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Power Finance & Risk

Exclusive Insight on Power M&A and Project Financing

By the publisher of GlobalCapital

PROJECT FINANCE

Invenergy Seals Construction Loan

Rabobank, **NordLB** and **SMBC** provided one-year debt for the 161 MW Pine River wind project in Michigan. Page 7

MERGERS & ACQUISITIONS

Texas CCGT Project on Sale Block

The former creditor group that owns the 758 MW gas-fired project has hired **Houlihan Lokey** to find potential buyers. Page 8

PEOPLE & FIRMS

Capital Dynamics Launches Debt Team

Paul Colatrella joined CapDyn from **Ares Management**. Meanwhile, **JP Morgan**'s renewables tax equity chief, **John Eber**, has retired. Page 12

Platinum Grows Hunterstown Acquisition Loan, Tightens Pricing

Shravan Bhat

Platinum Equity has increased the size of a term loan B to fund its acquisition of the 810 MW Hunterstown gas-fired project in Pennsylvania from **GenOn Energy** and priced it inside initial price talk.

The seven-year $400 million trade, run by **Morgan Stanley** (left) and **Goldman Sachs**, came in at 425 basis points over Libor with a 1% Libor floor and a 99.5% original issue discount.

The deal reverse flexed from initial thoughts of 450 bp to 475 bp for a $375 million loan offered at a 99% OID (PFR, 4/19).

The final package also includes a $40 million five-year revolving credit facility. The PAGE 7 »

Platinum's power gambit gets off to a flying start with its well-received Kestrel term loan B.

Hedgie Mulls Navajo Coal-fired Plant Purchase

Fotios Tsarouhis

A portfolio company of **Avenue Capital Partners** is weighing an acquisition of the Navajo Generating Station, a 2,250 MW coal-fired project in northeastern Arizona, within the Navajo Nation, that is scheduled for retirement.

Peabody Energy, which supplies the plant with coal from its Kayenta mine, hired **Lazard Frères & Co.** in June of last year to try to find a buyer that would keep it operational.

Since then, **Middle River Power**, the Avenue portfolio company, has expressed interest in acquiring it, according to a March 30 email PAGE 8 »

Deepwater Refis Offshore Wind Project

Shravan Bhat, Richard Metcalf

Deepwater Wind has amended and extended the project finance loan for its Block Island wind project on more borrower-friendly terms with the same lender group.

The sponsor was able to tighten the pricing, extend the maturity of the senior secured loan by about a year and increase its size, says a banker involved in the deal. The original size of the loan was about $290 PAGE 5 »

Michigan Utility Issues Debut Green Bond

Richard Metcalf

DTE Electric Co. has become the newest member in the slowly growing club of investment grade U.S. electric utility companies that have issued bonds explicitly marketed or certified as "green".

Bank of America Merrill Lynch, **Barclays**, **BNP Paribas** and **TD Securities** were the bookrunners on the $525 million 30-year general mortgage bond, which was priced at 97 basis points over Treasurys.

BAML acted as PAGE 11 »

IN THIS ISSUE

RESTRUCTURING

Restructuring Advisers Revealed for N.Y. CCGT

PFR has learned the identities of the financial advisers that have been lined up by the owners of a struggling combined-cycle gas-fired project in upstate New York and its creditors.

RPA Advisors is assisting the sponsors behind the 635 MW Empire Generating project in Rensselaer, while **Houlihan Lokey** is advising the creditors, says a person familiar with the situation.

The plant has been owned by **Tyr Energy**, **Tokyo Gas Co.** and **Kansai Electric Power Co.** since 2010, when the consortium acquired it from **Energy Capital Partners** (PFR, 10/18/16).

Garrick Venteicher, ceo of Tyr Energy in Overland Park, Kansas, declined to comment. Officials at RPA Advisors and Houlihan Lokey either declined to comment or did not respond to inquiries.

The Empire project needed a $3.4 million equity injection to cure a covenant breach in the third quarter of last year and is likely to require more similar action this year, according to rating agency reports.

Moody's Investors Service noted that the owners hired a restructuring adviser in an April 23 report as it downgraded the project's $350 million term loan and revolving credit facility package from B3 to Caa2 (PFR, 4/24).

Among the challenges the plant has faced is the postponement of the Constitution Pipeline project, which would have supplied it with cheaper gas from the Marcellus shale region.

The gas pipeline project, owned by a consortium including **Williams Cos**, **Duke Energy Corp.**, **WGL Holdings** and **Cabot Oil & Gas Corp.**, has so far been delayed by three years, meaning that it is not expected to be operational until late 2019.

In the latest blow to the pipeline project, the **U.S. Supreme Court** declined to hear an appeal against a 2016 **New York Department of Environmental Conservation** decision to deny it an essential water permit (Reuters, 4/30).

In the meantime, the Empire project is less competitive than other plants that also sell their output into **New York ISO**'s Zone F but have access to lower-cost gas.

Empire is not the only plant for which the New York DEC's gas pipeline permitting process has caused difficulties recently.

Last year, the regulator attempted to deny a water permit required by the Valley Lateral pipeline that will supply **Competitive Power Ventures**' 680 MW Valley Energy Center project, which is under construction in Wawayanda.

The U.S. **Federal Energy Regulatory Commission** overruled the DEC in September, granting the gas pipeline developer, **Millennium Pipeline Co.**, a waiver (PFR, 9/19).

The Valley Energy Center was financed in June 2015 with a roughly $540 million construction-plus-five-year mini-perm arranged by **MUFG** and **Crédit Agricole** (PFR, 6/15/15).

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

GENERATION AUCTION & SALE CALENDAR ●

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

Generation Sale DATABASE

Seller	Assets	Location	Adviser	Status/Comment
Actis	Atlantic Energías Renovaveis (625 MW Wind)	Brazil		Chinese investors are among the bidders for the fully-contracted wind assets (PFR, 3/22).
● Ares-EIF	Brooklyn Navy Yard (286 MW Gas)	New York	Goldman Sachs (seller) Barclays (buyer)	Axium Infrastructure is acquiring the project, which has a PPA with ConEdision for 97% of its output (see story, page 9).
Ares-EIF, Starwood Energy	Hudson (660 MW Transmission)	New Jersey, New York	Goldman Sachs (seller)	The sponsors are selling their majority stake in the project, which was completed in June 2013 (PFR, 4/24).
Avista Corp.	Utility (4.8 GW Hydro and Gas)	Idaho, Montana, Oregon, Washington	BAML (target), Moelis & Co. (buyer)	The regulatory process for the acquisition is well underway (see story, 4/30).
Comexhidro	Los Molinos (171 MW Wind)	Mexico		Thermion Energy has bought the project as part of the company's planned $2 billion-equivalent investment in renewables (PFR, 4/2).
Conduit Capital Partners	Santa Catarina (22 MW Wind)	Monterrey, Nuevo León, Mexico		Conduit plans to launch a sale process for the contracted, operational asset this year (PFR, 1/8).
Conti Group	Conti Solar (500 MW Solar)	New Jersey		A fund managed by Ares-EIF is acquiring a majority stake in developer Conti Solar (PFR, 4/24)
● Creditor Group	Temple I (758 MW Gas)	Texas	Houlihan Lokey	A creditor group that took control of the CCGT plant earlier this year has begun to explore strategic options that could result in a sale (see story, page 8).
Enbridge	Portfolio (~3 GW Wind, Solar, Hydro)	Canada, U.S.		Enbridge is looking to sell about half of its renewable assets (PFR, 1/8).
GD Solar	Portfolio (260 MW Solar)	Brazil		The firm is seeking equity investors for the portfolio (PRF, 1/22).
GenOn Energy	Hunterstown (810 MW Gas)	Gettysburg, Pa.	Credit Suisse (seller)	Platinum Equity is acquiring the asset with AOS Energy as consultant and co-investor. Morgan Stanley is arranging acquisition financing (PFR, 3/5).
GenOn Energy	Canal (1,112 MW Gas)	Massachusetts		Stonepeak Infrastructure Partners is acquiring two units at the project for $320 million (PFR, 4/2).
Hudson Clean Energy Partners	Portfolio (210 MW Hydro)	U.S.	Evercore	Hudson is weighing a sale of its stake in Eagle Creek Renewable Energy, which owns 210 MW of hydro assets throughout the continental U.S. (PFR, 2/26).
Invenergy	Ector County (330 MW Gas)	Ector County, Texas	Guggenheim (seller)	Invenergy has put the peaker up for sale (PFR, 2/26).
● Invenergy	Nelson (584 MW Gas)	Rock Falls, Ill.	Credit Suisse	A buyer has been selected following a multiple-stage auction process (see story, page 9).
LS Power	Aurora (878 MW Gas)	Aurora, Ill.	Guggenheim	LS Power took bids for the two assets in the first quarter of this year (PFR, 3/22).
	Rockford (450 MW)	Rockford, Ill.		
	Seneca (508 MW Hydro)	Warren, Pa.	Barclays, PJ Solomon	LS Power is marketing the project four years after it abandoned an initial attempt sell it (PFR, 3/22).
Macquarie Infrastructure Corp.	Bayonne Energy Center (512 MW Gas)	Bayonne, N.J.		MIC is weighing a sale of the project, which powers parts of New York City (PFR, 2/26).
NextEra Energy Partners	Portfolio (396 MW Wind)	Ontario	Citi, CIBC	Canada Pension Plan Investment Board is buying the four wind and two solar projects for C$741 million (PFR, 4/9).
NJR Clean Energy	Two Dot (9.72 MW Wind)	Two Dot, Mont.		NorthWestern Energy is acquiring the project, with which it has a power purchase agreement (PFR, 3/26).
Oak Leaf Energy Partners	Colorado CSG (25.2 MW Solar)	Colorado		Greenbacker Renewable Energy has acquired the portfolio (PFR, 4/16).
Onyx Renewable Partners	Portfolio (small-scale Solar)	U.S.	RBC, CohnReznick	Onyx has begun marketing the portfolio (PFR, 1/29).
OYA Solar	Portfolio (28 MW (DC) Solar)	Minnesota		NRG is buying projects, all of which are expected to be online this year (PFR, 4/2).
Rockland Capital	Michigan Power (125 MW Gas)	Ludington, Mich.		Osaka Gas has acquired the project (PFR, 4/16).
Rockland Capital	Victoria (290 MW Gas)	Victoria County, Texas	PJ Solomon	Rockland is selling the CCGT, which it acquired from ArcLight in 2016 (PFR, 3/12).
● Salt River Project, others	Navajo Generating (2,250 MW Coal)	Arizona	Lazard	Middle River Power, an Avenue Capital Partners portfolio company, has expressed interest in acquiring it (see story, page 8).
Southern Power	Portfolio (1,760 MW Solar)	U.S.	Citi	Southern Power has hired Citi to sell an up-to one-third stake in the portfolio (PFR, 11/6).
SunPower Corp.	Guajiro (101.4 MW Solar)	Hidalgo, Mexico		Atlas Renewable Energy acquired the contracted project on March 28 (PFR, 4/30).
● Tenaska, Prudential	Imperial (280 MW Solar)	Imperial Valley, Calif.		Capital Dynamics is buying Prudential's 32% stake in Imperial South and Tenaska's 25% stake in Imperial West (see story, page 9).
Texas Municipal Power Agency	Gibbons Creek (450 MW Coal)	Grimes County, Texas		The plant is for sale again after an earlier attempt to offload it fell through (PFR, 11/20).

● **New or updated listing**

The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed.
To report updates or provide additional information on the status of financings, please call Fotios Tsarouhis at (212) 224 3294 or e-mail fotios.tsarouhis@powerfinancerisk.com

PROJECT FINANCE

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

Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Deal Type	Loan Amount	Tenor	Notes
174 Power Global (Hanwha Q Cells)	Midway (178 MW Solar)	Pecos County, Texas	BAML	Tax Equity	$100.5M		BAML has been revealed as the tax equity investor. Debt financing was signed in December (PFR, 4/30).
Advanced Power	South Field (1.1 GW Gas)	Columbiana County, Ohio	GE EFS, CIT, Credit Agricole	Debt	TBA	TBA	Price talk on the debt is Libor+325 bp for the $1.1 billion project (PFR, 4/24).
● Ares-EIF	Channelview (856 MW Gas)	Houston, Texas	Morgan Stanley, Investec	Term Loan B	$275M	7-yr	Final pricing reverse flexed to 425 bp over Libor with a 1% floor and an original issue discount of 99.5% (see story, page 7).
				Revolving Credit Facility	$30M		
Ares-EIF	St. Joseph Energy Center (700 MW Gas)	St. Joseph County, Ind.	BNP Paribas	Term Loan B	$407M	7-yr	The refi was priced at 350 bp over Libor with an OID of 99.75% (PFR, 4/30).
				Revolving Credit Facility	$40M	5-yr	
Blackstone	Frontera (500 MW Gas)	Mission, Texas	Morgan Stanley, MUFG	Term Loan B	$675M	7-yr	Price talk is 450 bp over Libor (PFR, 4/24).
				Revolving Credit Facility	$35M	5-yr	
Capital Power	New Frontier (99 MW Wind)	McHenry County, N.D.	CohnReznick (adviser)	Tax Equity	TBA		Tax equity funding will come in when the project is completed in December 2018 (PFR, 4/24).
Central Puerto	Achiras (48 MW Wind)	Argentina	IDB Invest, C2F, IFC	Debt	$50.7M	15-yr	The deal was announced in April (PFR, 4/30).
Cometa Energia (Actis)	Portfolio (2.3 GW Gas, Wind)	Mexico	Citi, JPM, Scotia	Bond	$860M	17-yr (11-yr AWL)	The notes, priced at 6.375%, were issued to finance Actis's acquisition of the portfolio from InterGen (PFR, 4/30).
● Deepwater Wind	Block Island (30 MW Wind)	Block Island, R.I.	SocGen, KeyBank, HSBC, SMBC, CoBank, La Caixa	Debt	TBA	8-yr	Deepwater was able to tighten the pricing, extend the maturity of the senior secured loan by about a year and increase its size (see story, page 1).
Enel Green Power	Portfolio (1 GW Solar)	Mexico	TBA	Debt	$720M	TBA	The European Investment Bank has approved a $150 million loan to the portfolio (PFR, 3/26).
Grasshopper Solar	Portfolio (125 MW to 130 MW Solar)	Ontario	Deutsche Bank	Aggregation/ Term Loan	C$270M	2+3-yr	The sponsor will draw down the debt as it adds to the portfolio and has already allocated more than C$100 million (PFR, 4/30).
Iberdrola	Santiago, PIER, PIER II (391 MW)	Mexico	BBVA	Corporate Loan	$400M	5-yr	Iberdrola says it will allocate the proceeds to refinance construction costs associated with the three-project portfolio (PFR, 4/30).
Inkia Energy	Agua Clara (50 MW Wind)	Dominican Republic	Citi	Debt	$73.5M	4.5-yr	The deal closed on March 20 (PFR, 4/30).
Invenergy	Wind Catcher (2 GW Wind)	Oklahoma	TBA	Debt	$2B	TBA	The sponsor is asking banks to price the two-year construction loan at L+87.5 bp (PFR, 4/30).
● Invenergy	Pine River (161.3 MW Wind)	Michigan	Rabobank, NordLB, SMBC	Construction Finance	$210M	1-yr	The project will be transferred to DTE Energy after construction is completed this December (see story, page 7).
Jinko Solar	San Juan (80 MW Solar)	Argentina	IDB Invest, C2F	A Loan	$20.75M	15-yr	The project has a 20-year power purchase agreement (PFR, 4/30).
			Bank of China, Cifi	B Loan	$39.4M		
Lightsource BP	Johnson Corner (20 MW Solar)	Stanton County, Kan.	TBA	Debt, Tax Equity	TBA		Lightsource has issued a teaser for the project and is seeking indications of interest for tax equity and debt by March 9 (PFR, 3/5).
Longview Power	Longview (700 MW Coal)	Maidsville, W.Va.	Houlihan Lokey (adviser)				Longview Power has hired Houlihan Lokey as it explores strategic options, including a potential refinancing of its senior secured debt (PFR, 4/9).
OCI Solar Power	Lamesa II (50 MW Solar)	Dawson County, Texas	TBA	Debt, Equity	TBA	TBA	San Antonio's municipally-owned utility, CPS Energy, signed a 25-year power purchase for the project in October 2015 (PFR, 3/19).
● Platinum Equity, AOS Energy Partners	Hunterstown (810 MW Gas)	Pennsylvania	Morgan Stanley, Goldman Sachs	Term Loan B	$400M	7-yr	Pricing reverse flexed to 425 bp over Libor with a 1% Libor floor and a 99.5% original issue discount (see story, page 1).
				Revolving Credit Facility	$40M	5-yr	
Spectra Energy, NextEra Energy, Duke Energy	Sabal Trail Transmission (Gas Pipeline)	Southeastern U.S.	Barclays, Citi, Mizuho, MUFG	Bond	$500M	10-yr	Pricing on all three tranches landed comfortably inside initial price talk for the $3.2 billion 517-mile project (PFR, 4/30).
					$600M	20-yr	
					$400M	30-yr	
● Sunrun	Hera Portfolio (Solar)	U.S.	Investec	Aggregation/ Term Loan	$600M	5-yr	The senior A tranche of the Hera deal was priced at 250 bp over Libor, unchanged from the previous refinancing (see story, page 5).
	Nepture Portfolio (Solar)		SunTrust	Delayed-draw Term Loan	$202M	8-yr	
Taaleri Energia	Truscott-Gilliland East (277 MW Wind)	Knox County, Texas	NorthRenew Energy (adviser)	Debt, Tax Equity	$350M		The Finnish developer is seeking debt and tax equity as it enters the U.S. market (PFR, 2/12).

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Sunrun Refreshes Portfolio Debt Deals, Raises Credit

Residential solar developer Sunrun has amended loans for its Hera and Neptune portfolio financing vehicles, more than doubling the size of the former, in a busy period of project finance activity for the company.

The size of the dual-tranche Hera aggregation loan package increased from $290 million to $600 million in a deal led by **Investec**, while **SunTrust Robinson Humphrey** led the Neptune deal, cutting the margin and increasing the advance rate.

HERA

The clock was reset on the Hera deal, pushing its maturity out 27 months from December 2020 to March 2023. The loans include a three-year revolving availability period, which was also extended by 26 months, from January 2019 to March 2021.

The senior A tranche of the deal was priced at 250 basis points over Libor, unchanged from the previous refinancing.

Pricing on the subordinated term loan B portion could not be learned. It was previously 500 bp over Libor during the three-year revolving availability period, stepping up to 650 bp in the term loan phase, according to Sunrun's most recent 10-K form.

The advance rate on the Hera deal was also increased, from 65% of the borrowing base to 68%, according to paperwork filed by Sunrun with the U.S. **Securities and Exchange Commission** on March 27.

The deal was oversubscribed, says a deal watcher, who notes that Sunrun's willingness to pay fees to increase the line of credit is a sign of confidence in its ability to originate solar assets.

KeyBank, SunTrust and **Silicon Valley Bank** also participated in the Hera deal the last time it was refinanced, according to SEC filings.

NEPTUNE

As with Hera, the advance rate on the Neptune deal was increased from 65% to 68% in the latest amendment, according to an SEC filing dated March 26. **National Grid** holds an equity stake in the portfolio alongside Sunrun.

The margin on the senior secured deal was reduced from 275 bp over Libor to 225 bp until April 30, after which it steps back up to 250 bp.

The Neptune deal comprised a $202 million senior delayed-draw term loan and a $7 million revolving debt service reserve letter of credit facility prior to the refinancing, according to the 10-K.

SunTrust and **ING** were the coordinating lead arrangers on the last refinancing of Neptune, which took place last year. SVB took part in the deal as bookrunner.

Deepwater Amends and Extends Block Island Debt

« FROM PAGE 1

million and it was due to mature at the end of 2023.

The amend and extend transaction was signed this week, says the banker.

Sociéte Générale, **KeyBank**, **HSBC**, **SMBC**, **CoBank**, and **La Caixa** were the original lead arrangers for the 30 MW project off the coast of Rhode Island, which was the first U.S. offshore wind facility to reach financial close.

"The Block Island Wind Farm is performing very well and this refinancing on favorable terms confirms that," said Deepwater Wind's ceo, **Jeffrey Grybowski**, via email, without elaborating on the terms of the deal. "We are very happy that our lenders continue to show such confidence in our company and projects."

Fitted with five **General Electric** turbines, the Block Island project has been online since December 2016, selling its output under a power purchase agreement with **National Grid**.

The sponsor raised more than $70 million in equity funding from an entity associated with **D.E. Shaw**, which also owns Deepwater (PFR, 3/4/15).

GE Energy Financial Services and **Citigroup** hold tax equity stakes in the project (PFR, 10/12/16).

Deepwater Wind has since proposed a 200 MW offshore wind project called Revolution Wind in federal waters roughly halfway between Montauk, N.Y., and Martha's Vineyard, Mass., in response to a request for proposals issued by Connecticut's **Department of Energy and Environmental Protection**.

Meanwhile, the sponsor's adjacent 90 MW South Fork Wind Farm project is intended to supply Long Island. **Jamil Khan** joined the Providence-based developer's New York office as development manager in December.

IDB to Back Mexican Waste-to-Energy Plant

A 150 MW greenfield waste-to-energy plant near Mexico City is set to receive around $200 million-equivalent in long-term financing from the **Inter-American Investment Corp.** and **IDB Invest**.

The roughly $750 million Termo project, the first waste-to-energy plant in Latin America, is being developed by a private-public partnership between sponsor **Proactiva Medio Ambiente Mexico**, a subsidiary of France's **Veolia Environnement**, and the Mexican government through its **Agencia de Gestión Urbana**.

Proactiva Medio Ambiente Mexico is the project's engineering, procurement and construction contractor and operations and maintenance provider.

Slated to come online in 2020, the plant has a target of processing 1.678 million tons of solid waste a year and will be one of the largest such facilities in the world, double the size of the biggest plant in France.

The project has a 30-year power purchase agreement with the Mexican government, and IIC and IDB Invest's up-to-$200 million loan, denominated in Mexican pesos, is expected to have a 20-years tenor.

The loan is subject to an IDB Invest environmental report. The development finance lender expects to classify the project 'B', which means it will likely have avoidable impacts on the environment.

PPA PULSE

Illinois Hedge — Black Hills Deal — Chile Mining PPA —SMUD Drained

This week's round up of power purchase agreements and other offtake arrangements announced in the past week includes a 12-year hedge for a wind farm in Illinois, a utility contract for a Colorado wind project and a mining company PPA in Chile.

ILLINOIS WIND HEDGE

Capital Power has signed a 12-year fixed-price hedge agreement with an investment grade financial firm for a wind project in Illinois.

The hedge covers 85% of the output of the 150 MW Cardinal Point wind project, according to an April 30 earnings announcement. The identity of the hedge provider was not disclosed.

Located in McDonough and Warren counties, the facility is expected to cost between $236 million and $246 million and is scheduled to begin operations by March 2020.

In addition to the hedge, the project has secured 15-year, fixed-price renewable energy credit contracts with three Illinois utilities.

The sponsor intends to secure tax equity financing for the project on the basis of the hedge and REC contract, according to the announcement.

BLACK HILLS PICKS… BLACK HILLS

Black Hills Energy has selected an affiliated company as the winner in a solicitation process for wind generation in Colorado.

The utility company has signed a 25-year power purchase agreement with **Black Hills Electric Generation** for the output of the 60 MW Busch Ranch II wind project in Huerfano and Las Animas counties, southeast of Pueblo.

The **Colorado Public Utilities Commission** approved the PPA on April 25.

The project is expected to cost $71 million and is slated to be online by the end of 2019.

MINER ACCORD

Acciona Energía has signed a power purchase agreement with Chile's **National Mining Co.** (Enami) for the output of two solar projects as it looks to add 400 MW of capacity in the country by the end of 2020.

The 62 MW Almeyda and 64 MW Usya solar projects are expected to come online at the end of 2019 and mid-2020, respectively. The Almeyda project is in Diego de Almagro, Atacama, while Uysa is in Calama in the Antofagasta region.

Acciona expects to invest around $150 million in the two facilities as part of a $600 million investment across four projects that are set to more than double the company's Chilean renewables portfolio in the next three years.

SMUD RUNS DRY

Meanwhile, the **Sacramento Municipal Utility District** has sold out of the renewables capacity it was marketing to corporate clients through its Large Commercial SolarShares and Greenergy programs.

Nestlé Waters North America was the last company to sign up, inking a 20-year deal with the utility.

The generation comes in part from the 60 MW Tranquility 8 Verde solar project, one of four that **Sempra Energy** acquired from **Recurrent Energy** last year (PFR, 8/8).

Other subscribers to SMUD's 150 MW renewables program include the **California Department of General Services**, the **Sacramento Regional County Sanitation District and Sacramento Area Sewer District**, the **Sacramento County Department of General Services**, the **City of Sacramento**, **Los Rios Community College District**, the **San Juan Unified School District**, **Raging Wire Data Centers** and **CalPERS**.

SMUD plans to expand its offering "hopefully later this year" but "can't provide a concrete timeframe yet," says a spokesperson in Sacramento, Calif.

Could a request for proposals be around the corner?

Argentina's Lofty Energy Ambition Depends on Foreign Capital, says Moody's

Argentina will have to woo international institutional lenders if it is to succeed with its bold $150 billion infrastructure initiative, including $20 billion dedicated to energy spending, over the next 17 years, according to **Moody's Investors Service**.

In a May 2 research note, the rating agency said that Argentina's local institutional investors had little exposure to infrastructure investment in the country at just $5.3 billion, or 6% of assets under management, as of the end of 2017.

"As a result, the involvement of foreign institutional funds will be needed as Argentina aims to revive its capital markets," write the Moody's analysts.

The country's capital markets participation has been minimal in recent years. From 2014 to 2016, there was not a single project bond or loan made into the country, according to Moody's.

The Argentine government itself only came to the international bond markets for the first time in 15 years in 2016.

Stoneway Capital Corp.'s $500 million 10-year project bond, priced last year, was "the first project bond issuance in years", said Moody's. The deal financed four simple-cycle plants totaling 686.5 MW near Buenos Aires (PFR, 11/21)

Multilateral financing will continue to play a key role in funding Argentinian projects. The **Inter-American Development Bank**, **Development Bank of Latin America** and the **World Bank** have been the most active so far.

IDB Invest, part of the IDB, recently helped put together a $60.15 million loan for China's **Jinko Solar** to build 80 MW of solar capacity in the country, and claimed to have been instrumental in mobilizing commercial bank participation (PFR 4/18).

The **World Bank**, meanwhile, has provided a $730 million guarantee backing the country's nascent RenovAr program, which is designed to encourage more international investment in renewables.

PROJECT FINANCE

Invenergy Inks Construction Loan

Invenergy has signed construction financing for its 161.3 MW Pine River Wind Energy Center in Michigan.

Rabobank, **NordLB** and **Sumitomo Mitsui Banking Corp.** were joint lead arrangers for the $210 million one-year construction loan, with Rabobank also providing a letter of credit.

The project, which is in Gratiot and Isabella counties, will be transferred to **DTE Energy** after construction is completed this December. The wind farm will be interconnected with **MISO**.

DTE Energy issued its debut green bond last week—a $525 million 30-year general mortgage bond, priced at 97 basis points over Treasurys—the proceeds of which can be allocated to projects such as Pine River (see story, page 1).

Pricing on the Pine River construction loan could not be determined, but it is unlikely to be lower than the margin Invenergy is seeking for another build-transfer project, the 2 GW Wind Catcher project in Oklahoma.

The Chicago-based developer wants banks to provide the two-year construction loan for Wind Catcher at a margin of 87.5 bp over Libor, senior project finance bankers tell *PFR* (PFR, 4/23).

Invenergy owns Pine River through **Invenergy Renewables**, a development vehicle backed by insurance company **Liberty Mutual** and Canadian pension fund **Caisse de dépot et placement du Québec**, which have 15.89% and 31.73% stakes respectively (PFR, 6/9/17).

London-based **Leaf Clean Energy Co.** also owns a 2.25% stake in the renewables development platform.

LEGAL LATEST

Leaf has been embroiled in a legal dispute with Invenergy since December 2015, when it filed a lawsuit alleging that it had not been adequately consulted or compensated during the $2 billion sale of a 832 MW portfolio of Invenergy's wind facilities to **TerraForm Power** (PFR, 12/16/15).

In June 2016, the **Delaware Court of Chancery** ruled that Invenergy had breached the agreement governing Leaf's Series B membership interests in Invenergy Renewables.

The court awarded Leaf nominal damages of $1 for Invenergy's breach of the Series B Consent Right, according to an April 19 filing. Both parties have to submit a final judgement within 60 days.

Texas Cogen Term Loan B Refi Reverse Flexes

The pricing on a term loan B to refinance an **Ares-EIF** combined-cycle cogeneration project in Texas reverse flexed from initial price talk.

Morgan Stanley was the bookrunner and **Investec** joint lead arranger on the $275 million seven-year term loan to refinance EIF Channelview Cogeneration, an 856 MW combined-cycle plant in the Houston Ship Channel.

Initial price talk was pegged at 450 to 475 basis points over Libor with a 1% floor and an original issue discount of 99% after a lender call on April 3 (PFR, 4/6) but final pricing came in at 425 bp with a 1% floor and an original issue discount of 99.5%.

"The deal did very well," says a deal watcher, noting that it was oversubscribed.

The term loan amortizes at 1% per annum and the debt package also includes a $30 million revolving credit facility.

Moody's Investors Service and **S&P Global Ratings** rate the loan B1 and B+.

While low merchant prices in **ERCOT** have put pressure on revenues, Channelview does have a contract to sell 330 MW of its steam and energy to petrochemical firm **LyondellBasell Industries** as well as a two-year heat rate call option with **Morgan Stanley Capital Group** that expires on May 31, 2020.

Energy Investors Funds bought Channelview, which has been in operation since 2002, from **Global Infrastructure Partners** and **Fortistar** in January 2014 (PFR, 1/10/14).

GIP had refinanced it with a $375 million term loan B priced at 325 basis points over Libor in May 2013. **Goldman Sachs**, **Deutsche Bank** and **MUFG** were the lead arrangers on the seven-year facility, which included a five-year $45 million revolver (PFR, 5/8/13).

ST. JOSEPH

A term loan B refinancing for another Ares-EIF asset, the 700 MW St. Joseph Energy Center gas-fired project in Indiana, was priced earlier in April, also on slightly more favorable terms than IPTs.

The $407 million, seven-year term loan, which **BNP Paribas** underwrote, came in at 350 bp over Libor with an original issue discount of 99.75%.

Price talk on the refinancing had been between 350 and 375 bp, somewhat wider than the 325 bp margin on the original commercial bank loan package, which was signed in 2015 (PFR, 3/23).

The package, which included a $40 million five-year revolver, was structured on the basis of a five-year revenue put with an affiliate of **BP**, exposing the term loan to a two-year merchant tail.

Moody's announced that it had given the deal a Ba3 rating with a stable outlook on March 22.

Platinum Grows Hunterstown Acquisition Loan, Tightens Pricing

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leveraged buy-out is expected to close this quarter.

Moody's Investors Service assigned the acquisition loan a Ba3 rating on April 17, while **S&P Global Ratings** gave it a preliminary BB score.

Platinum agreed to acquire the plant from GenOn for $520 million in February (PFR, 2/29). The private equity firm is carrying out the acquisition through a special purpose vehicle called **Kestrel Acquisition**.

It is the second gas-fired project loan to reverse flex in recent weeks, after the pricing for **Ares-EIF**'s 856 MW Channelview project came in at 425 bp over Libor, below the 450 bp to 475 bp levels originally mooted (see story, above and left).

MERGERS & ACQUISITIONS

Hedgie Mulls Navajo Coal-fired Plant Purchase

« FROM PAGE 1

exchange between **Ali Taqi**, an associate at Lazard, and **Theodore Cooke**, the general manager of **Central Arizona Project**, one of the plant's biggest customers.

The **Institute for Energy Economics & Financial Analysis**, a Cleveland-based think tank, obtained the emails and published them on April 26.

IEEFA is funded by various philanthropic institutions, including the **Rockefeller Brothers Fund**, **Rockefeller Family Fund**, **Energy Foundation**, the **Mertz-Gilmore Foundation**, the **Moxie Foundation**, the **William and Flora Hewlett Foundation**, the **Growald Family Fund**, the **Flora Family Fund**, the **Wallace Global Fund** and the **V. Kann Rasmussen Foundation**.

The Navajo Generating facility is slated to shut down in December 2019 unless a buyer can be lined up and offtake contracts put in place.

The plant's owners are the **Salt River Project**, which manages the facility, with a 42.9% stake; the **U.S. Bureau of Reclamation** with 24.3%; the **Arizona Public Service Co.** with 14%; **Nevada Power**, with 11.3%; and **Tucson Electric Power**, which owns the remaining 7.5%.

CRANE'S SWAN SONG

Middle River has amassed a roughly 2 GW portfolio of fossil fuel-fired generation over the past four years, including one 400 MW coal-fired plant that is due to be shuttered in one month's time.

The company agreed to acquire the C.P. Crane facility outside Baltimore from **Talen Energy** in 2015 (PFR, 10/23/15).

The plant filed a deactivation notice with **PJM Interconnection** in 2016 and is due to go offline on June 1, according to an April 24 filing with the U.S. **Federal Energy Regulatory Commission**.

The rest of Middle River's portfolio comprises the 830 MW High Desert combined-cycle gas-fired facility in Victorville, Calif., the 300 MW Big Sandy gas-fired project in Kenova, W.Va., the 250 MW Wolf Hills Energy gas-fired project in Bristol, Va., and the 270 MW Coso geothermal plant in Kern County, Calif.

Avenue Capital acquired the three gas-fired projects—High Desert, Big Sandy and Wolf Hills—from **Tenaska Capital Management** in 2016 (PFR, 2/18/16). Coso was previously owned by **Terra-Gen Power** (PFR, 3/19/14).

Middle River Power's Generation Portfolio

Name	Generation Type	Capacity (MW)	Location
High Desert	Gas	830	Victorville, Calif.
CP Crane	Coal	400	Baltimore
Big Sandy	Gas	300	Kenova, W.Va.
Coso	Geothermal	270	Kern County, Calif.
Wolf Hills	Gas	250	Bristol, Va.

Former Creditors Scope Options for Texas Plant

A creditor group that took control of a combined-cycle gas-fired plant in Texas earlier this year has begun to explore strategic options that could result in a sale.

The new owners of the 758 MW Temple I project have tapped **Houlihan Lokey** to advise on the strategic review. The investment bank began reaching out to potential buyers on the morning of April 10, the first day of the **Platts** Global Power Markets conference in Las Vegas.

Located in East Temple in Bell County, central Texas, the Temple I project is "very well situated from a power market and gas supply standpoint," says a deal watcher. "It definitely has the lowest heat rate of anything that is for sale in Texas."

Other Texas assets on the block include **Invenergy**'s 330 MW Ector County facility and **Rockland Capital**'s 290 MW Victoria plant (PFR, 2/22, 3/1).

The Temple I plant has a baseload heat rate of just under 6,800 Btu/kWh, making it not quite as efficient as the newest units installed in **PJM Interconnection** but more efficient than much of the installed gas-fired capacity in Texas, which tends to be older.

Strategic players with large retail books in Texas such as **Calpine Corp.**, **NRG Energy** and **Vistra Energy** are likely to be the highest bidders, notes the deal watcher.

An official at Houlihan Lokey in Minneapolis declined to comment.

The Temple I project was developed and financed by **Panda Power Funds** and has been online since 2014.

The project filed for Chapter 11 bankruptcy protection last April after attempts by its sponsor to refinance the facility's $400 million of term loan debt came to naught (PFR, 4/19/17).

As a result of the restructuring, which was finalized on Feb. 7, the project was transferred to its former creditors, including **Ares Capital Corp.**; **Avenue Capital Management**; **Brigade Capital Management**; **Canaras Capital Management**; **GSO Capital Partners**; **HIG WhiteHorse Capital**; **Lord, Abbett & Co.**; **MJX Asset Management**; **Oaktree Capital Management**; **Siemens Financial Services**; **Starwood Credit Advisors** and **Western Asset Management Co.**, according to bankruptcy court filings.

The creditor group secured $50 million of five-year exit financing from **Goldman Sachs** (PFR, 2/26).

The pre-petition creditor group worked with a raft of advisers on the restructuring, including Houlihan Lokey, law firms **Stroock & Stroock & Lavan**, **Young Conaway Stargatt & Taylor** and **Gardere Wynne Sewell** and consulting services firm **ICF Resources**.

Richards, Layton & Finger and **Latham & Watkins** were debtors' counsel.

Invenergy Nears Sale of Midwest CCGT

Invenergy is nearing the end of a sale process for a gas-fired asset it owns in the Midwestern U.S.

Credit Suisse is advising the Chicago-based developer on the sale of its 584 MW Nelson combined-cycle project in the Rock Falls, Ill.

A buyer has been selected following a multiple-stage auction process, says a banker who was working with an unsuccessful bidder. The identities of the bidders could not immediately be learned.

A spokesperson for Credit Suisse in New York declined to comment. A representative of Invenergy in Chicago did not respond to an inquiry.

Invenergy owns the facility, which is located approximately 120 miles west of the Windy City, through its **Invenergy Thermal Operating I** subsidiary. The Nelson plant provides the majority of the financing vehicle's unencumbered cash flows.

Guggenheim Partners launched a sale process for another project owned by the same subsidiary, the 330 MW Ector County peaking facility in Texas, in February (PFR, 2/22).

Moody's Investors Service downgraded Invenergy Thermal Operating I from Ba3 to B1 in October 2016, specifically citing Ector and Nelson's reliance on merchant revenues.

The Nelson project, which is outfitted with **General Electric** gas and steam turbines and has been online since 2015, is largely merchant, but sells a portion of its output to **WPPI Energy**.

Moody's affirmed the rating in November 2017, with analysts **Jennifer Chang** and **A.J. Sabatelle** saying that the negative outlook on the rating "could stabilize should the contracted assets demonstrate consistent cash flow and distributions and should the Nelson plant perform as expected."

The analysts noted "significant improvement in cash flow generation" since the second quarter of 2017. ■

Axium to Buy Brooklyn Navy Yard Plant

Axium Infrastructure has agreed to acquire the 286 MW Brooklyn Navy Yard project in New York from a fund managed by **Ares-EIF**.

The deal is the result of an auction process run for Ares-EIF by **Goldman Sachs**.

Barclays acted as Axium's financial adviser, with **Winston & Strawn** providing legal counsel.

The project is located in Brooklyn, across the East River from Lower Manhattan, and has a power purchase agreement with **Consolidated Edison Company of New York** for 97% of its generation and steam output.

Brooklyn Navy Yard Development Corp. purchases the remaining 3% of the facility's electricity and a portion of steam from the project, with the Red Hook wastewater treatment also contracted for a portion of the steam.

The plant's capital structure includes $307 million of tax-exempt industrial development bonds with bullet maturities between 2022 and 2036 and a $100 million taxable amortizing bond that is due to mature in 2020. Less than $40 million was oustanding under the amortizing bond as of December.

Moody's Investors Service and **S&P Global Ratings** both gave the debt multiple-notch upgrades last year as the facility continued to recover from damage sustained during Hurricane Sandy in 2012, bringing its ratings to B2 and B+ (PFR, 12/7).

Ares-EIF predecessor **Energy Investors Funds** acquired the project from **Tyche Power Partners**, a joint venture between **Olympus Power** and **Metalmark Capital**, in 2013 (PFR, 1/7/13). It was held in EIF United States Power Fund IV. ■

FAST FACT

2000

The year the Brooklyn Navy Yard project went online.

CapDyn to Buy Tenaska Solar Stakes

A fund managed by **Capital Dynamics** is acquiring minority stakes in **Tenaska**'s Imperial South and Imperial West solar projects for an undisclosed amount.

Insurance giant **Prudential** is selling its entire 32% stake in the 130 MW Imperial Solar Energy Center South project near El Centro in California's Imperial Valley to CapDyn as part of the deal, according to a filing with the **Federal Energy Regulatory Commission**.

Tenaska, meanwhile, is selling a 25% interest in the 150 MW Imperial Solar Energy Center West project near Seeley, also in Imperial Valley. Tenaska will retain the remaining majority interests in both projects.

CapDyn is acquiring the assets through its Global Solar Energy Fund II fund and has asked FERC to greenlight the deal by June 15.

The same fund already owns a portfolio of assets in Idaho (PFR, 12/2/16) and California, says a person familiar with the fund. The fund's equity investors include Asian life insurance companies, adds the source.

Imperial South, which has been online since November 2013, sells its output to **San Diego Gas and Electric** under a 25-year PPA.

PRIVATE PLACEMENT DEBT

Tenaska refinanced Imperial South shortly after its commercial operations date in a $319.4 million private placement. **Barclays** acted as lead placement agent on the deal with **MUFG** and **RBC Capital Markets** serving as co-placement agents (PFR, 11/25/13).

The sponsor refinanced Imperial West though a $400 million private placement in September of last year. **Morgan Stanley**, MUFG and **BNP Paribas** were the co-placement agents on the deal, which **Kroll Bond Rating Agency** rated BBB (PFR, 12/14).

The notes had a 23.5-year final maturity and a weighted average life of 12.3 years, almost matching the duration of the 25-year power purchase agreement under which the project began to sell power to SDG&E in April 2016.

Silver Ridge Power, a joint venture owned by **Riverstone Holdings** and **SunEdison**, once had a nearly 40% stake in Imperial West but sold it to Tenaska in May 2017, following SunEdison's bankruptcy (PFR, 5/4/17). ■

MERGERS & ACQUISITIONS

Southern Power Nears Deal on Solar Sale

Southern Power has identified a buyer for a one-third stake in a solar portfolio that has been on the market since last year, deal watchers tell *PFR*.

The identity of the buyer could not immediately be learned, but bankers say they have a fair idea. "The suspect is probably Canadian in nature and pension fund-esque," says one.

Citi is running the sale of the 27-project portfolio, which is spread out across six states (PFR, 11/2). The **Southern Co.** subsidiary's interests in the assets, which it has acquired from various developers over the past half-decade, represent 1,760 MW.

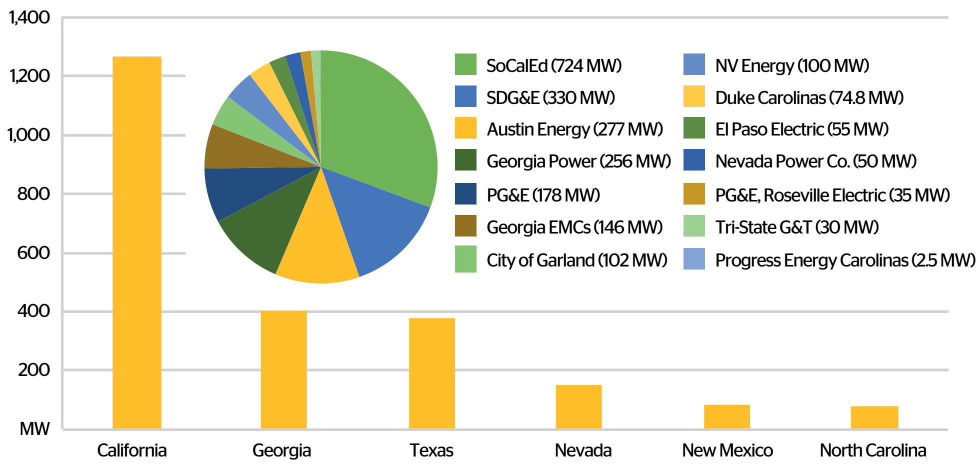
Representatives of Southern Power in Atlanta and Citi in New York did not immediately respond to inquiries.

All of the facilities are contracted under long-term power purchase agreements with utilities, including **Austin Energy**, **Southern California Edison**, **San Diego Gas & Electric Co.** and **Southern Power** sister company **Georgia Power**.

The developers that have sold stakes in solar projects to Southern Power include **SunPower**, **First Solar**, **RES America Developments**, **Cypress Creek Renewables** and **Recurrent Energy**.

Southern Power was aiming to have signed an exclusivity agreement with a potential buyer by the end of April, says a deal watcher. The company was initially looking to close a deal by the middle of this year.

Southern Power Solar Portfolio by State and Offtaker Gross Capacity*



**Where projects are co-owned, the total capacity of the project is used, not just Southern Power's share.*
Sources: Southern Power, FERC filings, PUC filings

STRATEGIES

Start-up Expands C&I Solar Leasing Program

New York-based lending platform **Open Energy** has signed a $50 million forward flow agreement with a leasing bank to finance solar projects smaller than 1 MW.

Founded in 2013, the company has already facilitated $30 million in non-recourse lending for projects between 1 MW and 20 MW in size in the municipality, university, school and hospital (MUSH) sector, based on power purchase agreements.

A group of banks provides the capital while Open Energy collates information on offtakers and provides underwriting services.

The company has scaled up its engagement with one of those banks in the form of the forward flow agreement to target projects under 1 MW for smaller businesses, warehouses, farms and aggregated retailers for whom PPAs may be unattractive.

In this capital leasing model, Open Energy provides 100% of the financing up front for a $1,000 administration fee. Unlike its existing product, under the capital lease the lenders have full recourse to the business.

"The capital lease product makes sense because our 'salespeople' tend to be installers themselves, who oftentimes are not in a position to finance the installation capex, before handing over the commissioned system to the customer," says **Graham Smith**, founder and ceo of Open Energy and former British Olympic rower.

Lease tenors are typically 10 years with a flat 7.5% interest rate. Open Energy's capital provider gets that rate minus an origination fee.

"Lessees who wouldn't want to take on a PPA can still avail of the tax benefits. A profitable business can access the tax incentives, which makes the proposition that much more attractive on top of 100% financing."

The new debt offering, available in all 50 U.S. states, follows in a trend of smaller developers and project aggregators targeting the under-financed commercial and industrial solar sector.

CleanCapital recently raised a $250 million fund to acquire projects smaller than 10 MW (PFR, 4/9). Smith says his lending model more closely resembles that of **Wunder Capital**, which closed a $112 million series B debt and equity capital raise in April (PFR, 4/19).

Smith intends to deploy the funding in the next nine-to-12 months and thereafter expand the forward flow agreement to $100 million by bringing in other banks.

While Open Energy says it has not had any defaults on its non-recourse debt, it has not revealed the default rate on its new recourse offering.

STRATEGIES

Michigan Utility Joins Ranks of U.S. Green Bond Issuers

« FROM PAGE 1 lead green structuring agent, reprising a role it has played on several corporate green bonds, including the first from the U.S. investment grade utility sector, which was issued by **Southern Power** in 2015 (PFR, 11/19/15).

That deal was followed in 2016 by green bonds from **Georgia Power**—which, like Southern Power, is owned by Atlanta-based **Southern Co.** —and Kansas-based **Westar Energy** (PFR, 3/3/16, 6/14/16).

In 2017, **MidAmerican Energy**, a subsidiary of **Berkshire Hathaway**, joined the fray with a well-received green offering (PFR, 1/24). Earlier this year, the company followed up with a second, $700 million green bond.

The debut deal from Michigan-based DTE is a promising sign that other issuers in the U.S.'s highly fragmented, regional utility industry may be persuaded to follow suit, said green bond bankers.

"It was a great trade and we were very pleased to see another U.S. corporate finally access the market," said **Amy West**, head of sustainable finance at TD in New York.

"It sets the stage for more," she added. "I really do think we're going to see more [green bond] issuers this year. There are enough investors asking about it and more investors incorporating environmental, social and governance criteria."

A green bond banker in London agreed, saying: "There are so many different US utilities, and any of them that are involved in renewable energy, or even looking at things like energy efficiency at the demand side, electric charging points, smart metering—all of these things are applicable."

GREEN THINKING

Bond issuers give a range of reasons for launching green bonds, including public relations benefits, investor base diversification and potentially even a reduced overall cost of debt.

"For many of the issuers that come with green bonds, they're looking to showcase to fixed income investors what it is they're already doing on the green front, because they realize that their internal focus aligns with the focus of the investor base," said **Suzanne Buchta**, m.d., green bonds, at BAML, after Southern Power first used the product in 2015.

That deal was not only Southern Power's first green bond, but also its first to be marketed to investors outside the U.S. The green bond product is more entrenched in Europe than in the U.S., and many of the buyers of Southern power's green bond were first-time investors from across the Atlantic.

European investors took such a shine to Southern Power's 2015 deal that in 2016 the company went a step further, issuing its next green bond in euros (GlobalCapital, 13/6/16).

BETTER PRICING?

Anything that makes an offering attractive to a wider audience of investors has the potential to create more price tension and may allow an issuer to raise capital on more favorable terms, and this is presumably what finally brought DTE to the market.

"We are not currently planning to issue green bonds," a spokesperson for parent company **DTE Energy** in Detroit told *PFR* in March 2016, in the wake of Georgia Power's inaugural green deal. "However we are monitoring how they are priced in the market. To the extent the 'green' aspect provides for better pricing, we will consider them for our electric funding needs."

The company has now been won over. It launched its first green bond on April 30 with initial price thoughts in the area of 110 bp over Treasurys.

Pricing was refined to guidance of 100 bp, plus or minus 3 bp, and finalized at the tight end of that range, producing a coupon of 4.05%. The order book exceeded $1.5 billion at its peak.

The pricing suggested that DTE had paid a new issue concession in the low single digits, in line with other recent issues, said a syndicate banker away from the deal. A banker at one of the bookrunners agreed.

Comerica Securities, **Fifth Third Securities**, **SunTrust Robinson Humphrey**, **U.S. Bancorp Investments**, **Drexel Hamilton** and **Loop Capital Markets** were co-managers.

USE OF PROCEEDS

A prospectus filed with the U.S. **Securities and Exchange Commission** the same day outlined how the proceeds would be allocated to eligible green expenditures.

Permissible uses of the funds include spending on development, construction and operation of solar and wind projects and related transmission assets or payments under power purchase agreements for the output of renewable projects owned by third parties. Energy efficiency program costs are also eligible.

DTE will monitor how the funds are allocated and provide investors with a report signed off by an independent accountant within 12 months, according to the prospectus. Such reporting pledges are common in corporate green bond documentation.

GOING GREEN

While the proceeds of the bond are ringfenced for green projects, principal and interest payments are not linked to their performance and the bonds are secured on the same pool of assets as DTE Electric's other general mortgage bonds, which includes coal-fired plants.

For that reason, they are *pari passu* with DTE Electric's other senior secured bonds and have the same ratings—Aa3, A and A+ from **Moody's Investors Service**, **S&P Global Ratings** and **Fitch Ratings**.

"The utility is retiring coal fired generation and replacing the generation with wind and natural gas-fired plants," notes Fitch in a report issued on April 30. "The new generation will meet the requirements under the environmental law enacted in 2016 for [Michigan's] Renewable Portfolio Standard of 15% by 2021 and is expected to reduce CO_2 emissions by 45% in 2030 and 80% by 2050."

In 2016, DTE announced that it would retire eight coal-fired units totaling 2.2 GW at its River Rouge, St. Clair and Trenton plants in Michigan between 2020 and 2023. The company plans to replace them with a $1 billion, 1.1 GW gas-fired plant and several wind farms.

Interestingly, the day after DTE issued its green bond, another Michigan utility issued a $550 million 30-year first mortgage bond with exactly the same ratings.

The company, **Consumers Energy Co.**, did not market its bond as green, but initial price talk, guidance and the final spread to Treasurys on its deal were identical to DTE's, leading one banker away from both deals to question whether green bond issuers get "bang for your buck." ■

PEOPLE & FIRMS

CapDyn Taps Colatrella to Head Infra Debt

Paul Colatrella, a senior financier who recently left **Ares Management**'s private credit team, has surfaced at Swiss private equity firm **Capital Dynamics** after several months of talks.

He started on April 30 as managing director and head of CapDyn's newly established infrastructure debt team in New York. He reports to **John Breckenridge**, global head of clean infrastructure.

The firm plans to hire about five more members to the debt team by the end the year and will focus on the power sector, excluding coal-fired assets.

Deal sizes could range from $25 million to $100 million, says a person familiar with the matter.

O CAPDYN! MY CAPDYN!

The firm decided to set up a debt team to take advantage of opportunities that the investment committee frequently comes across that are better suited for debt than equity, adds the source. The firm will not invest debt and equity in the same projects.

Merchant gas-fired project debt is a particular area of interest for the fund manager, while midstream oil and gas and transmission projects would also be considered.

While CapDyn is a major equity investor in contracted renewables, returns from low-risk senior secured debt on contracted renewables would not be attractive enough for the firm's debt funds.

On the other hand, the firm will not engage in the kinds of mezzanine debt products that Colatrella's former employer, Ares, has been specializing in.

Colatrella left Ares on March 29, after seven years with the firm (PFR, 3/29). Before joining Ares, he was senior vice president at **EIG Global Energy Partners**, which he had joined in 2006.

Attendees at **Platts** Global Power Markets in Las Vegas at the beginning of April said he was in talks with two firms to set up a debt platform. The identity of the other firm that was courting him could not be learned by press time. ■

SunPower Names New CFO

SunPower Corp. is bringing on industry veteran **Manavendra Sial**, formerly of **SunEdison** and **General Electric**, as its new cfo.

He will replace **Chuck Boynton**, who combined the role of SunPower cfo with his position as ceo of **8point3 Energy Partners**, the yield company jointly sponsored by SunPower and First Solar that is in the process of being sold to **Capital Dynamics** (PFR, 2/5). Boynton will remain ceo of the yieldco.

As cfo of SunPower, Sial will head up the developer and panel manufacturer's global finance, planning and accounting teams.

The hire will become effective when SunPower files its first quarter 10-Q report with the U.S. **Securities and Exchange Commission**, according to a company statement.

Boynton, who joined SunPower in 2010, will transfer his responsibilities to Sial "over the next couple months," according to the statement.

Sial was most recently cfo at St. Louis-based technology company **Vectra**, an **Apollo Global Management** portfolio company.

Before joining Vectra in December 2015, Sial worked at **SunEdison** for about five years, most recently as vice president, finance, and cfo.

Sial previously worked at **General Electric**. His various roles there included financial planning and analysis leader for GE's energy services unit and cfo of power delivery in GE's transmission and distribution group. ■

JP Morgan Head of Energy Tax Equity Retires

JP Morgan's head of renewables tax equity, **John Eber**, is retiring after about 30 years at the bank and predecessor institutions.

His colleague **Yale Henderson** will succeed him as head of energy in the bank's tax oriented investments group, according to a memo seen by *PFR*.

Eber has been a managing director and head of energy investments at Chicago-based **JP Morgan Capital Corp.**, the subsidiary through which the bulge bracket firm deploys tax equity, and its predecessor, **Bank One Corp.**, since the mid-1990s.

Under Eber, the Bank One team closed its first renewables deal, a wind project investment, in 2003. JP Morgan went on to become one of the biggest players in renewables tax equity.

"I want to thank John for both his significant contributions to TOI as well as his close partnership over the past year," wrote **Carla Countryman**, head of tax oriented investments at JP Morgan, in the memo.

A spokesperson for JP Morgan in New York confirmed the memo's authenticity.

Eber joined **First Chicago** in 1988 as head of direct leasing. By the time Bank One Corp. acquired the firm in 1998, he had become head of energy investments. **JPMorgan Chase & Co.** acquired Bank One in 2004.

Henderson is also a former **First Chicago** banker, having joined the firm in Hong Kong in 1991 as a corporate finance analyst. He joined Eber's energy investments group in 2002. ■

FIFTEEN YEARS AGO

PFR reported that **Bank One** was pitching a financing package to wind farm developers under which it funds construction via a structured equity investment and in return takes the tax credits associated with the production of wind generation. The bank was understood to have signed several confidentiality agreements with wind farm developers, but it was unclear whether any deals had been circled. **John Eber** declined to comment (PFR, 11/10/03).

[**JP Morgan** acquired Bank One in 2004 and went on to become one of the most prolific investors in renewable energy tax equity. The firm has committed about $15 billion, financing 137 wind farms totaling 15.7 GW; 740 MW of solar across the utility-scale, distributed and residential subsectors; and 12 geothermal projects with a combined capacity of 254 MW.]

