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Simmons & Co. is advising midstream energy service company **Gibson Energy** on a sale of the company.

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UPC TAPS UNDERWRITERS FOR IPO

UPC Wind, under its new moniker **First Wind**, is preparing to file an S-1 registration for an initial public offering to be underwritten by leads **Credit Suisse**, **Goldman Sachs** and **JPMorgan** and co-underwriter **Morgan Stanley**.

The Newton, Mass., developer—backed by affiliates of private equity firms **Madison Dearbon Partners** and **DE Shaw & Co.**—was supposed to file last Wednesday, according to one deal tracker, but postponed to review last-minute auditing details. The sum it is planning to raise could not be learned, but is reportedly in the \$400 million range. A

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LUMINUS ZEROS IN ON SECOND-LIEN, MEZZ POWER LOANS

Luminus Group has set up a fund to originate and trade second-lien and mezzanine loans, as well as other subordinated debt-like instruments such as preferred and hybrid securities, solely in the power sector. As first reported on *PFR's* Web site last Wednesday, the move is aimed at tapping sponsors who need quick and quiet staple financings for acquisitions and recapitalizations and are finding most traditional lenders reluctant to underwrite such deals.



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TCW UNIT READIES IPO

TCW Energy Partners, a permanent capital vehicle of **TCW**, is planning an initial public offering on the **New York Stock Exchange** within the next year. "It would provide exposure in liquid form. From our standpoint, it expands the universe of investors," says **Blair Thomas**, group managing director and head of power at **TCW** in Los Angeles, noting the aim would be to raise \$500 million.

The move would allow it to attract new investors, such as mutual funds and high-net-worth individuals, who are not currently able to invest because of its funds' minimum

(continued on page 11)

SOLAR CO. EYES LENDERS FOR \$1B



Kevin Smith

SolarReserve is planning a 4 GW pipeline of utility-scale projects in the U.S. and abroad with the first 250-400 MW across one or two projects set to go into construction next year at a cost of \$700 million to \$1 billion. "We'll begin to look at financing issues early in 2009," says **Kevin Smith**, coo and head of development for the Santa Monica, Calif., developer. "We'll start to talk to project finance or lease lenders at that time...It's wide open and we don't have a relationship bank," he adds,

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



At Press Time

Canadian Midstream Player Seen Selling Itself

Gibson Energy, a midstream energy service provider, is in the final stages of negotiating a sale of the company, advised by energy investment bank **Simmons & Co.**

As first reported by *PFR* last Tuesday, rumored bidders are Houston master limited partnership **Plains All American Pipeline**, which reportedly tried to preempt an auction, **CCS Corporation**, which owns **CCS Midstream Services** and **Keyera Facilities Income Fund**, operator of the largest natural gas midstream company in Canada, according to an industry source. Alberta-based **Parkland Income Fund**, an open-ended mutual fund trust specializing in fuel supply and marketing, did not make it to the final round.

Officials at the bidders and Simmons did not return calls and **Carrie Willemsen**, spokeswoman at Gibson in Alberta, declined to comment.

Gibson, a privately held subsidiary of U.K.-based energy services provider **Hunting PLC**, has three integrated businesses: marketing, transportation and distribution and processing. The company operates more than 270 miles of pipeline, was well as 11 custom terminals with storage capacity exceeding 2.3 million barrels.

NTR Wind Co. Taps Airtricity's O'Brien

NTR-owned **Wind Capital Group** has hired **Ciaran O'Brien**, former cfo of **Airtricity** in Chicago, as executive v.p. and cfo ahead of rapid expansion that will see a need for several rounds of capital raising. "We've got a pipeline of 2,000 MW of projects and some of those are very ripe, and we expect to be out working on the financing of those this year," says **Tom Carnahan**, president in St. Louis, to whom O'Brien will report as of June 1.

Included in the project financings are more than a dozen projects that range from 50 MW to 400 MW in 10 predominately Midwestern states. "We're going to be doing an aggressive build out," says Carnahan, explaining the plan is to bring 300 MW to 400 MW online each year, but declining to talk specifics.

O'Brien will be in charge of hiring for the finance team in Chicago. "He's going to build and oversee corporate finance and project finance for the company," Carnahan says. "We're at about 30 people right now and expect that we will double that in about 18 months. He's been through the entire life cycle of building a wind company in the U.S. and his input is going to be very valuable as we grow." Last month, the pair coordinated a sale of a controlling interest in the company to NTR for \$150 million. O'Brien succeeds former CFO **Bill Fisher**, who left for personal reasons several weeks ago.

Tell Us What You Think!

Do you have questions, comments or criticisms about a story that appeared in *PFR*? Should we be covering more or less of a given area? The staff of *PFR* is committed as ever to evolving with the markets and we welcome your feedback. Feel free to contact **Katy Burne**, managing editor, at 212-224-3165 or kburne@iinews.com.

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Institutional Investor NEWS
INTELLIGENCE FIRST

Bids On Northeast Biomass Due

Final bids on a pair of biomass facilities in Maine being sold by **Ridgewood Renewable Power** and **Indeck Capital** were taken Thursday by auctioneer **Ewing Bemiss**.

Players rumored to be interested are **Babcock & Brown**, **Borealis Infrastructure**, **Constellation Energy**, **Covanta Energy**, **Energy Capital Partners**, **Epcor Power** and **FORTISTAR** (PFR, 4/18). **Doug Wilson**, executive v.p. and chief development officer at Ridgewood, declined to confirm who is in the hunt or comment on the process. **Henry Berling**, an official at Ewing Bemiss, declined to comment.

On the block are the 24.5 MW Penobscot facility in West Enfield and a 24.5 MW facility in Jonesboro. Ridgewood is separately auctioning 26.3 MW of mini hydro assets across Maine, Virginia, New York and California.

Complete Taps SPAC To Go Public

Privately held IPP **Complete Energy Holdings** has agreed to merge with **GSC Acquisition Co.**, a special purpose acquisition company formed by alternative asset manager **GSC Group**. As first reported in *PFR Daily* last Monday, the deal will take the company public and transfer the equity in its gas-fired generating portfolio to the newly formed company. The \$1.3 billion deal translates to an implied valuation of \$900 million for the 1,022 MW La Paloma plant in California (\$881 per kW) and \$400 million for 837 MW Batesville in Mississippi (\$478 per kW).

"Our capital structure is very complicated as a private company and this simplifies it all. It's easier than doing an initial public offering by ourselves," says **Hugh Tarpley**, co-founder of Complete, adding, "We can now focus on the business." Additional gas-fired generation would be targeted for acquisition and construction of a 30-70 MW solar facility at La Paloma, financed either via new equity or corporate- or project-level debt. Tarpley will serve as ceo and **Lori Cuervo**, co-founder of Complete, as president and coo. **Peter Dailey**, Complete's third managing director, will retire at the closing.

The deal is GSC's first power transaction, says **Matthew Kaufman**, president of GSCAC, noting the company sifted through more than 100 other targets after raising \$200 million via a Citigroup-led initial public offering last June on the **American Stock Exchange**. Its shares were trading at \$9.20 as of Friday's closing. "Energy was one of our focuses," says Kaufman. "Complete was the right size and we wanted to do something that looked like a reverse merger, issuing stock to selling shareholders." Complete's auctioneer **JPMorgan** did not originally contact the SPAC with marketing material on the assets, notes Tarpley. "They found us and we rolled them into the process," he says. "We determined there's still a tremendous

amount of upside and that we didn't want to sell for cash. Plus this deal isn't contingent on financing, which we're fairly certain was what happened with **KGen [Power]**." KGen pulled out of an earlier, \$1.3 billion deal with financing from **Morgan Stanley** (PFR, 7/27) and paid Complete a discounted break up fee of close to \$50 million.

The new deal will, however, require a majority of GSCAC shareholders to vote in favor of it in September and no more than 20% of the SPAC's public shareholders to vote against it. GSCAC has \$190 million in cash, of which \$123 million will be used to pay off a holding company note provided to Complete by **JPMorgan** last year. Some \$271 million in TCW-led debt at La Paloma will be paid off by TCW taking \$170 million in common stock of the newly merged entity, a \$50 million mezzanine bond to be issued by GSCAC and \$50 million being granted in cash. At closing, \$440 million in equity from the new company will be issued to Complete's current stakeholders: TCW affiliates, which will own 22% of the new company, minority investors in La Paloma (26%), CEH (9%) and **Fulcrum Power Services** (1%). Some \$627 million in net project-level debt will be outstanding: \$408 million at La Paloma and \$227 million at Batesville.

Int'l Power Taps RBS For Tenaska Plant Purchases



Dan Lonergan

International Power America, formerly **American National Power**, has agreed to buy four plants from **Tenaska Power Fund** for \$856.4 million. As first reported in *PFR Daily* last Monday, the company will use \$434 million in non-recourse debt from **Royal Bank of Scotland**, according to **Kelly Tomblin**, v.p. of corporate strategy and services in New York.

In a statement, the company said it would provide an additional \$461 million in equity to close the transaction.

Three of the units being bought, a portfolio known as **APT Generation**, are co-owned by **Warburg Pincus** and the fourth, 303 MW Calumet Energy Power Station in Chicago, Ill., was bought by TPF and undisclosed co-investors for \$38 million in 2005.

Dan Lonergan, senior managing director at **Tenaska Capital Management**, manager of TPF, says the firm was motivated by reverse enquiries after selling its 315 MW Commonwealth Chesapeake plant in New Church, Va., to **Tyr Energy** in February (PFR, 4/4) and because it had reached its investment objectives. **JPMorgan** auctioned Chesapeake and advised on the more recent competitive process. "It made sense to sell all four together because they are similarly situated," he adds. A spokeswoman for Warburg Pincus declined to comment or make

an official available.

The APT plants were bought from **Dominion** last March. That portfolio consists of:

- 625 MW Armstrong Energy in Shelocta, Pa.,
- 313 MW Pleasants Energy in St. Mary's, W.Va., serving the PJM market, and
- 616 MW Troy Energy in Luckey, Ohio, serving MISO.

An International Power spokeswoman in London says the rationale for the deal was, "The attractiveness of the markets and ability to access tightening reserve margins," as well as the purchase price being "a significant discount to new build costs."

Boutique To Shop Chunk Of Biomass

San Francisco investment banking boutique **Bodington & Co.** has been engaged to sell three operating biomass projects in the U.S. The portfolio represents more than 100 MW of capacity, with two of the assets located in California. Teasers are expected to hit the market in July.

Further details on the projects and the identity of the seller could not be learned and officials at the firm declined to comment.

CS Reportedly Lands ECP Mandate

Credit Suisse is understood to have won the mandate to advise **Energy Capital Partners** on ways to monetize its **FirstLight Power Resources** subsidiary, including a sale and/or recapitalization of the 1,440 MW generating portfolio. As first reported by *PFR*, ECP began evaluating options on the fleet last month (*PFR*, 4/18).

The Hartford, Conn.-based unit owns 1,442 MW across New England, which ECP acquired from **Northeast Utilities** for \$1.34 billion (*PFR*, 8/21/06), comprising:

- 1,080 MW Northfield Mountain, a pumped storage facility
- 62 MW Cabot, a hydro unit in Montague, Mass.
- 6 MW Turners Falls, another hydro unit in Turners Falls, Mass.
- 146 MW coal-fired Mt. Tom in Holyoke, Mass.
- 128 MW of hydro and pumped storage facilities in Connecticut, primarily along the Housatonic River, and
- 20 MW Tunnel, a jet-powered unit in Preston, Conn.

Separately, **FirstLight** has under development a 96 MW gas-fired peaker in Waterbury, Conn., the rights to which it bought last summer for an undisclosed sum (*PFR*, 7/19). It also manages, but does not own, **Empire Generating**, a 635 MW gas-fired project in Rensselaer, N.Y.

A call to **Sarah Wright**, partner at ECP, was referred to a spokesman, who did not return the call. **James Ginnetti**, v.p. of external affairs at **FirstLight**, said the company is "not commenting on any potential sale."

Garden State IPP Plots Plant Financing

Morris Energy Group will look for roughly \$100 million in financing to partially fund up to 100 MW of expansions across the Northeast, targeted for completion in 2010. The Morristown, N.J., IPP is weighing its options now, **David Brauer**, principal, told *PFR* on the sidelines of **Stroock & Stroock & Lavan's** Conference on 2008 Power Industry Developments May 9 in New York.

Included in the possible plant expansions are three New Jersey facilities: 171 MW Bayonne, 150 MW Camden and 123 Newark Bay, as well as 68 MW Dartmouth in Massachusetts and 45 MW York in Pennsylvania. The company is also working on a 2-mile gas pipeline at its 126 MW Pedricktown plant in New Jersey. Much of the cost of the expansions was included in respective acquisition financings provided by **TCW** (*PFR*, 6/29).

Barclays Offers Senior Titles On ConEd Financing

Tickets of \$60 million are on offer for senior managing agent roles in the **Barclays Capital**-led financing supporting **Infrastructure Funds Management's** \$1.477 billion purchase of a 1.7 GW generating portfolio from **Consolidated Edison Development**. Phase one of the deal closed last week.

Barclays launched a \$545 million first-lien financing last Tuesday afternoon at a New York Palace Hotel bank meeting. In addition to being sole lead arranger, the bank is serving as joint book-runner alongside **Union Bank of California** and **HSB Nordbank**. Commitments are due at the beginning of next month with retail syndication to follow.

As first reported in *PFR Daily* last Wednesday, pricing was pitched at LIBOR plus 275 basis points to the roughly 10-15 banks attending, according to deal trackers, who say the leads are looking to line up six to seven SMAs. Banks are being asked to play pro rata in the first lien, comprising a \$425 million seven-year term loan (*PFR*, 4/25), an \$80 million letter of credit and a \$40 million working capital facility. Rounding out the package is a \$325 million, eight-year senior unsecured bond to be sold at a later date.

Standard & Poor's has given the first lien piece a preliminary rating of BB+ and the unsecured piece a BB- rating. Ratings from **Moody's Investors Service** are expected soon, says **Dunia Wright**, head of U.S. and European operations at IFM, who directed questions about syndications to Barclays. Officials at Barclays and UBoC declined to comment, and calls to HSB were not returned.

Leads Extend Deadline In Puget Syndication

Barclays Capital and Dresdner Kleinwort have extended by about a week the May 12 deadline for commitments in the retail syndication of the \$3.575 billion buyout financing for **Puget Energy**. The leads are still looking to close the deal before the end of the month.

Final commitments are expected in by early this week to join a group comprised of large U.S. investment banks, commercial banks and other institutional investors. Their identities could not be learned and officials at Barclays and Dresdner declined comment or did not return calls.

The leads are looking to sell down roughly \$1 billion during retail via tickets of \$100 million, \$75 million, \$50 million and \$25 million with fees of 80, 70, 55 and 40 basis points, respectively, after selling down roughly \$2 billion via eight banks that took commitments ranging from \$50 million to \$300 million during wholesale syndication (PFR, 4/18).

Ogunlesi Shop Wraps Fund, Hunts Energy



Bayo Ogunlesi

Global Infrastructure Partners, the infrastructure shop headed by Bayo Ogunlesi, is scouting more energy targets after closing its inaugural fund at \$5.64 billion, including a \$200 million commitment from **Mitsubishi Corp.** The Japanese trading company initially planned on committing \$250 million, but changed its strategy for unknown reasons.

Underappreciated assets within power and energy will be targeted, with hydro, gas storage and wind of particular interest, say industry sources familiar with the fund's strategy. Its sweet spot will be transactions of \$250-300 million, but it will consider larger investments up to \$1 billion on a case-by-case basis. Together with **FORTISTAR**, GIP is set to acquire the 830 MW Channelview plant in Lyondell, Texas, from **Reliant Energy** for \$500 million (PFR, 4/11). Since its capital needs to be deployed in five to 10 years, it will not invest in greenfield projects.

Last year GIP acquired a 74% stake in **East India Petroleum**, a provider of liquid storage services for petrol, petrochemicals and biodiesel. It also acquired the London City Airport in 2006 and a substantial stake in **Biffa**, a U.K. integrated waste water management company, earlier this year.

The funds were raised from pension funds, sovereign wealth funds, unions and high-net-worth individuals. Alaskan oil funds also contributed an unspecified amount of equity. **Credit Suisse** and **General Electric** jointly founded GIP, each with a \$500

million commitment. Officials at GIP declined to comment and a spokesperson at Mitsubishi had no comment (\$85 million).

Fortis Looks To Fill Three Slots

Fortis Merchant Banking is actively recruiting to fill three positions in its U.S. energy, power and utilities group after **Eelke Oosterhuis**, formerly director of the risk and portfolio management team in Rotterdam, the Netherlands, joined the group as a director in New York April 1. Oosterhuis reports to **Mark Dennes**, director and group head of energy, and covers origination, structuring and financing in the U.S. and Latin America.

The positions being filled, amid three bankers exiting earlier this year (PFR, 4/4), are v.p., assistant v.p. and analyst.

Oosterhuis replaced **Floris Lypkens**, who moved to the position of director in the corporate finance and capital markets group. Oosterhuis originally joined Fortis Sept. 1 from **ING**, where he spent 10 years and was most recently senior v.p. for the utilities and power team handling European, Middle Eastern and Asian project finance and structured lending. Officials at Fortis and a spokeswoman declined to comment.

Morgan Eyes Follow-On Infrastructure Fund

Morgan Stanley is plotting its second infrastructure fund after closing its first, *Morgan Stanley Infrastructure Partners*, last Monday at \$4 billion. That outstripped its \$2.5 billion target. The firm plans to begin a fresh round of capital raising after it deploys the capital from MISP in three to four years, says **Sadek Wahba**, cio and global head of the manager, **Morgan Stanley Infrastructure**, in New York, declining to elaborate.

MISP is targeting returns in the mid-teens and has already acquired the Port of Montreal, the parking system of Chicago and a stake in Venice airport in Italy. It does not yet have any investments in power and energy, but Wahba says it is looking to acquire a combination of merchant and contracted assets, including pipelines, transmission and hydroelectric power. "There's a secular demand for power in the U.S., China and India. We're not shy of doing [development deals], but want to be comfortable with the risk."

Pension funds, mutual funds, high-net-worth individuals and Morgan Stanley employees invested in the fund, which launched at the end of 2006. Roughly 40% of its capital will be allocated into transportation investments, 40% into energy and utilities and the remaining 20% into public goods and services providers such as municipal parking. "We aren't limited to sectors. We have that flexibility," says Wahba, noting that 60-70% leverage would be its preference on any single transaction.

LIPA Fires Up Solar Tender



Michael Deering

The Long Island Power Authority is accepting bids until the first week of August in its request for proposals for up to 50 MW of photovoltaic solar that would see developers awarded power purchase agreements for up to 20 years. **Michael Deering**, v. p. of environmental affairs in Uniondale, N.Y., says, "On Long Island,

the greatest opportunity is to put solar photovoltaic infrastructure on those underutilized places." They include municipal and commercial rooftops, parking lots and on brownfield sites. The move will see up to 1% of LIPA's power coming from solar.

For this RFP, the authority limited itself to solar because it believes there is more appetite for it than other forms of renewable generation. Some 40-50 companies attended a conference last Monday on the specifics of the RFP. Winning projects, tentatively scheduled to be announced in November, would come online between May next year and mid-2011 with PPAs of five, 10, 15 or 20 years depending on the price of their output. "We wanted to give some flexibility to proposers as how they will set out their pricing," says Deering.

U.K. Utility May Go Non-Recourse For Offshore Wind

Scottish and Southern Energy will initially use on-balance sheet financing to fund its GBP1 billion (\$1.94 billion) 504 MW Greater Gabbard offshore wind project in the Thames Estuary near London. But it may bring in non-recourse financing during or shortly after construction of the facility, says **Majella Walsh**, a spokeswoman for **Airtricity**, the renewable energy division of SSE, in Dublin. It is looking to sell 50% of the project later on this year, but has not yet selected a buyer, she adds.

Airtricity was jointly developing the project with EPC specialist **Fluor**, which began a process via **RBC Capital Markets** to sell its stake last summer (PFR, 8/17). SSE took over the project when it acquired Airtricity and plans to continue development on its own, says **Alistair Phillips-Davies**, energy supply director at Scottish and Southern Energy in Perth, Scotland.

SSE picked up Fluor's 50% stake for \$80 million and has been awarded a \$1.8 billion contract to design, supply, install and commission the project. Construction is expected to begin next summer and complete in 2011. SSE will keep 50% of the output and sell the remainder under PPA to an unknown offtaker. Officials at Fluor did not return calls.

Mizuho Wraps Debut Solar Deal

Mizuho Corporate Bank has closed on its first solar deal, a construction financing for sponsor **Sumitomo Corp.**'s 9 MW solar project in Finca Verde on the Canary Island of Tenerife, set to cost EUR55 million (\$85 million).

The EUR45 million debt package (PFR, 11/30) consisted of a EUR42.5 million term loan going out 19 years and a EUR2.5 million VAT facility. Mizuho plans to syndicate half the debt in one phase later this year to make way for other small solar project financings, says **David Short**, director of renewable energy at Mizuho in London.

Sumitomo expects annual sales from the facility to reach around JPY1.3 billion (\$12.62 million) and is planning to build an additional 10 MW plant within the next few years. The development is a part of a broader initiative by the Spanish government to see 2.8 GW of greenfield solar capacity built in the region.

Russian Firm Plots Power Distribution Foray

Halcyon Advisors is planning to launch *Halcyon Distribution Holdings*, a \$100 million private equity fund that will invest in power distribution companies. The Moscow-based firm focuses strictly on the Russian power sector, which is undergoing privatization on a large scale.

Arminé Guledjian, v.p., says that the fund will focus on purchasing municipal power distribution lines and consolidating them. In Russia, roughly half of power distribution lines are owned by municipalities, which have limited experience in managing the facilities and disruption in service is therefore common. This does not sit well with voters and has become a political issue, so many municipalities are seeking to sell their lines.

The municipal lines cost half of the price of those owned by MRSKs, or inter-regional distribution companies. Guledjian expects that the value will increase three fold in the next two-and-a-half years and sees three different exit strategies for the fund. Either Halcyon will sell the consolidated lines to the MRSKs, sell to a strategic investor, or float the company. Guledjian says that if the firm can get the ball rolling, the first redemption period will take place in Dec. 2010.

Halcyon has two hedge funds, *Halcyon Power Investment Company Limited* with \$250 million and *HH Generation Inc.* with \$110 million. Guledjian says that Halcyon Power will close at the end of May or June at the latest. Both funds will invest in *Halcyon Distribution*.

African Financing Heads Into Retail

Calyon and Banco BPI have launched a second round of syndication for a RND\$5.7 billion (\$752.1 million) financing bankrolling the acquisition of the 2 GW Cahora Bassa hydroelectric plant in the Tete province of Mozambique. Portugal is reducing its 85% stake in the project to 15% by selling 70% to Mozambique, which already owns 15%.

Until Nov. 2, when the countries signed a memorandum of understanding, Portugal owned its stake through state-run **Hidroelectrica de Cahora Bassa**, which managed the plant.

In the wholesale round, the leads syndicated the 10-year financing to **BCI Fomento, Industrial Development Corp., Investec, Millennium bim (Banco Internacional de Moçambique), NED Bank, Rand Merchant Bank and Standard Bank**. Pricing and ticket sizes could not be learned. European and Japanese banks are being sought for the retail round, expected to close at the end of next month.

Eskom can import 1.5 GW from Cahora Bassa under a five-year agreement. The project is one of the main suppliers of power to the Southern African Power Pool. Officials at BCI Fomento could not be reached and officials at the other banks declined to comment or did not return calls.

Carbon Forecast: Lots Of Money To Be Made

The advent of regional carbon markets will lead to new opportunities for investments, and owners of projects should be prepared before federal regulation comes to stay, said panelists at **Stroock & Stroock & Lavan's** conference on 2008 Power Industry Developments May 9 in New York. "The country will see an economic boom that will rival that of the Internet," predicted **Thomas Weinberger**, an attorney with the firm. "If you can develop solutions [to carbon emissions] you can make real money," he added, telling *PFR* that he sees an opportunity for solar to be profitable without subsidies in as little as two to three years.

"We suggest you do your carbon due diligence," **Gail Suchman**, special counsel in the climate change group at Stroock, told the developers at the conference, explaining companies need to understand what they own that will be affected by carbon markets. Regional carbon trading markets are already in effect, but at the federal level, impending regulation in the form of the Lieberman-Warner Climate Security Act would not replace those initiatives. It would only prevent state legislation from being more lenient than federal regulation, said panelists.

DOE To Hire Fossil Energy Execs

The U.S. Department of Energy is seeking to hire the principal deputy assistant secretary for fossil energy in Washington, D.C., by May 29. The hire will replace **James Slutz**, who was named to the position on a temporary basis Oct. 14 and will be going back to his former role as deputy assistant secretary for the oil and gas program when a candidate is chosen.

The principal deputy assistant secretary will provide policy guidance for the fossil energy program, with an emphasis on environmental policy and advanced natural gas, coal and oil technology. The role reports to the assistant secretary for fossil energy, which is also vacant. A candidate for that position needs to be appointed by the President and approved by the Senate.

Overseeing both posts is Under Secretary of Energy, **Bud Albright**. The last assistant secretary for the office of fossil energy, **Jeffrey Jarrett**, resigned in March last year to join **Coal-Based Generation Stakeholders**—a group of ceos of investor-owned power companies, cooperatives and utilities—as executive director.

Can't Stand The Heat?

Renewable M&A To See Higher Values, New Players



Andy Cox

Valuations for renewable energy mergers and acquisitions are rising and will continue to do so, with wind assets valued at an average of \$4.9 million per MW of operating capacity based on transactions in North America and Europe over the past two years, according to a new study by **KPMG**. "It's a whole combination of things—a shortage of sites and those attracted by government subsidies," says **Andy Cox**, head of global energy and utilities in transaction services in London.

KPMG conducted a global renewables survey in which 56% of participants said they had considered, but not completed, deals in the last three years mainly due to unrealistic valuations. Half of the 202 respondents—consisting of senior executives at power companies, renewable energy suppliers, energy distributors and financial investors—said there is a real risk of a bubble in the sector similar to the height of the dot-com boom. **Scottish and Southern Energy's** \$2.2 billion acquisition of **Airtricity** earlier this year and **Energias de Portugal's** purchase of **Horizon Wind Energy** last year for \$2.15 billion are evidence of a frothy market, they said.

Adding to the heat are new entrants. "Infrastructure funds are looking at this sector," says Cox, noting that 59% of the survey participants believe these funds and financial investors will bring more money to the table. "Funds will be looking for scale for it to make sense." But he warns that investors should not ignore the risks of investing in what is still an immature industry.

Corporate Strategies

PNM To Trim Revolvers



Terry Horn

PNM Resources plans to use proceeds from two bond issues totaling \$700 million to pay down revolvers at the holding company and at its utility subsidiary, **Public Service Co. of New Mexico**. "We're matching short-term issues with short-term debt," says **Terry Horn**, v.p. and treasurer of PNM in Albuquerque, N.M.

The utility sold \$350 million in 7.95% senior unsecured notes, due 2018, and the parent remarketed \$247.25 million in its series A, senior unsecured notes, falling due in 2015 instead of the original maturity in 2010. It also decided to sell an additional \$102.75 million of senior notes, due 2015. Pricing on the series A notes was reset to 9.25% from 6.75%. "We upsized it, rather than go to market with multiple issues," says Horn.

PNM will use proceeds from the remarketed issue to pay down a \$400 million credit facility put in place in 2005 at the holdco, and proceeds from the \$350 million offering to reduce a \$600 million credit facility at the utility level. "In the long run, the holding company is not where I want the debt. The debt belongs at the utility," Horn adds.

Banc of America Securities, **Lehman Brothers**, **Merrill Lynch**, **Morgan Stanley** and **Wachovia** were joint book-running managers for the additional notes offered by PNM. These banks, plus **RBC Capital Markets**, **Citibank** and **Deutsche Bank**, **JPMorgan** and **Wedbush Morgan Securities** were agents on its remarketed notes. **Lehman**, **Merrill**, **Citi**, **Deutsche**, **Morgan**, **RBC** and **Wachovia** were leads on the utility sale. All are on at least one of PNM's credit facilities, says Horn.

TransAlta Issues To Repay Debt

TransAlta has issued \$500 million in 10-year, 6.65% unsecured senior notes primarily to repay C\$400 million (\$399.1 million) in debt maturing next March and to finance its long-term investment plan of ramping up its generating portfolio. "It's pretty much business as usual, but they are in build mode," says **Nicole Martin**, a credit analyst in Toronto with **Standard & Poor's**, which rated the notes BBB. "They've announced in the last year two small wind farms, and they're also partnering with **EPCOR Utilities** on a coal-fired station in Alberta," she says.

The 96 MW Kent Hills wind farm under development in New Brunswick with local development partner **Natural Forces Technologies** is set to come online later this year at a cost of around C\$170 million, while the 66 MW Blue Trail

wind farm southwest of Fort MacLeod in Alberta is set come online next year, costing C\$115 million. Under development with **EPCOR** is the 450 MW supercritical coal-fired **Keephills 3** plant scheduled to come online in 2011 adjacent to **TransAlta's** existing 766 MW plant. "They are also working on changes to their **Centralia** station to allow the burning of **Powder River Basin** coal," **Martin** adds, noting changes have to be made for the 1,404 MW plant to burn coal from different mines. **TransAlta** is also considering opportunities for run-of-river hydro projects and cogeneration plants in Alberta, according to a spokesman, who declined to make CFO **Brian Burden** available.

The offering, the first for **TransAlta** since 2003, includes a clause allowing buyers to force the company to buy back the bonds at 101% of their principle amount, plus incurred interest, in the event of a company buyout. **Citigroup** and **HSBC** were joint book-running managers on the sale. **Wachovia Securities** was lead manager and **CIBC World Markets**, **Greenwich Capital Markets**, **RBC Capital Markets** and **Scotia Capital** were co-managers. According to **Martin** at **S&P**, the company has a debt-to-total capitalization ratio of 52:48.

Fla. Co-Op Looks To Ride Other RFP Coattails

Seminole Electric Cooperative has issued a request for proposals of up to 250 MW of renewable energy capacity in the hopes of landing players attracted to the recently unveiled renewable RFPs from **Tampa Electric** and **Florida Power & Light**. The coop had a tender for renewable projects last year but "didn't get as many responses as it wanted," says **Jason Peters**, supervisor of marketing and bulk power acquisition in Tampa. It may have more luck piggybacking off the larger utilities as it seeks to diversify its portfolio and prepare for possible renewable portfolio standards in Florida.

Winning projects could generate any type of renewable energy and would be awarded PPAs with tenors likely in the range of seven to 15 years in enough time for the projects to come online as soon as Dec. 1. "We have a number of other PPAs in our portfolio right now, and we like that range of terms," says **Peters**. No PPA would be shorter than two years. "Two years doesn't offer a lot of value in terms of a renewable resource," he says. **Seminole** is not offering a specific rate but bidders will propose prices for the power they produce and the rate will be determined when all submissions are reviewed. Bids are due by June 13—following closely on the heels of **FP&L** and **Tampa's** deadlines of June 9, and June 10, respectively.



Generation Auction & Sale Calendar

Following is a directory of ongoing generation asset sales. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report new auctions or changes in the status of a sale, please call **Katy Burne**, Managing Editor, at (212) 224-3165 or e-mail kburne@iineews.com.

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
AES	Warrior Run N/A	Cumberland, Md. Nejapa, El Salvador	180 25 development	Coal Landfill Gas	N/A N/A	Reportedly reviewing sale options. Acquired from an unknown seller for an unknown sum.
Allco Finance Group	Various	Kern County, Calif. Germany, France Australia, New Zealand	3,100 97 1,600	Wind N/A N/A	Marathon Capital N/A N/A	Company plans to sell either as global portfolio or in regional chunks (PFR, 3/11).
Arroyo Energy Investors	Thermo Cogeneration	Fort Lupton, Colo.	272	Gas	N/A	Starwood Energy Group Global to buy for \$207.2M (PFR, 2/6). WestLB and Sumitomo Mitsui Banking Corp. have launched syndication of a \$215M acquisition financing (PFR, 5/3). Owners fielding offers. Suez acquiring 30% (PFR 9/29).
Astoria Energy	Astoria plant	Queens, N.Y.	500	Gas	N/A	Owners fielding offers. Suez acquiring 30% (PFR 9/29).
Black Hills Corp.	Arapahoe Valmont Fountain Valley Las Vegas I Las Vegas II Harbor Valencia	Denver, Colo. Valmont, Colo. Colorado Springs, Colo. Las Vegas, Nev. Las Vegas, Nev. Long Beach, Calif. Albuquerque, N.M.	130 80 240 53 224 98 149	Gas Gas Gas Gas Gas Gas Gas	Credit Suisse	Hastings Funds Management and a unit of JPMorgan Asset Management to acquire for \$840M with RBS Leading the financing (PFR, 4/30).
BTEC Turbines	Southaven Energy New Albany Power	Miss. Miss.	340 390	Gas Gas	JPMorgan	Assets or just the equipment for sale. Teasers dispatched (PFR, 4/3).
Bulgarian Privitization Agency	Bobov Dol	Bulgaria	630	Thermal	N/A	Bulgaria's Minna Kompania and Consortium Energia, Belgium's Electrabel, Greece's Damco Energy and U.S. joint venture Sencap intend to bid.
Calpine	Texas City Clear Lake	Texas City, Texas Clear Lake, Texas	425 375	Gas Gas	Miller Buckfire	Second-round bids taken 5/5.
Catamount Energy	Sweetwater Ryegate Power Rumford	Nolan County, Teaxs Vermont Rumford, Me.	505 (50%) 20 85	Wind Wood waste Cogen	Goldman Sachs	Unsolicited approaches have been made to financial backer Diamond Castle Holdings (PFR, 8/31).
Central Vermont	Various	Vermont	70 in summer	Hydro	Morgan Stanley	Status unknown (PFR, 5/18).
Conectiv Energy (Pepco Holdings)	Various	PJM Interconnection	3,700	Various	Credit Suisse	Company reviewing strategic alternatives, including whole or partial sale and merger (PFR, 12/10).
Con Ed Development	CEEMI Newington Energy Lakewood Ocean Peaking Power Rock Springs Genor Ada Cogeneration EverPower Wind	Springfield, Mass. Newington, N.H. Lakewood, N.J. Lakewood, N.J. Rising Sun, Md. Puerto Barrios, Guatemala Ada, Mich. NEPOOL, NY, PJM	185 525 (99.5%) 246 (80%) 339 670 (50%) 42 (49.5%) 29 (48%) 500 planned	Gas, Oil, Hydro Gas Gas Gas Gas Oil 29 (48%) Wind	Morgan Stanley	Industry Funds Management to acquire for \$1.4B. Barclays to arrange \$750M in debt, expected to launch into syndication soon (PFR, 2/11). Not sold. Ada not sold. Partner is Olympus Power. CED sold its 50% stake in Oct. (PFR, 12/9).
ConocoPhillips	Immingham	Lincolnshire, U.K.	730	Gas	Citigroup	Looking at strategic options on the plant (PFR, 1/18).
Complete Energy Holdings	La Paloma	McKittrick, Calif.	1,022	Gas	JPMorgan	Final bids were received 3/11 (PFR, 3/14). Unidentified bidder offering around \$1.3B (PFR, 5/12). Kelson Holdings no longer bidding.
Corona Power	Batesville	Batesville, Miss.	837	Gas		
Sunbury Generating	Shamokin Dam, PA		432	Coal, oil, diesel	Merrill Lynch	Soliciting equity to complete \$250M of upgrades (PFR, 12/24).
DONG Energy	Evia, Karistos and Tourla	Greece	19	Wind	HSBC	Teasers expected later this quarter after IPO (PFR, 1/18).
DTE Energy	East China	East China, Mich.	320	Gas	N/A	Seller exploring options, including outright sale.
EISSL	Various	Catalonia, Spain	630	Wind, Hydro	JPMorgan	Company weighing sale (PFR, 12/24).
Energy Capital Partners	Mt. Tom Various Empire Generating Waterbury Turners Falls Cabot, Mass.	Holyoke, Mass. Conn. and Housatonic Rivers Rensselaer, N.Y. Waterbury, Conn. Turners Falls, Mass. Montague, Mass.	146 216 635 96 6 62	Coal Hydro Gas Gas Hydro Hydro	Credit Suisse	Considering selling all or part of the portfolio (PFR, 4/21). ECP has hired CS to advise on how to monetize FirstLight Power Resources portfolio (PFR, 5/13).
Energy Future Holdings (Luminant)	Sandow 4 Sandow 5	Milam Co., Texas	545 (50%) 581 (50%)	Coal Coal	Credit Suisse	Reportedly planning to sell stakes to Perennial Power Holdings (PFR, 2/18).
Entegra	Gila Union	Phoenix, Ariz. El Dorado, Ark.	2,300 3,000	Gas Gas	N/A	Merger talks with KGen stalled (PFR, 1/17).
Entergy Corp.	50% stake in Top Deer Wind Ventures RS Cogen Roy S. Nelson Warren Power Harrison Independence Robert Ritchie	Worth County, Iowa Carsen County, Texas Lake Charles, La. Westlake, La. Vicksburg, Miss. Marshall, Texas Newark, Ark. Helena, Ark.	40 40 212 60 225 335 121 544	Wind Gas Gas/Oil Gas Gas Coal Gas/Oil	New Harbor	Seller wants about \$520M for the assets. Bidders shortlisted to four players: two financial; two infrastructure (PFR, 6/18).
EPCOR	Castleton-on-Hudson	Albany, N.Y.	64	Gas	N/A	Quietly shopping asset (PFR, 4/18).
ESB International	Marina Great Island Tarbert	Cork City, Ireland Wexford Co., Ireland County Kerry, Ireland	115 240 640	Gas Oil Oil	Merrill Lynch	In second round. Winning bidder should be revealed this summer.
Exergy Development Group	Various	Upper Midwest, Northwest U.S.	3,600	Wind	Marathon Capital	Weighing partnership, joint venture, recap or sale (PFR, 12/17).

Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
First Reserve Corp. and Gen Power	Longview Power	Maidsville, W.Va.	695	Coal	N/A	Considering selling plant (PFR, 5/5).
Fluor	Greater Gabbard	Thames Estuary, U.K.	500	Wind	RBC	Fluor sold its 50% stake to Scottish and Southern Energy for \$80M.
Foresight Wind Energy	Various	Arizona, New Mexico	2,000	Wind	CP Energy	Transaction delayed (PFR, 10/8).
FPL Energy	Posdef	Stockton, Calif.	44	Coal/Petcoke	New Harbor	Indicative bids due April 11 (PFR, 3/11).
	Tesla	Tracy, Calif.	1,120	Gas/Steam	Credit Suisse	Development site. Status unclear.
G2 Energy	N/A	Boise, Idaho	3	Landfill Gas	N/A	FORTISTAR to acquire 99% for undisclosed sum and is financing the acquisition via Caterpillar Financial Services (PFR, 5/7).
	N/A	Fort Worth, Texas	1.6	Landfill Gas	N/A	
General Electric	Baglan Bay	Port Talbot, Wales	510	Gas	Lexicon Partners	GE re-ignited sale process. Carron Energy interested.
	Panther Creek	Nesquehoning, Pa.	94	Waste Coal	N/A	Looking for buyers (PFR, 2/26).
	Pittsfield Generating	Pittsfield, Mass.	163	Gas	N/A	Maxim Power set to acquire (PFR, 3/17)
	Colton Power	Colton, Calif.	80	Gas	N/A	Selling with help of asset manager PUREENERGY (PFR, 4/8).
	Birchwood	Fredericksburg, Va.	242	Coal	N/A	J-Power USA has agreed to buy 49.5% stake for an undisclosed sum.
Goldman Sachs (Cogentrix Energy)	Southaven Power	Southaven, Miss.	810	Gas	Houlihan Lokey	TVA will acquire for \$466.3M (PFR, 4/1).
InterGen (AIG Highstar Capital II, 50%)	Rocksavage	Runcorn, U.K.	748	Gas	Lehman Brothers	Preliminary bids were due 3/26 (PFR, 2/7).
	Coryton	Essex, U.K.	732	Gas		
	Spalding	Lincolnshire, U.K.	860	Gas		
	Rijnmond I, II	Rotterdam, the Netherlands	820, 400	Gas		
	Bajio	San Luis de la Paz, Mexico	600 (306 stake)	Gas		
	La Rosita	Mexicali, Mexico	1,100	Gas		
	Quezon	Philippines	460 (211 stake)	Coal		
	Millmerran	near Brisbane, Australia	880 (228 stake)	Coal		
	Callide	Queensland, Australia	920 (230 stake)	Coal		
K&M International Power	Termovalle	Cali, Colombia	220	Gas	JPMorgan	Teasers dispatched (PFR, 3/18).
Kelson Canada	Calgary Energy Center	Calgary, Alberta	300	Gas	UBS	First round bids taken 4/30 (PFR, 4/30).
(Harbinger Capital Partners)	Island Generation	Duncan Bay, B.C.	230	Gas		
	King City Cogeneration	King City, Calif.	120	Gas		Asset taken off the block for unknown reasons.
	Whitby Congeneration	Whitby, Ontario	50	Gas		
Kelson Holdings	Dogwood	Pleasant Hill, Mo.	620	Gas	Goldman Sachs, Merrill Lynch	Weighing strategic options, including sale/merger (PFR, 10/9).
	Redbud	Luther, Okla.	1,200	Gas		Redbud to be sold to load serving entities for \$852M (PFR, 1/21).
	Cottonwood	Deweyville, Texas	1,200	Gas		
	Magnolia	Benton County, Miss.	922	Gas		
KGen Power	Murray I	Murray Co., Ga.	630	Gas	Credit Suisse	Talks to merge with Entegra stalled due to management disagreements (PFR, 3/24).
	Murray II	Murray Co., Ga.	620	Gas		
	Hot Spring	Hot Spring Co., Ark.	620	Gas		Arclight Capital Partners has emerged as likely bidder (PFR, 4/21).
	Hinds	Jackson, Miss.	520	Gas		
	Sandersville	Washington Co., Ga.	640	Gas		
LS Power	Sugar Creek	Sugar Creek, Ind.	561	Gas	N/A	Northern Indiana Public Service to acquire (PFR, 11/2).
MACH Gen	Millennium	Carlton, Mass.	360	Gas/Oil	Credit Suisse	Status unknown.
	Athens	Athens, N.Y.	1,000	Gas/Oil		
	Covert	South Haven, Miss.	1,100	Gas		
	Harquahala	Tonopah, Ariz.	1,090	Gas		
Mirant	Lovett Generating Station	Tompkins Cove, N.Y.	183	Coal/Gas	N/A	Alliance Energy offered to buy for undisclosed sum but withdrew offer when Mirant did not respond (PFR, 2/14).
National Grid	Ravenswood Station	Queens, N.Y.	2,450	Gas	Merrill Lynch	TransCanada agreed to purchase for \$2.9B (PFR, 4/1).
	E.F. Barrett	Island Park, N.Y.	311	Gas		Sale being evaluated. Long Island Power Authority has option to purchase some of the units until 5/31 (PFR, 4/11).
	Far Rockaway	Far Rockaway, N.Y.	100	Gas		
	N/A	Shoreham Nuclear Plant, N.Y.	72	Gas		
	Wading River	East Shoreham, N.Y.	239	Gas		
Navasota Energy Partners	Colorado Bend	Wharton, Texas	825	Gas	JPMorgan	Teasers dispatched (PFR, 2/11).
	Quail Run	Odessa, Texas	825	Gas		
Noble Environmental Power	Various	N.Y., Mich.	385	Wind	Goldman Sachs	Company reportedly looking to IPO.
North American Power Group	Rio Bravo Fresno	Fresno, Calif.	25	Biomass	N/A	In discussion with potential buyers (PFR, 8/31).
	Rio Bravo Rocklin	Roseville, Calif.	25	Biomass		Holds interests alongside Constellation.
NorthWestern Energy	Colstrip Unit 4 (30%)	Mont.	740	Coal	Credit Suisse	Exploring strategic options (PFR, 2/8).
NRG Energy	Indian River	Millsboro, Del.	784	Coal	N/A	Seller soliciting offers on plant (PFR, 11/8).
Primary Power International	Hillman	Hillman, Mich.	19	Biomass		Fortistar agreed to purchase an interest in the portfolio. Deal set to close in 30 days (PFR, 2/19).
	Grayling	Grayling, Mich.	36			
	Genesse	Flint, Mich.	35			
	Dapp Generating	Westlock, Alberta	17			
	Valley Power	Drayton Valley, Alberta	12			
Reliant Energy	Channelview	Lyondell, Texas	830	Gas	Houlihan Lokey	FORTISTAR and Global Infrastructure Partners to acquire for \$500M (PFR, 4/8). A judge has declined to approve the sale due to existing contracts (PFR, 4/11).
	Bighorn	Primm, Nev.	598	Gas	JPMorgan	Nevada Power to buy for \$500M.
RES Americas	Various	U.S.	1,000 under construction	Wind	Credit Suisse	Bids around \$1B received 5/5 from Pacific Gas & Electric, Sempra Generation, SUEZ Energy North America, First Reserve and GE (PFR, 5/5).
Ridgeline Energy	Various	Idaho, Ore., Wash.	3,700 pipeline	Wind	Marathon Capital	Talks nixed with a southern U.S. utility (PFR, 10/8). Back in play.
Ridgewood Renewable Power	Penobscot	West Enfield, Maine	24.5	Biomass	Ewing Bemiss	Constellation Energy, Covanta Energy and EPCOR Power are bidding for the biomass (PFR, 4/18).
	Jonesboro	Jonesboro, Maine	25	Biomass		
	Various	Maine, Va., N.Y., Calif.	26	Hydro		
Rockland Capital Energy Investments	B.L. England	Cape May County, N.J.	447	Coal, Oil	JPMorgan	Owner seeking strategic equity partner (PFR, 12/10).
Sempra Generation	Catoctin	Frederick Co, Md.	600 development	Gas	N/A	Development project reportedly for sale.

For the complete Generation Auction & Sale Calendar, please visit www.iipower.com

Olympus Hatches Investment Vehicle

Olympus Holdings, owner of Morristown, N.J., IPP **Olympus Power**, has formed a vehicle to invest in energy infrastructure and technology relating to the sector. The company recently hired **Chris Bodell**, a finance official from **Countrywide Power Income Fund**, as a director in the new unit, known as **Olympus Capital Investments**. "Chris has a great balance of expertise in project finance; he's worked in corporate finance and funds, and he's dealt with a multitude of financing structures," says **Dean Vanech**, chairman of Olympus.

The investment arm came about because the company began looking at opportunities that did not fit its IPP model and because support from the federal government is incentivizing developers to commercialize new technologies. "A year or two ago, there weren't that many opportunities—people were just fussing around with it. Now concepts are being developed, but there is an obvious shortage of capital," says Vanech.

Olympus Capital Investments will invest \$1 million at the low end, or as much as \$25 million on larger deals where it can partner up with other financial investors. Its preferred targets are related to utility services, such as next generation metering and

technologies that support future smart grids. One deal has been completed in the biofuels area, details of which could not be disclosed, and the company is conducting due diligence on a second. It uses internal funds and no debt. "I never say never, but it is not in our plans to use leverage," Vanech says.

Scotia Syndicates Ontario Wind Financing

Scotia Capital is taking commitments in the syndication of debt tied to **Kruger Energy's** 101.2 MW Port Alma wind farm in the municipality of Chatham-Kent in Southern Ontario. The bank launched syndication at a bank meeting May 2. The size and terms of the financing could not be learned, and officials at the bank and sponsor either declined to comment or did not return calls.

Construction has begun on the farm that will use 44 **Siemens** 2.3 MW turbines when it comes online in October. Kruger was awarded a 20-year PPA with the **Ontario Power Authority** in 2005. Earlier this month, it also won PPAs with **Hydro-Québec** totaling 168 MW of power from two separate farms.

UPC TAPS

(continued from page 1)

company spokesman had no comment and officials at the private equity firms did not return calls.

UPC was among a raft of independent wind companies that last year began weighing options for financing their growth, including divestitures and IPOs. After a number of reverse inquiries, it tapped JPMorgan to advise it on capital-raising (PFR, 6/8).

Earlier this month, fellow developer **Noble Environmental Power** filed an S-1 for its IPO in a bid to raise \$375 million via **Lehman Brothers**, JPMorgan and Credit Suisse. Some have questioned whether the equity capital markets will support public offerings by wind developers with limited capacity installed. Others say they are seeing deep interest from retail investors.

First Wind's portfolio across North America consists of three operational facilities:

- 42 MW Mars Hill in Maine
 - 20 MW Steel Winds I in Lackawanna, N.Y., and
 - 30 MW Kaheawa Wind I in Maui, Hawaii;
- Nine farms that are pre-construction:
- 60 MW Rollins Wind in Penobscot County, Maine
 - 77.5 MW Longfellow Wind in Oxford County, Maine
 - 50 MW Oakfield Wind in Oakfield, Maine
 - 82.5 MW Cohocton in Cohocton, N.Y.
 - 42.5 MW Dutch Hill in Cohocton, N.Y.
 - 54 MW Prattsburgh Wind in Prattsburgh and Italy, N.Y.
 - 200 MW Milford Wind in Milford, Utah

- 30 MW Kahuku Wind in Oahu, Hawaii, and
 - 19.5 MW Grand Manan Wind in New Brunswick;
- And five that are still under development:
- 50 MW Garvie Mountain Wind in Glassville, New Brunswick
 - 57 MW Stetson Wind in Danforth, Maine
 - 250 MW GenWy Wind I in Genesee and Wyoming Counties, N.Y.
 - 60 MW Cascade Wind in The Dalles, Ore., and
 - 40 MW Sheffield Wind in Sheffield, Vermont.

—Katy Burne

TCW UNIT

(continued from page 1)

investment requirements of \$5-10 million.

TEP raised \$194 million via a private placement on **GSTrUE** in December as a way to transition to the public offering. "The [IPO] process takes 12-18 months and we wanted to get into the business sooner," explains Thomas. **Goldman Sachs** and **Credit Suisse** underwrote that listing and are frontrunners to underwrite the IPO, he says.

To prepare for the new listing, TEP has hired **Pritpal Aujla** in the newly created position of cfo. He most recently served as a senior manager at **PricewaterhouseCoopers**, where he handled audit matters for **Edison International** and **PacifiCorp**. "Getting someone internal was critical," says Thomas, noting Aujla will assist in Sarbanes-Oxley and financial reporting functions. "When it's time, it will be a seamless transition." He starts the position

today based in Los Angeles and will be reporting to TEP CEO **Randy Wade**. Additionally, **Sarah Slusser**, senior v.p. at **AES Corp.** in Arlington, Va., has been appointed as an independent director to the TEP board and **Robert Vitale** is its new general counsel. Vitale most recently served as partner in the law firm **Paul Hastings**, heading the firm's New York project finance practice.

TCW's energy and infrastructure group has \$7 billion in assets under management and has invested \$1 billion this year alone, while TEP has \$500 million in assets under management.

—**Katie Hale**

SOLAR CO.

(continued from page 1)

noting leaseback and tax equity financing is under consideration as well as debt. "It depends what the markets will bear—we will be looking at typically 70% debt structures."

The company—backed by private equity firm **US Renewables Group** and **Hamilton Sundstrand**, a unit of **United Technologies**—has 30-40 projects ranging from 50 MW to 300 MW in the U.S., Europe, the Middle East and South Africa that it plans to bring online over the next eight to 10 years. "In the next three to five years [we plan to build] four to five projects a year," says Smith.

The first projects will come online around 2011. "It's a full-steam cycle, so you have to get a steam turbine, and lead times on steam turbines are fairly extensive right now," he explains of the technology. The company holds an exclusive license from **United Technologies** to use heliostats to trap the sun's rays and use the energy to heat molten salt to over 1,000 degrees Fahrenheit that can be stored to run a steam turbine (PFR, 1/18).

Talks with utilities are under way but the company is not in

any rush to line up PPAs. More pressing is the need for staff. "We expect that we will hire another eight to 10 people in the next three to four months," Smith says. He was formerly senior v.p. of development at Chicago-based IPP **Invenergy**. At the beginning of the month, **Tom Georgis**, the one-time manager of power project development at **Enron International**, was named **SolarReserve's** v.p. of development.

—**Thomas Rains**

LUMINUS ZEROS

(continued from page 1)

Luminus Credit Opportunities Fund, run jointly by New York private equity firm **LS Power** and its hedge fund arm **Luminus Management**, launched in February and closed last month with \$300-400 million in commitments. Several opportunities are under review but no deals have been originated so far. Calls to **Darpan Kapadia**, managing director at LS in New York, were not returned.

Market sources say Luminus is prepared to backstop a deal it underwrites if syndication does not go as planned. It underwrote part of the **Credit Suisse**-led financing for **Arcapita** and **Fulcrum Power Services'** purchase of **Bosque**, a 507 MW plant in Laguna Park, Texas, recently sold by LS.

In sourcing deals, the fund would compete with the likes of **GSO Capital Partners**, the **Blackstone**-owned hedge fund. In July 2006, GSO and **Rockland Capital Energy Investments** acquired certain interests in **Midland Cogeneration Venture**, owner of a 1.5 GW gas-fired facility in Midland, Mich., from **Consumers Energy**. GSO, which has a mezzanine group, also provided Consumers with a financial guarantee to back some of its contingent obligations.

According to **Standard & Poor's** Leverage Commentary & Data division, the volume of second-lien loans across all industries in the U.S. has fallen from \$14.047 billion by the end of the second quarter last year to \$1.46 billion at the end of the first quarter this year.

—**K.B.**

Alternating Current

Girl Power

Move over **Madonna**. Lingerie maker **Triumph International Japan** has designed a **Solar Power Bra** that can generate enough energy to charge a mobile phone or an iPod, bringing a new meaning to the term 'girl power.' The green corset-like apparatus, made of organic cotton, features a detachable solar panel worn around the stomach.



Solar Bra

The hook is that the bra has to be fully exposed to sunlight to work, so unless the 1980s trend of wearing lingerie in public is back, the company has a few kinks to work out.

The company also has to reconcile the fact the bra cannot be washed or exposed to rain. But who'd wear a solar bra in the rain, unless they wanted a different kind of electric charge? We think **Triumph's** line will really help women get things off their chest.

Quote Of The Week

"We'll start to talk to project finance or lease lenders... It's wide open and we don't have a relationship bank." —**Kevin Smith**, coo and head of development at **SolarReserve** in Santa Monica, Calif., on the developer's plans to seek financing for 250-400 MW next year at a cost of \$700 million to \$1 billion (see story, page 1).

One Year Ago In Power Finance & Risk

LS Power was looking for construction financing for **Sandy Creek**, an 800 MW supercritical pulverized coal plant in **Riesel, Texas**. [**Credit Suisse** and **Royal Bank of Scotland** led a \$1 billion deal consisting of an eight-year, \$200 million term loan and an \$800 million construction loan. Originally a \$1.2 billion financing, it was restructured because of the credit crunch (PFR 9/07).]