

Power Finance & Risk

Exclusive Insight on Power M&A and Project Financing

By the publisher of GlobalCapital

● PROJECT FINANCE

● MERGERS & ACQUISITIONS

● STRATEGIES

Cheniere Completes Refi of Sabine Bass Bank Debt

Cheniere Energy has raised \$2.15 billion of public and private debt to allow it to terminate the bank loan commitments. Page 5

P.E. Firm Taps Advisers for Sale of U.S. Wind Assets

London-based **Terra Firma** has mandated two banks to sell **EverPower Wind Holdings**, its Pittsburgh-based wind platform. Page 9

NextEra 'Needs \$20B to Fund Oncor Purchase, Capex'

Moody's Investors Service says the company requires \$20 billion this year from the bank and capital markets and asset sales. Page 12

Dynegy to Sell Two Assets Just Acquired from Engie

Fotios Tsarouhis

Dynegy is selling two gas-fired projects it recently acquired from Engie to **LS Power**. Separately, the independent power producer is also reconfiguring its ownership stakes in two Ohio coal-fired assets.

Following its acquisition of a roughly 9 GW portfolio of mostly gas-fired assets from Engie, which closed last month (PFR, 2/8), Houston-based Dynegy is in the process of exploring asset sales in several markets.

As part of that process, it has agreed to sell two peakers it just acquired from Engie—the Arm-

strong facility in Shelocta, Pa., and the Troy facility in Luckey, Ohio—for \$480 million, according to its fourth quarter earnings report.

Dynegy said the two projects totalled 1,269 MW in the earnings report—without breaking down the capacity between the two projects—suggesting that the transaction valued them collectively at \$378/kW.

However, in paperwork filed with the U.S. **Federal Energy Regulatory Commission** in March of last year to request permission for Dynegy's acquisition of the assets from Engie, the Armstrong and Troy facilities were described as being approximately 842 MW each in size. Dynegy's website, which was updated after the Engie acquisition closed, puts its net interest in the projects at 753 MW and 770 MW, respectively. Dynegy did not respond to a request for comment on the discrepancy. **PAGE 6 »**

Duke Unit Seals Private Debt for "Texoma" Wind Portfolio

Richard Metcalf

Duke Energy Renewables closed a privately placed debt financing for a roughly 700 MW portfolio of operational wind projects in Texas and Oklahoma in January, *PFR* has learned.

The \$581 million transaction for the portfolio, known as Texoma Wind, closed on Jan.

27, according to a **Whitehall & Co.** 'Monitoring the Markets' report dated Jan. 30.

The 17.4 year amortizing notes were priced at 200 basis points over U.S. Treasuries, producing a coupon of 4.12%, according to the report. The debt has an average life of 6.4 years.

Mizuho and **Morgan Stanley** were joint placement agents on the deal. **PAGE 2 »**

Actis Launches LatAm Platform With SunEdison Acquisition

Fotios Tsarouhis

Actis is launching a new solar platform in Latin America with its acquisition of an approximately 1.6 GW asset portfolio from **SunEdison**.

The London-based private equity firm purchased the projects for \$525 million. The portfolio includes 578 MW of projects that are operational, under construction or **PAGE 8 »**

● PPA PULSE

First Contract Signed for Grain Belt Transmission

Richard Metcalf, Stuart Wise

A 200 MW power purchase agreement signed in January by the developer of a wind project in western Kansas is the first such contract intended to be serviced via **Clean Line Energy Partners'** proposed Grain Belt Express transmission line.

The developer, **Infinity Renewables**, will supply the **Missouri** **PAGE 10 »**

FAST FACT

102.8 GW

Forecasted peak load in PJM on March 3.

Source: PJM Interconnection



● IN THIS ISSUE

PROJECT FINANCE

- 5 | Cheniere Lines Up Debt for Sabine Pass

MERGERS & ACQUISITIONS

- 6 | JP Morgan Launches Eversource Asset Sale
- 6 | Cypress Creek to Sell Ex-FLS Project
- 8 | Iberdrola Assumes Full Ownership of Brazilian Wind Assets
- 8 | Buyers Emerge in sPower Sale
- 9 | Barclays, KeyBanc to Run EverPower Sale
- 9 | Atlantica Yield to Purchase Starwood Transmission Stake

STRATEGIES

- 12 | NextEra Will Need to Raise \$20B in 2017, says Ratings Agency

CONFERENCE COVERAGE

- 12 | Commercial Solar Lenders Plot ABS Growth

DEPARTMENTS

- 3 | Generation Auction & Sale Calendar
- 4 | Project Finance Deal Book

● PROJECT FINANCE

Duke Unit Seals Private Debt for “Texoma” Wind Portfolio

« FROM PAGE 1

WIND, STORAGE AND A CORPORATE PPA

Duke Energy Renewables' only operational wind project in Oklahoma is the 200 MW Frontier project, which has been online since December and sells its output to **City Utilities of Springfield, Mo.**, under a 22-year power purchase agreement.

In Texas, the company owns a 50% stake in the 211 MW Mesquite Creek project in Borden and Dawson counties, 47% stakes in the 240 MW Sweetwater IV project and the 80.5 MW Sweetwater V project in Nolan County, the 59 MW Ocotillo project in Howard County, the 153 MW Notrees project in Ector and Winkler counties, which also has 36 MW of battery storage, and a portfolio of five projects totaling 912 MW in Willacy and Starr counties, known collectively as Los Vientos.

The precise make-up of the portfolio could not immediately be confirmed, but with the exception of the Los Vientos projects, Duke Energy Renewables' operational wind assets in Texas and Oklahoma have a combined capacity of about 705 MW.

The Mesquite Creek project has been online since April 2015 and has a 20-year PPA with **Mars**. The Sweetwater projects

have been operational since 2007. Sweetwater IV has a 20-year PPA with **CPS San Antonio** and Sweetwater V is merchant, as are the Ocotillo and Notrees projects. Ocotillo has been online since 2008 and Notrees since 2009.

U.S. life insurance companies and other private placement investors are looking increasingly favorably on project finance deals as supply and yields in other asset classes dwindle, placement agents tell *PFR*.

In February, **Allianz Global Investors** closed its second such deal, backing **D.E. Shaw Renewable Investments'** 300 MW Balko wind project in Beaver County, Okla. (*PFR*, 2/14). Its first was a \$400 million deal backing **BHE Renewables'** 400 MW Grand Prairie wind project in Hold County, Neb. (*PFR*, 12/22).

U.K. insurance group **Legal & General** recently agreed to its first renewables debt financing in the U.S., a \$65.8 million private placement for a 45.7 MW solar portfolio owned by **Ahana Renewables** (*PFR*, 2/7).

In September, **BNP Paribas** acted as placement agent for **Exelon Corp.** on a \$150 million 20-year private placement debt financing for an 85 MW distributed solar portfolio. ■

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

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

GENERATION AUCTION & SALE CALENDAR ●

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

Generation Sale ■ DATABASE

Seller	Assets	Location	Adviser	Status/Comment
● AEP	Zimmer (1,350 MW Coal, 25.4%)	Moscow, Ohio		Dynegy will acquire AEP's 25.4% interest in the project in exchange for Dynegy's 40% interest in the 780 MW Conesville project in Conesville, Ohio (see story, page 1).
Brookfield Renewable Partners	Price (189 MW Wind), Comber (166 MW Wind), Gosfield (51 MW Wind)	Sault Ste. Marie, Lakeshore, and Kingsville, Ontario	Scotiabank, TD Securities (seller)	Brookfield Renewable is selling the three facilities, plus an expansion project, in a portfolio (PFR, 7/18).
● Cypress Creek Renewables	Innovative Solar 37 (78.7 MW Solar)	Anson County, N.C.		Dominion Resources is purchasing the project, which was part of the portfolio Cypress Creek acquired as part of its purchase of FLS Energy (see story, page 6).
Dayton Power & Light (AES Corp.)	Conesville Unit 4 (780 MW Coal, 16.5%)	Coshocton, Ohio		DP&L has committed to sell its stake in the projects (PFR, 2/6).
	Miami Fort Units 7, 8 (1,020 MW Coal, 36%)	North Bend, Ohio		
	Zimmer (1,300 MW Coal)	Moscow, Ohio		
● Dynegy	Armstrong (753 MW Gas)	Shelocta, Pa.		LS Power has agreed to acquire the two peakers from Dynegy (see story, page 1).
	Troy (770 MW Gas)	Luckey, Ohio		
● Dynegy	Conesville Unit 4 (780 MW Coal, 40%)	Conesville, Ohio		AEP will acquire Dynegy's 40% interest in the project in exchange for AEP's 25.4% interest in the 1,350 MW Zimmer project in Moscow, Ohio (see story, page 1).
Dynegy	Oakland, Moss Landing, Morro Bay (2.7 GW Gas, Oil)	California		Dynegy is looking to sell "non-core" assets following its acquisition of a 9 GW portfolio from Engie (PFR, 2/21).
	Kendall, Lee County, Ontelaunee (2.7 GW Gas)	Illinois, Pennsylvania		
	Milford (569 MW Gas)	Connecticut		
● Eversource	Portfolio (1.2 GW Coal, Hydro, Oil)	New Hampshire	JP Morgan	JP Morgan has distributed teasers in preparation for a two-stage auction for the portfolio (see story, page 6).
Exelon Corp.	Mystic Generating Station (1,998 MW Gas and Dual-fuel)	Charlestown, Mass.	JP Morgan	A sales process for the project that was launched last year is making slow progress (PFR, 2/13).
First Reserve	First Reserve Energy Infrastructure Funds	U.S., Mexico, Europe		BlackRock has agreed to acquire First Reserve's infrastructure equity arm (PFR, 2/13).
BTG Pactual Infraestructura II, Pátria Investimentos, GMR Group	Latin America Power (114 MW Hydro, Wind)	Chile, Peru	BTG Pactual, Morgan Stanley	Several bidders have been shortlisted in the sale of the company, which also owns an 803.9 MW development pipeline that includes its first solar asset (PFR, 2/13).
Mercuria	Danskammer (500 MW Dual-fuel)	Hudson Valley, N.Y.	Guggenheim Partners	The first round of a two-stage auction is underway (PFR, 10/3).
Panda Power Funds	Liberty (Gas 829 MW), Stonewall (778 MW), Patriot (829 MW)	Bradford County, Pa., Loudoun County, Va., Lycoming County, Pa.	Goldman Sachs	First round bids for the 2.5 GW portfolio were due in November (PFR, 10/31).
Relight Enterprises	HillTopper (175-200 MW Wind)	Logan County, Ill.		Swift Current Energy has purchased the project, marking its first acquisition (PFR, 2/13).
Renova Energia	Portfolio (386.1 MW Wind)	Bahia, Brazil		AES Tietê has entered into exclusive negotiations to acquire the portfolio (PFR, 1/23).
Rockland Capital	Elgin Energy Center (484 MW Gas)	Elgin, Ill.	Barclays	Barclays is running a two-stage auction for the four assets, all of which sell into PJM (PFR, 12/19).
	Rocky Road (349 MW Gas)	East Dundee, Ill.		
	Eagle Point Power Generating (238 MW Gas)	Westville, N.J.		
	Tilton (180 MW Gas)	Tilton, Ill.		
● sPower	Portfolio (6.7 GW Solar)	U.S.	Barclays (lead), Marathon Capital, CohnReznick, Citi (co-leads)	AES Corp. and Alberta Investment Management Corp. are buying the independent power producer from hedge fund Fir Tree Partners (see story, page 8).
Starwood Energy Group Global	Electra (230 MW Wind)	Wilbarger County, Texas	Whitehall & Co.	Starwood is seeking offers from potential purchasers (PFR, 12/14).
● Starwood Energy Group Global	Ten West Link (114-mile Transmission, 3.2 GW, 12.5%)	California, Arizona		Atlantica Yield is acquiring a 12.5% stake in the project (see story, page 9).
● SunEdison	Portfolio (1.5 GW Solar)	Latin America		Actis has acquired the portfolio, which will be part of its new Latin American platform, Atlas Renewable Energy (see story, page 1).
● SunPower	Boulder Solar II (50 MW Solar)	Clark County, Nev.		AEP closed its acquisition of the project on Feb. 3 (PFR, 12/12).
● Terra Firma	Portfolio (752.25 MW Wind)	U.S.	Barclays, KeyBanc	Terra Firma is marketing the U.S. wind shop, whose assets also include an up-to-1,759 MW development pipeline (see story, page 9).
Veresen	Portfolio (625 MW Gas, Hydro, Wind)	Canada	TD Securities	Veresen has found three buyers for the assets, including Capital Power Corp., which will acquire 294 MW (PFR, 2/27).

● New or updated listing

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

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

PROJECT FINANCE

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

Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Deal Type	Loan Amount	Tenor	Notes
Ahana Renewables	Portfolio (45.7 MW Solar)	California, Massachusetts, New Jersey	Legal & General	Private Placement	\$65.80	14.5-yr, 12-yr	The two-tranche private placement marks Legal & General's first renewables debt financing in the U.S. (PFR, 2/13).
ArcLight Capital Partners, Avangrid, EDP Renewables North America	Portfolios (1,393 MW Wind)	U.S.	BAML	Tax Equity	TBA		BAML is acquiring RBS's minority tax equity stakes in the projects and transferring the combined tax equity to a joint venture with an unnamed third-party investor (PFR, 2/27).
Ares-EIF	Birdsbor (450 MW Gas)	Birdsboro, Pa.	CIT, GE EFS, Investec	Loan	\$340M	C+3-yr	The deal closed on Feb. 10, with pricing at Libor+325 bps (PFR, 2/21).
State Grid Corporation of China, Electrobras	Belo Monte (11 GW Hydro)	Pará, Brazil	BNDES	Loan	R\$2.56B (\$826M)		The financing partly refinances an existing BNDES loan. The project also has commercial bank financing (PFR, 2/27).
Cheniere Energy	Sabine Pass (LNG)	Cameron County, La.	BAML, HSBC, Morgan Stanley, SMBC	Senior Secured Bond	\$1.35B	11-yr	The senior secured bond offering was priced on Feb. 28 at 185 bps over Treasuries (see story, page 5).
				Private Placement	\$800M	20-yr	The private placement closed on Feb. 24 (see story, page 5).
Competitive Power Ventures	Fairview (1,050 MW Gas)	Cambria County, Pa.	TBA	Debt, Equity	\$900M		CPV was initially targeting a 2016 financing for the project (PFR, 12/6).
D.E. Shaw Renewable Investments	Balko (300 MW Wind)	Beaver County, Okla.	KeyBank	Private Placement	>\$50M	19-yr	The back-leveraged loan was privately placed with Allianz Global Investors (PFR, 2/21).
Duke Energy Renewables	Portfolio (~700 MW Wind)	Texas, Oklahoma	Mizuho, Morgan Stanley	Private Placement	\$581M	17.4-yr	The Duke Energy subsidiary closed the project debt deal in January (see story, page 1).
E.ON Climate & Renewables North America	Iron Horse (2 MW Solar, 10 MW Storage)	Tucson, Ariz.	JP Morgan	Tax Equity	TBA		JP Morgan is investing tax equity in the project (PFR, 2/27).
GE Capital	Homer City (1,884 MW Coal)	Indiana County, Pa.	Morgan Stanley	Term Loan B	\$150M	6-yr	Morgan Stanley has priced the exit financing for the project at Libor +825 bps (PFR, 2/13).
Invenergy	Clear River (>900 MW Gas)	Burrillville, R.I.		TBA	TBA		Invenergy plans to bring the project online in summer 2019 (PFR, 12/6).
Invenergy	Lackawanna (1,485 MW Gas)	Jessup, Pa.	BNP Paribas, GE EFS, MUFG	Loan	\$337M	C+5-yr	Invenergy has closed a roughly \$1B debt package for the project. First Reserve is providing third party equity (PFR, 1/9).
			BNP Paribas, GE EFS, MUFG	Fixed-rate loan	\$200M	C+5-yr	
			Prudential	Private Placement	\$260M	8-yr	
			BNP Paribas, GE EFS, MUFG	Working Capital Facilities	\$307.5M		
			Lazard	Equity	<\$500M	TBA	
Longroad Energy Holdings	Portfolio (3 GW Solar)	U.S.	TBA	Debt			The sponsor plans to seek debt financing this year for the first of a portfolio of projects it acquired from 7X Energy (PFR, 1/23).
LS Power	Portfolio (3.9 GW Gas, Wind)	U.S.	Credit Suisse	Term Loan B	\$1.54B	7-yr	The term loan is being marketed at 425 bps over Libor with a 1% floor (PFR, 2/27)
				Working capital facility	\$175M	5-yr	
NextEra Energy Resources	Portfolio (598.5 MW)	Colorado, Minnesota, North Dakota	Hannon Armstrong	Tax Equity	TBA		JP Morgan closed the sale of its tax equity in the portfolio to Hannon Armstrong on Feb. 13 (PFR, 12/19).
Panda Power Funds	Mattawoman (850 MW Gas)	Prince George's County, Pa.	BNP Paribas, ICBC, Investec	Loan	\$600M-650M	TBA	Panda has mandated three banks to raise debt for the project (PFR, 2/6).
Panda Power Funds	Temple I (758 MW Gas)	Temple, Texas	Jefferies	Refinancing	-\$750M	TBA	The sponsor and arranger are considering a structure involving mezzanine debt (PFR, 2/21).
	Temple II (758 MW Gas)						
Pattern Development	Broadview (324.3 MW Wind)	Curry County, N.M., Deaf Smith County, Texas	Allianz Capital Partners, JP Morgan Capital Corp., Capital One, RBC	Tax Equity	TBA		The four investors are investing tax equity in the project, which is slated to be dropped down into yieldco Pattern Energy Group (PFR, 2/6).
Quantum Utility Generation	Moundsville (643 MW Gas)	Marshall County, W.Va.		Debt	TBA		Quantum could launch a debt financing for the project this year (PFR, 2/6).
			BNP Paribas	Equity			
Swift Current Energy	HillTopper (175-200 MW Solar)	Logan County, Ill.		Debt, Tax Equity	TBA		The sponsor plans to finance the project with debt and tax equity (PFR, 2/13).

New or updated listing

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To report updates or provide additional information on the status of financings, please call Managing Editor Olivia Feld at (212) 224-3260 or e-mail olivia.feld@powerfinancerisk.com

Cheniere Taps Private, Public Debt Markets for Sabine Pass

Cheniere Energy priced \$1.35 billion of debt for its Sabine Pass LNG liquefaction project in Louisiana in the public bond market on Feb. 28 after closing an \$800 million private placement for the same project the previous week.

The transactions complete the refinancing of loans Cheniere obtained in 2015 for the project.

Bank of America Merrill Lynch, HSBC, Morgan Stanley and SMBC were the bookrunners on the 11-year senior secured public bond offering.

A marketing call took place on Feb. 27 and the deal was launched the next day with initial price thoughts of between 212.5 and 225 basis points over Libor. The guidance price was in the area of 190 bps and the final spread came in at 185 bps.

The banks ran the deal from their investment grade syndicate desks, a notable milestone for the project.

Sabine Pass is an improving credit, and investment grade accounts have previously bought its bonds, but it still has a sub-investment grade rating from **Moody's Investors Service** and its debt has been sold through banks' high yield desks until now.

S&P Global Ratings upgraded the project's senior secured debt from BB+ to BBB- in Sep-

tember, just before its second public bond offering of last year, making it a "cross-over" credit (PFR, 9/20). **Fitch Ratings** began rating the issuer more recently, grading its existing debt BBB- on Jan. 9 and publishing a second rating, also BBB-, for the private placement.

Sabine Pass's two public bond issuances last year have collectively been selected as finalists for PFR's 14th Annual Deals and Firms of the Year award, in the Americas LNG project finance deal of the year category (PFR, 2/21).

Sabine Pass began generating cash flows in May of last year, when the first of its six proposed trains became operational. The second train is also operational, and trains three and four are expected to be completed by the end of the year, according to an S&P report.

PRIVATE PLACEMENT

The public bond came hot on the heels of an \$800 million 20-year private placement Cheniere closed on Feb. 24. The senior secured notes, which are fully amortizing and have a weighted average life of 15.2 years, were priced with a 5% coupon. Amortization will be deferred until 2025.

The fact that private placement investors are buying the project's debt is another sign that the

market considers it an investment grade credit.

The sponsor initially signed a note purchase agreement with the private placement investors in September. **Bank of New York Mellon** is the trustee for the notes.

The proceeds of the private and public bond offerings will be used to pay construction costs of trains one through five of the liquefaction project. The sponsor will also repay all of its borrowings under loans it obtained for Sabine Pass in 2015 and terminate the remaining commitments under the loans.

Last year's bonds were also used to refinance outstanding debt under the loans, which Cheniere has drawn on and refinanced multiple times since they were first inked.

The credit facilities initially totaled \$4.6 billion, but Cheniere has progressively terminated a large chunk of the commitments as it has refinanced the project's debt in the capital markets.

At the end of last year, about \$1.9 billion remained committed under the loans, of which Cheniere had drawn about \$314 million, according to its fourth quarter earnings report.

A spokesperson for Cheniere in Houston declined to comment. Officials at the bookrunners either declined to comment or could not be reached. ■



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To inquire about sponsorship opportunities and attending the event, please contact Kevin Dougherty on +1 212 224 3288 or at kevin.dougherty@powerfinancerisk.com

● MERGERS & ACQUISITIONS

JP Morgan Launches Delayed Auction for Eversource New Hampshire Assets

JP Morgan has distributed a teaser for Eversource's 1.2 GW New Hampshire generation portfolio as it prepares to run a two-stage auction for the assets.

The sale has been eagerly awaited by potential buyers since Eversource agreed to divest the assets as part of a 2015 settlement agreement with the **State of New Hampshire** (PFR, 3/25/15).

"Plenty of people have been planning to participate for a while, so I expect a huge number of bidders," says a deal watcher.

Eversource hired JP Morgan to run the sale last year, but the auction was delayed as a result of an appeal and rehearing of the settlement.

Under the latest schedule, which was filed with the **New Hampshire Public Utilities Commission** on Feb. 17, confidentiality agreements are expected to be distributed and

negotiated in early to mid-March. Non-binding offers will be due in late April or early May and the deadline for final, binding bids is slated for early August.

The 459 MW Merrimack coal-fired facility in Bow, the 100 MW Schiller coal-fired plant in Portsmouth and the 416 MW Newington dual-fuel project in Newington make up the bulk of

the portfolio.

The Merrimack facility also houses two oil-fired units totaling 43 MW, which are included in the sale, as are a 50 MW biomass unit and a 22 MW oil-fired unit at the Schiller plant. The turbine for the Schiller biomass unit, originally installed in 1955, was repowered in 2006 with a new boiler, according to a copy of the teaser obtained by *PFR*.

A further 40 MW is made up of two oil-fired units at other locations in the state—the 22.4 MW White Lake project in Tamworth and the 18 MW Lost Nation plant in Groveton, which burns distillate fuel oil.

Rounding out the portfolio are 68 MW of hydro projects between 1 MW and 18 MW in size, which came online between 1917 and 1948.

Neil Davids and **Peter Kelly**, who are running the sale process at JP Morgan, could not be reached for comment. ■

Dynegy to Sell Two Assets Just Acquired from Engie

◀ FROM PAGE 1

The proceeds of the sale will be used to pay down debt, according to the earnings report.

AEP ASSET SWAP

Meanwhile, Dynegy has also entered into an agreement with **American Electric Power** to swap a stake in a coal-fired plant the two companies co-own for a stake in another project.

Under the agreement, Dynegy will transfer its 40% interest in the 780 MW Unit 4 of the Conesville project in Conesville, Ohio, to AEP. In return, it will obtain AEP's 25.4% interest in the 1,350 MW Zimmer project in Moscow, Ohio, increasing its stake in the project to 71.9%.

The swap will increase AEP's ownership stake in Conseville Unit 4 to 84%. AEP has mandat-

ed **Citi** and **Goldman Sachs** to market its interest in the project (PFR, 1/31, PFR, 5/2).

AES Corp., which owns a 16.5% interest in Conesville Unit 4, is also seeking to offload the asset.

Dynegy is looking to sell its 2.7 GW California portfolio, three gas-fired projects in **PJM Interconnection** and a gas-fired project in Connecticut (PFR, 2/15). ■

Cypress Creek Flips FLS Project to Dominion

Dominion Resources has agreed to acquire a 78.7 MW solar project in Anson County, N.C., from **Cypress Creek Renewables**.

The project, Innovative Solar 37, has a 10-year power purchase agreement with **Duke Energy Progress** and is expected to be online in the second quarter of this year.

Cypress Creek did not use external financial advisers on the deal. **Foley & Lardner** represented the company in its filing with the U.S. **Federal Energy Regulatory Commission**.

Cypress Creek owns 379 MW of operational assets, most of which were acquired through its buy-out of Asheville, N.C.-based **FLS Energy**, which closed in January (PFR, 1/12).

IS37 was among the larger assets in the

FLS Energy portfolio, which also included the 78.5 MW Innovative Solar 46 and the 38.9 MW Innovative Solar 43 projects. IS46 and IS43 also have PPAs with Duke Energy Progress.

The purchase price for IS37 and whether there is debt associated with it could not immediately be established.

However, a spokesperson for Cypress Creek in Santa Monica, Calif., noted that the sale is not part of a broader sell-off of the assets it acquired from FLS Energy. Cypress Creek plans to retain ownership of the other projects in the portfolio.

Dominion has been steadily adding to its solar fleet with third-party acquisitions in the last two years. Toward the end of last year, the Richmond, Va.-based company acquired

a 60 MW solar project in Currituck County, N.C., from **SunEnergy1**, and a 30 MW solar project in Imperial County, Calif., from **Solar Frontier Americas** (PFR, 10/24, PFR, 12/5). The year before, it acquired a 20 MW solar facility in Pasquotank County, N.C., that supplies a U.S. naval base, from **Invenergy** (PFR, 9/23/15).

Representatives of Dominion in Richmond did not respond to a request for comment. ■

FAST FACT

379 MW

Total size of Cypress Creek Renewables' operational solar portfolio.

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● MERGERS & ACQUISITIONS

Iberdrola Takes Full Control of Two Brazil Wind Portfolios

Iberdrola is buying the remaining 50% of two wind project portfolios in Brazil that it does not already own from **Neoenergia** for about €98 million (\$103 million).

The Spanish company will gain sole control over **Força Eólica do**

Brasil (FEB) 1 and 2, which own 288 MW of capacity in the Brazilian states of Bahia and Rio Grande do Norte.

The acquisition will be financed by Brazil's **National Bank for Economic and Social Devel-**

opment and **Banco do Brasil**, an Iberdrola spokesperson told *PFR* via email.

Iberdrola owns a 39% stake in Neoenergia, meaning that the purchase will not have a major impact on the group's consolidated finan-

cial statements, Iberdrola said in a statement.

FEB 1 comprises five operational wind farms with a combined installed capacity of 150 MW. They are Calango I, IV and V and Caetité I and II, each of which are 30 MW in size.

FEB 2 also owns five wind farms, but with a smaller total capacity of 138 MW. These are the 28 MW Arizona I and the 20 MW Mel II projects and three 30 MW projects: Calango II and III and Caetité III.

The transaction is awaiting approval from the Brazilian anti-trust authority.

The joint venture owns three other operational wind projects totaling 84 MW in the state of Rio Grande and is building three more with an aggregate capacity of 94.5 MW in the state of Paraíba. The Paraíba projects are expected to be commissioned in October this year. ■

Actis Launches LatAm Platform With SunEdison Acquisition

◀ FROM PAGE 1

in late-stage development. The remaining 1,000 MW are in early-stage development.

Actis will also retain SunEdison's Latin America team and is rechristening the Santiago, Chile-based platform **Atlas Renewable Energy**.

Actis plans to acquire additional solar assets through the new regional platform, a New York-based spokesperson for the firm tells *PFR*. The new plat-

form is exploring acquisition opportunities in Brazil, Chile, Mexico and Uruguay.

Actis already has a Chilean joint venture with Dublin-based developer **Mainstream Renewable Power**, through which it is developing, financing and constructing a number of wind projects in the country (PFR, 12/5).

The new Latin American venture launches less than two months after Actis divested its

stake in **Globeleq Mesoamerica Energy**, which owned a 394 MW portfolio of generation assets in Costa Rica, Honduras and Nicaragua, to Guatemalan conglomerate **Corporación Multi Inversiones** (PFR, 1/4). Actis and Costa Rican private equity firm **Mesoamerica** sold the business to CMI after a planned sale to **SunEdison** yield company **TerraForm Global** fell through in March 2016 (PFR, 3/22). ■

Strategic and Institutional Investors Team Up to Buy sPower

The hedge fund owner of renewables independent power producer sPower has agreed to sell the company to two buyers following a sale process that began in September.

AES Corp. and **Alberta Invest-**

ment Management Corp. have each agreed to acquire just less than 50% of the company, which owns 1,274 MW of mostly solar projects that are either operational or under construction and a more than 10 GW development

pipeline, from **Fir Tree Partners**.

The buyers will pay \$853 million in cash and assume \$724 million of non-recourse debt under the terms of the deal, which was signed on Feb. 19 and is expected to close in the third quarter of this year, pending regulatory approval and a green light from the **Committee on Foreign Investment in the United States**.

AES and AIMCo will fund the acquisition primarily with \$763 million of their own equity. The remaining \$90 million will be in the form of subordinated debt to sPower.

Barclays led a group of four investment banks advising Fir Tree on the sale process, which was first reported in *PFR* after

teasers were circulated in September. **Marathon Capital**, **CohnReznick Capital Markets** and **Citi** were the other sell-side advisers (PFR, 9/26).

The sale process was not initially expected to take the form of a traditional multi-round auction. By January the advisers were accepting final-round bids (PFR, 1/18).

In September, a deal watcher said there had been "a high level of interest" in the portfolio. How many bids were received and the identities of the unsuccessful bidders could not immediately be learned.

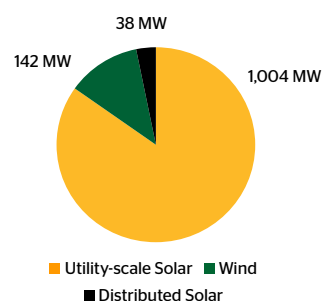
Officials at AES, AIMCo, Barclays, Citi, CohnReznick and Marathon did not immediately respond to inquiries. ■

sPower Utility-scale Projects by Location

Location	Gross MW
CA	798 MW
NC	125 MW
WY	80 MW
UT	62 MW
AZ	58 MW
NY	23 MW
MA	7 MW
Total operational	1,153 MW

Source: AES, AIMCo, Fir Tree

sPower Operational Portfolio by Asset Type



MERGERS & ACQUISITIONS ●

Terra Firma Hires Advisers for Sale of U.S. Wind Co.

Terra Firma has mandated **Barclays** and **KeyBanc Capital Markets** to run the sale of U.S. renewables shop **EverPower Wind Holdings**.

The London-based private equity firm has been looking to sell the assets for several years without success as it attempts to shut down its renewable energy infrastructure fund.

Deal watchers say the timing of the latest sale process could be related to foreign exchange movements since the U.K. voted to leave the European Union in a referendum last summer.

Terra Firma mandated **Bank of America Merrill Lynch** to market the Pittsburgh-based company in 2015, but the sale was ultimately tabled (PFR, 5/1/15).

"They've been trying to sell it for three years and they were never going to get the price they wanted," says a deal watcher.

"The F.X. move has helped quite a bit because these are European funds."

The euro and the pound have both lost value against the dollar in the wake of the U.K.'s June 23 referendum on European Union membership and **Donald Trump's** U.S. presidential election victory.

EverPower's roughly 750 MW of operational wind assets are spread across four U.S. states.

They are:

- ◆ the 240 MW Big Sky project in Bureau and Lee counties, Ill.,
- ◆ the 150 MW Mustang Hills project in Tehachapi, Calif.,
- ◆ the 139.4 MW Twin Ridges project in Somerset County, Pa.,
- ◆ the 75 MW Highland North project in Cambria County, Pa.,
- ◆ the 62.5 MW Highland project in Cambria County, Pa.,
- ◆ the 55.35 MW Howard project

- in Steuben County, N.Y., and
- ◆ the 30 MW Patton project in Cambria County, Pa.

The Mustang Hills and Highland projects have power purchase agreements with **Southern California Edison** and **First Energy Services**, respectively.

The company also has a development pipeline that includes:

- ◆ the up-to-300 MW Baron Winds project in Steuben County, N.Y.,
- ◆ the 240 MW Mud Springs project, which comprises three 80 MW facilities in Carbon County, Mont.,
- ◆ the up-to-225 MW Scioto Ridge project in Hardin and Logan counties, Ohio,
- ◆ the up-to-130 MW Buckeye and the up-to-130 MW Buckeye II projects in Champaign County, Ohio,
- ◆ the 126 MW Cassadaga wind

project in Chautauqua County, N.Y.,

- ◆ the 98 MW New Creek project in Grant County, W.Va.,
- ◆ the up-to-80 MW Kimberly Run project in Somerset County, Pa., and
- ◆ the up-to-60 MW Mason Dixon project in Somerset County, Pa.

In addition to these assets, EverPower is in the early stages of developing four wind projects in Maine that have a combined potential output of up to 500 MW.

EverPower ceo **James Spencer** did not return a call seeking comment. Spokespeople for EverPower in Pittsburgh referred inquiries to Terra Firma. Officials at Terra Firma in London did not respond to requests for comment. Officials at Barclays in New York and KeyBanc in Cleveland declined to comment. ■

Atlantica Yield to Acquire Stake in Starwood Transmission Line

Atlantica Yield has agreed to acquire a stake in the 114-mile 3.2 GW Ten West Link transmission line being developed by **Starwood Energy Group Global** in California and Arizona.

The **Abengoa** yield company announced the deal in its fourth quarter earnings presentation published on Feb. 27.

Under the terms of the transaction, the yieldco has agreed to acquire a 12.5% stake and has committed to invest up to \$10 million in the project over three years in return for an additional 12.5% stake which it intends to acquire once the project is operational.

"It's difficult to find an oppor-

tunity like this, a transmission asset that fits so well us from a geographical point of view, from a technology point of view and with such a good offtaker," said the London-based yieldco's ceo **Santiago Seage** on an earnings call on Feb. 27. "This is the reason why we are investing well before commercial operation, having some rights to increase our investment when it reaches operation. Hopefully we will end up owning even more although time will tell."

Starwood and **Abengoa Transmission & Infrastructure** are developing the 500 kV project, which stretches from Tonopah,

Ariz., to Blythe, Calif., through a joint venture called **DCR Transmission**.

In October, DCR Transmission filed an application for a certificate of public convenience and necessity with the **California Public Utilities Commission**. The transmission project is slated to be online in 2020.

The **Board of Supervisors** of La Paz County, Ariz., has issued a request for proposals for up to 1.5 GW of utility-scale solar projects to serve California via the transmission line. The projects would be installed on land the county is seeking to acquire from the federal government (PFR, 2/17).

Letters of interest for the RFP were due by Feb. 24, and at least 15 bidders have signaled their intent to bid.

Meanwhile Atlantica Yield, formerly known as Abengoa Yield, has been working on achieving full autonomy from its sponsor since the Spanish conglomerate filed for bankruptcy in 2015, separating its team, processes and IT systems from those of Abengoa (PFR, 1/13/16).

Earlier this month, the yieldco refinanced \$290 million of debt drawn under a holding company revolving credit facility due in December through a €275 million private placement.

The debt, provided by an infrastructure fund, comprises three roughly equal tranches with tenors of five, six and seven years that are expected to cost the company between 5.6% and 5.7% on a swapped basis. The infrastructure fund was not identified. ■

● PPA PULSE

First Contract Signed for Grain Belt Transmission

« FROM PAGE 1

Joint Municipal Electric Utility Commission with generation from its Iron Star wind project in Ford County, Kan., under the terms of the 20-year PPA. Supply is expected to start in 2021.

As part of the deal, MJMEU has also signed a transmission service agreement with Clean Line. TSAs from generators or load serving entities are expected to be the basis of any project financing for the 780-mile Grain Belt Express project, which is slated to cost roughly \$2 billion.

"Clean Line's current plans are to obtain the necessary permits and sign long-term transmission capacity contracts with creditworthy customers," says a spokesperson for the sponsor in Houston. "Clean Line will then obtain financing, a combination of equity and debt."

The Grain Belt Express project has been approved in Kansas, Illinois and Indiana and Clean Line hopes to obtain the final green light from Missouri in summer.

If the proposed 4,000 MW transmission line is approved and amasses enough long-term contracts, bankers would likely be very welcoming of a deal.

"I think everyone would love there to be more transmission deals, but they don't come up that frequently," says a New York-based project finance banker. "I'm not sure how proximate any of these deals are."

"Clean Line's current plans are to obtain the necessary permits and sign long-term transmission capacity contracts with creditworthy customers."

Infinity and other developers of projects that could interconnect with the Grain Belt Express are expected to ramp up their marketing efforts to utilities in Missouri, Illinois

and surrounding states once the transmission line secures its final permit.

Non-utility PPAs could also be an

"I think everyone would love there to be more transmission deals, but they don't come up that frequently."

option. **Walmart**, which has contracted renewable generation directly in the past, has filed testimony in support of the Grain Belt Expressway project.

Clean Line has been in discussions with banks with a view to raising between \$2 billion and \$2.5 billion to finance the construction of one of its other projects, the 700-mile, 4,000 MW Plains & Eastern Clean Line, since at least January of last year (PFR, 1/13/16). The U.S. **Department of Energy** approved the project in March (PFR, 3/28/16).

Besides the Grain Belt Express and Plains & Eastern projects, Clean Line is developing three other large-scale transmission projects in New Mexico, Arizona, California, Iowa and Illinois.

Here is a round-up of other PPAs signed or announced in the last two months:

UTILITY-SCALE RENEWABLES

■ The board of trustees of the **Long Island Power Authority** has approved a 20-year pay-for-performance PPA with **Deepwater Wind** for the output of the 90 MW South Fork Wind Farm, to be located 30 miles southeast of Montauk, Long Island, which would be New York's first offshore wind project.

■ The city of Denton, Texas, has inked a PPA with **Invenergy** for generation from its 150 MW Santa Rita Wind Farm in Reagan and Irion Counties, Texas. **Denton Municipal Electric** is scheduled to begin receiving power from the facility by Jan. 1, 2019.

■ Wisconsin's **WPPI Energy** has entered



Developers are expected to start marketing power from Kansas wind projects to potential off-takers in Missouri, Illinois and Indiana in earnest once the Grain Belt Express seals its final permit.

PPA PULSE ●

into a 20-year PPA with **NextEra Energy Resources** for generation from its 100 MW Point Beach solar project, which is scheduled to go online in 2021 in Two Rivers, Wis. WPPI Energy is a not-for-profit regional power company that serves 51 locally owned utilities in Wisconsin, Upper Michigan and Iowa.

■ **Marin Clean Energy** has signed a 20-year PPA with **EDF Energies Nouvelles** for the output of its up-to-150 MW Desert Harvest solar project, near Desert Center, Calif.

■ **NorthWestern Energy** has inked a 25-year PPA for generation from the 78 MW Crazy Mountain Wind farm being developed by **WINData** and **Coyote Energy** in Sweet Grass County, Mont. In January, the **Montana Public Service Commission** set two rates that NorthWestern would pay for the output: \$42.38/MWh when demand is high, and \$36.36/MWh at non-peak hours. Crazy Mountain's developers have been seeking a PPA with NorthWestern since 2013.

■ Retailer **Home Depot** has signed a 20-year PPA with **EDP Renewables North America** for 50 MW of generation from its 250 MW Los Mirasoles Wind Farm in Hidalgo and Starr Counties, Texas. The contract is expected to meet the needs of 100 Home Depot stores.

■ **Arizona State University** and **PayPal** have signed PPAs with **Pinnacle West Capital Corp.** subsidiary **APS** for the output of its 40 MW Red Rock solar project in Red Rock, Ariz.

■ **Southern California Public Power Authority** has entered into a 25-year PPA with **Ormat Technologies** for 35 MW of the output of its 43 MW Ormesa Geothermal Complex in Imperial Valley, Calif., beginning on Nov. 30, 2017. Ormat says SCPPA will pay \$77.25/MWh with no annual escalation. SCPPA will resell roughly 86% of the output to the **Los Angeles Department of**

Water and Power and the remaining 14% to the **Imperial Irrigation District**.

■ Wisconsin-based **Dairyland Power Cooperative** has signed a PPA, effective Feb. 15, for half of the output of **Iberdrola** subsidiary **Avangrid Renewables'** operational 160 MW Barton Wind Farm in Kensett, Iowa. The project has been online since 2009 and has had a 50 MW PPA with **We Energies** since 2010.

■ Silicon Valley software firm **Intuit** has signed a PPA with **ArcLight Capital Partners** portfolio company **Leeward Renewable Energy** for generation from its 38 MW Buena Vista Wind Farm in Byron, Calif. **Renewable Power Direct**, a wholesale power marketer, arranged the PPA.

■ **3M** was revealed as one of the offtakers for **Akuo Energy's** 150 MW Rocksprings wind project in Rocksprings, Texas. The Minnesota-based maker of Scotch tape has contracted 100 MW of the output for 15 years, while Walmart has a 12-year PPA for the remaining 50 MW (PFR, 12/20).

■ NorthWestern Energy has signed a 25-year PPA with **BayWa r.e.** for the output of its 25 MW Greycliff wind project, on which construction is due to begin later this year in Sweet Grass County, Mont. NorthWestern will pay \$45.49/MWh under the terms of the deal. BayWa recently acquired the facility from **National Renewable Solutions** and **Montana Wind Resources** (PFR, 1/24).

■ Virginia's **State Corporation Commission** has approved a 25-year PPA between **Dominion Virginia Power's** 20 MW Remington solar project in Fauquier County and the **Commonwealth of Virginia**. **Microsoft** will purchase the renewable energy certificates associated with the project as part of the deal.

■ **Virginia Electric and Power Co.** will buy the output from two solar projects that **PSEG Solar Source** acquired from BayWa r.e. in January under 10-year PPAs. The 26 MW PSEG Cork Oak Solar Energy Center and the 21 MW PSEG Sunflower Solar Energy Center are under construction in Halifax, N.C., and expected to come online in December 2017 (PFR, 1/24).

■ Arizona's **Mohave Electric Cooperative** has inked a 30-year PPA with **Exelon**

Corp. subsidiary **Constellation** to acquire the output from the its recently completed 13.8 MW Mohave Sunrise Solar II project, a companion to the 5 MW Mohave Sunrise Solar I facility, which is also contracted with MEC. Under the terms of the agreement, MEC has will have periodic options to purchase the facilities after six years.

SMALL SCALE SOLAR

■ The township of Willingboro, N.J., has awarded a 15-year PPA to **Eznergy** of Toms River, N.J., to install solar panels on the roof of the municipal building, public works building and the Kennedy Center at a cost of 7 cents per kWh.

■ Minnesota-based **Red Wing Shoe Co.** has signed a 25-year PPA with **NRG Energy** for generation from two solar projects in Olmstead and Dodge Counties, Minn. The contract will meet 25% of the company's demand. The PPA represents 40% of the total 6 MW output of the two projects.

■ New Jersey-based **Sun Chemical** has entered into a 20-year PPA with solar developer **Onyx Renewables** for generation from rooftop and carport solar arrays at Sun Chemical's production facility in Carlstadt, N.J. The arrays are expected to meet more than 30% of the facility's demand.

■ **Brandeis University** has inked a 20-year PPA with Kenyon Energy for a 1.27 MW rooftop solar installation. **Competitive Energy Services**, **Kenyon Energy**, **Borrego Solar Systems** and **AEW Capital Management** collaborated with Brandeis on the project, which is expected to be operational this spring.

CENTRAL AMERICA

■ El Salvador has awarded 20-year PPAs to **Tracia Network Corporation**, **Capella Solar**, **Sonsonate Energy** and **Asocio Ecosolar** for four solar projects totaling 120 MW at rates ranging from 4.955 cents per kWh to 6.724 cents per kWh. The four projects are slated to come online in 2019.

■ **Belize Electricity Limited** has inked a PPA with a subsidiary of **The Santander Sugar Group** for 8 MW of generation from a 16 MW biomass plant that will burn bagasse, a sugar cane byproduct produced by the Santander Sugar Mill in Belize. ■

FAST FACT

90 MW

The size of Deepwater Wind's South Fork Wind Farm off the coast of New York. The Long Island Power Authority has approved a 20-year PPA for the project.

● CONFERENCE COVERAGE: SFIG VEGAS

Commercial Solar Lenders Plot ABS Growth

There is plenty of room for growth in commercial solar securitization, **SFIG Vegas** attendees heard on Feb. 28, and lenders need capital markets access to fund it. But the lack of scale in the market is a key hurdle, creating a 'catch 22' situation.

Lars Norell, managing partner at **Altus Power Management**, which has a network of commercial solar systems, said the "only way" for his firm to compete with utility companies was to gain access to the capital markets and securitize the power purchase agreements that form the bulk of his firm's assets.

The predictable cashflows of commercial solar PPAs and the ability of the company to sell generation back to the grid even in the event of a customer default lend themselves well to securiti-

zation, but an issuer needs scale before a securitization becomes feasible, he said.

"It's a question of critical mass," he said. "Doing \$150 million to \$300 million is easier [than a smaller deal] but we haven't been able to do that yet."

The solution, Norell said, was to find a way of structuring a deal with a portfolio that is partially ramped—allowing the firm to ramp the rest of the portfolio at a much lower cost of funding. The process would be similar to how a collateralized loan obligation is normally sold to investors.

"If we had access to 10-year debt at 4.5% then we would build more solar systems—that kind of financing cost begets more flow. My hope is that this year there will be something in place for us to do that," he said.

But a huge amount of work would need to be done in order to convince rating agencies and investors that such a structure would be viable.

"That's a tough nut," said **Melanie Gnazzo**, partner at **Chapman and Cutler**. "Commercial portfolios have a lot of concentrations that you can only mitigate by having larger portfolios. You need either aggregation or creativity," she said.

There are other ways in which commercial solar can grow, however. Norell pointed out that there was a raft of seasoned solar assets becoming available for sale that firms could buy in order to fuel faster growth.

In the residential solar space, with a handful of deals now having surfaced, and plenty more in the pipeline, moderator **Benja-**

min Cohen, ceo of **T-Rex**, said the market had developed into a "nice pocket-sized asset class."

The residential solar market could be well placed for more issuance this year with "tons" of warehouses ramping assets, according to Gnazzo.

In contrast to the commercial side of the market, residential solar is seeing a strong shift towards loans over leases and PPAs as borrowers become more familiar with the benefits of owning the underlying asset. Commercial solar borrowers, however, have shown a preference for PPAs as they can be structured off balance sheet, unlike loans and leases.

A version of this article was first published in GlobalCapital, PFR's sister publication for the capital markets. ■

● STRATEGIES

NextEra Needs to Raise \$20B in 2017, says Moody's

NextEra Energy needs to find about \$20 billion in 2017 to finance its project pipeline and its acquisition of **Oncor Electric Delivery Co.**, and is likely to tap a variety of sources, according to a report from **Moody's Investors Service**.

Besides the \$12 billion consideration to be paid for Oncor, NextEra has considerable capital expenditure requirements as it seeks to complete gas-pipelines due to come online this year and shifts its focus to repowering existing wind projects, according to the report, which was published on March 1.

The Florida-based utility and independent power producer holding company, which has a Baa1 rating from Moody's and A- ratings from both **S&P Global Ratings** and **Fitch Ratings**, will likely use a mixture of asset sales, non-recourse project debt, tax equity, hybrid capital and common equity to raise the funds it needs, says Moody's.

"Permanently financing some \$20 billion of capital will be challenging and poses financing

risk," reads the report. "We believe, however, that the capital markets will remain open over the next 12 to 18 months to well-positioned power and utility companies such as NextEra."

NextEra agreed to acquire 80% of Oncor from **Energy Future Holdings** for \$9.5 billion in cash and shares in July, ending years of speculation over who would buy the Texas utility that began when its parent filed for bankruptcy in 2014 (PFR, 7/29).

Then in October, the owners of the remaining 20% of Oncor agreed to sell their stakes to NextEra as well. NextEra is set to pay Singaporean sovereign wealth fund **GIC** and the **Ontario Municipal Employees Retirement System** a combined \$2.4 billion and **Oncor Management Investment** \$27 million to take full ownership of the utility under the terms of two separate deals (PFR, 10/31).

NextEra has said it will use the proceeds of convertible equity, debt and equity offerings and "recycling capital"—which usually means asset sales—to finance the transactions.

Bank of America Merrill Lynch and **Credit Suisse** are leading a group of six banks that are advising NextEra on the three transactions. The other four advisers are **Deutsche Bank**, **JP Morgan**, **UBS** and **Wells Fargo**.

Meanwhile, NextEra's capital expenditures are likely to remain high. The company spent a record \$5.7 billion on capex in 2016, according to Moody's.

To finance its operations, the company raised \$9.7 billion of financing, most of which—about \$2.8 billion—took the form of non-recourse project debt, according to the report. Tax equity accounted for \$1.9 billion, equity \$1.5 billion and term loans \$1.175 billion.

While the rating agency expects NextEra to continue to use project finance, tax equity, hybrid capital and equity in 2017, asset sales are also likely to play an important part.

"NextEra is asset-rich, and we expect recycling capital will be a key financing strategy to manage its debt levels," reads the Moody's report. ■