

# Power Finance & Risk

The weekly issue from **Power Intelligence**

[www.powerintelligence.com](http://www.powerintelligence.com)

## Tyr, EmberClear Partner On Pa. CCGT Pair

**Tyr Energy** has formed a joint venture with Calgary-based **EmberClear Corp.** on two 330 MW combined cycle gas-fired projects in Pennsylvania that have a combined development price tag of about \$800 million.

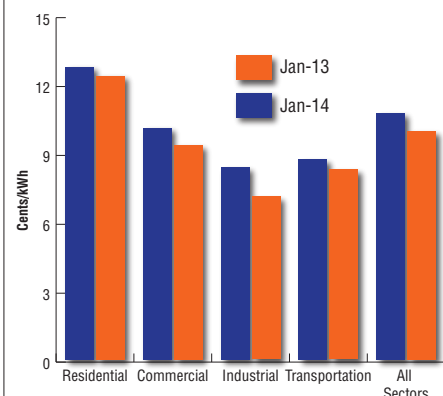
Tyr, a subsidiary of **ITOCHU Corp.** in Overland Park, Kan., has bought a 50% stake in each of the 330 MW Good Spring 1 and 330 MW Good Spring 2 projects in Schuylkill County, Pa. Tyr will have the option to buy the remainder of each project upon the start of construction, according to an EmberClear statement.

EmberClear has been hunting for an equity investor for the projects for over a year (PI, 12/18/12). Boston-based **CCA Capital** is its advisor.

The investment in the pair is a departure from Tyr's traditional strategy of investing in contracted, operating assets. The company has made previous investments in biomass projects being developed by **Jim Gordon's American Renewables** and in **Caithness Energy's** 845

*(continued on page 8)*

**Pennsylvania Average Retail Electricity Price By Sector**



Source: U.S. Energy Information Administration

## Entegra Readies Ark. CCGT Unit Sale

**Entegra Power Group** is gearing up to sell a portion of its 2.2 GW Union Station combined cycle facility in El Dorado, Ark., according to investors.

Entegra arranged a tolling agreement in December with **Entergy Arkansas** to make the 550 MW block that is to be sold more attractive to buyers. The tolling agreement will be in place until May 2017 (PI, 1/17). However, the short-term duration of the agreement is expected to be a factor for potential buyers in deciding whether to bid, says an observer who is comfortable with investing in the region but would prefer a contract longer than three years.

**Bank of America Merrill Lynch**, which has been arranging a refinancing, is expected to run the sale, say two investors who are interested in the facility. Teasers had initially been expected earlier

*(continued on page 8)*

## Abengoa Fires Up Road Show For Transmission Refi

**Abengoa** has mandated **BNP Paribas** and **HSBC** to lead a \$412 million 144A senior secured note offering that will refinance subsidiary **Abengoa Transmisión Sur's** Chilca Nueva-Marcona Nueva-Ocoña-Montalvo 2 transmission project in Peru. The road show for the deal began last week in New York.

"It is a good moment for Peru in general and that is one of the drivers of the deal coming to market now," says a deal watcher, citing the recently upgraded sovereign rating of the country to BBB+ by **Fitch Ratings** and **Standard & Poor's**. "It has really allowed the country to attract dollar financing. Investors are becoming more comfortable with offtaker risk, stability in the power generating market and there are a lot of strong players there."

The notes, which mature in 2043, will be used to repay a senior secured term loan, repay related party subordinated debt, fund

*(continued on page 8)*

## Breaking News: MetLife Tax Equity Head Departs

**Jeetu Balchandani**, director and head of lease, tax, infrastructure and tax credit investments at MetLife Investments, has left the firm.

*See story, page 2*

## New Project Finance Loans

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

*See Deal Book, page 4*

## Generation Sale ■ DATABASE

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

*See calendar, page 3*

## IN THIS ISSUE

## MERGERS &amp; ACQUISITIONS

- 5 | Corona Marks Targets Sunbury Repowering
- 5 | Rockland To Buy ArcLight Texas Cogen Stake
- 5 | Acciona Takes Renewable Bids

7 | Wells Fargo Takes Solar Tax Equity

7 | Enel Inks Santander Funds

## PEOPLE &amp; FIRMS

7 | Ares Tags Beal Bankers For Power Growth

## PROJECT FINANCE

- 6 | Natixis, Rabo Join Cape Wind Debt Hunt
- 6 | Pattern Wraps Ontario Wind Deal
- 6 | Calif. Co. Seals Solar Debt

## DEPARTMENTS

3 | Generation Auction &amp; Sale Calendar

4 | Project Finance Deal Book

8 | Power Tweets

## BREAKING NEWS

## MetLife Tax Equity Head Exits

**Jeetu Balchandani**, director and head of lease, tax, infrastructure equity and tax credit investments at **MetLife Investments**, has left the company.

Balchandani spent just over eight years at the institutional investor working on a swathe of tax equity deals. Balchandani did not respond to calls by press time and his plans could not be learned.

Prior to joining MetLife in 2006, Balchandani held posts as a private asset manager, a v.p. at **Credit Suisse First Boston** and an associate at **Kendall Capital Partners**.

MetLife most recently made a tax equity investment in **Enbridge's** 110 MW Keechi wind farm in Jack County, Texas (PI, 1/7). Staff at MetLife's Morristown, N.J. office will assume Balchandani's duties, according to a spokesman.

## THE BUZZ



**F**inancial players with a taste for contracted renewable assets have two meaty deals to explore.

**Acciona** and **Terra-Gen Power** are on similarly timed auction cycles for portfolios that both boast a bulk of wind. Acciona received initial offers for a 49% stake in a portfolio earlier this month (see story, page 1). The potential sellers took first round bids around the same time although

observers of both processes say that Terra-Gen had more initial interest (PI, 3/19). The diverse mix of Acciona assets spread across the globe could be daunting for many buyers, especially when considering how open the company is to carving up its fleet.

**Corona Power** is on track to bring the second large coal- to gas-fired repowering to the debt markets. The privately held company has set an April deadline for prospective investors to submit initial offers for a stake in the Sunbury project (see story, page 5). The project plans to source natural gas locally from Marcellus Shale and send its generation toward the power-constrained NYISO market. **FootPrint Power's** repowering of the Salem Harbor coal-fired facility is the first large project to hit the market. The company expects to have a term sheet this spring (PI, 1/24).

## Power Intelligence

## EDITORIAL

**Peter Thompson**  
Executive Editor (Chicago)  
(773) 439-1090

**Sara Rosner**  
Managing Editor  
(212) 224-3165

**Nicholas Stone**  
Senior Reporter  
(212) 224-3260

**Holly Fletcher**  
Senior Reporter  
(212) 224-3293

**Stuart Wise**  
Data Associate

**Andrea Innis**  
Data Associate

**Kieron Black**  
Sketch Artist

## PRODUCTION

**Gerald Hayes**  
Manager

**Darius Hessami**  
Deputy

**Andy Bunyan**  
Associate

## ADVERTISING

**James Barfield**  
U.S. Publisher,  
Capital Markets Group  
(212) 224-3445

## PUBLISHING

**Emmanuelle Rathouis**  
Marketing Director

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

**Nina Bonny**  
Customer Service Manager  
(212) 224-3433

SUBSCRIPTIONS/  
ELECTRONIC LICENSES

One Year \$3,147 (In Canada add \$30 postage, others outside U.S. add \$75)

**Ken Lerner**  
Account Executive  
(212) 224-3043

## REPRINTS

**Dewey Palmieri**  
Reprint & Permission  
Manager (New York)  
(212) 224-3675  
dpalmieri@institutionalinvestor.com

## CORPORATE

**Richard Ensor**  
Chairman

**John Orchard**  
Managing Director,  
Capital Markets Group

## 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 ©2014

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**

## GENERATION AUCTION &amp; SALE CALENDAR

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

Seller	Assets	Location	Advisor	Status/Comment
AES Corp.	Stakes (DPL Energy Coal, Gas, Oil)	Various	Barclays	Indicative bids due early March; likely to overlap with Duke (PI, 2/24).
▶ Acciona	Portfolio (Wind, Solar)	Various	Lazard	First rounds bids submitted (see story, page 5).
Apex Clean Energy	Balko (300 MW Wind)	Oklahoma	Macquarie Capital	Apex is running independent sales of assets in Oklahoma (PI, 12/16).
	Various (600 MW Wind)	Oklahoma	Morgan Stanley	
▶ ArcLight Capital Partners	Juniper Generation (Cogen portfolio)	Various, California	McManus & Miles	Sale relaunched after several PPAs were extended (PI, 3/17).
	Peakers (2 GW Gas)	Various, Georgia	TBA	Carved peakers out of Southeast PowerGen to sell (PI, 3/24).
	Stake (106.5 MW Cogen)	Orange Texas	None	Rockland is buying its stake (see story, page 5).
BP Wind Energy	Various (3.7 GW Wind project portfolio)	Various	TBA	NextEra is looking at the development assets (PI, 1/20).
▶ Corona Power	Stake (Sunbury, 900 MW Repowering)	Shamokin Dam, Pa.	Perella Weinberg	First round offers due April 14 (see story, page 5).
Duke Energy	Portfolio (6.6 GW Coal, Gas, Oil)	Various	Citi, Morgan Stanley	Restarting the sale of Commercial Power (PI, 2/24).
Edison Mission Energy	Big Sky (240 MW Wind)	Illinois	JPMorgan	EverPower is buying the merchant farm from lender Suzlon (PI, 2/17).
▶ EmberClear	Portfolio (660 MW CCGT developments)	Good Spring, Pa.	CCA Capital	Tyr has partnered on the development assets (see story, page 1).
Entegra Power Group	Various	Arizona and Arkansas	Houlihan Lokey	Retained Houlihan to advise on restructuring (PI, 1/13).
Essar Group	Algoma (85 MW CCGT)	Algoma, Ontario	Barclays	Teasers are on the market (PI, 1/13).
FGE Power	FGE Texas (726 MW CCGT)	Westbrook, Texas	Fieldstone	Fieldstone is advising on equity hunt in tandem to debt raise with Goldman.
Finavera Wind Energy	Portfolio (368 MW Wind)	B.C.	CapWest	Pattern is buying the Meikle and Tumbler Ridge projects with option to buy another pair (PI, 3/24).
First Solar	Macho Springs (50 MW Solar)	Luna County, N.M.		Southern Turner Renewable Energy is buying the project (PI, 3/17).
Greenwood Energy, Soltage	Portfolio (12 MW Solar)	Various	Ambata Securities	John Hancock is financing construction with an equity stake (PI, 1/27).
JPMorgan	Jackson (540 MW Gas)	Jackson, Mich.	JPMorgan	Consumers Energy is buying it (PI, 2/17).
K Road Power	McHenry (25 MW Solar)	Modesto, Calif.	TBA	Firm backed by BlueMountain, Global Cleantech is buying it (PI, 3/10).
LS Power	Columbia (20 MW Solar)	Pittsburg, Calif.	Marathon Capital	Process is in the second round of due diligence (PI, 7/1).
	Stake (417 MW Hydro)	Pennsylvania	None	Brookfield is buying 33% for \$289M (PI, 2/17).
	Cherokee (98 MW CCGT)	Gaffney, S.C.	Suntrust Humphrey Robinson	Teasers are on the street (PI, 11/18).
Longview Power	Longview (695 MW Supercritical Coal)	Maidsville, W.Va.	Lazard	Filed for bankruptcy (PI, 9/3).
MACH Gen	Stakes	Various	Moelis	Filed for bankruptcy; ECP gets stake via swap (PI, 3/10).
NextEra Energy Resources	Pheasant Run II (75 MW Wind)	Huron County, Mich.	None	DTE Electric is considering buying the farm via a PPA option (PI, 3/3).
Norvento USA	Bloom (180 MW Wind)	Dodge City, Kan.	TBA	Capital Power bought the project (PI, 3/24).
Ontario Teachers Pension Plan Board	Stake (Northern Star Generation)	Various	Citigroup	Buyers moved into the second round (PI, 3/17).
Optim Energy	Portfolio (1.4 GW Coal, Gas)	Texas	Barclays	Mulling a sale via bankruptcy filing (PI, 3/10).
Project Resources Corp.	Rock Aetna (21 MW Wind)	Minnesota	Alyra Renewable Energy Finance	Looking for a buyer with access to turbines to qualify for PTC (PI, 1/13).
Terra-Gen Power	Alta (947 MW Wind)	California	Citigroup, Morgan Stanley	Management presentations are set to begin week of 3/24 (PI, 3/24).
TransAlta	Wailuku (10 MW Hydro)	Hawaii	TBA	MidAmerican Energy Holdings is buying TransAlta's stakes for \$193M (PI, 3/3).
	Fleet (327 MW Geothermal)	California		
	Fleet (867 MW Gas)	Various		
Wayzata Investment Partners	Guadalupe (1 GW CCGT)	Marion, Texas	Tudor, Pickering & Holt	Calpine launched B loan add-on to finance (PI, 2/24).
We Energies	Presque Isle (425 MW Coal)	Marquette, Wis.	None	No buyers submitted proposals in RFP (PI, 3/10).

## ▶ New or updated listing

The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report updates or provide additional information on the status of financings, please call Senior Reporter **Holly Fletcher** at (212) 224-3293 or e-mail [hffletcher@iintelligence.com](mailto:hffletcher@iintelligence.com).

## PROJECT FINANCE DEAL BOOK

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

## Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
BluEarth Renewables	Renewable Projects	Canada	TBA	TBA	~C\$300	TBA	Sponsor looking for debt backing wind, hydro and solar projects in Canada (PI, 2/17).
Cameron LNG	LNG Export Facility	Hackberry, La.	TBA	TBA	~\$4B	TBA	Sponsor is shooting for pricing of L+175 bps (PI, 3/10).
▶ Cape Wind Associates	Cape Wind (420 MW Wind)	Nantucket Sound, Mass.	BTMU, Natixis, Rabo	TBA	TBA	TBA	Sponsor adds Natixis and Rabo as leads with BTMU (see story, page 7).
Cheniere Energy	Sabine Pass Trains 3 & 4 (LNG Export Facility)	Sabine Pass, La.	TBA	TBA	\$4.4B	TBA	Sponsor ups the original bank loan to \$4.4 billion and taps Korean entities for a further \$1.5 billion (PI, 6/3).
Competitive Power Ventures	St. Charles	Charles County, Md.	TBA	TBA	~\$600M	TBA	Sponsor approaches banks again looking for debt financing (PI, 2/17).
Dalkia/Fengate	Merrit (40 MW Biomass)	Merrit, B.C.	BTMU	TBA	\$168M	TBA	Sponsor aims to wrap the financing early next year (PI, 12/2).
Duke Energy	Los Vientos III & IV (Wind)	Starr County, Texas	TBA	TBA	~\$600M	TBA	The sponsor is slated to look for bank debt (PI, 10/7).
EDP Renewables North America	Headwaters (200 MW Wind)	Randolph County, Ind	TBA	Tax Equity	\$350-400	TBA	The sponsor is looking to secure both equity and tax equity investment (PI, 6/24).
▶ Enel Green Power	Various (Wind)	Mexico	Banco Santander	TBA	\$220M	TBA	Sponsor lands funds to expand wind operations in Mexico (see story, page 7).
FGE Power	FGE Texas (726 MW Gas)	Westbrook, Texas	Goldman Sachs	TBA	TBA	TBA	The sponsor is close to lining up equity and will tap Goldman Sachs to launch a B loan (PI, 1/27).
First Wind	Oakfield (147 MW Wind)	Aroostook County, Maine	TBA	TBA	\$300M	TBA	The sponsor is shooting for pricing of L+225 bps (PI, 3/24).
Freeport LNG	Freeport (LNG Export Terminal)	Freeport, Texas	Credit Suisse, Macquarie	TBA	~\$4B	TBA	More than 20 lenders are eyeing the deal, with some offering tickets of \$600M (PI, 2/10).
GDF Suez/Marubeni	GNL del Plata (LNG Re-gas)	Montevideo, Uruguay	BBVA	TBA	TBA	TBA	GDF brings in Marubeni and taps BBVA to lead the financing (PI, 8/12).
Innergex	Three projects (153 MW Hydro)	B.C., Canada	TBA	TBA	\$590M	40-yr	Innergex wrapped on one of its hydro facilities, the 17.5 MW Northwest State River (PI, 6/3).
Invenergy	Nelson (584 MW Gas)	Rock Falls, Ill.	GE EFS	TBA	TBA	TBA	Sponsor is looking for a bank loan backing the merchant facility (PI, 9/2).
KSPC, Samsung	Kelar (517 MW Gas)	Chile	Natixis	TBA	TBA	TBA	The JV appoints Natixis as lead on the deal (PI, 1/13).
Lake Charles Exports	Lake Charles (LNG Export Facility)	Lake Charles, La.	TBA	TBA	TBA	TBA	Sponsor begins preliminary financing search for the potentially \$11B project (PI, 8/26).
Magnolia LNG	Magnolia LNG (LNG Export Facility)	Lake Charles, La.	BNP, Macquarie	TBA	\$1.54B	TBA	Sponsor expected to mandate leads by year end (PI, 12/9).
NTE Energy	Multiple (Gas-fired)	U.S.	Whitehall	TBA	TBA	TBA	Sponsor is looking to line up equity investors and then debt backing three projects in the U.S. (PI, 3/10).
▶ Pattern Energy	Panhandle II (TBA Wind)	Carson County, Texas	Credit Ag, NordLB, BayernLB	Construction	~\$500M	C	The deal will likely be a "copy, paste" of the Panhandle I deal, say observers (PI, 11/18).
	K2 (270 MW Wind)	Huron County, Ontario	TBA	Mini-perm	\$750M	TBA	Deal closes with pricing at L+175 bps (see story, page 6).
Radback Energy	Oakley (586 MW Gas)	Contra Costa County, Calif.	BTMU	Term	\$990M	4-yr	Deal is temporarily put on hold following an appellate court decision (PI, 11/11).
	Energía Sierra Juárez (156 MW Wind)	Baja California, Mexico	BTMU	TBA	~\$250M	TBA	A club of banks and agencies are near close on the deal (PI, 3/24).
SolarReserve	Rice (150 MW Solar Thermal)	Blythe, Calif.	Morgan Stanley	TBA	\$450M	TBA	Sponsor taps Morgan Stanley to secure debt, tax equity and equity (PI, 8/26).
Tenaska	Imperial Solar Energy Center West (150 MW CPV)	Imperial County, Calif.	TBA	TBA	TBA	TBA	The company has started talking to banks as it looks to line up debt for the facility (PI, 9/23).
Transmission Developers	Champlain Hudson Transmission Line	New York State	RBC	TBA	~\$1.6B	TBA	Sponsor is aiming to line up the debt by year-end (PI, 3/3).

## ▶ New or updated listing

The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report updates or provide additional information on the status of financings, please call Senior Reporter **Nicholas Stone** at (212) 224-3260 or e-mail [nicholas.stone@powerintelligence.com](mailto:nicholas.stone@powerintelligence.com).

## MERGERS & ACQUISITIONS

### Corona Sets Timeline For Sunbury Repowering Bids

**Corona Power** is out to take first round bids from potential investors in a 900 MW gas-fired repowering of its Sunbury Generation coal-fired facility in Shamokin Dam, Pa. Corona would like to remain in the project and is open to putting up an additional \$100 million in equity alongside incoming investors.

The company and advisor **Perella Weinberg Partners** have set an April 14 deadline for initial bids to formalize a process that will resemble a two-step auction. According to process letters sent out March 19 to interested parties, the initial offer letters will be used to whittle down the potential investors.

Interested entities include financial sponsors with power expertise and strategics with ownership appetite ranging from partial ownership to an outright acquisition, says an observer. The company is backed by a consortium led by Armagh, Pa.-based **Robindale Energy** and has been talking to interested parties since the summer when it first floated the idea to investors.

The project could be in the neighborhood of \$630 million at a cost of \$700 per kW, given it has a 25-35% discount off greenfield projects, which run roughly \$1,000 per kW in the same area (PI, 6/19). Sunbury is currently 432 MW coal-fired facility.

Perella managing director **Kevin Cofsky** and **Nick Bazos**, director, are advising Corona.

The shop has talked with over a dozen banks looking to land the lead arranger spot, although none have been signed to-date, says an observer, noting that the end financing structure will be dependent upon the investor that gets brought on board. The repowered facility is expected to have a heat rate call option in place—most likely for five years—and no offtake agreement. A likely financing structure would be a hybrid, comprised of both a term loan A and term loan B.

Financing strategies will be largely determined by the final ownership roster although the shop has talked with over a dozen banks in the last year that are interested in being in the lead arranger spot.

The repowering, thought by most to be the next large project after **FootPrint Power's** Salem coal-to-gas conversion, is attractive because of its proximity to a gas pipeline and Marcellus shale and transmission lines that can access the power constrained NYISO market.

The repowered 900 MW gas-fired project is expected to be operational in 2016-2017 and cleared the recent PJM capacity pricing auction for that time period around \$119 per MW-day, says an observer. Lenders will be looking at several variables, including heat rate, in considering whether a repowering will compete with greenfields. Sunbury is on track to have a 7000 heat rate.

Officials for Perella and Corona either declined to comment or were not immediately able to comment.

### Rockland To Take ArcLight Texas Cogen Stake

**ArcLight Capital Partners** has agreed to sale its stake in the Sabine Cogeneration facility in Texas to **Rockland Capital**.

ArcLight owns 50% of the 106.5 MW cogeneration facility in Orange, Texas, alongside **NRG Energy**. Rockland is set to take over ArcLight's stake that is held through its third fund, according to a filing with the U.S. **Federal Energy Regulatory Commission**.

The facility sells energy, capacity and steam to an adjacent chemical plant owned by Cologne, Germany-based **Lanxess Corp.** It also has offtake agreements with **Entergy Gulf States** and **Tenaska Power Services**, according to the filing.

NRG acquired the stake via its purchase of **GenOn Energy**.

Neither the purchase price or financing details could be immediately learned. An ArcLight spokeswoman declined to comment while a Rockland official in The Woodlands, Texas, did not immediately respond to an inquiry.

### Initial Acciona Renewable Bids Trickle In

Acciona has taken initial bids from investors looking to buy into its 2.5 GW global wind and solar portfolio.

Bids began trickling in the second week of March, say deal watchers. As of late last week prospective buyers had not been notified as to whether they were in the second round, noted one potential buy-side advisor that has talked with a few bidders. **Lazard** is running the sale.

The portfolio is comprised of wind and solar assets in the U.S., Canada, Latin America, Europe, India, South Africa and Australia. The global scale of the portfolio has limited the pool of buyers involved with the auction, say observers, explaining that only a few funds have the desire to take on a broad range of assets.

Acciona, the construction and engineering firm out of Madrid, is open to carving up the portfolio if investors come in with strong offers (PI, 2/28). The company would like to bring in partners at the project level in strategic countries. It's likely to consider complete offers for subsets of assets if buyers come in with strong proposals, says a banker and investor.

The bulk of the assets are 2,397 MW of wind with 64 MW of concentrating solar and 46 MW of photovoltaic. Wind farms in the U.S. total about 623 MW. There are also some development assets.

The sale is part of a plan to divest assets totaling EUR500 million-1 billion (\$686 million - \$1.37 billion) over the 2013 and 2014 calendars.

A Lazard spokeswoman declined to comment.

#### FAST FACT

► The bulk of the assets are 2,397 MW of wind with 64 MW of concentrating solar and 46 MW of photovoltaic



## PROJECT FINANCE

## Cape Wind Adds Rabo, Natixis For Debt Search

Cape Wind and the **Bank of Tokyo Mitsubishi-UFJ** have added **Natixis** and **Rabobank** as lead arrangers on the structuring and syndication of the approximately \$1.5 billion in commercial bank debt backing the 468 MW off-shore wind project near Cape Cod, Mass. **Barclays** remains Cape Wind's financial advisor (PI, 6/24/2011).

**Olivier Delay**, managing director and head of aviation, export and infrastructure, Americas for **Natixis** and **Thomas Emmons**, managing director and head of project finance for Rabobank in the Americas, are leading their respective banks' efforts on the deal backing the \$2.5 billion project (PI, 7/10).

The lead arrangers are expected to make significant commitments, which, together with a \$600 million loan from the Danish export credit agency **EKF**, will add up to more than \$1 billion (PI, 2/27). **PensionDanmark** is also committing \$200 million in mezzanine level debt and **Siemens** is contributing \$100 million in equity. The leads' commitments are also contingent on lining up the rest of the debt financing, according to a company spokesman in North Falmouth, Mass. The precise amount of debt sought and how the company plans to fund remaining project costs could not be learned by press time.

The sluggish deal flow in the market should facilitate banks committing to the deal, note observers, as the impetus to put money to work should help assuage any lender concern about this being the first offshore wind project in the U.S. Lenders are also aware of the experience the lead banks have in lending to offshore projects in Europe, which will again provide comfort, says another deal watcher.

The company expects to complete project financing in the third quarter. Project construction will begin shortly thereafter, continue through 2015, and commissioning will be in late summer 2016.

Cape Wind is the first U.S. offshore wind project to be fully permitted, and to receive a commercial lease and approval for its construction and operations plan by the U.S. **Department of Interior**. **NStar** has a 15-year power purchase agreement for 27.5% of the generation from Cape Wind, while **National Grid** has a 15-year PPA for 50% use of the generation.

Bank officials declined to comment or did not respond to inquiries by press time. **Jim Gordon**, founder of Cape Wind's Boston-based sponsor **Energy Management Inc.**, was not immediately available.

### 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 **Sara Rosner**, managing editor, at (212) 224-3165 or [srosner@iintelligence.com](mailto:srosner@iintelligence.com).

## Pattern Seals On Ontario Wind

**Pattern Energy** has closed the C\$850 million (\$757.78 million) non-recourse mini-perm backing the 270 MW K2 wind project in Ashfield-Colborne-Wawanosh, Ontario.

**Mizuho** is the agent on the seven-year deal. **Union Bank**, **Bank of Tokyo Mitsubishi-UFJ**, **Crédit Agricole**, **CIBC**, **Société Générale**, **NordLB**, **The Royal Bank of Scotland**, **Siemens Financial Services**, **Manulife**, **Sumitomo Mitsui Banking Corp.**, **BayernLB**, **Bank of Montreal**, **National Bank of Canada** and **KeyBank Capital Markets** are participating. Bank officials either declined comment or did not respond to inquiries.

The sponsor group, which includes **Capital Power** and **Samsung Renewable Energy**, was able to lock in pricing on the loan of LIBOR plus 175 basis points (PI, 1/9). The plain vanilla nature of the deal and lack of deal flow in the market were key factors in keeping pricing down, according to a deal watcher.

The project has a 20-year power purchase agreement with the **Ontario Power Authority**. Commercial operation is slated for the second half of 2015. The project survived Samsung's reduction of activities and spending in Ontario that it announced earlier last year (PI, 6/24). The construction of the project commenced last week.

Pattern officials declined further comment on the deal, which has been in the market since late last year (PI, 12/4).

## Calif. Shop Closes Mass. Solar Debt

Sunnyvale, Calif.-based **Clean Focus Corp.** has closed an \$88 million debt package backing nine solar projects in Massachusetts. **Seminole Financial Services** was the sole lender for the \$59 million construction and \$29 million term financings.

"They are good developers, it is a good deal, it just makes sense," says **Chris Diaz**, senior v.p. at Seminole. "From our perspective we like working with people that stand behind what they do and they are good to deal with." The construction loan has a 12-month tenor, while the mini-perm has a six-year tenor and 15-year amortization, which is Seminole's typical structure, says Diaz.

The facilities are located throughout Cape Cod and Martha's Vineyard and range in size from 587 kW to 5.91 MW, for a combined capacity of 22 MW. **American Capital Energy** is providing the EPC work. The projects have power purchase agreements of an undisclosed length with **Cape and Vineyard Electric Cooperative** or with the Town of Dennis, and each town will realize power savings by purchasing the net metering credits issued by utility **NSTAR**.

Seminole typically plays in this type of small-scale deal, notes Diaz (PI, 4/1). Transactions are generally between \$2 million and \$30 million in value. Based in Belleair Bluffs, Fla., it recently also launched a tax equity sourcing platform with Littleton, Colo.-based **Round Rock Partners** called **Seminole Equity Partners** (PI, 8/14).

Clean Focus specializes in financing and leasing solar installations

(continued on page 7)

## PROJECT FINANCE

(continued from page 6)

in the commercial, government, and utility sectors. Its management team includes former **Stoel Rives** and **OnVantage** alumnae. This is the fourth deal the two companies have completed together.

Calls placed to Clean Focus officials were not returned.

## SunEdison Nabs Wells Fargo Tax Equity For Solar

**SunEdison** has secured a tax equity investment from Wells Fargo following the completion of the 24 MW Cascade solar facility in north Joshua Tree, Calif.

The investment is part of a \$100 million agreement between Wells Fargo and SunEdison to provide tax equity financing in 2013 and 2014 to projects in 13 states and Puerto Rico. The final size and pricing of this particular deal were not disclosed. Wells Fargo has now invested more than \$1.3 billion of tax equity in more than 300 solar projects since 2007.

Private equity firms **Energy Capital Partners**, **North Sky Capital** and **Energy Capital Management** recently provided \$67.3 million in debt and equity backing SunEdison's developments in California (PI, 9/5).

Cascade has a 20-year power purchase agreement with **San Diego Gas & Electric**. The PPA was awarded under the California Renewable Auction Mechanism. To date, this is the largest solar project to come online under the RAM program and the first RAM project constructed for SDG&E.

SunEdison officials in Belmont, Calif., and Wells Fargo officials were not immediately available for comment.

## Enel Lands Santander Funds With ECA Coverage

**Enel Green Power** has inked a EUR153 million (\$210.88 million) agreement with **Banco Santander** to help grow the sponsor's wind operations in Mexico. The loan will be covered by Spanish export credit agency **Compañía Española de Seguros de Crédito a la Exportación**.

Pricing on the 12-year term loan could not be learned by press time, but it "bears an interest rate in line with the market benchmark and is secured by a parent company guarantee issued by Enel Green Power," according to a company statement. CESCE supports Spanish component manufacturers, which are constructing the projects.

Enel Green Power funds project development through cash flow generation. The company uses external capital when it "is long-term and competitively-priced as well as coming from reliable partners," continues the statement. Enel also signed a \$100 million loan agreement with the **BBVA Bancomer Group**, the Mexican subsidiary of Spanish bank **BBVA**, backing its build out in the country last

November.

"I am expecting a lot in the next 12 to 24 months in Mexico," the head of Latin American project finance at one bank says of deal flow from the country. "As the energy reforms play out, there will be even more opportunities," he adds.

In Mexico, Enel Green Power owns and manages 144 MW of wind generation and is constructing two additional wind farms, the 102 MW Sureste and the 100 MW Dominica in Oaxaca and San Luis Potosi states, respectively. Sureste is slated to cost \$160 million, while Dominica will cost \$196 million. Both projects are set for commercial operation later this year and have 20-year power purchase agreements with the **Comisión Federal de Electricidad**, Mexico's state-backed utility.

Enel officials in Rome declined comment on the deal, citing a quiet period prior until an April 3 investor meeting. Bank officials did not respond to inquiries by press time.

## PEOPLE &amp; FIRMS

## Ares Taps Beal Bankers For PF, Power Growth

**Ares Capital** has added **Owen D. Hill** and **Jonathan M. Shepko**, formerly managing directors at a **Beal Bank** affiliate, as managing directors in the company's Dallas office. The move is designed to expand Ares' focus on project finance and power generating assets, according to a company spokesman in New York. The pair started working earlier this month.

Hill and Shepko have more than 20 years of combined oil and gas lending experience and most recently co-founded and led **CLG Energy Finance**, a division of Beal Bank, which worked on debt financings in the energy industry. From 2009 through 2013, the team originated more than \$1 billion of investments in the oil and gas industry, primarily in the form of senior secured term loans.

"Our expanded focus on lending to the oil and gas industry is a direct result of the growing market for domestic energy solutions and the changing appetite and risk tolerance of traditional banks for providing debt financing in the industry," according to a statement from Ares Capital. The pair will report to the Ares investment committee and management team.

Ares Capital has participated in the financings of **Moxie Energy** and **Panda Power Funds'** Liberty and Patriot projects last year (PI, 8/26 & 12/18). It is a subsidiary of **Ares Management**, which had approximately \$74 billion of assets under management as of December 31, 2013.

A Beal Bank official in Dallas told *PI* that prospective borrowers in the upstream oil and gas sector should now contact **Jacob Cherner**, executive director. The pair left Beal this month and whether it has plans to replace them could not be learned by press time.

## EmberClear Partner *(Continued from page 1)*

MW Shepherds Flat wind project in Oregon although in those scenarios Tyr had a more passive equity owner role. "It's the most hands on development project for Tyr," an observer says, explaining that the lack of contracted generation assets on the market led it to look for other opportunities.

EmberClear is currently in the process of negotiating both a power purchase agreement and a long-term gas supply contract for Good Spring 1, according to the company's financial filing with the **Canada Securities Administrator** earlier this month. Both contracts are expected to be finalized by the end of the second quarter. Good Spring 1 could go into construction as early as this summer.

– Holly Fletcher

## Entegra Readies *(Continued from page 1)*

this quarter, but the launch was pushed back.

Proceeds of any sale will be used to pay down debt as the company works on a broader restructuring. **Entegra Holdings** has \$1.33 billion in debt. CEO **Michael Schuyler** told PFR in January that the company would "explore all the options as we've done in the past" including tolling agreements and sales. The company is in the process of selling one block of the 2.2 GW Gila River CCGT in Gila Bend, Ariz., to **Tucson Electric Power**. **Wayzata Investment Partners** already owns half of Gila River.

Entegra, based in Tampa, Fla., has been working with BoA to refinance its \$450 million second lien term loan B that matures in April. It's also working with **Houlihan Lokey** and law firm **O'Melveny &**

**Myers** on talks with third lien creditors who retained **Skadden, Arps, Slate, Meagher & Flom** (PI, 12/17).

– Holly Fletcher

## Abengoa Fires Up *(Continued from page 1)*

the debt service reserve account, pay transaction fees and expenses, fund the operation and maintenance reserve account and terminate an interest rate swap. The notes are expected to follow a semi-annual scheduled amortization with interest payments beginning October 2014 and principal payments beginning October 2016. The fully amortizing, fixed-rate debt matures one year prior to the concession term.

The original project budget was just over \$404 million. The notes will be used to repay a \$344 million limited recourse debt refinancing from January 2012. Proceeds from that took out an outstanding \$144 million bridge loan from **Bancolombia, BCP, CAF, Corporacion Interamericana para el Financiamiento de Infraestructura**, HSBC and **ING** that closed in August 2010.

ATS consists of three 500 kV transmission lines and three substations, extending along 550 miles. The transmission line connects the Chilca substation, located nearly 37 miles south of Lima to the Poroma, Ocona and Montalvo substations in southern Peru, along with two short 220 kV transmission lines linking to existing substations. The project operates under a 30-year concession agreement, granted by the Peruvian government via the **Ministry of Energy and Mines**. The project commenced commercial operation on Jan. 17.

Standard & Poor's and Fitch Ratings have both given the notes a preliminary rating of BBB-.

– Nicholas Stone

## POWER TWEETS

The #Power Tweets feature tracks trends in power project finance and M&A in the Americas on **Twitter**. For more news and coverage, follow @power\_intel on Twitter, as well as Managing Editor @SaraReports and Senior Reporters @HollyFletcher and @NicStone.

@AndyatPioneer Bird deaths/year from wind turbines: 140,000-328,000. po.st/uxeV4y  
Bird deaths/year from cats: 2,400,000 [nyti.ms/1I9ycpd](http://nyti.ms/1I9ycpd)

@richardcaperton Fascinating paper from the very smart @samirsuccar about DG impacts on capacity markets: <http://bit.ly/1jQivPL>

@NatHydroAssoc: .@SnoPUD gets @FERC pilot license for #tidal project [bit.ly/1dukCVI](http://bit.ly/1dukCVI)

@nationalgridus: Time & energy are wasting. Let's bring America's energy network into the 21st century. <http://bit.ly/1iDY21k> #Connect21 #renewableenergy

@lbarronlopez FERC's LaFleur says there are 13 pending applications for LNG exports. "They seem to be higher profile especially with events in Ukraine."



@ieee\_pes: Osage #wind project revived: @EnergyCentral #energy

@hollyfletcher Old Dominion Co-Op gets OK to for 1 GW Wildcat Point gas-fired plant in Md. via @PlattsGas  
[PlattsPower.plts.co/1gySbf8](http://PlattsPower.plts.co/1gySbf8)

@EnergyCollectiv: The #EPA Doesn't Have The Legal Authority To Adopt Its New Power Plant Climate Rules <http://ow.ly/v0Y0y>

@Silvio\_Marcacci hippies over at Citigroup say "Age of Renewables" has dawned in the US <http://ow.ly/v3cCG>