

power finance & risk

The exclusive source for power financing and M&A news

www.iipower.com

A PUBLICATION OF INSTITUTIONAL INVESTOR, INC.

APRIL 4, 2011
VOL. XIV, NO. 13

At Press Time

Calpine has started a sale of a facility in Minnesota and one in South Carolina.
See story, page 2.

Tudor Lassoes Berenson Power Team

Tudor, Pickering, Holt & Co. has hired **Berenson & Co.**'s power & utilities investment banking team to establish its presence in New York.
See story, page 2

LS Takes \$950M For Ariz. Plants

Highstar Capital has agreed to buy two **LS Power** plants.
See story, page 2

Mergers & Acquisitions

ReEnergy Pockets N.Y. Biomass	4
Contracted Biomass Hits Calif. Market	4
Quebec Co. Scouts Wind Buyer	5

Project Finance

Seminole Readies Renewable Loans	5
IRS Okays Renewable Write-Off	5
Calpine Ropes Pair For Calif. Gas	5
Wind Capital Group Nears Refi	6
Sharyland Hooks Two For CREZ Money	6

Departments

Generation Sales Database	6
Project Finance Deal Book	7

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

GDF SCOPES SOUTHEAST SALE

GDF Suez Energy North America is looking to sell its mostly merchant generation portfolio in the southeastern U.S. Teasers for the plants, which include a pair of 746 MW combined-cycle facilities, are expected to go out soon, deal watchers say. The sale comes as GDF is looking to divest non-core assets followings its acquisition of **International Power**, say two M&A bankers in New York. **UBS** is reportedly advising the subsidiary of **GDF Suez**.

The portfolio includes the merchant 746 MW Hot Spring CCGT in Malvern, Ark.; the merchant 746 MW Choctaw Gas CCGT in Ackerman, Miss.; and the 440 MW Red Hills lignite-fired plant near Ackerman that has a power purchase agreement with the **Tennessee Valley Authority**. Two other plants, in Louisiana and Alabama, are reportedly included, although details regarding those facilities could not be learned.

(continued on page 7)

FOTOWATIO SEEKS SALE OF U.S. SOLAR ARM

Fotowatio Renewable Ventures, the Spanish solar developer, has put its U.S. development unit up for sale. Indicative bids came in to auctioneer **Credit Suisse** about two weeks ago and management presentations are currently under way, bankers say.

The sale has generated interest from panel manufacturers and strategic investors, deal watchers note. Several Asian upstream players, including **GCL Solar** and **Yingli Solar**, are said to have looked at **FRV**, along with **Enbridge**, **Exelon** and **Constellation Energy**. **Alex Alvarado**, managing director at **CS**, is leading the transaction.



(continued on page 8)

NEXTERA EYES \$400-500M TRANSMISSION CREDIT

NextEra Energy is talking to lenders about borrowing \$400-500 million for its Lone Star Transmission project in West Texas.

Lone Star will feature 300 miles of lines in three segments and cross through 17 counties in the state's Competitive Renewable Energy Zone. It will use double-circuit, 345 kV lines. **NextEra** expects to initiate construction this year, with operation targeted for 2013. It will look to wrap the financing before year-end. Bankers estimate the line will cost more than \$600 million.

The company's hunt for debt prior to construction surprised some bankers, given **NextEra's** history of funding on balance sheet to avoid paying construction risk debt premiums. "That's the weirdest thing about this deal from our perspective," says a financier. It is expected to be a smooth deal though, as the project will have predictable revenue

(continued on page 7)

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



At Press Time

Calpine Pitches Two Plant Sales

Calpine Corp. is looking for buyers for two natural gas-fired facilities, according to deal watchers.

The process for the 375 MW combined-cycle Mankato plant in Mankato, Minn., and the 847 MW Broad River simple-cycle plant in Gaffney, S.C. is underway. Calpine is looking to put more attention on its core markets in the western U.S., Texas and the PJM market, says one banker. Broad River sells power to **Carolina Power & Light**, a subsidiary of **Progress Energy**, while Mankato is contracted to sell its power to **Northern States Power** until 2026.

The Houston-based independent power producer Calpine owns eight plants, including Broad River in the Southeastern Electric Reliability Council.

Details on the auction, such as a timeline or whether Calpine is using an advisor could not be learned. A spokeswoman declined to comment on whether the company is using an advisor, or a timeline for the sale.

Tudor Snaps Up Berenson Power Team

Investment and merchant banking outfit **Tudor Pickering, Holt & Co.** has tapped the power and utility investment banking team from New York boutique **Berenson & Co.** to establish a power team in New York. Five people have come over from Berenson to establish the Tudor M&A group, including **John Rice** and **George Ward**, the managing directors who will head the unit.

The power team will be the only investment banking team in the New York office, which opened in January. The team will report to **Bobby Tudor**, ceo of the bank in Houston. Tudor has traditionally been in the up- and mid-stream oil and gas sectors.

Edward Tirello will join as senior advisor, while **Dave Saxena** and **Jonathan Sherman** will join as director and associate, respectively. The firm will be looking to hire some junior positions, says a spokeswoman in Houston.

The team, along with **Morgan Stanley**, had recently advised **UIL Holdings** on its \$1.296 billion acquisition of three natural gas distribution utilities from **Iberdrola** (PFR, 10/15).

Details about whether Berenson will look to fill the roles could not be immediately learned. A Berenson employee declined to make an official available for comment.

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@iineews.com.

power finance & risk

The exclusive source for power financing and M&A news

EDITORIAL

STEVE MURRAY
Editor

TOM LAMONT
General Editor

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

SARA ROSNER
Managing Editor
(212) 224-3165

BRIAN ECKHOUSE
Senior Reporter
(212) 224-3624

HOLLY FLETCHER
Senior Reporter
(212) 224-3293

STANLEY WILSON
Washington Bureau Chief
(202) 393-0728

KIERON BLACK
Sketch Artist

PRODUCTION

DANY PEÑA
Director

DEBORAH ZAKEN
Manager

MELISSA ENSMINGER,
JAMES BAMBARA, DOUGLAS LEE
Associates

JENNY LO
Web Production & Design Director

ADVERTISING

PAT BERTUCCI
Associate Publisher
(212) 224-3890

ADRIENNE BILLS
Associate Publisher
(212) 224-3214

PUBLISHING

ALLISON ADAMS
Group Publisher

GAURI GOYAL
Business Director
(212) 224-3504

ANNA LEE
Marketing Director
(212) 224-3175

ISMAELA BEST
Senior Marketing Manager
(212) 224-3609

VINCENT YESENOSKY
Head of US Fulfillment
(212) 224-3057

DAVID SILVA
Senior Fulfillment Manager
(212) 224-3573

SUBSCRIPTIONS/ ELECTRONIC LICENSES

One year \$2,995 (in Canada add \$30 postage, others outside US add \$75)

KEN LERNER
Account Executive
(212) 224-3043

REPRINTS

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

CORPORATE

JANE WILKINSON
Chief Executive Officer

STEVE KURTZ
Chief Operating Officer

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@iineews.com

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

Institutional Investor Hotline:
(212) 224-3570 and (1-800) 437-9997 or
hotline@institutionalinvestor.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 ©2011
Institutional Investor, Inc. ISSN# 1529-6652

Copying prohibited without the permission of the Publisher.

**Institutional
Investor NEWS**
INTELLIGENCE FIRST



Generate true power in structured financing. Use our energy.

We accelerate your projects. Channel our award-winning passion and energy expertise into global growth opportunities.

Pioneer new ways to finance power, oil & gas, and renewable energy.

You can rely on us to energize your deal.

For more information on how WestLB can help your business, please contact:

Europe, Middle East and Africa, + 44 20 7020-7210, + 49 211 826-4296

The Americas, + 1 212 852-6120

Asia Pacific, + 65 6333-2330

www.westlb.com/energy



Mergers & Acquisitions

Riverstone-Backed Co. Lands N.Y. Biomass

ReEnergy Holdings has agreed to buy CH Energy Group's 22 MW Lyonsdale wood-fired biomass facility near Utica, N.Y.—the Riverstone Holdings-backed company's second acquisition within a month. The transaction is expected to close in May. The purchase price could not be learned.

CH Energy, the Poughkeepsie, N.Y.-based holding company for Central Hudson Gas & Electric Corp., was advised by Thorndike Landing. John Dingle, partner at Thorndike, did not immediately return a call.

Lyonsdale has a power purchase agreement that is in place until the end of 2014 with an undisclosed offtaker. CH Energy purchased 75% of the facility from Catalyst Renewables Corp. in 2006 for \$9.8 million and bought the remaining stake from Catalyst in October.

CH Energy has also put out feelers on selling its 20 MW Shirley wind farm in Glenmore, Wis., as a broader move to divest its renewable assets, which includes the 3 MW Auburn landfill gas-to-energy facility in Auburn, N.Y. The company also has equity interests in a bioethanol facility in Lexington, Neb., and interest in two wind farms totaling 31.5 MW in Pennsylvania and New Jersey. A CH spokesman declined to comment on Shirley.

ReEnergy has also agreed to buy the 103 MW Rumford coal-fired cogeneration facility in Rumford, Maine, from NewPage Corp. (PFR, 3/18). That transaction is expected to close in the second quarter.

ReEnergy did not use an advisor, says Tom Beck, principal.

Calif. Biomass Put Up For Sale

Valley Bio-Power, a joint venture between industrial conglomerate Leucadia National Corp. and engineering services company PCI Energy Capital, has put its 16.4 MW biomass facility in Imperial Valley, Calif., on the market. Boutique investment bank Bodington & Co. has sent out teasers for the facility.

The wood-fired facility is currently undergoing repairs after a series of earthquakes last summer damaged its turbine. It is operational in its current status, according to the teaser; repairs are expected to be complete within a few months.

Jeff Bodington, president, at Bodington in San Francisco, is running the sale. He declined to comment. A timeline for the sale could not be learned.

The facility has a power purchase agreement with Southern California Edison that matures at the end of 2019. Valley Bio-Power completed a \$35 million upgrade on the plant in 2009.

The PPA is still binding despite the facility being temporarily offline.

The owners have completed a Sect. 1603 grant application that is ready to be filed with the U.S. Department of Treasury for a cash grant. Leucadia and PCI bought the facility for an undisclosed sum in 2006.

Leucadia is also the parent of LNG Development Co., which had been looking to finance a \$1.3 billion liquefied natural gas terminal and pipeline off the coast of Oregon (PFR, 9/10/09). A Leucadia official in New York could not immediately comment on the sale while an official at PCI in Chicago could not be immediately reached.

LS' Ariz. Plants Move For \$950M

Highstar Capital has agreed to buy LS Power's Arlington Valley and Griffith combined-cycle plants in Arizona for roughly \$950 million. Highstar is paying between \$815-850 per kW for the 1.151 GW plants, making it one of the most expensive purchases of thermal generation in several years, bankers say.

Barclays Capital advised Highstar and Credit Suisse and Citigroup advised LS Power.

The pricing on final bids was described as aggressive by several deal watchers. The auction for Arlington Valley and Griffith had been tight with ArcLight Capital Partners, Capital Power and Quantum Utility Generation all in the running

(PFR, 3/28). The plants' summer contracts and proximity to the California market made them attractive. Bidders are expecting a rebound in power prices as well as the need for utilities to add thermal power to balance the renewable generation coming online, says a banker.

Capital Power's purchase of LS Power's 520 MW Bridgeport natural gas-fired plant in Connecticut for \$355 million, or \$682/kW and Xcel Energy's purchase of Calpine's two natural gas-fired plants in Colorado for \$739 million, or roughly \$768/kW (PFR, 12/2 & 3/8) are the recent deals that even come close to this latest transaction.

The purchase marks the New York-based infrastructure investor's first power investment since it sold its stake in InterGen three years ago. Highstar plans to build out a new generation portfolio, with the 579 MW Griffith in Kingman and 572 MW Arlington Valley in Arlington, as the starters.

LS Power was advised by Ahmad Masud, managing director



at Credit Suisse, and **Jack Paris**, managing director at Citigroup.

Messages left for **Christopher Lee**, founder and managing partner in New York, and a Highstar spokesman, as well as **Joe Esteves**, cfo at LS power, were not immediately returned. Bank officials and spokesmen declined to comment.

Quebec Wind Co. Scouts Buyer

3Ci, a wind developer out of St. Bruno, Quebec, is trying to sell a 156 MW wind project in the province. The company has been in the market to sell the Des Moulins project near Kinnear's Mills for several months as a way to finance its construction, two bankers say. It's slated to be online by year-end and has a 20-year power purchase agreement with **Hydro-Quebec**.

NextEra Energy Canada and **Invenergy** are two of the companies that have likely had discussions with the company, bankers say. Given that it has a PPA, it's surprising that a buyer

has not already emerged, says one banker. It's possible that the seller and potential buyers have not hit a common ground on value or operational agreements, one notes.

NextEra owns and operates two farms that started out in 3Ci's development pipeline: the 54 MW Mount Copper farm it acquired in 2008 and the 54 MW Mount Miller farm that it bought from **Northland Power** in December. Both farms are near Murdochville, Quebec; Northland and 3Ci co-developed Mount Miller.

3Ci jumped on wind development sites in Quebec years before other developers moved into the region and has sold project and operational assets to NextEra, Northland Power and a defunct fund under Toronto-based investment shop **Crest Street**, and other developers, says one financier.

Whether the company is using an advisor could not be learned. An Invenergy spokeswoman declined to comment and a NextEra spokesman did not return a call. A 3Ci official did not return a call.

Project Finance

Seminole Preps Renewables Loans

Seminole Financial Services is nearing financial close on \$30 million in small solar and wind deals, after recently wrapping a financing backing 2 MW of rooftop solar in New Jersey. The Belleair Bluffs, Fla.-based lender has a pipeline of roughly \$200 million and expects to deploy a little more than \$100 million to renewables transactions in 2011, says **Chris Diaz**, senior v.p. of renewables.

Seminole's renewable energy finance program provides short-term construction and interim financing—typically for a term of up to one year—for wind and solar transactions between \$2-30 million. Seminole loans have interest rates that average 10% and the company is the first lien holder. Its sweet spot is \$10 million, so its loans are geared to community wind developers and distributed generators, a market that is often overlooked by project finance banks which typically look to do larger deals.

"We see an opportunity in the community wind space," Diaz says. Seminole is the main operating company of **The Seminole Companies**, a group of interrelated financial services corporations. It is capitalized via investments from Midwest-based pension funds.

Criteria for renewables investment includes whether sponsors have lined up permanent financing to take out Seminole's short-term loans and the credibility of the sponsor and the offtaker.

Seminole also is researching whether they can do longer term financings, says Diaz, noting developers' need for longer-term debt.

Diaz declined to identify the sponsors of Seminole loans inked this year and those that are approaching closing.

Calpine Ropes Duo For Calif. Gas

Calpine Corp. is working with **ING** and **Union Bank** on a financing backing its roughly \$850 million Russell City Energy Center. A deal is expected by the third quarter.

Calpine is expected to target \$700 million in debt for the 600 MW Russell gas-fired plant in Hayward, Calif. (PFR, 2/3). **GE Energy Financial Services** has a 35% equity stake in Russell City.

The pricing and tenor on the deals couldn't be learned. The identity of bankers negotiating with Calpine also couldn't be immediately learned. A Calpine official and spokeswoman in Houston and a GE EFS spokesman in Stamford, Conn., declined to comment. Bank officials declined to comment.

Pacific Gas & Electric has a 10-year offtake agreement for Russell City.

IRS Approves Renewable Tax Write-Off

Renewables developers are eligible to deduct equipment costs in full from their tax bills on projects commissioned between Sept. 9, 2010 and Dec. 31, 2011 according to a ruling issued this week by the U.S. **Internal Revenue Service**.

Projects that initiated construction before Sept. 9 can deduct 100% "bonus depreciation" on work completed after that date, says **Keith Martin**, a partner at **Chadbourne & Parke** in Washington, D.C. Developers can deduct 50% of costs incurred for work before Sept. 9.

Also, developers that incurred 10% or less of the costs of the project before the eligibility date can take advantage of the 100%

bonus depreciation. Each turbine, pad and tower is considered a separate project, Martin adds. Some renewables sponsors had worried that the IRS would deny projects a full 100% “bonus depreciation” if construction was too far along in the third and fourth quarters of 2010 because the spirit of the program is to encourage new investment in a sluggish economy. President **Obama** proposed the program in September and it was passed in a Congressional tax bill in December (PFR, 2/22).

A previous program allowed developers to claim a 50% bonus as of January 2008, meaning developers can deduct half of the tax basis immediately and the other half over a normal depreciation period of about five to seven years.

The tax savings from the 100% bonus is worth \$.045 per dollar of capital costs at a wind farm or solar project. A spokesman for the IRS in Washington, D.C., did not respond to inquiries by press time.

Developer Nears Wind Refi

Banco Santander, BayernLB, NordLB, Rabobank and Union Bank are close to wrapping a more than \$240 million refinancing backing an existing wind farm developed by **Wind Capital Group**. The deal is expected in early April.

The five banks were lenders on a \$240 million mini-perm that supported the development of the sponsor's 150 MW Lost Creek farm in Dekalb County, Mo. (PFR, 10/26/09). Whether the refinancing backs that farm and deal details, including size, pricing and tenor, couldn't be learned.

A period of low pricing and long tenors is expected to encourage a \$3.5 billion wave of wind refinancings of deals inked

after the 2008 financial collapse (PFR, 12/10). Pricing on the Lost Creek financing started above 300 basis points over LIBOR, when liquidity was still tight. The pricing floor for most deals backing wind projects has since dropped below 250 bps over LIBOR (PFR, 3/4).

Ciaran O'Brien, Wind Capital ceo in Chicago, didn't return a call seeking comment. Bank officials declined to comment or didn't reply to inquiries.

Sharyland Taps Trio For Transmission

Royal Bank of Canada, Royal Bank of Scotland and Société Générale have been tapped to lead a \$400-500 million financing backing **Sharyland Utilities'** greenfield transmission lines in West Texas. The **Hunt Consolidated** affiliate and the banks are expected to tap more lenders to participate in the financing, says a senior financier eying the deal. Sharyland is targeting a May 1 financial close.

Pricing on projects in the Competitive Renewable Energy Zones may fall between 175 and 200 basis points over LIBOR (PFR, 3/11). Whether the additional lenders are part of a syndication or joining a club also couldn't be immediately ascertained.

A Dallas-based official for **Electric Infrastructure Alliance of America**, a real estate investment trust that is organizing the financing, didn't return a call. A Hunt spokeswoman in Dallas didn't immediately reply to an inquiry. Bank officials declined to comment or didn't return calls.

Sharyland's CREZ segments comprise five lines totaling 250-300 miles and four collection stations. The lines will use 345 kV conductor wires.

Generation Auction & Sale Calendar

Generation Sale DATABASE

*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 **Holly Fletcher** at (212) 224-3293 or e-mail hffletcher@iinews.com.*

Seller	Assets	Location	Advisor	Status/Comments
3Ci	Des Moulins (156 MW Wind)	Kinnear's Mills, Quebec	TBA	The developer is looking to sell the project as a way of financing construction (see story, page 5).
AES	Cayuga (306 MW Coal) Greenidge (105 MW Coal) Somerset (675 MW Coal) Westover (83 MW Coal) Huntington (904 MW Huntington CCGT)	Lansing, N.Y. Dresden, N.Y. Barker, N.Y. Binghamton, N.Y. Huntington, Calif.	Barclays Capital TBA	First round bids are due soon (PFR, 3/7). AES will lease two of the units from Edison Mission Energy under a new sale leaseback agreement so EME can transfer the permit allowances upon the plant's retirement (PFR, 3/28).
CH Energy Group	Lyonsdale (20 MW Biomass)	Lyonsdale, N.Y.	TBA	ReEnergy agrees to buy the project (see story, page 4).
Entegra Power Group	Gila River (340 MW unit in 2.2 GW CCGT)	Phoenix, Ariz.	Barclays Capital	Wayzata Investment Partners has signed a sale agreement and Entegra has launched a go-shop. Bids due April 8 (PFR, 3/28).
First Wind	Various (Wind)	Maine, New York	Credit Suisse Macquarie Capital	Infrastructure players and some pension funds are involved in the first round (PFR, 2/28).
GDF Suez Energy North America	Hot Spring (746 MW CCGT) Choctaw (746 MW CCGT) Red Hills (440 MW Lignite)	Malvern, Ark. Ackerman, Miss. Ackerman, Miss.	UBS	GDF wants to divest its assets in SERC (see story, page 1).
Leucadia National Corp.	Impervial Valley (16.4 MW Biomass)	Imperial Valley, Calif.	Bodington & Co.	Its owners want to exit the power market (see story, page 4).

Project Finance Deal Book

Deal Book is a matrix of energy project finance deals that PFR is tracking in the energy sector. The entries below are of new deals or deals where there has been change in their parameters or status. To report updates or provide additional information on the status of financings, please call Senior Reporter Brian Eckhouse at (212) 224-3624 or e-mail beckhouse@iinews.com.

Live Deals: North America

Sponsor	Project	Location	Lead(s)	Loan	Amount	Tenor	Notes
Brookfield Renewable Power	Granite Renewable (99 MW Wind)	Coos County, N.H.	Citi, WestLB	TBA	TBA	TBA	Citi, WestLB begin pricing private placement (PFR, 3/21).
EDF EN Canada	Lac-Alfred (300 MW Wind)	La Matapédia et la Mitis, Quebec	TBA	TBA	TBA	TBA	Sponsor seeks initial pricing beneath 250 bps (PFR, 3/14).
	St. Isidore B (12 MW Solar PV)	Nation, Ontario	TBA	TBA	TBA	TBA	EDF hunts pricing starting at 225 bps (PFR, 3/14).
Enfinity	Unidentified (33 MW PV)	Quebec	TBA	TBA	TBA	TBA	Developer close to inking roughly \$140 million in debt and equity (PFR, 3/28).
GCL Solar	Various (75 MW PV)	Puerto Rico, California	TBA	TBA	TBA	TBA	Sponsor is talking to European banks about financings (PFR, 3/28).
Gestamp Solar	Various (60-80 MW PV)	California	TBA	TBA	TBA	TBA	Aims to wrap two portfolio financings in the third quarter (PFR, 3/28).
Independence Wind, Wagner Wind Energy	Record Hill (50.6 MW Wind)	Oxford County, Maine	FFB	TBA	\$102M	TBA	Sponsors snag conditional federal loan (PFR, 3/14).
	Highland (117 MW MW)	Highland Plantation, Maine	TBA	TBA	TBA	TBA	Financing launch expected next year (PFR, 3/21).
LS Power	Cross Texas (230 Miles Transmission)	Texas	TBA	TBA	TBA	TBA	BNP Paribas among lenders eying financing (PFR, 3/28).
NextEra Energy Resources	Lone Star (300 Miles Transmission)	Texas	TBA	TBA	TBA	TBA	Sponsor seeks roughly \$400 million in debt (see story, page 1).
NRG	Roadrunner (20 MW Solar PV)	Santa Teresa, N.M.	TBA	TBA	TBA	TBA	Sponsor hunts financing backing farm (PFR, 3/7).
Odebrecht	Chaglla (406 MW Hydro)	Peru	BNP	TBA	\$650M	TBA	BNP approaches lenders about participating in financing (PFR, 3/14).
Radback Energy	Oakley (624 MW Gas)	Contra Costa County, Calif.	BoTM, Crédit Agricole, ING, Scotia	TBA	TBA	TBA	RBS joins financing (PFR, 3/7).
Sharyland Utilities	CREZ (300 Miles Transmission)	West Texas	RBC, RBS, SocGen	TBA	TBA	TBA	RBC, RBS and SocGen mandated to lead financing (see story, page 6).
Terra-Gen Power	Alta Phases 6 and 8 (300 MW Wind)	Tehachapi, Calif.	TBA	Mini-Perm	TBA	C+ 7-yr	Financing expected to begin by early April (PFR, 3/21).
	Alta Phases 7 and 9 (300 MW Wind)	Tehachapi, Calif.	TBA	TBA	TBA	TBA	Deal launch expected within year (PFR, 3/21).
	Unidentified (Geothermal)	TBA	TBA	TBA	\$60-100M	TBA	Sponsor eyes year-end financing (PFR, 3/28).
Western Wind Energy	Unidentified (30 MW Solar)	Yabucoa, Puerto Rico	Manulife	TBA	\$249M	TBA	Rabobank tapped to lead search for tax equity (PFR, 3/28).
Wind Capital Group	Unidentified (Wind)	TBA	Banco Santander, BayernLB, NordLB, Rabobank, Union Bank	Refi	\$240M+	TBA	Closing imminent (see story, page 6).

For a complete listing of the Project Finance Deal Book, please go to iipower.com.

GDF SCOPES

(continued from page 1)

Despite generation purchase prices edging up in other regions of the country, price tags have stayed lower in the southeast as power prices and demand remain low, bankers say. **KGen Power** agreed to sell two CCGT plants in Georgia totaling 1.25 GW to **Oglethorpe Power** for roughly \$435 per kW while **ArcLight Capital Partners** bought KGen's 640 MW simple cycle plant in Sandersville, Ga., for about \$203/kW (PFR, 2/2 & 7/12).

The Southeast is dotted with merchant facilities on the block right now—KGen is floating two and **Calpine** one—so there might not be enough appetite from buyers, says one M&A banker, noting that the regulated market has resulted in fewer players. Whether utilities are looking to add generation will depend on how bullish they are on the rise in power demand over the next few years.

Calpine is looking to sell its 847 MW Broad River simple-cycle plant in Gaffney, S.C. (see story, page 2).

Whether other plants are included in the sale could not be

immediately learned. A spokeswoman for GDF Suez North America in Houston did not respond to an inquiry, while UBS officials declined to comment through a spokeswoman.

—Holly Fletcher

NEXTERA EYES

(continued from page 1)

streams and cost recovery through rate bases, which is common in transmission (PFR, 12/23). Some lenders anticipate CREZ financings to start at 175-200 basis points over LIBOR (PFR, 3/11), which multiple bankers say explains why NextEra is pursuing debt upfront. A NextEra spokeswoman in Juno Beach, Fla., didn't make **Paul Cutler**, treasurer, or **Amy Black**, **FPL Group Capital** assistant treasurer, available by press time.

Deal watchers expect NextEra to lean on relationship banks, which include **Bank of Tokyo-Mitsubishi UFJ**, **Crédit Agricole**, **Helaba**, **Lloyds TSB** and **NordLB**. Financiers say NextEra is an aggressive sponsor, pressing hard on pricing, as it did with its \$311.5 million refinancing backing its existing Blythe Energy

Center in California (PFR, 12/22). In that deal, it snagged initial pricing of 237.5 bps over LIBOR, which was the lowest floor for a power deal at the time.

One financier says his bank does deals with NextEra because credit officers prefer to balance riskier financings in its portfolio from other sponsors with some financings backing highly rated companies. **Standard & Poor's** rates NextEra Energy A-

Wind Energy Transmission Texas, Sharyland Utilities, and **LS Power** are also looking to land financings for CREZ transmission projects this year. WETT is a joint venture of **Brookfield Asset Management** and Spanish developer **Isolux Corsan Concesiones**. Lenders are liquid enough to satisfy the CREZ financings and the glut of gas deals in California (PFR, 1/12), says a deal watcher, though some deals may be pushed off until the third or fourth quarters to ease the load.

A specific timeline for NextEra's financing and deal details, including pricing and tenor, couldn't be learned. Bank officials declined to comment or didn't return calls. —*Brian Eckhouse*

FOTOWATIO SEEKS

(continued from page 1)

The San Francisco-based company has 41 MW online and expects to start construction on two projects this spring—the 25 MW Tucson near Tucson, Ariz., and the 30 MW AE Solar near Austin, Texas. Tucson has a 20-year PPA with **Tucson Electric Power**.

The real attraction to FRV is its deep, contracted, construction-ready pipeline. **Southern California Edison** has power purchase agreements with a 60 MW project, a pair of 20 MW projects in Kern County, Calif., and a 20 MW project in Los Angeles County. **NV Energy** has signed a 25-year agreement with a 37.5 MW Spectrum project in Clark County, Nev.; that PPA is awaiting regulatory approval. FRV has a 1.5 GW development pipeline in the U.S.

FRV could fetch a higher purchase price than **NextLight Renewable Energy** and **Recurrent Energy** because of the pipeline, says a banker, noting that the construction readiness of those were attractive to buyers. **First Solar** and **Sharp** bought NextLight and Recurrent for \$285 million and \$305 million, respectively (PFR, 4/29 & 9/24)

Madrid-based Fotowatio is owned by **Qualitas Venture Capital**, **GE Energy Financial Services** and **Grupo Corporativo Landon**, which hold 33.5%, 32% and 17.5% stakes, respectively. The management team owns the remaining 17%. Qualitas and Landon are the investment vehicles for the **Timfin Group** and the **Gallardo** family, respectively.

Fotowatio established its presence in the U.S. with its \$19.7 million purchase of **MMA Renewable Ventures** in 2009 (PFR, 3/6/09). **Tim Lasocki** and **Sean Kiernan** head up FRV's

development operations.

Yingli Green Energy typically does not compete with downstream developers, says a spokeswoman, although she declined to comment on whether it was looking at FRV, citing company policy on M&A. Exelon and Constellation spokesmen declined to comment on M&A rumors, although Constellation does see solar as an area of growth for the company, a spokesman says. **Jimmy Chuang**, director of structured finance at GCL in San Francisco, didn't return a call and a spokeswoman for Enbridge couldn't be reached.

Fotowatio officials in San Francisco and Spain were unavailable to comment, says a spokeswoman. A GE EFS spokesman could not immediately comment. Representatives for Landon and Qualitas could not immediately be reached.

A CS official could not be reached and a spokesman declined to comment. —*Holly Fletcher*

Calendar

- **Euromoney Energy Events** will host the 2nd Annual Renewable Energy Finance Forum Canada April 5-6 at the Radisson Hotel Admiral Toronto in Toronto. To register, visit <https://www.euromoneyenergy.com/EventRegister.aspx?CategoryID=0&EventID=3627>.
- **AWEA** will host Wind Power Finance & Investment Workshop April 7-8 at the Crowne Plaza-Times Square Manhattan in New York. To register, visit <http://www.awea.org/events/FinanceInvestment/>.
- **Platts** will host the 2nd Annual Small Modular Reactor May 23-24 at the Mandarin Oriental Hotel in Washington, D.C. To register, visit <http://www.platts.com/ConferenceDetail/2011/pc130/index>.

Quote Of The Week

"That's the weirdest thing about this deal from our perspective." —A financier on **NextEra Energy Resources'** efforts to secure financing ahead of building a \$600 million transmission project in Texas instead of funding the project on balance sheet (see story, page 1).

One Year Ago In Power Finance & Risk

First Wind had named **Credit Suisse**, **Deutsche Bank**, **Goldman Sachs** and **Morgan Stanley** as leads for its initial public offering. [The developer is now talking with Canadian company **Emera** about a joint venture on its New England portfolio after its IPO was shelved in the fall (PFR, 3/28).]