

Power Finance & Risk

Exclusive Insight on Power M&A and Project Financing

By the publisher of GlobalCapital

● AT PRESS TIME

● STRATEGIES

Osaka Scores Merchant Stakes from Marubeni

Osaka Gas makes its debut merchant project investment by buying a 25% stake in the 725 MW St. Charles CCGT facility from **Marubeni Power International**.

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SolarCity Clinches \$500M DG Facility

SolarCity has secured \$500 million in revolvers from **Bank of America Merrill Lynch, Credit Suisse and Deutsche Bank** for distributed solar.

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Q&A: Marco Krapels, SolarCity - Part I

SolarCity's footprint in the U.S. residential and C&I solar market has grown exponentially since the company was founded in 2006. The company has raised more than an estimate of \$1 billion in financing since January. Most recently, SolarCity secured a \$500 million financing aggregation facility with **Bank of America Merrill Lynch, Credit Suisse and Deutsche Bank** (see story, page 6).

The San Mateo, Calif.-based developer pioneered the first, second and third asset-backed securities tied to rooftop solar. It plans to continue innovating new financial structures under its latest hire, **Marco Krapels**, senior v.p. of structured finance and strategy. Krapels, who joined the company in March, was formerly a partner at **Pegasus Capital Advisors**. Previously he was an executive v.p. at **Rabobank**. In the first instalment of this *PFR* exclusive, Krapels spoke to Senior Reporter Olivia Feld about SolarCity's expansion plans and the growth of its asset class.



Marco Krapels

role? To whom do you report?

Krapels: I'm running structured finance within SolarCity, which is about a 20-person team responsible for funding the growth of the assets the company originates, residential and commercial/industrial solar. The residential portfolio and C&I are growing consistently. The company is roughly doubling every year

and that creates a tremendous need to raise capital in the institutional market. That's what I am responsible for. I report to **Brad Buss**, who is our CFO.

PFR: You worked with SolarCity in your former roles at Rabobank. Can you tell me about the transactions you worked on and what you learned in the process?

Krapels: We have a long history, not just of transactions but also a friendship, which started really during the financial crisis in 2008-2009, when SolarCity had originated portfolios that it was seeking to leverage with banks. We got our hands around it and thought it

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Xcel Circles N.D. Wind Purchase From Geronimo

Nischinta Amarnath

Xcel Energy is looking to purchase the 200 MW Courtenay wind farm near Jamestown, N.D., from **Geronimo Energy** for an undisclosed price. Xcel aims to commence construction on the project upon its acquisition, pending regulatory approvals in Minnesota and North Dakota. The project development cost is pegged at roughly \$300 million.

Xcel, which had previously committed to buying output from the Courtenay facility under a power purchase agreement with Geronimo, filed a peti-

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Cheniere Targets More LNG Trains

Olivia Feld

Cheniere Energy is planning to add two new trains at one of its liquefied natural gas export projects, according to a deal watcher, who notes that the Houston-based sponsor aims to finance these trains in 2017.

Cheniere is developing three trains at its Corpus Christi LNG project in San Patricio County, Texas and six trains at its Sabine Pass LNG project in Cameron Parish, La.

An \$11.5 billion deal with 18 joint lead arrangers backing Corpus Christi is near closing, according to a deal watcher (*PFR*, 12/15). **Société Générale** is advising Cheniere on the transaction.

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● AT PRESS TIME

Osaka Nets Inaugural Merchant Stakes from Marubeni

A subsidiary of **Osaka Gas** is buying a 25% equity stake from **Marubeni Power International** in the St. Charles CCGT project in Charles County, Md. The purchase marks Osaka Gas's first investment in a merchant power facility.

Marubeni has a 50% equity stake in the 725 MW project, **Toyota Tsusho Corp.** has a 20% stake and **Competitive Power Ventures** holds the remaining 25%. The project, which will sell power directly into the PJM market, is slated to be online by February 2017.

Although the deal was originated internally, Osaka used a financial advisor on its valuation and due-diligence process, says a deal watcher. The identity of the advisor

could not be immediately learned.

A debt financing deal backing St. Charles was sealed last summer. **GE Energy Financial Services**, **Crédit Agricole** and **ING Capital** were joint lead arrangers and a dozen more lenders, including **CIT Energy**, **Natixis**, **NordLB**, **Royal Bank of Canada**, **Royal Bank of Scotland** and **Union Bank** participated in the deal (PRF, 8/11).

Global Infrastructure Partners' recently acquired the majority of CPV's business, taking out **Warburg Pincus'** stake in the company (PRF, 4/7). CPV is in the market for debt and equity for its 650 MW CCGT Valley Center project in Orange County, N.Y., pegged at \$900 million (PRF, 2/17).

Spokespeople for CPV in Hartford, Conn., and Osaka and Marubeni in New York declined to comment on the deal. ■

● STRATEGIES

SolarCity Seals \$500M DG Facility

SolarCity has closed a \$500 million revolving facility with **Bank of America Merrill Lynch**, **Credit Suisse** and **Deutsche Bank**. The aggregation facility for distributed generation projects will be used to continuously refinance solar assets through securitizations or other capital markets structures.

The loan is secured by a portfolio of long-term contracted assets with SolarCity customers. What kind of assets the portfolio comprises could not immediately be established. Once drawn, the facility will finance more than 500 MW of residential and C&I solar systems.

The San Mateo, Calif.-based shop is the

only developer to date to have issued solar-asset backed securitizations. Credit Suisse worked on all three SolarCity ABS deals and was the book runner and structuring agent on its most recent deal in July (PRF, 7/22). The Zug, Switzerland-based bank also invested \$500 million in a \$1 billion SolarCity fund backing its commercial solar projects (PRF, 4/23). As industry players anticipate a significant growth in the nascent solar ABS market over the next few years as a number of solar developers and financiers plan securitizations (PRF, 5/1.).

Spokespeople for SolarCity in San Mateo, Calif., and Bank of America Merrill Lynch, Credit Suisse and Deutsche Bank in New York did not respond to inquiries immediately. ■

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Do you have questions, comments or criticisms about a story that appeared in **PFR**? Should we be covering more or less of a given area? The staff of **PFR** is committed as ever to evolving with the markets and we welcome your feedback.

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

GENERATION AUCTION & SALE CALENDAR ●

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

Generation Sale ■ DATABASE

Seller	Assets	Location	Advisor	Status/Comment
AES Corp.	Armenia Mountain (101 MW Wind)	Pennsylvania		Allete Clean Energy is buying the asset (PFR, 4/27).
Apex Clean Energy	Kay (299 MW Wind)	Kay County, Okla.		Southern Co. will complete its acquisition of the project after construction (PFR, 4/13).
Bankers Commercial Corp.	Rising Tree I & II (98 MW Wind)	Kern County, Calif.		BCC is selling its Class B shares in the projects to unidentified investors (PFR, 4/20).
Brookfield Infrastructure Partners	Cross Sound Cable (24-Mile Transmission)	Long Island, N.Y. to New Haven, Conn.		Argo Infrastructure Partners is the buyer. Deal is set to close later this year (PFR, 4/27).
Competitive Power Ventures	Portfolio (5000 MW Wind, Gas)	U.S.	JPMorgan	Global Infrastructure Partners II is acquiring a majority of the portfolio (PFR, 4/13).
EDP Renewables	Portfolio (394.5 MW Wind)	U.S.		A consortium led by Fiera Axium is buying a 35.9% stake in the 1.1 GW portfolio (PFR, 4/27).
Fortis	Various (24 MW Hydro)	New York		Energy Ottawa is buying the contracted assets (PFR, 4/20).
Freeport McMoRan	Luna (570 MW Gas)	Deming, N.M.		Samchully Asset Management is buying a stake (PFR, 4/20).
Geronimo Wind Energy	Black Oak Getty (78 MW Wind)	Stearns County, Minn.		Sempra US Gas & Power has bought the facility (PFR, 4/27).
	Courtenay (200 MW Wind)	Jamestown, N.D.		Xcel Energy is looking to buy the farm for an undisclosed price (see story, page 1).
Longview Power	Longview (755 MW Coal)	Maidsville, W.Va.		Five lenders are acquiring stakes of between 10% and 45% in Longview (PFR, 4/13).
Marubeni Power International	Sr. Charles Center (725 MW Gas)	Charles County, Md.		An affiliate of Osaka Gas is buying a 25% stake in the project (see story, page 2).
Northwestern Mutual	Oasis (60 MW Wind)	Kern County, Calif.		JPMCC and Hannon Armstrong affiliates are buying stakes in the projects (PFR, 4/13).
	The Camp Springs projects (250 MW Wind)	Scurry County, Texas		
	Sand Bluff (90 MW Wind)	Sterling & Glasscock Counties, Texas		
Ormat Technologies	Portfolio (106 MW Geothermal)	U.S.	UBS Investment Bank	Northleaf Capital Partners has acquired a 36.75% stake (see story, page 5).
Pattern Development	Amazon Farm (150 MW Wind)	Benton County, Ind.		Pattern Energy Group bought a 77% stake in the farm (see story, page 5).
	K2 (270 MW Wind)	Ontario		Pattern's yield company, Pattern Energy Group is buying a 33% stake (PFR, 4/13).
Rockland Capital	Lakeswind (50 MW Wind)	Rollag, Minn.		Sale of the 71 MW portfolio launched on Tuesday (PFR, 4/20).
	Mass Solar (21 MW Solar)	Massachusetts		
RPM Access	Elk (42.5 MW Wind)	Iowa		BlackRock is acquiring a 90% stake in both wind farms (PFR, 4/27).
	Hawkeye (37.5 MW Wind)	Iowa		
Terra Firma Capital Partners	Portfolio (2 GW Wind)	U.S.	Bank of America Merrill Lynch	Terra Firma is scouting buyers for its U.S. subsidiary EverPower Wind (PFR, 5/4).
Valley Road Holdings	Tilton Energy (176 MW Gas)	Tilton, Ill.		Rockland Capital's fund, Rockland Power Partner II is buying both facilities (PFR, 4/13).
	Rocky Road Power (327 MW Gas)	East Dundee, Ill.		
Wind Capital Group	Post Rock (200 MW Wind)	Kansas		Pattern Energy Group is buying both facilities (PFR, 4/13).
	Lost Creek (150 MW Wind)	Dekalb County, Mo.		

● New or updated listing

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

● PROJECT FINANCE

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

Live Deals: Americas

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

● New or updated listing

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MERGERS & ACQUISITIONS ●

PEGI Snares Amazon-Backed Wind Farm

Pattern Energy Group Inc. has purchased a 77% stake in a 150 MW wind farm that features **Amazon Web Services** as the off-taker. Parent company **Pattern Development** is selling the stake in the Amazon wind asset in Benton County, Ind., for \$127 million.

Evercore Group is the financial advisor to PEGI on the acquisition. The San Francisco-based yield company will hold an interest of 116 MW in the Amazon wind farm, once construction is complete at year-end. The yieldco expects one or more undisclosed institutional tax equity investors to own the remaining 23% of the asset.

The Amazon wind farm, formerly Fowler Ridge, has also sealed construction financing with a consortium of lenders. “Renewable projects are able to tap into the capital markets through yieldcos and in certain cases, securitization, to drive the yield that investors are getting for wind and solar projects,” says a deal watcher about Pattern Development’s construction financing strategy. A spokesman for Pattern Energy declined to comment on the identities of the lenders and the amount of debt raised.

The acquisition brings Pattern Energy’s portfolio to 16 contracted wind assets totaling more

than 2 GW across the U.S., British Columbia, Ontario and Latin America.

The wind farm has a 13-year power purchase agreement with Amazon to service the e-commerce giant’s data centers. The Amazon facility will utilize 65 **Siemens** 2.3 MW turbines and transformers manufactured at the Siemens facility in Richland, Miss.

The Amazon wind farm was added to PEGI’s rights of first offer list from Pattern Development’s project development pipeline in January, when Amazon became an off-taker. Pattern Development’s project development pipeline comprises a portfolio of 4.5

GW of wind and solar facilities.

Pattern Energy will fund its acquisition through available cash and credit facilities. It expanded commitments under its corporate credit facilities by more than 140%, to \$350 million in December largely to facilitate its purchase of ROFO assets from Pattern Development (PFR, 19/12).

The yieldco recently bought a trio of wind assets for \$322 million from Pattern Development and Dublin-based **NTR** affiliate, **Wind Capital Group**, which is exiting the U.S. market (PFR, 4/8).

Davis Polk & Wardwell was the legal counsel to Pattern Energy on the transaction. ■

Northleaf Scores Stake, Nets JV With Ormat

Ormat Technologies has sold a 36.75% stake in its holding company subsidiary, **ORPD** to **Northleaf Capital Partners** for \$162.3 million. After the sale, ORPD will become a joint venture between the Reno, Nev.-based geothermal shop and the Toronto-based private equity firm.

Ormat has tapped **UBS Investment Bank** as its financial advisor on the sale. **Silveron Capital** and **Agentis Capital** are the financial advisors to Northleaf.

ORPD has a portfolio of geothermal assets totaling 106.5 MW. Ormat values the remaining 63.25% stake in ORPD’s assets at roughly \$280 million, and the entire joint venture at \$442 million.

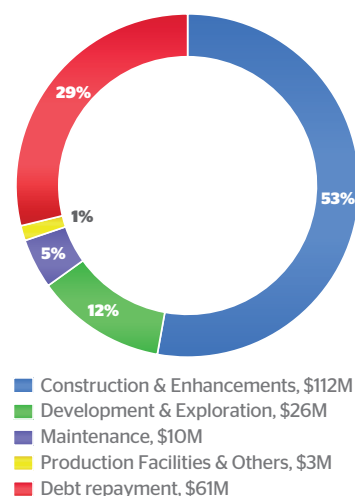
The sale includes stakes in ORPD’s assets, which comprise: - two Puna facilities totaling 38 MW in the Big Island, Hawaii,

- the 19 MW Don A. Campbell plant in Mineral County, Nev.,
- four gas compressor units at the 22 MW OREG 1 plant in North and South Dakota,
- four gas-fired units totaling 22 MW at the OREG 2 plant in Montana, North Dakota and Minnesota, and,
- one 5.5 MW gas compression station at the OREG 3 plant in Martin County, Minn.

Hawaii Electric Light Co. and the **Southern California Public Power Authority** are the off-takers of the Puna and Don A. Campbell facilities, respectively. The OREG 1 and 2 plants are contracted to **Basin Electric Power Cooperative**, while OREG 3 has a power purchase agreement with **Great River Energy**.

Ormat has operating projects totaling roughly 493 MW across California, Nevada and Hawaii

Ormat’s Capex Requirements - 2015



Source: Ormat's Presentation of 2015 Financial Results

as well as two facilities totaling 44 MW in Guatemala. The geothermal developer aims to add the second phase of Don A. Campbell to ORPD, once the project is completed. Ormat has entered into a 20-year contract with SCPPA to sell output from

phase two of Don A. Campbell (PFR, 4/17).

Ormat’s project development pipeline includes an early-stage development geothermal facility in Utah and Platanares, a late-stage development project in Honduras. Ormat entered into a joint development agreement with **eBay** for the Utah facility in September 2013. The Utah facility will supply output to eBay’s Salt Lake City-based data center under a 20-year offtake agreement. Ormat acquired the Platanares project from a privately-owned Honduran independent power producer **Electricidad de Cortés** in December 2013, and has contracted the facility to **Empresa Nacional de Energía Eléctrica** in Honduras under a 15-year power purchase agreement. Platanares is slated to be online in 2017.

Chadbourne & Parke and **Akin Gump Strauss Hauer & Feld** are the legal advisors on the transaction to Ormat and Northleaf, respectively. ■

PEOPLE & FIRMS

Solar Shop Ropes SunEd PF Manager

Allan Riska, formerly senior manager in project finance at **SunEdison**, has joined **Cypress Creek Renewables** as director of project finance. Riska started in the newly created position in April.

Cypress Creek Renewables develops and finances solar projects in the U.S. The Santa Monica, Calif.-based shop manages a portfolio of 45 MW of operating assets and has a development pipeline in excess of 1 GW, which it plans to deploy over the next two to three years. The company was founded in May 2014 by

Matt McGovern, formally cfo of mortgage company **Paramount Equity**. McGovern launched Paramount Equity's residential solar tax equity fund, which **SolarCity** brought in 2013 (PFR, 8/15/2013).



Allan Riska

Riska worked on loan and tax equity deals for utility scale and commercial projects while at SunEdison in the San Francisco Bay Area for two years. Previously Riska held associate positions at **UBS** and **Bank of America Merrill Lynch**. He has also worked as a senior analyst in mortgage-backed securities at **Lehman Brothers**, according to **LinkedIn**.

Riska and Cypress Creek Renewables either declined to comment or did not respond to inquiries. ■

Deutsche Bank Scoops Goldman Banker

Greg Leveto, formerly a v.p. in the hard asset trading group at **Goldman Sachs**, is joining **Deutsche Bank AG** as a director in the transportation, infrastructure & energy finance group. Leveto assumes his new role in June and will be based in New York.

Leveto will be working on mezzanine, acquisition and bridge financing, according to a financier. The hire is part of an effort by the Frankfurt, Germany-based bank to become an on-stop shop for clients by expanding its prod-

uct suite into lower parts of the capital expenditure structure, the financier adds.

The group, which covers areas including power, aviation and shipping, is expanding and will seek to hire one or two more financiers in the coming months.

Leveto will report to **Armin Rothausser**, who joined Deutsche Bank as an m.d. and head of the transportation, infrastructure and energy finance group in November from Goldman Sachs. Leveto left Goldman in New York last



Greg Leveto

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#PowerTweets

For more news and coverage, follow @PowerFinRisk on Twitter, as well as Editor @SaraReports, @NishAmarnath and @OliviaFeld.

@KaratzasMarine

"@marinecng: Small-scale #LNG projects in British Columbia nudge ahead #BC #sslNG #natgas <http://k-lou.tt/jdljgohrb18w>

@exxonmobil

By 2040, 50% of demand for #natgas will be met by #LNG imports or local unconventional gas <http://exxonmobil.co/1dpgX1T>

@SiemensUSA

Proud to be #technology partner for @PatternEnergy 150-MW Amazon #Wind Farm Project in Indiana: <http://ow.ly/Mu5jE>

@SunEdison

Construction of the Operations building for Route 66 Wind project in Armstrong County, Texas is well underway.

@Deloitte4Energy

#YieldCos expanded #wind & #solar developers' access to lower cost capital, spurring development & projects in 2014 <http://spr.ly/6015f4hS>

@Mercom

#US installed 131 MW of #wind projects in the first quarter of 2015 @AWEA <http://bit.ly/mercomwear>

@HouseCommerce

#SubEnergyPower to tackle hydropower projects & #natgas pipelines next week --> <http://1.usa.gov/1Ea9NVF> #Yes2Energy

@Intersolar

5,000 #solar systems by 2016, with 10,000 today @RKAuffmanEnergy

@PPL_Corporation

U.S. Department of Justice completes review of PPL-Riverstone transaction - on track to close during 2Q 2015 <http://ow.ly/M44ci>

@kmc99

A new kind of utility: Why SolarCity wants to be 'more than a solar company' #distributedgeneration <http://www.utility-dive.com/news/a-new-kind-of-utility-why-solarcity-wants-to-be-more-than-a-solar-company/388825/#.VUCmkxvUcRA.twitter> ...



Q&A: MARCO KRAPELS, SOLARCITY ●

Q&A: Marco Krapels, SolarCity – Part I

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would be a great investment for the bank to provide debt leveraging, on top of tax equity, for the residential and C&I portfolios. We liked it because we saw the underlying default ratio as being very attractive.

Once you've gone through a financial crisis, and you continue to show a consistent performance of repayment rate at extremely low default rates, you have really proven the model. Utilities have very low default rates as well; people need power. And in our case, people don't have an economic incentive to default because they are typically able to generate their own power at a lower rate than they would otherwise pay if they were to buy power from the utility. No matter what the financial hardship is, or the offtaker, whatever their financial conditions are, they don't have an economic incentive to default because we offer power that's, as we say, better and cheaper.

Having looked at the solar market for some time back in 2008-2009, we said we want to be, from the structured finance perspective, providing leverage to those portfolios. We started that relationship with SolarCity when I was at Rabobank, and subsequently financed other portfolios in the industry. At the time, solar assets were one of the best performing portfolios at the bank. Period. We never experienced a default on any of the loans we made or anyone in the industry we provided credit to in the U.S., and really it was one of our better performing asset classes in the entire bank's balance sheet. During the financial crisis, it was appreciated that we came in and provided capital at a time when not many were ready to step up to the plate. Since then, it has become a very deep, liquid and broad institutional market that SolarCity successfully developed and led. SolarCity leads innovation, not just when it comes to solar but really product innovation and financial innovation too.

Lyndon Rive, SolarCity's ceo and co-founder, myself, and the structured finance group - some of the people that now work with me - did a couple of subsequent transactions as well. We got to know each other, we did some business together and I've always kept in touch. I talked to management from time to

time and it led to this particular opportunity. I believe they thought I was a suitable candidate and it's an honor and a pleasure to work with such a capable team and management that is so committed to executing what I think is a very focused strategy that will continue to scale significantly in the years ahead.

PFR: In a few short months, since the start of this year, SolarCity has already raised around \$995 million in financing. I appreciate that you just started at the company, but as someone who has been in the industry for quite a bit longer, I'm wondering how you would describe the general financial market for perspective borrowers at the moment.

Krapels: What you've seen is that banks have a high level of confidence in our ability to execute and to manage the asset quality within certain limits. I have very high confidence that we will continue to execute in both tax equity and debt in a scalable manner—the size of our transactions has continued to increase over time.

We're going to see more players come into this category, both in tax equity as well as debt, and we're going to see existing players step up for larger amounts. We've proven that this asset class is of investment grade quality, evidenced by the securitization ratings that we have achieved. We will continue to pursue more liquidity in a market that, whether you're an institutional investor or long-term institutional or a bank, you're looking for assets that provide long-term stable, predictable cash flows at extremely low probabilities of default and a yield that is attractive and better than they can get anywhere else on a comparative rating basis. And that's what we provide. We provide lower risk and higher return.

PFR: SolarCity currently serves 16 states in the U.S. What plans does the company have to expand to other states and countries?

Krapels: SolarCity is a high-growth company. I would say that in the existing markets we are currently focused on, there is no shortage of

growth opportunity. But we are keeping our eyes open and we will continue to position for growth above and beyond our current scope.

PFR: Moving on to the lenders you work with, SolarCity has worked with Bank of America Merrill Lynch, Credit Suisse, Goldman Sachs and many other large financial institutions. Why have you chosen to work with these entities and what kind of qualities do you look for when it comes to relationships with lenders?

Krapels: First of all, you are right. We have great relationships with these companies, and many others. What we are looking for is an understanding of our asset class and their ability to grow with us. That's extremely important. To manage dozens of relationships is very time-consuming so we want people who can grow with us and can step up and do larger transactions over time as we grow. As a company that basically doubles every year, it's important that you have partners who can grow with you, understand the asset class, and have an appreciation for the nuances within tax equity and debt.

We want people to think out of the box with us. We are a creative company. We don't just innovate in the product side vis-à-vis our customers in solar and other areas, but we are also innovative on the financing side and we want partners that can be creative with us.

One of the things that I see as a tremendous opportunity is that we've done a really good job tapping into the institutional banking market. Fundamentally, I believe this asset class should be a sizeable asset class that should be held by pension funds and insurance companies that are looking for long-term, fixed-rate, low-risk kind of returns. If you really look at the yield curve right now and what's available now to those long-term fixed institutional investors, there really is not a lot out there. With the help of our banking partners, we're going to see more demand coming from long-term institutional investors that are looking for yield pick-up relative to risk. ■

Check back next week for the second installment of this Q&A with Marco Krapels.

Xcel Circles N.D. Wind Purchase From Geronimo

« FROM PAGE 1 tion with the **Minnesota Public Utilities Commission** on April 30, seeking approval to acquire, develop and operate the facility. The **North Dakota Public Service Commission** and the **Stutsman County Commission** issued permits to Geronimo in 2013 for constructing the wind farm. Geronimo, which has not been able to secure financing or a third-party partner for Courtenay, according to the petition, is looking to exit the project.

Xcel expects to complete construction by Dec. 31, 2016 to utilize the federal production tax credit. Geronimo has completed enough work to qualify for the PTC, an Xcel spokeswoman says. Buying the project will also be cheaper than engaging in a PPA, a deal watcher notes.

The Courtenay farm acquisition is a part of 750 MW in wind capacity additions through a trio of wind assets that include:

- the 200 MW, Odell Wind farm near Windom, Minn.,
- the 200 MW Pleasant Valley wind facility near Austin, Minn., and
- the 150 MW Border Winds farm near Rol-

lette, N.D.

An Xcel Energy affiliate has a 20-year PPA to buy output from the Odell farm. **RES Americas Development**, which is developing the Pleasant Valley and Border Winds facilities, will transfer its ownership of both projects to Xcel once construction is completed. Both Pleasant Valley and Border Winds are on track to enter service at year-end.

Geronimo has been focused on selling about 1 GW of contracted, late-stage wind projects over the past year (PFR, 9/8). The Edina, Minn.-based developer recently offloaded the 78 MW Black Oak Getty wind farm to San Diego, Calif.-based **Sempre US Gas & Power** (PFR, 4/21) and sold the 200 MW Odell wind farm to **Algonquin Power & Utilities Corp.** for more than \$300 million last year (PFR, 2/10).

The Xcel spokeswoman declined to comment on how the company would finance its construction of the Courtenay farm, but mentioned that it would issue debt in the course of financing its capital expenditures.

Xcel did not work with a financial advisor on the purchase. Whether Geronimo used an advisor could not be discerned. Calls placed to a Geronimo spokeswoman were not returned. ■

Cheniere Targets More LNG Trains

« FROM PAGE 1 The U.S. **Federal Energy Regulatory Commission** approved Corpus Christi with conditions in December. A request for a rehearing, submitted by the **Sierra Club**, was denied on Wednesday. An application to the U.S. **Department of Energy** for Corpus Christi to export to non-free trade countries is pending. Financing is expected to close shortly after a decision by the DoE, adds the deal watcher.

Cheniere secured equity investments for Corpus Christi from **EIG Management Co.** and an affiliate of private equity shop **RRJ Capital** (PFR, 12/15). **PT Pertamina**, **Endesa**, **Iberdrola**, **Gas Natural Fenosa**, **Woodside Energy Trading**, **Électricité de France** and **EDP Energias de Portugal** have 20-year offtake agree-

ments with the project. The three trains are scheduled to be online in 2018.

Financing for trains five and six at Sabine Pass LNG is slated to close this year. The combined estimated cost for the two trains is \$6 billion. The fifth and sixth trains at Sabine Pass are awaiting FERC approval and DoE non-FTA authorization.

Trains one to four at Sabine Pass are already under construction, after Cheniere trapped the bond and banking markets in several rounds of financing (PFR, 5/14). **Blackstone** invested an equity of \$2 billion in the project (PFR, 3/16/12). The first exports from trains one and two are scheduled for this year. **BG Group**, **Gas Natural Fenosa**, **Korea Gas Corporation**, **GAIL**, **Total Gas & Power** and **Centrica** have 20-year offtake agreements with the project.

A spokesperson for Cheniere in Houston declined to comment. ■

● THE BUZZ

SolarCity Revs Up Its Growth Engine

SolarCity, the pioneer of asset-backed solar securitizations (PFR, 5/1), is continuing to foster strong growth with activity in the financial markets. The San Mateo, Calif.-based shop has sealed financing for more than \$1 billion since January, recently securing \$500 million in commercial solar investments from **Bank of America Merrill Lynch**, **Credit Suisse** and **Deutsche Bank** (see story, page 2). The company's most recent hire, **Marco Krapels**, v.p. of structured finance and strategy, is putting his experience as a former banker to use, leading efforts to fund the growth of SolarCity's asset class.

While Houston-based **Cheniere Energy** prepares to add two trains at a liquefied natural gas export facility (see story, page 1), a pair of wind deals have picked their way into the M&A radar. **Geronimo Energy** is scouting a sale of its 200 MW Courtenay wind facility in Indiana to **Xcel Energy** (see story, page 1). **Pattern Energy Group Inc.** has grabbed a majority stake in a wind farm, backed by offtaker Amazon Web Services, from its parent **Pattern Development** (see story, page 5). The Amazon farm is the fourth purchase the yield company has made in the past month (PFR, 4/8).

Elsewhere, **Deutsche Bank** has tapped former Goldman V.P. **Greg Leveto** as director of its transportation, infrastructure and energy business (see story, page 6), while **Allan Riska** has moved on from his role as senior project finance manager at SunEdison to join Santa Monica, Calif.-based solar shop **Cyprus Creek Renewables** (see story, page 6). ■

Deutsche Bank Scoops Goldman Banker

« FROM PAGE 6 April after eight years at the investment bank.

Deutsche Bank was a joint lead arranger on the \$4.56 billion deal backing the third train at **Freeport LNG** at Quintana Island near Freeport, Texas (PFR, 4/28). The bank is also a joint lead arranger on an \$11.5 billion deal backing **Cheniere Energy's** Corpus Christi LNG project in San Patricio County, Texas (PFR, 5/6).

A spokesperson for Deutsche Bank in New York declined to comment and Leveto could not be reached immediately. ■