

Power Finance & Risk

Exclusive Insight on Power M&A and Project Financing

By the publisher of GlobalCapital

● AT PRESS TIME

● STRATEGIES

● PROJECT FINANCE

Alliant Unit Calls For Iowa Wind

Alliant Energy is inviting bids for up to 200 MW of wind facilities across Iowa. Winners will garner 10-year contracts. [Page 2](#)

Details Emerge on 8point3 IPO

First Solar and SunPower's combined yield company, 8point3 Energy Partners aims to wrap its initial public offering by June 8, with Goldman Sachs and Citigroup leading the offering. [Page 7](#)

Freeport Nails Down Third Train Deal

Freeport LNG has wrapped a \$4.56 billion transaction backing the third train at its project at Quintana Island, Texas. [Page 5](#)

Sponsor Plots Debt for \$1B+ CCGT, Solar Project

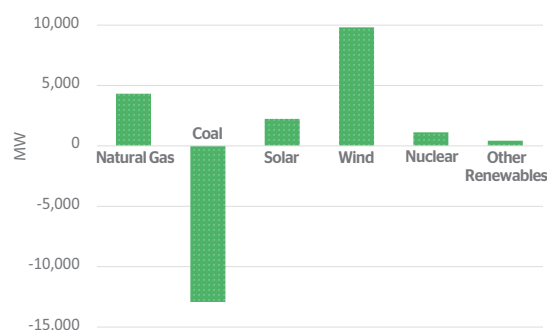
Nischinta Amarnath

Western Energy Partners will look to raise debt for its 750 MW Clean Path project near Waterflow, N.M., after it secures a long-term offtake contract. The development price tag of the project, which includes a 680 MW combined cycle

natural gas-fired unit with a 70 MW solar photovoltaic facility, is pegged at more than \$1 billion. The sponsor has garnered equity commitments from **Stonepeak Infrastructure Partners** and **SNC-Lavalin**.

The Denver-based company will evaluate the need for a financial advisor potentially this year, and [PAGE 8 >](#)

Net Change in Scheduled Capacity Additions and Retirements in 2015



Source: U.S. Energy Information Administration

Terra Firma Floats EverPower Wind Sale

Nischinta Amarnath

London-based private equity shop **Terra Firma Capital Partners** is placing its U.S. affiliate **EverPower Wind** on the market, and has hired **Bank of America Merrill Lynch** as an advisor on the sale. Terra Firma is eyeing a price of EUR1.3 billion (\$1.5 billion).

EverPower's pipeline includes 20 projects totaling more than 2 GW across eight states. Nearly 75% of its wind assets are in PJM. Its operating wind portfolio comprises:

- the 240 MW merchant Big Sky farm in the Bureau and Lee Counties, Ill.,
- the 62.5 MW and 75 MW Highland and Highland North facilities in Cambria County, Pa.,
- the 55.3 MW Howard project in Steuben County, N.Y.,
- the 150 MW Mustang Hills farm in Tehachapi, Calif.,
- the 30 MW Patton farm in Cambria County, Pa., and
- the 139.4 MW Twin Ridges farm in Somerset County, Pa.

Its development pipe-

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IMN: Solar Industry Zeroes In On Securitizations

Olivia Feld

Developers and financiers are actively planning securitizations for portfolios of solar installations, according to panelists at the **Information Management Network's** 3rd Annual Sunshine Backed Bonds conference at the New York Marriott Downtown on April 30 and May 1. The step-down of the investment tax credit, a shortage of power purchase agreements for utility-scale projects and the need for a lower cost of capital will drive a niche market which will grow significantly over the next few years.

SolarCity is the only shop to have issued solar-asset backed securitizations, having launched its third and most recent one in July (PFR, 7/22). To date SolarCity's securitizations have been [PAGE 8 >](#)



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● AT PRESS TIME

Alliant Unit Launches Iowa Wind RFP

Alliant Energy is hosting a request for proposals, on behalf of its utility subsidiary **Interstate Power & Light**, to contract up to 200 MW of wind projects in Iowa. Bids are due May 20.

IPL aims to contract either one large project or multiple wind facilities that have a minimum capacity of 25 MW each. The utility seeks an initial contract term of 10 years, but will also consider longer contracts.

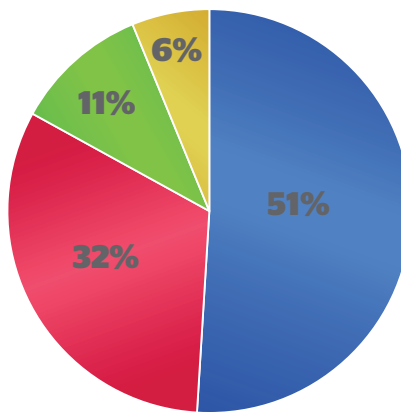
Qualifying projects should commence commercial operation by Dec. 31, 2016. In addition, the projects should have either received federal tax credits or be pre-qualified for them.

Winners will be notified on June 5, and IPL expects to enter into power purchase agreements by Sept. 30.

IPL's hunt for additional wind stems from competitive wind generation prices. The utility expects the price trend to directly benefit its customers. **Alliant Energy Corporate Services**, an Alliant Energy unit, will manage the bidding process.

IPL contracted up to 100 MW of capacity in Iowa after launching a similar RFP targeting wind facilities with a minimum nameplate capacity of 15 MW. IPL currently has 798,000 MWh of wind, accord-

IPL's Fuel Mix - 2014



Source: SEC Filings

ing to its 10-K filing with the U.S. **Securities and Exchange Commission**.

Alliant pared back IPL's footprints to Iowa after it sold the utility's power and natural gas distribution business in Minnesota to a unit of **Integrus Energy Group** and a municipal cooperative for \$128 million (PFR, 9/4/13). ■

PFR Power Finance & Risk

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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 **Sara Rosner**, editor, at (212) 224-3165 or sara.rosner@powerfinancerisk.com

GENERATION AUCTION & SALE CALENDAR ●

These are the current live generation asset sales and auctions, according to Power Finance and Risk's database.
A full listing of completed sales for the last 10 years is available at <http://www.powerfinancerisk.com/AuctionSalesData.html>

Generation Sale ■ DATABASE

Seller	Assets	Location	Advisor	Status/Comment
AES Corp.	Armenia Mountain (101 MW Wind)	Pennsylvania		Allete Clean Energy is buying the asset (PFR, 4/27).
Apex Clean Energy	Kay (299 MW Wind)	Kay County, Okla.		Southern Co. will complete its acquisition of the project after construction (PFR, 4/13).
Bankers Commercial Corp.	Rising Tree I & II (98 MW Wind)	Kern County, Calif.		BCC is selling its Class B shares in the projects to unidentified investors (PFR, 4/20).
Brookfield Infrastructure Partners	Cross Sound Cable (24-Mile Transmission)	Long Island, N.Y. to New Haven, Conn.		Argo Infrastructure Partners is the buyer. Deal is set to close later this year (PFR, 4/27).
Competitive Power Ventures	Portfolio (5000 MW Wind, Gas)	U.S.	JPMorgan	Global Infrastructure Partners II is acquiring a majority of the portfolio (PFR, 4/13).
EDP Renewables	Portfolio (394.5 MW Wind)	U.S.		A consortium led by Fiera Axiom is buying a 35.9% stake in the 1.1 GW portfolio (PFR, 4/27).
Enel Green Power North America	Cove Fort (25 MW Geothermal)	Cove Fort, Utah		GE Energy Financial Services is buying a 49% stake in the assets via its investment in the EGPNA Renewable Energy Partners yield company (PFR, 4/6).
	Stillwater (47 MW Geothermal)	Churchill County, Nev.		
	Stillwater Solar (22 MW Solar)	Churchill County, Nev.		
	Origin (150 MW Wind)	Oklahoma		
	Goodwell (200 MW Wind)	Oklahoma		
	Portfolio (335 MW Hydro, Geothermal and Solar)	U.S.		
Fortis	Various (24 MW Hydro)	New York		Energy Ottawa is buying the contracted assets (PFR, 4/20).
Freeport McMoRan	Luna (570 MW Gas)	Deming, N.M.		Samchully Asset Management is buying a stake (PFR, 4/20).
Geronimo Wind Energy	Black Oak Getty (78 MW Wind)	Stearns County, Minn.		Sempra US Gas & Power has bought the facility (PFR, 4/27).
Longview Power	Longview (755 MW Coal)	Maidsville, W.Va.		Five lenders are acquiring stakes of between 10% and 45% in Longview (PFR, 4/13).
Northwestern Mutual	Oasis (60 MW Wind)	Kern County, Calif.		JPMCC and Hannon Armstrong affiliates are buying stakes in the projects (PFR, 4/13).
	The Camp Springs projects (250 MW Wind)	Scurry County, Texas		
	Sand Bluff (90 MW Wind)	Sterling & Glasscock Counties, Texas		
Pattern Development	K2 (270 MW Wind)	Ontario		Pattern's yield company, Pattern Energy Group is buying a 33% stake (PFR, 4/13).
Rockland Capital	Lakeswind (50 MW Wind)	Rollag, Minn.		Sale of the 71 MW portfolio launched on Tuesday (PFR, 4/20).
	Mass Solar (21 MW Solar)	Massachusetts		
RPM Access	Elk (42.5 MW Wind)	Iowa		BlackRock is acquiring a 90% stake in both wind farms (PFR, 4/27).
	Hawkeye (37.5 MW Wind)	Iowa		
● Terra Firma Capital Partners	Portfolio (2 GW Wind)	U.S.	Bank of America Merrill Lynch	Terra Firma is scouting buyers for its U.S. subsidiary EverPower Wind (see story, page 1).
Valley Road Holdings	Tilton Energy (176 MW Gas)	Tilton, Ill.		Rockland Capital's fund, Rockland Power Partner II is buying both facilities (PFR, 4/13).
	Rocky Road Power (327 MW Gas)	East Dundee, Ill.		
Wind Capital Group	Post Rock (200 MW Wind)	Kansas		Pattern Energy Group is buying both facilities (PFR, 4/13).
	Lost Creek (150 MW Wind)	Dekalb County, Mo.		

● New or updated listing

The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed.
To report updates or provide additional information on the status of financings, please call Editor Sara Rosner at (212) 224 3165 or e-mail sara.rosner@powerfinancerisk.com

● PROJECT FINANCE

Deal Book is a matrix of energy project finance deals that Power Finance & Risk is tracking in the energy sector.

A full listing of deals for the last several years is available at <http://www.powerfinancerisk.com/Data.html>

Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
8minutenergy Renewables & D. E. Shaw Renewable Investments	Springbok (133 MW Solar)	Kern County, Calif.	TBA	TBA	\$130M	TBA	Financing is slated to close in April 2015 (PFR, 3/9).
	Springbok 2 (150 MW Solar)	Kern County, Calif.	TBA	TBA	\$420M	TBA	Both players are in the market for debt and equity (PFR, 3/23).
8minutenergy Renewables	Lotus (50 MW Solar)	Madera County, Calif.	TBA	TBA	\$100M	TBA	In the market for debt and equity (PFR, 3/23).
Abengoa, EIG	Norte III (924 MW Gas)	Ciudad Juárez, Mexico	TBA	TBA	\$542M	TBA	The deal is slated to close in the third quarter (PFR, 3/23).
Advanced Power	Carroll County (799 MW Gas)	Oregon, Ohio	BNP Paribas, Crédit Agricole, TIAA-CREF, Chubu Electric Power Co., Ullico, Prudential Capital	TBA	\$899M	TBA	The deal has closed (PFR, 4/6).
Apex Clean Energy	Kay (299 MW Wind)	Kay County, Okla.	BayernLB, Rabobank, CIBC, Commerzbank, KeyBank, Siemens Financial Services	Construction loan	\$397M	TBA	The deal has closed (PFR, 4/6).
	Grant (150 MW Wind)	Grant County, Okla.	TBA	TBA	TBA	TBA	The project will be in the market for financing in the next few months (PFR, 3/30).
Deepwater Wind	Block Island (30 MW Wind)	Block Island, R.I.	Société Générale, KeyBank	TBA	\$290M	TBA	The project will be complete by the fourth quarter of 2016 (PFR, 3/9).
● Freeport LNG	Quintana Island (LNG Export Facility)	Texas	A consortium that includes 27 Banks	Senior debt, Mezzanine financing	\$4.56B	7-yr	The deal has wrapped (see story, page 5).
Gasoducto Sur Peruano	Gasoducto Sur Peruano (700-Mile Gas Pipeline)	Pipeline	Various	TBA	\$4.1B	TBA	The deal is slated to close by the end of June (PFR, 4/6).
Innergex, Leducor Power Group	Boulder Creek (25.3 MW Hydro)	British Columbia	Manulife, Caisse de Dépôt et placement du Québec, the Canada Life Assurance Company.	Construction	\$191.6M	25-yr	The deal closed the week of March 16 (PFR, 3/30).
	Upper Lillooet River (25.3 MW Hydro)	British Columbia		Construction	\$250M	40-yr	
				Construction	\$50M	40-yr	
ISA	Interchile (590 Miles Transmission)	Chile	BBVA	International Capex tranche, VAT facility	\$800M	TBA	BBVA is leading the club deal, which is expected to wrap in the next few months (PFR, 4/6).
Northland Power	Nordsee One (332 MW Offshore Wind)	Germany	TBA	Term	\$847M	TBA	Developer is talking to lenders for financings (PFR, 3/16).
	Grand Bend (100 MW Wind)	Ontario	TBA	Term	\$212M	TBA	Developer is talking to lenders for financings (PFR, 3/16).
Quantum Utility Generation	Passadumkeag (40 MW Wind)	Penobscot County, Maine	Mizuho, Sumitomo Mitsui Banking Corp.	Construction/ Term	\$95M	TBA	Construction of the project will be complete by year-end (PFR, 3/16).
RPM Access	Marshall Wind (74 MW Wind)	Marshall County, Iowa	TBA	Construction/ Term, Tax Equity	TBA	TBA	RPM Access is currently in talks with commercial banks (PFR, 4/27).
Solar Star Funding	Solar Star Projects (579 MW Solar)	Rosamund, Calif.	Barclays, Citigroup, RBS	Series B Notes	\$325M	TBA	The issuance was upsized by \$10M (PFR, 3/9).
● Western Energy Partners	Clean Path (750 MW Gas, Solar)	Waterflow, N.M.	TBA	TBA	TBA	TBA	The sponsor will seek debt once it secures a PPA for the project (see story, page 1).

● New or updated listing

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To report updates or provide additional information on the status of financings, please call Senior Reporter Olivia Feld at (212) 224-3260 or e-mail olivia.feld@powerfinancerisk.com

PROJECT FINANCE

Freeport Seals Third Train Financing

Freeport LNG has closed a \$4.56 billion deal in senior debt and mezzanine financing backing its third liquefied natural gas train at Quintana Island near Freeport, Texas.

Bank of America, Bank of Montreal, Barclays, CIBC, BBVA, Crédit Agricole, Credit Suisse, Deutsche Bank, Goldman Sachs, HSBC, ICBC, ING Capital, Intesa Sanpaolo, Korea Development Bank, Lloyds Bank, Mizuho, Mitsubishi UFJ Trust and Banking Corp., National Australia Bank, Natixis, Royal Bank of Canada, Santander, Shinsei Bank, Société Générale, Standard Chartered Bank, Sumitomo Mitsui Banking Corp, Bank of Nova Scotia, and Bank of Tokyo-Mitsubishi UFJ are joint lead arrangers, providing a \$3.691 billion, 7-year mini-perm, according to deal watchers.

The mini-perm for the third train was five times oversubscribed, **Michael Smith**, ceo of Freeport LNG tells *PFR*, adding that pricing was very competitive. Many of the banks participated in debt financing for the second train at the Freeport facility, which was three times oversubscribed (*PFR*, 12/1).

Freeport LNG has raised \$924 million in equity for the third train via mezzanine debt. The third train is the only train at the

facility in which the sponsor retains 100% of the equity. Free cash flow and equity raised from the financing of the first two trains allowed the sponsor to tap the mezzanine debt market, adds Smith. Multiple undisclosed institutions are providing the mezzanine debt.

Macquarie Capital is advising Freeport on the transaction. It previously advised the Houston-based sponsor on its \$11 billion deal in debt and equity backing the first two trains at the facility (*PFR*, 12/1).

The \$12.5 billion raised for the three train project, along with an additional \$3 billion raised for refinancing costs and contingency funds, makes it the largest fully non-recourse construction financing to date, according to **Chadbourne & Parke**, lenders' council for second and third train.

Freeport LNG holds full equity ownership of the third train through its subsidiary **FLNG Liquefaction 3. Osaka Gas Co., Chubu Electric Power Co., and IFM Investors** have equity stakes in the first and second trains (*PFR*, 12/1).

SK E&S LNG and Toshiba Corp., have 20-year tolling agreements for the third train totaling 4.4 million tons per annum. **Osaka Gas Co., and Chubu Electric Power Co.**, each has 20-year tolling agreements for the first trains. **BP Energy Company** has a

20-year tolling agreement for second train.

CB&I, Zachry Industrial and Chiyoda International Corp. are constructing the first two trains, which are slated to begin operations by September 2018 and February 2019, respectively. The third train is expected to start operating by August 2019.

Freeport LNG received its final regulatory approvals from the U.S. **Federal Energy Regulatory Commission** and the U.S.

Department of Energy in November (*PFR*, 2/19).

White & Case is Freeport's counsel for all three trains. A team of 27 attorneys at **Chadbourne & Parke**, led by **Rohit**

Chaudhry, partner and co-head of the project finance group, is lenders' counsel for the second and third trains. **Akin Gump Strauss Hauer & Feld** is counsel for SK E&S and **Norton Rose Fulbright** is counsel for Toshiba Corp.

A spokesperson for Macquarie in New York was not immediately available for comment. ■

FAST FACT

Freeport LNG

Freeport LNG holds full equity ownership of the third train through its subsidiary **FLNG Liquefaction 3**.

JPM Scoops sPower Tax Equity Portfolio

sPower has sealed tax equity investment from **JPMorgan** for an approximately 80 MW portfolio of 10 solar projects, according to a deal watcher.

The 20 MW Sierra Solar Greenworks project and the nearby 20 MW Western Antelope Blue Sky Ranch A in Los Angeles County, Calif., are the two largest projects in the portfolio, says the deal watcher, adding that sPower will be in the market for debt financing for the Sierra project later this year. **Southern California Edison** has a long-term power purchase agreement with the project, which is on track to be online in July.

Western Antelope Blue Sky Ranch A, which

is less than a mile away from Sierra, closed its financing in late 2014. **The City of Palo Alto** and **Elevation Solar C** have PPAs with the

project, which is scheduled to be online by the end of 2016.

sPower was created after **Silverado Power**, a portfolio company of **Fir Tree Partners**, merged with the **Sustainable Power Group**.

FAST FACT

sPower

sPower was created after **Silverado Power**, a portfolio company of **Fir Tree Partners**, merged with the **Sustainable Power Group**.

Sustainable Power Group. The Salt Lake City-based independent power producer recently brought a 63 MW solar portfolio of 16 projects in North Carolina from **FLS Energy** (*PFR*, 3/27).

JPMorgan Capital Corp., and a subsidiary of **Hannon Armstrong Sustainable Infrastructure Capital** jointly scooped tax equity in a 400 MW portfolio of wind projects from **Northwestern Mutual** (*PFR*, 4/6).

Details surrounding the smaller projects in the portfolio could not be learned. Spokespeople for JPMorgan in New York and sPower in Salt Lake City declined to comment. ■

● INDUSTRY CURRENT

A New Geothermal Framework for Mexico

This week's Industry Current is written by Chadbourne & Parke attorneys **David Jiménez Romaro**, international partner and **Javier Félix Muñoz**, senior associate, both in Mexico City, and **Raquel Bierzwinsky**, counsel in New York. The authors examine the regulatory framework for geothermal projects in Mexico against the backdrop of its new law on geothermal exploration and production.

Mexico has a new law to regulate geothermal exploration, drilling of geothermal wells and the use of geothermal steam or fluid to generate power. Regulations issued in late 2014 to implement the new law address the legal, technical, administrative and financial requirements, as well as the procedures necessary, to obtain a registration, permit or concession.

Mexico treats geothermal activities as falling into three broad categories, each of which is regulated. The three categories are reconnaissance, exploration and production. Use of sub-surface land for geothermal projects has priority over any other use of the land, including mining, but not over activities pertaining to the hydrocarbons industry.

RECONNAISSANCE

"Reconnaissance" refers to scouting sites and deposits and conducting surveys for possible drilling. Mexican law allows private individuals and companies incorporated under Mexican law and the **Comisión Federal de Electricidad** and other state productive enterprises to engage in reconnaissance, but they must register first with the **Ministry of Energy**. The registration involves submitting evidence of an applicant's legal, technical and financial capacity. Once registered, an applicant has eight months to do the reconnaissance before the need to update the registration.



David Jiménez Romaro



Javier Félix Muñoz



Raquel Bierzwinsky

EXPLORATION

"Exploration" is test drilling and any other work above or below ground to confirm the existence of a geothermal resource and identify the boundaries of a geothermal area. Exploration requires a permit from the Ministry of Energy. A company should apply for a permit two months before the registration for reconnaissance activities expires. The permit requires the same showing of legal, technical and financial capacity as well as the technical feasibility of the project. An applicant must also submit a technical exploration plan with scheduled milestones and a financial plan with details of the proposed investment at each stage of the project.

Permits do not grant real estate rights to their holders; rather, they only grant a temporary right to explore the geothermal resource. Permits may be issued for areas of up to 150 square kilometers (57.9 square miles) and may be valid for three years. They can be renewed for another three years after the initial term. Studies of the explored reservoir and other information provided to the Ministry of Energy by the permit holder are confidential for as long as the permit remains in effect.

"Permits do not grant real estate rights to their holders; rather, they only grant a temporary right to explore the geothermal resource."

PRODUCTION

"Production" refers to any activities after the production wells start producing and the steam or fluid is used to generate electricity or is sold in the market for other uses.

Production requires a production concession from the Ministry of Energy.

Such concessions are only given to holders of exploration permits. The concession cannot exceed the area covered by the exploration permit. A geothermal concession grants an exclusive right to use the geothermal reservoir in the concession area, but does not grant any real property rights in favor of the concession holder.

Production concessions are valid for 30 years and may be extended at the request of the concession holder with the approval of the Ministry of Energy. The Ministry of Energy may reclaim a concession where there are risks to the population or the environment or for national security reasons. The holder of a concession can assign its rights and obligations under the concession to a third party, but this requires prior authorization of the Ministry of Energy. Only a notice to the Ministry is required for an assignment to an affiliate.

To obtain a production concession, the applicant must also have a power generation permit from the **Comisión Reguladora de Energía**, get confirmation of interconnection feasibility from the independent system operator CENACE, comply with environmental requirements, and pay any applicable fees.

OTHER ISSUES

The Ministry of Energy must put out for public bid, any concession that terminates, lapses or is revoked due to failure of the concession holder to comply with conditions.

Holders of exploration permits and production concessions must provide financial guarantees. Permit holders must deliver and maintain for the term of the

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INDUSTRY CURRENT ●

« FROM PAGE 6

permit a performance guarantee for 1% of the financial plan proposed in the exploration schedule. Concession holders must deliver and maintain, until commercial operation has been achieved, a performance guarantee for 0.5% of the aggregate required investment. All guarantees and bonds must be issued by Mexican financial institutions and be payable to the order of the Mexican federal treasury.

The new geothermal law regulates not only the exploration of hydrothermal geothermal reservoirs, but also the use of geothermal water. A permit holder for a hydrothermal geothermal reservoir must drill one to five exploration wells, with the number to be determined by the Ministry of Energy based on the size of the permitted area and the corresponding technical studies. Any geothermal water extracted during exploration must be re-injected into the ground to maintain the

renewable nature of the resource.

The regulations distinguish between production concessions for geothermal reservoirs and concessions for the production and use of the sub-surface waters in such reservoirs. Given that each concession serves a different purpose, different rules, terms, conditions and processes apply to each. Concessions for geothermal waters are regulated by the National Waters Law, rather than the new geothermal law, and must be obtained from the **Comisión Nacional del Agua**.

The new law grants CFE the right to select certain areas for its exclusive exploration and production of geothermal resources upon request to the Ministry of Energy, so long as it provides evidence that it can develop the areas efficiently and competitively. CFE had until Jan. 30, 2015 to provide the Ministry of Energy with a list of such areas for development. However, it may still choose to devel-

op them jointly with the private sector. The Ministry of Energy has until May 30, 2015 to respond to CFE's requests.

The new law allows CFE to develop new projects jointly with the private sector or to bid them out for exclusive development by the private sector.

Any party who was already engaged in geothermal exploration or production at a site in Mexico before the new law was enacted, and who did not need a concession, registration or permit under the National Waters Law, may continue with its project, provided it notified the Ministry of Energy of its activities within 30 business days after the new law was enacted.

Anyone holding a concession granted under the **National Water Commission** when the new law was enacted will be grandfathered from the need to get a permit or concession under the new law. ■

STRATEGIES ●

Details Emerge On 8point3 IPO

8point3 Energy Partners, the joint yield company from **First Solar** and **SunPower**, is planning to close its initial public offering around June 8, 2015, according to new and amended filings with the U.S. **Federal Energy Regulatory Commission** and the U.S. **Securities Exchange Commission**. A timeline for launching the IPO could not be learned.

Goldman Sachs and **Citi-group** are the lead book runners and advisors for First Solar and SunPower. The IPO is slated to raise around \$50 million. The proposed yieldco filed its S-1 form with the SEC last month (PFR, 3/11). A roadshow will take place once 8point3 has received, and responded to, the SEC's comments, which have not yet been published.

8point3's initial portfolio includes 432 MW of operational

solar projects in the U.S. The proposed yieldco has identified a solar development pipeline of approximately 13.7 GW and has a right of first offer on 1,136 MW of advanced development stage projects in the U.S., Chile and Japan. 8point3 will evaluate further expansion into Australia, Canada, France, Germany, Mexico and the United Kingdom.

Tempe, Ariz.-based First Solar is supplying 8point3 with the following projects:

- the 20 MW Maryland Solar project in Hagerstown, Md. **First-Energy Solutions**, a subsidiary of **FirstEnergy Corp.**, has a 20-year power purchase agreement with the project, which is operational.
- the 150 MW Solar Gen 2 project in El Centro, Calif., formally known as Imperial Valley. **Southern Company** subsidiary **Southern Power** owns 51% of

the operating project and First Solar owns the remaining 49%. **San Diego Gas & Electric** has a 25-year PPA with the project.

- the 20 MW Lost Hills in Kern County, Calif. The **City of Roseville** has a short term PPA with the project. **Pacific Gas & Electric** has a 25-year PPA. The project is due to be online this year.
- the 12 MW Blackwell project in Kern County, Calif. The **City of Roseville** and PG&E have the same 25-year PPA as the Lost Hills project.
- the 60 MW North Star project in Fresno County, Calif. PG&E has a 20-year PPA with the project, which is slated to be online in July.

San Jose, Calif.-based SunPower is supplying:

- the 7 MW RPU project at the Tequesquite Landfill in Riverside, Calif. The **City of Riverside** has a long-term PPA with

the project, which is slated to be online in September.

- the 135 MW Quinto project in Merced County, Calif. **Southern California Edison** has a 20-year PPA with the project, which is slated to be online in October.
- the 13 MW UC Davis project in Solano County Calif. UC Davis has a 20-year PPA with the project, which will be online in September.
- the 4.8 MW **Macy's** projects, across seven Macy's stores in Sacramento, Santa Clara, Santa Cruz, Alameda, and San Francisco Counties, Calif. The output of each facility will be sold to Macy's via a long term agreement. The facilities are on track to be online between June and November.
- the 48 MW residential portfolio comprising approximately 5,900 solar installations in Arizona, California, Colorado, Hawaii, Massachusetts, New Jersey, New

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Sponsor Plots Debt for \$1B+ CCGT, Solar Project

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decide on the size of the debt portion of the financing and approach prospective lenders, once it lands a power purchase agreement. WEP is in talks with potential offtakers, **Curt Hildebrand**, president of WEP in San Juan, N.M. tells *PFR*. The anticipated timeline for securing one or more offtake contracts could not be learned.

Construction will begin in January 2017. The solar PV and CCGT facilities are slated to go online in the third quarters of 2018 and 2019, respectively.

Clean Path is within six miles of the 1,540 MW Four Corners and the 1,800 MW San Juan coal-fired plants operated by **Arizona Public Service** and the **Public Service of New Mexico**, respectively. APS retired 560 MW of

capacity across three stacks at the Four Corners plant in December 2013. A capacity reduction of 900 MW has been scheduled in December 2017 for San Juan.

Clean Path could potentially replace the coal-fired capacity and utilize about 1,500 MW of transmission capacity that has been idle since the retirement at the Four Corners facility. WEP plans to connect Clean Path to transmission lines owned by the **Western Area Power Administration**. The agency is reviewing WEP's request for access and its potential to comply with emissions regulations standards. The transmission lines will require roughly \$3.6 million in upgrades.

"Infrastructure is already in place to deliver power in that region. It won't be too difficult for them to get a PPA," notes **Bill Booth**, senior electricity advisor at the U.S. **Energy Information Administration** in Washington, D.C., of Clean Path.

Stonepeak and SNC-Lavalin officials and spokespeople did not respond to calls. ■

Terra Firma Floats EverPower Wind Sale

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line includes nine projects totaling more than 1.3 GW in New York, Ohio, Philadelphia, Montana and West Virginia. To complement its early stage development pipeline, EverPower has been looking to acquire green-field projects. (*PFR*, 5/12/10).

The Pittsburgh-based developer bought the merchant Big Sky farm, its first operating asset in Illinois, from **Edison Mission Energy** through **Suzlon Energy** last year (*PFR*, 5/15), and has set up wind turbines totaling 752 MW across seven sites since 2008.

While the precise reason for Terra Firma's sale of EverPower could not be learned, observers say that the private equity player has been facing a

number of challenges, including stiff competition from yield companies for acquiring assets. "The yieldcos are the best buyers of these assets," says a deal watcher.

"It's a bit of a seller's market. Yieldcos have a lower cost of capital and need to have projects that have steady cash flows," says another observer.

Terra Firma is also looking to recoup losses from its buyout of London-based music publisher **EMI** in 2007. **Citigroup**, which lent £ 1.75 billion (\$ 2.64 billion) to finance the acquisition took over EMI in 2011.

The private equity firm bought a majority stake in EverPower from Swiss renewables fund **Good Energies** and other investors for \$350 million in 2009.

The timeline for the sale could not be discerned. An official at Terra Firma in London was not available to respond to inquiries. A spokesperson at EverPower in Pittsburgh declined to comment on the transaction. Calls placed to BAML were not returned by press time. ■

IMN: Solar Industry Zeroes In On Securitizations

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backed by leased solar assets. Once portfolios are big enough, residential solar loans are ripe for securitization, according to panelists at the conference. "It's the perfect ABS product," said **Billy Parish**, ceo at **Mosaic**, a peer-to-peer solar lending platform, adding that only a handful of larger shops would currently be able to securitize their portfolios.

"I think securitizations will become more competitive than yield companies," said **George Ashton**, cfo and co-founder of **Sol Systems**, adding that ABS is more transparent for investors and comes with less contingent liabilities compared to yieldcos.

Panelists agreed that it would take time for the nascent solar ABS market to grow. "You can't rely on the ratings agencies to rate these assets. It will take time," added **Tom Athan**, managing partner and co-founder of **Blackstone-backed Altus Power America Management**, pointing to the role of credit derivatives in the financial crisis. ■

"I think securitizations will become more competitive than yield companies"

Details Emerge On 8point3 IPO

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York, Pennsylvania and Vermont. All assets have offtake agreements with residential customers with FICO scores averaging 766, or a minimum of 700, at the time of the initial contract.

Tax equity stakes are available for the North Star, Quinto, RPU, UC Davis and Macy's projects, according to the filings. The Solar Gen 2, Lost Hills and Blackwell projects, have been financed through pre-existing tax equity deals.

French oil company **Total** purchased approximately 60% of SunPower's stock for around \$1.4 billion in 2011 (*PFR*, 4/29/2011).

Spokespeople for Goldman Sachs and Citigroup in New York, First Reserve in Tempe, Ariz., and SunPower in San Jose, Calif., either did not respond to inquiries or declined to comment. ■