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Babcock Taps Club For Global Refi

Babcock & Brown Wind Partners picked **Dexia Crédit Local**, **Bank of Scotland** and a pair of Iberian banks to lead its EUR1 billion global debt recast.

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Leads Launch N.M Gas-Fired Syndication

Calyon and **Lehman Brothers** kicked off syndication of \$430 million in construction financing for **Lea Capital Partners'** 550 MW plant last week.

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NAVY YARD PLANT ON THE BLOCK

Stakeholders of the 286 MW Brooklyn Navy Yard qualifying cogeneration project are reportedly shopping their stake to strategic and financial buyers.

The seller is **Tyche Power Partners**, a joint venture between **Morgan Stanley Capital Partners** and **Delta Power Co.** (now **Olympus Power**), which owns 50%. The balance is held by **B-41 Associates**, a partnership consisting of **Harrison, N.Y.**, developer **York Research** and private investor **Robert Beningson** (PFR, 2/8/04), which is not selling.

It is not known why they are soliciting interest or which parties the plant is being marketed to. Calls to the principals either were not returned or they declined comment.

(continued on page 2)

Dealing From Strength

HUNTON HUNTS FOR CASH

Houston-based **Hunton Energy** is in talks with a handful of banks for debt financing for 70-80% of its approximately 1.2GW Lockwood IGCC plant. **Rocky Sembritzky**, president, told *PFR* that last week's letter of intent for equity investment from **Goldman Sachs** has helped its position. "It's nice to have [banks] calling us," he says, declining to name them.

Goldman's undisclosed participation in the gasification portion of the \$2.4 billion plant is via its **Cogentrix Energy** subsidiary. All key elements—most notably its offtake agreement with **Valero Energy**—are in place, says Sembritzky, for the Fort Bend County, Texas, project.

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AIRTRICITY TAPS CREDIT SUISSE TO SELL U.S. STAKE

Dublin, Ireland-headquartered wind developer **Airtricity** is looking to sell up to 49% of its North American affiliate to fund its 2008-2009 development pipeline and has hired **Credit Suisse** to sound out joint venture partners. The move is aimed at raising as much as \$1.5 billion.

Calls to officials at **Airtricity Inc** in Chicago and **Credit Suisse** were not immediately returned. **Credit Suisse** ran parent company **Airtricity Holdings'** previous fundraisings in

(continued on page 12)

CONDUIT CAPITAL TAKES OFFERS ON LATAM, CARIBBEAN FLEET

Conduit Capital Partners is taking final bids on a portfolio of Caribbean and Latin American generation next month and has hired **BNP Paribas** as an advisor. The private equity shop, which was formed out of **Deutsche Bank** affiliate **DB Capital Partners**, is shopping a net ownership bundle of 939 MW. "Asset prices are very good, so we're just responding to market conditions," says Chairman **Scott Swensen** in New York.

Around 10 buyers have been shortlisted from an initial 39. **BNP** was hired to advise on

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At Press Time

NAVY YARD

(continued from page 1)

The property's attractions include its strategic location across the East River from downtown Manhattan and its long-term electricity offtake contracts with **Consolidated Edison Co. of New York**, which expires in 2036. The plant is managed by **Palmark**.
—*Katy Burne*

RBS' Zabriskie Leaves For Advisory Venture

Chuck Zabriskie has left **Royal Bank of Scotland**, where he was managing director and head of project finance for the Americas based in Houston, to start his own boutique. "I plan to concentrate on the midstream sector, particularly emerging companies, as well as developers and entrepreneurial teams elsewhere in the energy sector," Zabriskie says from his home in Houston.

His yet-to-be-named shop will focus on private equity placement, and sell-side and financial advisory, building on those types of transactions he's recently done. Zabriskie declined to state his specific reasons for leaving, saying only the parting was amicable, and he is still working with the bank on one large project. He has not made any decisions on possible partners for the new venture.

Bankers who reported to him will now report to **Kevin Howard**, head of corporate banking in Houston, according to an RBS spokeswoman. Zabriskie was with RBS for four years.

Kinder Morgan Buyout Loan Draws Strong Interest

The acquisition financing for **Kinder Morgan's** \$2.3 billion management buyout kicked off Thursday and by the day's end the B loan book was already oversubscribed, according to *PFR* sister publication *Credit Investment News*.

Price talk on the B portion was LIBOR plus 150-175 basis points going into the bank meeting, but one investor said during the presentation the banker introducing the deal said it would be LIBOR plus 150 basis points. "It's a sector people love, a well regarded company; [it has] everything positive going for it," said one portfolio manager. Rounding out the package is a six-year, \$1 billion revolver, priced at LIBOR plus 162.5 basis points. There is also a three-year, \$2 billion term loan C asset-sale bridge loan that was pre-placed and will not be syndicated. The bridge loan is priced at LIBOR plus 137.5 basis points. **Goldman Sachs, Citigroup, Deutsche Bank, Wachovia Securities** and **Merrill Lynch** are leading syndication.

Richard Kinder, ceo, and **Bill Morgan**, co-founder, of **Kinder Morgan**, as well as **Goldman Sachs Capital Partners, American International Group, The Carlyle Group** and **Riverstone Holdings** will pay \$22 billion to take the company private, including the assumption of about \$7 billion of debt. The buyout will be financed with a combination of equity from the investor group, as well as the debt financing.

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Institutional Investor NEWS
INTELLIGENCE FIRST

US Power Gen Names President

Merchant power player **US Power Generating Co.** has appointed **Mark Sudbey** as president and coo. He previously served as executive v.p. of finance and commercial operations. **Jacob Worenklein** will continue to serve as chairman and ceo. Prior to joining US Power Gen, Sudbey served as president for **Reliant Energy's** businesses in New York and the Southeast.

US Power Gen is the new name for the impending combination of **EBG Holdings** and **Astoria Generating Co. Holdings**, slated to wrap in June. Shareholders of EBG, owned by **William Kriegel-run kRoad Power**, were due to vote in support of the merger as *PFR* went to press Friday.

Duo Preps Syndication Of AES Chile Project Debt

Calyon and **Fortis Capital** are preparing to launch syndication of \$400 million in debt bankrolling the development of 241.8 MW of contracted coal-fired generation at **AES Gener's** Ventanas site in Chile.

A launch date has not yet been set, but is expected in the coming weeks. Officials at AES and the co-bookrunners/underwriters either declined comment or were unable to comment.

AES Gener owns 2.6 GW in Chile, about 20% of the country's total generating capacity. It recently commenced operations of a newly constructed 125 MW facility, the Los Vientos diesel-fired plant. Ventanas has 338 MW of existing capacity.

Babcock Taps Quartet For EUR1B Global Refi

Babcock & Brown Wind Partners has appointed **Dexia Cr dit Local**, **Bank of Scotland** and a pair of Iberian banks to lead its EUR1 billion (\$1.34 billion) global refinancing later this quarter.

The identities of the Iberian lenders could not be learned and a Babcock spokeswoman declined to reveal their identities. But observers note **BBVA**, **Banco Esp rito Santo de Investimento**, **Caixa - Banco de Investimento** and **Millennium BCP Investimento** which were co-mandated on an unrelated EUR1 billion refi for Babcock's Portuguese subsidiary **Enersis** last year.

The refinancing will cover debt tied to some 1.2 GW of operational projects located across the U.S., France, Germany, Spain and Australia and fund the planned 159 MW expansion of its Lake Bonney project in South Australia. In the package is a large term loan, construction financing and ancillary facilities for working capital and value-added tax. Financial close is expected next month, with general syndication launching soon after.

"This will make [the fund's] finances more straightforward,

because rather than managing 20 project finance loans, the idea is to aggregate them into one corporate portfolio to get the value of leveraging it," a Babcock official told *PFR* in February, (*PFR*, 2/23). The wind venture is managed by **Babcock and Brown Infrastructure Management**.

HSBC Anoints Global Head Of Project, Export Finance

HSBC has named **Jeremy Thirsk** ceo of project and export finance. Thirsk, formerly a managing director, will be based in London. He replaces **Richard Cole**, who has moved to the bank's principal investments division to serve as global head of emerging markets.

Calyon, Lehman Roll Out Arclight Syndication

Calyon and **Lehman Brothers** launched syndication last week of \$430 million in construction financing for **Lea Power Partners' 550 MW** combined-cycle natural gas-fired plant in New Mexico, according to bankers. The bank meeting was Thursday at Calyon's offices in New York. Officials at Calyon and Lea Power parent **ArcLight Capital Partners** did not return calls.

Debt for construction of the facility west of Hobbs is split into a \$300 million construction LC supporting a senior note issue and \$120 million ancillary LC facility. Tenor and pricing talk could not be learned.

The plant has a 25-year offtake agreement with **Xcel Energy** subsidiary **Southwestern Public Service Co.** Xcel has an option to acquire the plant, near its existing Maddox and Cunningham generating facilities. Construction started this quarter at the facility featuring a dry condensing system, which uses about 10% of the water required by a traditional generating station.

Goldman Takes Final Centennial Bids

Goldman Sachs took final bids Wednesday for **MDU Resources' domestic IPP business Centennial Power**. First round offers were taken last month (*PFR*, 3/23/07). The parties bidding could not be learned. **Kerri Munsert**, an official at Goldman in New York, and Centennial official **Bill Connors** in Bismarck, N.D., declined comment.

Up for sale is a geographically diverse portfolio of contracted assets, comprising 416 MW of gas-fired generation, 116 MW of coal and 66.6 MW of wind. Divestitures will help MDU fund its pending \$475 million purchase of **Cascade Natural Gas** and future acquisitions.

Irish Sea Gas/Wind Project Seeks Debt

The developer of the world's first offshore gas/wind hybrid energy project, **Eclipse Energy**, is in talks with lenders with a view to sourcing debt financing for its planned 200 MW East Irish Sea development. **Kathleen Morris**, cfo in Grantham, U.K., says a formal RFP could be launched as early as this quarter with financial close envisaged before the year end.

Eclipse received consent to construct a 30-turbine wind farm off the Cumbrian coast and generate and export electricity from adjacent natural gas fields in early February. The so-called Ormonde project is unique because it will feature the first offshore gas-fired plant, electricity from which will be transported to the grid via a cable also used to service the wind farms onsite. It is slated to reach commercial operation in 2009.

The capital cost of Ormonde is GBP280 million (\$593 million), of which 70% will be debt. Power purchase agreements are yet to be locked up, but the company is reviewing

a number of options to optimize its financing. "We are trying to find banks that are comfortable in offshore gas development extraction," explains Morris, noting that **Calyon**, **Fortis**, **Bank of Scotland** and **HVB** have shown an interest.

The Ormonde development was initiated back in 2001 by Eclipse and then partner **Rolls-Royce Power Ventures**. Eclipse secured seed funding through a private share offering in 2000, completed a rights issue in 2004, and later raised nearly £5 million from institutional investors via **Oriel Securities**.

GE Shops 200 MW Wind Farms

GE Energy Financial Services is seeking a buyer for a pair of Midwestern wind projects, according to a deal watcher, with **AES Corp.** said to be among the front runners. The 107 MW Lake Benton I wind farm in Minnesota and 80 MW Storm Lake II facility in Iowa were built in 1998 and 1999, respectively.

The price tag is said to be in the \$50-60 million range. Other interested parties could not be immediately ascertained. GE and AES did not make officials available for immediate comment.

Corporate Strategies

Wave Power Co. Readies U.S. Listing Splash

Ocean Power Technologies, which manufactures buoys to harness wave power and turn it into electricity, plans to use net proceeds of about \$94.8 million from an initial public offering of common stock later this month to construct demonstration generation facilities. It will also inject capital into wave projects to encourage adoption of its technology.

The Pennington, N.J.-based developer already is listed on the **London Stock Exchange's** AIM market under the symbol OPT. But it has applied to sell five million common units on the **Nasdaq Global Market**, where it will trade as OPTT, to fuel expansion and diversify investor base. Prior to the listing it will complete a one-for-ten reverse stock split to bring its share price in line with Nasdaq requirements.

Price guidance on the offering is in the \$20-22 per share range. Underwriters **UBS**, **Banc of America Securities**, **Bear Stearns** and **First Albany Capital** will have the option to purchase an additional 750,000 units—90,000 from existing stockholders and 660,000 to cover over allotments. Officials at the sponsor declined comment as to why these firms were selected.

Last October Ocean Power completed a one-year test phase of its PowerBuoy system off the coast of New Jersey under a contract with the state's public utilities board. It aims to improve output from that technology to 150kW from 40kW this year, to 250 kW in 2008 and to 500kW in 2010. It has a

project in the works off the coast of Santoña, Spain, in partnership with **Iberdrola** and **Total**, and permits to install a 5MW unit off the coast of Cornwall, England and conduct feasibility studies into a 50MW unit off the coast of Reedsport, Ore., with Portland-based **PNGC Power**.

Okla. Midstream Player Shops Interests To Trim Debt

Magellan Midstream Partners, a Tulsa, Okla.-based master limited partnership, is accelerating the repayment of debt at affiliates, using proceeds from the private placement of a 37% interest in the entity that manages its general partner interests, **Magellan Midstream Holdings**.

Earlier this month the private equity backers of MM Holdings—**Madison Dearborn Partners** and **Carlyle/Riverstone**—sold 23.3 million common units in their ownership vehicle **MGG Midstream Holdings** to institutional investors—including **Kayne Anderson Capital Advisors**, **GPS Partners**, **Lehman Brothers MLP Opportunity Fund** and **Zimmer Lucas Partners**—reducing their stake to 28% from 65%. Proceeds were used to retire \$173 million in debt at MGG Midstream Holdings.

In a separate transaction, Magellan plans to refinance prior to maturity \$272.6 million of remaining debt at its affiliate **Magellan Pipeline**. The debt—originally 7.8%, fixed-rate notes that were swapped to floating-rate instruments in 2004—now

have a weighted average interest rate of about 8.6% so are deemed a top priority, says investor relations manager **Paula Farrell**. The MLP has a \$400 million credit facility led by **Wachovia**, of which just \$20.5 million was outstanding at the year end.

Cleaning up its capital structure has caused **Moody's Investors Service** to consider upgrading Magellan Midstream Partners to Baa2 from Baa3. **Mihoko Manabe**, senior credit officer at the rating agency, says a one-notch upgrade is possible if cash flows offset the negative effects of rising operating costs and lower commodity prices. "We'd still like to see some incremental margins being generated by some of their organic projects," she says, noting the company already has spent about \$170 million over the past five quarters on small-scale projects aimed at boosting its capacity.

AEP Sub Tackles Uncertainty With Floaters

Facing expiration of state rate stabilization plans in 2009, **Ohio Power Company** sold \$400 million in floating-rate notes to fund ongoing capital expenditures. "The notes provide flexibility because they contain a call option allowing us to redeem them any time after October 2008," says **Pamela Sutton-Hall**, managing director of corporate finance at parent **American Electric Power** in Columbus, Ohio.

Sutton-Hall explains the regulatory environment following the rate stabilization period is somewhat uncertain. State legislators have yet to execute legislation addressing the end of the three-year period in which rates could increase by 7% each year. The notes' call option allows them to be replaced before the expiration of the plans could affect the company's debt ratings.

Ohio Power is spending about \$832 million to improve and expand its infrastructure, after spending about \$970 million in 2006, according to regulatory filings. It has about \$2.3 billion in long-term debt.

The three-year notes are priced at 18 basis points above LIBOR, reset quarterly.

Sutton-Hall says AEP wanted to increase its floating-rate debt

exposure at both the Ohio Power and holding-company level, declining to elaborate further.

Lead underwriters **Credit Suisse**, **J.P. Morgan Securities**, and **Greenwich Capital Markets** were chosen based on execution ability and longstanding relationships with AEP, says Sutton-Hall. The **Huntington Investment Company** and **NatCity Investments** were co-managers. The notes were rated BBB by **Standard & Poor's Ratings Services** and BBB+ by **Moody's Investors Service**.

Utah Agency Tees Up Refi

Intermountain Power Agency sold \$130 million in subordinated power supply revenue refunding notes to refinance debt that becomes callable in July. The bonds got an AA- rating from **Fitch Ratings**, thanks in part to an insurance wrap from **Ambac**. General manager **Reed Searle** in South Jordan, Utah, says the generator and vendor to municipalities in Utah and California chose a wrap to land lower rates. AMBAC's rating meant the coupon achieved was of an AAA-rated issue, he says.

The old bonds will become callable in July, but Searle says that rates make now an excellent time to refinance. The coupons ranged from 4.25% on 5-year notes to 5% on 12-year notes. Each of the seven different maturities replaced a matching issue from the series 1997 bonds. The old debt funded construction of 1.8 GW in coal-fired generation units in Delta, Utah.

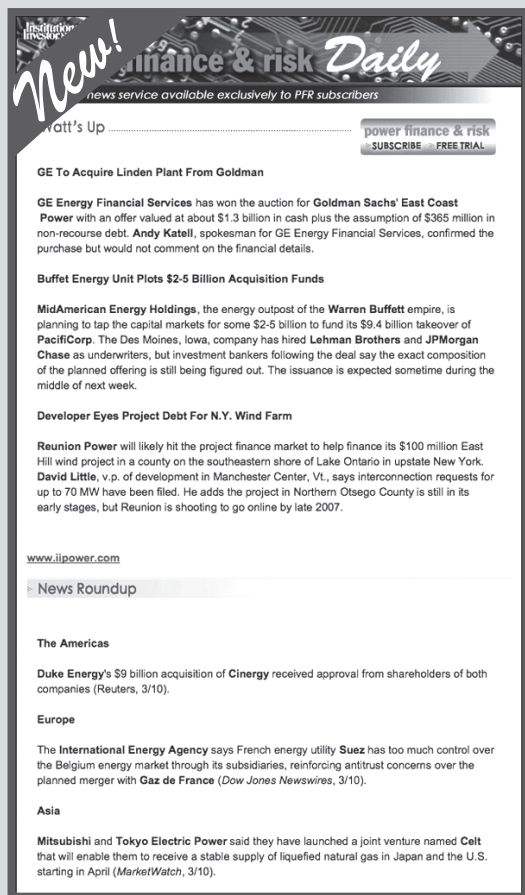
The agency, comprised of 23 utility-owning Utah municipalities, doesn't have any new offerings planned. It is planning upgrades to nearly 500 miles of transmission, which will be financed by the six Southern California purchasers, including the **Los Angeles Department of Water and Power** that represent the majority of the agency's power sales. It is studying the possibility of boosting generation capacity, but no plans have been made.

Goldman Sachs and **Morgan Stanley** led the offering. Searle says the firm's proposals stood out from those of several others based on the substantial amount of preparation they had put in. Intermountain Power had \$2.9 billion in long-term debt according to its 2006 annual filing.

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Weekly Recap

The Weekly Recap 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.

Europe

- **Areva** plans to consider partnership with utilities beyond **Electricite de France** in its plans to bid for new atomic plants in the U.K. The French company is developing the European Pressurized Reactor as a replacement for the U.K. nuclear plants (*Bloomberg*, 4/12).
- Russia's atomic energy agency and aluminum producer **Rusal** announced plans to build a nuclear power plant and aluminum smelter in the country's eastern region. The public/private partnership will enable Rusal and federal nuclear power agency **Rosatom** to seek government funds earmarked for infrastructure development (*Associated Press*, 4/10).
- **Acciona** and **Enel** have filed a tender offer for **Endesa** of EUR41.30 (\$55.42) per share. The two already control a 46% stake of Spain's largest power utility (*Associated Press*, 4/11).
- India's **Suzlon Energy** has increased its bid for Germany's **Repower Systems** by 19% to EUR150 (\$202) per share (*Financial Times*, 4/11).
- Spanish bank **La Caixa** and French utility **Suez** have announced a takeover bid for the 50.3% of environmental services group **Aguas de Barcelona** that they do not already control. The companies plan to offer EUR27 (\$36) per share (*Financial Times*, 4/11).
- **Société Générale** named **Geoffroy Dallemagne** as global head of utilities. He was previously deputy head, and will be based in Paris (*Bloomberg*, 4/11).
- Japan's **Mitsubishi Heavy Industries** may make acquisitions or forge alliances to speed its entry into the burgeoning European wind power market (*Reuters*, 4/10).
- **British Energy** plans to start legal proceedings against **Credit Suisse** over the bank's attempts to transfer interests in paper tied to its 1,960 MW Eggborough power station into newly formed entity **Ampere**. The U.K. utility claims it allowed banks to buy into Eggborough bonds in 2010 only on the proviso they did not attempt such a move (*AFX*, 4/10).
- Only 6% of **Endesa** shareholders accepted **E.ON's** EUR40-a-share takeover bid, falling short of the threshold set by regulators. The failure opens the way for an expected minimum EUR41-a-share offer by Italy's **Enel** and Spanish construction specialist **Acciona** (*Reuters*, 4/10).

North America

- Wind energy in the U.S. grew by 20% to 11.6 GW in 2006, according to the **American Wind Energy Association's** annual survey. Texas led all states in generation with 2.7 GW, **FPL Energy** manages the most wind generation and **Xcel Energy** was the largest utility provider of wind power with 1.3 GW (*Reuters*, 4/12).
- Two Texas legislators want the state attorney general to investigate allegations **TXU** threatened legal action against **Sharyland Utilities**, a potential bidder for the company's assets... **Kohlberg Kravis Roberts** and **Texas Pacific Group** have agreed to drop a labor outsourcing plan for TXU, to gain support from unionized electrical workers for their planned buyout (*Reuters*, 4/12).
- Oregon state senators passed a bill to require utilities to make renewable energy at least 25% of their power supplies by 2025 (*Reuters*, 4/11).
- **Sharyland Utilities**, a transmission company affiliated with **Hunt Oil**, emerged as a potential bidder for the electric delivery business of TXU, after a Texas regulatory official disclosed Sharyland had approached the private equity takeover target (*Reuters*, 4/11).
- **Emera's** plan for the C\$350 million (\$304 million) 90-mile Brunswick Pipeline to carry imported natural gas to the U.S. Northeast from Atlantic Canada received environmental approval from Canada's **National Energy Board** (*Reuters*, 4/11).
- The **Tennessee Valley Authority** named **Entergy Nuclear's William Campbell** as its chief nuclear officer, replacing **Karl Singer**, who will retire (*Associated Press*, 4/11).
- **Gulf Power** will install \$500 million of pollution control equipment at its Plant Crist coal-fired generating plant in Escambia, Fla. (*McClatchy-Tribune Business News*, 4/9).
- The Massachusetts attorney general asked state regulators to conduct an oversight investigation to see if the proposed \$7.3 billion merger between **National Grid** and **KeySpan** "adequately protected" Massachusetts ratepayers and led to true savings (*Boston Herald*, 4/7).
- **TXU** withdrew a threat to shut down some plants because of a dispute over accusations of price manipulation. It has now said it might put some mothballed plants back into operation. The company retreated after a key lawmaker and representatives of **Kohlberg Kravis Roberts** and **Texas Pacific Group** pressed executives to rethink (*Associated Press*, 4/6).



Generation Auction & Sale Calendar

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 Katy Burne, managing editor, at (212) 224-3165 or e-mail kburne@iinews.com.

| Seller | Plants | Location | MW | Plant Type | Advisor | Status/Comments |
|---|--|--|--|--------------------------------------|-----------------------------|--|
| AES Corp. | Delano | Central Valley, Calif. | 57 | Biomass | Bodington & Co. | Teasers dispatched early Jan. (PFR, 1/29) |
| | Mendota | Central Valley, Calif. | 25 | Biomass | | |
| AIG Highstar Capital | 13 plants | U.S. portfolio, concentrated in Florida and Pennsylvania | 2,378 | Gas, coal and waste coal | Lehman Brothers | 50% stake in Northern Star Generating for sale. Ontario Teachers' owns the balance. Two-stage auction in second round. |
| Astoria Energy | Astoria plant | Queens, N.Y. | 500 MW; 1 GW permitted | Gas | N/A | Owners fielding offers. Suez Energy acquiring a 30% stake (PFR 9/29). |
| BayCorp Holdings | Benton Falls | Benton, Maine | 4.3 | Hydro | Concentric Energy Advisors | N/A |
| Boralex Power Income Fund | Kingsey Falls | Québec | 31 | Gas Cogen | Genuity Capital Markets | Auction to kick off this quarter |
| | Senneterre | Québec | 34.6 | Biomass | | |
| | Dolbeau | Québec | 28 | Biomass | | |
| | Beauport | Québec | 4.5 | Hydro | | |
| | Buckingham | Québec | 9.9 | Hydro | | |
| | Forestville | Québec | 12.7 | Hydro | | |
| | Rimouski | Québec | 3.6 | Hydro | | |
| | Saint-Lambert | Québec | 6 | Hydro | | |
| | Hudson | New York | 45.8 | Hydro | | |
| | South Glens | New York | 13.9 | Hydro | | |
| Cargill-led investor group | Granite Ridge | Londonderry, N.H. | 720 | Gas | Morgan Stanley | Owners pursuing a recap. |
| City of Vernon | Malburg Generating Station | Southern Calif. | 134 | Gas | Lehman Brothers | Two-stage auction. Assets being offered debt-free, with promise of 15-year PPA with seller. |
| | Palo Verde Power | Southern Calif. | 11 | Nuclear | | |
| | Hoover Upgrading | Southern Calif. | 22 | Hydro | | |
| | Related transmission | Southern Calif. | | | | |
| Con Ed Development, a unit of Consolidated Edison | Con Edison Energy | Springfield, Mass. | 185 | Coal, hydro | Morgan Stanley | Con Ed looking to sell. Teasers expected shortly. (PFR, 3/12) |
| | Newington Energy | Newington, N.H. | 525 | Gas | | |
| | Ada Cogeneration | Ada, Mich. | 29 (46%) | Gas | | |
| | Lakewood | Lakewood, N.J. | 236 (80%) | Gas | | |
| | Ocean Peaking Power | Lakewood, N.J. | 330 | Gas | | |
| | Rock Springs | Rising Sun, Md. | 670 (50%) | Gas | | |
| | Puerto Barrios | Guatemala | 42 (49%) | Oil | | |
| CT Acquisitions | Canal Road Hamilton Street | Cleveland, Ohio | 800,000 Mlbs an hour at 165 psig | District heating and cooling systems | Concentric Energy Advisors | Binding bids due middle of next month |
| Desert Power | Desert Power plant | Rowley, Utah | 65 installed 100 planned | Gas | Miller Buckfire | Owners exploring sale options (PFR, 1/15). |
| Dominion Resources | State Line | Hammond, Ind. | 515 | Coal | Credit Suisse | Status unclear. |
| DPL Inc. | Montpelier Electric Generating Station | Poneto, Ind. | 219 | Gas | Pace Global Energy Services | Status unclear. |
| Dynegy | Bluegrass | Oldham County, Ky. | 573 | Gas | JPMorgan Chase | In second round. Seller hopes to fetch between \$200-500 million in asset sales this year, (PFR 2/5). |
| | Heard County | Heard County, Ga. | 539 | Gas | | |
| | Lyondell | Channelview, Texas | 600 | Gas | | |
| DTE Energy | Georgetown 4 | Indianapolis, Ind. | 80 | Gas | N/A | Indianapolis Power & Light to acquire Sales process initiated, final bids due Q2 Seller exploring options, including outright sale On books at scrap value, decommissioned. |
| | Crete Energy Venture | Crete, Ill. | 304 (50%) | Gas | | |
| | East China | East China, Mich. | 320 | Gas | | |
| | River Rouge | Detroit, Mich. | 240 | Gas | | |
| Electricite de France Internationalunit Controladora del Golfo | Saltillo | Ramos Arizpe, Coahuila | 248 | Gas | JPMorgan Chase | First round bids due last week (PFR, 4/16). |
| | Anahuac (RB2) | Valle Hermoso, Tamaulipas | 495 | Gas | | |
| | Lomas de Real (RB3) | Valle Hermoso, Tamaulipas | 495 | Gas | | |
| | Valle Hermoso (RB4) | Valle Hermoso, Tamaulipas | 500 | Gas | | |
| | Electricidad Aguila de Altamira | Altamira | 495 (51%) | Gas | | |
| | Gasoducto del Rio | 54 km pipeline | 330,000M Btu/D | | | |

Generation Auction & Sale Calendar (cont'd)

| Seller | Plants | Location | MW | Plant Type | Advisor | Status/Comments |
|---|----------------------------------|--------------------------|----------------------|------------------|-----------------|--|
| Entergy Corp. | 50% stake in Top | Worth County, Iowa | 40 | Wind | New Harbor | Seller wants about \$500 million for the assets. Bidders shortlisted to about 10 financial players, (PFR, 2/8). |
| | Deer Wind Ventures | Carsen County, Texas | 40 | | | |
| | RS Cogen | Lake Charles, La. | 212 | Gas | | |
| | Roy S. Nelson | Westlake, La. | 60 | Gas/Oil | | |
| | Warren Power | Vicksburg, Miss. | 225 | Gas | | |
| | Harrison | Marshall, Texas | 335 | Gas | | |
| | Independence | Newark, Ark. | 121 | Coal | | |
| | Robert Ritchie | Helena, Ark. | 544 | Gas/Oil | | |
| GE Energy Financial Services | Offtake Contract | Sam Rayburn Power Agency | 50-80 | | | |
| | | | | | | |
| GE Energy | Green County plant | Jenka, Okla. | 795 | Gas | N/A | Bids due May 2. |
| | Birchwood | Fredericksburg, Va. | 242 | Coal | N/A | Tyr said to be interested in acquiring, (PFR, 2/12/07). |
| Globeleq | Emerging market portfolio | Asia, Africa, Americas | 2,082 | Mixed | Lehman Brothers | Ashmore Energy and IP said to have partnered up on indicative bid, due Feb. 16 (PFR, 2/9). |
| Goldman Sachs | Horizon | Houston, Texas | 1,350 | Wind | N/A | Energias de Portugal to acquire for estimated \$2.93B, of which \$2.5B will be debt led by Barclays (PFR, 3/27). |
| | Wind Energy | | targeted by year end | | | |
| Greenwich Energy Investments | Masspower | Springfield, Mass. | 258 | Gas | Miller Buckfire | BG North America beat Arcapita to the asset in a deal worth circa \$150 million (PFR, 3/28). |
| LEP Holdings | Liberty | Eddystone, Pa. | 568 | Gas | JPMorgan | Owners are pursuing a recap instead of sale (PFR 3/19). |
| MDU Resources IPP unit, Centennial Energy Resources | Brush Power (1&3) | Brush, Colo. | 213 | Gas | Goldman Sachs | Final bids due April 11. |
| | Hardin Generating | Hardin, Mont. | 116 | Coal | | |
| | Hartwell Generating | Hartwell, Ga. | 310 | Gas | | |
| | Mountain View | San Geronio | 66.6 | Wind | | |
| | Power Partners | Pass, Calif. | | | | |
| Mirant | San Joaquin Cogen | Lathrop, Calif. | 48 | Gas | | |
| | Curacao Utilities (25%) | Curacao | 133 | Asphalt | JPMorgan | Seller said to be marketing to Asian buyers, but Global Infrastructure Partners in pole position, (PFR, 2/23) |
| | Grand Bahama | Grand Bahama Island | 151 | Oil | | |
| | Power Co. (55%) | | | | | |
| | Jamaica Public | Jamaica | 621 | Oil/Hydro | | |
| | Service Co. (80%) | | | | | |
| | PowerGen (39%) | Trinidad & Tobago | 1.2 GW | Gas | | |
| | Apex plant | Nev. | 527 | Gas | JPMorgan | LS Power to buy, but is already soliciting interest in Shady Hills (PFR, 3/5). \$1.3 billion acquisition financing launched 3/27 via JPMorgan, Barclays Capital, Credit Suisse, Lehman Brothers. |
| | Bosque | Texas | 546 | Gas | | |
| | Shady Hills | Fla. | 469 | Gas/Oil | | |
| | Sugar Creek | Ind. | 561 | Gas | | |
| | Zeeland | Mich. | 903 | Gas | | |
| Mirant Corp., NY-Gen | West Georgia | Ga. | 613 | Gas/Oil | | |
| | Mongaup Generating Plant | Mongaup, N.Y. | 4 | Hydro | N/A | Being acquired by Alliance Energy. |
| | Swinging Bridge Generating Plant | Mongaup, N.Y. | 12 | Hydro | | |
| | Rio Generating Plant | Mongaup, N.Y. | 9 | Hydro | | |
| | Hillburn | Hillburn, N.Y. | 51 | Gas/Jet fuel | | |
| | Shoemaker | Middletown, N.Y. | 44 | Gas/Jet fuel | | |
| Progress Ventures | Walton | Walton, Ga. | 450 | Gas | JPMorgan | Seller will fetch \$480 million in sale of generation to ArcLight Capital Partners and contract portfolio to Constellation Energy Commodities Group |
| | Monroe Power | Monroe, Ga. | 350 | Gas | | |
| | Washington County | Washington County, Ga. | 600 | Gas | | |
| | Effingham County | Effingham County, Ga. | 500 | Gas | | |
| PSEG Global | Electroandes | Andean region, Peru | 180 | Hydro | JPMorgan | Seller has received reverse enquiries and is determining wider interest |
| | | | 437 miles | Transmission | | |
| Reliant Energy | IndianRiver | Titusville, Fla. | 587 | Oil/Gas | JPMorgan | In second round (PFR, 2/26). |
| | Osceola Generating Station | Holopaw, Fla. | 470 | Gas (peaker) | | |
| | Bighorn Generating Station | Las Vegas, Nev. | 598 | Gas | | |
| | Choctaw Generating Station | French Camp, Miss. | 804 | Gas (mothballed) | | |
| Sithe Global Power | River Hill Power | Karthus Township, Pa. | 290 | Coal | Credit Suisse | Development rights to the project for sale. |

Project Finance Deal Book

Deal Book is a matrix of energy project finance deals that PFR is tracking in the energy sector. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report updates or provide additional information on the status of financings, please call Katy Burne, Managing Editor, at (212) 224-3165 or e-mail kburne@iineews.com.

Live Deals: North America

| Sponsor | Project | Location | Lead(s) | Loan | Loan Amount | Tenor | Notes |
|---|--|--|--|---|------------------------|---------|---|
| MACH Gen | (4GW) Refi | Various | TBA | Second lien of original \$1.5 B portfolio financing | \$850M | TBA | Choosing banks for refinancing of second lien of original portfolio financing. |
| Lea Power (ArcLight Capital) | Hobbs (550 MW, Gas) | Hobbs, N.M. | Calyon, Lehman Bros. | Construction LC | \$310M | TBA | Syndication 4/12. Xcel offtake. |
| GWF Power Systems | Calif. Portfolio (122MW Petcoke) Refi | Contra Costa and Kings County, Calif. | ING, DZ Bank, Union Bank of California | Ancillary LC | \$120M | TBA | |
| Invenergy | Grays Harbor Center (628 MW Gas) | Grays Harbor, Wash. | Royal Bank of Scotland | Term loan | \$90M | 4.5 yr | Syndication launched 3/28. |
| | St. Clair Power Station (570 MW Gas) | Sarnia, Ontario, Canada | RBC Capital Markets | Reserved LOC facility | \$10M | 4.5 yr | |
| | | | | Construction financing | \$220M | | Local offtake agreements. Syndication launched 4/2. |
| InterGen | La Rosita (1.1GW Coal) Refi | Mexicali, Mexico | BNP Paribas, Calyon, Export Development Canada | Debt TBA | About C\$370M (\$316M) | 22.5 yr | Ontario Power Authority off take. April syndication expected. |
| | | | | | | | CFE (Mexico), Shell offtake. Syndication launched, delayed. Status unclear. |
| EdF Energie Nouvelles Calpine, Mitsui & Co. | Generation Portfolio Refi | Various | Merrill Lynch, Lehman Bros. | Senior LC | \$47M | 15 yr | Timeline unclear |
| | La Ventosa (80-100 MW Wind) | Juchitan, Oaxaca, Mexico | TBA | TBA | \$3B | TBA | Choosing lead banks. Delayed. |
| | Greenfield (1GW Gas) | Courtright, Ont., Canada | Bank of Tokyo, Mitsubishi, BMO Financial | Loan | \$500M | 18 yr | Ontario Power Authority offtake. Selecting sub-underwriters. Syndication expected 2Q. |
| Terrawinds Resources | TerraWinds (201 MW wind) | Rivier-Du-Loup, Quebec, Canada | HSH Nordbank | Senior secured construction and term debt facility | C\$300M (\$259M) | TBA | Hydro-Quebec offtake. Awaiting syndication. |
| Perennial Power | Hermiston Generation Plant (474 MW Gas) | Hermiston, Ore. | TBA | TBA | \$130M | 10 yr | Lead banks expected 2Q2007 |
| Lodi Gas Storage | Acquisition Refi | Various | TBA | Secured loans | \$145M | TBA | Status unclear. |
| Noble Environmental Power | Altona, Ellenberg, Clinton and Bliss (339 MW Wind) | Altona, Ellenberg, Clinton and Bliss, N.Y. | HSH Nordbank, Dexia Credit Locale | Non-recourse loan | \$445M | TBA | Supported by 10 yr. hedges. Syndication expected 2Q2007 |
| Bethel Energy | (100 MW Solar) | Imperial County, Calif. | TBA | Debt and equity, TBA | \$368M | TBA | Looking for lead banks |
| Katabatic Power | (25.5 MW Wind) | Mount Hays, B.C. | TBA | TBA | TBA | TBA | Looking for lead banks. |
| Winergy Power | Plum Island (30 MW Wind) | Long Island, N.Y. (Offshore) | TBA | TBA | | | Looking for lead banks. |
| Borelais Infrastructure | Bruce Power (4.6 GW) Refurbishing | Tiverton, Ont. | TBA | TBA | C\$1B (\$846M) | TBA | Choosing lead banks. |
| Organizacion Soriana, Vientos Del Istmo | (216 MW Wind) | Oaxaca, Mexico | TBA | TBA | | | Chosing lead banks. |

Live Deals: Europe/Middle East

| Sponsor | Project | Location | Lead(s) | Loan | Loan Amount | Tenor | Notes |
|-------------------------------|--|--------------------|--|-------------------|-------------------|----------|---|
| AES | Cartagena (1.2GW, Gas) Refi | Cartagena, Spain | TBA | TBA | TBA | | Looking for banks |
| ACS Group | La Boga Portfolio (Wind) | 6 sites, Spain | Natexis, La Caixa | Term loan | EUR 350M (\$462M) | | Syndication 1Q2007 |
| Babcock & Brown, Eurowatt | Wind Portfolio (120MW) | Various, France | La Caixa, Natexis | Tax facility | EUR 58M (\$77M) | | |
| Babcock & Brown Wind Partners | Wind Portfolio (1.2 GW) Refi | Various, Global | TBA | Term loan | EU183M (\$234M) | | Syndication to launch 1Q2007. |
| Spanish Egyptian Gas Company | Damietta (LNG) Refi | Damietta, Egypt | TBA | Financing package | EUR1B (\$1.3B) | | Choosing lead banks. |
| Marubeni | Messaieed (2GW Gas) | Doha, Qatar | Calyon, Manging Agents TBA | Non-recourse loan | \$600M | 15-16 yr | Choosing lead banks with advisor RBS. |
| Gulf Total | Taweelah A1 | Abu Dabi, UAE | BNP Paribas, Calyon | Financing package | \$1.63B | | Syndication 2Q2007. |
| Tractebel Power | (1.35GW Gas IWPP) Refi | | | Term loan | \$880M | 22 yr | Abu Dhabi Water and Electric Authority offtake. Awaiting close. |
| | Taweelah A10 (221MW Expansion to Gas IWPP) | Abu Dabi, UAE | BNP Paribas, Calyon | Term loan | \$212M | 22 yr | Abu Dhabi Water and Electric Authority offtake. Awaiting close. |
| Ras Laffan Power Co. (AES) | Ras Laffan A (750 MW IWPP) | Doha, Qatar | TBA | TBA | \$572M | | Looking for lead banks. |
| C-Power | Thornton Bank (300 MW Wind) | Belgian Coast | Dexia | TBA | EUR100M (\$131M) | TBA | |
| AES Oasis, Mitsui & Co. | Almanakher (370MW Gas) | Almanakher, Jordan | Sumitomi Mitsui, Overseas Private Investment Corp., Japan Bank for International Cooperation | Senior facility | \$255M | | Near close. National Electric Power Co. offtake. |
| | | | | Equity tranche | \$75M | | |

Iberdrola Plots More Deals Post CPV

Iberdrola Renewable Energies USA is on the hunt for more wind and biomass companies even as it closes a deal to acquire **CPV Wind Ventures**. "For the time being it seems the opportunities here are huge. Of course we cannot do everything ourselves, but we will try," says President **Martin Mugica** in Radnor, Pa. "The resources are not unlimited, but I have not received instruction as to a maximum we can spend."

As first reported by *PFR*, the Spanish utility is acquiring **Competitive Power Ventures'** wind energy concern (*PFR*, 4/10). The deal, expected to close in May, gives Iberdrola a 3.5 GW portfolio across 15 states and a contract for **General Electric** turbines to support its development portfolio beyond 2008. Mugica declined to disclose the price, but said, "It was much, much less than what **Energias de Portugal** paid for **Horizon [Wind Energy]**." That deal put a \$2.9 billion enterprise value on 559 MW of operating generation and another 997 MW of capacity under construction.

Iberdrola will shortly assume ownership of U.S. wind pioneers **PPM Energy** with its acquisition of U.K. utility **ScottishPower**. Last year it bought Wayne, Pa.-based **Community Energy** and Joice, Iowa-based **Midwest Renewable Energy Corp.** So far, it has just one project in operation, 26

MW Locust Ridge in Schuylkill County, Pa., and two others in construction, 76 MW Crescent Ridge in Illinois and 80 MW Top of Iowa in Iowa. The plan is to have 1GW of installed capacity by 2009.

WestLB London Executive Director Exits

Richard Saint, a senior deal team manager at WestLB in London, tendered his resignation last Wednesday. A WestLB official confirmed the executive director's move, but calls to his mobile phone were not immediately returned.

The bank has been restocking its energy team after departures in recent months. **Gary Gitelman**, a director in New York, moved to private equity firm **LS Power**, and **Barbara Riccardi**, director in London, left to take up a senior position at another bank, the identity of which could not be learned. Riccardi already has been replaced by new hire **Richard Lum**.

The German bank has segregated its Europe, Middle East and Africa business into three teams, each led by two senior deal team managers reporting to **Tom Murray**, global head of energy, and **Manish Taneja**, global co-head of loan and debt capital markets, in New York.

HUNTON HUNTS

(continued from page 1)

A Goldman spokesman declined to make **Larry Kellerman**, the Goldman/Cogentrix official behind the deal, available for comment.

With only two commercial-size coal-gasification facilities operating in the U.S., IGCC technology is still a challenge for lenders. "It's similar to wind in the late 1990s, the technology's track record is not established," explains **Edwin Moses**, director at **RBC Capital Markets**.

Banks will want a guarantee covering both sides—gasification and generation—of an IGCC facility but projects in Europe have been completed without such coverage, and B loan investors' current strong presence in generation finance could expand the market's overall tolerance of the risk.

Interest in the technology has also been peaked by anticipated limits to carbon emissions and the 20% investment tax credit for gasification projects passed in December. In January, **GE Energy Financial Services** announced it was taking a 20% stake in The **ERORA Group's** planned 660 MW Cash Creek plant in Kentucky (*PFR*, 1/29).

Phase one of Lockwood's construction, 600-630 MW, will begin in the first quarter of 2008, with the remaining capacity in a second phase six months later (*PFR*, 2/5). —**Ben Miller**

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AIRTRICITY TAPS

(continued from page 1)

Europe, including a EUR250 million (\$336 million) round last year. The Dublin outfit is owned by Irish toll roads operator NTR (51%), investment firm Ecofin (16%), management (20%) and a series of high-net worth individuals.

Airtricity Inc already has locked up financing for its 2007 pipeline. Thereafter it is planning to install 600-800 MW per year across the U.S. and also in Canada, following its acquisition of Toronto developer **Gale Force Energy** in October. About \$1 billion in debt financing is being sought simultaneously for its 2008 build (PFR, 12/21/06). —**K.B.**

CONDUIT CAPITAL

(continued from page 1)

valuations because, being an investor in one of Conduit's funds, it had already conducted due diligence, adds Swenson.

On the block are plants tied to Conduit's first two funds, which raised \$100 million and \$157 million respectively. Latin Power I comprises:

- the gas-fired 90 MW Mamonal in Cartagena, Columbia
- a 30.6% stake in the 80 MW oil-fired Electricidad de Puerto Cortés in Honduras
- the 124 MW oil-fired Jamaica Energy Partners in Old Harbor, Jamaica
- a 20.8% stake in the gas-fired 160 MW Aguaytia in Aguaytia, Peru
- 19.5% of the gas-fired 199 MW Termovalle in California, Columbia, and
- 81% of the coal-fired 155 MW Termotasajero in Cucuta, Columbia.

The second fund, Latin Power II, comprises:

- 50.8% of a 24 MW geothermal facility in Zunil, Guatemala
- the 86 MW Energia de los Lagos hydro project in Osorno and Valdivia, Chile
- 70% of the 67 MW Mexhidro hydro project in western Mexico
- 90% of the 48 MW Termocabo in Recife, Brazil; and
- 30% of Southern Cone, a holding company for 1 GW of hydro and thermal capacity in Peru, Chile and Argentina.

Latin Power III, which closed with \$393 million last July, is not for sale because the capital is still being deployed. —**K.B.**

Calendar

Euromoney and **ACORE** present the 4th *Annual Renewable Energy Finance Forum* at the Waldorf-Astoria Hotel in New York June 20-21. Register at 1-800-437-9997 or www.reff-wallstreet.com.

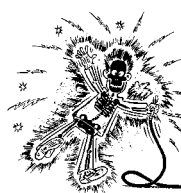
Quote Of The Week

"It was much, much less than what Energias de Portugal paid for Horizon [Wind Energy]." —Martin Mugica, president of Iberdrola Renewable Energies USA, on how much the Spanish giant paid for CPV Wind Energy as it continues to grow its North American renewables footprint (see story, page 11).

One Year Ago In Power Finance & Risk

Bidders submitted second-round offers of more than \$1.1 billion for the 632 MW Coletto Creek Power Station in Goliad County, Texas, being shopped by **Sempra Generation** and **Carlyle/Riverstone Holdings** via auctioneer **Goldman Sachs**. [**American National Power** won the auction (PFR, 4/21). **Goldman** and **Credit Suisse** led a \$1.17 billion B-loan funding package to bankroll the acquisition, including a \$935 million, seven-year term loan (PFR, 7/11)].

Alternating Current



Pirate Capital, the activist hedge fund firm run by **Tom Hudson**, has taken the unusual step of giving away T-shirts to protest **Aquila's** sale to **Black Hills Corp.** and **Great Plains Energy**. The firm, which owns 4.7% of **Aquila**, set up a Web site,

www.badaquiladeal.com, outlining its opposition to the sale and also offered 1,000 free t-shirts. It seems investors like the cut of that offer: Pirate has already run out of shirts which feature the hedge fund's logo and the Web address. It actually received requests for 3,000 and is shipping the t-shirts to the first 2,000 who signed up with a valid shipping address, according to the site.

Great Plains is paying \$1.80 per share plus 0.0856 of a share of its common stock to acquire **Aquila's** shares and its Missouri electricity facility. At the time the deal was announced, based on **Great Plains** share price, it was worth \$1.7 billion. **Great Plains'** will also assume \$1 billion in **Aquila** debt. **Black Hills** is paying \$940 million in cash to purchase the utilities in Colorado, Nebraska, Iowa and Kansas.

Pirate is ticked off about the deal because it feels the merger consideration is worth \$4.10-4.24 per share and should sell for no less than \$4.50-5.00 a share.



A good deal for a bad deal?

