

# Power Finance & Risk

Exclusive Insight on Power M&A and Project Financing

## ● MERGERS & ACQUISITIONS

## ● CASE STUDY

## ● PPA PULSE

### Texas wind farm hits auction block

**Starwood Energy Group Global** is preparing to receive bids for its Stephens Ranch wind project in Texas. [Page 5.](#)

### Goldman Sachs Renewable Power Portfolio I

A look at how **Goldman Sachs Renewable Power** refinanced one of the largest C&I solar portfolios in the US. [Page 9](#)

### Hawaiian Electric picks renewables projects

Hawaiian Electric has selected 16 solar-plus-storage and standalone storage projects through its 900 MW RFP. [Page 10](#)

## Calpine revives geothermal refi

Taryana Odayar

**Calpine Corp** has relaunched the refinancing of its 725 MW Geysers geothermal portfolio in Sonoma and Lake Counties, California, with a new structure.

The independent power producer brought the idea back to the market around the end of April and beginning of May in the form of a \$1 billion bank loan, with **BNP Paribas**, **MUFG** and **Crédit Agricole** said to be leading, among

others.

The deal is in syndication with price talk at 200 basis points over Libor, and the arrangers are aiming to wrap the deal in June.

"Geysers is still a fantastic asset and this is a lot less leveraged than they were looking at before, so even with all the craziness in the world, it should get done," says a deal watcher.

Lenders making commitments in excess of \$100 million will be rewarded with [PAGE 7 »](#)

## PE firm markets contracted wind repowering project

Richard Metcalf

An alternative investment firm has appointed a financial adviser to market a contracted wind repowering project in California.

The asset is the 57.5 MW Summit Wind project in the Altamont Pass, which alternative asset manager **Castlelake**

acquired in 2017 from developer **Salka Energy** ([PFR, 3/21/17](#)).

The project has a 20 year power purchase agreement with California community choice aggregator **East Bay Community Energy** ([PFR, 6/20](#)).

The firm has appointed **FTI Capital Advisors**, the investment banking arm of **FTI Consulting**, to run [PAGE 5 »](#)

## Innergex lands financing for Ohio solar

Taryana Odayar

**Innergex Renewable Energy** has secured \$221.3 million in debt and tax equity for a solar project in Ohio.

The financing will fund the construction of the developer's 200 MW Hillcrest solar project in Brown County, Ohio, which is expected to be online by the end of the year.

The debt comprises:  
♦ \$82 million [PAGE 6 »](#)

## Mexico pandemic policy claims solar victim

Carmen Arroyo

French independent power producer **Neoen** is among the developers that have halted operations at recently completed renewable energy projects in Mexico following the suspension of interconnections, ostensibly because of Covid-19.

The company's 375 MW El Llano Solar project, in the state of Aguascalientes, was generating test power ahead of its [PAGE 14 »](#)



"Full steam ahead?"



## ● IN THIS ISSUE

### MERGERS & ACQUISITIONS

- 5 | Texas Wind Farm Auction
- 5 | Debt Fund Targets C&I Energy

### PROJECT FINANCE

- 6 | TerraForm Closes Wind Refi
- 6 | Tax Equity for Calif. Solar Project
- 7 | Vivint Drops ABS Offering
- 7 | Invenergy Build-Transfer
- 7 | PE Firm Enters Tax Equity Mart
- 8 | Battery Storage Debt Raise
- 8 | Kepco Closes Guam Solar Deal
- 10 | PPA Pulse: Hawaiian Electric

### CASE STUDY

- 9 | GSRP Portfolio I

### LATIN AMERICA M&A

- 12 | Dominican Coal Plant Sale
- 12 | AES Tiete Plots M&A Sprint
- 12 | Petrobras Thermal Auction
- 12 | EDP Buys Brazil Solar Projects
- 13 | AES Buys Panama Wind Farm

### LATIN AMERICA PF

- 13 | Mexico Solar Project Financing
- 13 | GPG Develops Chile Project
- 14 | Chilean Developer Grows Pipeline

### PEOPLE & FIRMS

- 15 | Rubicon's Ruiz Joins Developer
- 15 | Scout Staffs Up
- 16 | Daul Exits Recurrent
- 16 | Strata's Schoof Moves On
- 16 | PF Veteran Leaves MUFG
- 16 | Perkins Coie Hires Partner
- 16 | Suzlon CFO Joins Invenergy
- 16 | Origis Hires D.G. Team Lead

### DEPARTMENTS

- 3 | Generation Auction & Sale Calendar
- 4 | Project Finance Deal Book
- 8 | PowerTweets

## ● AT PRESS TIME

# AES issues senior secured bond

As *PFR* went to press on May 15, **AES Corp** was in the market with a first lien senior secured bond offering to refinance existing unsecured debt.

The company had tapped **Credit Suisse** (left), **Citi**, **Bank of America** and **JP Morgan** as bookrunners on the deal, which was expected to be priced that day.

Simultaneously, the company had announced a tender offer to repurchase three series of unsecured bonds maturing in 2021 and 2023. The company aims to buy back unsecured debt totaling \$1.485.

The independent power producer's senior secured debt is rated Baa3/BBB-/BBB- by **Moody's Investors Service**, **S&P Global Rat-**

**ings** and **Fitch Ratings**, while its unsecured debt is rated Ba1/BB+/BBB-.

As of the end of 2019, the company's senior secured debt comprised an \$18 million balance under an amortizing term loan that matures in 2022 and a mostly undrawn \$1 billion revolving credit facility with a maturity in 2024.

The company has been seeking to improve its credit metrics in recent years with the aim of obtaining investment grade ratings for its senior unsecured debt.

In October 2019, AES made a \$343 million early repayment on its senior secured term loan and a \$100 million prepayment of its senior unsecured bonds due in 2023. The company's unsecured bonds total \$3.22 billion. ■

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

## GENERATION AUCTION &amp; SALE CALENDAR ●

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

## Generation Sale ■ DATABASE

Seller	Assets	Location	Adviser	Status/Comment
Ansaldo Energia	Gas Turbine Servicing Business	North America and Europe	Rubicon	Non-binding offers due at the end of April (PFR, 4/20).
Aura Power, ib vogt	Fox Coulee, Empress (114 MW Solar)	Alberta	Rubicon	Auction was in second phase in February (PFR, 2/18).
Avangrid Renewables	Vertex (1.15 GW Wind)	U.S.	Wells Fargo	Final bid date was toward the end of April (PFR, 3/30).
Beal Financial Corp.	Portfolio (3.5 GW Gas)	U.S.	Cantor Fitzgerald	Indicative bids were in by May (PFR, 5/4).
● Castllake	Summit Wind (57.5 MW Wind)	Alameda County, Calif.	FTI	Auction launched in May (see story, page 1).
Community Energy	Halifax (80 MW Solar)	Halifax County, N.C.	Greentech	Binding bids were due in mid-March (PFR, 3/16).
	Great Cove (220 MW)	Fulton County, Pa.		
● The Dominican Republic	Punta Catalina (675 MW Coal, 50%)	Dominican Republic	Guggenheim	The process is on hold (see story, page 12).
Eolus North America	Wall Wind I (46.5 MW Wind)	Kern County, Calif.	Paragon	Developer was taking second round bids in April (PFR, 4/20).
First Energy Corp, PSEG Power	Yards Creek (420 MW Hydro)	Blairstown, N.J.		LS Power is buying the asset (PFR, 5/11).
Foundation Solar Partners	Portfolio (305 MW Solar)	Pennsylvania		Sale was expected to launch in late April (PFR, 3/30).
Galehead Development	Portfolio (136 MW Solar)	U.S.	Basho Energy	Auction was launched in January (PFR, 3/9).
● GDSolar	Portfolio (Solar)	Brazil		The buyer is EDP Grid (see story, page 12).
Glidepath Power Solutions	Clermont (80 MW Storage)	New York	Guggenheim	Teasers were circulated on April 20 (PFR, 4/27).
● Goldwind Americas	Penonomé I (55 MW Wind)	Panama		AES Corp. is the buyer (see story, page 13).
Hanwha QCells	Dodgers (250 MW Solar)	Texas	Paragon	Sponsor acquired the assets in February (PFR, 5/4).
John Laing	Buckthorn (100.5 MW Wind)	Texas	Rubicon	Sale to Capital Power closed on April 1 (PFR, 5/11).
	Portfolio (243 MW Solar)	North Carolina	CohnReznick	Auction was underway by March (PFR, 3/30).
Longroad Energy Partners	Muscle Shoals (227 MW Solar)	Colbert County, Ala.	Fifth Third	Sale process was underway in March (PFR, 3/23).
LS Power	Centilena (170 MW Solar)	Imperial County, Calif.	Citi (lead), BMO	Sale launched in early 2020 under codename Project Hornet (PFR, 3/2).
	Dover SUN (10 MW Solar)	Dover, Del.		
	Arlington Valley II (125 MW Solar, 30%)	Arlington, Ariz.		
● NextEra Energy	Crowned Ridge II (200 MW Wind)	South Dakota		NPSCo is buying the unit (see story online).
Panda Power Funds (common), Siemens Financial Services (preferred)	Hummel (1.1 GW Gas)	Shamokin Dam, Pa.		Sale to LS Power due to close this year (PFR, 5/4).
● Petrobras	Mangue Seco 1 & 2 (52 MW Wind, 50%)	Brazil	CA CIB	Teasers were issued in February (PFR, 3/16).
	Portfolio (578 MW Oil)	Brazil	Goldman Sachs	Teasers have been issued (see story, page 13).
Petrobras, Wobben	Mangue Seco 3 & 4 (54 MW Wind)	Brazil	CA CIB (Petrobras), DNB (Wobben)	Sale process was launched in March (PFR, 3/23).
Renertica	Suarez (11.2 MW Solar)	Tolima, Colombia		Sale to Gran Colombia Gold Corp. underway (PFR, 5/11).
Solterra Partners, Leyline Renewable Capital	Wilkes (75 MW Solar)	Wilkes County, N.C.		Initial bids had come in by May (PFR, 5/11).
● Starwood Energy	Stephens Ranch (376 MW Wind)	Texas	Marathon Capital	Auction launched in April (see story, page 5).
RWE Renewables	Portfolio (861 MW Wind)	Texas	Marathon Capital	Auction launched in February (PFR, 2/10).
Turning Point Energy	Escalante (200 MW Solar)	McKinley County, N.M.	CohnReznick	Developer was nearing a sale in March (PFR, 3/9).
South Carolina State	Santee Cooper (Utility)	South Carolina	Moelis & Co.	NextEra Energy pushing ahead with bid (PFR, 5/4).

## ● 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](mailto: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. A full listing of deals for the last several years is available at <http://www.powerfinancerisk.com/Data.html>

### Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Deal Type	Loan Amount	Tenor	Notes
ArcLight Capital Partners	Griffith Energy (570 MW Gas)	Mohave County, Ariz.	Crédit Agricole, ING Bank, CIT Bank	Term Loan	\$115M	7-yr	The banks aim to close the deal in June (PFR, 5/11).
				Ancillary Facilities	\$41M		
Atlas Renewable Energy	Pimienta (400 MW (DC) Solar)	Campeche, Mexico	DNB, IDB Invest, Bancomext	Private Placement	\$200M		Closing is expected by late June/early July (see story, page 13).
Brookfield, ArcLight Capital Partners	Sidney A Murray Jr (192 MW Hydro)	Concordia Parish, La.	Barclays, RBC Capital Markets	Private Placement	\$560M	10-yr	The bonds were issued the last week of April (PFR, 5/11).
Calpine Corp.	Geysers (725 MW Geothermal)	California	BNP, Crédit Agricole, MUFG	Loan	\$1B		Price talk is L+200 (see story, page 7).
Capital Dynamics	Portfolio (350 MW Solar)	California, Florida, Virginia, Arizona, Tennessee	MUFG, SMBC	Debt			CapDyn aimed to close the deal by the end of April (PFR, 4/13).
Castlelake	Summit Wind (57.5 MW Wind)	Alameda County, Calif.	Rabo, NordLB	Debt			The deal closed at the end of March (see story, page 1).
			GE EFS	Tax equity			
Castletman Power Development	Portfolio (400 MW Gas)	Texas	ING Capital	Term loan	\$160M	7-yr	Price talk was said to be 325 bp before the Covid-19 outbreak (PFR, 4/13).
				Ancillary Facilities	\$20M		
Clearway Energy	Golden Fields III (192 MW Solar)	California	Morgan Stanley	Tax equity			The offtakers are unrated CCAs (see story, page 6).
EnfraGen	Portfolio (200 MW Distributed Solar)	Chile					The financing is expected to close before the end of the summer (PFR, 4/13).
Engie Energia Chile	Calama (151.2 MW Wind)	Antofagasta, Chile	IDB Invest	Term Loan	\$110M	12-yr	The project is expected to be brought online by mid-2021 (PFR, 5/4).
				Ancillary Facilities	\$15 M		
Fisterra Energy	Tierra Mojada (875 MW Gas)	Jalisco, Mexico		Bond refinancing			Morgan Stanley is understood to be pursuing the mandate (PFR, 5/4).
Innergex	Hillcrest (200 MW Solar)	Brown County, Ohio	CIT, Mizuho, MUFG	Term Loan	\$82M	7-yr	The plant is due online by year-end (see story, page 6).
				Ancillary Facilities	\$25.9M		
			Wells Fargo	Tax equity	\$109.8M		
KEPCO	Mangilao (60 MW Solar, 32 MWh Storage)	Guam	Mizuho, KDB	Construction Debt			The plant is due online by 2021 (see story online).
Key Capture Energy	Portfolio (1.5 GW Storage)	U.S.		Capital Raise			The sponsor is in talks with investment banks (PFR, 5/4).
KOSPO, Samsung	Kelar (517 MW Gas)	Chile					The sponsors are exploring a refi (PFR, 3/30).
Macquarie Capital	Norte III (907 MW Gas)	Mexico	TBA	Refinancing			The sponsor has begun talks with banks (PFR, 4/6).
New Columbia Solar	Portfolio (30 MW Solar)	Washington, D.C.	Franklin Park	Tax equity	\$40M		The deal has closed (see story, page 8).
ProEnergy Services	Topaz (Gas)	Galveston County, Texas	MUFG	Term Loan	\$200M	C+7-yr	The deal is in the works (PFR, 4/13).
Spruce Finance	Residential Solar	U.S.	Vantage Infra, Sequoia	Debt	\$124M		KeyBank was financial adviser (PFR, 5/11).
Sonnedix	Unidentified (Solar)	Chile		Term loan			Sonnedix has been reaching out to commercial banks since last fall (PFR, 4/13.)
	Valleland (60 MW Solar)	Atacama, Chile					
Strata Solar	Ventura (100 MW/400 MWh Storage)	California		TBD			The sponsor is weighing its options (see story, page 8).
Stonepeak, MPLX, WhiteWater, West Texas Gas	Whistler (Gas Pipeline)	Texas		Private Placement	\$800M	10.6-yr	The sponsors launched the placement at the end of April (PFR, 5/11).
SunPower Corp.	Residential Solar	US	Technology Credit Union	Customer Financing	\$1B		The sponsor has secured the funding (PFR, 5/11).
Telamon Enterprise Ventures, Alchemy Renewable Energy	Portfolio (44.51 MW (DC) Solar)	Indiana	Undisclosed	Tax equity			The deal has reached financial close (PFR, 5/11).
TerraForm Power	Bishop Hill I (218 MW Wind)	Henry County, Ill.	MUFG, Wells Fargo	Private Placement	\$246M	17.3-yr	The deal closed March 26 (see story, page 6).
Vivint Solar	Residential Solar			Tax equity	\$50M		The sponsor has sealed the investment (PFR, 5/11).

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## NORTH AMERICA MERGERS &amp; ACQUISITIONS ●

## Fund manager puts Texas wind project on block

An energy infrastructure fund manager is preparing to receive bids in the auction of an operational wind farm in Texas.

The seller, **Starwood Energy Group Global**, is working with **Marathon Capital** as financial adviser on the sale process.

The asset is the 376 MW Stephens Ranch Wind Farm in Borden and Lynn counties, which was brought online in two phases in November 2014 and May 2015.

Both phases have 13-year hedg-

es with **Citi**. The first phase was financed in 2014 with debt from **Santander** and Citi, and tax equity from the same two banks and **GE Energy Financial Services** (PFR, 1/8/14).

Starwood financed the second phase of Stephens Ranch later the same year with debt and tax equity from Citi, **Morgan Stanley** and **MUFG** (PFR, 8/20/14).

The auction is understood to have been launched around the beginning of April and indicative

bids are due in the next couple of weeks.

The sale process comes two years after Starwood completed the divestment of its Horse Creek and Electra projects, also in Texas, in two separate transactions in 2017 and 2018.

The firm sold a 49% stake in the two projects to **MEAG**, the asset management arm of **Munich Re Group**, in August 2017 before selling the remaining 51% the following year to **Skyline Renewables**,

a joint venture between **Transatlantic Holdings** and **Ardian** (PFR, 8/25/17, 10/22/18).

Assuming it sells Stephens Ranch, Starwood will still own one wind asset in Texas – a 50% stake in the 204 MW Shannon Wind project in Clay County, which has been online since December 2015.

Like Stephens Ranch, the Shannon project has a hedge with Citi, but it also benefits from a 13-year renewable energy credit purchase agreement with **Facebook**. ■

## PE firm markets contracted wind repowering project

◀ FROM PAGE 1

the sale process.

PFR understands that the sale process was launched in the week commencing May 4 and that the firm is looking for an investor to take full ownership of the project at its commercial operations date.

Castlelake has arranged financing com-

prising a construction loan, tax equity and back leverage.

**Rabobank** and **NordLB** are the lenders, while **GE Energy Financial Services** has provided the tax equity commitment.

**Marathon Capital** advised Castlelake on the debt and tax equity financing.

There has been a wind farm on the site of the project since 1985. Salka acquired it in 2015 with the aim of replacing its existing 569 turbines while maintaining the same capacity.

GE EFS's parent company **General Electric** is providing the new turbines. ■

## NORTH AMERICA PROJECT FINANCE ●

## Debt fund targets C&I energy

**Windmill Capital Management**, a firm based in Menlo Park, California, is raising a debt fund to finance commercial and industrial-scale clean energy projects.

The firm is offering shares totaling \$250 million in Windmill Clean Energy Credit Trust to accredited investors and will use the proceeds to fund purchase money loans for generation projects in the US.

The shares in the fund will be sold through two undisclosed registered investment advisers – a wealth manager with high net-worth individual and family office clients, and a fixed-income distribution shop working exclusively with institutional investors.

**John Grady**, a Philadelphia-

based partner at recently established law firm **Practus**, is advising Windmill on the offering.

**"We don't intend to compete with the banks lending to contracted C&I solar projects. We do a lot of solar tax equity so we know how deep that market is."**

Windmill intends to package together similar small loans and sell them to its investors in series

of between \$5 million and \$10 million.

The loans will have tenors of between seven and 11 years and carry interest rates in the high single digits.

Windmill began clean energy finance operations four years ago by arranging tax equity for solar projects and saw an opportunity to place capital for smaller developers constructing projects that are under-served by existing lenders.

"We don't intend to compete with the banks lending to contracted C&I solar projects," says Windmill's managing director **Brian Jones**. "We do a lot of solar tax equity so we know how deep that market is."

Instead, the firm will invest in less well-banked sectors such as biomass, small-scale wind, combined heat and power, and solar combined with other types of generation. Battery storage is not an immediate target.

The proposed loan product includes flexible terms for borrowers, such as payment or amortization holidays if a project is not operating a full capacity for certain reasons.

One of the fund's prominent strategies will be supporting developers selling on-site power generation assets to commercial customers and underwriting the financing based on future energy cost savings to the final user, similar to 'peak demand shaving'. ■



## ● NORTH AMERICA PROJECT FINANCE

# TerraForm closes wind refi

**TerraForm Power** has closed a \$246 million private placement to refinance a wind project in Illinois.

The transaction, which refinanced the 218 MW Bishop Hill 1 facility in Henry County, closed on March 26.

**MUFG** and **Wells Fargo** were placement agents on the 17.3 year bond, which has a weighted average life of 7.6 years. Wells also provided a \$22.9 million letter of credit.

The notes, rated BBB- by **Fitch Ratings**, were priced at 180 basis points over Treasuries

to yield 3.28%. Pricing was circled on January 30.

The offering was more than three times oversubscribed, say deal watchers, who add that the final pricing was at the lower end of initial price talk.

The deal includes a long merchant tail, as the debt matures five years after the project's fixed price power purchase agreement with the **Tennessee Valley Authority** is due to expire.

The project is located in the ComEd zone of

**PJM Interconnection** and has been online since July 2012.

The debt that was refinanced was a \$297.5 million loan from 2016, on which **Rabobank** had acted as left lead. The 2016 deal followed TerraForm's acquisition of a 90.1% stake in the project from its original developer **Invenergy** in 2015 (*PFR*, 7/7/15, 3/10/16).

The 2016 debt package was due to mature in February 2023. It originally comprised a \$273.3 million term loan and \$24 million in letters of credit ■.

# Tax equity investor for California solar project revealed

*PFR* has learned the identity of the tax equity investor for **Clearway Energy Group's** 192 MW Golden Fields III solar project in California.

Clearway obtained the commitment from **Morgan Stanley's** renewable energy investment team, which is led by **Jorge Irragori**.

The Golden Fields III project,

which is held under a financing vehicle called **Rosamond Raven Holdings**, is one of the first renewable energy projects to be financed almost entirely on the basis of offtake contracts with unrated community choice aggregators.

The project's power purchase agreements are with:

◆ **East Bay Community Ener-**

**gy Authority** – 112 MW for 15 years

◆ **Clean Power Alliance of Southern California** – 40 MW for 15 years

◆ **City of Palo Alto** – 26 MW for 25 years

The financings of most other projects or portfolios with unrated CCA offtakes have also been supported by at least one contract with an investment grade CCA or an investment grade utility.

Golden Fields III's offtake arrangement is understood to

have limited the pool of potential tax equity investors for the project.

The project reached financial close in December, with **NorDLB** (left), **CIT Bank** and **Zions Bancorp** providing a roughly \$260 million five year mini-perm debt package (*PFR*, 2/25).

The margin on the Rosamond loan is understood to include a substantial premium over equivalent mini-perms with investment-grade utility offtakers to reflect the additional risk. ■

# Innergex lands financing for Ohio solar

◀ FROM PAGE 1

construction plus seven year term loan

◆ \$109.8 million tax equity bridge loan

◆ \$29.5 million letter of credit facility

The margin during the construction period is 175 bp over Libor, stepping up to 225 bp after the commercial operations date.

**CIT Bank** led on the debt raise as coordinating lead arranger, with **MUFG** and **Mizuho** filling out the club of lenders as joint lead arrangers.

**Wells Fargo** is the tax equity investor.

The remaining \$87.7 million construction cost will be funded with equity from Innergex.

The independent power producer had earmarked some \$35 million for the project from the proceeds of a C\$661 million

(\$597 million) equity placement with Canadian public utility **Hydro-Quebec**, which closed earlier this year (*PFR*, 2/6).

**“This agreement confirms Innergex’s strong ability to raise significant funds even during the harshest economic environment seen in decades.”**

“Securing Hillcrest’s financing is an important step forward, and we are very pleased with the terms of the agreement we have reached,” said **Michel Letellier**, president and CEO of Innergex. “This

agreement confirms Innergex’s strong ability to raise significant funds even during the harshest economic environment seen in decades.”

The project has a power purchase agreement with an undisclosed investment grade non-utility corporation (*PFR*, 1/22).

Innergex estimates that it will produce a long-term average of 413.3 GWh a year, and expects it to generate \$10.7 million of average Ebitda over the first five years of operations.

The project is expected to receive the 30% investment tax credit.

Innergex agreed to acquire the project in 2018 from its developers, **Open Road Renewables** and **MAP Renewable Energy** (*PFR*, 10/22/18). ■

## NORTH AMERICA PROJECT FINANCE ●

## Vivint drops ABS offering “on the cusp of closing”

**Vivint Solar** pivoted away from a solar securitization that was “on the cusp of closing” before the onset of the Covid-19 pandemic, in favor of an alternative financing structure that it hopes to close in the second quarter.

The company had been days away from refinancing assets in its warehouse loan facility through an ABS offering, said the company’s CFO, **Dana Russell**, on a May 7 earnings call.

But when the ABS market largely closed to new issuance, Vivint began working on an alternative source of funding. The company is now close to closing the \$175 million to \$200 million non-recourse transaction.

“We’ve moved quickly to replace our expected ABS that was on the cusp of closing late in the first quarter with a different financing structure we expect to close in the second quarter,” said Russell. “It will be a little more expensive than what we would have been

doing with an ABS, but still a good capital structure for us.”

While the ABS offering would have freed up capacity in the warehouse for new assets and injected cash to Vivint’s balance sheet, the new transaction is expected to help the company operate without significant liquidity restraints beyond the next 12 months.

As of March 31, Vivint had \$45 million in undrawn capacity in the warehouse facility, \$35 million in undrawn capacity in its 2019 forward flow loan facility, \$66 million in undrawn capacity in its asset financing facility and approximately 43 MW of undeployed tax equity financing capacity.

Vivint’s strategy in the residential solar space has been slightly different to some of its competitors, in that it has taken less upfront when financing its assets.

“We’ve done that as a procedure as part of our process,” said Russell. “And so we do have the abil-

ity to go out and leverage these assets, and this is non-recourse debt.”

The company does not expect to have to tap the equity markets at this time, said Russell.

Vivint also recently expanded an existing tax equity partnership by an additional \$50 million to fund investments in leases and power purchase agreements (PFR, 5/1). ■

## Huge wind build-transfer racks up approvals

The **Arkansas Public Service Commission** (APSC) has approved a portion of the build-transfer deal for **Invenergy’s** 1,485 MW North Central Energy Facilities wind complex in Oklahoma.

**American Electric Power** subsidiary **Southwestern Electric Power Co** (Swepeco) was cleared this month to purchase a 810 MW portion of the three-project fleet to serve customers in Arkansas.

The approval is the latest step forward for the project after Oklahoma’s utility regulator gave the green light to **Public Service Co**

**of Oklahoma** to purchase another 615 MW allocation of the generation on Feb 20 (PFR, 2/20).

Swepeco still needs final approval from regulators in Louisiana and Texas (PFR, 3/18).

The deal is structured to allow two states that approve the project to increase the number of megawatts allocated to them if another state rejects the proposal.

Arkansas’ share of the project is estimated to be 155 MW and could increase to 268 MW depending on the outcome of the regulatory processes in Louisiana and Texas. ■

## Financial investor debuts in tax equity

A private equity fund manager has made its first tax equity investment, a \$40 million deal that will finance a portfolio of distributed solar projects developed by **New Columbia Solar** in Washington, DC.

The fund manager, **Franklin Park Infrastructure**, will finance a 30 MW portfolio to be brought online in the District of Columbia through 2021. The deal is being touted as the largest single tax equity investment in distributed solar projects in DC.

“This investment, and our partnership with New Columbia Solar, represents our entry into the tax equity market as an investor and an expansion of the Franklin Park business model,” said **Kevin Lapidus**, chief investment officer at Franklin Park. “We are particularly

focused on tax equity investments in the DG solar market.”

Franklin Park worked with **Vadim Ovchinnikov** of **Alfa Energy Advisors** as financial adviser on the deal, and received legal counsel from **Edward Zaelke** of **McDermott Will & Emery**.

New Columbia Solar was represented by **Bryan Didier** of **Leverage Law Group** and **Daniel Vandergriff** of **Blanco Tackaberry & Matamoros**.

New Columbia Solar develops rooftop, canopy, and ground-mounted solar projects in DC and Maryland. Its operating portfolio compris-

## Calpine revives geothermal refi

◀ FROM PAGE 1

a 175 bp upfront fee, while those that take tickets smaller than \$100 million will get 100 bp or less, says another deal watcher.

“They’re pricing up a little bit, and that will help some of these banks,” says a third observer.

Calpine’s most recent attempt to refinance the assets – a \$2.07 billion quadruple-tranche hybrid bank loan-and-bond offering led by

**Barclays** (PFR, 11/13) – was interrupted by last October’s Kincade wildfires in the Geysers field.

The senior secured deal had comprised:  
◆ \$400 million 10 year amortizing term loan A  
◆ \$700 million 20 year amortizing bond  
◆ \$650 million 20 year bullet bond  
◆ \$320 million seven year revolver

The portfolio’s largest offtaker is **Pacific Gas & Electric Corp.** ■

## ● NORTH AMERICA PROJECT FINANCE

# Strata weighs storage financing options

Solar developer and owner **Strata Solar** is in talks with several banks for the potential debt financing of a standalone battery storage project in California.

The sponsor is evaluating various funding options for the 100 MW/400 MWh Ventura Energy Storage facility (previously known as Saticoy) and aims to finalize a financing route this month.

Located on three acres in Ventura County, the project won a 20 year capacity contract with **Southern California Edison** in April 2019 (PFR, 4/30/19).

The developer had intended to mandate lead arrangers late last year and start construction this year, subject to regulatory approvals, but is still deciding whether to raise construction financing or fund construction from its own balance sheet and bring in an equity partner.

The **California Public Utilities Commission** approved the SoCalEd capacity contract in December 2019.

**CIT Bank**, a relationship lender to Strata with a track record of financing standalone battery storage, is expected to take the lead role on construction financing, if there is any.

Strata is also in discussions with its other revolver lenders, namely **Rabobank**, **Zions**

**Bancorp** and **Regions Bank**. The company expanded its revolving credit facility to \$120 million last year (PFR, 11/21/19).

“At this point, it’s about liquidity – do you have strong relationships with your banks?” says **Jimmy Chuang**, Strata’s chief capital markets officer in San Francisco. “We have more storage projects and we need more lenders to come into this space and, hopefully, by Q3, we will see liquidity open up.”

Strata has awarded a turnkey engineering, procurement and construction contract to **Tesla** and plans to start site mobilization by June or July, with major equipment arriv-

ing on site in the fall. The Ventura project is expected to be online by the first quarter of 2021.

The permitting and regulatory approval process for the standalone storage project was different to what Strata was used to, even before the turmoil caused by the Covid-19 pandemic.

“The County held its first ever online meeting for the Planned Development Permit for our project,” says **Will Mitchell**, Strata’s director of origination for the West Region, and co-developer of Ventura. “They’d never done one before.” ■

## Kepeco closes solar financing in Guam

**Korea Electric Power Corp** has sealed project finance debt from two Asian banks for a solar-plus-storage project the US territory of Guam.

**Korea Development Bank** and **Mizuho** are the arrangers on the deal for the 60 MW Mangilao solar project and 32 MWh battery storage system.

The \$200 million project is expected to be online by 2021.

Legal advisers on the deal were:

◆ **Morgan Lewis** - borrower’s counsel

◆ **White & Case** - lenders’ counsel

KEPCO won the 25-year power purchase agreement for the project in 2017 and signed the contract with the **Guam Power Authority** in August 2018.

The Korean power company owns a 70% stake in the project, while co-investor **LG CNS** owns 30%.

The sponsors had planned to finance 75% of the plant’s cost with debt, according to an April 29 filing with the US **Securities and Exchange Commission**. ■

## Power Finance & Risk

For more news and coverage, follow @PowerFinRisk on Twitter, as well as @richmetcalf, @Shravanbhat, @ArroyoNieto and @Taryana\_Odayar.

### Jason Burwen @jburwen May 15

Quite a bit of #energystorage entering the @pjmintconnect queue, much of it in NJ and PA <https://bit.ly/2yUUr1e>

### MidAmerican Energy Company

@MidAm\_EnergyCo May 12

We’re excited to announce that 61.3% of total energy delivered to our #Iowa customers in 2019 was through renewable sources, mostly #windenergy. This is a 19% increase from the year prior, bringing us even closer to our 100% #renewableenergy goal. <https://bit.ly/3bpy9ID>



### Noah Shaw @ncshaw May 15

NY #solar crowd! The PSC’s much-anticipated Order authorizing \$573m & significant changes to #NYSun has been approved. Watch this space for a deeper dive soon, but remind yourself of what was in the petition by checking our analysis at the time here: <https://www.hodgsonruss.com/newsroom-publications-11443.html>

### MUFG Americas @MUFGAmericas May 12

COVID-19 is sparking a conversation to asset-based credit revolvers -- and Ed Gately, MUFG’s Head of Asset-Based Finance, explains why. <https://mufgamericas.com/insights-and-experience/insights/effect-covid-19-revolving-lines-credit>



## CASE STUDY ●

# GSRP Portfolio I

*This year, Power Finance & Risk is launching a new series of case studies on major M&A and project finance deals. To nominate a deal you have worked on, please contact Richard Metcalf at richard.metcalf@powerfinance-risk.com.*

At the end of last year, **Goldman Sachs Renewable Power** (GSRP), a division of **Goldman Sachs Asset Management** (GSAM), closed a \$500 million private placement to refinance one of the largest commercial and industrial-scale solar portfolios ever amassed in the US.

The US private placement market has become an increasingly popular venue for financing renewable energy assets in recent years, as the growing allure of climate-conscious investments has motivated institutional investors to expand their horizons from single assets or small portfolios to more complex deals, such as Goldman's, which involved hundreds of projects.

The deal was backed by a fleet of 379 assets totaling some 600 MW, collectively known as GSRP Portfolio I, which Goldman had assembled through acquisitions over the course of two years.

The deal was explicitly marketed as a green bond, with **HSBC** acting as green structuring adviser, and the environmental, social and governance (ESG) aspects of the transaction worked in the issuer's favor, according to the head of infrastructure and project finance at a US insurance company.

"ESG is a greater focus for European and US pension plans, and there's a growing feeling that ESG is now becoming complementary to the decision making process for a credit committee," he says. "A year ago it was basically nonexistent."

But even with an ESG tailwind, it was not all plain sailing for Goldman, say deal watchers.

## EXECUTION

Goldman's own debt capital markets team acted as left lead on the bond, with **MUFG** and **HSBC** acting as joint placement agents.

They launched the deal toward the end of November 2019, originally as a \$920 million

offering, say sources. Pricing was 200 bp over Treasuries.

But Goldman had to rejigger the portfolio and scale back the offering to \$500 million in order to secure the terms it wanted.

"Usually with these things, the size of a bond goes up – not down," says a person familiar with the deal.

At the new, smaller size, the deal was oversubscribed, allowing Goldman to tighten the pricing to 190 bp.

Officials at Goldman Sachs and the placement agents declined to be interviewed.

## FINAL TERMS

The 25 year bond, which has a weighted average life of 21.1 years, was priced with a 3.77% coupon and closed on December 10, 2019.

**Kroll Bond Rating Agency** had rated the notes BBB, one notch above the BBB- sweet spot for US private placement investors in the power and infrastructure sector.

It was the first deal for a distributed generation portfolio to secure a credit rating exceeding BBB-, according to another source close to the transaction.

**"ESG is now becoming complementary to the decision making process for a credit committee. A year ago it was basically nonexistent."**

The co-placement agents, **MUFG** and **HSBC**, provided a pair of seven year letter of credit facilities totaling \$65 million to round out the debt package.

Goldman's deal team is understood to have been led by:

- ◆ **JP Boudrias** – managing director, head of project finance
- ◆ **Eric Meyers** – managing director, structured finance syndicate (he has since left the bank for a job at **Solar Capital Partners**)
- ◆ **Madelaine O'Connell** – vice president, debt private placements

Other parties involved in the deal included:

- ◆ **Citi** – deal manager
- ◆ **Skadden** – legal adviser to the issuer – team led by **Aryan Moniri**
- ◆ **Fried Frank** – legal adviser to the issuer
- ◆ **Latham & Watkins** – legal adviser to the investors
- ◆ **Enertis** – independent engineer
- ◆ **Leidos** – market consultant
- ◆ **Moore-McNeil** – insurance consultant
- ◆ **Sustainalytics** – climate bond certification

"The offering provides us with additional capital as we seek to continue to invest in renewable energy projects that address the desire of a growing number of corporations, governmental and educational institutions to obtain power from clean energy sources," said **Jon Yoder**, managing director and head of the GSAM Renewable Power Group, in a statement on February 10. "We appreciate the strong market support for this offering."

## THE PORTFOLIO

The private placement financed less than half of GSRP's 1.3 GW solar portfolio, which it has been putting together through acquisitions since 2018.

Developers it has acquired projects from include:

- ◆ **South Jersey Industries** (PFR, 7/5/18)
- ◆ **KKR & Co** and **Recurrent Energy** (PFR, 10/30/18)
- ◆ **Macquarie Infrastructure Corp** (PFR, 4/5/19)
- ◆ **Clean Focus Yield** (PFR, 3/18)

Goldman also signed a deal with **SunPower Corp** to buy a 233 MW book of solar leases for \$86.9 million in 2019.

GSAM raised \$1.9 billion in equity commitments for the GSRP investment vehicle in September 2019, with the lead commitment coming from the **University of California Regents** (PFR, 9/16/19).

GSAM has its own asset management team based in Florida to oversee plant operation, and selected **AlsoEnergy's** PowerTrack Platform software to provide monitoring and control services for the entire portfolio in September 2019. ■

## ● PPA PULSE

## Hawaii utility picks 16 solar, storage projects

**Hawaiian Electric** has selected 16 solar-plus-storage and standalone storage projects after receiving more than 75 bids in response to a 900 MW request for proposals launched last August.

The projects have a total generation capacity of 460 MW and a total storage capacity of 3 GWh, according to a May 11 announcement from the utility. They are located on O'ahu, Maui and Hawai'i Island (see table right for details).

Hawaiian Electric is now in talks with the developers over the final terms. The sizes and locations of the projects could be made public in 30 days or sooner, if developers start community engagement efforts immediately.

"We went big with the scope of this request for proposals to see what the renewable energy market would support and to ensure lots of competition," said **Jim Alberts**, Hawaiian Electric's senior vice president for business development and strategic planning, in a statement.

**Innergex Renewable Energy** is one of the successful bidders. The company's selected bids were for a 15 MW/60 MWh solar-plus-storage project on O'ahu and a 20 MW/80 MWh solar-plus-storage project on Maui.

Both projects are expected to be online by 2023. The PPAs are expected to have a length of 25 years.

"Innergex already has two projects in development in Hawaii," said **Michel Letellier**, president and CEO of Innergex, in a statement on May 12. "Adding these two extra projects will enable Innergex to achieve its strategic priority of developing its expertise in battery storage and increasing its presence in the United States while supporting Hawaii in its journey to achieve 100% clean energy by 2045."

Two of Hawaiian Electric's own self-build proposals were selected to progress to negotiations. They are a 40 MW/160 MWh standalone storage system on Maui and a 12 MW/12 MWh standalone

storage plant on Hawai'i Island. Two other projects proposed by Hawaiian Electric on O'ahu and another on Hawai'i Island were rejected.

*Here is the rest of this week's power procurement and PPA news:*

### ENTERGY DOUBLE BILL

Two **Entergy Corp.** utilities have separately issued requests for proposals for an up to 1,200 MW combined-cycle gas-fired project in Texas and solar projects in Louisiana totaling 250 MW.

**Entergy Texas** is seeking proposals for a CCGT with a capacity

of between 1 GW and 1.2 GW to be placed in service between 2025 and 2025. Bids in this process are due on Aug. 27.

Meanwhile, **Entergy Louisiana** is looking for 250 MW of solar resources to be placed in service in 2023.

A third utility in the Entergy group, **Entergy Arkansas**, recently won regulatory approval for the largest utility-scale solar project in its state, and the first to feature battery storage. The 100 MW Searcy Solar project will have a 10 MW/30 MWh lithium-ion battery storage system (PFR, 4/28). ■

### Hawaii Storage RFP Results

Location	Solar-plus-storage projects	Standalone Storage Projects	Total Solar	Total Storage
O'ahu	8	1	287 MW	1800 MWh
Maui	3	1	100 MW	560 MWh
Hawai'i	2	1	72 MW	492 MWh

Source: Hawaiian Electric

## ● MERGERS &amp; ACQUISITIONS

## SunPower sets Q2 target for manufacturing spinoff

**SunPower Corp.** is aiming to spin off its global solar cell manufacturing arm into a new company called **Maxeon Solar Technologies** by the second quarter of 2020, after clearing regulatory hurdles and signing financing.

SunPower announced last November that it would be separating into two independent, publicly-traded companies (PFR, 11/11/19).

SunPower will remain a North American distributed generation, storage and services company, while Singapore-headquartered, **Nasdaq**-listed Maxeon will focus on solar cell technology, manufacturing and marketing.

As part of the spinoff, Maxeon will receive a \$298 million capital injection from **Tian-**

**jin Zhonghuan Semiconductor Co.** (TZS), which will own a 28.87% stake in the manufacturer as a result.

SunPower's existing shareholders, including majority-owner **Total**, will initially hold about 71.2% of Maxeon.

The spinoff is subject to conditions including approvals from Chinese antitrust authorities.

Financial conditions include the signing of a term loan of at least \$325 million and a revolving credit facility of at least \$100 million by Maxeon, or alternative working capital adjustments.

Maxeon will start off as an independent company with no more than \$138 million in debt

and at least \$50 million in cash.

**Jeff Waters**, the CEO of SunPower's technologies business unit, will leave the company to take up the role of CEO at Maxeon.

"Covid and social distancing has made diligence and documentation less efficient, since the teams haven't been able to meet face-to-face and we're working effectively with over half a dozen banks in multiple countries," said Waters on a SunPower earnings call on May 7, adding that he expects to sign the debt facilities in the second quarter.

SunPower will receive \$50 million in net proceeds from the spinoff, accounting for about \$57.6 million in costs.

TZS is entitled to a \$80 million termination fee if SunPower terminates the deal in favor of another suitor. ■





# Power Finance & Risk

## 17th Annual Deals & Firms of the Year Awards

*Power Finance & Risk* is pleased to announce the launch of its 2019 Deals and Firms of the Year Awards.

*PFR* has been recognizing excellence in power and renewable energy finance for 17 years.

This year, we are doing something different... We have selected 100 leading individuals from the top ranks of power and renewable energy finance in North America to pick the winners. We are now accepting nominations for the Deal of the Year categories. The deadline for submitting deals is May 29, 2020. After submissions close, the editorial team will carefully review and consider all nominations before drawing up a shortlist of deals to be voted on by a hand-picked panel of your peers, industry experts.

In the meantime, *PFR* is conducting a series of research interviews with the panel that will form the basis of the firm and individual awards.

We will be asking:

- Which firms and individuals were the most impressive over the past year?
- Which companies, banks and law firms came up with the most creative solutions?
- Who has the strongest commercial acumen?
- Where do you go for the best market knowledge and insights?
- Who went the extra mile?

We are looking forward to working with the industry to tell a positive story about power and renewable energy finance during these challenging times.

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Should you have any questions about the awards, nominations or submissions process, or about *PFR* in general please contact:

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## ● LATIN AMERICA MERGERS & ACQUISITIONS

# DR's sale of stake in coal-fired plant on hold

The Dominican Republic is selling a 50% stake in a 674.78 MW coal-fired plant in the country, but the process is on hold because of the Covid-19 pandemic.

The stake in the Punta Catalina facility, in the Peravia province, was put up for sale in February of this year. The government was hoping to recover a portion of the \$2.1 billion it invested in construction while also refinancing the project.

Although the government has received interest from investors, the sale is reportedly on hold. The DR expects to move forward with the process after presidential elections take place in July.

**Guggenheim Securities** is advising the government on the sale, Minister of Finance

**Donald Guerrero Ortiz** told local press on May 6.

Representatives of Guggenheim did not respond to a request for comment by press time.

The Punta Catalina project has been in the works since 2012, when it was conceived as a way of stabilizing the country's energy matrix.

The **Dominican Corporation of State-Owned Electric Companies** (CDEEE) launched a tender for the project's construction in 2013.

A year later, the government awarded the EPC contract to a consortium of:

- ◆ Brazil's **Constructora Norberto Odebrecht**
- ◆ Italy's **Tecnimont**

### ◆ DR's **Ingenieria Estrella**.

Brazilian development bank **BNDES** provided a loan of \$656 million in February 2015 to finance construction. The country paid back the loan in November 2016 with the proceeds of a sovereign debt offering.

**Deutsche Bank, Santander, ING Bank, Société Générale** and **Unicredit** arranged an additional \$632.5 million debt package for the project in May 2015.

The project was brought online in 2018 and supplies power to the three state-owned distribution companies **Edesur, Edenorte** and **Edeeste**.

The Punta Catalina facility, fitted with **General Electric** steam turbines, started commercial operations in 2018. ■

# AES Tietê looks for acquisitions in Brazil

**AES Tietê** – the Brazilian subsidiary of **AES Corp** – is planning an M&A sprint in the country for operational assets as well as wind and solar projects under development.

The company is analyzing assets with an installed capacity in excess of 1 GW for potential acquisition, according to the company's president, **Italo Freitas**.

AES Tietê is also in negotiations regarding pre-operational renewable projects totaling almost 3 GW – 1.2 GW in wind and 1.7 GW in solar.

The company signed an agreement to acquire a 1.1 GW green-field wind project in Rio Grande do Norte in March.

The company could also eval-

uate a new merger offer from Eneva, Freitas said during a conference call with analysts.

Eneva withdrew its recent proposal to merge with AES Tietê after the latter described the offer as "inadequate" (PFR, 4/24).

However, Eneva has since confirmed that it is conducting studies for a new proposal. ■

# Petrobras markets thermal generation

Petrobras has issued a teaser for the sale of four thermal generation plants in Brazil totaling 578 MW.

The Brazilian state-owned energy company is working with **Goldman Sachs** as exclusive financial adviser on the sale process.

Three of the assets, collectively known as the Polo Camaçari plants, are located in the city of Camaçari, in the Brazilian state of Bahia. All three use oil as fuel.

This portfolio comprises:

- ◆ Arembepe - 150 MW
- ◆ Bahia 1 - 32 MW
- ◆ Muricy - 147 MW

The Polo Camaçari projects have power purchase agreements in place for more than 60% of their capacity, but the contracts expire between 2023 and 2025.

Arembepe and Muricy are each contracted through 2023 for 101 MW of their output, while Bahia 1 has a contract for 5 MW through 2025.

The fourth plant, Canoas, is located in the city of Canoas in Rio Grande do Sul.

It can run on natural gas or diesel but has recently been operating on diesel due to logis-

tics constraints in the natural gas pipeline network in Brazil.

The Canoas plant receives diesel through a pipeline connected with Petrobras' Alberto Pasqualini refinery (Refap).

The deadline for indications of interest is June 12. ■

## EDP buys solar projects in Brazil

Brazil's antitrust regulator **Cade** has approved **EDP Grid's** acquisition of distributed solar projects in the country.

The developer bought the projects from local developer **GDSolar**.

The projects are located in the municipality of Taubate in the state of Sao Paulo.

In March, before the Covid-19 pandemic worsened in Brazil, EDP Brasil had announced its intention to increase investments in distributed generation, aiming at investing a minimum of R\$100 million (\$17.16 million) in the segment annually. ■

## LATIN AMERICA MERGERS &amp; ACQUISITIONS ●

## AES buys wind farm in Panama

**AES Corp's** Panamanian subsidiary has acquired an operational 55 MW wind farm in the country from **Goldwind Americas**.

Located in Coclé Province on Panama's southern coast, the Penonomé I project has been online since 2014.

Goldwind acquired it from **Unión Eólica Panameña** (UEP) in 2012.

Goldwind, a subsidiary of Chinese wind turbine manufacturer **Xinjiang Goldwind Science & Technology**, will continue to support the asset's operations.

The acquisition of the project by AES was announced on May 13.

"We are pleased to add this new wind generation facility to our portfolio," said **Miguel Bolinaga**, president of AES in the country, in a statement. "It demonstrates our commitment to increase our renewable energy generation and to continue to invest in the Republic of Panama."

**AES Panama** operates as a joint venture between AES and the Republic of Panama.

Its other assets in the country include:

- ◆ Estrella del Mar I - a 72 MW thermal power plant in the province of Colon
- ◆ Bayano - a 260 MW hydro plant near Panama City

◆ Chanquinola - a 223 MW hydro project in the Bocas del Toro province

◆ Chiriquí - a 222 MW hydroelectric complex in Chiriquí

◆ Colon - a 381 MW combined-cycle gas-fired facility on the island of Telfers.

AES is also working on a 5 MW solar project in the country called Banco General-Panafoto, for which it has secured a 10-year power purchase agreement ([PFR, 11/18/19](#)).

The sponsor was recently awarded other short-term PPAs as a result of an auction held by Panama's state-owned transmission company **Etesa** ([PFR, 4/2](#)). ■

## LATIN AMERICA PROJECT FINANCE ●

## Financing for Mexico solar project takes shape

**Atlas Renewable Energy** is aiming to close the financing for a 444 MW (DC) solar project in Mexico in late June or early July.

The developer is working with **DNB** to structure the deal for the La Pimienta solar project in the state of Campeche, which will have an A/B structure ([PFR, 4/29](#)).

The total size of the deal is expected to be \$200 million, *PFR* can reveal.

**IDB Invest** and **Bancomext** are providing the A tranche, with \$50 million coming from IDB and \$30 million from Bancomext.

Located in the municipalities of Ciudad del Carmen and Palizada,

the La Pimienta project includes a 2.17 km (1.34 mile) transmission line to connect it to the national grid.

Atlas and DNB have worked together in the past. In early March, they closed a private placement in Chile, which financed two solar projects—one

under construction, the other operational—that had power purchase agreements with corporate off-takers ([PFR, 3/20](#)).

Earlier, in 2018, DNB was the placement agent on the \$108 million refinancing for two Atlas solar assets in Uruguay ([PFR, 6/5/18](#)). ■

## GPG develops third Chilean project

**Global Power Generation**, a subsidiary of Spain's **Naturgy Energy Group**, is working on a 101 MW solar project in Chile, its third renewable energy asset in the country.

The sponsor has hired manufacturer **Soltec** to supply bifacial trackers for the project,

which is called San Pedro and located in Antofagasta.

GPG is 75% owned by Naturgy and 25% by **Kuwait Investment Authority**.

Its two other projects in Chile are the 204 MW Cabo Leones II wind farm and the 126

MW Inca de Varas solar project, both in Atacama. GPG holds the controlling 51% stakes in those two projects, while **Grupo Ibereólica** owns 49%.

Unlike those two projects, the San Pedro project is 100% owned by GPG. ■

## Paraguay receives bids for substation project

Paraguay's **Administración Nacional de Electricidad** (ANDE) has received bids for the development of a substation project that already has financing in place from the **European**

**Investment Bank** (EIB).

Ten companies presented bids on May 7 to develop the 220 kV Alto Paraná substation, which is in the Alto Paraná department.

The \$33 million project will

be financed with a loan from the EIB.

The tender for the construction project was launched in October of last year, with the aim of luring industrial and power

investments into the region.

The country has been making an effort to improve electrical services in recent years with the aid of development finance institutions. ■



## ● LATIN AMERICA

# Mexico pandemic policy claims solar victim

« FROM PAGE 1

15-year power purchase agreement, which was due to come into force in July.

Mexico's **Federal Electricity Commission** (CFE), **Iberdrola**, and **Menkent**, a subsidiary of construction company **Cemex**, were ready to buy 70% of the project's output under the PPA.

But Mexican regulator **Cenace** has halted the interconnection of 28 wind and solar projects, supposedly to ensure system reliability amid lower load conditions as a result of the pandemic.

The projects will not operate until further notice, noted Cenace.

The delay will translate into an Ebitda shortfall of up to \$2 million per month for the El Llano project, said Neoen in a statement on May 7.

"Neoen's El Llano solar power plant generates some of the world's most price-competitive electricity (less than \$19 per MWh)," the company noted.

Like many contracted renewable energy projects in Mexico, El Llano was financed with project finance debt from commercial banks (PFR, 3/20/19).

### IT'S WAR

As Mexico's renewable energy sector grapples with the interconnection policy, the **Secretariat of Energy** (SENER) is planning a new measure that could further harm the sector.

SENER is reportedly working on a resolution to limit permits given to new renewable projects while banning the construction of projects in locations with existing generation assets. Under the policy, licenses would be granted only to projects in areas with high power demand.

**"Neoen stands ready to put the El Llano power plant back into service to recommence injecting power to the grid and resume pre-operational testing as soon as CENACE lifts its suspension."**

The government has not yet released the document, but portions were leaked to local newspaper *El Financiero* and published on May 12.

"The present policy contemplates the more orderly entrance of power plants with intermittent clean power, solar and wind projects, [...] reducing the forced exits associated with power generation [...] which expose the National Electric System to financial harm," reads the document.

According to SENER, the measure is needed to ensure grid stability during crises and reduce the risk posed by intermittent generation during periods of reduced load.

"This is another chapter of a long drawn out

war," notes a deal watcher in Mexico.

The moratorium on interconnections has been fiercely opposed by the private sector, the renewable energy industry, the government's political opponents, and even other government agencies.

The **Business Coordinating Council**, an organization representing private companies, has threatened Cenace with legal action, while competition authority **Cofece** has urged Cenace to review the policy, noting that it would favor plants owned by the state-owned **Federal Electricity Commission**, undermining competition.

The political opposition, led by center right party **Partido Revolucionario Institucional** (PRI), has also asked SENER to review the policy, warning that the government could face costly lawsuits.

Meanwhile, the governor of Tamaulipas, **Francisco García Cabeza de Vaca**, said that his state is facing a loss of \$1.229 billion from wind assets totaling 848 MW as a result of the policy.

Tamaulipas has been a preferred site for the development of wind assets in the past few years, including **Acciona Energía's** 183 MW El Cortijo wind farm (PFR, 4/13).

Other states with a large renewable energy footprint face similar losses, said García Cabeza de Vaca on May 8. He picked out Durango (solar) and Nuevo Leon and Coahuila (wind). ■

## Chilean developer grows small-scale solar pipeline

Chile's **Sphera Energy** is developing a 150 MW PMGD (*Pequeños Medios de Generación Distribuida*) distributed solar portfolio in the country.

It will be the developer's second such portfolio, the first having been much smaller, with a total capacity of just 12 MW.

The sponsor obtained environmental approval for a 9 MW portion of the latest portfolio, called Casa de Lata, on May 11.

The 9 MW project, located in the commune of Chillán, in the Ñuble region, will require an investment of \$12 million, according to paperwork filed with the **Environmental Evaluation Service** in December 2019.

Construction is expected to begin in October.

Sphera's first PMGD portfolio comprised four 3 MW assets:

◆ Alto Solar, in the Metropolitan region

◆ La Manga, in the Metropolitan region

◆ Peralillo, in Maule

◆ Villa Prat, in Maule

Meanwhile, Sphera is working with **ON Energy Storage** to add battery storage systems to these four projects, which started commercial operations in September 2018.

Chile's PMGD program, which is limited to projects up to 9 MW in size, confers benefits including stabilized prices and avoidance of trunk transmission tolls.

The urgency in financing PMGD projects has grown in the past

couple of months ahead of a change in the law that is expected to make the program less attractive (PFR, 3/23). ■

### FAST FACT

## March 17, 2021

In order to be grandfathered into the existing PMGD scheme, solar projects must obtain interconnection rights by April 17, 2020, and construction permits by March 17, 2021.

## PEOPLE &amp; FIRMS ●

## Former Rubicon MD joins development shop

**Ignacio “Nacho” Ruiz**, a senior investment banker who recently left **Rubicon Capital Advisors**, has started a new job at a renewable energy and battery storage developer.

Ruiz joined Atlanta-based energy storage outfit **Dimension Renewable Energy** as head of M&A and project finance May 11.

He had been with Rubicon since September 2018 and was a managing director in New York.

Dimension was founded in 2018 by CEO **Rafael Dobrzynski** and chief development officer **Sam Youneszadeh** to develop distributed renewable energy projects across the US.

Both are seasoned executives with a track record of building distributed generation platforms, including **Enfinity**, which they sold to **SunEdison** in 2014, and **ForeFront Power**, a subsidiary of **Mitsui & Co.**

Earlier this year, Dimension brokered a deal with **Ares Management Corp** to acquire a roughly 300 MW/1,200 MWh pipeline of battery storage projects in New York state (PFR, 2/6). Dimension will sell the assets to Ares as they reach certain development milestones.

Apart from its battery offerings, Dimension also aims to monetize about 100 MW of com-

munity solar projects a year, and has a roughly 300 MW project pipeline.

The company's new head of project finance and M&A, Ruiz, worked at **Cubico Sustainable Investments** before joining Rubicon.

He was with Cubico for nearly four years, first as executive director and head of investments and strategy in the Americas, and then as executive director for origination and execution in the US.

Before that, he spent nearly a decade at **Santander**, working in the bank's Madrid and New York offices. ■

## Wind developer Scout staffs up

Wind-focused developer **Scout Clean Energy** recently appointed **Andrew Young** as chief operating officer and **Mark Guzman** as director for power origination and marketing.

The two officials started in their new positions this month. The roles did not previously exist.

Young had previously been CEO of **Innogy Renewables US** for four years. His past employers include **EDP Renewables**, **Horizon Wind**, **EDF Renewable Energy**, **Vestas**, **Siemens** and **ABB**.

Veteran power trader Guzman,

meanwhile, had spent the last year at **Sunpin Solar**, where he was director of power marketing (PFR, 7/16/19).

Scout is headquartered in Colorado and is owned by **Quinbrook Infrastructure Partners** (PFR, 12/23/19). ■

## LATIN AMERICA PROJECT FINANCE ●

## Third delay for Colombia transmission tender

Colombia's **Mines and Energy Planning Unit** (UPME) has delayed the procurement process for a transmission line in the country's Caribbean region for the third time since Covid-19 hit the country.

The tender is for the 220 kV, 30 km (18.6-mile) Río Córdoba-Bonda (Termocol) transmission line in the department of Magdalena.

Under the new schedule, technical bids are due on May 21, with economic proposals due a week later. The project is expected to be awarded by mid-June.

The postponement comes after President **Iván Duque**'s government decided to extend the country's Covid-19 lockdown until May 25. Duque announced the measure on May 5.

The tender was initially scheduled to take place in March, but it was then postponed first to April 23 and then to May (PFR, 4/3, 4/16).

Prospective bidders must present offers to

finance, build, and maintain the line for 25 years.

The winner will work closely with power and natural gas company **Grupo Energía de Bogotá** (GEB), which owns the Río Córdoba substation, and electric services company **Interconexión Eléctrica** (ISA), which owns the Bonda (Termocol) substation.

UPME had launched the project earlier this year and expects it to be online by November 2023 (PFR, 1/3).

The government has declared the transmission line urgent as it will ensure that projects in the La Guajira, César, and Magdalena departments can connect to the grid (PFR, 11/26/19).

Those projects include **Enel Green Power**'s solar and wind assets in La Guajira and César (PFR, 5/11).

The Río Córdoba-Bonda project was one of the six tenders launched by UPME to improve electrical services in the Caribbean region, as

they had deteriorated because of power distributor **Electricaribe**'s financial troubles (PFR, 9/24/19). Electricaribe has since been divided into two companies and sold (PFR, 3/23).

Two of the procurement process were awarded in mid-March. **Celsia** won the 500 kV Sahagún substation and related transmission lines in Sahagún, Córdoba. Colombia's ISA will develop the 275 km (170.9-mile) La Loma-Sogamoso transmission wire between the Santander and Cesar departments (PFR, 3/12, PFR, 3/13).

Besides the Río Córdoba-Bonda project, the remaining tenders that UPME has not awarded yet are:

- ◆ 110 kV Nueva San Juan substation in San Juan, La Guajira
- ◆ 110 kV Nueva Río substation in Barranquilla, Atlántico (PFR, 11/5/19)
- ◆ 110 kV Nueva Toluviejo substation in Toluviejo, Sucre (PFR, 11/7/19) ■

## ● PEOPLE & FIRMS

### Daul exits Recurrent

**Ty Daul**, former president of **Recurrent Energy**, has left the company.

Recurrent's managing director of development, **Michael Arndt**, is serving as the company's general manager for North America, leading an 80 strong team. He joined the company from **NRG Energy** in 2017.

Details about Daul's future

plans could not be learned by press time.

Daul was brought in by Recurrent's owner, **Canadian Solar**, to oversee the development subsidiary as vice president, Americas, in 2017 (*PFR*, 4/10/17).

Prior to Recurrent, Daul was senior VP at **SunPower Corp.** He previously co-founded **Element Power** in 2009. ■

### Strata's Schooff moves on

California developer **Strata Solar**'s chief business development officer, **Blair Schooff**, has left the company to launch a new venture.

Schooff left Strata two weeks ago to concentrate on newly established solar and storage development firm **LongRun Energy**,

where he is a partner.

He had been with Strata since 2011, initially as vice president of sales and marketing, and took over the BD department in 2014.

Before joining Strata, he had spent more than 15 years in the music and broadcasting industry in New York and London. ■

### Mitchell exits MUFG

**Mitchell Eskew**, a project finance veteran who has worked on renewable energy, infrastructure and utility transactions, is said to have left MUFG's leasing and asset finance team.

He was a managing director and is understood to have left the bank last month. His future plans could not immediately be learned.

Eskew joined MUFG in 2012 after working for **Advantage for Analysts**, a renewable energy finance advisory and analytics firm.

He started his finance career as an asset finance portfolio manager at **Citi**, where he worked for almost seven years in the 90s. He went on to spend more than a decade in **Babcock & Brown's** structured finance team. ■

### W&C partner switches firms

**Jane Rueger**, an energy regulatory and markets attorney who had been with **White & Case** for more than 13 years, has surfaced in a new role at a rival law firm.

The Washington, DC-based attorney, who was promoted to partner in 2016, has joined **Perkins Coie's** environment, energy and resources practice.

"Jane's experience with renewable generation, energy transactions, and federal energy regulatory matters complement the firm's strengths in energy project development and state regulatory matters, and she will be a significant benefit to our clients," said **Karen McGaffey**,

who chairs the practice.

Rueger, who started her career at **Dewey Ballantine** before joining White & Case in 2006, is also the president of the **Energy Bar Association**. ■



Jane Rueger

### New recruit at Invenergy

Invenergy has hired **Jesse Campbell**, the former CFO of **Suzlon Wind Energy Corp.**, as vice president for corporate finance.

Campbell started in his new role in April and remains based in Chicago. He reports to Invenergy's president and chief operating officer, **Jim Murphy**.

Campbell had been with Suzlon Wind Energy Corp, the North

American subsidiary of Indian wind turbine manufacturer **Suzlon Energy**, since 2015.

The struggling parent company recently announced that it had secured the approval of a consortium of creditors for a debt restructuring plan.

Campbell previously spent seven years with **E.On Climate & Renewables North America**. ■

### Origis hires DG pro

**Origis Energy** has hired developer **George Reed** to lead its distributed generation team as of this week.

Reed was previously director, distribution generation and energy storage, at **Delaware River Solar**. He had been with the New York-based developer, which focuses on community solar, since 2017.

He has a varied career, beginning as a lawyer with **Dewey Ballantine's** M&A team in 2002 before securing successive roles at boutique investment bank **THiNKGREEN! Global Advisors**, engineering procurement and construction giant **Martifer**, and LED lighting manufacturer **Green Ray LED**. ■

## ● ONE YEAR AGO



**Hull Street Energy** announced that it had closed Hull Street Energy partners I, its first institutional fund, at over \$500 million, on May 14, 2019. The fund manager explained that its strategy was to target middle-market power deals that are too small for larger energy-focused firms (*PFR*, 5/14/19).

[The firm went on to bid successfully for a 255 MW hydro portfolio, which it acquired from **Enel Green Power North America** and **GE Energy Financial Services** at the beginning of this year, financing the deal with a private placement arranged by **BNP Paribas** (*PFR*, 1/31/20).]