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Power Finance & Risk

Exclusive Insight on Power M&A and Project Financing By the publisher of GlobalCapital

PROJECT FINANCE

Sunrun Hires Investec for Third Resi Solar Refi

As sole bookrunner, the South African bank is in the market to raise a $600 million, multi-tranche, five-year loan package. Page 6

LNG EXPORT

Cheniere to Upsize Corpus Christi Train Three Debt

Société Générale is leading the deal to increase the gas liquefaction plant's loan from $4.2 billion to $6 billion. Page 7

MERGERS & ACQUISITIONS

LS Power Takes Bids for Illinois Peakers

Guggenheim Partners is running the sale of the portfolio, which comprises the 878 MW Aurora and 450 MW Rockford project. Page 7

Wind Construction Loan Pricing Seen Dipping Below 100 Basis Points

Richard Metcalf

Pricing on construction loans for contracted wind projects is said to have dropped below 100 basis points over Libor, as predicted earlier this year.

A project finance banker whose firm recently missed out on a deal says that feedback from the potential borrower implied that another bank was willing to provide a spread in the double digits. "Pricing has continued coming down," says the banker. "It's been tough".

The project is **Geronimo Energy**'s 212 MW Green River wind project in Whiteside and Lee counties, Ill. The bank or banks that the sponsor has selected could not immediately be identified. A spoksesperson for the sponsor in PAGE 2 »

How low can you go?

LAEIFF MIAMI 2018

LatAm Market Watchers Take Stock of Political Climate

Delegates at the **Euromoney Seminars** 12th Annual Latin American Energy & Infrastructure Finance Forum in Miami Beach are keeping at least one eye on Latin America's colorful political landscape, as a year of national elections and unfolding corruption probes promises to have a bearing on project financings and M&A deals. **Fotios Tsarouhis** reports.

In an informal poll on March 13, 22% of those present at a panel session focusing on roadblocks to project financings agreed with the sentiment that corruption scandals "will have a lasting material adverse effect on the region's project pipeline."

Another 44% said that there would be "somewhat" of an effect, with the remaining 34% choosing the third option: "What else is new?"

The most glaring example of a corruption scandal threatening to hinder a major infrastructure deal is the case of Chaglla, a 456 MW hydro facility in Peru, which **China Three Gorges** agreed to acquire from Bra- PAGE 8 »

ICBC Hires WestLB Veteran as Risk Officer

Shravan Bhat

Industrial and Commercial Bank of China has hired an experienced risk management professional to oversee its project finance loan portfolio.

The banker, **Anthony Alessandro**, started in his new role as senior risk offi- PAGE 12 »

Private Equity Firm Markets PJM Hydro Asset

Fotios Tsarouhis

A New York private equity shop has hired a pair of financial advisers to sell a hydro project in **PJM Interconnection** that it previously tried to sell four years ago.

Barclays and **PJ Solomon** are marketing PAGE 9 »

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PROJECT FINANCE

Wind Construction Loan Pricing Seen Dipping Below 100 Basis Points

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Edina, Minn., declined to comment.

The **Illinois Municipal Electric Agency** executed a 15-year power purchase agreement for 50 MW of the project's output in the first half of 2017, with the option to participate in further expansion, according to the minutes of an agency board meeting dated June 14. How the rest of the project's output would be sold could not be learned by press time.

Geronimo typically sells its projects to other long-term owners on completion. **Berkshire Hathaway Energy Renewables**, for example, bought the 210 MW Walnut Ridge wind farm, which neighbors the Green River project and is contracted with the U.S. **General Services Administration**, in 2015.

INFLECTION POINT?

Pricing on project finance loans has been squeezed over the past year as a result of intense lender competition.

Ralph Cho, co-head of North American power at **Investec**, predicted that pricing on construction loans with short tenors would drop to 100 bps at the **Infocast** Projects and Money conference in New Orleans in January (PFR, 1/19).

However, some project finance bankers are hoping that big deals coming to the market this year will "soak up liquidity" and that pricing will begin to move the other way. "We could be at an inflection point," says one head of North America project finance.

Those deals include a construction loan for **Invenergy**'s 2 GW Wind Catcher wind farm in Oklahoma, which is slated to cost $2 billion, and the upsizing of an existing loan for **Cheniere Energy**'s Corpus Christi gas liquefaction project in Texas—Cheniere is said to be looking for $1.8 billion of new money, which would bring the size of the loan to $6 billion (PFR, 3/14).

Project sponsors are keen to close as many deals as possible in the next two months to get ahead of a potential rise in interest rates, says the project finance head. ■

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

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

GENERATION AUCTION & SALE CALENDAR ●

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

Generation Sale DATABASE

Seller	Assets	Location	Adviser	Status/Comment
● Actis	Atlantic Energías Renovaveis (625 MW Wind)	Brazil		Chinese investors are among the bidders for the fully-contracted wind assets (see story, page 9).
Alette Clean Energy	Thunder Spirit (48 MW)	Adams County, North Dakota		Montana-Dakota Utilities is exercising its option to acquire a 48 MW expansion of the 107.5 MW project (PFR, 3/12).
AltaGas	Portfolio (837 MW Gas)	Calif.		AltaGas scrapped sale of two projects and will instead seek to sell other assets to finance its acquisition of WGL Holdings (PFR, 3/12)
Alstom	Portfolio (39.6 MW, Wind)	Meeker County, Minn.	CohnReznick (seller)	This was Canadian developer BluEarth Renewables' first U.S. wind investment (PFR, 2/12).
Avangrid Renewables	Enstor (Gas Storage)	Gulf Coast, Southwest		Amphora Gas Storage, an Arclight portfolio company, will buy the portfolio of storage assets (PFR, 2/26).
Casa dos Ventos	Ventos do Araripe III (359 MW Wind)	Brazil		Regulator Cade gave the green light to Voltorantim Energia and the Canada Pension Plan Investment Board to buy the wind farm (PFR, 3/12).
Conduit Capital Partners	Santa Catarina (22 MW Wind)	Monterrey, Nuevo León, Mexico		Conduit plans to launch a sale process for the contracted, operational asset this year (PFR, 1/8).
Edison International	SoCore Energy (150 MW Solar)	U.S.	Marathon Capital	Engie North America has purchased the developer, soon after it bought wind developer Infinity Renewables (PFR, 3/12).
Enbridge	Portfolio (-3 GW Wind, Solar, Hydro)	Canada, U.S.		Enbridge is looking to sell about half of its renewable assets (PFR, 1/8).
First Solar, SunPower	Portfolio (946 MW)	U.S.	MUFG	Capital Dynamics has agreed to acquire 8point3, the companies' joint yield company, for $12.35 per share (PFR, 2/12).
GD Solar	Portfolio (260 MW Solar)	Brazil		The firm is seeking equity investors for the portfolio (PRF, 1/22).
GenOn Energy	Hunterstown (810 MW Gas)	Gettysburg, Pa.	Credit Suisse (seller)	Private equity firm Platinum Equity is acquiring the asset. AOS Energy, which consulted Platinum, will co-invest in the asset. Morgan Stanley is arranging acquisition financing (PFR, 3/5).
Hudson Clean Energy Partners	Portfolio (210 MW Hydro)	U.S.	Evercore	Hudson is weighing a sale of its stake in Eagle Creek Renewable Energy, which owns 210 MW of hydro assets throughout the continental U.S. (PFR, 2/26).
Infinity Renewables	Portfolio (8 GW Wind, Solar)	U.S.		Engie North America has purchased the renewable project developer (PFR, 2/26).
Invenergy	Ector County (330 MW Gas)	Ector County, Texas	Guggenheim (seller)	Invenergy has put the peaker up for sale (PFR, 2/26).
Invenergy Renewables	States Edge (2 GW Wind)	Cimarron and Texas counties, Okla.		Two utilities owned by American Electric Power have filed for federal approval to acquire the facility (PFR, 1/16).
● LS Power	Aurora (878 MW Gas)	Aurora, Ill.	Guggenheim	LS Power acquired Aurora and Rockford from NRG Energy in 2016 before refinancing them last year (see story, page 7).
	Rockford (450 MW Gas)	Rockford, Ill.		
	Seneca (508 MW Hydro)	Warren, Pa.	Barclays, PJ Solomon	LS Power is marketing the project four years after it abandoned an initial attempt to sell it (see story, page 1).
Macquarie Infrastructure Corp.	Bayonne Energy Center (512 MW Gas)	Bayonne, N.J.		MIC is weighing a sale of the project, which powers parts of New York City (PFR, 2/26).
Morgan Stanley	NaturEner USA (399 MW Wind)	Montana	Morgan Stanley	Morgan Stanley is selling NaturEner, which owns development wind assets in Alberta as well as the 399 MW operational wind portfolio in Montana (PFR, 5/15).
NextEra Energy Partners	Portfolio (-400 MW Wind)	Ontario		NextEra Energy's yield company is weighing the sale of its Canadian assets with a view to reinvesting the proceeds in the U.S. (PFR, 2/5).
Onyx Renewable Partners	Portfolio (small-scale Solar)	U.S.	RBC, CohnReznick	Onyx has begun marketing the portfolio (PFR, 1/29).
● Recurrent Energy	Portfolio (235 MW Solar)	California	BAML, Scotia (seller)	South Korean utility Korea Electric Power Corp. has closed its acquisition of three solar assets from the Canadian Solar subsidiary (PFR, 10/2).
Renova Energia	Alto Sertão III (300 MW Wind)	Brazil		Brookfield is bidding for the assets rather than bidding for a stake in the company (PFR, 3/5).
	Development portfolio (1.1 GW Wind)			
RES Americas	Whirlwind (60 MW Wind)	Floyd County, Texas	PwC	A JV between Ardian and Transatlantic Power Holdings, called Skyline Renewables, bought the project (PFR, 3/12).
● Ridgewood Infrastructure	Neptune (660-mile 660 MW DC Transmission)	Long Island Sound	RBC (seller)	An undisclosed buyer has agreed to acquire Ridgewood's stake in the project (see story, page 9).
Rockland Capital	Victoria (290 MW Gas)	Victoria County, Texas	PJ Solomon	Rockland is selling the CCGT, which it acquired from ArcLight in 2016 (PFR, 3/12).
Southern Power	Portfolio (1,760 MW Solar)	U.S.	Citi	Southern Power has hired Citi to sell an up-to one-third stake in the portfolio (PFR, 11/6).
Texas Municipal Power Agency	Gibbons Creek (450 MW Coal)	Grimes County, Texas		The plant is for sale again after an earlier attempt to offload it fell through (PFR, 11/20).

● **New or updated listing**

The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed.
To report updates or provide additional information on the status of financings, please call Fotios Tsarouhis at (212) 224 3294 or e-mail fotios.tsarouhis@powerfinancerisk.com

● PROJECT FINANCE

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

Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Deal Type	Loan Amount	Tenor	Notes
174 Power Global	Midway Solar (178 MW Solar)	Pecos County, Texas	MUFG, BayerLB, Credit Agricole, NordLB	Debt, Tax Equity	$190M	7-yr	The financing comprises a $100.5 million tax equity bridge loan and a 7-year $89.5 million construction to back leverage term loan (PFR, 2/26).
Advanced Power	South Field (1.1 GW Gas)	Columbiana County, Ohio	GE EFS, CIT Bank, Credit Agricole	Debt	TBA	TBA	Pricing on similar loans remained stable last year at 325 basis points over Libor (PFR, 1/22).
Akuo Energy	Pecasa (50 MW Wind)	Dominican Republic	IFC, FMO, Govt of Canada, Proparco, DEG	Debt	$80M	TBA	The project will sell its output to the Dominican public utility through a 20-year, dollar-denominated PPA (PFR, 1/22).
Brookfield Renewable Energy Partners	Portfolio (292 MW Hydro)	Pennsylvania	MUFG, HSBC	Private Placement	$350M	15-yr	Brookfield will use the notes to repay bridge loans for the portfolio which it bought from Talen Energy for $860 million in 2016 (PFR, 3/5).
● Cheniere Energy	Corpus Christi Train 3 (4.8 mtpa LNG)	San Patricio County, Texas	Société Générale	Debt	$6B	20-yr	Price talk of 200 basis points over Libor was given at a lender conference call held on March 13. Cheniere intends to raise some $1.8 billion of new money with the deal (see story, page 7).
Cypress Creek Renewables	Portfolio (29.9 MW Solar)	North Carolina	CIT	Debt	$46.5M		The projects are around 5 MW in size and are contracted under PPAs of 10 to 15 years with utility offtakers (PFR, 2/12).
Duke Energy Renewables	Shoreham Commons (24.9 MW Solar)	Suffolk County, N.Y.	BAML	Tax Equity	TBA		BAML was selected as the tax equity investor (PFR, 1/29).
EDP Renewables North America	Arkwright (78 MW Wind)	Chautauqua County, N.Y.	TBA	Tax Equity	TBA		The $156 million project has so far been funded entirely from EDP's balance sheet (PFR, 3/5).
Enel Green Power	Portfolio (1 GW Solar)	Mexico	TBA	Debt	$720M	TBA	Financial close is expected by the end of March. Lenders include commercial banks and multilaterals (PFR, 3/12)
● Geronimo Energy	Green River (212 MW Wind)	Whiteside and Lee counties, Ill.	TBA	Construction loan	TBA		The sponsor has selected a bank that is said to have bid in pricing of less than 100 basis points over Libor (see story, page 1).
Global Atlantic, Origis Energy	MS 3 (52 MW Solar)	Lamar County, Miss.	Wells Fargo	Tax Equity	$49M		Wells Fargo's tax equity investment accounts for 49.38% of the project's total capital (see story, 6).
Hive Energy	Mariel (50 MW Solar)	Cuba	Shanghai Electric	Debt	TBA	1-yr	Chinese EPC company Shanghai Electric is providing construction finance and a share of the project equity (PFR, 3/12)
Kinross Gold Corp	Portfolio (155 MW Hydro)	Brazil	TBA	Debt	$200M		Kinross is paying $257 million to a subsidiary of Brazilian steel company Gerdau for the hydro facilities (PFR, 2/26).
Fotowatio Renewable Ventures	Potosi (342 MW Solar)	Zacatecas, Mexico	KfW, Bancomext, ING	Debt	$209M	TBA	The lenders are providing the funds through equal commitments of almost $70 million each (PFR, 3/12)
Halyard Energy Ventures	Halyard Wharton (348.5 MW Gas)	Wharton County, Texas	Scotiabank (adviser)	Equity	TBA		Halyard is aiming to close financing for the peaker this quarter and bring it online by the second quarter of 2019 (PFR, 2/5).
Invenergy	Upstream Wind Energy Centre (202.5 MW Wind)	Antelope County, Neb.	Santander	Debt			Allianz has provided a 10-year proxy revenue swap for the project - the fourth such hedge in the U.S. (PFR, 2/12).
Invenergy	Gratiot County (110.4 MW Wind)	Gratiot County, Mich.	Natixis, NordLB, Zions, Siemens	Refinancing	TBA		GE EFS, which provided tax equity when the project came online in 2012, continues to hold a minority stake (PFR, 2/20).
Leeward Renewables	Mendota Hills (50 MW Wind)	Lee County, Illinois	TBA	Tax Equity			Leeward is seeking tax equity to repower the project, increasing the capacity by 26 MW (PFR, 3/12)
Lightstone	Portfolio (5.3 GW Gas, Coal)	Ohio, Indiana	Credit Suisse	Term Loan B	$1.675B	6-yr	Lightstone, a J.V. between ArcLight and Blackstone, is looking to reprice the debt between 375 and 400 basis points over Libor (PFR, 2/5).
Lightsource BP	Johnson Corner (20 MW Solar)	Stanton County, Kan.	TBA	Debt, Tax Equity	TBA		Lightsource has issued a teaser for the project and is seeking indications of interest for tax equity and debt by March 9 (PFR, 3/5).
Navajo Tribal Utility Authority	Kayenta II (27 MW Solar)	Navajo County, Ariz	TBA	Debt, Tax Equity	$45M		NTUA has signed a 30-year PPA with Salt River Project for the project, which is expected to be online by Apr. 1, 2019 (PFR, 2/5).
● OCI Solar Power	Lamesa II (50 MW Solar)	Dawson County, Texas	TBA	Debt, Equity	TBA	TBA	San Antonio's municipally-owned utility, CPS Energy, signed a 25-year power purchase for the project in October 2015 (see story, page 5).
Omega Energy Development	Delta 5 (95 MW Wind)	Brazil	TBA	TBA	$91.7M		Brazil's National Electric Energy Agency approved four projects in the state of Maranhão (PFR, 2/20).
● Pattern Development	Stillwater Wind (80 MW Wind)	Stillwater County, Montana	TBA	Debt, Tax Equity	TBA	TBA	Formally know as Vivaldi Springtime, the project has a 25-year PPA with NorthWestern Energy (see story, page 5).
● Penn Energy Renewables	Portfolio (41.8 MW Solar)	Ontario	Prudential Capital	Private Placement Refinancing	$150M	17.5-yr	The five projects are contracted under the Ontario Independent Electricity System Operator's feed in tariff program (see story, page 5).
Siemens, Others	Temple 1 (758 MW Gas)	Texas	Goldman Sachs	Debt	$50M	5-yr	The first lien loan was priced at 450 bps over Libor, while the second lien paper was priced at 800 bps (PFR, 3/5).
Taaleri Energia	Truscott-Gilliland East (277 MW Wind)	Knox County, Texas	NorthRenew Energy (adviser)	Debt, Tax Equity	$350M		The Finnish developer is seeking debt and tax equity as it enters the U.S. market (PFR, 2/12).
SunEast Development	Portfolio (700 MW Solar)	U.S.	Whitehall & Co.	TBA	$33M	TBA	The utility-scale developer is raising capital as it seeks to transform its business model by owning projects (PFR, 2/20).
● Sunrun	Hera (Residential Solar Portfolio)	U.S.	Investec	Refinancing	$600M	5-yr	The financing is expected to close by the end of March (see story, page 6).

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Korean Developer Closes in on Texas Solar Financing

South Korean developer **OCI Solar Power** is working with a strategic partner to seal debt and equity for its 50 MW Project Ivory solar farm, formerly known as Lamesa II, in Dawson County.

OCI recently acquired the $85 million project from its original co-developers, **BNB Renewable Energy** and **RES Americas**. The closing date and price of the sale could not be learned. An OCI spokesperson in San Antonio declined to share details on the project financing, noting only that OCI used its own balance sheet to fund the acquisition.

The sponsor announced that Colorado-based RES would design and construct the project on Feb. 28, adding in a statement that Dawson County and a local hospital and school have "entered into tax incentive agreements supporting the project". Project Ivory is OCI's ninth large-scale solar project in Texas and RES's fifth.

San Antonio's municipally-owned utility, **CPS Energy**, signed a 25-year power purchase for the project in October 2015.

RES and BNB developed the adjacent 102 MW Lamesa I solar project and sold it to **Southern Power** in 2016 (PFR, 7/7/16). The co-developers had already begun work on the Lamesa I facility in 2013, expecting it to total 200 MW when completed. Law firm **Orrick** advised RES on the sale of Lamesa I.

Both Lamesa I and Project Ivory use **Array Technologies** single-axis trackers to increase their capacity factor, which may explain the latter's relatively high construction cost of $1.70/W. Construction on the project is due to begin this month and is expected to be completed by November.

Morgan Stanley advised OCI on the all-cash sale of its 106 MW Alamo 7 solar project to **ConEdison** for $227 million in January 2016 (PFR, 1/11/16). OCI sold its 110 MW Alamo 6 dual-axis tracker solar project to **Berkshire Hathaway Energy** for a whopping $385 million in December 2016 (PFR, 12/6/16). Both of those projects were also contracted with CPS Energy.

OCI Solar Power, a subsidiary of Korean chemical giant **OCI Co.**, will use panels manufactured by another company in the group, **Mission Solar Energy**. Another South Korean project developer, **174 Power Global**, is also using panels supplied by a subsidiary of its parent, **Hanwha Q Cells**, for its 178 MW Midway Solar project, which neighbors OCI's Alamo 6 in Pecos County, Texas (PFR, 2/22).

Solar Developer Refis Ontario Project Quintet with Prudential

Penn Energy Renewables has refinanced five operational solar projects in Ontario with debt provided by **Prudential Capital Group**.

The C$195 million ($150 million) senior secured private placement replaces project-level debt at the five projects, according to an announcement issued on March 12. The notes have a tenor of 17.5 years, notes a deal watcher.

The portfolio comprises the 8 MW Brantgate project in Brant County, the 10 MW Hamilton project in Baltimore, Northumberland County, the 8 MW Ridgefield project in Kawartha Lakes, the 6.5 MW Roseplain project in Uxbridge, in the regional municipality of Durham, and the 9.3 MW Port Hope project in Northumberland County.

"We are excited to partner with Penn Energy as they continue to oversee high-quality, sustainable solar farms and provide clean energy to the Toronto-area," said **Wendy Carlson**, Dallas-based managing director of power at Prudential Capital Group, in a statement.

The projects are contracted under the **Ontario Independent Electricity System Operator**'s feed in tariff program.

Penn Energy is part of the **Penn Group of Companies**, which is based just outside Philadelphia. The group's renewable development activities are focused on Ontario and Japan.

Besides the five projects refinanced in the deal with Prudential, Penn Energy lists two other operational solar projects in Ontario on its website. They are the 9.3 MW Edwardsburgh project in the United Counties of Leeds and Grenville and the 9.3 MW South Glengarry project in the United Counties of Stormont, Dundas and Glengarry.

Pattern Scores Financing for "Vivaldi" Wind Project in Montana

Pattern Development has obtained a construction loan, letter of credit facility and tax equity commitment for its Stillwater Wind project in Montana, which was previously known as Vivaldi Springtime.

Located in Stillwater County, the project has been through several iterations, but in its latest incarnation it has a capacity of about 80 MW.

Pattern acquired the project from the U.S. subsidiary of German wind developer **PNE Wind** last summer (PFR, 7/13). PNE had signed a 25-year power purchase agreement for the project's output with **NorthWestern Energy** the year before. The PPA was priced at $37.63/MWh.

The identities of the lenders, the tax equity investor and the size of the financing were not disclosed in a statement announcing the deals. A spokesperson for Pattern in New York declined to comment.

The project will be fitted with 31 **Siemens Gamesa** turbines, five of which are 2.3 MW machines and 26 of which are 2.625 MW turbines. Pattern has begun construction on the project and it is expected to be online in September.

The project is on the right of first offer list for Pattern's yield company, **Pattern Energy Group**.

PPA PULSE

NYSERDA Dishes Out REC Contracts

The **New York State Research and Development Authority** has awarded $1.4 billion of renewable energy credit contracts to 26 solar wind and hydro projects following a competitive procurement process.

NYSERDA chose the projects from 88 proposals submitted by 30 developers. The vast majority of the winning projects, 22 out of the successful 26, are utility-scale solar facilities. Three wind farms and one hydro expansion project also won.

While the NYSERDA contracts may help the projects to obtain financing, they are not a substitute for a traditional power purchase agreement and NSERDA does not take delivery of the electricity.

"For the awarded projects, NYSERDA has a claim to all RECs associated with the eligible production bid to NYSERDA," said **Abbey DeRocker**, senior project manager for large-scale renewables at the agency, who noted that the projects "may or may not have an offtaker for the power associated with these RECs."

Under the terms of New York's renewable energy standard, generation associated with the RECs must stay within the New York control area.

The weighted average price of the RECs under the solicitation was $21.71/MWh over the 20-year term of the contract, which NYSERDA says is 11% less than the price awarded in procurements that took place last year.

The winning bidders and the projects awarded contracts are:

Calpine Corp.
- 121.8 Bluestone Wind plus 6.2 MW of energy storage, Broome County

Cypress Creek Renewables
- 19.99 MW Sky High Solar, Onondaga County
- 19.99 MW Little Pond Solar, Orange County
- 19.99 MW Double Lock Solar, Montgomery County
- 19.99 MW Rock District Solar, Schoharie County
- 19.99 MW Sunny Knoll Solar, Schoharie County
- 19.99 MW Tayandenega Solar, Montgomery County

EverPower Wind Holdings
- 272 MW Baron Winds, Steuben County

Geronimo Energy
- 19.99 MW Blue Stone Solar, Ulster County
- 25 MW Daybreak Solar, Ulster County

Granada Solar
- 19.99 MW Darby Solar, Washington County
- 19.99 MW Janis Solar, Cortland County
- 19.99 MW Magruder Solar, Ulster County
- 19.99 MW Grissom Solar, Fulton County
- 19.99 MW Branscomb Solar, Tioga County
- 19.99 MW Puckett Solar, Chenango County
- 19.99 MW Regan Solar,Chenango County

Greene County Energy Properties
- 19.99 MW Greene County Energy Properties Solar, Greene County

Hecate Energy
- 60 MW Columbia Solar 1, Columbia County

Hudson Energy Enterprises
- 100 MW Flint Mine Solar, Greene County

Invenergy
- 1.53 MW Java Solar Energy Center, Wyoming County
- 339.78 Alle-Catt Wind, Allegheny and Cattaraugus County

NextEra Energy
- 50 MW East Point Energy Center (solar), Schoharie County
- 90 MW High River Energy Center (solar), Montgomery County

Northbrook Lyon Falls
- Expansion of 3.23 MW Lyons Falls Mill Redevelopment (hydro), Lewis County

Teichos Energy
- 19.99 MW Pattersonville (solar), Schenectady County ■

Allete Inks Utility Contract for Montana Wind Project

Allete Clean Energy has signed a power purchase agreement for the output of its 80 MW South Peak wind project in Montana.

NorthWestern Energy will purchase the project's output for 15 years under the terms of the deal.

The facility, which will be built next to NorthWestern's own 40 MW Spion Kop wind farm in Judith Basin County, is scheduled to be online by late 2019.

Allete acquired the South Peak project from **Peak Clean Energy**, which also developed the Spion Kop project. ■

PROJECT FINANCE

Sunrun Taps Investec for Third Resi Solar Refi

Residential solar company Sunrun has hired Investec to refinance its Hera portfolio in what may be the largest distributed solar aggregation loan to date.

As sole bookrunner, the South African bank is in the market to raise a $600 million, five-year loan package comprising multiple tranches. Price talk could not immediately be learned. The financing is expected to close by the end of March.

Sunrun will use the funds as interim financing for the portfolio as it originates residential solar loans and tax equity funds to be refinanced in a more permanent structure.

Investec has arranged loans for Sunrun twice before, putting together a $250 million package in January 2016 to refinance $195 million of debt it had raised in January 2015 (PFR, 1/19/16).

The 2016 deal was split into a $230 million senior secured tranche priced at 250 basis points over Libor with an advance rate of 65% and a $20 million subordinated tranche priced at 500 bps with a 75% advance rate.

Investors are showing interest in aggregated solar with contracted cash flows. Some of Sunrun's customers are eligible for a $15 discount on a $61.36 monthly utility bill if they pay through automated clearing house withdrawals, according a Jan. 15, 2016 filing with the U.S. **Securities and Exchange Commission**. ■

PROJECT FINANCE

Cheniere Looks to Grow Corpus Christi Loan

Cheniere Energy has held a lender meeting with a view to increasing the size of a loan for its Corpus Christi gas liquefaction project in Texas to $6 billion.

Société Générale is leading on the deal, under which existing lenders are expected to recommit to some $4.2 billion of existing debt while adding about $1.8 billion of new money, says a deal watcher.

Cheniere will use the proceeds of the loan to finance the construction of train three of the Corpus Christi project in San Patricio County, for which the sponsor recently signed offtake contracts.

In January, the company announced that it had signed a 15-year LNG sale and purchase agreement with Swiss commodities trading house **Trafigura** for about a million tonnes per annum beginning in 2019. The announcement did not specify whether the contract was for the Corpus Christi project.

Unlike the offtakers Cheniere has previously signed up to buy LNG from its export terminals, Trafigura does not have a public credit rating from the three main rating agencies. The commodities trading firm's unsecured debt trades at high yield levels—it recently priced a five-year note with a coupon of 5.25%.

Offtaker creditworthiness is a "key consideration" for the banks looking at the Corpus Christi loan, says the deal watcher.

The increased difficulty of obtaining 20-year LNG sale purchase agreements with investment grade offtakers could eventually lead to future LNG project finance deals bearing more resemblance to loans for so-called "quasi-merchant" gas-fired projects in the U.S., analysts at **S&P Global Ratings** told reporters earlier this year (PFR, 2/1).

Cheniere did manage to ink a contract with a high investment grade rated company recently, although it was for 15, rather than 20 years.

China National Petroleum Corp. subsidiary **PetroChina International Co.** has signed up for 1.2 million tonnes per annum of LNG from the Corpus Christi project under the 15-year contract, according to a press release issued in early February. CNPC is rated A1 by **Moody's Investors Service** and A+ by both S&P and **Fitch Ratings**.

Another 800,000 tonnes per annum of capacity at Corpus Christ's third train is contracted with **EDP** under a 20-year agreement that has been in place for several years. Train three will have a capacity of 4.5 million tonnes per annum in total.

PRICING, FEES

Price talk of 200 basis points over Libor was given for the Corpus Christi loan at a lender conference call held on March 13, says a project finance banker, who adds that the tenor of the loan is 20 years.

Banks will also be paid an upfront fee that depends on the amount of new money they put into the deal. The pricing on the fee starts at 175 bps for banks committing an extra $200 million and steps down for smaller amounts. Commitments are due in mid-April.

Some 29 banks participated in an $11.5 billion loan to finance the construction of the first two trains of the Corpus Christi liquefaction project in 2015 (PFR, 5/15/15). Much of the debt has since been refinanced in the bond market.

Officials at Cheniere in Houston and Société Générale in New York did not respond to requests for comment.

Offtakers for Corpus Christi Train 3

Offtaker	Offtaker ratings	Capacity (mtpa)	Tenor
EDP	Baa3/BBB-/BBB-	0.8	20 years
PetroChina	A1/A+/A+	1.2	15 years
Trafigura	UNRATED	1	15 years

Source: Cheniere Energy

MERGERS & ACQUISITIONS

Sale Process for Illinois Peaker Duo Enters Second Round

LS Power has taken bids for a pair of gas-fired assets it is in the process of selling in the Midwest.

Guggenheim Partners is running the sale of the portfolio, which comprises the 878 MW Aurora project and 450 MW Rockford project, both of which are located in their namesake towns in northern Illinois, in **PJM Interconnection** territory.

Guggenheim has picked up several power sector M&A mandates since hiring former **Lehman Brothers** and **Barclays** investment banker **Gary Rygh** as senior managing director last year (PFR, 9/22).

Besides the Aurora and Rockford plants, the New York-based firm is touting **Rockland Capital**'s Victoria gas-fired facility in Texas and a commercial and industrial-scale solar portfolio for **South Jersey Industries** subsidiary **Marina Energy** (PFR, 3/1, 3/8).

LS Power acquired the Aurora and Rockford plants from **NRG Energy** in 2016, paying $369 million for Aurora and $56 million for Rockland, following a two-stage auction run for NRG by **Citi** (PFR, 1/27/16, 5/19/16).

The firm then refinanced them together, as **RA Generation**, with a $325 million seven-year term loan package last year.

MUFG, **Bank of Montreal**, **GE Energy Financial Services**, **KEB Hana Bank**, **ING**, **BNP Paribas**, **Industrial and Commercial Bank of China** and **NH Investment & Securities** were mandated lead arrangers on the deal, which was priced at 325 basis points over Libor (PFR, 3/8/17).

In the meantime, LS Power has decided not to proceed with a sale of its 501 MW Carville cogeneration project in St. Gabriel, La., and 237 MW Hog Bayou combined-cycle project in Mobile, Ala., which **RBC Capital Markets** had been hired to market last summer (PFR, 8/10).

Officials and LS Power and Guggenheim in New York declined to comment.

LATIN AMERICA ENERGY & INFRASTRUCTURE FINANCE FORUM 2018

LatAm Market Watchers Take Stock of Political Climate

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zil's **Odebrecht** last summer (PFR, 8/25).

Peruvian officials have yet to decide what portion of the sale's proceeds will be retained by the country as damages, with deal watchers saying a high enough penalty would be guaranteed to kill the sale.

The drama unfolding in Lima is the latest development to emerge from Operation Car Wash, the Brazilian probe that was launched as an inquiry into money laundering at state-owned oil giant **Petrobras** before quickly expanding into an investigation of widespread corruption in Latin America's largest nation.

The investigation did not take long to spill over the country's borders, ensnaring Odebrecht's business interests in several Latin American states.

INVESTOR PROTECTIONS

In January, Colombia enacted a law designed to provide compensation to infrastructure investors in the event that underlying corruption problems associated with an asset destroys a deal.

Similar legislation in other countries could mitigate investor fears, says an official at a large project finance lender. The critical question then would be how much public money would be paid out.

The **Colombian Congress**'s attempt to mollify investors comes as the country sees an increasing inflow of private capital (PFR, 3/13).

"There are more financing sources, more liquidity" than there was before for borrowers looking to raise money on assets in Colombia and Peru, says one banker, identifying appetite from both project finance lenders and potential purchasers of generation assets.

New York-based private equity shop **I Squared Capital**, which is looking to invest further in Chile and Peru, is also examining maiden acquisition opportunities in Colombia and Mexico.

Deal watchers familiar with the firm's plans say a timeline for these investments is unlikely to be nailed down before the end of this year. By that point, Latin America's larger economies will have elected new presidents and legislators.

ELECTION YEAR

Colombia, Mexico and Brazil will hold presidential elections in May, July and October, respectively, events which bankers, lawyers and developers are using as barometers to measure the countries' openness to foreign investment in the years ahead.

Most conference attendees expressed preferences for center-right candidates in those three presidential elections, with an executive at a renewables developer with plans to be active in the Colombian market saying he was "fearful" of one of the country's leftist candidates.

While attendees expressed relief that center-right candidate **Sebastián Piñera** proved triumphant in Chile's presidential election at the end of last year, they generally conceded that the environment for raising project debt and equity and originating new projects had remained fairly positive under his predecessor, the socialist **Michelle Bachelet**.

Meanwhile, Paraguayans will head to the polls to next month to elect a president, and Venezuela will hold its next presidential election in May.

Development Banks "Still Needed" in LatAm as Private Capital Flows In

Development banks say they will continue to play an important role in Latin American project finance, even as the region's larger economies ease their reliance on them as they court private investment.

The deployment of capital by domestic wealthy elites, a surge of inbound investment from China and a wave of project finance loans involving international commercial banks, not only in Mexico and Chile but even in Argentina, have characterized the transition to private funding in recent years.

"Deal flow is up off the post-crisis lows, there's more supply and more demand," said a development bank official of Latin American project financings during a panel discussion at the **Euromoney Seminars** 12th Annual Latin American Energy & Infrastructure Finance Forum in Miami Beach. "I believe we still have a relevance. It will depend upon the market."

A fellow development bank official concurred, noting that development finance institutions are beginning to shift their focus toward countries that look more like El Salvador than Brazil, Chile, Colombia or Peru.

"There's a lot of liquidity in these countries," he said of the larger economies, pointing to the private banking and investment sectors that are progressively taking up the role traditionally played by development banks. "Development banks are still needed, but, once the market is there, we should be out."

NEW INVESTORS

Of the various classes of investor that are ascendant in the region, one in particular had delegates abuzz—Chinese corporations.

Companies like **China Three Gorges** and **State Grid Corp.** have demonstrated an appetite for Latin American assets over the past two years. Meanwhile, Chinese banks are gradually entering Latin America as project finance lenders.

CTG and State Grid's acquisitions of transmission and generation assets in Brazil marked a watershed moment in Chinese investment in Latin America, allowing state-owned entities to establish a presence in the heart of the continent, says a project finance-focused development banker.

Family offices and high net worth individuals are also becoming more common investors in infrastructure domestically, several delegates and panelists observed. This kind of activity is expected to increase over the next several years.

Commercial and development banks worked together on some of the first project finance transactions to result from Mexico's post energy market power auctions (PFR, 8/9). In Argentina, meanwhile, market participants claimed several deals that closed last year to be the first of their kind for decades, including project finance deals for wind and conventional power projects involving international commercial banks (PFR, 10/26, 2/23).

MERGERS & ACQUISITIONS

Ridgewood Sells Stake in Neptune Transmission Line

Ridgewood Infrastructure has sold its stake in the Neptune Regional Transmission System, a 66-mile transmission line running under Long Island Sound.

The identity of the new buyer could not immediately be learned. The stake is presumably the 40.8% of a passive class of shares in the project, called Class B, that the **Ridgewood Companies** subsidiary acquired for $100 million in 2015 (PFR, 12/23/15). Officials at Ridgewood did not immediately respond to inquiries.

RBC Capital Markets advised Ridgewood on the sale with **Stroock & Stroock & Lavan** providing legal counsel.

The 660 MW high-voltage direct current line stretches from the borough of Sayreville, N.J., to the Long Island hamlet of Hicksville, N.Y., is fully contracted with the **Long Island Power Authority** under a long-term agreement.

The investors in the Ridgewood fund that acquired the Class B stake in the project in 2015 included the **State of Michigan Retirement System**, a number of trusts and agencies of the **State of Michigan**, and the **Stewart J. Rahr Revocable Trust**.

CLASS CONSCIOUSNESS

Ownership of the Neptune project is split into four classes. **Neptune Power Ventures** owns all of the controlling Class A shares and manages the project, while the passive classes are called Class A-1, Class B and Class C.

Ullico invested $75 million in the project in 2014 and owns all of the project's passive Class A-1 shares as well as 31.87% of the passive Class B shares, according to a recent filing with the U.S. **Federal Energy Regulatory Commission**. The remaining 27.33% Class B interest is presumably still held by one or more of the investors that sold 40.8% of them to Ridgewood in 2015.

Another class of shares in the project, Class C, is split between the **California Public Employees' Retirement System**, with 75%, and **Northwestern Mutual Life Insurance Co.**, with 25%, according to the most recent FERC filings that mention this class. ■

Private Equity Firm Markets PJM Hydro Asset

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LS Power's 508 MW Seneca pumped-storage facility in Warren, Pa., deal watchers tell *PFR*.

A previous sale process for Seneca that kicked off in 2014 was ultimately abandoned (PFR, 10/16/14).

LS Power came to own the project, which at the time had a capacity of 451 MW, as part of an 11-project hydro portfolio totaling 526 MW that it acquired from **FirstEnergy Corp.** in 2013 (PFR, 9/5/13). The firm refinanced the project with a $400 million 10-year senior secured private placement in 2016.

Since acquiring the Seneca facility, LS Power has picked off another FirstEnergy hydro asset in Virginia—a 23.75% stake in FirstEnergy's 3,003 MW Bath County pumped-storage project in Warm Springs, Va., that it agreed to buy last year.

That deal, which is expected to close within the next month, was part of a broader acquisition that included the purchase of an 859 MW gas-fired portfolio comprising four Pennsylvania projects and a 50% stake in an 88 MW Virginia plant that runs on coalbed methane (PFR, 1/20, 9/6).

Citi and **Morgan Stanley** are the placement agents on a $300 million senior secured private placement to finance the Bath County purchase (PFR, 12/14).

Other than the remaining 75% stake in Bath County, FirstEnergy's only remaining hydro asset will be the 210 MW Yards Creek facility in Blairstown, N.J.

GAS-FIRED SALES

The Seneca hydro project is not the only LS Power asset that would-be buyers are considering. An auction being run by **Guggenheim Partners** for the firm's 878 MW Aurora and 450 MW Rockford peakers, in the northern Illinois region of PJM, recently entered a second round (see story, page 7).

Meanwhile, the firm recently decided to forego the sale of two gas-fired projects in **SERC**—the 501 MW Carville cogeneration project in St. Gabriel, La., and the 237 MW Hog Bayou combined-cycle project in Mobile, Ala.—that were being marketed by **RBC Capital Markets** (PFR, 8/10).

An official at LS Power in New York declined to comment. ■

British P.E. Firm Receives Bids for Brazil Wind Platform

A British emerging markets-focused private equity shop has received bids for a portfolio of Brazilian wind assets it is looking to sell.

The London-based firm, **Actis**, has hired an investment bank to market **Atlantic Energías Renovaveis**, which owns 625 MW of fully-contracted wind assets in Brazil.

Chinese investors are among the bidders, deal watchers tell *PFR* on the sidelines of the **Euromoney Seminars** 12th Annual Latin American Energy & Infrastructure Finance Forum in Miami Beach.

The identity of Actis' adviser could not immediately be established. A spokesperson for Actis in New York declined to comment.

Actis owns the wind platform through its third energy fund, which closed at $1.15 billion in 2013.

The firm is in the process of raising its fifth energy fund after closing its fourth at $2.75 billion last year (PFR, 3/7/17).

Actis's renewables investments in Latin America include **Zuma Energía**, **Aela Energía** and **Atlas Renewable Energy**. Late last year, it also agreed to acquire **InterGen**'s generation assets in Mexico (PFR, 1/8). ■

INDUSTRY CURRENT

JOBS Act Creates New Advantages for Lease-based Financings

The recent reform of the U.S. tax regime has ushered in several provisions that, taken together, could make sale-leaseback financing transactions attractive, whether to refinance solar projects or fund the acquisitions of gas-fired facilities. **John Eliason** and **David Weisblat** attorneys at **Foley & Lardner**, address the possibilities in this week's Industry Current.

The enactment of the Tax Cuts and Jobs Act (the JOBS Act) at the end of 2017 is the most extensive revision to the U.S. federal income tax laws in the last 30 years. Among other things, it significantly expands the ability of taxpayers to currently deduct capital expenditures by increasing the first year "bonus" depreciation allowance to 100% for qualified property acquired and placed in service between Sept. 27, 2017 and Dec. 31, 2022 (Dec. 31, 2023 for certain property with longer production periods).

The JOBS Act also extends bonus depreciation to used property, meaning that—for the first time ever—a purchaser of used property can now claim bonus depreciation on that property.

Among others, these changes allow for well-advised owners of aging power plants and other energy infrastructure assets to capture the value of these tax benefits through the use of a sale-leaseback financing structure. These changes to depreciation benefits represent a "carrot" that increases the attractiveness of lease financings.

Of course, not everything in tax reform can be expected to benefit taxpayers. The JOBS Act includes several provisions with which taxpayers will struggle. One such "stick" is attracting notice and suggests that the number of lease financings seen in the market will increase in the near term—the JOBS Act caps the amount of interest that certain taxpayers can currently deduct. This limitation makes traditional financing less attractive as compared to lease financings, as a sale-leaseback is not negatively impacted by this rule.

SALE-LEASEBACKS EXPLAINED

Sale-leasebacks have a long history for financing aircraft, rail, vessels, commercial vehicles, medical and office equipment. They have also been used to finance "big ticket" assets, including power plants, transmission networks, and manufacturing/production lines. The size of a lease financing transaction is limited only by the number of capital providers, which typically consist of banks and other financial institutions that offer leasing as a financing option to their customers.

In its most basic form, a sale-leaseback involves two parties—a lessor and a lessee. The lessor purchases equipment or other tangible personal property from either a manufacturer, vendor or from the intended end user (or lessee) of that property and then leases that equipment to the lessee. At the end of the lease term, the lessee will have the right to purchase the leased property from the lessor. If the lessee chooses not to exercise its purchase option at the end of the lease, the lessee returns the leased property to the lessor and the lessor can then choose to either sell the leased property to a third party or utilize the property in its own business.

A sale-leaseback typically is structured as a triple net lease under which the lessee is responsible for the operation and maintenance and expenses of the leased property during the lease term and pays rent to the lessor for the use of that equipment. Similar to a loan, the lessee's obligation to pay rent is not dependent on cash flow or other contingencies. This is why a lease obligation is sometimes referred to as "hell or high water", meaning that rent is payable no matter the circumstances.

As the owner of the property, the lessor is entitled to all federal income tax benefits associated with its ownership. During the lease term, the lessor is a passive owner, as the lessee is the party utilizing the property in its business operations. Under a sale-leaseback, tax benefits are transferred to the lessee in the form of reduced rent payment obligations. If a taxpayer is not able to currently use bonus depreciation and other federal income tax benefits otherwise available to it, transferring these benefits to an investor better able to use them often results in a lower cost source of financing when compared to a traditional debt financing.

For those unfamiliar with sale-leasebacks, the documentation necessary to put the transaction in place may seem confusing on first blush, as that documentation is typically drafted in a manner intended to satisfy guidelines issued by the **Internal Revenue Service**. A sale-leaseback that meets these guidelines will be respected as a lease for federal income tax purposes, with the lessor being treated as the owner of the leased property and the party entitled to bonus depreciation and all other federal income tax benefits associated with ownership.

BONUS DEPRECIATION

Bonus depreciation was first introduced after the terrorist attacks of Sept. 11, 2001. When first enacted, it was set at 30%, meaning that 30% of the cost of most new depreciable assets qualified for bonus depreciation and could be expensed immediately.

INDUSTRY CURRENT

Originally, it applied to new assets placed in service after Sept. 10, 2001 and before Sept. 11, 2004. Since then, bonus depreciation has been extended several times. The amount of basis eligible for bonus has varied between 30%, 50% and 100%. Just before the enactment of the JOBS Act, the percentage of cost eligible for bonus was 50% for qualified property placed in service between Jan. 1, 2015 and Dec. 31, 2017, 40% between Jan. 1, 2018 and Dec. 31, 2018 and 30% between Jan. 1, 2019 and Dec. 31, 2019.

Under the JOBS Act, bonus depreciation is set at 100% until the end of 2022, and reduced by 20% thereafter for property placed in service before Jan. 1, 2027.

As before, taxpayers may elect out of bonus depreciation. As noted above, the JOBS Act eliminates the requirement that the qualified property be "new," as long as the taxpayer claiming depreciation had not previously used the qualified property or acquired the qualified property from a related party.

NEW INTEREST LIMITATION

The JOBS Act limits the deduction of interest for many taxpayers. For tax years beginning after Dec. 31, 2017, most businesses are subject to a cap on the deductibility of net interest expense in excess of 30% of adjusted taxable income. Any amount disallowed may be carried forward. Generally the cap is calculated at the taxpayer level; for pass-through entities (such as partnerships) the determination is made at the entity level.

LEASING OPPORTUNITIES ENHANCED

The JOBS Act created significant new advantages for leasing. Using bonus depreciation, leasing now provides for immediate cost recovery for 100% of the investment. Further, unlike in a partnership flip, where an investor's ability to use all of the depreciation available may be limited by its capital account, no such restriction exists in a sale-leaseback.

With the ability now to utilize 100% bonus depreciation for both used as well as new equipment, a business that cannot use the tax benefits associated with ownership of equipment will likely be interested in entering into a sale-leaseback to monetize those benefits.

Finally, for companies concerned about the cap on the deductibility of interest expense, rent paid under a sale-leaseback continues to be fully deductible unlike interest on a traditional loan.

Examples of potential transactions include the following:

(1) Refinancing an operating solar farm originally financed using a partnership flip. Assuming that the flip has occurred and the sponsor has exercised its call option, the sponsor can now enter into a new transaction and sell the solar farm to an investor and lease it back. The lessor/investor will be able to claim 100% bonus depreciation on the purchase price at such time. The sponsor gets to share in these tax benefits through rent payments that are lower than debt payments while continuing to use the asset in its business.

David Weisblat

John Eliason

(2) The purchase of a strategic power plant or other energy asset (whether new, currently operating, or mothballed) from a third party. A buyer can arrange its financing independent of any discussions with the seller and benefit from the use of a sale-leaseback structure. If the buyer is subject to the cap on deductibility of interest expense, the sale-leaseback may prove to present the most favorable financing option.

(3) The financing of an existing large-scale manufacturing/production line that is expected to have a long useful life. Capital-intensive businesses often possess assets that are both valuable and important to their operations, but don't necessarily lend themselves well to traditional financings. With bonus depreciation now available for used property, these assets can generate oversized tax benefits which can be monetized through the use of a sale-leaseback structure without disrupting operations.

The attractiveness of a sale-leaseback transaction has always depended on whether a taxpayer could currently benefit from the federal tax incentives available to the owner of the leased property. In other words, if the intended user of an asset did not have sufficient taxable income to offset with depreciation, interest deductions, and other incentives, then a sale-leaseback of that asset may be in order, to use the tax benefits associated with ownership of the property by transferring ownership of the property to a lessor who could use them and would share the benefit with the lessee in the form of a lower cost of capital than a conventional financing arrangement.

The JOBS Act does not change this. However, it creates new opportunities by not only increasing bonus depreciation to 100%, but also extending that benefit to used property. For taxpayers subject to the JOBS Act's interest deductibility limitations, sale-leasebacks may also prove to be an attractive alternative to conventional financing, as the lessee's rental deductions under the lease will not be subject to these limitations.

Of course, whether a sale-leaseback will be an attractive financing option depends on a person's overall tax situation. As such, a tax advisor experienced in leasing should be consulted to help determine the best course of action and to ensure that any transaction is structured in a manner that will produce the intended results.

About the authors: John Eliason is partner at Foley & Lardner and chairs its energy industry team. David Weisblat is Of Counsel and a member of the energy industry team.

PEOPLE & FIRMS

ICBC Hires WestLB Veteran

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cer in ICBC's New York office on March 12. He will oversee the bank's Americas project finance portfolio, which spans power, energy infrastructure and commodities.

"I am pleased to be joining ICBC and believe it's a strong fit given my experience and their commitment to grow the P.F. portfolio and expand the risk platform," he tells *PFR*, adding that he expects ICBC to grow its project finance portfolio and risk division further.

Alessandro reports to ICBC's New York executive committee. His counterpart on the structured finance origination team is **Michael Fabisiak**, who is head of Americas structured finance.

Alessandro has spent much of the last five years overseeing the winding down of German *Landesbank* **WestLB**'s global project finance portfolio, and has clear views on the risks and opportunities in the market and the need for thorough due diligence.

"We are currently in a challenging stage in the credit cycle given the abundance of liquidity, with increased investor interest from pension and debt funds and insurance companies entering the market and current deal flow, which tends to loosen project deal structures and lowers pricing," he tells *PFR*. "As a result, higher levels of due diligence are required to ensure the correct correlation between risk and return while of course preserving principal."

After joining WestLB in 1996, Alessandro rose to team head of power and infrastructure in the Americas and EMEA and subsequently became regional head of structured finance Americas. He went on to serve as global head of the project finance wind-down portfolio in 2013.

He spent the last two years as an independent consultant in the energy and infrastructure sector, providing loan acquisition advisory services.


Anthony Alessandro

ICBC, the world's largest bank, bid farewell to its head of energy structured finance in the Americas, **Namsoo Lee**, last September. In December, former **BNP Paribas** staffer **Alexandra Grossman** joined ICBC as a director in the structured finance group (PFR, 1/26).

Former Calpine Official Heads to Talen

Stacey L. Peterson, who has served as vice president for finance and treasurer at **Calpine Corp.** for the last five years, is set to join **Talen Energy Corp.** in a similar role next month.

Reporting to Talen's cfo, **Alex Hernandez**, Peterson's responsibilities as vice president and treasurer at the company will include overseeing its nuclear decommissioning trust fund and retirement plan committees when she starts there on April 16.

She will replace long-time Talen staffer **Russ Clelland**, who is retiring after over 40 years with the Allentown, Penn.-headquartered independent power producer.

Peterson's move comes on the heels of the closing of the acquisition and take-private of Calpine by a consortium of investors led by **Energy Capital Partners** (PFR, 8/18/17), in which she played a key role. Calpine announced the completion of the transaction on March 8.

During her 11 years at Calpine, Peterson notably oversaw the firm's first unsecured bond issuance in July 2014, a $2.8 billion trade that represented a strategic shift away from the secured debt format on which the company had previously relied (PFR, 7/11/14).

Brian Kimzey has been promoted to vice president and treasurer of Calpine, replacing Peterson. He was previously vice president, investor relations and financial planning.

ECP and a group of other investors led by **Access Industries** and **Canada Pension Plan Investment Board** paid $5.6 billion for Calpine, which has a generation fleet totaling some 26 GW in the U.S.

CIBC Picks Up Former Goldman M.D.

Canadian Imperial Bank of Commerce has hired an investment banker who previously spent seven years at **Goldman Sachs** to cover the electric utility sector from New York.

The banker, **Mark Siconolfi**, joined CIBC on Jan. 24, according to U.S. **Financial Industry Regulatory Authority** records. As managing director, global infrastructure and power, he will focus on advising North American regulated utility clients, including on mergers and acquisitions.

His most recent role was managing director at **Jefferies**, where he spent most of 2016. Before that, he was an m.d. at Goldman Sachs.

His mandates at Goldman included running an auction for 1,240 MW of merchant hydro projects in **PJM Interconnection** for **FirstEnergy Corp.** in 2013 (PFR, 5/9/13). **LS Power** eventually walked away with 11 assets totaling 526 MW, including the Seneca pumped storage facility in Warren, Pa., which it recently put up for sale (see story, page 1).

Siconolfi had joined Goldman in 2008, having previously worked at **Lazard Frères & Co.**, where he was an associate, according to his **LinkedIn** profile.

Before that, his broker registration history with FINRA shows stints at **Merrill Lynch, Pierce, Fenner & Smith** and again at Goldman Sachs.

Siconolfi could not immediately be reached for comment.

