

power finance & risk

The exclusive source for power financing and trading news

www.iipower.com

A PUBLICATION OF INSTITUTIONAL INVESTOR, INC.

MARCH 24, 2008

VOL. XI, NO. 12

Barclays Preps Carbon Trading Effort

Barclays Capital expects to begin trading carbon emissions allowances and offset credits later this year ahead of anticipated carbon regulation.

See story page 2

At Press Time

U.S. Bank Eyes More Renewable Tax Equity Deals 2

In The News

Morgan Pulls In Co-Leads For Riverstone Financing 3

Bear Energy A Jewel In JPMorgan Rescue Deal 3

Latam Plant Owner Looks To Sell 3

Puget Leads Prep Retail Launch 4

Ontario Solar Developers Seek Debt 4

Euro Fund Wraps Solar Financing 4

Fortis Takes Sherbino Commitments 4

Duo Preps AES African Peaker Debt 5

Wis. Utility Buys Wind Farm 5

Trio Seeks Financing For Welsh Wind 6

Corporate Strategies

Babcock Shops Wind To Mine New Markets 6

Ga. Power Sells \$250M To Trim Debt 6

Departments

Generation Auction & Sale Calendar 8

Project Finance Deal Chart 10

COPYRIGHT NOTICE: No part of this publication may be copied, photocopied or duplicated in any form or by any means without Institutional Investor's prior written consent. Copying of this publication is in violation of the Federal Copyright Law (17 USC 101 et seq.). Violators may be subject to criminal penalties as well as liability for substantial monetary damages, including statutory damages up to \$100,000 per infringement, costs and attorney's fees. Copyright 2008 Institutional Investor, Inc. All rights reserved.

For information regarding subscription rates and electronic licenses, please contact Dan Lalor at (212) 224-3045.

US POWER GENERATING WEIGHS SALE

Privately-held IPP **US Power Generating Co.** is reviewing a number of unsolicited offers from power-oriented strategic investors looking to acquire the company. The approaches have not derailed plans for its initial public offering, but it is considering any overtures because its stock is trading high in the 144A market at \$27.50-\$29 on a bid/ask basis and, according to some market watchers, that valuation may trail off. **Credit Suisse** and **Morgan Stanley** are advising.

Investors were notified of the development at a shareholder meeting last Tuesday.

(continued on page 12)

LS POWER TARGETS DEBT FOR GEORGIA COAL PLANT

LS Power is planning to seek construction financing as early as April or May for its 1,200 MW Longleaf Energy Station, a pulverized coal plant under development in Early County, Ga. The size of the financing could not be ascertained but **LS** is understood to want the debt in place by mid June or July so construction could start this summer.

The New York firm, along with development partner **Dynegy**, has an appeal case to resolve on the plant and is waiting to finalize engineering, procurement and construction

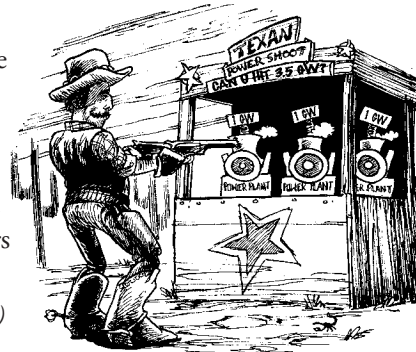
(continued on page 12)

EX-ANP CFO RETURNS WITH 3.5 GW TEXAS PLAN

Jim Murray, a former cfo of **American National Power**, plans to construct a 3,500 MW gas-fired combined-cycle plant outside Houston in northeastern Harris County, Texas, via an Austin-based startup called **Pondera Capital Management**.

Murray says senior financing has not yet been arranged but, "[Pondera] will probably start talking to senior lenders in the third quarter." The developer is already in

(continued on page 12)



DEVELOPER PLOTS FINANCING FOR 1 GW PROJECT PIPELINE

GreenHunter Energy will look for financing around the end of this year for part of the 1 GW of wind projects in its pipeline estimated to cost more than \$2 billion. First up is the Kimmet Ridge project in Glacier County, Mont., which could be as large as 102 MW and extend into Alberta when complete. "It will cost about \$2 million a megawatt and others will be somewhere in that ballpark as well," says **Stephen Wiley**, senior v.p. of business development in Grapevine, Texas.

(continued on page 11)

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



At Press Time

Barclays Readies U.S. Carbon Trading Operation

Barclays Capital is preparing to start trading carbon emissions allowances and offset credits later this year. Driving the strategy, says **Steve Schleimer**, director of energy and environmental regulation in New York, is the fact the first auctions under the state-based **Regional Greenhouse Gas Initiative** begin Sept. 10, before the program officially goes live Jan. 1, and support by all three presidential hopefuls for a federal cap and trade program. "RGGI will be a good learning exercise," he says.

The expansion would fall under Barclays' commodities function, co-headed by **Joe Gold** in New York and **Roger Jones** in London, and the credits would be initially traded bilaterally and over the counter, and eventually electronically on a platform such as the **IntercontinentalExchange**. Barclays was active in the development of the E.U. carbon trading scheme and is also the largest participant in it, having traded more than 550 million tons of carbon as of December last year, Schleimer claims.

Several pre-market trades are expected before the September RGGI auction. Last Wednesday, the first legally enforceable trade of carbon allowances for physical delivery in the Northeast U.S. was executed between **Koch Supply & Trading** and **Texas Environmental Partners** at \$7 per short ton, or 2,000 pounds of carbon. The deal, brokered by **Evolution Markets**, is an important indicator of future pricing, says Schleimer. "It's important for the development of the RGGI that there will be more momentum and price discovery going on leading up to the first RGGI auction."

U.S. Bank Unit Delves Deeper Into Solar Tax Equity

Following its recent tax equity investment in the 870 kW solar electric system on the roof of the Portland Habilitation Center Northwest in Oregon, U.S. Bank subsidiary **Community Development Corp.** has two similar transactions under review. **Steve Kramer**, senior v.p. in St Louis, says one is for roughly 300 kW and would be a \$3-4 million transaction and the other is for a 5 MW facility, a \$17-18 million investment. Both deals are set to close in the next 30-60 days.

Kramer declined to disclose specifics. But **Matt Philpott**, v.p., says, "[The bank] has been looking at some [solar systems] that are ground-mounted" and at "residential systems that [it] would aggregate into a larger transaction." He says time is running out to complete such deals, however, because the federal tax credits may expire at the end of this year. Preferred deals are single-use facilities in states with strong renewable incentives.

The \$8 million Portland investment was significant in that it was U.S. Bank's first solar tax equity deal, and the biggest transaction of its kind in the Northwest. It came about because U.S. Bank had partnered with tax equity syndicator and developer **United Fund Advisors** on previous transactions. "We have partnered with them on investments in new markets transactions they have sponsored and we've been an investor with other entities they consult on," says Kramer. The bank has a \$4 billion portfolio of tax credit investments and to date has been mainly focused on low-income housing. It became interested in solar rather than wind because, "The risk profile on solar fits better with the programs we already have," Kramer says.

power finance & risk

The exclusive source for power financing and trading news

EDITORIAL

TOM LAMONT
Editor

STEVE MURRAY
Deputy Editor

PETER THOMPSON
Executive Editor [Chicago]
(773) 439-1090

KATY BURNE
Managing Editor
(212) 224-3165

THOMAS RAINS
Reporter
(212) 224-3226

KATIE HALE
Associate Reporter
(212) 224-3293

STANLEY WILSON
Washington Bureau Chief
(202) 393-0728

KIERON BLACK
Sketch Artist

PRODUCTION

DANY PEÑA
Director

LYNETTE STOCK, DEBORAH ZAKEN
Managers

MICHELLE TOM, MELISSA ENSMINGER, BRIAN STONE, JAMES BAMBARA, JENNIFER BOYD
Associates

JENNY LO
Web Production & Design Director

MARIA JODICE
Advertising Production Manager
(212) 224-3267

ADVERTISING AND BUSINESS PUBLISHING

JONATHAN WRIGHT
Publisher
(212) 224-3566

ERIK KOLB
Editor, Business Publishing
(212) 224-3785

PAT BERTUCCI, MAGGIE DIAZ, LANCE KISLING, ADI HALLER,
Associate Publishers

LESLIE NG
Advertising Coordinator
(212) 224-3212

PUBLISHING

ELAYNE GLICK
Publisher
(212) 224-3069

MIKE FERGUS
Marketing Director
(212) 224-3266

VINCENT YESENOSKY
Senior Operations Manager
(212) 224-3057

DAVID SILVA
Senior Fulfillment Manager
(212) 224-3573

SUBSCRIPTIONS/ELECTRONIC LICENSES

One year - \$2,725 (in Canada add \$30 postage, others outside U.S. add \$75).

DAN LALOR
Director of Sales (212) 224-3045

THEODORE HEALEY
Account Executive [London]
(44-20) 7779-8704

KEN LERNER
Account Executive
(212) 224-3043

GEORGE WITTMAN
Client Development Manager
(212) 224-3019

REPRINTS

DEWEY PALMIERI
Reprint & Permission Manager
(212) 224-3675
dpalmieri@institutionalinvestor.com

CORPORATE

GARY MUELLER
Chairman & CEO

CHRISTOPHER BROWN
President

STEVE KURTZ
Chief Operating Officer

ROBERT TONCHUK
Director/Central Operations & Fulfillment

Customer Service: PO Box 5016, Brentwood, TN 37024-5016.
Tel: 1-800-715-9195. Fax: 1-615-377-0525
UK: 44 20 7779 8704
Hong Kong: 852 2842 6910
E-mail: customerservice@iinvestor.com

Editorial Offices: 225 Park Avenue South, New York, NY 10003.
Tel: (773) 439-1090
Email: pthompson@iinvestor.com

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 ©2008 Institutional Investor, Inc.

Copying prohibited without the permission of the Publisher.

Institutional Investor NEWS
INTELLIGENCE FIRST

Details Of Riverstone Repowering Financing Emerge

Calyon and another unidentified French bank are expected to commit shortly as joint bookrunners in the **Morgan Stanley**-led, \$825 million financing of **Carlyle/Riverstone's** Texas repowering initiative. **ING Capital** and **Dexia Crédit Local** are already committed and are expected to take equal slices of the deal alongside the other three, with **GE Energy Financial Services** taking a \$100 million slug.

Morgan aims to reach financial close in early April and to launch syndication soon after. Terms of syndication and the strategy have not yet been set, according to deal watchers, but the leads—particularly Morgan—have conducted preliminary talks with banks.

The exact size of the financing is still in flux but is said to consist of \$685 million in senior debt for construction, \$75 million for working capital and a \$50 million letter of credit. The sponsor has committed around \$500 million in equity to the \$1.3 billion initiative, which would be entirely funded before any debt is drawn.

To be repowered are 178 MW Laredo in Webb County, 697 MW Barney M. Davis near Corpus Christi and the mothballed 559 MW Nueces Bay (PFR, 2/8). Riverstone's Global Energy and Power Fund owns the assets through **Topaz Power**, the holding company for a 3.8 GW fleet it bought from **American Electric Power** alongside **Sempra Energy Partners** in July 2004. Officials at the banks either declined to comment or did not return calls, and **Stephen Schaefer**, managing director at Riverstone, declined to comment.

Bear Energy Biz A Boon For JPM

Bear Stearns' energy trading arm and power assets are seen as a good fit for **JPMorgan Chase** if the acquisition goes ahead. Houston-based **Bear Energy** has been a physical- rather than financial-oriented shop since it was formed out of a joint venture with **Calpine Energy Services** (PFR, 6/24/05), whose then president **Paul Posoli** still runs the group. **Bear Energy** had also begun to structure more products for hedge fund clients, leveraging relationships from its prime brokerage and pitching different trades than **JPMorgan**. Posoli declined to comment, but one insider said, "We haven't been given any indication there will be major layoffs because we seem to be a good fit."

JPMorgan reportedly has a waiver allowing it to own the trading book in addition to the physical power assets, typically a restriction under section 203 of the Federal Power Act. **Bear** just closed on 1.8 GW of power contracts and 7.5 GW of gas tolling agreements from **Williams Power** for \$496 million (PFR, 1/11). It also owns four plants purchased from **American Electric Power**

for \$156 million; interests in structured wholesale power sales agreements, such as **Utility Contract Funding**, which it bought from **El Paso** for \$21 million, plus the assumption of \$815 million in debt; and a 1,217 MW portfolio acquired from **Delta Power Company** (PFR, 1/19, 2/2). It is unclear if **JPMorgan** will look to liquidate these assets and a spokesman for the bank did not return calls. **David Field** and **Pamela Baden**, co-heads of **Bear's** Houston energy group, did not return an e-mail.

Less rosy are the prospects for **Bear's** energy investment banking group. That's because **JPMorgan** has one of the largest teams on the Street, stacked with managing directors and directors. "They're pretty well-staffed, especially for a market that is slowing already," said one senior banker at a rival firm. An exception may be made for Managing Director **Tom Widener**, a generation-focused banker hired from **Merrill Lynch**, where he worked on several high-profile deals (PFR, 6/17/05). Widener was unavailable for comment.

JPMorgan Tapped For 220 MW Colombian Plant Sale

K&M International Power, owner of the 220 MW Termovalle Power project in Cali, Colombia, has retained **JPMorgan** to sell the plant.

William Kappaz, ceo in McLean, Va., says,

"The situation in Colombia for generation companies we believe has vastly improved. There is appetite and liquidity in the market." Teasers will be dispatched this week and information memoranda in the first half of April.

Lehman Brothers underwrote a \$69 million refinancing of the existing project debt in November. The proceeds were used to repurchase 12.25% senior secured notes due Dec. 2016 issued under a \$55 million refinancing done in 2006 via **Deutsche Bank Trust Company Americas**. **Chase Manhattan Bank** provided 80% of the construction financing in Oct. 1996—at the time the largest limited-recourse project financing in Colombia executed without a sovereign guarantee. **Fuji Bank** providing the remaining 30% as equity, supporting then co-owner **Marubeni Corp.**, which sold out its 30% position in Aug. 2006.

The plant came online in 1997 as a 199 MW combined-cycle gas facility, with 75% of its output contracted for 20 years to local utility **Empresa de Energía del Pacífico S.A.** and industrial customers. That contract expires in 2018.



Termovalle

Leads Ready Puget Retail Syndication

Barclays Capital and Dresdner Kleinwort are this week set to launch broad retail syndication of the \$3.575 billion debt backing the buyout of Puget Energy by a Macquarie Infrastructure Partners-led consortium at New York and London bank meetings.

Ticket sizes, said to be no larger than \$125 million (PFR, 3/7), and fees will be announced at the New York Palace Hotel in midtown Manhattan on Tuesday afternoon and at the Andaz, Liverpool Street hotel in London on Wednesday afternoon, according to a deal tracker who notes the fees are expected to be "healthy."

The leads are reportedly looking to sell down around \$1 billion in retail after receiving nine commitments—one or two of which were retail-sized—during wholesale totaling around \$2 billion. Commitments in retail will be due in three to four weeks with an eye to wrapping by late next month. Officials at the leads declined to comment and a call to Macquarie was not returned.

Developers Seek Funding For \$900M Of Ontario Solar

Three developers have put out feelers seeking financing for as many as 12 solar photovoltaic projects under development for Ontario Power Authority's Standard Offer Program. Each 10 MW facility is estimated to cost around \$75 million, or \$900 million in the aggregate. The projects would come online by 2010.

Richmond, Calif.-based SunPower has reportedly issued a formal RFP for financing, and deal watchers say the 10 MW projects would likely be built in groups of two to four. A spokeswoman for the company confirmed it is looking at a project in Canada that it hopes to have financing nailed down for by the second quarter, but declined to elaborate. In January, SunPower secured more than \$50 million in tax-equity investments from GE Energy Financial Services for five solar farms totaling 8 MW (PFR, 1/11).

United Solar Ovonic, a unit of Rochester Hills, Mich.-based ECD Ovonic, and OptiSolar Farms Canada, a subsidiary of Hayward, Calif.-based OptiSolar, are also looking for financing for several 10 MW projects. Dedicated project financing would likely be later than SunPower's, sources say, because they will need to line up manufacturing financing for the solar cells first. Another hurdle for the developers is the shortage of equipment similar to the turbine crunch in wind. Jeff Lettes, spokesman for OptiSolar, declined to comment. Tracey Rettig, spokeswoman for United Solar Ovonic, directed calls to the company's investor relations department, which did not return calls.

Ontario Power's Standard Offer Program offers 20-year

PPAs for projects 10 MW or smaller with a view to meeting its goal of having 2.7 GW of power generated from renewable sources by 2010.

European Renewable Fund Wraps Solar Financing



Joseph Muthu

Mistral Energy, a fund managed by European renewable-focused buyout shop Platina Finance, has closed a non-recourse project financing for a 2 MW greenfield solar project in Ocaña south of Madrid in Spain through its Anemoi Renovables investment subsidiary.

Hypo-und Vereinsbank led the deal, its first in the solar space. Joseph Muthu, an investment director at Platina in London, confirmed the deal, noting that the firm has exclusive rights to a project pipeline in Spain and Italy.

Details of the transaction, including its size and terms, could not be gleaned but the debt comprises an equity bridge and senior facility and is thought to be substantially under £50 million (\$100 million). It will not be syndicated. Spain's feed-in tariffs for renewable projects are set to change as of Sept. 28, but the bank is thought to have structurally mitigated some of that risk. Officials at HVB declined to comment.

Commitments Roll In For BP, NRG Project

Syndication of a \$280 million senior secured credit facility for the 150 MW Sherbino Wind Farm east of Fort Stockton in Pecos County, Texas, is reportedly oversubscribed and expected to wrap within the next week. Sherbino is a joint venture between BP Alternative Energy North America and NRG Energy's Padoma Wind Power.

Lead arranger Fortis is expected to sign up a couple of additional banks over the coming days, allowing it to close. Officials at the bank and sponsor declined to comment.

Tickets of \$30 million were offered with an eye to drawing in 12 of the roughly 17 banks targeted in syndication, which launched at a Feb. 14 bank meeting in New York. A \$40 million ticket was available by invitation only and at least one lender took a larger slug, according to one deal watcher. Pricing starts at 125 over LIBOR and steps up over the life of the loan, which converts to a 15-year term loan when the project comes online in the second quarter (PFR, 2/8).

The financing is accompanied by a 29 billion cubic feet, 10-year fixed gas hedge provided by Fortis Energy Marketing & Trading based upon a fixed volume and forward notional heat rate.

AES Homes In On South African Peaker Financing

AES Corp. is close to inking loans for two peakers in South Africa via **ABN Amro** and **Rand Merchant Bank**. The leads are in the final stages of structuring the debt, to be largely denominated in South African rand, and plan to sound out local and international financial institutions over the coming weeks before launching a single round of syndication.

Specs on the projects were sent to potential participant lenders late last year, when the financing was expected to total ZAR5.7 billion, then the equivalent of \$843 million. Since then the debt size has changed due to the credit crunch and foreign exchange rate fluctuations.

One peaker will be a 760 MW plant near Durban in KwaZulu-Natal and the other will be a 342 MW plant in Port Elizabeth on the Eastern Cape. Both have a 15-year contract with state-owned utility **Eskom** as a result of a national tender for 1 GW of greenfield power (PFR, 5/18). Commercial operation was original slated for the end of 2009. Officials at ABN in London and RMB in Africa either declined to comment or did not return calls. **Robin Pence**, an AES spokeswoman, declined to comment and a call to project manager **Michael Steiner** at AES in London was not returned.

Invenergy Forward Syndication Nears Wrap

Final commitments should come in by early this week for debt supporting Invenergy's 129 MW Forward wind farm in Dodge and Fond du Lac Counties, Wis. **Dexia Crédit Local** and **NordLB** lead the \$260 million financing and around five banks, predominantly German, have joined the deal so far. The remaining banks expected to sign up are relationship banks to the sponsor. The deal is expected to wrap by the first week of April, a week later than planned.

The leads pitched \$25 million and \$45 million tickets to eight European and Asian banks for the package, which comprises a 17-year, \$245 million construction loan converting to a term loan and a \$15 million letter of credit (PFR, 2/25). Pricing starts at 112.5 basis points over LIBOR, steps up to 115 after construction and rises to 165 over the life of the loan. Fees of 40 basis points were offered on the larger ticket and 20 on the smaller one. Syndication was delayed from its original launch when Invenergy upsized the formerly 99 MW farm and \$197.3 million financing to avoid the risk of production tax credits expiring at year-end.

The facility has PPAs in place with **Wisconsin Public Service**, **Wisconsin Power & Light**, **Madison Gas and Electric** and **Wisconsin Public Power**. **GE Energy Financial Services** will

provide tax equity. Officials at the leads declined to comment and calls to Invenergy were not returned.

Developer Sells Wind Farm To Wis. Utility



Mark Lucas

High Country Energy, a community-owned developer of a 300 MW wind farm in Dodge and Olmsted Counties, Minn., has sold the 150 MW first phase to **Wisconsin Public Service Corp.** for an undisclosed sum and is in talks with utilities to either sell subsequent phases or contract more of the output.

"Utilities are showing more and more of a preference for asset sale arrangements," instead of power purchase agreements, says **Mark Lucas**, v.p. at Minneapolis-based **National Wind**, managing member of the project company. WPSC will co-develop, own and operate the first phase, he notes, adding, "We like to strike a balance between [asset sales and PPAs]."

High Country recently bid into an **Xcel Energy** RFP for 500 MW of wind and is holding talks with other utilities in Minnesota while it negotiates an interconnection agreement with the **Midwest Independent System Operator**. "Transmission is the pacing item for this schedule," Lucas says, noting that construction has not yet begun. The sale of phase one will help accelerate negotiations to connect the project to the grid because it confirms the project is closer to reality, he says. A call to **Kerry Spees**, a WPSC spokesman, was not returned.

Spectra Hires Chief For Pipe Sub

Spectra Energy Transmission, a unit of **Spectra Energy Corp.** focusing on pipeline, gas processing, storage and distribution, has hired **Joseph Ramsey** to head its newly created project execution group and is seeking to fill two to three other executive posts. "We're looking to fill them as soon as possible," says Ramsey, noting the positions will likely be filled within the next six weeks. "It's obviously a very exciting boom time for pipeline development in the U.S. and Spectra is well suited in the area."

Ramsey starts April 1 as group v.p. in Houston, reporting to **Martha Wyrsh**, president and ceo of Spectra Energy Transmission. He currently works at **Jacobs Consultancy** as managing director of the worldwide energy and utilities consulting group. Before joining Jacobs, he was managing director at **Stone & Webster Consultants** and before that was a senior v.p. at **Tenneco Energy**. Among the projects he has worked on are the 1.325 billion cubic feet Alliance Pipeline system from British Columbia to Chicago, various **British Gas** projects and **Kern River Gas Transmission's** pipeline from the Rockies to California.

Trio In Talks To Finance Welsh Wind Project

Development partners **Catamount Energy**, **Force 9 Energy** and **Statkraft Group** are in talks with U.K. banks to project finance their 23 MW Blaengwen Wind Farm near Pencader in southern Wales. Catamount and Statkraft each have a 50% stake in the project, with Force 9 having royalties. Industry standards estimate the project costs at GBP2 million (\$4 million) per megawatt.

Bruce Peacock, managing director at Catamount in Rutland, Vt., says the developers are seeking traditional non-recourse debt. Financing is expected to be in place by late summer before construction begins this fall. Commercial operation is slated for next year. Offtake and construction contracts are under negotiation with unnamed parties, adds Peacock, noting **Siemens Wind Power** is supplying the turbines.

Following Blaengwen will be three other wind projects—66 MW Berry Burn within the Altyre Estate, south of Forres in Scotland, 42 MW Andershaw south of Douglas in Scotland and 27 MW Barmoor southwest of Berwick-Upon-Tweed, Northumberland in northern England. Separately, Catamount and Force 9 are developing 64 MW Mark Hill near Barrhill in South Ayrshire, Scotland. Permits are pending on all four.

Renewable Portfolio Standards Prove Tough

As more states implement renewable portfolio standards, several are struggling to meet the demands. **Anne Selting**, director of utilities and infrastructure ratings at **Standard & Poor's**, believes not all states are equipped to meet the standards set. "You can't put geothermal anywhere," she told attendees at S&P's *15th Annual Utilities Conference* at the Roosevelt Hotel in New York last Tuesday. "RPS targets are aggressive. When standards are not met, the utilities are left looking responsible." **Susan Macey**, consumer counselor for the **Indiana Office of Utility Consumer Counselor**, a state agency representing ratepayers, agreed. "[Indiana] really doesn't have the resources to become part of the portfolio," she said.

Julie Caruthers Parsley, commissioner of Texas' Public Utility Commission, believes ERCOT will not have problems meeting the RPS targets, but she says transmission will likely be a crucial factor in its success. "Transmission takes five years to build. In order for [the RPS] to work and not have an ill effect, the idea of transmission needs to be added and [independent systems operators] have to be aware of reliability implications." Transmission has been an issue in places like California, where building wires over mountains has presented barriers, said Selting.

Corporate Strategies

Babcock Unit Shops Wind To Repay Debt, Enter New Markets



Miles George

Babcock & Brown Wind Partners plans to use proceeds from the proposed sale of its European wind portfolio to repay debt and acquire 50-100 MW of complete wind assets or farms under construction in Greece, Italy, Eastern Europe, Turkey, Canada and Australia. It will also continue to invest in the U.S., which provides "a lot of great opportunity,"

says **Miles George**, CEO of the Babcock unit in Sydney, adding, "We do not look to take on any development risk."

George estimates the European portfolio's value at A\$2.5 million (\$2.35 million) per MW. BBW has shortlisted banks to advise it on the wind sale, expected to take roughly six months, and plans to make its selection this week.

On the block is 420 MW in Spain, 257 MW in Portugal, 101 MW in Germany and 52 MW in France, as well as a 600 MW pipeline secured through framework agreements with **Gamesa Energía** and German renewable outfit **Plambeck Neue Energien**. "A large number of European utilities are attempting to gain a foothold in the wind industry," says George of the potential demand. Rounding out BBW's global portfolio is its

622 MW in the U.S. and 461 MW in Australia.

As of Dec. 31, BBW's European portfolio was 65% leveraged. The Portuguese assets are funded with a 17-year, A\$629.4 million facility that will be repaid if the assets are sold. A separate EUR1.7 billion corporate facility led by **Banco Espírito Santo de Investimento**, **Dexia Crédit Local**, **HBOS** and **Millennium BCP Investimento** (PFR, 4/13), was recently expanded (PFR, 2/15) and will be paid off if the entire portfolio is sold, George says. Other possible uses of the proceeds include cash distributions to shareholders and share buybacks.

Ga. Power Takes Out Debt In First Of Three Issues

Georgia Power sold \$250 million in floating-rate senior notes last Monday, the first of three offerings around the same size this year that will either repay short-term debt or fund environmental upgrades at coal plants. "You have to be nimble in today's markets when you can see a window opening up with investors willing to buy your securities at a reasonable price," says **David Brooks**, managing director of capital markets for parent company **Southern Co.** in Atlanta.

Georgia Power will tap the debt markets again around July and

then around December for the next offerings, adds Brooks. "We like the size—\$250 million is index eligible," he says, referring to the **Lehman Brothers'** U.S. Universal Index, which covers taxable U.S. dollar-denominated bond issues of \$250 million or larger that are either investment- or sub-investment grade. "It doesn't require us to find a huge number of investors to do a transaction."

Proceeds from the bonds, priced at 55 basis points over LIBOR and maturing March 17, 2010, will repay some of Georgia Power's \$702 million in outstanding commercial paper, priced at an equivalent of five basis points below LIBOR. "We have a diversified portfolio with securities out to 40 years and as short as two years. We're just diversifying our debt portfolio," says Brooks, noting, "We didn't think we could get a two-year fixed-rate security done. That was our intelligence from our underwriters."

JPMorgan and Wachovia Securities were joint book-running managers, with Banc of America Securities and SunTrust Robinson Humphrey as co-managers. "We use a number of banks, and we felt that JPMorgan and Wachovia were the best banks for this transaction, so we anointed them as lead underwriters," Brooks says. The issuer has around \$10 billion in total debt outstanding.

Nebraska Muni Takes Out Auction-Rate Debt



Traci Bender

The Nebraska Public Power District issued \$137 million in 5.14% revenue bonds maturing Jan. 1, 2014 to refinance a portion of its auction-rate debt. "We put it together as quickly as we could," says Traci Bender, cfo in Columbus, Neb., referring to the need for speed given the seizing up of the auction-rate market.

Pricing on the notes tended to track LIBOR before the district's two bond guarantors were downgraded. XL Capital, insurer of the 2004 series, was downgraded in January by Fitch Ratings to A from AAA, while CIFG, insurer of the 2007 series, was downgraded earlier this month by Moody's Investors Service to A1 from AAA. The new coupon on the revenue bonds was a big improvement on the existing rate. "We were paying anywhere from 6.25% to the 7.5% range," Bender explains, referring to the securities that were refinanced—\$93.7 million in 2007 Series A bonds and \$44.1 million in 2004 Series A bonds.

Morgan Stanley led the offering, which priced March 13 and closed last Thursday. Bear Stearns was co-manager and Goldman Sachs, Lehman Brothers, UBS Securities, Ameritas Investment Corp., DA Davidson & Co., Edward Jones, Piper Jaffray, RBC Capital Markets and Wachovia Securities also participated. "We basically have developed relationships over the years. These are banks that had represented the District in the past and have done

a good job for us." NPPD has a roughly 60:40 debt-to-equity ratio, with about \$1.5 billion in total debt outstanding.

Energy Northwest Shops Bonds For Refinancing

Energy Northwest will use proceeds from its upcoming \$667 million bond issue to refinance electric revenue bonds and refurbish its 1.2 GW nuclear Columbia Generating Station, says Rich Bresnahan, manager of treasury services in Richland, Wash.

The utility will use \$50 million of the proceeds for pumps, motors and other updates to Columbia and the remainder to refinance Project 1 and 3 bonds with a 5% and 3.75% interest rate, respectively, and a final maturity of 2017 or 2018. The bonds will likely price this Tuesday and the deal is expected to close in early April, says Bresnahan. "The yield has to be lower than the current yield," he adds. "If it's not low enough to finance, we won't, but we've never had to change our targets in the past."

Goldman Sachs and Citibank are joint underwriters with JPMorgan, UBS and Prager, Sealy and Co. as co-arrangers. "We have over time set up an underwriting group that works," says Bresnahan, noting the same group was used last March to underwrite \$548 million in 5% electric revenue bonds. Public Financial Management is financial advisor on the transaction and the bonds will be secured through the Bonneville Power Administration. Since the 1970s, BPA has had an agreement with Energy Northwest to support the utility's revenue bonds by ensuring project debt is repaid before its own, giving Energy Northwest a higher rating.

Moody's Investors Service has assigned an Aaa to the bonds. Energy Northwest is likely to come to market next year at the same time, says Bresnahan, but "if interest rates moved a whole lot, [it] could come to the market sooner." The company taps the debt markets around the same time every year due to an Internal Revenue Service law disallowing advanced refunding of tax-exempt bonds.

Energy Northwest has \$6.2 billion in outstanding debt, according to Moody's.

NOW GET power finance & risk EVERY FRIDAY!

Paid subscribers now have access to a PDF of the upcoming Monday's newsletter on *Power Finance & Risk's* Web site every Friday afternoon before 5 p.m. EDT. That's a 64 hour jump on mail delivery, even when the post office is on time! Read the news online at your desk or print out a copy to read at your leisure over the weekend. Either way, you'll be getting our breaking news even sooner and starting your week off fully informed!



Generation Auction & Sale Calendar

Following is a directory of ongoing generation asset sales. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report new auctions or changes in the status of a sale, please call Katy Burne, Managing Editor, at (212) 224-3165 or e-mail kburne@iinews.com.

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
Allico Finance Group	Various	Kern County, Calif. Germany, France Australia, New Zealand	3.1 GW 96.5 MW 1.6 GW	Wind	Marathon Capital N/A N/A	Company plans to sell either as global portfolio or in regional chunks (PFR, 3/11).
Arroyo Energy Investors	Thermo Cogeneration	Fort Lupton, Colo.	272	Gas	N/A	Starwood Energy Group Global close to acquiring (PFR, 2/6).
Astoria Energy	Astoria plant	Queens, N.Y.	500	Gas	N/A	Owners fielding offers. Suez Energy acquiring 30% (PFR 9/29).
Barry Bates and Michael Underwood	Thompson River Cogen	Montana	16	Coal, Waste Wood	Energy Advisory	Wayzata Investment Partners reportedly acquired.
Bicent Power	Mountain View	Palm Springs, Calif.	67	Wind	Goldman Sachs	AES to acquire (PFR, 1/7).
Black Hills Corp.	Arapahoe Valmont Fountain Valley Las Vegas I Las Vegas II Harbor Valencia	Denver, Colo. Valmont, Colo. Colorado Springs, Colo. Las Vegas, Nev. Las Vegas, Nev. Long Beach, Calif. Albuquerque, N.M.	130 80 240 53 224 98 149	Gas Gas Gas Gas Gas Gas Gas	Credit Suisse	Seller looking for an all-cash transaction. Preliminary bids taken Nov. 20. Bids said be close to \$800 million (PFR, 12/10). Hastings Funds Management, AllCapital, Beowulf Energy in partnership with Natural Gas Partners, Tenaska Energy, Energy Investors Funds, and EnergyCo. on shortlist to acquire (PFR, 1/28).
Calpine	Acadia Energy Center Fremont Energy Center Hillabee Energy Center Texas City Clear Lake	Eunice, La. Sandusky County, Ohio Alexander City, Ala. Texas City, Texas Clear Lake, Texas	1,016 (50%) 512 774 425 375	Gas Gas Gas Gas Gas	Miller Buckfire	Sold to Cajun Gas Energy for \$189 million (PFR, 8/6). FirstEnergy won with \$253.6M bid (PFR, 2/7). CER Generation won with \$155M (PFR, 2/6). First round bids taken 1/24 with second round bids expected in April.
Catamount Energy	Sweetwater Ryegate Power Rumford	Nolan County, Teaxs Vermont Rumford, Me.	505 (50%) 20 85	Wind Wood waste Cogen	Goldman Sachs	Unsolicited approaches have been made to financial backer Diamond Castle Holdings (PFR, 8/31).
CIT Group	RockGen Energy Center	Cambridge, Wis.	460	Gas	Bear Stearns	Lessee Calpine to acquire for an undisclosed sum.
Central Vermont Public Service	Various	Vermont	70 in summer, 86 in winter	Hydro	Morgan Stanley	Believed to be in advanced stages, (PFR, 5/18).
City of Vernon	Malburg Generating Station Palo Verde Power Hoover Upgrading	Southern Calif. Southern Calif. Southern Calif.	134 11 22	Gas Nuclear Hydro	Lehman Brothers	Beowulf Energy and Natural Gas Partners agreed to buy for \$342 million. Lehman Brothers to lead debt financing (PFR, 10/22).
Conectiv Energy (Pepco Holdings)	Various	PJM Interconnection	3,700	Various (merchant)	Credit Suisse	Company reviewing strategic alternatives, including whole or partial sale and merger (PFR, 12/10).
Con Ed Development	CEEMI Newington Energy Lakewood Ocean Peaking Power Rock Springs Genor Ada Cogeneration EverPower Wind	Springfield, Mass. Newington, N.H. Lakewood, N.J. Lakewood, N.J. Rising Sun, Md. Puerto Barrios, Guatemala Ada, Mich. NEPOOL, NY, PJM	185 525 (99.5%) 246 (80%) 339 670 (50%) 42 (49.5%) 29 (48%) 500 planned	Gas, Oil, Hydro Gas Gas Gas Gas Oil 29 (48%) Wind	Morgan Stanley	Industry Funds Management to take Allico's equity stake for \$63 million in the \$1.447 billion acquisition. Barclays to lead the debt, expected to launch into syndication this month (PFR, 2/11). RBS may co-lead (PFR, 2/19). Not sold. Ada not sold. Partner is Olympus Power. CED sold its 50% stake in Oct. (PFR, 12/9).
ConocoPhillips	Immingham	Lincolnshire, U.K.	730	Gas	Citigroup	Reportedly looking at strategic options on the plant (PFR, 1/18).
Competitive Power Ventures	N/A	Front Royal, Va.	34	Gas	N/A	Dominion purchased March 4.
Complete Energy Holdings	La Paloma Batesville	McKittrick, Calif. Batesville, Miss.	1,022 837	Gas Gas	JPMorgan	Final bids were received 3/11 (PFR, 3/14). Kelson Holdings believed to be bidding (PFR, 2/8).
Corona Power	Sunbury Generating	Shamokin Dam, PA	432	Coal, oil, diesel	Merrill Lynch	Soliciting equity to complete \$250M of upgrades (PFR, 12/24).
DONG Energy	Evia, Karistos and Tourla	Greece	18.6 MW	Wind	HSBC	Teasers expected later this quarter after IPO (PFR, 1/18).
DTE Energy	East China River Rouge	East China, Mich. Detroit, Mich.	320 240	Gas Gas	N/A N/A	Seller exploring options, including outright sale. On books at scrap value, decommissioned.
EISSL	Various	Catalonia, Spain	630	Wind, Hydro	JPMorgan	Company weighing sale (PFR, 12/24).
Energy Future Holdings (Luminant)	Sandow 4 Sandow 5	Milam Co., Texas	545 (50%) 581 (50%)	Coal Coal	Credit Suisse	Plans to sell stakes to Perennial Power Holdings (PFR, 2/18).
Entegra	Gila Union	Phoenix, Ariz. El Dorado, Ark.	2,300 3,000	Gas Gas	N/A	Reportedly in talks to merge with KGen (PFR, 1/17).
Entergy Corp.	50% stake in Top Deer Wind Ventures RS Cogen Roy S. Nelson Warren Power Harrison Independence Robert Ritchie	Worth County, Iowa Carsen County, Texas Lake Charles, La. Westlake, La. Vicksburg, Miss. Marshall, Texas Newark, Ark. Helena, Ark.	40 40 212 60 225 335 121 544	Wind Gas Gas/Oil Gas Gas Coal Gas/Oil	New Harbor	Seller wants about \$520 million for the assets. Bidders shortlisted to four players: two financial; two infrastructure (PFR, 6/18).
ESB International	Marina Great Island Tarbert	Cork City, Ireland Wexford Co., Ireland County Kerry, Ireland	115 240 640	Gas Oil Oil	Merrill Lynch	Bids are being reviewed for the portfolio (PFR, 2/22).
Exergy Development Group	Various	Upper Midwest, Northwest U.S.	3600 (176 ready to construct)	Wind	Marathon Capital	Weighing partnership, joint venture, recap or sale (PFR, 12/17).
Fluor	Greater Gabbard	Thames Estuary, U.K.	500	Wind	RBC Capital Markets	Specs went out in late Aug. for Fluor's 40% stake (PFR, 8/17).
Foresight Wind Energy	Various	Arizona, New Mexico	2 GW pipeline	Wind	CP Energy	Transaction delayed (PFR, 10/8).
FPL Energy	Posdef Tesla	Stockton, Calif. Tracy, Calif.	44 1,120	Coal/Petcoke Gas/Steam	New Harbor Credit Suisse	Indicative bids due April 11 (PFR, 3/11). Development site. Status unclear.
General Electric	Baglan Bay N/A Pittsfield Generating	Port Talbot, Wales PJM Pittsfield, Mass.	510 80 163	Gas Waste Coal Gas	Lexicon Partners N/A N/A	GE re-ignited sale process. Carron Energy originally interested. Looking for buyers (PFR, 2/26). Maxim Power set to acquire (PFR, 3/17).
Goldman Sachs, Cargill	Teesside Power	Teesside, U.K.	1,875 MW	Gas	Rothschild	Gaz de France and Suez jointly agreed to acquire Feb. 25.
Goldman Sachs (Cogentrix Energy)	Southaven Power	Southaven, Miss.	810	Gas	Houlihan Lokey Howard & Zukin	Kelson Energy named stalking horse with \$305 million bid (PFR, 1/9).

Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
High Country Energy	N/A	Minn.	150 (development)	Wind	N/A	First phase sold to Wisconsin Public Service Corp. (PFR, 3/19).
InterGen (AIG Highstar Capital II, 50%)	Rocksavage	Runcorn, U.K.	748	Gas	Lehman Brothers	Two-part auction kicked off late Jan. (PFR, 2/7).
	Coryton	Essex., U.K.	732	Gas		
	Spalding	Lincolnshire, U.K.	860	Gas		
	Rijnmond I, II	Rotterdam, the Netherlands	820, 400	Gas		
	Bajio	San Luis de la Paz, Mexico	600 (306 stake)	Gas		
	La Rosita	Mexicali, Mexico	1,100	Gas		
	Quezon	Philippines	460 (211 stake)	Coal		
	Millmerran	near Brisbane, Australia	880 (228 stake)	Coal		
	Callide	Queensland, Australia	920 (230 stake)	Coal		
K&M International Power	Termovalle	Cali, Colombia	220	Gas	JPMorgan	Teasers to be dispatched this week (PFR, 3/18).
Kelson Holdings	Dogwood	Pleasant Hill, Mo.	620	Gas	Goldman Sachs, Merrill Lynch	Weighing strategic options, including sale/merger (PFR, 10/9).
	Redbud	Luther, Okla.	1,230	Gas		Signed agreement to sell Redbud for \$852 million to consortium of load-servicing entities (PFR, 1/21).
	Cottonwood	Deweyville, Texas	1,230	Gas		
	Magnolia	Benton County, Miss.	922	Gas		
KGen Power	Murray I	Murray Co., Ga.	630	Gas	Credit Suisse	Reportedly in talks to merge with Entegra (PFR, 1/17).
	Murray II	Murray Co., Ga.	620	Gas		
	Hot Spring	Hot Spring Co., Ark	620	Gas		
	Hinds	Jackson, Miss.	520	Gas		
	Sandersville	Washington Co., Ga.	640	Gas		
LS Power	Sugar Creek	Sugar Creek, Ind.	561	Gas	N/A	Northern Indiana Public Service to acquire (PFR, 11/2).
MACH Gen	Millennium	Carlton, Mass.	360	Gas/Oil	Credit Suisse	Considering sale or a merger (PFR, 12/17).
	Athens	Athens, N.Y.	1,080	Gas/Oil		In second round.
	Covert	South Haven, Miss.	1,100	Gas		
	Harquahala	Tonopah, Ariz.	1,092	Gas		
Mirant	Lovett Generating Station	Tompkins Cove, N.Y.	183	Coal/Gas	N/A	Alliance Energy offered to buy for undisclosed sum but withdrew offer when Mirant did not respond (PFR, 2/14).
National Grid	Ravenswood Station	Queens, N.Y.	2,450	Gas	Merrill Lynch	Bids due March 20 (PFR, 2/21).
Navasota Energy (Navasota Holding Texas)	Colorado Bend	Wharton, Texas	1,650	Gas (development)	JPMorgan	Teasers not yet dispatched (PFR, 2/11).
(Montgomery Energy Partners)	Quail Run	Odessa, Texas	825	Gas (development)		
	L'Energia	Lowell, Mass.	84	Gas (repowering)		
	Billerica Energy Center	Billerica, Mass.	240-360	Gas (development)		
Noble Environmental Power	Various	N.Y., Mich.	385	Wind	Goldman Sachs	Company reportedly looking to IPO.
	Thumb	Huron County, Mich.	68			Babcock & Brown purchased for undisclosed sum (PFR, 3/10).
North American Power Group	Rio Bravo Fresno	Fresno, Calif.	25	Biomass	N/A	In discussion with potential buyers (PFR, 8/31).
	Rio Bravo Rocklin	Roseville, Calif.	25	Biomass		
	Chinese Station	Jamestown, Calif.	22	Biomass		Sold to Covanta Holding in Oct. for undisclosed sum.
NorthWestern Energy	Colstrip Unit 4 (30%)	Mont.	740 MW	Coal	Credit Suisse	Exploring strategic options (PFR, 2/8).
NRG Energy	Indian River	Millsboro, Del.	784	Coal	N/A	Seller soliciting offers on plant (PFR, 11/8).
PSEG Global	Electroandes	Andean region, Peru	180	Hydro	JPMorgan	Statkraft Power Invest acquired in Oct. for \$390 million.
Primary Power International	Hillman	Hillman, Mich.	19	Biomass		Fortistar agreed to purchase an interest in the portfolio. Deal set to close in 30 days (PFR, 2/19).
	Grayling	Grayling, Mich.	36			
	Genesse	Flint, Mich.	35			
	Dapp Generating	Westlock, Alberta	17			
	Valley Power	Drayton Valley, Alberta	12			
Reliant Energy	Channelview	Lyondell, Texas	830	Gas	Houlihan Lokey	Kelson Holdings agreed to acquire for \$468 million. Credit Suisse, UBoC to finance purchase (PFR, 2/25).
RES Americas	Various	U.S.	1,000 under construction; 10,000 in pipeline	Wind	Credit Suisse	Company looking to sell up to 100% to a financial investor to finance growth (PFR, 1/7).
Ridgeline Energy	Various	Idaho, Ore., Wash.	3,700 in development	Wind	Marathon Capital	Back in play after talks were nixed with a southern U.S. utility (PFR, 10/8).
Rockland Capital Energy Investments	B.L. England	Cape May County, N.J.	447	Coal, Oil	JPMorgan	Owner seeking strategic equity partner with which to finance \$400-600M repowering (PFR, 12/10). Bids taken March 4.
Sempra Generation	Catoctin	Frederick Co, Md.	600 in development	Gas	N/A	Development project reportedly for sale.
Signal Hill Power	Wichita Falls	Wichita Falls, Texas	77	Gas	Miller Buckfire	First-round bids received March 17.
Sumas	Sumas Cogeneration	Sumas, Wash.	125	Gas	N/A	Puget Sound Energy agreed to buy for undisclosed sum. Deal set to close by year end.
Sithe Global Power	River Hill	Karthus Township, Pa.	290	Coal	Credit Suisse	Status unclear (PFR 2/16/07).
Temasek Holdings	PowerSeraya	Singapore	3,100	Gas	Credit Suisse, Morgan Stanley	Teasers dispatched 10/15. Tuas to be sold first (PFR, 10/22).
	Senoko Power		3,300	Oil		
	Tuas Power		2,670	Steam		
Tenaska Power Fund	Commonwealth Chesapeake	New Church, Va.	315	Oil	JP Morgan	Tyr won the auction and Fieldstone Private Capital Group is advising on the purchase and debt financing (PFR, 2/19).
Third Planet Windpower	Various, U.S.	Various, U.S.	3 GW late-stage 5-7 GW early-stage	Wind	Marathon Capital	Developer looking for joint venture partner.
TransAlta	Campeche	Mexico	252	Gas/Diesel	N/A	InterGen to buy for \$303.5M, funded with equity and non-recourse debt. Lead bank on financing unknown.
	Chihuahua	Mexico	259	Gas		Standard Power set to acquire (PFR, 3/12).
	Binghamton	Binghamton, N.Y.	50	Gas	N/A	
Tyche Power Partners	Brooklyn Navy Yard	Brooklyn, N.Y.	286	Gas Cogen	Credit Suisse	Temporarily iced due to credit crunch.
UPC Wind	Various	North America	3GW in development	Wind	JPMorgan	Market test did not lead to a sale, so company is reportedly weighing an IPO (PFR, 6/8).
U.S. Renewables Group	Bottle Rock power project	Geysers area,	55	Geothermal	Goldman Sachs	Preliminary bids due Dec. 17 (PFR, 12/3).
US Power Generating Co.	Various	Northeast	5 GW	Gas/Oil	N/A	Company being advised on reverse enquiries.
Waterbury Generation	Waterbury Generation	Waterbury, Conn.	96	Gas	N/A	Energy Capital Partners in negotiations to buy development rights (PFR, 8/29).
Wheelabrator Technologies	Shasta	Anderson, Calif.	49	Biomass	ABN Amro	Seller evaluating a sale. Review close to completion.

Project Finance Deal Book

Deal Book is a matrix of energy project finance deals that PFR is tracking in the energy sector. 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 Katy Burne, Managing Editor, at (212) 224-3165 or e-mail kburne@iineews.com.

Live Deals: North America

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
Abengoa	Solana (280 MW Solar)	Gila Bend, Ariz.	TBA	TBA	TBA	TBA	Selecting lenders.
Babcock & Brown Power, Pittsburgh Power	Trans Bay Cable (400 MW, two 200 kV cables)	San Francisco, Calif.	BayernLB	Construction Loan	\$299M	33-yr	Syndication of subordinate tranche launched.
Babcock & Brown Biomass Group	2009 Turbine Supply	Various	TBA	Turbine supply	TBA	TBA	Selecting lenders.
Borealis Infrastructure	South Point (200 MW Biomass)	South Point, Ohio	WestLB	Construction Loan	\$265-300M	TBA	Syndication expected.
	Bruce Power (4.6 GW)	Tiverton, Ontario	Scotia, Dexia	TBA	C\$750M (\$710M)	TBA	Leads considering relaunch in U.S.
			HoldCo Loan	\$100M	TBA		
Brick Power Holdings	Tiverton (265 MW Gas)	Tiverton, R.I.	Credit Suisse, Merrill Lynch	Recapitalization	TBA	TBA	Timeline unclear.
	Rumford (265 MW Gas)	Rumford, Maine			TBA	TBA	
Caletta Renewable Energy	Port Erie (90 MW Tires)	Erie, Pa.	TBA	TBA	TBA	TBA	Selecting lenders (PFR, 3/7).
Carlyle/Riverstone	Topaz (1.5 GW Gas)	Various, Texas	Morgan Stanley, Dexia, ING	TBA	\$900M	TBA	Lining up leads.
Competitive Power Ventures	Sentinel (800 MW Gas)	Desert Hot Springs, Calif.	TBA	TBA	TBA	TBA	Selecting lenders (PFR, 3/14).
EarthFirst Canada	Dokie I (144 MW Wind)	Peace River, British Columbia	WestLB	TBA	\$212M	17-yr	Syndication expected soon.
Econergy International	La Gloria (50 MW Wind)	Costa Rica	NordLB	Term Loan,	\$125M	TBA	Lead weighing strategy (PFR, 2/22).
Empresas ICA	La Yesca (750 MW Hydro)	Nayarit, Mexico	WestLB, Citibank/Banamex, HSBC, BBVA Bancomer, Santander, NordLB	Construction Loan Revolver	\$910M \$80M	4-yr, 9m	Syndication ongoing.
Energy Investors Fund	Hot Springs (48MW Geo)	Elko, Nev.	DZ Bank, Fortis Capital	TBA	\$120M	TBA	Timeline unclear.
ENMAX Energy	Calgary (1.2 GW Gas)	Calgary, Alberta	TBA	TBA	TBA	TBA	Timeline unclear.
Eurus Energy Americas	Bull Creek (180 MW Wind)	Borden County, Texas	TBA	TBA	TBA	TBA	Seeking tax equity investors.
EverPower Renewables	2009 Turbine Supply	Various	KeyBanc Capital Markets	Turbine supply	\$130M		Syndication ongoing.
Excelsior Energy	Mesaba Energy (603 MW IGCC)	Minn.	TBA	TBA	TBA	TBA	Barclays advising.
Falcon Gas Storage	MoBay (50Bcf Gas Storage)	Mobile County, Ala.	TBA	TBA	\$300-350M	TBA	Selecting lenders.
Gilead Power Corp.	Ostrander (20 MW Wind)	Prince Edward County, Ontario	TBA	TBA	TBA	TBA	Selecting lenders.
GNL Quintero	LNG Receiving/Regasification	Quintero Bay, Chile	Banesto, BBVA, Caylor, Fortis, ING, Intesa SanPaolo, Mizuho Santander, WestLB	TBA	\$1B	TBA	Leads mandated (PFR, 3/12).
Green Rock Energy	Green Rock (Gasification)	St. James Parish, La.	TBA	TBA	\$300-350M	TBA	Selecting lenders.
CarVal Investments et al.	Granite Ridge (720 MW Gas)	Londonderry, N.H.	Lehman Brothers, Merrill	TBA		TBA	Timeline TBA.
Hunton Energy	Lockwood (1.2 GW IGCC)	Fort Bend County, Texas	TBA				Construction to begin this quarter.
Invenergy	Forward Energy (99 MW Wind)	Wis.	Dexia Credit Local, NordLB		\$249M	17-yr	Commitments due 3/14 (PFR, 2/22).
	Grand Ridge (99 MW Wind)	Ottawa, Ill.	UniCredit HVB	TBA	TBA	TBA	Syndication expected end of this month.
	McAdoo (150MW Wind)	Dickens County, Texas	UniCredit HVB	TBA	TBA	TBA	Syndication expected end of this month.
J-Power USA	Orange Grove (95 MN Gas)	Orange Grove, Calif.	Royal Bank of Scotland	Construction Loan	\$70M	25-yr	Syndication ongoing.
				LC Facility	\$25M		
				Equity Bridge Loan	\$30M		
Kleen Energy Systems	Middletown (520 MW)	Middletown, Conn.	Goldman Sachs	TBA	TBA	TBA	Timeline unclear.
LVE Energy Partners	LVE Energy Center (16 MW backup power)	Las Vegas, Nev.	Sumitomo Mitsui Banking Corp.	Term Loan	\$145M		Syndication ongoing.
				Letter of Credit	\$20M		
				Letter of Credit	\$100M		
Mesa Power	Mesa Power (4 GW Wind)	Texas	TBA	Turbine Supply Loan	TBA	TBA	Timeline unclear (PFR, 2/22).
Nacogdoches Power	Nacogdoches (100 MW Biomass, 300 MW Gas)	Sacul, Texas	TBA	TBA	TBA	TBA	Looking for debt/equity for \$600M project.
NGS Energy Fund	Tres Palacios (36.4 bcf Gas Storage)	Matagorda County, Texas	ING Capital	Construction Loan	\$285M		Retail commitments due 2/26.
				Term Loan	\$100M		
				Revolver	\$50M		
Noble Environmental Power	Turbine Supply Loan	Various	HSH, KeyBanc	Turbine Supply Loan	\$460M	3-yr	Syndication ongoing.
	2008 Portfolio	Upstate New York	Citibank, BNP, RBS, HSH	TBA	\$757M	TBA	Leads mandated (PFR, 3/4).
	Great Plains (114 MW Wind)	Texas Panhandle	UBoC, Bayern, AIG	TBA	\$265M	TBA	Leads tipped early this month (PFR, 3/4).
NorthWestern Energy	Mill Creek (120-220 MW Gas)	Anaconda, Mont.	TBA	TBA	TBA	TBA	Will seek project financing for roughly 50% (PFR, 3/14).
	Transmission	Montana-Idaho	TBA	TBA	TBA	TBA	
NuCoastal	Lon C. Hill (530 MW Gas)	Corpus Christi, Texas	TBA	TBA	TBA	TBA	Seeking lenders.
PacificHydro	Chacayes (106 Hydro)	Cachapoa River, Chile	TBA	TBA	TBA	TBA	Lenders to be shortlisted in May.
Padoma Wind Power	Sherbino I (150 MW Wind)	Pecos County, Texas	Fortis	Construction/Term Loan	\$280M	15-yr	Syndication to wrap by month end (PFR, 3/24).
Perennial Power	Hermiston (474 MW Gas) and Bliss (339 MW Wind)	Hermiston, Ore.	TBA	TBA	\$130M	10-yr	Status unclear.
		Clinton and Bliss, N.Y.					
Pondera Capital Management	Unnamed (3.5 GW Gas)	Harris County, Texas	TBA	TBA	TBA	TBA	Will come to market in Q3 (PFR, 3/18).
Rollcast Energy	Greenway (50MW Biomass)	Heard County, Ga.	TBA	TBA	TBA	TBA	Selecting lenders.
Shear Wind	Various (300 MW Wind)	Alberta and Nova Scotia	TBA	TBA	TBA	TBA	Selecting lenders.
Siemens Building Tech.	Various (4-10 MW each)	Various	TBA	TBA	TBA	TBA	Selecting lenders.
StormFisher Biogas	Various (30 2-5 MW, Biogas)	Ontario	TBA	TBA	TBA	TBA	Recently landed private equity (PFR, 2/22).
Starwood Energy	Midway (120 MW Gas)	Fresno County, Calif.	TBA	TBA	\$100M	TBA	Selecting lenders.
Solar Utilities	Various (Solar)	Various	TBA	TBA	\$1.3B	TBA	Selecting lenders (PFR, 2/22).
SUEZ Energy International	Central Termoeletrica	Northern Chile	TBA	TBA	TBA	TBA	Looking for banks for \$500M.
Third Planet Windpower	Various (Wind)	Neb., Wyo., Texas	TBA	TBA	TBA	TBA	Will look for lenders in 2Q-3Q.
Transfield Services	Central Kelar (+340 MW Coal)	Antofagasta Region, Chile	WestLB, Calyon, HSBC	TBA	TBA	TBA	Syndication expected in April.
Unigas	Okfuskee Gas Storage (30 Bcf)	Okfuskee County, Oklahoma	TBA	TBA	\$150M	TBA	Barclays advising.
UPC Wind	Unidentified (200 MW Wind)	TBA	TBA	Turbine/Construction	\$177M	TBA	Selecting lenders (PFR, 3/14)..

News In Brief

News In Brief is a summary of publicly reported power news stories. The information has been obtained from sources believed to be reliable, but PFR does not guarantee its completeness or accuracy.

North America

- **TransAlta** is pleased that major investor **Luminus Management** has decided to drop both its attempt to put four of its nominees on its board and its push for a more aggressive capital structure (*Reuters*, 3/18).
- **Constellation Energy Partners**, a subsidiary of **Constellation Energy Group**, has appointed **Stephen Brunner** president and ceo, replacing **Felix Dawson**. Brunner formerly served as coo. The company also named **Charles Ward**, currently v.p. of **Constellation Energy Commodities Group** as cfo, replacing **Angela Minas**, who resigned from her role as cfo, chief accounting officer and treasurer (*Baltimore Business Journal*, 3/14).
- Georgia will need to produce more than 2 GW of additional electricity annually by 2016 to keep pace with growth (*Atlanta Journal Constitution*, 3/14).
- Biodiesel group **Renewable Energy Group** has filed with U.S. regulators to withdraw a planned initial public offering of its common stock, citing current market conditions (*Reuters*, 3/17).
- **Pacific Gas and Electric** has named **Barbara Barcon**, v.p. of finance and cfo, effective March 24 (*East Bay Business Times*, 3/17).
- **NiSource** has named **Jimmy Staton** executive v.p. and group ceo for its gas distribution segment, including local gas distribution companies in Kentucky, Maryland, New England, Ohio, Pennsylvania and Virginia (*Yahoo! Finance*, 3/17).
- **Bruce Power** has signed a deal to buy some assets of **Energy Alberta**, a company that wants to build a nuclear generating station in the Peace River area of Alberta (*Shoreline Beacon*, 3/18).
- **GE Energy Financial Services** said it will invest in **Invenergy's** McAdoo and Grand Ridge wind farms in Texas and Illinois, both expected to be 250 MW (*Cleantech.com*, 3/18).
- **Southern Nuclear Operating Co.** Chairman, CEO and President **Barnie Beasley** plans to retire Sept. 1 after 39 years with the company (*Atlanta Business Journal*, 3/19).
- Independent oil and gas company **Anadarko Petroleum** is looking to the second quarter for a public offering of some of its natural gas gathering assets if market conditions are favorable (*Reuters*, 3/19).

Europe

- Energy companies expressed concern about the prospect of a takeover of **British Energy**, fearing it could lead to one company having a monopoly over the best U.K. sites for new nuclear reactors (*Financial Times*, 3/17).

- **Fulvio Conti**, chief executive of **Enel**, vowed the Italian electricity concern will maintain its dividend and a single-A credit rating over the next five years and create a separate renewables division open to outside investors (*Financial Times*, 3/13).
- **Acciona Energia**, a Spanish renewable energy firm, is developing projects with a total capacity of 359 MW in four renewable technologies in the region of Extremadura in southwest Spain, with an investment of around EUR900 million (\$1.4 billion) (*Datamonitor*, 3/13).
- **UES**, Russia's former electricity monopoly, is putting regional generating companies **TGK-2**, **TGK-6** and **TGK-7** on the auction block to conclude more than \$2 billion in stake (*Reuters*, 3/14).
- **Royal Dutch Shell** is not planning to spin off or sell part of its renewable energy businesses as rival **BP** is considering, and instead wants closer integration of the units with its core hydrocarbon operations, says Shell CEO **Jeroen van der Veer** (*Reuters*, 3/17).

DEVELOPER PLOTS

(continued from page 1)

In addition to organic growth, GreenHunter is in talks to acquire several 25-50 MW wind and geothermal projects in the Western U.S. that are in mid-to late-stage development. "Some of these we could get into construction on in 2009," says Wiley. "We could end up with 10 MW, or we could end up with 200-300 MW."

GreenHunter hopes to break ground later this year on Kimmet Ridge, depending on development of **Tonbridge Power's** Montana Alberta Tie, a transmission line set to be in service next year. Also in the works is the 5-10 MW demonstration phase of its potentially 170 MW Valley County project in northeastern Montana, using **Mingyang Wind Power Technology** turbines.

"With these turbines, because they have not been commercially used in the U.S. yet, we have to demonstrate to our banks and financiers that they can be," says Wiley. Last November, the developer paid \$10 million for a 6.3% equity stake in the manufacturer and locked up delivery of up to 900 MW worth of turbines for the next four years. Also in development are six projects in West Texas totaling 300 MW, on which development could begin by the end of next year.

The timeline and financing for GreenHunter's wind projects will be dictated by its priority refurbishment of the 18.5 MW biomass Mesquite Lake Resource Recovery plant in El Centro, Calif., says Wiley. GreenHunter has a PPA in place with **Southern California**

Edison beginning in Oct. 2009 for that project and recently hired a new v.p. of engineering, **Don Dison**, to oversee it. Funding this, as well the refurbishment of a bio-diesel refinery in Houston, is a \$150 million credit line with **WestLB**.
—*Thomas Rains*

LS POWER

(continued from page 1)

contracts and power purchase agreements. After that it will begin detailed talks with lenders, according to one deal tracker. The plant is slated for commercial operation in 2012.

This round of financing will not mirror its other deals, however, because Longleaf will likely be fully contracted. Details of any possible counterparties could not be learned. Previously, LS had executed its financings on a merchant basis until it could lock up PPAs for 100% of the output of its projects. Dynegy and LS, which inked a joint development venture last April, have each sold minority equity stakes in their projects.

Credit Suisse is a likely candidate to score the financing mandate. It led a \$755 million financing for LS' Plum Point, a 665 MW pulverized coal plant near Osceola, Ark., (PFR, 2/24/06). And last year CS and **Bank of Scotland** led a \$1 billion financing for Sandy Creek, its 900 MW supercritical coal plant in Riesel, Texas, (PFR, 0/12).

Georgia's Environmental Protection Division approved construction of Longleaf in May last year and granted it air and water permits. But **The Sierra Club** and **Friends of Chattahoochee** challenged the permits, prompting an appeal process. "Ours is an appeal on an appeal but we are expecting the Superior Court to uphold the permit," says **David Byford**, Dynegy spokesman in Houston. A call to **Michael Vogt**, project manager at LS in St. Louis, was not returned.
—*K.B.*

US POWER

(continued from page 1)

Jay Worenklein, chairman and ceo, and **Pat Eilers**, managing director at private equity backer **Madison Dearborn Partners**, declined to comment.

In the near-term, US Power Gen's EBITDA is likely to be robust because the New York market will suffer from the retirement of state-owned 885 MW Poletti in Astoria, Queens in Feb. 2010 and because the \$105 per kW year payment cap on so-called pivotal suppliers was recently lifted by the **Federal Energy Regulatory Commission**. But some say that over the long term, competition from demand response players such as **EnerNOC**, already eating into cash flows in New England, could play a role in New York and disrupt revenues in zone J.

US Power Gen expects to file an S-1 registration for its IPO shortly. **Credit Suisse** and **Goldman Sachs** are left leads, supported by **Merrill Lynch** and **Morgan Stanley** on the right

(PFR, 7/6). The co-managers are **Citigroup**, **Deutsche Bank**, **JPMorgan** and **Lehman Brothers**. The company has 77,250,000 shares outstanding.
—*Katy Burne*

EX-ANP CFO

(continued from page 1)

negotiations with equity partners but he declined to identify them or talk about the amount of debt to be sought.

The low-emissions plant will be constructed initially in 800 MW phases, with groundbreaking on the first unit starting early next year and reaching completion in summer 2011. An application for the air permit was filed earlier this month with the Texas Commission on Environmental Quality. The plant would be built on land under a long-term option agreement and be connected to the King substation in Harris County. Murray declined to talk about whether the unit would be contracted or merchant.

Lead developer on the project is **Hugh Jackson**, who at ANP was involved in developing a 1,650 MW plant in Midlothian, south of Dallas, as well as a 1,100 MW plant in Hays County. Murray most recently served as senior v.p. at **TXU Energy Trading**, before forming **Pondera**, which means 'balance' in Latin.
—*K.B.*

Quote Of The Week

"We will probably start talking to senior lenders in the third quarter."—**Jim Murray**, founder of Austin-based **Pondera Capital Management** on seeking financing for a 3.5 GW gas-fired combined-cycle plant in Harris County, Texas (see story, page 1).

One Year Ago In Power Finance & Risk

Capstone Advisory Group, caretaker of a 3.6 GW merchant generation fleet known as MACH Gen, was seeking cheaper financing terms on an \$850 million second-lien loan tied to the projects, priced at 750 basis points. [**Credit Suisse** was appointed to lead the refinancing and is now auctioning the portfolio, operated by **North American Energy Services** and managed by **Competitive Power Ventures** (PFR, 5/11)].

For More Benefits Visit Our Web Site

As a **Power Finance & Risk** subscriber, you're entitled to access the **Power Finance & Risk** Web site – absolutely free. Go to **www.iipower.com** to discover the added value to your subscription, including:

- Access the Issue on Friday
- A Virtual Library of Past Issues
- Mid-week Breaking News Stories
- Web Links
- Daily Email Alert Service
- Global Access

To access the Subscribers Only area of the site, you'll need a User ID and Password. To obtain these, please contact us at customerservice@iinews.com or at 1-800-715-9195 between 8 a.m. and 6 p.m. EDT.