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If You Can't Beat 'Em?

ECP WEIGHS NORTHEAST GENERATING SALE

Doug Kimmelman's Energy Capital Partners is considering offloading all or part of its Northeast generating portfolio. The Short Hills, N.J., private equity firm was outbid on the recent Ravenswood and Consolidated Edison Development auctions and reportedly believes that with assets trading hands at such high multiples, now may be the time to sell. "They were seeking our thoughts on how deep the market is," one banker told *PFR*. Calls to

(continued on page 12)

K-ROAD PREPS NEW FUND

William Kriegel's K-Road Power is planning to raise \$750 million to \$1 billion for a new fund that will focus on traditional generation, renewable energy and gasification, and is in the process of selecting a placement agent. The fund would be K-Road's first private equity fund, after it raised a small venture capital fund to invest in energy technology around five years ago.

Separately, the New York private equity firm has created a special purpose acquisition company (SPAC), a shell that will be taken public with the intention of raising \$300 million

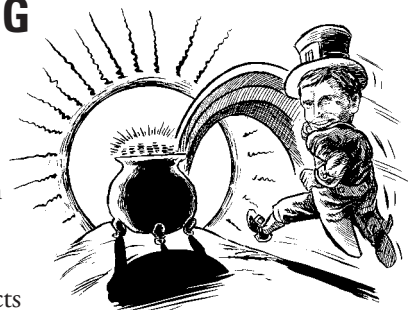
(continued on page 12)

IRELAND'S NTR MAPS FINANCING FOR \$1.3B SOLAR PIPELINE

Irish renewable concern NTR has agreed to acquire a controlling interest in Stirling Energy Systems, a Phoenix-based solar developer with a \$1.3 billion project pipeline in California, and is evaluating financing options for the company's 800 MW portfolio.

Jim Barry, ceo at NTR in Dublin, says the earlier projects are likely to be funded with more equity than debt, but project financing and tax equity will

(continued on page 12)



Platts' Confab

EDP PLOTS SOLAR FORAY VIA HORIZON WIND

Energias de Portugal's Horizon Wind Energy is plotting a move into solar project development. CEO António Martins da Costa told *PFR* on the sidelines of Platts' 23rd Annual Global Power Markets Conference in Las Vegas last week, "Solar is something we're analyzing." The resources in the U.S. are 10-15% better than in Europe, particularly in states like Arizona and New Mexico, he said.

Horizon would start with around 100 MW of projects, similar to the 64 MW thermal Nevada Solar One project sponsored by Spanish conglomerate Acciona near Boulder City,

(continued on page 7)

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



At Press Time

Epcor Shops Big Apple Peaker

Epcor Power is quietly marketing its 64 MW Castleton-on-Hudson gas-fired combined-cycle peaker near Albany, N.Y. It is not using an advisor.

The plant is on the site of a former paper mill, which was shut down leaving it without a host, and its nine-year PPA expires this July. It reportedly had a roughly 30% capacity factor last year. Calls to an Epcor spokesman and Allan Sears, v.p. of mergers and acquisitions, were not returned.

ArcLight Capital Partners Seen As Likely KGen Bidder

Boston-based ArcLight Capital Partners is seen as a likely bidder for KGen Power, which announced earlier this month it had received a series of non-binding offers from a single party, the last of which valued the IPP at \$20 per share. As first reported on *PFR*'s Web site April 11, KGen's southeast generating portfolio is seen as a good fit with the 1,855 MW of generation and power-supply contracts ArcLight bought from Progress Ventures last year.

Daniel East, v.p. of strategic planning and development in Houston, declined to identify the bidder. A spokeswoman for ArcLight was unavailable for comment, and Matt LeBlanc, a principal in New York, did not return a request for comment.

Four of KGen's shareholders recently wrote to the IPP requesting that Thomas White, a director with Stark Investments, be added to its board and three current board members—Gerald Lindner, ceo, Ramon Betolaza and Joseph Piazza—be removed. Lindner, they added, should also be removed as an officer of the company.

The activist investors are King Street Capital Management, Luminus Management, Stonehill Capital Management and Durham Asset Management, which own a combined 14.8 million of its 56 million outstanding shares. Stark Master Fund is also an investor. The dissidents believe White's influence would help ensure the best price in a potential merger or acquisition. They also believe KGen's current directors are "not acting in the best interests of stockholders," according to the letter, and as earlier reported by *PFR*, that they are overpaid (*PFR*, 3/28). KGen believes these assertions are unsubstantiated and disruptive, given the strategic review on which Credit Suisse is advising.

KGen's stock has been trading at \$15.50-15.70 of late but recently a trade was done at \$19.50, according to East.

Tell Us What You Think!

Do you have questions, comments or criticisms about a story that appeared in *PFR*? Should we be covering more or less of a given area? The staff of *PFR* is committed as ever to evolving with the markets and we welcome your feedback. Feel free to contact **Katy Burne**, managing editor, at 212-224-3165 or kburne@iinews.com.

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**Institutional
Investor NEWS**
INTELLIGENCE FIRST

Goldman Lines Up Sub-Underwriters In \$1B Conn. Financing

Goldman Sachs has gone out to a host of project finance banks with a view to bringing five to six joint arrangers into its circa \$1 billion financing for Kleen Energy Systems' 520 MW plant in Middletown, Conn. As first reported by *PFR* last Monday, banks are being asked to commit \$150-200 million, with the expectation they will hold \$75-100 million before retail syndication launches later this month. No commitment deadline has been given.

On deck is:

- a \$250 million revolver and letter of credit facility that is substantially utilized via posted letters of credit;
- a \$400-450 million term loan A with a maturity of completion plus seven to eight years, and
- a \$300-325 million term loan B with a tenor of completion plus 14 years.

Price talk is LIBOR plus 175 on the revolver and A loan, and 250 on the B loan. A recent financing for **Starwood Energy Group Global's** 120 MW Midway peaker in Western Fresno County, Calif., (*PFR*, 3/28) reportedly priced at 150.

Debt for the Kleen Energy facility will be fully amortizing thanks to a 15-year capacity contract with **Connecticut Light & Power** and a supporting energy contract. **Energy Investors Funds** is contributing an undisclosed amount of equity. Torrington, Conn.-based **O&G Industries** is the EPC contractor and also has an equity stake. Calls to Goldman and **William Corvo**, president of Kleen Energy, were not returned.

Clipper Generation Sub Could Be Worth \$1B: Analyst

Clipper Capital and Generation, the venture formed last September by turbine manufacturer **Clipper Windpower** (72%) and **Hemeretik**-owned **Helium Energy** (28%), took non-binding bids from potential investors last month valuing the company at \$900 million, and some believe it could be worth more. **Rupesh Madlani**, renewable energy analyst at **Lehman Brothers** in London, says the firm's central valuation of the business is \$1 billion. He cautions: "We've not published our lowest range, but in our scenario we've said it could be \$600 million." **JPMorgan** and **Morgan Stanley** have been advising CAPGEN on strategic investment opportunities.

Driving the lower range of Lehman's valuation is its belief that CAPGEN's 10.5 GW development pipeline, predominantly located in the U.S., can be considered early-stage projects. **James Dehlsen**, ceo of Clipper, said in the company's

preliminary annual results last Tuesday that 3.7 GW of CAPGEN's pipeline is early-stage, 6.5 GW is medium-stage, and 340 MW is in advanced stages. Several are not 100% controlled by CAPGEN, however. "When we looked at [the company's] development portfolio—the length of time and amount of work still needed, we put virtually all of it in the early-stage bucket," says Madlani, adding that he assigns a \$50,000-100,000 per MW value to the bulk of the projects. Another market watcher says some pipeline projects can be valued as low as \$5,000 per MW. "Braga-watts is what this is," he says. Officials at CAPGEN were unavailable for comment.

Clipper has been approaching investors separately to CAPGEN and earlier this month signed a deal with **One Equity Partners**, JPMorgan's private equity arm, which has committed £76 million (\$150 million) in exchange for 15.8 million shares, or 12.3%, of the company. An additional \$50 million was recently raised from shareholders. Clipper also inked a \$60 million secured term credit facility, funded by a customer, after being ineligible to draw on an earlier \$100 million facility put in place by **HSBC** (*PFR*, 1/5/07). That customer is reportedly **FPL Energy**, which reportedly has an option to convert the loan into equity in Clipper in lieu of the company paying it liquidated damages for turbine issues. A Clipper spokesman declined to comment, as did an official at FPL.

CAPGEN's ultimate value is dependent on the progress of Clipper's 2.5 MW Liberty turbine series, which suffered from early performance issues and caused Clipper to write down \$107.1 million in remediation costs for 2007. Those issues are expected to be resolved by the third quarter.

Finalists In Wheelabrator Process Emerge

American Securities Capital Partners-backed **Lakeside Energy** and **Macquarie** are believed to be left in the race to acquire a pair of gas-fired cogeneration facilities and a biomass plant from waste-management concern **Wheelabrator Technologies**. **Renergy Holdings** is also in the hunt, but is thought to be only looking at the biomass unit. It is unclear if Wheelabrator will split the portfolio.

ABN Amro launched the two-part auction last summer (*PFR*, 7/20) but it collapsed late last year, prompting the auctioneer to kick-start another round of bidding in January with select parties. Final negotiations are now under way, with a view to announcing a purchase and sale agreement shortly, according to deal trackers. Officials at ABN, the bidders and Wheelabrator either declined to comment or did not return calls.

On the block are:

- Shasta, a 49 MW biomass unit near I-5 in Anderson,

- Calif., contracted to **Pacific Gas & Electric**;
- Lassen, a 43 MW gas cogen, contracted to PG&E, and
- Norwalk, a 27.3 MW cogen on the site of a former paper mill, contracted to **Southern California Edison**.

IFM Hires CEO For ConEd Biz

Industry Funds Management has hired **John McTear** as ceo of **North American Energy Alliance**, the vehicle it created to house 1.7 GW of generation it is buying from **Consolidated Edison Development**. As first reported by *PFR* last Wednesday, he reportedly started earlier this month, reporting to **Dunia Wright**, head of U.S. and European operations at IFM, who was not available for comment.

McTear served as v.p. of asset management at ConEd Development for five years, but left about a year ago to work for **Colorado Energy Management**, a subsidiary of **Paul Prager**-owned **Bicent Power**. His time at Colorado Energy was short lived, however, and he recently left to pursue consultancy work before starting at IFM.

Merrill Lynch is advising IFM on closing the deal with ConEd (*PFR*, 3/28), but the status of the financing is unclear. **Barclays Capital**, which has underwritten roughly \$1 billion in debt for the \$1.48 billion purchase, was reportedly in talks with rating agencies last Wednesday. That financing reportedly includes a circa \$400 million equity bridge loan, but further details of the structure could not be learned by press time. NAEA also has letters of credit from **Commonwealth Bank of Australia** to cover the \$140 million break-up fee. A Barclays official declined to comment.

Names Emerge In U.S. Renewables Auction

Constellation Energy, **Covanta Energy** and **Epcor Power** are understood to be bidding on a 49 MW wood-fired biomass portfolio being shopped by **Ridgewood Renewable Power** and **Wheeling, Ill.-based Indeck Capital**.

The auction was kicked off late last year by middle market investment bank **Ewing Bemiss** (*PFR*, 11/21), and is now in the second round, according to **Doug Wilson**, executive v.p. and chief development officer at Ridgewood, who declined to identify any bidders. Officials at the bidders and the auctioneer either declined to comment or did not return calls.

On the block are two biomass facilities—24.5 MW Penobscot in West Enfield, Maine, and another 24.5 MW in Jonesboro, Maine. Ewing Bemiss is separately auctioning 26.3 MW of Ridgewood's mini hydro plants scattered across Maine, Virginia, New York and California because their contracts are close to

expiration, Wilson says. Bids were due last Wednesday.

Ridgewood otherwise owns three gas cogenerating facilities in California—5.5 MW Monterey, 8.5 MW San Joaquin and 5.5 MW Byron—which Wilson says it “has made no commitment to sell.” It also owns a 12 MW landfill gas to energy facility in Providence, R.I., which it is expanding by 8.5 MW, as well as 5 MW unit at Olinda Alpha landfill in Olinda, Calif. Last year, Ridgewood sold its U.K. landfill methane renewable business, representing 64.5 MW, to a fund affiliated with **Macquarie**, for \$230 million.

Biomass Co. Funds Plant Purchase Via Comerica

Renegy Holdings will use part of a recently inked \$6.2 million credit line and cash on hand to fund \$3 million of its planned, \$13 million acquisition of a 20 MW biomass plant in Loyalton, Calif. **Megan Meloni**, a spokeswoman in San Francisco, said Renegy has tapped **Comerica Bank** to lead the financing.

The company signed a non-binding letter of intent to acquire the plant from forest products company **Sierra Pacific Industries** April 11. It agreed to pay about \$1.5 million when it signs a formal purchase and sale agreement and another \$1.5 million when the deal closes in June, adds Meloni. The remaining \$10 million is due by year-end.

Comerica is also financing the construction of Renegy's 24 MW biomass near Snowflake, Ariz. (*PFR*, 4/11). The Tempe, Ariz.-based IPP signed a deal two weeks ago to acquire an idle 18 MW biomass facility in Ione, Calif., from a local farmer for \$5 million and in November acquired an idle 13 MW biomass plant in Susanville, Calif., from Sierra Pacific Industries for \$1.3 million. The company is targeting a 1 GW biomass portfolio within the next five years.

HVB Kicks Off Invenergy Wind Syndication

UniCredit HVB has launched parallel syndications of \$509.5 million in financing for **Invenergy's** 150 MW McAdoo Wind Energy project in Texas and 99 MW Grand Ridge farm near Chicago. The lead sent out invitation letters April 10 to the sponsor's relationship banks with an eye to bringing in all commitments by early May.

Financing for McAdoo in Dickens County, east of Lubbock, consists of a \$262.3 million construction loan and a \$38.1 million letter of credit. The package for Grand Ridge in Ottawa, Ill., comprises a \$189 million construction loan and a \$20 million LC.

The debt has a six-month tenor and is set to be repaid with

tax equity investment in both farms from **GE Energy Financial Services** (PFR, 3/28). Ticket sizes could not be learned, but pricing is thought to be around 100 to 112.5 basis points over LIBOR. Both farms have hedges structured by **Credit Suisse**. An official at the lead declined to comment and **Jim Murphy**, cfo at the sponsor in Chicago, did not return a request for comment.

Commitment Taken In Puget Retail Syndication

An undisclosed Chinese bank has signed up in the retail syndication of the buyout financing for **Puget Energy**, launched last Monday by lead banks **Barclays Capital** and **Dresdner Kleinwort**. At the bank meeting (PFR, 4/11), investors were told that eight banks had already committed in the wholesale round.

Those that committed at the agent level with \$300 million were **Export Development Bank of Canada**, **CoBank**, **Royal Bank of Scotland**, **Bank of Nova Scotia** and **La Caixa**. **BayernLB** and **Wells Fargo** each committed \$200 million with senior managing agent titles and **Westpac** committed \$50 million for a co-agent title.

Allocations will be set after retail commitments come in around May 12, but the leads have told agents they may be scaled back to \$200 million and senior managing agents they may be scaled back to \$150 million. Four ticket sizes are on offer in retail (PFR, 3/28): \$100 million with upfront fees of 80 basis points, \$75 million with fees of 70 bps, \$50 million with fees of 55 bps and \$25 million with fees of 40 bps. Officials at the leads either declined to comment or did not return calls.

Poland's ENS Prices Deal With A Twist

AEI subsidiary **Elektrociepłownia Nowa Sarzyna** has closed on a PLN215 million (\$95.5 million) refinancing that features a bond facility designed to help the company avoid delays in financing. The deal is priced at 110 basis points over WIBOR, the Warsaw Interbank Offered Rate, stepping up to 160 bps every two years until the new debt matures.

WestLB led the financing, which featured a PLN175 million, 10.5-year term loan and a PLN40 million, three-year note facility priced at 110 bps. ENS can issue bonds from the facility as needed, using the proceeds for working capital. It had to be structured as a bond because otherwise ENS would have been required under Polish law to issue a separate request for proposals to banks, drawing out the financing.

Bank Zachodni WBK, a unit of **Allied Irish Bank**, **DZ Bank**, **ING** and **Kommunalkredit Austria** came into the deal, which

was 35% oversubscribed, with tickets of PLN18-30 million. Officials at the banks and the sponsor either declined to comment or did not return calls.

ENS owns and operates a 116 MW gas-fired plant in southern Poland, acquired through AEI's acquisition of **Prisma Energy International** in 2006. This deal is the first project financing in Poland since the E.U. ruled generators could not have long-term offtake contracts with state-owned entity **Polska Grupa Energetyczna**. The debt being refinanced was a \$118.5 million financing inked in 1997.

RBS, Ulster Bank Tee Up Irish Wind Financing

Royal Bank of Scotland and **Ulster Bank** have been mandated to arrange financing for a 230 MW portfolio of wind projects owned by Irish energy group **Viridian**. Some 80 MW of the portfolio relates to Viridian's April 11 acquisition of Dublin-based **Eco Wind Power** from **Treasury Holdings**. The remaining 150 MW is Viridian's own pipeline.

The financing is being executed in two stages. The first will cover the 80 MW from **Eco Wind Power** and is expected to close in the next two to three months. The second will cover the 150 MW of development projects, says Viridian spokesman **Garrett Donnellan** in Belfast. He declined to confirm the mandates had been awarded.

The size of the deal could not be learned but it is unlikely to be syndicated, according to an official at RBS. Officials at Ulster Bank did not return calls and a spokesperson at **Eco Wind Power** could not be reached.

HSBC Readies \$1B Siberian Plant Financing

HSBC will be looking to line up mandated lead arrangers this summer for non-recourse financing supporting a \$1 billion, 800 MW gas-fired facility at the Nizhnevartovskaya complex in Siberia, being sponsored by **TNK-BP** and wholesale generating company **OGK-1**. "It's a groundbreaking project," says one banker. "Only two IPPs have been mandated [in Siberia]," noting neither have yet been funded.

The sponsors want the project to be as "project-finance friendly as possible," according to an official at HSBC, which is advising on the financing. So far **BNP Paribas**, **Citigroup**, **ING Bank**, **Raiffeisen Bank**, **Société Générale** and **UniCredit HVB** are expected to submit proposals (PFR, 7/6) and up to five banks are expected to land co-arranger roles. The banks will be supported by one or two export credit agencies and/or development banks, such as the **European Bank for**

Reconstruction and Development, the **Eurasian Development Bank** and the **World Bank**. Financial close is targeted for November and construction is expected to begin in 2010. Officials at the ECAs and sponsors either declined to comment or were not available.

Lehman, Morgan Wrap Geothermal Tax Equity Deal

Lehman Brothers and **Morgan Stanley** have closed a \$40 million tax equity financing for **Galena III**, a 20 MW geothermal plant that just came online south of Reno, Nev., sponsored by **Ormat Technologies** subsidiary **Ormat Nevada**. **Sierra Pacific Resources** signed a 20-year PPA with Ormat for the plant in 2006.

The banks partnered on a series of debt and equity financings, leverage lease transactions and tax monetizations for a 60 MW portfolio of Ormat facilities last June. Those facilities comprised 10 MW Desert Peak II in Churchill County, 10 MW Steamboat Hills and 40 MW Galena II and III in Washoe County (PFR, 9/28). Galena III was the only one under construction when that deal closed.

Joseph Tenne, cfo of Ormat Technologies in Reno, confirmed the investors but otherwise declined to comment. A Lehman official declined to comment and a call to Morgan was not returned.

MMC Founders Initiate Proxy Fight

Energy Holdings Limited (EHL), a company formed by the founders of New York IPP **MMC Energy** and led by its former ceo **Karl Miller**, has filed a proxy statement motioning for the replacement of all seven directors on MMC's board. The Wilmington, N.C.-based company owns about 4% of MMC's shares, or 9% with Miller's stake, and believes the incumbent board has been too passive. "We haven't seen a lot of execution coming from the MMC board," says **Kevin McConville**, chief operating officer of EHL.

The directors EHL is proposing are more experienced and have also promised not to collect fees for their board service, McConville charges. Several of the directors knew each other from time spent as energy project financiers at **Enron**. "We founding shareholders have significant personal capital invested in MMC and we think it makes for a good mix of individuals to run the company. In the world of micro-cap growth [...] you have to wear a lot of different hats. I don't want to criticize the [current directors] individually. We just don't think they are in the right spot."

EHL last week announced it has signed a letter of intent to acquire a partially complete 25 MW coal- and waste-fired plant in Sherman County, Kansas, from **Goodland Energy Resources**

for \$42 million. That deal is yet to be financed. It also has a separate pipeline of transactions, primarily in California and the Western U.S., which would be transferred to MMC in the event its proxy fight is successful. "In the next several weeks we'll have a number of letters of intent. If we succeed in the proxy contest, we'll take [the assets] and fold them into MMC where applicable." Miller has also promised to invest \$1 million in common stock if EHL's slate is elected.

Michael Hamilton, who replaced Miller as ceo of MMC in December, says he refutes the allegations but otherwise declined to comment. MMC recently hired **Merriman Curhan Ford & Co.** to advise it on a number of unsolicited approaches on its San Diego County assets, Chula Vista and Escondido, joint development opportunities and on competitive bidding situations.

Wind Outfit Lands 320 MW With Hedge Fund Dough

Clear Wind Renewable Power is set to acquire 320 MW of early-stage wind projects in Texas and Oklahoma from **Chermac Energy Corp.** for an undisclosed sum and will fund the transaction via its hedge fund backer, **Whitebox Advisors**. Future acquisitions will also be financed that way, says **Matt McCabe**, who founded Clear Wind nearly a year ago with **Mark Eilers** in Swarthmore, Pa.

"We're looking for partners with strong development roots and a history of a stake in the community," says McCabe, noting that the company plans to continue to work with local developers on projects. The company is developing an 80 MW project in the PJM Interconnection with an undisclosed partner.

Clear Wind did not use an advisor for the acquisition, but Harrison, N.Y.-based **NorthWinds Advisors** advised Chermac. **Jamie McAlpine**, president of Chermac, did not return calls.

Ambac's Iaconetti Joins HSH

HSH Nordbank has tapped **Lou Iaconetti**, director at **Ambac Financial**, for the newly created role of senior v.p. and head of efficient energy, focusing on building the bank's profile in financing non-renewable energy, such as coal and gas-fired generation.

Iaconetti began the week of April 7 and reports to **Tom Emmons**, head of structured finance at HSH in New York. Iaconetti declined to comment and a call to Emmons was not returned.

Last month Ambac closed its structured energy group and moved Iaconetti to its global utilities group (PFR, 3/28). He originally joined Ambac in 2003, but left two years later for a short stint at **WestLB** (PFR, 11/4/05) before returning in 2006 (PFR, 9/22/06). Prior to Ambac, he was an energy banker at **Credit Suisse**.

Corporate Strategies

Spectra Sub Raises Capex Funds In Debut Issue

Spectra Energy Capital plans to use proceeds from its debut \$500 million bond offering to help fund \$1.5 billion in projected capital expenditures this year. "We want to keep liquidity there for when times are rainy," says **Allen Capps**, v.p. and treasurer at parent **Spectra Energy Corp.** in Houston. "We saw the opportunity to step in and get a tight deal done. We got one of those win-win deals."

The 10-year notes were priced with a 6.2% coupon April 7 and the deal wrapped April 10. "We had little, if any, competition in the space," says **Greg Ebel**, cfo at Spectra Energy. **Banc of America Securities**, **Deutsche Bank** and **RBS Greenwich Capital** were joint book-running managers and **Barclays Capital**, **KeyBanc Capital Markets**, **UBS Investment Bank** and **Bank of Tokyo-Mitsubishi** were co-managers. Spectra has 25 key house banks, Ebel says, and all the participants on this offering are also on the company's \$1.9 billion credit line.

Priority projects at Spectra include Gulfstream III, a pipeline in Martin and Palm Beach Counties, Fla., Southeast Supply Header, a pipeline from Perryville Hub, La., to Mobile, Ala., and multiple gas storage facilities. The cash flows from Spectra's stable but diverse portfolio contributed to the BBB rating **Fitch Ratings** assigned to the issue. Spectra Energy Capital has \$2.6 billion in debt outstanding, excluding the recent issue.

Spectra may issue \$400 million in 30-year notes later this year in Canada via its **Union Gas** or **Westcoast Energy** subsidiaries. The rationale is that interest rates are lower in Canada and, Capps says, "The Canadian markets are a little less volatile than American markets." The underwriters will likely be local

relationship banks like **BMO Capital Markets**, **CIBC World Markets**, **Scotia Capital** and **TD Securities**, he adds.

Co-Ops Weigh Acquisition Funding For Tenaska Plant

A pair of cooperatives that are set to acquire Holland Energy, a 665 MW gas-fired facility in Beecher, Ill., from **Tenaska Capital Management** for \$383 million are reviewing options for financing the joint purchase.

Hoosier Energy, an Indiana-based electric co-op, is looking to the **Rural Utility Service**, which provides low-cost financing to generation and transmission cooperatives, for a loan to finance its share. And **Wabash Valley Power Association** is considering a combination of a private placement and loans from **CoBank** or the **National Rural Utilities Cooperative Finance Corporation**, according to **Jeff Conrad**, cfo in Indianapolis.

The deal came about after Wabash was looking to add intermediate power to its portfolio and approached Tenaska with Hoosier, with which it already owns 258 MW Lawrence Generating in Lawrence County, Ind. "Our needs were not large enough to purchase an entire unit," says **Lee Wilmes**, v.p. of power supply at Wabash. The co-op's demand growth is 2-3% each year.

Tenaska originally planned to hold the asset for one or two more years, says **Paul Smith**, senior managing director in Omaha, Neb., but changed its mind believing that the co-ops were the natural owners at this point. "We anticipated that when local needs had evolved the [local] parties should own it," he explains, adding, "It was sold in the ballpark of what we expected." Tenaska purchased the plant in 2006, along with five others, from **Constellation Energy** for \$1.65 billion. The acquisition is expected to close by year end.

Platts Global Power Markets Conference

Looming carbon legislation and the future of renewable energy were some of the topics on the minds of the 636 developers, advisors, financiers and IPP executives at Platts' 23rd Annual Global Power Markets Conference: "Carbon, Growth and Capital" at the Wynn Hotel in Las Vegas April 13-15. Reporter Thomas Rains filed the following stories.

EDP PLOTS SOLAR

(continued from page 1)

Nev., (PFR, 4/4). The company should be in a position to start construction on a project within the next five years. "The technology is not yet there," he explained, declining to elaborate on financing plans due to the company's upcoming initial public offering of its renewable business. EdP is preparing to float 20-25% of **EDP Renováveis**, which includes Horizon, this summer on the **Euronext Lisbon**. Proceeds will help fund its EUR11.1

billion (\$17.7 billion) growth plan, primarily focused on wind.

Earlier this year, EdP told investors it is planning to bring online nearly 10 GW of solar photovoltaic projects by 2020 and more than 10 GW of solar thermal. It signed an agreement in December to partner up on renewable projects with Portuguese conglomerate **Martifer**, a deal which gives EdP having preferential rights to turbines and solar equipment from the company. Hydro makes up roughly 42% of EdP's renewable portfolio, with wind making up another 33% and the balance comprised of other resources, such as biomass.

—Thomas Rains

Platts Global Power Markets Conference (cont'd)

Industry Rails At Clean Energy Costs

Increasing carbon restrictions will drive interest in gas-fired, renewable and nuclear generation, but the move comes with a hefty price tag. "Society has decided that we're going to price carbon, but that hasn't been seen yet in the price of power," said **Richard Ashby**, cfo of **Renewable Energy Systems Americas**. Added **Nicholas Akins**, executive v.p. of generation at **American Electric Power**, "The policy side has to recognize the market we're in." Some 25 GW of AEP's 38 GW portfolio is coal-fired.

Building new infrastructure is expensive and the process could take 30-50 years, said **Ted Craver**, president of **Edison International**, telling *PFR* that "it makes moon shots look simple." He said the costs of renewable energy could fall if more utility-scale solar projects are brought online. But Ashby had a different take as far as wind is concerned. "We need some level of certainty in the U.S. that will encourage manufacturers to locate here," he said, referring to the turbine supply bottleneck and threat of federal production tax credits expiring at the end of the year.

Gas, nuclear and renewables can help make up some of the shortfall in baseload power while coal is phased out, but more evaluation of new technologies is needed, panelists said. Many were skeptical about one emerging resource: integrated gasification combined-cycle technology (see story below).

Players Advise Caution On IGCC

Integrated gasification combined-cycle technology drew criticism from several conference goers, who pointed to the rising cost of construction and problems surrounding carbon dioxide sequestration. Since 2002, the cost of building a pulverized coal plant has more than doubled, said **Joe Esteves**, managing director of **LS Power**, noting that a traditional project financing for IGCC would be even more expensive.

But that's not stopping **Edison International**, which is partnering up to develop a 250 MW demonstration plant in

Illinois. **Ted Craver**, president, told *PFR* that Edison International is working with industry players, consumers, environmental groups, the government and **Southern Illinois University** on an IGCC plant that is three to four years away from being permitted. Funding would come from the consortium.

In January, the U.S. Department of Energy backed out of funding **FutureGen**, a \$1.8 billion public-private venture to build a 275 MW IGCC plant in Mattoon, Ill., because the price tag kept climbing. "We were a part of FutureGen and watched that project essentially go down the tubes," lamented **James Miller**, ceo of **PPL Corp**. "The bang for the buck is just not there for IGCC."

Renewable Targets Draw Grousing

Extended production tax credits and more efficient transmission are needed if renewable portfolio standards are to be met, attendees warned. RPS is a benchmark set by individual states requiring a percentage of power be generated by renewables by a certain date.

"If we went about building the interstate highway system the way we're going towards building the transmission system, we would be driving on dirt roads," said **Robert Mitchell**, ceo of independent transmission player **Trans-Elect Development Company**. He added that the intermittency that comes with renewables could be solved by taking more of a bird's-eye view. "If you look at it on a large enough geographic basis, you can get reliability," he explained, noting that the wind typically blows during the day in Colorado but at night in Nevada.

Some 5-6 GW of renewable energy will need to be built each year until 2015 to meet the RPS goals, said **Anne Selting**, director of utilities and infrastructure at **Standard & Poor's**. But transmission is the key, said **Richard Ashby**, cfo of **Renewable Energy Systems Americas**. "We certainly think it's doable," he said, cautioning that a national policy would be difficult to implement because southern states lack the necessary resources to sustain RPS. "Should we be looking at a 10-15 year solution or should we be looking at a 30-50 year solution?" Mitchell asked.



Reporter Notebook

● **Royal Bank of Scotland** and **Union Bank of California** held swanky soirées in the Opium Room at the Venetian's Tao Las Vegas and the chic Tryst Nightclub complete with go-go dancers and a waterfall at the Wynn, respectively, Sunday night. But on Monday it was the attorneys' turn. **Paul Hastings** and **Olympus Power** teamed up for cocktails at the Wynn's Tableau Restaurant, passing out cigars as party favors. And **Baker & McKenzie's** bash later that night in the Jay-Z VIP Suite in the 40/40 Club saw partiers hobnobbing on a Strip-side patio at the new Palazzo Hotel.

● At \$4.50 for a humble cup of coffee in the Wynn and ATM fees of \$5 a pop, even the New Yorkers had sticker shock. Sin City veterans recalled the days of \$80 hotel rooms and \$5.99 all-you-can-eat buffets, and Platts regulars reminisced about the good ol' days in New Orleans.

● Many financiers were notably absent from the days' sessions, opting instead for sunny rounds of golf and networking meetings before skimming the PowerPoint presentations from the sessions online. "Bankers consider this an engineers' conference," remarked one, hoisting a drink after hours.



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@iineews.com.

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
Alco Finance Group	Various	Kern County, Calif. Germany, France Australia, New Zealand	3.1 GW 97 1.6 GW	Wind	Marathon Capital N/A N/A	Company plans to sell either as global portfolio or in regional chunks (PFR, 3/11).
Arroyo Energy Investors	Thermo Cogeneration	Fort Lupton, Colo.	272	Gas	N/A	Starwood Energy Group Global close to acquiring. (PFR, 2/6).
Astoria Energy	Astoria plant	Queens, N.Y.	500	Gas	N/A	Owners fielding offers. Suez Energy acquiring 30% (PFR 9/29).
Barry Bates, Michael Underwood	Thompson River Cogen	Montana	16	Coal, Waste Wood	Energy Advisory	Wayzata Investment Partners reportedly acquired.
Bicent Power	Mountain View	Palm Springs, Calif.	67	Wind	Goldman Sachs	AES to acquire (PFR, 1/7).
Black Hills Corp.	Arapahoe Valmont Fountain Valley Las Vegas I Las Vegas II Harbor Valencia	Denver, Colo. Valmont, Colo. Colorado Springs, Colo. Las Vegas, Nev. Las Vegas, Nev. Long Beach, Calif. Albuquerque, N.M.	130 80 240 53 224 98 149	Gas Gas Gas Gas Gas Gas Gas	Credit Suisse	Final bids taken 4/7. Preliminary bids taken Nov. 20 said to be close to \$800 million (PFR, 12/10). Hastings Funds Management, Beowulf Energy in partnership with Natural Gas Partners, Tenaska Energy with Tyr Energy, Energy Investors Funds, and EnergyCo. in second round.
BTEC Turbines	Southaven Energy New Albany Power	Miss. Miss.	340 390	Gas Gas	JPMorgan	Assets or just the equipment for sale. Teasers dispatched April 3 (PFR, 4/7).
Bulgarian Privatization Agency	Bobov Dol	Bulgaria	630	Thermal	N/A	Bulgaria's Minna Kompania and Consortium Energia, Belgium's Electabel, Greece's Damco Energy and U.S. joint venture Sencap intend to bid.
Calpine	Fremont Energy Center Hillabee Energy Center Texas City Clear Lake	Sandusky County, Ohio Alexander City, Ala. Texas City, Texas Clear Lake, Texas	512 774 425 375	Gas Gas Gas Gas	Miller Buckfire	FirstEnergy won with \$253.6M bid (PFR, 2/7). CER Generation won with \$155M (PFR, 2/6). First round bids taken 1/24 with second-round bids expected this month.
Catamount Energy	Sweetwater Ryegate Power Rumford	Nolan County, Texas Vermont Rumford, Me.	505 (50%) 20 85	Wind Wood waste Cogen	Goldman Sachs	Unsolicited approaches have been made to financial backer Diamond Castle Holdings (PFR, 8/31).
Central Vermont	Various	Vermont	70 in summer	Hydro	Morgan Stanley	Status unknown. (PFR, 5/18).
Connecticut Energy (Pepco Holdings)	Various	PJM Interconnection	3,700	Various	Credit Suisse	Company reviewing strategic alternatives, including whole or partial sale and merger (PFR, 12/10).
Con Ed Development	CEEMI Newington Energy Lakewood Ocean Peaking Power Rock Springs Genor Ada Cogeneration EverPower Wind	Springfield, Mass. Newington, N.H. Lakewood, N.J. Lakewood, N.J. Rising Sun, Md. Puerto Barrios, Guatemala Ada, Mich. NEPOOL, NY, PJM	185 525 (99.5%) 246 (80%) 339 670 (50%) 42 (49.5%) 29 (48%) 500 planned	Gas, Oil, Hydro Gas Gas Gas Gas Oil 29 (48%) Wind	Morgan Stanley	Industry Funds Management to acquire for \$1.4 billion. Barclays to lead the debt, expected to launch into syndication soon (PFR, 2/11). RBS may co-lead. Not sold. Ada not sold. Partner is Olympus Power. CED sold its 50% stake in Oct. (PFR, 12/9).
ConocoPhillips	Immingham	Lincolnshire, U.K.	730	Gas	Citigroup	Looking at strategic options on the plant (PFR, 1/18).
Complete Energy Holdings	La Paloma Batesville	McKittrick, Calif. Batesville, Miss.	1,022 837	Gas Gas	JPMorgan	Final bids were received 3/11 (PFR, 3/14). Kelson Holdings no longer bidding.
Corona Power	Sunbury Generating	Shamokin Dam, PA	432	Coal, oil, diesel	Merrill Lynch	Soliciting equity to complete \$250M of upgrades (PFR, 12/24).
DONG Energy	Evia, Karistos and Tourla	Greece	19	Wind	HSBC	Teasers expected later this quarter after IPO (PFR, 1/18).
DTE Energy	East China	East China, Mich.	320	Gas	N/A	Seller exploring options, including outright sale.
EISL	Various	Catalonia, Spain	630	Wind, Hydro	JPMorgan	Company weighing sale (PFR, 12/24).
Energy Future Holdings (Luminant)	Sandow 4 Sandow 5	Millam Co., Texas	545 (50%) 581 (50%)	Coal Coal	Credit Suisse	Reportedly planning to sell stakes to Perennial Power Holdings (PFR, 2/18).
Entegra	Gila Union	Phoenix, Ariz. El Dorado, Ark.	2,300 3,000	Gas Gas	N/A	In talks to merge with KGen (PFR, 1/17).
Entergy Corp.	50% stake in Top Deer Wind Ventures RS Cogen Roy S. Nelson Warren Power Harrison Independence Robert Ritchie	Worth County, Iowa Carsen County, Texas Lake Charles, La. Westlake, La. Vicksburg, Miss. Marshall, Texas Newark, Ark. Helena, Ark.	40 40 212 60 225 335 121 544	Wind Gas Gas/Oil Gas Gas Coal Gas/Oil	New Harbor	Seller wants about \$520 million for the assets. Bidders shortlisted to four players: two financial; two infrastructure (PFR, 6/18).
ESB International	Marina Great Island Tarbert	Cork City, Ireland Wexford Co., Ireland County Kerry, Ireland	115 240 640	Gas Oil Oil	Merrill Lynch	Bids are being reviewed for the portfolio (PFR, 2/22).
Exergy Development Group	Various	Upper Midwest, Northwest U.S.	3.6 GW (176 ready to construct)	Wind	Marathon Capital	Weighing partnership, joint venture, recap or sale (PFR, 12/17).
Fluor	Greater Gabbard	Thames Estuary, U.K.	500	Wind	RBC	Specs went out in late Aug. for Fluor's 40% stake (PFR, 8/17).
Foresight Wind Energy	Various	Arizona, New Mexico	2 GW pipeline	Wind	CP Energy	Transaction delayed (PFR, 10/8).
FPL Energy	Posdef Tesla	Stockton, Calif. Tracy, Calif.	44 1,120	Coal/Petcoke Gas/Steam	New Harbor Credit Suisse	Indicative bids due April 11 (PFR, 3/11). Development site. Status unclear.
General Electric	Baglan Bay Panther Creek Pittsfield Generating Colton Power	Port Talbot, Wales Nesquehoning, Pa. Pittsfield, Mass. Colton, Calif.	510 94 163 80	Gas Waste Coal Gas Gas	Lexicon Partners N/A N/A N/A	GE re-ignited sale process. Carron Energy originally interested. Looking for buyers (PFR, 2/26). Maxim Power set to acquire (PFR, 3/17). Selling with help of asset manager PUREENERGY (PFR, 4/8).
Goldman Sachs, Cargill	Teesside Power	Teesside, U.K.	1.8 GW	Gas	Rothschild	Gaz de France and Suez jointly agreed to acquire Feb. 25.
Goldman Sachs (Cogentrix Energy)	Southaven Power	Southaven, Miss.	810	Gas	Houlihan Lokey	TVA will acquire for \$466.3 million (PFR, 4/1).
High Country Energy	N/A	Minn.	150 (development)	Wind	N/A	First phase sold to Wisconsin Public Service Corp. (PFR, 3/19).
InterGen (AIG Highstar Capital II, 50%)	Rocksavage Coryton Spalding Rijnmond I, II Bajio	Runcorn, U.K. Essex, U.K. Lincolnshire, U.K. Rotterdam, the Netherlands San Luis de la Paz, Mexico	748 732 860 820, 400 600 (306 stake)	Gas Gas Gas Gas Gas	Lehman Brothers	Preliminary bids were due March 26 (PFR, 2/7).

Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
K&M International Power	La Rosita	Mexicali, Mexico	1.1 GW	Gas	JPMorgan	Teasers to be dispatched this week (PFR, 3/18).
	Quezon	Philippines	460 (211 stake)	Coal		
	Millmerran	near Brisbane, Australia	880 (228 stake)	Coal		
	Callide	Queensland, Australia	920 (230 stake)	Coal		
Kelson Canada (Harbinger Capital Partners)	Termoville	Cali, Colombia	220	Gas	UBS	Teasers out (PFR, 3/26).
	Calgary Energy Center	Calgary, Alberta	300	Gas		
	Island Generation	Duncan Bay, B.C.	230	Gas		
	King City Cogeneration	King City, Calif.	120	Gas		
	Whitby Cogeneration	Whitby, Ontario	50	Gas		
Kelson Holdings	Dogwood	Pleasant Hill, Mo.	620	Gas	Goldman Sachs, Merrill Lynch	Weighing strategic options, including sale/merger (PFR, 10/9). Signed agreement to sell Redbud for \$852 million to consortium of load-servicing entities (PFR, 1/21).
	Redbud	Luther, Okla.	1.2 GW	Gas		
	Cottonwood	Deweyville, Texas	1.2 GW	Gas		
	Magnolia	Benton County, Miss.	922	Gas		
KGen Power	Murray I	Murray Co., Ga.	630	Gas	Credit Suisse	Talks to merge with Entegra stalled due to management disagreements (PFR, 3/24).
	Murray II	Murray Co., Ga.	620	Gas		
	Hot Spring	Hot Spring Co., Ark.	620	Gas		
	Hinds	Jackson, Miss.	520	Gas		
	Sandersville	Washington Co., Ga.	640	Gas		
LS Power	Sugar Creek	Sugar Creek, Ind.	561	Gas	N/A	Northern Indiana Public Service to acquire (PFR, 11/2).
MACH Gen	Millennium	Carlton, Mass.	360	Gas/Oil	Credit Suisse	Considering sale or a merger (PFR, 12/17). In second round.
	Athens	Athens, N.Y.	1 GW	Gas/Oil		
	Covert	South Haven, Miss.	1.1 GW	Gas		
	Harquahala	Tonopah, Ariz.	1.09 GW	Gas		
Mirant	Lovett Generating Station	Tompkins Cove, N.Y.	183	Coal/Gas	N/A	Alliance Energy offered to buy for undisclosed sum but withdrew offer when Mirant did not respond (PFR, 2/14).
National Grid	Ravenswood Station	Queens, N.Y.	2,450	Gas	Merrill Lynch	TransCanada agreed to purchase for \$2.9 billion (PFR, 4/1). Sale being evaluated. Long Island Power Authority has option to purchase some of the units until May 31 (PFR, 4/11).
	E.F. Barrett	Island Park, N.Y.	311	Gas		
	Far Rockaway	Far Rockaway, N.Y.	100	Gas		
	N/A	Shoreham Nuclear Plant, N.Y.	72	Gas		
	Wading River	East Shoreham, N.Y.	239	Gas		
Navasota Energy (Navasota Holding Texas) (Montgomery Energy Partners)	Colorado Bend	Wharton, Texas	1.6 GW	Gas (development)	JPMorgan	Exploring sale options (PFR, 2/11).
	Quail Run	Odessa, Texas	825	Gas (development)		
	L'Energia	Lowell, Mass.	84	Gas (repowering)		
	Billerica Energy Center	Billerica, Mass.	240-360	Gas (development)		
Noble Environmental Power	Various	N.Y., Mich.	385	Wind	Goldman Sachs	Company reportedly looking to IPO.
North American Power Group	Rio Bravo Fresno	Fresno, Calif.	25	Biomass	N/A	In discussion with potential buyers (PFR, 8/31).
	Rio Bravo Rocklin	Roseville, Calif.	25	Biomass		
NorthWestern Energy	Colstrip Unit 4 (30%)	Mont.	740	Coal	Credit Suisse	Exploring strategic options (PFR, 2/8).
NRG Energy	Indian River	Millsboro, Del.	784	Coal	N/A	Seller soliciting offers on plant (PFR, 11/8).
Primary Power International	Hillman	Hillman, Mich.	19	Biomass		FORTISTAR agreed to purchase an interest in the portfolio. Deal set to close in 30 days (PFR, 2/19).
	Grayling	Grayling, Mich.	36			
	Genesee	Flint, Mich.	35			
	Dapp Generating	Westlock, Alberta	17			
	Valley Power	Drayton Valley, Alberta	12			
Reliant Energy	Channelview	Lyondell, Texas	830	Gas	Houlihan Lokey	FORTISTAR and Global Infrastructure Partners to acquire for \$500 million (PFR, 4/8). A judge has declined to approve the sale due to existing contracts (PFR, 4/11).
RES Americas	Various	U.S.	1 GW under construction	Wind	Credit Suisse	Company looking to sell up to 100% (PFR, 1/7).
Ridgeline Energy	Various	Idaho, Ore., Wash.	3.7 GW pipeline	Wind	Marathon Capital	Talks nixed with a southern U.S. utility (PFR, 10/8). Back in play.
Rockland Capital	B.L. England	Cape May County, N.J.	447	Coal, Oil	JPMorgan	Owner seeking strategic equity partner (PFR, 12/10).
Energy Investments						
Sempra Generation	Catoctin	Frederick Co, Md.	600 in development	Gas	N/A	Development project reportedly for sale.
Sierra Pacific Industries	Loyalton	Loyalton, Calif.	20	Biomass	N/A	Renegy agreed to purchase April 11 for \$13 million (PFR, 4/16).
Signal Hill Power	Wichita Falls	Wichita Falls, Texas	77	Gas	Miller Buckfire	First-round bids received March 17.
Sumas	Sumas Cogeneration	Sumas, Wash.	125	Gas	N/A	Puget Sound Energy agreed to buy for undisclosed sum.
Sithe Global Power	River Hill	Kartha Township, Pa.	290	Coal	Credit Suisse	Status unclear (PFR 2/16/07).
Temasek Holdings	PowerSeraya	Singapore	3.1 GW	Gas	Credit Suisse, Morgan Stanley	Teasers dispatched 10/15.
	Senoka Power		3.3 GW	Oil		
	Tuas Power		2.7 GW	Steam		
Tenaska Power Fund	Commonwealth	New Church, Va.	315	Oil	JP Morgan	Tyr won the auction and Fieldstone Private Capital Group is advising on the purchase and financing (PFR, 2/19). Hoosier Energy and Wabash Valley Power Association agreed to acquire for \$383 million (PFR, 4/14).
	Chesapeake					
	Holland Energy	Beecher City, Ill.	665	Gas		
Third Planet Windpower	Various, U.S.	Various, U.S.	3 GW late-stage	Wind	Marathon Capital	Developer looking for joint venture partner.
TransAlta	Campeche	Mexico	252	Gas/Diesel	N/A	InterGen to buy for \$303.5M, funded with equity and non-recourse debt.
	Chihuahua	Mexico	259	Gas		
	Binghamton	Binghamton, N.Y.	50	Gas		
TransAlta Cogeneration	Mississauga	Mississauga, Ontario	108 (50%)	Gas	N/A	Quietly shopping portfolio (PFR, 4/2).
	Ottawa	Ottawa, Ontario	68 (50%)	Gas		
	Sarnia	Sarnia, Ontario	575	Gas		
	Windsor-Essex	Windsor, Ontario	68	Gas		
Tyche Power Partners	Brooklyn Navy Yard	Brooklyn, N.Y.	286	Gas Cogen	Credit Suisse	Temporarily iced due to credit crunch.
UPC Wind	Various	North America	3 GW	Wind	JPMorgan	Market test did not lead to a sale, so company is reportedly weighing an IPO (PFR, 6/8).
			in development			
U.S. Renewables Group	Bottle Rock power project	Geysers area, Calif.	55	Geothermal	Goldman Sachs	Auction reportedly terminated.
US Power Generating Co.	Various	Northeast	5 GW	Gas/Oil	N/A	Company being advised on reverse enquiries.
Waterbury Generation	Waterbury Generation	Waterbury, Conn.	96	Gas	N/A	Energy Capital Partners in negotiations to buy development rights (PFR, 8/29).
Wheelabrator Technologies	Shasta	Anderson, Calif.	49	Biomass	ABN Amro	Renegy bidding for plant (PFR, 4/15). Lakeside Energy and Macquarie are believed to be left in the running to acquire (PFR, 4/15).
	Lassen	Anderson, Calif.	43	Gas Cogen		
	Norwalk	Norwalk, Calif.	27.3	Gas Cogen		

Canadian IPP To Fund Wind Acquisition Privately



Kim Hubick

ENMAX Green Power will finance the bulk of its planned \$163 million acquisition of the 63 MW Kettles Hill wind farm near Pincher Creek, Alberta, via a private placement of 10-year debt. The purchase price includes the assumption of \$47.5 million in project debt.

Kim Hubick, executive v.p. and cfo at parent **ENMAX Corp.**, a wholly owned subsidiary of the City of Calgary, says **RBC Capital Markets** and **CIBC World Markets** will arrange the roughly C\$200 million (\$197.8 million) placement within the next few months. The acquisition is expected to be complete in May.

The asset was attractive to ENMAX because it can be expanded by 77 MW, Hubick says, adding, "We're trying to go greener." The company also owns a 50% stake in the 75 MW McBride Lake wind farm near Fort Macleod, Alberta, with **TransAlta** and an 80 MW farm in Taber, Alberta.

The seller was **Creststreet Kettles Windpower**, a limited partnership of investment management firm **Creststreet Capital Corp.** **Blair Franklin Capital Partners** advised Creststreet on the

transaction, says **Grant Bunker**, v.p. of business development at Creststreet in Toronto.

Leads Tee Up London Launch For Borco Storage Deal

ABN Amro and **DnB NOR Bank** plan to follow their New York launch of \$410 million in financing backing the \$875 million acquisition of the **Bahamas Oil Refining Company** oil storage terminal via a parallel meeting this Wednesday in London.

The leads announced the second bank meeting after several banks interested in the deal could not attend the New York event last Monday. Officials at the buyers, **First Reserve** (80%) and **Royal Vopak** (20%), also are based in nearby Rotterdam, explains one deal watcher of the rationale. The leads declined to comment.

Tickets of \$20 million, \$35 million and \$50 million are on offer in the financing, which consists of a \$325 million term loan and an \$85 million revolver for working capital, both maturing in eight years (PFR, 4/11). Rounding out the package is a \$10 million debt service reserve facility not being syndicated. Pricing starts at 200 basis points over LIBOR for years one through five and rises to 225 for the remaining years. **Natixis** has already joined with an agent title in the deal, set to close in mid-May.

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.

North America

- **AES'** 180 MW Warrior Run coal plant at Mexico Farms in Cumberland, Md., is being evaluated with a view to a possible sale, according to a plant official (*Cumberland Times-News*, 4/11).
- **PPL Corp.** will buy the rights to the capacity and energy of a 664 MW gas-fired plant in Lebanon, Pa., from **BE Ironwood**, a subsidiary of **Bear Stearns** (*Associated Press*, 4/16).
- Norwegian solar outfit **Renewable Energy Corp.** has bought a 20% stake in U.S.-based solar company **Mainstream Energy** for \$40 million (*Reuters*, 4/10).
- Carbon trading company **Econergy International's** leading shareholder, **Vincent Tchenguiz**, is considering taking the company private (*Financial Times*, 4/11).
- The U.S. Department of Energy plans to issue loan guarantee solicitations in two stages this summer for up to \$38.5 billion of projects (*Energy Department Documents and Publications*, 4/12).
- **Cheniere Energy** will cut more than half of its staff and its president is stepping down as part of a restructuring of the LNG terminal operator (*Associated Press*, 4/16).

Europe

- **Vattenfall**, the Swedish state-owned utility, is preparing a bid for **British Energy** that could be worth as much as SEK130 billion (\$22 billion) (*Reuters*, 4/15). **E.ON** retracted its statement that it is not interested in bidding for the U.K. utility (*CNN Money*, 4/16).
- **Iberdrola** Chairman **Ignacio Sanchez Galan** told France's **EDF Group** it should either bid for the Spanish utility or "shut up", adding that EUR100 billion (\$158 billion) should be a starting price for any potential buyer (*Reuters*, 4/15).
- **EDF** and Dutch utility **Nuon** are both eying the 25.5% stake in Belgium's **SPE** that **Gaz de France** must sell to merge with **Suez** (*Reuters*, 4/16).
- Italy's **Intesa Sanpaolo** and engineering group **Pramac** have set up a joint venture called **Solar Express** to make a push in solar photovoltaic power (*Reuters*, 4/16).
- **Cofathec Servizi**, a **Gaz de France** subsidiary, has acquired seven thermoelectric plants with a combined capacity of 370 MW from Italian electric utility **Edison** for EUR128 million (*Datamonitor*, 4/10).

IRELAND'S NTR

(continued from page 1)

be sought. European banks such as **UniCredit HVB**, **BayernLB**, **NordLB**, **Allied Irish Bank**, and tax equity investors such as **GE Energy Financial Services**, **JPMorgan** and **Wells Fargo**, with which NTR has financed wind deals in the U.S., may be approached within the next 18 months once permits are obtained, he adds.

SES is planning two of the world's largest solar projects to date—a 300 MW facility in Imperial Valley, Calif., with the potential for expansion to 900 MW, expected to cost \$500 million, and a 500 MW project in the Mojave Desert costing around \$750 million, which could be expanded to 850 MW.

NTR had been watching the solar market for the past five years and “came to the view that to get into solar development, [it] had to get into technology,” Barry says. Upon completion of the \$100 million transaction with SES—its first ever solar investment—NTR will gain a 42% interest in the company and more than 50% of the voting rights. An initial public offering of the solar developer could be a way to raise growth capital downstream, adds Barry, but right now the focus is to get the projects online by 2011 when their long-term contracts with **San Diego Gas & Electric** and **Southern California Edison** incept. —*Katie Hale*

ECP WEIGHS

(continued from page 1)

Kimmelman and other officials at ECP were not returned by press time.

No auction has been set and no advisor appointed. But if ECP does decide to run a process, it would likely engage **Goldman Sachs**, where several of its principals worked before establishing the firm. ECP closed its debut fund with \$2.25 billion, now largely exhausted, via placement agent **Atlantic-Pacific Capital** (PFR, 12/8/06).

ECP is best known for the 1,442 MW merchant portfolio it bought for \$1.34 billion from **Northeast Utilities** (PFR 8/21). It owns:

- a 1,080 MW pumped storage facility in Northfield, Mass.
- the 146 MW coal-fired Mt. Tom generating station in Holyoke, Mass.
- 216 MW of hydro along the Connecticut and Housatonic Rivers, all purchased from Northeast Utilities, as well as
- a 635 MW gas-fired, combined-cycle facility known as Empire Generating in Rensselaer, N.Y., with 107 MW of peaking capacity, bought last summer for an undisclosed sum (PFR, 7/19), and
- a 96 MW simple-cycle peaker in Waterbury, Conn.

—*Katy Burne*

K-ROAD PREPS

(continued from page 1)

for a specific transaction. **Credit Suisse** has been engaged as bookrunner. A call to CS was not returned and officials at K-Road declined to comment.

SPACs have been used in the oil and gas space before but this would be the first of its kind in power, according to officials close to the deal. The structure is being examined more closely now, one adds, because the market became so liquid last year that firms were able to raise larger sums for power funds. “If people are raising \$250 million or more, that puts it in range of a lot of the medium-sized [energy] assets,” he explains. While sponsors of SPACs have a shorter timeframe to invest—two years instead of the standard five—and shareholders get to vote on any deals, it can be a faster way to raise capital than a traditional fundraising.

K-Road said in a recent S-1 filing with the **Securities and Exchange Commission** that it does not yet have a specific target in mind. But with any SPAC at least 80% of the equity in the trust account has to be used on the first deal. “We intend to focus on identifying prospective target businesses or assets in the energy industry in North America, with a particular focus on businesses or assets involved in the power sector,” K-Road said in the filing.

Last summer, the firm was planning a \$1 billion alternative energy venture (PFR, 6/1), but those plans have been iced for the time being due to the credit meltdown. —*K.B.*

Conference Calendar

The **American Wind Energy Association** will host its Windpower 2008 Conference & Exhibition June 1-4 in Houston, Texas. To register, visit www.windpowerexpo.org.

Quote Of The Week

“We came to the view that to get into solar development we had to get into technology.”—**Jim Barry**, ceo at **NTR** in Dublin, on the company's decision to make its first investment in the solar space via Phoenix-based solar developer **Stirling Energy Systems** (see story, page 1).

One Year Ago In Power Finance & Risk

Reliant Energy was soliciting interest in a 2,488 MW portfolio of predominantly gas-fired generation being auctioned via **JPMorgan**. **KGen Power**, **Energy Capital Partners**, **Tenaska Power Fund** and **LS Power** were thought to be kicking the tires. [Indicative bids came in lower than expected, partly due to the onset of the credit crunch, and the auction was nixed (PFR 8/10).]