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Bankers Scope ConEd Sale Financing

Speculation surrounding **Barclays Capital's** impending financing of two Aussie infrastructure funds' purchase of assets from **ConEd** suggests the deal may face some skepticism.

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HOUSTON DEVELOPER TAPS JPMORGAN FOR POTENTIAL SALE

Houston developer Navasota Energy Partners has chosen JPMorgan to sound out potential buyers for its ERCOT and Northeast development portfolio. Teasers on the assets, which are debt-free, have not yet been dispatched.

The privately owned company is controlled by a trio of hedge funds, with a combined 75% stake, and its two founders, **Frank Giacalone**, president, and **Dan Hudson**, cfo. "When we decide to divest we will do a formal announcement," Hudson told *PFR*. "It really

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Got Gas?

STARWOOD SEEN BUYING ARROYO PLANT

Starwood Energy Group Global is close to inking a purchase and sale agreement for Thermo Cogeneration Partnership, owner of 272 MW of gas-fired combined-cycle capacity in Fort Lupton in the Front Range region of Colorado. **Arroyo Energy Investors** owns a controlling interest in the plant.

Brad Nordholm, ceo at the Starwood unit in Greenwich, Conn., declined to comment on the acquisition, first reported by *PFR* last Wednesday, and calls to principals at Arroyo as

(continued on page 12)

FINANCIERS EYE PORTFOLIO DEALS FOR SMALL SCALE U.S. SOLAR

Project finance banks are considering portfolio financing for U.S. solar generation facilities installed by small-scale developers but with offtakers such as **Wal-Mart** or **Safeway** stores. The structures are still up on the air, but the basic idea is that cash flows from the assets would be securitized in chunks of \$100-150 million.

"In terms of truly commercial renewable energy across a broader market, project finance groups coming up with workable strategies is imperative," notes **Jesse Grossman**, chairman

(continued on page 12)

Platts Confab

INDUSTRY: TIME IS NOW FOR MORE NUKE GENERATION...(WE HOPE)

The often-predicted nuclear generation renaissance in the U.S. is being forecast again by industry players, who cite the desire for emissions-free baseload generation as a key driver of broadening support. But while that was one strain of thought among delegates at last week's **Platts 4th Annual Nuclear Energy Opportunities for Growth and Investment** conference, another was the potential for setbacks due to



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Check www.iipower.com during the week for breaking news and updates.



At Press Time

Fortis Anoints President Of Energy, Marketing & Trading

Luc Machiels, managing director and deputy global head of Fortis' global energy and commodities business, was appointed to the new position of president of **Fortis Energy Marketing and Trading**, effective last Tuesday. He will relocate to Houston from Brussels to oversee all gas trading, oil trading, origination and marketing, but will retain his role in energy and commodities, reporting to **Didier Gible**, global head of energy and commodities in Brussels.

At the same time, two heads of trading in Houston are set to be replaced on an interim basis, as part of a realignment announced in October. **Michael Selman**, managing director and global head of oil trading, will assume temporary responsibility for oil trading from **David Jones**, co-head of FEMT, who left the firm Tuesday. **Lloyd Jackson**, director, will head up power trading, replacing **Jack Farley**, who departed along with Jones. Both Selman and Jackson will report to Machiels.

Queries Emerge On ConEd's IPP Sale To Aussies

Some industry players are skeptical about the impending financing for **AllCapital** and **Industry Funds Management's** proposed \$1.48 billion acquisition of Northeast generating assets from **Consolidated Edison Development**.

The debt is fully underwritten by **Barclays Capital**, but bankers say the circa \$1 billion package—expected to launch into syndication by month-end—is structured too aggressively given the current market volatility. So far no sub-underwriters have been revealed and a Barclays official declined to comment. The deal is penciled in to close by the half-year point once regulatory approval is granted.

Additionally, the buyers are reportedly looking at tapping additional equity. AllCapital parent **Allco Finance Group's** share price has taken a beating of late and last week it postponed the launch of its flagship global infrastructure fund, after the anchor investor had a case of last-minute jitters. It is not known what alternative pools of capital Allco could use for its 37.6% share of the ConEd deal and calls to spokespeople in Sydney were not returned. Principals at IFM, responsible for the remaining 62.4%, did not return a request for comment.

Some say the buyers are paying too much for the 1,706 MW fleet. "The price that [acquisition vehicle **North American Energy Alliance**] paid was off the charts, by hundreds of millions," charged one banker. "It's insanely aggressive and now there's doubt as to whether it closes." **Stephen Daniel**, ceo of AllCapital, told *PFR* in an interview last year, "\$875 per MW was quite within market and we don't think we overpaid by any stretch of the imagination."

Tell Us What You Think!

Do you have questions, comments or criticisms about a story that appeared in *PFR*? Should we be covering more or less of a given area? The staff of *PFR* is committed as ever to evolving with the markets and we welcome your feedback. Feel free to contact **Katy Burne**, managing editor, at 212-224-3165 or kburne@iineews.com.

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Institutional Investor NEWS
INTELLIGENCE FIRST

CoBank, Siemens Wrap Calpine Plant Refi

CoBank, ACB and Siemens Financial Services have retooled roughly \$90 million of non-recourse construction debt tied to Calpine's 468 MW Blue Spruce Energy Center—a gas-fired peaker in Aurora, Colo.

Specifics of the deal—first reported by *PFR* last Monday—could not be gleaned, but it will not be syndicated. The new, 10-year senior term loan refinances all outstanding debt on an existing 15-year, \$140 million loan led by Beal Bank affiliate CSG Investments, originated when other banks were eschewing merchant developers. Several lenders sought to refinance that loan (*PFR*, 10/14/05) but their efforts were delayed with the San Jose IPP's descent into bankruptcy. Calpine emerged from Chapter 11 on Jan. 31.

Public Service of Colorado, a unit of Xcel Energy, has an offtake contract through 2012 with Blue Spruce for up to 310 MW. Officials at the leads declined to comment and a Calpine spokesman did not return a request for comment.

TransAlta, Luminus Sit Down

Canadian IPP TransAlta Corp. and activist shareholder Luminus Group met Thursday to talk about recommendations Luminus made in a white paper last month, as reported in last Wednesday's *PFR Daily* (*PFR*, 2/6). The precise agenda could not be learned. TransAlta was expected to defend its record while Luminus pushes the IPP to divest non-core assets, sell or spin off its renewable portfolio and explore the sale of its 50% stake in TransAlta Cogeneration, owner of 1,352 MW in Alberta, Ontario and Saskatchewan.

Brian Burden, cfo of TransAlta, declined to comment on the discussions, but a spokesman confirmed the special committee meeting would take place. Officials at Luminus, which owns 8% of the outstanding shares and comprises Luminus Management and LS Power, declined to comment.

Luminus argues TransAlta should pull out of Mexico and Australia and redeploy capital. It also believes the IPP's financing strategy and insistence on remaining investment grade is more consistent with the vertically integrated utility it used to be, not an IPP model. About 30% of TransAlta's plants are merchant and contracts on several others are below market value and near expiration. The earliest PPA matures in 2011 and the latest in 2035. Furthermore, Luminus believes the business is fundamentally underleveraged and can support C\$2-4 billion (\$1.99-3.99 billion) in additional debt to fund share buybacks.

"It seems fair to say we have a disagreement over how much debt is prudent for TransAlta to take on at a time when our industry is facing considerable capital investment requirements

and the credit markets are in turmoil," said Donna Soble Kaufman, chair of its board of directors, in a statement. "We are committed to a strategy for shareholder value by striking a match between calculated dividends and shareholder buybacks," added a spokesman, noting that so far no strategic advisor has been appointed but the company is "looking at its options everywhere." A process already is under way to explore a sale of 511 MW in Mexico (*PFR*, 11/9).

At the time of going to press, TransAlta's stock was trading at C\$32.24 on the Toronto Stock Exchange and \$31.96 on the New York Stock Exchange. Its comparable earnings per share for 2007 increased 13% to \$1.31 compared with \$1.16 the year earlier.

Morgan To Lead Riverstone Texas Repowering

Carlyle/Riverstone has mandated Morgan Stanley to arrange circa \$900 million in financing and tolling agreements for 1.5 GW of gas-fired capacity at three sites it is aiming to repower in southern Texas. An RFP to lenders went out last summer (*PFR*, 7/20).

Stephen Schaefer, managing director at Riverstone in Houston, and officials at Morgan Stanley declined to comment on the deal, and a timeline for launch could not be learned.

Up for repowering are 178 MW Laredo in Webb County, 697 MW Barney M. Davis near Corpus Christi and 559 MW Nueces Bay, which is mothballed. Carlyle/Riverstone's Global Energy and Power Fund owns the assets through Topaz Power, the holding company for a 3.8 GW fleet it bought from American Electric Power for \$430 million alongside Sempra Energy Partners in July 2004.

Biomass Developer Taps WestLB For Ohio Greenfield

Biomass Group has selected WestLB to lead the financing for its 200 MW greenfield project in South Point, Ohio. The amount of debt has not been determined, but the deal is expected to be in the range of \$265-300 million (*PFR*, 11/30) and to come to market this spring.

Mark Harris, founder of Biomass in Lexington, Ky., confirmed the mandate and says the sponsor and lead are working on a timeline for the bank to syndicate the debt in April or May. He declined to discuss specifics of the transaction.

Groundbreaking is expected in the first half of this year on South Point, which will connect to the PJM Interconnection and be fueled from the surrounding forestry and saw mills over a 150-mile radius in Kentucky, Ohio and West Virginia. A seven- to 10-year swap will be structured to hedge the output. Pace Global Energy Services is advising the sponsor. Officials at Pace and the lead declined to comment.

Ravenswood Staple Details Emerge

Merrill Lynch has structured a \$1.9 billion staple financing for bidders interested in acquiring the 2.4 GW Ravenswood Generating in Queens, N.Y., (PFR, 1/11) from **National Grid**. As reported in *PFR Daily* Feb. 1, the package consists of \$1.5 billion in funded debt—breaking down into a \$900 million first-lien term loan and \$600 million in bonds—as well as another \$400 million in liquidity facilities. A call to National Grid was not returned and officials at Merrill declined to comment.

The auction, now in its second round, drew indicative bids from around 20 contenders by Jan. 24, some of which approached the \$3 billion mark. The shortlist reportedly features a healthy mix of strategic and financial players, so as to ensure certainty of closing the transaction in spite of the debt market turmoil. Second-round bids are due at the end of March or in early April.

InterGen Auction Kicks Off

Lehman Brothers has kicked off the two-stage auction of a 50% stake in InterGen on behalf of **AIG Highstar Capital II**. On the block are direct and indirect interests in 10 generating plants, nine already operating in countries with investment-grade sovereign credit ratings, and one under construction (PFR, 12/17). Co-owner **Ontario Teachers' Pension Plan Board** is not selling.

Six of the operational plants, plus the development, have long-term PPAs or tolling agreements. In addition, InterGen's debt covenants allow for investors to take 100% of excess free cash flow in dividends while maintaining a minimum debt service coverage ratio. The portfolio is primarily leveraged at the corporate level, after project debt was taken out last year in a \$1.55 billion refinancing led by **Merrill Lynch** (PFR, 2/16, 6/29), supported by a \$1.975 billion senior secured bond issue.

The 5,655 MW fleet comprises:

- 748 MW Rocksavage in Runcorn, U.K;
- 732 MW Coryton in Essex, U.K;
- 860 MW Spalding in Lincolnshire, U.K;
- 820 MW Rijnmond near Rotterdam in the Netherlands;
- 400 MW Rijnmond II, a development project onsite;
- a 51% stake (306 MW) in 600 MW Bajio in San Luis de la Paz, Mexico;
- 1,100 MW La Rosita in Mexicali, Mexico;
- a 46% stake (211 MW) in 460 MW Quezon in the Philippines;
- a 27% stake (228 MW) in 880 MW Millmerran near Brisbane, Australia;
- and a 25% stake (230 MW) in 920 MW Callide, also in Queensland, Australia.

InterGen has 1,360 MW in expansion opportunities and more than 2,500 MW in greenfield development opportunities

in its pipeline, including 785 MW Island Power on Jurong Island in Singapore, financing for which is delayed (PFR, 11/30).

Constellation Unit Wins Hillabee Auction

Calpine's bankruptcy auction of Hillabee Energy Center, a partially complete 774 MW plant near Alexander City, Ala., ended at 4:00 a.m. last Wednesday with stalking horse **CER Generation**, a unit of **Constellation Energy**, submitting the highest bid (PFR, 2/6). The deal is expected to close in a few weeks pending regulatory approval.

CER raised its existing \$122.5 million bid (PFR, 1/4) to \$165 million, but net proceeds to Calpine will be \$155 million. Spokespeople for Calpine and Constellation declined to comment, as did restructuring advisor **Miller Buckfire**.

Calpine held an auction Jan. 28 for its partially complete, 707 MW natural-gas, combined-cycle plant in Fremont, Ohio, with **FirstEnergy Generation**, a subsidiary of **FirstEnergy Corp.**, a generation, transmission and distribution energy company in Akron, Ohio, submitting the top bid at \$253.6 million—reportedly the equivalent of \$663 per kW, including roughly \$215 million needed to complete the plant. FirstEnergy will fund its acquisition of Fremont via its revolver, according to **Trisha Ingraham**, a spokeswoman.

Alinda Launches \$950M Acquisition Refinancing

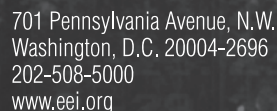
Independent infrastructure player **Alinda Capital Partners** has kicked off the private placement of \$952 million in bonds repaying the bridge that funded its acquisition of Ontario, Canada-based water heater utility **Reliance Home Comfort** last June.

As first reported by *PFR* last Tuesday, **Citigroup** and **RBC Capital Markets** are joint leads on the two-part sale, having co-arranged the bridge. The first is a U.S. private placement of \$275 million in seven-year bullet bonds at **Reliance Holdings**, rated Ba2/BBB-/BBB, and \$375 million in 10-year bullets at the operating company, **Reliance Limited Partnership**, rated Baa3/BBB-/BBB. Part two will be the concurrent placement of C\$300 million (\$302 million) in bonds in the Canadian market, leaving some \$148 million remaining from the bridge to be termed out separately later this year.

Price guidance on the debt could not be determined. Calls to **Chris Beale**, managing partner at Alinda in New York, were not returned and the leads declined to comment. Reliance—formerly **Union Energy**—represents Alinda's acquisition of the predecessor **UE Waterheater Income Fund** and other assets it subsequently acquired.

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Fortis Set To Syndicate BP, Padoma Wind Debt

Fortis Merchant Banking expects to hold a bank meeting in the next week or two to begin syndicating a \$280 million senior secured credit facility underwritten for **Sherbino Wind Farm**, owner of a 150 MW wind development project east of Fort Stockton in Pecos County, Texas. Sherbino is a joint venture between **BP Alternative Energy North America** and **NRG Energy** subsidiary **Padoma Wind Power**.

Details, such as the date of launch, ticket sizes and pricing, are still to be determined, says **Mark Dennes**, director of energy and utilities at Fortis in New York. The structure of the financing is unique, he adds, because it is accompanied by a 29 billion cubic feet, 10-year fixed gas hedge provided by **Fortis Energy Marketing & Trading**. The facility will convert to a 15-year term loan when the project comes online in the second quarter.

Terms of the hedge were not disclosed, but it is based upon a fixed volume and a forward notional heat rate. Because gas-fired generation represents more than 70% of overall capacity in ERCOT, gas sets the price of power, explains **David Duran**, managing director of origination and marketing at Fortis in Houston. A financial mechanism was separately put into the agreement to manage wind intermittency.

Osaka Gas Wraps U.S. LNG Stake

Japan's **Osaka Gas** closed on the purchase of a 10% stake in the limited partnership of **Freeport LNG Development**, owned by **Contango Oil & Gas**, last Tuesday—its inaugural U.S. midstream investment. "It was the first experience for us to be a partner in a terminal in the U.S.," says **Kimikazu Sawada**, general manager of contracts in Osaka, noting that the Western region is attractive, with the Gulf of Mexico providing particularly robust profitability. "You can divert energy anywhere in the world, but the cost of transportation is variable," he says.

Contango was advised by **Merrill Lynch** on the \$63 million transaction and Osaka by an unnamed Japanese bank. The pair began talks in September, intensive discussions in November and signed the sale agreement in December. Osaka will fund the deal in cash, he adds.

The terminal—located on Quintana Island near Freeport about 70 miles south of Houston—will have 320,000 cubic meters of LNG storage capacity and 1.75 billion cubic feet per day of regasification capacity. Construction of phase one is slated for completion this month, after which a 1.15 Bcf expansion will follow. Freeport will retain 0.5 Bcf from commercial start-up until Sept. 2009, after which phase one will be fully contracted to **ConocoPhillips** and **Dow Chemical Co.** Phase two is still in permitting but about 40% of its capacity has already been sold to

Mitsubishi and **ConocoPhillips**. Osaka is seeking other limited partnership projects in the U.S., but may target capacity rights to phase two, says Sawada, noting the company will be able to bring LNG to the U.S. around 2013 or 2104.

Kenneth Peak, chairman and ceo of Contango in Houston, declined to comment on the deal, but the company said in a statement it will use proceeds from the sale to repay a \$20 million term loan from **Royal Bank of Scotland**.

ArcLight Looks For Renewable Finance Chief

ArcLight Capital Partners is looking to hire a cfo for its renewable energy affiliate **Terra-Gen Power**, following the recent appointment of **James Pagano**, president of **LS Power Development**, as its ceo.

Daniel Revers, managing partner at ArcLight in Boston, says Terra-Gen plans to increase its geothermal footprint and repower existing wind projects with new turbines as it expands in both brownfield and greenfield development. The combination of renewable assets in the portfolio is uniquely attractive, says Pagano, noting, "It's a good opportunity to play in renewables without it being a crowded field."

Pagano started in the new position Jan. 28, reporting to the Terra-Gen board. Terra-Gen is the holding company for ArcLight's interests in an aggregate 824 MW of geothermal, wind and solar facilities acquired from New York IPP **Caithness Energy** in December. The incumbent ceo and cfo sold out their positions in the transaction, but some senior management stayed on.

Pagano began his energy career as cfo of **Cogentrix Energy**, which had a portfolio of assets totaling over 4,200 MW. "He was instrumental in developing a great group of assets," says Revers. Calls to LS were not returned.

Final Bids On Complete Due By Month-End

JPMorgan is targeting an end-of-month deadline for second-round bids for assets it is shopping on behalf of **Complete Energy Holdings** as reported in *PFR Daily* last Thursday. On the block is a 60% stake in 1,022 MW La Paloma Generating in McKittrick, Calif., and a 96.3% stake in an 837 MW gas-fired combined-cycle plant in Batesville, Miss. **Rhonda Hollier**, a spokeswoman for CEH, and officials at JPMorgan declined to comment.

Kelson Holdings is among the parties pursuing Batesville. The plant is a cookie-cutter unit to 810 MW Southaven Power, which Kelson is also the preferred bidder to acquire from **Cogentrix Energy** (PFR, 1/11). Two of Batesville's three units are fully contracted through 2013, while the third is under PPA through 2015, after which the counterparty can extend it through 2020. Contenders for La Paloma, which is 75%

contracted under five-year tolling agreements, with a five-year extension option on one of its units, could not be learned.

Rural Fed Agency Has Remit For More Renewable Bonds

The National Rural Utilities Cooperative Finance Corporation has the authority to issue up to \$419 million of Clean Renewable Energy Bonds to electric cooperatives until Dec. 31, following its inaugural issue of circa \$31 million to six co-ops last Wednesday.

Of the \$450 million authorized under the Energy Policy Act of 2005, \$314 million has been filed with the Treasury with the next issue slated for April, notes **Sheldon Peterson**, ceo of the NRUCFC in Herndon, Va.

The bonds incentivize cooperatives to invest in renewable generation because they provide lower-cost capital, explains Peterson. Co-ops apply to the Treasury and the NRUCFC issues a bond on their behalf. Tax credits are then awarded to the purchasers of those bonds—in this case **Allstate Insurance Co.**

Kentucky received \$8.6 million, Arizona \$11.5 million, Indiana \$4.3 million, Minnesota \$5.1 million and Vermont \$1.2 million for a combined 27 projects ranging from wind to solar. The Treasury has authorized a total of \$1.2 billion in Clean Renewable Energy Bonds this year, including the \$450 million designated for electric cooperatives.

Corporate Strategies

OG&E Repays CP Amid Acquisition

Oklahoma Gas & Electric issued \$200 million in 30-year, 6.45% senior notes last week to repay commercial paper on the heels of its acquisition of a majority interest in the 1,230 MW Redbud plant in Luther, Okla., for \$852 million from **Kelson Holdings**.

“That [purchase] fills the need for generation that was going to originally be filled by the [950 MW] Red Rock plant that was cancelled last year by the Oklahoma [Corporation] Commission,” says **Peter Molica**, director at **Fitch Ratings** in New York, adding, “It was denied because it was a coal plant.” Fitch rates the notes AA-.

Among the projects that commercial paper program financed was OG&E's 120 MW Centennial wind farm in Harper County, Okla., which came online last April after being developed by **Invenergy**. OG&E had \$843 million in long-term debt outstanding as of Sept. 30. Its acquisition of a 51% stake in Redbud alongside **Grand River Dam Authority** (36%) and **Oklahoma Municipal Power Authority** (13%) (PFR, 1/21) is pending regulatory approval.

Greenwich Capital Markets and **BNY Capital Markets** underwrote the bond sale, supported by **KeyBanc Capital Markets**, **Piper Jaffray**, **UMB Financial Services**, **Mizuho**

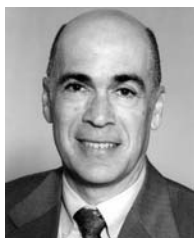
Securities USA and **Wedbush Morgan Securities**. Calls to **James Hatfield**, cfo of parent company **OGE Energy**, were not returned and **Deborah Fleming**, treasurer, declined to comment.

Valuations Tempt NorthWestern To Sell Plant Stake

NorthWestern Energy is aiming to take advantage of generation values with its recent hiring of **Credit Suisse** to explore the sale of a 30% interest in 740 MW Colstrip Unit 4, east of Billings, Mont. **Dan Rausch**, director of investor relations in Sioux Falls, S.D., says, “The market for generation has been strong. That’s why the company has decided to seek a strategic alternative analysis.” Colstrip is NorthWestern’s only merchant plant.

Colstrip Unit 4 began operating in 1986 and is co-owned by **Puget Sound Energy** (25%), **Portland General Electric** (20%), **Avista** (15%) and **PacifiCorp** (10%). A sale is just one option being explored, says Rausch, declining to elaborate but noting that the utility expects to know by early in the third quarter what it plans to do. If a sale occurs, he says NorthWestern may use the proceeds to fund its proposed \$100 million, 120-220 MW gas plant at Mill Creek near Anaconda, Mont.

PSEG Splits Stock To Attract Retail Buyers



Morton Plawner

Public Service Enterprise Group split its stock two-for-one last Tuesday to make it more accessible to existing shareholders and increase liquidity in the stock. “We have a large retail base in our shares and this makes it more accessible to them to buy more shares,” says **Morton Plawner**, v.p. and treasurer in Newark, N.J. The timing was “more or less dictated by the stock price and the run-up of the stock price at year-end,” he explains. “The stock price got up to the \$100 level, and the median price for stocks in our sector was more in the upper \$40s.”

PSEG ended 2007 at \$98.24 a share, up from \$66.38 the year before. But Plawner says the average price per stock of companies in the **Standard & Poor's 500 Index** is between \$40 and \$50 and that several energy companies have split their stock in recent years with the same mindset. In mid-2006, **MDU Resources** did a three-for-two stock split, and in 2005 **TXU** completed a two-for-one split. Previously, PSEG split its stock three-for-two in 1987 and two-for-one in 1964. “People look at a stock split as a very positive move. Sometimes people refer to it as a sign the management has a lot of confidence that the stock will appreciate,” says Plawner.

Bank of New York acted as trustee for the deal, which Plawner says was solely a bookkeeping role since the company outsourced its stockholder services to it last year for increased efficiency.

Platts' 4th Annual Nuclear Energy Conference

More than 400 developers, regulators and bankers gathered at the Marriott Bethesda North in Bethesda, Md., for Platts' 4th Annual Nuclear Energy Opportunities for Growth and Investment in North America conference Feb 5-6. Talks centered on the financial and developmental challenges with getting the long-awaited nuclear renaissance under way in the U.S. Reporter Thomas Rains filed the following stories.

INDUSTRY: TIME IS NOW

(continued from page 1)

regulation, a weakening economy or public safety concerns.

"The nuclear renaissance is a reality, but it is on people in this room to keep bringing a reality check to the process and not bring rose-colored glasses," said Michael Wallace, chairman of UniStar Nuclear Energy and president of Constellation Energy Nuclear Group. "A rush to do things could be a bad result for all of us."

Solicitations for federal loan guarantees should be sent out this year, to be followed closely by financing discussions with banks, said Dennis Spurgeon, assistant secretary at the Department of Energy. "If there's any question about what our number-one priority is, it is to get new nuclear power plants under construction," he said. The DoE calculates the U.S. would need 45-50 new nuclear generation facilities by 2030 to keep nuclear at its current level of 20% of overall capacity.

Industry players broadly agree that both sides of the political aisle are coming together to support nuclear generation. But Christopher Crane, coo of Exelon, sounded a note of caution should Hillary Clinton win the presidential election and while Barack Obama says he's in favor, the industry would have to wait and see what he would do in practice. Regulatory policy would likely be unchanged with a Republican at the helm, he says.

Accidents and operational issues are even more likely to hurt the case for new nuclear, Crane said. —Thomas Rains

But Miller expressed doubts about sequestration, noting that it could be 15 years or more before it becomes a viable option. "We went through NIMBY, and now we are going to go through NUMBY—not under my backyard," he said.

Absence Of Financier Attendees Underscores Hurdles

Investment opportunities were touted in the conference title, but project finance bankers were dwarfed in number compared with the number of developers and other industry stakeholders. Only two of the 14 sessions discussed nuclear financing in depth and out of the more than 400 attendees, just 21 bankers were registered. "Nuclear scares a lot of people," Jeffrey Holzschuh, vice chairman of the global power and utility group at Morgan Stanley, told *PFR* on the sidelines. His firm, JPMorgan and Credit Suisse, who appeared on a panel discussing the investment climate for nuclear power, have experience financing such projects. "Banks will get involved when they are ready," he said, noting that financing is still two to five years away.

According to the delegate list posted, which may not have included last-minute attendees, BNP Paribas had five representatives in attendance. Goldman Sachs sent four, Royal Bank of Scotland sent three, Credit Suisse, Mizuho and Morgan Stanley each sent two, while Deutsche Bank, JPMorgan and Merrill Lynch each sent one.

PPL's Miller Pushes Clean Energy

Demand for nuclear should get a welcome boost from the impending threat of legislation against carbon. "We really need to attack the issue of what generates 50% of the power in this country—and that's coal... Without nuclear, we will not be able to turn the situation around," says James Miller, ceo of PPL. The utility generates that national average of its power from coal, 40% from nuclear and 10% from hydro, he says.

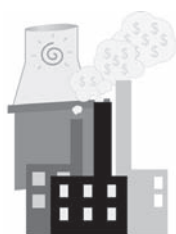
Last Monday, Citigroup, JPMorgan and Morgan Stanley announced a new so-called Enhanced Diligence process for financing new fossil-fired generation. "It's another strike for coal, another push for nuclear," Miller told *PFR* on the sidelines. In a presentation, he explained natural gas is not a viable alternative due to increasing demand worldwide.

The banks' new carbon principles will take into account attempts to sequester carbon dioxide and emissions allowance and purchasing strategies for an entity's entire portfolio.



Reporter Notebook:

- Political talk on Super Tuesday was overshadowed by the buzz from Super Bowl Sunday. Credit Suisse's Jonathan Baliff, a New York Jets fan, posed some "essential questions for 2008," among them, "Where was [New England Patriots head coach Bill] Belichick's New York Giants practice video?"
- Cooling towers are so *avant garde*. Ads in the conference program played up the renaissance theme underpinning nuclear chatter, and featured Michelangelo's *David* and Leonardo da Vinci's *Vitruvian Man*.
- The conference was a gas for James Miller, chairman and ceo of PPL. "A great lawyer paradise will occur," should underground carbon dioxide sequestration ever result in "the great sequestrial burp," he said to nervous laughter from the audience.



Generation Auction & Sale Calendar

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

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
Airtricity Holdings	Various	Europe	259 operational	Wind	Credit Suisse	To be acquired by Scottish & Southern Energy for EUR1.08 billion (\$1.59 billion).
American Electric Power	Fort Phantom Abilene Power Station Lake Pauline Rio Pecos Oak Creek Paint Creek San Angelo	Abilene, Texas Abilene, Texas Quanah, Texas Girvin, Texas Bronte, Texas Stamford, Texas San Angelo, Texas	362 18 35 136 75 218 110	Gas	N/A	Took final bids Nov. 14. Reportedly negotiating with a single party.
Arroyo Energy Investors	Thermo Cogeneration	Fort Lupton, Colo.	272	Gas	N/A	Starwood Energy Group Global said to be closing purchase agreement PSA shortly (PFR, 2/6).
Astoria Energy	Astoria plant	Queens, N.Y.	500	Gas	N/A	Owners fielding offers. Suez Energy acquiring 30% (PFR 9/29).
Barry Bates and Michael Underwood	Thompson River Cogen	Montana	16	Coal, Waste Wood	Energy Advisory	Teasers went out late June. Plant has a 20-year PPA with Avista Utilities.
Bicent Power	Mountain View	Palm Springs, Calif.	67	Wind	Goldman Sachs	AES to acquire (PFR, 1/7).
Black Hills Corp.	Arapahoe Valmont Fountain Valley Las Vegas I Las Vegas II Harbor Valencia	Denver, Colo. Valmont, Colo. Colorado Springs, Colo. Las Vegas, Nev. Las Vegas, Nev. Long Beach, Calif. Albuquerque, N.M.	130 80 240 53 224 98 149	Gas Gas Gas Gas Gas Gas Gas	Credit Suisse	Seller looking for an all-cash transaction. Preliminary bids taken Nov. 20. Bids said be close to \$800 million (PFR, 12/10). Hastings Funds Management, AllCapital, Beowulf Energy in partnership with Natural Gas Partners, Tenaska Energy, Energy Investors Funds, and EnergyCo. on shortlist to acquire (PFR, 1/28).
Bluff Power Partners E/S Solutions	McCommas Bluff	Dallas, Texas		Landfill Gas	CRG Partners	Cambrian Energy Development named stalking horse, replacing Montauk Energy Capital (PFR, 10/12).
Calpine	Acadia Energy Center Fremont Energy Center Hillabee Energy Center Texas City Clear Lake	Eunice, La. Sandusky County, Ohio Alexander City, Ala. Texas City, Texas Clear Lake, Texas	1,016 (50%) 512 774 425 375	Gas Gas Gas Gas Gas	Miller Buckfire	Sold to Cajun Gas Energy for \$189 million (PFR, 8/6). FirstEnergy won with \$253.6M bid. CER Generation won with \$155M (PFR, 2/6). Teasers went out w/c Nov. 26 (PFR, 11/26). First-round bids deadline pushed back to 1/24.
Catamount Energy	Sweetwater Ryegate Power Rumford	Nolan County, Teaxs Vermont Rumford, Me.	505 (50%) 20 85	Wind Wood waste Cogen	Goldman Sachs	Unsolicited approaches have been made to backer Diamond Castle Holdings (PFR, 8/31).
CIT Group	RockGen Energy Center	Cambridge, Wis.	460	Gas	Bear Stearns	Lessee Calpine to acquire for an undisclosed sum.
Central Vermont Public Service	Various	Vermont	70 in summer, 86 in winter	Hydro	Morgan Stanley	Believed to be in advanced stages.
City of Vernon	Malburg Generating Station Palo Verde Power Hoover Upgrading	Southern Calif. Southern Calif. Southern Calif.	134 11 22	Gas Nuclear Hydro	Lehman Brothers	Beowulf Energy and Natural Gas Partners agreed to buy for \$342 million. Lehman Brothers to lead debt financing (PFR, 10/22). Pending regulatory approval.
Connect Energy (Pepeco Holdings)	Various	PJM Interconnection	3,700	Various (merchant)	Credit Suisse	Company reviewing strategic alternatives, including whole or partial sale and merger (PFR, 12/10).
Con Ed Development	CEEMI Newington Energy Ada Cogeneration Lakewood Ocean Peaking Power Rock Springs Genor EverPower Wind	Springfield, Mass. Newington, N.H. Ada, Mich. Lakewood, N.J. Lakewood, N.J. Rising Sun, Md. Puerto Barrios, Guatemala NEPOOL, NY, PJM	185 525 (99.5%) 29 (48%) 246 (80%) 339 670 (50%) 42 (49.5%) 500 planned	Gas, Oil, Hydro Gas Gas Gas Gas Oil Wind	Morgan Stanley	AllCapital and Industry Funds Management to acquire for north of \$1.2 billion (PFR, 12/3). Status of Barclays Capital financing package unknown. Ada not sold. Partner is Olympus Power. CED sold its 50% stake in Oct. (PFR, 12/9).
ConocoPhillips	Immingham	Lincolnshire, U.K.	730	Gas	Citigroup	Reportedly looking at strategic options on the plant, (PFR, 1/18).
Complete Energy Holdings	La Paloma Batesville	McKittrick, Calif. Batesville, Miss.	1,022 837	Gas Gas	JPMorgan	In second round. Shortlist unclear. Kelson Holdings believed to be bidding.
Corona Power	Sunbury Generating	Shamokin Dam, PA	432	Coal, oil, diesel	Merrill Lynch	Soliciting equity to complete \$250M of upgrades (PFR, 12/24).
Dominion Resources	Dresden Energy	Muskingum County, Ohio	580	Gas	N/A	American Electric Power bought for \$85 million in September.
DONG Energy	Evia, Karistos and Tourla	Greece	18.6 MW	Wind	HSBC	Teasers expected later this quarter after IPO.
DTE Energy	East China River Rouge	East China, Mich. Detroit, Mich.	320 240	Gas Gas	N/A N/A	Seller exploring options, including outright sale. On books at scrap value, decommissioned.
EISSL (Esablecimientos Industriales y Servicios)	Various	Catalonia, Spain	630	Wind, Hydro	JPMorgan	Company weighing sale (PFR, 12/24)
Entegra	Gila Union	Phoenix, Ariz. El Dorado, Ark.	2,300 3,000	Gas Gas	N/A	Reportedly in talks to merge with KGen (PFR, 1/17).
Entergy Corp.	50% stake in Top Deer Wind Ventures RS Cogen Roy S. Nelson Warren Power Harrison Independence Robert Ritchie	Worth County, Iowa Carsen County, Texas Lake Charles, La. Westlake, La. Vicksburg, Miss. Marshall, Texas Newark, Ark. Helena, Ark.	40 40 212 60 225 335 121 544	Wind Gas Gas/Oil Gas Gas Coal Gas/Oil	New Harbor	Seller wants about \$520 million for the assets. Bidders shortlisted to four players: two financial; two infrastructure (PFR, 6/18).
Exergy Development Group	Various	Upper Midwest, Northwest U.S	3600 (176 ready to construct)	Wind	Marathon Capital	Weighing partnership, joint venture, recap or sale (PFR, 12/17).

Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
Fluor	Greater Gabbard	Thames Estuary, U.K.	500	Wind	RBC Capital Markets	Specs went out in late Aug. for Fluor's 40% stake.
Foresight Wind Energy	Various	Arizona, New Mexico	2 GW pipeline	Wind	CP Energy	Transaction delayed (PFR, 10/8).
FPL Energy	Posdef	Stockton, Calif.	44	Coal/Petcoke	New Harbor	Teasers sent (PFR, 12/17).
	Tesla	Tracy, Calif.	1,120	Gas/Steam	Credit Suisse	Development site. Status unclear.
General Electric	Baglan Bay	Port Talbot, Wales	510	Gas	Lexicon Partners	GE deferred sale. Carron Energy interested.
Goldman Sachs, Cargill	Teeside Power	Teeside, U.K.	1,875 MW	Gas	Rothschild	Teasers dispatched Nov. 14 (PFR, 11/19). Bids taken were £350-550 million (\$687.6 million to \$1.08 billion).
Goldman Sachs (Cogentrix Energy)	Southaven Power	Southaven, Miss.	810	Gas	Houlihan Lokey Howard & Zukin	Kelson Energy named stalking horse with \$305 million bid.
InterGen (AIG Highstar Capital II, 50%)	Rocksavage	Runcorn, U.K.	748	Gas	Lehman Brothers	Two-part auction kicked off late Jan.
	Coryton	Essex, U.K.	732	Gas		
	Spalding	Lincolnshire, U.K.	860	Gas		
	Rijnmond	Rotterdam, the Netherlands	820	Gas		
	Rijnmond II		400 development	Gas		
	Bajio	San Luis de la Paz, Mexico	600 (306 stake)	Gas		
	La Rosita	Mexicali, Mexico	1,100	Gas		
	Quezon	Philippines	460 (211 stake)	Coal		
	Millmerran	near Brisbane, Australia	880 (228 stake)	Coal		
	Callide	Queensland, Australia	920 (230 stake)	Coal		
Kelson Holdings	Dogwood	Pleasant Hill, Mo.	620	Gas	Goldman Sachs, Merrill Lynch	Weighing strategic options, including sale/merger. (PFR, 10/9).
	Redbud	Luther, Okla.	1,230	Gas		Signed agreement to sell Redbud for \$852 million to consortium of load-serving entities (PFR, 1/21).
	Cottonwood	Deweyville, Texas	1,230	Gas		Northern Indiana Public Service to acquire (PFR, 11/2).
	Magnolia	Benton County, Miss.	922	Gas		Oklahoma Gas & Electric acquiring 51% stake, Grand River Dam Authority 36%, and Oklahoma Municipal Power Authority 13% in Redbud (PFR, 1/28).
KGen Power	Murray I	Murray Co., Ga.	630	Gas	Credit Suisse	Reportedly in talks to merge with Entegra (PFR, 1/17).
	Murray II	Murray Co., Ga.	620	Gas		
	Hot Spring	Hot Spring Co., Ark.	620	Gas		
	Hinds	Jackson, Miss.	520	Gas		
	Sandersville	Washington Co., Ga.	640	Gas		
KW Gaspé & Co.	Le Nordait	Quebec, Canada	99	Wind	Toronto-Dominion, Bank of Nova Scotia	Canadian Hydro Developers to acquire for \$110 million. Expected to close in March (PFR, 12/3).
	Matane					
La Compagnie du Vent	Various	France	98 MW installed	Wind	Calyon	Suez to acquire a 50% stake for EUR321 million (PFR, 8/20).
LS Power	Sugar Creek	Sugar Creek, Ind.	561	Gas		Northern Indiana Public Service to acquire (PFR, 11/2).
MACH Gen	Millennium	Carlton, Mass.	360	Gas/Oil	Credit Suisse	Considering sale or a merger (PFR, 12/17).
	Athens	Athens, N.Y.	1,080	Gas/Oil		
	Covert	South Haven, Miss.	1,100	Gas		
	Harguahala	Tonopah, Ariz.	1,092	Gas		
National Grid	Ravenswood Station	Queens, N.Y.	2,450	Gas	Merrill Lynch	First-round bids taken Jan. 24 (PFR, 1/14). About \$1.5 billion the \$1.9 billion staple is funded debt (PFR, 2/1).
Noble Environmental Power	Various	N.Y., Mich.	385	Wind	Goldman Sachs	Auction did not yield desired results, so company reportedly looking to IPO.
North American Power Group	Rio Bravo Fresno	Fresno, Calif.	25	Biomass		Looking to sell interests (PFR, 8/31).
	Rio Bravo Rocklin	Roseville, Calif.	25	Biomass		
	Chinese Station	Jamestown, Calif.	22	Biomass		
NorthWestern Energy	Colstrip Unit 4 (30%)	Mont.	740 MW	Coal	Credit Suisse	Exploring strategic options.
NRG Energy	Indian River	Millsboro, Del.	784	Coal	N/A	Seller soliciting offers on plant (PFR, 11/8).
PSEG Global	Electroandes	Andean region, Peru	180	Hydro	JPMorgan	Statkraft Power Invest to buy for circa \$390 million.
	Chilquinta Energia (50%)	Chile			Citigroup	AEI to buy for \$685 million.
	Luz del Sur (38%)	Peru				
Reliant Energy	Channelview	Lyondell, Texas	830	Gas	Houlihan Lokey	In second round. Fortistar with partner AllCapital interested, as is Kelson Holdings (PFR, 1/23).
RES Americas	Various	U.S.	1,000 under construction; 10,000 in pipeline	Wind	Credit Suisse	Company looking to sell up to 30% to a financial investor to finance growth (PFR, 1/7).
Ridgeline Energy	Various	Idaho, Oregon, Washington	3,700 in development	Wind	Marathon Capital	Back in play after talks were nixed with a southern U.S. utility (PFR, 10/8).
Rockland Capital Energy Investments	B.L. England	Cape May County, N.J.	447	Coal, Oil	JPMorgan	Owner seeking strategic equity partner with which to finance \$400-600M repowering (PFR, 12/10). Bids due in late Feb.
Sempra Generation	Catoctin	Frederick Co, Md.	development	Gas	N/A	Development project reportedly for sale.
Sumas	Sumas Cogeneration	Sumas, Wash.	125	Gas	N/A	Puget Sound Energy agreed to buy for undisclosed sum.
Temasek Holdings	PowerSeraya	Singapore	3,100	Gas	Credit Suisse	Teasers dispatched 10/15. Tuas to be sold first (PFR, 10/22).
	Senoko Power		3,300	Oil	Morgan Stanley	
	Tuas Power		2,670	Steam		
Tenaska Power Fund	Commonwealth Chesapeake	New Church, Va.	315	Oil	JP Morgan	Tyr won the auction and Fieldstone Private Capital Group is advising on the purchase and debt financing.
TransAlta	Western Canada, Ontario	Diverse U.S.	404	Gas, Coal	BMO Capital Markets	Cheung Kong Infrastructure Holdings to acquire. TD Securities and CIBC World Markets to handle financing. Company weighing sale. Bids were due late Jan.
	Campeche	Mexico	252	Gas/Diesel	N/A	
	Chihuahua	Mexico	259	Gas		
Tyche Power Partners	Brooklyn Navy Yard	Brooklyn, N.Y.	286	Gas Cogen	Credit Suisse	Temporarily iced due to credit crunch.
UPC Wind	Various	North America	36W in development	Wind	JPMorgan	Market test did not lead to a sale, so company is reportedly weighing an IPO (PFR, 6/8).
U.S. Renewables Group	Bottle Rock power project	Geysers area,	55	Geothermal	Goldman Sachs	Preliminary bids due Dec. 17 (PFR, 12/3).
Waterbury Generation	Waterbury Generation	Waterbury, Conn.	96	Gas	N/A	Energy Capital Partners in negotiations to buy development rights (PFR, 8/29).
Wheelabrator Technologies	Shasta	Anderson, Calif.	49	Biomass	ABN Amro	Seller evaluating a sale. Review close to completion.

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.

North America

- **Citigroup, JPMorgan Chase and Morgan Stanley** are imposing new environmental standards making it harder for companies to get financing to build coal-fired plants (*Wall Street Journal*, 2/4).
- **Interstate Power and Light**, a subsidiary of **Alliant Energy**, has acquired a 300 MW wind farm located in north central Iowa, near Hampton, from **Iowa Winds** (*CNNMoney*, 2/6).
- **UPC Wind** has secured tax equity financing from **Lehman Brothers** for a 199 MW wind portfolio being constructed in upstate New York (*Business Wire*, 2/5).
- **AES** will sell a power plant and captive coal mine in Kazakhstan to **Kazakhmys** for a total consideration of \$1.48 billion (*Financial Times*, 2/5).
- **Fitch Ratings** has placed the BBB+ investment-grade credit rating of **Constellation Energy Group** and its **Baltimore Gas and Electric** subsidiary on negative watch because of recent events that have elevated the risk profile and operating environment for the companies (*Associated Press*, 2/1).
- **San Diego Gas & Electric** has signed a power purchase agreement with **Esmeralda Truckhaven Geothermal**, based in Imperial County, Calif., to supply 40 MW of geothermal power to the region's electric system, boosting its total geothermal energy supply to 60 MW (*Marketwire*, 2/5).
- **PECO**, a subsidiary of **Exelon**, has allocated the majority of its \$394 million capital plan this year for system upgrades and expansion to meet increasing demand, new residential and commercial business and improving service requirements. It also says it intends to seek approval for a reverse stock split at a ratio of one for 10 shares (*Business Wire*, 2/6).
- The **Department of Energy** has proposed a \$494.7 million budget for nuclear waste ground Yucca Mountain (*Las Vegas Review-Journal*, 2/6).

Europe

- Business leaders have signed an open letter to Scottish energy and enterprise minister **Jim Mather** to back plans for a £500 million (\$982 million), wind project in the Outer Hebrides, which would be Europe's largest wind farm (*The Scotsman*, 2/5).

- **Gazprom** and **Siberian Coal and Energy Co.** have agreed on a \$12-18 billion joint venture to create Russia's largest electricity holding company. The venture was announced in February last year and may be complete by September (*Reuters*, 2/5).
- Spain's nuclear power lobbyists have called for the construction of at least 13 GW worth of nuclear plants to achieve a feasible power generation mix by 2030 (*Reuters*, 2/7).

Asia

- **Reliance Power**, which recently raised the equivalent of \$3 billion in India's largest IPO, will list on the **Bombay Stock Exchange** and **National Stock Exchange** (*The Hindu*, 2/4).
- Indian utility **Tata Power** has raised 31.15 billion rupees (\$789 million) in loans to finance a 525 MW project (*Reuters*, 2/5).

—PFR ANNUAL AWARDS—



Power Finance & Risk will announce nominees for its fifth annual power

project finance awards **March 8** and announce the winners **April 11**. We are seeking nominations from our readers for the best and worst deals of last year.

YOU CAN MAKE YOUR 2007 AWARDS NOMINATIONS UNDER THE FOLLOWING PROJECT FINANCE CATEGORIES:

- ☐ Best North or Latin American Deal
- ☐ Best European/Middle Eastern Deal
- ☐ Best Renewable Energy Deal

Nominations must reach PFR by March 21.

power finance & risk

All project finance nominations must be based on **non-recourse** financing to the **power** sector. Beyond that the selection criteria is up for grabs. However, you may wish to nominate deals based on:

- size
- innovative structure or syndication
- speed of execution
- ability to overcome market challenges

When making your nominations please explain **why** you are making these choices.

Please send your nominations to **Katy Burne**, managing editor at kburne@iineews.com

HOUSTON DEVELOPER

(continued from page 1)

depends on my equity sources. If my equity guys think the time is right to do it, they'll do it." Officials at JPMorgan did not return calls.

Navasota has two affiliates. The first, **Navasota Holdings Texas Partners**, is constructing 1,650 MW in ERCOT—Colorado Bend, an 825 MW gas-fired combined-cycle development near Wharton, Texas, and Quail Run, an 825 MW project near Odessa in Ector County, which has the potential to be converted into an integrated gasification combined-cycle facility. Navasota put the projects on the block in mid-2006, but in November that year pulled back (PFR, 6/9/06). Each plant has three, 275 MW phases of construction and the second portion of each will be up and running in May and June, respectively.

The second affiliate, **Montgomery Energy Partners**, is planning to repower an 84 MW gas plant known as L'Energia in Lowell, Mass. (PFR, 7/20). It is also constructing a 240-360 MW peaker in Billerica, Mass., slated to come online in 2009-2010. Separately, Navasota is building a 275 MW gas plant in Great Falls, Mont., and 1 GW Hartland Wind in Burke, Mountrail and Ward Counties, N.D., set to come online in two 500 MW phases between 2009 and 2011.

—Katy Burne

STARWOOD SEEN

(continued from page 1)

well as its parent **Bear Stearns**, were not returned.

The Thermo complex consists of a 122 MW phase-one facility and a neighboring 150 MW second phase. Both use **General Electric LM-6000** turbines and their output is sold to **Public Service Company of Colorado** under two contracts—one intermediate and one long-term. Arroyo acquired its interests in Thermo along with a 50% stake in 70 MW Brush Cogeneration Partners from **American Electric Power** (PFR, 2/8/04).

Separately, **Startrans IO**, an affiliate Starwood formed last month, is set to buy the wires system **Mead Transmission Interests** from the City of Vernon, Calif., by March 31. **Federal Energy Regulatory Commission** filings say **WestLB** will arrange up to \$11.4 million in loans and working capital for Startrans IO, which also plans to issue up to \$25 million in common membership interests. "It's a very attractive system in an interesting area, which should experience growth," said Nordholm of the pending acquisition. Starwood already part-owns the 65-mile, 660 MW undersea Neptune Regional Transmission System connecting Long Island with New Jersey (PFR, 6/24/05) and is in the process of developing the Greenline transmission system in New England.

—K.B.

FINANCIERS EYE

(continued from page 1)

and ceo of Jersey City-based **Soltage**, a developer of solar projects.

The cost of financing small-scale solar and the time it takes do not vary much. "[Sponsors] want to have the lending capacity available so they can go out and sell these projects," said a banker on the condition his firm not be identified. A portfolio financing would allow for speed in execution and reduced costs, he says.

In the eventual securitization, having cash flows from assets across different regions and technologies also lowers the risk that could come with unrated offtakers. "[Installing solar panels comes with] a big upfront cost, and how to do know if [one] business will be there for 20 years to recoup that cost?" adds another banker.

—Thomas Rains

Alternating Current

Saved By The Bell



Photo Courtesy of NYSE Euronext

Talk about an emergence.

Calpine's attempt to exit bankruptcy by Jan. 31 was nearly an emergency. Now, with the bulk of the voting-rights hullabaloo behind it, the San Jose IPP is ringing in the changes.

And CEO **Robert May** was in the Big Apple on Friday to prove it, ringing the opening bell at the **New York Stock Exchange**.

The former industry heavyweight resumed trading under the ticker **CPN** Thursday, after which May and his crew were out on the town celebrating. The newly issued stock closed at \$16.60 on its debut. "We're confident that the new Calpine is well positioned in the market and poised for success as a corporate leader in the nation's energy industry," said May in a release.

Clarification

Standard & Poor's has not formally rated the credit relating to the planned recapitalization of **Granite Ridge**. A story in last week's *PFR* mischaracterized the status of the rating.

Quote Of The Week

"The nuclear renaissance is a reality, but it is on people in this room to keep bringing a reality check to the process and not bring rose-colored glasses." —**Michael Wallace**, chairman of **UniStar Nuclear Energy** and president of **Constellation Energy Nuclear Group**, on the dangers of complacency about the need for new nuclear (see story, page 1).