

Power Finance & Risk

The weekly issue from **Power Intelligence**

www.powerintelligence.com

Wells Fargo Accounting Question Rattles Wind Tax Equity Mart

Wells Fargo has temporarily benched its tax equity investments in wind due to an accounting issue—a wrinkle that has the wind market looking at capacity in the latter half of the year as projects hit the street looking for financing.

The firm put the brakes on wind tax equity deals earlier this year after its auditor **KPMG**, according to a proxy filed with the U.S. **Securities and Exchange Commission**, raised questions about the way the investments were being held on the books. The accounting inquiry only impacts the investment partnership flips, the most common wind tax equity structure.

What prompted the inquiry into how the bank holds its investments is unclear, given its history as a dependable tax equity provider, even
(continued on page 11)

Key Wind Tax Equity Investors

The wind market may rely more heavily on other tax equity investors if an accounting issue keeps Wells Fargo on the bench into the second half of the year.

Bank of America Merrill Lynch

MetLife

Citigroup

Morgan Stanley

GE Energy Financial Services

State Street

Google

Union Bank

JPMorgan Capital Corp.

Wells Fargo

Shipping Co. Eyes Debt For Novel Floating LNG Project

Belgian shipping and engineering company **Exmar NV** is looking to lock in \$170 million in debt to back the world's first floating liquefied natural gas export facility in waters off of Tolu, Colombia, in the Gulf of Morrosquillo.

Exmar is targeting an 80:20 debt to equity ratio for the \$305 million project, says a New York-based project financier. The company wants local and international lenders to join the debt package, which is expected to include a B loan as well as facilities in U.S. dollars and Colombian pesos, says the banker. Leads on the debt package have not been mandated yet. The borrowing affiliate of Exmar, based in Antwerp, Belgium, will be **Export LNG Limited**, Colombian branch.

The Exmar LNG project is on track to receive funding from the **International Finance Corp.** to round out the equity and
(continued on page 12)

Q&A: Kevin Walsh, GE Energy Financial Services – Part I



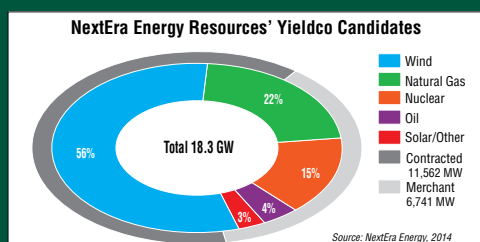
Despite the expiration of the Production Tax Credit, wind is set to have a solid year of project financings, according to Kevin Walsh, director and group head of power and renewables at GE EFS. "We still think that there's going to be a fair bit of activity. We have a very robust pipeline on the wind side to get those projects financed and built," Walsh says, pointing to projects that have qualified as in-construction by the end of 2013 and are now looking for completion by 2015. Since Walsh took his current post in 2006, GE EFS has invested an average of about \$1 billion per year. Walsh spoke to Editor **Sara Rosner** about what's ahead for wind and solar financing and development in the U.S. and how GE EFS is approaching these markets and beyond.

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NextEra Opts For Yieldco Route

NextEra Energy is looking to join NRG Energy, Pattern Energy and TransAlta and put operating assets into a yield-driven vehicle.

For the full story, see page 7



Generation Sale DATABASE

Check out the latest asset trades in PFR's weekly calendar, compiled from our exclusive Generation Sale Database.

See calendar, page 3

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THE BUZZ



Hannon Armstrong Sustainable Infrastructure is lined up to buy **Chuck Hinckley's American Wind Capital**, a company that aggregates land leases from wind and solar farms. American Wind Capital leveraged its existing portfolio of land leases in August to raise capital to acquire more leases (PI, 8/27). Hannon Armstrong emerged from a varied group of potential buyers, including **AMP Capital** (for the full story, go to page 5).

The yieldco train rolled on this week, with news that **NextEra Energy** filed a preliminary S-1 with the U.S. **Securities and Exchange Commission** in early April (see story, page 7). The move paves the way for the company to join **Pattern Energy**, **NRG Energy** and **TransAlta** in the yieldco world.

Invenergy showed up with a pair of deals in the U.S. and Canada. The Chicago-based shop brought in **La Caisse de dépôt et placement du Québec** for a minority stake in a Quebec wind farm, deepening its relationship with the investment manager that invested \$500 million in a baker's dozen of farms a year ago (see story, page 5). Invenergy also refinanced its 620 MW Grays Harbor Energy Center gas-fired in Elma, Wash., in a deal with **GE Energy Financial Services** (see story, page 6).

An interesting deal coming out of Colombia this week sees Belgian company **Exmar NV** looking to land \$170 million in debt backing a floating liquefied natural gas export facility (see story, page 1). It will be the world's largest floating LNG export facility once complete and has already piqued the interest of the **International Finance Corp.**

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.

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GENERATION AUCTION & SALE CALENDAR

These are the current live generation asset sales and auctions, according to *Power Intelligence's* database. A full listing of completed sales for the last 10 years is available at www.powerintelligence.com/AuctionSalesData.html

Seller	Assets	Location	Advisor	Status/Comment
AES Corp.	Stakes (DPL Energy Coal, Gas, Oil)	Various	Barclays	Indicative bids due early March; likely to overlap with Duke (PI, 2/24).
Acciona	Portfolio (Wind, Solar)	Various	Lazard	First rounds bids submitted (PI, 3/31).
Advanced Power Systems	Cricket Valley (1 GW CCGT)	Dutchess County, N.Y.	Whitehall & Co.	TIAA-CREF has taken a stake (PI, 4/28).
ArcLight Capital Partners	Juniper Generation (Cogen portfolio)	Various, California	McManus & Miles	Sale relaunched after several PPAs were extended (PI, 3/17).
	Peakers (2 GW Gas)	Various, Georgia	TBA	Carved peakers out of Southeast PowerGen to sell (PI, 3/24).
	Stake (106.5 MW Cogen)	Orange, Texas	None	Rockland is buying its stake (PI, 3/31).
	Victoria (330 MW CCGT)	Victoria, Texas	UBS	Sale is near launch (PI, 4/7).
BNB Renewable Energy	Mesquite (200 MW Wind)	Lamesa, Texas		Sumitomo bought the remainder of the project (see story, page 5).
Calpine	Portfolio (3.5 GW Gas)	Various		LS Power is buying the fleet in the Southeast (PI, 4/28).
Corona Power	Stake (Sunbury, 900 MW Repowering)	Shamokin Dam, Pa.	Perella Weinberg	First round offers due April 14 (PI, 3/31).
Duke Energy	Portfolio (6.6 GW Coal, Gas, Oil)	Various	Citi, Morgan Stanley	Teasers hit the market (PI, 4/21).
Earth by Design	45-Mile (5 MW Hydro)	Jefferson County, Ore.		Apple bought it (PI, 4/28).
EmberClear	Portfolio (660 MW CCGT developments)	Good Spring, Pa.	CCA Capital	Tyr has partnered on the development assets (PI, 3/31).
Entegra Power Group	550 MW Stake (2.2 GW Union Station CCGT)	Arkansas	Bank of America	Gearing up to sell the unit that has a tolling agreement (PI, 3/31).
Essar Group	Algoma (85 MW CCGT)	Algoma, Ontario	Barclays	Teasers are on the market (PI, 1/13).
FGE Power	FGE Texas (726 MW CCGT)	Westbrook, Texas	Fieldstone	Fieldstone is advising on equity hunt in tandem to debt raise with Goldman.
Invenery	Parc des Moulins (135.7 MW Wind)	Kinnear's Mills, Quebec		La Caisse has bought a minority stake (see story, page 5).
JPMorgan	Jackson (540 MW Gas)	Jackson, Mich.	JPMorgan	Consumers Energy is buying it (PI, 2/17).
LS Power	Columbia (20 MW Solar)	Pittsburg, Calif.	Marathon Capital	Process is in the second round of due diligence (PI, 7/1).
	Stake (417 MW Hydro)	Pennsylvania	None	Brookfield is buying 33% for \$289M (PI, 2/17).
Maxim Power Corp.	CDECCA (62 MW Gas)	Hartford, Conn.	Credit Suisse	Rockland is seeking to terminate its deal to buy the assets (PI, 12/9).
	Forked River (86 MW Gas)	Ocean River, N.J.		
	Pawtucket (64.6 MW Gas)	Pawtucket, R.I.		
	Pittsfield (170 MW Gas)	Pittsfield, Mass.		
	Basin Creek (53 MW Gas)	Butte, Mont.		
NRG Energy	Various (Gas, Solar)	Various	None	Dropdowns to NRG Yield (PI 4/14).
NextEra Energy Resources	Pheasant Run II (75 MW Wind)	Huron County, Mich.	None	DTE Electric is considering buying the farm via a PPA option (PI, 3/3).
Norvento USA	Bloom (180 MW Wind)	Dodge City, Kan.	TBA	Capital Power bought the project (PI, 3/24).
Ontario Teachers Pension Plan Board	Stake (Northern Star Generation)	Various	Citigroup	CalPERS, Harbert emerge as frontrunners (PI, 4/28).
Optim Energy	Portfolio (1.4 GW Coal, Gas)	Texas	Barclays	Mulling a sale via bankruptcy filing (PI, 3/10).
Power Resources Cooperative	Stake (605 MW Boardman Coal)	Boardman, Ore.		Portland General is upping its stake as retirement, refueling loom (PI, 4/28).
Project Resources Corp.	Rock Aetna (21 MW Wind)	Minnesota	Alyra Renewable Energy Finance	Looking for a buyer with access to turbines to qualify for PTC (PI, 1/13).
Ram Power Corp.	Geysers (26 MW Geothermal)	Sonoma County, Calif.	TBA	U.S. Geothermal has bought it (4/14).
Recurrent Energy	Portfolio (139 MW Solar)	California		Dominion is buying the assets (PI, 4/7).
Terra-Gen Power	Alta (947 MW Wind)	California	Citigroup, Morgan Stanley	Brookfield, Berkshire Hathaway Energy lead second round contenders (see story, page 5).
TransAlta	Wailuku (10 MW Hydro)	Hawaii	TBA	MidAmerican Energy Holdings is buying TransAlta's stakes for \$193M (PI, 3/3).
	Fleet (327 MW Geothermal)	California		
	Fleet (867 MW Gas)	Various		
We Energies	Presque Isle (425 MW Coal)	Marquette, Wis.	None	No buyers submitted proposals in RFP (PI, 3/10).
Wind Capital Group	Osage (150 MW Wind)	Osage, Okla.		TradeWind Energy sealed its purchase (PI, 4/28).

► 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 Managing Editor **Holly Fletcher** at (212) 224-3293 or e-mail hffletcher@iintelligence.com.

PROJECT FINANCE DEAL BOOK

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

Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
▶ Alterra, Fiera Axiom	Jimmie Creek (62 MW Hydro)	British Columbia, Canada	TBA	TBA	TBA	TBA	Sponsor will likely tap LifeCos for the debt (see story, page 7).
Cameron LNG	LNG Export Facility	Hackberry, La.	TBA	TBA	~\$4B	TBA	Sponsor is shooting for pricing of L+175 bps (PI, 3/10).
Cape Wind Associates	Cape Wind (420 MW Wind)	Nantucket Sound, Mass.	BTMU, Natixis, Rabo	TBA	TBA	TBA	Sponsor adds Natixis and Rabo as leads with BTMU (PI, 3/31).
Cheniere Energy	Sabine Pass Trains 3 & 4 (Trains)	Sabine Pass, La.	TBA	TBA	\$4.4B	TBA	Sponsor ups the original bank loan to \$4.4 billion and taps Korean entities for a further \$1.5 billion (PI, 6/3).
Competitive Power Ventures	St. Charles	Charles County, Md.	GE EFS	TBA	~\$600M	TBA	Sponsor is looking to tighten pricing following on from the Woodbridge deal (PI, 4/14).
Dalkia/Fengate	Merrit (40 MW Biomass)	Merrit, B.C.	BTMU	TBA	\$168M	TBA	Sponsor aims to wrap the financing early next year (PI, 12/2).
EDP Renewables North America	Headwaters (200 MW Wind)	Randolph County, Ind	TBA	Tax Equity	\$350-400	TBA	The sponsor is looking to secure both equity and tax equity investment (PI, 6/24).
▶ Exmar NV	Floating Liquefaction Project	Colombia	TBA	B Loan	\$170M	TBA	Sponsor looking to land a B loan for the debt on the project (see story, page 1).
FGE Power	FGE Texas (726 MW Gas)	Westbrook, Texas	Goldman Sachs	TBA	TBA	TBA	The sponsor is close to lining up equity and will tap Goldman Sachs to launch a B loan (PI, 1/27).
First Wind	Oakfield (147 MW Wind)	Aroostook County, Maine	TBA	TBA	\$300M	TBA	The sponsor is shooting for pricing of L+225 bps (PI, 3/24).
Freeport LNG	Freeport (LNG Export Terminal)	Freeport, Texas	Credit Suisse, Macquarie	TBA	~\$4B	TBA	More than 20 lenders are eyeing the deal, with some offering tickets of \$600M (PI, 2/10).
Invenergy	Nelson (584 MW Gas)	Rock Falls, Ill.	GE EFS	TBA	TBA	TBA	Sponsor is looking for a bank loan backing the merchant facility (PI, 9/2).
KSPC, Samsung	Kelar (517 MW Gas)	Chile	Natixis	TBA	TBA	TBA	The JV appoints Natixis as lead on the deal (PI, 1/13).
Magnolia LNG	Magnolia LNG (LNG Export Facility)	Lake Charles, La.	BNP, Macquarie	TBA	\$1.54B	TBA	Sponsor expected to mandate leads by year end (PI, 12/9).
New Generation Power	NGP Texas (400 MW Wind)	Haskell County, Texas	TBA	Construction/Term/Tax Equity	~\$700M	TBA	This is the sponsor's largest deal to date (PI, 4/14).
▶ Northland Power	Various (50 MW Solar)	Ontario	BMTU, Mizuho, SMBC, NordLB	TBA	\$217M	18-yr	Sponsor wraps deal with four leads (see story, page 7).
NTE Energy	Multiple Gas-fired	U.S.	Whitehall	TBA	TBA	TBA	Sponsor is looking to line up equity investors and then debt backing three projects in the U.S. (PI, 3/10).
Radback Energy	Oakley (586 MW Gas)	Contra Costa County, Calif.	BTMU	Term	\$990M	4-yr	Deal is temporarily put on hold following an appellate court decision (PI, 11/11).
Sempre U.S. Gas & Power	Energía Sierra Juárez (156 MW Wind)	Baja California, Mexico	BTMU	TBA	~\$250M	TBA	A club of banks and agencies are near close on the deal (PI, 3/24).
SolarReserve	Rice (150 MW Solar Thermal)	Blythe, Calif.	Morgan Stanley	TBA	\$450M	TBA	Sponsor taps Morgan Stanley to secure debt, tax equity and equity (PI, 8/26).
SunEdison	Various (33 MW Solar)	Ontario	Deutsche Bank	Construction	\$105M	TBA	Sponsor wraps deal with DB sole lender (see story, page 6).
SunEdison	Regulus (60 MW Solar)	Kern County, Calif.	Deutsche Bank	Construction	TBA	TBA	Sponsor wraps deal with DB sole lender (see story, page 6).
Tenaska	Imperial Solar Energy Center West (150 MW CPV)	Imperial County, Calif.	TBA	TBA	TBA	TBA	The company has started talking to banks as it looks to line up debt for the facility (PI, 9/23).
Transmission Developers	Champlain Hudson Transmission Line	New York State	RBC	TBA	~\$1.6B	TBA	Sponsor is aiming to line up the debt by year-end (PI, 3/3).
▶ True Green Capital	Portfolio (22 MW Solar)	Northeast U.S.	Investec, KeyBanc	TBA	\$130M	5-yr, 7-yr	Sponsor wrap deal with OpCo and HoldCo tranche (see story, page 3).

▶ New or updated listing

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MERGERS & ACQUISITIONS

Sumitomo Buys Up West Texas Wind Project

Sumitomo Corp. of Americas is buying **BNB Renewable Energy's** stake in a 200 MW wind project in Texas that has an offtake agreement lined up with **Mars**, the confectionery-turned-food manufacturer.

The roughly \$400 million Mesquite wind project, which went into construction in October, is being financed with a debt package arranged by **Bank of Tokyo Mitsubishi UFJ**, **Sumitomo Mitsui Banking Corp.** and **Mizuho Bank**. Sumitomo first bought into the Mesquite wind project near Lamesa, Texas, in August. It's expected to be online in the second quarter of 2015.

Mars—the food manufacturer behind Snickers, M&M's and Skittles—has signed a 20-year power purchase agreement with the project. Mesquite Creek will meet Mars' annual U.S. power demand of 800,000 MWh—enough to produce 13 billion Snickers. The company, based in McLean, Va., wants to eliminate its greenhouse gas emissions by 2040.

BNB is a wind and solar developer with offices in New York, Austin, Texas, and Exton, Pa.

Details about the financing such as size, pricing and tenor could not be immediately learned. Officials or spokeswomen declined further comment.



Brookfield, Strategic Lead Pack For Alta Wind

Affiliates of **Brookfield Renewable Energy Partners** and **Berkshire Hathaway Energy**, née **MidAmerican Energy Holdings** are strong contenders in the final round of **Terra-Gen Power's** sale of its Alta wind assets in California, say observers.

Brookfield and Berkshire Hathaway Energy, which already owns an Alta phase via subsidiary **MidAmerican Wind**, are interested in the 947 MW Alta wind series in the Tehachapi region of California because they both have a presence in the area and have been interested in adding operational wind assets. MidAmerican Wind bought the 168 MW Alta VII and the 132 MW Alta IX from Terra-Gen in 2012.

MidAmerican Energy Holdings changed its name to Berkshire Hathaway Energy on Wednesday.

NRG Yield and **TransAlta Renewables** have been among the mix of entities bidding. **NextEra Energy Resources**, originally mentioned as a possible buyer given its plans for putting assets into a yieldco, was not very active in the sale and is not in the group of final bidders, say observers.

Terra-Gen is aiming to sell its remaining stake of the roughly 3 GW

Alta wind series and will consider selling the Alta in pieces as well as Terra-Gen itself, including other wind facilities and its solar and geothermal assets. However, the operating Alta assets have garnered the most attention from prospective buyers, says one deal watcher.

Terra-Gen, backed by **ArcLight Capital Partners** and **Global Infrastructure Partners**, went on the market in January and began holding management presentations at the end of March (PI, 3/19). **Citigroup** and **Morgan Stanley** are running the sale (PI, 1/14).

A deadline for second round bids could not be immediately learned. Spokespeople for the firms either declined to comment or did not respond to an inquiry.

Hannon Armstrong Closes In On American Wind Capital Deal

Hannon Armstrong Sustainable Infrastructure is in the final stretch of negotiations to buy **American Wind Capital**, observers say.

It's expected that American Wind Capital's three third-party investors, **Barclays Natural Resource Investments**, **Fortress Investment Group** and **NGP Energy Technology Partners**, will exit via the sale. Founder **Chuck Hinckley** will likely stay on board. He did not immediately reply to an inquiry.

Old Saybrook, Conn.-based American Wind Capital aggregates wind and solar farm land lease royalties. **Marathon Capital** has been advising on the equity raise that has led to the sale (PI, 12/13).

Hannon Armstrong, based in Annapolis, Md., has begun talking to potential lenders for financing. The terms of the purchase, such as price, could not be learned by press time.

Spokespeople or officials at the firms either declined to comment or did not immediately respond to inquiries.

Invenergy Sells Québec Wind Stake To La Caisse

La Caisse de dépôt et placement du Québec has bought a stake in Invenergy's Parc des Moulins in Québec for C\$42 million (\$38.1 million).

Invenergy Wind remains the majority owner of the roughly \$270 million wind farm near Kinnear's Mills that came online in December and is contracted to **Hydro-Quebec** for 20 years. The farm was financed with a debt package that included construction, bridge and term loans, and a tranche of fixed-rate notes. **Sovereign Bank** was lead left (PI, 1/2/13).

Macky Tall is senior v.p. of infrastructure at La Caisse, a fund manager based in Montreal. It made a \$500 million equity investment in a baker's dozen of Invenergy wind farms totaling 1.5 GW in the U.S. and Canada last year (PI, 1/9/13).

The size of La Caisse's stake could not be immediately learned. An Invenergy spokeswoman declined to comment while a La Caisse spokesman did not immediately respond to an inquiry.

PROJECT FINANCE

Redux: SunEdison, Deutsche Team Again On Calif. Solar

SunEdison and **Deutsche Bank** have inked their fourth deal in 2014—this one financing construction of the 60 MW Regulus project in Kern County, Calif.

Construction on the project has begun and is slated for operation by the end of this year. It is SunEdison's largest project in North America to-date and is contracted to **Southern California Edison** for 20 years. Deutsche Bank is the sole underwriter on the construction loan.

SunEdison and Deutsche Bank's financing streak for projects in Ontario and the U.S. highlights the health of the solar financing market. The sector is seeing a flurry of deals—**Northland Power** just landed \$217.55 million for solar pipeline in Ontario—across the distributed generation and utility scale subsets that is keeping financiers busy. Deutsche Bank and SunEdison have closed a \$320 letter of credit, a \$150 million revolving credit facility and a C\$115 million (\$104.24 million) construction loan (PI, 4/28).

Financial terms, such as amount, tenor and pricing were not disclosed by the pair. SunEdison officials in Belmont, Calif., and Deutsche Bank officials in New York did not respond to inquiries by press time.

Repeat Business: SunEdison, Deutsche Bank's 2014 Deals

\$320M	\$150M	\$105M	\$TBD
January 2014	April 2014	April 2014	April 2014
Various	Various	Ontario	Kern County, Calif.
Letter of Credit	Revolving Credit Facility	Construction Loan	Construction Loan

Source: Power Intelligence

SunEdison Wraps Ontario Solar Debt

SunEdison has closed a C\$115 million (\$104.24 million) construction loan for a pair of utility scale solar projects totaling 33 MW in Ontario, Canada.

Deutsche Bank is the sole lender on the loan. SunEdison plans to have both projects online by the end of the year. Financial terms and the project locations have not been disclosed.

Commercial and residential solar are playing a big role in driving the market, says a financier of power projects in the Americas.

In fact, Deutsche Bank recently topped league tables for the first quarter, in large part due to a \$320 million deal it arranged for SunEdison in January (PI, 4/25).

The duo recently finalized the first \$150 million of a \$300 million deal supporting SunEdison's acquisition and development of projects in Canada (PI, 4/14).

Deutsche Bank officials were not immediately available, while SunEdison officials did not respond to inquiries by press time.

Investec, KeyBanc Close On True Green Debt

True Green Capital Management has closed a \$130 million credit facility backing a 22 MW portfolio of commercial solar facilities in the north eastern U.S.

The package includes a five-year operating company loan and a seven-year holding company package led by **KeyBanc Capital Markets** and **Investec Securities**, respectively, says a deal watcher.

The debt package was originally slated to be a \$64 million, seven-year holdco package consisting of a \$43 million construction and term loan, a \$16 million cash grant bridge facility and a \$5 million letter of credit when True Green tapped Investec in late summer (PI, 8/29). Pricing talk was coming in around LIBOR plus 250 basis points.

The portfolio consists of eight rooftop projects and three ground-mounted projects ranging in size from 350 kW to 15.2 MW. The portfolio is fully contracted, with an average power purchase agreement length of 18 years.

Panos Ninios, **Jeffrey Brown** and **Bruce Wiegand** founded True Green in 2010. The New York-based team manages capital for institutional investors and high net-worth individuals and focuses investment on non-traditional power and energy assets. True Green has raised over \$112 million in equity, over \$45 million in project finance debt and over \$70 million in cash grant funding to date.

The breakdown of the package with Keybanc on board could not be learned. Ninios, founding partner at True Green, could not be reached by press time. Bank officials either declined to comment or were not immediately reached.

Invenergy Inks Grays Harbor Refi

Invenergy has closed a refinancing of the debt on the 620 MW Grays Harbor Energy Center natural gas-fired facility in Elma, Wash. **GE Energy Financial Services** was book runner and joint lead arranger for the transaction.

CoBank also served as joint lead arranger, while **BNP Paribas** and **Union Bank** also took tickets in the transaction. The financial terms and size of the deal have not been disclosed.

PROJECT FINANCE

Royal Bank of Scotland closed the original financing with a \$216 million debt package in 2007 (PI, 5/4/2007). The \$174 million term loan and \$42 million letter-of-credit facility priced at LIBOR plus 175 basis points, stepping up to 225 over the life of the loan.

Invenergy bought the partially constructed combined cycle project from **Duke Energy** in 2005 for \$21 million. The plant has power purchase agreements in place with various local offtakers. It began commercial operations in 2008.

Invenergy officials in Chicago declined further comment on the deal. Bank officials either declined comment or did not respond to inquiries.

Alterra, Fiera Axium Hunt B.C. Hydro Debt

Alterra Power Corp. and **Fiera Axium Infrastructure** are looking to secure debt to back construction of the 62 MW Jimmie Creek hydro project in southwest British Columbia.

The duo has kicked off the hunt for capital since they recently closed a deal in which **Fiera Axium Infrastructure Canada II LP** bought a 49% stake in Jimmie Creek. Now, Alterra is looking for long-term, fixed rate debt and is talking with lifecos, notes an observer. The partners expect to complete financial closing for the project later this quarter.

Alterra has worked with **Manulife Financial** on a financing for the nearby Toba Montrose hydro project (PI, 11/20).

Construction activities have begun at Jimmie Creek, which will sell power to **BC Hydro** for 40 years beginning in August 2016.

An exact amount of debt and the identity of the lifecos that company is talking to could not be learned by press time. Alterra officials in Vancouver, B.C., declined further comment on the deal. Fiera Axium officials in Toronto could not be reached by press time.

Northland Closes \$240M Ontario Debt

Northland Power has closed a C\$240 million (\$217.55 million) financing package backing five 10 MW solar projects in Ontario.

Bank of Tokyo Mitsubishi UFJ, **Mizuho**, **Sumitomo Mitsui Banking Corp.**, **NordLB** and **Siemens Financial** were joint lead arrangers. **Raymond James**, **CIT Financial** and Montreal-based **Laurentian Bank of Canada** also took tickets. The debt consists of a C\$240 million (\$217.55 million) credit facility with an 18-year term.

The projects will sell power to **Ontario Power Authority** via a 20-year power purchase agreement under Ontario's renewable energy feed-in-tariff. The projects are located near Cochrane in Northern Ontario, and Burk's Falls near Huntsville, Ontario. Commercial operations are expected to begin throughout 2014 and the first half of 2015. **H.B. White Canada Corp.** is handling the

construction.

To date, Northland has raised over C\$900 million (\$815.81 million) in capital to fund renewable energy project development across Ontario.

Northland officials in Toronto did not respond to inquiries by press time. Bank officials either declined comment or did not respond to inquiries.

STRATEGIES

NextEra Files Preliminary S-1 For Yieldco

NextEra Energy has confidentially filed an S-1 with the U.S. **Securities and Exchange Commission**, putting it on track to take public a portion of its unregulated assets.

The company filed the confidential S-1 on April 4 and will look to file publicly once the SEC has reviewed the document. "We are talking a matter of several weeks, not several months," **Moray Dewhurst**, vice chairman and cfo at NextEra, said of making a public S-1 filing on a first quarter earnings call.

NextEra owns 18.3 GW of unregulated generation via its **NextEra Energy Resources** subsidiary. The identity of any potential facilities that will be included in the yieldco will not be shared by the company until the S-1 filing becomes public. Citing SEC regulations, officials of the Juno Beach, Fla.-based company could not go into further detail on the yieldco.

The company has been eyeing the launch of a yieldco since last summer and has considered variations, including private and public structures (PI, 8/2). "After extensive analysis and careful thought we have made the judgment that it is the best interest of our shareholders," said **Jim Robo**, president and coo of NextEra.

Calls placed to NextEra officials were not returned by press time.

Rockland Inks Refi For RPP

Rockland Capital has lined up a credit facility from **Investec** to backing its first fund **Rockland Power Partners**.

The \$50 million credit facility is a multi-draw term loan that will be used to support existing investments. Rockland Power Partners is a \$333 million fund that owns wind, solar and gas-fired assets along with **Beacon Power**, the flywheel storage developer.

This is Rockland's second \$50 million deal in the last month. **GE Energy Financial Services** arranged a \$50 million loan to finance the acquisition of the Elgin gas-fired simple cycle facility in Illinois that Rockland bought via its **Rockland Power Partners II** (PI, 4/9).

Pricing and tenor could not be learned. **Ralph Cho** and **Michael Pantelagianis**, co-heads of Investec's power team in the U.S., declined further comment. **Jim Maiz**, partner of Houston-based Rockland was not immediately reached.

INDUSTRY CURRENT

Outlook for Utility-Scale Renewables in California – Part II

THIS WEEK'S INDUSTRY CURRENT on pricing, environmental impacts and new opportunities for generation and storage development is written by **Laura Norin**, senior project manager, **Julia Getchell**, associate, and **Heather Mehta**, principal, with power and energy consultancy **MRW & Associates** in Oakland, Calif.



Laura Norin

Focus on Price

The cost of the renewable energy contracts that make up the current RPS portfolio has prompted both concern and optimism in California. The concern is that expensive renewable energy will lead to higher retail electricity rates for consumers at the same time that other factors are already driving up power costs. For example, **Energy and Environmental Economics, Inc.** forecasted in 2012 that rates in 2020 will be 8% higher than they would be under an all-gas Scenario due to the 33% RPS, while prices will be more than another 11% above 2011 rates in real terms for non-RPS reasons such as the need to replace aging transmission and distribution infrastructure, pay for smart meter projects, and repower or replace generators to comply with once-through cooling requirements.

On the other hand, there is room for optimism due to the decline in renewable energy prices over the last few years. While the weighted average price of bundled renewable contracts approved from 2003 through 2011 was 12.2¢ per KWh for PG&E, 10.1¢ per KWh for **Southern California Edison** and 11.6¢ per KWh for **San Diego Gas & Electric** (in nominal dollars), bundled renewable contracts approved in 2013 had declined on average to 6.7¢ per KWh for **Pacific Gas & Electric**, 8.9¢ per KWh for SCE and 7.5¢ per KWh for SDG&E. This decline reflects lower bid prices in the 2010 to 2012 RPS solicitations, consistent with industry-wide cost reductions.

Given these cost reductions, regulators are now able to exercise some cost discipline and greater selectivity in approving modifications to existing contracts, knowing that modifications to contracts from past solicitations that are denied are likely to be replaced by lower-cost contracts in future solicitations. So far, however, the **California Public Utilities Commission** has been very selective in exercising this option, with the rejection in October 2012 of three of **BrightSource Energy's** proposed solar thermal projects being the notable exception.

Despite the downward trend in prices, legislators have expressed concerns with the upward pressure on retail electricity rates resulting from RPS procurement. As part of the 2011 legislation that increased the RPS from 20% to 33%, the CPUC is required to implement a "procurement expenditure limitation" in order to impose some cost discipline on the RPS procurement process. The CPUC is currently considering methods for establishing such a limitation. The CPUC staff has proposed a method that would establish a ratio of RPS procurement expenditures to a utility's total revenue requirement

over a 10-year period. The ratio would provide a benchmark to indicate whether the forecasted RPS procurement is likely to put upward pressure on retail electricity rates. Other parties have proposed alternative methods.

According to an illustrative example provided by CPUC staff, SCE annual "procurement expenditure limitation" ratios under the staff's proposed methodology would range from 14.6% to 21.2% over the 10-year period from 2014 through 2023. The ratio would essentially set an overall budget for SCE of \$26.9 billion to spend on procuring RPS-eligible energy in that time frame. In 2013, SCE spent \$1.4 billion, or 11.9% of total revenue requirement, to achieve an RPS level of 23.2%. Adjusted to account for the higher 2014 to 2023 RPS requirement, this level of expenditure—\$17.4 billion over the 10-year period—would still remain well within this illustrative budget. While these results are merely illustrative since a final methodology has not yet been adopted, given this outcome, it remains to be seen whether the procurement expenditure limitation methodology will impose real price discipline or will serve only as a high ceiling price.

Regardless, price discipline will continue through competition among renewable energy developers. Market competition and reduced project costs have driven down the cost of newly-approved renewable contracts by more than 25% since 2011 and are likely to continue putting downward pressure on prices, particularly if new contracting opportunities remain limited in the near term.

Minimizing Environmental Impacts

Environmental concerns over the impacts of large-scale renewable energy projects are moving to the foreground as well. This reflects to some degree the knowledge and experience gained as the initial wave of renewable projects complete construction and begin operations.

In December 2013, a **California Energy Commission** siting committee released a proposed decision recommending that the CEC deny BrightSource's application to convert the proposed 500 MW Palen project from a solar thermal parabolic trough project to a project



Julia Getchell



Heather Mehta

INDUSTRY CURRENT

that uses BrightSource's solar thermal power tower technology, in large part due to concerns over avian mortality.

The Palen project's power tower system would create steam by using a field of 85,000 elevated mirrors known as heliostats to focus the sun's rays onto a steam generator that sits atop a 750-foot tower near the center of the heliostat field. As proposed, Palen would consist of two adjacent 250 MW fields.

The CEC previously approved a different BrightSource power tower project, the 377 MW Ivanpah project, which consists of three 459-foot power towers and 173,500 heliostats. The CEC approved the Ivanpah project in September 2010 and concluded that the clean energy benefits of the project outweighed its significant impacts on cultural, visual and environmental resources, and that no feasible site or generation technology alternatives to the project existed that would reduce or eliminate the project's significant environmental impacts.

Concerns about the impact of power tower technology on avian mortality began to surface during construction of Ivanpah, when BrightSource's monthly compliance reports filed with the CEC listing avian deaths indicated possible increased mortality, particularly during the migratory months. BrightSource reported 23 avian deaths at Ivanpah in January 2014, up from the 13 deaths recorded in December 2013 and 11 reported in November 2013, but still less than the 52 reported in October 2013.

In the proposed decision denying Palen, the CEC siting committee, consisting of Commissioners **Karen Douglas** and **David Hochschild**, concluded that, as proposed, Palen would result in significant, unmitigable impacts on local environmental, visual and cultural resources, and that the solar flux generated from the project's solar towers would probably harm birds. The committee said the original solar trough project or a conversion to photovoltaic technology would be the preferred options for the project site. In an effort to avoid a CEC decision denying the project, BrightSource requested that the commission postpone voting on the proposed decision until at least the spring of 2014, to allow the company more time to present additional data on avian mortality being gathered at Ivanpah and from other projects employing alternative solar technologies.

The difficulties faced by BrightSource are, to a certain extent, technology specific and are not indicative of a wholesale change in sentiment against large-scale solar. At a January 2014 conference on the proposed decision regarding Palen, the CEC noted that BrightSource still has the option to build Palen as the solar thermal parabolic trough project that has already been approved or to propose a different project on the site. Commissioner Hochschild specifically asked concerned parties not to read the proposed decision as a strike against solar thermal and emphasized the benefits of the technology, stating that he believed it has a role to play as California expands its clean energy portfolio.

That same month, the CEC also demonstrated that significant environmental impacts will not necessarily undermine a renewable project, as it unanimously approved an amendment to modify the proposed Blythe project from a 600 MW solar parabolic trough project

to a 485 MW solar PV plant, even though significant environmental impacts were identified. The CEC concluded that the project would result in benefits that outweighed these impacts and that there were no feasible alternatives to the project that would reduce or eliminate any of the impacts.

Environmental impacts are also a concern with wind projects, and avian mortality issues in particular have come to the fore in this context as well. The U.S. **Department of the Interior** recently began granting wind developers eagle "take" permits lasting up to 30 years that, under the Bald and Gold Eagle Protection Act, shield projects from liability for unavoidable bird deaths at wind plants. (In the past, the Interior Department only issued take permits that lasted for up to five years.) To be eligible for these extended permits that will be subject to review every five years, wind plant operators must agree to regular monitoring and adaptive conservation measures. This approach provides greater certainty for renewable energy developers while offering some measure of protection to threatened species.

These decisions, both at the CEC and the Department of the Interior, show how government agencies are trying to find a balance between renewable energy development and environmental protection. The agencies are still trying to find the right balance, and this creates risk for developers. While most projects that are thoughtfully sited are not likely to be rejected on environmental grounds, as BrightSource found, the risk of rejection is all too real, particularly for less-tested technologies.

Potential New Opportunities

Despite the slowing growth in demand for renewable energy projects, downward price trends and more stringent reviews of environmental impacts, opportunities for new utility-scale renewable projects still exist in California.

The utilities' assessments of when they will need to ramp up procurement of renewables and how much to procure are based on a 33% RPS mandate. The likelihood is quite high that there will be a need for a greater level of renewable resources after 2020 as California continues to pursue its goal of reducing greenhouse gas emissions to 80% below 1990 levels by 2050. As part of that effort, the California Air Resources Board has recommended that the RPS target for 2030, expected to be above 33%, be set in 2016 to allow enough time for contracting and development.

In addition, the state legislature recently granted the CPUC the authority to require utilities to buy more renewable energy than required under the RPS requirement. While the CPUC has not indicated its intention to do so on a universal basis, this could open up opportunities in specific circumstances. For example, a March 2014 decision that directs SCE and SDG&E to procure 40% (600 megawatts) of the power needed to replace the closed San Onofre nuclear power plant from preferred resources may lead in the near term to opportunities for new renewable power development above the RPS-driven requirements.

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(continued from page 9)

A similar opportunity would likely emerge in the event that the PG&E Diablo Canyon nuclear power plant licenses are not extended beyond their current expirations in 2024 and 2025. The CPUC has already put PG&E on notice that the utility will need to justify the economic costs and benefits of the large nuclear plant before the CPUC authorizes any ratepayer funding for a federal relicensing application. Should the plant not be relicensed, the carbon-free power that Diablo Canyon currently generates is likely to be replaced to a large degree from renewable resources and other preferred resources.

Additional opportunities could also open up in the near term due to utility load growth (which triggers the need for additional RPS procurement since the RPS target is a percentage of load), unanticipated contract failures, a change in the methodology for predicting contract failure rates, or utility sales of banked RPS credits to third parties. These opportunities are likely to be limited.

Renewable projects that incorporate energy storage technologies may have an advantage in upcoming solicitations. California faces a significant challenge in balancing the increasing share of variable energy resources on the grid, and the CEC and the CPUC have both made it clear that they are looking to storage as part of the solution. For example, CEC Commissioner Douglas indicated that the addition of thermal storage capability would greatly strengthen BrightSource's

application for the Palen project. Similarly, when the CPUC rejected three BrightSource solar thermal contracts in part on economic grounds, the CPUC at the same time accepted an uneconomic BrightSource contract for a solar thermal project with accompanying storage and even accepted a second uneconomic BrightSource contract for a solar thermal project on the grounds that the project was needed to lay the groundwork for a more advanced project with storage to be financed and built.

Renewable projects with storage may be eligible to bid in the solicitations that the utilities are preparing to issue by December 2014 to procure additional storage capacity toward meeting a CPUC-mandated target of 1,325 MW of storage by the end of 2024.

Thoughtful project siting will also remain key. The U.S. **Department of Energy** and the U.S. **Bureau of Land Management** jointly established the solar energy zones program in 2012, which identified 17 solar energy zones in the western U.S., defined as areas with few impediments to utility-scale production of solar energy where BLM would prioritize solar energy and associated transmission infrastructure development. In addition to the 285,000 acres in the 17 solar zones, BLM identified roughly 20 million acres outside of the zones that are available for right-of-way or lease applications if developers apply for a "variance." Projects in these zones will have permitting advantages over projects located outside of these preferred areas.

POWER TWEETS

The #Power Tweets feature tracks trends in power project finance and M&A in the Americas on **Twitter**. For more news and coverage, follow @power_intel on Twitter, as well as Managing Editor @HollyFletcher, Editor @SaraReports and Senior Reporter @NicStone.

@BenKellison: @Exelon acquires Pepco for \$6.8 billion, will have more regulated customers than @DukeEnergy. <http://bit.ly/1o4dYM0>

@SunPower: #SunPower CEO Tom Werner: "People want #solar and its economic, so it is going to happen." <http://bit.ly/1rQ8IOj>

@EnergyFactCheck: The cost of #solar panels has dropped by over 75% since 08. The price of #wind power has dropped by 40% since '11. <http://huff.to/1m0aYPA>

@jaylehmman: UPDATE: Calpine strikes \$1.57B deal to ship 3.5 GW of Southeast capacity to LS Power <http://bit.ly/1jffFTN> #MnA #power

@ENR_GOP: Hydro is largest source of renewable electricity in US, new DOE assessment suggests output could be nearly DOUBLED. <http://nhaap.ornl.gov/nsd>

@UtilityDive: Bill Gates invests in energy storage (again) <http://ow.ly/wna9Z>

@brianreports: Panelists at #midstream14: if MLPs lost tax benefits (unlikely), immediate aftermath could resemble when Canada came down on income trusts.

@hollyfletcher: #rememberwhen NextEra Energy was FPL Energy and Berkshire Hathaway Energy was MidAmerican? #nostalgia

@AlbertChan1204: NY utility regulation to focus on a more distributed, consumer-focused energy system. Pinch me. It's getting real. <http://ow.ly/wmKFD>

@jefftomich: Fascinating piece by @BizWriterKristi on #solar interests pumping money into #GA PSC elections. In #EnergyWire (\$) <http://bit.ly/1j82PJr>



Wells Fargo Wind *(Continued from page 1)*

to those the firm has told about its woes, say officials from across the renewables space that have had conversations with Wells Fargo.

The roster of tax equity investors is “dynamic” and often fluctuates depending on tax appetite, say lawyers, other tax equity investors and advisors. Wells Fargo, however, has been one of the largest, continuous tax equity investors in the space—alongside **JPMorgan Capital Corp.** and **Union Bank**—so its status has many on edge about whether its hiatus will be longer and whether other investors will revisit how they report investments. “This is of great interest to many people and they are following what is happening over there,” says an attorney.

The firm had been reluctant to commit capital to a wind project sponsored by a developer, with a European parent. That transaction was targeted to close by early June, but the tax equity team was unsure whether they would have the all-clear by that point, says an observer. The team is still in a holding pattern but continues to engage with developers and bankers in order to remain in the loop about deals that could be on the table in coming months. “As of May 1, they still don’t have approval to make incremental partnership investments until the accounting issue is resolved,” says an observer.

The considerations that tax equity investors must evaluate when deciding how much capital to commit to tax equity includes whether the tax attributes match up with what they need and what type of earnings they want to show to Wall Street analysts, say tax equity lawyers and advisors. “They have to reflect, you know, think about what is the best way to report this [type of investment],” says an industry official familiar with Wells Fargo.

The firm remains committed to making and originating tax equity investments and has not shuttered its wind tax equity business, according to a spokesman, noting the firm has committed \$3 billion in tax equity to wind and solar projects since 2006. He declined to comment on the current status of the tax equity team or the accounting issue. Wells Fargo is still making solar tax equity commitments through the solar leasing investment structure, including a \$100 million deal with **Strata Solar** in North Carolina announced Thursday.

Having Wells Fargo on the sidelines hasn’t hurt the wind industry thus far, in part because many deals have not begun to heavily pursue financing to meet the production tax credit deadlines as the U.S. **Department of Treasury** and **Internal Revenue Service** are still evaluating safe harbor construction guidelines.

However, if wind projects begin to queue for investments and Wells Fargo—which is typically willing to make \$75-100 million investment slugs—is still on hold, then it could create a pinch. “It’s conceivable that some projects that wouldn’t have worried about [tax equity] coverage could now be worried,” says a banker. Investors such as **Citigroup** and **Morgan Stanley** tend to write tax equity checks when the developer arranges financings or hedges with them while **GE Energy Financial Services** likes its investments to back projects using its equipment, note a developer and banker.

A developer adds that smaller tax equity investors, such as **OneWest Bank** that buy into syndicated deals or on the secondary

market, like working with Wells Fargo because of the amount and quality of due diligence it puts into deals. “When Wells is in a deal, you know it’s solid,” says a developer.

– Holly Fletcher

Q&A: Kevin Walsh *(Continued from page 1)*

PFR: How has deal and project flow differed from years past both for GE EFS and the industry as a whole? How do you expect that trend to proceed in the next 12 months?

Let’s talk about wind for a second. The production tax credit expired at the end of last year but it expired in a different way than it has in the past in that projects had to commence construction by the end of 2013. These projects continue to be under construction with a goal to be completed in the next year and a half or so. We’re working with our customers and partners to help them achieve that goal.

We still think that there’s going to be a fair bit of activity. We have a very robust pipeline on the wind side to get those projects financed and built. On the solar side, the Investment Tax Credit doesn’t expire until the end of 2016. We continue to see a flow of projects there, as well.

“The industry is expecting to see upwards of 10 GW of wind being built here in the U.S. in the next 18 months.”

Of course, we’re not just a U.S. investor. We made some announcements recently where we invested in a solar project in India. We invested earlier this year in two wind farms in Ireland, another example of our international activities.

PFR: It sounds like you’re still anticipating significant activity in wind, even though the credit is expired. Can you elaborate on that?

Yes, even though it’s expired. In years past when the PTC expired, it required a project to achieve in-service status by the date of the expiration. In this case, the expiration requires that the project had commenced construction, which was a fairly low threshold. Now they have to get the project completed.

Some of these projects have commenced construction with the developer doing that on their own. Now they’ll come out and look for the long-term bulk of the financing over the next few months to allow the project to get completed. Most projects are seeking to get completed by 2015, which is one of the safe harbor provisions under the PTC. If the projects commence construction by 2013, as defined under the rule and finished construction by end of 2015, then that is considered to be within the so-called safe harbor.

The bulk of the money required for those projects will be dispensed over the coming months. We have a very significant pipeline of projects that continue construction and will finish construction in the coming months. The nature of some of our projects is that we don’t actually put our money in until it has completed construction.

(continued on page 12)

Q&A: Kevin Walsh *(Continued from page 11)*

There are a few cases where we come in during construction. It depends on the financial product that we're offering.

The industry is expecting to see upwards of 10 GW of wind being built here in the U.S. in the next 18 months.

PFR: And that's a direct reflection of the support of the PTC?

It's certainly aided by it. There's no question that the PTC is still a meaningful part of the economics for these projects, typically in the absence of a price on carbon. Of course, the ratepayer is the utility offtake party and then, directly, the ratepayer is the beneficiary of that because the power contracts are competitively bid for these projects. So the PTC benefit is flowing through to the offtake party.

PFR: What are your thoughts on what financing and developing wind will look like after 2015?

The Senate has, in its tax extenders bill, a proposal for extending the PTC. Obviously, it still needs to get through the House, but there is expected to be an extenders bill until we, as a country, get our heads around a more comprehensive tax reform. We think

"In very good wind regimes, the price being offered for these wind projects is less than \$30 per MWh or \$0.03 per kWh. That's pretty good value."

there is a reasonable chance that there is some extension of the PTC until we get to a comprehensive tax reform legislation.

Afterwards, it depends on what we see from Washington. We're encouraged by the fact that the industry continues to make great strides to improve the technology to take costs out so that

the industry can continue to thrive in a world where incentives are reduced or eliminated. As I mentioned, we're not just a U.S. investor. Outside of the U.S., the incentives for renewables are offered in a different way.

PFR: On the state level, specifically with regards to renewable portfolio standards, we're hearing grumblings that a lot of RPS is about to be met or has been met in many states. How is that affecting the financing and development of renewables?

I think it's going to be a state-by-state issue. States will pursue what's best for them given what they're trying to achieve on climate, energy diversity and the jobs front, etc. We think, given the dramatic improvements in technology, that wind still has promise even beyond the RPS. We've seen some of that in the last few months, if not the last few years, where states and their utilities have gone beyond the RPS because the price is so attractive.

In very good wind regimes, the price being offered for these wind projects is less than \$30 per MWh or \$0.03 per kWh. That's pretty good value.

Check back next week for Walsh's take on distributed generation and utility scale solar as well as the firm's appetite for Latin America in for the second and final installment of the Q&A.

ALTERNATING CURRENT

Tequila Sunrise

Stanford: Solar Panel Cleaning, Tequila Crop To Share Water



Normally after a night spent on the tequila you want to hide in the darkness and never see the light of day again. This reporter knows all too well. But thanks to a group of **Stanford University** mavens, tequila and sunlight may now be a match made in heaven.



Agave plant

The U.S. deserts are a-shimmer with solar panels but a problem with such proliferation is cleaning the panels, which gather dust and sand from their arid environs. Cleaning can be tough given the scarcity of water and the fact that the agave farmers—the core plant used in the distillation of tequila—want the water for their own use.

But under a plan devised by the Stanford gang, the water used to wash the panels would also trickle down onto agave and other the desert-friendly plants. A similar technique is also used at the Renewable Energy Village in Fukushima, Japan, to water rapeseed crops beneath a solar installation.

While the Japanese program captures sunlight for power and growing crops for making vegetable oil, the scientists at Stanford are a bit friskier: they are trying to keep the power lines humming and keep tequila shots coming. Cheers—I'll drink to that!

Shipping Co. *(Continued from page 1)*

debt structure. The IFC is nearing approval on a \$75 million loan.

The project will have a liquefaction capacity of 72 million standard cubic feet per day to produce 0.5 million tonnes per annum of LNG. The facility will be owned and operated by affiliates of the Exmar. Gas supply and LNG offtake contracts are being negotiated by **Pacific Rubiales Energy Corp.**, the largest independent oil and gas exploration and production company in Colombia. No contracts for the offtake have yet been signed.

Exmar is listed on the **NYSE Euronext Brussels** with a market capitalization of around \$967 million. The company owns and operates a fleet of 30 liquefied petroleum gas carriers, five LNG carriers, 10 LNG regasification vessels, three accommodation barges and one floating production, storage and offloading facility.

Nicolas Saverys is ceo and managing director of Exmar NV. Saverys controls its majority shareholder **Saverex NV**.

Exmar officials in Antwerp could not be reached by press time. IFC officials did not respond to inquiries.

— Nicholas Stone