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A PUBLICATION OF INSTITUTIONAL INVESTOR, INC.

APRIL 9, 2007
VOL. X, NO. 14

Deal Book and Sale Calendar Available Online!

To cram in more news this week, we've shuffled our Project Finance Deal Book and Generation Auction & Sale Calendar to the Web. The site has also recently been revamped, so get typing…

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Wachovia Lands Goldman Banker

Wachovia Securities has pocketed a **Goldman Sachs** staffer for its New York energy and power M&A group.

See story, page 2

In The News

Corporate Strategies

MIRANT SEEN IN CROSSHAIRS

A handful of strategic buyers are reportedly taking a hard look at **Mirant Corp.**, enamored by its low leverage. Hedge fund officials say ample headroom on the IPP's balance sheet makes it ripe for a takeover, noting management's commitment to four times EDITDA is more conservative than the five or six times EBITDA of its peers. "It's not sustainable—something is going to happen," said one activist.

The Atlanta-based player is rumored to have hired **JPMorgan** to advise on any tenders. Logical acquirers include **Dominion**, which is set to pocket $13-15 billion from a sale of its exploration and production business, and **Exelon** or **Constellation Energy Group**, both cash-rich after failed mergers with **Public Service Enterprise Group** and **FPL** respectively.

(continued on page 8)

Mirage?

FINANCIERS DIVE IN FOR $3B ABU DHABI TENDER

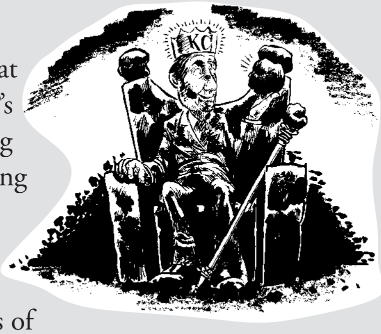
Eleven lenders have committed financing for developers bidding to construct Fujairah II, the $3 billion, 2 GW/30 million gallons per day independent power and water project in Abu Dhabi. The competition is strong, note deal watchers, and that is fuelling fears that pricing on the financing might score an all-time low.

Four parties are in the running for the build, own and operate contract (PFR, 1/12). These include **SUEZ Energy International**, backed by **Natixis** and **BayernLB**, and **SembCorp Industries**—the winner of neighboring 535 MW Fujairah I—with its Japanese partners **Kyusyu Electric Power Co.** and **Sojitz Corp.**, backed by **Standard Chartered**, **Royal Bank of Scotland** and **Société Générale**. Also bidding is a partnership between **AES**

(continued on page 8)

PFR's PROJECT FINANCE AWARDS

COAL IS KING: PLUM POINT, BELCHATÓW LAND TOP HONORS



Coal generation is back center stage and underscoring that two landmark financings have scooped top prizes in *PFR*'s annual project finance awards: the $755 million financing for Plum Point in Arkansas and the €879 million financing for Poland's huge Belchatów facility. Also, on the greener side of the street, **Horizon Wind Energy** landed the Best Renewables award.

LS Power's Plum Point loan was chosen by the editors of *PFR* for scoring a number of firsts that have beaten a path for other developers to follow. Likewise, the **Citigroup** and **ING**-led deal Belchatów has paved the way for others to follow.

For full details, see pages 6-7.

At Press Time

LS Wraps Plum Point Refi

LS Power has refinanced the existing term loan B financing tied to Plum Point, its pulverized coal-fired generation project near Ocseola, Ark. **Barclays Capital** acted as sole financial advisor on the $817 million, 33-year loan, which also deployed a AAA mono-line guarantee from **Ambac**.

Royal Bank of Scotland, lead arranger, bought the entire deal. “The reasons they could buy a deal that size and tenor is because we have guaranteed the payment,” says **Mike Pepe**, managing director in structured energy finance at Ambac, who worked on the deal with director **Lou Iaconetti**. The wrap—the first for an investment-grade energy credit in the U.S.—enabled LS Power to secure cheaper pricing and a longer tenor. “This is a watershed deal which will open up the investment-grade project finance market to mono-lines,” says Pepe.

LS Power sought cheaper financing after locking up long-term offtake agreements with entities such as the **Missouri Joint Municipal Electric Utility Commission** (PFR, 12/08). Calls to LS Power, Barclays and RBS were not immediately returned.

The original construction debt was put in place via **Merrill Lynch**, **Credit Suisse** and **Goldman Sachs** (see awards, p6).

Goldman M&A Banker Heads To Wachovia

Wachovia Securities has hired **Hugh Babowal** as managing director in energy and power mergers and acquisitions from **Goldman Sachs** in New York. He joins next month and will report to **Rob Engel**, managing director and head of mergers and acquisitions.

Babowal, who spent eight years at Goldman latterly as a v.p., could not be reached for comment on his move. Prior to Goldman, he worked in global natural resources at **Lehman Brothers**.

Caithness L.I. Pricing Comes In Tight

Pricing on a **Citigroup**-led, $450 million private placement funding **Caithness Energy**’s 350 MW planned gas-fired plant on Long Island landed at 150 basis points over Treasuries, the tight end of price guidance. The coupon will be set at closing, expected in the next 60 days, but is expected to be in the 6.25% ballpark.

Twenty investors bought into the 25-year notes—mainly life insurance companies, seeking long-tenor securities to match liabilities. Investors were selected for their comfort with the delayed-draw feature, allowing Caithness to borrow portions of the funding quarterly to avoid negative carry as construction progresses. The deal mirrors an earlier 144A for **Neptune Regional Electric Transmission**, which raised $550 million for its 660 MW undersea cable via **Société Générale** two years ago (PFR, 06/24/05).

Citi previously led a $300 million placement for Caithness subsidiary **Coso Operating Co**, which owns 270 MW of geothermal capacity contracted to **Southern California Edison** (PFR, 07/15/05). When it comes online in 2009, its Brookhaven facility will be the first baseload plant to be built on Long Island in three decades. Its output will be sold to the **Long Island Power Authority**.

JPMorgan Anoints Head Of Power, Utilities

Jay Horine, a senior managing director in energy investment banking at **JPMorgan Chase**, has been promoted to head the power and utility group in New York, carrying on the duties of **Francois Poirier** who left last year. Horine joined the firm after 12 years with **Goldman Sachs** (PFR, 5/19). He reports to **Doug Petno**, head of energy investment banking.

JPMorgan has hired a handful of senior-level energy bankers over the past six months and is set to bring a new executive director on board shortly. A spokesman for the firm declined to reveal the individual's identity. Most recently JPMorgan hired **Ian Connor**, a managing director in energy at Goldman in New York (PFR, 3/16).

Invenergy Construction Syndication Kicks Off

Some 15 banks pitched up at the syndication launch of $220 million in construction financing for Invenergy last Monday. The loan, led by **Royal Bank of Scotland**, is for a gas-fired facility in Grays Harbor, Wash., according to a banker tracking the deal. Officials at RBS and Invenergy did not return calls requesting comment.

The breakdown of the debt could not be immediately learned. Commitments are expected in two to three weeks. The 600 MW combined-cycle plant has offtake agreements with various local entities. According to the Invenergy Web site, the project is more than 60% constructed.

Miller Buckfire Set To Land Utah Peaker Auction

Owners of **Desert Power**, a partially constructed, gas-fired peaking plant in Rowley near Salt Lake City, Utah, have decided to sell and are in late-stage talks to hire restructuring firm **Miller Buckfire** as auctioneer. **Morgan Stanley**, which has provided debtor-in-possession financing to the entity in Chapter 11, is reportedly handling the negotiations.

Calls to Morgan Stanley and Miller Buckfire were not immediately returned and an assistant for **Charles Darling** at Houston venture capital firm **DQ Holdings**, which owns a 58% stake in the plant, declined to make him available. An investor group holds the remaining interest. The owners have been considering a sale and other options for the plant for a number of months (PFR, 1/12). The plant has a 20-year power offtake agreement with Portland, Ore., utility **PacifiCorp**, but that depends on meeting a June 1 commercial operation date, which seems unlikely given recent construction delays.

The facility needs about $30 million to complete conversion to a 100 MW, qualifying combined-cycle cogeneration facility from a 65 MW simple-cycle unit. New York acquisition firm **MMC Energy** agreed to buy the asset last year but the deal fell through for reasons that were not made public.

Entegra Second Lien Trades Up In Secondary Mart

The second lien loan for **Entegra Power Group** started trading last week in the secondary market and nudged north at par plus 1/8-3/8—that's after pricing was shaved. The seven-year, $450 million term loan, which was priced at LIBOR plus 250 basis points, is part of a $1.33 billion credit facility which refinances existing loans for the power group. Calls to **Joff Mitchell**, ceo at Entegra, which runs the Gila River Power Station in Arizona and the Union Power Station in Arkansas, were not immediately returned.

Allocations were made last week, after pricing was adjusted due to high demand. The financing includes a seven-year, $30 million second-lien synthetic revolver priced at 250 basis points, flexed down from 275. An eight-and-a-half-year, $850 million third-lien payment-in-kind term loan priced at 600, flexed down from 700. The deal was well oversubscribed, with lead arrangers **Credit Suisse**, **Lehman Brothers** and **Goldman Sachs** said to have brought in more than 30 institutions.

NY Acquisition Shop Looks To Upgrade Listing

New York power and infrastructure acquirer **MMC Energy** is looking to list on a major U.S. exchange this year. CFO **Denis Gagnon** says the company's pending reverse stock split, which the bulk of its shareholders voted in favor of March 12, will compress the number of shares it has outstanding, hiking its stock price and allowing it to meet minimum price thresholds on a major exchange without changing its ownership structure. MMC's stock is trading at $0.78 on the **OTC Bulletin Board**, and needs to trade at $5 a share minimum to meet requirements set by the **NASDAQ** or $2 for the **American Stock Exchange**.

"The purpose of the reverse stock split is to achieve a desired per share price in connection with listing our common stock on a national stock exchange, which we believe may be useful if we were to pursue a public offering," notes Gagnon. He declined to talk specifics on possible underwriters for the share offering.

MMC targets generation opportunities in the 250 MW ballpark or smaller, and prefers to negotiate private transactions than compete at auction. The company owns three assets, but has a number of irons in the fire that could propel it into the mainstream. Its Chula Vista generating facility in San Diego County, Calif., is a strong contender to be shortlisted in an RFO for 250 MW sought by utility **SDG&E**. MMC bought Chula Vista from **NEG** subsidiary **Dispersed Generating Co.** in January last year for $2.625 million, and is already in discussions with financing parties concerning its plans to expand the unit to 93 MW from 44 MW. It also recently re-commissioned its 22 MW Mid-Sun power plant in Bakersfield, Calif., acquired in November from **Taft Energy Partners**.

Advisory Boutique Opens Hong Kong Outpost

Lexicon Partners, an energy advisory boutique, has opened a Hong Kong office, anticipating a surge in deal flow in the region. **Marcus Thompson**, director and head of the new office, said the firm has a number of live mandates in Asia on individual asset M&A and greenfield project finance, declining to talk specifics. It most recently advised **YTL Power** on its acquisition of **E.ON**'s interest in the 1.2 GW **Jawa Power** in Indonesia.

The four-person Hong Kong team includes executive **John Mason**, who joins him from Lexicon's London headquarters.

Valuations of generating assets in Asia are on the rise, underscored by the recent $3.4 billion acquisition of **Mirant**'s Philippines business by consortium led by **Tokyo Electric Power** and **Marubeni**. More new-build activity also is expected, with Marubeni's 600 MW Cirebon power project in Java being one of the first to enter construction. "Quite often it is local strategic players investing a range of percentages in equity and international strategics investing alongside them," says Thompson.

Empire State IPP Taps Merrill To Hook Equity

Besicorp-Empire, a joint venture between **Besicorp Development Co.** and **Empire State Newsprint**, is looking to sell interests in a to-be-constructed, natural gas-fired combined-cycle cogeneration facility in Rensselaer in upstate New York.

The Kingston, N.Y.-based IPP has tapped **Merrill Lynch** to run an auction. Merrill signed a tolling agreement with Besicorp, a deal tracker notes, and is now rounding up potential equity investors so it can put debt financing in place to finish construction and bring the plant online in 2009. **Cantor Fitzgerald Brokerage** led PPA negotiations for the $500 million project (PFR, 2/18/05).

The brownfield unit will be located on the site of a recycled newsprint manufacturing facility and has aggregate capacity of 640 MW—535 MW in baseload operation and 104 MW in peaking mode. **North American Energy Services** will operate and manage the plant when finished. Calls to Besicorp and Merrill were not returned.

Leads Launch $100M Calif. Coke Refi

Leads **ING Bank** and co-agents **DZ Bank** and **Union Bank of California** have kicked off syndication for $100 million in debt refinancing for **GWF Power Systems**' 122 MW petroleum coke-fired portfolio. A banker following the deal says there will be a limited retail syndication, bringing in four to five banks. Officials at each of the banks declined to comment.

Pricing could not be ascertained. The fully-underwritten, $100 million financing consists of a 4.5-year $90 million term loan and 4.5-year $10 million reserved letter of credit.

The facilities replace old debt associated with six plants in California: the Wilbur Ave. West, Wilbur Ave. East, East Third Street, Nichols Road and Loverage Road plants in Contra Costa, and the Hanford plant in Kings County.

Corporate Strategies

EIF Unit Borrows $300M To Pay Distribution

Energy Investors Funds-backed **USPF Holdings** plans to use proceeds from a $300 million line of credit to pay a one-time dividend to investors. The **United States Power Fund** entity was formed to house EIF's interests in a 1,646 MW of diverse generation portfolio and in the 660 MW to-be-completed Neptune undersea transmission line between Sayreville, N.J., and Long Island, N.Y.

"These assets have been around for a while," explains one banker working on the deal. "They are stable performers with long-term contracts and some of the investors want more return." Two of the gas-fired plants—227 MW Blackhawk in Borger, Texas, and the 240 MW Crockett Cogeneration outside San Francisco—have recently been unable to make substantial distributions. **Daniel Welt**, analyst at **Standard & Poor's**, says because of the amount of hydro capacity in California Crockett had low dispatch but was still forced to produce steam to satisfy its offtake requirements; while Blackhawk had lower steam offtake from the onsite refinery as well as operational issues. The size of EIF's planned dividend could not be determined and officials at the firm did not return calls.

Lehman Brothers is lead arranger on the holding company debt, which consists of a $288 million senior secured B loan and a $12 million funded letter of credit to support a six-month debt service reserve account. Pricing on the new facilities, both due 2014, will be set at financial close—expected shortly, according to an official at Lehman. The debt is structurally subordinate to $689 million in project debt. S&P rates the new debt BB, while **Moody's Investors Service** rates it Ba2.

With Sale Cash, Duquesne Calls In Pricey Bonds

After the $110 million sale of **Duquesne Light Holdings**' landfill gas business to **Blue Wolf Capital Management** in January, **William Fields**, v.p. and treasurer in Pittsburgh, Pa., says the company needed a way to use the cash. It recently did so by exercising a call option to redeem $100 million in 6.7% public income notes. "A similar security could be issued much more cheaply," he explains, adding there are no immediate plans to issue any new debt.

The public income notes, which are first-mortgage bonds targeted at the retail investment community, were issued in 2002. The 30-year notes become callable at the company's discretion April 30. Duquesne does not have any other callable bonds outstanding, Fields says.

The company has about $1.2 billion in long-term debt. It is set to be acquired for about $1.6 billion by Australia's **Macquarie Infrastructure Partners** and **Diversified Utility and Energy Trusts**.

Allegheny Taps W.Va. Environmental Bond Structure

Allegheny Energy subsidiaries **Potomac Power** and **Monongahela Power** have tapped West Virginia regulation to fund planned environmental upgrades via securitized bond deals. Funds collected from customers through an environmental surcharge will be securitized and dedicated to the repayment of the senior secured sinking fund environmental control bonds. Potomac placed $115 million and Monongahela placed $345 million. The proceeds will be used to purchase desulfurization equipment for one coal plant.

"The issue is a first for environmental upgrades," says **Joseph Fichera**, ceo at **Saber Partners**, financial advisor to the Public Service Commission of West Virginia on the transaction. He explains that it is a useful tool for utilities in states using coal generation. Ratepayer-backed bonds have previously been issued to recover stranded costs associated with deregulated markets. While 17 other states authorize securitizations for utility purposes, only West Virginia and Wisconsin allow them for environmental upgrades. An Allegheny spokesman did not make an official available for comment.

Coupons ranged from 4.98% to 5.52% on the notes divided into tranches of four-, 10-, 16-, and 20-year maturities. The notes are the first utility securitization with TRACE eligibility, which allows their secondary market transactions to be reported by the **National Association of Securities Dealers**' trade reporting and compliance engine.

First Albany Capital and **Loop Capital Markets** were bookrunners, while **Bear Stearns** and **Scotia Capital** were underwriters. "We put together a team to target different types of investors," says Fichera. Educating investors was a big job, and a key part of the effort to sell the bonds to a diverse retail base. About half of the bonds are expected to go to overseas investors.

Monongahela will install flue gas desulfurization equipment, or scrubbers, at the 1.1 GW coal-fired Fort Martin Power Station north of Morgantown, W.Va. Potomac's share of the proceeds will be paid to Monongahela as prepayment for power, who will in turn use it to fund the Fort Martin scrubber. Allegheny's overall environmental improvement program includes commitments to invest approximately $1.4 billion to reduce emissions over the next few years.

National Grid Plots $500M CP

National Grid USA plans to place around $500 million in commercial paper this month, after inking a new $2 billion commercial paper program March 30. "We've been busy replacing debt in the U.S. with loans from our parent and are now looking to become self-funding," says **Robert Seega**, assistant treasurer at the National Grid subsidiary in Westborough, Mass., adding that no timeframe for repaying the $1 billion in parent borrowings has been set.

The unit has not had to issue debt since 2000, bar tax-exempt securities it used to refinance debt in its **Niagara Mohawk** subsidiary. National Grid assumed $6 billion in debt in purchasing the Syracuse, N.Y.-based wires company in 2002, and stumped up $3 billion of equity. Loans from its U.K. parent are priced at LIBOR plus 12.5 basis points, says Seega, noting that this covers the parent's borrowing costs.

Citigroup, **JPMorgan** and **Banc of America Securities** were selected as dealers on the CP because of their credentials and relationships with National Grid. The paper's maturity still needs to be determined, says Seega, but feedback from the dealers suggests interest will be robust. National Grid is proposing a $7.3 billion merger with gas and electricity distributor **KeySpan Corp.**, after which it plans to invest $1.4 billion in energy delivery infrastructure over the next five years. The deal is expected to close this summer, pending the approval of the **New York Public Service Commission**.

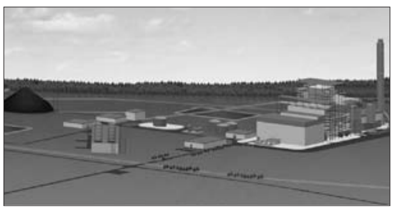
PFR's Sixth Annual Power Project Finance Awards
The Winners

Power Finance & Risk *is pleased to announce the winners of its sixth annual awards, recognizing innovation and excellence in the field of non-recourse financing. As ever, all nominations for the top honors were strong. But the editors decided this year's winners nudged ahead of the pack by breaking new ground and paving the way for other sponsors and lenders to follow in the burgeoning areas of coal-fired generation and renewable energy.*

Best Americas

Plum Point

Sponsor: **LS Power Group**
Project: 665 MW pulverized coal-fired plant in Osceola, Ark.
Leads: **Credit Suisse**, **Goldman Sachs**, **Merrill Lynch**, **Morgan Stanley** Co-Manager: **WestLB**



Plum Point rendition

The $755 million Plum Point financing stood out amid stiff competition for the top Americas award this year.

It was the first debt-financed coal project this century and it did so via the growing term loan B market and with a commodity price hedge.

The main challenge, says **Joe Esteves**, managing director at **LS Power** in New York, was getting so many things to happen simultaneously with all of the project's equity investors and offtakers. A general lack of interest from larger utilities meant bringing in smaller local customers—municipalities and co-ops, who prefer to own assets—to take about 37% of the project. Bringing in all of these diverse entities took time, Esteves says, and LS wanted to get to the market before costs increased.

"The question was how to get financed without all of the contracts in hand," Esteves explains. The price hedge, a put option on natural gas prices, was used to address this problem. The key was having a flexible instrument, explains **Jean-Pierre Boudrias**, v.p. at **Credit Suisse** in New York. The hedge offered the certainty needed for securing the financing, but could also be easily replaced by a longer agreement, such as the 30-year PPA with the **Missouri Joint Municipal Electric Utility Commission** obtained in December.

Bringing a new type of deal to the B loan market also meant educating investors, says Esteves, and adjustments to the deal structure. A one-lien structure ended up being too aggressive for the market, and the leads had to break the deal down into a first lien piece of $423 million, priced at 325 basis points, and a second lien piece of $175 million, priced at 525 basis points.

LS Power has just wrapped a $817 million refinancing of the debt, advised by **Barclays Capital. Royal Bank of Scotland** bought the deal which was wrapped by **Ambac.**

Best Renewables

Maple Ridge and Blue Canyon Portfolio

Sponsor: **Horizon Wind Energy**
Assets: 198 MW of wind generation in Lewis County, N.Y., and 150 MW in Caddo and Comanche Counties, Okla.
Leads: **Goldman Sachs**, **BayernLB**

Maple Ridge

The $263 million portfolio loan covering **Horizon Wind Energy**'s share of two wind farms was the standout renewables project financing last year. Admirers cite the fact it was the first widely-syndicated wind deal to feature a hedge and also the first to have a merchant tail when the hedge expired.

Blue Canyon Phase II has a 10-year PPA with **Public Service of Oklahoma**, while Maple Ridge, a 50-50 joint venture with **ScottishPower**'s **PPM Energy**, is fully merchant. A seven-year hedge from **Goldman Sachs**, which purchased Horizon in 2005, via **J. Aron & Co.** is in place on Maple Ridge.

"Synthetic offtake for a wind farm in the form of a financial hedge was still new at the time of the deal," says **Rolf Siebert**, v.p. at **BayernLB** in New York. He says wind sponsors tend to like financial hedges as they offer competitive prices, shorter tenors and potentially more upside.

Accommodating a wider market with the deal's seven-year hedge, however, was a challenge. The key, adds **Jayshree Desai**, v.p of finance at Horizon in Houston, was mitigating the merchant risk. The diversity of the portfolio structure made participants comfortable with the deal, and allowed banks to add leverage to the deal. Also, 70% of the loan will have amortized by the end of the hedge, and 95% by the end of the tenth year.

A dozen banks participated in the 15-year debt facility, priced at 137.5 basis points, stepping up to 250.

PFR's Sixth Annual Power Project Finance Awards
The Winners

Best Europe/Middle East

Belchatów

Sponsor: **BOT Elektrownia Belchatów SA**
Asset: 833 MW in new merchant capacity and environmental upgrades to existing units
Leads: **ING Bank** affiliate **ING Bank Slaski**, **Citibank International** affiliate **Bank Handlowy w Warszawie**

Boleslaw Cirkos

The €879 million financing for Poland's 4,400 MW, lignite-fired merchant plant Belchatów was a complex, multi-layered transaction, completed in the midst of a power sector overhaul—namely the cancellation by the government of long-term power purchase agreements. The funds also were provided in local currency, enabling the borrower to avoid exchange rate risk. "The success of our project is a milestone achievement in the process of financing power projects in Poland where the PPAs are no longer available and therefore can be replicated to other projects," says **Boleslaw Cirkos**, director of strategy and development at sponsor **BOT Elektrownia Belchatów SA**.

"We had never had a 10-year financing without a long-term power purchase agreement supporting the cash flows," explains **Dorota Miziolek**, director in corporate finance at **Citibank Handlowy** in Warsaw who worked on the deal, adding that it ended up being more characteristic of a project than a corporate financing. "The international and local [banking] market were willing to back the company without any cover," adds **Jean Perarnaud**, v.p. in structured finance and utilities at **ING** in Amsterdam, who worked with **Clara Alvarez**, director, to structure the transaction.

The level of interest from local and international banks underscored the attractiveness of the baseload plant, located 180 km south west of Warsaw. The facility should benefit from the retirement of older units and from the rise in power prices as the economy improves. Banks' interest was also notable given the significant merchant exposure involved and lack of parent/state guarantee. On March 28 last year, the newly elected government decided to cancel long-term PPAs in the country to foster competition, prompting banks to seek independent forecasts of likely cash flows from Belchatów.

The deal itself consisted of €604 million in commercial loans arranged and pre-funded by ING, which underwrote €98 million, and Citibank, which underwrote €50 million. This comprised a 10-year, €250 million term loan, priced at 60 basis points; an eight-year, €90 million standby facility, priced at 58 basis points, and six-year, €264 million **European Investment Bank** guarantee, priced at 58 basis points. Eleven banks bought into the deal in general syndication, which closed Jan. 29 with 30% oversubscription.

Fortis was given a senior lead arranger title, taking a €45 million slug, to account for the fact it was originally co-mandated alongside Citi and ING. The bank retreated when BOT indicated it wanted to close without the participation of export credit agencies **Coface** and **Hermes**. Lead arrangers **Bank Zachodni WBK**, **BayernLB**, **Dexia Kommunalkredit Bank**, **Kredyt Bank**, **Nordea**, **Rabobank Polska**, each took €43 million slices, with **UniCredit Group**, allocated €106 million between its **Bank Pekao** and **Bank BPH** subsidiaries. Lead arrangers **Bank Millennium** and **Raiffeisenlandesbank Niederösterrich-Wien** each took €23.5 million slugs.

Rounding out the deal was a 12- and 16- year, €125 million term loan coordinated by the **European Bank for Reconstruction and Development**'s principal banker, **Grzegrzorz Zielinski**. The EBRD syndicated this portion to **WestLB** and Dexia, which each took €25 million. Supporting these tranches was a 15-year, €150 million term loan from **Nordic Investment Bank** and an 18-year, €220 million loan from the EIB.

Some 36 banks bid on the RFP for lenders with pricing around 1% and below, which BOT put out to tender Jan. 5 2005, advised by **Gregory Karchuk** at **Banc of America**.

Once operational in 2010, Belchatów's newest unit (833 MW) will be the lowest-cost producer in the country with the most efficient burners and modern pollution control equipment. The 4.4 GW facility already is the largest plant in Poland, generating 18% of the country's power.

FINANCIERS DIVE

(continued from page 1)

and **Sumitomo**, backed by **ING**, **Bank of Tokyo-Mitsubishi** and **Gulf International Bank**, and a consortium led by **International Power** and **Marubeni**, backed by **Sumitomo Mitsui Banking Corp.**, **Calyon** and **Citigroup.** Suez and IP/Marubeni are said to be favorites to win.

Sponsors have until April 19 to submit financial bids to state-owned water and electric authority, **Adwea**, which is being advised by **HSBC** on the tender, launched Nov. 22.

Syndication of the 22-year Fujairah I financing closed in mid-December via **Barclays Capital** and SocGen with more than 20 banks. That thin pricing that began at 70 basis points and fell to 65 post construction (PFR, 9/15). The recently completed refinancing for nearby IWPP Taweelah B via BNP Paribas and Calyon priced at 50 basis points (PFR, 1/19), notes one banker, adding, "Taweelah sets the floor, but it will be interesting to see if people get below Fujairah I margins." *—K.B.*

MIRANT SEEN

(continued from page 1)

Calls to Mirant CEO **Edward Muller** were not immediately returned, and officials and spokespeople at JPMorgan, Exelon, Dominion and Constellation either did not return calls or declined comment.

Following Mirant's abandoned bid for **NRG Energy** last May, it began streamlining operations, pressured by hedge funds such as **Pirate Capital**—which has since exited its position (PFR, 12/08)—who opposed the move and wanted it to buy back stock. After shedding ancillary businesses in the Philippines and Caribbean, as well as six non-core U.S. power plants—transactions yet to close—what will remain is 2,347 MW in California, 9 MW in Maine, 4,774 MW in Maryland, 1,382 MW in Massachusetts, 1,657 MW in New York and 482 MW in Virginia.

According to a **Thomson Financial** database, the top 50 holders of Mirant include **Paulson & Co.**, **JANA Partners**, **Tudor Investment Corp.**, **SAC Capital Management**, **Luminus Management**, **DE Shaw**, **Horizon Asset Management** and **Seneca Capital Advisors**. Shares last night closed at $40.57, with a 52-week high-and-low of $23.36 and $42. *—Katy Burne*

Calendar

- **Standard & Poor's** presents its *Annual Utility Conference 2007* at the Roosevelt Hotel in New York May 31. Call 212-438-2800 to register.
- **Platts** is running the *4th Annual Utility M&A Conference* at the Marriott New York Financial Center June 25-26. Go to www.events.platts.com.

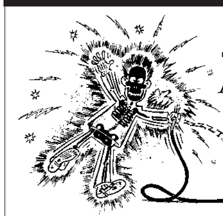
Quote Of The Week

"We had never had a 10-year financing without a long-term power purchase agreement supporting cash flows."—**Dorota Miziolek**, *on the significance of getting **BOT Elektrownia Belchatów**'s 833 MW plant financed (see awards, page 7).*

One Year Ago In Power Finance & Risk

J-Power USA Development Co. won an auction for **Tenaska Energy**'s Frontier plant. The investment firm outbid **GE Energy Financial Services** and **ArcLight Capital Partners** to acquire a 62% stake in the 830 MW facility in Shiro, Texas. [J-Power closed a $185 million financing for the acquisition in October.]

Alternating Current



…with Mark Spark

Mark Spark is a switched-on, power-suited exec with the inside track on all things energy. E-mail him at mspark@iinews.com. He will bite.

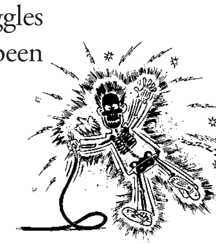
Just A Lot Of Hot Air?

Trust **Goldman Sachs** to blaze a trail. Ever since the Portuguese agreed to pay $2.93 billion for **Horizon Wind Energy**—a pretty full sum—scores of wind concerns have crawled out of the woodwork and put themselves on the auction block expecting exuberant profits.

Ridgeline Energy just hired **Marathon Capital** to evaluate strategic financing alternatives (no prizes for guessing the likely outcome there) and **Merrill Lynch** is shopping a small Texas outfit, hoping to emulate **Morgan Stanley**'s success in selling **Superior Renewable Energy**.

Meanwhile, **Competitive Power Ventures** is about to unveil a buyer or equity investor for **CPV Wind**, after putting itself in play via Marathon last year. And some development is expected from **Catamount Energy**, which hired Goldman to weigh its options a year ago.

Theoretically, everything's for sale for the right price—even **UPC Wind**, **Eurus Energy America** and **Noble Environmental Power** (especially if Noble keeps leaving turbines rusting in open fields while it haggles over term sheets). But the right price has been heading north at a fair clip.



With the likes of **Babcock & Brown**, **BP** and **Iberdrola** on the war path, the question is do you feel lucky?

Well, do you?