

Power Finance & Risk

Exclusive Insight on Power M&A and Project Financing

By the publisher of GlobalCapital

● STRATEGIES

● CONFERENCE COVERAGE

● PEOPLE & FIRMS

Nonprofit Issues Community Solar RFP

The **Rocky Mountain Institute** has issued a request for proposals for at least 16 MW of community solar projects in Colorado. Page 7

LAEIFF 2016: Mexico Projects Up for Debate

Market participants discussed potential structures to finance projects which secured contracts in Mexico's inaugural auctions. Page 8

Jeffries Snags Ex- BNP Paribas Banker

The investment bank is building its power and utilities group by hiring an m.d. with nearly 20 years' experience. Page 8

Sponsors to Reprice Term Loan B in Hotter Market

Richard Metcalf

The **Blackstone Group** and **ArcLight Capital Partners** initiated a repricing of a term loan B on March 10, just three months after the deal was originally sealed, as they seek to take advantage of improved market conditions for issuers.

Through a financing vehicle called **Lightstone Generation**, the two sponsors initially priced the \$1.575 billion seven-year term loan B at 550 basis points over Libor, 50 bps wider than the high end of initial price talk, in December.

The proceeds of the loan are being used to fund the joint acquisition of a 5.3 GW portfolio of coal- and gas-fired assets from **American Electric Power**, and a deal watcher at the time pointed to

High Yield Credit Spreads Since October



High yield credit spreads have come down steadily since November. Source: Bank of America Merrill Lynch

the presence of a large coal-fired asset in the deal as a reason why the sponsors had to give ground on the pricing (PFR, 12/12). [PAGE 2 »](#)

Novatus to Acquire Comanche from First Reserve

Fotios Tsarouhis

New York-based independent power producer **Novatus Energy** has agreed to acquire the Comanche solar facility in Colorado from First Reserve, according to a filing with the U.S. **Federal Energy Regulatory Commission**.

Novatus Energy is a wholly-owned subsidiary of **IIF US Holdings 2**, a fund that is owned by three private individuals and managed by **JP Morgan**.

The 120 MW Comanche project in Pueblo, which was developed by now-bankrupt **SunEdison**, has had a complicated ownership history.

First Reserve took full ownership of the project in August, when the Greenwich, Conn.-based shop acquired the Class A ownership interests in the project from SunEdison. The private equity firm already owned 100% of the Class B managing interests in the facility (PFR, 8/16).

Comanche was the only project to be financed via the SunEdison, First Reserve warehouse. SunEdison financed the [PAGE 7 »](#)

Sungevity Files for Bankruptcy, Moves to Sell Off Assets

Olivia Feld

Sungevity filed for Chapter 11 bankruptcy protection in Delaware on March 13. The Oakland, Calif.-based distributed solar sponsor has agreed to sell its assets to a group of investors.

The consortium, established by Wayzara, Minn.-based pri-

vate equity firm **Northern Pacific Group** and Palo Alto-based venture capital shop **Hercules Capital**, has a stalking horse bid for the company.

The group has agreed to provide \$20 million of debtor-in-possession financing, which, subject to court approval, will be used to fund day-to-day opera-

tions and pay for expenses related to the bankruptcy proceedings, the company announced.

Sungevity owns between \$100 million and \$500 million of assets and has the same range of liabilities, according to its filing with the **U.S. Bankruptcy Court for the District of Delaware**.

The ten-year-old company, which installs solar projects on the basis of loans, leases and outright purchases, has more than 700 employ- [PAGE 7 »](#)



● IN THIS ISSUE

PROJECT FINANCE

- 5 | Ontario Teachers' Provides \$2B for Transmission J.V.
- 5 | Argentina Plots Summer PPA Auction
- 5 | Sunnova Seals Inaugural Tax Equity Deal
- 6 | Carso Energy Secures Debt for Mexican Pipeline
- 6 | Vivint Solar Lengthens BAML Aggregation Facility

MERGERS & ACQUISITIONS

- 6 | Invenergy Acquires Uruguay Solar Project

STRATEGIES

- 7 | Nonprofit Issues RFP for Community Solar

CONFERENCE COVERAGE

- 8 | LAEIFF 2017: Banks Grapple with Structures for Mexican Mandates
- 8 | LAEIFF 2017: Reporter's Notebook

PEOPLE & FIRMS

- 8 | Jefferies Hires Former BNP Exec

DEPARTMENTS

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

● PROJECT FINANCE

Sponsors to Reprice Term Loan B in Hotter Market

◀ FROM PAGE 1

Two weeks ago, however, Lightstone came back to the market to be repriced, with bookrunner **Credit Suisse** announcing talk of 450 to 475 bps, 25 bps inside of where talk was the first time around. A lender call took place on March 10 and commitments were due on March 16 at 5pm Eastern Time.

"Has risk really been repriced to the bottom of the cycle now?" ponders a hedge fund manager. "You're seeing sophisticated sponsors calling the bottom of the market," he adds, pointing to **LS Power's** \$325 million refinancing of two peakers in Illinois in February as another example (PFR, 3/8).

A spokesperson for Blackstone in New York declined to comment. Officials at ArcLight in Boston and Credit Suisse in New York did not respond to inquiries.

SEOUL-FIRED DEALS

A surge of South Korean investors into both in the bank and the term loan B markets is a key factor that is suppressing pricing, say deal watchers.

Investors from the Asian country began participating in debt financings of U.S. gas-fired assets in 2015, when they were brought into a refinancing of **Caithness Energy's** 350

MW Long Island Energy Center in New York, say deal watchers (PFR, 8/5/15).

Since then, the number of South Korean investors participating in loans backed by U.S. generation has increased and the time it takes for them to complete a transaction has reduced, one of the deal watchers adds, noting the quick turnaround on LS Power's peaker refinancing in February and the same sponsor's more recent term loan B for its acquisition of a portfolio of assets from **TransCanada** (PFR, 3/8).

"The Koreans are there in the same time as everybody else now, which wasn't the case before," he says.

Broker-dealer **Wellford Energy** introduced **NH Investments & Securities** into LS Power's refinancing of the Aurora and Rockford gas-fired peakers in Illinois, while **ICBC** brought **KEB Hana Bank** into the transaction, say deal watchers.

ICBC also placed a large bid for the term loan B financing LS Power's acquisition of the TransCanada portfolio and sold it down to South Korean investors, said one of the deal watchers, adding that the deal was multiple times oversubscribed.

LS Power increased the size of the loan, which it issued through **Helix Gen Funding**, from \$1.54 billion to \$1.675 billion. ■

PFR Power Finance & Risk

EDITORIAL

Richard Metcalf
Editor
(212) 224-3259

Olivia Feld
Managing Editor
(212) 224-3260

Fotios Tsarouhis
Reporter
(212) 224 3294

Stuart Wise
Data Associate

Kieron Black
Sketch Artist

PRODUCTION

Gerald Hayes
Manager

Kaela Bleho
Designer

Sam Medway
Associate

ADVERTISING

Kevin Dougherty
U.S. Publisher,
Capital Markets Group
(212) 224-3288

PUBLISHING

Laura Spencer
Senior Marketing
Manager

Vincent Yesenosky
Head Of U.S. Fulfillment
(212) 224-3057

Nina Bonny
Customer Service
Manager
(212) 224-3433

SUBSCRIPTIONS/ ELECTRONIC LICENSES

One Year \$3,670

Alyssa Rinaldi
Global Account Manager
(212) 224-3043

REPRINTS

Dewey Palmieri
Reprint & Permission
Manager [New York]
(212) 224-3675
dpalmieri@institutional
investor.com

CORPORATE

Andrew Rashbass
Chief Executive Officer

John Orchard

Managing Director,
Capital Markets Group

Directors:

John Botts
(Chairman),

Andrew Rashbass
(CEO),

Sir Patrick Sergeant,
The Viscount Rothermere,

Colin Jones,
Martin Morgan,

David Pritchard,
Andrew Ballingal,

Tristan Hillgarth

Customer Service

PO Box 4009, Chesterfield, MO 63006-4009, USA

Tel: 1-800-715-9195

Overseas dial: 1-212-224-3451

Fax: 212-224-3886

UK: 44 20 7779 8704 Hong Kong: 852 2842 8011

E-Mail: customerservice@iintelligence.com

Institutional Investor Hotline

(212) 224-3570 and (1-800) 437-9997 or Hotline@iintelligence.com

Editorial Offices

225 Park Avenue South, New York, NY 10003

Power Finance & Risk is a general circulation newsweekly.

No statement in this issue is to be construed as a recommendation to buy or sell securities or to provide investment advice.

Power Finance & Risk ©2016

Institutional Investor, LLC ISSN# 1529-6652

Copying prohibited without the permission of the publisher.

COPYRIGHT NOTICE: All materials contained in this publication are protected by United States copyright law and may not be reproduced, distributed, transmitted, displayed, published, broadcast, photocopied or duplicated in any way without the prior written consent of Institutional Investor. Copying or distributing this publication is in violation of the Federal Copyright Act (17 USC 101 et seq). Infringing Institutional Investor's copyright in this publication may result in criminal penalties as well as civil liability for substantial money damages. ISSN# 1529-6652

Postmaster

Please send all undeliverable Mail and changes of addresses to:
PO Box 4009 Chesterfield, MO 63006-4009 USA

GlobalCapital

TELL US WHAT YOU THINK!

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

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

GENERATION AUCTION & SALE CALENDAR ●

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

Generation Sale ■ DATABASE

Seller	Assets	Location	Adviser	Status/Comment
AEP	Zimmer (1,350 MW Coal, 25.4%)	Moscow, Ohio		Dynegy will acquire AEP's 25.4% interest in the project in exchange for Dynegy's 40% interest in the 780 MW Conesville project in Conesville, Ohio (PFR, 3/6).
Brookfield Renewable Partners	Price (189 MW Wind), Comber (166 MW Wind), Gosfield (51 MW Wind)	Sault Ste. Marie, Lakeshore, and Kingsville, Ontario	Scotiabank, TD Securities (seller)	Brookfield Renewable is selling the three facilities, plus an expansion project, in a portfolio (PFR, 7/18).
Calpine Corp.	South Point Energy Center (520 MW Gas)	Bullhead City, Ariz.		The acquisition of the project by two NV Energy subsidiaries has been blocked by Nevada regulators (PFR, 3/13).
Cypress Creek Renewables	Innovative Solar 37 (78.7 MW Solar)	Anson County, N.C.		Dominion Resources is purchasing the project, which was part of the portfolio Cypress Creek acquired as part of its purchase of FLS Energy (PFR, 3/6).
Dynegy	Armstrong (753 MW Gas)	Shelocta, Pa.		LS Power has agreed to acquire the two peakers from Dynegy (PFR, 3/6).
	Troy (770 MW Gas)	Luckey, Ohio		
Dynegy	Conesville Unit 4 (780 MW Coal, 40%)	Conesville, Ohio		AEP will acquire Dynegy's 40% interest in the project in exchange for AEP's 25.4% interest in the 1,350 MW Zimmer project in Moscow, Ohio (PFR, 3/6).
EDF Renewable Energy	Swan Lake North (390 MW Hydro)	Klamath County, Ore.		Rye Development and National Grid are acquiring the asset from EDF (PFR, 3/13).
Eversource	Portfolio (1.2 GW Coal, Hydro, Oil)	New Hampshire	JP Morgan	JP Morgan has distributed teasers in preparation for a two-stage auction for the portfolio (PFR, 3/6).
● First Reserve	Comanche (120 MW Solar)	Pueblo, Colo.		Novatus Energy is acquiring the project from First Reserve (see story, page 1).
● Fotowatio Renewable Ventures	La Jacinta (64 MW Solar)	Salto, Uruguay		Invenergy has acquired the asset from Fotowatio (see story, page 6).
BTG Pactual Infraestructura II, Pátria Investimentos, GMR Group	Latin America Power (114 MW Hydro, Wind)	Chile, Peru	BTG Pactual, Morgan Stanley	Several bidders have been shortlisted in the sale of the company, which also owns an 803.9 MW development pipeline that includes its first solar asset (PFR, 2/13).
Madison Gas and Electric Co., WEC Energy Group	Columbia Energy Center (1,112 MW Coal, 7.2%)	Pardeeville, Wis.		Alliant Energy is acquiring a 4.2% stake and a 3% stake from WEC and MSE, respectively (PFR, 3/13).
Mercuria	Danskammer (500 MW Dual-fuel)	Hudson Valley, N.Y.	Guggenheim Partners	The first round of a two-stage auction is underway (PFR, 10/3).
Panda Power Funds	Liberty (Gas 829 MW), Stonewall (778 MW), Patriot (829 MW)	Bradford County, Pa., Loudoun County, Va., Lycoming County, Pa.	Goldman Sachs	First round bids for the 2.5 GW portfolio were due in November (PFR, 10/31).
Rockland Capital	Elgin Energy Center (484 MW Gas)	Elgin, Ill.	Barclays	Barclays is running a two-stage auction for the four assets, all of which sell into PJM (PFR, 12/19).
	Rocky Road (349 MW Gas)	East Dundee, Ill.		
	Eagle Point Power Generating (238 MW Gas)	Westville, N.J.		
	Tilton (180 MW Gas)	Tilton, Ill.		
Sorgent.e	Frosthall (15 MW Hydro)	British Columbia		Sammons Renewable Energy has acquired the projects from Sorgent.e. Franklin Park Investments is managing the projects on Sammons' behalf (PFR, 3/13).
	Clemina (10.5 MW Hydro)			
	Serpentine (10.5 MW Hydro)			
	English (6 MW Hydro)			
sPower	Portfolio (6.7 GW Solar)	U.S.	Barclays (lead), Marathon Capital, CohnReznick, Citi (co-leads)	AES Corp. and Alberta Investment Management Corp. are buying the independent power producer from hedge fund Fir Tree Partners (PFR, 3/6).
Standard Solar	Portfolio (80 MW Solar)	U.S.	Macquarie (Seller)	Gaz Métro has acquired the Maryland solar shop, including its 80 MW development pipeline (PFR, 3/13).
SunEdison	Portfolio (1.5 GW Solar)	Latin America		Actis has closed its fourth energy-focused fund, which will hold the assets it recently acquired from SunEdison (PFR, 3/13).
SunEdison	TerraForm Global (Portfolio)	Latin America, Asia		Brookfield Asset Management is acquiring the yield company and replacing SunEdison as its sponsor (PFR, 3/13).
	TerraForm Power (Portfolio)	Africa, Asia, Latin America		Brookfield Asset Management is acquiring a 51% stake in the yield company, replacing SunEdison as its sponsor (PFR, 3/13).
● Sungevity	Portfolio (Solar)	U.S.		A group of investors has a stalking horse bid for the Sungevity's assets following the company's Chapter 11 filing (see story, page 1).
Terra Firma	Portfolio (752.25 MW Wind)	U.S.	Barclays, KeyBanc	Terra Firma is marketing the U.S. wind shop, whose assets also include an up-to-1,759 MW development pipeline (PFR, 3/6).

● New or updated listing

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

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

PROJECT FINANCE

Deal Book is a matrix of energy project finance deals that Power Finance & Risk is tracking in the energy sector.

A full listing of deals for the last several years is available at <http://www.powerfinancerisk.com/Data.html>

Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Deal Type	Loan Amount	Tenor	Notes
Ahana Renewables	Portfolio (45.7 MW Solar)	California, Massachusetts, New Jersey	Legal & General	Private Placement	\$65.80	14.5-yr, 12-yr	The two-tranche private placement marks Legal & General's first renewables debt financing in the U.S. (PFR, 2/13).
Anbaric	Portfolio (Transmission)	U.S., Canada	Ontario Teachers' Pension Plan	Equity	\$2B		The Massachusetts-based developer will finance transmission projects with an equity commitment over the next five years (see story, page 5).
The Blackstone Group, ArcLight Capital Partners	Portfolio (5.3 GW Coal, Gas)	U.S.	Credit Suisse	Term Loan B	\$1.575B	7-yr	The sponsors are repricing a term loan B for the projects (see story, page 1).
Canadian Solar	Portfolio	Brazil	CPDFund	Senior Secured Debt	\$20M	TBA	Canadian Solar has secured funding for several Brazilian projects including Pirapora I (PFR, 3/13).
Carso Energy	Samalayuca-Sasabe (390-mile pipeline)	Mexico	BBVA, MUFG, SMBC, Mizuho	Debt	\$535M		The debt financing has closed (see story, page 6).
State Grid Corporation of China, Eletrobras	Belo Monte (11 GW Hydro)	Pará, Brazil	BNDES	Loan	R\$2.56B (\$826M)		The financing partly refinances an existing BNDES loan. The project also has commercial bank financing (PFR, 2/27).
Cheniere Energy	Sabine Pass (LNG)	Cameron County, La.	BAML, HSBC, Morgan Stanley, SMBC	Senior Secured Bond	\$1.35B	11-yr	The senior secured bond offering was priced on Feb. 28 at 185 bps over Treasuries (PFR, 2/21).
				Private Placement	\$800M	20-yr	The private placement closed on Feb. 24 (PFR, 3/6).
Competitive Power Ventures	Fairview (1,050 MW Gas)	Cambria County, Pa.	TBA	Debt, Equity	\$900M		CPV was initially targeting a 2016 financing for the project (PFR, 12/6).
D.E. Shaw Renewable Investments	Balko (300 MW Wind)	Beaver County, Okla.	KeyBank	Private Placement	>\$50M	19-yr	The back-leveraged loan was privately placed with Allianz Global Investors (PFR, 2/21).
ExGen Texas Power	Portfolio (3,477 MW Gas)	Texas	PJT Partners	Restructuring	TBA		The Exelon Corp. subsidiary has hired PJT Partners to lead restructuring negotiations (PFR, 3/13).
Longroad Energy Holdings	Portfolio (3 GW Solar)	U.S.	TBA	Debt			The sponsor plans to seek debt financing this year for the first of a portfolio of projects it acquired from 7X Energy (PFR, 1/23).
LS Power	Aurora (968 MW Gas)	Aurora, Ill.	MUFG, Bank of Montreal, GE Energy Financial Services, KEB Hana Bank, ING, BNP Paribas, ICBC and NH Investment & Securities	Term Loan	\$300M	7-yr	Pricing on the term loan is 325bps over Libor (PFR, 3/13).
	Rockford (485 MW Gas)	Rockford, Ill.		Revolving Credit Facility	\$25M	7-yr	
	Portfolio (3.9 GW Gas, Wind)	U.S.		Term Loan B	\$1.675B	7-yr	The term loan B has grown from an expected \$1.54 billion to \$1.675 billion (PFR, 3/13).
Mackinaw Power (75.05% Carlyle, 24.95% GE)	Portfolio (1,066 MW Gas)	Georgia	Natixis, CoBank, MUFG	Working capital facility	\$175M	5-yr	
				LOC	\$193M	7-yr	The loan, which partly refinances the contracted gas-fired fleet after two assets were removed from the collateral package, closed on March 1 (PFR, 3/13).
				Debt Service Reserve LOC	\$22.5M	7-yr	
Panda Power Funds	Mattawoman (850 MW Gas)	Prince George's County, Pa.	BNP Paribas, ICBC, Investec	Loan		TBA	Panda has mandated three banks to raise debt for the project (PFR, 2/6).
	Temple I (758 MW Gas)	Temple, Texas	Jefferies	Refinancing	-\$750M	TBA	The sponsor and arranger are considering a structure involving mezzanine debt (PFR, 2/21).
	Temple II (758 MW Gas)						
Pattern Energy	Mont Sainte-Marguerite (147 MW Wind)	Québec	Manulife, CDPQ, BayernLB	Term Loan	C\$263 million	25-year	Pattern has closed the debt financing for the project (PFR, 3/13).
Quantum Utility Generation	Moundsville (643 MW Gas)	Marshall County, W.Va.		Debt	TBA		Quantum could launch a debt financing for the project this year (PFR, 2/6).
			BNP Paribas	Equity			
Sunnova Energy Corp.	Portfolio (55 MW Solar)	U.S.	U.S. Bank	Tax Equity	\$80M		The deal represents the first tax equity investment in a Sunnova portfolio (see story, page 5).
Swift Current Energy	HillTopper (175-200 MW Solar)	Logan County, Ill.		Debt, Tax Equity	TBA		The sponsor plans to finance the project with debt and tax equity (PFR, 2/13).
TerraForm Power	Portfolio (60 MW Solar)	Ontario	CIBC, Deutsche Bank	Mini-perm	C\$220M	7-year	The size of the debt package was increased from C\$120M to C\$234M (PFR, 3/13).
				LOC	C\$14M		
Vivint Solar	Portfolio	U.S.	Bank of America Merrill Lynch	Revolving Credit Facility	\$375M	6-year	The Utah-based sponsor has extended the maturity date on the loan (see story, page 6).

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 Managing Editor Olivia Feld at (212) 224-3260 or e-mail olivia.feld@powerfinancerisk.com

PROJECT FINANCE ●

Ontario Teachers' Provides \$2B for Transmission J.V. with Mass. Sponsor

Ontario Teachers' Pension Plan will provide \$2 billion for North American transmission projects through a recently established joint venture with **Anbaric**.

The partnership, **Anbaric Development Partners**, will focus on developing transmission lines in the U.S. and Canada that interconnect with renewable projects, **Clarke Bruno**, president for transmission at Anbaric, tells *PFR* from Wakefield, Mass. Anbaric's management team will lead the joint venture.

OTPP will supply the \$2 billion over the next five years, though how much will be committed year-to-year and whether additional investors will be sought remains to be seen, says Bruno.

"We intentionally don't have targets like that," adds Bruno, who notes that all the projects that will be financed through the partnership are either in pre-development or early-stage development. "We have to, if you will, examine the markets, examine the institutional settings, examine the political risk."

None of the transmission projects are yet permitted, though all are expected to interconnect with hydro, solar and wind facilities. The transmission lines are expected to be up to 300 miles long, though may exceed that, says Bruno.

Anbaric owns a stake in the Neptune Regional Transmission System, an approximately 66-mile operational transmission line that connects New Jersey and New York under

Long Island Sound. Anbaric sold a passive equity interest in the Neptune project to **Ridgewood Private Equity Partners** in 2015 (*PFR*, 12/23/15).

The investment by OTPP represents the largest individual commitment Anbaric has received to date and is part of OTPP's plan to "strategically invest earlier in the asset life-cycle," said **Andrew Claerhout**, senior m.d. for infrastructure and natural resources at the Toronto-based pension manager, in a statement issued on March 9.

OTPP is an active renewables investor across the Americas. Last year, it increased its stake in London-based **Cubico Sustainable Investments**, which owns 799 MW of development-stage wind projects in Mexico, a 615 MW portfolio of operational wind assets in Brazil and a 50 MW operational wind project in Uruguay (*PFR*, 7/28). ■

Argentina Plans Summer PPA Auction

Argentina is planning a round of power auctions this year, the country's energy minister said days after the **World Bank** approved a \$480 million guarantee to promote private investment in the country's renewable sector.

The energy minister, **Juan Jose Aranguren**, told *Bloomberg* last week that the country was planning to hold two auctions for thermal generation, one for renewables and one for transmission lines.

The renewable power purchase agreement tender is slated to take place in July or August.

Aranguren's announcement comes five months after Argentina's last auction, when it awarded 20-year contracts to 17 renewable projects totaling 1,109 MW. The government said at the time that it expects those auctions to generate \$1.8 billion of investment.

The PPAs are denominated in Argentine pesos but indexed to the US dollar to facilitate cross-border investment.

The news of the auctions comes shortly after the World Bank's approval of a \$480 million guarantee to promote private investment in the Argentinian renewables industry.

The World Bank guarantee will support Argentina's Fund for the Development of Renewable Energy, which provides a payment risk guarantee for projects that win PPAs under the country's RenovAr program.

Argentina launched the RenovAr program last year with 59 projects winning contracts for around 2.4 GW of generation across two rounds of tenders.

Of those projects, 27 have requested the World Bank guarantee.

Argentina is attempting to bring about an ambitious shift to renewable generation. It plans to obtain 8% of its energy from renewables by the end of 2017, up from around 1% now, and wants to increase that figure to 20% by 2025. ■

Sunnova Closes First Tax Equity Commitment

Sunnova Energy Corp. has sealed its maiden tax equity investment, securing \$80 million from **U.S. Bank** for the development of 55 MW of residential solar installations.

The rooftop solar sponsor says that the investment will enable the development of projects with a total value of more than \$200 million.

CohnReznick Capital Markets Securities advised Sunnova on the deal.

Sunnova's announcement, on March 15, comes after several years of raising increasingly large amounts of debt and equity.

The company, which was founded five years ago, says it has raised a total of approximately \$1.5 billion over the past four years.

In 2016, Sunnova secured a \$175 million warehouse credit facility from **Goldman Sachs** and a \$300 million equity commitment from **Energy Capital Partners**.

The solar shop also netted \$300

million in debt and equity during 2015 and 2014, through a conduit facility from **Credit Suisse** and equity commitments from **Triangle Peak Partners** and **Franklin Square Capital Partners** (*PFR*, 10/22/15).

The company was planning to issue an asset backed securitization offering, ceo **John Berger** told *PFR* in late 2015. Whether Sunnova is still planning an ABS issuance could not be immediately established.

U.S. Bank continues to be a prominent tax equity investor, with recent deals including investments in two projects, the **EDF Renewable Energy** 225 MW Great Western wind project in Oklahoma and the **D.E. Shaw** 20 MW Fusion Solar Center in Connecticut (*PFR*, 1/31, *PFR*, 1/30).

Officials at the Houston-based company were not available for comment. Representatives for CohnReznick and U.S. Bank could not be immediately reached. ■

● PROJECT FINANCE

Carso Energy Seals Debt for Mexico Gas Pipeline Project

A \$535 million debt financing that closed two weeks ago for the Samalayuca-Sasabe gas pipeline in Mexico is one of the last of a wave of deals funding the build-out of the country's trunk network.

Carso Energy, a subsidiary of **Carlos Slim**-controlled **Grupo Carso**, is developing the 390-mile pipeline, which will run between the states of Chihuahua and Sonora.

The long-term financing is based on the project's 20-year contract with the Mexico's **Comisión Federal de Electricidad**, said deal watchers on the sidelines of the **Euromoney Seminars** 11th Annual Latin America Energy and Infrastructure Finance Forum in Miami on March 13.

The precise tenor of the loan and the pricing could not immediately be established. A representative of Grupo Carso in Mexico City confirmed the size of the financing but declined to comment further.

BBVA, MUFG, SMBC and **Mizuho** were among the club of banks that participated in the loan, said the deal watchers, while other financial institutions found the long tenor unpalatable.

"It certainly didn't help," said a financier at one European bank that did not join the deal. "We would have needed to have a strategic reason to do it."

Some sponsors of Mexican pipeline projects, notably **Fermaca**, have grown comfortable with shorter term mini-perm debt, but Carso has a more con-

servative view of the refinancing risk, say deal watchers.

Carso Energy won the contract for the pipeline in an auction run by CFE in September 2015, outbidding four other qualifying bidders. The project has a total construction cost of about \$600 million and is expected to begin operations in 2018.

Spokespeople at the banks either declined to comment or did not respond to inquiries.

A NEW ERA

The closing comes at the end of a wave of financings that have been signed in recent years to fund the construction of Mexico's trunk gas pipeline network.

The next phase in the build-out of the country's midstream gas infrastructure—the development

of smaller, lateral pipelines and distribution networks branching off the main arteries—poses new financing challenges, said participants in a panel discussion on the topic on March 13.

Financing for lateral projects is likely to be structured on the basis of smaller, shorter-term contracts with industrial off-takers, some of which will have sub-investment grade credit profiles, said **Richard Ennis**, managing director at **ING**.

The bank financing available for such projects will therefore be shorter-term and more costly, said a banker on the sidelines of the conference, adding that debt to equity ratios will also have to be lower than the 80:20 that was customary for the trunk pipeline projects. ■

Vivint Extends BAML Aggregation Facility

Vivint Solar has pushed out the maturity date on its \$375 million revolving credit facility arranged by **Bank of America Merrill Lynch**.

The facility, which was originally signed in September 2014, has been extended by three years until 2020, the company announced on March 13.

The original interest rate on the facility

was 325 basis points over Libor, stepping up to 350 bps after the availability period. The pricing in the amended agreement remains the same, but steps up to 375 bps after the availability period ends, a spokesperson for the company tells *PFR*.

The company says that the facility provided capital for new residential solar customers and projects until it aggregated cash flows

that support various long term debt facilities, including a \$313 million syndicated bank term loan signed last summer (*PFR*, 8/5), and a \$203 million institutional term loan announced in January (*PFR*, 1/11).

BAML served as structuring and administrative agent, **ING** was documentation agent and **Deutsche Bank** was swap coordinator. ■

● MERGERS & ACQUISITIONS

Invenergy Buys Uruguay Solar Facility

Invenergy has bought an operational 64 MW solar project in Salto, Uruguay, from developer **Fotowatio Renewable Ventures**.

The project, which is called La Jacinta, has been online since 2015 and is fully contracted under a 30-year take-or-pay power purchase agreement with the national

utility, **Usinas y Trasmisiones Eléctricas**.

The purchase price was not disclosed. "We can't discuss the purchase price of the due to confidentiality agreements with seller," the Invenergy spokesperson tells *PFR*.

It was originally financed in 2014 with a \$70 million construction

loan provided by **Intesa Sanpaolo** and **DNB**. In 2015 the debt was refinanced with an \$82 million loan from the **Inter-American Development Bank** that matures in 2034.

"We are excited to add to our presence in Uruguay, as we also expect to initiate commercial operations

in the coming weeks of Invenergy's nearby 70 MW Campo Palomas Wind Farm," said **Matthew Olive**, Invenergy's v.p. of development and origination, international markets in a statement.

Invenergy acquired the Campo Palomas wind project from an **Abengoa** subsidiary in April (*PFR*, 4/1/16). **DNB** and **Inter-American Investment Corp.** provided debt financing for the project. ■

MERGERS & ACQUISITIONS ●

Sungevity Files for Bankruptcy, Moves to Sell Off Assets

« FROM PAGE 1

ees and conducts business across fourteen U.S. states, Washington, D.C., the Netherlands, Belgium, Germany and the U.K.

As of Jan. 31, the company said it had approximately 31,820 residential customers and was the largest private company installer of residential solar systems.

“SEVERE LIQUIDITY CRISIS”

Sungevity has been in financial difficulty for some time. Following a liquidity crisis early last year, the company agreed in July

to merge with New York-based **Easterly Acquisition Corp.** for an initial purchase price of approximately \$350 million, according to an affidavit filed in court by ceo **Andrew Birch** in support of the bankruptcy petition.

The purchase price was reduced by nearly \$100 million in November and the following month the agreement was terminated. The deal had included a provision that prevented Sungevity from seeking alternative sources of financing and

the termination of the deal left the sponsor in “a severe liquidity crisis”.

Sungevity secured a \$9.5 million bridge loan at the end of January from “a consortium of lenders” and contacted nearly 80 parties to address the company’s urgent liquidity issues.

However, Sungevity found those parties had no interest in pursuing a deal outside of a court-supervised process. “As their funds dwindled, the Debtors’ only other alternative was to immediately cease operations,

lay off their remaining employees, and turn the keys to the business over to their prepetition secured lenders,” writes Birch.

An expedited final sale is slated to take place at the end of April. ■

FAST FACT

\$350M

The purchase price for Sungevity agreed with Easterly Acquisition Corp, in a deal which fell through in December.

Novatus to Acquire First Reserve Comanche Project

« FROM PAGE 1

development of Comanche with \$253 million drawn from its \$1.5 billion First Reserve warehouse, **FR Warehouse**, in 2015 (PFR, 8/20/15).

The **Public Service Company of Colorado** has a 25-year power purchase agreement with the facility, which has been online since November.

THREE POTENTIAL DEALS

SunEdison initially sought regulatory approval to divest its stake in the project in March last year, requesting FERC authorization for three potential transactions (PFR, 3/3/16).

Among three initial, unexecuted plans that SunEdison sought permission for was a proposal to sell the Class A interests in the project to **Terra Nova**, a joint venture 99%-owned by Novatus’ parent, IIF US Holdings 2, and 1%-owned by SunEdison.

The other two plans would have sold SunEdison’s stake in the project into yield company

TerraForm Power.

Under the three plans, none of which were consummated, **Wells Fargo** would have acquired the tax equity interests in the project.

In May, SunEdison requested FERC approval for a fourth option — the sale of its Class A interests in Comanche to the First Reserve facility (PFR, 5/2).

Bank of America Merrill Lynch acquired the tax equity in the project as part of this deal, which closed in August (PFR, 8/16).

BlackRock is in the process of acquiring **First Reserve Energy Infrastructure Funds**, the firm’s infrastructure equity arm, though the filing states it is “unlikely” that the BlackRock acquisition will close before the Comanche purchase is finalized (PFR, 2/7).

The purchase price and whether either Novatus or First Reserve used a financial adviser could not immediately be established.

Steve Doyon, ceo of Novatus Energy in New York, and a spokesperson for First Reserve in Greenwich declined to comment. ■

Nonprofit Issues Colorado Community Solar RFP

Rocky Mountain Institute has issued a request for proposals for the development of at least 16.75 MW of community-scale solar projects in Colorado.

The projects, which must be between 500 kW and 5 MW in size, will supply six rural Colorado electric co-operatives in the rural eastern part of the state: **Highline Electric Association, K.C. Electric Association, Morgan County Rural Electric Association, Mountain Parks Electric, Mountain View Electric Association** and **Y-W Electric Association**.

The overall capacity may be increased, depending on the pricing of the bids, in which case the co-ops would consider expanding the RFP to additional purchasers. Co-ops are not bound to accept any of the proposals and reserve the right to withdraw from the invitation for proposals prior to entering into a contract, under the

terms of the RFP.

The RFP was issued on March 14, with commitments of intent to participate due by March 31 and questions and clarifications by April 12. Final bids are due on April 25 at 5pm Mountain Time. The fee per submission is \$250.

Rocky Mountain Institute will notify short-listed bidders on May 18, and bidders are slated to present their binding bids by July 12, with the co-ops notifying the bidders of their intent to proceed on August 15.

RMI, a Basalt, Colo.-based nonprofit research institute, issued RFPs for more than 60 MW last year, including a request for 16 MW in New York state (PFR, 8/8). ■

FAST FACT

April 25

The deadline for final bids.

● CONFERENCE COVERAGE

LAEIFF 2017: Structures in Crosshairs as Banks Land Mexico Renewables Mandates

As banks gear up for the first financings for renewable projects that were awarded contracts in Mexico's inaugural post-reform power auctions, attendees at the **Euromoney Seminars** 11th Annual Latin America Energy and Infrastructure Finance Forum in Miami discussed a range of structures that could be deployed in the region.

Several sponsors, including **Zuma Energía**, have mandated banks to finance some of the projects, while others are proceeding more slowly. The first debt financings following the auction are expected to close in the next two months.

"Everything was quiet for a while, but I think everybody's figured out the best strategy," said **Farooq Malik**, an officer at the **North American Development Bank**, in a panel discussion on March 14. "We're in a couple of transactions, we're working with the usual suspects like **Banobras** and **Nafin** but also some commercial banks, some European lenders, to get to a package that fulfills the needs of the project companies."

NAD Bank is limited to financing projects within 300 km of the U.S. border. "Luckily there is a tremendous amount of resource in that area," said Malik, adding that the bank could offer 18-year fully amortizing debt in certain cases.

Sponsors, commercial and development banks and other investors are considering a wide range of possible deal structures includ-

ing multi-tranche loans with differing tenors and mini-perms.

BBVA, **Natixis** and **Santander** are among the commercial banks that have secured lead arranger mandates, said deal watchers on the sidelines of the conference. Spain's **Istituto de Credito Oficial** is also considering lending to projects that involve Spanish companies, such as **Acciona**.

Zuma Energía is hoping to be the first sponsor to close a debt financing based on the post-reform PPAs, said the company's ceo, **Adrián Katzew**. Several commercial banks and a development bank are said to be working on the deal.

Zuma, an independent power producer jointly owned by **Actis** and **Mesoamerica**, won power purchase agreements for one wind facility and two solar projects in the second power auction, which took place in September (PFR, 10/6).

The contracts were assigned to Zuma's 388 MW Reynosa wind project in Tamaulipas, the 148 MW Santa María solar project in Moctezuma and the 125 MW Orejana solar project in Hermosillo, according to a report circulated shortly after the auction by **PwC**.

If Katzew's hopes are realized, the structure used by Zuma could set a precedent for the financings that follow.

"A lot of our dialogue with lenders has been what happens to the volume of leverage that is still to amortize after year 15 that is above the revenue that will come in from the clean energy certificates and is therefore exposed to risk," said Katzew, referring to the fact that under the Mexican PPA generation is contracted for 15 years but the projects also produce *certificados de energía limpia* (CELs) for a period of 20 years.

Development banks are considering structuring deals with reserve accounts or taking revenues from CEL and merchant power sales into account to enable them to provide loans of more than 15 years, said **José Antonio Aguilar**, principal at **Vive Energía**. The sponsor won a PPA for a 90 MW project in Yucatán in the March auction and added a capacity contract for the same project in the September auction. ■

● PEOPLE & FIRMS

Jefferies Bolsters Power and Utilities Group with Former BNP Banker

A former managing director at **BNP Paribas** has moved to Jefferies' power, utilities and renewables group.

The banker, **John Bills**, started as an m.d. at the investment bank's New York headquarters earlier this month, according to **LinkedIn**. Bills did not return a call but his assistant confirmed that he had joined the firm.

Jefferies founded its power and utilities group, which is jointly headed by **Kevin Phillips** in New York and **Hari Chandra** in London, in 2014. The bank expanded its coverage in the last few months with the hiring of two leveraged finance bankers, **Paul Cugno** and **Robert Anderson**, to complement the group's work (PFR, 1/9).



John Bills

Bills left **BNP Paribas** last month after five years at the bank, where he was an m.d. in the energy and natural resources coverage group. A spokesperson for the French bank in New York declined to comment.

In his nearly 20-year career in financial services, Bills has worked in a number of senior roles. Prior to joining **BNP Paribas**, from 2010 to 2012, he was a director and head of structured transactions, Americas, at **Crédit Agricole**. Before that, he was a director in power and structured transactions at **Barclays** for a year and a half (PFR, 2/22/08).

Earlier in his career, Bills held director roles in commodities and capital markets at **Merrill Lynch** and, before that, **Morgan Stanley**.

A spokesperson for Jefferies in New York did not respond to a request for comment by press time. ■

Reporter's Notebook

Several panelists said that a big winner in the first Mexican power auction is likely to eschew project finance in favor of balance sheet funding, in an apparent allusion to Enel.

Do they not read *PFR*?

Enel requested project finance proposals for its Mexican projects last year.

The Italian company is shifting to a build, operate and sell model, and adding leverage to the projects makes them more attractive to some buyers, someone who had flown in from Rome for the conference told *PFR*. ■