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## Chief Exits Ram Power

**Hezy Ram**, ceo and founder of Ram Power, has left the geothermal developer.

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## At Press Time

Dallas-based **NexBank** has started talks with **National Power** about a possible foreclosure on its biomass plant in California.

*See story, page 2*

## 2010 Generation Sale Data & Quarterly Report

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## LS PE SHOP TARGETS THIRD FUND



LS Power Equity Advisors has kicked off the fundraising process for its third fund. The affiliate of independent power producer LS Power is looking to match its LS Power Equity Partners II fund from 2007 that reached \$3.085 billion, bankers in New York say.

The latest fund is expected to target a mix of generation and transmission, reflecting the interests of LS' development side, observers say. The PE shop has looked at solar generation in addition to natural gas-fired assets for LS Power Equity Partners II, says a banker, noting that the expectations are similar for the third fund. The PE shop

*(continued on page 11)*

## USRG SCOPES SECURITIZATIONS

U.S. Renewables Group is looking at securitizing a portion of roughly \$950 million in loans that it aims to make under the U.S. Department of Energy's loan guarantee program. A deal could hit the capital markets before the end of next quarter, an industry observer notes.

The lender, in this case USRG, that holds the government-backed debt on its balance sheets would bundle the loans together and issue securities backed by the payment streams of the loan. Since the loans are government-backed, the securities would likely be considered relatively low risk.

Such a scenario would appeal to investors that traditionally buy securitized paper but may be wary of a new asset class, says an attorney familiar with securitization. To date, however, NextEra Energy's launch in 2005 of its FPL Energy series of subordinate bond offerings have been the asset-backed security sector's only domestic renewable-related offerings (PFR,

*(continued on page 12)*

## Generation Sale Report

## 2010 M&A SHOWS REBOUND, STRONG NATGAS INTEREST

Sellers put 69 natural gas-fired plants on the block over the last 12 months compared to just 22 in 2009, and the overall number of generation assets put on the market jumped to 178 from 132, according to data from PFR's Generation Sale Database.

The activity signals a strong rebound, bankers say, with buyers ranging from companies looking to expand geographically to utilities on the hunt for economical baseload power.

Factors including a recovery in the credit markets and the broader economy led buyers to snatch up 44 gas fired plants in 2010, against the 20 plants sold in 2009. "For me it wasn't a big surprise to see the increase. In a number of cases they can purchase assets that

*(continued on page 7)*

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## At Press Time Chief Leaves Ram Power

Hezy Ram, ceo and founder of Ram Power, has stepped down from his position at the geothermal developer. Ram cited irreconcilable differences with the board over the vision and direction of the shop as the reasons behind his resignation. He left earlier this month and has been replaced temporarily by **Walter Higgins**, board member at the company and former chairman and ceo of **Sierra Pacific Resources**.

"I deeply regret this development as I believe that the company is now well poised to address the challenges it had been facing recently and has a great portfolio of projects," Ram writes in an e-mail. Additional details regarding the resignation could not be learned.

Ram Power stock fell 23% on the **Toronto Stock Exchange** to CAD1.20 (\$1.21) on the news of Ram's departure. The decline is in addition to a previous drop in the stock's price that occurred when the company revealed earlier this month that its San Jacinto-Tizate project near Leon, Nicaragua was three months delayed and \$50 million over budget, according to *Reuters*. The company closed a \$160 million financing for the second 26 MW expansion to the 10 MW project (PFR, 12/3). The first 36 MW expansion was slated for operation this year.

The company, which was founded by Ram in 2008 after he left **Ormat Technologies** where he was v.p. of business development (PFR, 9/28/2007), is looking for permanent replacement for Ram outside of the company.

## Lender To Nat'l Power Biomass Plant Talks Foreclosure

**National Power** is in early talks with lender **NexBank** about a possible foreclosure on its 7.5 MW Big Valley biomass facility in Bieber, Calif. Dallas-based NexBank initiated the talks to either work out a deal where the proceeds from a sale repay the debt or the bank will start the foreclosure process, says a deal watcher.

National Power, which has the managing control of the facility with 30% ownership, has retained **Bodington & Co.** to run an auction (PFR, 1/27). It's too early in the parallel auction process and foreclosure talks to speculate on the outcome, says the deal watcher. Other owners include Australian entities **Ashburton Finance** and **Dylide** along with two individuals associated with **Power Holdings I** and **Bio Energy**. Those companies are not actively involved in the process, says another deal watcher.

The amount of debt on the plant, which was shut down last summer due to financial constraints, could not be learned. National Power renegotiated a 10-year power purchase agreement with **Pacific Gas & Electric Co.** in 2009 although the facility stopped operating in June due to financial constraints stemming from operating costs.

Big Valley sits on 120 acres and has the potential to house a solar photovoltaic installation of about 10 MW. NexBank is a commercial bank and its power project lending history could not be learned.

A NexBank official declined to comment, referring all inquiries to attorney **Tim Spear**, partner with **Gardere Wynne Sewell** in Houston, who declined to comment. A Bodington official declined to comment on the talks with NexBank. A call to **Tim Flato**, owner of National Power in Oakland, Calif., was not returned.

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## Project Finance

### Wind Capital Group Circles Wind Debt

**Wind Capital Group** is talking to banks to finance a U.S. wind project. **NordLB** is among banks participating in the deal and **Dexia Crédit Local** is considering making a commitment, a deal watcher says.

Wind Capital inked an offtake agreement with **Westar Energy** in December for its 201 MW Post Rock project in Ellsworth and Lincoln counties in Kansas. Whether the latest financing backs Post Rock couldn't be learned. **Thomas Carnahan**, Wind Capital president in St. Louis, Mo., didn't return a call and officials at Dexia and NordLB declined to comment.

**Banco Santander**, **BayernLB**, **NordLB**, **Rabobank** and **Union Bank** financed a \$240 million deal backing Wind Capital's \$300 million, 150 MW Lost Creek wind farm in Missouri (PFR, 10/26/09). Whether BayernLB, Rabobank, Santander and Union Bank are participating in the latest financing and deal details including size, pricing and tenor, couldn't be immediately learned. Bank officials and spokespeople either declined to comment or didn't return calls.

Wind Capital had planned to reach out to lenders to finance wind farms in the U.S. last fall (PFR, 7/1).

### Sharyland Targets Close For Transmission Funds

**Sharyland Utilities** is targeting a May 1 close for a financing backing its 300-mile greenfield transmission line in West Texas, a deal watcher says.

The **Hunt Consolidated** affiliate is talking to **Société Générale**, **Citigroup** and other banks about the financing, which could take the form of a private placement, deal watchers say. At least 20 institutional investors are also looking at the potential deal (PFR, 1/21).

**SocGen** has run transmission deals in the capital markets before: it booked 15 life insurance companies for pieces of \$550 million in 22-year notes backing **Neptune Regional Electric Transmission's** 660 MW undersea transmission line from New Jersey to Long Island in 2005 (PFR, 7/15/05). SocGen is co-leading, with **Royal Bank of Scotland**, a \$500-700 million private placement backing sister company **Hudson Transmission Partners'** 660 MW line between Ridgefield, N.J., and midtown Manhattan (PFR, 10/25).

Competitive Renewable Energy Zones projects in West Texas, which include Sharyland, appeal to institutional investors because they're long-term, stable investments and development costs are recovered through the rate base. The size of the

financing, as well as deal details, including pricing and tenor, couldn't be learned. A Sharyland spokeswoman in Dallas wasn't immediately available for an interview. Bank officials either declined to comment or didn't return calls.

**Electric Infrastructure Alliance of America**, a real estate investment trust funded by **Hunt Power**, **John Hancock Financial Services**, **Marubeni Corp.**, **OPTrust Private Markets Group** and **TIAA-CREF**, is organizing the Sharyland financing (PFR, 12/3).

### BES Sells Three Loans

**Banco Espirito Santo** has sold at least three loans from its EUR2.6 billion (\$3.51 billion) portfolio of project finance and infrastructure debt. The loans back North American projects built by **Cardinal Gas Storage Partners** and **Abengoa** as well as an ethanol plant, a deal watcher says. Neither the size of the exposure nor the identity of the buyers could be learned.

BES took a ticket in a \$125 million construction loan backing **Cardinal's** Perryville gas storage facility in Franklin County, La. (PFR, 5/21). BES participated in a club that lent \$460 million to Abengoa for the developer's 300 MW combined-cycle plant in Tabasco, Mexico (PFR, 6/25) and it also helped finance an ethanol project affiliated with **Louis Dreyfus Commodities**. Details on that plant and the bank's role in the financing couldn't be learned.

A BES official didn't return a call seeking comment. Bank officials and representatives of Abengoa in Washington, D.C., and Louis Dreyfus in Wilton, Conn., didn't return calls. **Dan Hannon**, Cardinal Gas Storage Partners' cfo in Houston, declined comment.

Banco Espirito Santo is looking to sell assets comprising EUR420 million (\$566.64 million) of deals in the Americas, EUR940 million (\$1.27 billion) of European loans and EUR1.3 billion (\$1.75 billion) in Middle East financings (PFR, 1/28). BES sought bids by Feb. 8.

### LS Unit, NV Energy Snag Federal Loan

The U.S. **Federal Financing Bank** has wrapped a \$343 million loan backing the \$510 million One Nevada transmission line developed by an **LS Power** affiliate and **NV Energy**. The sponsors qualified for the loan under the U.S. **Department of Energy's** loan guarantee program. ON Line is the first transmission project to qualify for a DOE loan guarantee.

Most FFB loans for renewables projects have been priced at 37.5 basis points over LIBOR (PFR, 1/5). The pricing on the ON Line financing couldn't be learned. **Mark Milburn**, LS



Power assistant v.p. in St. Louis, Mo., and an NV Energy spokesman in Las Vegas, Nev., declined to comment. **Gary Burner**, FFB cfo in Washington, D.C., and a DOE spokeswoman in D.C., didn't return calls.

The loan backs LS Power unit **Great Basin Transmission's** 75% ownership stake in ON Line. NV Energy owns the remaining stake and is funding its part through internally generated funds, a 2010 bond issuance by subsidiary **Nevada**

**Power** and capital contributions (PFR, 9/21). NV Energy is buying Great Basin's share of capacity on the line. Details on Great Basin's equity investment in the line could not be learned.

ON Line will transmit 600 MW across a 500 kV line and connect future geothermal projects in northern Nevada and solar projects in the southern part of the state to the grid. The line will span 236 miles, from a substation near Las Vegas to just west of Ely, Nev. ON Line is expected to complete by early 2013.

## Mergers & Acquisitions

### EIF Inks Landfill Gas Acquisition

**Energy Investors Funds** has sealed its acquisition of **Innovative Energy Systems**, a landfill-gas-to-energy company that owns 11 facilities totaling 72 MW in the Northeast. The transaction closed Feb. 16; neither party used an advisor. The purchase price could not be learned.

**Landfill Energy Services**, an EIF subsidiary, will lead a management team that is a combination of Innovative and LES executives. Innovative will look to grow through acquisitions and greenfield development, says an EIF spokesman.

The portfolio includes 10 facilities in New York and an 8 MW facility in Newport, Vt. **Peter Zeliff**, president and ceo at Innovative in Oakfield, N.Y., will maintain a less than 10% minority interest in the facilities (PFR, 11/16).

EIF now generates about 200 MW from 45 landfill sites across the country. Zeliff is unavailable for comment until later this week.

### Hedge Fund Targets Larger NatGas Stake, Eyes Sale

**Värde Partners** is seeking the right to double its stake in a 661 MW natural gas-fired facility in Londonderry, N.H., ahead of possibly re-launching a sale of the asset.

**Granite Ridge Energy** is a holding company for the merchant, combined-cycle plant. The Minneapolis-based fund has filed an application with the U.S. **Federal Energy Regulatory Commission** to increase its stake in Granite Ridge over the next three years and expects approval by early April. Värde owns 9.99% of Granite Ridge.

The shift in ownership is likely the prelude to a re-launch of a sale, says a banker in New York, pointing to a similar increase of **Bank of America's** equity stake in **Milford Power** before that natural gas-fired asset went on the market (PFR, 6/8). Granite Ridge's owners, a group of hedge funds led by **CarVal Investors** were in a holding pattern in the second round of an auction of the plant while bidders tried to line up financing

(PFR, 11/26/08). The sale, run by **Merrill Lynch**, was not successful, according to M&A observers in New York.

In 2008, CarVal owned roughly 50% while **Durham Asset Management**, **Gracie Capital**, **King Street Capital**, **KSHC Energy V** and **TPG Credit Opportunities Fund** held the remaining stakes (PFR, 5/23/08). Current equity interests could not be learned.

An official at Värde declined to comment citing company policy and **James Carlton**, president and coo of Granite Ridge, could not be reached by phone and didn't reply to an email inquiry. A CarVal spokeswoman in Minnetonka, Minn., could not immediately confirm the shop's current ownership. Calls to officials at the other hedge funds were not immediately returned. A FERC spokesperson in Washington, D.C., didn't immediately return a call.

### Solus Looks To Up MACH Gen Stake

**Solus Alternative Asset Management** is in the process of increasing its equity stake in MACH Gen. The transaction will allow the hedge fund to own up to 20% of the facilities for three years, according to documents filed with the U.S. **Federal Energy Regulatory Commission**. The stake is not a controlling position.

MACH Gen is a company that owns the 930 MW New Athens combined-cycle plant in Athens, N.Y., the 326 MW Millennium CCGT in Charlton, Mass., and the 1,053 New Harquahala CCGT in Tonopah, Ariz. It is owned by a consortium of hedge funds including Solus, **Strategic Value Partners**, **Värde Partners** and **Willow Bend Capital Management** (PFR, 10/29/09). The size of ownership stakes and whether there are other owners could not be learned.

A call to **Garry Hubbard**, ceo of MACH Gen, and an official at Willow Bend Capital Management, was not returned by press time. A Solus official in New York declined to comment on the transaction as did a Värde Partners official in Minneapolis. A call to an official at Strategic Value Partners was not returned.

## Innergex Scoops Canadian Hydro Co.

Innergex Renewable Energy has agreed to acquire Cloudworks Energy, a Vancouver, B.C.-based hydro developer, for \$185 million. The transaction, which includes an earn-out based on the performance of some development projects, is expected to be complete next quarter.

National Bank Financial and BMO Capital Markets advised Innergex. Whether Cloudworks used an advisor could not be learned. The amount of the potential payout could not be learned.

Cloudworks owns 76 MW of projects in British Columbia that have 40-year power purchase agreements with BC Hydro. Those projects include the 17.5 MW Northwest Stave River project near Mission, the 36.9 MW Big Silver-Shovel Creek and the 21 MW Tretheway Creek projects are near the Harrison Hot Springs. All three are expected to be online in 2013. Innergex is expected to look to the project finance market later this year to fund construction, says a deal watcher. The identity of the

projects included in the earn-out could not be learned.

In addition to the contracted projects, Cloudworks also has an 800 MW early stage development pipeline. It owns just over half of a 150 MW portfolio of operational installations near Harrison Lake, B.C., along with investors CC&L Infrastructure and Fengate Capital Management.

Innergex, a run-of-river hydro and wind developer based in Longueuil, Quebec, has been on the hunt for acquisitions for a while, says an observer. "It's not been easy for Innergex to acquire because of the entrance of the Enbridges and private equity shops," says the observer. Innergex already owns 326 MW of hydro and wind. Calls to a spokeswoman for Innergex and Graham Horn, executive v.p. of Cloudworks, were not returned. Officials at the banks did not immediately reply to inquiries.

## Axio Tiptoes Toward Sale

Axio Power has entered into exclusive talks with a potential buyer in the last two weeks with plans to make an announcement in the next month. The buyer—the second lined up since July—is tipped to be a strategic investor, in the form of either a solar panel manufacturer, equipment supplier or another energy company, observers say. Marathon Capital is advising Axio.

The recent process has garnered strong interest because of its 90 MW portfolio of contracted assets in Ontario and the



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company's continued discussions with potential offtakers for power purchase agreements for other projects, bankers say. An acquisition is expected to be of the company as a whole, including the development team, rather than splitting the portfolio into pieces, one banker notes. In addition to the party in exclusive talks, there is another potential acquirer in case the talks fall through, one observer notes.

The developer has declined to start discussions with other potential partners on ventures beyond the scope of the sale process because it was gearing up for exclusive talks, says one banker. The identities of potential buyers could not be learned. Calls to an official at Marathon in San Francisco and **Tim Derrick**, ceo of Axio in San Juan Capistrano, Calif., were not returned.

Since it launched the process with Marathon about a year ago, Axio has seen one short-listed bidder walk away this time last year over its lack of PPAs. The process was revived a few months later when Axio entered into exclusivity with one buyer but that, too, unraveled (PFR, 3/10 & 8/6).

Axio recently secured a 20-year power purchase agreement with **Hawaiian Electric Co.** for its 5 MW photovoltaic Campbell Industrial Park on Oahu.

Axio has been trying to raise cash to fund its pipeline and offered up stakes in early stage development projects in exchange for \$10 million (PFR, 1/20).

## Capital Power Scores Brick Acquisition

**Capital Power** has agreed to buy **Brick Power's** two natural gas-fired plants in the Northeast for \$315 million. The Edmonton, Alberta-based generation shop will initially finance the acquisition on balance sheet. Long-term financing plans have not been set yet, says an official on a conference call Feb. 15 morning. The transaction for the 265 MW Tiverton and 265 MW Rumford is expected to close in April following regulatory approval.

The acquisition marks Capital Power's initial acquisition of merchant generation in the Northeast, which is one of its preferred regions in the U.S. (PFR, 6/2). The two plants in Tiverton, R.I., and Rumford, Maine, were priced as a pair and didn't carry an individual purchase price, says a Capital Power spokesman. The purchase price for the two plants comes to about \$595 per kW.

Brick Power's consortium of owners, including **Plainfield Asset Management**, **Sandell Asset Management**, **D.E. Shaw** and **Caithness Energy**, had acquired the plant during the **Calpine** bankruptcy process and had not intended to be long-term holders. **Deutsche Bank** advised the sellers. The exact breakdown of ownership could not be learned.

A spokesman at Deutsche Bank declined further comment and officials at sellers either did not immediately return calls or declined to comment.

## 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

- The U.S. **Department of Energy** would be forced to suspend all applications for its loan guarantee program if House Republicans cut \$1.4 billion earmarked for the program, contends **Dianne Feinstein**, a California senator. Feinstein estimates that 31 projects would be scuttled if House Republicans are successful (*The San Francisco Chronicle*, 2/17).
- Renewables developers are saying that the Ontario government's decision to halt offshore wind development is damaging the province's reputation as an emerging force in renewables. The government decided last week to suspend offshore project development until an environmental review of its impact is completed (*The Globe and Mail*, 2/17).
- **Portland General Electric** and the **Bonneville Power Administration** will coordinate new substations and

transmission systems and potentially collaborate on development. PGE is planning Cascade Crossing, a transmission line in Oregon (*Yahoo! Finance*, 2/17).

- **Gamesa** has opened the U.S.' first offshore turbine factory, in Norfolk, Va. The Gamesa factory is designing prototypes for two 5 MW G11X turbines (*Reuters*, 2/17).
- **First Wind** has received final approval for a 20-year power purchase agreement with **Maui Electric Co.** for a 21 MW expansion to its 30 MW Kaheawa wind farm (*Pacific Business News*, 2/16).
- **GE Energy Financial Services** has agreed to take a C\$40 million (\$40.4 million), 70% stake in **Finavera Wind Energy's** 77 MW Wildmare project in British Columbia. Finavera will keep the remaining stake and the pair will look for about C\$160 million (\$162.2 million) in financing (*Reuters*, 2/16).

## 2010 GENERATION SALE DATA &amp; QUARTERLY REPORT

## 2010 M&amp;A

*(continued from page 1)*

will appreciate in value as the economy continues to improve,” says **Michael Shenberg**, partner at law firm **White & Case** in New York. He adds that impending regulations on coal-fired generation are also steering buyers toward cleaner generation.

Solar has also made a splashy debut with 18 solar assets carrying a for-sale sign in 2010; eight were bought compared to just one in 2009. Panel manufacturers saw an opportunity to flip the projects they acquired as landing pads for product as federal subsidies made it easier for companies to line up construction financing, says a banker. Buyers included **NRG Energy** and **K Road Sun** (PFR, 12/16 & 1/14).

Transactions over the last year saw several portfolios in play as parent companies looked to divest non-core assets. **Deere & Co.** passed its wind unit **John Deere Renewables** to **Exelon** while **Calpine** picked up a \$1.63 billion natural gas-fired **Conectiv Energy** fleet from **Pepco Holdings** in the northeast (PFR, 8/31 & 7/2).

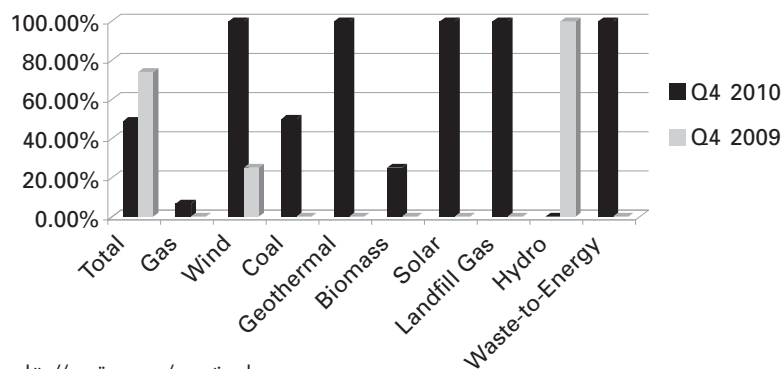
Activity in renewable M&A, particularly in states with renewable portfolio standards, was strong. Companies traded six biomass plants (mostly in California) up from zero in 2009. Geothermal assets made a strong showing with three on the market and two bought—up from zero in 2009. “Government subsidies opened the door for financing so these are attractive right now,” says an M&A banker in New York.

## There's More...

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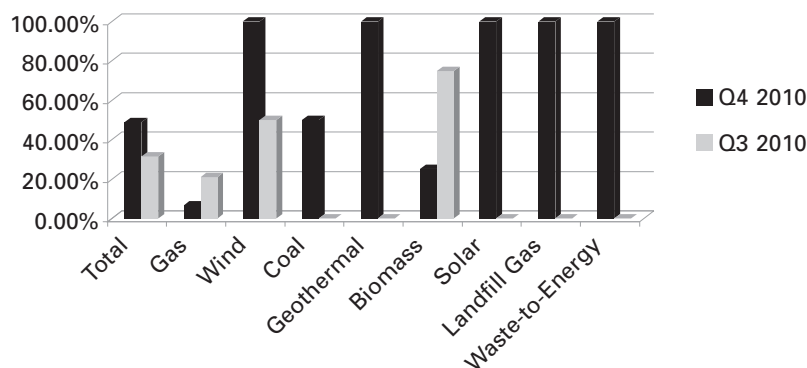
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Success Rate (Assets Put Up For Sale and Sold),  
Q4 2010 vs. Q4 2009



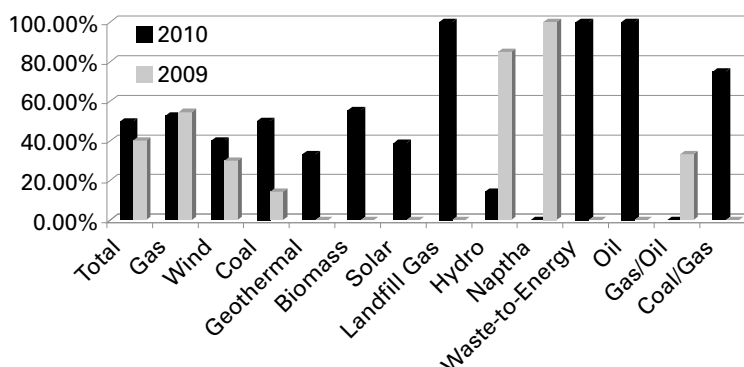
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Success Rate (Assets Put Up For Sale and Sold),  
Q4 2010 vs. Q3 2010



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Success Rate (Assets Put Up For Sale and Sold),  
2010 vs. 2009



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## 2010 GENERATION SALE DATA &amp; QUARTERLY REPORT



## DEAL SNAPSHOT

*Deal Snapshot is new quarterly feature in which we'll zero in on significant, interesting deals. For submissions or more information, please contact **Holly Fletcher** at 212.224.3293 or hfletcher@iineews.com.*

**Seller:** Tenaska

**Assets:**

**Tenaska** was looking to divest a portion of its stakes in five natural gas-fired facilities. Tenaska remains an owner and operator of the facilities.

- sold 35% of 70%, 885 MW Alabama II CCGT in Billingsley, Ala., contracted until 2023
- sold 35% of 70%, 885 MW Virginia CCGT in Scottsville, Va., contracted until 2024
- sold 35% of 70%, 1.222 GW Kiowa CCGT in Kiowa, Okla., contracted until 2021
- sold 22% of 32%, 845 MW Gateway CCGT in Mt. Enterprise, Texas, contracted until 2024
- sold 35% of 70%, 944 MW Georgia peaker in Franklin, Ga., contracted until 2030

**Buyer:**

**Tyr Energy** and **Chubu Electric Power Co.** in a 50:50 joint venture.

**Purchase price:**

\$450-500 million.

**Advisors:**

**Citigroup** and **Morgan Stanley** advised Tenaska; no buy-side advisor.

**Duration of the transaction:**

Launch- July; announced- Oct. 19; Close- Dec. 3.

**Why the assets were attractive:**

Tenaska's operational track record, contracted cash flows and the diversity of locations made the package attractive to Tyr and Chubu. The fact that Tenaska would remain an owner gave the "buyers comfort that they still like the assets," a deal watcher notes.

**At the negotiating table:**

Tenaska was on a mission to divest the stakes by the new tax season in case the lower tax rates on cash flows expired (although the rates



Georgia

Source: Tenaska



Gateway

Source: Tenaska



Gateway

Source: Tenaska

stayed in place). Getting a deal from launch to signing on a fixed deadline gave the transaction a sense of urgency that was ultimately met by the parties' professionalism in negotiations, says an observer.

"I have found they are tough but fair," says a banker in New York of Tenaska. Tyr and Tenaska have similar corporate cultures that have an emphasis on asset quality and a conscientious strategy, which aided in a smooth transaction, according to deal watchers.



## 2010 GENERATION SALE DATA &amp; QUARTERLY REPORT

## Generation Auctions &amp; Sales Q4 2010 vs. Q4 2009

Generation Sale DATABASE

	Assets Put Up For Sale In Quarter 4 2010	Assets Put Up For Sale & Sold In Quarter 4 2010	Success Rate for Quarter 4 2010	Assets Sold In Quarter 4 2010 <i>(regardless of when launched)</i>	Assets Put Up For Sale In Quarter 4 2009	Assets Put Up For Sale & Sold In Quarter 4 2009	Success Rate for Quarter 4 2009	Assets Sold Within Quarter 4 2009 <i>(regardless of when launched)</i>
<b>Total</b>	45	22	48.89%	41	31	23	74.19%	50
<b>Gas</b>	15	1	6.67%	14	1	0	0.00%	10
<b>Wind</b>	1	1	100.00%	2	4	1	25.00%	6
<b>Nuclear</b>	1	0	N/A	0	0	0	N/A	3
<b>Coal</b>	2	1	50.00%	1	2	0	0.00%	1
<b>Geothermal</b>	1	1	100.00%	1	0	0	N/A	1
<b>Biomass</b>	4	1	25.00%	3	1	0	0.00%	0
<b>Solar</b>	6	6	100.00%	6	1	0	0.00%	0
<b>Landfill Gas</b>	10	10	100.00%	12	0	0	N/A	0
<b>Hydro</b>	3	0	0.00%	1	22	22	100.00%	28
<b>Waste-to-Energy</b>	1	1	100.00%	1	0	0	N/A	0

## Generation Auctions &amp; Sales Q3 2010 vs. Q4 2010

	Assets Put Up For Sale In Quarter 4 2010	Assets Put Up For Sale & Sold In Quarter 4 2010	Success Rate for Quarter 4 2010	Assets Sold In Quarter 4 2010 <i>(regardless of when launched)</i>	Assets Put Up For Sale In Quarter 3 2010	Assets Put Up For Sale & Sold In Quarter 3 2010	Success Rate for Quarter 3 2010	Assets Sold Within Quarter 3 2010 <i>(regardless of when launched)</i>
<b>Total</b>	45	22	48.89%	41	38	12	31.58%	38
<b>Gas</b>	15	1	6.67%	14	19	4	21.05%	21
<b>Wind</b>	1	1	100.00%	2	10	5	50.00%	6
<b>Nuclear</b>	1	0	N/A	0	0	0	N/A	0
<b>Coal</b>	2	1	50.00%	1	0	0	N/A	1
<b>Geothermal</b>	1	1	100.00%	1	1	0	0.00%	1
<b>Biomass</b>	4	1	25.00%	3	4	3	75.00%	3
<b>Solar</b>	6	6	100.00%	6	0	0	0.00%	2
<b>Landfill Gas</b>	10	10	100.00%	12	2	0	0.00%	0
<b>Hydro</b>	3	0	0.00%	1	0	0	N/A	0
<b>Waste-to-Energy</b>	1	1	100.00%	1	0	0	N/A	0
<b>Oil</b>	0	0	N/A	0	0	0	N/A	2
<b>Coal/Gas</b>	0	0	N/A	0	1	0	0.00%	2

## Generation Auctions &amp; Sales 2010 vs. 2009

	Assets Put Up For Sale In 2010	Assets Put Up For Sale & Sold In 2010	Success Rate For 2010	Assets Sold In 2010 <i>(regardless of when launched)</i>	Assets Put Up For Sale In 2009	Assets Put Up For Sale & Sold In 2009	Success Rate for 2009	Assets Sold In 2009 <i>(regardless of when launched)</i>
<b>Total</b>	178	89	49.72%	108	130	52	40.00%	72
<b>Gas</b>	70	37	52.86%	44	22	12	54.55%	20
<b>Wind</b>	45	18	40.00%	23	30	9	30.00%	11
<b>Nuclear</b>	1	0	N/A	0	1	0	0.00%	3
<b>Coal</b>	4	2	50.00%	3	7	1	14.29%	3
<b>Geothermal</b>	3	1	33.33%	2	0	0	N/A	1
<b>Biomass</b>	9	5	55.56%	6	7	0	0.00%	2
<b>Solar</b>	17	7	38.89%	8	1	0	0.00%	0
<b>Landfill Gas</b>	12	12	100.00%	12	16	0	0.00%	1
<b>Hydro</b>	7	1	14.29%	3	33	28	84.85%	28
<b>Naptha</b>	0	0	N/A	0	1	1	100.00%	1
<b>Waste-to-Energy</b>	1	1	100.00%	1	7	0	0.00%	0
<b>Petcoke</b>	1	0	0.00%	0	0	0	N/A	0
<b>Oil</b>	2	2	100.00%	3	1	0	0.00%	1
<b>Gas/Oil</b>	1	0	0.00%	0	3	1	33.33%	1
<b>Coal/Gas</b>	4	3	75.00%	3	1	0	0.00%	0

Source: <http://www.iipower.com/GenerationSalesPage.aspx>

# 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](mailto: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)	Peace Region, B.C.	TBA	Brookfield Renewable Power has bought a majority stake and will take over development (PFR, 2/14).
Axio Power	Stakes (development PV)	Various		Has entered exclusive talks with a buyer (see story, page 5).
Brick Power	Tiverton (265 MW Natural Gas) Rumford (265 MW Natural Gas)	Tiverton, R.I. Rumford, Me.	Deutsche Bank	Capital Power has agreed to buy the plants for \$315 million (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)	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) Rupert (10 MW Natural Gas)	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 secure equity (PFR, 12/20).
Innovative Energy Systems	Various (72 MW Landfill Gas-to-Energy)	New York, Vermont		Energy Investors Funds has finalized its acquisition (see story, page 4).
Invenergy	St. Clair (570 MW, CCGT) Le Plateau (138 MW Wind) Big Otter (24 MW, Wind)	Ontario Ontario Belt, Mont.		The deadline for the final bids for the natural gas plant is being pushed back (PFR, 12/6). NorthWestern Energy has an MOU to buy the project (PFR, 1/17).
JPMorgan	Triton (550 MW Natural Gas)	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 Natural 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 (PFR, 2/14).
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 (PFR, 2/14).
National Power	Big Valley Power (7.5 MW Biomass)	Bieber, Calif.	Bodington & Co.	Lender NexBank is in talks about a potential foreclosure (see story, page 2).
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)	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 (PFR, 2/14).

## 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](mailto: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 (300 Miles 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).
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 (PFR, 2/14).
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).
LS Power, NV Energy	One Nevada Transmission Line	Nevada	Federal Financing Bank	TBA	TBA	TBA	LS wraps federal loan (see story, page 3).
NextEra Energy Resources	Genesis Solar Energy Project (250 MW)	Blythe, Calif.	TBA	TBA	\$1B+	TBA	NextEra hunts DOE loan guarantee (PFR, 2/7).
NRG Energy	El Segundo (550 MW Gas)	Carlsbad, Calif.	TBA	TBA	TBA	TBA	Dexia targets mandate (PFR, 2/14).
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).
Sharyland Utilities	CREZ (300 Miles Transmission)	West Texas	TBA	TBA	TBA	TBA	Sharyland discusses deal with SocGen (see story, page 3).
Starwood Energy	Unidentified (100 MW Solar)	Ontario	TBA	TBA	TBA	TBA	SocGen eyes financing (PFR, 2/14).
Western Wind Energy	Unidentified (30 MW Solar)	Yabucoa, Puerto Rico	Manulife	TBA	\$249M	TBA	Manulife snags mandate (PFR, 2/14).
Wind Capital Group	Unidentified (Wind)	TBA	TBA	TBA	TBA	TBA	NordLB joins club; Dexia mulls commitment (see story, page 3).

## LS PE SHOP

*(continued from page 1)*

has targeted solar projects that either have power purchase agreement or are near securing one, whereas the IPP is interested in more development risk on its projects, says one banker.

The timeline for fundraising and which investors LS Power has reached out to could not be learned. Calls to officials at LS Power in New York, including **Joe Esteves**, cfo, and **Darpan Kapadia**, managing director, were not returned.

The fundraisers will likely find the current market more challenging to raise money than the one they experienced in 2007 when Fund II beat its \$2.85 billion goal, says a banker in New York. Other shops that have been out raising funds have found that the process requires many more meetings than it once did (PFR, 2/4).

Pension, endowment and family wealth investors invested in its first two funds in addition to institutional investors and investment banks (PFR, 8/12/05 & 5/25/07). LS Power has a

strong track record of enticing investors to its generation-focused funds. The first fund almost doubled its aim of \$750 million with a close of \$1.2 billion.

**Credit Suisse** was placement agent for Fund II with **Mayer, Brown, Rowe & Maw** as legal counsel. A Credit Suisse spokesman declined to comment while a Mayer Brown spokesman couldn't immediately comment. —*Holly Fletcher*

### Tell Us What You Think!

Do you have questions, comments or criticisms about a story that appeared in *PFR*? Should we be covering more or less of a given area? The staff of *PFR* is committed as ever to evolving with the markets and we welcome your feedback. Feel free to contact **Sara Rosner**, managing editor, at (212) 224-3165 or [srosner@iinews.com](mailto:srosner@iinews.com).



## USRG SCOPES

(continued from page 1)

10/29). “The real objective is to create a broader class of investors for renewable energy paper. It’s a pipeline to additional financing,” the observer notes. The structure of the securitization could not be learned.

The private equity shop, which has offices in New York and Los Angeles, has submitted applications for loan guarantees under the Financial Institution Partnership Program. It is working with a relationship firm on a capital markets deal, the observer says, declining to identify the firm. USRG has investments in **SolarReserve**, run-of-river developer **Free Flow Power**, waste-to-energy developer **Novo Energy**, geothermal companies **Oski Energy** and **Newberry Geothermal**, and **Westerly Wind**.

The deadline for FIPP applications was Jan. 6. A DOE spokeswoman in Washington, D.C., and A USRG official declined to comment. Details regarding USRG’s applications, such as the identity of sponsors and projects, could not be learned.

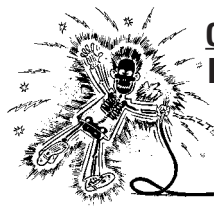
**Michael Whalen**, cfo of SolarReserve, and **Doug Perry**, an official at Newberry in Stamford, Conn., say USRG is not working on any FIPP applications on the developers’ behalf. **Henry Dormitzer**, cfo of Free Flow Power in Gloucester, Mass., **James Barlow**, ceo of Novo in Fort Collins, Colo., **Lali Nathan**, cfo of Oski Energy in Reno, Nev., and **Joe Cofelice**, ceo of Westerly Wind in Braintree, Mass., did not return calls.

—Sara Rosner

## Calendar

- **ACORE and Euromoney Energy Events** will host the Renewable Energy Finance Forum—Latin America and the Caribbean February 22-23 at the Intercontinental in Miami, Fla. To register, visit <https://www.cvent.com/EVENTS/Register/IdentityConfirmation.aspx?e=a8155cb6-81b0-4296-a0a2-9bad22587c6c>.
- **Platts** will host the 3rd Annual Power Storage February 23-24 at the Westin Galleria in Houston, Texas. To register, visit <http://www.platts.com/ConferenceDetail/2011/pc104/index>.
- **Platts** will host the 10th Annual Credit and Collections for Utilities March 1-3 at the Hyatt Regency Grand Cypress in Orlando, Fla. To register, visit <http://www.platts.com/ConferenceDetail/2011/pc105/index>.
- **Infocast** will host Small Modular Reactors 2011 March 28-31 at the Almas Temple Club in Washington, D.C. To register, visit <http://www.infocastinc.com/index.php/conference/453/registration> or call 818.888.4444.

## Alternating Current



### Carbon Karma Renewables Meet Fast Food In The Big Apple

New York already has its share of landmarks powered by renewables, including the **Empire State Building** and **Brooklyn Brewery**. Now **Otarian**, a healthy, fast food restaurant, is joining that mix.

The restaurant, just south of New York’s Columbus Circle, uses electricity generated from solar, water and wind sources to power its operations. The menu features items with smaller carbon dioxide

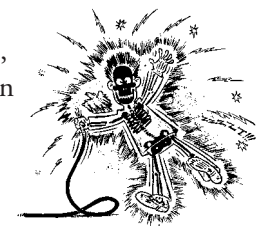


Otarian mushroom burger

footprints than products from other competitors. The Otarian Portobello mushroom burger, for instance, is purported to have .98 kilograms less carbon than a comparable item.

“They tried to match a fast-food kind of experience—something that’s easy like a **McDonald’s**—with the environmentally conscious,” says a one-time promoter of the restaurant. An area manager wasn’t available to comment by press time.

Instead of renewable energy credits, regular Otarian eaters can earn “carbon karma credits” for the carbon savings they supposedly build by eating there than a generic competitor. Enough credits yield free items—and probably affirm environmentalists’ sense of purpose.



## Quote Of The Week

*“For me it wasn’t a big surprise to see the increase. In a number of cases they can purchase assets that will appreciate in value as the economy continues to improve.”*—**Michael Shenberg**, partner at **White & Case** in New York, on the increase in sales of natural gas-fired plants in 2010 compared to the prior year (see story, page 1).

## One Year Ago In Power Finance & Risk

**Competitive Power Ventures** was looking to secure funding for its 165 MW Cimarron wind project in Gray County, Kan., and its 200 MW Ashley project in McIntosh County, N.D. [The developer has since put the projects on the block as it looks to raise capital for its 7 GW development pipeline (PFR, 12/22).]