power finance & risk

The exclusive source for power financing and trading news

www.iipower.com

A PUBLICATION OF INSTITUTIONAL INVESTOR, INC.

FEBRUARY 23, 2009
VOL. XII, NO. 7

EME Nears Appointing Lenders For Wind Deal

Edison Mission Energy is close to mandating three banks for top-tier positions in a $200-250 million refinancing of a 455 MW, five-project wind portfolio.

See story, page 2

AES LOOKS TO SELL MIDDLE EAST ASSETS

AES is reportedly seeking buyers for its Middle East portfolio and possibly a few European assets, with **Citigroup** and **HSBC** said to be involved with the sale process.

The company's Middle East portfolio is composed of:

- a 370 MW Amman East gas-fired facility in Jordan,
- a 35% stake in 456 MW Barka gas-fired plant northwest or Muscat, Oman,
- a 55% stake in 756 MW gas-fired Ras Laffan in Qatar,
- a 55% stake in 362 MW Lal Pir oil-fired plant in Punjab, Pakistan and,
- a 55% stake in 365 MW Pak Gen oil-fired plant in Punjab, Pakistan.

(continued on page 8)

NextEra SEEKS $$ FOR HEARTLAND II

NextEra Energy Resources, formerly **FPL Energy**, is looking to line up some $400 million in financing for a Midwestern wind portfolio on the heels of completing a similar deal late last year.

On Wednesday, the Juno Beach, Fl.-based company invited a handful of relationship lenders to a meeting to discuss Heartland II, but the response has been tepid. "They need the money now and we can't give it to them now," one banker tells *PFR*. Another says the seven banks in the last deal may not be able to handle any more exposure to FPL.

(continued on page 8)

TVA COMPLETES SINGLE BUYER PLACEMENT

John Hoskins

Tennessee Valley Authority has wrapped its largest bond issue in which only one investor participated. "We hadn't worked with anything of this magnitude before," says **John Hoskins**, v.p. and treasurer in Knoxville, Tenn. The $492 million placement was structured after an unnamed investor sought out **Morgan Stanley** looking for a certain type of investment.

In the past 20 years, TVA has at times issued bonds ranging from

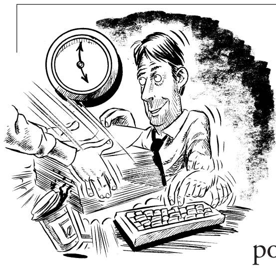
(continued on page 8)

DEADLINE LOOMS OVER SOLAR START-UP SCOPING FINANCING

Sault Ste. Marie, Ontario-based **Pod Generating Group** is talking to lenders stateside to secure $350-400 million for its debut solar project, before the PPA's mandatory in-service date next September. "Right now, they're just trying to figure out if there's even a debt market for this kind of project. There's really not a lot of time," says a project financier with a European bank in New York. The sponsor may have been trying to avoid last year's financial market turmoil by coming to market later.

(continued on page 7)

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



At Press Time

Babcock & Brown Plots Wind Sell Off

Babcock & Brown is planning to sell its U.S. wind portfolio in its entirety. It is offloading all of its energy assets over the next two to three years in an attempt to repay AUD2.12 billion ($1.35 billion) in debt.

The company has 25 operational wind farms in the U.S. with a total capacity of over 2 GW. A specific timeline has not been pinned down for the sale of the U.S.-based farms says a spokesman in New York. A total value for the 2 GW pipeline could not be learned. **Marathon Capital** is advising the company on the sale of a 500-600 MW portfolio of U.S. wind projects in Texas and the Midwest (PFR, 1/09). An official at Marathon in Bannockburn, Ill., could not be reached for comment.

Babcock funds will likely not be affected by the company's sale, notes the spokesman. It is unclear what will happen to the company following the completion of the asset sales, he notes.

EME Near Mandating Lender Trio For Wind Refi

Edison Mission Energy is close to mandating three lenders for top-tier positions in the $200-250 million refinancing of a 455 MW, five-project wind portfolio. The lenders will come into the deal on a buy-and-hold basis if together they can commit the entire amount, a dealtracker explains. Mandates could come as early as this week. Details, such as pricing, tenor and the size of each lenders commitment could not be learned.

BNP Paribas, **Dexia**, **HSH Nordbank**, **Royal Bank of Scotland**, **Société Générale**, and **WestLB** have been looking at the deal, which is a scaled down version of a $500 million, nine project portfolio the sponsor attempted to refinance last year (PFR, 10/31). **Gerard Loughman**, senior v.p. of development at EME, and **Charlie Coleman**, a spokesmen at parent **Edison International**, did not return calls. Bank officials did not return calls or declined to comment.

The portfolio consists of projects which use **Vestas**, **Mitsubishi** and **Clipper** turbines in Minnesota, Nebraska, New Mexico and Texas. The specific farm names and locations could not be learned.

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 **Thomas Rains**, managing editor, at 212-224-3226 or trains@iinews.com.

U.K. Wind Deal Syndication Wraps

Fred Olsen Renewables has wrapped syndication of a GPB303 million ($432.77 million) facility refinancing debt and funding construction of a portfolio of Scottish wind projects. The company is a joint venture between Norway's **Bonheur** and **Ganger Rolf**.

Bank of Tokyo-Mitsubishi, **BNP Paribas**, **Fortis**, **HSBC** and **NordLB** are joint lead arrangers for the 18-year financing (PFR, 11/21). **IKB Deutsche Industriebank** and **National Australia Bank** rounded out the lending group—taking about GBP50 million between them. The package consisted of a GBP137 million construction facility, a GBP114 million refinancing, a GBP17 million debt service reserve facility, a GBP30 million project letter of credit and a GBP5 million working capital facility. Pricing could not be learned.

The portfolio consists of:

- 62.5 MW Crystal Rig, 40 km east of Edinburgh, which came online in Oct. 2003
- 50.6 MW Rothes, which came online in 2005
- 64 MW Paul's Hill, 15 km west of Charleston of Aberlour, which came online in 2006, and
- 117 MW Crystal Rig II, under construction

Nick Emery, managing director at Fred Olsen in London, did not return a call. Officials at the banks declined to comment or did not return calls.

Financing Key For CFE Wind Tender Bids

Committed financing will be the deciding factor for Mexico's **Comisión Federal de Electricidad** as it readies to receive bids for the first of at least five 100 MW wind tenders in Oaxaca. "The developers need to provide an all-in price and that all-in price is going to assume certain financing costs. If someone isn't able to get a very firm commitment from a lender, [CFE] is going to have hard time assuming that risk," says **Dino Barajas**, project finance attorney for **Morgan Lewis** in Los Angeles. Bids are due at month-end.

Each project will cost roughly $250 million, and the tenders are attractive for lenders, says a Latin America project finance banker in New York, because of the 25-year power purchase agreements with investment-grade CFE. Oaxaca's high wind regime and the commission's responsibility for the projects' transmission hook-up also make the deals enticing to developers, he adds.

Sponsors with prior experience in CFE tenders and those with Mexican projects are the most likely candidates for the tenders, notes Barajas. **Gamesa Eólica** and **Iberdrola** developed the 83 MW La Venta II, which went online in 2007. **Acciona** commissioned the first phase of its $550 million, 250 MW project and **EdF Energie Nouvelles** is looking for financing for its 67.5 La Ventosa project, both in the same area in Oaxaca (PFR, 1/30). Company officials and spokesmen did not return calls.

A winning bid for the first tender, La Venta III in La Ventosa will be awarded a PPA by the second quarter, with operation slated for year-end. Submissions for La Venta IV are due on April 6 with operation slated for sometime in 2010. La Venta V, VI and VII will go online between next year and 2012, though the bidding and awards schedule for these tenders could not be learned. CFE's **Octavio Alatorres**, engineer in project planning, and **Alberto Ramos**, project finance deputy development director, did not return calls.

EPCOR Closes N.Y. Plant Sale

EPCOR Power has closed on the sale of the 67 MW gas-fired Castleton plant in Castleton-on-Hudson, N.Y., to **Castleton Energy Center**, a subsidiary of the **Wayzata Opportunities Fund**, for approximately $10 million.

EPCOR put the plant on the block last year without an advisor (PFR, 4/18) and in December announced it signed a deal with CEC. It could not be learned if CEC used an advisor. **John Foley**, partner at Wayzata in Boston, and a spokesman at EPCOR in Edmonton, Alberta, did not return calls.

Waste-To-Energy Co. Plots Plant Financing

Waste-to-energy developer **Energos** is looking to appoint a bank this year to arrange financing for its planned GBP45 million ($64 million), 7 MW waste-to-energy facility in Irvine, Scotland. The company will secure a waste contract before beginning the bank search, says **Andrew MacLellan**, director at Energos and its parent **ENER-G Holdings** in Cambridge, England.

The company will project finance "as much as we can in the current market," says MacLellan, noting it is targeting 70-80% debt. Energos will provide some or all of the equity, with a possible undisclosed partner providing equity as well. Relationship banks in the past have included **Barclays Capital** and **The Co-operative Bank**, but he notes selection will depend on the best deal the company can obtain. Financial close is targeted for year-end, with construction following in order for the project to come online within a few years, he says.

Energos is also in the planning approval process for its planned GBP45 million, 7 MW waste-to-energy plant in Knowsley, England, and is looking to line up financing following Irvine. It has a large pipeline, but MacLellan declined to disclose specifics beyond saying that it is aware of some 100 possible projects in Norway, the U.K. and an undisclosed southern European country. "We're in a position to cherry pick," he explains, noting the company could develop projects on a turnkey basis.

The company recently completed a GBP6-7 million, 2 MW waste-to-energy plant on the British island Isle of Wight, which the company financed on balance sheet and with funds from the **Department for Environment, Food and Rural Affairs**' New Technology Demonstrator program.

RBS Launches Dolphin Deal

Royal Bank of Scotland has launched a $1.5 billion refinancing supporting the 226-mile, two billion cubic feet per day Dolphin pipeline from Qatar's North Field to Abu Dhabi, United Arab Emirates.

The bank is targeting the 24-member club in the existing bridge financing that expires this July, plus a few additional banks, notes a European banker. Ticket sizes have been offered at $50 million, $75 million, $100 million, $150 million, and $200 million and larger tickets are available, says a tracker. Banks have until the end of March to respond, with financial close targeted for April. The 10-year, fully amortizing financing has four tranches, including an Islamic tranche (PFR, 12/11), but pricing could not be learned. An official at RBS in London declined to comment.

Abu Dhabi's state-owned **Mubadala Development** owns 51% of project company **Dolphin Energy**, with oil and gas companies **Total** and **Occidental Petroleum** each taking a 24.5% stake. Officials at Mubadala and Total in Paris could not be reached and did not reply to requests for comment. A spokesman from Occidental did not return a call.

Developer Seeks $90M For Sewage-Powered Plant

Bakersfield, Calif.-based **Liberty Energy Resources** is talking to lenders and equity investors for $90 million in financing for a 6.5 MW sewage-powered project. "The project is on a fast-track to completion once the financing comes in," **Mary Bacon**, managing director in Richmond, Va., at **Ewing Bemiss & Co.**, which was mandated as financial advisor in the fall.

Liberty aims to nail down equity by year-end for the Hamilton, Ontario, facility, which has a 25-year PPA with the **Ontario Power Authority** and complete permitting. "We're looking at both strategic and financial investors. A party with some operating experience would be very attractive," Fienstone says. He declined to specify the amount of debt or equity on the project or identify potential investors. **Kenneth McCord**, cfo, did not return calls.

Debt will be lined up ahead of the construction in mid-2010, Fienstone says, noting the project is attractive to lenders because it will generate revenue from tipping fees for taking biosolids from wastewater treatment plants in addition to selling output. The plant will convert 500 metric tons of biosolids and 150 metric tons of wood-based biomass per day from sites in the greater Toronto area. He declined to identify potential lenders.

The technology for the facility has been used in hundreds of facilities in Europe and three in Minnesota. The company, which was created by compost and biosolid producer **Liberty Compost**, has projects in development in Banning, Lost Hills and Niland, Calif. (PFR, 6/27).

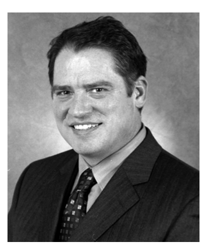
ArcLight Scoops Up Nutmeg State Peaker

ArcLight Capital Partners is closing in on the purchase of **Waterside Power**, owner or a 72 MW oil-fired peaker in Stamford, Conn. Regulatory approval is expected by the end of next month.

Barclays Capital has handled the sale as financial advisor to sellers **Energy Investors Funds** and **Power Development Corp**. The bank dispatched teasers in September in the two-stage auction that took second round bids from primarily financial sponsors (PFR, 9/26). Officials at the firms involved either declined to comment or did not return calls. Other bidders and the sale price could not be learned.

The project came online in 2002 and sells its power into ISO New England's locational forward reserve market. **Connecticut Light & Power** awarded the plant a 15-year capacity agreement last year.

Starwood Hunts Solar Funding



Brad Nordholm

Starwood Energy Group is in talks with lenders to back construction of a 50-60 MW photovoltaic solar facility in Ontario under development by its partner **Nautilus Solar Energy**. **Brad Nordholm**, ceo at Starwood in Greenwich, Conn., confirmed that it is looking for project financing for a "multi-hundred million project in Canada," but declined to talk specifics due to a confidentiality agreement. "We think we have the key ingredients here: a strong EPC contract, a strong sponsor, a good location and a very high investment grade long term PPA," he adds, declining to reveal the offtaker.

The sponsor hopes to have lenders lined up by the end of this quarter and reach financial close by the end of the second quarter. "It's a thin market right now. We are certainly talking first to our relationship banks and others in the market and working hard to discern who really is in the market right now," Nordholm says. In the past, Starwood has worked with **Natixis**, **Mizuho Corporate Bank**, **Sumitomo Mitsui Banking Corp**. and **WestLB** among others (PFR, 12/19).

Starwood took a majority stake in Nautilus last month. The company has more than 1 GW of solar in development across 12 projects ranging from 10-290 MW (PFR, 1/16).

Corporate Strategies

CPS Seizes Lower Rates To Refund CP

Paula Gold-Williams

San Antonio, Texas-based **CPS Energy** is issuing $436.2 million in electric and gas systems revenue bonds to take advantage of improving market conditions and refund commercial paper. "We've seen some more reasonable rates since January has started. Our credit rates could be very close to our historical experience in the high 4% range," says **Paula Gold-Williams**, cfo.

The company will price the deal, which consists of six to 25-year tenor notes, Wednesday and close the deal a week later, Gold-Williams says. The company typically varies the maturities of its bond issues to level out debt service, she adds.

Proceeds will refund CPS' $450 million CP program, which the company uses to fund interim construction costs and general corporate purposes including construction of its $1 billion, 750 MW coal-fired J.K. Spruce II plant in Calveras Lake, Texas. "We like to use [the CP] as an interim form of financing for our capital expenditures on generation—particularly if the timing isn't great to go to market—and then we can take that long term when the markets looks better," Gold-Williams says. **Citigroup** and **JPMorgan** are the CP placement agents

Roughly half of the plant has been financed and CPS will look to fund remaining Spruce II expenditures with bond issues and equity from net revenues, Gold-Williams explains. The company will also issue bonds this summer and in the fall pending market conditions, but the size of the future issues is unclear.

Merrill Lynch is the senior manager for the deal and JPMorgan is co-senior manager. Citigroup, **Coastal Securities**, **Loop Capital Markets**, **Siebert Branford Shank & Co.** and **Stern Agee** are co-managers. The lenders were chosen from a pool of underwriting banks the company compiled through a bidding process last year, Gold-Williams says, and will also be considered for future bond issues.

Fla. Muni Replaces Variable Rates Dropped By Dexia

The **Jacksonville Electric Authority** is issuing fixed-rate bonds to replace $154 million of variable rate bonds after **Dexia Crédit Local** declined to renew a letter of credit backing the notes. "They told us that they're just no longer providing these types of credit facilities," says **Helen Kehrt**, director of treasury services in Jacksonville, Fla. The company will look to price some $322.7 million in fixed rate bonds in the next four weeks. Dexia officials declined to comment.

Holders of the variable rate bonds are likely mandated to sell the notes back to Dexia when the letter expires in March and JEA will refund Dexia with proceeds from the issue of fixed rate notes, says a banker. JEA is looking for a coupon in the 3-4%-range for $124.22 million of 10-year notes and $198.505 million in 20-year notes, Kehrt says. The remaining proceeds will refund outstanding bonds with higher interest coupons to achieve savings and also fund the debt service reserve. She declined to elaborate on details of the outstanding bonds, such as issue date, pricing and original use of proceeds.

"Dexia seems to be pulling back from energy in general. It really doesn't surprise me," says the banker. Banks usually opt to extend letters of credit in such arrangement, he adds, adding lenders have been looking for different ways to conserve capital in the market downturn.

Morgan Stanley is lead manager on the deal and **Citigroup**, **JPMorgan**, **Banc of America**, **Barclays**, **Goldman Sachs** and **Merrill Lynch** are co-managers. The lenders are part of a pool of underwriters compiled through a bidding process in 2001, Kehrt explains. JEA also will come to market this year with a $50 million issue to fund the construction of environmental compliance equipment at its 640 MW coal fired Saint Johns River Power Park in Jacksonville, Fla.

Institutional Investor NEWS

CHRISTOPHER R. BROWN
PRESIDENT

Dear Reader,

A number of Institutional Investor News readers, who are concerned about violating copyright law, have asked about our **Corporate Access Program (CAP)**. **CAP** members are firms that desire wide distribution for a number of its employees at a discount.

Such arrangements allow corporate subscribers to fully comply with U.S. copyright laws.

We understand that once in a while, a page or two of interest will be copied and passed on to an associate. Additionally, we are happy to authorize – for a nominal fee – many of our articles and/or tables for use in a report or presentation.

However, the routine copying of our newsletters for distribution to others is unacceptable. That is a blatant, actionable violation of our copyright. While we are flattered that our readers place a high value on our publication, duplication and distribution undermines our efforts to bring you the news and information that you expect from Institutional Investor News. We are currently taking a more active stance to enforce our copyright. Take this opportunity to secure the expanded distribution that your firm needs and avoid violating copyright law.

Please contact Dan Lalor at (212) 224-3045 or dlalor@iinews.com for additional information about our Corporate Access Program or to expand your firm's subscription account.

Sincerely yours,

225 PARK AVENUE SOUTH, NEW YORK, NY 10003
TEL: (212) 224-3377 / FAX: (212) 224-3376 E-MAIL: CBROWN@INSTITUTIONALINVESTOR.COM

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

- **John D. Rockefeller** descendants are leading a shareholder campaign demanding **Exxon Mobil** deepen its focus on renewables (*Wall Street Journal*, 2/19).
- Secretary of the Interior **Ken Salazar** says his department is prepared to deal with siting for transmission, which have been barriers to renewables development (*Associated Press*, 2/18).
- The West Virginia state Senate has delayed action on a measure to allow the construction of nuclear plants in the state (*Associated Press*, 2/19).
- **NRG Energy** is asking shareholders to reject **Exelon**'s $6.2 billion takeover bid for the company maintaining the offer is too low (*Reuters*, 2/18).
- **Abu Dhabi National Energy** has agreed to buy a 50% stake in **Marubeni**'s more than 2 GW Caribbean portfolio of power assets (*Reuters*, 2/18).
- The U.S. **Environmental Protection Agency** is planning on reconsidering a rule passed under the Bush administration to allow new coal-fired plants to come online without having to comply with carbon dioxide emissions standards (*Reuters*, 2/17).
- **Luminant** will retire or temporarily close 15 Texas gas-fired plants with 3,825 MW of capacity (*Fort Worth Star Telegram*, 2/14).
- The **Tennessee Valley Authority** says the cleanup of the 1.1 billion gallon coal-ash spill near Knoxville, Tenn., could cost up to $825 million (*Wall Street Journal*, 2/13).
- A Chilean Supreme Court upheld a ruling allowing Spanish utility **Endesa** to build five hydro projects in Patagonia with a combined cost of $3.2 billion (*EFE*, 2/12).

Europe

- French utility **GDF Suez** is pulling out of Bulgaria's planned EUR4 billion ($5.07 billion) nuclear plant (*Reuters*, 2/18).
- Italian utility **Enel** is sticking to its EUR2.2 billion ($2.77 billion) investment plan in Russia, despite falling power demand and prices (*Reuters*, 2/19).
- German utility **RWE** is investing EUR2.4 billion ($3.1 billion) in new coal and biomass plants in the Netherlands and is also willing to invest in new Dutch nuclear plants (*Dutch News*, 2/15).
- **Eni**, the Italian energy group has sold its regulated gas storage and distribution assets to Italian gas network Snam Rete Gas for EUR4.72 billion ($6 billion) (*Financial Times*, 2/13).

Asia/Africa

- Chinese government officials are proposing to tap foreign-exchange reserves to set up funds for overseas energy acquisitions (*Wall Street Journal*, 2/19).
- Kuwait is considering nuclear development with a French company to meet electricity and water desalination demand (*Reuters*, 2/18).
- The Tanzanian government-run **National Development Corp**. plans to build a $1.2 billion, 400 MW coal-fired plant by 2012 in the country (*Reuters*, 2/19).
- **Power Grid Corp**. of India expects to receive $2 billion of funding from the **World Bank** and the **Asian Development Bank** (*Reuters*, 2/19).
- **Canada CIC Energy** is planning for a $3 billion coal-fired plant in Botswana with a 2013 operation date (*Reuters*, 2/11).

DEADLINE LOOMS

(continued from page 1)

Pod was started by **Glen Martin**, coo, who worked for **NASA** building solar power modules for the International Space Station. Martin and **David Livingston**, ceo, did not return calls. The project consists of six 10 MW sites with 20-year PPAs under the **Ontario Power Authority**'s standard offer program, which annuls the agreements if the sponsor does not deliver power within three years. The size of the financing and the lack of large-scale Canadian solar projects may be a detriment, another banker says. "You have a lot of uncertainty, Canada is not obvious for solar," the banker explains. The company would have to split the project, in two phases over the next two summers, if the entire facility could not be financed ahead of construction in the third quarter.

The program guarantees a fixed price of C$0.42 ($0.33) per kWh under a feed-in tariff, which makes the project attractive to lenders, the banker notes, adding the management team's experience is also an advantage. "Banks like [solar] because it's more predictable than wind and it's a good risk profile, especially as banks look to diversify their portfolios," says another project financier, adding renewable project financings are pricing north of 300 basis points over LIBOR.

—Sara Rosner

NextEra SEEKS

(continued from page 1)

In December, FPL closed on $322.5 million in financing for the 309 MW Heartland I wind portfolio of two projects in North Dakota and Iowa. That deal was shared among **Bank of Tokyo-Mitsubishi**, **BBVA**, **Calyon**, **Lloyds TSB**, **Mizuho Corporate Bank**, **NordLB** and **UniCredit HVB** (PFR, 11/21). The portfolio was downsized to two-projects from four or five due to market conditions. Heartland II consists of the other projects, specifics of which could not be learned.

Calls to officials at NextEra were not returned, and officials at the banks either declined to comment or did not return calls.

—Thomas Rains

TVA COMPLETES

(continued from page 1)

$300 million to $1 billion with small groups of investors and has worked with Morgan Stanley on numerous occasions. Hoskins declined to name the officials at Morgan Stanley that worked on the deal and a spokeswoman at the bank in New York did not return calls.

The issuance had two tranches—a $22,409,000 slug with a six-year amortizing tenor priced at 2.25 % and a $469,454,000 tranche with a 36-year amortizing tenor priced at 3.77%.

Bond issuances with a small group of investors or less desiring a specific structure are usually willing to accept a lower interest rate in return, Hoskins says. The pricing on the larger tranche was the lowest pricing TVA has ever achieved on a long-term bond. "Rates are still low, spreads are still tighter than we were looking at in the fall," he says.

Proceeds will repay $490 million in 5.11% notes. Hoskins says TVA will continue to be an opportunistic issuer. "The long-term debt markets seem to be open," he says.

—K.H.

AES LOOKS

(continued from page 1)

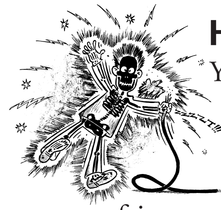
The sale may also include 1.2 GW Cartagena gas-fired facility in Cartagena, Spain, and the 520 MW Kilroot coal- and oil-fired plant east of Carrickfergus, Northern Ireland. "I think basically what it comes down to is caution rather than need," says **Lasan Johong**, analyst at **RBC Capital Markets** in New York. AES is shopping assets in case the capital markets remain closed for an extended amount of time, he reasons.

IDB Infrastructure Fund owns a 39% stake in the Middle East portfolio, but its role in the sale process could not be learned and calls to parent company **EMP Global** in Manama, Bahrain, were not returned. Johong says the Cartagena plant could draw interest from European gas traders, including **Électricité de France**, **E.ON** and **GDF SUEZ**, due to its connection to an LNG facility. The Kilroot and Cartegena facilities are likely valued around $1000/kW, or $1.2 billion and $520 million, respectively, he says. A value for the Middle East portfolio could not be learned.

Citi and HSBC officials did not return calls, and **Mark Woodruff**, the executive v.p. and regional president of the Asia and Middle East group at AES, did not reply to a request for comment.

—Katie Hale

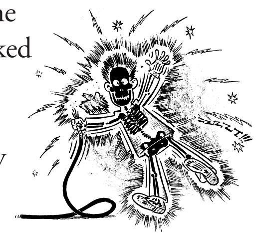
Alternating Current



Hamster Power

You may have thought a hamster spinning in its wheel could make for a creative way to power a lightbulb, but scientists at **Georgia Tech** have taken the middle school science fair experiment to a whole new level.

According to a Feb. 9 article in **American Chemical Society** publication *Nano Letters*, the scientists have discovered that it's possible to create biomechanical energy from a hamster's movements by placing nanowires on the little creature. When hamsters are hooked up and stretch as they run or move, electrons flow to an external circuit.



The low-frequency energy will likely not lead to Secretary of Energy **Steve Chu** calling for hamster-powered projects, but maybe one day the little rodents will be able to recharge your BlackBerry.

Quote Of The Week

"They told us that they're just no longer providing these types of credit facilities."—**Helen Kehrt**, *director of treasury services at the* ***Jacksonville Electric Authority*** *in Jacksonville, Fla., on* ***Dexia Crédit Local*** *declining to renew a letter of credit back $154 million in variable-rate bonds (see story, page 5).*

One Year Ago In Power Finance & Risk

Royal Bank of Scotland and was in talks with **Barclays Capital** to co-lead a $1 billion financing supporting **Allco** and **Industry Fund Management**'s acquisition of **Consolidated Edison Development**'s 1.7 GW portfolio [**Allco** sold its stake in the deal to IFM and RBS declined to participate in the syndication, which saw Barclays bring in 16 other banks to close the deal (PFR, 7/25)].

