap value, decommissioned.   |
| EISSL (Esablecimientos Industriales y Servicios) | Various   | Catalonia, Spain   | 630  | Wind, Hydro   | JPMorgan        | Company weighing sale (PFR, 12/24)  |
| Entegra  | Gila<br>Union   | Phoenix, Ariz.<br>El Dorado, Ark.  | 2,300<br>3,000   | Gas<br>Gas  | N/A             | Reportedly in talks to merge with KGen (PFR, 1/17).   |



# Generation Auction & Sale Calendar (cont'd)

| Seller                              | Plants                              | Location                     | MW   | Plant Type   | Advisor                                    | Status/Comments   |
|-------------------------------------|-------------------------------------|------------------------------|--|--------------|--|---|
| Entergy Corp.                       | 50% stake in Top Deer Wind Ventures | Worth County, Iowa           | 40   | Wind         | New Harbor                                 | Seller wants about \$520 million for the assets. Bidders shortlisted to four players: two financial; two infrastructure (PFR, 6/18).                                    |
|                                     | RS Cogen                            | Carsen County, Texas         | 40   |              |  |   |
|                                     | Roy S. Nelson                       | Lake Charles, La.            | 212  | Gas          |  |   |
|                                     | Warren Power                        | Westlake, La.                | 60   | Gas/Oil      |  |   |
|                                     | Harrison                            | Vicksburg, Miss.             | 225  | Gas          |  |   |
|                                     | Independence                        | Marshall, Texas              | 335  | Gas          |  |   |
|                                     |                                     | Newark, Ark.                 | 121  | Coal         |  |   |
|                                     |                                     | Robert Ritchie               | Helena, Ark.                                 | 544          |  |   |
| Exergy Development Group            | Various                             | Upper Midwest, Northwest U.S | 3600 (176 ready to construct)                | Wind         | Marathon Capital                           | Weighing strategic partnership, joint venture, recap or sale (PFR, 12/17).  |
| Fluor                               | Greater Gabbard                     | Thames Estuary, U.K.         | 500  | Wind         | RBC Capital Markets                        | Specs went out in late Aug. for Fluor's 40% stake.  |
| Foresight Wind Energy               | Various                             | Arizona, New Mexico          | 2 GW pipeline                                | Wind         | CP Energy                                  | Transaction delayed (PFR, 10/8).  |
| FPL Energy                          | Posdef                              | Stockton, Calif.             | 44   | Coal/Petcoke | New Harbor                                 | Teasers sent (PFR, 12/17).  |
|                                     | Tesla                               | Tracy, Calif.                | 1,120  | Gas/Steam    | Credit Suisse                              | Development site. Status unclear.   |
| General Electric                    | Baglan Bay                          | Port Talbot, Wales           | 510  | Gas          | Lexicon Partners                           | GE deferred sale. Carron Energy interested.   |
| Goldman Sachs, Cargill              | Teeside Power                       | Teeside, U.K.                | 1,875 MW                                     | Gas          | Rothschild                                 | Teasers dispatched Nov. 14 (PFR, 11/19). Bids taken were £350-550 million (\$687.6 million to \$1.08 billion).  |
| Goldman Sachs (Cogentrix Energy)    | Southaven Power                     | Southaven, Miss.             | 810  | Gas          | Houlihan Lokey Howard & Zukin              | Kelson Energy named stalking horse with \$305 million bid.  |
| InterGen                            | Various                             | U.S., Europe, Asia           | 5,235  | Various      | Lehman Brothers                            | AIG looking to sell its 50% stake (PFR, 12/24).   |
| Kelson Holdings                     | Dogwood                             | Pleasant Hill, Mo.           | 620  | Gas          | Goldman Sachs                              | Weighing strategic options, including sale/merger. (PFR, 10/9). Signed agreement to sell Redbud for \$852 million to consortium of load-servicing entities (PFR, 1/21). |
|                                     | Redbud                              | Luther, Okla.                | 1,230  | Gas          |  |   |
|                                     | Cottonwood                          | Deweyville, Texas            | 1,230  | Gas          |  |   |
|                                     | Magnolia                            | Benton County, Miss.         | 922  | Gas          |  |   |
| KGen Power                          | Murray I                            | Murray Co., Ga.              | 630  | Gas          | Credit Suisse                              | Reportedly in talks to merge with Entegra (PFR, 1/17).  |
|                                     | Murray II                           | Murray Co., Ga.              | 620  | Gas          |  |   |
|                                     | Hot Spring                          | Hot Spring Co., Ark          | 620  | Gas          |  |   |
|                                     | Hinds                               | Jackson, Miss.               | 520  | Gas          |  |   |
|                                     | Sandersville                        | Washington Co., Ga.          | 640  | Gas          |  |   |
| KW Gaspé & Co.                      | Le Nordait                          | Quebec, Canada               | 99   | Wind         | Toronto-Dominion Bank, Bank of Nova Scotia | Canadian Hydro Developers to acquire for \$110 million. Expected to close in March (PFR, 12/3).   |
|                                     | Matane                              |                              |  |              |  |   |
| La Compagnie du Vent                | Various                             | France                       | 98 MW installed                              | Wind         | Calyon                                     | Suez to acquire a 50% stake for EUR321 million (PFR, 8/20).   |
| Landfill Energy Systems             | Various                             | U.S.                         | 80   | Landfill Gas | Ewing Bemiss                               | Energy Investors Funds and Enpower to acquire for north of \$300 million.   |
| LS Power                            | Sugar Creek                         | Sugar Creek, Ind.            | 561  | Gas          |  | Northern Indiana Public Service to acquire (PFR, 11/2).   |
| MACH Gen                            | Millennium                          | Carlton, Mass.               | 360  | Gas/Oil      | Credit Suisse                              | Considering sale or a merger (PFR, 12/17).  |
|                                     | Athens                              | Athens, N.Y.                 | 1,080  | Gas/Oil      |  |   |
|                                     | Covert                              | South Haven, Miss.           | 1,100  | Gas          |  |   |
|                                     | Harquahala                          | Tonopah, Ariz.               | 1,092  | Gas          |  |   |
| National Grid                       | Ravenswood Station                  | Queens, N.Y.                 | 2,450  | Gas          | Merrill Lynch                              | First-round bids taken Jan. 24 (PFR, 1/14).   |
| Noble Environmental Power           | Various                             | N.Y., Mich.                  | 385  | Wind         | Goldman Sachs                              | Auction did not yield desired results, so company reportedly looking to IPO.  |
| North American Power Group          | Rio Bravo Fresno                    | Fresno, Calif.               | 25   | Biomass      | N/A  | Looking to sell interests (PFR, 8/31).  |
|                                     | Rio Bravo Rocklin                   | Roseville, Calif.            | 25   | Biomass      |  |   |
|                                     | Chinese Station                     | Jamestown, Calif.            | 22   | Biomass      |  |   |
| NRG Energy                          | Indian River                        | Millsboro, Del.              | 784  | Coal         |  | Seller soliciting offers on plant (PFR, 11/8).  |
| PSEG Global                         | Electroandes                        | Andean region, Peru          | 180  | Hydro        | JPMorgan Citigroup                         | Statkraft Power Invest to buy for circa \$390 million. AEI to buy for \$685 million.  |
|                                     | Chilquinta Energia (50%)            | Chile                        |  |              |  |   |
|                                     | Luz del Sur (38%)                   | Peru                         |  |              |  |   |
| Reliant Energy                      | Channelview                         | Lyondell, Texas              | 830  | Gas          | Houlihan Lokey                             | In second round. Fortistar with partner AIICapital interested, as is Kelson Holdings (PFR, 1/23).   |
| RES Americas                        | Various                             | U.S.                         | 1,000 under construction; 10,000 in pipeline | Wind         | Credit Suisse                              | Company looking to sell up to 30% to a financial investor to finance growth (PFR, 1/7).   |
| Ridgeline Energy                    | Various                             | Idaho, Oregon, Washington    | 3,700 in development                         | Wind         | Marathon Capital                           | Back in play after talks were nixed with a southern U.S. utility (PFR, 10/8).   |
| Rockland Capital Energy Investments | B.L. England                        | Cape May County, N.J.        | 447  | Coal, Oil    | JPMorgan                                   | Owner seeking strategic equity partner with which to finance \$400-600M repowering (PFR, 12/10).  |
| Sempra Generation                   | Catoctin                            | Frederick Co, Md.            | development                                  | Gas          | N/A  | Development project reportedly for sale.  |
| Sumas                               | Sumas Cogeneration                  | Sumas, Wash.                 | 125  | Gas          | N/A  | Puget Sound Energy agreed to buy for undisclosed sum.   |
| Temasek Holdings                    | PowerSeraya                         | Singapore                    | 3,100  | Gas          | Credit Suisse, Morgan Stanley              | Teasers dispatched 10/15. Tuas to be sold first (PFR, 10/22).   |
|                                     | Senoko Power                        |                              | 3,300  | Oil          |  |   |
|                                     | Tuas Power                          |                              | 2,670  | Steam        |  |   |
| Tenaska Power Fund                  | Commonwealth Chesapeake             | New Church, Va.              | 315  | Oil          | JP Morgan                                  | Tyr won the auction and Fieldstone Private Capital Group is advising on the purchase and debt financing.  |
| TransAlta                           | Western Canada, Ontario             | Diverse U.S.                 | 404  | Gas, Coal    | BMO Capital Markets                        | Cheung Kong Infrastructure Holdings to acquire. TD Securities and CIBC World Markets to handle financing. Company weighing sale. Bids due later this month.             |
|                                     | Campeche                            | Mexico                       | 252  | Gas/Diesel   | N/A  |   |
|                                     | Chihuahua                           | Mexico                       | 259  | Gas          |  |   |
| Tyche Power Partners                | Brooklyn Navy Yard                  | Brooklyn, N.Y.               | 286  | Gas Cogen    | Credit Suisse                              | Temporarily iced due to credit crunch.  |
| UPC Wind                            | Various                             | North America                | 36W in development                           | Wind         | JPMorgan                                   | Market test did not lead to a sale, so company is reportedly weighing an IPO (PFR, 6/8).  |
| U.S. Renewables Group               | Bottle Rock power project           | Geysers area,                | 55   | Geothermal   | Goldman Sachs                              | Preliminary bids due Dec. 17 (PFR, 12/3).   |
| Waterbury Generation                | Waterbury Generation                | Waterbury, Conn.             | 96   | Gas          | N/A  | Energy Capital Partners in negotiations to buy development rights (PFR, 8/29).  |
| Wheelabrator Technologies           | Shasta                              | Anderson, Calif.             | 49   | Biomass      | ABN Amro                                   | Seller evaluating a sale. Review close to completion.   |

# Project Finance Deal Book

*Deal Book is a matrix of energy project finance deals that PFR is tracking in the energy sector. 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 Katy Burne, Managing Editor, at (212) 224-3165 or e-mail [kburne@iineews.com](mailto:kburne@iineews.com).*

## Live Deals: North America

| Sponsor                               | Project  | Location                             | Lead(s)  | Loan                                    | Loan Amount      | Tenor    | Notes   |
|---------------------------------------|--|--------------------------------------|--|---|------------------|----------|---|
| AES                                   | Termoelectrico de Penoles (230 MW Petcoke)     | Tamuin, Mexico                       | Calyon   | Refinancing                             | \$227M           |          | Four of six commitments in.                           |
| Airtricity North America              | 2008 Turbine Supply                            | Central New York                     | HVB, Mizuho  | Turbine Supply Loan                     | \$325M           | TBA      | Commitments were due 12/14.                           |
| Babcock & Brown Power                 | Trans Bay Cable (400 MW, two 200 kV cables)    | McPherson County, S.D.               | JPMorgan   | Construction Loan                       | \$299M           | 33-yr    | Syndication of subordinate                            |
| Pittsburg Power                       |  | San Francisco, Calif.                | BayernLB   | Construction Loan                       | \$188M           | 7-yr     | tranche launched.                                     |
| Biomass Group                         | South Point (200 MW Biomass)                   | South Point, Ohio                    | TBA  | Construction Loan                       | \$265-300M       | TBA      | Selecting lenders.                                    |
| Borealis Infrastructure               | Bruce Power (4.6 GW)                           | Tiverton, Ontario                    | Scotia, Dexia  | TBA                                     | C\$750M (\$710M) | TBA      | Leads considering relaunch in U.S.                    |
|                                       |  |                                      |  | HoldCo Loan                             | \$100M           | TBA      |   |
| Carlyle/Riverstone                    | Portfolio (1.5 GW Gas)                         | Various, Texas                       | TBA  |   | \$900M           | TBA      | RFP sent out 7/23.                                    |
| EarthFirst Canada                     | Dokie I (144 MW Wind)                          | Peace River, British Columbia        | TBA  | Construction Loan                       | C\$167M (\$166M) | 17-yr    | Proposals were due 12/19.                             |
|                                       |  |                                      |  | Subordinate Tranche                     | C\$30M (\$30M)   | 4-yr     |   |
| Econergy International-led consortium | La Gloria (50 MW Wind)                         | Guanacaste Province, Costa Rica      | NordLB   | Term Loan,                              | \$125M           | TBA      | Timeline unclear.                                     |
| Empresas ICA                          | La Yesca (750 MW Hydro)                        | Nayarit, Mexico                      | WestLB, Citibank/Banamex, HSBC, BBVA Bancomer, Santander, NordLB | Letter of Credit                        | TBA              |          |   |
|                                       |  |                                      |  | Construction Loan                       | \$910M           | 4-yr, 9m | Syndication to wrap early next month.                 |
|                                       |  |                                      |  | Revolver                                | \$80M            |          |   |
| Energy Investors Fund                 | Panoche (400 MW Gas)                           | Fresno, Calif.                       | BNP Paribas  | TBA                                     | TBA              | TBA      | Deal to launch early 2008.                            |
|                                       | Hot Springs (48 MW Geothermal)                 | Elko, Nev.                           | DZ Bank, Fortis Capital  | TBA                                     | \$120M           | TBA      | 32 MW phase to come online 2009.                      |
| ENMAX Energy                          | Calgary (1.2 GW Gas)                           | Calgary, Alberta                     | TBA  | TBA                                     | TBA              |          | Timeline unclear.                                     |
| EverPower Renewables                  | 2009 Turbine Supply                            | Various                              | KeyBanc Capital Markets  | Turbine supply                          | \$130M           |          | Syndication launched 11/28.                           |
| Excelsior Energy                      | Mesaba Energy (603 MW IGCC)                    | Minn.                                | TBA  | TBA                                     | TBA              | TBA      | Barclays advising.                                    |
| FPL Energy                            | Northern Frontier Portfolio (600 MW Wind)      |                                      | Various  | UniCredit, Mizuho                       | TBA              | TBA      | Syndication to launch this month.                     |
| Granite Ridge                         | Granite Ridge (720 MW Gas)                     | Londonderry, N.H.                    | TBA  | TBA                                     | \$500-\$600M     | TBA      | Choosing lead banks for recap.                        |
| Invenergy                             | Forward Energy (99 MW Wind)                    | Dodge and Fond du Lac counties, Wis. | Dexia Credit Local, NordLB                                       | Construction Loan                       | TBA              | 17-yr    | Farm and facilities being upsized.                    |
|                                       |  |                                      |  | Equity Bridge Loan                      | TBA              |          | Launch expected later this month.                     |
|                                       |  |                                      |  | Letter of Credit                        | TBA              |          |   |
| J-Power USA                           | 2009 Turbine Supply (800 MW)                   | Various                              | HSH, UniCredit   | TBA                                     | TBA              | TBA      | Timeline unclear.                                     |
|                                       | Pala (86.5 MW Gas)                             | San Diego Co., Calif.                | TBA  | TBA                                     |                  |          | Looking for lead bank.                                |
|                                       | Orange Grove (95 MN Gas)                       | Orange Grove, Calif.                 | Royal Bank of Scotland   | Construction Loan                       | \$70M            | 25-yr    | Syndication launched 9/25.                            |
|                                       |  |                                      |  | LC Facility                             | \$25M            |          |   |
|                                       |  |                                      |  | Equity Bridge Loan                      | \$30M            |          |   |
| LVE Energy Partners                   | LVE Energy Center (16 MW Thermal backup power) |                                      | Las Vegas, Nev.  | Sumitomo Mitsui Banking Corp. Term Loan | \$145M           |          | Syndication to launch by end of this month or in Feb. |
|                                       |  |                                      |  | Letter of Credit                        | \$20M            |          |   |
|                                       |  |                                      |  | Letter of Credit                        | \$100M           |          |   |
| Nacogdoches Power                     | Nacogdoches (100 MW Biomass, 300 MW Gas)       | Sacul, Texas                         | TBA  | TBA                                     | TBA              | TBA      | Looking for debt/equity for \$600M project.           |
| NGS Energy Fund                       | Gas Storage (36.4 bcf)                         | Matagorda County, Texas              | BNP Paribas, ING Capital   |   | \$430M           |          | Bank meeting targeted for Jan. 24.                    |
| Noble Environmental Power             | Turbine Supply Loan                            | Various                              | HSH, KeyBanc   | Turbine Supply Loan                     | \$460M           | 3-yr     | Syndication launched mid-Nov.                         |
|                                       | New York 2008 Portfolio                        | Upstate New York                     | TBA  | TBA                                     | TBA              |          | Selecting lenders.                                    |
| NuCoastal                             | Lon C. Hill (530 MW Gas)                       | Corpus Christi, Texas                | TBA  | TBA                                     | TBA              | TBA      | Seeking lenders.                                      |
| Padoma Wind Power                     | Various (418 MW Wind)                          | Texas, Southern Calif.               | TBA  | TBA                                     | TBA              | TBA      | Timeline unclear.                                     |
| Perennial Power                       | Hermiston (474 MW Gas) and Bliss (339 MW Wind) | Hermiston, Ore.                      | TBA  | TBA                                     | \$130M           | 10-yr    | Status unclear.                                       |
| SUEZ Energy International             | Central Termoelectrica                         | Clinton and Bliss, N.Y.              | TBA  | TBA                                     | TBA              | TBA      | Looking for banks for \$500M.                         |
| Third Planet Windpower                | Various (Wind)                                 | Northern Chile                       | TBA  | TBA                                     | TBA              | TBA      | Will look for lenders in 2Q-3Q of this year.          |
| Transfield Services                   | Central Kelar (+340 MW Coal)                   | Antofagasta Region, Chile            | WestLB, Calyon, HSBC   | TBA                                     | TBA              | TBA      | Syndication expected in April.                        |
| Unigas                                | Okfuskee Gas Storage (30 Bcf)                  | Okfuskee County, Oklahoma            | TBA  | TBA                                     | \$150M           | TBA      | Barclays advising.                                    |

## Live Deals: Europe/Middle East

| Sponsor                | Project                               | Location           | Lead(s)                     | Loan              | Loan Amount      | Tenor | Notes                                 |
|------------------------|---------------------------------------|--------------------|-----------------------------|-------------------|------------------|-------|---------------------------------------|
| Botswana Power Corp.   | Morpule (1.2 GW Coal) (820 MW, Cogen) | Palapye, Botswana  | TBA                         | TBA               |                  |       | Project Financing Solutions advising. |
| Carron Energy          | Severn Power (850 MW Gas)             | South Wales        | TBA                         | TBA               |                  |       | Dec. 14 bid deadline.                 |
| Conergy                | Epuron (8 MW Solar Thermal)           | Southern Spain     | WestLB                      | TBA               | \$113.3M         |       | Choosing Banks.                       |
| Dhofar Power Co.       | Salalah (192 MW Gas Refi)             | Salalah, Oman      | Calyon                      | TBA               | \$340M           | TBA   | Syndication launched 9/21.            |
| EdF Energies Nouvelles | C-Power (30 MW Wind)                  | Zeebrugge, Belgium | Dexia, Rabobank             | Construction Loan | EUR126M          | 15-yr | Timeline unclear.                     |
|                        | Five wind farms                       | France             | RBS                         | Construction Loan | EUR266M (\$390M) | 18-yr | Preparing retail syndication.         |
| Eclipse Energy         | Ormonde (200 MW Wind/Gas)             | Irish Sea          | Dexia Crédit Local, Bank of | TBA               | GBP200M          |       | Loan to be syndicated.                |
|                        |                                       |                    |                             |                   |                  |       | Calyon dropped out.                   |
|                        |                                       |                    |                             |                   |                  |       | Selected lenders and soliciting       |

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

## News In Brief

*News In Brief is a summary of publicly reported power news stories. The information has been obtained from sources believed to be reliable, but PFR does not guarantee its completeness or accuracy.*

### Americas

- **NorthWestern** has retained **Credit Suisse** to advise it on strategic options with respect to its 222 MW interest in 740 MW Colstrip Unit 4 coal plant (*CNNMoney.com*, 1/23).
- Maine regulators have signed off on the \$4.6 billion sale of Maine-based **Energy East** to **Iberdrola** (*Associated Press*, 1/23).
- **Duke Energy's** group executive and chief nuclear officer, **Henry Barron**, will retire effective March 31 and be succeeded by **Dhiaa Jamil**, senior v.p. of nuclear support, Feb. 17 (*Associated Press*, 1/18).

### Europe

- **Société Générale** says unauthorized bets on stock index futures by rogue trader **Jerome Kerviel** caused a EUR 4.9 billion (\$7.2 billion) trading loss, the largest in banking history. It plans to raise EUR 5.5 billion from shareholders (*Bloomberg*, 1/24).
- **Evonik** and a consortium between **International Power** and **Mitsui** plan to bid for control of Russian power company **TGK-2**. They would be competing for the firm with Germany's **RWE**, Finland's **Fortum** and investment fund **Prosperity Capital**, which already holds a 23% stake. Bids will be accepted through March 14 (*Reuters*, 1/18).
- Russian President **Vladimir Putin** won Bulgaria's support for the estimated EUR 10 billion (\$14.6 billion) South Stream gas pipeline project, a joint venture between **Gazprom** and Italian energy company **Eni**, expected to have annual capacity of 30 billion cubic meters of gas (*Financial Times*, 1/18).
- The European Commission has proposed cutting its allocation of E.U. carbon-dioxide allowances for electricity by an average of 11% between 2013 and 2020 from 2008 to 2012 levels (*Bloomberg*, 1/23).
- **Energie Baden-Wuerttemberg** plans to invest EUR 800 million (\$1.2 billion) building power plants in Turkey. EnBW may build one or two hydro or coal plants with a Turkish partner (*Bloomberg*, 1/23).

### Asia/Pacific

- Chinese solar equipment maker **Qiangsheng Photovoltaic Technology** plans to raise about \$250 million in a Nasdaq stock market listing to fund its breakneck expansion (*Reuters*, 1/22).

- **Richard Branson's Virgin Group** plans to establish a company in China to cut emissions and develop clean energy in the country that may become the world's leader in wind power within the next five years (*Bloomberg*, 1/18).
- Germany's **Conergy** has strengthened its wind energy business by setting up a partnership with **Origin Energy**, selling rights for the development of three wind parks in Australia with a capacity of 90 MW (*Reuters*, 1/22).

### Africa

- Zambia has decided to no longer share power with Zimbabwe, in an effort to safeguard its supply after suffering severe power disruptions over the past few days, reduced imports of energy from South Africa and failure to anticipate domestic energy demands (*BBC News*, 1/23).

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## INFRASTRUCTURE, STRATEGIC

(continued from page 1)

- **Energy Investors Funds**
- **EnergyCo.**, the joint venture between PNM Resources and Bill Gates' venture **Cascade Investment**

**Credit Suisse**, advisor to Black Hills, took first-round bids on the fleet before Thanksgiving (PFR, 11/21) and final bids are due next month. Offers reportedly needed to be in the neighborhood of \$750 million to qualify for the second round, but it is unclear whether those indicative prices will hold with the debt markets still in disarray. Specifics of the staple financing being touted by Credit Suisse could not be gleaned. **Goldman Sachs** and **Royal Bank of Scotland** are also thought to be lining up packages.

**Mark Thies**, outgoing cfo of Black Hills in Rapid City, S.D., and **Dale Jahr**, director of investor relations, did not immediately return requests for comment, and officials at Credit Suisse and the bidders either declined to comment or did not return calls.

The fleet, developed by Wheeling, Ill. based **Indeck Capital**, is projected to earn at least \$75 million of contracted EBITDA a year over the next five years (PFR, 12/7). For the full list of facilities, head to [www.iipower.com](http://www.iipower.com). —K.B.

## AIRTRICITY EXECS

(continued from page 1)

As first reported by *PFR* on Thursday, the pair attempted a late-stage management buyout of Airtricity over Christmas, offering EUR2.1 billion (\$3 billion). But a purchase and sale agreement was signed with **Scottish and Southern Energy** for EUR1.8 billion Jan. 4, after SSE got wind of the MBO plans and opted to short-circuit the potential for a bidding war. O'Connor and Whelan's backers did not have sufficient time to conduct due diligence. That line-up is expected to come in behind the new venture, but all have the option to bow out. **JPMorgan** was advising and equity was committed by **Investec** and two Dublin stockbrokers, **Dolmen Securities** and **Goodbody**. Debt was committed by **Barclays Capital** and **Halifax Bank of Scotland**.

Whelan says the new venture will be a clean break. "The level of support available for us on the MBO bid is sufficient for our purposes. All our backers are in place, so we just need a new set of assets," he notes, declining to say whether any Airtricity employees will move across. "We've a lot to do to disengage and build a core team, a business plan and do our modeling. When we break cover, we will have a well-developed, well-thought-through proposition with some value already created. We have the money, we have the contacts, we have the credibility and we have hunger." —K.B.

## KELSON SEEN

(continued from page 1)

**Oklahoma Gas & Electric** will acquire a 51% stake, the **Grand River Dam Authority** 36% and the **Oklahoma Municipal Power Authority** 13% for a total consideration of \$852 million, or \$693 per kW. "The sale of Redbud is consistent with our strategy of buying assets under distress and selling them upon recovery of a facility or market," says Cody. Proceeds will trim about half of Kelson's corporate debt, put in place last March during a recapitalization at the project level, (PFR, 2/12).

Kelson, backed by private equity firm **Harbinger Capital Partners**, is also signed up as the preferred bidder to acquire **Southaven Power** (PFR 1/11), an 810 MW gas-fired merchant unit near Memphis, Tenn. Its other facilities are 620 MW Dogwood in Pleasant Hill, Mo., 1,230 MW Cottonwood in Deweyville, Texas, and the 922 MW Magnolia in Benton County, Miss. Merrill led a \$1.7 billion recap of the portfolio last year (PFR, 3/23). —Katy Burne

## CANADIAN WIND

(continued from page 1)

**Macquarie Bank**, **Manulife Financial** and **GE Energy Financial Services**. Additionally, it has held discussions with **GMP Securities**, **Blackmount Capital** and **Royal Bank of Canada**.

"We've not explored some of the scenarios in the U.S., but we intend to," he adds. Ideally, Magnus says, the company would like to have a vertically integrated project with **General Electric**, in which GE provides the turbines and the financing. "There's a lot of merit to having a one-stop-shop kind of deal."

The first project—180 MW Glen Dhu east of New Glasgow, Nova Scotia—is being developed by Shear, with a 120 MW stake, and an undisclosed partner with a 60 MW interest. Output will be bid into a **Nova Scotia Power RFP**. "It's probably the most spectacular property in Nova Scotia and possibly Canada," says Magnus of the location, noting that two transmission lines run through it.

The other two projects are 100 MW Glenridge and 80-100 MW Coyote, both in southeastern Alberta, set to come online in mid 2010. Construction on the first phase, is set to begin before the end of this year. —Thomas Rains

## Quote Of The Week

"What we're finding is lot of lenders are eager to get into [renewable financing] in not just Mexico, but Latin America, and are expecting a large project like this to be their point of entry." —

**Gary Hardke**, president of **Cannon Power** in Rancho Santa Fe, Calif., on financing prospects for its 1 GW Aubanel wind farm in Baja California (see story, page 5).