

Power Finance & Risk

Exclusive Insight on Power M&A and Project Financing

By the publisher of GlobalCapital

● PROJECT FINANCE

Allianz Sells Latest Proxy Revenue Swap for Wind Project

Invenenergy bought the fourth such 10-year hedging tool for its Upstream Wind project.

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● MERGERS & ACQUISITIONS

Sale of Wind Developer Falls Through

The CIBC-run sale of **Infinity Renewables**, which owns a portfolio largely comprised of development-stage wind assets, has been tabled.

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● PEOPLE & FIRMS

Goldwind Americas Appoints New CEO

Goldwind has lined up a replacement for **David Halligan**, who is launching a new company, **Datawatt Energy**.

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Sales of NRG Assets Materialize, Including Yieldco

Richard Metcalf

NRG Energy's efforts to shrink its balance sheet through asset sales have borne fruit, with the independent power producer announcing that it has found buyers for its yield company stake, renewables platform and a conventional generation portfolio located in Texas and Louisiana.

The asset sales will generate \$2.8 billion of cash proceeds and allow the company to eliminate \$7 billion of debt from its balance sheet.

Global Infrastructure Partners, a New York-based fund manager, is acquiring the stake in the yieldco, **NRG Yield**, and the rest of NRG's renewables platform, for \$1.375 billion, through its Global Infrastructure Partners III fund.

The publicly floated interest in the yieldco, which has been listed and traded on the **New York Stock Exchange** since its

initial public offering in 2013, will remain in the hands of institutional investors.

"Despite the disappointing price, GIP seems to be a strong sponsor who is bringing new projects to the ROFO [right-of-first-offer] and accelerating drop-downs," wrote equity analysts at **RBC Capital Markets** in a research note on Feb. 7. "The stock could be pressured near-term due to the low price and the recent CAFD take-under. However, with GIP as a sponsor, we believe the long-term prospects might have improved."

CAFD is the stock ticker of **Spout3 Energy Partners**, the joint yieldco of **First Solar** and **SunPower Corp.** that is in the process of being acquired by Swiss private equity firm **Capital Dynamics** (PFR, 2/5).

Unlike most other yieldcos, **NRG Yield** holds contracted gas-fired and thermal infrastructure assets as well as renewable projects. Its portfolio of

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S&P Downgrades N.Y. CCGT

Shravan Bhat

S&P Global Ratings has downgraded debt of the 635 MW Empire Generating combined-cycle project in New York state from B to CCC, saying that a technical default "appears to be likely" over the next year, after **Moody's Investors Service** downgraded the project last month.

The S&P analysts believe that

the dual-fuel project in Rensselaer, near Albany, will not generate enough cash to meet its 1.1x debt service coverage in the medium term, citing five main reasons—low merchant power prices, mild weather in 2017, the discontinuation of brownfield tax credits, low capacity prices in **NYISO** and further delays to the Constitution pipeline.

The project's 55% capacity factor through 2017

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Leaner AES Says Farewell to Long-serving G.C.

Richard Metcalf

AES Corp. has revealed a slimmed-down organizational structure, with its general counsel among the departures.

The changes come as the company exits 12 countries, reduces overhead costs and increasingly focuses on low carbon generation, according to a statement issued on Feb. 5.

The reduction in the firm's geographical footprint allows it to consolidate its five strategic business units into one global

operations and infrastructure division under executive vice president and chief operating officer **Bernerd Da Santos**.

Tom O'Flynn, executive v.p. and cfo, will meanwhile add the leadership of the company's new U.S. renewables growth unit to his responsibilities, while two other existing executives will lead new units focused on growth markets in Latin America and the Caribbean.

Manuel Pérez Dubuc will be responsible for South America, including Argen-

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● THE BUZZ

Sales of NRG Assets Materialize, Including Yieldco

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generation facilities totals 5.1 GW and the contracts across all of its assets have a weighted average remaining life of 16 years.

The development-stage project pipeline that comes with the deal meanwhile adds up to 6.4 GW. As well as the projects themselves, GIP is acquiring NRG's development and operations and maintenance businesses.

NEW DEREGULATED BUSINESS

In a separate deal, NRG has agreed to sell a 3,555 MW generation portfolio in the South to **Cleco Corporate Holdings**, the owner of Louisiana utility company **Cleco Power**.

Cleco is paying \$1 billion for the portfolio, which NRG holds through a subsidiary called **NRG South Central Generating**.

The assets are the 225 MW Bayou Cove gas-fired plant in Jennings, La., the 430 MW Big Cajun I gas-fired project in Jarreau, La., the 1,461 MW Big Cajun II project, which has coal-fired and gas-fired units and is located in New Roads, La., the 1,263 MW Cottonwood gas-fired facility in Deweyville, Texas, and the 176 MW Sterlington project in Sterlington, La.

Under the terms of the deal, Cleco will lease the Cottonwood plant back to NRG until 2025. The rest of the assets will form the basis of a newly created deregulated generation subsidiary of Cleco, **Cleco Energy**.

HIGHLY COMPETITIVE PROCESS

Mauricio Gutierrez, president and ceo of NRG, described the two sale processes as "rigorous and highly competitive," in a statement.

NextEra Energy, **The Blackstone Group**, **GIC**, **Borealis Infrastructure Management**, **John Hancock Life Insurance Co.** and **KKR & Co.** were identified as potential bidders for the various assets, as well as GIP, in a *Bloomberg* article last year. The article did not mention Cleco.

FEE WINNERS

A host of investment banks and law firms will be picking up fees for their work on the transactions, including **Citi**, NRG's lead financial adviser on the yieldco and renewable business sale, and **Goldman Sachs** and **Morgan Stanley**, the IPP's co-advisers on the deal. On the South Central sale, Goldman and Morgan Stanley were co-leads, while Citi was co-adviser. Jones Day is NRG's legal counsel on both deals.

Barclays, **JP Morgan** and law firm **Sullivan & Cromwell** are advising the independent directors and management of NRG Yield, while **Bank of America Merrill Lynch**, **Credit Suisse** and two law firms, **Simpson Thatcher** and **Akin Gump Strauss Hauer & Feld**, are advising GIP.

Cleco did not use an external financial adviser but is working with law firms **Norton Rose Fulbright**, **Phelps Dunbar** and **Troutman Sanders**. ■

PFR Power Finance & Risk

EDITORIAL
Richard Metcalf
Editor
(212) 224-3259

Olivia Feld
Managing Editor

Fotios Tsarouhis
Reporter
(212) 224-3294

Shravan Bhat
Reporter
(212) 224-3260

Stuart Wise
Data Associate

Kieron Black
Sketch Artist

PRODUCTION
Gerald Hayes
Manager
Kaela Bleho
Designer
Sam Medway
Associate

PUBLISHING
Laura Spencer
Senior Marketing Manager

Adam Scott-Brown
Director of Fulfillment

Nina Bonny
Customer Service Manager
(212) 224-3433

**SUBSCRIPTIONS/
ELECTRONIC LICENSES/
REPRINTS**
One Year \$3,760
Jon Ljekocevic
Sales Executive
(212) 224-3043

CORPORATE
Andrew Rashbass
Chief Executive Officer

John Orchard
Managing Director,
Banking & Finance Group

Directors:
David Pritchard
(Acting Chairman),
Andrew Rashbass
(CEO),
Sir Patrick Sergeant,
Colin Jones,
Andrew Ballingal,
Tristan Hillgarth,
Imogen Joss,
Jan Babiak,
Lorna Tilbian,
Tim Collier,
Kevin Beatty

Customer Service
PO Box 4009, Chesterfield, MO 63006-4009, USA
Tel: 1-800-715-9195
Overseas dial: 1-212-224-3451
Fax: 212-224-3886
UK: 44 20 7779 8704 Hong Kong: 852 2842 8011
E-Mail: customerservice@iintelligence.com

Institutional Investor Hotline
(212) 224-3570 and (1-800) 437-9997 or Hotline@iintelligence.com

Editorial Offices
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PO Box 4009 Chesterfield, MO 63006-4009 USA

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

Feel free to contact **Richard Metcalf**, editor, at (212) 224-3259 or richard.metcalf@powerfinancerisk.com

GENERATION AUCTION & SALE CALENDAR ●

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

Generation Sale ■ DATABASE

Seller	Assets	Location	Adviser	Status/Comment
AES Corp.	Portfolio (1 GW, Gas, Oil)	Indiana, Ohio		A fund managed by Rockland Capital is acquiring the portfolio (PFR, 1/16).
Alstom	Portfolio (39.6 MW, Wind)	Meeker County, Minn.	CohnReznick (seller)	This was Canadian developer BluEarth Renewables' first U.S. wind investment (see story, page 8).
Ares-EIF	Plum Point (670 MW Coal, 34%)	Osceola, Ark.	Citi (seller)	Starwood has now priced a loan to finance the acquisition that fully amortizes over the remaining 22 years of the longest contract (PFR, 1/29).
	Carneys Point (262 MW Coal, 60%)	Carneys Point, N.J.		
	Logan (219 MW Coal)	Logan Township, N.J.		
	Morgantown (62 MW Waste coal, 65%)	Morgantown, W.Va.		
Conduit Capital Partners	Santa Catarina (22 MW Wind)	Monterrey, Nuevo León, Mexico		Conduit plans to launch a sale process for the contracted, operational asset this year (PFR, 1/8).
DCO Energy	Portfolio (Gas)	U.S.		A Basalt Infrastructure Partners fund has acquired a stake in a generation portfolio owned by independent power producer DCO Energy (PFR, 1/22).
Edison International	SoCore Energy (160 MW DC Distributed Solar)	U.S.	Marathon Capital	The auction for the company entered a second round in fall 2017 (PFR, 10/30).
Enel Green Power North America	Portfolio (145 MW Wind)	Canada		Alberta Investment Management Corp. is taking 49% stakes in the Riverview and Castle Rock Ridge projects (see story, page 8).
Enbridge	Portfolio (~3 GW Wind, Solar, Hydro)	Canada, U.S.		Enbridge is looking to sell about half of its renewable assets (PFR, 1/8).
Energy Future Holdings	Oncor Electric Delivery Co. (122,000 miles Transmission)	Texas		Sempra Energy's proposed \$18.8 billion acquisition took a step forward as all 10 intervenors signed on to the deal (see story, page 11).
First Solar, SunPower	Portfolio (946 MW)	U.S.	MUFG	Capital Dynamics has agreed to acquire the yield company 8point3 Energy Partners for \$12.35 per share (see story, page 10)
Forsyth Street	Horse Butte (57.6 MW Wind)	Bonneville County, Idaho		The buyer, Utah Associated Municipal Power Systems, is exercising an option to purchase the project under the terms of the pre-paid PPA (PFR, 1/29).
GD Solar	Portfolio (260 MW Solar)	Brazil		The firm is seeking equity investors for the portfolio (PRF, 1/22).
Infinity Renewables	Portfolio (6.6 GW Wind, Solar)	U.S.	CIBC	The sale was scrapped after the company failed to receive desirable bids (see story, page 11).
Invenenergy Renewables	States Edge (2 GW Wind)	Cimarron and Texas counties, Okla.		Two utilities owned by American Electric Power have filed for federal approval to acquire the facility (PFR, 1/16).
Morgan Stanley	NaturEner USA (399 MW Wind)	Montana	Morgan Stanley	Morgan Stanley is selling NaturEner, which owns development wind assets in Alberta as well as the 399 MW operational wind portfolio in Montana (PFR, 5/15).
NextEra Energy Partners	Portfolio (~400 MW Wind)	Ontario		NextEra Energy's yield company is weighing the sale of its Canadian assets with a view to reinvesting the proceeds in the U.S. (PFR, 2/5).
NextEra Energy Resources	Portfolio (223.5 MW Wind)	Pennsylvania, West Virginia, California		Quinbrook has closed its acquisition of the facilities, which are all between 17 and 15 years old with power purchase agreements that mature between 2021-24 (PFR, 1/22).
NRG Energy	Portfolio (51 GW)	Texas, Louisiana	Citi, Goldman Sachs, Morgan Stanley	Global Infrastructure Partners is acquiring a stake in NRG Yield, and the rest of NRG's renewables platform, for \$1.375 billion (see story, page 1).
Onyx Renewable Partners	Portfolio (small-scale Solar)	U.S.	RBC, CohnReznick	Onyx has begun marketing the portfolio (PFR, 1/29).
Partners Group	Silicon Ranch Corp (880 MW Solar)	U.S.		Royal Dutch Shell acquired a 43.83% stake for up to \$217 million (PFR, 1/22).
Recurrent Energy	Gaskell West I (20 MW Solar)	Kern County, Calif.		Southern Power has bought the project (PFR, 2/5).
Southern Current	Portfolio (52 MW Solar)	South Carolina		C2 Energy Capital, which acquired the assets, plans to finance them with tax equity and project-level debt (PFR, 1/29).
Southern Power	Portfolio (1,760 MW Solar)	U.S.	Citi	Southern Power has hired Citi to sell an up to one-third stake in the portfolio (PFR, 11/6).
SunPower	El Pelicano (100 MW Solar)	Chile		London-based emerging markets investor Actis has acquired the project (see story, page 10).
Texas Municipal Power Agency	Gibbons Creek (450 MW Coal)	Grimes County, Texas		The plant is for sale again after an earlier attempt to offload it fell through (PFR, 11/20).
Utilities Trust of Australia, The Infrastructure Fund	Southwest Generation portfolio (839 MW Gas)	U.S.		IIF US Holdings 2 is acquiring the funds' stake, doubling its shareholding to over 99% (PFR, 1/16).
U.S. Geothermal	Portfolio (44 MW Geothermal)	U.S.	ROTH Capital Partners	Ormat Technologies will pay \$5.45 a share, representing a 28.5% premium over the stock price (PFR, 1/29).

● New or updated listing

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

To report updates or provide additional information on the status of financings, please call Fotios Tsarouhis at (212) 224 3294 or e-mail fotios.tsarouhis@powerfinancerisk.com

PROJECT FINANCE

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

Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Deal Type	Loan Amount	Tenor	Notes
Acciona Energia, Tuto Energy	Puerto Libertad (317.5 MW Solar)	Mexico	Istituto de Credito Oficial	Debt	\$250M	18-yr	The joint-venture partners are adding almost 50 MW of merchant capacity to their original plans (see story, page 6).
Advanced Power	South Field (1.1 GW Gas)	Columbiana County, Ohio	GE EFS, CIT Bank, Credit Agricole	Debt	TBA	TBA	Pricing on similar loans remained stable last year at 325 basis points over Libor (PFR, 1/22).
Akuo Energy	Pecasa (50 MW Wind)	Dominican Republic	IFC, FMO, Govt of Canada, Proparco, DEG	Debt	\$80M	TBA	The project will sell its output to the Dominican public utility through a 20-year, dollar-denominated PPA (PFR, 1/22).
ArcLight Capital Partners	Sweetwater I and II (136 MW Wind)	Nolan County, Texas	GE EFS	Tax Equity	\$160M		The tax equity deal backed the projects' repowering (PFR, 1/16).
TransCanada	Portfolio (76 MW Solar)	Ontario	TBA	Debt	C\$396.05M	16-yr	Axiom Infrastructure has raised C\$396.05 million to finance its acquisition of the portfolio (PFR, 1/16).
Cap Vert Energie	Portfolio (33 MW Solar)	Chile	Banco Security	Term Loan	\$29.5M	17-yr	The developer's local subsidiary, CVE Chile, will use the proceeds to finance a group of 11 solar projects, each of which is 3 MW (PFR, 1/29).
				VAT Facility	\$7.5M		
Coronal Energy	Portfolio (30 MW Solar)	Virginia	PNC Bank	Tax Equity	TBA		Signed on Dec. 22, it was the first project finance deal to be supported by the solar revenue put provided by kWh Analytics (PFR, 2/5).
Coronal Energy	Gulf Coast Solar Centre (120 MW Solar)	Florida	Marathon Capital (Agent), U.S. Bank	Tax Equity	-\$85M		The portfolio is spread across three military bases, which added a layer of complexity to the deal. Gulf Power is buying the energy under 25-year PPAs (PFR, 1/22).
			Marathon Capital (Agent), SMBC	Term Loan	-\$150M	18-yr	
Cypress Creek Renewables	Portfolio (29.9 MW Solar)	North Carolina	CIT	Debt	\$46.5M		The projects are around 5 MW each and are contracted under PPAs of 10 to 15 years with utility offtakers (see story, page 6).
DIF	Portfolio (30 MW Solar)	Canada	Natixis (Agent), Raymond James	Term loan	C\$59.4M	7-yr	Debt priced at 162.5 basis points over Libor. Of the 17.5-year debt, \$20 million is floating-rate and the rest fixed (PFR, 1/22).
			Natixis (Agent), Samsung Life, Migdal	Term loan	C\$124.6M	17.5-yr	
Duke Energy Renewables	Shoreham Commons (24.9 MW Solar)	Suffolk County, N.Y.	BAML	Tax Equity	TBA		BAML was selected as the tax equity investor (PFR, 1/29).
Empresas Públicas de Medellín	Ituango (2.4 GW Hydro)	Colombia	Caisse de dépôt et placement du Québec, KfW IPEX, BNP, ICBC, SMBC, BBVA, Santander	Debt	\$650M	8-12-yr	The \$1 billion deal is a rare example of international players piling into a Colombian generation financing (PFR, 1/16).
			IDB Invest	Debt	\$300M	12-yr	
			China Co-Financing Fund for Latin America and the Caribbean	Debt	\$50M	12-yr	
Fotowatio Renewable Ventures	Potosi (342 MW Solar)	Zacatecas, Mexico	KfW, Bancomext, ING	Debt	TBA	TBA	Fotowatio, which is owned by Saudi Arabia's Abdul Latif Jameel Energy, also announced it is developing a hybrid solar-and-wind project in Chile (PFR, 1/29).
Halyard Energy Ventures	Halyard Wharton (348.5 MW Gas)	Wharton County, Texas	Scotiabank (adviser)	Equity	TBA		Halyard is aiming to close financing for the peaker this quarter and bring it online by the second quarter of 2019 (PFR, 2/5).
Invenergy	La Jacinta (50 MW Solar)	Salto, Uruguay	IDB Invest, DNB Markets	Bond	\$64.75M	25-yr	The bond was issued under an A/B structure more commonly found in the loan market (PFR, 2/5).
Invenergy	Upstream Wind Energy Centre (202.5 MW Wind)	Antelope County, Neb.	Santander	Debt			Allianz has provided a 10-year proxy revenue swap for the project - the fourth such hedge in the U.S. (see story, page 5).
Lightstone	Portfolio (5.3 GW Gas, Coal)	Ohio, Indiana	Credit Suisse	Term Loan B	\$1.675B	6-yr	Lightstone, a J.V. between ArcLight and Blackstone, is looking to reprice the debt between 375 and 400 basis points over Libor (PFR, 2/5).
Navajo Tribal Utility Authority	Kayenta II (27 MW Solar)	Navajo County, Ariz	TBA	Debt, Tax Equity	\$45M		NTUA has signed a 30-year PPA with Salt River Project for the project, which is expected to be online by Apr. 1, 2019 (PFR, 2/5).
Quinbrook Infrastructure Partners	Persimmon (200 MW Wind)	Oklahoma	GE EFS	Tax Equity	\$190M		Pricing on the \$78 million construction loan was 125 basis points over Libor (PFR, 1/22).
			GE EFS, CIT Bank, MUFG, Rabobank	Debt	\$252M	TBA	
Panda Power Funds	Portfolio (Gas)	Pennsylvania	Crestline Investors	Mezzanine Capital	\$400M		The deal is intended to replace existing mezzanine finance for the four CCGT facilities in PJM that Panda has financed in the past few years (PFR, 1/22).
Taaleri Energia	Truscott-Gilliland East (277 MW Wind)	Knox County, Texas	NorthRenew Energy (adviser)	Debt, Tax Equity	\$350M		The Finnish developer is seeking debt and tax equity as it enters the U.S. market (see story, page 7).

New or updated listing

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PROJECT FINANCE ●

S&P Downgrades N.Y. CCGT

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was lower than the 60-65% that the rating agency had expected.

"Nearby power plants like Linden Cogen and Astoria Energy tend to dispatch a bit higher than this, though Empire has a pretty efficient heat rate," said **Michael Ferguson**, director in S&P's global energy infrastructure group.

Moody's downgraded the project debt from B2 to B3 in January (PFR, 1/24).

EQUITY CURE

The project's sponsors injected \$3.4 million into the project to cure a covenant breach in the third quarter of 2017, a solution that can only be used twice in any consecutive 12-month period under the terms of the credit agreement, according to a Feb. 2 report from S&P.

"The sponsor has the option

to accelerate their debt pay-down to increase the likelihood of meeting the covenant," said **Michael Pastrich**, energy infrastructure and project finance ratings associate at S&P. "Their forward looking budgets were a little higher than actual performance. If they need another equity cure in Q4, their rating may fall to CCC-."

Empire Generating, which began operations in September 2010, is owned by **TTK Power**—a Japanese consortium comprising **Tyr Energy** (50%), **Tokyo Gas Co.** (25%) and **Kansai Electric Power Co.** (25%)—which bought the plant from **Energy Capital Partners** in Oct. 2016 (PFR, 10/18/16).

ECP had obtained \$480 million of loans from **Deutsche Bank**, **Barclays** and **Crédit Agricole** to refinance the project in 2014 (PFR, 3/20/14). ■

Lightstone Reprices at Tight End

Lightstone Generation, the power joint venture between **ArcLight Capital Partners** and **The Blackstone Group**, repriced its term loan B package at the tight end of initial price thoughts on Feb. 2, after the last issue of *PFR* went to press.

Credit Suisse was the left lead on the deal, which was priced at 375 basis points over Libor with a 1% Libor floor and sold at par.

A lender call for the deal took place on Jan. 31 (PFR, 2/1/18).

The repricing, which cuts the margin on the \$1.675 billion loan package by 75 bps, represents a continuation of a trend that has characterized the last two years in the leveraged loan market as borrowers have taken advantage of narrowing spreads.

"Demand for B loans in the power sector has not kept pace with the supply of capital that has been assembled to pursue the

opportunity," said **Jean-Pierre Boudrias**, managing director and head of project finance at **Goldman Sachs**, in a cost of capital webinar discussion moderated by **Norton Rose Fulbright's Keith Martin** on Jan. 11."

The senior loans, rated Ba3 and BB- by **Moody's Investors Service** and **S&P Global Ratings**, are secured on a 5.3 GW portfolio of coal- and gas-fired assets in **PJM Interconnection** that the private equity duo acquired from **American Electric Power** in 2016 (PFR, 7/14/16). ■

FAST FACT

375 bps over Libor

Pricing of Lightstone's \$1.675 billion loan package sold at par with a 1% Libor floor.

Invenergy Buys Proxy Revenue Swap for Nebraska Wind Project

A unit of **Allianz** has provided a 10-year proxy revenue hedge for Invenergy's 202.5 MW Upstream Wind Energy Center in Antelope County, Neb.

Santander is providing construction finance for the project, which is expected to be completed by the end of this year (PFR, 1/10).

Projects that have previously made use of Allianz's hedge product have sometimes been merchant and sometimes contracted. Whether the Upstream project has a power purchase agreement or other offtake arrangement in place in addition to the proxy revenue swap could not immediately be learned.

Representatives from Allianz, Invenergy and Santander did not respond to inquiries in time for press.

HEDGE HOG

The Upstream project is the fourth to obtain a proxy revenue swap from Allianz. The hedge product debuted with **Capital Power's** 178 MW Bloom Wind project in Kansas, in May 2016 (PFR, 5/10/16). Allianz works with **Nephila Climate** and **RESurety** to combine their underwriting, risk transfer and analytics capabilities.

Under the proxy revenue swap, the hedge provider typically pays the project a fixed annual sum, which mitigates wind fluctuation risk, and takes the upside when output exceeds expectations.

Allianz had also provided a similar 10-year proxy revenue swap to **Apex Clean Energy's** 151.2 MW Old Settler project in Floyd County, Texas (PFR, 7/18/16).

Most recently, the insurance giant sold a

10-year proxy revenue swap for **Southern Power's** 147 MW Grant Plains Wind project in Grant County, Okla. (PFR, 8/30/16). According to a Sept. 23, 2016, filing with the U.S. **Federal Energy Regulatory Commission**, the project has a contract with **Allianz Risk Transfer (Bermuda)** for delivery of 122 MW to the **Southwest Power Pool** beginning Apr. 1, 2017, which reduces to 81 MW on Jan. 1, 2020. ■

FAST FACT

10 Years

Length of each of Allianz's four proxy revenue swap hedging products.

● PROJECT FINANCE

E.On Pins Down Tax Equity for Texas Wind Asset

E.On has sealed tax equity commitments from two investors for a 228 MW wind project in southern Texas.

JP Morgan and another investor, whose identity could not immediately be learned, wrapped their tax equity investment in the Bruening's Breeze facility in Willacy County, Texas, when the project came online in December.

The size of the deal was not disclosed. Spokespeople for E.On in Chicago and JP Morgan in New York declined to comment.

Located in southern Texas, the Bruening's Breeze facility utilizes 76 **Acciona** AW-125 3 MW turbines.

The financing is E.On's tenth tax equity transaction since 2011, said **Verena Volpert**, the company's senior vice president, group finance, in a statement.

Allianz Renewable Energy Partners of America and **Bank of America Merrill Lynch** recently sealed a joint investment in E.On's 305.8 MW Radford's Run project in Macon County, Ill. (PFR, 10/1), a deal which closed on Dec. 21.

Although E.On had informed the U.S. **Federal Energy Regulatory Commission** that it might bring a third investor into the Radford's Run deal, no additional party joined the transaction. ■

Cypress Creek Seals Construction Loan for N.C. Solar Bundle

CIT Group has arranged \$46.5 million of construction finance for **Cypress Creek Renewables** to build six solar projects totaling 29.9 MW in North Carolina.

The projects range from 4.5 MW to 5 MW in size and are contracted under power purchase agreements of between 10 and 15 years in length with utility offtakers.

The projects are located in Randolph, Gaston, Alamance, Jones, Pamlico and Rowan counties. Further details, such as the names of the projects and their expected commercial operations dates could not be immediately ascertained.

The pricing of the loan was not disclosed, but margins on short-term construction loans for contracted renewables project have been coming in as low as 100 basis points over Libor in recent times, **Ralph Cho**, co-

head of North American power at **Investec**, remarked in a cost of capital webinar moderated by **Norton Rose Fulbright's Keith Martin** on Jan. 11.

CIT's long-term financing plan for the portfolio also could not be established by press time. Representatives of CIT in New York and Cypress Creek in Santa Monica, Calif., did not immediately respond to inquiries.

In October, Cypress Creek sold a 130 MW solar portfolio including 10 projects in North Carolina to **New Energy Solar** for \$108 million (PFR, 10/11/17).

Last year, CIT arranged acquisition and construction financing for **D.E. Shaw Renewable Investments'** acquisition of the 20 MW Fusion Solar Center project in New London County, Conn. from **Coronal Energy** (PFR, 1/30/17). ■

Capital Dynamics Partners with Switch for 1 GW Solar Project

Capital Dynamics has announced it will develop the largest solar project in the U.S., partnering with data-center operator Switch for the 1 GW development.

Capital Dynamics stated in a press release that it will develop the largest solar project in the U.S. Switch and its data-center clients are set to be among the off-takers for the 1000 MW Gigawatt I project in Nevada.

A source familiar with the project told *PFR* that construction is set to begin end-2019 with commercial operations expected in 2021. The developer is looking to use American-made panels from **FirstSolar** but is open to other

locally sourced options "if the economics work out".

"[The company] is looking at data centers and any other public or industrial eligible customers in Nevada," the source confirmed.

In the last two years, Switch has signed power purchase agreements for renewable energy output totaling 180 MW to power its data-centers in Nevada. This follows a trend of data-centers contracting renewable energy project output. **Facebook** is using the generation from three New Mexico projects to power its data center at Los Lunas (PFR, 1/19). ■

Sponsors Tack Merchant Capacity onto Mexico Solar Project

The joint-venture partners behind a solar project under construction in Mexico's Sonora state are adding almost 50 MW of merchant capacity to their original plans.

The sponsors decided to expand the project and sell the extra power into the spot market "with a view to optimizing its generation capacity in an area with an excellent solar resource," according to a statement issued by one of the joint venture partners, **Acciona Energía**, on Feb. 6.

Construction began on the 317.5 MW Puerto Libertad project, now Acciona's largest renewables project globally and one of the biggest solar farms in Latin America, on the day of the announcement.

Acciona and co-sponsor **Tuto Energy** financed the project last year on the basis of a 180 MW power purchase agreement with Mexico's **Federal Electric-**

ity Commission, awarded in an auction in September 2016, and a 90 MW private PPA with Tuto Energy affiliate **Tuto Energy Trading**. Tuto Energy Trading will transmit its capacity on to a major Mexican industrial group.

Two Mexican development banks, Spain's **Istituto de Crédito Oficial** and one European commercial lender provided the \$250 million 18-year financial package last April (PFR 04/17).

The plant is expected to be partially operational by the end of this year and be fully up and running in early 2019.

Mexico's photovoltaic sector is due to undergo massive expansion in the next few years, with 8 GW of capacity forecast to be online from 2020, compared to the 450 MW in operation now, according to Acciona and figures from the **Mexican Solar Power Association**. ■

PROJECT FINANCE ●

Finnish Developer Seeks Project Financing to Enter U.S.

Helsinki-based **Taaleri Energia**, the project development arm of financial services group Taaleri, has bought the 277 MW Truscott-Gilliland East Wind Project in Knox County, Texas for approx. \$350 million from **Chermac Energy Corporation**.

Taaleri will begin negotiations for project financing in the middle of this year. While Taaleri has not hired a financial advisor, its

U.S. project development partner, **NorthRenew Energy**, will help with tax equity negotiations.

Taaleri, which primarily deals in wealth management and private equity, will front equity from one of its three renewable energy funds.

“Because we have both a renewable energy fund and a development arm, we are able to enter and secure projects faster because we can take the development risk,”

said **Taamir Fareed**, head of Taaleri Energia’s U.S. operations.

Fareed said Taaleri are looking for back-leverage as well as a construction loan and will begin negotiations for both in the third quarter of 2018. The project is expected to be online by the end of 2019.

The developer is exploring three options for off-take. Aside from a wind hedge—popular in Texas—and a corporate power purchase agreement, Taaleri is also considering a proxy revenue swap. This hedging tool has been provided by **Allianz Risk Transfer** on four occa-

sions in the U.S., most recently for **Invenenergy’s** 202.5 MW Upstream Wind Energy Center in Antelope County, Neb. (PFR, 2/7).

Taaleri has found it difficult to find utility off-takers so a corporate PPA seems more likely in Texas. The project’s original developer, Chermac, sealed a PPA with **Google** for its 240 MW Happy Hereford wind farm near Amarillo, Texas in 2014. **Nike** inked a PPA with **Avangrid Renewables** for 86 MW from the 286 MW Karankawa wind project in Texas in January (PFR, 1/19). ■

PPA PULSE ●

NTE Signs Reidsville PPA – Standard Solar Gallups Ahead – Hawaii Seals Battery Power – Wind Powers Jack Daniels – AT&T Ties Up with NextEra

NTE SIGNS PPA FOR REIDSVILLE PROJECT

NTE Energy has signed the first of what it expects to be several power purchase agreements for its Reidsville Energy Center gas-fired project in North Carolina, having reached out to banks for project finance proposals late last year.

The contract, a 20-year PPA with the **Town of McCormick**, will cover a portion of the facility’s 500 MW capacity that is expected to grow with the town’s population, says a spokesperson for NTE in Charlotte, N.C.

The developer is due to begin supplying the municipality under the contract in 2019, although the Reidsville project, on which construction began in November, is not slated to start commercial operations until 2021.

Located in Rockingham County, the roughly \$500 million project is expected to be financed with project debt and third-party equity.

NTE reached out to banks for project finance proposals late last year on the basis of early-stage agreements with offtakers that are expected to translate into PPAs, a financier tells *PFR*.

The NTE spokesperson confirmed that the developer was in talks with other potential off-takers, but referred inquiries about financing to officials at the company’s St. Augustine office. A call to **Stephanie Clarkson**, cfo of NTE in St. Augustine, was not returned by press time.

ING and **MUFG** arranged a \$387 million con-

struction-plus-five-year loan for NTE’s 475 MW Kings Mountain project in Cleveland County, N.C., in 2016 (PFR, 3/16/16).

The financing for the Kings Mountain project was supported by nine utility and municipal PPAs, most of which had 20-year tenors. The offtakers included the **City of Kings Mountain**, which had been a customer of **Duke Energy** for more than 100 years. The Kings Mountain financing was shortlisted for *PFR*’s conventional power project finance deal of 2016 (PFR, 2/21).

STANDARD ISSUE SOLAR

The city of Gallup, N.M., has signed a 25-year power purchase agreement with **Standard Solar** for the output of a nearby 9.8 MW solar project. Standard Solar is financing the project in-house and will own and operate it. **Mangan’s** division **Mangan Renewables**, a division of California-based engineering firm **Mangan**, partnered with **Wiser Capital** and its proprietary underwriting platform to develop the project. The facility is expected to be online in the first quarter of this year.

SAY ALOHA TO BATTERY STORAGE

Maui Electric Company has inked a 22-year power purchase agreement with **Molokai Energy Partners** for an integrated 2.7 MW solar array and 3 MW battery stor-

age system. The utility will pay about \$0.17/kWh under the terms of the PPA. The project, which requires regulatory approval, is located on land owned by Molokai Ranch, adjacent to the Maui Electric’s Palaa power plant, and is expected to be in service by the end of 2019.

RAISE A GLASS TO WIND

Wine and spirits maker **Brown-Forman** has signed a 15-year power purchase agreement with **Infinity Renewables** for 30 MW of the output of its 474 MW Solomon Forks wind project. Brown Forman, whose brands include Jack Daniels sour mash whiskey, says the wind farm should cover more than 90% of its electricity needs in the U.S. Last year, retailer **Target** signed a PPA for 100 MW of output from the Solomon Forks project, which is expected to begin construction near Colby in northwestern Kansas this year and be online in 2019.

AT&T PP&AS

AT&T has signed two power purchase agreements with **NextEra Energy Resources** for 520 MW of output from two wind projects: the 220 MW Minco V Wind Farm in Caddo County, Okla., and a 300 MW wind farm in Webb and Duval Counties, Texas. AT&T says these PPAs “constitute one of the largest corporate renewable energy purchases in the U.S.” ■

● MERGERS & ACQUISITIONS

BluEarth Acquires Older Minnesota Wind Duo

Canadian developer **BluEarth Renewables** has made its first U.S. wind investment by acquiring stakes in two projects totaling 39.6 MW that have been online in Meeker County, Minn., since 2011.

CohnReznick Capital Markets advised on the sell-side of the transaction, while **Zions Bancorporation** acted as sole lead arranger on a financing to support the deal. The purchase price and the size of the debt financing were not disclosed.

The seller was also not identified in a statement announcing the deal, but turbine maker **Alstom Power** was listed as the owner in paperwork filed with the U.S. **Federal Energy Regulatory Commission** in August and **JP Morgan** was also involved in the financing of the projects.

Representatives from Zions Bank in Los Angeles, BluEarth in Calgary, Alberta, and CohnReznick in New York did not respond to inquiries by press time.

The portfolio acquired by BluEarth comprises 80% stakes in the 19.8 MW Adams Wind Farm and the 19.8 MW Danielson Wind Farm. The remaining 20% stakes are held by local landowners as part of a “com-

munity wind” structure put in place by the original developer, **Juhl Wind**.

Each project is fitted with 12 Alstom 1.65 MW Ecotecnia 86 turbines. The two facilities were brought online in March 2011

at a cost of around \$42 million. Their output is sold to **Xcel Energy** under 20-year PPAs, with 13 years remaining.

Separately, Juhl sold a 36 MW operational wind portfolio and 500 MW wind development

pipeline, from **Con Edison Development** in January 2017.

BluEarth agreed to buy **Veresen**’s majority stakes in several wind and hydro projects in Canada in May 2017 (PFR, 5/1/17). ■



BluEarth has dusted off two vintage, full-bodied Minnesota wind assets.

AIMCo to Invest in Enel Wind Duo

Alberta Investment Management Corp. is taking 49% stakes in approximately 145 MW of wind assets **Enel Green Power North America** is developing in Canada.

The **Enel** subsidiary will retain a 51% interest in the portfolio, which comprises the 115 MW Riverview facility and a 30.6 MW

addition to its 76.2 MW Castle Rock Ridge project.

The acquisition is expected to close once both facilities are operational in late 2019, with the purchase price to be determined at that time.

Total investment in the assets, which are located in Pincher Creek, Alberta, is approximately

\$170 million, according to a statement issued by Enel.

Both projects will sell their output to the **Alberta Electric System Operator** under 20-year contracts.

In addition to Castle Rock, Enel Green Power owns another operational wind asset in Canada—the 27 MW St. Lawrence

wind farm in Newfoundland and Labrador, which has been online since 2009.

AIMCo teamed up with **AES Corp.** to acquire developer **sPower**, which owns an approximately 1.3 GW portfolio of operational solar and wind assets, from **Fir Tree Partners** last year (PFR, 8/3, PFR, 2/24/17). ■

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● MERGERS & ACQUISITIONS

CapDyn Lines Up Yieldco Acquisition

Capital Dynamics has agreed to acquire the yield company **8point3 Energy Partners** from its sponsors, **First Solar** and **SunPower Corp.**

The private equity firm will pay \$12.35 a share for the listed renewable project roll-up under the terms of a deal announced on Feb. 5, plus a fixed daily rate representing cash to be generated after Dec. 1, net of any dividends paid from Jan. 12.

CapDyn has already lined up a roughly \$1.1 billion debt financing for the acquisition, which values the equity in the yieldco at about \$977 million and its enterprise value at some \$1.658 billion.

MUFG is arranging the financing, while **Amis, Patel & Brewer** is CapDyn's main legal adviser.

The sale price represents a significant discount to the level at which the shares were trading prior to the announcement, even after SunPower agreed to transfer its upper-tier entity class A interests for no consideration to "enhance value to all shareholders".

The valuation implies a more conservative view of interest rate and duration risk and power purchase agreement pricing than was baked into the public share price, wrote **Sven Eenmaa**, a former senior equity analyst at

Stifel Nicolaus, in a tweet.

The sponsors began marketing their stakes in the company in 2017, hiring **Bank of America Merrill Lynch** and **Goldman Sachs** as auctioneers, in part because the yieldco was not able to buy their projects as quickly and efficiently as they had hoped (PFR, 5/3).

The banks contacted more than 130 potential buyers, including strategic and financial entities, and more than 30 non-disclosure agreements were signed.

8point3 cited CapDyn's "proven track record of closing renewable energy acquisitions" as part of the reason its offer was the most compelling in an investor pre-

sentation.

The deal is subject to the approval of 8point3's class A shareholders as well as the U.S. **Federal Energy Regulatory Commission** and the **Committee on Foreign Investment in the United States**. Capital Dynamics is based in Zug, Switzerland. The parties to the deal expect it to close in the second or third quarter of the year.

8point3's 946 MW portfolio comprises ten facilities totaling 869 MW contracted with utility and municipal offtakers, four commercial and industrial projects totaling 39 MW and a 38 MW residential solar bundle, all in the U.S. ■

8point 3 Energy 1-Month Stock Price



Actis Snaps Up SunPower Solar Plant in Chile

London-based emerging markets investor Actis has acquired the 100 MW El Pelicano solar project in Chile from **SunPower**, less than two months after the plant began commercial operations.

The project sells its output to Santiago's underground railway system, **Metro de Santiago**, under a 20-year power purchase agreement, and has been online since November 2017.

SunPower, which financed the project with a commercial and development bank loan in June 2016 (PFR 6/16), will provide operations and maintenance services for the facility under a long-term contract.

In September of last year, SunPower sold the switchyard connected to the solar plant to Chilean transmission company **Transelect**.

"With a supportive regulatory environment and abundant solar resource, Chile is a market we know extremely well through our investments in the **Aela Energía** and **Atlas Renewables** platforms," said **Javier Areitio**, director at Actis, in a statement.

Aela Energía, which is 66% owned by Actis, owns three operational wind farms totaling 332 MW, while Atlas Renewables has 578 MW of contracted projects. ■

PSEG Solar Source Purchases Sixth N.C. Solar Asset

PSEG Solar Source has acquired its sixth solar project in North Carolina from **BayWa r.e.**

Newark, N.J.-based Solar Source's \$10 million acquisition of the a 7 MW (DC) Halifax project closed on Dec. 13, with the facility beginning operation on Dec. 21.

The project, which is situated on

28 acres leased from the Halifax-Northampton Regional Airport in Halifax County, N.C., has a 15-year power purchase agreement with **Virginia Electric and Power Co.**

Early last year, Solar Source acquired two solar projects, also in Halifax County, from BayWa r.e. in a \$74.6 million deal. Those

assets, the 26 MW (DC) Cork Oak and the 21 MW (DC) Sunflower facilities, are contracted with the **Virginia Electric and Power Co.** under 10-year PPAs (PFR, 1/24/17).

Solar Source owns three other solar assets in the Tar Heel State—the 16.8 MW (DC) Turkey Creek project in North Carolina, the 6.5 MW (DC) Hemlock project in Northampton County and the 25.9 MW (DC) Meadows project in Martin County. ■

FAST FACT

20 Years

Duration of the project's PPA with Santiago's underground railway system

MERGERS & ACQUISITIONS ●

Sempra's Oncor Purchase Clears Hurdles

Sempra Energy's proposed \$18.8 billion acquisition of **Energy Future Holdings Corp.** took a step forward early this month as the last of ten intervenors named in Texas' state regulatory approval process signed off on the deal.

Texas Legal Services Center was the final non-party intervenor to agree to a settlement agreement on Feb. 1, a requirement for its approval by the **Public Utility Commission** of Texas.

The parties to the settlement agreement concur "that the acquisition is in the public interest, meets Texas statutory standards, and will bring substantial benefits," according to a statement issued jointly by EFH and Sempra.

The PUC staff, the **Office of Public Utility Counsel**, the **Steering Committee of Cities Served by Oncor** and **Texas Industrial Energy Consumers** entered into the settlement agreement in December.

Energy Freedom Coalition of America, **Golden Spread Electric Cooperative**, **Nucor Steel**, the **Alliance for Retail Markets** and the **Texas Energy Association for Marketers** had all followed suit by the end of January.

Debra Reed, chairman, president and ceo of Sempra, described the signing as an "important milestone" in a statement.

Sempra's planned acquisition of EFH, which owns an approximately 80% stake in Dallas-based **Oncor Electric Delivery Co.**, is the fifth publicly disclosed bid for the transmission line owner since its parent filed for bankruptcy.

The **U.S. Bankruptcy Court for the District of Delaware** offered preliminary approval of the deal a month after it was announced last August (PFR, 8/21). The **U.S. Federal Energy Regulatory Commission** issued an order authorizing the transaction in December. ■

Wind Developer Scraps Sale of Company

A sale process for a U.S. renewables developer with a wind-heavy portfolio has been tabled, *PFR* has learned.

The sale of **Infinity Renewables**, which Canadian bank **CIBC** began marketing last year (PFR, 6/1), was scuttled after the company failed to receive desirable bids, according to deal watchers familiar with the process.

Santa Barbara, Calif.-based **Infinity**, which was founded by ceo **Matt Riley** and coo **Derek Harding** in 2008, has a pipeline totaling over 6.6 GW, comprising mostly wind projects.

However, the nature of the portfolio, which comprises mostly development-stage assets, may have dissuaded potential purchasers, say the deal watchers.

Originally called **InfinityWind**, the company later changed its name to reflect its expansion into solar development.

Infinity has developed, constructed and sold eight operational wind projects in seven U.S. states — Kansas, Minnesota, Nebraska, New Mexico, North Dakota, Oklahoma and Texas.

In addition to its Santa Barbara headquarters, the company has offices in Oakland, Calif., Denver and Marshall, Minn.

Matt Riley at **Infinity Renewables** in Santa Barbara declined to comment.

Spokespeople for **CIBC** in Toronto did not respond to inquiries. ■

FAST FACT

160 MW

Output contracted by T-Mobile from **Infinity's** 474 MW **Solomon Forks Wind** project last month

POWER TWEETS ●

The Home Depot @HomeDepot Feb 1
Tesla Rooftop Solar and Powerwall coming to a #HomeDepot near you: <http://thd.co/2nBeEPZ> #rooftopsolar #tesla #energyindependence

Natural Gas Solution @natgassolution Feb 8
People in New England should have access to reliable and affordable natural gas produced here in the United States <http://bit.ly/2BLHzus> via @Mark_J_Perry

American Wind Energy Verified account @AWEA Feb 2
#Windpower fact of the day: The average wind turbine generates electricity 90% of the time.

Laura Schepis @EnergyFairness Jan 28
Ignoring the opportunities of clean #coal technology will make #Australia less competitive <https://tinyurl.com/y73hocpv> @australian

Dan Cederholm account @simplebits Jan 30
Beautiful, clean coal and gorgeous, nourishing cigarette smoke and pleasant, invigorating asbestos and adorable, energy-giving lead

McKinsey Global Inst @McKinsey_MGI Feb 8
Renewable energy, primarily solar and wind, could jump from 4% of global power generation in 2017 to as much as 36% by 2035

● PEOPLE & FIRMS

Leaner AES Says Farewell to Long-serving G.C.

◀ FROM PAGE 1

tina, Brazil, Chile and Colombia, while **Juan Ignacio Rubiolo** will take charge of Mexico, Central America and the Caribbean.

"The new leaner organizational structure reflects the simplification of the Company's portfolio and cumulative investments in IT, and will result in a lower headcount and overhead costs," reads the statement announcing the reorganization.

Among the departures is the long-serving **Brian Miller**, executive v.p., general counsel and corporate secretary, who will leave the company on Feb. 21, according to an 8-K filing with the U.S. **Securities and Exchange Commission**.

Miller, who has been the company's G.C. since 2005, will stay on through March 31 as a senior adviser as his successor, **Paul Freedman**, settles in.

Freedman has worked in the company's legal team since 2007 in various capacities, most recently as chief of staff to the ceo, **Andrés Gluski**.

The cost cutting measures are part

of the company's plan to obtain investment grade ratings by 2019.

The three main rating agencies have been unanimous in their assessment of the company's creditworthiness since Dec. 12, when **Fitch Ratings** upgraded it to BB with a positive outlook, matching the Ba2 and BB ratings it has from **Moody's Investors Service** and **S&P Global Ratings**.

Fitch attributed the upgrade to "debt reduction, project completion, and cost cutting".

The agency also noted the company's acquisition of a 50% stake in Utah-based renewables developer **sPower** as a positive step. AES teamed up with **Alberta Investment Management Corp.** to buy the company from **Fir Tree Partners** in a \$1.58 billion deal that closed in July (PFR, 8/3).

Since then, AES has found a buyer for a portfolio of merchant gas- and oil-fired projects it had been seeking to offload in **PJM Interconnection**, in the form of **Rockland Capital** (PFR, 1/8). ■

Details Emerge on Departing Goldwind Chief's New Venture

Goldwind has appointed a replacement for **David Halligan**, the turbine manufacturer's former Americas ceo who is launching a new company, **Datawatt Energy**.

David Sale took over as Americas chief executive this week, joining Chicago-based **Goldwind Americas** from **Siemens Gamesa**, where he was head of sales operations.

"We've been working for a while to identify a very capable person to take the torch," says Halligan, whose new company will focus on distributed energy, data solutions and other digital technologies.

The venture is not a Goldwind subsidiary, but will partner with the company to use Goldwind turbines in its projects (PFR, 1/31).

Datawatt plans to be active in markets where there are high retail energy prices in both the U.S. and Latin America.

Goldwind has sought to establish its wind turbine technology in the U.S. by acquiring development-stage projects and financing them itself, purchasing the 160 MW Rattlesnake wind project in McCulloch County, Texas, from **RES Americas** in 2016 and the adjacent 160 MW Rattlesnake II project in 2017 (PFR, 5/17/16, 5/2/17).

Berkshire Hathaway Energy and **Citi** invested tax equity in Rattlesnake I last year, and Goldwind is in talks with prospective tax equity investors for Rattlesnake II, which is expected online in either 2018 or 2019. ■

● ALTERNATING CURRENT

Tesla Solar Panels, Now Available at Home Depot



Tesla's rooftop solar panels and its rechargeable Powerwall battery technology will soon be available at **The Home Depot**.

Palo, Alto, Calif.-based Tesla plans to set up kiosks in over 800 Home Depot stores in the U.S. that will demonstrate Tesla's solar and storage technology to curious consumers.

The home improvement chain also plans to provide free in-home consultations for potential purchasers, dispatching members of its Home

Energy Services team to the abodes of the sustainably-minded. The consultations are intended to give the would-be sun-harnessers information on what type of rooftop system would be appropriate for their home and budget.

Homeowners will be able schedule an installation date with Tesla following the consultation.

Tesla acquired San Mateo, Calif.-based residential solar company **SolarCity** in an over-\$2 billion deal in November 2016. ■

● ONE YEAR AGO



SunPower requested **8point3 Energy Partners'** permission to remove the 100 MW El Pelicano project in Chile from its ROFO list in an attempt to seek other buyers (PFR, 2/6/2017).

[Capital Dynamics is acquiring the yield company from sponsors SunPower and **First Solar**, while **Actis** has closed its purchase of El Pelicano (see stories, page 10).]

● FIVE YEARS AGO

NRG, **Tioga Energy** and **SolarCity** were working with banks to issue the solar industry's first securitization (PFR, 2/11/13).

[SolarCity completed the industry's inaugural securitization in November 2013. The company, now owned by **Tesla**, wrapped its most recent securitization in December (PFR, 12/11).]