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Ormat Buys EIF Geothermal Project

Ormat Technologies has finalized its acquisition of the Hot Sulphur Springs geothermal project in Nevada from **Energy Investors Funds**.

See story, page 4

In The News

WestLB Loses Banker	3
Banks Sign Up For IP Coal	3
Noble Scouts Partners	3
Brookfield Adds To Grow Platform	3
PSEG Sells Interest In Calif. Plant	3
Axio Loses Bidder For Solar	4
Coram Seeks Tax Equity	4
DuPont Mulls Renewables	4
Greentech Adds Exec	4
DOE Funds First Wind Project	5
Gamesa Wind Chief Exits	5

Corporate Strategies

Puget Sound Energy Refi Pays Down Capex	6
SoCalEd Uses Bonds To Refi Debt	6

Departments

Project Finance Deal Chart	6
News In Brief	7

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KLEEN LENDERS BOUNCE GOLDMAN

Banks on a \$985 million **Kleen Energy Systems** loan that funded construction on the 620 MW natural gas-fired project in Middletown, Conn., (PFR 2/8), have named **Natixis** to replace **Goldman Sachs** as administrative agent. They have done so in the wake of a fatal explosion last month as they did not feel comfortable, given the current circumstances, of having a bank in charge that didn't have any economic interests in the project. Goldman had sold off its exposure prior to the incident.

Kleen Energy is gathering information to present a plan, a new budget and a schedule to

(continued on page 2)

Mind's Eye

BOUTIQUE TO TARGET NASCENT WIND

Startup financier and advisor **Westerly Wind** is planning to make investments in early stage wind projects which it thinks have been overlooked in the last few years as larger developers and utilities—the former acquirers—targeted shovel-ready projects to reduce development risk. That's the theory of **Joe Cofelice**, ceo in Braintree, Mass., who was president of wind developer **Catamount Energy** until it merged with **Duke Energy's** wind development team in September 2008.

(continued on page 8)

PGE PLOTS SOLAR BUILDOUT

Portland General Electric will be in the market for construction loans for crystalline photovoltaic projects it plans to build, **Joe Barra**, director of customer energy resources in Portland, Ore., says. PGE is in talks with potential rooftop hosts for its fourth and fifth joint ventures.

The joint ventures allow PGE to plan and finance the projects more like a conventional developer than a utility, says **Darren Van't Hof**, head of renewable energy investments at U.S. Bancorp in St. Louis, which is taking a tax equity stake. PGE oversees the

(continued on page 8)

Too Much Hot Air?

"RENEWABLES FEVER" MAY COME BACK TO BURN

Some bankers and developers say the rush to develop renewable projects and the resulting dearth of gas-fired projects will come back to bite the industry over the long term.

"You're throwing on all this new green energy, but it's not baseload capacity," says **Paul Buckovich**, senior v.p. of finance for wind and thermal developer **Competitive Power Ventures** in Braintree, Mass.

The problem is that federal carrots—such as the U.S. Department of Treasury cash grant program—are too sweet a deal to overlook in the name of building baseload

(continued on page 2)

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

KLEEN LENDERS

(continued from page 1)

rebuild. It is unclear whether the plant can be rebuilt under the existing contract. The plant had been near completion at the time of the explosion and is expected to be rebuilt by the first quarter of next year.

HSB Nordbank led the construction loan. Joint lead arrangers are BNP Paribas, Dexia Crédit Local, HSH, ING Capital, Natixis, Scotia Capital, Union Bank and WestLB. GE Energy Financial Services and The Hartford Financial Services Group also took pieces of the deal.

Officials at EIF and at the lenders either declined comment, did not return calls or could not be reached for comment.

—Jeanine Prezioso

"RENEWABLES FEVER"

(continued from page 1)

capacity. "We haven't had anyone come to us in recent memory and ask for gas-fired plant financing," says one project finance banker in New York. "Everything is wind and solar. If a developer has a choice to build a wind farm or a gas-fired plant they are going with the wind project. The government is saying, 'Hey we'll pay you the first 30 cents on the dollar.' I'd run to that too."

CPV has a mix of gas and renewable projects and recently landed financing for its 152 MW Keenan II wind farm in Woodward County, Okla. (PFR, 2/5). The company has the option of applying for the cash grant upon commercial operation of the project. It expects to tap banks for two more wind projects in the next 18 months (PFR, 2/19). It is in the process of developing its 800 MW Sentinel gas plant in California, but has not started discussions with banks for financing yet. The offtaker for that project is Southern California Edison.

It's not that the company has pushed thermal projects to the back burner, but rather that current market demand reflects the need for renewables. "There are just not a lot of thermal RFPs out there," Buckovich says. "The number of RFPs for renewables is currently much higher than thermal."

"It's not economic to build gas-fired generation right now," says Biliana Pehlivanova, natural gas analyst with Barclays Capital in New York. "The power markets are not supply constrained as demand has pulled back to 2005 levels and will take time to recover. There's limited need for capacity additions in the next couple of years."

Still, a handful of developers are going ahead with projects in markets where demand is present. Panda Energy is planning a 650 MW plant 60 miles north of Dallas, if and when it can find offtakers, as a back up to wind generation (PFR, 2/26). Texas is the largest generator of wind power in the U.S. Calyon and WestLB are launching financing backing Pure Energy Resources' construction of a 512 MW gas-fired peaking plant in Bayonne, N.J. (PFR, 1/21).

—J.P.

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**Institutional
Investor NEWS**
INTELLIGENCE FIRST

WestLB Senior Banker Leaves

Jonathan Cody, senior managing director in the global energy group at WestLB, has left the bank.

He reported to **Tom Murray**, global head of energy in New York. Details about his departure, his future plans or how to contact him could not be determined by press time. A spokeswoman confirmed Cody's departure and said the bank is hiring and reorganizing but it is unclear whether his spot would be filled.

Deals he was leading have been divided up among other staffers, says a banker. Cody led the WestLB team that took a \$75 million ticket, acting as a joint lead arranger in the \$985 million **Kleen Energy** financing that was led by **Goldman Sachs** (PFR, 6/20/08).

Int'l Power Lands 10 Banks For Indonesia

International Power has signed 10 banks to provide financing for a \$1.5 billion 815 MW coal plant in Indonesia.

The PT Paiton Energy plant will be funded with 80% debt and 20% equity. The **Japanese Bank of International Cooperation** will provide \$729 million in loans and commercial banks are providing \$486 million, covered by JBIC.

The plant has a 30-year offtake agreement with the Indonesian state utility PT PLN (Persero). IP signed the agreement in August 2008. Regarding the lag time between receiving the PPA and obtaining financing, an IP spokeswoman said only that, "it was a complicated process that involved multiple [bank] approvals." She declined to provide details on the financing packages.

Commercial banks providing the loan include: **Bank of Tokyo Mitsubishi-UFJ**, **Mizuho**, **Sumitomo Mitsui Banking Corporation**, **BNP Paribas**, **ING**, **Crédit Agricole**, **HSBC** and **Sumitomo Trust**. Bankers did not return calls or were unavailable for comment and details on the loan such as tenor and price were not available.

Noble Puts Out N.H. Partner Feelers

Noble Environmental Power is looking to sell a minority stake in its 99 MW project in Coos County, N.H. It recently sent out teasers for the deal. A Noble spokeswoman in Essex, Conn., declined to comment.

A local landowner group has a 25% stake in the Granite Reliable project, but is not injecting cash. "I think the wish list is for someone to come in and take development risk with them as a [minority] partner but allow Noble to remain managing member," a deal watcher says.

Landing a minority partner could be a challenge, bankers say.

Interested parties might offer to outright buy the project or "step in as managing member and have Noble along for the ride," one banker notes, citing the company's financial woes (PFR, 11/6).

The timeline for landing a partner and the size of the investment sought could not be immediately learned.

Noble has been in talks with a range of financiers about securing tax equity stakes or financing for the project (PFR, 2/18). The Granite Reliable project has offtake agreements with **Central Vermont Public Service** and **Green Mountain Power** for 55% of the power. Noble is in negotiations for contracting the remainder.

Brookfield Adds Officer, Seeks Renewable Investments

Jeff Kendrew has joined **Brookfield Asset Management** as chief development officer of its global infrastructure platform in Sydney. The position is a newly created role and he reports to **Sam Pollock**, senior managing partner.

The firm is looking to add renewables in North America and Brazil, specifically in hydro and wind, to its investments. Kendrew had been CEO of **Prime Infrastructure**, a spin off of **Babcock & Brown Infrastructure**. Kendrew was unavailable for comment.

PSEG Offloads Calif. Plant Stake

PSEG Global, a unit of PSEG, is selling its 50% in three California natural gas plants to **Harbert Power** for \$70 million. The transaction for the three plants known as **GWF Energy**, a Harbert-PSEG joint venture, is expected to close after a California Public Utilities Commission decision in April, a PSEG spokesman in Newark, N.J., says. PSEG did not use an advisor on the sale.

GWF Energy owns three simple cycle natural gas peakers: 95 MW Hanford, 97 MW Henrietta and 171 MW Tracy, which is being converted to a combined cycle. The **California Department of Water Resources** is the current offtaker; **Pacific Gas & Electric** will purchase the power from the Tracy plant following the upgrade for 10 years. Calls to Harbert officials at headquarters in Birmingham, Ala., were not returned.

PSEG is opportunistically selling its assets under PSEG Global as part of a company shift to its core business, including its renewable ventures and utility, says the spokesman. "Our partner was interested in doing more and we weren't," he says. Most of the company's global assets have been divested over the last few years and only three gas-fired plants in Venezuela remain, along with five domestic assets in California, Hawaii, New Hampshire and Pennsylvania. He declined to comment on whether PSEG is in talks to sell those.

Shortlisted Buyer Exits Axio Solar Sale

One shortlisted bidder vying for the **Axio Power** solar portfolio dropped out of the process several weeks ago. The development pipeline was too early stage and none of the projects were contracted, a deal watcher says. The identity of the ex-bidder or the number of submitted bids could not be learned.

The status of the auction, which was kicked off earlier this year by **Marathon Capital**, could not be learned although the deal watcher notes the sale has largely been quiet. Buyers looking to deploy solar panels quickly could be hesitant to invest in a pipeline without any power purchase contracts, bankers in New York say. Axio has a 600 MW development portfolio in California, Arizona, New Mexico, Hawaii, Texas, New Jersey, Pennsylvania, New York and Ontario.

Calls to **Tim Derrick**, ceo in San Juan Capistrano, Calif., were not returned. Marathon officials declined to comment.

Investors Circle Calif. Tax Equity Opportunity

Coram Energy has signed non-disclosure agreements with five undisclosed financial institutions looking at taking a tax equity stake or providing debt and equity for wind projects. The developer expects to complete a confidential information memorandum today, says **Brian O'Sullivan**, president in Tehachapi, Calif. He declined to disclose the interested parties.

The developer retained **Marathon Capital** last month to line up tax equity partners for an existing 22 MW of farms in California. Coram is also hunting \$20 million in debt (PFR, 2/9).

DuPont Eyes N.J. Renewable Project

Chemical giant **DuPont** is looking to develop renewable energy on a Brownfield site in Pompton Lakes, N.J., once the site has been cleaned up.

The former munitions site, used to make blasting caps and explosives during World War II, is about 560 acres, 240 of which will be usable for development once the property is remediated.

A DuPont spokesman says the company is considering options including using solar power to run its pump treatment systems on the site, which in the process of clean-up prevent contaminated groundwater from leaving the site.

Any project discussions are in very early stages, but one consideration is a wind farm. "Other than discussions and the fact that DuPont is interested in pursuing this we don't have much on the table right now," **Vito Gadaleta**, the borough administrator of Pompton Lakes told *PFR*.

"From a DuPont perspective it's in the early stages for [a wind

farm]," the spokesman says. The site is expected to be ready for development by 2015-2016.

Ormat Acquires EIF Nev. Geo Project

Ormat Technologies has completed the acquisition of the Hot Sulphur Springs II geothermal project in Elko County, Nev., from **Energy Investors Funds**.

EIF had taken ownership of the project in October from **TG Power** after it provided \$20 million in loans. TG was headed into foreclosure (PFR, 10/2).

The entire project, which is expected to produce up to 40 MW, was originally tagged at \$180 million to develop but costs escalated. Ormat is developing the first 16 MW phase called Tuscarora which should come online by 2012. It is looking to tap government funding for the project, ceo **Dita Bronicki** said in a statement.

The project has a 20 year PPA with **Nevada Power Co.**, a subsidiary of **NV Energy**. Calls to Bronicki in Reno and EIF officials in New York were not returned. The price Ormat paid could not be learned.

DZ Bank was expected to provide construction financing for the project in 2008, but its current involvement with the project could not be immediately learned. Officials at the bank could not be reached for comment.

Boutique Adds Private Placement Chief

Heather Smith is joining **Greentech Capital Advisors** as a partner and head of private placements in a newly created role.

Smith is on gardening leave from **Deutsche Bank** where she was head of structured private placements. Greentech is a boutique advisory shop focused on to renewable energy, which recently advised solar concentrated solar power company **Ausra** as it was purchased by **AREVA** (PFR, 2/10).

Smith arrives April 19 and will structure, market, and negotiate private equity and debt placements for energy deals with family offices, among other sources of capital. "It gives us a new offering and what we consider one of the top people in the space to head up that offering," says **Michael Molnar**, partner with the New York-based boutique firm.

Molnar says Smith will focus across all aspects of renewables with close attention paid to solar photovoltaic and power storage. He said the firm had been looking for someone in this area but found the right combination of skills in Smith, who had a network of family offices over a wide geography and who has done energy deals. It has also added four other junior positions, three at the associate level and one principal in the last few weeks, Molnar adds.

Aloha!

First Wind Lands DOE Funding

First Wind received a \$117 million loan guarantee from the U.S. **Department of Energy** for a project in Kahuku, Hawaii, that will include battery storage technology.

The 30 MW Kahuku Wind project is in final permitting stages, awaiting approval from the Hawaii Public Utilities Commission. Construction will start when the DOE funding is in place and regulatory approval is given. First Wind is using a dozen 2.5 MW **Clipper** Liberty turbines.

The Boston, Mass.-based developer is working with **Xtreme Power** to install a 15 MVA battery storage system that will release up to 10 MW for an hour when wind is low. Xtreme provided a 1.5 MW battery storage system for First Wind's 30 MW Kaheawa Wind farm in Maui. The cost of the 10 MW project could not be learned.

Calls to officials at First Wind and Xtreme Power in Kyle, Texas, were not returned before press time.

Gamesa Loses U.S. Wind Chief

Glenn Smith, v.p. for wind development, at **Gamesa Energy USA**, left the company Wednesday. Smith was hired in December 2007 to oversee the company's wind division at in the U.S. headquarters in Philadelphia, Pa. The reason he left or his future plans could not be determined. A message left for his assistant was not returned.

Gamesa Energy USA, a unit of Spanish turbine manufacturer **Gamesa Group**, developed four wind projects in the U.S., according to its web site. The projects include: 50 MW Mendota Hills near Mendota, Ill., and 80 MW Allegheny Ridge near Altoona, Penn., which has a 23-year PPA with **FirstEnergy**.

Before Gamesa, Smith worked in project development and acquisitions for the unregulated units of **Unisource** and **FPL Group**. The Spanish turbine manufacturer appointed **Dirk Matthys** as its ceo of North America in October.

Corporate Strategies

Puget Refis With Fall Aways

Puget Sound Energy has refinanced debt that matured last month with \$325 million 30-year notes that are temporarily secured by mortgages on its gas utility. The fall away first mortgage bonds will convert to senior unsecured notes in 2025, when the 1950s-era mortgage can be replaced with a new one, says **Jim Sant**, assistant treasurer in Bellevue, Wash. The last issuance fully linked to the mortgage matures in Dec. 2025, he says.

Proceeds refinanced \$225 million bonds that carried a 7.96% coupon in addition to taking down a portion of the utility's capex credit facility. Puget filed with the U.S. **Securities and Exchange Commission** earlier this year for an \$800 million shelf registration. Puget does not expect to issue that amount this year though, Sant says.

The new notes have a 5.795% coupon and priced at 120 basis points over Treasuries. **Moody's Investors Service** and **Standard & Poor's** rate them Baa1 and A-, respectively. The firms that underwrote the transaction are also lenders in the credit facility which may be repaid with a portion of the proceeds, Sant says. "We tend to work with banks that [participate in the] credit facilities so we can give them this kind of business," he says. **Barclays**, **KeyBank**, **Scotia Capital**

and **Wells Fargo** were joint lead arrangers. Calls to officials at the firms were not returned.

SoCalEd Taps Bonds To Refi

Southern California Edison issued \$500 million first and refunding mortgage bonds to refinance short term debt. SoCal Ed has two credit facilities totaling \$2.9 billion.

The utility wanted to balance its debt to equity ratio because at year end it had 49.3% equity, says **A.J. Sabatelle**, analyst at **Moody's Investors Service** in New York. The company doesn't get a return on anything above 48% equity, he says.

The 30-year notes carried a 5.5% coupon. They priced 90 basis points over U.S. Treasuries. Moody's, **Standard & Poor's** and **Fitch Ratings** rated the bonds A1, A and A+, respectively. This type of bond allows the issuer to reuse the collateral on future issuances, says a spokesman in Rosemead, Calif. He declined to comment on whether the utility would tap the bond market again this year. SCE issued \$750 million last March.

Citigroup, **Credit Suisse**, **JPMorgan** and **Royal Bank of Scotland** acted as joint bookrunners. Calls to officials at the banks were not returned. The spokesman declined to comment on why these banks were selected.

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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.

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, 3/8/10).
Caithness Energy, GE Energy	Shepherds Flat	Oregon (909 MW Wind)	BoTM, WestLB, Morgan Stanley, Credit Suisse, RBS, Citi	TBA	TBA	TBA	FIPP guarantee expected (PFR, 3/8/10).
Edison Mission Energy	Cedro Hills (350 MW wind)	Texas	TBA	TBA	TBA	TBA	Banco Espirito Santo and WestLB dropped out of deal (PFR, 3/8/10).
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 (PFR, 3/8/10).

Live Deals: Asia/Pacific

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
International Power	PT Paton Energy (815 MW coal)	Indonesia	JBIC	Project	\$1.5B		10 banks participating (see story, page 3).

For a complete listing of the Project Finance Deal Book, please go to iipower.com.

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Back On The Block E.ON Looks To Sell U.S. Utility
February 26, 2010

E.ON U.S. is reportedly aiming to sell one of its regulated assets again. The German player has tapped Goldman Sachs to sell regulated utility Louisville Gas & Electric Co. E.ON has flirted with selling it before (PFR, 10/8/04), but bankers at the time said it was not in a rush. The reason for scoping a sale now could not be determined. Calls to E.ON U.S. officials in Louisville, Ky., were not returned. A Goldman spokeswoman declined to comment.

E.ON has already been in talks with potential buyers about... acquired by Powergen for...

FT.com
FINANCIAL TIMES
MARCH 2, 2010
Eon Puts US Supply Arms Up For Sale
Eon, the German energy group, has put Louisville Gas and Electric and Kentucky Utility, its US supply companies, up for sale with an estimated price of about \$5.4 billion, according to people familiar with the situation.
Duke Energy of North Carolina and...

Bloomberg.com
MARCH 2, 2010
E.ON Said to Consider Sale of U.S. Unit to Trim Debt
E.ON AG is examining the sale of its U.S. utility business, valued at about 4 billion euros (\$5.4 billion) by analysts, to reduce debt, according to a person briefed on the matter.
The Dusseldorf-based company has appointed Goldman Sachs as its advisor.

REUTERS
MARCH 1, 2010
E.ON Looking To Sell U.S. Utility
German power and gas company E.ON is looking to sell its U.S. regulated utility unit, formerly known as LG&E, according to sources familiar with the matter. Goldman Sachs is advising on the sale.

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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

- **A-Power Energy Generation Systems** is teaming up with the **U.S. Renewable Energy Group** and **American Nevada Group** to build a manufacturing plant in Nevada that would produce 1.1 GW of wind turbines annually. The turbines will be used in projects in North and South America (*Reuters*, 3/11).
- The presidents of **Green Mountain Power** and **Central Vermont Public Service** aim to wrap negotiations with **Hydro-Quebec** about extending power purchase agreements that expire in 2014. GMP and CVPS need to buy additional power to replace output from the Vermont Yankee plant (*BusinessWeek*, 3/11).
- Delaware Gov. **Jack Markell** is proposing the state expand a law that requires every utility to purchase 30% of its power from renewable projects by 2029. **Delaware Electric Cooperative** and nine municipalities would be included under his plan (*The News-Journal*, 3/11).
- **Alliant Energy** is asking the **Iowa Utilities Board** for a rate increase to pay for wind and transmission investments (*Des Moines Register*, 3/10).
- Ontario is positioned to be a renewable energy hub with its feed-in tariffs attracting global attention. Companies active in Europe are expected to invest in Canada as the European market slows down (*Reuters*, 3/9).
- **NRG Energy** received funding from the U.S. **Department of Energy** to retrofit its WA Parish coal-fired plant near Houston, Texas, with a carbon capture system. The DOE will pay for \$154 million, or half, of the project (*The Dallas Morning News*, 3/9).
- Independent power producers **Calpine** and **NRG Energy** are likely to outperform utilities as power demand recovers because they won't be tied to regulated utility rates (*Bloomberg*, 3/10).
- **Mauricio Quintana** replaced **Clipper** president and ceo **Doug Pertz** today. Quintana was the director of corporate strategy and development at Clipper-purchaser **United Technologies Corp.** for two years (*Reuters*, 3/9).
- The Wyoming Supreme Court ruled in favor of **Basin Electric Power Cooperative's** Dry Fork Station coal-fired project. The plant is slated to be online next year (*The Casper Star-Tribune*, 3/9).
- **JPMorgan** is expanding its alternative energy team in China to focus on more initial public offerings sought by renewable power companies (*Reuters*, 3/9).

- **Pacific Gas & Electric** petitioned California regulators Monday to approve a 25-year offtake agreement for a 300 MW solar project proposed by First Solar (*Dow Jones Newswires*, 3/8).
- **Toshiba-owned Westinghouse Electric Co.** and **General Atomics** each received \$20 million from the U.S. **Department of Energy** yesterday to help fund the design of the next generation nuclear reactor (*Reuters*, 3/8).
- The Colorado government is expected to up the state's renewable portfolio standard to 30% by 2020. The state Senate passed legislation that includes installing 700 MW before 2020, among other measures. The RPS will be second to California (*Sustainable Business*, 3/8).
- **FPL Group** is putting a solar installation onto an existing natural gas plant to experiment with fusing renewable and fossil-fueled power to cut greenhouse gas emissions (*The New York Times*, 3/5).
- Several utilities in the eastern part of the U.S. are against paying for a transmission line that would ship Iowa wind power to the east coast. Opponents of the proposed lines, heralded by **MidAmerican Energy** and **ITC Holdings**, say local utilities and developers should pay for it (*The Des Moines Register*, 3/5).
- **American Electric Power Co.** wants to expand a 20 MW carbon capture and sequestration experiment at the 1.3 GW Mountaineer coal-fired plant in West Virginia. The expansion to 200-240 MW would cost about \$660 million and be 50% financed by the U.S. **Department of Energy** (*ClimateWire*, 3/5).
- **FPL Group** and **American Electric Power Co.** support a compromise on Senate legislation that could require utilities to be the first to initiate greenhouse gas emission programs (*BusinessWeek*, 3/4).

Europe

- **RWE** is upgrading its Little Barford gas-fired plant in the U.K. to 700 MW from 680 MW, which will also cut emissions by 40,000 tons a year (*Bloomberg*, 3/11).
- **International Power** is still open to a merger, possibly with **GDF Suez**, even after talks with GDF fell apart earlier this year (*The Daily Mail*, 3/10).
- **Evonik Industries** is weighing the sale of its German power subsidiary, **Steag**, which is valued around EUR3 billion (\$4 billion) (*Bloomberg*, 3/9).

PGE PLOTS

(continued from page 1)

development, financing and construction process.

U.S. Bank is taking a 95% tax equity stake in SunWay 3 when the 2.4 MW crystalline photovoltaic project is installed on **ProLogis**, a distribution company, rooftops in Portland. The investment will be used to pay down a portion of a construction loan provided by **Wells Fargo**.

Majority ownership will flip to PGE after the tax incentives expire, with the option to buy the remaining 5% stake from U.S. Bank. This model allows PGE to build and own generation at a lower cost, says Barra. He declined to disclose the costs of SunWay 3.

The model won an award from **Solar Electric Power Association** in the fall for its creative partnering between a utility and third parties. The utility considers only companies with the capacity to host projects larger than 1 MW because arranging the transaction structure on smaller deals is not worth the cost.

PGE has installed two sets of projects through this partnership with ProLogis and the **Oregon Department of Transportation**. Renewable energy will have to account for 25% of the utility's generation by 2025. Under PGE's current load, that target would be around 600 MW.

—Holly Fletcher

BOUTIQUE TO

(continued from page 1)

"There aren't enough people looking at these guys. We just think there needs to be more money available," Cofelice says. Some private equity shops are beginning increase investments for early stage projects but the field is uncluttered, he says, declining to name the firms. Westerly, which launched this month, is backed by private equity player **U.S. Renewables Group**. Viable early- to mid-stage wind projects that need cash to continue the development process to facilitate an offtake or acquisition contract will be targeted. Cofelice and **Lee Bailey**, managing partner at USRG in Los Angeles, declined to comment on how much cash Westerly can deploy.

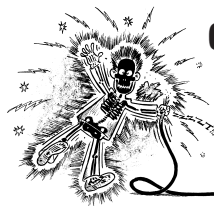
Westerly is an independent firm that will receive financing as-needed from USRG, says Bailey. How much capital Westerly receives will depend on how much money its developers will need to progress a project, he says.

Westerly is currently talking to several developers in the Northeast, south and west about making its initial investments that are expected to wrap mid-summer, Cofelice says. The Westerly team, currently Cofelice and **Peter Mara**, v.p. of finance, will grow proportionally to what services clients need, he adds.

—H.F.

Alternating Current

Green Bottoms Up



When you're out looking for the pot of gold on St. Patrick's Day in the pub, be sure you're swiggin' green, not just wearing it. Throw back a brew that's made in

machines powered by renewable energy.

Breweries across the country, including the **Brooklyn Brewery** (100% wind powered), **Central Waters Brewing Co.**, **Anheuser-Busch** and **Sierra Nevada Brewing Co.**, are making their mashes through greenhouse gas reducing methods.

Microbrewery **Central Waters** in Amherst, Wis., makes a red ale, **Shine On**, to commemorate the solar panels it installed last March system and a partnership with

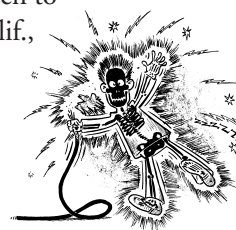


Photo courtesy/Central Waters

Shine On, a solar power-brewed red ale by Central Waters Brewing Co. in Amherst, Wis.

Midwest Renewable Energy Association gets a slice of Shine On proceeds. Anheuser-Busch, the 800 pound gorilla of the sector, fields six acres of solar panels at its brewery in Fairfield, Calif., and is solarizing its Newark, N.J., plant.

Sierra Nevada found a way to go green to make green. The brewery in Chico, Calif., sells excess solar power into the California grid. This St. Patty's day when you're chasing that leprechaun, think green, wear green and pinch anyone who's not drinking green.



Quote Of The Week

"There aren't enough people looking at these guys. We just think there needs to be more money available." —**Joe Cofelice**, CEO at **Westerly Wind** in Braintree, Mass., on funding for early stage wind projects (see story, page 1).

One Year Ago In Power Finance & Risk

Calyon and **WestLB** were selected to lead the \$1.1 billion financing of the 500 MW gas-fired **Astoria Energy II** project in Queens. [Eleven banks participated in the **Natixis**-led package consisting of a \$970 million mini-perm facility with a five-year tenor and \$110 million in letters of credit (PFR, 6/26).]