

power finance & risk

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Harbinger Bids Due

The deadline for first-round bids on **Harbinger Capital Partners'** 270 MW gas-fired Island cogen plant in Vancouver is tomorrow.

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LS NIXES ARLINGTON AUCTION

LS Power has taken its Arlington, Ariz., gas-fired plant off the market after purchasing it as part of a portfolio from **Dynegy** last year. It is now working with the banks that provided the acquisition loan on a roughly \$300 million refinancing loan.

The bank loan would be priced at roughly 300 basis points over LIBOR. LS will tap existing lenders **BNP Paribas**, **WestLB**, **GE Energy Financial Services** and **ING**, among other banks, for the debt. Bankers either declined comment or did not return calls for comment.

The 572 MW partially contracted asset is being refinanced separately from the rest of the portfolio acquired from **Dynegy**. The plant has a long-term PPA with a utility and has a 10-year tolling agreement and was seen as an asset that LS could easily flip. With low valuations

(continued on page 8)

Not So Fast...

LENDERS QUERY ONTARIO RENEWABLES PUSH

The **Ontario Power Authority** is facing a major hurdle coaxing banks to finance 2.4 GW in new renewable generation projects it touted last month. The problem: the OPA requires projects to use a slug of local labor and materials, worrying financiers that PPAs may get yanked if those stipulations aren't met by the close of construction.

One Canada-based financier with a major European bank says the rules make the Ontario

(continued on page 8)



GE PLOTS IDAHO WIND FINANCING

GE Energy Financial Services is looking to raise \$350 million in debt via a club deal to build 200 MW of wind generation in Idaho. A spokesman for GE declined to comment. **Don Kyle**, head of the **GE Capital Markets** energy team, did not return a call.

GE is a fairly steady borrower, says one banker who works with the company. In the case of this financing, GE is providing the turbines and tax equity so it can't also be a lender in the project. **ING**, **WestLB** and **Bank of Tokyo Mitsubishi-UFJ** are among those being approached for the deal. Bankers at each of those banks declined to comment.

Further details of the project and its timeline could not be learned by bankers or GE officials. Development costs for wind are, on average, \$2 million per MW, which would bring the total cost to \$400 million.

One company—**Exergy Development Group**—is developing a pipeline of wind projects

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



At Press Time

Bids Due For Harbinger Plant

First round bids for Harbinger Capital Partners' 270 MW gas-fired Island cogen plant in Vancouver are due to auctioneer UBS tomorrow. "People are beginning to circle the Island auction," says a deal watcher. Potential bidder identities could not be learned by press time.

Investors and independent power producers could flock to the sale because of the offtake agreement with BC Hydro now that LS Power has halted the sale of its 572 MW Arlington Valley plant, one banker notes. LS is looking to refinance its plant in Arlington, Ariz. (see story, page 1).

Harbinger re-launched the sale of the facility owned by subsidiary Kelson Canada after the auction was shelved almost two years ago (PFR, 4/29). Calls to officials at Harbinger in New York and UBS were not returned before press time.

World Bank Limits Loans On Fossil Plants

The World Bank expects to increase loans for renewables projects from 40% of its energy portfolio in 2009 to 50% in 2011, as it ramps down loans for fossil fuel projects. The International Finance Corporation, a World Bank group, has also cut back loans for coal power. The IFC has not approved any loans for coal projects in more than seven months, says IFC spokeswoman Zibu Sibanda. "We would probably look at doing coal if it was necessary," she adds. "But all of our work is in renewables now."

Roger Morier, a World Bank spokesman, notes that fossil fuels represented 24% of the organization's 2009 portfolio; the other 36% was for transmission and distribution projects.

The bank provided a \$3.75 billion loan for South Africa's state-owned utility Eskom to build the 4.8 GW Medupi coal plant much to the chagrin of some member nations including the U.S. That loan was an exception, Morier explains: South Africa suffered through an energy crisis in 2007 and 2008—coinciding with the credit crisis—and the renewables alternatives were not feasible as major power sources. Had the utility lobbied five years ago for financing, the World Bank would have rejected the request, he notes.

About \$3.05 billion of that loan last is earmarked for the coal facility. Another \$260 million is intended for a 100 MW wind farm and a 100 MW solar project. The loan is an IBRD flexible loan with a variable spread, with a seven-year grace period and 28.5 years to final maturity. The current spread is about 55 basis points over LIBOR, according to Morier.

Tell Us What You Think!

Do you have questions, comments or criticisms about a story that appeared in PFR? Should we be covering more or less of a given area? The staff of PFR is committed as ever to evolving with the markets and we welcome your feedback. Feel free to contact **Jeanine Prezioso**, managing editor, at 212-224-3226 or jprezioso@iineews.com.

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**Institutional
Investor NEWS**
INTELLIGENCE FIRST

Milford II Expected To Wrap This Month

Financing for **First Wind's** 102 MW Milford II expansion is expected to reach financial close this month. Pricing on the \$220 million loan is set about 300 basis points over LIBOR. The farm is located in Milford, Utah, in the southwest part of the state.

A sub-set of the lenders participating in financing the \$376 million Milford I have signed on for the second phase, says a banker familiar with the deal. **Royal Bank of Scotland, Union Bank, BNP Paribas, Banco Espirito Santo, Credit Suisse, HSH Nordbank and Société Générale** participated in Milford I. It is unclear which banks from Milford I will participate in Milford II. Bank officials either did not return phone calls seeking comment or declined to discuss the deal. Details of the deal's structure and tenor could not be learned. The loan is expected to be syndicated.

Doug Johnsen, First Wind's director of project finance, declined to comment. "They wanted the same players because it worked so well the last time," says one banker participating in the deal.

The **Southern California Public Power Authority** has a PPA with Milford II (PFR, 12/10).

Third Planet Homes In On Acquirer

Third Planet Windpower is in discussions with potential acquirers, including new foreign entrants to the U.S. wind market and traditional thermal companies. The **Morgan Stanley**-backed developer has been searching for partners or cash injections since early 2008 (PFR, 6/27/08); conversations have been since ongoing.

One recent milestone that made the development portfolio more attractive was the offtake agreement that the developer finalized with the **Omaha Public Power District** for a 40 MW project near Petersburg, Neb., notes one banker. "They have some good things happening on the ground so bidders are being asked if they want to rethink their bids," the banker says.

Buyers can choose one of three acquisition options: the entire company, including the merchant 100 MW Loraine wind farm in the Texas panhandle; just the management team and pipeline; or just the Loraine project, says the banker, noting the management team and development projects option is likely to be the most attractive. An exact timeline for wrapping a sale could not be determined.

Jerry Johnson, treasurer in San Ramon, Calif., referred questions to **Walter Kamp**, ceo in Palm City, Fla., who did not return calls. Third Planet originally worked with **Marathon Capital** but now, Morgan Stanley is running the process, a deal watcher says. An MS official declined to

comment. Calls to Marathon officials in Bannockburn, Ill., were not returned.

Industrial Co. Acquires U.S. Solar Provider

Hilti, a Liechtenstein-based industrial technology company, has acquired **Unirac**, an Albuquerque, N.M.-based solar mounting solutions company to expand into the growing solar field in utility, commercial and residential solar projects.

New York-based advisory shop **Greentech Capital Advisors** was financial advisor to **Unirac**, a portfolio company of private equity fund **Global Environment Fund**. GEF received some 14 times what it paid for **Unirac** in 2006, which was estimated at \$8-10 million. The transaction closed last Tuesday.

"We're seeing big interest from large corporations that believe in growth in the sector," says **Michael Molnar**, partner with Greentech in New York. "There are real returns to be had in clean tech."

Hilti is a privately-held company providing technology to the global construction industry. Greentech advised **Ausra** as it was sold to French nuclear power giant **AREVA** in February (PFR, 2/10).

Canadian Co. Refocuses Pipeline For New Parent

Schneider Power is preparing to filter through the solar and wind development pipeline of its new parent, **Quantum Technologies**, to identify priority projects. Quantum, an Irvine, Calif.-based alternative fuel systems manufacturer, completed its C\$21 million (\$19.9 million) acquisition of the developer on April 19, says **Lewis Reford**, ceo of Schneider in Toronto.

"They have basically challenged us to filter the pipeline, to move the good stuff up," he says, declining to elaborate on the size or geography of Quantum's development portfolio and how it would be financed. Quantum also owns a stake in German solar module manufacturer **asola**.

Schneider will continue to work on its existing 1 GW ground-mounted solar and wind pipeline in the U.S., Canada and Caribbean, Reford says. Schneider has submitted several solar bids into the **Ontario Power Authority** to take advantage of the feed-in tariffs and expects to start construction next year. Schneider is nearing construction on its 10 MW Arthur and 7 MW Spring Bay expansion projects, both in Ontario. Schneider is working with a handful of North American banks on project financing, Lewis says, declining to elaborate.

Schneider targets wind projects in the 10-50 MW range and has minority interests in several, including a 10% stake it retained in the 50 MW Grand Valley, an **EarthFirst Canada** project it bought last year and then sold to **Greta Energy**.

Hudson Scopes Element Options

Hudson Clean Energy Partners is quietly shopping for investors or buyers for its wind and solar developer **Element Power**.

The private equity shop is looking to raise capital and is open to a full acquisition, bankers and industry officials say. **Credit Suisse** is advising. The number of bidders, timeline and motivation for selling could not be learned. The Teaneck, N.J.-based PE shop said that portions of the portfolio could be put on the market when it established **Element** from its acquisition of Spanish developer **Helium Energy** in 2008 (PFR, 10/10/08). **Element**, based in Portland, Ore., is working on a 4 GW solar and wind pipeline and plans to enter the debt market to fund construction costs for a portion of the projects next year (PFR, 2/10).

Calls to officials at **Hudson** and **Credit Suisse** were not returned. A call to **Michael O'Neill**, president and coo at **Element**, was not returned.

Horizon Lines Up JPMorgan Tax Equity

Horizon Wind Energy is selling a tax equity stake in its 99 MW Meadow Lake II wind farm to **JPMorgan Capital**. **Horizon** and **JPMCC** expect to finalize the transaction by month's end, when the wind farm in White County, Ind., begins operation, according to documents filed last Wednesday with the U.S. **Federal Energy Regulatory Commission**. **JPMCC** will own the entire passive stake in Meadow Lake II. The amount of investment could not be immediately learned.

Horizon, a unit of **EDP Renováveis**, is planning to arrange \$1.2 billion tax equity investments for about 600 MW of capacity (PFR, 9/4).

A **JPMCC** official in Chicago declined to comment. A call to **Gabriel Alonso**, ceo at **Horizon Wind** in Houston, was forwarded to a spokeswoman who did not return a call.

Edelman Seeks Replacement

Kirk Edelman is seeking a candidate to replace him as senior v.p. and general manager of **Siemens Financial Services'** energy finance business since he has been appointed president and ceo of its North America operations this month.

He succeeds **Roland Chalons-Browne** who was appointed to global ceo of the firm in January, based in Munich. **Edelman** had held his previous position for three and a half years. He reports to **Chalons-Browne** and remains in the Iselin, N.J., office.

Edelman says his ideal replacement would have broad experience in placing investments in both the institutional and commercial banking market. "We would be looking for a long-

time industry veteran," he says, "a name familiar to the industry."

The firm has just begun the process and is interviewing internal candidates as well, he adds. **SFS** provides financing and financing guidance to health care, energy and industrials.

Catalyst To Buy EIF Plant

Catalyst Renewables is planning to buy a gas-fired plant in upstate New York from **Energy Investors Funds** and convert it to a wood-fired facility. **Catalyst** will upgrade the 55 MW Fort Drum facility to a 40 MW biomass plant, according to documents filed last Tuesday with the U.S. **Federal Energy Regulatory Commission**.

The acquisition is expected to close next month; whether either party is using an advisor could not be learned. Calls to officials at **Catalyst** in Syracuse, N.Y., were not returned before press time. Officials at **EIF** declined to comment.

Catalyst, a renewable developer that also has geothermal projects, owns a stake in the 20 MW Lyonsdale biomass plant in New York and is currently converting the 37 MW gas-fired Onondaga plant in Onondaga, N.Y., to a wood-fired facility.

EIF acquired **Black River Generation**, the owner of the Fort Drum plant, from **J.A. Jones** in 2004 (PFR, 5/2/04).

Rockland Takes Stake, Manages La Paloma

Private equity shop **Rockland Capital** is acquiring an interest in the La Paloma gas plant and is taking over as manager, following **Trust Company of the West's** foreclosure on the plant. "We will utilize an active hands-on management approach to create value," says **Scott Harlan**, managing partner in Houston.

The Houston-based firm has set up **RC La Paloma Holdings** to house and manage the interest. **Harlan** declined to disclose how much of stake the firm is taking in the plant, or how the ownership structure looks now. **Rockland** invests institutional client money.

TCW moved to foreclose on **Complete Energy's** 60% stake in La Paloma in November after it defaulted on a \$130 million **TCW** loan used to fund it (PFR, 11/20). The other 40% of the plant is owned by various institutional investors, including hedge funds. **TCW** had been actively seeking a plant manager (PFR, 1/08). **Brian O'Connor**, v.p. in energy and infrastructure at **TCW** in New York, did not return a call for comment.

La Paloma is a 1,022 MW combined cycle facility, located approximately 110 miles northwest of Los Angeles. **Rockland** also owns the 447 MW B.L. England coal and oil fired plant in Beesley's Point, Cape May County, N.J. It sold its interests in the 1.5 GW **Midland Cogeneration Venture's** plant in Midland, Mich., to **EQT Infrastructure Fund** and **Fortistar** (PFR, 3/20).

Volcker Rule Could Cut Loans, Increase Cost Of Funding

Project financiers are nervous that the so-called Volcker rule could reduce loan capacity in the power sector and hike funding costs, if included in the financial regulatory reform bill before the U.S. Senate.

The proposed rule by former **Federal Reserve** Chairman **Paul Volcker** would, in part, restrict debt to equity ratios, potentially at 15:1. U.S. investment banks were leveraged as much as 32:1 at the height of the credit crisis. "The Volcker rule raises a new wrinkle: what does this do to liquidity?" says **Dan Dolan**, v.p. of policy research and communications at the **Electric Power Supply Association**. "The rule would definitely have an impact. It would increase cost and probably lower liquidity."

A spokesman for U.S. Senator **Christopher Dodd** (D-Conn.), chairman of the **Senate Banking Committee**, could not be reached for comment.

Bankers Expect Kleen Completion

Lenders are optimistic that **Kleen Energy Systems'** 620 MW natural gas-fired plant in Middletown, Conn., will be completed within a few months. Some in Kleen Energy's \$985 million construction loan had wondered whether a fatal explosion in February would derail the project permanently, but those concern seems to have eased.

About 100 men are working daily on the facility that lenders say is almost built, a banker working on the deal says. The remaining hurdle is assessing the damage for insurance purposes. Financiers say **Natixis**, the loan's new administrative agent (PFR, 3/12), has guided the project to its near completion.

HSH Nordbank led the construction loan. **BNP Paribas**, **Dexia Crédit Local**, **HSH**, **ING Capital**, **Natixis**, **Scotia Capital**, **Union Bank** and **WestLB** served as lead arrangers. **GE Energy Financial Services** and **The Hartford Financial Services Group** took pieces of the deal.

Canadian Geo. Co. Zeroes In On Merger

Sierra Geothermal Power is discussing a merger and is in the process of taking binding bids from several companies it shortlisted. The Vancouver-based geothermal player is expecting to take a recommendation to its board by May 20 based on the outcome of the binding offers, says **Gary Thompson**, ceo. Boutique investment bank **Jacob Securities** in Toronto is advising Sierra.

Sierra has seen interest from U.S. and Canadian IPPs that focus on oil and gas generation, mining companies and other

geothermal companies, Thompson says. He declined to elaborate on the interested parties or value of the merger. Sierra hopes to have a merger completed in late July or August.

Geothermal as a renewable form of baseload power is attractive to IPPs looking to diversify portfolios and oil companies that already have drilling capabilities, Thompson says. The geothermal developer has three permitted, drill ready projects in Nevada that will cost about \$765 million to build. Sierra has been searching for capital or partners for more than 18 months after one offer fell through when the markets collapsed (PFR, 9/18).

NYPA Culls Through Solar Bids

The **New York Power Authority** is parsing through 43 bids in its 100 MW solar request for proposals as it aims to assemble a preliminary shortlist by early summer. NYPA announced the RFP Jan. 27 and bids were due April 22. A spokesman declined to give the number of companies or break down the bids between roof and ground-mounts.

EOS Ventures, a Hancock, Mass.-based developer, submitted a bid. An EOS official declined to elaborate on the bid specifics. Companies including **BP Alternative Energy**, **GroSolar** and **SunEdison** are tipped as likely bidders (PFR, 2/5).

A company's installation experience and operating track record will be factored into bid selections, says a spokesman, who declined to elaborate. Final 20-year offtake agreements are expected to be approved in early fall and initial construction on some projects will start by year end. Projects could be installed on schools, universities, government buildings and properties belonging to municipal power companies in all regions of the state. Site installations are expected to range between 100 kW and 5 MW.

Corporate Strategies

International Power Launches Bond Issue

International Power is selling of €250 million (\$379.1 million) in a 144A bonds.

The seven-year notes are expected to be issued with an all-in coupon of 7-7.5%, says **Aarti Singhal**, spokeswoman. "We think market conditions are supportive now and it gives us access to new potential sources of funding," she adds of why the company issued the bonds now.

The proceeds will be used for general corporate purposes. Singhal declined to elaborate on the use of the funds. **Barclays Capital**, **Citibank**, **Royal Bank of Scotland** and **Deutsche Bank** are the joint bookrunners. Bankers either declined comment or could not be reached for comment.

Project Finance Deal Book

Deal Book is a matrix of energy project finance deals that PFR is tracking in the energy sector. The entries below are of new deals or deals where there has been change in their parameters or status. To report updates or provide additional information on the status of financings, please call Jeanine Prezioso at (212) 224-3226 or e-mail jprezioso@iineews.com.

Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
Cardinal Gas Storage	Perryville (7.5 bcf Gas Storage)	Franklin County, La.	ING, WestLB	Construction/ Term loan	\$125M	Construction + 5 yrs	Deal set to close this month (PFR, 4/19).
El Paso	Ruby Pipeline (675-mile Natural Gas Pipeline)	Wyoming to Oregon	Credit Suisse, Calyon, BMO, Scotia, SocGen, Banco Santander, RBS	TBA	\$1.6B	7-yr	Deal expected to close in June (PFR, 5/3).
First Wind	Milford II (100 MW Wind)	Milford, Utah	TBA	TBA	\$220M	TBA	Expected to close this month (see story, page 3)
GE Energy Financial Services	200 MW wind	Idaho	WestLB, ING, Bank of Tokyo Mitsubishi-UFJ	TBA	\$350M	TBA	Tapping banks to raise debt (see story, page 1).
Horizon Wind Energy	Meadow Lake II	White County, Ind.	TBA	TBA	TBA	TBA	JPMorgan Capital selling tax equity stake (see story, page 4).
Panda Energy	Two 15-20 MW Solar pv	TBA	TBA	TBA	TBA	TBA	Con Edison Development will assist with financing (PFR, 5/3).
Pure Energy	Bayonne Energy Center	Bayonne, N.J.	Calyon, WestLB	Mini-Perm	\$300-400M	TBA	Deal will launch in May (PFR, 4/19).
Quintana Capital Group, Chase Power Development	Las Brisas Energy Center (1,320 MW petroleum coke-fired)	Texas	TBA	TBA	TBA	TBA	Looking for more than \$1 billion to finance the \$3.2B project (PFR, 4/21).
Starwood Energy Group	Sault Ste. Marie (40 MW solar)	Sault Ste. Marie, Ontario	NordLB	TBA	TBA	TBA	Starwood is hunting debt to develop 40 MW of photovoltaic projects in Ontario (PFR, 4/19).
Tenaska	Trailblazer Energy Center (600 MW coal-fired)	Nolan County, Texas	TBA	TBA	TBA	TBA	Tenaska will seek financing after there is more clarity on climate change legislation (PFR, 4/20).

For a complete listing of the Project Finance Deal Book, please go to iipower.com.

News In Brief

News In Brief is a summary of publicly reported power news stories. The information has been obtained from sources believed to be reliable, but PFR does not guarantee its completeness or accuracy.

Americas

- Rhode Island Gov. Donald Carcieri supports a bill that would give leaders of agencies outside the state's **Public Utilities Commission** the authority to approve **Deepwater Wind's** offtake agreement with **National Grid** (*The Providence Business Journal*, 5/6).
- **Northeast Utilities** saw its first quarter profit fall 12% to \$0.49 a share from \$0.60 last year. The company cited mild weather as a factor, as well as higher employee benefit costs (*Dow Jones Newswires*, 5/5).
- **Direct Energy**, a unit of Centrica, is looking to spend GBP2 billion (\$3 billion) on natural gas assets before 2012 and is targeting Texas and the Northeast (*Bloomberg*, 5/5).
- **Edison International** is planning to invest \$5.5 billion in five years on several transmission projects that aim to move renewable power around California. Edison will complete phase two of its Tehachapi project in addition to others. Subsidiary **Edison Mission Group** is considering developing transmission near its wind assets in the Midwest (*Dow Jones Newswires*, 5/4).

- **Duke Energy's** sales rose in all of its territory areas during the first quarter but the company is uncertain about whether the increase is sustainable. Power sales rose 4.2% in its Indiana, Kentucky and Ohio footprint while North and South Carolina rose 5.3% (*Bloomberg BusinessWeek*, 5/4).
- A cold winter and two new coal-fired plants—along with natural gas hedges—boosted **Energy Future Holdings'** revenue for the first quarter. The Dallas, Texas-based company posted \$355 million earnings (*The Star-Telegram*, 5/4).
- California utilities, including **Pacific Gas & Electric Co.**, **Southern California Edison Co.** and **San Diego Gas & Electric Co.**, are at risk for penalties after only achieving 70% of targeted energy savings from 2006-2008, according to the advocacy unit of the **California Public Utilities Commission** (*Reuters*, 5/4).
- The Florida Senate terminated a bill that would have boosted the state's renewable energy production in part by increasing rates. Opponents of the bill intend to introduce a ballot initiative they contend would boost renewables by allowing non-utilities to compete to produce power (*Sun Sentinel*, 5/4).

News In Brief (cont'd)

- **Google** is investing \$38.8 million in two North Dakota wind farms built by **FPL Group** subsidiary **NextEra Energy Resources**. Google says its investment would provide financing for future renewables projects (*The New York Times*, 5/3).
- **Southwest Power Pool**, a Little Rock, Ark., grid operator, is proposing highway-byway plan to share costs of long-distance transmission lines (*ClimateWire*, 5/3).
- **Southwestern Public Service Company**, a subsidiary of **Xcel Energy**, intends to add a 168 MW natural gas-fired combustion turbine at its Jones Generating Station southeast of Lubbock, Texas. The project is ticketed at \$116 million and could be built by 2012 (*Xcel*, 5/3).
- **Xcel Energy** is considering buying less solar power if problems over its planned \$180 million San Luis Valley transmission line are not resolved. The project has met opposition from billionaire **Louis Bacon**, who owns land that would host a segment of the line (*The Denver Business Journal*, 5/3).
- Fishing enthusiasts are among opponents to the Great Lakes Offshore Wind Project, which would place 40 to 166 turbines in Lake Erie and Ontario. The **New York Power Authority** says the project would be the first freshwater wind farm (*WKBW*, 5/3).
- **Mid West Energy** proposes building a 200 MW solar plant near Perenjori in Western Australia. The plant would be one of the largest in the Southern Hemisphere (*Australian Broadcasting Corporation*, 5/3).
- A plan to build a wind farm off Virginia Beach is apparently gaining favor. The **Virginia Coastal Energy Research Consortium** reports the proposed 600 MW facility could supply 10% of Virginia's electricity (*NBC Washington*, 5/3).
- **Sun Power** and **Pacific Gas & Electric** hope to add 40 MW to the planned California Valley Solar Ranch in San Luis Obispo County, Calif. The ranch now has a planned capacity of 250 MW (*Get Solar*, 5/3).
- Rules enacting a California law mandating that state utilities generate 20% of their power from renewable sources have a loophole. Utilities will be allowed to use "renewable energy credits," from power generated in other states and countries to hit the target, reducing the actual amount of clean power that will come through the grid (*San Francisco Chronicle*, 5/1).
- The 338-turbine Shepherds Flat wind farm in Oregon, trumpeted as the world's largest, will be built, after the **Pentagon** withdrew its objection to the \$2 billion project. The Pentagon will update a radar system near Fossil, Ore., to ensure that the turbines do not affect operations (*The Washington Post*, 4/30).

Europe/Middle East

- The French government has chosen sites that will be a part of a September request for 3 GW of offshore wind projects. France plans to have about 6 GW of offshore wind online in the next decade (*Bloomberg BusinessWeek*, 5/5).
- **Enel** is considering merging subsidiary **Enel Green Power** with industrial and financial partners instead of pursuing an initial public offering. Enel has pushed back plans for an IPO to October from June (*Reuters*, 5/5).
- First round bids are due June 1 for a majority stake in Polish power company **Energa**. Bidders' investment plans will likely be a priority for the government as Energa has plans to spend upwards of PLN22 billion (\$7 billion) through 2015 to add 2.2 GW of capacity (*Bloomberg BusinessWeek*, 5/4).
- **Vestas Wind Systems** has signed a partnership with **Marafeq**, a venture between Syria's **Cham Holding** and Kuwait's **Kharafi Group**, to build the first wind farm in Syria. The farm will generate 50-100 MW south of Damascus, at the Al-Sukhna and Al-Hijana sites (*Bloomberg BusinessWeek*, 5/3).

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LS NIXES

(continued from page 1)

on gas plants, the firm decided to refinance the plant and pay some dividends to investors. LS may put the plant back on the market at a later date, a banker familiar with the firm's thinking says. LS is looking for a B loan to refinance the other assets, says the banker. The exact amount of the B loan could not be learned.

Officials at the firm had said last month that they might consider a halt to the sale, which **Credit Suisse** had been running (PFR, 4/13). An official at the bank did not return a call for comment. **Joe Esteves**, cfo of LS in New York, did not return calls.

—*Jeanine Prezioso*

GE PLOTS

(continued from page 1)

using GE turbines in Idaho. When reached by phone officials there declined to comment on whether GE is raising debt for any of their projects. Three have long-term PPAs with **Idaho Power** and are slated for operation in September. They are: the 22.5 MW Camp Reed; the 21 MW Payne's Ferry, 21MW; and 21 MW Yahoo Creek.

—*J.P.*

LENDERS QUERY

(continued from page 1)

projects "unbankable." Without a watertight PPA, the cash flows from the projects are not predictable and banks therefore won't lend to them.

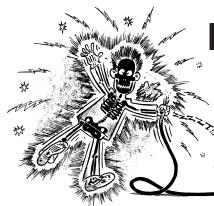
The 184 projects were driven, in part, by the province's new feed-in tariff program that is luring developers eager to land solid offtake agreements. Wind projects that qualify for Ontario's feed-in tariff are eligible for a 13.5¢ to 19¢ KWh subsidy and solar pv can get up to 80¢ per KWh, sparking wide interest among developers.

But, OPA rules resulting from the Green Energy and Green Economy Act of 2009, which introduced the subsidies, stipulate that 50% of wind projects and 25% of solar projects use local-made content and materials. In 2011, the mandates—intended as a local jobs generator—jump an additional 10%.

Ben Chin, an OPA spokesman, says OPA doesn't think it will be a problem for developers to meet the targets and that terminating a PPA over unmet local content requirements would be "extreme." The OPA, he adds, would seek a more reasonable solution, though he declined to say whether rules changes are imminent.

Andrew Redinger, managing director of **KeyBanc Capital Markets** in Cleveland, thinks OPA officials will clarify the penalty or amend the rules because Ontario politicians "didn't do this [bill] not to build wind projects." Redinger is among

Alternating Current



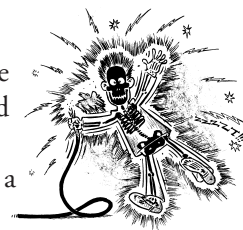
Hot Solar Panels Anyone?

Let this put to rest any lingering doubt about whether solar technology has achieved hot-commodity status among ordinary Americans: **SolarInsure**, a Costa Mesa, Calif., company, reports theft of solar panels rose 17% nationally from 2008 to 2009.

In a neat inverse correlation, panel theft is increasing as the cost of panels slips. They should teach that in a math class and they could head upstairs for the field trip: schools are among the most vulnerable to theft, says **Tim Holmes**, ceo of **GridLock Solar Security**. "If you try to get into a school nowadays, there are barbed gates. They're like Fort Knox," Holmes says. "But the \$1 million in solar panels on the roof, fastened with just four bolts each? They're just sitting out there unsupervised."

As a safeguard against solar theft—particularly common in GridLock's home state of California—the Santa Rosa-based company sells trigger cables that stitch panels together. If a thief attempts to cut a cable, up to eight people—typically security guards and maintenance staff—are contacted by phone or text within seconds.

Which prompts a variation on an age old gag—how many guards does it take to keep the light bulb on? One to catch the thief...



the bankers who would consider financing Ontario renewables projects once the rules are clarified.

—*Brian Eckhouse*

Quote Of The Week

"[Politicians] didn't do this [bill] not to build wind projects." —

Andrew Redinger, managing director of **KeyBanc Capital Markets** in Cleveland, on the prospects for clearing up a renewables rule in Ontario that is turning off lenders (see story, page 1).

One Year Ago In Power Finance & Risk

Eastern Power was ready to line up financing for its 280 MW Greenfield South combined cycle project in Mississauga, Ontario, after a two year permitting delay. [Morgan Stanley has been looking to raise \$200-250 million for the C\$400 million (\$379 million) project that has a 25-year PPA with the **Ontario Power Authority** (PFR, 2/12).]