

# Power Finance & Risk

Exclusive Insight on Power M&A and Project Financing

## ● MERGERS & ACQUISITIONS

### Bank Mandated for Mountaineer Gas

An investment bank has been awarded the M&A mandate for West Virginia's gas distributor Mountaineer Gas.

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## ● PROJECT FINANCE

### Offshore Wind in Brazil

A group of first movers is jostling for position at the start line of the race to develop projects off Brazil's expansive coastline.

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## ● PEOPLE & FIRMS

### Carlyle Forges Solar Partnership

The Carlyle Group has partnered with **Alchemy Renewable Energy** to form a joint venture called **Cardinal Renewables**.

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## DC Solar Duo Pleads Guilty to Tax Equity Ponzi Scheme

Taryana Odayar

The husband and wife behind mobile solar company DC Solar have pleaded guilty in a high-profile tax equity fraud case that has also seen suits brought by investors against financial and legal advisers.

**Jeff Carpoff** pleaded guilty to conspiracy to commit wire fraud and money laundering on Jan. 24 and faces up to 30 years in prison, while his wife **Paulette Car-**

**poff** pleaded guilty to conspiracy to commit an offense against the U.S. and money laundering, facing up to 15 years.

They were accused of swindling more than a dozen investors—including **Berkshire Hathaway**-owned insurance company **Geico**—out of millions in renewable energy tax credits, in what the U.S. **Securities and Exchange Commission** has described as a Ponzi scheme.

The evidence pre- [PAGE 6 »](#)

## No PPA, No Problem for California Solar Developers

Shravan Bhat

An innovative offtake structure is gaining acceptance among solar developers and tax equity investors for projects in California, where traditional utility power purchase agreements have fallen out of grace.

The bankruptcy case of **Pacific Gas & Electric** last year, in the

wake of devastating wildfires, punctured the image of the utility PPA as a gold-plated offtake. Projects contracted not only with PG&E itself but also with other Californian utilities like **Southern California Edison** became, briefly, unfinanceable.

Developers in the state were undeterred, however, pitching their projects [PAGE 7 »](#)

## Chile Wind Loan Struggles in Syndication

Carmen Arroyo

A project finance loan for a portfolio of Chilean wind projects is falling flat with lenders as the two banks that acted as arrangers attempt to syndicate it.

The deal in the market is a \$443 million 19-year loan arranged by **Caixabank** and **KfW** for three projects developed by German sponsor **WPD**. Since signing [PAGE 8 »](#)

## True Green Inks Debt for N.Y. Community Solar

Shravan Bhat, Taryana Odayar

**True Green Capital Management** has closed debt financing from two lenders for the first phase of a community solar portfolio in central and northeastern New York.

**CIT Bank** was sole lead arranger on the \$42.8 million loan for the 10-project, six-site group, which has a total capacity of 48 MW (70 MW DC). **NY Green Bank** was [PAGE 7 »](#)



"Aggressive structures are one thing..."



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## ● MERGERS & ACQUISITIONS

# Warburg Backs Microgrid Startup

**Warburg Pincus** has committed up to \$300 million of equity to distributed generation and microgrid start-up **Scale Microgrid Solutions** (SMS).

The parties had been in discussions for the past two years and the deal closed in the last quarter of 2019. The investment will fund overhead expenses as well as project-level equity.

**Latham & Watkins** advised SMS while **Kirkland & Ellis** served as Warburg's legal counsel.

### DISPATCHABLE MIX

Founded in 2016, SMS provides dispatchable, behind-the-meter generation to commercial and industrial customers using a combination of rooftop solar, on-site gas-fired generators and **Schneider Electric**-made lithium-ion battery systems.

Systems can range from 100 kW to 10 MW, with larger, more bespoke projects costing as much \$50 million to \$60 million. The firm's standard, modular system is generally priced at under \$15 million.

Customers can opt for an energy services contract—under which they pay per kWh—lease the equipment from SMS, or even purchase and own it if they choose to.

### PROJECT FINANCING

The structure of the capital stack for each system—including third-party tax equity where

appropriate—depends on the technology mix and project size.

"We have worked with a lot of banks over the years—both institutional and non-traditional lenders," says SMS CEO **Ryan Goodman**, who also leads project financing. "We're quite flexible on the debt piece."

The founders of SMS are alumni of combined-heat-and-power company **ENER-G Cogen International**, which was acquired by British utility holding company **Centrica** in 2016. The 13-member SMS team is spread across New York, New Jersey, Colorado and Los Angeles.

"The U.S. Northeast and California are the biggest growth areas for us, given the relatively high cost of energy and, in the case of California, the awful wildfire situation," adds Goodman. "Our solution is a good fit for both those problems."

Warburg's investments in the power and renewable energy industries have produced mixed results over the years.

The private equity firm backed gas-fired project developer **Competitive Power Ventures** in 2000 and held onto its stake for 15 years before eventually selling to **Global Infrastructure Partners** (PFR, 4/7/15).

Other Warburg portfolio companies have included German wind turbine maker **Power-Wind** and solar cell manufacturer **Suniva**—both of which ended up filing for bankruptcy. ■

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## GENERATION AUCTION &amp; SALE CALENDAR ●

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

## Generation Sale ■ DATABASE

Seller	Assets	Location	Adviser	Status/Comment
8minute Solar Energy	Eland Solar & Storage (400 MW)	Kern County, Calif.		Capital Dynamics is acquiring a stake in the project (PFR, 1/27).
● Alex New Energies (Steelcons)	Portfolio (278 MW Solar)	Ceara, Brazil		Lethe Energia (Brookfield) is acquiring the government-contracted, development-stage projects (see story, page 9).
Ares Management	St Joseph (715 MW Gas 80%)	New Carlisle, Ind.	Citi	The sale process was launched in June (PFR, 9/16).
Atalaya Capital Management	Atalaya Resi Portfolio (31 MW Solar)	U.S.	Plexus Solutions	The deal closed on Dec. 23 (PFR, 1/27).
Avangrid	Vertex (1.15 GW Wind)	U.S.	Wells Fargo	A process was underway in August (PFR, 8/12).
Caprock Renewables	Portfolio (677 MW[DC] Solar)	Texas	Javelin Capital	The three projects are uncontracted (PFR, 9/23).
Calpine Corp.	High Bridge, Bluestone (224 MW Wind)	New York, Oklahoma	Greentech	Final round bids were received on Oct. 10 (PFR, 10/21).
Caithness Energy	Shepherds Flat (845 MW Wind)	Oregon	Greentech	First round bids were due on Dec. 6 (PFR, 12/9).
Energy Capital Partners	Terra-Gen (1.3 GW Wind)	U.S.	Citi, PJ Solomon	Bids for the wind developer are due in the coming weeks (PFR, 1/21).
Engie, Mitsui & Co., Harbert, JEMB, Ares	Astoria I (575 MW Gas)	Queens, N.Y.	PJ Solomon, Morgan Stanley	A consortium including APG, MEAG, Cial Insurance Co. has agreed to buy the project (PFR, 1/27).
Engie North America	Jupiter (2,300 MW Wind, Solar)	U.S.	BAML	Bids were due in November (PFR, 11/16).
Harbert, Engie	Astoria II (575 MW Gas, 55%)	Queens, N.Y.	PJ Solomon, Morgan Stanley	A consortium including APG, MEAG, Cial Insurance Co. has agreed to buy the stake in the project (PFR, 1/27).
Hecate Energy	Hera (500 MW Solar)	Wharton County, Texas	Cantor Fitzgerald	Funding talks are in advanced stages (PFR, 12/9).
● Heelstone Renewable Energy	Portfolio (130 MW Solar)	North Carolina, Oregon, California	Marathon Capital	US Solar Fund has agreed to acquire the 22 assets (see story, page 5).
iCON infrastructure, IGS Utilities	Moutnaineer Gas (Utility)	West Virginia	TBC	The owners of the company are planning to appoint an investment bank (PFR, 1/27).
● Inman Solar	Distributed Portfolio (20 MW Solar)	Georgia		Duke Energy Renewables has acquired the portfolio, which is contracted with Georgia Power (see story, page 5).
● Invenergy	Blooming Grove (250 MW Wind, 80%)	McLean County, Ill.		WEC Infrastructure has agreed to buy the project, which is contracted with two corporations (see story, page 5).
LS Power	West Deptford (744 MW Gas, 17.84%)	New Jersey	Whitehall	A stake in the CCGT is up for sale (PFR, 11/11).
Macquarie, GE	Brooke County (830 MW Gas)	West Virginia	Macquarie Capital	The sale was launched in late 2019 (PFR, 12/9).
Marubeni Power America	Spindle Hill (314 MW Gas/oil, 49%)	Fredrick, Colo.	Guggenheim	Teasers were distributed in November (PFR, 12/2).
	Cannon Falls (357 MW Gas, 49%)	Minneapolis		
	Hardee (370 MW Gas, 49%)	Tampa, Fla.		
NextEra Energy Resources	Bluebell II, Wilmot (215 MW Solar, Storage)	Arizona, Texas	Marathon Capital	NextEra is looking to sell the contracted projects (PFR, 10/7).
New Energy Solar	Boulder Solar I (100 MW)	Boulder City, Nev.	Jefferies	The Australian fund manager is preparing a sale process (PFR, 12/2).
NTE Energy	Killingly (650 MW Gas)	Connecticut	Whitehall	A two-stage equity raise has been launched (PFR, 11/18).
Oaktree Capital Management	Griffith (570 MW Gas)	Mohave County, Ariz.	Barclays	Bids were expected to come in by the end of January (PFR, 1/21).
Panda Power	Liberty, Patriot (1.65 GW Gas)	Pennsylvania		Carlyle and EIG are buying the two CCGTs (PFR, 1/21).
PSEG	Bethlehem (815 MW Gas)	Albany County, N.Y.	Goldman Sachs	First-round bids were taken on Nov. 22 (PFR, 12/2).
Rockland Capital	Nevada Cogeneration Associates 2 (85 MW Gas)	Clark County, Nev.	BNP Paribas	Ultra Capital has emerged as the buyer (PFR, 1/27).
Soltage	Liberty (16.5 MW Solar)	Connecticut, Massachusetts	Fifth Third	CleanCapital has acquired the community solar portfolio (PFR, 1/27).
Southern Company	Ravenswood (250 MW Gas)	New York	Whitehall	A lessor stake is up for sale (PFR, 12/9).
Southern Power	Mankato (760 MW Gas)	Mankato, Minn.	Barclays	Xcel Energy has acquired the plant through unregulated subsidiary MEC Holdings (PFR, 1/27).
Stonepeak	RED-Rochester (158 MW Gas)	Rochester, N.Y.	Scotia	The marketing process began in November (PFR, 12/2).
TerraForm Investors	\$TERP (4 GW, 38%)	U.S., Europe		Brookfield Renewable Partners has made a bid (PFR, 1/21).

## ● New or updated listing

The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed.

To report updates or provide additional information on the status of financings, please call Taryana Odayar at (212) 224 3258 or e-mail [taryana.odayar@powerfinancerisk.com](mailto:taryana.odayar@powerfinancerisk.com)

## PROJECT FINANCE

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

### Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Deal Type	Loan Amount	Tenor	Notes
Alten Energias Renovables	Puebla Solar (250 MW)	Puebla, Mexico	ING, Bancomext, IDB	Debt	\$120M -\$150M		The debt financing is expected to close in April or May (PFR, 1/27).
Altus Power	Portfolio (180 MW Solar)	U.S.	Blackstone	Securitization			Blackstone Insurance Solutions provided the senior notes (PFR, 1/21).
Antin Infrastructure	Veolia District Energy Networks	Massachusetts	BNP Paribas	Term Loan A	\$625M	7-yr	The loan was priced at L+175 and lenders earned a 50 bp fee (PFR, 1/21).
				Capex Facility	\$80M		
				Revolver	\$65M		
Clearway Energy Group	NE Community Solar Portfolio (76 MW [DC])	Illinois, Massachusetts, Minnesota, New York	CIT (left), Key, SVB	Term Loan			The financing was announced on Jan. 17 (PFR, 1/27).
			TBA	Tax Equity			
Controlled Thermal Resources	Hell's Kitche (140 MW Geothermal)	Imperial County, Calif.	Lazard (adviser)	Debt			The sponsor expects to launch a project finance bank loan in early 2021 (PFR, 1/27).
D.E. Shaw Renewable Investments	Orchard (40 MW Wind)	Morrow County, Ore.	Keybank	Debt			The project has a 15-year PPA with PacifiCorp (PFR, 1/21).
			U.S. Bank	Tax Equity			
Enel Mexico	Dolores (244 MW Wind)	Nuevo Leon, Mexico	IDB Invest	Term Loan	\$150M	7-yr	IDB is in the process of structuring the loan, which is not yet approved (PFR, 1/13).
	Amistad IV (149 MW Wind)	Coahuila, Mexico					
	Magdalena II (220 MW Solar)	Tlaxcala, Mexico					
Helios Infrastructure	Ruff (22 MW Solar)	North Carolina	U.S. Bank	Tax Equity			Helios is owned by Sol Systems and Nationwide Mutual (PFR, 1/21).
Longroad	Jeffers, Community North (70 MW Wind)	Minnesota	KeyBank, HSBC	Debt	\$128M		Xcel Energy will buy the repowered duo (PFR, 1/21).
Mainstream	Huemul, Copihue (730 MW Wind, Solar)	Chile	IDB Invest	Debt	\$150M		The sponsor sent term sheets to commercial banks in December (PFR, 1/21).
ODPEnergy	Sol de Los Andes (100 MW Solar)	Atacama, Chile	SMBC	Term Loan	\$130M		The deal is expected to close in February (PFR, 1/13).
	Estrella (50 MW Wind)	O'Higgins, Chile					
Sonnex	Portfolio (123.1 MW Solar)	Puerto Rico	City National Bank of Florida	Debt	\$15M		Sonnex has a 50 MW project in development on the island (see story online).
Stonepeak	New England Power (1.6 GW Gas)	Massachusetts, Maine	Investec (books), CA, NBF, Nomura	Term Loan	\$485M	7-yr	The loan was expected to close by the end of January (PFR, 1/27).
				Revolver	\$55M		
SunEnergy1	Ranchland, Holloman (140 MW Solar)	North Carolina	Ares Management	Mezzanine	\$50M		The holdco debt sits behind senior debt from ING Capital (PFR, 1/21).
Sunpin Solar	Titan Solar 1 (98 MW)	Imperial County, Calif.	Morgan Stanley	Tax Equity			Sunpin is working with Morgan Stanley on a power hedge for the project as well as the tax equity (see story, page 1).
			China National Building Material	Construction Loan			
Termocandelaria	TECAN (324 MW Gas)	Colombia	JP Morgan, Scotia	Unsecured Bonds	\$186M	9-yr	The bond tap will be used to convert the plant to a CCGT (PFR, 1/21).
True Green Capital Management	NY Solar Farms (48 MW Solar)	New York	CIT (sole lead), NY Green Bank	Debt	\$42.8M		The financing for the community solar portfolio closed in December (see story, page 1).
			U.S. Bank	Tax Equity	\$38M		
WPD	Malleco (273 MW Wind)	Malleco, Chile	Caixa, KfW	Term Loan	\$443M	19-yr	Caixa and KfW are attempting to syndicate the loan (see story, page 1).
	Negrete (39 MW Wind)	Biobio, Chile					
	Lomas de Duqueco (58.8 MW Wind)	Biobio, Chile					
X-Elío	Xoxocotla (70 MW Solar)	Mexico	IDB Invest	Debt	\$17.2M	20-yr	Two other projects were expected to be financed by the same lender group (PFR, 1/21).
			MUFG		\$8.3M	16-yr	
			ICO (Spain)		\$13.9M	20-yr	
YPF Luz (YPF, GE)	Cañadón León (120 MW Wind)	Santa Cruz, Argentina	BNP Paribas Fortis	Term Loan	\$100M		The BNP Paribas Fortis tranche was guaranteed by Euler Hermes (PFR, 1/27).
			DFC (formerly OPIC)	Term Loan	\$50M		

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## MERGERS &amp; ACQUISITIONS ●

## Ares-backed Developer Sells Solar Portfolio

Solar developer **Heelstone Renewable Energy**, an **Ares Management Corp.** portfolio company, has agreed to sell an operating portfolio to a foreign investor.

**London Stock Exchange**-listed **US Solar Fund** on Jan. 29 announced it had executed bind-

ing agreements to acquire the 130 MW portfolio, which comprises 22 assets across North Carolina, Oregon and California.

Heelstone's long-time financial adviser **Marathon Capital** ran the sale process. The investment bank had been officially engaged in September and the initial plan

was to launch a broad process.

However, the sellers had productive discussions with a few potential buyers during the pre-marketing phase, which ultimately led to the sale agreement, says a deal watcher. The deal is expected to close next month.

The plants were brought online

between 2016 and 2018 and sell their output under fixed-price power purchase agreements to offtakers with **S&P Global Ratings** credit ratings ranging from B+ to A.

The portfolio has a weighted average remaining contract life of 12 years. ■

## Invenergy Inks Latest Wind Farm Sale to WEC

Invenergy has reached an agreement to sell a majority stake in a Midwestern wind project to repeat customer **WEC Infrastructure**.

The buyer—the non-regulated generation arm of **WEC Energy Group**—has agreed to pay \$345 million for the 80% stake in the 250 MW Blooming Grove Wind Farm, which is under construction in McLean County, Ill.

The project, previously known as the McLean County Wind Energy Center, is contracted with two “investment grade multinational companies” according an announcement. The identities of the offtakers were not disclosed.

The deal is the fifth to be signed between Invenergy and WEC

Infrastructure. In every case except one, WEC has taken an 80% stake in a contracted wind project developed by Invenergy. The exception was the Bishop Hill III project in Henry County, Ill., in which WEC has taken a 90% stake (PFR, 9/3/19).

**White Construction**, a subsidiary of **Infrastructure and Energy Alternatives**, began working on the Blooming Grove project as construction contractor in September. It will be fitted with 94 **General Electric** turbines and is due to be online by year-end.

WEC's utility business serves approximately 4.5 million customers in Wisconsin, Illinois, Michigan and Minnesota. ■

## Duke Takes Bite of Peach State Solar Portfolio

**Duke Energy Renewables** has acquired a 20 MW portfolio of utility-contracted, small-scale solar projects in Georgia.

Located in the center of the state, the nine projects were jointly developed by Duke and **Inman Solar** under **Georgia Power's** Renewable Energy Development Initiative (REDI).

Duke carried out the acquisition and construction management through **REC Solar**, a California-based distributed generation company in which it has owned a stake since 2015 and which it has wholly owned since April 2019. Duke, REC Solar and Inman have worked on numerous projects in multiple states over the last three years.

Each project was developed under an engineering, production and procurement agreement between REC Solar and Inman.

Their energy and renewable attributes are contracted under power purchase agreements with **Georgia Power** with lengths of 30 or 35 years. The contracts were awarded under Georgia Power's REDI Distributed Generation RFP program.

The projects are all under construction or have begun commercial operations, with the last project expected to come online by the end of March.

The acquisition brings Duke Energy Renewables' distributed solar generation capacity in Georgia up to 47.4 MW. ■

## Investment Bank Wins Mountaineer Mandate

The owners of West Virginia's largest natural gas distributor, **Mountaineer Gas**, are said to have selected an investment bank to act as auctioneer ahead of a planned sale process.

**Moelis & Co.** won the M&A mandate, say deal watchers, following a bake-off reported by PFR two weeks ago (PFR, 1/17)

Moelis “have had some experience with smaller regulated businesses,” notes a project finance banker.

Last year, for instance, the firm assist-

ed **Macquarie Infrastructure & Real Assets** with the sale of its 42% stake in regulated Washington utility **Puget Sound Energy** to **Alberta Investment Management Corp.**, **British Columbia Investment Management Corp.**, **OMERS** and **PGGM**.

Spokespeople for Moelis and Mountaineer Gas either declined to comment or did not immediately respond to requests for comment.

Headquartered in Charleston, W.Va., Mountaineer serves more than 220,000 cus-

tomers and operates about 6,000 miles of pipeline.

It is owned by a partnership between **IGS Utilities** and British infrastructure fund **iCON Infrastructure**, which holds limited partner interests through its iCON Infrastructure Partners II fund.

Mountaineer's owners since the turn of the millennium have included **Energy Corp. of America**, **Allegheny Power**, **ArcLight Capital Partners** and **DB Nexus American Investments** (PFR, 1/17). ■



## ● PROJECT FINANCE

# DC Solar Duo Pleads Guilty to Tax Equity Ponzi Scheme

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sented in the case included descriptions of the Carpoﬀs' lavish lifestyle. The couple amassed more than 150 luxury and vintage automobiles—including a 1978 **Pontiac** Firebird Trans Am once owned by film star **Burt Reynolds**, according to court filings.

They also bought properties in California, Nevada, Mexico and the Caribbean, a share in a private jet service, a **NASCAR** racecar sponsorship, a suite at the **Las Vegas Raiders** stadium, and minor-league baseball team the **Martinez Clippers** – and paid for a performance by international rapper **Pitbull** at a DC Solar holiday party, according to prosecutors and local reports.

The company's CFO, **Robert Karmann**, had already pleaded guilty to participating in the scheme last month, as well as to securities violations. He faces up to 15 years in prison. Other named co-conspirators include **Ryan Guidry**, **Alan Hansen**, **Ronald Roach** and **Joseph Bayless**.

"Fraudsters will get caught and will pay for their crimes," said U.S. Attorney **McGregor Scott**, who is overseeing the case, in a statement. "You can run, but you cannot hide."

The Carpoﬀs are to be sentenced by U.S. District Judge **John A. Mendez** on May 19. Meanwhile, the U.S. **Securities and Exchange Commission** has also filed a case against them.

## NON-EXISTENT SOLAR UNITS

Founded in 2009 in Benicia, Calif., DC Solar was supposed to manufacture trailer-mounted solar generator units, which were marketed as being able to provide emergency power to cellphone towers and lighting at sporting events.

Under the financing scheme, tax equity funds set up by DC Solar would purchase and own the solar units and then receive lease payments from end users to repay the investment over the life of the fund. Tax equity investors would in theory be able to claim the 30% tax equity investment on each \$150,000 unit.

However, DC Solar built and leased only a small portion of the units it sold to investors, and cash flows that the company claimed were lease payments were in fact funded with capital raised from new investors instead.

The scam transactions totaled \$2.5 billion, with investors defrauded out of about \$1 bil-

lion. Geico lost \$340 million and other cheated investors include **Progressive Corp.**, **East West Bancorp.**, **Valley National Bancorp.** and **Sherwin-Williams**.

It remains unclear how any genuine tax credits associated with the solar units that were actually produced will be allocated to investors, if at all.

## CIVIL SUITS

Meanwhile, many of the investors are suing their legal advisers and accountants. Among the defendants in the civil case are law firms **Nixon Peabody** and **Foley & Lardner**, as well as advisory firms **CohnReznick Capital**, **Alvarez & Marsal** and **Novogradac**. ■

## Insurance Could Have Protected DC Solar Investors, says Aon's Blitz

A recently introduced hybrid insurance product—combining elements of tax equity and reps and warranties policies—could have protected the investors caught up in the DC Solar tax equity fraud, says **Gary Blitz**, co-CEO of Aon's M&A and transactions solutions business.

The DC Solar scam involved fake lease payments related to thousands of non-existent mobile solar generators, which in turn produced fraudulent investment tax credits. One investor alone, insurance company **Geico**, lost \$340 million (see story, left).

But a highly bespoke tax equity insurance product introduced by Aon in 2018 would have covered the investors for fraudulent misrepresentations, says Blitz.

Tax equity insurance has been around for several years, but the new Aon product also includes reps and warranties coverage, which is more typically bought by buyers and sellers in M&A deals. A similar hybrid product, covering both tax risk and reps and warranties, is often used to protect buyers of tax-advantaged private REITs, and has since been used a few times for renewable energy transactions.

"From a tax insurance perspective, we have seen an increased focus by tax equity on due diligence and the financial strength of indemnities from developers, both for the ITC or other tax benefits and breaches of reps and warranties relating to other subjects, such as financial statements, real estate, etc.," says Blitz. "This has led us in several transactions to place enhanced insurance coverage protecting tax equity for a tax loss as well as loss stemming from breaches of the developer's reps and warranties."

The hybrid product provides two types of coverage under one policy. The first tier deals with the risk of tax credits being recaptured if an investment's qualification for the tax benefit is

challenged. The second, which is more relevant to the DC Solar case, covers the developer's reps and warranties.

Representations covered by such a policy can include a counterparty's claims that it owns the tax credit-generating equipment, that the projects are appropriately permitted, that there is no outstanding litigation, that financial statements are GAAP-compliant, that the projects are placed in service, that no ITCs have previously been claimed on the equipment, and so on.

DC Solar would have been required to include reps and warranties certifying key elements of ITC qualification, and the insurance would have protected tax equity investors when it came to light that DC Solar didn't own the equipment it claimed to own and made misrepresentations about the business.

Blitz expects the DC Solar case to encourage tax equity investors to consider taking the tailored hybrid insurance, which increases the scope of financial protection offered to buyers and lenders, converting deal risk to a one-off premium.

Insurers also review due diligence conducted by potential insured parties when underwriting reps and warranties policies, and it is possible that an underwriter assessing the DC Solar deals would have declined to provide coverage or insisted on more thorough checks, raising a red flag.

While representations and warranties insurance in the U.S. has been around for about 20 years, tax equity insurance for renewable projects has emerged and blossomed only over the last four. Carriers of tax equity insurance include big names like **Zurich Insurance Group**, **American International Group** and **Chubb**. ■

# No PPA, No Problem for California Solar Developers

◀ FROM PAGE 1

instead to clean choice aggregators (CCAs) and corporations and—most recently—mulling a novel combination of long-term renewable energy credit (REC) contracts and power hedges.

CCA contracts are by far the most sought-after, says the head of structured finance at a large solar developer, but there are not enough of them to meet the appetite for development.

Negotiating a deal with a corporation, meanwhile, brings its own challenges, making a REC contract combined with a hedge an attractive option.

Solar projects in California increasingly rely on revenues from the sale of RECs, which can be sold under long-term contracts

to provide greater certainty of cash flows. While contracts for category 1 (PCC1) RECs in California typically have 10-year tenors, market watchers are also seeing 12- to 15-year deals.

“I would rank a REC contract plus hedge on par with a corporate PPA,” says the structured finance official. “The big tech firms just give you [a letter of credit]—they don’t actually put their corporate credit rating behind the PPA—and there’s usually basis risk and they can be difficult to work with.”

## PROVEN CONCEPT

One sponsor that has successfully financed a project in this way—and is looking to do more—is **Sunpin Solar**.

Sunpin proved the concept

when it secured tax equity from **PNC Bank** last year for its 74.8 MW ColGreen North Shore project in Riverside County (PFR, 2/19/19). The ColGreen project has what has been described as a “bifurcated” PPA with **Direct Energy Business**, where the off-taker buys the category 1 RECs at a fixed price but takes the energy at wholesale rates.

Sunpin is now exploring a hedge and tax equity deal for its latest project with **Morgan Stanley**.

The developer broke ground on the 98 MW Titan Solar 1 project in Imperial County on Jan. 14 (PFR, 1/24). **Ali Yazdi**, an executive director in Morgan Stanley’s commodities group, was present at the groundbreaking ceremony. Spokespeople for the investment

bank in New York did not respond to a request for comment.

The Titan 1 project is qualified for the 30% investment tax credit and is expected to be online by November.

“We’re fairly far along on the tax equity and that financing should hopefully be done by Q2,” says Sunpin’s Irvine-based CFO **Kelly Lloyd**, who declined to comment on the counterparties for the tax equity and hedge.

Law firm **Troutman Sanders** is assisting Sunpin with the tax equity raise.

Meanwhile, engineering, procurement and construction contractor **China National Building Material Group** (CNBM) is providing construction finance. ■

# True Green Inks Debt for N.Y. Community Solar

◀ FROM PAGE 1

co-lender and provided around \$20 million of the debt.

The debt was priced somewhere between 200 and 250 basis points over Libor, according to people close to the deal, which closed in December.

**U.S. Bank** signed a £38 million tax equity commitment backing the projects last June (PFR, 10/28). The projects in phase one should be constructed by June 30.

Law firm **Winston & Strawn** advised the lenders while **Akin Gump** was the sponsor’s legal counsel.

## PHASE TWO

Construction is already underway on the 50 MW second phase of the portfolio—comprising six projects. The whole multi-phase portfolio is called NY Solar Farms.

The same investors intend to finance this second phase by increasing the size of the credit facility, say people familiar with the deal.

The credit facility is expected to grow by

between \$25 million and \$30 million. Financial close is set for the second or third quarter of this year.

Two of the six second-phase projects are already mechanically complete, while the remaining four are near the notice-to-proceed stage. True Green is waiting until spring to commence construction on these, since building in Upstate New York in the winter brings its own risks.

## COMFORT IN THE COMMUNITY

Community solar is a frontier asset class for project finance banks, and the lenders backing this portfolio—CIT and NY Green Bank—have established themselves as pioneers in areas such as distributed generation and merchant solar. In the case of NY Green Bank, it has a mandate as an agency of New York state to finance assets that more conservative lenders might avoid, at least at first.

“The nice thing about community solar, versus say residential rooftop solar, is that

if you do have a customer who defaults, you can just sell their credits to someone else rather than having to threaten to pull the panels off someone’s roof,” says NY Green Bank president **Alfred Griffin**. “Also, the way the program is structured in New York, a developer can book credits for two years, meaning the developer has two years to find a new customer and most developers have customer backlogs.”

Griffin declined to comment on the specifics of the deal with True Green.

The community solar model is still evolving. Developers of community solar assets sometimes only offer long-term, fixed-price contracts to would-be members, with a view to obtaining project finance. However, lenders are growing increasingly comfortable with shorter-term, more flexible contracts that open up the community solar product to renters and low- to moderate-income households.

Some developers also insist that customers be homeowners, while others require a certain FICO score. Another innovation has been the pricing of customer contracts at a variable rate that depends on a factor such as utility rates, rather than at a fixed price. ■

## ● LATIN AMERICA

# Chile Wind Loan Struggles in Syndication

◀ FROM PAGE 1

the loan in December, Caixa and KfW have tried to distribute it to other banks without success, say project finance bankers.

The arrangers are finding the loan hard to syndicate because of its “aggressive” terms, say two Latin America-focused financiers.

“The syndication is proceeding normally and has not yet concluded,” says a banker close to the deal. Spokespeople for Caixa in Barcelona and KfW in Frankfurt declined

to comment and officials at WPD did not respond to a request for comment.

WPD selected Caixa and KfW to arrange the loan in October, after a competitive process that started in February 2019 (PFR, 2/28/19).

The arrangers each provided one-half of the debt, says a deal watcher in New York.

The WPD portfolio comprises three wind projects, two of which have 20-year power purchase agreements that were awarded by

the government in 2016. The projects are expected to start commercial operations in 2021.

They are:

- the 273 MW Malleco project, located south of Collipulli in the province of Malleco,
- the 39 MW Negrete project, in Negrete, Biobío, and
- the 58.8 MW Lomas de Duqueco wind plant, also in Los Angeles, Biobío. ■

## ● PPA PULSE

# Appalachian Takes Second Shot at Solar RFP

**Appalachian Power** has issued a second request for proposals for solar projects in Virginia after a previous process—launched in late 2018—failed to produce any viable projects.

The utility company is inviting bids of 10 MW or more as it seeks to procure up to 200 MW of solar generation in the state. Projects must be operational by Dec. 15, 2022 and must qualify for the federal investment tax credit.

Like many other utilities running solar RFPs in recent years, Appalachian will welcome bids that include a battery storage option.

Prospective bidders must submit proposals by March 12.

In an effort to attract more qualifying projects, Appalachian has reduced the minimum bid size to 10 MW this time around, compared with 50 MW in its 2018 RFP.

The 2018 process brought in 15 submissions, but the proposed projects either did not meet the RFP criteria, were not economically competitive, or experienced permitting or cost issues before a contract could be signed, says a spokesperson for

Appalachian in Roanoke, Va.

“The changes were made to get a wider variety of project bidders,” says the spokesperson. “We included combination solar-battery projects in the hopes that a combination may improve the overall economics of a stand-alone solar or stand-alone battery project.”

Appalachian, a subsidiary of **American Electric Power**, signed its first utility-scale solar power purchase agreement in 2017.

The 20-year contract was awarded to **Coronal Energy**’s 15 MW Depot Solar Center in Campbell County, Va. (PFR, 12/12/17).

The Coronal project was originally expected to be online by September 2019 but the developer did not secure a permit from the **Virginia Department of Environmental Quality** until November. Construction is now expected to begin in spring of this year.

*Here is the rest of the week’s PPA news:*

### POTOMAC PPA

**Dominion Energy** has lined up

17-year power purchase agreements with **Amazon** and the government of Arlington County, Va., for the output of a 120 MW solar project.

Amazon has spoken for 68.3% of the project’s output, or 81.96 MW, while Arlington will purchase 31.7%, or 38.04 MW. The county’s board approved the contract in a vote on Jan. 28.

The solar project is called Amazon Arlington Solar Farm Virginia but is located about 230 miles away in rural Pittsylvania County, Va.

The offtake contract is structured as a contract for difference. The offtakers will effectively pay a fixed price of \$33.50/MWh.

The project is expected to be operational in the beginning of 2022. Dominion purchased the project from **Open Road Renewables** last year.

### RENOVAR 3

Months after Argentina held the third round of its RenovAr renewable procurement program, contracts have been signed for 33 projects totaling 203 MW.

The auction, known as “Mini-Ren,” was held in July and focused on procuring contracts for small-scale renewable projects.

Initially, 38 renewable projects totaling 259 MW were awarded PPAs and the first contracts were signed in November (PFR, 11/13/19).

Developers signed the last seven contracts with **Camme-sa** in the run up to the deadline on Jan. 24.

The government expects the 33 projects with signed PPAs to require a total investment of \$319 million.

Given Argentina’s economic situation, bankers at international commercial lenders say they are not willing to invest in projects in the country and one Latin America-focused banker in New York predicts that most of the RenovAr 3 projects will not reach financial close.

However, several renewable energy projects in the country have recently reached financial close, with developers turning to development finance institutions and export credit agency wraps to secure funding (PFR, 1/24). ■



## Bankers, Developers Await Mexico Private Auction Results

Bankers are among those awaiting the results of the México Eléctrico power auction process, recently closed by Dutch energy company Vitol. The deadline for generators and offtakers to submit offers passed on Friday, Jan. 31.

Project finance bankers in New York are following the auction and are already talking with prospective clients, although it is still early in the process, they say. **OPDE** is understood to have submitted offers on the supply side. **Fotowatio** initially registered but finally decided not to go through with the procurement process, says a representative of the company in Madrid.

However, there's no shortage of projects in search of power pur-

chase agreements, says an investment banker in Mexico City.

"Developers had planned their projects thinking about the government auctions," he explains. Now that those auctions are canceled, developers are looking for contracts elsewhere, for example with corporate offtakers. Still, he adds, most large corporate offtakers already have PPAs in place, so "this auction is very positive for the market."

Vitol is expected to announce the winning bidders on Feb. 10. The company will match generators with offtakers but they will sign 10-year contracts with Vitol, not with each other. The Dutch sponsor will guarantee the contracts with its own balance sheet

(PFR, 10/29/19).

Registration for the auction closed on Nov. 20, 2019, after launching earlier in the fall, with roughly 50 companies registering for the procurement process (PFR, 11/26/19). While on the supply side, traditional developers registered for the scheme, on the demand side, companies from a variety of sectors, such as tourism, manufacturing, and automotive, expressed an interest.

Consulting firm **EY** is advising Vitol on the process.

Vitol decided to launch México Eléctrico after Mexican **President Andrés Manuel López Obrador** nixed Mexico's fourth long-term power auction in February 2019 (PFR, 2/4/19). Vitol's

procurement process is the second private auction in Mexico after **Bravos Energía** launched its own in September (PFR, 9/18/19).

While bankers expect a slow year for Mexican project finance, the private auctions could give them something to work with. The other options are construction loans that will come out of Mexico's **Federal Electricity Commission (CFE)**'s tenders for CCGT projects under the *Obras Públicas Financiadas* framework; or projects selling their output spot or with corporate power purchase agreements (PFR, 1/9).

"Without the auctions, the market is paralyzed," says one Latin America-focused banker. ■

## Brookfield Approved for Solar Acquisition in Brazil

**Brookfield Asset Management** is moving forward with the acquisition of a 278 MW development-stage solar portfolio in Brazil from a subsidiary of engineering company **Steelcons**.

Brazil's antitrust authority, **CADE**, approved a transaction on Jan. 28 through which Brookfield's subsidiary, **Lethe Energia**, will buy the solar assets from Steelcon's **Alex New Energies Investimentos e Participacoes**.

The size of the transaction was not disclosed.

Brookfield representatives in Toronto and Steelcons spokespeople in Sao Paulo did not respond to inquiries by press time.

The portfolio comprises nine pre-operational units located in the state of Ceara. The projects have government power purchase agreements, awarded to Steelcons during the 2018 auction, and are expected online by Jan. 1, 2022.

This is Brookfield's first solar investment in the country, says CADE, although the Cana-

dian company is already operating in the other parts of the Brazilian power sector.

In October, Brookfield-owned **Chimarrão Transmissora de Energia** reached financial close on a R\$2.24 billion (\$546 million) transmission project in the State of Rio Grande do Sul (PFR, 10/10/19). Brookfield bought 90% of gas pipeline unit Nova Transportadora do Sudeste (NTS) for \$5.10 billion from **Petrobras** four years ago (PFR, 8/4/16, IJG, 9/26/16). ■

## Winner Selected for Colombia Transmission Tender

Colombia's **Mines and Energy Planning Unit (UPME)** has selected a consortium formed by a Spanish construction group and three local companies to develop transmission projects relating to nine substations in the Caribbean region of the country.

The winning bidder, **Consorcio Energía de Colombia**, is formed by Spain's **Ortiz Construcciones y Proyectos** and Colombian companies **Gesinso Power & Energy, Ingenierías y Servicios,**

and **Emisa Trading**.

Their offer of 698.84 billion Colombian pesos (\$202.1 million) was the lowest of two presented by the participants.

**Consorcio Estadio**—comprising Brazilian firms **CYMI Construções e Participações** and **SETEC Soluções Energéticas de Transmissão e Controle**—presented the competing offer of 731.81 billion Colombian pesos (\$214.4 million).

UPME had already selected an

engineering, procurement and construction contractor for the project in July of 2019—a consortium formed by Colombian companies **Salgado Meléndez Ingenieros Asociados** and **Gestión y Diseños Eléctricos** (PFR, 1/28).

Consorcio Energia de Colombia will be in charge of developing and investing in the project, known as 'Atlantico and associated works.'

The investor is required to bring the project online by October

2023, working with **Electricaribe** and **Celsia**, the companies that own and operate most of the substations.

UPME has launched multiple tenders for transmission projects in the Caribbean region, especially in the La Guajira department, in the last year (PFR, 1/3). The government expects to improve electrical services in the country, which have deteriorated with Electricaribe's financial troubles (PFR, 9/24/19). ■

## ● LATIN AMERICA

# Testing the Waters: Tentative Steps Toward Offshore Wind in Brazil

Although some observers see a blossoming offshore wind industry in Brazil as an unlikely prospect, a group of first movers are jostling for position at the start line of the race to develop projects off the country's expansive coastline.

Brazil has no operational offshore wind farms at utility scale, and only a few pilot projects in development. Legislation and a regulatory framework are lacking, the permitting process has yet to be streamlined, and there is no agreed and proven map of the total capacity to be built.

Furthermore, many financiers and investors are skeptical of the logic of developing offshore wind in the country at all. Brazil has the fifth largest territory in the world and a relatively small population, so there is an abundance of land for onshore wind projects, which are cheaper and quicker to build.

These may not seem the most promising of circumstances, but nevertheless there are at least seven projects in the pipeline.

## PILOTS

State-controlled oil and gas company **Petrobras** plans to develop the first of them, a 6 MW to 10 MW pilot project called Ubarana and located in the state of Rio Grande do Norte. It is adjacent to the company's oil field of same name, in the Potiguar basin.

The company expects to install one wind turbine 20 km (12.4 miles) off the coast, in waters 15 m (50 ft) deep. Commercial operations are expected to begin in 2022.

Petrobras also signed a memorandum of understanding with Norway's **Equinor** in September 2019 to study the possibility of joint development of offshore wind projects in Brazil, using the foreign company's expertise in developing such projects in Europe.

Italo-Brazilian developer **BI Energia** is meanwhile seeking environmental permits for up to 59 turbines both on and off the coast of Fortaleza, in the state of Ceara. Around 48 machines would be installed in the ocean and the remaining 11 onshore. Regulator Ibama has already rejected one version of the environmental impact study for this project, requesting further details.

Then there is **Rialma Energia**, which is

aiming to build the Caju offshore wind complex in Maranhao state. Caju will consist of around 15 wind turbines, all offshore.

Larger projects are also being plotted. **Eolica Brasil** has started the development of the Asa Branca I offshore wind complex off the coast of Ceara state. The company estimates that it will be possible to install 10 wind farms of five turbines each, totaling up to 400 MW.

**Neoenergia** announced in January 2020 that it has started the process to get an environmental license to build three offshore wind projects. Located in Rio de Janeiro, Rio Grande do Sul and Ceara, they could total 9 GW, making them collectively the largest offshore wind complex being planned in Brazil.

**“Once the costs are known, there will be an optimization of offshore projects. I don’t believe this industry will be huge in Brazil in the short-term, but it will be developed.”**

## POTENTIAL

Brazil boasts a 7,500 km (4,660 mile) coastline but its other geographical features are less favorable to offshore wind. The country's potential onshore wind capacity is estimated at three times its total power demand, and with a relatively high average capacity factor.

“Our onshore energy is very competitive, and its abundance is what explains why the country has not entered the offshore wind business yet,” said **Elbia Gannoun**, CEO of the Brazilian wind energy association **ABEEólica**. “We know that companies and the public government are mobilizing to develop this sector, which, in the opinion of ABEEólica, is very important as one of the frontiers of wind energy in Brazil.”

On Jan. 22, the research arm of the **Ministry of Mines and Energy**, EPE, issued an offshore wind roadmap that identified the main barriers and challenges. According to EPE's study, Brazil has the capacity to develop up to 697 GW of offshore wind.

Total installed capacity could, however, be a lot higher. In Ceara state alone — one of the most attractive regions due to elevated capacity factors (60% to 62%) — the potential is estimated at 117 GW by engineering firm **Camargo-Schubert**.

Brazil does not have a legal framework defining the rules for the commercialization of offshore wind, though there is a proposal for one under analysis by the government.

This month, Ibama opened a public consultation for the model to be used on the environmental impact studies for offshore wind farms. The consultation will be open until April 9.

Without this regulatory framework, it is unsurprising that some developers are not yet ready to pursue offshore wind projects in the country.

**Victor Munoz**, operating partner at developer **Denham Capital**, said that the company is not yet planning to develop offshore wind in Brazil, but he believes that the sector will take off as soon as the regulation is better defined.

“Once the costs are known, there will be an optimization of offshore projects. I don’t believe this industry will be huge in Brazil in the short-term, but it will be developed,” he said. “What will determine the speed are the economics of the projects. If returns are interesting, more and more projects will get off the ground.”

According to EPE's study, the present cost of offshore wind is up to double that of onshore wind. However, the institution notes that offshore wind projects can produce up to 50% more power than those onshore. “In a long-term analysis, the costs, despite being higher, could be offset by the higher energy production, making these projects viable,” reads the report.

Infrastructure asset manager **Igino Mattos**, an external consultant to the **Inter-American Development Bank**, is more skeptical. “Offshore is something that would be nice to have, but Brazil has so much undeveloped potential in solar and onshore wind, that offshore is something that will probably be really small in the country for years to come.” ■

## PEOPLE &amp; FIRMS ●

## Cordelio Builds Up Executive Team

Canadian renewables developer and owner **Cordelio Power** has hired several high-level officials, including a new CEO, as it gears up for growth through co-development and acquisitions in North America.

The management build-out follows the creation of the company by **Canada Pension Plan Investment Board** in 2018 as a vehicle for the acquisition of a portfolio of renewable energy projects from **NextEra Energy** (PFR, 12/11/18).

**John Carson** has been appointed as Cordelio's CEO and will be based in Toronto, while **Nick Karambelas** has been hired as chief commercial officer and will work out of New York.

The new CEO was previously a

principal at **Brooklyn Renewable Power** and spent nearly seven years as CEO of **Alterra Power Corp.** before that.

He started his career at **Lehman Brothers** in 2001, going on to hold senior vice president roles successively at **GE Energy Financial Services**, **Terra-Gen Power** and **Noble Environmental Power**. He joined Alterra in 2011.

Karambelas, meanwhile, was previously senior director, finance and power origination, at **Innergex**, and director, project finance and development, at Alterra prior to that (Innergex acquired Alterra in 2018).

Other senior hires include **Paul Rapp**, as vice president, project development, in Vancouver.

Like the new CEO, Rapp joins from Brooklyn Renewable Power, where he was a principal. Before that, he was a vice president, wind and geothermal power, at Alterra. He has also held roles at **Plutonic Power Corp.** and **BC Hydro**.

On the legal side, **Luke Pangman** has been appointed as general counsel, having joined from **Lithium Americas Corp.** where he was director of legal affairs. He was previously a senior legal counsel at Innergex and before that Alterra and has worked in private practice at **Blake, Cassels & Graydon**.

The expanded company will continue to be headquartered in Toronto with additional offices in Vancouver and New York.

It is focused on adding to its portfolio through co-development arrangements with other developers, self-originated development projects, and acquisitions in North American power markets.

The appointments come soon after CPPIB signed a deal to acquire and take private **Pattern Energy** as part of a plan hatched by Pattern's private equity backer, **Riverstone Holding**, to combine the yield company and its sponsor, **Pattern Development**, into an "integrated renewable energy company" (PFR, 11/4).

**Laura Jehn** is staying on at Cordelio as president and general manager, while **Rob Roberti** remains in post as CFO. ■

## FirstEnergy to Start Brokerage

**FirstEnergy Corp.** aims to break into the power brokerage business, as the reorganization of **FirstEnergy Solutions**, its generation subsidiary, prepares to exit bankruptcy with a new name.

The new brokerage and aggregation venture, operating through a subsidiary called **Suvon** and doing business as **FirstEnergy Advisors**, will launch initially in Ohio, according to a **Public Utilities Commission of Ohio** filing dated Jan. 17. The new entity could begin to target customers as soon as Feb. 16 if its broker license is approved by the PUC.

**Lorraine Rader**, director of energy sales at FirstEnergy, submitted the filing. She has more than 10 years of experience in retail sales and marketing of electricity to residential, commercial and industrial customers.

"As the name FirstEnergy Advisors indicates, the company would work with customers to understand their energy needs, assess market trends, issues and risks, and discuss applicable products and services,"

says **Mark Durbin**, a spokesperson for FirstEnergy. "They would also provide energy brokering services to customers—obtaining bids from various electric suppliers; evaluating the pricing, product offers, and terms and conditions; and selecting the option that would best suit the customer's individual needs."

The brokerage will leverage FirstEnergy's regulatory and energy market expertise as well as its established supplier relationships,

he adds.

As a broker, and unlike power marketers, FirstEnergy Advisors will not own generation plants or even purchase any power itself.

### SAFE HARBOR?

Meanwhile, FirstEnergy's generation subsidiary, FirstEnergy Solutions, is being rebranded **Energy Harbor** in preparation for its exit from bankruptcy as a separate company, unaffiliated with FirstEnergy. ■

## Solar Fund Manager Reports Payment Fraud

**New Energy Solar Manager**, the manager of US Solar Fund, has claimed in a statement issued on Jan. 30 that it has been the victim of a \$6.9 million contracted construction payments fraud.

US Solar Fund said payments were made from one of its own U.S. bank accounts to a third-party U.S. bank account.

The fund's board and New Energy Solar Fund have launched an investigation and "are working with the relevant US authorities, account banks, the construction counterparty, and insurers".

The fund raised \$200 million with an initial public offering in April 2019 and is considering a second raise. ■

## ● PEOPLE &amp; FIRMS

## Carlyle Forges Partnership with Solar Developer



**Pooja Goyal**  
Co-head, infrastructure group,  
Carlyle

The **Carlyle Group** has partnered with developer **Alchemy Renewable Energy** to form **Cardinal Renewables**, a joint venture which will develop, acquire, finance and operate solar projects in the U.S.

The private equity firm has committed \$100 million in equity capital from its Renewable & Sustainable Energy Fund to the J.V.

Alchemy will provide asset management services, source tax equity financing and manage operations and maintenance for the projects acquired by Cardinal.

Based in Springfield, Mo., Alchemy has developed, financed and built renewable energy projects totaling more than 850 MW. It owns 38 projects in development or operation across eight states.

### TAX EQUITY TIES

Alchemy syndicates tax equity financing for its projects through parent company **Monarch Private Capital's** tax equity placement business. Monarch has placed over \$1.5 billion of tax credits in various sectors since 2005. Through Alchemy, the firm has syndicated renewable energy investment tax credits totaling \$377 million.

"Investing in differenti-

ated and proven development platforms is a key focus of our strategy at Carlyle," said **Pooja Goyal**, head of the firm's renewable and sustainable energy team and co-head its infrastructure group. "We're confident that our combined capabilities will propel Cardinal Renewables' growth and drive positive commercial and environmental outcomes."

The legal advisers on the deal were:

◆ **Vinson & Elkins** for Carlyle, and

◆ **Orrick** for Alchemy.

Alchemy's CEO **Lacie Clark** joined Monarch as a managing director in 2016 and co-founded Alchemy shortly after. Prior to joining Monarch, she served as chief operations officer at **Gardner Capital** and was an associate general counsel at **Associated Electric Coop.**

**Jonathan Gross** is CFO of Alchemy and also serves as



**Lacie Clark**,  
CEO Alchemy Renewable Energy

director of business development for Monarch. He was previously a partner at **CohnReznick Capital**, where he led the renewable energy transaction advisory group out of Charlotte, N.C. He has also served as a partner at accountancy **McKonly & Asbury** and as a vice president at Pennsylvania wealth manager **HJ Financial Group** (now **Meridian Wealth Partners**). ■

## Sheppard Mullin Adds Partner in L.A.

Sheppard Mullin has hired a new partner to its energy, infrastructure and project finance team in Los Angeles.

**Elliot Hinds** has joined the firm's Century City office from **Crowell & Moring**, where he had been since 2015. He was the second partner to join Sheppard Mullin in Century City last month.

"Continuing to expand our energy practice is a key focus for us," said **Jon Newby**, Sheppard Mullin vice chairman, in a statement. "Having Elliot anchor our energy practice in

Los Angeles will allow us to even better serve our clients in the renewable energy sector."

The firm has added more than 15 attorneys to its U.S. energy practice in the last few years.

Hinds has more than 24 years of experience, having also served as a partner at **Akin Gump** in the firm's global energy transactions & corporate practice groups, as a partner at **Goodwin Procter's** corporate and private equity groups, and as a partner at **McDermott Will & Emery** in the corporate and energy practice groups. ■

## CCA's DiMarco Departs for Role at Asset Manager

**John DiMarco** has left boutique investment bank **CCA Group**, where he was a managing director, to help build out the North American energy infrastructure business of an Australian asset manager.

He joins **First State Investments** as a director in the direct infrastructure team in New York.

First State manages more than \$8.5 billion of direct infrastructure assets in the U.K., Europe, Australia, New Zealand and North America, with an emphasis on mid-market

companies in the transportation and utility sectors.

The firm has been owned by **MUFG** since last August, when the Japanese financial services group acquired it from **Commonwealth Bank of Australia** for \$2.7 billion.

It was known as **Colonial First State Global Asset Management** in Australia before being rebranded **First Sentier Investors** in September.

DiMarco had been with CCA since 2015, prior to which he spent seven years with **TerraGen** (PFR, 10/28/11). ■