

power finance & risk

The exclusive source for power financing and M&A news

www.iipower.com

A PUBLICATION OF INSTITUTIONAL INVESTOR, INC.

APRIL 12, 2010

VOL. XIII, NO. 14

On The Web

Constellation Energy starts construction on its first wind project.

Noble Said To Seek Capital

Noble Environmental Power is reportedly looking for funds as debt comes due.

See story, page 2

At Press Time

AEI Sews Up Guatemala Financing 2

In The News

Solar Developer Seeks Funding 3

Deere Assets Likely To Bring Fund Interest 3

Invenergy Project Battles Bats 3

Colo. Developer Sells Wind Project 3

Wind Co. Seeks Partner 4

Xcel Uses Bonds For Acquisition 4

London Firm Buys Infigen Wind Farm 4

Natixis, Union Finance Biomass 4

Advisory Shop Sets Up In Seattle 4

EIF Partners On Gas, Solar Projects 5

North American Plants See Interest 5

Geo Co. Teams With Utility 5

Mo. Muni Buys Into Ameren 5

Puget RFP Bidders Emerge 5

Departments

News In Brief 7

COPYRIGHT NOTICE: No part of this publication may be copied, photocopied or duplicated in any form or by any means without Institutional Investor's prior written consent. Copying of this publication is in violation of the Federal Copyright Law (17 USC 101 et seq.). Violators may be subject to criminal penalties as well as liability for substantial monetary damages, including statutory damages up to \$100,000 per infringement, costs and attorney's fees. Copyright 2010 Institutional Investor, Inc. All rights reserved. ISSN# 1529-6662

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

End Game?

U.S. POWER GEN NIXES DEBTOR TALKS

U.S. Power Generating Co. has stopped restructuring talks with lien holders on its **Boston Generating** assets. The IPP had been looking to get investors to convert some of their debt to equity, but could not come to terms.

The company will now go ahead full tilt with its plan to auction off the assets. The assets will likely be valued beneath the debt levels. So if a buyer emerges, the debt holders will have to agree to the haircut. If they don't, the dispute will likely end up being resolved in bankruptcy court. "There's no equity value in the Boston Gen assets today," says **Jeff Hunter**, executive v.p. and cfo of U.S. Power Gen in New York. "We are running an auction process to see if the market will tell us what these assets are worth."

The need for debt restructuring arose because the merchant assets have been suffering

(continued on page 8)

PE SHOP SPIES MAIDEN ALTERNATIVE FORAY

Private equity shop **NewWorld Capital Group** is seeking its first alternative power and environmental acquisitions. It's aiming to build a track record for investors ahead of raising \$350-500 million later this year.

The six-month old shop is looking to acquire companies that have cash flow, an existing customer base and that fit into its \$10-50 million initial investment range, says **Lou Schick**, principal in New York. He declined to elaborate on potential investments.

The fund's backers and initial co-investors include private equity shops **Ambienta**, **General Atlantic** and individual investors.

NewWorld's investment thesis is focused on the broader environmental sector, ranging from waste management to energy efficiency to renewable power companies. It will focus

(continued on page 8)

Smart Start

HUDSON MAKES METER MOVE

Hudson Clean Energy Partners has made an investment in Swiss smart meter company **Landis+Gyr**. The play underscores what some industry officials see as a relatively under-appreciated area of clean energy may be coming into the spotlight.

A smart meter records the amount of electricity consumed more efficiently, allowing for the potential of differentiating consumer prices in line with the costs of producing the power at different times. **John Cavalier**, co-managing partner of the firm, says Hudson made the investment because the company fit the bill of having a strong management team.

"There is far greater potential than is currently being realized for major cost reductions in the electric system from coordinated implementation of the smart grid," says **Jay Worenklein**, a partner with **Bingham McCutchen** in New York. "Regulatory changes that

(continued on page 8)

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



At Press Time

Noble Said To Need Capital Injection

Noble Environmental Power will reportedly need a capital injection by June to be able to pay debt coming due, according to a financier, declining to specify the exact amount, but pegging it in the hundreds of millions. **Michael Palmieri**, v.p. and senior counsel, directed calls to **Maggie Wisniewski**, spokeswoman in Essex, Conn., who says the company does not comment on market rumors.

The developer has been also looking to raise cash from asset sales and also snag a strategic partner (PFR, 11/6). "They made some bad assumptions around wind capacity," says one banker in New York familiar with their projects. Indeed, the projects' wind resources were running below assumptions (PFR, 12/11).

The company is one of the portfolio companies of **CCMP Capital**, a private equity fund spun off from **JPMorgan**. The bank stepped in last year to look for options for its ailing balance sheet including an outright sale or sale of projects. The company is still considering all options.

Michael Dell's MSD Fund controls the parent company debt. **Brian Frank**, the portfolio manager in New York, declined to comment. Bankers say it's unclear whether the company has any remaining equity value.

AEI Wraps Long-Awaited Guatemala Financing

More than 18 months after looking to debt finance its \$600 million, 300 MW Jaguar Energy Guatemala project, AEI closed the transaction late last month. The \$350 million deal drew over 20 lenders was led by Colombian banks **Banca de Inversion Bancolombia Corporación Financiera** and **Central American Bank of Economic Integration**, says **Eduardo Pawluszek**, cfo of AEI in Houston. He declined to name the other banks.

Pawluszek declined to comment on how the remainder of the construction costs would be financed. AEI went to the debt markets scouting about \$500 million (PFR, 7/23/08). Pawluszek declined to comment on the financing process, saying he joined the company six months ago and was not a part of the initial process. It could not be learned why the amount of debt had been reduced. Calls to officials and spokespeople at the banks were not returned.

The financing consisted of a 10-year construction and term loan. Pawluszek declined to disclose pricing details. **BNP Paribas**, **Mizuho Corporate Bank** and **Scotia Capital** were tapped for the original financing.

The plant, near Puerto Quetzal, Guatemala, is slated to be online in 2013. **Gas Natural** will buy 200 MW of the power for 15 years and the rest will be sold into local and regional wholesale grids.

Calls to **Roberto Figueroa**, executive v.p. at AEI for Central America and the Caribbean, were not returned.

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

JEANINE PREZIOSO
Managing Editor
(212) 224-3226

HOLLY FLETCHER
Associate 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 Publishers
(212) 224-3890

ADRIENNE BILLS
Associate Publisher
(212) 224-3214

PUBLISHING

ALLISON ADAMS
Group Publisher

LAUREN O'DONNELL
Marketing Associate
(212) 224-3609

VINCENT YESENOSKY
Senior Operations Manager
(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)

DAN LALOR
Director of Sales
(212) 224-3045

KEN LERNER
Account Executive
(212) 224-3043

REPRINTS

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

CORPORATE

GARY MUELLER
Chairman & CEO

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@iinews.com

Editorial Offices: 225 Park Avenue
South, New York, NY 10003.
Tel: (773) 439-1090
Email: pthompson@iinews.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 ©2010
Institutional Investor, Inc. ISSN# 1529-6652

Copying prohibited without the permission of the Publisher.

**Institutional
Investor NEWS**
INTELLIGENCE FIRST

Sunshine State Solar Co. Courts Financiers

BlueChip Energy, a solar developer, is in talks with three potential investors about financing a 10 MW project near Orlando, Fla. The company expects to wrap discussions with one or more partners, which include a bank, insurance company and pension fund, in weeks, says **Lawrence Hefler**, director of corporate marketing in Lake Mary, Fla. He declined to comment on how much financing BlueChip needs or identify the investors.

The 10 MW Rinehart project has an offtake agreement with **Progress Energy Florida** and is expected to be online in October. Hefler declined to comment on the length of the PPA. BlueChip is not using an advisor.

BlueChip is in the process of scaling up its residential and commercial solar installations to work with utilities. It is in talks with government agencies and utilities in Florida about building projects up to 50 MW, says Hefler. He declined to identify utilities or elaborate on project specifics.

The company is primarily focusing on building a solar pipeline in Florida but prepping plans to expand to other regions, Hefler says.

Deere Sale Likely To Attract Funds

Buyers interested in the **John Deere Renewables** wind portfolio, which totals over 600 MW, are more likely to be infrastructure funds because most of the assets are spinning and contracted. There are few development projects in the portfolio that would entice large independent power producers, industry officials note. IPPs that looked were not interested, says a banker and lawyer who represent potential buyers.

Potential bidders are in the initial stages of due diligence, bankers say. The identity of interested buyers could not be learned.

Deere wants to sell the assets as a whole because several are under 15 MW and the portfolio is more attractive as a large, diverse package than in smaller groupings, bankers say. The company has 54 operating farms, according to a filing with the **U.S. Federal Energy Regulatory Commission** in January.

The wind development branch of **Deere & Co.** has farms in several states, including Texas, Minnesota, Michigan and Idaho, according to the **American Wind Energy Association**. **Ken Golden**, a spokesman for Deere in Moline, Ill., declined to comment.

Deere retained **Goldman Sachs** in late February to evaluate its options regarding the wind unit. Goldman officials declined to comment through a spokeswoman.

Invenergy Beech Financing Gets Wings Clipped

Financing for Invenergy's 186 MW Beech Ridge project in Greenbrier County, West Va., has been scaled back. The new total could not be determined. Lenders agreed to a reduced loan amount from the originally floated \$300 million in the last two weeks, because the project will not be operating full time in the wake of legal rulings protecting a bat species.

Megan Schultz, director of finance in Chicago, declined comment.

A federal court ordered the developer to halt work on the project citing potential harm to an endangered Indiana bat (PFR, 1/5). In late January, the judge ruled the project could go ahead if it worked around time and seasonal restrictions when the bat was not hibernating. Since then the project has had to redo consulting and engineering studies as well as renegotiate its 20-year PPA with **American Electric Power** subsidiary **Appalachian Power**, which provides power to customers in Virginia, West Virginia and Tennessee, before the terms of the loan could be set.

Tenor and pricing on the new loan could not be learned. **Natixis** and **Dexia Crédit Local** are leading the financing. Bankers there declined to comment or did not return calls by press time.

Colo. Developer Offloads Wyo. Project

Wind Revolutions has sold its 500 MW Chalk Mountain project to a large developer backed by a European power producer. The sale of the project near Casper, Wyo., closed in the last couple of weeks and has not been made public, says a deal watcher who declined to comment on the price or identify the developer.

Chalk Mountain is an early to mid-stage project. Its PPA status could not be learned.

The developer had been looking to sell three projects in Wyoming. An official in Denver, Colo., said two projects are off the market, declining to elaborate. The company put the projects on the market in the summer of 2008 (PFR, 7/25/08).

One project, Beaver Divide, falls in a protected sage grouse area and is unlikely to be developed, says the deal watcher. Ownership of a third project, 600 MW Wheatland Wind, was returned to Wind Revolutions after its buyer, **Greenhunter Energy**, had financial problems in August, the person notes. Whether there are bidders for the Wheatland project could not be learned.

Windstream Energy Seeks Wind Partner

Windstream Energy is seeking a partner to help it develop a set of wind projects totaling 1.045 GW in Ontario, Wyoming and British Columbia. The company has applied for the **Ontario Power Authority's** feed-in tariff program and recipients of that program are expected to be announced this month. Qualifying projects are eligible for a 13.5¢ to 19¢ per kWh subsidy.

The slate of projects includes one offshore and six onshore projects. **Ian Baines**, president in Burlington, Ontario, declined to disclose details such as cost, size and specific location. The projects will be financed with all equity, and the firm is speaking to developers as well as private equity shops. "We think it would make sense to have a company with a public balance sheet," adds Baines.

Bankers at **KeyBanc Capital Markets** in Cleveland are working on the transaction, but staffers either could not be reached or declined comment.

The Ontario-based firm is privately held and backed by a group of New York investors.

Xcel To Fund Acquisition With Bonds, Equity

Xcel Energy plans to issue \$500 million in bonds this year to finance a portion of its acquisition of two natural gas plants from **Calpine**. Xcel will issue the debt at its subsidiary **Public Service Company of Colorado** and parent level, says **Jack Nielsen**, director of investor relations in Minneapolis.

The company has not finalized a timeline for the issuance, although it will likely be in the second half of year, Nielsen says. "We're leaving that door open, we expect that it would be closer to when the transaction would close [in December]," he adds. Nielsen declined to comment about how the company will choose banks for the issuance or an expected tenor or coupon.

The company will also issue \$400 million in equity either this year or next to fund a portion of the purchase.

Xcel is buying the 621 MW combined cycle natural gas-fired Rocky Mountain Energy Center in Keenesburg, Colo., and 310 MW simple cycle natural gas-fired Blue Spruce Energy Center in Aurora, Colo., for \$739 million. The transaction is expected to close in December following regulatory approval. Neither company used an advisor.

Calpine entered the combustion turbine plants in PSCo's 2007 request for proposals. The utility currently has offtake agreements with the plants that expire in 2013 and 2014.

London Shop Scoops French Infigen Asset

Platina Partners, a London-based private equity shop, has re-entered the French wind market with the EUR71.3 million (\$95.4 million) wind farm acquisition from **Infigen Energy**. The 52 MW farm is a portion of the 140 MW Fruges farm near Pas de Calais, France.

The transaction did not require regulatory approval and its 15-year offtake agreement with **EDF** made it attractive to Platina, which was keen to snag French assets, a spokesman in London says. The sale wrapped this month.

The acquisition is the first transaction for the shop's EUR209 million (\$279.8 million) European Renewable Energy Fund I since it closed March 29. Platina, which is Europe-focused, made nine renewable investments before fundraising wrapped last month. The shop is now looking to invest the remaining uncommitted funds.

Natixis, Union To Arrange Club Deal For Ga. Biomass

Natixis and **Union Bank** are set to arrange just under \$100 million in debt financing for a 50 MW biomass plant in Barnesville, Ga. The project is in negotiations with fuel suppliers and is waiting for an engineering assessment, each expected by the end of the quarter.

Piedmont Green Power, a **Rollcast Energy** project, is developing the biomass plant and has an offtake agreement with **Georgia Power**. The project is expected to come online in 2011 and Georgia Power will begin purchasing the power in Oct. 2012 as part of a 20-year contract, confirms **Lynn Wallace**, spokeswoman.

Penn Cox, ceo of Rollcast in Charlotte, N.C., declined comment on project details citing confidentiality agreements. Officials at Natixis and Union Bank declined to comment or did not return calls by press time.

NorthWinds Heads West

NorthWinds Advisors is setting up a Seattle desk to take advantage of the growing number of renewable projects developing from Denver to Calgary. NorthWinds is aiming for M&A activity to account for about two-thirds of its mandate load out of the Seattle office with project financing accounting for the rest, says **Jonathan Fitzgerald**, a managing director who joined the Harrison, N.Y.-based boutique investment bank three weeks ago to handle the Seattle operations. The office is set to open in the coming weeks.

"NorthWinds wanted to bring our expertise to an area that doesn't have a large indigenous banking presence," says

Fitzgerald, who most recently led boutique investment bank **Morgan Joseph's** clean tech group. He expects to land the branch's first mandates in the coming weeks. He declined to identify the companies or projects involved. The shop is working with two solar shops to sell projects and raise capital (PFR, 3/31).

EIF, NTE Form JV To Develop Gas, Solar Projects

Energy Investors Funds and **NTE Energy** will develop three 300 MW natural gas fired plants and an associated 15 MW photovoltaic solar as part of a new joint venture announced today.

One site will be in Florida, one in Alabama and one in South Carolina, says **Seth Shortlidge**, president of the joint venture **NTE Hybrid Renewable Energy** and president and ceo of **NTE Energy** in St. Augustine, Fla. "The target is to have long-term offtake with utilities in the vicinity of each project," says Shortlidge, declining to name specific sites since permits are pending.

Shortlidge expects to receive permits for these projects in the next 18 months and have them operating by 2013-2014.

Officials at EIF were unavailable for comment.

North American Power Bio, Coal Garner Interest

The sale of two biomass and two coal-fired plants belonging to **North American Power Group** has interested parties, says **Seth Keller**, director at **New Harbor**, the boutique investment bank in New York running the sale. He declined to disclose details or names, but says the company will have an announcement about the sale in a month or two.

The privately held **Greenwood Village, Colo.**-company put the plants up for sale in October. The assets for sale include: the 39 MW each **Rio Bravo Jasmin** and **Rio Bravo Poso** coal plants near **Bakersfield, Calif.**, and the 29 MW each **Rio Bravo Fresno** and **Rocklin biomass** plants, located near **Fresno, Calif.**, and **Roseville, Calif.**, respectively.

Michael Ruffatto, president of **NAPG**, did not return a call.

Ram Links For Geo Push

Ram Power has teamed up with a community-owned California utility to develop geothermal projects. **Imperial Irrigation District** will provide land for the projects and offtake the power, aiding financing by prepaying for some of the PPAs, says **Daniel Schochet**, executive v.p. at **Ram** in **Reno, Nev.**

The duo will likely develop a number of projects totaling several hundred MWs on **IID** land. Under the agreement, **Ram** will be the initial owner and will finance and develop the project. The **Imperial Valley** utility will have the option of buying 50% of

the project after tax credits have expired.

"From **Ram Power's** perspective, you want to be a stakeholder in the process with a utility. To the degree you involve and have a rapprochement, you have a stronger and more viable project," **Schochet** says.

Calls to **Jesse Montañó**, the interconnect transmission contracts administrator at **IID** working with **Ram**, were not returned.

Missouri Muni To Take Ameren Plant Stake

The City of **Columbia, Mo.**, is taking a 25% ownership stake in a 144 MW natural gas-fired plant owned by **Ameren**. The city's municipal utility, **Columbia Water & Light**, will finance the \$17.99 million acquisition from its retained earnings, says a spokeswoman in **Columbia, Mo.** The city did not use an advisor. The transaction is expected to close in June.

Ameren Energy Generating Co., the generation unit of **Ameren**, is searching for a buyer for an additional 25% stake in the plant, a deal watcher says. An **Ameren** spokeswoman in **St. Louis, Mo.**, declined to comment about whether the company used an advisor or why the company is divesting its interests.

The **Columbia Energy Center** consists of four 36 MW turbines. The municipal utility has two separate offtake agreements with the plant, which expire in 2011 and 2013, for half the power. **CW&L** will consider whether to extend the agreements or buy the ownership stakes when the contracts expire, says the spokeswoman.

Puget Evaluates Generation Bids

Puget Sound Energy expects to whittle down the first round of shortlisted bidders to provide it with generation by next month. It landed more than 60 bids in a request for proposals launched in January. It is seeking up to 1 GW to meet demand growth by 2012. The RFP was open to all power types.

The company plans to start negotiations to arrange power purchase agreements or acquisitions of plants with a final shortlist in July, says **Roger Garratt**, director of resource acquisitions in **Bellevue, Wash.**, says. "We do this every two years and we had more than two times as many [bids] this year as we had two years ago and four years ago," Garratt says. He declined to disclose the exact number of bids or name the bidders. **Puget** garnered 30 bids in the last RFP (PFR, 1/22).

Numerous renewable bids were made as expected, Garratt says, pointing to the state's renewable portfolio standard requirements. Wind projects accounted for the largest portion of renewable offers and there was at least one utility-scale ground-mounted solar project



We have upgraded our delivery system to assure that you are getting prompt and accurate service. In order to ensure there is no interruption in service, please log on to **www.iipower.com** now to activate your new login details and confirm your password.

You can also contact customer service at:

800.715.9195
customerservice@iinews.com

Your cooperation is greatly appreciated.

power finance & risk

News In Brief

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

Americas

• **Black Hills Energy** is proceeding with plans to build two natural gas fired plants and has no intentions of selling to a regional Colorado rural cooperative (*The Pueblo Chieftain*, 4/8).

• The U.S. **Environmental Protection Agency** is expected to release rules about which plants will be subject to greenhouse gas regulations. Facilities that release 75,000 tons or more a year will likely be the only plants regulated over the next two years. (*Reuters*, 4/7).

• **Noble Environmental Power** sent a letter to town officials in Chateaugay, N.Y., saying it is canceling plans to expand an existing farm and build a nearby project. The company cited high costs as the reason for shelving the 19.5 MW addition to its Chateaugay farm and the 100.5 MW Noble Alleghany project (*The Press-Republican*, 4/7).

• The national climate change policy debate is rousing arguments over who will pay for new transmission lines and

whether inter-state transmission projects should be subject to federal siting and permitting (*Dow Jones Newswires*, 4/7).

• **Austin Energy** is gearing up a pilot program to shift its long-term energy plan toward distributed generation and energy efficiency. Austin Energy will try to limit its need for new utility-scale generation through other climate friendly plans (*ClimateWire*, 4/7).

• The Connecticut legislature is considering a bill, similar to the Massachusetts law, to allow the state's utilities to own a limited amount of solar generation. Connecticut utilities currently can partner with an independent power producer and own a share in peaker generation (*The New Haven Register*, 4/7).

• The six offshore wind projects in the works off the coastline between Massachusetts and Delaware would benefit from being connected by transmission lines, according to a **University of Delaware** report. Adding 350 miles of underwater cable would cost roughly \$1.4 billion (*Bloomberg*, 4/6).

For the **7th** time, America's leading conference for renewable energy financiers and developers returns to New York

- **Meet decision-makers** – in 2009, over 70% of attendees held the title of CEO, CFO, President, Managing Director or Partner
- **Hear from thought leaders** – over 50 leading investors, developers and government officials will address the delegation
- **Make your projects bankable** with advice from global leaders in financing and developing of renewable energy projects
- **Understand the impact of new and existing federal policies** on your renewable energy projects

**Over 700
Participants in 2009**

EARLY BIRD SAVE \$300
Register by May 14, 2010

Co-Organizers:
**euromoney
energy events**
www.euromoneyenergy.com



The Waldorf=Astoria, New York City | June 29-30, 2010

www.reffwallstreet.com

Email: energyevents@euromoneyplc.com Call: (US) +1 212 224 3789 (UK) +44 20 7779 8999

HUDSON MAKES

(continued from page 1)

encourage investments by utilities while protecting consumers are inevitable and these should significantly increase the level of investment in the smart grid."

"I think it's because of their position as a market leader that we were interested in making an investment," says **Neil Auerbach**, partner at Hudson in Teaneck, N.J. "It's a sector of clean energy that we have been focused on."

The amount of money the firm invested could not be learned.

—J.P.

PE SHOP

(continued from page 1)

on companies that use proven technologies in emerging markets. A developer using mainstream solar technology to heat water for fossil fuel turbines would be an acquisition target, as an example. "In terms of project and power, we are a little bit niche in business model but not in technology," Schick adds.

For the fund raising, the shop will target pension funds, foundations and family offices as well as universities, says **Carter Bales**, chairman, who was a co-founder of private equity shop **The Wicks Group of Companies**. "It's too early to tell which limited partner players will be actively looking to be investors at the end of the year," Bales says.

Founders of NewWorld include **Bradley Abelow**, a former partner at **Goldman Sachs**; **Bill Hallisey**, a former managing director of power at **GSC Group**; **Ali Iz**, who worked on power deals at **CMEA Capital** and **GE Energy**; and **Everett Smith**, a former managing director at **New Energy Capital** and managing director of energy at **GE Capital**.

—Holly Fletcher

U.S. POWER

(continued from page 1)

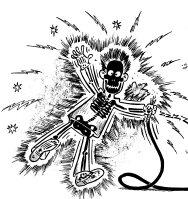
from low margins under current economic conditions. As a result, it has also not been able to refinance a chunk of debt that was maturing.

The company has hired **JPMorgan** to run the sale (PFR, 3/26). **Paul Dabbar**, managing director of global mergers and acquisitions, and **Sean O'Donnell**, executive director, head of U.S. generation M&A, at JPM, did not return calls. Teasers went out last week.

Assets for sale include the 801 MW Fore River and the 560 MW Mystic 7, both gas- and oil-fired, and the 1602 MW combined, natural gas-fired, Mystic 8 and 9, in the greater Boston area.

The debt and the investors in it include: a \$1.1 billion term

Alternating Current



Sheriff Joe Gets The Inmates Powered Up

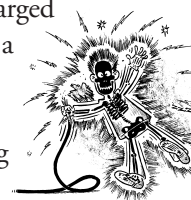
Female inmates who want to watch their favorite TV show for an hour a day can do so, if they pedal on a bike to power up the telly.

Sheriff **Joe Arpaio** of Tent City Jail in Phoenix, Ariz., rolled out a new initiative on April 1. It's no joke, and fellas, once the kinks are worked out, the ol' Sheriff plans to expand **Pedal Vision** to the men's facility.

Turns out that pedaling for an hour on this bike will generate 12 volts—enough to keep the 19-inch television turned on for an hour—and there's an added health benefit: they burn 500 calories.

"This gives them a reason to get moving and a way to burn up to 500 calories an hour. They won't be charged a monthly gym fee but they will have to sign a contract," says Arpaio says in a press release.

Now if you think the *bête noir* of human rights activists is getting soft, you try peddling for an hour in a tent in the desert when it's 100 degrees.



loan B held by **Angelo Gordon**, **Avenue Capital**, **Highland Capital Management** and **Trust Company of the West**; a second \$300 million lien held by **Carval Investors**, **Goldman Sachs** and **Fortress**; \$300 million in mezzanine debt belonging to **Candlewood Partners** and **Satellite Asset Management**. **Sandell Asset Management** has a small piece of each tranche.

—Jeanine Prezioso

Quote Of The Week

"There's no equity value in the Boston Gen assets today. We are running an auction process to see if the market will tell us what these assets are worth." —**Jeff Hunter**, executive v.p. and cfo of U.S. Power Generating Co., on why it is looking to sell the subsidiary's assets (see story, page 1).

One Year Ago In Power Finance & Risk

Competitive Power Ventures said it would be scouting financing for wind farms in Kansas and Oklahoma. [CPV is looking to tap the banks, led by **Bank of Tokyo Mitsubishi-UFJ** and **Union Bank**, that financed its 152 MW Keenan II in Oklahoma for its 165 MW Cimarron wind project in Gray County, Kansas (PFR, 2/19).]