

Power Finance & Risk

The weekly issue from **Power Intelligence**

www.powerintelligence.com

K Road Lines Up BlueMountain JV For Calif. Solar Purchase

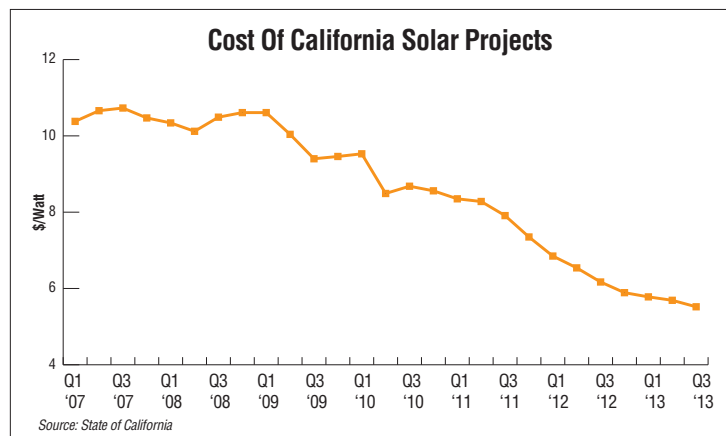
K Road Power is selling a solar facility in California to a shop backed by hedge fund **BlueMountain Capital Management** and **Global Cleantech Capital**.

Renewable Energy Trust Capital, an investment shop geared toward solar generation, is buying the 25 MW McHenry facility near Modesto, Calif., according to a filing with the U.S. **Federal Energy Regulatory Commission**.

RET Capital is in the market for contracted solar assets, according to its website. The company is particularly interested in situations where the deal structure puts the acquisition capital toward taking out construction debt.

The shop has offices in New York and San Francisco and was

(continued on page 8)



PPA Pulse: Utilities Cram Wind Contracts

Lincoln Renewable Energy, **EDF Renewable Energy** and **NextEra Energy Resources** are among the major sponsors locking in power purchase agreements for wind projects in the U.S. **Austin Energy** has inked a long-term PPA for Lincoln's 300 MW wind project in Texas, while EDF and NextEra have garnered contracts with **Southern California Edison** and **Tri-State Generation and Transmission Association**, respectively. Meanwhile, the U.S. **Army** continues to march toward its goal of deploying 1 GW of renewable energy by 2025 as it seals a 20-year contract to buy power from a 28 MW biomass plant near Watertown, N.Y., developed by **ReEnergy Holdings**.

Check page 8 for our guide to which sponsors are signing power purchase agreements.

Bill Gates-Backed IPP Looks For Bankruptcy Gen Sale

Optim Energy, the independent power producer backed by **Bill Gates' Cascade Investments**, is looking to sell its three generation facilities totaling 1,455 MW in a court-run bankruptcy sale process.

Optim filed for Chapter 11 bankruptcy in the U.S. **Bankruptcy Court of Delaware** in February. The company had \$712 million outstanding on a \$1 billion credit facility from **Wells Fargo** at the time of the filing.

Optim has arranged a \$115 million revolver from debtor-in-possession lender **Wells Fargo** and **Cascade**, which objected to third party lenders coming onboard. The revolver matures in February 2015 and is priced at LIBOR plus 500 basis points. There is a hearing March 6 to approve interim motions, including the debtor-in-possession financing.

(continued on page 8)

LatAm Energy & Infra Confab

Senior Reporter Nicholas Stone will be reporting on the latest power trends from the conference in Miami March 11-12.

Check www.powerintelligence.com

New Project Finance Loans

We've added updates to our weekly roundup of the latest project finance deals in the Americas, with details on projects, sponsors and debt.

See Deal Book, page 4

Generation Sale ■ DATABASE

Check out the latest asset trades in *PI's* weekly calendar, compiled from our exclusive Generation Sale Database.

See calendar, page 3

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THE BUZZ

It's a good time to be a borrower. A burgeoning lender base and slower deal flow are helping sponsors drive down pricing and secure attractive terms. This week it was **Sempre Energy's** turn, with news that the San Diego-based developer is getting traction on its drive for pricing of LIBOR plus 175 basis points on the commercial bank tranche backing its **Cameron LNG** project in Louisiana (see story, page 5). **Pattern Energy** is also looking to hook pricing of LIBOR plus 175 bps, with details emerging this week on the club of banks set to make up the lender group backing its K2 project in Ontario (see story, page 5).

NTE Energy, a Florida-based development shop, is also looking to line up equity and debt for its first three gas-fired projects in the U.S. (see story, page 6).

The sun continues to shine on rooftop solar installer **Vivint Solar**. The Utah-based company has lined up a further \$280 million in tax equity commitments (see story, page 6). That takes the amount raised by the **Blackstone**-backed shop to over \$1 billion across debt and tax equity in the past year. In the utility scale solar arena, **Xcel Energy** has issued a request for proposals for up to 150 MW of solar in its **Northern States Power Co.** service area (see story, page 6).

JPMorgan's planned divestiture of its commodities unit is going to be an undercurrent to the M&A market throughout the year as it tries to shed its generation assets. It's in the process of terminating a sale leaseback agreement on a combined cycle plant in Maryland that is leased by **Panda Energy International**. The shop is expected to sell the plant once the lease is unwound, a deal that will follow the heels of a sale to **CMS Energy** (see story, page 7).

MACH Gen filed for Chapter 11 bankruptcy, making it the second independent power producer to file in 2014. Along with **Optim Energy**, which filed in Texas, MACH Gen highlights how merchant generation has struggled in the last five years (see stories, page 1 & 7).

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.

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GENERATION AUCTION & SALE CALENDAR

These are the current live generation asset sales and auctions, according to *Power Intelligence's* database. A full listing of completed sales for the last 10 years is available at www.powerintelligence.com/AuctionSalesData.html

Seller	Assets	Location	Advisor	Status/Comment
AES Corp.	Stakes (DPL Energy Coal, Gas, Oil)	Various	Barclays	Indicative bids due early March; likely to overlap with Duke (PI, 2/24).
Acciona	Portfolio (Wind, Solar)	Various	Morgan Stanley	First round bids expected in early March (PI, 3/3).
Apex Clean Energy	Balko (300 MW Wind)	Oklahoma	Macquarie Capital	Apex is running independent sales of assets in Oklahoma (PI, 12/16).
	Various (600 MW Wind)	Oklahoma	Morgan Stanley	
BP Wind Energy	Various (3.7 GW Wind)	Various	TBA	NextEra is looking at the development assets (PI, 1/20).
	Fowler Ridge IV (150 MW Wind)	Indiana		Pattern is buying the project (PI, 1/27).
Cameco	Stake (6.2 GW Bruce Nuclear)	Ontario	CIBC	Borealis Infrastructure is increasing its stake (PI, 2/10).
Direct Energy	Portfolio (1.3 GW Gas)	Texas	Barclays	Blackstone upsized acquisition financing (PI, 2/24).
Duke Energy	Portfolio (6.6 GW Coal, Gas, Oil)	Various	Citi, Morgan Stanley	Restarting the sale of Commercial Power (PI, 2/24).
Edison Mission Energy	Various (7.5 GW Coal, Wind, Gas)	Various	JPMorgan, Perella Weinberg	NRG is issuing bonds to partially fund the acquisition (PI, 1/20).
	Big Sky (240 MW Wind)	Illinois	JPMorgan	EverPower is buying the merchant farm from lender Suzlon (PI, 2/17).
Entegra Power Group	Various	Arizona and Arkansas	Houlihan Lokey	Retained Houlihan to advise on restructuring (PI, 1/13).
Essar Group	Algoma (85 MW CCGT)	Algoma, Ontario	Barclays	Teasers are on the market (PI, 1/13).
FGE Power	FGE Texas (726 MW CCGT)	Westbrook, Texas	Fieldstone	Fieldstone is advising on equity hunt in tandem to debt raise with Goldman.
Greenwood Energy, Soltag	Portfolio (12 MW Solar)	Various	Ambata Securities	John Hancock is financing construction with a equity stake (PI, 1/27).
JPMorgan	Jackson (540 MW Gas)	Jackson, Mich.	JPMorgan	Consumers Energy is buying it (PI, 2/17).
▶ K Road Power	McHenry (25 MW Solar)	Modesto, Calif.	TBA	Firm backed by BlueMountain, Global Cleantech is buying it (see story, page 1).
LS Power	Stake (417 MW Hydro)	Pennsylvania	None	Brookfield is buying 33% for \$289M (PI, 2/17).
	Cherokee (98 MW CCGT)	Gaffney, S.C.	Suntrust Humphrey Robinson	Teasers are on the street (PI, 11/18).
Longview Power	Longview (695 MW Supercritical Coal)	Maidensville, W.Va.	Lazard	Filed for bankruptcy (PI, 9/3).
▶ MACH Gen	Stakes	Various	TBA	Filed for bankruptcy; ECP gets stake via swap (see story, page 7).
Maxim Power Corp.	CDECCA (62 MW Gas)	Hartford, Conn.	Credit Suisse	Rockland is seeking to terminate its deal to buy the assets (PI, 12/9).
	Forked River (86 MW Gas)	Ocean River, N.J.		
	Pawtucket (64.6 MW Gas)	Pawtucket, R.I.		
	Pittsfield (170 MW Gas)	Pittsfield, Mass.		
	Basin Creek (53 MW Gas)	Butte, Mont.		
NextEra Energy Resources	Pheasant Run II (75 MW Wind)	Huron County, Mich.	None	DTE Electric is considering buying the farm via a PPA option (PI, 3/3).
▶ Ontario Teachers Pension Plan Board	Stake (Northern Star Generation)	Various	Citigroup	Buyers moved into the second round
▶ Optim Energy	Portfolio (1.4 GW Coal, Gas)	Texas	Barclays	Mulling a sale via bankruptcy filing (see story, page 1).
Project Resources Corp.	Rock Aetna (21 MW Wind)	Minnesota	Alyra Renewable Energy Finance	Looking for a buyer with access to turbines to qualify for PTC (PI, 1/13).
Tenaska Capital Management	Wolf Hills (250 MW Gas)	Bristol, Va.	Bank of America, Barclays	Teasers have gone out recently (PI, 9/30).
	Big Sandy (300 MW Gas)	Wayne County, W. Va.		
	High Desert (830 MW Gas)	Victorville, Calif.		
Terra-Gen Power	Alta (947 MW Wind)	California	Citigroup, Morgan Stanley	Teasers were released in Jan. (PI, 1/20).
TransAlta	Wailuku (10 MW Hydro)	Hawaii	TBA	MidAmerican Energy Holdings is buying TransAlta's stakes for \$193M (PI, 3/3).
	Fleet (327 MW Geothermal)	California		
	Fleet (867 MW Gas)	Various		
Wayzata Investment Partners	Guadalupe (1 GW CCGT)	Marion, Texas	Tudor, Pickering & Holt	Calpine launched B loan add-on to finance (PI, 2/24).
▶ We Energies	Presque Isle (425 MW Coal)	Marquette, Wis.	None	No buyers submitted proposals in RFP (see story, page 7).

▶ 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 Senior Reporter **Holly Fletcher** at (212) 224-3293 or e-mail hffletcher@powerintelligence.com.

PROJECT FINANCE DEAL BOOK

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

Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
BluEarth Renewables	Various	Canada	TBA	TBA	~C\$300	TBA	Sponsor looking for debt backing wind, hydro and solar projects in Canada (PI, 2/17).
► Cameron LNG	LNG Export Facility	Hackberry, La.	TBA	TBA	~\$4B	TBA	Sponsor is shooting for pricing of L+175 bps (see story, page 5).
Cape Wind Associates	Cape Wind (420 MW Wind)	Nantucket Sound, Mass.	BTMU	TBA	TBA	TBA	The sponsor lands \$600 million from the Danish ECA (PI, 3/3).
Cheniere Energy	Sabine Pass Trains 3 & 4 (LNG Export Facility)	Sabine Pass, La.	TBA	TBA	\$4.4B	TBA	Sponsor ups the original bank loan to \$4.4 billion and taps Korean entities for a further \$1.5 billion (PI, 6/3).
Competitive Power Ventures	St. Charles	Charles County, Md.	TBA	TBA	~\$600M	TBA	Sponsor approaches banks again looking for debt financing (PI, 2/17).
Dalkia/Fengate	Merrit (40 MW Biomass)	Merrit, B.C.	BTMU	TBA	\$168M	TBA	Sponsor aims to wrap the financing early next year (PI, 12/2).
Duke Energy	Los Vientos III & IV (Wind)	Starr County, Texas	TBA	TBA	~\$600M	TBA	The sponsor is slated to look for bank debt (PI, 10/7).
EDP Renewables North America	Headwaters (200 MW Wind)	Randolph County, Ind	TBA	Tax Equity	\$350-400	TBA	The sponsor is looking to secure both equity and tax equity investment (PI, 6/24).
FGE Power	FGE Texas (726 MW Gas)	Westbrook, Texas	Goldman Sachs	TBA	TBA	TBA	The sponsor is close to lining up equity and will tap Goldman Sachs to launch a B loan (PI, 1/27).
First Wind	Oakfield (147 MW Wind)	Aroostook County, Maine	TBA	TBA	\$300M	TBA	The sponsor is looking to line up the debt, with tax equity (PI, 10/21).
Freeport LNG	Freeport (LNG Export Terminal)	Freeport, Texas	Credit Suisse, Macquarie	TBA	~\$4B	TBA	More than 20 lenders are eyeing the deal, with some offering tickets of \$600M (PI, 2/10).
GDF Suez/Marubeni	GNL del Plata (LNG Re-gas)	Montevideo, Uruguay	BBVA	TBA	TBA	TBA	GDF brings in Marubeni and taps BBVA to lead the financing (PI, 8/12).
Innergex	Three projects (153 MW Hydro)	B.C., Canada	TBA	TBA	\$590M	40-yr	Innergex wrapped on one of its hydro facilities, the 17.5 MW Northwest State River (PI, 6/3).
Invenergy	Nelson (584 MW Gas)	Rock Falls, Ill.	GE EFS	TBA	TBA	TBA	Sponsor is looking for a bank loan backing the merchant facility (PI, 9/2).
KSPC, Samsung	Kelar (517 MW Gas)	Chile	Natixis	TBA	TBA	TBA	The JV appoints Natixis as lead on the deal (PI, 1/13).
Lake Charles Exports	Lake Charles (LNG Export Facility)	Lake Charles, La.	TBA	TBA	TBA	TBA	Sponsor begins preliminary financing search for the potentially \$11B project (PI, 8/26).
Magnolia LNG	Magnolia LNG (LNG Export Facility)	Lake Charles, La.	BNP, Macquarie	TBA	\$1.54B	TBA	Sponsor expected to mandate leads by year end (PI, 12/9).
► NTE Energy	Various (Gas-fired)	U.S.	Whitehall	TBA	TBA	TBA	Sponsor is looking to line up equity investors and then debt backing three projects in the U.S. (see story, page 6).
Pattern Energy	Panhandle II (TBA Wind)	Carson County, Texas	Credit Ag, NordLB, BayernLB	Construction	~\$500M	C	The deal will likely be a "copy, paste" of the Panhandle I deal, say observers (PI, 11/18).
►	K2 (270 MW Wind)	Huron County, Ontario	TBA	Mini-perm	\$750M	TBA	The sponsor has lined up a large club of banks for the deal (see story, page 5).
Radback Energy	Oakley (586 MW Gas)	Contra Costa County, Calif.	BTMU	Term	\$990M	4-yr	Deal is temporarily put on hold following an appellate court decision (PI, 11/11).
Sempra U.S. Gas & Power	Copper Mountain III (250 MW Solar)	Boulder City, Nev.	BTMU, SMBC	TBA	~\$400M	TBA	The sponsor has tapped BTMU and SMBC as leads on the deal (PI, 10/21).
SolarReserve	Rice (150 MW Solar Thermal)	Blythe, Calif.	Morgan Stanley	TBA	\$450M	TBA	Sponsor taps Morgan Stanley to secure debt, tax equity and equity (PI, 8/26).
Tenaska	Imperial Solar Energy Center West (150 MW CPV)	Imperial County, Calif.	TBA	TBA	TBA	TBA	The company has started talking to banks as it looks to line up debt for the facility (PI, 9/23).
Transmission Developers	Champlain Hudson (Transmission)	New York	RBC	TBA	~\$1.6B	TBA	Sponsor is aiming to line up the debt by year-end (PI, 3/3).

► New or updated listing

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PROJECT FINANCE

Pattern Rounds Up Club For Ontario Wind

Pattern Energy is set to line up a large club of banks to raise the approximately C\$750 million (\$676.22 million) in debt backing the 270 MW K2 wind project in Ashfield-Colborne-Wawanosh, Ontario. The sponsor is looking to price the construction loan at LIBOR plus 175 basis points (PI, 1/9).

Crédit Agricole, CIBC, Société Générale, NordLB, The Royal Bank of Scotland, Siemens Financial Services, Manulife, Sumitomo Mitsui Banking Corp., BayernLB, Bank of Montreal, National Bank of Canada and KeyBanc Capital Markets are eyeing the deal. Bank officials either declined comment or did not respond to inquiries.

"Anything plain vanilla right now is very attractive," says a deal watcher, who says that the company should be able to lock in the low pricing due to a lack of deal flow and the competition among banks to participate in this particular transaction. The deal could close as early as next month, he says.

The sponsor group, which includes **Capital Power** and **Samsung Renewable Energy**, first approached banks late last year (PI, 12/4). The project has a 20-year power purchase agreement with the **Ontario Power Authority**. Commercial operation is slated for 2015. The project survived Samsung's reduction of activities and spending in Ontario that it announced earlier last year (PI, 6/24).

Pattern and Samsung most recently closed a C\$400 million (\$388.3 million) non-recourse debt package backing the 150 MW Grand wind project also in Ontario, with **Bank of Tokyo Mitsubishi-UFJ, Mizuho** and **Union Bank** leading the deal (PI, 9/18). That deal closed at LIBOR plus 225 bps, with a tenor of construction plus seven years.

A Pattern official did not respond to inquiries by press time.

Cameron Shoots For L+175 On LNG Debt

Cameron LNG is shooting for pricing of LIBOR plus 175 basis points for the bank loan tranche of the financing backing its almost \$10 billion liquefied natural gas export facility in Hackberry, La. The San Diego-based company has tapped **Royal Bank of Scotland** as a financial advisor and expects to secure the debt by year-end (PI, 1/8/2013).

Lender interest, light deal flow in the broader market and strong project metrics such as offtake agreements with credible counterparties, are helping to drive down the pricing on the commercial bank debt, note observers. The **Sempra Energy** affiliate is looking to line up roughly \$4 billion in debt with a tenor of 16 years backing the project (PI, 4/4).

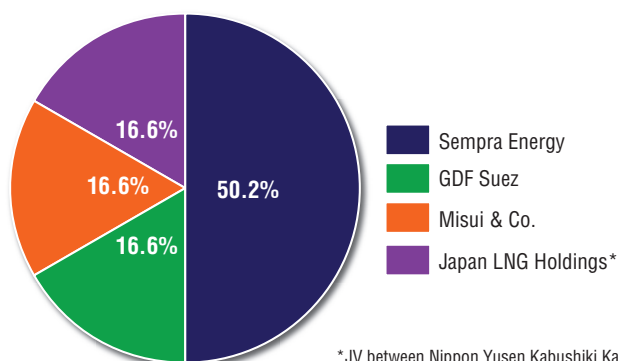
Japanese banks are said to be the main lenders, with the **Bank**

Of Tokyo Mitsubishi-UFJ, Sumitomo Mitsui Banking Corp. and Mizuho likely to come in on the deal due to the involvement of the **Japan Bank for International Cooperation** and the **Nippon Export and Investment Insurance**, say observers. JBIC and the NEXI are slated to provide combined \$2 billion in debt (PI, 5/7).

The Cameron LNG liquefaction project will have an export capability of 12 million tonnes per year, or approximately 1.7 billion cubic feet per day. **GDF SUEZ S.A.** and affiliates of **Mitsubishi Corp.** and **Mitsui & Co.** have signed 20-year tolling agreements for the facility's liquefaction capacity. The sponsor is aiming to start construction on the project this year, following the debt financing. LNG production is slated to start in 2017 and full commercial operation in 2019.

The new and existing facilities will be wholly owned by joint venture **Cameron LNG Holdings**. Sempra Energy indirectly owns a 50.2% stake in the JV, while GDF SUEZ, Mitsui & Co. and **Japan LNG Investment** will each own a 16.6% stake. Japan LNG

Cameron LNG Holdings Equity Breakdown



Source: Power Intelligence

*JV between Nippon Yusen Kabushiki Kaisha and Mitsubishi Corp.

Investment is a joint venture between **Nippon Yusen Kabushiki Kaisha** and Mitsubishi Corp.

The U.S. **Department of Energy** granted Cameron approval to export LNG to non-free trade agreement countries last month, which has pushed the search for debt into the next phase. Cameron LNG received notice on Jan. 10 that the U.S. **Federal Energy Regulatory Commission** issued the draft environmental impact statement to construct and operate the liquefaction facilities. The company expects to receive the final FERC approval in the second quarter. Additional permits required for the project include an air-quality permit from the **Louisiana Department of Environmental Quality**, a coastal use permit from the **Louisiana Department of Natural Resources** and a **U.S. Army Corps of Engineers** permit.

Bank officials either declined to comment or did not respond to inquiries by press time. Officials at the sponsors did not respond to inquiries by press time.

PROJECT FINANCE

Blackstone Solar Co. Lands \$280M In Tax Equity

Blackstone-owned residential solar company **Vivint Solar** has raised \$280 million across three tax equity transactions. The terms and financial institutions involved in the financings were not disclosed.

The company has now secured over \$1 billion in project financing in the past 12 months, following the roughly \$740 million in debt and tax equity it secured last year (PI, 10/22). **U.S. Bank** took some tax equity last summer, but was not involved in the current transactions, according to a deal watcher.

Launched in 2011, Provo, Utah-based Vivint Solar designs, installs, monitors and services solar photovoltaic systems on residential rooftops with no upfront out-of-pocket costs to the homeowner. Through a power purchase agreement, a homeowner then buys the power generated by the system from Vivint Solar.

Vivint Solar is now the second largest U.S. residential solar provider. In 2013, the company grew its customer base by nearly 300%. The company operates in California, Hawaii, Maryland, Massachusetts, New Jersey, New York, and Washington D.C.

Thomas Plagemann, former managing director, head of energy, corporate and investment banking at **Banco Santander** in the U.S., joined the company as executive v.p., head of capital markets last October, as it pushed to expand (PI, 10/23).

Blackstone bought parent company Vivint in 2012 for \$2 billion. Inquiries placed to Vivint officials in Provo were not returned by press time. Blackstone officials in New York forwarded inquiries to Vivint.

NTE Energy To Seek Equity, Debt For Projects

Florida-based development shop NTE Energy is looking to raise construction equity and then debt backing three gas-fired projects in the U.S. The company has retained **Whitehall & Co.** as financial advisor for its maiden project finance deals.

"Once we have identified the construction equity provider we will then begin the process of arranging the debt financing package for each project," says **Seth Shortlidge**, ceo in St. Augustine, Fla. "While we are in the early stages of developing a debt financing strategy, we believe that we will have access to both the bank debt and bond market. We are looking at several different strategies including using a portfolio debt approach as well as single project finance structures." The three projects include:

- The Pecan Creek Energy Center, a 200-300 MW natural gas-fired peaking facility in Nolan County, Texas,
- The Middletown Energy Center, a 500 MW natural gas-fired generating facility in Middletown, Butler County, Ohio, and
- The Kings Mountain Energy Center, a 480 MW natural gas-fired generating facility in Cleveland County, North Carolina.

The company is looking to line up power purchase agreements for

all three of the projects in order to support conventional project level debt financing structures, he adds. "It is not our intent to finance these projects as merchant projects," he says.

"We believe that this portfolio of projects provides several unique financing opportunities for both debt and equity providers and affords opportunities to use both conventional project finance structures as well as structures associated with portfolio level financings," Shortlidge says. The company is shooting for financial close in late 2014.

Pecan Creek is slated for commercial operation in early to mid-2016, while Middletown and Kings Mountain are set for early to mid-2018.

The leadership team at NTE includes **Tamarack Energy**, **Vercipia** and **Dynegy** alumnae.

STRATEGIES

Xcel Calls For 150 MW Of Solar

Xcel Energy has issued a request for proposals for up to 150 MW of large-scale solar resources in its **Northern States Power Co.** service territory by the end of 2016.

Citing the expiration of the investment tax credit as an impetus, the utility is looking to add solar generation while it remains a cost-effective option with the ITC covering up to 30% of a qualifying project's cost. Xcel also favors large-scale solar projects over distributed generation due to cost. "Xcel Energy is proposing that a significant portion of Minnesota's solar standard be met through large-scale projects, which are more efficient and less expensive than rooftop solar and smaller distributed systems," according to a company statement.

The RFP will be officially issued on April 15, with proposals due by June 1. Bid valuations will be conducted in-house in June and July, with contract negotiations in August and September, followed by final filings in October.

Xcel will not directly compete in this RFP, but may seek to participate through partnership with a third party. RFP winners will either enter into a power purchase agreement with the utility or a partnership.

James R. Alders, strategy consultant at Xcel, is handling the RFP.

Xcel is also looking to add solar generation in Colorado. The company's older RFPs have predominantly been focused on wind generation. Other utilities are in the market with solar RFPs at the moment including **Duke Energy** and **Austin Energy** (PI, 2/18 & 10/23).

Xcel Energy estimates that it will need approximately 300 MW of solar capacity to meet Minnesota renewable portfolio standard, which will prompt another similar sized RFP in 2017 or 2018. RFP winners also benefit from this program.

An Xcel Energy official in Minneapolis declined comment beyond a filing with the Minnesota **Public Utilities Commission**.

FAST FACT

➤ The RFP will be officially issued on April 15, with proposals due by June 1. Bid valuations will be conducted in-house.

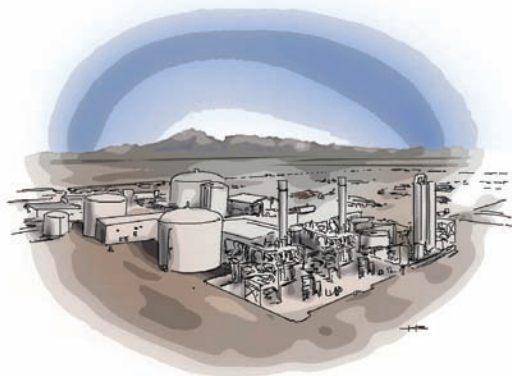
MERGERS & ACQUISITIONS

ECP Derivative Exposure To MACH Gen Emerges

A unit of **Energy Capital Partners** will have voting power in MACH Gen via a derivative contract with second-lien debt holder **Deutsche Bank**.

The total return swap, disclosed in a recent filing, gives ECP the ability to direct DB's voting on the MACH Gen board in most situations except for undisclosed limited exclusions, according to a filing. Under MACH Gen's pre-packaged bankruptcy—which was filed late Monday—DB will have an 11.5% stake in MACH Gen and the attached voting rights will be directed by ECP subsidiary **ECP Polaris**. MACH Gen is handing over the majority of equity to creditors, including DB.

The emergence of a swap as a route to a post-bankruptcy stake is unusual, says an attorney who worked on a change of control deal under a bankruptcy 363 sale. A TRS gives the receiver access to the upside return and income from an underlying asset or reference without the need to buy the underlying directly.



Harquahala

Affiliates of **Citibank**, DB, ECP and **Silver Oak Capital** will take over 93.5% of the equity. Silver Oak will own the largest portion under the restructuring plan with 34.2% (PI, 2/7). Minority stakes will be held by Citi and a joint venture between DB and ECP.

MACH Gen has

filed pre-packaged bankruptcy plan in the U.S. **Bankruptcy Court of Delaware**. The company had roughly \$1.6 billion in debt at the end of December.

MACH Gen is owned by affiliates of **Strategic Value Partners**, **SOLA**, **Varde Partners**, **Merrill Lynch** and **Rockland Capital**; they are slated to keep 6.5% ownership in the company. Some of the existing owners came into equity stakes from MACH Gen's previous bankruptcy proceedings in 2003.

MACH Gen owns three gas-fired facilities totaling about 2 GW, comprised of the 1 GW Harquahala combined cycle plant in Arizona, the 326 MW Millennium gas-fired plant in Charlton, Mass., and the 945 MW New Athens gas-fired plant in Athens, N.Y.

The company has an \$839.1 million second lien term loan from 2007 that is set to mature in February 2015. The loan carries pricing of LIBOR plus 750 basis points.

There is also a \$160 million term loan that was arranged and solely held by **Beal Bank** and affiliate **CSG Investments** in February 2012

(PI, 6/15/12) although that loan is not impacted by the current plan, says another deal watcher. MACH Gen has increased the first loan by \$23 million and the first lien revolver by \$40 million to \$200 million as a debtor-in-possession financing.

Moelis & Co. is advising MACH Gen while **Centerivew Partners** is said to be advising creditors.

A spokeswoman for Moelis declined to comment while an ECP spokesman did not respond to an inquiry and a DB spokeswoman could not immediately comment on details of the swap.

We Energies Gets No Bites On Coal-Fired Plant

We Energies is looking to sell its Presque Isle coal-fired facility in Marquette, Wis., but is having trouble finding a buyer.

The Milwaukee, Wis.-based utility received no offers in a recent request for proposals that ended March 3, a spokesman told *PFR*. We Energies had launched the proposal late last year with the aim of creating a shortlist or having a buyer emerge. "We'll continue to see what other opportunities for the long-term may come up," he said. The utility wanted to close a deal by March 20, 2015.

The utility will continue to operate the 425 MW facility for another 18 months per an agreement with MISO. We Energies no longer needs the Presque Isle's generation because **Cliffs Natural Resources'** opted to contract power for its Empire and Tilden mines from **Integrus Energy Services**.

We Energies and **Wolverine Power Supply Cooperative** recently dissolved a two-year old joint venture in Presque Isle. Wolverine had invested \$140 million in the plant in 2012.

JPM, Panda To End Lease On Md. CCGT

An affiliate of **JPMorgan** will be the sole owner of a gas- and oil-fired plant in Maryland after a sale leaseback agreement with **Panda Energy International** is terminated.

JPMorgan Ventures Energy Corp. is the lessor of the 230 MW Panda Brandywine facility in Prince George's County, Md., as well as the counterparty on a tolling agreement, according to a recent filing with the U.S. **Federal Energy Regulatory Commission**. The tolling agreement will be terminated in conjunction with the lease. The duo expect to terminate the lease by May 31.

JPMorgan is in the process of divesting its power and energy assets as part of the sale of its commodities trading business so there is likely a buyer for the plant in the wings, says an observer. **CMS Energy** is in the process of buying the 540 MW Kinder-Jackson combined cycle facility from JPMorgan for \$155 million (PI, 2/14).

A JPMorgan spokesman declined to comment on when the facility will be sold or whether there is a buyer lined up.

Gates-Backed IPP *(Continued from page 1)*

Cascade is the sole owner of Optim following **PNM Resources'** \$113.7 million write down and subsequent exit from the facilities at the end of 2010 (PI, 3/16/12). The Gates' investment vehicle is not a natural owner and wants to exit, notes another deal watcher.

The three gas- and coal-fired facilities made about \$236 million in aggregate revenue in 2013.

-600 MW Altura gas-fired cogeneration facility in Harris County, Texas;
-305 MW Twin Oaks coal-fired facility in Robertson County, Texas; and
-550 MW Cedar Bayou 4 gas-fired facility in Chambers County, Texas.

NRG Energy owns 50% of the facility of Cedar Bayou 4, which came online in 2009.

Twin Oaks' fuel supply agreement has contributed to the company's financial problems, according to the first day motion, which outlined how rising coal prices in the FSA did not account for falling power prices. The age and ownership structure of the facilities could be factors in whether prospective buyers take a hard look at the facilities, says a banker who has spoken with potential acquirers. The Altura

cogeneration plant is almost thirty years old and whether NRG will want to pick up the other half of Cedar Bayou are questions that have arisen in conversations.

Barclays and **Bracewell & Giuliani** are advising Optim.

K Road Lines *(Continued from page 1)*

co-founded by **John Bohn**, former chairman of the **California Public Utilities Commission**, **Karen Morgan**, managing member of **AC Solutions**, and **Christian Fong**, managing director and head of real estate capital markets at **AEGON / Transamerica**.

BlueMountain is a New York and London-based fund founded by **Andrew Feldstein** and Stephen Siderow. GCC is an Amsterdam-based private equity fund that has primarily invested in renewable assets in Europe. It is headed by **Paul Koppenborg**, ceo.

K Road has been winding down its solar development platform so founder **William Kriegel** and **Gerrit Nicholas**, managing director, can refocus on other parts of the energy and power space (PI, 10/14).

Holly Fletcher

PPA PULSE

*The PPA Pulse is a guide to which sponsors and projects have recently garnered power purchase agreements in the Americas. To report updates or additional information please contact Data Associate **Stuart Wise** at swise@iiintelligence.com.*

● **Austin Energy** has signed an 18-year, 300 MW power purchase agreement with **Lincoln Renewable Energy** for its wind project in Castro County, Texas that went into construction in November.

● The U.S. **Army** has agreed to award a 20-year offtake agreement to **ReEnergy Holdings'** 28 MW Black River biomass plant at Fort Drum, near Watertown, N.Y.

● The Jamaica **Office of Utilities Regulation** is moving up its agreement to sign three power purchase agreements between **Jamaica Public Service** and two wind projects and one solar project that total 78 MW.

● Florida-based **Upower** has signed two 20-year power purchase agreements with Honduras' **Empresa Nacional de Energia Electrica** for a pair of 50 MW solar projects being developed by subsidiaries **Produccion de Energia Solar y Demas Renovables** and **Pacific Solar Energy**.

● San Diego-based **EDF Renewable Energy** has signed a 20-year power purchase agreement with **Southern California Edison** for the 19.8 MW Patterson Pass wind project in Alameda County, Calif.

● **Elementa Group** has signed a 20-year power purchase agreement with the **Ontario Power Authority** for its waste-to-energy project in Sault St. Marie.

● Reno, Nev.-based **Ormat Technologies** has extended a power purchase agreement with **Instituto Nacional de Electrificacion** for its Zunil geothermal facility in Guatemala by 15 years to 2034.

● Summit, N.J.-based **Nautilus Solar Energy** has a signed power purchase agreement for a 1.5 MW solar project with the city of Lordsburg, N.M.—the firm's first expansion into the Southwest.

● **Basin Electric Power Cooperative** has signed a power purchase agreement with the 98 MW Campbell County wind project in South Dakota that is being developed by EPC contractor **Fagen, Inc.**, and **Dakota Plains Energy**. The project is to be online by the end of 2015.

● Westminster, Colo.-based **Tri-State Generation and Transmission Association** has entered into a 25-year power purchase agreement with **NextEra Energy Resources** for the 150 MW Carousel wind project, which is in Kit Carson County, Colo.

● The **Kansas City Board of Public Utilities** and **OwnEnergy** have signed a 20-year power purchase agreement for 25 MW from the 50 MW Alexander wind project near Alexander, Kan. The project is expected to be online in October 2015.

● Newport, R.I.-based **NPTRE** is building a 1.8 MW municipal solar project as part of the 8 MW Renewable Energy Park in Onslow County, N.C., and has an approved interconnection agreement with **Duke Energy**, with which it has a 15-year power purchase agreement.

● **Basin Electric Power Cooperative** will buy power from **Infinity Wind Power's** 110 MW Sunflower wind project that will go into construction in 2015 and be online by the end of that year.

● **El Paso Electric** has agreed to a 30-year power purchase agreement for a 10 MW solar project that **juwi Solar** is developing in Northeast El Paso, Texas.

● **Pacific Gas & Electric** has filed for approval from the **California Public Utilities Commission** to purchase power from the 150 MW CA Flats solar project in Monterey, Calif., which **First Solar** plans to complete by the end of 2018.