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A PUBLICATION OF INSTITUTIONAL INVESTOR, INC.

APRIL 28, 2008

VOL. XI, NO. 17

Return Of High Yield?

Some bankers see the structure of the \$750 million financing for **Industry Funds Management's** acquisition of the **ConEd Development** portfolio as a sign high-yield investors may be coming out of hibernation.

See story page 2

In The News

Pair Picked For Starwood Financing	3
InterGen Mexico Deal Launches	3
Chevron Nixes Gas Storage Sale	3
UBoC Kicks Off Vernon Syndication	3
Geothermal Owners Eye Tax Equity	4
MS Fires Up Topaz Syndication	4
CoBank Seeks To Replace MD	4
Navasota Auction Begins	4
India's Tata Wraps \$4.2B PF Deal	5
UBS Traders Depart	6
Broker Sets Up Green Trading Desk	6
Peru LNG Syndication Launches	6

Corporate Strategies

Ga. Co-Op Preps \$255M Refi	7
EPCOR Takes Out CP	7
PSE&G Sells \$400M To Trim Debt	8

Departments

Generation Auction & Sale Calendar	9
News In Brief	11

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BIDDERS AWAIT EMPIRE STATE RFP WINNER

Bidders into the New York Power Authority's latest request for proposals for 500 MW of new capacity are expecting to hear by the month-end which proposal has been selected. The power is needed to serve schools, hospitals and municipal buildings in the five boroughs of New York City (PFR, 11/09).

NYPA did not publish a short list of candidates after it took bids Dec. 20. But those that say they made the grade include **Red Rock Power Partners** as well as a



(continued on page 12)

CIT LOOKS TO SHOP GENERATION LEASE INTERESTS

CIT Group is looking to sell its leasehold interests in several hundred megawatts of U.S. generation. The title ownership stakes are in the money because of rising valuations in the sector. It will also rid CIT of underlying debt tied to the leases, which shows up on its balance sheet even though the loans are non-recourse to CIT.

The firm does not appear to be using an advisor. It was advised by **Bear Stearns** on the sale earlier this year of its leveraged lease in 471 MW RockGen Energy, a gas- and oil-fired

(continued on page 12)

MITSUBISHI SUB, PARTNER PLOT WESTERN WIND PROJECTS

Mitsubishi subsidiary **Diamond Generating** and an undisclosed partner are looking to develop 200-300 MW of greenfield wind over the next several years in the western U.S. The build-out will need project financing for 70-80% of the \$400-600 million cost, says **Satoshi Hamada**, director of business development at Diamond in Los Angeles.

"The developer has some experience in the U.S. wind market," adds Hamada of the partner, which he declined to identify. "For each project we can be flexible," he says, noting

(continued on page 12)

OHIO BILL SEEN SPARKING RENEWABLE RUSH



Hans Detweiler

A new law forcing utilities in Ohio to increase the power they produce from renewable energy is expected to draw developers to the state. Bill 221, which unanimously passed the Senate last Wednesday, could add 650-750 MW of wind by 2012 and 5-7 GW by 2025 at a projected cost of \$10-14 billion, according to the **American Wind Energy Association**. "This is huge. You're talking about 100 times the existing generation," says **Hans Detweiler**, manager of state legislation at AWEA in Chicago.

(continued on page 11)

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



At Press Time Does ConEd Structure Herald High-Yield Return?

The structure of the \$750 million financing backing Industry Funds Management's \$1.477 billion acquisition of a 1.7 GW portfolio from Consolidated Edison Development

may be a sign the high-yield market is expected to return, some bankers say. "It's similar to subordinate tranches that were popular until the sub-prime crisis," says one. "Maybe some people are back and are interested again."

IFM recently stepped up its equity commitment in the deal to 50%. "The decision was made by IFM as to the preferred debt-to-equity ratio on this transaction," explains Dunia Wright, head of U.S. and European operations at IFM, adding the sponsor is traditionally conservative with its leverage at the asset level.

She declined to talk specifics on the deal while it is being rated, but adds, "In terms of the underwriting position that Barclays took, that has remained unchanged throughout this transaction. We've worked very closely with Barclays to make the transaction successful and have been very happy with that relationship." Barclays declined to comment.

The debt, originally set to be around \$900 million, now comprises a \$425 million seven-year term loan set to launch into syndication next month, and a \$325 million eight-year unsecured bond. The modest leverage on the first lien has been well received. "It's better than what they had before," says one banker. Supporting this is an unfunded \$150 million letter of credit for working capital. The borrowing rate could not be learned. "One of the things we look for is the cash-yielding components of the assets over the long term," says Wright, noting that IFM is looking to hire independent directors for the board of the acquisition vehicle, **North American Energy Alliance**, and expects to make an announcement in the next week or two.

But some question the viability of the bond piece. "The first lien is do-able, but they'll have problems placing the bond," says one. "There's no market for high-yield. Maybe they're seeing something I'm not, but big liquid credits are having a hard time right now with these deals," says another. Wright disagrees. "The responses [from the market] have been overwhelmingly favorable," she says. Some point to **Inergy's** recently announced private placement of \$150 million in 8.25% senior unsecured notes due 2016, and energy and environmental waste management company **CCS, Inc.'s** \$300 million senior unsecured notes rated Caa1 by **Moody's Investors Service** as evidence high-yield investors may be coming back.

To get the deal done in the commercial bank market, Barclays would need to score a BB rating on the deal, say deal trackers, who speculate the loan will price in the range of 350 basis points over LIBOR and the bond around 9%. The assets are predominantly peakers but IFM has hedging arrangements in place for the transaction, Wright says.



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**Institutional
Investor NEWS**
INTELLIGENCE FIRST

Starwood Taps Two For Colo. Acquisition Financing



Brad Nordholm

WestLB and Sumitomo Mitsui Banking Corp. have landed mandates to arrange the financing for **Starwood Energy Group Global's** pending acquisition of Thermo Ft. Lupton, a 272 MW combined-cycle plant northeast of Denver. The seller is **Bear Stearns** unit **Arroyo Energy Investors** (PFR, 2/6).

Brad Nordholm, ceo at the Starwood unit in Greenwich, Conn., confirmed the mandates but declined to reveal details of the financing, which is expected to close in the next two months. Officials at the banks declined to comment.

The complex consists of a 122 MW phase-one facility and a neighboring 150 MW second phase, each using **General Electric** LM-6000 turbines. Included in the purchase is a neighboring greenhouse, which draws steam from the plant. They are contracted through June 2019 with **Public Service of Colorado** and **Tri-State Generation and Transmission Association**.

Bank Trio Launches InterGen Mexico Financing

Calyon, **WestLB** and **Export Development Canada** launched \$310 million in non-recourse financing last Wednesday supporting **InterGen's** purchase of two plants in Mexico from **TransAlta**. Project finance banks and relationship banks of the sponsor were invited to a bank meeting at Calyon's offices in New York City.

The debt consists of a \$100 million revolver, with commitment fees of 40 basis points, and a \$210 million, 14-year term loan. Pricing is 135 bps stepping up to 160 over the life of the loan. The term loan will be fully drawn at closing, expected later this quarter. Ticket levels could not be learned and officials at the banks either did not return calls or declined to comment.

Being acquired is a 511 MW portfolio, consisting of the 252 MW Campeche facility at Palizada in the Yucatán Peninsula and 259 MW Chihuahua in Juárez, just south of the U.S./Mexico border. Both have 25-year PPAs with Mexico's national utility, the **Comisión Federal de Electricidad**, as do **InterGen's** 1.1 GW La Rosita asset in Mexicali and the 600 MW Bajío in San Luis de la Paz. "We have existing assets in Mexico and feel adding to that base makes sense for us," **Martin Rees**, cfo of **InterGen** in Burlington, Mass., told *PFR*, declining to comment on the financing. The IPP also looked at **Électricité de France's** 1,984 MW portfolio in Mexico, recently bought by Spain's **Gas Natural** (PFR, 11/30).

Chevron Storage Deal Bites The Dust

Chevron has opted to ice its proposed sale of Aitken Creek Gas Storage, a 71 billion cubic feet facility northwest of Fort St. John in British Columbia, which had expansion potential to 118 bcf. Binding bids taken March 10 for the asset were thought to be in the \$800 million range. But as first reported by *PFR* last Thursday, two factors hampered the deal: difficulties obtaining leverage, especially in the case of financial sponsors, and seasonal storage spreads tightening over the short term. Auctioneer **CIBC World Markets** declined to comment.

"Chevron has elected to retain its natural gas storage business," a spokeswoman confirmed. "The sales process generated substantial interest and culminated with bids received from multiple parties. After review of the bids, Chevron made the decision to retain the assets as internal threshold values were not reflected for the business." Chevron will continue to operate the business and evaluate expansion opportunities.

It acquired Aitken Creek through its merger with **Unocal Corp.** two years ago. The facility is connected to two pipelines: **Spectra Energy's** BC Pipeline, formerly known as the Westcoast System, and Alliance Pipeline, providing access to British Columbia, the Pacific Northwest, Alberta and Chicago. The asset produced in excess of \$100 million in contracted cash flows last year.

UBoC Launches Vernon Financing

Union Bank of California launched syndication of \$212 million in debt bankrolling **Bicent California's** acquisition of generating assets from the City of Vernon, Calif., at an 8:30 a.m. bank meeting in New York last Thursday. **Scotia Capital** has taken a sub-underwriting role with an agent title.

Bicent California is a special purpose vehicle set up by **Paul Prager-backed Beowulf Energy** and **Natural Gas Partners**. It is separate from **Bicent Power**, an unregulated generation company also owned by Beowulf.

Tickets of \$25 million and \$35 million were offered on the seven-year financing, which consists of a \$207 million term loan and \$5 million revolver. Pricing was pitched at 200 basis points over LIBOR.

Beowulf and NGP closed the \$342 million acquisition April 10, after changing course on the financing that was originally set to involve a 20-year bond arranged by **Lehman Brothers** (PFR, 4/2). The assets acquired were the 134 MW Malburg Generating Station, a 22 MW interest in the **Western Area Power Administration's** Hoover Dam Upgrading hydro project on the Arizona/Nevada border and an 11 MW in the 3.8 GW Palo Verde facility in Wintersburg, Ariz. Officials at the bank and sponsors either declined to comment or did not return calls.

Calif. Geothermal Owners Eye Tax Equity Over Sale

The owners of **Bottlerock Power**, a geothermal project on Cobb Mountain in Lake County, Calif., put up for auction last fall via **Goldman Sachs** (PFR, 11/30), are considering bringing in tax equity investment to monetize the project instead of selling it.

U.S. Renewables Group and **Carlyle/Riverstone**, who together own 88% of Bottlerock alongside its founders, expected to take first-round bids of around \$200 million, according to one deal watcher. But there was reportedly a concern the project could not get to its nameplate capacity of 55 MW due to insufficient steam resources from the local geysers. Discussions are still under way with potential buyers, but if those do not yield offers in the targeted range, the owners will explore pay-as-you-go tax equity, he adds. The plant has a 10-year PPA with **Pacific Gas & Electric**, which can be extended.

Since coming online in 1985, the facility has been refurbished with the help of Santa Rosa, Calif.-based engineering consultancy **ThermaSource**. Its current output is unclear. Calls to **Tom King**, managing director at USRG, as well as Riverstone and Goldman were not returned. **Louis Capuano**, founder of ThermoSource, was unavailable for comment.

MS Stages Topaz Retail Syndication

Morgan Stanley launched syndication of \$740 million in debt tied to **Carlyle/Riverstone's** 1.4 GW Texas repowering initiative at a W Hotel bank meeting in midtown Manhattan last Wednesday at 1:30 p.m. About 25 banks attended either in person or via conference call. The leads are looking to bring six or seven into the deal, which is so far 65-70% committed.

The package features a \$615 million construction loan converting to a four-year term loan post construction and a \$75 million working capital facility. Both mature in 2014 and are priced at 325 basis points over LIBOR. Rounding out the package is a two-year, \$50 million letter of credit priced at 300 for hedging. Tickets of \$25 million, \$35 million and \$50 million were offered with upfront fees of 62.5 bps, 87.5 bps and 125 bps, respectively.

Natixis, **ING Capital** and **Dexia Crédit Local** recently joined Morgan as co-underwriters (PFR, 3/20), while **WestLB** and **Calyon** are sub-underwriters in the fully underwritten deal, set to reach financial close next month. **GE Energy Financial Services** has taken a buy-and-hold stake of around \$100 million and **Union Bank of California** has taken smaller buy-and-hold stake.

Being repowered in the \$1.3 billion initiative are Units 4 and 5 at 178 MW Laredo in Webb County, Unit 2 at 697 MW Barney M. Davis near Corpus Christi and Unit 7 at the

mothballed 559 MW Nueces Bay plant. The fifth plant, Barney Davis Unit 1, is an existing steam generation facility. Riverstone owns the assets via its Global Energy and Power Fund III, which in turn owns the borrower, **Topaz Power**. Officials at the banks either declined to comment or did not return calls. A call to **Stephen Schaefer**, managing director at Riverstone, was not returned.

CoBank Looks To Fill MD Slot

CoBank is seeking to hire a managing director to replace **David Willis**, who left a few weeks ago to join E.ON-owned **Airtricity North America** as v.p. of finance. **Brett Challenger**, managing director and group head of energy services at CoBank in Denver, says, "[David] was [the firm's] project finance and structure finance expert. That's the kind of talent [it] will be looking for."

Willis worked at CoBank for more than three years, after a stint at **Bank of America** in Charlotte, N.C., where he worked in project finance under Challenger. At Airtricity, he reports to **David Boyce**, head of corporate finance, who joined the renewables company from CoBank last year, says **Declan Flanagan**, ceo of E.ON Climate & Renewables' North American division in Chicago.

Recently at CoBank, Willis worked on the retooling of roughly \$90 million in non-recourse debt tied to Calpine's 468 MW Blue Spruce Energy Center in Aurora, Colo. (PFR, 2/8), co-led by **Siemens Financial Services**. The bank also recently committed \$300 million in the buyout financing for **Puget Energy**, led by **Barclays Capital** and **Dresdner Kleinwort** (PFR, 4/18).

JPM Unfurls Navasota Auction

JPMorgan began dispatching teasers last week on 1,650 MW of new gas-fired combined-cycle capacity in ERCOT being shopped by **Navasota Holdings Texas Partners**. It will run a two-stage process for Colorado Bend near Wharton, Texas, and Quail Run near Odessa (PFR, 2/8). Each plant is generating 275 MW so far. A second phase set to be complete this summer will boost their output to 550 MW, respectively, and a third phase to enter construction later this year will bring their output to 825 MW.

Interest in the facilities should be robust because peak summer demand in the region is projected to grow to 72.2 GW from 62.3 GW by 2013 and because the plants are debt-free. Capacity is also expected to drop below ERCOT's reserve margin of 12.5% in 2009.

Navasota is 75% controlled by three hedge funds and by its two founders, **Frank Giacalone**, president, and **Dan Hudson**, cfo, who did not return a call.

First Reserve Hunts Hydro



Glenn Payne

Fresh off investing in turbine design and manufacturer **Kenersys**, energy private equity shop **First Reserve Corp.** is looking to acquire companies with hydro generation in their portfolios. Its generation subsidiary **GenPower**, through which the firm owns the 695 MW Longview coal plant under development in Maidsville, W.Va., is on the hunt for such

assets, says **Glenn Payne**, director at FRC in Greenwich, Conn., adding, "We will buy a hydro plant if it is economical."

FRC will fund its acquisition of **Kenersys**, a subsidiary of Indian industrial conglomerate **Kalyani Group**, with equity from its Fund XI, Payne says. No purchase price was disclosed. "Owning the turbine manufacturing business is right down our fairway. But we are yet to own a spinning wind company," he says, noting that FRC was close to acquiring an undisclosed wind company last year. **Ferris, Baker Watts**, a Washington, D.C. investment bank, advised **Kalyani** on the deal. First Reserve did not use an advisor.

The firm looks to invest roughly 10-20% of its capital in alternative energy, with a focus on developers of wind infrastructure, Payne notes. "The money is going to guys that provide the equipment. Turbines are flying off the shelves," he says.

Tata Power Closes \$4.2B Project Financing

India's **Tata Power** has closed a INR170 billion (\$4.2 billion) financing for the nation's largest power project to date, a 4 GW coal plant in Mundra, Gujarat.

The financing, through special purpose vehicle **Coastal Gujarat Power**, consists of an INR55.5 billion, 14-year loan, provided by Indian banks and arranged by financial advisor **State Bank of India**, and an \$1.8 billion, 18-year loan from foreign lenders and multilateral credit agencies, says **Sowmyan Ramakrishnan**, executive director of finance at Tata in Mumbai.

Tata is providing INR42.5 billion in equity for the project, which is the first of nine so-called ultra mega power projects in India.

Underwriting the \$1.8 billion tranche were the **Asian Development Bank**, **BNP Paribas**, the **Export-Import Bank of Korea**, **International Finance Corp.** and **Korea Export Insurance Corp.** SBI syndicated the Indian tranche prior to closing to **Housing and Urban Development Corp.**, **India Infrastructure Finance Co.**, **Oriental Bank of Commerce**, **State Bank of Bikaner and Jaipur**, **State Bank of Hyderabad**, **State Bank of Indore**, **State Bank of Travacore** and **Vijaya Bank**. Pricing and terms could not be learned.

Local banks' interest in the deal was almost double what Tata

expected, **Ramakrishnan** says, noting, "I think they were interested because we have a very good track record for completion of power projects." Construction started about a month ago, with the first of the five 800 MW units expected to come online in September 2011.

Calif. Solar Player Plots 1 GW Pipeline

Pasadena, Calif.-based developer **eSolar** is ramping up a 1 GW pipeline of solar thermal projects after receiving \$130 million in equity commitments from **Idealab**, **Google's** philanthropic arm and **Oak Investment Partners**. "This is going to support building out the demonstration facility this year, and the first few commercial projects," says **Robert Rogan**, executive v.p. of corporate development. He declined to talk specifics of its financing plans, noting, "We're looking at a variety of vehicles."

The plants will be built in 33 MW increments for economies of scale but each facility could be as large as 500 MW. Once 33 MW or more has been installed, the price of solar is able to compete with the cost of gas-fired generation. "The capital cost of installing our power plants makes us competitive with installing a natural gas facility in the Western U.S. Our goal is to be cost competitive with coal in the future," Rogan says.

The first plant, details of which Rogan declined to disclose, is set to come online in southern California later this year. Others in the Southwest will follow, depending on permitting, interconnection and offtake agreements.

EBRD Plans To Sell Russian Power Investment

The **European Bank of Reconstruction and Development** will look to divest the 4% stake it plans to acquire in Russian power company **OGK-5** from **Enel**, roughly four to five years in. It hopes to make a return of around 10% on the EUR175 million (\$278.1 million) investment, its largest to date, says **Vadim Dormidontov**, senior banker at EBRD in Moscow. "We aren't strategic investors that invest for the long-term," he says. "The opening up of the market after liberalization [in 2011] will represent a paradigm shift. Pricing will move to a different level."

The investment, slated to close next month, is a follow on from EBRD's \$35 million acquisition of a 1% stake in **OGK-5** after it went public in 2006. **Enel** will own 56% upon completion of the sale, EBRD 4% and **RAO UES** the balance. EBRD also shelled out RUB4.9 billion (\$209.5 million) for an 8% stake in regional generating company **TGK-9** last month. The seller was **Integrated Energy Systems**, the investment vehicle of billionaire

Viktor Vekselberg, which now controls 75.8%.

EBRD is considering investing more in the Russian power sector, says Dormidontov, noting, "We are looking to buy more with reliable partners." EBRD does not have a set allocation for the region, but will invest up to 35% with the aim of getting a board seat at its targets. OGG-5 was attractive because of the company's coal generation and its geographic location, he adds. "Europe is reopening coal and Russia will be a major driver in this process because there's not enough gas." OGG-5 has Europe's largest coal plant, 3.8 GW Reftinskaya in the Urals region, which will be advantage as gas prices rise, he says.

UBS Commodities Traders Exit

Michael Curry, head of commodities structured products and derivative sales Americas at UBS in Stamford, Conn., and **Fletcher Sturm**, head of natural gas trading in the U.S., have resigned. Both reported to **Hunter Shively**, co-head of global commodities also in Stamford.

Curry left mid-month and Sturm left Tuesday. A spokeswoman for UBS declined to comment on the departures but says the bank is "committed to its North American commodities business" and will be replacing the pair.

EIF, Enpower Scoop Landfill Gas Asset

Energy Investors Funds and Enpower have acquired a 60 billion cubic feet per day landfill gas-to-energy project in Johnson County, Kan., for an undisclosed sum. The pair used no leverage to complete the deal April 9. Details of their long-term financing plans could not be gleaned.

The transaction follows their Jan. 31 acquisition of Wixom, Mich.-based **Landfill Energy Systems** via **Wachovia Securities** (PFR, 2/15), which recently structured a hedge for the Johnson asset. Calls to officials at EIF and **Alex Sugaoka**, cfo at Enpower, were not returned.

The seller was project entity **Kansas City Landfill Gas**, a company formed by Midland, Texas-based gas processing equipment manufacturer **SouthTex Treaters**. Richmond, Va.-based **Ewing Bemiss** was auctioneer for both Johnson and LES. "The majority owners were looking to provide liquidity for the minority partners as well as themselves," explains **Henry Berling**, managing director at Ewing Bemiss.

After bidding on a landfill project in Seattle two years ago and coming in second place, SouthTex realized the demand for its assets, says **Luke Morrow**, president. "It's a strong market and this is a well-developed project." SouthTex is separately developing Jefferson Davis Parish Landfill project in Welsh, La., which it is not currently looking to sell, he adds.

Broker Launches Environmental Trading Desk

Anticipated carbon legislation and the growth in voluntary renewable energy credit trading has prompted **Tullet Prebon**, the world's second largest institutional broker, to establish a U.S. environmental products desk. "It's a growing market and we want to be well-positioned when opportunities arise. Legislation will be passed in a year or so," says **Lauren Kisling**, one of three brokers that will be running the desk in Jersey City, N.J. She was previously an environmental broker at **Cantor Fitzgerald**.

The desk will focus on trading renewable credits in 25 states, Washington, D.C., and some regional markets, including three Canadian provinces, says Kisling. Trading carbon credits is voluntary in the U.S. But Maine, New Hampshire, Massachusetts, Rhode Island, Connecticut, New York, Maryland, New Jersey, Vermont and Delaware all belong to the Regional Greenhouse Gas Initiative, a cooperative effort by northeastern states to reduce CO2 emissions.

Joining Kisling on the desk are **Patrick Curley**, a broker that came from **GFI Group**, and **Jerry Levey**, a broker from **RNK Capital**. All three, who started about six weeks ago, report to **Richard Higgs**, senior managing director, and **Henry Ann**, Americas coo, also based in Jersey City. The desk will work closely with its London counterpart, which has been in operation for five years.

Leads Launch Peru LNG Retail

Société Générale and **BBVA Bancomer** launched retail syndication last Tuesday of an upsized \$400 million B loan tied to the construction financing for **Peru LNG's** 625 million cubic feet per day liquefaction terminal south of Lima. Tickets of \$25 million and \$40 million were offered via conference call.

The 18-20-year package additionally features three B loans: \$400 million from the **U.S. Export-Import Bank**, \$250 million from Italy's **SACE** and \$150 million from the **Export-Import Bank of Korea (KEXIM)**. Additionally, the **International Finance Corp.** is providing a \$300 million A loan, recently upsized from \$250 million, and the IDB and KEXIM are providing A loans of \$400 million and \$150 million, respectively. A **Banco de Credito**-led local bond offering slated to launch this summer (PFR, 3/28) was downsized to \$200 million from \$350 million due to the depreciation of the U.S. dollar against the Peruvian nuevo sol.

ING, Sumitomo Mitsui Banking Corp. and **Mizuho Corporate Bank** recently joined the top tier of syndication, says **Chip Carstensen**, managing director in the capital markets group at SocGen, declining to reveal those banks' commitments or the pricing on the deal. A spokeswoman for the sponsor confirmed

the retail launch. BBVA did not return requests for comment. The project company developing the \$3.8 billion facility is majority owned by **Hunt Oil**, with Korea's **SK Energy**, Spain's **Repsol** and Japan's **Marubeni** holding the balance.

Alaskan Utilities Opt For New Build Over Merger

A trio of Alaskan utilities has decided to build South Central Power Project, a 260 MW gas plant in Anchorage estimated to cost more than \$300 million, instead of merging, says **Fred Boness**, an independent consultant for the utilities. City of Anchorage-owned **Municipal Light & Power** and cooperatives **Chugach Electric Association** and **Homer Electric Association** had been considering strategic alternatives to generate savings in

retail electric rates (PFR, 2/15). The utilities are still considering merging just their technical operations.

The decision is not expected to be official until year-end, but a rough outline sees Chugach owning 55% of the new plant, ML&P 25% and Homer Electric 20%. ML&P will finance its portion with tax-exempt revenue bonds and equity, says **Daniel Helmick**, manager of regulatory affairs at ML&P. The others will look to traditional co-op financing, according to Boness. Calls to a Chugach spokeswoman were not returned and calls to **Carrie Buckley**, director of finance at Homer Electric, were not returned. Nor was a call to their advisor **Navigant Consulting**.

Permitting on the project is expected to begin in mid-July, with the plant slated to come online by 2012 or 2013. ML&P already owns 381 MW in the region, Chugach 530 MW and Homer 56 MW.

Corporate Strategies

EPCOR Shops Medium-Term Notes To Repay CP



John Patterson

EPCOR Utilities plans to use the C\$375 (\$371.6 million) proceeds from a two-part sale of debentures to pay down commercial paper debt, fund a maturing debenture in June and help pay for capital expenditures, including its C\$1.6 billion, 450 MW Keephills 3 coal plant under development with **TransAlta** east of Edmonton, Alberta.

The offering consisted of C\$200 million in unsecured 10-year, 5.8% notes—a series reopened from a Jan. 31 issue with an identical rate—and C\$175 in unsecured 30-year, 6.65% notes. **John Patterson**, v.p. and treasurer, says the 10-year issue was more than two times oversubscribed, exactly as it had been in January. The 30-year bonds, he adds, were similar to a popular series marketed two days before EPCOR's sale launched by a company "basically in the same space," which caused the utility to upsize its planned C\$100 million offering by C\$75 million.

TD Securities and **RBC Dominion Securities** were joint bookrunners on the deal, which priced April 10 and closed April 15. "We used them as co-leads on the January issue and thought for the reopening they would have a good feel for the market."

The banks are also on company's credit lines, totaling C\$1.29 billion. EPCOR chose to issue bonds with different tenors because of gaps in its maturity schedule. "There was space in our 10-year and 30-year maturities."

Standard & Poor's rated the notes BBB+. "The key to the rating is that 60% of [EPCOR's] earnings come from regulated generation, which offers some stability," says **Nicole Martin**, an S&P analyst in Toronto.

Peach State Co-Op Plots \$255M Refinancing

Oglethorpe Power Corp. plans to issue \$255 million in notes due 2043 this June to refund the same amount of variable-rate bonds whose price increased when their guarantor **FGIC** was downgraded. "These securities have been impacted by the turmoil in the credit markets and are experiencing interest-rate resets that we believe are not attractive," says **Anne Appleby**, v.p. and treasurer in Tucker, Ga.

"Since FGIC has been downgraded, we have seen rates in excess of 8%," notes **Tom Brendiar**, manager of banking and investor relations, adding that rates on the series 1993A and 1994A bonds typically tracked in the 1-4% range over the last few years. The new bonds will be insured by **Financial Security Assurance**, which has maintained its AAA rating, he adds. FGIC was downgraded to BB from A by **Standard & Poor's** at the end of last month, after losing its AAA status in January.

The new tax-exempt bonds will have bullet repayments due over the next five to seven years before maturity, but specifics are yet to be finalized, according to Brendiar. The lead underwriter, **JPMorgan**, which will be supported by **SunTrust Robinson Humphrey**, **Banc of America Securities**, **Goldman Sachs** and **Merrill Lynch**, has indicated the notes should price below 3%, according to the officials.

Brendiar says the co-op recently refinanced \$316 million of debt by converting a \$134 million auction-rate series to two-year, 4.6% put bonds and a \$182 million similar series to three-year, 4.75% put bonds. Oglethorpe has \$123 million in auction-rate debt remaining that it plans to roll into a larger refinancing totaling around \$200 million in October. Its debt-to-equity ratio is around 86:14.

Dominion Sub Trims Debt

Dominion Resources subsidiary Virginia Electric and Power Company has issued \$600 million in 10-year, 5.40% senior unsecured notes to pay down short- and long-term debt ahead of planned transmission and generation investments. "Dominion has a new-found focus on investing in its regulated utility," says Joseph Sorce, analyst at Fitch Ratings in Chicago, which rates the notes BBB+.

A projected 4 GW shortfall in demand in Virginia led state legislators to pass a law last July incentivizing regulated utilities to invest in generation and transmission. "It could lead to higher rates if they had to purchase power in the market," he says, adding, "They are also picking up a benefit on the interest rate."

Being redeemed are \$400 million of 7.375% trust preferred securities and 7.375% unsecured junior subordinated notes due 2042 issued by subsidiary Virginia Power Capital Trust II, and a portion of the roughly \$371.6 million in outstanding commercial paper averaged at a four-day maturity and 3.29% interest rate. As of the end of December, VEPCO had \$5.3 billion in total debt outstanding.

Barclays Capital, RBS Greenwich Capital and Wachovia

Securities led the offering, with Banc of America Securities and Deutsche Bank Securities serving as co-managers. BNP Paribas, BNY Capital Markets, Mizuho Securities and Scotia Capital also participated in the sale. Calls to Thomas Chewing, cfo, and Scott Hetzer, treasurer, were not returned.

PSE&G Issues \$400M To Repay CP

Public Service Electric and Gas Company (PSE&G) plans to use proceeds from its recent issue of \$400 million in 10-year, 5.3% secured medium-term notes to reduce commercial paper.

"Spreads are in line for paying for secured debt," says Robert Hornick, senior director at Fitch Ratings in New York. "If the short-term liquidity situation is getting tight, the prudent thing is to address that," adds Allan McLean, senior analyst at Moody's Investors Service in Toronto, noting, "[PSE&G] could be gambling on better markets, but it could be more expensive." Tom O'Flynn, cfo of PSE&G in Newark, was not available.

BNP Paribas, Greenwich Capital Markets and Scotia Capital were joint bookrunners and underwriters on the deal, which priced April 10 and closed April 17. Banc of America Securities, Barclays Capital, Citigroup Global Markets, JPMorgan and Wachovia Capital Markets were co-arrangers.

power finance & risk

Exclusive News...

APRIL 18, 2008

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...
CIP, ...

APRIL 08, 2008

FORTISTAR, PARTNER LAND CHANNELVIEW

FORTISTAR and Adebayo Oguniesi-led Global Infrastructure Partners have won the auction for Reliant Energy's 830 MW Channelview plant in Lyondell, Texas, for \$500 million, beating Kelson Energy, which declined to raise its \$468 million bid.
CIP, ...

APRIL 04, 2008

THREE FORTIS BANKERS EXIT

Three project financiers separately resigned from Fortis Capital in New York last Monday. As first reported by *PFR*, Will Marder, v.p., is set to join
Acquisition, ...

MARCH 20, 2008

LS POWER TARGETS DEBT FOR GEORGIA COAL PLANT

LS Power is planning to seek construction financing as early as April or May for its 1,200 MW Longleaf Energy Station, a pulverized coal plant under development in Early County, Ga.
... CIP, ...

MARCH 28, 2008

FIVE VIE FOR RAVENSWOOD

Five strategic contenders are left in the auction to acquire 2.4 GW Ravenswood Generating facility in Queens, N.Y., from National Grid.
As first reported by *PFR* last Tuesday, FPL Group, SUEZ Energy North America and TransCanada are
... CIP, ...

MARCH 26, 2008

HARBINGER SHOPS EX-CALPINE CANADA FLEET

Harbinger Capital Partners is selling a series of plants through subsidiary Kelson Canada, formerly HCP
Acquisition, ...

APRIL 02, 2008

BEOWULF CHANGES TACK ON VERNON ACQUISITION FINANCING

Paul Prager-backed Beowulf Energy and Natural Gas Partners are considering financing their \$342 million acquisition of a 167 MW generating portfolio from the
... CIP, ...

MARCH 07, 2008

CONN. PEAKING RFP SPURS FINANCING PITCHES

Lenders have begun approaching bidders submitting projects into an RFP for peaking capacity in Connecticut in the hopes of scoring financing mandates. In response to legislation, the state's Department of Public Utility Control
... CIP, ...

FEBRUARY 27, 2008

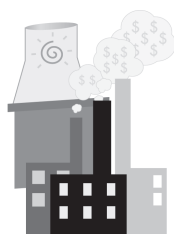
BIG U.S. SOLAR PLAYER MAY GO PUBLIC

SunEdison is considering an initial public offering and has retained Goldman Sachs and Morgan Stanley to underwrite it. As first reported by *PFR* last Wednesday, the Beltsville, Md.-based company could file as early as April, according to one deal tracker, but how much of
... CIP, ...

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Generation Auction & Sale Calendar

Following is a directory of ongoing generation asset sales. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report new auctions or changes in the status of a sale, please call Katy Burne, Managing Editor, at (212) 224-3165 or e-mail kburne@iinews.com.

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
AES	Warrior Run	Cumberland, Md.	180	Coal	N/A	Reportedly reviewing sale options.
Allico Finance Group	Various	Kern County, Calif. Germany, France Australia, New Zealand	3,100 97 1,600	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 to buy (PFR, 2/6). WestLB and Sumitomo Mitsui Banking Corp. are arranging the financing.
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, 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). Paul Prager's Beowulf Energy and Natural Gas Partners said to be preferred bidder with about \$750 million (PFR, 4/22). Also in the hunt are Hastings Funds Management, Tenaska with Tyr Energy, Energy Investors Funds and EnergyCo.
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 Electrabel, 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	Unsold 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).
Connectiv 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 arrange \$750 million in debt, expected to launch into syndication soon (PFR, 2/11). 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.
EISSL	Various	Catalonia, Spain	630	Wind, Hydro	JPMorgan	Company weighing sale (PFR, 12/24).
Energy Capital Partners	Mt. Tom Various Empire Generating Waterbury	Holyoke, Mass. Conn. And Housatonic Rivers Rensselaer, N.Y. Waterbury, Conn.	146 216 635 96	Coal Hydro Gas Gas	N/A	Considering selling all or part of the portfolio (PFR, 4/21).
Energy Future Holdings (Luminant)	Sandow 4 Sandow 5	Milam 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 Gas Coal Gas/Oil	New Harbor Credit Suisse	Seller wants about \$520 million for the assets. Bidders shortlisted to four players: two financial; two infrastructure (PFR, 6/18).
EPCOR	Castleton-on-Hudson	Albany, N.Y.	64	Gas	N/A	Quietly shopping asset (PFR, 4/18).
ESB International	Marina Great Island Tarbert	Cork City, Ireland Wexford Co., Ireland County Kerry, Ireland	115 240 640	Gas Oil Oil	Merrill Lynch	In second round. Winning bidder should be revealed this summer.
Exergy Development Group	Various	Upper Midwest, Northwest U.S.	3,600	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	2,000	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.	1,800	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).

Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
InterGen (AIG Highstar Capital II, 50%)	Rocksavage	Runcorn, U.K.	748	Gas	Lehman Brothers	Preliminary bids were due March 26 (PFR, 2/7).
	Coryton	Essex., U.K.	732	Gas		
	Spalding	Lincolnshire, U.K.	860	Gas		
	Rijnmond I, II	Rotterdam, the Netherlands	820, 400	Gas		
	Bajio	San Luis de la Paz, Mexico	600 (306 stake)	Gas		
	La Rosita	Mexicali, Mexico	1,100	Gas		
	Quezon	Philippines	460 (211 stake)	Coal		
	Millmerran	near Brisbane, Australia	880 (228 stake)	Coal		
K&M International Power	Callide	Queensland, Australia	920 (230 stake)	Coal	JPMorgan	Teasers dispatched (PFR, 3/18).
	Termovalle	Cali, Colombia	220	Gas		
Kelson Canada (Harbinger Capital Partners)	Calgary Energy Center	Calgary, Alberta	300	Gas	UBS	In first round (PFR, 3/26).
	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). Redbud to be sold to load serving entities for \$852 million (PFR, 1/21).
	Redbud	Luther, Okla.	1,200	Gas		
	Cottonwood	Deweyville, Texas	1,200	Gas		
	Magnolia	Benton County, Miss.	922	Gas		
	Murray I	Murray Co., Ga.	630	Gas		
KGen Power	Murray II	Murray Co., Ga.	620	Gas	Credit Suisse	Talks to merge with Entegra stalled due to management disagreements (PFR, 3/24). Arclight Capital Partners has emerged as likely bidder (PFR, 4/21).
	Hot Spring	Hot Spring Co., Ark.	620	Gas		
	Hinds	Jackson, Miss.	520	Gas		
	Sandersville	Washington Co., Ga.	640	Gas		
	Sugar Creek	Sugar Creek, Ind.	561	Gas		
LS Power	Millennium	Carlton, Mass.	360	Gas/Oil	Credit Suisse	Northern Indiana Public Service to acquire (PFR, 11/2). Considering sale or a merger (PFR, 12/17). In second round.
MACH Gen	Athens	Athens, N.Y.	1,000	Gas/Oil		
	Covert	South Haven, Miss.	1,100	Gas		
	Harquahala	Tonopah, Ariz.	1,090	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 Partners	Colorado Bend	Wharton, Texas	825	Gas	JPMorgan	Teasers dispatched (PFR, 2/11).
	Quail Run	Odessa, Texas	825	Gas		
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	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			
	Channelview	Lyondell, Texas	830	Gas		
Reliant Energy	Bighorn	Primm, Nev.	598	Gas	JPMorgan	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).
	Various	U.S.	1,000 under construction	Wind	Credit Suisse	Nevada Power to buy for \$500 million.
RES Americas	Various	Idaho, Ore., Wash.	3,700 pipeline	Wind	Marathon Capital	Company looking to sell up to 100% (PFR, 1/7).
Ridgeline Energy	Various	West Enfield, Maine	24.5	Biomass	Ewing Bemiss	Talks nixed with a southern U.S. utility (PFR, 10/8). Back in play. Constellation Energy, Covanta Energy and EPCOR Power are bidding for the biomass (PFR, 4/18).
Ridgewood Renewable Power	Penobscot	Jonesboro, Maine	24.5	Biomass		
	Various	Maine, Va., N.Y., Calif.	26.3	Hydro		
Rockland Capital	B.L. England	Cape May County, N.J.	447	Coal, Oil	JPMorgan	Owner seeking strategic equity partner (PFR, 12/10).
Energy Investments	Catoctin	Frederick Co., Md.	600 development	Gas	N/A	Development project reportedly for sale.
Sempra Generation	Loyalton	Loyalton, Calif.	20	Biomass	N/A	Renegy agreed to purchase April 11 for \$13 million (PFR, 4/16).
Sierra Pacific Industries	Wichita Falls	Wichita Falls, Texas	77	Gas	Miller Buckfire	First-round bids received March 17.
Signal Hill Power	Sumas Cogeneration	Sumas, Wash.	125	Gas	N/A	Puget Sound Energy agreed to buy for undisclosed sum.
Sumas	River Hill	Kartha Township, Pa.	290	Coal	Credit Suisse	Status unclear (PFR 2/16/07).
Sithe Global Power	PowerSeraya	Singapore	3,100	Gas	Credit Suisse	Teasers dispatched 10/15.
Temasek Holdings	Senoko Power		3,300	Oil	Morgan Stanley	
Tenaska Power Fund	Commonwealth	Chesapeake	315	Oil	JP Morgan	Tyr to acquire, with GE handling its financing (PFR, 2/19).
	Holland Energy	Beecher City, Ill.	665	Gas	N/A	Hoosier Energy and Wabash Valley Power Association agreed to buy for \$383 million (PFR, 4/14).
Third Planet Windpower	Various, U.S.	Various, U.S.	3,000 pipeline	Wind	Marathon Capital	Developer looking for joint venture partner.
TransAlta	Campeche	Mexico	252	Gas/Diesel	N/A	InterGen to buy for \$303.5 million. Calyon, WestLB and EDC to arrange financing (PFR, 4/23).
	Chihuahua	Mexico	259	Gas		
	Binghamton	Binghamton, N.Y.	50	Gas		
TransAlta Cogeneration	Mississauga	Mississauga, Ontario	108 (50%)	Gas	N/A	Standard Power set to acquire (PFR, 3/12). 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	3,000 pipeline	Wind	JPMorgan	Market test did not lead to a sale, so company is reportedly weighing an IPO (PFR, 6/8).
U.S. Power Generating Co.	Various	Northeast	5,000	Gas/Oil	N/A	Company being advised on reverse enquiries.
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		

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.

- **Nevada Power**, a subsidiary of **Sierra Pacific Resources**, will buy **Reliant Energy's** 598 MW combined-cycle Bighorn Generating Station located about 35 miles south of Las Vegas for about \$500 million (*Associated Press*, 4/22).
- **Mesa Power**, a company owned by oil man **T. Boone Pickens**, will begin buying land and ordering wind turbines next month ahead of spending \$10 billion to build a 4 GW wind farm—the world's largest (*Reuters*, 4/18).
- An affiliate of **FPL Energy** has agreed to buy 84.6 MW of project subsidiaries, **Mount Cooper Wind Power Energy** and **Pubnico Point Wind Farm**, from **Creststreet Power & Income**

Fund for C\$121.6 million (\$120.9 million) (*Wall Street Journal*, 4/21).

- Princeton, N.J.-based IPP **NRG Energy** has hired **Jonathan Baliff** as executive v.p. of strategy beginning May 1. He was previously a managing director in the global energy group at **Credit Suisse**. Earlier this week NRG also named **Michael Liebelson** executive v.p. and chief development officer for low-carbon technology (*RTTNews.com*, 4/24).
- **Wisconsin Public Service Corp.** will purchase the \$251 million, 99 MW Crane Creek wind farm to be built near Riceville, Iowa, by **enXco**, a unit of **EDF Energy Nouvelles**. The sale is expected to close in the third quarter (*BizJournals.com*, 4/22).

Seven Seek Roles On \$1B Conn. Financing

Seven banks are looking to score sub-underwriting roles in the **Goldman Sachs**-led \$1.015 billion financing for **Kleen Energy Systems'** 620 MW baseload plant in Middletown, Conn.

BNP Paribas, **Dexia Crédit Local**, **ING Capital**, **Natixis**, **Scotia Capital**, **Union Bank of California** and **WestLB** are all planning to commit \$150-\$200 million and roles could be awarded by the middle of this week. Retail syndication is set to launch in the next two weeks, which would see the sub-underwriters scaled back to hold levels of \$75 million apiece. Officials at the banks either declined to comment or did not return calls, and a call to **William Corvo**, president of Kleen, was not returned.

Financing for the combined-cycle plant covers roughly 70% of its \$1.1 billion cost and consists of a:

- \$450 million term loan A with a eight-year tenor post commercial operation in mid to late 2010
- a \$315 million term loan B with a 14-year tenor post construction and
- an unfunded \$250 million revolver and letter of credit facility that is substantially utilized via posted LCs (PFR, 4/18).

Pricing is 175 basis points over LIBOR for the revolver and term loan A, while the B loan is priced at 250. The plant's high price tag—nearly \$1,800 per kW—stems from its Northeastern location and the cost of unionized labor for construction.

The plant has a 15-year capacity contract with **Connecticut Light & Power** and a seven-year tolling agreement with **Constellation Energy**. Both the A and B loans fully amortize thanks to contracted cash flows from the asset. There is no merchant risk. A BBB- rating is expected from **Fitch Ratings** around the time retail syndication launches. **Energy Investors**

Funds is contributing an undisclosed amount of equity, as is Torrington, Conn.-based **O&G Industries**, the EPC contractor.

OHIO BILL

(continued from page 1)

The state has 7.2 MW of wind installed, 43.9 MW of hydro, 3.6 MW landfill gas to energy and no solar. Detweiler says several projects are in development by the likes of **Horizon Wind Energy**, **Invenergy** and **Iberdrola Renewables**, which are hoping to score PPAs. Horizon has 800 MW under development in Ohio, Invenergy 400 MW and Iberdrola 200 MW. "Just those three developers have 1,400 MW and relative to the 650-750 MW for 2012, this is more than a sufficient amount."

As a result of the new bill, expected to be signed shortly by Governor **Ted Strickland**, utilities will need to produce 0.25% of their power from renewables by next year—0.004% of that specifically from solar. Between 2009 and 2024 those requirements step up gradually to 12.5% and 0.5%, respectively. "Ohio is the fourth largest state in terms of energy consumption—it's bigger than New York. With 12.5% of standards to be met, it's a huge market," says Detweiler.

Under the terms of the new bill, the state Public Utilities Commission will have the power to set electricity rates consumers pay. It also precludes utilities such as **American Electric Power** unit **AMP Ohio** from moving ownership of power plants to an unregulated subsidiary without prior PUC approval. The utilities will be required to file rate plans with the Commission and will have the option to file a separate market rate option based on the price of electricity on the open market. The PUC will then decide which is in the best interest of consumers.

—Katie Hale

MITSUBISHI SUB, PARTNER

(continued from page 1)

that the 300 MW may consist of two or three projects.

Diamond has identified potential sites and would rather start small by working on a moderate-sized development than buy a large developer and its portfolio outright. Its parent has 1 GW of wind under development in Europe, expected to come online in about two years, and indirect investments in several small Japanese wind farms. "At the moment, Diamond does not have wind or geothermal, but Mitsubishi does." The company is also keeping an eye out for potential geothermal acquisitions totaling around 100 MW.

Diamond's interest in wind is the result of its desire to offset certain taxes it began paying this year, says Hamada. It originally expected to generate taxable income in 2011 but that target moved when the company acquired assets instead of building them (PFR, 9/7).
—Thomas Rains

CIT LOOKS TO

(continued from page 1)

peaker in Cambridge, Wis. Other CIT assets could not be immediately learned and a spokesman had no comment.

CIT has been trying to bolster its liquidity position and is reviewing potential capital injections from banks, insurance companies or private equity. It is leaning towards some form of strategic partnership so it can retain its prized assets.

Earlier this month, the firm said it was exploring the sale of its \$4 billion railcar leasing business, \$4.6 billion of asset-based loans and related commitments and \$770 million of aircraft as well as an additional \$2 billion of loan assets that were not identified. During the first quarter, it had a net loss of \$257.2 million and raised \$10.6 billion, partly by drawing down \$7.3 billion from its credit lines.
—K.B.

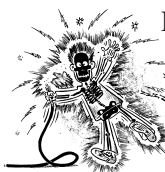
BIDDERS AWAIT

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venture between Cross Hudson subsidiary In-City I and PSEG affiliates PSEG Energy Resources and Trade and PSEG Fossil. Also reportedly in the mix are US Power Generating Co. and NRG Energy with repowering plans at separate sites. Officials and spokespeople for these companies either declined to comment or did not return calls.

The capacity being bid by Cross Hudson is part of a proposed eight-mile generator lead that would transfer capacity from PSEG's 550 MW Bergen 2 generating station in Ridgely, N.J., to Consolidated Edison's 49th Street substation in Manhattan (PFR, 9/28). This would involve disconnecting Bergen 2 from the PJM market, according to Federal Energy Regulatory

Alternating Current



If solar backpack-maker **Voltaic** had teamed up with one of the sponsors of the *Platts* conference in Las Vegas earlier this month, they could have stolen the show. Sponsors gave away freebies like toy cars (to take home to the kids), USB-powered keyboard lights (if you're looking at term sheets late at night), wind-up flashlights (one tested by *PFR* broke on the first crank) and nifty pens.



The bright sparks at Voltaic offer five types of bags, one of which can charge your laptop with just one day's exposure to light. But don't get too excited. Solar backpacks aren't cheap, much like their photovoltaic counterparts. Prices range from \$199 for the low-end model up to \$599 for the briefcase. Maybe if all the power and utility bankers in New York wore one to work, they could generate enough power to keep the lights on in Queens this summer. Anything to give **ConEd** an easier ride.

Commission filings. Further details of Red Rock, US PowerGen and NRG's proposals could not be learned.

The last NYPA RFP in 2005 was jointly won by **Hudson Transmission Partners**, a **Starwood**-backed group proposing a seven-mile transmission cable capable of transmitting 660 MW of capacity from the PJM market, using capacity from **FPL Energy's** Red Oak plant in Sayreville, N.J. The new RFP was issued with the anticipated retirement in 2010 of the 885 MW Charles Poletti plant in Queens and after close consultation with City's customers, whose peak summer demand for power amounts to more than 1.8 GW.
—Katy Burne

Quote Of The Week

"The responses [from the market] have been overwhelmingly favorable." —**Dunia Wright**, head of U.S. and European operations at **Industry Funds Management**, on banks' reception of the \$750 million, **Barclays Capital**-led financing supporting its purchase of 1.7 GW from **Consolidated Edison** (see story, page 2).

One Year Ago In Power Finance & Risk

Invenergy launched syndication of a \$480 million financing package to support construction of a 570 MW combined-cycle gas plant at the St. Clair power station in Ontario via a Dutch auction-style bid process. **RBC Capital Markets** advised the Chicago developer. [Banks balked at the self-syndication and 21-year tenor, so Invenergy reworked the structure and pitched a tenor of construction plus five years (PFR, 7/06). **Stark Investments** provided an undisclosed equity stake.]