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## N.Y. Solar RFP Attracts Bidders

More than 60 entities registered with the **New York Power Authority** to be involved with its 100 MW solar RFP.

*See story, page 2*

## At Press Time

EIF Sells Hydro Solo For High Price 2

Infigen Buys Ill. Wind Partner Stake 2

## In The News

Alinda Fund Scopes Regulated Assets 4

Solar Co. Takes Portfolio Bids 4

Int'l Power Eyes Solar 4

ArcLight Shaves Loan Pricing 4

Texas Co. Seeks Wind Partners 4

CPV Wind Loan Oversubscribed 5

Dexia To Back Thermal, Gas 5

Ruby Express Garners Commitments 5

NSTAR Plant Sells Plant 6

Invenenergy Closes Wash. Deal 6

Nevada Geo Co. Seeks Financing 6

Commerz Hires Finance Head 6

## Corporate Strategies

TrAILCo Pockets Revolver 6

FP&L Pays Debt With Bonds 7

Wis. Energy Sub Refis Debt 7

## Departments

Project Finance Deal Chart 8

News In Brief 9,11

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## OFFSHORE U.S. PROJECT TALKS CHINESE FUNDING

Developer **Wind Energy Systems Technology** is in discussions with a Chinese wind turbine manufacturer to supply and arrange dealer financing for a portion of a \$724 million offshore project near Galveston, Texas. "Banks are not in the mood to loan money," says **Herman Schellstede**, ceo in New Iberia, La., of why his company is potentially tapping Chinese funding.

Commercial banks in the U.S. are skeptical of offshore projects, wondering for example, how machinery will stand up to moist, salty air and hurricane-force winds. "You're not going to lend to the first wave [of projects]," says one banker.

Turbine costs will amount to at least half the cost of the 300 MW wind project. Schellstede declined to name the manufacturer, but says he will announce it at Infocast's

*(continued on page 11)*

## NEW ENGLAND UTILITIES EYE TRANSMISSION CONSORTIUM

**Iberdrola USA**, **National Grid**, **Northeast Utilities**, **NSTAR** and **United Illuminating** are in talks about establishing a consortium to build transmission lines to ship renewable power from resource laden areas to load centers in the Northeast. The utilities have not yet signed a memorandum of understanding but aim to have more concrete plans later this year.

The costs could run anywhere from \$2-36 billion, according to a fall study of transmission needs issued by ISO-New England. The idea is that power from wind projects along the east coast and in the mountains of Maine, New Hampshire and Vermont will need to be moved to the load centers in the region, including Boston and New York City, says **James Torgerson**, president and ceo of **UIL Holdings Corp.** in New Haven, Conn. He

*(continued on page 12)*

## LIBOR Limbo—How Low Can You Go?

## BATTLE ROYALE LOOMS FOR EDF UNIT LEAD

Some banks are pitching sub-300 basis point spreads and more than 10-year tenors as they vie to lead the financing for EDF subsidiary **enXco's** 201 MW Lakefield wind project in southwestern Minnesota. Pricing on most wind deals this year has been in the low 300s with seven to eight-year maturities.

The sponsor's proven track-record for building projects, banking relationships and credit worthiness are pulling in better bids than usually seen for smaller shops. Bankers have also forecast declining prices as



*(continued on page 11)*

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## NY Solar RFP Draws 60+

More than 60 entities responded to the New York Power Authority's 100 MW request for proposals within a day following its announcement on Jan. 27. The breakdown of potential project location hosts versus project developers could not be learned. A spokeswoman for NYPA did not offer information beyond a press release.

NYPA is commissioning rooftop and ground-mounted solar photovoltaic installations that could be installed on government or municipal buildings, including schools, offices and parking garages.

Developers with experience in the region like Axio Power, BP Alternative Energy, GroSolar and SunEdison have shown interest in the RFP, bankers familiar with the companies say. Target project size, cost per watt or whether the power authority prefers ground or roof installations could not be immediately determined. "It's still a black box. No one knows what would make a bid successful or if it's a dollar per watt," says one banker.

BP is currently installing 32 MW solar PV panels on the Brookhaven National Laboratory in Long Island. Officials at GroSolar and BP declined to comment. Calls to officials at Axio, and SunEdison were not returned before press time.

## EIF Carves Out Hydro For High Price

Energy Investors Funds has chosen to sell its 33 MW Glen Park Hydro facility in Watertown, N.Y., separately from the rest of a larger portfolio because of buyer Fort Chicago Energy Partners' high offer, says a banker familiar with the deal. The Canadian shop is paying \$80 million, roughly \$2,420 per KW, for the facility. Richard Weech, cfo in Calgary, did not return a call by press time.

A v.p. at an energy market consultant notes \$2,400 per KW may accurately value the plant, but adds that its location in upstate New York is one of the cheapest points in the New York Independent Systems Operator region. He declined to specify a value for the plant.

The plant, which sells its output to Shell Energy North America, had been part of a six-asset portfolio that EIF had put on the block. ArcLight Capital Partners is purchasing the other five assets, including a stake in the Neptune Regional Transmission System for an undisclosed price (PFR, 1/22).

## Infigen Buys Out Ill. Wind Partner

Infigen Energy is buying Euris Wind Partner's ownership stake in the 54 MW Crescent Ridge wind farm, which is one of the assets that Infigen has on the block. The transaction is expected to be completed by March 4, according to documents filed with the U.S. Federal Energy Regulatory Commission on Feb. 2.

Euris Wind, a subsidiary of Euris Energy America, owns a 25% stake in Crescent, which came online in 2005 and has a PPA with Constellation Energy.

Infigen, a spin out of Babcock & Brown, received bids from AES, Energy Capital Partners, Morgan Stanley Infrastructure Partners and Pattern Energy for its 1.1 GW wind portfolio in the U.S. (PFR, 2/1). Calls and e-mails to officials representing Infigen and Euris were not returned.

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Editor

STEVE MURRAY  
Deputy Editor

PETER THOMPSON  
Executive Editor [Chicago]  
(773) 439-1090

JEANINE PREZIOSO  
Managing Editor  
(212) 224-3226

SARA ROSNER  
Senior Reporter  
(212) 224-3165

HOLLY FLETCHER  
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STANLEY WILSON  
Washington Bureau Chief  
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KIERON BLACK  
Sketch Artist

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**Editorial Offices:** 225 Park Avenue  
South, New York, NY 10003.  
Tel: (773) 439-1090  
Email: pthompson@iinews.com

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## Alinda Seeks Regulated, Contracted Assets

**Alinda Capital Partners** will seek regulated utilities and contracted power assets to add as investments in its \$4 billion **Alinda Infrastructure Fund II**, which closed. The fund is 20% invested primarily with U.S. pension fund money.

"We are interested in regulated utilities and potentially contracted power assets [in North America and Europe]," says **Chris Beale**, managing partner in New York. "We're looking for investments that provide steady returns." Beale says the fund is not looking at any particular assets right now in the power sector, but is generally looking for operating assets and not merchant power.

Investments in the second fund include \$400 million from the **Washington State Investment Board**, \$300 million from **CalPERS** and \$200 million from **Oregon Public Employees Retirement Fund**.

Through its two funds, Alinda already has ownership interests in Heathrow Airport, the Detroit/Windsor Tunnel in Michigan and the Regency Intrastate Gas System, which is hooked into the Haynesville Shale gas field in Louisiana. The two funds have a total of \$7 billion in committed capital.

## Solar Developer Takes Bids For Portfolio

Final bids on solar developer **Axio Power's** portfolio are being submitted to **Marathon Capital** who is running the sale. The company is also open to being acquired.

Axio is looking for money to advance projects in its 600 MW ground mounted photovoltaic pipeline, a deal watcher says. The company has been talking to financial investors and foreign utilities for the roughly \$2.7 billion cash injection needed to develop the projects and will likely sell the portfolio as a whole, a banker notes.

Officials at Axio in San Juan Capistrano, Calif., did not return calls before press time and an official at Marathon declined to comment.

The company is developing a number of projects in California, Arizona, New Mexico, Hawaii, Texas, New Jersey, Pennsylvania, New York and Ontario. Construction is slated to begin by year-end on a few projects and the others are in early stage. Axio applied for a feed-in tariff through the **Ontario Power Authority** for a 10 MW project in December.

The company acquired the solar assets and development team of **BQ Energy**, a solar developer that had projects in Hawaii and on the East Coast, in July 2009. Axio is funded by developer **Greenlight Energy Resources** in Charlottesville, Va., which sold its wind development arm to **BP Energy** in 2006, and individual investors.

## IP Flirts With U.S. Solar Options

**International Power** is in the market to acquire its first solar project, says a deal watcher. A subsidiary of the London-based company, **International Power America**, is looking at photovoltaic projects up for sale in the U.S, the person says, declining to elaborate or comment on a timeline.

IP is likely to purchase a project from a developer who would stay on to complete construction because this project would be the company's first solar project in North America. An International Power spokeswoman in London declined to comment.

The company operates roughly 7 GW of combined cycle plants in the U.S. and 40 MW of wind in Canada. Subsidiary **Spanish Hydro**, a joint venture between IP and **Mitsui**, operates an 88 MW solar and hydropower facility in Spain.

## ArcLight Shaves Pricing On EIF Acquisition Loan

**ArcLight Capital Partners** is cutting 25 basis points off the pricing on a \$220 million B loan backing its purchase of five power and transmission assets from **Energy Investors Funds** due to a large oversubscription, says a project financier familiar with the deal. Pricing has been dropped from 375 to 350 basis points over LIBOR on the seven-year facility.

**Barclays Capital**, lead left and **Bank of America** are leading the deal. Long-term contracts and proven operation makes the loan especially attractive to institutional investors, the project financier notes. **John O'Connor**, cfo of **Terra-Gen** in New York and a Bank of America spokesman did not return calls by press time. A Barclays official declined to comment.

The facility includes a 200 bps over LIBOR floor and a 98.5 bps original issue discount. The deal is set to wrap before month-end.

## AMSHORE Hunts For Wind Partners

**American Shoreline** is in talks with undisclosed parties about partnering on wind projects in Texas and Mexico. The Corpus Christi, Texas-based E&P and renewables company is aiming to land a partner with a large balance sheet in addition to experience with construction and turbine acquisition, according to a deal watcher. AMSHORE is not using an advisor. An AMSHORE official confirmed the company is in talks with partners but declined further comment. A timeline for wrapping negotiations and identities of potential partners could not be learned.

A subsidiary of AMSHORE, **Frontera Renewable**, is developing a 100 MW project near Matamoros, Mexico. Additional details about projects could not be determined.

**Amshore Wind**, a subsidiary of the oil and gas exploration company, agreed to sell 3 GW of wind projects to San Diego,



Calif.-based **Spinnaker Energy** and build out the portfolio as partners (PFR, 2/6/09). Officials at AMSHORE and Spinnaker declined to comment on the status of the sale or partnership.

## Keenan Tipped To Wrap Oversubscribed

Financing backing **Competitive Power Ventures'** 152 MW Keenan II wind farm in Woodward County, Okla., is set to wrap oversubscribed. **Bank of Tokyo Mitsubishi-UFJ**, **Union Bank**, **Helaba**, **Natixis**, **Rabobank**, **LBBW** and **ING** are participating in the roughly \$230 million deal. A banker notes that BOTM and affiliate Union Bank, are leading the deal. However a BOTM official declined to confirm the bank's position and a Union Bank official did not return a call. The deal is slated to wrap before month-end.

**KeyBank** may also be taking a slice of the deal, which has pricing starting at 300 basis points over LIBOR, a deal watcher notes. Bank officials and spokesmen either declined to comment or did not return calls and the amount of oversubscription, tenor and commitment sizes could not be learned by press time. **John Foster**, executive v.p. in Braintree, Mass., did not return a call.

The remaining costs of the \$250 million project will likely be financed by CPV's main stakeholder **Warburg Pincus**. The company had also been considering applying for the U.S. **Department of Treasury's** cash grant program and the U.S. **Department of Energy's** loan guarantee for funding (PFR, 1/25). The project has a 20-year PPA with **Oklahoma Gas & Electric** and is slated for operation next year.

## Equity Index Prepped To Offset Carbon Impact

A consultancy and Italian research and ratings company have launched a stock index to provide investors a way to take advantage of carbon legislation.

The Global Carbon Equity Index consists of 40 publicly-traded companies that are best equipped to handle a change in legislation that would clamp down on carbon emissions. The stocks represent six sectors which are considered to be the most carbon intensive: utilities, basic material, industrial, consumer, energy and technology.

The index was developed by consultancy **Arthur D. Little** and **ECPI**, the Milan-based research, ratings and indices company and part of equity investor **Mittel**, which will market the index to banks and institutional investors.

Banks can use the index to design structured products, or use directly in a portfolio. Companies in the index have

demonstrated that they are ahead of the curve in policy and practice in combating climate change. Stocks in the index include **Johnson & Johnson** and Italian integrated oil and gas company **Eni**.

"We tried to pick the [companies] best equipped to tackle this new legislative environment," says **Camilla Bossi**, marketing manager for **ECPI**. "These stocks are likely to lose less or even gain [with a change in climate policy]."

## Dexia Scopes Thermal, Gas Again

**Dexia Crédit Local** is returning to financing thermal deals and gas assets in North America after a year-long hiatus. With credit markets improving and the project finance space showing more activity, the bank has returned to a broader business model in the region, a project financier says. It passed on deals that garnered wide participation including **Astoria Energy** and **GenConn**.

The bank has been looking at the \$400 million deal backing **Falcon Gas Storage's** MoBay facility in Mobile County, Ala. (PFR, 1/29) and **Cardinal Gas Storage's** \$125 million deal backing its Perryville facility in Franklin County, La. (PFR, 1/29).

The bank had scaled back its range in North America to focus on renewables financing, a core business that it has deep experience with in Europe, due to fallout in the credit markets from the **Lehman Brothers** collapse (PFR, 3/20). **Guy Cirincione**, head of project and public finance in New York, did not return a call and other Dexia officials declined to comment.

## El Paso Snares Ruby Commitments

Banks are taking tickets for the \$1.6 billion financing backing **El Paso's** Ruby Express Pipeline following a bank meeting in New York on Tuesday. **Credit Suisse** is advising on the deal, and **Calyon**, **Bank of Montreal**, **Scotia Capital**, **Société Générale**, **Banco Santander** and **Royal Bank of Scotland** are each taking chunks of the seven-year deal as bookrunners.

Tickets of \$175 million had been on offer (PFR, 1/13) and pricing starts at 300 basis points with a final margin of roughly 400 bps over LIBOR. Bank officials either declined to comment or did not return calls. Calls to **Mark Leland**, cfo in Houston, were directed to a spokesman who declined to comment or make an official available.

The company will fund remaining costs of the 675-mile natural gas pipeline with equity and a \$550-700 million stake taken by **Global Infrastructure Partners**. The line will stretch from the Opal Hub in Wyoming and cross Utah and Nevada to Malin, Ore. Construction and operation are slated for 2011.

## NSTAR Nears Final Generation Sale

NSTAR expects to finalize the sale of its last generating facility to **Mayflower Energy Holdings** by early April, pending final regulatory approval, says **John Moreira**, director of NSTAR investor relations. Mayflower, a joint venture between **Veolia Energy North America** and **Morgan Stanley Infrastructure Partners**, will pay \$320 million in cash. **Goldman Sachs** advised NSTAR on the transaction.

Proceeds of the sale will be used to pay down the existing debt on the gas turbine facility, Moreira says. The Medical Area Total Energy Plant, or MATEP, provides power, chilled water and steam to several nearby medical complexes in Boston.

Calls to officials at Veolia and Morgan Stanley were not returned.

The utility sold its regulated generation assets to focus on its core power transmission and gas distribution when Massachusetts deregulated its power market in 1998. MATEP was NSTAR's only deregulated facility.

## Invenery Wraps Wash. Deal

Invenery has wrapped \$115 million in financing backing its \$220 million, 103 MW wind project in Vantage, Wash. **Dexia Crédit Local** and **UniCredit** participated. **Guy Cirincione**, head of project and public finance at Dexia, and a UniCredit official declined to comment. Details such as whether the facility is a construction, bridge or term loan, and pricing and tenor, could not be learned by press time.

The company had been planning to apply for the U.S. **Department of Treasury's** cash grant program to fund the project (PFR, 1/5). The project is slated for operation sometime this year. **Jim Murphy**, cfo in Chicago, did not return a call.

## Geo Co. Will Seek Financing Post Equity Injection

**Denham Capital** has invested \$108 million in geothermal developer **Vulcan Power** via preferred and common stock, ahead of the company's push for project financing the first 60 MW of its Putua project outside of Reno, Nev. "We're going to be doing significant drilling and project finance with this funding. We're focused on executing projects," says **Bob Warburton**, ceo of Vulcan in Reno.

Vulcan and Denham are aiming to finance roughly \$200 million of the \$240 million phase with debt, says **Scott Mackin**, partner at Denham in Short Hills, N.J. They have had preliminary discussions with lenders, Mackin explains. The developer will look to mandate a lead lender six to seven months ahead of ground breaking, which is set for year-end, Warburton

says. The identity of potential lenders could not be learned.

The company will use the equity to continue drilling for exploration and production wells at Putua and its neighboring Salt Wells project, which will have several hundred megawatts of combined capacity. **Southern California Edison** and **NV Energy** have 20-year PPAs with Vulcan for 180 MW of capacity. It is also in negotiations for a PPA with another regional utility, which Mackin and Warburton declined to identify.

Vulcan has over 170,000 acres of geothermal development properties in Nevada, California, Oregon and Arizona.

## Commerz Lands Ex-Standard Chartered Syndicator

**Benjamin Velazquez**, former head of project finance loan syndications for the Americas at **Standard Chartered Bank**, has joined **Commerzbank** as director and head of strategic asset finance in North America in New York. Velazquez, who started last month, focuses on financing acquisitions of operating assets in the utilities space, says a banker.

Velazquez left Standard Chartered following a restructuring in which the bank scaled back in the Americas (PFR, 10/1). He reports to **Craig Meisner**, head of debt capital markets in New York and **Brian McBride**, global head of leveraged finance in London.

**Macquarie Infrastructure Partners'** purchase of **Puget Energy** (PFR, 3/20/08) is the type of deal Commerz is after. Commerz took over **Dresdner Kleinwort** last year and Dresdner, along with **Barclays Capital**, led the financing backing Macquarie's Puget purchase. Velazquez declined to comment.

## Corporate Strategies

### TrAILCo Wraps Construction Revolver

The **Trans-Allegheny Interstate Line Company** has secured a \$350 million revolver to fund the remaining costs of construction on its 240-mile transmission line. **Banc of America Securities** is the joint lead arranger for the three-year deal for the **Allegheny Energy** affiliate. A spokesman in Greensburg, Pa., did not return a call. The deal wrapped Jan. 25.

Banks took tickets with a minimum size of \$5 million and pricing is in the range of 150-300 basis points over LIBOR depending on the credit rating of the facility. Many utilities are forecast to be renewing revolvers in the next two years and the market for the facilities is expected to remain open for the sector. "The utility sector is fairly stable and the banks view [revolvers] relatively stable business with pretty good pricing," says **Kevin Beicke**, analyst at **Fitch Ratings** in New York. Fitch

rates the unsecured facility BBB. Bank officials and spokesmen did not return calls.

BNP Paribas and Bank of Nova Scotia are joint lead arrangers and joint bookrunners on the deal and Scotia is also co-syndication agent. Other participating banks include JPMorgan Chase, Barclays Bank, Credit Suisse, CoBank, Wells Fargo, Sovereign Bank, Toronto-Dominion Bank, Commerzbank, Union Bank, PNC Bank, Huntington National Bank, Morgan Stanley and Deutsche Bank.

The remaining construction costs for the \$1.3 billion, 500 kV line stretching from Washington County, Pa., to Loudon County, Va., could not be determined by press time. TrAIL is building an \$820 million, 180-mile portion and Dominion Resources is building the remaining portion. The project is slated for operation by 2012.

## FP&L Takes Down Debt With Bonds

Florida Power & Light issued \$500 million in senior mortgage bonds last Wednesday to pay down short-term debt, maintaining its strategy of keeping commercial paper to a minimum. The utility needed to issue the bonds now, despite facing a credit downgrade, because it had \$818 million in short-term debt on its books at the end of last year, says Michael Haggarty, analyst at Moody's Investors Service in New York.

FP&L is a regular in the bond market, Haggarty says, noting that the utility's issuing frequency generally corresponds to its capital needs. However, it only issued bonds once last year—\$500 million in March 2009. "They slowed down more recently as they've seen growth slow because the economy in Florida is so bad," he says.

The bonds, rated Aa2 by Moody's and A by Standard & Poor's, could be downgraded retroactively if the agencies downgrade parent FPL Group's credit rating.

FPL is on a credit watch by both agencies following the Florida Public Service Commission's January rejection of a rate

base increase to fund projects, including a nuclear plant.

The 30-year notes carried a 5.69% coupon and priced 110 basis points over U.S. Treasuries. Banc of America Securities, Citigroup, Credit Suisse and Mitsubishi UFJ Securities were joint bookrunners. Calls to officials at the banks were not returned. An FPL spokeswoman directed PFR to a press release.

## Wis. Energy Sub Refinances Construction Debt

Elm Road Generating Station Supercritical, a subsidiary of Wisconsin Energy, issued \$530 million bonds last Wednesday to refinance construction debt. The debt relates to the 615 MW Elm Road supercritical pulverized coal plant that came online Feb. 2.

Elm Road is an expansion to an existing generator in Oak Creek, Wis., and is a joint venture between WEC, MGE Energy and WPPI Energy. Another 615 MW expansion unit will come online in August, says Barry McNulty, spokesman at parent WEC in Milwaukee, Wis., who declined to comment on whether the debt would be refinanced the same way.

The bonds were issued in two tranches. The \$275 million, 20-year senior notes carried a 5.209% and priced 150 basis points over U.S. Treasuries. The tranche of \$255 million, 30-year senior notes carried a 6.09% coupon and priced 145 bps over U.S. Treasuries. Both tranches were rated A1 by Moody's, A- by Standard & Poor's and A+ by Fitch Ratings. Citigroup Securities, JPMorgan, Morgan Stanley, Mitsubishi UFJ Securities and Wells Fargo were the joint bookrunners. Calls and e-mails to officials at the banks were not returned before press time.

Utility Wisconsin Electric & Power Co. leases the power from ERGSS, which will use the lease payments to pay the interest on the bonds, says Scott Solomon, analyst at Moody's Investors Service in New York.

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## Project Finance Deal Book

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

### Live Deals: North America

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
Arclight Capital	Various (Gas and Transmission)	Various	Barclays, BofA	Term Loan	\$220M	7-year	Pricing cut back to 350 from 375 (PFR, 2/1).
Cardinal Gas Storage	Perryville (7.5 bcf Gas Storage)	Franklin County, La.	ING, WestLB	TBA	TBA	TBA	Deal launched (PFR, 2/1).
Columbia Power, Columbia Basin Trust	Unknown (435 MW Hydro)	Waneta Dam, British Columbia	TBA	TBA	TBA	TBA	Project on hold (PFR, 2/1).
CPV	Keenan II (152 MW Wind)	Woodward County, Okla.	Union Bank, Helaba	TBA	TBA	TBA	Deal set to wrap oversubscribed (see story, page 5).
Falcon Gas Storage	MoBay (50Bcf Gas Storage)	Mobile County, Ala.	BNP, ING	Construction/ Term Loan	\$400M	7-yr	Deal launched (PFR, 2/1).
Hudson Transmission Partners	Hudson Transmission (8 miles Transmission)	Ridgefield, N.J.-New York	RBS, SocGen	TBA	TBA	TBA	NYPA mulls buying project (PFR, 2/1).
Terra-Gen Power	Alta (700 MW Phase I Wind)	Tehachapi, Calif.	Calyon, Natixis	Term Loan	TBA	TBA	Leads tapped (PFR, 2/1).

### Live Deals: Asia/Pacific

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
International Power	Hazelwood (1,675 MW Coal)	Australia	Australia and New Zealand Banking Group, Bank of America, Bank of Tokyo Mitsubishi UFJ, BankWest, BNP Paribas, BOS International, Calyon Australia Ltd., Credit Industrial and Commercial, DBS Bank Ltd., Dexia Credit Local, Fortis, NordLB, Royal Bank of Scotland, Société Générale, United Overseas Bank Limited, West LB and Westpac Banking Corp	Refinancing	A\$445M	2-yr	Deal wrapped (PFR, 2/1).

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

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# REPRINTS MEAN BUSINESS!



## 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.*

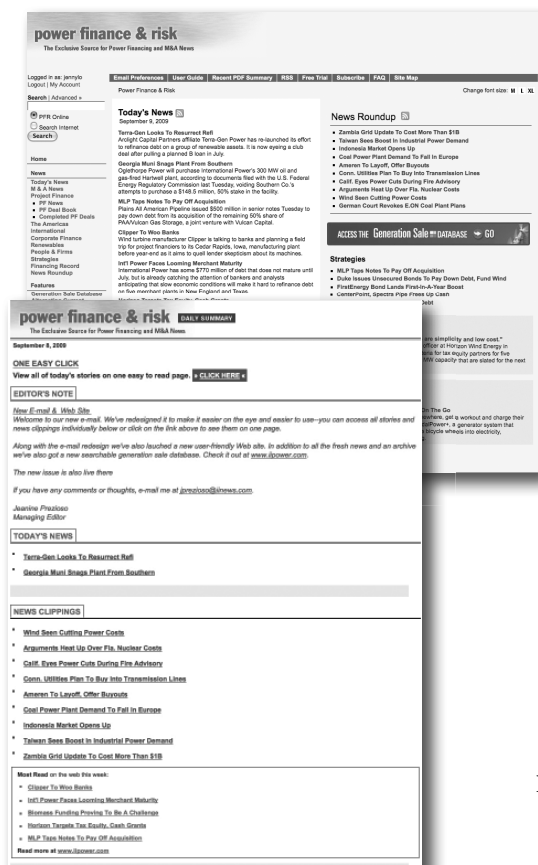
### Americas

- **Charles Jones**, senior v.p. of energy delivery and customer service for **FirstEnergy**, will become president effective April 1. He replaces **Richard Grigg**, who will retire on March 31 (*Beacon Journal*, 2/4).
- U.S. Senators are deciding whether power plants should be the focus of the proposed cap-and-trade system designed to lower greenhouse gas emissions (*The New York Times*, 2/4).
- Massachusetts utilities **National Grid**, **NStar**, **Western Massachusetts Electric** and **Unitil** are looking to make long-term PPAs for renewables in a joint request for proposal. Bids are due on Feb. 19 for 10-to 15-year contracts (*The Boston Globe*, 2/3).
- **Boston Pacific**, a consultant hired by Mississippi state regulators, is recommending that the state set a cost cap if they allow **Southern Co.** subsidiary **Mississippi Power** to build a \$2.4 billion coal-fired plant in Kemper County, Miss. (*Reuters*, 2/3).
- **Xcel Energy** and **Tri-State Generation** are arguing with state regulators against the potential dismissal of their proposed 150-mile transmission project in southern Colorado (*BusinessWeek*, 2/2).
- The U.S. **Federal Energy Regulatory Commission** has proposed that acquisitions of public utilities by holding companies that don't influence control of the utility should not trigger certain market-based rate requirements and restrictions (*Transmission & Distribution World*, 2/2).
- **Edison International** is arranging financing to add wind power to its generation arm. Edison is aiming for its renewable generation to surpass its 7.5 GW coal fleet in the future (*The Wall Street Journal*, 2/2).
- Entergy posted a \$313.8 million fourth-quarter profit, up 84% from the year before, largely driven by utility performance (*The Wall Street Journal*, 2/2).
- **Gregory Jaczko**, chairman of the U.S. **Nuclear Regulatory Commission**, says the steep price tag for building nuclear reactors is the largest hurdle to developing new plants (*The Arizona Republic*, 2/1).
- Legislation requiring utilities to produce up to 30% of their power from renewables may be introduced to the Colorado Statehouse as early as this week. The bill would target large utilities such as **Xcel Energy** and **Black Hills Energy**, instead of smaller, rural utilities (*The Aspen Times*, 2/1).
- A \$750 million, 73 MW solar photovoltaic project planned for construction this year by **Teanaway Solar Reserve** in the Cascade forest in Washington has hit snags regarding its feasibility (*Seattle Post-Intelligencer*, 2/1).
- President **Barack Obama's** proposed 2011 budget would add \$36 billion in nuclear loan guarantees and about \$5 billion in loan guarantees for renewable power (*The Wall Street Journal*, 2/1).
- The federal government of Brazil will give an order to renew concessions that are coming due between 2015 and 2020 for several state-backed utilities. (*Dow Jones Newswires*, 1/29).
- Vermont utilities are looking to secure power to replace resources from the Yankee nuclear plant, which has a license expiring in 2012. **Green Mountain Power** and **Central Vermont Public Service** are considering natural gas-fired generation and capacity from **Hydro Quebec** (*Vermont Public Radio*, 1/29).
- Wind power production increases in the U.S. and Spain have increased Spanish developer Iberdrola's electricity output by 31% for the fourth quarter (*Dow Jones Newswires*, 1/28).
- **Brett Harvey**, ceo of coal producer **Consol Energy**, says carbon dioxide legislation will increase the cost of power in the U.S. (*Reuters*, 1/28).

### Europe

- Utilities in the U.K. support **Ofgem's** proposed changes, which could include putting a price on carbon (*Dow Jones Newswire*, 2/3).
- Poland is soliciting offers for its stake in **Zespól Electrowni PAK**, a power plant that generates about 8.5% of the country's power (*Bloomberg*, 2/1).
- Nine European countries have agreed to jointly develop a renewable power grid connecting the North Sea region in the next decade and could cost \$40 billion (*CNN*, 1/31).

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## News In Brief (cont'd)

### Asia/Pacific

- **Suzlon Energy** posted a third quarter INR141 million (\$3.1 million) profit, boosted in part by the sale of a stake in its Belgian transmission unit, **Hansen Transmissions International NV** and for not incurring charges for wind turbine repair (*The Wall Street Journal*, 2/1).
- The leader of Australia's opposition party is proposing the creation of a fund to support greenhouse gas emission reductions at the same rate of the government, but at 10% of the cost. **Tony Abbott** says the A\$1.2 billion (\$1.1 billion)

fund would invest annually in renewable power and environmentally-friendly projects. Abbott's Liberal-National Party coalition garnered enough votes last year to knock down the Labor party's proposed carbon legislation (*Bloomberg*, 2/2).

- Bangladesh hosted a road show in Singapore and New York at the end of January to solicit \$7 billion in foreign investment to build generation in the country. **Morgan Stanley**, **Siemens**, **AES Corp.**, **ConocoPhillips**, **Caterpillar** and **HSBC** participated (*Reuters*, 2/4).

## OFFSHORE U.S.

(continued from page 1)

Wind Power & Investment Summit in San Diego this week.

China is gaining in wind turbine technology. "We really like the Chinese turbine," Schellstede says. "They have no gearboxes and are lighter weight and the [design of the blade] is good for the types of winds in Galveston."

The company, a former developer of offshore oil and gas drilling platforms, is also making a presentation on Feb. 17 to the U.S. Department of Energy to apply for a loan guarantee. It is in discussions with **Bank of America** for a loan to plug the 20% of the project cost not covered by the loan guarantee.

The company has four other development sites along the coastline to Brownsville, Texas and is in negotiations with offtakers, including the state of Texas schools for the Galveston project. The plan includes a transmission line built into ERCOT through **CenterPoint Energy**.

—Jeanine Prezioso

## BATTLE ROYALE

(continued from page 1)

competition for better deals increases (PFR, 12/28). The company will choose leads for the \$450 million facility by next week.

enXco has been in talks with a coterie of French project finance players including **Calyon**, **Dexia Crédit Local** and **Natixis** as well as other relationship banks. **Helaba**, **NordLB** and **Union Bank** have provided financing for the developer in the past. **Banco Santander** and **CoBank** are also looking at the deal. **Dexia**, **Santander** and **CoBank** officials declined to comment and officials at the other banks did not return calls.

The project's use of **General Electric** 1.5 MW turbines and a 20-year PPA with **Indianapolis Power & Light** are also attracting lenders. The facility is slated for operation by year-end.

**Jim Peters**, director of project finance in Burlington, Vt., did not return calls. —Sara Rosner

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## NEW ENGLAND

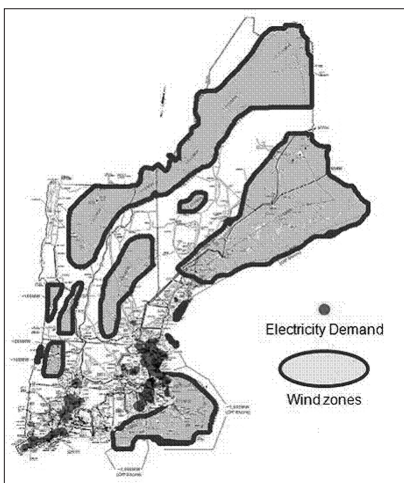
(continued from page 1)

declined to comment on the status of discussions, potential routes or how the transmission would be financed.

"Writing a \$25 billion check in one day is impossible, but financing smaller pieces that are a few hundred million would be feasible," says the head of an infrastructure fund. The consortium would likely break up the project into pieces, making them more manageable to permit and finance, bankers say, noting the regulatory and land obstacles to buildings transmission. "NU is driving the bus. They are pushing to get transmission built in the

area," says a banker in New York. Officials involved with transmission planning were not available for comment and **Alan Lara**, NU spokesman in Hartford, Conn., declined comment on discussions.

The utilities are each preparing to meet renewable portfolio standards in their respective states before 2020, says **John Moreira**, director of investor



Courtesy ISO-New England

High wind regions in relation to the location of the power markets in the Northeast.

relations at NSTAR in Boston. NSTAR plans to spend about \$100 million a year in the next few years on transmission projects, he says. He declined to comment on the utility discussions or how a region-wide project would be financed.

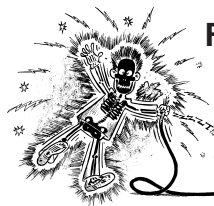
A spokeswoman for ISO-NE in Holyoke, Mass., says it is not involved in the discussions. An official at National Grid declined to comment and calls to officials at Iberdrola USA, formerly Energy East, were not returned.

—Holly Fletcher

## Calendar

- **Infocast** will host Wind Power Finance & Investment Summit Wed.-Fri. at the Rancho San Bernardo Inn in San Diego. To register, visit [www.infocastinc.com](http://www.infocastinc.com) or call 818.888.4444.
- **Platts** is hosting the 6<sup>th</sup> Annual Nuclear Energy Conference Feb. 17-19 at the Marriot Bethesda North in Bethesda, Md. To register, visit [www.platts.com](http://www.platts.com) or call 781.430.2118.
- **Infocast** will host the 12<sup>th</sup> Annual Transmission Summit March 3-6 at the Almas Temple Club in Washington D.C. To register, visit [www.infocastinc.com](http://www.infocastinc.com) or call 818.888.4444.

## Alternating Current



### Forget The Wall: Scale Some Turbines

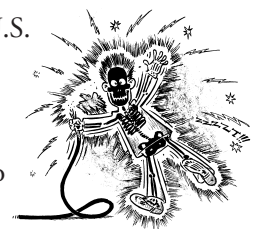
Rock climbing enthusiasts searching for the next rush may not have to look farther than their nearest wind turbine. Rope companies, which employ climbers to do odd jobs like inspecting dams, cleaning Mount Rushmore and fixing offshore oil platforms, are now looking to fill spots for cleaning and repairing wind turbines around the country.



**East River Rigging** in Brooklyn, N.Y., and **Skala** in Reno, Nev., are a few of the companies looking to tap into the demand. The job involves scaling the 200-300 foot turbines to repair blades that are damaged by ice or lightning, replacing the fiberglass material and sanding it down, according to *The New York Times*.

*The New York Times*

There are some 300 certified rope specialists working on turbines in the U.S. and the rewards go beyond the adrenaline thrill. According to the **Society of Professional Rope Access Technicians**, two climbers can expect to cost a company at least \$2,000 a day. Not a bad way to fill the time between project finance jobs.



- **Euromoney Conferences** will host Project Finance Americas Deals of the Year March 4 at the Cipriani Restaurant in New York. To register, visit [www.euromoneyconferences.com](http://www.euromoneyconferences.com) or call 212.224.3466.

## Quote Of The Week

"Banks are not in the mood to loan money." —**Herman Schellstede**, CEO at **Wind Energy Systems Technology** in New Iberia, La., of why his company is potentially tapping Chinese funding for an offshore wind project in the U.S. Gulf of Mexico (see story, page 1).

## One Year Ago In Power Finance & Risk

Five banks arranging a \$220 million construction/term loan for **Pacific Hydro's** 106 MW Chacaves hydro project in Chile aimed to wrap the financing in April. [Four banks, **Calyon**, **DnB Nor**, **Société Générale**, and **WestLB** each took similar slices of a \$172 million loan in May after **ING** dropped out (PFR, 5/15).]