

Power Finance & Risk

Exclusive Insight on Power M&A and Project Financing

● MERGERS & ACQUISITIONS

Bankers prep district energy sales

M&A bankers are preparing to take bids for the sales of multiple district energy businesses in the US.

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● BORROWER STRATEGIES

PG&E to issue wildfire securitization

Pacific Gas & Electric has received the green light to issue \$7.5 billion in "recovery bonds" to finance wildfire-related expenses.

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● LATIN AMERICA

Bank tapped for Chilean PMGD financing

BNP Paribas has been mandated to arrange a project finance loan for **Matrix Renewables'** small-scale Chilean solar portfolio.

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Vineyard Wind wins approval to start construction

Taryana Odayar

The Biden administration has approved the construction and operations plan for the 800 MW Vineyard Wind project off the coast of Massachusetts, which has been waiting in the wings for years due to federal permitting issues among other delays.

The decision, announced on May 11 by Secretary of the Interior, **Deb Haaland** and Secretary of Commerce, **Gina Raimondo**, grants Vineyard Wind the fi-

nal federal approval needed to install up to 84 wind turbines about 12 nautical miles offshore Martha's Vineyard, and 12 nautical miles offshore Nantucket.

The project – a joint venture between **Copenhagen Infrastructure Partners** (CIP) and **Avangrid Renewables** – would be the first "commercial-scale" offshore wind project in the US, according to the **Department of the Interior** (DOI). [PAGE 10»](#)

Debt raise in works for Colombian gas-fired project

Carmen Arroyo

A Colombian sponsor has tapped two international banks to arrange a debt package for a roughly 200 MW gas-fired power plant.

Local energy company **Celsia** has hired **Sumitomo Mitsui Banking Corp** and **Santander** to arrange construction financing for its 198.7 MW Tessorito I gas-fired project in the

department of Cordoba. The bank duo expects to provide a US dollar-denominated package, ranging between \$140 million and \$150 million in size, *PFR* has learned.

The deal is still in the early stages, according to a deal watcher, who adds that "it could go to the capital markets." [PAGE 13»](#)

Teasers out for Texas CCGT stake

Alfie Crooks

Marketing materials have been circulated for the sale of a majority stake in a combined-cycle gas-fired power plant in Texas.

Osaka Gas USA Corp and **Mitsubishi Corp** subsidiary **Diamond Generating** are marketing an up to 67.8% interest in the 845 MW Tenaska Gateway Generating Station, located in Rusk County.

Whitehall & Co distributed teasers on behalf of [PAGE 9»](#)

CFO leaves Key Capture Energy

Taryana Odayar

The CFO of battery storage developer and independent power producer **Key Capture Energy** has left the firm, and a senior investment banker has been brought in to act as interim CFO.

Ann Anthony, who joined Key Capture in 2019 and has more than 30 years of corporate experience, left the firm last month.

She has since joined a newly launched **Fortistar** [PAGE 14»](#)

The fruits of your labor



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● FUND NEWS

ORION ENERGY REACHES CLOSE ON \$1BN INFRA FUND

Orion Energy Partners has raised \$1.079 billion for its Orion Energy Credit Opportunities Fund III.

The New York-based middle-market energy infrastructure debt investor had originally set a fundraising target of \$900 million.

The fund will make investments ranging in size between \$40-200 million in opportunities within the renewables, energy efficiency, waste, water, transport and telecommunications sectors. It will focus on flexible direct lending to both private and public companies.

Orion was supported on the fundraising by placement agent **Asante Capital** and legal counsel **Latham & Watkins**.

So far, Orion has invested 10% of the fund's capital in California-based renewable diesel refinery **Bakersfield Renewable Fuels** (a subsidiary of **Global Clean Energy Holdings**) and Arkansas-based biomass pellets supplier **Highland Pellets**.

Founded in 2015, Orion now has \$2.5 billion under management. The firm's third fund raised 32% more capital than its preceding fund.

UK-LISTED FUND RAISES \$132M FOR US SOLAR PORTFOLIO REFI

Listed **US Solar Fund** has raised \$132 million in equity on the **London Stock Exchange** to refinance a solar portfolio at a less aggressive leverage ratio.

The non-underwritten ordinary share of-

fering was launched with an initial target of \$105 million on April 13, with **Cenkos Securities** and **Jefferies** as joint global coordinators and joint bookrunners ([PFR, 4/13](#)).

US Solar Fund had planned to use \$82.5 million to pay off debt associated with its 130 MW operational Heelstone solar portfolio in North Carolina, Oregon and California.

It will now allocate an additional \$7.5 million for the Heelstone refinancing, while a further \$8 million will go toward repaying the company's revolving credit facility. The remainder will be utilized as working capital and for new investments.

The company bought the portfolio from **Ares Management** portfolio company **Heelstone Renewable Energy** in March 2020, at the peak of the first wave of the Covid-19 pandemic in the US ([PFR, 3/17/20](#)).

US Solar Fund paid about \$38 million for the equity in the 22-project portfolio and assumed about \$148 million in debt. The debt is priced at 6.25%, which is 3.5% higher than what the company said it could be paying ([PFR, 4/13](#)).

Another \$22 million from the \$132 million capital raise will go toward the acquisition of an additional 25% stake in the 154 MW Mount Signal 2 solar project in California from related entity **New Energy Solar** ([PFR, 3/29](#)).

US Solar Fund was floated on the London Stock Exchange via a \$200 million initial public offering in 2019 ([PFR, 2/26/19](#)). ■

Power Finance & Risk

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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.

Generation Sale ■ DATABASE

Seller	Assets	Location	Adviser	Status/Comment
Belltown Power Texas	Portfolio (870 MW Solar, Wind)	Texas		The sponsor was marketing the portfolio as of February (PFR, 2/15).
Birdseye Renewable Energy	Birdseye Renewable Energy	US	Onpeak Capital	Dominion Energy has struck a deal to purchase the company, as announced on May 11 (see story, page 5).
Broad Reach Power	Broad Reach Power	US	Citi	Marketing materials circulated in April (PFR, 5/10).
	MTSun Solar (80 MW Solar)	Montana		Greenbacker Renewable Energy purchased the asset, as announced on May 5 (see story, page 5).
Canadian Pension Plan Investment Board	Puget Holding Company (10%)	Washington	JP Morgan	The bank has taken final bids as of the second week of May and expects to close the sale by the end of the summer (see story, page 6).
Capital Dynamics	Saticoy (100 MW/400 MWh Storage, 49%)	California	CohnReznick Capital	S&B USA Energy has agreed to purchase the stake in the project, as announced on May 3 (PFR, 5/10).
Castlelake	Summit (57.5 MW Wind)	Alameda County, CA	FTI	Greenbacker was seeking approval for acquisition by March 22 (PFR, 3/8).
Clearway Energy Group	Portfolio (District energy systems)	US	BofA, TD Securities	The banks have been mandated for the sale of the assets, as of the second week of May (see story, page 7).
Basalt Infrastructure Partners, DCO Energy	DB Energy Assets	US	TD Securities	The bank is exclusive financial adviser on the sale of the district energy assets (see story, page 7)
Columbia Basin Hydropower	Banks Lake (500 MW Storage)	Washington	Green Giraffe	Teasers were distributed in April (see story, page 6).
Ecoplexus	Ecoplexus	US	PJ Solomon	Ecoplexus is offering a minority stake in the company as of the last week of March (PFR, 4/5).
EDP Renewables	Bright Stalk (205 MW Wind, 55%) Harvest Ridge (200 MW Wind, 55%)	Illinois	Jefferies	Greencoat Capital has agreed to purchase the interests in a deal set to close in June (PFR, 4/19).
Elawan Energy	Portfolio (350 MW Wind)	US		Orix Corp agreed to purchase majority stakes in the portfolio as of March 26. FERC approval is expected by April 16 (PFR, 4/5).
Glidepath Power Solutions	Project Wolf (3.1 GW Storage)	US	Guggenheim Securities	Teasers were distributed during the week of April 19 (PFR, 5/3).
Key Capture Energy	Key Capture Energy	US	OnPeak	The auction for the company was in the final round of bidding as of February (PFR, 3/1).
Kore Power	Kore Power	US	CohnReznick Capital	The sponsor is looking for an equity investment, with the process being in the first round of bidding as of late April (PFR, 5/3).
Mainstream Renewable Power	Mainstream Renewable Power (75%)	Chile	Rothschild & Co	Aker has closed the purchase of the stake as announced on May 12 (see story, page 12).
Northleaf Capital Partners	South Branch (30 MW Wind, 49%)	Ontario	NBF	Teasers circulated in first week of February (PFR, 2/8).
Diamond Generating	Tenaska Gateway Generating Station (854 MW Gas, 67.8%)	Texas	Whitehall & Co	The bank distributed teasers in April (see story, page 1).
Petrobras	Transportadora Brasileira Gasoduto Bolivia-Brasil, Transportadora Sulbrasileira de Gás	Brazil		Petrobras launched the binding phase of the sale on April 30 (PFR, 5/10).
Photosol	San Juan Solar I (299 MW Solar, 130 MW Battery)	New Mexico	BNP Paribas	Second round bids were due on March 19 (PFR, 3/29).
Prospect14	Project Anthracite (1.3 GW Solar, Storage)	Pennsylvania, Virginia	Jefferies	Marketing materials for the sale process circulated during the week of April 26 (PFR, 5/3).
PSEG Power	Solar Source (365 MW Solar)	US	Goldman Sachs	Quattro Solar has agreed to purchase the assets in a deal that will close during this year's third quarter (PFR, 5/10).
Source Renewables	Community Solar Portfolio (23 MW)	New York		Sale launched in third week of March (PFR, 3/29).
Source Renewables	Community Solar Portfolio (22 MW)	New York		Letter of intent signed with potential buyer as of March (PFR, 3/29).
Southeast PowerGen (Carlyle Group)	Sandersville Facility (680 MW Gas)	Washington County, GA		Harbert Management Corp is buying a stake in the company as of February. The deal is to be approved by April 13 (PFR, 3/1).
Southwest Generation	Kingsburg (36.2 MW Gas)	California		Clarion Energy, a subsidiary of family trust the Linger Trust, has agreed to buy the asset. Approval is expected by June 15 (see story, page 5).
Southern Power	Partin Solar (50 MW Solar)	North Carolina		The sponsor has recirculated teasers for the project as of the second week of March (PFR, 3/15).
Swift Current Energy	Swift Current Energy	US		Buckeye Partners and Nala Renewables expect to acquire a majority stake in the company, as announced on April 7 (PFR, 4/19).
Vanguard Funds, Wellington Management Co, Hartford Funds	Homer City (Coal, 18.05%)	Pennsylvania		Knighthood Capital Management inked a deal to buy the stake, as announced on April 20. FERC approval is expected by June 4 (PFR, 4/26).

● 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 Taryana Odayar at (212) 224 3258 or e-mail taryana.odayar@powerfinancerisk.com

PROJECT FINANCE

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

Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Deal Type	Loan Amount	Tenor	Notes
Atlas Renewable Energy	Casablanca (359 MW (DC) Solar)	Brazil	DNB, IDB Invest	Construction loan	\$150m		The banks closed the deal in early April (see story, page 12).
APG, Celeo Redes	Colbún Transmision	Chile	JP Morgan	Bond	\$1bn		The bank is trying to syndicate the bridge loan to the bond, eyeing the closing of the bridge in two weeks (PFR, 5/10).
2W Energia	Anemus (136.8 MW Wind)	Brazil	Darby International Capital	Construction loan	\$45m		The sponsor has secured the financing, as announced on April 13 (PFR, 4/26).
Castleton Commodities International	Riverview Power (1.4 GW Gas)	New York, Texas	Morgan Stanley	Term loan B	\$205m	7-yr	The deal, which will refinance the portfolio, was launched in mid-April (PFR, 5/3).
Celsia	Tesorito (198.7 MW Gas)	Colombia	SMBC, Santander		\$140m-\$150m		The sponsor has mandated the banks as of early May (see story, page 1).
Competitive Power Ventures	St Charles Energy Center (745 MW Gas)	Maryland	MUFG, BNP Paribas, Credit Agricole, Mizuho	Term loan B	\$350m	7-yr	The deal was expected to close in the third week of May (see story, page 10).
				Ancillary facilities	\$100m	6.5-yr	
Cox Energy America	Sol de Vallenar (308 MW (DC) Solar)	Chile					The sponsor is looking for debt for the asset as of February 12 (PFR, 2/22).
Daroga Power	Portfolio (33 MW Fuel cell)	US		Tax equity	\$205m		The sponsor is raising financing as of late March (PFR, 4/5).
Generadora Metropolitana	Portfolio (600 MW Solar, Gas)	Chile	Credit Agricole	Term loan	\$700m-\$1bn		The sponsor reached out to banks for the debt package as of April (PFR, 5/10).
GenOn Energy	Chalk Point (1.6 GW Gas, Oil)	Maryland	Investec	Term loan A	\$305m	5-yr	The sponsor launched the financing as of the third week of March and expects to close by late March or early April (PFR, 3/22).
	Dickerson (312 MW Gas, Oil)						
Greenleaf Power	Honey Lake (30 MW Biomass)	California	EastWest Bank	Credit facility	\$36.6m		The sponsor closed the financing as of the second week of May (see story, page 9).
	Felicien (22 MW Biomass)	Quebec					
Interchile	Cardones-Polpaico (Transmission)	Chile		Bond refinancing	\$1bn		The sponsor has sent out RFPs to banks (PFR, 10/19).
I Squared Capital	Atlantic Power portfolio (1,160 MW Gas, Biomass, Coal)	US	RBC Capital Markets, MUFG	Term loan B	\$360m	6-yr	The banks met on March 18, with commitments due on April 1 (PFR, 3/22).
				Ancillary facilities	\$45m		
Key Capture Energy	Portfolio (250 MW Storage)	Texas					The sponsor is conducting pre-marketing for debt as of February (PFR, 2/15).
Macquarie Infrastructure and Real Assets	Wheelabrator Technologies, Tunnel Hill Partners	US	Credit Suisse	Term loan	\$1bn	7-yr	The sponsor is combining and refinancing the portfolio companies, with commitments due on March 19 (PFR, 3/15).
				Ancillary facilities	\$400m	5-yr	
Mainstream Renewable Power	Copihue (100 MW Wind)	Chile		Term loan	\$160m		The bank sent an RFP to banks in January (PFR, 2/8).
Matrix Renewables	Portfolio (154 MW (DC) Solar)	Chile	BNP Paribas				The sponsor mandated the bank for the financing in February (see story, page 11).
Oaktree	Seaside LNG (50% of JAX LNG)	Florida	Investec	Term loan (holdco)	\$122m	C+5yr	The deal is set to close on the first week of March (PFR, 3/1).
				Ancillary facilities	\$25m	C+5yr	
Omega Geração	Chui (600.8 MW Wind)	Brazil	BTG Pactual	Debentures	\$183m		The sponsor is preparing to issue the debentures to refi the complex as of the second week of March (PFR, 3/15).
Orsted	Helena Wind (268 MW Wind)	Texas					The sponsor has made a final investment decision on the project (PFR, 4/5).
	Sparta (250 MW Solar)						
Savion	Westoria Solar (200 MW Solar)	Brazoria County, Texas	CIT Bank, ING Capital	Term loan	\$79m	C+5yr	The sponsor is working on the financing as of February (PFR, 2/22).
				Tax equity	\$95m		
				Ancillary facilities	\$38m		
Terra-Gen	Edwards Sandborn (1,118 MW/ 2,165 MWh Solar, Storage)	California		Construction loan	\$1bn		The developer approached banks for the financing as of early May (PFR, 5/10).

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NORTH AMERICA MERGERS & ACQUISITIONS ●

Southwest to sell California CCGT to family trust

Southwest Generation has agreed to sell a combined-cycle gas-fired power plant in California to a family trust.

Under the terms of the agreement, **Clarion Energy**, a subsidiary of family trust the **Linger Trust**, will buy the 36.2 MW Kingsburg plant, which is located near Fresno in Kingsburg County.

At the start of this year, Southwest and **Novatus Energy**, both of which are portfolio companies

of **JP Morgan Asset Management's** infrastructure investment funds, merged to form **Onward Energy** ([PFR, 1/13](#)).

The parties to the deal have asked that the US **Federal Energy Regulatory Commission** approves the transaction before June 15, according to a FERC filing dated May 5.

The Kingsburg plant sold its electricity to **Pacific Gas & Electric Co** until April 7 under

the terms of a 30-year power purchase agreement. Upon completing its PPA term, the **California Independent System Operator** refused to allow the plant to retire, thereby triggering negotiations for a reliability must-run contract instead.

The Kingsburg project had been majority-owned by funds managed by **Fortress Investment Group** before Southwest bought it in 2016 ([PFR, 2/19/16](#)).

Clarion's acquisition of Kingsburg would add another CCGT to its portfolio of gas-fired assets in California, which include:

- Two Colton Power gas-fired plants – 45 MW each
- Harbor Cogeneration facility – 107.4 MW
- Ripon Energy facility – 49.5 MW

Clarion agreed to acquire the gas-fired Ripon power plant from **AltaGas** last June, as previously reported ([PFR, 6/22](#)). ■

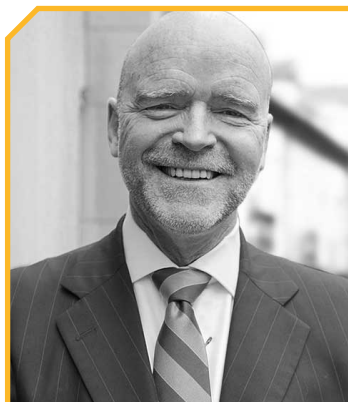
Greenbacker buys Treasure State solar project

Greenbacker Renewable Energy has bought its second solar project in Montana – an 80 MW development-stage, contracted asset in Yellowstone County.

The company bought the MTSun Solar from Houston-based developer **Broad Reach Power** and intends to bring it online in July 2022.

The project has a 25-year power purchase agreement in place with **Northwestern Energy**.

This is the second asset sale between Greenbacker and Broad Reach, following the former's purchase of another 80 MW solar project, namely the Fall River asset in South Dakota, late last year ([PFR, 11/16](#)).



"We're thrilled that our continued relationship with Broad Reach Power has allowed our fleet of renewable energy projects to exceed one gigawatt of power generation capacity."

Charles Wheeler, CEO of Greenbacker

"We're thrilled that our continued relationship with Broad Reach Power has allowed our fleet of renewable energy projects to exceed one gigawatt of power generation capacity,"

said **Charles Wheeler**, CEO of Greenbacker. "The fact that this milestone coincides with **Greenbacker Capital Management** celebrating 10 years of sustainable infrastructure investing

makes it all the more special."

Greenbacker Capital Management was founded in 2011 and is an external investment adviser for Greenbacker Renewable Energy.

With the acquisition of MTSun Solar, Greenbacker will own about 1.04 GW of generation – including assets to be constructed – split between 773.5 MW of utility-scale and distributed solar facilities, 242.6 MW of wind facilities, 15.5 MW of battery storage and 12 MW of biomass facilities.

Broad Reach owns a 16 GW utility-scale solar and energy storage portfolio spread across Montana, California, Wyoming, Utah and Texas. ■

Dominion to buy renewables developer

Dominion Energy has struck a deal to acquire a utility-scale renewable energy project developer based in the Southeastern US.

The developer is Charlotte, North Carolina-based **Birdseye Renewable Energy**. The firm has developed 1 GW of operating and contracted solar assets since its inception in 2009. It also has a

solar and energy storage project pipeline.

As part of Dominion, Birdseye will support the development of regulated and long-term contracted solar and energy storage assets.

"We're combining our company's financial commitment to clean energy with Birdseye's

proven development expertise," said **Diane Leopold**, Dominion's chief operating officer. "That's an ideal alignment to advance the goals of the Virginia Clean Economy Act, the North Carolina Clean Energy Plan and Dominion Energy's goal of net zero emissions."

Onpeak Capital acted as exclusive financial adviser to

Birdseye on the deal.

"Dominion Energy shares our community-based approach to solar development and our clean energy vision for the region," said **Brian Bednar**, CEO of Birdseye. "The entire Birdseye team is thrilled to join Dominion Energy."

Earlier this year, Birdseye sold a 45 MW solar portfolio in the Carolinas to Denver-based solar investment fund **SolRiver Capital**. ■

● NORTH AMERICA MERGERS & ACQUISITIONS

Utility sales heat up

PUGET SOUND ENERGY

The sale of a minority stake in a regulated electric utility in Washington state has reached the final round of bidding.

Canadian Pension Plan Investment Board (CPPIB) has taken final round bids for a 10% chunk of its 31.6% stake in **Puget Holding Company**, which is the owner of Bellevue, Washington-based utility **Puget Sound Energy**.

JP Morgan is acting as financial adviser on the sale, which is codenamed Project Puma, and slated to close by the end of this summer.

A **Macquarie Infrastructure Partners**-led consortium, comprising long-term infrastructure investors primarily located in Canada, initially took Puget Energy private in 2007 ([PFR, 11/2/07](#)).

About a decade later, in 2019, **Macquarie Infrastructure & Real Assets** sold its 42% stake in the utility to the Canadian investors ([PFR, 1/30/20](#)). They are:

- **Alberta Investment Management Corp** (13.6%)

- **British Columbia Investment Management Corp** (20.9%)
- **OMERS Infra** (23.9%)
- **PGGM** (10%)

KENTUCKY POWER

Bids are due this summer for the sale of **American Electric Power's** utility subsidiary **Kentucky Power**.

Barclays and **Goldman Sachs** have been mandated as financial advisers on a strategic evaluation of the utility, and are running a competitive broad-based auction process.

The banks are taking non-binding bids for the utility over the summer, sources tell *PFR*, with a potential sale expected by the second quarter of 2022.

The regulated utility's return on equity (ROE) as of March 31 stood at 4.8%, which was significantly lower than the company's overall operations ROE of 9.1% and the lowest earned ROE out of AEP's seven electric utilities.

"I think the real issue here is, we have made a deliberate decision to really start our portfolio management approach

and evaluating jurisdictions," said AEP's chairman, president and CEO **Nicholas Akins** on an April 22 first quarter earnings call. "Because we are fully regulated, we can look at these areas and determine what the best bid is in terms of future capital needs and what our focus is in terms of moving to a clean energy economy."

Akins went on to attribute the "well below authorized" ROE to "loss of load from weak economic conditions and loss of major customers, along with higher expenses" as well as lower transmission revenues due to project delays.

The capital raised from a potential sale of the utility could go toward AEP's planned acquisition of **Invenery's** 1,485 MW North Central Wind Energy portfolio in Oklahoma.

"To the extent that we get dollars in the door, that will be a wonderful place to put that to work in terms of being able to sidestep some of the equity need and we'll see if we can make that happen, absolutely," said AEP's CFO **Julie Sloat** on the April 22 earnings call.

Invenery recently secured construction financing for the



"To the extent that we get dollars in the door, that will be a wonderful place to put that to work."

Julie Sloat, CFO, AEP

three-project North Central portfolio, which comprises the Traverse, Maverick and Sundance wind farms ([PFR, 3/24](#)).

Kentucky Power serves about 170,000 customers in eastern Kentucky. It owns and operates the 260 MW Big Sandy gas-fired power plant in Lawrence County, Kentucky and holds a 50% stake in the 1,560 MW Mitchell coal-fired plant in Marshall County, West Virginia. ■

Bids due for pumped hydro storage asset in Washington

Non-binding bids are due soon for the sale of a development-stage, 500 MW pumped hydro storage project in Washington state.

Wholesale power supplier **Columbia Basin Hydropower** will start taking non-binding offers for its Banks Lake Pumped Storage Project in central Washington state on May 21, *PFR* has learned.

The project will utilize the Banks Lake and Lake Roosevelt reservoirs to provide generation

to the Pacific Northwest power grid once it comes online in 2027.

Green Giraffe circulated marketing materials on behalf of the sponsor last month, under a process codenamed Project Rocky.

"This is a long-term development stage project that is ready to change hands," says **Randy Male**, who is leading the Green Giraffe advisory team and is based in the firm's Boston office. "There are currently multiple parties who have expressed in-

terest in the asset."

The sale is expected to close by the end of the summer, with construction penciled in to start in 2024.

Kleinschmidt Associates has been engaged as technical adviser to the sponsor.

The project will be located on the west side of Lake Roosevelt, just upstream of Grand Coulee Dam, near the north side of Crescent Bay Lake. It will be fitted with three 267 MW adjustable speed pump-generating units. ■



Randy Male

NORTH AMERICA MERGERS & ACQUISITIONS ●

M&A bankers prep district energy biz sales

M&A bankers are readying the sales of a number of district energy systems that are anticipated to hit the auction block in the coming weeks.

Clearway Energy Group, Basalt Infrastructure Partners and independent power producer **DCO Energy** are working with investment bankers as they prepare to launch sale processes for their various district energy assets across the US.

Both **TD Securities** and **BofA** have been mandated as financial advisers. Clearway's sale of its seven district energy systems, which will come to market later this month, a source close to the process tells *PFR*.

Meanwhile, TD has also been engaged as exclusive financial adviser to Basalt and DCO Energy on the sale of their **DB Energy Assets** joint venture, which comprises several district energy assets, and is slated to launch later this year.

CLEARWAY ENERGY GROUP

Clearway owns and operates seven district energy systems spread across five US states. Five of the assets up for sale provide off-site generation totaling 26.6 MW, according to Clearway.

The portfolio also includes the Gibbon Energy project which services 80% of the electricity needs of the **Duquesne**



"There's only three large district energy portfolios in the US and we are one of them. We think it's a great business and a great portfolio of assets."

Chad Plotkin, CFO, Clearway

University campus under a 40-year services contract.

"From our perspective, you know, district energy is a premier infrastructure asset class," said Clearway's CFO **Chad Plotkin** on the company's May 6 first quarter earnings call. "There's only three large district energy portfolios in the US and we are one of them. We think it's a great business and a great portfolio of assets. So I think, from that view, there's obviously interest in the portfolio and we'll have to evaluate that."

DB ENERGY ASSETS

The Basalt and DCO Energy JV, dubbed DB Energy Assets, was formed in 2017 when Basalt's Infrastructure Partners II fund bought a stake in a generation portfolio owned by DCO Energy (*PFR*, 1/17/18).

DB Energy's portfolio includes four district energy systems in Hartford, Connecticut; Wilming-

ton, Delaware; **Montclair State University** and Atlantic City, New Jersey, as well as a portfolio of US cogeneration assets.

Basalt and DCO also own **Detroit Renewable Energy**, which owns the 68 MW Detroit Renewable Power waste-to-energy facility located in its namesake city, as well as underground steam distribution system **Detroit Thermal** and **Hamtramck Energy Services**, which operates powerhouses at five **General Motors** facilities, four of which are in Michigan and one in Louisiana.

The gas-fired Detroit Thermal network comprises three operating gas-fired steam generation facilities and 42 miles of distribution piping in Detroit. It has heated Detroit buildings and businesses for more than 100 years.

Last summer, Basalt and DCO refinanced Detroit Thermal with an \$85 million package led by **MUFG** (*PFR*, 6/23). The portfolio's revenues are underpinned by contractual cashflows from Detroit-based corporations and healthcare facilities.

In 2020, DB Energy signed a \$50 million revolving credit facility to support its acquisition of the 104 MW Energy Center Dover cogeneration plant in Delaware from Clearway (*PFR*, 10/30). **Santander Bank** provided the line of credit.

DISTRICT ENERGY DEAL FLOW

Clearway, Basalt and DCO Energy join several other sponsors who have been seeking buyers for their district energy businesses in recent months.

In April, **Stonepeak Infrastructure Partners** found a buyer for its RED-Rochester district energy system in New York, after shelving an earlier sale process for the asset last year (*PFR*, 4/6). The new owner of the lightly regulated utility is **SDCL Energy Efficiency Income Trust**.

At the start of this year, **Brookfield Infrastructure Partners** agreed to sell its North American district energy business, **Enwave Energy**, to two groups of investors for \$4.1 billion (*PFR*, 2/2). A consortium of **Queensland Investment Corp** and **Ullico** emerged as the winning bidder, and the deal is set to close in mid-2021.

Around this time last year, **BlackRock** sold Fort Detrick Energy, which owns a cogeneration facility at the **US Army's** Fort Detrick base in Frederick County, Maryland, to **Harrison Street** (*PFR*, 5/27). The facility supplies steam, chilled water, electricity conditioning services and emergency backup power to the base under a 30-year contract.

Last summer, US district energy company **Vicinity Energy** bought **Morgantown Energy Associates**, which provides steam to **West Virginia University's** more than 60 buildings across five campuses in Morgantown, from **Starwood Energy Group Global** (*PFR*, 7/8).

Vicinity is the name given by **Antin Infrastructure Partners** to the district energy business it acquired from **Veolia** for \$1.25 billion at the end of 2019 (*PFR*, 6/4). ■



Gas-fired steam generation has heated Detroit buildings and businesses for more than 100 years

● PPA PULSE

AES TO REPLICATE GOOGLE PPA

AES Corp is aiming to replicate a "landmark, first-of-its-kind" power purchase agreement with **Google**, in line with the internet giant's 24/7 carbon-free strategy, and which it says has attracted interest from a number of corporate clients across the US.

Earlier this month, AES announced that it had inked a 10-year supply agreement to supply Google's Virginia data centers with 24/7 carbon-free electricity sourced from a 500 MW renewables portfolio ([PFR, 5/4](#)).

The power will come from both AES's own renewable energy projects as well as those of third-party developers. AES will also help ensure that the electricity powering Google's data centers will be 90% carbon-free when measured on an hourly basis.

Although the mechanisms used to calculate carbon intensity were initially applied on a country-by-country and annual basis when they were first deployed, more recently they have been fine-tuned to focus on specific geographical locations and for a given hour.

"The key point is that we're netting on an hourly basis a carbon free energy," said AES's president and CEO, **Andres Gluski**, on a May 6 earnings call. "So behind this offer, there's a lot of math, a lot of algorithms, a lot of risk management."

"This unique product sets a new standard in renewable procurement for commercial and industrial customers," he added, noting that it reflects more than a year's worth of work.

"There are other corporate clients that are interested in this," said Gluski. "So it's – we think, a very interesting development and one that we expect to replicate with multiple clients."

"LOCATIONAL MARGINAL EMISSIONS"

However, project-specific details can sometimes get hidden among regional averages, making it difficult for customers using 24/7 strategies such as Google's to assess the efficacy of these strategies, according to **Lee Taylor**, CEO of analytics firm **REsurety**.

"That strategy ignores the sub-regional transmission congestion that can have a significant impact on carbon intensity," he said during a May 4 podcast with **Norton Rose Fulbright**.

As such, **REsurety** has developed a new carbon impact measurement tool that acts as an enhancement to Google's 24/7 strategy by using "locational marginal emissions" (LME) data, to determine how many tons of carbon emissions are displaced by 1 MWh of clean energy injected to the grid at a specific location and time.

"We have a common enemy which is that not all megawatt-hours are equal, so a megawatt-hour generated from one location can be meaningfully different from another location based off of the electrical grid that that's operating," said Taylor on May 4. "As companies are trying to go carbon-neutral, carbon-free, carbon-negative, they need more than annual megawatt-hour accounting to do that effectively."

In a [white paper](#) with **The Brattle Group**, **REsurety** says that after reviewing LMEs between two comparable solar projects in West Texas, it found that one had displaced coal-fired generation, while the other had caused the curtailment of another nearby solar facility due to transmission constraints.

REsurety says that for renewable energy projects that displace coal-fired generation, the LME would reflect a high carbon impact, and a low or zero carbon

impact for renewable assets that inject power in congested regions where renewables are already being curtailed, thereby helping customers using 24/7 strategies such as Google's to determine their net carbon impact.

PIECE OF CAKE

Engie's Chilean subsidiary has inked a power supply agreement with bakery chain **Ideal**, which is owned by Mexico's **Grupo Bimbo**.

Engie Energia Chile started supplying two of the company's plants – the Ideal plant and Nutrabien plant – with solar and wind power in April. Both plants are located in Santiago's Metropolitan region.

The developer will also power a third plant in Ñuble, starting in early 2022. With this contract, **Bimbo** expects to achieve its goal of running on clean power by 2025 in Chile.

Bimbo will also complement the power supplied by **Engie** for its Chilean plants with a pair of on-site solar projects.

The first project will be located at the site of the Ideal plant and generate 3 GWh of electricity per year, and the second will be built at the Nutrabien plant and produce 0.25 GWh of electricity per year.

BIG PHARMA

French developer **GreenYellow** has struck a deal to provide electricity for Brazilian drugstore chain **Panvel Farmacias**.

The sponsor will build two solar projects in the state of Rio Grande do Sul which will help power 80 of **Panvel**'s stores in the country, totaling 4.88 GWh of electricity per year. The company expects to supply all of its stores with renewables-powered generation by 2022.

GreenYellow expects to invest R\$12 million (\$2.3 million) in the two solar projects.

"VITA, DULCEDO, SPES"

The **University of Notre Dame** has agreed to purchase 40% of the renewable energy certificates produced by **American Electric Power**'s 20 MW St Joseph Solar Farm in Indiana.

The project is situated about 8 miles from the university's campus.

AEP subsidiary **Indiana Michigan Power** developed the project and started construction in July 2020, after a brief delay due to the Covid-19 pandemic. The project came online on May 6.

During the project's unveiling ceremony, South Bend Mayor **James Mueller** declared May 6 as "Solar Energy Day" in South Bend, while the day was also declared "Solar Energy Day" in St Joseph County by the president of county commissioners, **Andrew Kostielney**.

NYSERDA DOLES OUT SOLAR CONTRACTS

The **New York State Energy Research and Development Authority** (Nyserra) has awarded contracts to 22 solar and wind projects, totaling 2,111 MW.

The awards are the fourth in a series of annual Nyserra onshore renewable energy procurements ([PFR, 3/16/20](#)).

Nyserra will purchase New York renewable energy certificates from the projects under the 20-year contracts, leaving the energy to be marketed separately.

All the projects are due online in 2025.

The winning developers are **EDF Renewables**, **EDP Renewables**, **NextEra Energy**, **Hecate Energy**, **SunEast Development**, **ConnectGen**, **Community Energy**, **Duke Energy**, **Brookfield Renewable**, **Mitsubishi Power**, **Boralex**, **Granada Solar**, **Abundant Solar**, **Oriden** and **Borrego Solar**. ■

BORROWER STRATEGIES ●

PG&E to issue \$7.5 billion wildfire securitization

Pacific Gas & Electric Co has been granted approval by the **California Public Utilities Commission** to issue up to \$7.5 billion of "recovery bonds" to finance wildfire-related expenses, in what is being touted as the largest ever securitization by a US utility.

The California PUC approved the financing order for the 30-year, multi-tranche offering on May 6. About \$6 billion of the proceeds will go toward temporary utility debt and accelerating payments to wildfire victims, according to PG&E's first quarter investor presentation.

The securitization is expected to improve PG&E's creditworthiness by replacing high interest debt used to finance the com-

pany's wildfire settlements with lower-interest bonds backed by future revenues from customer bills, a spokesperson for the utility tells *PFR*.

The proposal is intended to be rate-neutral, which means that customer contributions will be repaid using a "customer credit trust" that will be funded by company shareholders.

SECURITIZATION SPATE

Southern California Edison recently priced its own \$338 million securitization – its first in 20 years. The proceeds will be used to finance upgrades and other costs associated with its wildfire prevention program (*PFR*, 2/18).

Barclays and **RBC Capital Markets** acted as bookrunners



New laws enable electric utilities to recover wildfire-related costs through customer bills

on the deal, which comprised three tranches with various maturity dates but the same triple-A ratings across the board from the three main rating agencies (*PFR*, 2/11).

Both SoCalEd and PG&E's securitizations have been made possible through California's recently passed Securitization

Law, which enables electric utilities to recover wildfire-related costs through customer bills.

The state legislature approved up to \$5 billion for such costs, of which SoCalEd's share is \$1.575 billion, meaning that SoCalEd and PG&E could become repeat issuers of securitizations in the years to come. ■

NORTH AMERICA PROJECT FINANCE ●

PE-backed developer scores biomass debt

A private equity-backed Californian developer has clinched financing for a portfolio of biomass facilities in the US and Canada.

Sacramento, California-based **Greenleaf Power**, which is backed by **Denham Capital**, has secured a \$36.6 million credit facility which will recapitalize two woody biomass plants totaling 52 MW.

The assets are the 30 MW Honey Lake facility in Lassen County, California and the 22 MW St-Félicien cogeneration facility in Québec, Canada.

EastWest Bank acted as coordinating lead arranger and book runner on the deal, and also served as administrative agent, collateral agent, interest rate hedge coordinating agent, foreign exchange head coordi-

nating agent and issuing bank.

The advisers on the financing include:

- **Fairlead Advisors** – financial adviser to Greenleaf
- **Foley & Lardner** – legal counsel to Greenleaf
- **White & Case** – legal counsel to EastWest

The Honey Lake plant has been online since 1989 and was bought by Greenleaf in 2010. It

has a long-term power purchase agreement in place with **San Diego Gas & Electric**.

Greenleaf bought the St-Félicien cogeneration plant from **Enel Green Power** in 2013, marking its first acquisition outside of the US (*PFR*, 10/17/13). The plant came online in 2001 and sells its electricity to **Hydro-Quebec** under the terms of a 25-year contract. ■

Teasers out for Texas CCGT stake

«FROM PAGE 1 the sponsors last month.

The plant has a tolling agreement with **Shell Energy North America** for its full output through January 2024. At that point, the project will sell its output into the **ERCOT** and **SPP** markets.

It will be able to switch dis-

patch between the two grids, according to the teaser.

"The Project performed well during the February 2021 Texas polar vortex, with uninterrupted gas supply and minimal outages, earning an estimated several hundred million dollars in energy margin for its offtaker," reads

a teaser seen by *PFR*.

The project came online in July 2001 and is fitted with **General Electric** 7FA turbines.

BNP Paribas and **Calyon** refinanced the plant in 2007 with a \$350 million bond deal. The original \$375 million financing closed in August 1999 (*PFR*, 5/8/07).

As of March 30, the project

had \$72.7 million of senior secured bonds outstanding, which will fully amortize by December 2023.

The ownership of the plant is split between:

- **Osaka Gas USA** – 40%
- **Diamond Generating** – 27.8%
- **JERA Co** – 11.1%
- **Tyr Energy** – 11.1%
- **Tenaska Energy** – 10% ■

● NORTH AMERICA PROJECT FINANCE

Vineyard Wind wins approval to start construction

«FROM PAGE 1 "This project represents the power of a government-wide approach to off-shore wind permitting, taking stakeholder ideas and concerns into consideration every step of the way," said BOEM director, **Amanda Lefton**. "We will continue to advance new projects that will incorporate lessons learned from analyzing this project to ensure an efficient and predictable process for industry and stakeholders."

The decision was jointly signed by the US **Bureau of Ocean Energy Management**, the US **Army Corps of Engineers** and the **National Marine Fisheries Service** within the **National Oceanic and Atmospheric Administration**.

CHOPPY WATERS

CIP and Avangrid first started engaging with potential lenders and tax equity investors for Vineyard Wind in 2018 ([PFR, 9/7/18](#)). By the summer of 2019, the sponsors had lined up two tax equity investors and an eight-strong banking group to finance the landmark, two-phase project ([PFR, 8/21/19](#)).

But an announcement from the DOI on August 9, 2019 stating

that BOEM would be extending the project's environmental review and possibly delaying construction-start, caused the financiers to rethink their strategy.

In 2020, further delays in publishing Vineyard Wind's environmental impact statement followed, pushing commercial operations back to 2023 ([PFR, 2/13/20](#)).

That same year, Vineyard Wind temporarily withdrew its application, ostensibly to review whether the use of **General Electric's** Haliade-X turbines warranted any modifications to its COP.

On January 22, 2021, shortly after the inauguration of President **Joe Biden**, Vineyard Wind submitted a letter requesting that BOEM resume its review.

BOEM's decision to resume the environmental review came after an executive order signed by Biden on January 27, calling for the DOI to identify steps toward accelerating renewable energy project development on public lands and waters, "with the goal of doubling offshore wind by 2030" ([PFR, 2/4](#)).

BOEM completed its environmental review in March ([PFR, 3/8](#)).

KNOCK-ON EFFECTS

The fact that Vineyard Wind has received the green light for its construction and operations plan (COP) bodes well for a host of other proposed offshore wind farms that are also seeking federal approvals.

"This approval of Vineyard Wind, the first big offshore wind farm on the East Coast, will be the key to unlocking a slew of smaller projects that are currently under review at BOEM," adds **Carl Fleming**, a partner at **McDermott Will & Emery** in Washington, DC. Fleming was recently appointed as an adviser to the Secretary of Commerce on the Biden administration's Renewable Energy and Energy Efficiency Committee.

There are about 12 commercial-scale offshore wind projects between Maryland and Maine totaling 25 GW – more than double the total volume of onshore wind due online in 2021 – which if approved would be "game changing" for the wind industry, adds Fleming.

The DOI has already initiated environmental reviews of two other offshore wind projects, namely **Ørsted's** proposed 1.1 GW Ocean Wind Offshore Wind

Project in New Jersey, and the 130 MW South Fork Wind Farm, which **Ørsted** and New England utility **Eversource** are developing southeast of Block Island, Rhode Island and east of Montauk Point, New York ([PFR, 2/8/19](#)).

BOEM plans to initiate environmental reviews for up to 10 other projects later this year, in addition to pursuing leasing opportunities in the New York Bight ([PFR, 3/30](#)).

While offshore wind developers will likely see the approval of Vineyard Wind's COP as a step in the right direction, the decision could also act as a signal to lenders and tax equity investors that have been standing by these past years.

"One of the most significant development risks that offshore wind developers face is getting through the federal permitting process," says **Chris Gladbach**, a partner in McDermott's Washington, DC office. "Historical delays in that process and considerable uncertainty have long clouded the development timeline. Now the process is considerably clearer – and we anticipate that new capital will be attracted to the sector." ■

CPV circles Maryland CCGT refi

Competitive Power Ventures has circled a term loan B package to refinance a gas-fired, combined-cycle project in Maryland and expects to close a deal this week.

Left lead **MUFG** launched the \$375 million deal on April 20 to replace the existing debt associated with the 745 MW St Charles Energy Center in

Waldorf, as *PFR* reported on April 9 ([PFR, 4/21, 4/19](#)).

Commitments were due on May 3 and the final size of the loan came in at \$350 million, about \$25 million below the initially targeted figure, a source close to the situation tells *PFR*. The seven-year loan is pricing at 400 bp over Libor, with a 1% Libor floor and an original issue

discount of 99.

BNP Paribas, **Crédit Agricole** and **Mizuho** are joint lead arrangers on the St Charles CCGT refinancing, which also includes a \$100 million revolving credit facility with a tenor of six and a half years.

The deal is anticipated to close this week, says *PFR's* source, adding that "some structural en-

hancements relating to closing before the [PJM] auction" were needed.

"Lenders are taking the risk of the next PJM auctions, although if those turn out to be lower than expected, there will be a medium-term expectation that that will disincentivize new construction and the next one will be higher," says a term loan B investor following the deal.

PJM has scheduled the next capacity auction for delivery year 2022/2023 to open on [PAGE 11»](#)

NORTH AMERICA PROJECT FINANCE ●

«FROM PAGE 10 May 19 and close on May 25. The auction results are due to be posted on June 2.

"IDIOSYNCRATIC" STRUCTURE

Although the deal has been described as a term loan B, the same TLB investor recently told *PFR* that it would have an "idiosyncratic" structure ([PFR, 3/30](#)).

"What distinguishes it is that it's a single asset financing and that's a declining trend," he says. "This is a very high quality asset. It's new, very well located, the leverage on it is reasonable at sub \$500/kw."

"It's a low LTV attachment point, that's how they got it done despite it being a single asset financing," he adds.

The deal comes with 101 soft call protection for 12 months.

Lenders are also being offered a six-month debt-service reserve account and a quarterly 75% excess cash flow sweep, reducing to 50% if leverage is less than 4 times debt-to-EBITDA.

Under the terms of the refinancing, St Charles has a financial covenant of 1.1x debt service coverage.

Moody's Investors Service assigned a Ba3 rating to the loan on April 19, while **S&P Global Ratings** gave it BB- on April 20. The loan will replace the existing term loan – which has a balance of about \$323 million, – pay transaction costs and fund a distribution to the sponsors.

"The project's competitive position is supported by its close proximity to the Washington DC metro area," reads a Moody's report published on April 19.

CPV originally financed the



The 745 MW St Charles Energy Center

St Charles CCGT in 2014 with a \$400 million term loan and \$185 million in ancillary facilities ([PFR, 8/11/14](#)). **GE Energy Financial Services** led that deal alongside **Crédit Agricole** and **ING Capital**.

The developer also brought in **Marubeni Corp**, **Toyota Tsusho** and **Osaka Gas** as equity investors, selling them 25% stakes each.

CPV levered up its remaining 25% interest with a roughly \$45 million mezzanine loan from **Ares Capital Corp** (now **Ares Management**) ([PFR, 9/26/14](#)).

The project has been online since February 2017 and is fitted with **General Electric's** 7F.05 turbines. It sells its output into the SWMAAC zone of PJM Interconnection. ■

LATIN AMERICA ●

AES Brasil buys wind portfolio from Cubico

AES Brasil has bought a pair of wind farms totaling 158.5 MW from the Brazilian subsidiary of **Cubico Sustainable Investments**.

The sponsor will finance the transaction – valued at R\$772 million (\$146.3 million) – with R\$589 million (\$112.78 million) of

equity and R\$183 million (\$35.05 million) of debt.

The purchase from **Cubico Brasil** was first announced in January ([PFR, 1/14](#)).

The projects are the 94.5 MW MS wind farm in the states of Ceara and Rio Grande do Norte,

and the 64 MW Santos wind farm in Rio Grande do Norte.

Both projects have 20-year power purchase agreements that were awarded in 2009 and 2011 by **Aneel**, at R\$226.81 per MWh. The wind farms came online in 2013.

The acquisition will expand

AES's renewables portfolio in Brazil to 4.2 GW.

AES's other wind projects in the country include:

- Ventus – a 187 MW project ([PFR, 8/11/20](#))
- Cajuina – a 1.1 GW multi-phase complex. ■

Bank mandated for PMGD financing in Chile

A sponsor has tapped an investment bank to raise debt financing for a portfolio of PMGD (*Pequeños Medios de Generación Distribuida*) assets in Chile.

Matrix Renewables, a portfolio company of private equity firm **TPG**, has mandated **BNP Paribas** to arrange a project finance loan to support a small-scale solar portfolio that it purchased in January.

The sponsor mandated the French bank in February, and BNP began reaching out to other financial institutions to arrange the debt soon after, according to two New York-based bankers following the process.

The portfolio, which was developed by **Verano Capital**, totals 154 MW (DC) and comprises 25 distributed generation projects.

The assets are all in different stages of development – some are operational, while others are under construction or will begin construction soon, as previously reported ([PFR, 1/26](#)).

Since its launch in July 2020, Matrix has been expanding rapidly in Latin America. Besides its Chilean assets, the company is also working on a 425 MW (DC) solar project pipeline in Co-

lombia ([PFR, 2/18](#)).

Until now, **Natixis** has dominated PMGD financings among international banks, recently closing a deal with developer **Solek** in March.

The bank has closed similar debt packages for **Arroyo Energy**, **Reden Solar**, **Cap Vert Energie**, **Sonnedix**, **Langa International** and **Grenergy** ([PFR, 3/23](#)). ■

● LATIN AMERICA

EDF brings 344 MW Brazilian wind farm online

French company **EDF Renewables** has brought online a 344 MW wind farm in the Brazilian state of Bahia.

Construction on the Folha Larga Norte complex began in 2019, after the project secured long-term power purchase agree-

ments in two government tenders in 2018 for a portion of the complex.

The sponsor then secured a 20-year PPA with Brazilian petrochemical company **Braskem** for the remaining output.

Fitted with 82 turbines, the

complex is located in the town of Campo Formoso.

EDF financed the first phase of the complex by issuing debentures last year totaling of R\$140 million (\$23.73 million at the time). **BNP Paribas** acted as coordinating lead arranger on

the 18-month debenture offering, which priced at a coupon of 0.52% ([PFR, 4/22/20](#)).

Including the Folha Larga Norte complex, EDF owns about 1.3 GW of operational or under construction wind and solar parks in Brazil. ■

Details emerge on Atlas's Brazilian solar financing

Details have emerged on the debt package that **Atlas Renewable Energy** recently closed for a 359 MW (DC) solar park in Brazil.

The **Actis** portfolio company clinched construction financing from **IDB Invest** and Norway's **DNB** in early April for the Casablanca project, also known as Lar do Sol, as previously reported ([PFR, 4/14](#)).

The size of the deal was not disclosed at the time, but has now been revealed as totaling \$150 million.

It is split into the following tranches:

- \$80 million from IDB's own funds
- \$60 million from DNB
- \$5 million from IDB's Climate Fund Canada for the Private Sector of the Americas – Phase II (C2FII)
- \$5 million from IDB's Clean Technology Fund

The project has a 15-year power purchase agreement indexed to the US dollar to supply **Anglo American's** operations in Minas Gerais ([PFR, 3/12](#)). The PPA is the largest contract to date with these features in Brazil, Atlas said in a May 6 statement.

"We are pleased to achieve another successful financial close alongside IDB Invest and DNB Bank ASA, two institutions that have become important allies in structuring innovative financing solutions to help consumers transition to renewable energy," said Atlas's CEO, **Carlos Barrera**.

Atlas had originally requested a loan of up to \$140.45 million from IDB in November 2020.

The project comprises six solar farms numbered Casablanca 1 to 6. A small transmission line will be built to connect the project to

the existing Pirapora II substation ([PFR, 11/20/20](#)).

Equity will come from an investment fund, **Brasil Solar Fundo de Investimento em Participações Multiestratégia**, that Atlas will manage.

IDB and DNB worked with Atlas on the financing of another Brazilian project in October, namely the 187 MW (DC) Jacaranda project, also known as New Juazeiro.

The project has a 15-year dollar-denominated PPA with chemical supplier **Dow** ([PFR, 10/26/20](#)). ■

Norway's Aker closes acquisition of Mainstream

Norwegian conglomerate **Aker** has closed its acquisition of a majority stake in Irish developer **Mainstream Renewable Power**, which it is preparing to take public.

Aker, through its investment platform **Aker Horizons**, now owns a 75% stake in Mainstream, while Mainstream's shareholders hold the remainder. Mainstream's equity is valued at €900 million (\$1.086 billion) under the terms of the deal, which was first announced on January 19 ([PFR, 1/19](#)).

In the meantime, the new owner is preparing Mainstream for an initial public offering to take place by 2024.

As part of the deal, Aker is also buying a 50% stake in technology company **SuperNode**. Founded in 2018, SuperNode develops technology to connect offshore wind production to the grid. Its founder, **Eddie O'Connor**, will remain a shareholder, with a 45.6% stake. Aker will hold the same interest as O'Connor, while the remainder will go to SuperNode's employees.

"We are delighted to have completed this transaction, and to become part of the Aker family," said Mainstream's CEO, **Mary Quaney**, in a statement. "We envisage growing our business across all of our platforms, while working with Aker Horizons to

develop new routes to new customers in new markets."

Aker had arranged a €510 million (\$618.4 million) debt package to support the acquisition, provided by Norway's **DNB Markets** and Denmark's **Nordea Bank**. The remaining €248 million (\$300.76 million) is to be provided by Aker in the form of equity.

Aker's advisers included:

- DNB Markets – financial
- Nordea Bank – financial
- **Green Giraffe** – financial
- **Bahr** – legal
- **Slaughter & May** – legal
- **Linklaters** provided legal counsel to Mainstream, with **Rothschild & Co** providing financial advice.

"We are delighted to have completed this transaction, and to become part of the Aker family."

Mary Quaney, CEO, Mainstream

Aker is also working with the following financial advisers on the IPO:

- ABG **Sundal** Collier
- DNB Markets
- Nordea Bank
- **Pareto** Securities

Norwegian law firm **Bahr** will provide legal advice. ■

LATIN AMERICA ●

Debt raise in works for Colombian gas-fired project

◀FROM PAGE 1 Although project finance bankers have been eyeing the Colombian market for some time, the country's peso-denominated contracts, such as those awarded during its power auctions, have deterred them from arranging financings, with local banks dominating the market so far.

Celsia holds the majority stake in the project through its subsidiary **Empresa Energía del Pacífico (EPSA)**. The sponsor acquired its 57.5% interest in May 2019, for \$6 million, from **Proeléctrica de San Andrés**, which supplies power to the San Andrés islands in the Caribbean.

Proeléctrica still holds the remaining 32.5% interest, while oil company **Canacol Energy** holds

the remaining 10% stake. The plant will receive natural gas from Canacol's fields in Córdoba.

Celsia initially filed environmental paperwork for the project on March 20, 2020 ([PFR, 3/27](#)). The developer had estimated that the asset would require an investment of Ps435 billion (\$107.23 million at the time), according to paperwork filed with Colombia's **National Authority of Environmental Permits (ANLA)**.

CAPACITY CONTRACTS

The project was awarded 20-year Firm Energy Obligations (*Obligaciones de Energía Firme* or OEFs) during Colombia's March 2019 grid reliability auction. The contracts are for 1.665 GWh per year.

Under these capacity contracts, the plant must be available to provide power to the grid to earn a fixed dollar-denominated price per kilowatt-hour. The mechanism was designed in 2006 to ensure reliable power supply during periods of drought, such as those caused by the El Niño phenomenon.

The OEFs for Tesorito will come into force on December 1, 2022.

TRANSMISSION WORK

In the meantime, Celsia is also developing transmission infrastructure to connect the Tesorito project to Colombia's national grid. This includes the 500 kV Sahagún substation and two 0.62-mile (1km) transmission lines

that will connect the substation with the existing Cerromatoso-Chinú I line in Córdoba.

Colombia's **Mines and Energy Planning Unit (UPME)** awarded the transmission contract to Celsia in March 2020 ([PFR, 3/13/20](#)). UPME had launched the tender for the Sahagún substation in December 2019, as part of an effort to improve electrical services in the Caribbean region, which had deteriorated as a result of utility **Electricaribe's** financial problems ([PFR, 9/24/19](#)).

Celsia presented the lowest proposal for the transmission project, out-bidding its two competitors, **Interconexión Eléctrica (ISA)** and **Grupo Energía de Bogotá (GEB)**. ■

PEOPLE & FIRMS ●

NRG appoints new CFO

NRG Energy has hired its new chief financial officer from South Korean e-commerce company **Coupang**.

Alberto Fornaro, who spent nearly a year at Coupang as its CFO, will succeed **Gaetan Frotte** at NRG who has been acting CFO since **Kirkland Andrews** left for **Evergy** in Febru-

ary ([PFR, 2/4](#)). Frotte will resume his responsibilities as NRG's senior vice president and treasurer.

"As we prepare for a seamless transition, I would like to recognize Gaetan Frotte for his leadership during his time as interim CFO, his support has been invaluable during this challenging first

quarter," said **Mauricio Gutierrez**, NRG's president and CEO.

This will be Fornaro's first role in the energy sector. He has served as CFO of a diverse range of companies including Coupang, London-based gaming business **International Gaming Technology**, construction equipment company **Doosan Infracore** and Italian fitness company **Technogym**. He also spent 12 years in finance at **CNH Global/Fiat Group** in Italy and the US.

His new role as NRG's CFO is effective June 1.

"Alberto is a seasoned finance expert, bringing over 30 years of experience and a unique combination of consumer, technology, manufacturing, and risk management experience," said Gutierrez. "I'm thrilled to see Alberto join NRG where his leadership can help advance our strategic priorities." ■

Ørsted M&A chief to join CIP

Ørsted's head of mergers and acquisitions in the US has left for a new role at **Copenhagen Infrastructure Partners**.

Andrew Moreland has spent nearly a decade at Ørsted, having joined the Danish renewables developer in 2011. He initially worked in their London and Copenhagen offices before joining their New York-based team last April as M&A chief.

He plans to relocate back to Copenhagen later this year, this time to join Copenhagen Infrastructure Partners. His new title at CIP could not be learned by press time. ■



Alberto Fornaro

"Alberto is a seasoned finance expert, bringing over 30 years of experience and a unique combination of consumer, technology, manufacturing, and risk management experience."

Mauricio Gutierrez, president and CEO, NRG

● PEOPLE & FIRMS

CFO leaves Key Capture Energy

◀FROM PAGE 1 portfolio company that produces and dispenses renewable natural gas, called **OPAL Fuels**, as its CFO. Fortistar launched OPAL Fuels in April, by combining two of its existing portfolio companies, namely **Fortistar Methane Group** and **TruStar Energy**.

Prior to joining Key Capture, Anthony had worked as vice president, treasurer and corporate secretary for **South Jersey Industries**. Meanwhile, Key Capture has hired **John Bresnahan**, a former managing director at **Lazard**, as its interim CFO, *PFR* has learned.

Bresnahan has worked at Lazard for seven years in Houston. Before that, he had been an MD at M&A advisory **BlackArch Partners** and a director at investment bank **Edgeview Partners**.

He has also worked at M&A-focused investment bank **Harris Williams & Co** and at **Accenture**. He started his career as an infantry officer in the **US Marine Corps**.

The C-suite reshuffle at Key Capture comes in the midst of a competitive auction process to find a new owner for the company, as previously reported by *PFR* (*PFR*, 2/18). The sale of the company had been hailed as "the biggest storage deal of the year" when Key Capture entered into discussions with investment banks in April 2020 (*PFR*, 4/27/20).

Onpeak Capital has been acting as financial adviser on the process since, while **Sidley Austin** is providing transaction counsel.

The auction entered a second and final round of bidding in February 2021 and is still at that stage, says a source close to the situation.

Key Capture expects to have capital expenditure requirements of between \$800 million and \$1 billion across various regional transmission operators over the coming years, mainly Ercot, New York-ISO and ISO-New England.

It recently clinched a roughly \$100 million financing for a portfolio of six energy storage projects in Texas, which are backed by a novel hedging arrangement that is based on ancillary service payments in Ercot (*PFR*, 2/5).

It is also seeking debt to finance another energy storage portfolio in the same state, which will have a slightly different hedge construct than the recently financed fleet (*PFR*, 2/5).

Key's existing investors include Boulder, Colorado-based venture capital firm **Vision Ridge Partners**. ■

Baker Donelson recruits veteran attorney to lead energy transaction team

Law firm **Baker Donelson** has recruited a veteran energy and infrastructure project finance attorney with nearly 30 years of experience to lead its energy transactions team.

Joseph Tirone has joined the firm's Baltimore, Maryland-based office, where he will lead the energy transactions team and serve as chair of the power and renewable energy team.

He has nearly three decades of experience in energy project and infrastructure development and financing, having advised clients within the power and renewables, oil and gas, biofuels and transportation sectors.

He was most recently a partner at **Womble Bond Dickinson**, where

he led that firm's international energy transactions practice. Before that, he had served as a partner at **Arnold & Porter, Bracewell & Giuliani** and **McGuire Woods**.

He is also a former vice president and associate general counsel of Charlotte, North Carolina-based independent power producer **Cogentrix Energy**.

"Joe's deep experience in the renewables sector makes him a timely addition to our Energy Team as the nation is seeing a major shift in energy policy from the new administration," said **Kenneth Klemm**, co-chair of Baker Donelson's energy industry service team. "He is going to be a tremendous asset to Baker Donelson's energy practice and our clients." ■

● NEWS IN BRIEF

● PROJECT FINANCE

GENON CLOSES PJM PEAKER FINANCING

GenOn Energy has closed the refinancing for the 1.6 GW Chalk Point and the 312 MW Dickerson dual-fuel peaking power plants in **PJM Interconnection**. The \$200 million five-year loan closed on May 6 and will refinance the plants in Maryland through a borrower called **GenOn Lanyard**.

MASSACHUSETTS ISSUES OFFSHORE WIND RFP

The state of Massachusetts has announced a 1.6 GW offshore wind tender, which is the third to be held for Massachusetts' electric distribution companies, namely **Unitil**, **National Grid** and **Ever-source Energy**, in coordination with the **Massachusetts Department of Energy Resources**.

● MERGERS & ACQUISITIONS

ORIGIS LANDS BUYER FOR SOLAR, STORAGE PORTFOLIO

Origis Energy has secured a buyer for a portfolio of three solar and battery storage projects, each located in a different US state. The identity of the buyer could not be learned by press time. **Onpeak Capital** is advising Origis on the sale process

● LATIN AMERICA

ONTARIO TEACHERS' BAGS BRAZILIAN TRANSMISSION BIZ

Ontario Teachers' Pension Plan has agreed to purchase Brazilian power transmission platform **Evoltz Participações** from private equity firm **TPG**, which created it in 2018. The deal is expected to close in the third quarter of this year once the parties secure regulatory approval.

OPDE STARTS PERMITTING FOR PMGD ASSET

Spanish developer **OPDEnergy** has begun the permitting process for its third small-scale solar asset in Chile. The 9 MW Esmeralda solar park, located in the O'Higgins region, will require an investment of \$9 million. Construction is expected to begin in April 2022.

ISAGÉN PLOTS SECOND COLOMBIAN WIND FARM

Colombian power producer **Isagén** is developing its second wind farm in the country – a 12 MW project located in the department of La Guajira. Construction on the WESP 01 facility, which is situated in the municipality of Uribia, will begin immediately.

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