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Invernergy Hunts \$200M+

Invernergy has reached out to at least four banks about a financing backing its 200 MW Gratiot County wind farm in Michigan.

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At Press Time

Developers are wary of credit subsidy costs under the U.S. **Department of Energy's** nuclear loan guarantee program

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Geothermal Energy Finance Forum 2011

Check out the hot topics hashed out in New York this week.

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WESTLB BANKERS SWEAT RESTRUCTURING

Some WestLB project financiers have reportedly been sounding out other firms about employment possibilities as uncertainty increases over the lender's restructuring. A number of New York bankers have been taking the pulse at rivals and other entities in the power industry, observers say.

A restructuring could involve the German state-owned bank selling itself, its structured finance unit which contains



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MORRIS ENERGY PUTS NORTHEAST FLEET ON BLOCK

Morris Energy Group is looking to sell its 945 MW portfolio of natural gas-fired plants on the East Coast. Teasers for the 10 facilities—nine combined-cycle and one simple-cycle—that are being sold in a single fleet, went out in the last several days, deal watchers say.

Barclays Capital is running the sale.

The facilities include one plant in New York, one in Pennsylvania, three in Massachusetts and five in New Jersey. The plants, which are each less than 120 MW and smaller than other gas-fired assets on the market, could be attractive to buyers looking to expand or establish a natural gas fleet in the Northeast, bankers say. **Tenaska Capital Management** and **LS Power** are both selling peaker assets larger than 250 MW in PJM and NE-ISO, respectively (PFR, 2/10 & 1/7). The identity of companies that received teasers could not be learned.

(continued on page 12)

Geothermal Finance Forum

ICELANDIC JV PREPS ADVISORY SHOP

Hannon Armstrong Capital of Annapolis, Md., and Glacier Geothermal and Seafood Corp., a New York-based subsidiary of Icelandic bank **Islandsbanki**, have launched **GeoBanc**, a joint venture to advise geothermal sponsors on development and financing.

Islandsbanki is interested in lending to GeoBanc's clients, said **Arni Magnusson**, executive director of the bank's geothermal energy team in Reykjavik, Iceland. Hannon and Glacier's investment in the JV will depend on the size of GeoBanc's pipeline. Magnusson notes 2.3 GW of new geothermal in the U.S. is slated to be developed by 2015, with billions of dollars in investment needed to complete those plants.

Hannon's expertise is in construction, equity and permanent financing. The five-person GeoBanc will be initially run out of Hannon and Glacier's offices in Annapolis, Md., and

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



At Press Time

Invenergy Targets \$200M+ Wind Financing

Invenergy is talking to bankers at **Dexia Crédit Local**, **Natixis**, **Rabobank** and **UniCredit** about a more than \$200 million financing backing its roughly \$400 million, 200 MW Gratiot County wind farm near Breckenridge, Mich. At least five to six banks are expected to participate in the deal, a banker says. Invenergy is expected to announce a bank group in the next few days.

Financiers are uncertain of the targeted financial close on Gratiot, citing Invenergy's quest to sell a \$200 million stake in the company to help finance its construction pipeline (PFR, 1/28). The financing of Invenergy's \$326 million, 138 MW Le Plateau farm, for instance, has slowed to the point that some bankers eyeing the deal say they don't know when it will close. **Natixis** and **Royal Bank of Canada** are leading the Le Plateau financing (PFR, 11/10).

Detroit Edison will be the offtaker for the Gratiot farm, under a 20-year power purchase agreement. An Invenergy spokeswoman says the company has not made any financing decisions on the farm.

Credit Subsidy Costs Dog Nuclear Projects

Developers and utilities applying for the U.S. **Department of Energy's** \$18.5 billion loan guarantee program for nuclear projects are looking to push back on credit subsidy costs.

The credit subsidy, which acts as a down payment on a loan, has come out above 10% of a project's costs. Developers say that is a prohibitive fee.

Constellation Energy pulled out of the program after facing roughly \$880 million in credit subsidy costs on a \$7.6 billion loan guarantee for its proposed Calvert Cliffs nuclear project in Calvert County, Md.

The DOE and the U.S. **Office of Budget and Management** calculate the credit subsidy by looking at two factors: the likelihood of the sponsors defaulting on the loan and how much of the loan would be paid back in the event of default. In many cases, the first factor is a function of a sponsor's credit rating, while the second factor is uniform- the DOE and OMB expect sponsors to pay back 55% of the loan in the event of default, no matter whether the sponsor is a state-regulated utility or an independent power producer.

"The assumptions are unrealistic and the fee is high," said **Marvin Fertel**, president and ceo of the **Nuclear Energy Institute** at a briefing it held in New York on Feb. 10. Sponsors are more likely to pay back 80-90% of a loan, he says, noting that those figures would bring credit subsidy costs for utilities down to 1% of a project's costs and 4% of a project's costs for IPPs.

Lowering the credit subsidy would like be done in a case-by-case basis, Fertel noted. **Southern Nuclear**, a **Southern Co.** subsidiary, expects to secure a loan guarantee for its 2.2 GW Vogtle plant near Augusta, Ga., this year. When *PFR* asked whether Southern would pull out of the program if the credit subsidy costs were too high, **James Miller**, president and ceo of Southern Nuclear, said that it would do what was right for its customers, declining to elaborate.

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Project Finance

Dexia Pitches For NRG Calif. Deal

Dexia Crédit Local has submitted a proposal to lead a financing backing **NRG Energy's** \$600 million, 550 MW El Segundo combined-cycle plant. The Princeton, N.J.-based independent power producer is eyeing financial close for the project in Carlsbad, Calif., this quarter (PFR, 1/12).

Southern California Edison has a 10-year power purchase agreement for El Segundo, which is slated to be in operation next quarter. Dexia returned to financing thermal deals in early 2010, after a hiatus the previous year (PFR, 2/3).

The size of the financing and deal details, including pricing and tenor, couldn't be learned. The identity of other banks eyeing the financing also couldn't be learned. An NRG spokesman in Houston didn't return a call by press time and a Dexia official declined to comment.

Manulife Snags PR Solar Mandate

Manulife Financial has landed a mandate to lead a financing backing **Western Wind Energy's** roughly \$120 million, 30 MW solar project in Yabucoa, Puerto Rico. The Vancouver, British Columbia-based developer is targeting financial close by year-end.

Deal details, including pricing and tenor, as well as the size of the financing couldn't be learned. **Jeffrey Ciachurski**, Western Wind ceo in Vancouver, and a Manulife official in Toronto declined to comment.

Western Wind is seeking a power purchase agreement with the **Puerto Rico Electric Power Authority** for the Yabucoa project. The status of negotiations and the construction timeline couldn't be learned. A PREPA representative didn't immediately reply to an email.

Manulife led a \$249 million financing backing Western Wind's 120 MW Windstar farm in Tehachapi, Calif. (PFR, 1/7). That deal closed in December.

CPV Dishes Out Gas-Fired Mandate

Competitive Power Ventures has mandated **Bank of Tokyo-Mitsubishi UFJ** to lead a more than \$400 million financing backing its 800 MW Sentinel gas-fired project in Riverside County, Calif. CPV likely will tap another bank or two to help BoTM lead the deal.

Financial close is expected in the third quarter. CPV is expected to seek a tenor of at least 10 years, a deal watcher says. **Southern California Edison** will be the offtaker for Sentinel, under a 10-year power purchase agreement. CPV expects Sentinel to be operational in 2013.

Société Générale was among the banks hoping to lead

NextEra Wraps N.D. Wind Financing

NextEra Energy Resources has wrapped a private placement backing its 102.4 MW Baldwin wind project in Burleigh County, N.D. **Barclays Capital** was the sole placement agent on the deal. The deal wrapped Feb. 8.

The farm went online in November of last year and has an offtake contract with **Basin Electric Cooperative**. The Juno Beach, Fla.-based developer, which typically finances its projects on balance sheet and then levers them up once they become operational, had been planning to apply for a U.S. **Department of Energy** loan guarantee to back the project.

A NextEra spokesman and a DOE spokeswoman in Washington, D.C., did not return calls and a Barclays spokesman declined to comment. Details such as pricing, tenor, the status of a loan guarantee application, and the identity of investors in the private placement could not be learned.

the deal (PFR, 2/4/11) and it remains a candidate to aid BoTM with underwriting the financing, the deal watcher says. A CPV spokesman in Silver Spring, Md., and a SocGen official declined to comment. A BoTM official didn't return a call.

Whether SocGen is still aiming to lead or participate in the deal could not be learned. The identity of other banks eyeing the financing and deal details, including the size, pricing and tenor, couldn't be learned.

SocGen Eyes Starwood Financing

Société Générale is considering participating in a financing backing at least \$400 million of solar photovoltaic plants developed by **Starwood Energy** in Ontario. Starwood anticipates mandating banks to lead the financing supporting 100 MW within two months, a deal watcher says. Financial close is targeted in the third quarter.

Other lenders eyeing the deal include **Mizuho Corporate Bank**, **NordLB**, **Sumitomo Banking Corp.** and **WestLB** (PFR, 1/28). Starwood is developing 200 MW of PV across Ontario and is aiming to wrap financings by year-end.

Deal details, including the size, pricing and tenor, couldn't be learned. The location of the plants and whether Starwood has inked offtake agreements for them also couldn't be learned. **Brad Nordholm**, Starwood ceo in Greenwich, Conn., and a SocGen official declined to comment. A Toronto-based official for the **Ontario Power Authority**, which typically grants PPAs in the province, didn't return a call by press time.

Officials at Mizuho, NordLB and WestLB didn't return calls and an SMBC official declined to comment.

Mergers & Acquisitions

LS Re-Fires Arlington Sale, Adds Another Plant

LS Power has put its Arlington Valley combined-cycle plant in Arizona back up for sale, this time packaged with its other natural-gas fired plant in the state. An informational memorandum went out last week about the two plants, totaling 1.15 GW, according to one potential bidder.



The 579 MW Griffith in Kingman and 572 MW Arlington Valley in Arlington are being marketed to a select group of buyers, comprised mostly of infrastructure funds that might be interested in their long-term offtake contracts, says an observer. **Credit Suisse** is running the sale. Details on offtake agreements could not be learned.

This time last year the sale of Arlington Valley was piquing the interest of lenders looking to front acquisition funds for a buyer, but the sale was halted after bids came in below expectations. **ArcLight Capital Partners**, **Energy Capital Partners** and **Energy Investors Funds** were said to have bid on the plant in addition to **EQT Infrastructure Funds** and **Southwest Generation** (PFR,

3/19). LS opted to refinance instead (PFR, 5/7).

An EIF spokesman declined to comment while spokespeople and officials at other potential bidders did not return calls. Whether they are considering making bids for Arlington could not be learned.

LS is also nearing the final bidding phase of an auction for its 460 MW Bridgeport CCGT in Bridgeport, Conn. (PFR, 1/7). **JPMorgan** is running that sale. An official at **Credit Suisse** declined to comment through a spokesman while an LS Power official in New York did not return a call.

Madrid Shop Eyes Long-Term N.A. Solar Acquisitions

Longsol, a privately funded Madrid-based financial player, is in the market to buy about \$50-\$70 million of solar photovoltaic projects in North America this year, with the aim of amassing a 240 MW portfolio in the next four years. Projects around 20 MW that are about to head into construction in Arizona, California and Nevada are most attractive but it is also considering Ontario, says **Nikhil Shah**, v.p. in Houston.

Unlike other financial players that frequently look to sell after a few years, Longsol plans to own and operate the projects for at least



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20 years. The shop wants contracted projects that have a return in the neighborhood of 10-13%, Shah says, noting that the investors in the shop like the conservative, stable cash flows. Longsol, backed by some of Spain's industrial families, has a \$500 million balance sheet and owns nine projects totaling 40 MW in Spain. He declined to identify investors.

Upon acquisition of projects, Longsol will contribute equity and look to finance construction with nonrecourse debt from relationship banks, including **Barclays Capital** and **WestLB**, Shah says. The shop has developed relationships with banks in New York over the last two years in anticipation of its financing needs, he says, adding that one entity has tax equity appetite. He declined to identify other banks.

Longsol is in talks with a developer to acquire a project and is just waiting for the project to come to the construction stage, says Shah, noting a purchase could come to fruition as early as this quarter, but possibly slip into the second or third quarters. He declined to give details such as project size, seller or location.

The shop has kindled relationships with individual developers, EPCs and panel manufacturers in order to find potential acquisitions. The sponsor would bring a project to the construction-ready stage and then get in touch with Longsol, Shah says. "We're keeping the irons hot in the fire. They know they have a buyer," he says. Either the developer or an EPC would construct it.

The shop is also open to partnering with developers as long as it has majority ownership, Shah adds.

Brookfield Snags B.C. Wind Stakes

Brookfield Renewable Power has acquired majority stakes in a pair of wind assets in British Columbia from **Aeolis Wind Power**. Brookfield will lead the development of the 320 MW Thunder Mountain project in the Peace Region and Redwillow, another phase of Thunder Mountain.

Transaction details such as closing date, purchase price, the size of the stakes or whether either party used an advisor could not be learned.

Toronto-based Brookfield will look to secure an offtake agreement for Thunder Mountain, which is farther along in development than Redwillow. The final project could generate up to up to 1.4 GW, according to Aeolis' Web site.

Sidney, B.C.-based Aeolis had been looking for C\$2 billion (\$1.89 billion) of financing for a portfolio, including Thunder Mountain and the 370 MW Hackney (PFR, 12/11/09). The status of that financing effort could not be learned.

Ralf Rank, chief investment officer of Brookfield Renewable Power, and **Juergen Puetter**, president and ceo of Aeolis, did not immediately respond to messages. A Brookfield spokesman in Toronto didn't return a call.

Tenaska Fund To Market Peaker Trio

Tenaska Capital Management is hanging a for sale sign on three of its peakers in Illinois, Virginia and West Virginia. The investment fund affiliated with **Tenaska** is looking to sell the 250 MW Wolf Hills, the 300 MW University Park and the 300 MW Big Sandy facilities, bankers say. **Barclays Capital** is running the sale. Auction details, such as a timeline and desired pricing, could not be immediately learned.

The plants are all simple-cycle facilities with University Park in University Park, Ill., Wolf Hills in Bristol, Va., and Big Sandy in Kenova, W.Va. Tenaska acquired them in a portfolio it bought from **Constellation Energy** in 2006 for \$1.64 billion (PFR, 11/22/06).

A Tenaska spokeswoman in Omaha, Neb., declined to comment as did a Barclays spokesman.

Brick Nears Final Bids, Frontrunners Emerge

The auction of **Brick Power's** two natural gas-fired plants in New England is nearing the final round of bids, after a delay because of an operational issue at one of the facilities. The auction, run by **Deutsche Bank**, launched over the summer and hit the technical problem in the fall.

Contrary to some chatter about the auction being formally pulled, the auction is proceeding, observers say. **NRG Energy**, **Energy Capital Partners** and **Capital Power** are seen as the front-running candidates, bankers and industry officials say (PFR, 11/15). **Direct Energy** and **Constellation Energy** were involved at an earlier point although whether they are currently in the process couldn't be determined. One shop that was invited to submit a second round bid opted out, says a deal watcher, noting that the economics of what the seller was asking weren't attractive.

Brick Power, which is the holding company for 265 MW Tiverton in Rhode Island and 265 MW Rumford in Maine, is owned by a consortium including **Plainfield Asset Management**, **Sandell Asset Management** and **D.E. Shaw**.

The sale of the 548 MW **Milford Power** CCGT in Connecticut to ECP for roughly \$650 per kW (PFR, 1/7) buoyed the sellers' hopes on what they could make, two M&A bankers say. One banker points to the increase in purchase price of Milford compared to the \$360 per kW ECP paid for **BG Group's** trio of assets (PFR, 3/23).

The deadline for binding bids could not be learned. A spokesman at Deutsche Bank did not respond to an inquiry nor did an ECP spokesman. Spokespeople at NRG, Capital Power, Constellation and Direct either declined to comment or did not return calls. Officials at the sellers either declined to comment or could not be immediately reached.

Geothermal Energy Finance Forum 2011

Government subsidies, tax equity investment and the address by the president of Iceland created the buzz at the Geothermal Energy Association's Geothermal Energy Finance Forum 2011. Bankers, investors, developers and regulators gathered at the Ritz Carlton Battery Park in New York for the event on Feb. 9. Senior Reporter Brian Eckhouse filed the following stories:

Raymond James Preps Financing

Raymond James is readying a \$184 million bond issue backing a geothermal plant in North America, said **Jimmy Leung**, a Toronto-based managing director.

The firm is the sole advisor and placement agent and is targeting a second quarter close. Whether the issuance is a private placement or in the public market couldn't be learned. Leung declined in an interview to identify the sponsor and location of the plant as well as deal terms.

Raymond James led two **Magma Energy Corp.** stock offerings (PFR, 7/2/09) and co-led **Ram Power Corp.**'s \$100 million initial public offering (PFR, 7/24/09). **Cormack Securities** co-led the Ram IPO.

Leung is bullish on the sector, noting Raymond James' predictions for three geothermal stocks—Magma's, Ram's and U.S. Geothermal's—are being outperformed. He cited significant growth opportunities, higher potential returns than investments in other types of generation and a consolidation trend that will allow larger developers to realize stronger revenue streams.

Congress Unlikely To Extend Grant Beyond 2011



Keith Martin

Congress is unlikely to extend the U.S. Department of Treasury cash grant beyond its scheduled expiration of Dec. 31, attorneys and lobbyists said Feb. 9.

"Trade associations will ask one more time," said **Keith Martin**, partner at **Chadbourne & Parke** in Washington, D.C., referring to the successful campaign

by renewables lobbyists in December to extend the grant into 2011 (PFR, 12/17). "But blowback from Republicans is bad. They all voted against the [2009] stimulus bill."

The Treasury has processed 28 applications for geothermal projects, doling out roughly \$267 million in grants, said **Vicky McDowell**, a compliance program manager for the department in D.C.

A proposed legislative initiative to curb greenhouse gases—known as cap and trade—is also a nonstarter in a House of

Representatives dominated by Republicans, said **Jonathan Weisgall**, **MidAmerican Energy Holdings'** v.p. of legislative and regulatory affairs in D.C. He noted the party's quest to curb spending and reduce the national debt as a driver behind its stance.

Weisgall also predicted that House Republicans, nervous that the U.S. **Environmental Protection Agency** could enact regulations curbing carbon dioxide, would propose a bill cutting funding to the agency or delaying potential rules. House Republicans on Wednesday proposed slashing billions from the federal budget—including a reported \$1.6 billion cut to the EPA.

Reporter's Notebook

- Only one person quizzed Icelandic President **Olafur Grimsson** after delivering the keynote address at conference: his wife.
- An attendee told a panel and audience that he had invested in four geothermal companies but had only made money in Nevada Geothermal Power. **Brian Fairbank**, a panelist and the company's president and ceo, threw up his arm in triumph.



Olafur Grimsson

- Show me the money! **Jimmy Leung**, a Raymond James managing director, acknowledged attendees' preference for short introductions when it was his turn to speak. "After years of talking about Raymond James, I've learned all people want is for me to write a check."
- Caterers twice were instructed to return an afternoon snack to the kitchen—after already unloading it from a cart. A possible explanation: the conference was running nearly an hour late by mid-afternoon. The highlight of the delayed afternoon break was an exotic, cold mango and pineapple fruit soup.
- **Keith Martin**, a partner at **Chadbourne & Parke**, raved about the efficiency of the U.S. Department of Treasury—specifically **Vicky McDowell**, an agency compliance program manager and fellow panelist, who sometimes responds to email inquiries within three minutes. "Tell me another federal program where you get that kind of response—and written," Martin said.

Geothermal Energy Finance Forum 2011

Republicans Target Loan Guarantee Cuts

Republicans in the House of Representatives are proposing to slash \$1.4 billion from the U.S. **Department of Energy's** loan guarantee program as part of a plan to cut billions from this year's federal budget. The plan, which House Republican leaders revealed Wednesday, also would cut funding to other renewables programs by roughly \$900 million.

A slicing of the DOE's loan guarantee program likely would force developers to cover the expense of credit subsidies backing the guarantees, said **Keith Martin, Chadbourne & Parke** partner in Washington, D.C. The DOE has covered the credit subsidy, which is essentially a down payment on a loan that can cost up to 10% of a given project's costs (PFR, 8/9).

The chances of the House Republicans cutting the DOE program's funding are slim, Martin added. Democrats hold the majority in the U.S. Senate and helped launch the Sect. 1705 program for commercially viable projects under the 2009 American Recovery and Reinvestment Act. "Everything is decided in the Senate," Martin noted.

Two geothermal projects have qualified for the DOE loan guarantees. **Nevada Geothermal** snagged a \$78.8 million guarantee backing its 49.5 Blue Mountain plant in Humboldt County, Nev., in September (PFR, 9/8). The DOE awarded a conditional \$102.2 million guarantee to U.S. **Geothermal** for its 22.2 MW Neal Hot Springs project in Malheur County, Ore. The status of other geothermal applications in the DOE's pipeline couldn't be learned. A DOE spokeswoman in Washington, D.C., couldn't be reached by press time.

Ormat Lands JPM Tax Equity

JPMorgan has taken a \$24.9 million tax equity stake in a subsidiary of Reno, Nev.-based **Ormat Technologies**. The transaction closed this month.

JPM acquired 30% of Ormat subsidiary **Ormat Nevada's** Class B membership interests in **OPC**. Limited liability company OPC holds stakes in four geothermal plants: Desert Peak II in Churchill County, Nev., and Steamboat Hills, Galena 2 and Galena 3, which are all in Washoe County, Nev.

"JPMorgan picked us," said **Dita Bronicki**, Ormat ceo, on the sidelines of the conference. "They wanted to get more into geothermal." **NV Energy** is the offtaker for the projects. A **Morgan Stanley** affiliate also has an equity stake in OPC.

A JPM spokesman didn't address an inquiry and a Morgan Stanley spokesman declined to comment.

Drilling Risks Loom Large For Financing

Geothermal financing is available, but investors remain wary of drilling risks, said multiple financiers, advisors and developers. Returns at the project level aren't high enough to compensate for perceived development risks, explained **Craig Wellen**, partner at **Greentech Capital Advisors** in New York.

Drilling typically takes three years to complete and can cost thousands of dollars daily, financiers say. "The geology is quite specific... you can find areas of warm heat, but can you get that hot liquid out?" asks **John Anderson**, senior managing director of project finance at **John Hancock Financial Services**, in an interview. "With geothermal, you take power development then a [drilling] process akin to oil and gas."

John Hancock, one of the biggest lenders to geothermal projects in the U.S., prefers to participate in late-stage projects with no drilling risk, said **Recep Kendircioglu**, senior managing director in Boston. The insurance company has invested in 10 geothermal projects since 1998. **Ormat Technologies**, in December, mandated John Hancock to arrange senior secured construction and term loan facilities for three plants it is building in California and Nevada (PFR, 12/8).

Another frustration to landing geothermal financing is getting offtakers and lenders to recognize geothermals' more consistent capacity, compared to other renewables. "If you can develop geothermal, you will get a power purchase agreement in states with renewable portfolio standards," **John McKinsey, Stoel Rives** partner in Sacramento, Calif., explained. "But you're not going to get what you really want—which is more money—even though you're going to deliver close to what you promise. Solar might deliver 30%, but it'd get the money."

Geothermal developers should advocate the resource's baseload potential to financiers and offtakers, McKinsey advised, pointing to the intermittency of solar and wind.

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Generation Sales Database

Generation Sale DATABASE

Following is a listing of ongoing generation asset sales from PFR's Generation Sales Database. The entries below are of new sales and auctions or of sales and auctions that have changed in their parameters or status. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report new sales and auctions or changes in the status of a sale or auction, please call Senior Reporter **Holly Fletcher** at 212.224.3293 or e-mail hffletcher@iineews.com. The full database is available at <http://www.iipower.com/GenerationSalePage.aspx>

Seller	Assets	Location	Advisor	Status/Comments
Aeolis Wind Power	Thunder Mountain (320 MW wind project)	Peace Region, B.C.	TBA	Brookfield Renewable Power has bought a majority stake and will take over development (see story, page 6).
Axio Power	Stakes (development PV projects)	Various		Axio is selling stakes for \$10 million in projects for development money (PFR, 1/21).
Brick Power	Tiverton (265 MW Natural Gas) Rumford (265 MW Natural Gas)	Tiverton, R.I. Rumford, Me.	Deutsche Bank	Bidders were invited to submit binding offers in December (see story, page 6).
Capital Power Income Fund	Various (1.4 GW in U.S. and Canada)	Various	CIBC, Greenhill & Co.	Management presentations for potential second round bidders are underway (PFR, 1/17).
Complete Energy	Batesville (837 MW natural gas-fired)	Batesville, Miss.		Creditors, including JPMorgan, Monarch Alternative Capital and Stark Investments, are in a foreclosure process (PFR, 12/6).
Constellation Energy	Quail (548 MW CCGT)		No advisor	A Texas municipal is buying the plant for \$215 million (PFR, 1/10).
Energy Investors Funds, Black Hills	Glenns Ferry (10 MW natural gas-fired) Rupert (10 MW natural gas-fired)	Glenns Ferry, Idaho Rupert, Idaho	TBA TBA	Crestwood Energy is buying the pair (PFR, 1/31).
Entergy	Vermont Yankee (650 MW Nuclear)	Vernon, Vt.	Morgan Stanley	Existing nuclear operators are expected to be interested in the facility (PFR, 11/15).
First Wind	Various (wind)	Maine, New York	Credit Suisse Macquarie Capital	Looking to sell wind farms to raise capital in addition to securing equity (PFR, 12/20).
First Solar	Sombra (20 MW solar photovoltaic) Moore (20 MW solar photovoltaic) Agua Caliente (290 MW photovoltaic)	Ontario Ontario Yuma County, Ariz.	TBA TBA TBA	NextEra Energy Resources is buying the projects as it looks to fill out its development pipeline (PFR, 12/13). NRG Solar is buying it and will make up to an \$800 million equity investment (PFR, 12/20).
Invenergy	St. Clair (570 MW, CCGT) Raleigh (78 MW wind project) Le Plateau (138 MW wind) White Oak (150 MW, wind) Big Otter (24 MW, wind)	Ontario Ontario Ontario McLean County, Ill. Belt, Mont.		The deadline for the final bids for the natural gas plant has been pushed back (PFR, 12/6). Marubeni has taken a 49% stake in Raleigh (PFR, 1/17). NextEra Energy Resources is buying the project that is currently under construction (PFR, 1/10). NorthWestern Energy has an MOU to buy the project (PFR, 1/17).
JPMorgan	Triton (550 MW NatGas)	Jackson, Mich.	JPMorgan	JPMorgan is flipping a facility that unit Arroyo Energy Investors just bought from Kinder Morgan (PFR, 10/4).
KGen Power	Murray I (630 MW CCGT) Murray II (620 MW CCGT)	Murray County, Ga. Murray County, Ga.	Credit Suisse	Oglethorpe Power is buying the two facilities for \$531 million (PFR, 2/7).
Liberty Electric Power	Liberty (568 MW Nat gas)	Eddystone, Pa.		Owners are selling it as its hedges are about to mature (PFR, 2/7).
LS Power	Bridgeport (460 MW, CCGT) Arlington Valley (572 MW CCGT) Griffith (579 MW CCGT)	Bridgeport, Conn. Arlington, Ariz. Kingman, Ariz.	JPMorgan Credit Suisse Credit Suisse	Management presentations are currently underway (PFR, 1/10). Teasers have been sent to a select group of infrastructure funds (see story, page 5).
Morris Energy Group	York (52 MW CCGT) Pedricktown (132 MW CCGT) Camden (152 MW CCGT) Bayonne (180 MW CCGT) Elmwood (80 MW CCGT) Newark Bay (140 MW CCGT) Massena (85 MW CCGT) Dartmouth (70 MW CCGT) Dartmouth II (25 MW simple cycle) Lowell (29 MW CCGT)	York, Penn. Pedricktown, N.J. Camden, N.J. Bayonne, N.J. Elmwood Park, N.J. Newark, N.J. Massena, N.Y. Dartmouth, Mass. Dartmouth, Mass. Lowell, Mass.	Barclays Capital	Teasers for the 945 MW portfolio went out earlier this quarter (see story, page 1).
National Power	Big Valley Power (7.5 MW Biomass)	Bieber, Calif.	Bodington & Co.	Lender NexBank is in talks about a potential foreclosure.
Noble Environmental Power	Granite Reliable (99 MW wind)	Coos County, N.H.	No advisor	Brookfield is working with WestLB and Citigroup on acquisition and construction financing (PFR, 1/31).
Raser Technologies	Thermo 1 (14 MW Geothermal, development assets)	Thermo, Utah	Bodington & Co.	Raser has entered into an early agreement with Evergreen Clean Energy (PFR, 11/8).
Royal Dutch Shell	Shell Wind Energy (stakes in 1.1 GW)	U.S. and Europe	Morgan Stanley	Terms sheets are being negotiated with two investors (PFR, 2/7).
Stark Investments	Wolf's Hollow (730 MW Gas)	Hood County, Texas	JPMorgan	Second round bids coming due (PFR, 11/1).
Tenaska Capital Management	Wolf Hills (250 MW simple cycle) Big Sandy (300 MW simple cycle)	Briston, Va. Kenova, W.Va.	Barclays Capital	The auction for the peakers is in the initial round (see story, page 6).

Project Finance Deal Book

*Deal Book is a matrix of energy project finance deals that PFR is tracking in the energy sector. The entries below are of new deals or deals where there has been change in their parameters or status. To report updates or provide additional information on the status of financings, please call Senior Reporter **Brian Eckhouse** at (212) 224-3624 or e-mail beckhouse@iinews.com.*

Live Deals: North America

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
ArcLight Capital Partners	Various (Gas and Transmission)	U.S., Spain	Barclays, Credit Suisse	Term Loan	\$275M	7-yr	Leads finalize deal, backing a 1,412 MW operational portfolio (PFR, 1/10).
Brookfield Asset Management, Isolux Corsan	CREZ Transmission	Texas	TBA	TBA	\$240M	TBA	Citi eyes financing (PFR, 1/24).
Brookfield Renewable Power, Coram Energy	Unknown (102 MW Wind)	Tehachapi, Calif.	TBA	TBA	TBA	TBA	Sponsors target first-quarter close (PFR, 2/7).
Cannon Power	Windy (100 MW Wind)	Klickitat County, Wash	TBA	TBA	\$180M	TBA	Financial close expected this quarter (PFR, 1/10).
	Aubanel (1 GW Wind)	Baja California, Mexico	TBA	TBA	TBA	TBA	Talking to lenders in Q2, weighing financing mix (PFR, 1/10)
Calpine	Russell City (600 MW Combined-Cycle)	Hayward, Calif.	TBA	TBA	TBA	TBA	Crédit Agricole stalks mandate (PFR, 2/7).
	Los Esteros (300 MW Retrofit)	San Jose, Calif.	TBA	TBA	TBA	TBA	Looking for lenders (PFR, 1/10)
Competitive Power Ventures, GE EFS	Sentinel (850 MW Gas)	Riverside County, Calif.	BoTM	TBA	TBA	TBA	BoTM wins mandate (see story, page 4).
EDF EN Canada	Lac-Alfred (300 MW Wind)	La Matapédia et la Mitis, Quebec	TBA	TBA	TBA	TBA	KfW IPEX-Bank, NordLB, SocGen and SMBC close to winning mandate (PFR, 2/7).
	St. Isidore B (12 MW Solar PV)	Nation, Ontario	TBA	TBA	TBA	TBA	Dexia mulls participation (PFR, 1/24).
Edison Mission Energy	Various (362 MW Wind)	Neb., N.M., Texas	WestLB	TBA	\$265M	10-yr	Dexia, Scotia and Siemens among banks taking tickets (PFR, 2/7).
First Wind	Sheffield (40 MW Wind)	Caledonia County, Vt.	Key Bank	Construction	\$76M	TBA	Deal wraps (PFR, 1/24).
NextEra Energy Resources	Genesis Solar Energy Project (250 MW)	Blythe, Calif.	TBA	TBA	\$1B+	TBA	NextEra hunts DOE loan guarantee (PFR, 2/7).
Noble Environmental Power	Granite Renewable (99 MW Wind)	Coos County, N.H.	TBA	TBA	TBA	TBA	WestLB, Citi land land mandate of acquisition financing (PFR, 12/31).
NRG Energy	El Segundo (550 MW Gas)	Carlsbad, Calif.	TBA	TBA	TBA	TBA	Dexia targets mandate (see story, page 4).
Pattern Energy	Various (Wind)	Nevada, Ontario, Puerto Rico	TBA	TBA	TBA	TBA	Pattern hunts over \$1 billion in debt for projects (PFR, 1/24).
Radback Energy	Oakley (624 MW Gas)	Contra Costa County, Calif.	TBA	TBA	TBA	TBA	BoTM targets mandate (PFR, 1/31).
Recurrent Energy	Various (170+ MW Solar)	Ontario	TBA	TBA	TBA	TBA	CIBC considered to lead bonds portion of deal (PFR, 2/7).
Starwood Energy	Unidentified (100 MW Solar)	Ontario	TBA	TBA	TBA	TBA	SocGen eyes financing (see story, page 4).
Western Wind Energy	Unidentified (30 MW Solar)	Yabucoa, Puerto Rico	Manulife	TBA	\$249M	TBA	Manulife snags mandate (see story, page 4).

For a complete listing of the Project Finance Deal Book, please go to iipower.com

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REPRINTS MEAN BUSINESS!

News In Brief

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

Americas

- **Duke Energy Corp.** and **JEA** have inked a deal that would give JEA, the eighth-largest community-owned utility in the U.S., the option to buy 20% of electricity generated at the planned 2.2 GW Lee Nuclear Station in South Carolina. JEA would spend \$2 billion to buy 400 MW from the plant, which is expected to be operational in 10 years (*Jacksonville Business Journal*, 2/10).
- **Southern California Edison** will offtake 250 MW from **First Solar's** Silver State South solar project near Primm, Nev. The plant is expected to generate electricity in 2014 and be fully operational in 2017 (*San Gabriel Valley Tribune*, 2/10).
- The U.S. **Department of Agriculture** has awarded a \$204 million loan guarantee backing **Basin Electric Power Cooperative's** \$340 million PrairieWinds farm in southeast South Dakota. The electricity is slated to flow into the **Western Area Power Administration** grid (*Valley News Live*, 2/10).
- **Icahn Enterprises** has again extended the deadline for his \$665 million offer for Dynegy, this time to Feb. 14, to allow the U.S. **Federal Energy Regulatory Commission** time to approve the bid. **Seneca Capital**, the second-largest Dynegy shareholder, opposes the bid (*Bloomberg*, 2/10).
- Maryland Gov. **Martin O'Malley** is proposing an offshore wind bill that would require state utilities to ink offtake agreements of at least 20 years with companies developing wind farms off the coast of Ocean City. The Maryland **Energy Administration** is targeting 2016 for the first farms to be operational (*Yahoo! Finance*, 2/10).
- The renewable portfolio standards in Colorado, Minnesota, Missouri and Montana are under attack by Republican legislators who are trying to repeal parts of the legislation. In Montana, one proposal would decrease the current standard of 15% of renewable power by 2015 (*Reuters*, 2/9).
- **Idaho Public Utilities Commission** has implemented a temporary change to the maximum size of renewable projects that can receive incentivized power prices from utilities—a move aimed at preventing large, well-capitalized developers including **General Electric Co.** and **Shell WindEnergy** from breaking up projects into 10 MW phases (*The Idaho Statesman*, 2/9).
- **TransAlta** has decided to shut its 560 MW Sundance 1 and 2 coal-fired units in Alberta after finding that the costs to repair them were uneconomical. The plants have been offline since December (*Calgary Herald*, 2/9).

WESTLB BANKERS

(continued from page 1)

project finance or the unit's loan portfolio. The value of the North American energy loan portfolio alone is in the neighborhood of EUR8 billion (\$10.9 billion).

WestLB was required to find new owners as a condition for taking EUR3 billion (\$4.1 billion) in aid from the German government in 2008. A restructuring proposal that lays out the process for solidifying a deal with new owners by year-end is due to the European Commission on Feb. 15.

The lender is working with **Friedrich Merz**, a partner at **Mayer Brown** in Berlin, on the restructuring, and **Morgan Stanley** is also involved in the process. But Morgan Stanley is not directly working with Merz or WestLB, says an observer, declining to elaborate. The nature of Morgan Stanley's role in the restructuring could not be immediately determined. Non-binding bids for the bank or its assets are due to Merz on Feb. 11, ahead of the commission's deadline, according to a WestLB

spokeswoman.

WestLB has had troubles finding a full-on buyer and is looking to divest portions of its assets. The bank has been one of the key players in power project finance for the last six years under **Tom Murray**, managing director and global head of energy, and **Manish Taneja**, managing director and global head of loan syndications, says a financier, noting "they distribute more paper than anyone else." Murray was tapped to lead the team eight years ago (*PFR*, 11/15/02). Calls to Murray and Taneja were not returned.

If the bank finds a buyer for the structured finance unit as a whole, it's likely the organization of the unit would change, says one banker, noting new owners would likely want to prune. As for the loan portfolio, **The Blackstone Group**, **J.C. Flowers & Co.** and **Apollo Investment Corp.** have been reported as potential acquirers by *The Wall Street Journal*.

The WestLB team under Murray is about 70 globally and 30 in New York. Competitors say it is still a force to be

reckoned with and is pursuing new mandates. “Despite the fact that every competitor is trashing them, they’re still winning mandates,” says a banker. WestLB is vying to lead the syndicated loan portion of **Recurrent Energy’s** \$700 million photovoltaic financing in Ontario and is leading, with **Citigroup**, a financing for **Brookfield Renewable Power’s** acquisition of a wind project in New Hampshire (PFR, 1/31 & 1/27).

A spokeswoman at Morgan Stanley did not respond to inquiries. A Blackstone spokesman declined to comment and spokesmen at Apollo, Recurrent and Brookfield didn’t immediately return calls. Neither an official at J.C. Flowers nor Merz in Germany could be reached.

—*Holly Fletcher & Sara Rosner*

ICELANDIC JV PREPS

(continued from page 1)

New York, respectively.

One of GeoBanc’s first projects will be the roughly \$400 million, 49.5 MW Hudson Ranch II, a geothermal plant in Salton Sea, Calif., sponsored by Hannon and **Catalyst Renewables** of Dallas. The challenges to develop the \$400 million, 49 MW Hudson Ranch I—verifying the potency of the resource through drilling and financing the project—are endemic to geothermal, prompting Hannon and Glacier to form GeoBanc. The appeal of a one-stop development and financing advisory shop would have appealed to Hannon for Hudson Ranch I, said **Brian Harenza**, Hannon senior v.p. in San Francisco.

“We thought, ‘Why not put our stuff together?’ They understand what it takes to verify a resource,” Harenza continued. “We know what it’s like to finance it.” GeoBanc has yet to line up clients. Some developers expressed interest to Magnusson immediately after he announced the partnership at the conference, he said, declining to identify the companies.

Hannon and Catalyst are planning to finance Hudson Ranch II by early 2012. The sponsors haven’t decided what type of financing they will seek for the project’s second phase, but would welcome Hudson Ranch I leads **ING**, **Société Générale**, **Union Bank** and **WestLB** if they’re interested. A potential option would be to refinance the first phase when it becomes operational in 2012 and use some of those proceeds toward Hudson Ranch II. Bank officials and spokespeople declined to comment or didn’t return calls. The \$300 million Hudson Ranch I financing wrapped in May (PFR, 5/21).

The sponsors are negotiating a power purchase agreement for the second phase, said **Eric Spomer**, Catalyst president in Dallas, who declined to identify the potential offtaker. Phoenix-based

utility **Salt River Rock** is the offtaker for Hudson Ranch I. A spokesperson for Salt River Rock didn’t address an inquiry by press time. *For more conference coverage, see page 7.* —*Brian Eckhouse*

MORRIS ENERGY

(continued from page 1)

Eatontown, N.J.-based MEG had difficulty raising about \$100 million in investments at the corporate level that would have been used to pay down debt and possibly fund a growth strategy, bankers say (PFR, 3/22).

MEG was offering up a stake in at least one of its facilities in return for cash, but no transaction occurred, says a banker. No advisor was used and whether MEG is looking to pay down debt with the latest sale could not be learned.

The results of the search for investment at the corporate level could not be learned. A Barclays spokesman declined to comment and a call to **David Brauer**, managing principal of Morris, was not returned. **Kent Worrall**, corporate controller of Morris Energy, declined to comment on the sale of the portfolio or the amount of debt, noting that as a privately held company it doesn’t release that information. —*H.F.*

MORRIS ENERGY ASSETS FOR SALE

FACILITY	SIZE	LOCATION
York	52 MW CCGT	York, Penn.
Pedricktown	132 MW CCGT	Pedricktown, N.J.
Camden	152 MWCCGT	Camden, N.J.
Bayonne	180 MW CCGT	Bayonne, N.J.
Elmwood	80 MWCCGT	Elmwood Park, N.J.
Newark Bay	140 MW CCGT	Newark, N.J.
Massena	85 MW CCGT	Massena, N.Y.
Dartmouth	70 MW CCGT	Dartmouth, Mass.
Dartmouth II	25 MW simple-cycle	Dartmouth, Mass.
Lowell	28 MWCCGT	Lowell, Mass

Source: **Morris Energy Web site.**

Quote Of The Week

“We thought, ‘Why not put our stuff together?’ They understand what it takes to verify a resource. We know what it’s like to finance it.” —**Brian Harenza**, senior v.p. of **Hannon Armstrong** in San Francisco, on **GeoBanc**, the company’s joint venture with **Islandsbanki** subsidiary **Glacier** that will serve as a one-stop advisory shop for geothermal project development and finance (see story, page 1).

One Year Ago In Power Finance & Risk

Eastern Power had retained **Morgan Stanley** to arrange C\$400 million (\$379 million) financing for its 280 MW Greenfield South combined-cycle project in Ontario. [**Greenfield South Power**, an affiliate of Eastern Power, shelved a \$335 million B loan that was being led by **Credit Suisse** and Morgan Stanley after investors failed to bite at the 500 basis point over LIBOR pricing due to construction concerns (PFR, 8/13).]