

# power finance & risk

The exclusive source for power financing and M&A news

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## Infin Gen Silence Piques Banker Interest

Bankers are wondering if Infin Gen had a change of heart about selling its 1.1 GW portfolio.

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## GAS STORAGE COs LOOK TO GO PUBLIC

Two natural gas storage company IPOs are in the works, the first such deals in the sector. The plans are being seen as underscoring an often overlooked facet of the renewable generation boom—gas-fired generation can play a key role as a peaking fuel to back up wind and solar.

Niska Gas Storage Partners, a portfolio company of private equity firm Riverstone Holdings, plans to issue \$402 million worth of master limited partnership units and PAA Natural Gas Storage, a spinoff of Plains All American Pipeline, up to \$200 million worth of units. Prospectuses for both offerings include a lengthy list of risk factors, highlighting the speculative nature of the industry.

Officials at both Houston companies declined comment, citing confidentiality. Barclays Capital and UBS are underwriting the PAA IPO while no underwriters are listed

*(continued on page 12)*

## RES ZEROES IN ON THUMB WIND

RES Americas will invest upwards of \$1 billion in a wind pipeline in the eastern part of Michigan as it builds out a 500 to 700 MW project in the Thumb region.

Joe DeVito, v.p. of Midwest development in Minneapolis, says, "One reason Michigan is attractive is that the government and citizens are dedicated to bringing in wind. They need the jobs." It is RES' first project in the state.

The Broomfield, Colo.-based developer is working on the initial phases solo, but expects to land a partner in the near future, says DeVito. How the \$1 billion will be financed has yet to be determined and will likely depend on what type of partner is brought on board, he says. He declined to say how much RES has already invested.

RES is open to a variety of options, including bringing it to construction level and selling

*(continued on page 12)*

## BANKS BAIL AS EME DEAL TIGHTENS

Banco Espirito Santo and WestLB have stopped working on a financing supporting Edison Mission Energy's \$300 million, 150 MW Cedro Hills wind farm. The financing, involving six banks, was set to wrap last month (PFR, 1/22). The extent of either borrowers' participation and the size of the loan could not be learned.

The moves point to a more competitive lending environment. Spreads on the 15-year deal have dropped from 325-350 basis points over LIBOR in January to 275 bps now. BP Alternative Energy has added several new lenders in its latest deal and bankers note that lower pricing may have caused the existing lenders to pass on the deal (see story, page 4).

Union Bank, Dexia Crédit Local, Banco Santander and BBVA, are still working on the

*(continued on page 12)*

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## At Press Time Bankers Query Infigen Sale Status

Deal watchers monitoring Infigen's sale of 1.1 GW of wind projects are wondering whether the assets are still on the table as the seller has gone quiet after receiving final offers from a shortlist of bidders last month. The company has taken assets off the block before, a banker notes, declining to elaborate. **Gerard Dover**, cfo in Sydney, did not return a call.

**Marathon Capital** and **UBS** are advising on the sale and **UBS** is offering staple financing for the purchase (PFR, 2/19). **Ted Brandt**, ceo fo Marathon in Bannockburn, Ill., and a **UBS** official did not return a call.

Infigen is selling 18 projects in California, Colorado, New Mexico, Oklahoma, Oregon and Pennsylvania that are 80% contracted.

## WestLB, BNP Prep Arlington Staple

**WestLB** and **BNP Paribas** are preparing a \$300 million staple financing package for companies planning to submit final bids for **LS Power's** Arlington Valley natural gas plant. The financing package goes out seven years and priced LIBOR plus 325 basis points, says a deal watcher. Calls to **WestLB** and **BNP** officials were not returned.

Final bids for the 572 MW combined cycle plant in Arlington, Ariz., are due March 11, according to the deal watcher. Bidders are said to include **Energy Investors Funds**, **Energy Capital Partners**, **ArcLight Capital Partners**, **Southwest Generation** and **EQT Infrastructure Funds**. EIF and Southwest Generation officials declined to comment. Calls to officials at ECP, ArcLight and EQT were not returned.

The plant went on the market in December. Officials at auctioneer **Credit Suisse** declined to comment and **LS Power** officials did not return calls.

## NRG To Pick Up Babcock Farm

**NRG Energy** is buying a Texas wind farm that is part of the **Babcock & Brown** portfolio. The purchase of the 101 MW South Trent farm is expected to close in the second quarter pending Texas regulatory approval. Officials at **NRG** in Princeton, N.J., and **Marathon Capital**, which is running the sale of the B&B portfolio, were unavailable for comment. The purchase price could not be learned before press time.

South Trent, which came online in January, has a 20-year offtake agreement with **AEP Energy Partners**. This is **NRG's** fourth wind farm, all of which are in Texas.

**NextEra Energy Resources** bought three Babcock farms last fall.

### 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 **Jeanine Prezioso**, managing editor, at 212-224-3226 or [jprezioso@iinews.com](mailto:jprezioso@iinews.com).

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INTELLIGENCE FIRST

## Macquarie Pitches Caribbean Plants Sale

Macquarie Capital is running the sale of two oil-fuelled power plants on two different French islands in the Caribbean totaling 30 MW for an undisclosed party. The sale is being handled out of London and Paris and the bank sent out teasers in the last two weeks scouting buyers, including some New York-based entities.

The seller is described as a “large global energy firm” and the plants have remaining contracts of 10 and 13 years with EDF as an offtaker.

The exact location of the plants and their value could not be learned. An official at Macquarie in New York declined comment and officials in London could not be reached for comment. An EDF spokeswoman did not return an e-mail for comment on whether it was the seller.

## BofA Scoops Barclays Banker

Oscar Brown, managing director of Barclays Capital’s energy group in Houston, has moved to Bank of America as managing director and head of investment banking for the office. He reports to Laurie Coben, global head of energy and power investment banking, and Scott Van Bergh, head of Americas energy investment banking. Brown left Barclays sometime last month.

Brown will likely focus on a wide spectrum of oil and gas business, including midstream development, says a project financier in New York. He reported to Carlos Fierro, head of natural resources at Barclays. Coben, Van Bergh and Fierro did not return calls and Brown could not be reached for comment. Plans for replacing Brown at Barclays could not be learned.

Brown spent the past decade at Lehman Brothers and joined Barclays as it took over Lehman. Prior to Barclays and Lehman, he worked in the industrials and energy group for Credit Suisse focusing on mergers, acquisitions and related financings.

## FIPP Boost Brewing For GE, Caithness Farm

The U.S. Department of Energy is expected to announce a loan guarantee for up to 80% of the development costs of GE Energy and Caithness Energy’s 909 MW Shepherds Flat wind farm under its Financial Institute Partnership Program. The agency will make the announcement by mid-month, a banker says. A spokeswoman at the DOE in Washington, D.C., did not return calls.

Citigroup has been working with the DOE on the roughly \$1.4 billion deal and is one of a handful of banks to submit a part II application under FIPP (PFR, 1/15). If granted, the deal structure would likely include a trust entity between the lenders and the borrowers that would contain both guaranteed and

unguaranteed tranches. Lenders would be able to sell down pieces of the trust in rated pieces to fit the risk appetites of the prospective buyers, the banker notes.

Bank of Tokyo Mitsubishi-UFJ, Credit Suisse, Morgan Stanley and Royal Bank of Scotland are also leading the deal (PFR, 11/20). Stuart Murray, director of infrastructure & energy finance at Citi in New York, declined to comment. Other participating bank officials either declined to comment or did not return calls. A spokesman for GE Energy Financial Services in Stamford, Conn., declined to comment and a Caithness official in New York did not return a call.

## JPMorgan LatAm Banker Jumps To CS

Credit Suisse has hired JPMorgan veteran Guido Cerini to boost its profile in Latin America. Cerini will join the New York office as senior managing director of energy and power M&A in Latin America this summer.

Guido worked with JPMorgan for more than 15 years, most recently as managing director and head of natural resources of Latin America. JPMorgan and Credit Suisse officials and spokespeople declined to comment.

## Terra-Gen Takeout Pitched At Sub-300bps

Calyon and Natixis are arranging financing with pricing in the range of 275 basis points over LIBOR, backing the first 150 MW phase of Terra-Gen’s 3 GW Alta wind project in Tehachapi, Calif. The seven-year deal marks the first to back a new-build project with pricing below 300 bps over LIBOR since the Lehman Brothers collapse and points to a larger downward pricing trend, a banker says.

Funds from the deal would take out a \$140 million financing the ArcLight Capital-backed developer used to purchase 100 General Electric 1.5 MW turbines (PFR, 8/7). A Calyon official and John O’Connor, cfo of Terra-Gen in New York, did not return a call and Richard Garcia, head of project finance at Natixis, did not return a call. The size of the deal and whether the banks were looking to syndicate, could not be learned.

Bankers have forecast lower pricing as competition among lenders for deals increases. enXco has been aiming for sub-300 bps pricing for financing backing its 201 MW Lakefield project in southwestern Minnesota (PFR, 2/19) as is BP Alternative Energy for financing backing its 130 MW Goshen II wind project in Bonneville County, Idaho (PFR, 2/26). The \$741 million syndication backing Noble Environmental Power’s was the last new-build deal to price below 300 basis points with tickets starting at 175 bps over LIBOR, according to PFR



archives (PFR, 8/15/08).

The banks are also working on \$1.4-1.75 billion in financing backing a 700 MW phase of the project. **Southern California Edison** is the offtaker for the project (PFR, 12/18).

## Kellerman To Exit Cogentrix, Goldman

**Larry Kellerman**, president of Cogentrix and head of power assets and a **Goldman Sachs** partner, is retiring. Kellerman, reached by phone, declined comment on his departure or future plans, referring questions to a spokesman.

**Tom Bonner**, coo of Cogentrix will succeed him, says a Goldman spokesman. **Bob Mancini**, a board member of Cogentrix who served as co-president with Kellerman from 2003-2006 will take over as ceo. Mancini is also a managing director in commodities at Goldman and will also continue in that role.

Kellerman joined Goldman in 2002 from **El Paso**, where he had been one of the then IPP's top executives and had a reputation for forging innovative financing structures (PFR, 10/7/02).

## Morgan Stanley Renewables Banker Heads To Goldman

**Geoffrey Richardson**, executive director and head of project finance renewables, has left Morgan Stanley. He is headed to **Goldman Sachs** to do similar work, and is on gardening leave. His assistant and colleagues at the bank had no contact information for him. A spokeswoman did not return request for comment by press time. A Goldman spokesman declined to comment.

Richardson had worked on getting financing for several renewable energy projects in the last year, including a \$125 million construction loan for wind developer **NaturEner USA's** second phase 103.5 MW Glacier 2 project (PFR, 7/10).

## BP Partners Tap Five For Wind

**Mitsubishi UFJ Financial Group**, **Caja Madrid**, **Commerzbank**, **Helaba** and **Mizuho** have been tapped to lead roughly \$300 million in financing backing **BP Alternative Energy** and **Ridgeline Energy's** 130 MW Goshen II wind project in Idaho.

The developers had originally been targeting lenders that participated in financing backing BP and **Dominion's** Fowler Ridge project (PFR, 2/26). However, the drive for pricing below 300 basis points over LIBOR may have caused some Fowler lenders to pass the Goshen deal over. **BBVA**, **Société**

**Générale**, **Banco Santander** and **Banco Sabadell** are among Fowler lenders that are not included in the latest financing. Bank officials either declined to comment or did not return calls and details such as deal structure, tenor or pricing could not be learned by press time.

**Steve Vorhees**, ceo and founder of Ridgeline in Seattle, and **John Graham**, president of affiliate BP Wind Energy in Houston did not return calls.

The project has a 20-year PPA with **Southern California Edison** and is slated for operation by early next year. The utility will likely act as a middle man and sell the capacity to its regional peers at a slight premium.

## Developer Plots La. Offshore Power

**Wind Energy Systems Technology**, a New Iberia, La.-based wind developer, is working with Vermillion Parish, La., to build an offshore wind project that will provide four cities with 50 MW of power.

The company and parish officials are in discussions with banks on financing options for the project. **Herman Schellstede**, ceo, declined to comment on banks or ongoing discussions.

The project calls for 20, 2.5 MW turbines installed in shallow water. The area is located on the Gulf of Mexico and transmission lines will traverse the Vermillion Bay. An accompanying natural gas fired plant will be built onshore as back up generation when the wind doesn't blow. The site is located approximately three miles from the Henry Hub, the nation's gas supply hub.

W.E.S.T. will design, construct and install the facility then hand over ownership to the local governments while still maintaining operation.

Details such as the project's cost and timeline for development were not available by press time. Vermillion Parish officials did not return a call by press time.

## Mizuho Closes Financing For J-POWER

Mizuho closed an \$85 million financing backing **J-POWER Sound Capital's** purchase of two power plants from **PPL Corp.** Officials at Mizuho declined to disclose terms.

The company will use the proceeds to buy 100% equity in the 79.9 MW gas-fired plant **PPL Edgewood Energy** in Brentwood, N.Y., and the 79.9 MW **PPL Shoreham Energy JET-A** fuel fired plant in Brookhaven, N.Y.

**J-POWER Sound**, a subsidiary of **J-POWER USA Generation**, is a joint venture between **John Hancock Financial Services** and **J-POWER USA Investment Co.**

## 2010 EnergyBiz Leadership Forum

*More than 200 executives and leaders from utilities, independent power producers, trade associations and development companies attended Energy Central's EnergyBiz Leadership Forum 2010 at the Mandarin Oriental Hotel in Washington, D.C., Feb. 28 – March 2. Associate reporter Holly Fletcher filed these stories:*

### Utilities Tipped To Drive Solar Growth

Solar power is likely to be popular with utilities in the coming years because of its installation versatility, said **Edward Tirello**, managing director at **Berenson & Co.** in New York. He expects utilities to increasingly install solar panels on houses, commercial buildings and even utility poles—like **PSE&G**—in addition to ground-mounts. Utilities will roll-out more incentives to residents who install solar panels in addition to ratebasing utility-installed distributed systems, Tirello said.

Many utilities are waiting for the initial round of projects to come online before developing solar pipelines in their territory, said **Julia Hamm**, executive director of **Solar Electric Power Association**. Utilities are observing how current projects are financed and constructed before undertaking their own, she said. The uncertainty about the technology will largely abate once the projects are brought into operation, she said.

### Pepco Eyes Asset Sales To Fund Smart Grid

**Pepco Holdings** is weighing the sale of undisclosed assets as the company narrows its focus on transmission and distribution, including smart meter installations, ceo **Joseph Rigby** said during a panel discussion.

“We continue to evaluate the business plan in deciding what to focus on,” he told *PFR* on the conference sidelines. He declined to comment whether unregulated unit **Pepco Energy Services** and **Conectiv Energy** could be sold off to finance smart grid installations and reliability upgrades.

The Washington, D.C.-based holding company will focus on growing its regulated activities, transmission lines (its core business along with distribution) and electric vehicle infrastructure, instead of renewable generation, he added.

The smart grid push will be financed in a variety of ways including balance sheet, bond and equity issuances, asset sales and stimulus funds, he said. The company is planning to raise about \$100 million in equity this year.

Pepco is also building the 150-mile Mid-Atlantic Power Pathway from Virginia to Delaware that will enable the utility to import more power. MAPP has an 11.3% return on equity,

he said.

Pepco will meet renewable portfolio standards across its multi-state footprint by purchasing renewable power, Rigby said. **Delmarva Power**, a utility subsidiary, has a 25-year offtake agreement for **NRG Energy's** proposed 450 MW offshore wind project slated for construction off the Delaware coast. Pepco wants this project to advance before it enters into more offshore agreements, he told *PFR*.

### Nuclear Licensing, Construction To Take Time

The \$2 billion loan guarantee granted to **Southern Co.** for its nuclear project isn't likely to put a rush order on the licensing process, **Gregory Jaczko**, chairman of the U.S. **Nuclear Regulatory Commission**, told *PFR* on the sidelines. He declined to comment on the timeline.

Five hundred NRC employees are currently reviewing 13 applications for 22 reactors, but the process is slow going for several reasons, Jaczko told attendees. Applications often require additional information and the process is impeded by the lack of institutional history—half of the employees have been with the NRC for less than five years, he said.

The lack of recent experience in nuclear construction—the last plant was completed in 1996 after 24 years—will impact more than the licensing process, said **Edward Tirello**, managing director at **Berenson & Co.** Glitches and bugs will occur in the construction of the first few plants because few, if any, people who worked on construction of the projects in the 1970s are still in the workforce, he said. The first projects that pass the licensing process will be the guinea pigs of what will hopefully become a cookie cutter process, he said.

**PSEG** will wait for the pilot projects to be completed before ramping up its project, said **Ralph Izzo**, president and ceo. PSEG will wait until banks are ready to finance without the assurance of a federal loan guarantee and the bugs are removed from the construction process, he said, adding that PSEG will be a “follower not a leader.”

The first plants that get built will replace reactors in an aging fleet, Jaczko said, and he doesn't know whether nuclear generation will ever comprise more than 20% of the country's power mix. “I don't want to predict where we're going,” he said.

## 2010 EnergyBiz Leadership Forum

### NextEra Seeks Transmission Projects

NextEra Energy Resources is scouting transmission opportunities areas with bottlenecked renewable projects, Moray Dewhurst, vice chairman of FPL Group, told attendees. The FPL unit is interested in building transmission solo or in tandem.

The first developer in a region should not be saddled with enormous costs as part of a strategy for developing transmission, Dewhurst said. Beyond ERCOT, there needs to be a framework that spans several territories in other parts of the country, he said. "Where there is a significant renewable load you can bet that's where we will be sniffing around," he told *PFR* on the conference sidelines. He declined to detail current partnerships or project specifics. NextEra recently completed a 200-mile line connecting two of its wind farms to a substation near San Antonio. He declined to comment on how much the project cost.

### Seen & Heard

- "I feel like Elizabeth Taylor's seventh husband on the wedding night—I know what to do, I just don't know if I can make it

interesting."—Will Wynn, principal LPB Energy Management and a former mayor of Austin, Texas, at the outset of his presentation on renewables and energy efficiency.

- After listening to co-panelist Edward Tirello, managing director at Berenson & Co., talk about the hurdles facing the industry (transmission, bringing nuclear projects online, getting Washington to enact legislation) Joseph Rigby, ceo of Pepco Holdings, lamented around 9:30 a.m., "After hearing Ed talk—is the bar open?"



### Reporter's Notebook

- An employee of the Mandarin Oriental Hotel signaled the end of networking- and break-times by walking around and ringing a large chime.
- Attendees rushed the buffets at noon, willfully ignoring the flashing lights and sirens of a fire alarm—which turned out to be false.

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## NextEra To Tap Private Placement For Wind

FPL Group subsidiary NextEra Energy Resources is doing a \$303 million private placement via BNP Paribas and WestLB backing a wind farm of undisclosed size straddling Oklahoma and Colorado. Life insurance companies are likely buying into the 20-year deal, as the nature of their portfolios requires longer-term paper, a banker notes.

The size of the farm, which has long-term PPAs, and a timeline and pricing for the deal could not be learned by press time.

Life insurance companies have backed renewable projects before, bankers note, pointing to John Hancock Financial Services and MetLife's financing of SunPower and Xcel Energy's 19 MW photovoltaic project (PFR, 2/26). Company officials and spokesmen either declined to comment or did not return calls and the identity of potential investors in the deal could not be learned.

Frank Echevirria, of BNP's debt capital markets, and a WestLB official did not return calls. An FPL spokesman in Juno Beach, Fla., also did not return a call. The operational date of the project could not be learned.

## Corporate Strategies

### AEP Unit Fuels Construction With Notes

Southwestern Electric Power Co. tapped the bond market Wednesday for the first time since mid-2008 for \$350 million to fund two power plants under construction and repay short-term debt. The Shreveport, La.-based utility didn't have enough financing need to seek an issuance last year and relied on equity from parent American Electric Power, says a spokeswoman in Columbus, Ohio. Officials from the finance department were not available for comment.

The company will need \$440 million in capex this year to wrap construction on the 508 MW Stall combined cycle natural gas plant in Shreveport and for ongoing construction at the 600 MW John W. Turk Jr. coal plant in Fulton, Ark.

The 30-year notes carried a 6.2% coupon. They priced 160 basis points over U.S. Treasuries. Moody's Investors Service rated them Baa3; BBB by Standard & Poor's; and BBB+ by Fitch Rating Agency.

BNP Paribas, JPMorgan and Morgan Stanley acted as joint bookrunners. Credit Agricole, Royal Bank of Scotland and SunTrust Robinson Humphrey were co-agents. AEP has a roster of relationship banks, the spokeswoman says, declining to comment on why these banks were chosen. Calls to officials at the banks were not returned.

## Gas Co. Repays Debt, Pays Riverstone

Niska Gas Storage is selling \$800 million in senior unsecured notes in a private placement to pay down debt and cover distributions to private equity funds under owner Riverstone Holdings. The Gridley, Calif.-based company priced the eight-year, 8.875% notes this week. Moody's Investors Service rates the notes Ba3.

David Pope, president and ceo, directed questions to a Riverstone spokesman in New York, who declined to comment. The closing date and identity of the underwriters of the deal could not be learned. Terry Marshall, v.p. at Moody's in Toronto, did not return a call.

Proceeds from the sale will pay down \$593 million outstanding from a loan and \$82 million outstanding from a revolver. Companies typically use revolvers to temporarily fund capital expenditure programs and Niska has plans to expand its storage capacity from 186 billion cubic feet to 212 bcf in the next two years. The use of funds under the loan and the revolver, details of the capex program and the costs under the expansion could not be learned.

In addition to the debt offering, the company is looking to raise roughly \$300-400 million in an initial public offering (see story, page 1). It is the largest independent owner of natural gas storage assets in North America, with facilities in Alberta, Canada, California and Oklahoma.

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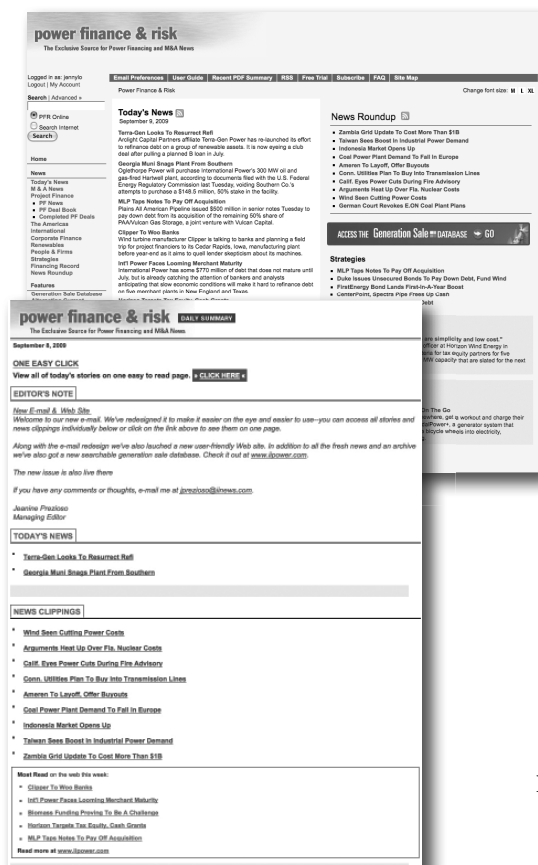
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## Project Finance Deal Book

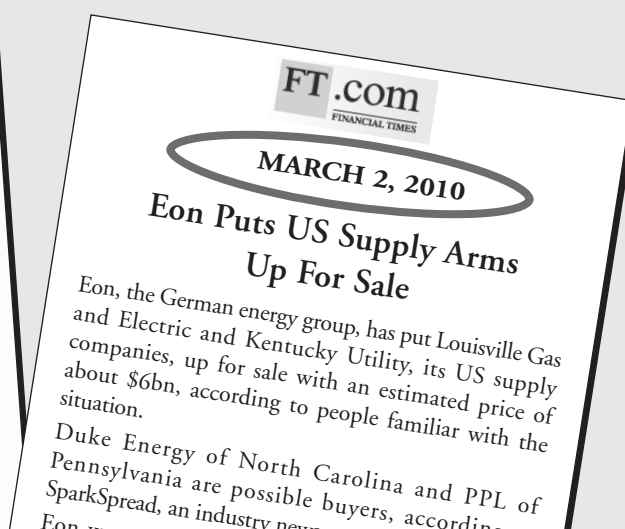
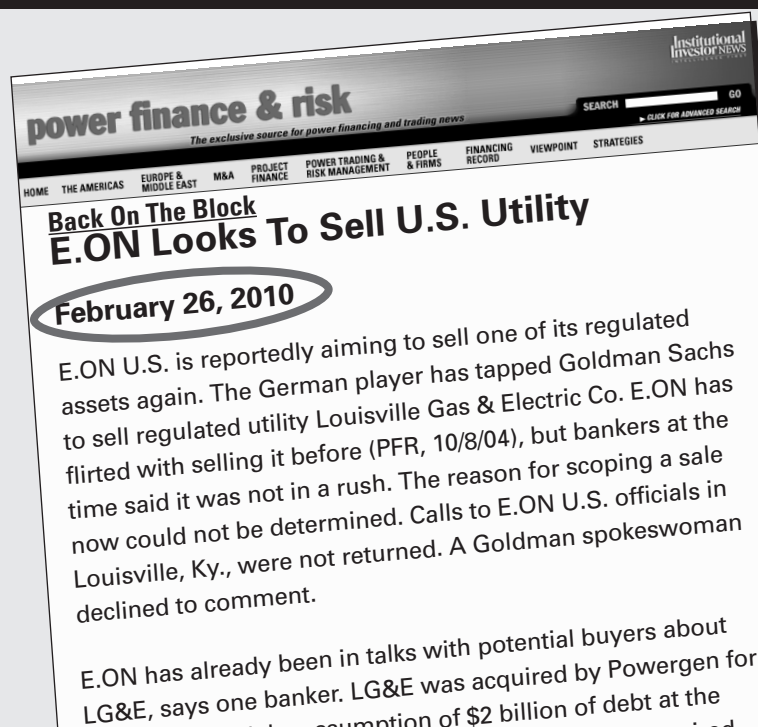
*Deal Book is a matrix of energy project finance deals that PFR is tracking in the energy sector. The entries below are of new deals or deals where there has been change in their parameters or status. To report updates or provide additional information on the status of financings, please call Jeanine Prezioso at (212) 224-3226 or e-mail [jprezioso@iinvestor.net](mailto:jprezioso@iinvestor.net).*

### Live Deals: North America

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
BP, Ridgeline	Goshen II (130 MW Wind)	Bonneville County, Idaho	TBA	TBA	TBA	TBA	Talking to Fowler Ridge lenders (PFR, 3/1/10).
Caithness Energy, GE Energy	Shepherds Flat (909 MW Wind)	Oregon	BoTM, WestLB, Morgan Stanley, Credit Suisse, RBS, Citi	TBA	TBA	TBA	FIPP guarantee expected (see story, page 3).
First Wind	Stetson (57 MW Wind)	Danforth, Maine	BNP, HSH, Rabo	Refinancing	\$116M	7-yr	Rabo takes a piece of secondary (PFR, 3/1/10).
Panda Energy	Unidentified (650 MW Gas)	Dallas	TBA	TBA	TBA	TBA	In discussions for PPAs, financing (PFR, 3/1/10).
Sithe Global	Southdown (800 MW Combined Cycle)	Mississauga, Ontario	TBA	TBA	TBA	TBA	Project on hold (PFR, 3/1/10).
SunPower, Xcel	Unidentified (19 MW Solar)	Alamosa County, Colo.	John Hancock, MetLife	TBA	\$50M	20-yr	Deal wrapped (PFR, 3/1/10).
Terra-Gen Power	Alta (150 MW Phase Wind)	Tehachapi, Calif.	Calyon, Natixis	Turbine takeout	TBA	7-yr	Banks arranging financing (see story, page 3).

For a complete listing of the Project Finance Deal Book, please go to [iipower.com](http://iipower.com).

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## 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 South Carolina Supreme Court will hear arguments against the law that allows utilities to charge higher rates to fund future nuclear projects. **South Carolina Electric & Gas** sought a rate increase to prefund a portion of its stake in the proposed Santee Cooper project (*The State*, 3/4).
- The Colorado **Public Utilities Commission** approved a two-tier rate system that will allow **Xcel Energy** to charge more for power usage during the four summer months (*The Denver Post*, 3/4).
- Attorney General **Andrew Cuomo** has warned that **Enexus'** initial \$4.5 billion in debt will mean higher power costs for consumers if **Entergy's** request to spinoff the unit is approved (*The Daily News*, 3/3).
- Several large utilities, including **DTE Energy**, would not necessarily object to being the first industry to implement carbon emissions limits under the proposed climate bill that would set different requirements and timelines for decreasing emissions for different industries (*The New York Times*, 3/3).
- **PPL Electric Utilities** will seek Pennsylvania state regulatory approval for an up to 2.5% rate increase to fund transmission and distribution improvements over the next few years (*Reading Eagle*, 3/3).
- Brazil is considering allowing large power users to sell electricity that they have contracted to buy but don't need. The move comes as the government seeks to increase energy efficiency among consumers (*Bloomberg*, 3/2).
- **Yingli Green Energy Holdings** has agreed to provide more than 10 MW of photovoltaic modules to New Jersey-based developer **SunDurance**. Roughly 8 MW of the modules will be used for projects under development and 2 MW will be used for future projects (*Reuters*, 3/2).
- Georgia's **Municipal Electric Authority** will issue Build America Bonds via **Goldman Sachs** to raise almost all the \$2.5 billion needed to fund its share of the Vogtle nuclear reactor (*Bloomberg*, 3/2).
- **Jeffrey Immelt**, ceo of **General Electric**, says the U.S. government must take "strong actions" in the energy industry to stay competitive in a race to build nuclear reactors and wind turbines with countries such as Japan and China (*BusinessWeek*, 3/2).
- An increase of wind generation in Texas concerns gas-fired plant owners as the state's gas consumption could fall 18.5% by 2013 with more wind farms coming online (*The Wall Street Journal*, 3/2).
- **Xcel Energy** will pay customers \$2.25 per watt to generate solar power from residential installations and plans to have 2 MW installed in three years (*Minneapolis / St. Paul Business Journal*, 3/1).
- Natural gas lobbyists are supporting incentives from Washington to encourage utilities to switch from coal to natural gas (*The Hill*, 3/1).
- Agricultural equipment maker **Deere & Co.** is reviewing whether to sell its wind generation portfolio and has tapped **Goldman Sachs** to advise. The company has 34 projects with a 706 MW capacity, and several projects under development (*Environmental Leader*, 2/26).
- **Low Hay**, ceo of **FPL Group**, says it will continue to grow its **NextEra Energy Resources** subsidiary. The sub plans to build 1 GW of wind this year (*BusinessWeek*, 2/26).
- The California **Public Utilities Commission** has approved a peak-day rate structure that allows commercial, industrial and agricultural customers of **Pacific Gas & Electric** to pay different prices for power at different times of day (*Renew Grid*, 2/26).
- **PG&E Corp.** has named **Sara Cherry** as cfo of its utility subsidiary **Pacific Gas & Electric**. The San Francisco-based company also named **Anil Suri** as chief risk and audit officer (*MarketWatch*, 2/25).
- **Northeast Utilities** profits rose 17% in the fourth quarter from last year on an earnings increase from its transmission business. The company reported \$86.1 million in earnings in the fourth quarter compared to \$73.3 million last year (*Dow Jones Newswires*, 2/23).

## News In Brief (cont'd)

### Europe

- **Enel** is eyeing moving some of its 3.9 MW of renewable assets in Spain under the umbrella of its **Green Power** unit, which may see a stake sale this year. Enel owns renewable generation in partnership with **Endesa** and **Gas Natural** (*Reuters*, 3/4).
- French utility **Veolia Environnement** says its divestiture plan to sell EUR3 billion (\$4 billion) of assets between 2009 and 2011 is running ahead of schedule. The company has sold EUR1 billion in assets last year and will use funds to reduce its

net debt (*Dow Jones Newswires*, 3/1).

- Thai power producer **Electricity Generating** is planning to invest \$1 billion in the next four years to expand capacity by 1 GW (*Bloomberg*, 3/4).
- Spain is making plans to reduce renewable subsidies by the end of the year. (*Bloomberg*, 3/2).
- **Iberdrola Renovables** will headquarter its global offshore wind unit in Glasgow, Scotland. Iberdrola is planning to build 9.7 GW in the U.K. and Europe (*Reuters*, 3/2).

## Conference Calendar

- **Infocast** will host the Solar Power Finance & Investment Summit 2010 March 17-19 at the Rancho Bernardo Inn in San Diego. To register, visit [www.infocastinc.com](http://www.infocastinc.com) or call 818.888.4445.
- **EUCI** will host Renewable Biomass for Affordable Power Generation March 23-24 at the Hyatt Regency in Minneapolis. To register, visit [www.euci.com](http://www.euci.com) or call 303.741.0849.
- **Insight Information** will host the 7<sup>th</sup> Annual B.C. Power Summit March 24-25 at the Wosk Centre for Dialogue in Vancouver. To register, visit [www.insightinfo.com](http://www.insightinfo.com) or call 1.888.777.1707.
- **EUCI** will host Renewable Energy Development on Federal Lands March 30-31 at the Pointe Hilton Tapitio Cliffs in Phoenix. To register, visit [www.euci.com](http://www.euci.com) or call 303.770.8800.
- **Platts** will host the Global Power Markets Conference April 11-13 at the Venetian Resort Hotel in Las Vegas. To register, visit [www.platts.com](http://www.platts.com) or call 212.904.4358.
- **Insight Information** will host the 4<sup>th</sup> Annual Cap-And-Trade Forum April 12-13 at the St. Andrew's Club and Conference Centre in Toronto. To register visit

[www.insightinfo.com](http://www.insightinfo.com) or call 416.777.2020.

- **Wind Energy Update** will host the US Wind Turbine Supply Chain Conference April 12-13 at the Wyndham Hotel in Chicago. To register, visit [www.windenergyupdate.com](http://www.windenergyupdate.com) or call 011.44.207.375.7577.
- **Wind Energy Update** will host the US Wind Energy Operations and Maintenance Summit April 20-21 at the Renaissance Dallas Hotel in Dallas. To register, visit [www.windenergyupdate.com](http://www.windenergyupdate.com) or call 011.44.207.375.7577.
- **Platts** will host the 5<sup>th</sup> Annual Northeast Power Markets Forum April 29-30 at the Hilton Old Town Alexandria Hotel in Alexandria, Va. To register, visit [www.platts.com](http://www.platts.com) or call 610.228.4709.
- **Insight Information** will host the 9<sup>th</sup> Annual Ontario Power Summit May 6-7 at the St. Andrew's Club and Conference Centre in Toronto. To register, visit [www.insightinfo.com](http://www.insightinfo.com) or call 1.888.777.1707.
- **GreenPower Conferences** will host Carbon Markets USA June 8-9 in Washington, D.C. To register, visit [www.greenpowerconferences.co.uk](http://www.greenpowerconferences.co.uk) or call 011.44.207.099.0600.

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## BANKS BAIL

(continued from page 1)

EME deal. Bank officials either declined to comment or did not return calls.

**Carl Adams**, head of structured finance at BES, and a WestLB official declined to comment. **Gerry Loughman**, senior v.p. of development at EME in Irvine, Calif., also declined to comment.

The project has a PPA with **CPS Energy** and is set to come online this year.

—*Sara Rosner*

## RES ZEROES

(continued from page 1)

or developing on behalf of an entity. RES has been in touch with local utilities **Detroit Edison Co.** and **Consumers Energy**, both of which are in the market to develop and own wind generation (PFR, 1/15 & 2/12). DeVito declined to comment on whether either utility is interested. A Detroit Edison spokesman declined to comment and calls to CMS officials were not returned.

The construction timeline is tied to transmission upgrades because two **John Deere**-owned projects totaling 122 MW take up almost all the available wire capacity in the agricultural region. **ITC Holdings**, which is responsible for Michigan transmission, is expected to file an upgrade strategy with the **Midwest Independent Systems Operator** soon. "We're hoping that ITC moves sooner rather than later," DeVito says. The transmission project will be on a fast-track for regulatory approval under a new law that cuts the approval time in half.

—*Holly Fletcher*

## GAS STORAGE

(continued from page 1)

on the Niska IPO.

The companies have assets in and around the U.S. Gulf of Mexico. Certain types of storage provide easy access to gas when a generator needs to tap it quickly when demand is at its peak, or if it's linked to a wind farm on a day when the wind isn't blowing, says **Andrew Oram**, senior credit officer at **Moody's Investors Service**. Texas is currently the largest wind market in the U.S.

"Pulling gas from salt dome storage is the best way an electric power generator can directly or indirectly match its unpredictable peak surge needs with the fast delivery of enough molecules on time to generate that power," Oram says.

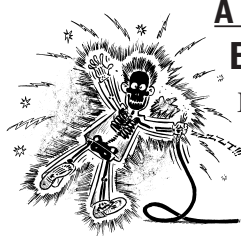
Other deals in the market underscore the need for the fuel as a cushion for renewable power. **Calpine** is purchasing power from the Windy Point wind project in Klickitat County, Wash., to sell to the **Los Angeles County Department of Water and Power**. It will back that power up with power from its natural gas-fired power plants in Oregon.

Coal, once a cheap fuel for generating power, will face more pressure as the U.S. **Environmental Protection Agency** looks

## Alternating Current

### A Hop, Skip and Jolt

### Easter Bunny Power

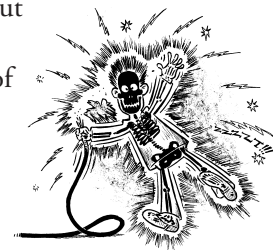


Easter, the holiday of sugar-coated marshmallows, spring buds and egg hunts also signifies the day of the lowest electricity

consumption in the New England. The single lowest-energy use day has fallen on the holiday three times since 2000, according to New England's **Independent System Operator**.

The lowest energy-use day usually occurs between April and May, when temperatures begin to rise and daylight hours increase, causing customers to use less power for lighting, heating and cooling, according to *The New York Times*. A spokeswoman for New England ISO in Springfield, Mass., did not return calls

Many utilities and IPPs often shut down for maintenance and spring cleaning during this period ahead of high power-demand summers. So the next time you snag the golden egg, you can feel extra lucky thinking about all the energy you're not using.



more likely to regulate greenhouse gasses and nuclear remains far off in the distance, says **Parker Weil**, co-head of power and utilities at **Bank of America** in New York. "Natural gas storage is one way to play it," he adds. "Gas is clearly the fuel of choice."

—*Jeanine Prezioso*

### Quote Of The Week

"One reason Michigan is attractive is that the government and citizens are dedicated to bringing in wind. They need the jobs." — **Joe DeVito**, v.p. of Midwest development for **RES Americas**, on why the company is excited about its 500-700 MW project in the state (see story, page 1).

### One Year Ago In Power Finance & Risk

**Invenergy** was in the market to finance roughly \$220 million for a 111 MW expansion of its 99 MW Grand Ridge wind farm in LaSalle County, Ill. [**Dexia Crédit Local** and **Unicredit HVB** wrapped \$118, including a \$111.2 million construction/term loan and a \$6.7 million letter of credit (PFR, 7/10).]