

Power Finance & Risk

Exclusive Insight on Power M&A and Project Financing

By the publisher of GlobalCapital

● PROJECT FINANCE

● MERGERS & ACQUISITIONS

● PEOPLE & FIRMS

Canadian Developer Refis Ontario Solar Trio

SkyPower Global tapped **Nomura** to refinance a roughly 30 MW solar portfolio in Ontario with a C\$105 million term loan. [Page 5](#)

Tenaska Agrees to Buy Gas-fired Plant

Tenaska has reached an agreement to acquire a 289 MW gas-fired project in Massachusetts. [Page 6](#)

Ares-EIF's Voccola Heads to Paris-based Infra Fund

Mark Voccola, a long-time executive at Ares-EIF, has left the firm to take up a new role at **Ardian Infrastructure**. [Page 8](#)

Buyer Steps Up for GenOn Gas-fired Units in Massachusetts

Fotios Tsarouhis

March 23.

An infrastructure fund manager has agreed to purchase two gas-fired units at **GenOn Energy's** Canal facility in Massachusetts as the bankrupt **NRG Energy** subsidiary sheds assets as part of its restructuring.

New York-based **Stonepeak Infrastructure Partners** is acquiring the two gas-fired units, which total 1,112 MW, for \$320 million and the assumption of \$32.5 million of debt, according to a statement issued by GenOn on

Meanwhile, GenOn is steam- ing ahead with plans to offload assets in **PJM Interconnection** and the **California Independent System Operator**, as well as its 800 MW Choctaw gas-fired project in Mississippi, which falls under the jurisdiction of the **Tennessee Valley Authority**.

Credit Suisse launched an asset sale on behalf of GenOn's senior bondholders last year (PFR, 9/20), and had already found a private equity buyer for an 810 MW [PAGE 6 »](#)

Highlights From GenOn's 15.4 GW Asset Sale

Project	Capacity (MW)	Generation Type	Location	Status	Buyer
Bowline	1,147	Gas	West Haverstraw, N.Y.	Sale canceled	None
Canal	1,112	Gas, Oil	Sandwich, Mass.	Sale agreed	Stonepeak Infrastructure Partners
Hunterstown	810	Gas	Straban Township, Pa.	Sale agreed	Platinum Equity
Choctaw	800	Gas	Choctaw County, Miss.	Live	TBD
PJM portfolio	9,296	Coal, Gas, Oil	PJM Interconnection	Live	TBD
California portfolio	2,770	Gas	California	Live	TBD

NextEra Finances Arkansas Solar Project with Industrial Revenue Bonds

Shravan Bhat

NextEra Energy Resources has financed a solar project in Arkansas under the state's industrial revenue bond program, through a tax efficient sale-leaseback transaction.

Under the terms of the deal, the sponsor has transferred the

81 MW Stuttgart Solar project to **Arkansas County** and will lease it back over the 25-year term of the bonds.

The project, which is located in the county, has a 20-year power purchase agreement with **Entergy Arkansas**. NextEra broke ground on the project in May of last [PAGE 2 »](#)

Morgan Stanley Launches Acquisition Loan for Hunterstown

Richard Metcalf

Morgan Stanley is in the market with a term loan B offering to finance **Platinum Equity's** acquisition of the 810 MW Hunterstown gas-fired project in Pennsylvania from **GenOn Energy**.

The \$430 million loan for the fully merchant project has a tenor of seven years, says a deal watcher. [PAGE 5 »](#)

Fortis Subsidiary's Privately Placed FMB Prices Inside Public Comp.

Richard Metcalf

ITC Transmission, a subsidiary of utility holding company Fortis, priced a \$225 million first mortgage bond in mid-March in the U.S. private placement market, arguably at a tighter spread than it could have achieved in the public bond market.

The 35-year FMB was priced on March 14 at 95 basis points over the 30-year U.S. [PAGE 7 »](#)



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● PROJECT FINANCE

NextEra Finances Arkansas Solar Project with Industrial Revenue Bonds

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year, two years after the PPA was approved by the **Arkansas Public Service Commission**.

Under the terms of the industrial revenue bond program, NextEra and Arkansas County agreed to value the project at \$115 million. Arkansas County then issued \$115 million in IRBs to NextEra in exchange for complete ownership of the plant's physical assets. Ownership of the project was transferred from NextEra to Arkansas County on Dec. 22, according to March 23 filing with the U.S. **Federal Energy Regulatory Commission**. No cash was exchanged, as the value of the bonds was equal to the price of the assets.

Arkansas County is now leasing the physical assets of the project back to NextEra. The lease payments to Arkansas County are equal to the principal and interest owed to NextEra under the bonds. The annual interest rate on the 25-year bonds, which are unavailable for purchase by third-party investors, is 2.68%.

Since Arkansas County legally owns the

project's physical assets, no taxes are due on the project. Instead, NextEra makes payments to the county under a 'payment in lieu of taxes' agreement. These payments are equal to about half of the property tax payments that would have otherwise been due.

The precise date when commercial operations are expected to start at the Stuttgart project could not immediately be learned. Officials from NextEra and Arkansas County did not respond to inquiry by press time.

Entergy completed work on a \$4.96 million 115-kV switching station for the project on Feb. 21 after signing an interconnection agreement with **Midcontinent Independent System Operator** in 2015.

The Stuttgart project will be the largest operational solar project in Arkansas until it is superseded by the 100 MW Crossett Solar Energy Farm, which is due to be online in 2021.

Renewable Energy Systems Americas recently signed a 16-year PPA with **Arkansas Electric Cooperative Corp.** for the Crossett project (PFR, 3/20). ■

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

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

GENERATION AUCTION & SALE CALENDAR ●

These are the current live generation asset sales and auctions, according to Power Finance and Risk's database.

A full listing of completed sales for the last 10 years is available at <http://www.powerfinancerisk.com/AuctionSalesData.html>

Generation Sale ■ DATABASE

Seller	Assets	Location	Adviser	Status/Comment
Actis	Atlantic Energías Renováveis (625 MW Wind)	Brazil		Chinese investors are among the bidders for the fully-contracted wind assets (PFR, 3/22).
AltaGas	Portfolio (837 MW Gas)	Calif.		AltaGas scrapped sale of two projects and will instead seek to sell other assets to finance its acquisition of WGL Holdings (PFR, 3/12)
ArcLight Capital Partners	Leeward Renewable Energy (1.7 GW Wind)	U.S.	BAML (seller), Wells Fargo (buyer)	Canadian pension fund manager OMERS is acquiring the portfolio (PFR, 3/26).
● Ares-EIF, John Hancock Life Insurance Co	Berkshire (289 MW Gas)	Agawam, Mass.	Morgan Stanley	Tenaska has agreed to acquire the project, which has been online since 2000 (see story, page 6).
Canadian Solar	Guimaranía (60 MW Solar)	Piauí, Brazil		Global Power Generation is acquiring the projects (PFR, 3/26).
● Comexhidro	Los Molinos (171 MW Wind)	Mexico		Thermion Energy has bought the project as part of the company's planned \$2 billion-equivalent investment in renewables (see story, page 6).
Conduit Capital Partners	Santa Catarina (22 MW Wind)	Monterrey, Nuevo León, Mexico		Conduit plans to launch a sale process for the contracted, operational asset this year (PFR, 1/8).
Enbridge	Portfolio (~3 GW Wind, Solar, Hydro)	Canada, U.S.		Enbridge is looking to sell about half of its renewable assets (PFR, 1/8).
FirstEnergy Solutions	Bay Shore (152 MW Coal, Oil)	Lucas County, Ohio		Orca Acquisitions, a vehicle 95%-owned by ArcLight and 5%-owned by Olympus Power, is acquiring the project (PFR, 3/26).
GD Solar	Portfolio (260 MW Solar)	Brazil		The firm is seeking equity investors for the portfolio (PRF, 1/22).
GenOn Energy	Hunterstown (810 MW Gas)	Gettysburg, Pa.	Credit Suisse (seller)	Private equity firm Platinum Equity is acquiring the asset. AOS Energy, which consulted Platinum, will co-invest in the asset. Morgan Stanley is arranging acquisition financing (PFR, 3/5).
● GenOn Energy	Canal (1,112 MW Gas)	Massachusetts		Stonepeak Infrastructure Partners is acquiring two units at the project for \$320 million (see story, page 1).
Hudson Clean Energy Partners	Portfolio (210 MW Hydro)	U.S.	Evercore	Hudson is weighing a sale of its stake in Eagle Creek Renewable Energy, which owns 210 MW of hydro assets throughout the continental U.S. (PFR, 2/26).
Invenery	Ector County (330 MW Gas)	Ector County, Texas	Guggenheim (seller)	Invenery has put the peaker up for sale (PFR, 2/26).
Invenery Renewables	States Edge (2 GW Wind)	Cimarron and Texas counties, Okla.		Two utilities owned by American Electric Power have filed for federal approval to acquire the facility (PFR, 1/16).
LS Power	Aurora (878 MW Gas)	Aurora, Ill.	Guggenheim	LS Power acquired Aurora and Rockford from NRG Energy in 2016 before refinancing them last year (PFR, 3/22).
	Rockford (450 MW)	Rockford, Ill.		
	Seneca (508 MW Hydro)	Warren, Pa.	Barclays, PJ Solomon	LS Power is marketing the project four years after it abandoned an initial attempt sell it (PFR, 3/22).
Macquarie Infrastructure Corp.	Bayonne Energy Center (512 MW Gas)	Bayonne, N.J.		MIC is weighing a sale of the project, which powers parts of New York City (PFR, 2/26).
Morgan Stanley	NaturEner USA (399 MW Wind)	Montana	Morgan Stanley	Morgan Stanley is selling NaturEner, which owns development wind assets in Alberta as well as the 399 MW operational wind portfolio in Montana (PFR, 5/15).
NextEra Energy Partners	Portfolio (~400 MW Wind)	Ontario		NextEra Energy's yield company is weighing the sale of its Canadian assets with a view to reinvesting the proceeds in the U.S. (PFR, 2/5).
NJR Clean Energy	Two Dot (9.72 MW Wind)	Two Dot, Mont.		NorthWestern Energy is acquiring the project, with which it has a power purchase agreement (PFR, 3/26).
Onyx Renewable Partners	Portfolio (small-scale Solar)	U.S.	RBC, CohnReznick	Onyx has begun marketing the portfolio (PFR, 1/29).
● OYA Solar	Portfolio (28 MW (DC) Solar)	Minnesota		NRG is buying the community solar projects, all of which are expected to be online this year (see story, page 6).
Recurrent Energy	Portfolio (235 MW Solar)	California	BAML, Scotia (seller)	South Korean utility Korea Electric Power Corp. has closed its acquisition of three solar assets from the Canadian Solar subsidiary (PFR, 10/2).
Renova Energia	Alto Sertão III (300 MW Wind)	Brazil		Brookfield is bidding for the assets rather than bidding for a stake in the company (PFR, 3/5).
	Development portfolio (1.1 GW Wind)			
RES Americas	Whirlwind (60 MW Wind)	Floyd County, Texas	PwC	A JV between Ardian and Transatlantic Power Holdings, called Skyline Renewables, bought the project (PFR, 3/12).
Rockland Capital	Victoria (290 MW Gas)	Victoria County, Texas	PJ Solomon	Rockland is selling the CCGT, which it acquired from ArcLight in 2016 (PFR, 3/12).
Southern Power	Portfolio (1,760 MW Solar)	U.S.	Citi	Southern Power has hired Citi to sell an up-to one-third stake in the portfolio (PFR, 11/6).
Texas Municipal Power Agency	Gibbons Creek (450 MW Coal)	Grimes County, Texas		The plant is for sale again after an earlier attempt to offload it fell through (PFR, 11/20).

● New or updated listing

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

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

PROJECT FINANCE

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

Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Deal Type	Loan Amount	Tenor	Notes
Advanced Power	South Field (1.1 GW Gas)	Columbiana County, Ohio	GE EFS, CIT Bank, Credit Agricole	Debt	TBA	TBA	Pricing on similar loans remained stable last year at 325 basis points over Libor (PFR, 1/22).
Ares-EIF	St. Joseph Energy Center (700 MW Gas)	St. Joseph County, Ind.	BNP Paribas	Term Loan B	\$407M	7-yr	Price talk is between 350 and 375 basis points over Libor. The deal will refinance bank debt signed in 2015 (PFR, 3/26).
				Revolving Credit Facility	\$40M	5-yr	
Brookfield Renewable Energy Partners	Portfolio (292 MW Hydro)	Pennsylvania	MUFG, HSBC	Private Placement	\$350M	15-yr	Brookfield will use the notes to repay bridge loans for the portfolio which it bought from Talen Energy for \$860 million in 2016 (PFR, 3/5).
Cheniere Energy	Corpus Christi Train 3 (4.8 mtpa LNG)	San Patricio County, Texas	Société Générale	Debt	\$6B	20-yr	Price talk of 200 basis points over Libor was given at a lender conference call held on March 13. Cheniere intends to raise some \$1.8 billion of new money with the deal (PFR, 3/19).
Diamond Generating (Mitsubishi Corp.)	Mariposa (200 MW Gas)	Alameda County, Calif.	Mizuho	Term Loan	\$77.6M	4.5-yr	The deal, signed March 7, refinances a loan from 2012. The project is contracted with PG&E through September 2022 (PFR, 3/26).
				Revolving Credit Facility	\$3.5M	4.5-yr	
EDP Renewables North America	Arkwright (78 MW Wind)	Chautauqua County, N.Y.	TBA	Tax Equity	TBA		The \$156 million project has so far been funded entirely from EDP's balance sheet (PFR, 3/5).
Enel Green Power	Portfolio (1 GW Solar)	Mexico	TBA	Debt	\$720M	TBA	The European Investment Bank has approved a \$150 million loan to the portfolio as part of a \$700 million limited-recourse financing that is due to close soon (PFR, 3/26).
Geronimo Energy	Green River (212 MW Wind)	Whiteside and Lee counties, Ill.	TBA	Construction loan	TBA		The sponsor has selected a bank that is said to have bid in pricing of less than 100 basis points over Libor (PFR, 3/19).
Kinross Gold Corp	Portfolio (155 MW Hydro)	Brazil	TBA	Debt	\$200M		Kinross is paying \$257 million to a subsidiary of Brazilian steel company Gerdau for the hydro facilities (PFR, 2/26).
Fotowatio Renewable Ventures	Potosi (342 MW Solar)	Zacatecas, Mexico	KfW, Bancomext, ING	Debt	\$209M	TBA	The lenders are providing the funds through equal commitments of almost \$70 million each (PFR, 3/12)
Halyard Energy Ventures	Halyard Wharton (348.5 MW Gas)	Wharton County, Texas	Scotiabank (adviser)	Equity	TBA		Halyard is aiming to close financing for the peaker this quarter and bring it online by the second quarter of 2019 (PFR, 2/5).
Invenergy	Upstream Wind Energy Centre (202.5 MW Wind)	Antelope County, Neb.	Santander	Debt			Allianz has provided a 10-year proxy revenue swap for the project - the fourth such hedge in the U.S. (PFR, 2/12).
Invenergy	Gratiot County (110.4 MW Wind)	Gratiot County, Mich.	Natixis, NordLB, Zions, Siemens	Refinancing	TBA		GE EFS, which provided tax equity when the project came online in 2012, continues to hold a minority stake (PFR, 2/20).
Leeward Renewables	Mendota Hills (50 MW Wind)	Lee County, Illinois	TBA	Tax Equity			Leeward is seeking tax equity to repower the project, increasing the capacity by 26 MW (PFR, 3/12)
Lightsource BP	Johnson Corner (20 MW Solar)	Stanton County, Kan.	TBA	Debt, Tax Equity	TBA		Lightsource has issued a teaser for the project and is seeking indications of interest for tax equity and debt by March 9 (PFR, 3/5).
Navajo Tribal Utility Authority	Kayenta II (27 MW Solar)	Navajo County, Ariz.	TBA	Debt, Tax Equity	\$45M		NTUA has signed a 30-year PPA with Salt River Project for the project, which is expected to be online by Apr. 1, 2019 (PFR, 2/5).
NextEra Energy Resources	Stuttgart (81 MW Solar)	Arkansas County, Ark.	Arkansas County	Industrial Revenue Bonds	\$115M	25-yr	As Arkansas County legally owns the project's physical assets, no taxes are due on the project (see story, page 1).
OCI Solar Power	Lamesa II (50 MW Solar)	Dawson County, Texas	TBA	Debt, Equity	TBA	TBA	San Antonio's municipally-owned utility, CPS Energy, signed a 25-year power purchase for the project in October 2015 (PFR, 3/19).
Pattern Development	Stillwater Wind (80 MW Wind)	Stillwater County, Montana	TBA	Debt, Tax Equity	TBA	TBA	Formerly known as Vivaldi Springtime, the project has a 25-year PPA with NorthWestern Energy (PFR, 3/19).
Penn Energy Renewables	Portfolio (41.8 MW Solar)	Ontario	Prudential Capital	Private Placement Refinancing	\$150M	17.5-yr	The five projects are contracted under the Ontario Independent Electricity System Operator's feed in tariff program (PFR, 3/19).
Platinum Equity	Hunterstown (810 MW Gas)	Pennsylvania	Morgan Stanley	Term Loan B	\$430M	7-yr	Morgan Stanley is in the market with a term loan B to finance the acquisition from GenOn Energy (see story, page 1).
Siemens, Others	Temple 1 (758 MW Gas)	Texas	Goldman Sachs	Debt	\$50M	5-yr	The first lien loan was priced at 450 bps over Libor, while the second lien paper was priced at 800 bps (PFR, 3/5).
SkyPower Global	Portfolio 29.8 MW (DC) Solar)	Ontario	Nomura	Debt	\$105M		Fitch Ratings has given the term loan notes a BBB- rating, right in the sweet spot for private placement investors (see story, page 5).
Statoil, Scatec Solar, ApodiPar	Apodi (132 MW Solar)	Ceará, Brazil	Santander, BNP Paribas, ING, ABN Amro, Bradesco	Letter of Credit	R\$477M	2-yr	The letter of credit backstops a 20-year loan of the same size provided by Banco do Nordeste (PFR, 3/26).
Starwood Energy Group Global	Excalibur (Portfolio Coal)	Arkansas, New Jersey, West Virginia	SunTrust Robinson Humphrey	Debt	\$200M	22-yr	The loan was priced at 400 basis points over Libor (see story, page 5).
Taaleri Energia	Truscott-Gilliland East (277 MW Wind)	Knox County, Texas	NorthRenew Energy (adviser)	Debt, Tax Equity	\$350M		The Finnish developer is seeking debt and tax equity as it enters the U.S. market (PFR, 2/12).
SunEast Development	Portfolio (700 MW Solar)	U.S.	Whitehall & Co.	TBA	\$33M	TBA	The utility-scale developer is raising capital as it seeks to transform its business model by owning projects (PFR, 2/20).
Sunrun	Hera (Residential Solar Portfolio)	U.S.	Investec	Refinancing	\$600M	5-yr	The financing is expected to close by the end of March (PFR, 3/19).

New or updated listing

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PROJECT FINANCE ●

Nomura Places Ontario Solar Debt with Lenders

Nomura has sold a \$104.725 million term loan backed by a portfolio of contracted solar projects in Ontario to third-party investors.

The senior secured, fully amortizing term loan notes will replace a portion of a term loan provided by Nomura for the 29.8 MW (DC) three-project portfolio.

The portfolio comprises a 10.5 MW project in Thunder Bay, an 8.5 MW project at Thunder Bay International Airport and the 10.5 MW First Light II facility near Napanee, which are owned by **SkyPower Global** and were originally financed with debt from **Deutsche Bank**.

Nomura's New York energy and infrastruc-

ture team is led by former Deutsche financier **Vinod Mukani** (PFR, 6/21).

The tenor of the notes could not immediately be learned. **Amit De**, senior vice president for finance and strategy and SkyPower in Toronto, and an official at Nomura in New York, declined to comment.

The Thunder Bay Airport project has been online since December 2011 and the other two were completed the following year. All three have 20-year power purchase agreements with the **Independent Electricity System Operator**.

Fitch Ratings has given the term loan notes a BBB- rating, which is in the sweet

spot for many private placement investors.

A local subsidiary of **First Solar** recently took over from **Canadian Solar** as the portfolio's operations and maintenance provider under a five-year contract. ■

FAST FACT

1.10x

The documents for Ontario Solar Holdings' senior notes include a relatively low distribution test (a covenant designed to reserve cash at the project level) of 1.10x, stepping up to 1.15x after year five, according to a report issued by Fitch Ratings.

Details Emerge on Starwood Coal-fired Acquisition Loan

Starwood Energy Group Global placed part of the debt financing for its acquisition of a contracted coal-fired portfolio that closed earlier this year with affiliated real estate investment trust **Starwood Property Trust**.

SunTrust Robinson Humphrey arranged the roughly \$200 million debt financing, which fully amortizes over the remaining 22 years of the longest power purchase agreement associated with the portfolio.

The loan was priced at 400 basis points over Libor, a spread which deal watchers say reflects the limited audience for coal industry-related debt rather than pure credit risk.

Many traditional project finance lenders, especially those based in Europe, will no longer finance coal-related assets, reducing the size of the potential group of lenders that can participate.

"We looked at it and thought it should be higher," says a credit fund manager who is open to coal-related deals but passed on this one. Nevertheless, the loan was as much

as twice subscribed, according to a person familiar with the deal.

Officials at Starwood in Green-

"I think it's interesting, if you look at who's building in PJM at \$1,000/MW plus... and then you look at the so-called smart money buying up coal and peakers at a fraction of the cost"

wich, Conn., and SunTrust in Atlanta either declined to comment or did not respond to inquiries.

Starwood emerged as the buyer of the assets last year, through a portfolio company called **Excalibur Power**, following an auction run for Ares by **Citi** (PFR, 11/6). The acquisition and financing closed together in November (PFR, 1/19).

"I think it's interesting, if you look at who's building in **PJM [Interconnection]** at \$1,000/MW plus, who are the sponsors behind

that and financing it, and then you look at the so-called smart money buying up coal and peakers at a fraction of the cost," says the credit fund manager. "It's an interesting dynamic. The new-build price does not really make sense".

The Excalibur portfolio comprises a 33.88% stake in the 720 MW Plum Point facility near Osceola, Ark., a 60% stake in the 262 MW Carneys Point project in Carneys Point, N.J., and 100% of the 219 MW Logan plant in Logan

Township, N.J., and the 62 MW Morgantown waste coal-fired project in Morgantown, W.Va.

The main selling point of the portfolio was said to be the projects' offtake contracts, most of which were signed in the 1990s, when power prices were much higher than they are today. The counterparties under the power purchase agreements and steam purchase agreements comprise electric utilities, chemical companies and a university. ■

Morgan Stanley Launches Acquisition Loan for Hunterstown

◀ FROM PAGE 1

Spokespeople for Morgan Stanley in New York and Platinum in Los Angeles did not immediately respond to inquiries.

Platinum agreed to acquire the plant from GenOn for \$520 million in February (PFR, 2/29). The private equity firm is carrying out the acquisition through a special purpose vehicle called **Kestrel Acquisition**.

Credit Suisse is running an auction of the **NRG Energy** subsidiary's assets on behalf of its creditors after GenOn filed for Chapter 11 protection last year (PFR, 6/14, 9/20).

Located in Gettysburg, the Hunterstown project is fitted with three 165 MW combined-cycle turbines and a 315 MW steam turbine and has been in service since July 2003. ■

● MERGERS & ACQUISITIONS

Buyer Steps Up for GenOn Gas-fired Units in Massachusetts

◀ FROM PAGE 1

gas-fired project in Pennsylvania before the sale of the Canal units was announced.

Platinum Equity agreed to buy the project, known as Hunterstown, for \$520 million in February. **Morgan Stanley** is marketing a \$430 million term loan B to finance the acquisition (see story, page 1).

INADEQUATE OFFERS

As some sales process progress, GenOn has, however, called off the sale of its 1,147 MW Bowline gas-fired project in **New York ISO**, despite receiving bids of up to \$240 million for the asset.

The company deemed the offers “inadequate” in a statement, saying it plans to “undertake opera-

tional and capital structure initiatives to maximize its profitability and cash flow” instead of selling it.

The company initially submitted a plan for a consensual restructuring to the U.S. **Securities and Exchange Commission** in May before filing for Chapter 11 bankruptcy protection the following month (PFR, 6/14).

A reorganization plan was approved on Dec. 12, sanctioning sales of GenOn assets to third parties.

Rothschild & Co. and **Kirkland & Ellis** are advising GenOn on the restructuring, while **Ducera Partners** and **Davis Polk & Wardwell** are advising the creditor group. ■

Tenaska to Buy Massachusetts Gas-fired Plant

Tenaska has agreed to acquire a gas-fired project in Massachusetts from **Ares-EIF** and **John Hancock Life Insurance Co.**

The privately-owned independent power producer sought the approval of the U.S. **Federal Energy Regulatory Commission** to acquire the 289 MW Berkshire Power project in Agawam, Mass., on March 20.

Morgan Stanley is said to have launched an auction process for the plant on Ares-EIF's behalf last year.

The terms of the agreement, signed on March 15, could not be immediately be learned. Officials at Morgan Stanley and Ares-EIF in New York, Tenaska in Omaha, Neb., and John Hancock in Boston either declined to comment or did not respond to inquiries.

Ares-EIF owns a 67% stake in Berkshire Power, while John Hancock owns the remaining 33%. The Ares-EIF stake is held through the private equity shop's United

States Power Fund II, which closed at \$750 million in 2005 (PFR, 2/4/11).

The facility has been online since June 2000.

In 2016, the project company, **Berkshire Power Co.**, and **Power Plant Management Services**, a general and administrative services management consulting firm that provided project management and administrative services, agreed to pay \$7.2 million in fines and civil penalties after pleading guilty to tampering with emissions equipment and misinforming regulators and the grid operator for three years.

The project's former general manager, **Frank Basile**, concealed maintenance work and related outages from **ISO New England** between 2008 and 2011, according to a statement published by the Office of the U.S. **Attorney's Office for the District of Massachusetts**, and an order issued by FERC (PFR, 4/1/16). ■

Thermion Buys Third Renewable Project in Mexico

Budding Mexican independent power producer **Thermion Energy** has bought a 171 MW wind project from compatriot **Comexhidro** for an undisclosed sum, as part of the company's planned \$2 billion-equivalent investment in renewables.

Thermion's acquisition of the Los Molinos project in Tamaulipas comes after its purchase, at the end of last year, of a 117 MW wind project and a 48 MW solar project.

Construction at all three plants is expected to start in the last quarter of this year or the first three months of 2019.

Thermion describes all three as “self-supply” (*auto-abasto*) projects, noting that it will sell capacity to private companies under 20-year contracts under the “legacy regime”. Further details of the offtake arrangement for the Los Molinos project could not immediately be established.

Last summer, Thermion said that it planned to invest \$2 billion-equivalent into Mexico's renewables market over the next five years to build eight wind and two solar plants.

Its strategy is to act as the long-term owner of the facilities, which it will finance with equity and project finance debt.

The company part financed its plans with the placement of 7.306 billion pesos of certificates of capital development, known as CKDs, on the Mexican stock exchange in June 2017. The performance of CKDs is linked to their underlying property assets. ■

NRG Buys Community Solar Assets From Canadian Solar Shop

Canadian developer **OYA Solar** has sold a bundle of four community solar projects in Minnesota to **NRG Energy**.

The four projects, all of which are expected to be online this year, sit on 180 acres in Benton, Blue Earth, Douglas and Yellow Medicine counties and total 28 MW (DC). All four facilities are contracted with **Xcel Energy**.

The purchase price could not immediately be learned. Representatives of NRG in Princeton, N.J., and OYA in Toronto did not immediately respond to inquiries.

Deutsche Bank arranged an \$80 million debt financing backing a 100 MW portfolio of NRG community solar assets in 2016 (PFR, 7/16/16, 5/5/16). ■

Fortis Subsidiary's Privately Placed FMB Prices Inside Public Comp.

◀ FROM PAGE 1

Treasury, producing a 4% coupon.

Mizuho and **Scotia Capital** were the joint-lead placement agents on the deal.

Spreads on debt raised in the U.S. private placement market are usually thought to include an “illiquidity premium” to compensate investors for the fact that there is not a ready secondary market in which to trade the notes.

However, ITC's deal was priced inside a comparable FMB issued by **Idaho Power**, a similarly-rated utility company, in the public bond market the previous day.

Idaho Power came to the market with a \$220 million 30-year U.S. **Securities and Exchange Commission**-registered offering on March 13, marketing the deal as a “will not grow” transaction.

JP Morgan and **Wells Fargo**

were the bookrunners, pricing the deal at 110 basis points over Treasuries—resulting in a 4.2% coupon—after investors did not budge from initial price thoughts.

That is already 15 bps wide of the pricing on ITC's 35-year notes, but an additional five years should cost between 5 bps and 7 bps, meaning that ITC effectively priced its senior secured debt 20 basis points inside Idaho Power, says a deal watcher.

Idaho Power's FMBs are rated A1 and A- by **Moody's Investors Service** and **S&P Global Ratings**, respectively, while ITC's are rated A1 and A.

The tighter pricing in the private market reflects competition among insurance company investors, especially for long-dated paper, notes the deal watcher.

Additionally, while Idaho Pow-



“The Price Is Right” for sub-benchmark-size deals in the U.S. private placement market

er's SEC-registered bonds will be easier to trade than ITC's private placement notes, the fact that Idaho Power's deal is below the \$300 million threshold for securities to be listed in the **Bloomberg Barclays** U.S. Aggregate Bond

Index limits its audience and potential liquidity.

The indexation threshold was raised last year, which market watchers say could result in an increase in private placement volumes. ■

Ormat Lands Insurance Co. Debt

Ormat Technologies has secured a \$100 million loan from Israeli insurance company **Migdal Group**.

The 11-year senior unsecured loan is interest only until September 2021, when the principal begins to amortize at \$4.2 million every six months until the final \$37 million is due in March 2029. The loan has a fixed coupon of 4.8%.

Ormat is in the process of expanding its generation portfolio, having agreed to acquire Idaho-based developer **U.S. Geothermal** for \$109.9 million earlier this year (PFR, 1/24). The deal, which will add 44 MW of operational assets to Ormat's U.S. portfolio, is expected to close by the end of June.

Once the acquisition is complete, Ormat plans

to expand U.S. Geothermal's 13 MW Raft River project in Cassia County, Idaho, by 5 MW.

Ormat owns geothermal projects totaling more than 700 MW in the U.S., Guatemala, Guadeloupe, Honduras, Indonesia and Kenya. The company has also been seeking opportunities to acquire battery storage assets U.S. (PFR, 11/14/16).

In 2017, the company acquired **Viridity Energy Solutions**, a Philadelphia-based energy management company. ■

AES Corp. to Reprice Term Loan B \$520M Deal

AES Corp. is looking to reprice its \$520 million senior secured term loan B to bring it into line with conditions in the market, as **NRG Energy** did earlier last month.

Left lead on the deal **Barclays** has gone to the market with price talk of 175 basis points over Libor, which would represent a 25 bps reduction on the pricing. The bank is marketing the loan at par.

AES is also seeking to reduce the Libor floor from 0.75% to 0%. NRG Energy did the same when it repriced its own \$1.875 billion term loan B earlier last month (PFR, 3/22).

There is \$521 million outstanding under the AES term loan B but a scheduled \$1.3 million amortization payment due on March 29 means that the final term loan B amount following the repric-

ing will be \$520 million. Commitments are due on March 27.

Rating agencies have responded positively to recent developments at AES, with **S&P Global Ratings** upgrading its senior unsecured debt from BB to BB+ on March 16. The rating agency meanwhile affirmed its rating of the company's senior secured debt, which includes the term loan, at BBB-

with a recovery rating of 1.

Then, on March 22, **Moody's Investors Service** revised the outlook on its Ba1 rating of the senior secured debt from stable to positive. Moody's rates AES's unsecured debt one notch lower than the term loan, at Ba2.

Fitch Ratings rates AES's secured and unsecured debt BBB- and BB+, respectively. ■

● PEOPLE & FIRMS

Former Capstone Exec Lands New Role

Jack Bittan, who led **Capstone Infrastructure Corp.**'s power business as ceo of **Capstone Power Development Corp.** for several years, has surfaced at another Canadian infrastructure investment firm.

Bittan joined **InstarAGF Asset Management** as a partner in Toronto on March 20, a representative of the firm confirmed.

In his new position, Bittan will work on the firm's strategy, business development, transactions and asset management.

Led by **Gregory Smith** as president and ceo, InstarAGF is focused on middle-market infrastructure.

In June, the firm reached final close on its \$740 million InstarAGF Essential Infrastructure Fund, part of which has already been committed to a 30 MW wind project in the Okanagan region of British Columbia.

Bittan was ceo of Capstone Power from 2014 to 2016—when **David Eva** took on the role—and remained at Capstone Infrastructure Corp. as executive vice president for business development until 2017.

He has also worked in the Canadian branch of **Macquarie Infrastructure and Real Assets**, where he was senior vice president. ■

Ares-EIF Vet Heads to Paris-based Infra Fund

A European infrastructure investment firm has tapped a former **Ares-EIF** partner to join its New York office as managing director.

Mark Voccola, who joined Ares-EIF predecessor **Energy Investors Funds** in 2001, will join Paris-headquartered **Ardian Infrastructure** in August.

In his new position, Voccola will co-lead Ardian's U.S. infrastructure activities alongside fellow managing director **Stefano Mion**. "We've been looking at the U.S. market for a few years now," Mion told *PFR* at the beginning of March.

Ardian is expanding its focus on the U.S., having recently part-

nered with **Transatlantic Power Holdings** to launch a joint venture, **Skyline Renewables**, that will acquire wind and solar assets. Skyline plans to acquire some 3 GW of generation assets in the U.S.

The J.V.'s inaugural acquisition was the 60 MW Whirlwind wind project in Texas, which it bought from **RES Americas**. The contracted project has been online since 2007 (*PFR*, 3/5). ■

FAST FACT

17 Years

Length of Voccola's tenure at Energy Investors Funds and Ares-EIF

Indian EPC Sets Sights on "Crowded" U.S. Market

Indian engineering procurement and construction company **Sterling and Wilson** has begun a major push into the U.S. market, which the company's ceo, **Bikesh Ogra**, acknowledged as "fiercely mature and crowded" in a recent interview with *PFR*.

Despite the tough competition—as well as the planned phase out of renewables tax credits and recent trade policy upheaval—missing out on the U.S., the second largest solar market in the world after China, is simply not an option, Ogra tells *PFR* from Dubai.

Sterling and Wilson is the world's largest solar EPC outside of China and wants to use its size and global supply chain to offer American projects low cost services.

"It is purely a race to the bottom," says Ogra. "We need to be both competitive and at the same time leverage our global EPC ped-

agree to create differentiators in the fiercely mature and crowded solar EPC landscape in the U.S."

Ogra believes his company

"We need to be both competitive and at the same time leverage our global EPC pedigree to create differentiators in the fiercely mature and crowded solar EPC landscape in the U.S."

can undercut the competition in the U.S. by between 100 and 200 basis points because its back end functions are based in lower-cost labor markets like India and Dubai.

The company announced the incorporation of a U.S. subsid-

iary, **Sterling and Wilson Solar Solutions** (SWSS) in Scottsdale, Ariz., on March 22, and has already won contracts for 50 MW of smaller utility-scale solar projects in the northwestern U.S.

All of the projects have interconnection and power purchase agreements, and Ogra aims to partner with the same developers, whose identities he could not disclose, on facilities totaling between 400 MW and 500 MW in the next few years.

The company hired **R.T. Weber** as vice president for business development at SWSS in February. Weber has previously worked at **Phoenix Solar** and **Renewable Energy Systems Americas**.

LATIN AMERICA

The U.S. push follows Sterling and Wilson's entry into Latin America, where it has been active for the past year.

Chinese solar panel maker **Jinko Solar** tapped Sterling and Wilson as EPC contractor for its 80 MW Iglesia – Guañizuli solar project in San Juan, Argentina, last year (the contractor is also providing EPC services for a project Jinko is co-sponsoring in Abu Dhabi, the 1,177 MW Sweihan solar project).

The **Inter-American Investment Corp.** is considering a 15-year senior project loan and a subordinated loan, potentially totaling \$28.75 million, for the Iglesia - Guañizuli project, which is set to be the largest photovoltaic project to be financed under a limited-recourse project finance structure in Argentina.

Construction on the \$100 project began in August and financing from U.S. and Argentinian lenders is set to close imminently, with commissioning due in the third quarter.

The project was awarded a 20-year PPA priced at \$54.10/MWh in the country's RenovAr 1.5 power auction. ■