

Power Finance & Risk

Exclusive Insight on Power M&A and Project Financing

By the publisher of GlobalCapital

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● BORROWER STRATEGIES

● PEOPLE & FIRMS

Acciona Mandates Banks for Mexico Financing

Acciona Energía México has assigned a club of four lenders to arrange financing for a solar project with a long-term loan. Page 5

Talen Upsizes Term Loan, Prices Refi

Talen Energy Supply has increased the size of its term loan B offering and priced a five-year bond issuance. Page 7

Canadian Solar Lands V.P. to Oversee Recurrent

The solar sponsor has hired a solar finance veteran to run its Americas division, including **Recurrent Energy**. Page 8

Spruce Working with Goldman on “Sale Process”

Olivia Feld

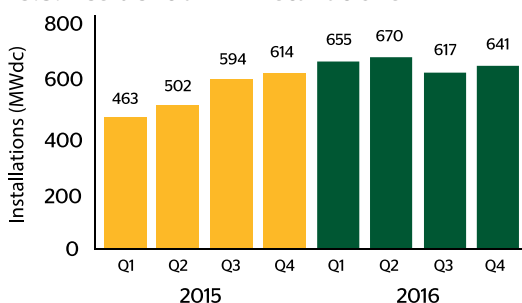
Goldman Sachs has been hired for a potential sale of **Spruce Finance**, say deal watchers.

A spokesperson for the residential solar loan and lease provider confirmed that the investment bank is advising the company with a view to raising capital.

“We’re working with Goldman to explore innovative financing structures to lower the cost of capital for residential solar and home efficiency financing”, a spokesperson for Spruce in San Francisco tells *PFR*. “As a finance company, we are always raising capital and have an active pipeline.”

A number of residential solar-focused companies are facing financial difficulties, including **Sungevity**, which filed for Chapter 11 bankruptcy protection

U.S. Residential PV Installations



Source: SEIA / GTM Research

last month (*PFR*, 3/14).

The industry is going through a period of consolidation as residential solar sponsors face slower growth, lower margins and strug-

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Sponsor Taps Boutique for PJM Gas-fired Project

Fotios Tsarouhis

American Power Ventures has mandated a boutique advisory firm to raise financing for a 1 GW combined-cycle gas-fired project in **PJM Interconnection**, *PFR* has learned.

Fieldstone Private Capital Group is serving as the sole adviser to **Bernardville, N.J.**-based APV, which plans to raise approximately \$900 million in debt and equity for the Renaissance Energy Center, which will be located in Greene County, Pa.

APV has applied for an air quality permit with the **Pennsylvania Department of Environmental Protection**, which is expected to be granted before the end of the year. The sponsor expects to bring the project to the debt market in the second half of 2017.

The Renaissance facility will be developed at the site of the former Hatfield's Ferry plant, a 1.7 GW coal-fired project owned by **First Energy Corp.** that was decommissioned in 2013.

A subsidiary PAGE 5 »

Dynegy New England CCGT Sale Moves to Second Round

Richard Metcalf

Dynegy has taken bids on two gas-fired projects in New England to mitigate competition concerns raised as a result of its recent acquisition of a 9 GW generation portfolio from **Engie**.

The Houston-based independent power producer is in the

process of selling its 164 MW Dighton and 149 MW Milford combined-cycle plants in New England, having received interest from 20 potential buyers, the company's ceo **Robert Flexon** told analysts and investors on a hastily-arranged call on April 11.

Dynegy held the call to update investors after two internal charts showing 2017 and 2018 adjusted Ebitda estimates were accidentally e-mailed to someone outside the company the previous weekend.

The update follows Dynegy's announcement, in February, of the sale of two peakers in **PJM Interconnection** totaling about 1.2 GW to **LS Power** (*PFR*, 2/27).

Dynegy is ready to launch a third asset sale

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● PROJECT FINANCE

Argentina Faces Financing Hurdles in Renewable Push

Argentina has set itself an ambitious goal for renewables to make up about half of the country's generation capacity within 10 years, but large funding challenges lie ahead if this is to become a reality.

The government is hoping to attract investments totaling \$15 billion into renewable projects, with the aim of increasing capacity to 10 GW by 2025, a tall order for a country that only returned to the international bond market in October 2016 after the sovereign defaulted on its debt in 2002 and again in 2014.

"Argentina is on the road to address the potential and need for a stronger renewable energy industry to support economic growth over the next decade," write analysts at **S&P Global Ratings** in a report published on April 5. "Nevertheless, the road could be bumpy given the country's past default record."

So far, 98% of the projects awarded contracts in government-run renewables auctions have used solar and wind technology. In November 2016, the government awarded 17 contracts totaling 1,109 MW. Another round of auctions is expected in July or August (PFR, 3/16).

The projects will be financed with a combination of equity and debt, according to S&P. Many of them will qualify for a \$480 million guarantee program announced by the **World Bank** to support Argentina's renewable initiative.

CAPITAL MARKETS OPENING

Meanwhile, the sovereign's return to the bond market has opened up capital markets funding to the country's corporate issuers.

Pampa Energia, which S&P rates B, printed a \$750 million 10-year bond in January at a yield of 7.625%. This is roughly what similarly-rated names domiciled in Mexico would have paid for an equivalent deal at the time, says a New York-based bond syndicate banker.

Also in January, unrated Argentinian wind farm company **Genneia** saw \$1.5 billion of demand for its \$350 million debut in the bond market, as investors piled into the five-year transaction.

"For the right name and with the right marketing, there's no reason an Argentinian renewable energy issuer shouldn't be able to raise debt in the bond markets," the bond syndicate banker tells *PFR*.

However, the banker adds that project bonds would be trickier, as fixed income investors are unlikely to take on construction risk from an Argentinian name.

Some project finance bankers are skeptical of the prospects for deals in the country.

"It's a tough jurisdiction for us," says a New York-based banker at a commercial lender. "It's not one for everyone." ■

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

GENERATION AUCTION & SALE CALENDAR ●

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

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

Generation Sale ■ DATABASE

Seller	Assets	Location	Adviser	Status/Comment
Abengoa	Norte III (924 MW Gas)	Mexico	Carl Marks	A consortium led by Macquarie and Techint is buying the project (PFR, 4/3).
● Ares-EIF	Birdsboro (450 MW Gas)	Berks County, Pa.		Tokyo-based conglomerate Sojitz has acquired a 33.3% equity stake in the project (see story, page 7).
Brookfield Renewable Partners	Price (189 MW Wind), Comber (166 MW Wind), Gosfield (51 MW Wind)	Sault Ste. Marie, Lakeshore, and Kingsville, Ontario	Scotiabank, TD Securities (seller)	Brookfield Renewable is selling the three facilities, plus an expansion project, in a portfolio (PFR, 7/18).
BTG Pactual Infraestructura II, Pátria Investimentos, GMR Group	Latin America Power (114 MW Hydro, Wind)	Chile, Peru	BTG Pactual, Morgan Stanley	Several bidders have been shortlisted in the sale of the company, which also owns an 803.9 MW development pipeline that includes its first solar asset (PFR, 2/13).
● D.E. Shaw Renewable Investments	Portfolio (921 MW Solar, Wind)	U.S.		Three funds managed by Fiera Infrastructure, Ullico and Vestcor have closed their investment in eight of the 11 projects in the portfolio. The funds will close their purchase of equity stakes in the three remaining projects later this year (see story, page 6).
Dynergy	Armstrong (753 MW Gas)	Shelocta, Pa.		LS Power has agreed to acquire the two peakers from Dynergy (PFR, 3/6).
	Troy (770 MW Gas)	Luckey, Ohio		
● Dynergy	Dighton (164 MW Gas)	Dighton, Mass.		An auction for the assets has moved into a second round (see story, page 1).
	Milford (149 MW Gas)	Milford, Mass.		
Energy Future Holdings	Oncor Electric Delivery Co. (Transmission Utility)	Texas		The Texas Public Utility Commission has signaled that it will reject the deal (PFR, 4/10).
Eversource	Portfolio (1.2 GW Coal, Hydro, Oil)	New Hampshire	JP Morgan	JP Morgan has distributed teasers in preparation for a two-stage auction for the portfolio (PFR, 3/6).
Exelon Corp.	ExGen Renewables Partners (1,296 MW Wind, Solar, 49%)	U.S.		John Hancock Life Insurance Co. is acquiring a 49% interest in the renewables platform (PFR, 4/10).
● Gamesa	Pocahontas Prairie (80 MW Wind, 59%)	Pocahontas County, Iowa		Siemens has acquired a stake in the project through its acquisition of a 59% shareholding in Gamesa (see story, page 7).
Madison Gas and Electric Co., WEC Energy Group	Columbia Energy Center (1,112 MW Coal, 7.2%)	Pardeeville, Wis.		Alliant Energy is acquiring a 4.2% stake and a 3% stake from WEC and MSE, respectively (PFR, 3/13).
● Maxim Power Corp.	Portfolio (455 MW Gas)	Connecticut, Massachusetts, Montana, New Jersey, Rhode Island	Credit Suisse (seller)	Private equity firm Hull Street Energy closed its acquisition of the portfolio on March 31 (PFR, 2/13).
Mercuria	Danskammer (500 MW Dual-fuel)	Hudson Valley, N.Y.	Guggenheim Partners	The first round of a two-stage auction is underway (PFR, 10/3).
Panda Power Funds	Liberty (Gas 829 MW), Stonewall (778 MW), Patriot (829 MW)	Bradford County, Pa., Loudoun County, Va., Lycoming County, Pa.	Goldman Sachs	First round bids for the 2.5 GW portfolio were due in November (PFR, 10/31).
Rockland Capital	Elgin Energy Center (484 MW Gas)	Elgin, Ill.	Barclays	The Carlyle Group is buying the three facilities (PFR, 4/3).
	Rocky Road (349 MW Gas)	East Dundee, Ill.		
	Tilton (180 MW Gas)	Tilton, Ill.		
	Eagle Point Power Generating (238 MW Gas)	Westville, N.J.		
Sorgente	Frosthall (15 MW Hydro)	British Columbia		Sammons Renewable Energy has acquired the projects from Sorgente. Franklin Park Investments is managing the projects on Sammons' behalf (PFR, 3/13).
	Clemina (10.5 MW Hydro)			
	Serpentine (10.5 MW Hydro)			
	English (6 MW Hydro)			
● Southern Nevada Water Authority	Silverhawk (520 MW Gas, 25%)	Clark County, Nev.		Nevada Power has acquired the Southern Nevada Water Authority's 25% stake for \$77 million, assuming full ownership of the project (PFR, 5/9).
Sungevity	Portfolio (Solar)	U.S.		A group of investors has a stalking horse bid for the Sungevity's assets following the company's Chapter 11 filing (PFR, 3/20).
Terra Firma	Portfolio (752.25 MW Wind)	U.S.	Barclays, KeyBanc	Terra Firma is marketing the U.S. wind shop, whose assets also include an up-to-1,759 MW development pipeline (PFR, 3/6).
Unknown	Unknown (up-to-800 MW Gas)	Michigan		Consumers Energy has issued a request for proposals to acquire a gas-fired project in Michigan (PFR, 10/10).
York Capital Management Global Advisors	Idaho (54.6 MW DC Solar)	Ada County, Idaho	Whitehall & Co.	York Capital has mandated Whitehall to sell the project (PFR, 4/3).

● New or updated listing

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

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

PROJECT FINANCE

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

Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Deal Type	Loan Amount	Tenor	Notes
● Acciona Energía México, Tuto Energía	Puerto Libertad (270 MW Solar)	Sonora, Mexico	Istituto de Credito Oficial, TBA	Debt	\$250M	18-yr	Two Mexican development banks, Spanish development bank Instituto de Credito Oficial and a European commercial bank are lining up a loan for the project (see story, page 5).
● American Power Ventures	Renaissance (1 GW Gas)	Greene County, Pa.	Fieldstone (adviser)	Debt, Equity	\$900M		The sponsor has mandated boutique investment bank Fieldstone Private Capital Group to raise debt and equity for the project (see story, page 1).
ArcLight Capital Partners	Eastern Power, Eastern Covert Midco (5 GW Gas)	Illinois, New York, Ohio	Morgan Stanley	Term Loan B	\$1.647B	6-yr	ArcLight is reducing the size of its term loan B and extending the loan's maturity by two years (PFR, 3/27).
Atlantic Power Corp.	Portfolio (1.5 GW)	Canada, U.S.	Goldman Sachs (lead), Bank of America Merrill Lynch, RBC, MUFG, Wells Fargo Securities	Term Loan B	\$615M	TBA	Atlantic is working on repricing its term loan B (PFR, 4/3).
Competitive Power Ventures, GE Energy Financial Services, Osaka Gas USA	Fairview (1,050 MW Gas)	Cambria County, Pa.	CBA, BNP Paribas, CIT, Crédit Agricole, DNB, ICBC, MUFG, National Australia Bank	Term Loan	\$360M	C+5-yr	CPV has closed financing for the PJM project (PFR, 4/3).
			CDPQ, Macquarie, Migdal	Private placement	\$115M	TBA	
			Industrial Bank of Korea, JB Asset Management, Shinhan, Woori	Debt	\$100M	TBA	
Iberdrola	Topolobampo III (766 MW Gas)	Sinaloa state, Mexico	TBA	TBA	TBA	TBA	Iberdrola is close to mandating banks to finance the project's construction (PFR, 4/3).
Lincoln Clean Energy	Willow Springs (250 MW Wind)	Haskell County, Texas	BAML, Rabobank	Construction Loan	TBA	TBA	The I Squared Capital portfolio company has lined up debt for the \$330 million project, which is hedged and will qualify for the full production tax credit (PFR, 4/10).
				Term Loan	TBA	TBA	
			BAML, BHE Renewables	Tax Equity	TBA		
Longroad Energy Holdings	Portfolio (3 GW Solar)	U.S.	TBA	Debt			The sponsor plans to seek debt financing this year for the first of a portfolio of projects it acquired from 7X Energy (PFR, 1/23).
LS Power	Aurora (968 MW Gas)	Aurora, Ill.	MUFG, Bank of Montreal, GE Energy Financial Services, KEB Hana Bank, ING, BNP Paribas, ICBC and NH Investment & Securities	Term Loan	\$300M	7-yr	Pricing on the term loan is 325bps over Libor (PFR, 3/13).
	Rockford (485 MW Gas)	Rockford, Ill.		Revolving Credit Facility	\$25M	7-yr	
	Helix Gen (3.9 GW Gas, Wind)	U.S.	Credit Suisse	Term Loan B	\$1.675B	7-yr	The term loan B grew from an expected \$1.54 billion to \$1.675 billion (PFR, 3/13).
				Working capital facility	\$175M	5-yr	
Panda Power Funds	Mattawoman (850 MW Gas)	Prince George's County, Pa.	BNP Paribas, ICBC, Investec	Loan	\$600M-650M	TBA	Panda has mandated three banks to raise debt for the project (PFR, 2/6).
	Temple I (758 MW Gas)	Temple, Texas	Jefferies	Refinancing	-\$750M	TBA	Temple I has defaulted on its loan (PFR, 4/10).
	Temple II (758 MW Gas)						Temple II is said to have breached its debt service coverage covenant (PFR, 4/10).
Quantum Utility Generation	Moundsville (643 MW Gas)	Marshall County, W.Va.		Debt	TBA		Quantum could launch a debt financing for the project this year (PFR, 2/6).
			BNP Paribas	Equity			
Sunnova Energy Corp.	Portfolio (Resi Solar)	U.S.	Credit Suisse	ABS	\$254.75M		The planned securitization is backed by leases, power purchase and service agreements and hedged solar renewable energy certificate contracts (PFR, 4/10).
Sunrun	Portfolio (Resi Solar)	U.S.	ING, SunTrust	Debt	\$200M	7-yr	ING and SunTrust are syndicating the loan (PFR, 4/10).
Swift Current Energy	HillTopper (175 MW-200 MW Solar)	Logan County, Ill.		Debt, Tax Equity	TBA		The sponsor plans to finance the project with debt and tax equity (PFR, 2/13).

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Acciona Musters Banks for Mexico Solar Financing

Acciona Energía México has assembled a club of three development banks and a commercial lender to finance a solar project with a long-term loan.

The sponsor, a subsidiary of Spanish infrastructure conglomerate **Acciona**, is developing the 270 MW solar project, which is located near Puerto Libertad in the state of Sonora, through a 50-50 joint venture with **Tuto Energía**.

The commercial bank is headquartered in Europe, and its participation in the \$250 million deal, combined with the loan's 18-year tenor, could surprise deal watchers.

The tension between sponsors looking for long-term debt and commercial lenders wary of taking merchant risk has been a hotly discussed topic since the results of the first two Mexican power auctions were announced in March and October of last year (PFR, 3/30/16, PFR, 10/6).

TWO PPAS

Acciona's co-sponsor, Tuto Energía, is the renewable development offshoot of a Mexican company called **BioFields**, whose main business is the production of biofuel from blue-green algae. Another BioFields subsidiary, **Tuto Energy Trading**, will be one of two offtakers for the Puerto Libertad project, purchasing 90 MW of

its output.

The project won a contract with the **Comisión Federal de Energía** in a government-run auction last year for the remaining 180 MW of its capacity.

FOUR BANKS

Once they had secured the CFE contract, the sponsors embarked on a roadshow, pitching the project to 27 lenders—Mexican and international commercial and development banks—to gauge interest in different kinds of transaction, Acciona Energía México's cfo **José Arteaga** tells *PFR* from Mexico City.

"Once we saw the possibility of having this tenor, we built a term sheet that we sent to these banks and said whoever wants to participate must accept these conditions," he says. "There were four banks that accepted."

In contrast to some projects that have won contracts in the Mexican auctions, the Puerto Libertad project was almost shovel-ready when the PPA was signed, and the attractiveness of the project to lenders was bolstered by the fact that one of the sponsors, BioFields, owns the land it will be built on, says **Enrique De La Campa**, director of Tuto Energía.

The lender group comprises three development banks, two of which are Mexican and one Spanish, and a European commercial bank. The Spanish development bank is the **Istituto de Credito Oficial**, a deal watcher tells *PFR*. The identities of the other banks could not immediately be learned. An official at ICO in Madrid could not be reached for comment by press time.

18-YEAR TENOR

Arteaga admits he was not expecting a European commercial bank to agree to the long tenor, which includes a three-year merchant tail.

The increasing cost of funds for commercial banks, especially those based in Europe, has often been cited as a reason why they may not be able to stretch beyond a mini-perm to finance Mexican projects.

However, Arteaga says that there was a lot of interest in the deal and that other commercial banks were able to get very close to being able to participate.

"When we started dealing with banks, our idea was that it was going to be close between development banks and Japanese banks, but it hasn't been the case," he says. "When you see which bank it is, you will be even more surprised." ■

Moody's Reviews Calif. Gas-fired Project for Downgrade

Moody's Investors Service has placed the debt associated with a contracted gas-fired cogeneration plant in California on review for downgrade, citing renewable development and hydrology levels in the region.

The 240 MW Crockett Cogeneration project is one of several generation assets owned by funds that **First Reserve** is in the process of transferring to **BlackRock** along with its infrastructure equity team (PFR, 2/7). **Osaka Gas USA** owns a less-than-10% stake in the project.

The project has a power purchase agreement with **Pacific Gas & Electric** that expires in 2026 and sells steam to **C&H Sugar Company**. The facility has been online since 1996.

Moody's rates the \$135 million senior secured notes leveraged against the project Baa3, but warns that the rating could be lowered as a result of weak financial performance in 2016 caused by

low heat rates. Any downgrade would put the debt below investment grade.

S&P Global Ratings rates the notes, which mature in March 2025, BBB- with a negative outlook.

Moody's attributes the decline in heat rates to an increase in hydro generation last year, as well as renewable project installations in California.

The project's financial performance has also been affected by low gas prices which contributed to lower steam sales to C&H, according to the Moody's note published on April 1.

"[W]e believe that there is low likelihood of financial metrics returning to those recorded for most years in Crockett's past", write **Jennifer Chang** and **A.J. Sabatelle**, the authors of the report, pointing to the project's debt service coverage ratio for 2016 of 1.21 times, versus a historical annual DSCR of at least 1.35 times.

A spokesperson for BlackRock in New York referred inquiries to First Reserve. A spokesperson for First Reserve and an official at Osaka Gas, both also in New York, declined to comment. ■

Sponsor Taps Boutique for PJM Gas-fired Project

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of Akron, Ohio-based FirstEnergy, **Allegheny Energy Supply Co.**, is in the process of selling 33 acres and two cooling towers at the site of the Hatfield's Ferry project to APV in a \$40 million deal. Allegheny Energy Supply will retain ownership of 200 acres of land at the site. The property sale is expected to close in the third quarter of 2018.

APV plans to keep one of the cooling towers for use in the Renaissance project and demolish the other tower.

Officials at Fieldstone declined to comment. Officials at APV did not immediately respond to inquiries. ■

● MERGERS & ACQUISITIONS

Dynegy New England CCGT Sale Moves to Second Round

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shortly after the sale of Dighton and Milford is complete in order to help it meet its leverage reduction targets, Flexon added.

"The base case is that it's a CCGT in New England and a CCGT in PJM and, since we only sold two peakers, there could be a peaker in that package as well," he said of the third portfolio.

"We're finalizing the [confidential information memorandum] on that with the bank that's working with us to market the assets and we continue to monitor daily when is the right time to go forward with that," he added, in response to **Greg Gordon**, senior m.d. and head of power and utilities research at **Evercore ISI**, who had questioned whether the pace of the asset sales was quick enough.

"A lot of the same people that we're going to be marketing that to are in the group we're already in second-round negotiations with, so we want to get that one through the funnel and then this one would be right behind it," said Flexon.

Flexon did not name the bank or banks advising Dynegy on either of the asset sales and a spokesperson for the company in Houston declined to comment.

MITIGATION MEASURE

Dynegy began the process of offloading "non-core" assets almost immediately after clos-

"A lot of the same people that we're going to be marketing [the next portfolio] to are in the group we're already in second-round negotiations with"

ing its acquisition of a 9 GW U.S. portfolio of largely gas-fired assets from Engie in February (PFR, 2/15).

While the rationale behind most of the divestments is to pay off corporate debt, some sales are required to mitigate com-

petition concerns identified by the U.S. **Federal Energy Regulatory Commission** during the approval process for the Engie transaction.

FERC identified issues in two markets—the ComEd local deliverability area in PJM and the Southeast New England capacity zone in **ISO-New England**—in a merger order issued on Dec. 22.

A week later, Dynegy indicated that it would divest capacity in the two markets to mitigate the competition concerns, and compiled lists of assets it could sell in each area.

When the Engie transaction was first announced, the parties in the deal owned interests in assets totaling 3,871 MW in ComEd, but Dynegy sold its 50% interest in one of those plants, the 1,350 MW Elwood facility, to **J-Power** on Nov. 21 (PFR, 8/8).

In its response to FERC's merger order, Dynegy said the Elwood stake sale "more than fully alleviates any concerns about the competitive effects of the [Engie portfolio acquisition] on the PJM

capacity market."

Nevertheless, the IPP said it would divest at least 327 MW

"The sale of Elwood more than fully alleviates any concerns about the competitive effects... on the PJM capacity market"

in the area if FERC concluded that additional mitigation was required.

In Southeast New England, the parties to the Engie deal owned projects totaling 1,497.2 MW, and Dynegy said it would divest at least 224 MW to mitigate competition concerns. The Dighton and Milford facilities exceed that, totaling 313 MW.

In its filing, Dynegy noted that it cannot sell the plants to other entities that already own so much capacity that they are considered "pivotal" in the Southeast New England capacity zone. ■

Funds Close Equity Investment in D.E. Shaw Portfolio

Three funds have closed part of a planned equity investment in a 921 MW renewables portfolio owned by **D.E. Shaw Renewable Investments**.

The investment vehicles, which are managed by **Fiera Infrastructure**, **Ullico** and **Vestcor Investment Management Corp.**, have acquired stakes in eight operational solar and wind projects in eight U.S. states.

The facilities are part of a larger, 11-project portfolio that the three investors have committed to invest equity in as they come online.

The three projects that have not yet reached commercial operation are "well advanced in construction", a Montréal-based spokesper-

son for **Fiera Capital**, which owns a 75% stake in Fiera Infrastructure, tells **PFR**. **Aquila Infrastructure** owns the remaining 25% stake in Fiera Infrastructure.

All eight of the operational projects are contracted under long-term power purchase agreements. They include the 137 MW Springbok 1 facility and the 155 MW Springbok 2 asset, both in Kern County, Calif., and the 52 MW Mississippi Solar 2 project in Lamar County, Miss. (PFR, 2/14). **Citigroup** owns the tax equity associated with Mississippi Solar 2 and Springbok 1 and 2 (PFR, 6/20).

BMO Capital Markets is DESRI's financial adviser on the equity investment, while

Latham & Watkins is the seller's legal counsel. **Marathon Capital** is advising **Fiera Infrastructure** and law firms **Baker McKenzie** and **Chadbourne & Parke** are advising Ullico. Whether Vestcor retained external financial or legal advisers could not immediately be learned.

The purchase price and the breakdown of each fund's stake in the projects could not immediately be learned.

Representatives of DESRI in New York and Ullico in Washington, D.C., did not respond to inquiries. A spokesperson for Vestcor in New Brunswick, Canada, declined to comment. ■

MERGERS & ACQUISITIONS ●

Sojitz Steps Up U.S. Investment with Gas-fired Stake Purchase

Fresh from acquiring an equity stake in a gas-fired project in **PJM Interconnection**, **Sojitz Corp.** has signaled its intent to ramp up investment in U.S. generation assets.

The Tokyo-based conglomerate, which has acquired a 33.3% equity stake in **Ares-EIF's** 450 MW Birdsboro gas-fired project in Berks County, Pa., is actively pursuing opportunities to invest equity in "large-scale power projects" in the U.S., according to a statement.

Birdsboro is Sojitz's first equity stake in a North American generation asset, but the company has invested in similar projects in Asia, the Middle East and South

America.

The purchase price for Sojitz's 33.3% stake could not immediately be established. Spokespeople for Ares-EIF and Sojitz in New York did not immediately respond to inquiries.

The sponsor's EIF United States Power Fund IV directly owns the remaining 66.7% of the project.

CIT Bank, **GE Energy Financial Services** and **Investec** were lead arrangers on an approximately \$340 million construction-plus-three-year loan for the Birdsboro facility that closed in February. The project has a three-year revenue put and is being financed with a 50:50 debt-to-equity ratio (PFR, 2/13). ■

STRATEGIES ●

Talen Upsizes Term Loan, Prices Notes

Talen Energy Supply has increased the size of its term loan B offering by \$100 million and priced a \$400 million five-year bond.

The deals are part of a corporate refinancing being carried out by parent company **Talen Energy** involving the new \$500 million secured term loan B, a repricing of its existing \$600 million term loan and the \$400 senior unsecured note issuance.

The senior unsecured bonds, rated BB- by **S&P Global Ratings**, with a recovery rating of 2, were priced at 9.5% and sold at a discount of 97%. The bonds mature on July 15, 2022.

Deutsche Bank, **Goldman Sachs**, **Morgan Stanley**, **MUFG** and **RBC Capital Markets** are joint lead arrangers on the note issuance. **BNP Paribas**, **Riverstone** and **UBS** are co-managers.

The offering is slated to close

on April 13, subject to closing conditions.

UPSIZED LOAN

The new term loan B was priced on April 6 at 400 basis points over Libor, with a 99% original issue discount and a 1% Libor floor.

The loan was initially expected to be \$400 million in size, but grew to \$500 million during execution.

Morgan Stanley, Goldman Sachs, Deutsche Bank, MUFG, **Credit Suisse** and RBC arranged the loan.

The company's existing \$600 million term loan was repriced simultaneously to the same 400 bps over Libor.

Allentown, Pa.-based Talen plans to use the proceeds of the new loan and the bond offering to refinance, repurchase and/or repay existing debt (PFR, 3/31). ■

Siemens Nets Iowa Project As Result of Gamesa Merger

Siemens Wind Power has finalized its acquisition of a controlling stake in Spanish turbine manufacturer and project sponsor **Gamesa**, which owns a merchant utility-scale wind asset in the U.S.

Munich-based Siemens closed its purchase of a 59% stake in Gamesa this month, including more than half of the 19.7% interest in the company that was previously held by **Iberdrola**.

Iberdrola's stake has been reduced to 8.1%, while the remaining 32.9% in the company is owned by various shareholders.

The only utility-scale project owned by Gamesa in the U.S. is the 80 MW Pocahontas Prairie merchant wind project in Pocahontas County, Iowa.

Gamesa attempted to sell the Pocahontas Prairie project to

Algonquin Power & Utilities Corp. in 2012 along with four other projects (PFR, 2/3/12), but Algonquin said in 2012 that it was putting the Pocahontas portion of the acquisition on hold "pending Gamesa satisfactorily contracting the output of the facility."

The acquisition of the other three projects—the 200 MW Minonk project in Illinois, the 150 MW Senate project in Texas and the 50 MW Sandy Ridge project in Pennsylvania—closed that year, but the sale of Pocahontas Prairie was abandoned after no offtake agreement was secured.

Gamesa also has an interest in a 2 MW wind project at the **University of Delaware** in Lewes, Del., which it holds through **First State Marine Wind**, a joint venture with the school. ■

Spruce Working with Goldman on "Sale Process"

◀ FROM PAGE 1

gling equity markets, say deal watchers.

"Everyone's just trying to come up with ways to continue to raise money. You can go into the equity markets, but the equity markets have not been very good," a project finance banker tells *PFR*.

Clean Power Finance and **Kilowatt Financial** merged to create Spruce in late 2015. At that time, **Kleiner Perkins Caufield Byers**, **Google Ventures**, **Edison International** and **Duke Energy** were among the company's investors. The present ownership structure of the company could not immediately be established.

In the last few months, the company has raised tax equity and project-level debt from **Citi**,

Investec, **Silicon Valley Bank** and **Bank United**, among others (PFR, 1/19). The company also secured \$83.8 million in its inaugural asset-backed securitization in July (PFR, 6/22).

Spruce's cfo **Darren Thompson** is a veteran of Goldman Sachs. Thompson, who joined the company in June, worked as an m.d. at the investment bank between 1998 and 2001, where he was responsible for high yield business in the energy, industrial and financial sectors, according to his **LinkedIn** profile.

The Spruce spokesperson declined to go into further detail on the grounds of being a private company. A spokesperson for Goldman Sachs in New York also declined to comment. ■

● PEOPLE & FIRMS

Canadian Solar Lands V.P. for Americas to Oversee Recurrent

Canadian Solar has hired a v.p. for the Americas within its energy group, a role which includes supervising U.S. development subsidiary **Recurrent Energy**.

The appointee, **Ty Daul**, joined the company last month and is based at the Canadian Solar energy group headquarters in Walnut Creek, Calif.

Daul has responsibility for leading regional teams in Canada, the U.S.—which includes Recurrent—and Latin America.

“He has been integrally involved in over 4 GW of operating renewable projects and 870 MW of operating gas-fired projects representing

over \$7 billion of total investment over the last 27 years in the power generation industry,” a company spokesperson tells *PFR* by e-mail.

Recurrent, a wholly owned subsidiary of Canadian Solar, has lost a number of staff in recent months. At least ten employees across finance, development and procurement have left since the end of last year (*PFR*, 4/4).

In addition to Daul’s appointment, Recurrent is planning to hire a head of project development and head of origination and structuring, the spokesperson adds.

Prior to joining Canadian Solar, Daul held multiple positions at

other solar shops. Most recently, from 2015 to March, he was senior v.p., Americas power plants, at **SunPower Corp.** in Richmond, Calif.

From 2014 to 2015, Daul was a senior adviser at **Equilibrium Capital** in Portland, Ore. Before that, he was a principal at **Striding Edge Energy** for just over a year.

Daul was co-founder and ceo, North America, of **Element Power** from 2009 to 2014. The London-based independent power producer is backed by **Hudson Clean Energy**.

Daul also served on the board of directors of **8Point3 Energy Part-**



Ty Daul

ners, the joint yield company of SunPower and **First Solar**, from 2015 until last month. He is also currently on the board of the **Wind Energy Foundation**. ■

Gerlach Swaps Molten Salt for Batteries

Chris Gerlach, who oversaw structured finance at solar thermal sponsor **SolarReserve** until April 7, has traded one form of energy storage for another by moving to **Energy Asset Development**, whose subsidiaries develop battery and microgrid technologies.

Gerlach was v.p. of finance at SolarReserve, which develops concentrated solar projects that store energy in the form of molten salt, before he left the Santa Monica-based company.

He started in his new role as cfo of EAD and its subsidiaries, **Eos Energy Storage** and **Enernet Global**, in New York, on April 10.

Eos is in the process of commercializing and scaling up production of its zinc battery technology, while Enernet builds, owns and operates microgrid systems that combine renewables, power controls and storage.

Eos was founded in 2008 by **Steve Amendola**, who holds the patent for the company’s zinc battery, and investor **Michael Oster**. Since then, the company has completed several rounds of capital raising that have attracted venture capital funds, high net worth individuals

and strategic investors including **NRG Energy**.

Enernet was incorporated in 2015 and is developing microgrid projects in Australia and the Philippines, with a focus on small and isolated communities and the mining sector.

Gerlach says that his move into batteries is not a result of a loss of confidence in the thermal solar projects, also known as ‘power towers’, that SolarReserve develops.

SolarReserve has developed photovoltaic as well as concentrated solar thermal projects, but its focus is on the latter, which it describes on its website as a “game-changing” technology.

“I continue to be very bullish about molten salt storage,” says Gerlach, while noting that its application is limited to certain scales and geographies.

“The location matters a lot and also scale,” he says. “It’s the perfect product for load shifting at an ultra-low cost, so that works very well in certain geographies and I continue to believe that it can be a game-changer in those places, but it’s not as well-suited to smaller scale or in places that are less sunny.”

SolarReserve previously utilized the U.S.

Department of Energy loan guarantee program, which ended in 2012, obtaining bank loans to fund its 125 MW Crescent Dunes project in Nye County, Nev., (*PFR*, 5/24/11), but has not closed a debt financing for a solar thermal project in the U.S. since then.

In 2013, the sponsor tapped **Morgan Stanley** to advise on a debt, tax equity and cash equity raise for its planned 150 MW Rice solar thermal project in Blythe, Calif., (*PFR*, 8/21/13) but the project was postponed indefinitely in 2014.

Nevertheless, several investors showed interest in a tax equity transaction backing the operational Crescent Dunes project earlier this year. After reviewing various proposals, the sponsor inked a \$78 million deal with **Capital One** (*PFR*, 1/20).

SolarReserve is increasingly focusing on markets outside the U.S., including Chile, Saudi Arabia and South Africa. In the U.S., the company is developing 10 concentrated solar projects with capacities ranging from 150 MW to 200 MW each, collectively called Sandstone Energy 10X, in Nye County, Nev.

Fort Worth, Texas-based hedge fund **Crestline Investors** acquired a stake in the company at the end of last year (*PFR*, 3/29).

SolarReserve’s plans for replacing Gerlach could not be established by press time. A spokesperson for the company in Santa Monica, Calif., did not respond to inquiries. ■



Chris Gerlach