

# power finance & risk

The exclusive source for power financing and M&A news

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## Akin Gump Recruits Umanoff, Zaelke

**Akin Gump Strauss Hauer & Feld** has hired **Adam Umanoff** and **Edward Zaelke** from **Chadbourne & Parke** to head a global project finance practice, specializing in renewables.

*See story, page 2*

## TEPCO Pulls Out Of NRG Gas

**Tokyo Electric Power** has nixed a potential investment in an **NRG** gas-fired plant.

*See story, page 3.*

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## GE ENERGY, ADVANCED POWER UNIT TEAM UP FOR GAS-FIRED

Advanced Power NA, a subsidiary of Swiss combined-cycle plant developer Advanced Power, has teamed with **GE Energy** on a joint venture to develop and finance natural gas-fired plants in the U.S. The subsidiary is emulating a similar set-up that its Zug, Switzerland-based parent has with manufacturer **Siemens** in Europe. All of the projects under the latest JV will use turbines manufactured by **GE Energy**.

The first project under the agreement is Advanced Power's 1 GW Cricket Valley

*(continued on page 7)*

## BIOMASS DEVELOPER HUNTS \$400M IN DEBT

**American Renewables** is hunting a roughly \$400 million credit backing its 100 MW biomass plant in Gainesville, Fla. A group of seven or eight banks will finance the deal, with syndication possible after closing, says **Chris Smith**, managing director of **Energy Management Inc.** in New York, the sponsor's financial adviser and an investor in the project.

Boston-based American Renewables has mandated **Bank of Tokyo Mitsubishi UFJ** and is talking with other project finance banks to fill the slots, Smith says. EMI is scouting other lenders that can execute quickly, have expertise and "have confidence in biomass," he adds,

*(continued on page 8)*

## Gates To Follow?

## PNM LOOKS TO EXIT HOUSTON MERCHANT

**PNM Resources** is selling its stake in **Optim Energy**, a joint venture it has with **Microsoft** mogul **Bill Gates'** investment vehicle **Cascade Investments** that owns 1.18 GW of merchant generation in the Houston area. Cascade is not interested in buying out PNM's 50% stake, says a deal watcher. Whether Cascade's stake is included in the sale could not be learned.

The sale will be monitored to gauge the appetite of buyers for fully merchant plants, says a prospective buy-side advisor. Teasers from **Morgan Stanley** went out this month. "Who's going to take a punt on this stuff? Those that did got slammed the last time around," says the banker.

*(continued on page 8)*

## PANDA EYES TEXAS GAS-FIRED FUNDS

**Panda Energy International** will look to finance at least one 600 MW phase of its planned 1.2 GW combined-cycle plant in Temple, Texas, in the next year. Combined-cycle plants cost at least \$1 million per MW, says a senior financier in New York, meaning the first Temple phase would cost roughly \$600 million.

Panda, which hasn't been an active borrower in recent years, has been an aggressive sponsor. The independent power producer posted little project equity in earlier deals, financiers note, and generally looked to offload that position quickly. **Robert Simmons**, cfo

*(continued on page 2)*

Check [www.iipower.com](http://www.iipower.com) during the week for breaking news and updates.

## At Press Time

## Akin Gump Nets Chadbourne Crew

Akin Gump Strauss Hauer & Feld has hired Adam Umanoff and Edward Zaelke, partner and office managing partner at Chadbourne & Parke, respectively, along with 14 other partners and associates from the firm's Los Angeles office. Umanoff and Zaelke will co-chair its recently launched global project finance practice, specializing in renewables.

"The addition of this group gives us an instant, enhanced presence in project finance generally and in the wind, solar and geothermal industries in particular," says Bruce McLean, Akin Gump chairman in Washington, D.C. The firm aims to represent power and energy companies raising capital, developing and financing projects, harnessing new technology and doing M&A.

Akin Gump will look to expand its 19-person project finance presence on the East Coast in coming months, principally out of its New York and Washington, D.C., offices, says Umanoff, labeling growth "a strategic priority." Attorneys from all firms will be considered. Umanoff declined to specify the number of partners and associates sought.

Umanoff, a one-time ceo of Enron Wind, is widely viewed as one of the top dealmakers in renewables. He was legal counsel on the \$1.2 billion financing supporting Caithness Energy and GE Energy Financial Services' 845 MW Shepherds Flat wind project in eastern Oregon (PFR, 4/21), a \$1.2 billion financing backing 570 MW at Terra-Gen Power's Alta wind project in Tehachapi, Calif. (PFR, 7/26), and a \$1.6 billion federal loan buttressing BrightSource Energy's 392 MW Ivanpah solar project in Southern California (PFR, 4/13).

Kerin Cantwell, Thomas Dupuis, Lloyd MacNeil and Daniel Sinaiko, Chadbourne partners, are among the attorneys relocating to Akin Gump. Cantwell re-joined Chadbourne last year (PFR, 6/10). An observer familiar with Chadbourne noted that most of the staffers accompanying Umanoff and Zaelke to Akin Gump were recruited by the exiting partners.

## PANDA EYES

(continued from page 1)

in Dallas, didn't return a call. A spokesman, declined to discuss the project or financing.

Panda is probably best known for the \$2.2 billion financing, alongside development partner Teco Power Services, backing the 2.2 GW Gila River Power Station south of Phoenix, Ariz., and the Union Power Station in El Dorado, Ark. (PFR, 2/4/05). Citibank and Société Générale were among the banks that participated in the original financing. Entegra Group, formerly project company Teco-Panda, has been selling Gila River in chunks (PFR, 5/11/11).

Financiers expect Panda to be able to snag financing in this period of scant deal flow if it has secured an offtake agreement. "Any credible project will get looked at," says a senior banker.

Panda also has been discussing financing for its 650 MW gas-fired project in Sherman, Texas (PFR, 2/26/10). The status of that project and whether Panda has offtake agreements for Temple and Sherman also couldn't be learned. Panda estimates a construction period of at least two years for Temple.

—Brian Eckhouse

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## Project Finance

### Calpine Gas-Fired Loan Pricing Emerges

Mitsubishi UFJ Financial Group and ING have priced a roughly \$700 million loan backing Calpine Corp.'s Russell City gas-fired project at 225 basis points over LIBOR. Commitments are due by month-end. Financial close is expected by this summer.

Pacific Gas & Electric has a 10-year power purchase agreement for the \$850 million, 660 MW plant in Hayward, Calif. GE Energy Financial Services has a 35% equity stake in the project (PFR, 3/31).

Deal details, including size and tenor, and the identity of lenders weighing participation also couldn't be immediately ascertained. Spokespeople and officials at GE EFS, ING and MUFG affiliate Union Bank either declined to comment or didn't return calls by press time.

### Tokyo Electric Opts Out Of NRG Calif. Gas

Tokyo Electric Power Company has ditched a plan to take an equity stake in NRG Energy's \$600 million, 550 MW combined-cycle plant in El Segundo, Calif.

Why TEPCO was considering taking a stake in the plant, the timeline of the deal and the size of the potential stake could not be learned. A TEPCO spokesman confirmed that the company had been considering participating in the project and declined further comment.

TEPCO's involvement would have enabled NRG to tap the Japan Bank for International Cooperation for financing and take advantage of a tighter margin than is available in the U.S. project finance market, says a deal watcher.

NRG is planning a standard project finance deal instead, without the support of JBIC. The Princeton, N.J.-based independent power producer is talking with Bank of Tokyo Mitsubishi UFJ, Crédit Agricole and Royal Bank of Scotland about leading a financing backing the project. Crédit Agricole has reached out to other lenders to gauge interest in participation, says another deal watcher. Dexia Crédit Local had sought the mandate earlier this year (PFR, 2/11).

Pricing is slated to start at 225 basis points over LIBOR. Other deal details, including size and tenor, couldn't be learned. An NRG spokesman in Houston didn't immediately address questions about the project financing and equity, while a JBIC representative didn't reply to an inquiry by press time. Bank officials declined to comment or didn't return calls.

Southern California Edison has a 10-year offtake agreement for the El Segundo plant.

### NRG Tags MUFG For N.M. Solar

NRG Solar has selected Mitsubishi UFJ Financial Group's Union Bank unit to lead a financing backing its roughly \$80 million, 20 MW Roadrunner solar project near Santa Teresa, N.M. The NRG Energy affiliate plans to invest up to \$21 million in to the photovoltaic project (PFR, 3/1).

Deal details, including size, pricing and tenor and timeline financing timeline couldn't be learned. An NRG spokeswoman in Princeton, N.J., confirmed the hiring.

El Paso Electric Co. has a 20-year offtake agreement for Roadrunner. Construction has begun and is expected to be finished this year.

### Natixis, RBC Seal Invenergy Wind Deal

Joint bookrunners Natixis and Royal Bank of Canada have closed a roughly \$259 million financing backing Invenergy's \$326.4 million, 138 MW Le Plateau wind project in southeastern Quebec. BayernLB, Rabobank, Sumitomo Mitsui Banking Corp. and Union Bank joined the deal as participants.

Invenergy sought a tenor matching Hydro-Québec's 20-year offtake agreement (PFR, 11/10).

Deal details, including pricing, tenor and ticket sizes, couldn't be learned. Bank officials and spokespeople declined to comment or didn't return calls. An Invenergy spokeswoman in Chicago didn't return a call.

Le Plateau is expected to be operational by year-end.

### enXco Minn. Wind Deal Wraps

Dexia Crédit Local and Société Générale have wrapped a \$422 million financing backing enXco's 201 MW Lakefield wind project in Jackson County, Minn.

The deal closed May 13.

Banco Santander, CoBank, Helaba and Lloyds TSB participated in the financing. Mitsubishi UFJ Financial Group and MetLife are the tax equity investors under a leveraged lease. Pricing was expected to be 250-275 basis points over LIBOR, with a tenor of at least 15 years (PFR, 12/13).

Specific deal details, including pricing and tenor, and ticket





sizes couldn't be learned. **Jim Peters**, enXco director of project finance in Burlington, Vt., didn't return a call by press time. Officials at CoBank, Dexia, Helaba, MetLife and Santander declined to comment. Officials at Lloyds, MUFG and SocGen didn't return calls.

**Indianapolis Power & Light** has a 20-year offtake agreement for Lakefield.

## Mergers & Acquisition

### N.Y. Co. To Buy Standard General Peaker

**Alliance Energy Group** has agreed to buy a simple-cycle peaker in Binghamton, N.Y., from investment management shop **Standard General**. Alliance, a private power company based in Forestburgh, N.Y., expects to finalize the purchase of the 49.3 MW Standard Binghamton this quarter, pending regulatory approval.

**Hess Corp.** has a tolling agreement with the facility, which sells power into the wholesale New York market, according to a document filed with the U.S. **Federal Energy Regulatory Commission**. Standard bought the facility from **TransAlta** (PFR, 3/14/08).

Boutique advisory shop **Energy Advisory** out of Clarendon Hills, Ill., is advising Standard.

Details, such as the purchase price or whether Alliance is using a financial advisor, could not be learned. **Bonnie Philipps**, v.p. of finance at Alliance, declined to comment on the transaction, citing company policy. **Nicholas Singer**, co-founder of Standard in New York, declined to comment.

## Funds Submit Geothermal Stalking Horse Bid

**Tenor Opportunity Master Fund** and **Linden Capital** have put up a stalking horse bid to purchase geothermal developer **Raser Technologies** for \$19.7 million when it emerges from its Chapter 11 bankruptcy process.

A hearing was held Thursday at the U.S. **Bankruptcy Court for the District of Delaware** in Wilmington, Del., to approve the auction and sale procedures. Prospective bidders interested in putting in a bid for Raser are expected to submit bids by July 20 for a July 25 court-run sale.

Under the current agreement, investment shops Linden and Tenor have provided Raser with \$8.75 million in loans that mature in August for working capital to fund the Provo, Utah-based company through the bankruptcy process.

The geothermal developer had been working with

**Bodington & Co.** to find an investor in the company or buyer for assets when a \$55 million issuance of 8% convertible notes from **Merrill Lynch** matured in April (PFR, 3/3). There is \$10.3 million outstanding, according to bankruptcy filings.

Among its assets is the 6 MW Thermo 1, which has a 20-year power purchase agreement with the City of Anaheim, Calif., and the 15 MW Lightning Dock geothermal project in Hidalgo County, N.M., which has a PPA with **Salt River Project**. Raser is also developing a 15 MW project near Thermo 1 in Utah.

**Issa Arnita**, director of investor relations, directed inquiries to **Peter Partee**, partner at **Hunton & Williams**, who did not immediately reply to an inquiry. **Daniel Kochav**, partner at **Tenor Capital Management Co.**, and **Bob Lennon**, general counsel at **Linden Capital**, were unavailable for comment.

## AES Hits Term Loan Mart For DPL Funds

AES is in the market with a \$1.05 billion term loan to finance a portion of its planned \$4.7 billion takeover of DPL, the parent of **Dayton Power & Light**. **Bank of America**, **JPMorgan** and **Morgan Stanley** are arranging the seven-year, senior secured loan. **Henrik Dahlback**, director at BofA in New York, is the lead syndicator.

Pricing is expected to be between 325-350 basis points over LIBOR with a LIBOR floor of 100 bps. Lender interest is expected to be strong, says a deal watcher, noting that "AES is a well-known name in the debt capital markets." Commitments are due next week and AES anticipates closing the facility early next month. The term loan is rated Ba1 by **Moody's Investors Service** and BB+ by **Standard & Poor's**.

AES, based in Arlington, Va., plans to issue \$1 billion in 10-year senior, unsecured notes during the regulatory approval process to partially fund the acquisition, according to an AES investor presentation. A \$1.25 billion senior unsecured bond issuance is also planned at DPL, which will become ring-fenced from AES. The timeline for issuing these notes has not yet been determined.

The companies expected the acquisition to be finalized within six to nine months. There is a no-shop clause in the agreement, which allows DPL to entertain—though, not seek—competitive bids (PFR, 4/29). If another bid is accepted within 30 days, DPL would pay a \$50 million, or 1.5% fee, to AES. Anytime after that would be 3%, or roughly \$100 million.

Officials and spokespeople at the banks and AES could not immediately comment.

## Stark Pulls St. Clair Auction

**Stark Investments** has cancelled the sale of its 570 MW combined-cycle facility in St. Clair, Ontario.

The hedge fund, along with co-owner **Invenenergy**, had reportedly been in talks with **Marubeni** after accepting second round bids in February, says a deal watcher. **Credit Suisse** and **Bank of America Merrill Lynch** were advising the sellers.

Starks decision is drawing the ire of bidders, the deal watcher notes, adding that due diligence costs for larger shops can be upwards of \$500,000–1 million. “It creates some animosity because it’s a big cash drain from a due diligence perspective,” he says, adding that a future sale would likely be far more challenging for the sellers. Bids had reportedly been coming in at \$500-600 per kW.

A call to Marubeni, which bought a stake in Invenenergy’s Raleigh wind farm (PFR, 1/11), was directed to a spokesperson who did not respond to the inquiry. A call to an official at Stark in St. Francis, Wis., was forwarded to a spokeswoman who directed inquiries to a spokesman at Invenenergy in Chicago. The spokesman did not return the call. The reasons behind the decision to cancel the sale or whether there are plans to re-start the process could not be learned.

**Mark Hickson**, head of infrastructure mergers and acquisitions, and **Ed Sondey**, former managing director of BAML, had been working on the deal. Sondey left the bank to

take a position at **LS Power** (PFR, 3/23). Hickson did not return a call and a CS official declined to comment.

Stark owns 80% of the facility, which went into operation last year, and Invenenergy owns the rest. The **Ontario Power Authority** has a 20-year power purchase agreement for the plant.

## Entergy Unit Buys Out PPA Stake

Entergy is increasing its stake in a 550 MW coal-fired steam plant in Westlake, La., by having its subsidiary **Entergy Power Gas Operations** buy the 10.9 % portion of the plant owned by **City Water & Light** of Jonesboro, Ark. Entergy is the offtaker for the portion owned by CW&L. Buying out CW&L is less expensive than extending Entergy’s power purchase agreement for that portion, explains an Entergy spokesman in New Orleans.

Neither the purchase price nor a timeline for when the acquisition will be finalized could be learned. An official at CW&L was not available for comment.

Through its subsidiaries **Entergy Gulf States Louisiana** and **Entergy Power Gas Operations**, the utility holding company will own 80.9%, or 445 MW, of the Nelson No. 6 facility. Texas cooperatives **Sam Rayburn G&T Electric Cooperative** and **East Texas Electric Cooperative**, will own 10% and 9.1% respectively. The expiration date of the PPA could not be learned.

## Corporate Strategies

### Duke Unit Snags Record Low On Notes

**Duke Energy Carolinas** has issued \$500 million in first and refunding mortgage bonds at 3.9%, the lowest coupon in the company’s history on 10-year money.

Proceeds will mostly go toward funding a portion of the company’s \$2.2 billion, 2011 capital expenditure plan, says **Stephen De May**, treasurer and senior v.p. of investor relations at parent **Duke Energy**. Some funds could go toward taking out upcoming maturities, he notes. Duke expects to bring the 825 MW Cliffside clean coal-fired plant and the 620 MW Dan River combined-cycle facility in North Carolina online next year. The 620 MW Buck CCGT plant is expected to be online this year.

De May says that Duke had planned to raise a certain amount in the bond market this year and that the company will return in either the third or fourth quarter—or both—to raise the remaining \$1.7 billion of its capex. No dates for the issues have been set.

The company priced the bonds at 75 basis points over U.S.

Treasuries. **Moody’s Investors Service** rates the notes at A1 and **Standard & Poor’s** at A. Relationship banks **Bank of America**, **Credit Suisse**, **Royal Bank of Scotland** and **Wells Fargo** were bookrunners. **Banca IMI** and **Scotia Capital** were co-managers. Spokespeople at the banks did not immediately respond to inquiries.

## NV Energy Sub Issues \$250M In Market Window

**Nevada Power Co.** has taken advantage of a window for utilities to sell debt, issuing \$250 million in 30-year, 5.45% general and refunding mortgage notes. The **NV Energy** subsidiary is among several utilities that targeted early May to sell debt, waiting for the close of an earnings blackout in late April and preceding summer months that tend to be more volatile, explains a banker familiar with the issuance.

The issuance closed May 15. **Standard & Poor’s** rates Nevada Power BB+.

Las Vegas-based Nevada Power will use the proceeds to help

repay \$350 million of 8.25% general and refunding mortgage notes Series A that are scheduled to mature on June 1. The tenor on those notes could not be learned.

Barclays Capital, BNY Mellon Capital Markets and UBS Securities were joint bookrunners on the deal. CIBC World Markets and PNC Capital Markets were co-managers. An NV

Energy spokesperson in Las Vegas couldn't be reached by press time. Bank officials and spokespeople declined to comment or didn't return calls.

The 5.45% coupon is a touch higher than the 5.375% rate Nevada Power snagged for 30-year paper last fall during a period of record-low rates (PFR, 9/16).

## Project Finance Deal Book

*Deal Book is a matrix of energy project finance deals that PFR is tracking in the energy sector. The entries below are of new deals or deals where there has been change in their parameters or status. To report updates or provide additional information on the status of financings, please call Senior Reporter Brian Eckhouse at (212) 224-3624 or e-mail [beckhouse@iinews.com](mailto:beckhouse@iinews.com).*

### Live Deals: North America

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
Boralex, Gaz Métro	Unidentified (272 MW Wind)	Seigneurie de Beauré, Quebec	TBA	TBA	\$500-600M	18-20-yr	Sponsors tap BNP Paribas as adviser on \$500-600 million credit (PFR, 5/2).
BrightSource Energy	Various (1.3 GW Solar)	Southern California	Federal Financing Bank	Federal Loan	\$1.6B	TBA	Federal agencies wrap loan, loan guarantee (PFR, 4/18).
Brookfield Asset Management, Isolux Corsan	CREZ (300 Miles Transmission)	Texas	MUFG, Santander, Scotia, SocGen	TBA	\$400-500M	TBA	Loan priced at 225 bps over LIBOR (PFR, 5/9).
Calpine	Russell City (600 MW Combined-Cycle)	Hayward, Calif.	ING, Union Bank	TBA	TBA	TBA	Loan priced at 225 bps over LIBOR (see story, page 3).
Cogentrix	Alamosa (30 MW PV)	San Luis Valley, Colo.	FFB	TBA	\$90.6M	TBA	Sponsor snags conditional DOE loan guarantee (PFR, 5/16).
Competitive Power Ventures	Sentinel (850 MW Gas)	Riverside County, Calif.	BoTM	TBA	TBA	TBA	ING, RBS join financing (PFR, 5/16).
EDF EN Canada	Lac-Alfred (300 MW Wind)	La Matapédia et la Mitis, Quebec	TBA	TBA	TBA	TBA	Sponsor shelves debt financing (PFR, 5/9).
Edison Mission Energy	Walnut Creek (500 MW Gas)	Los Angeles County, Calif.	MUFG, Santander	TBA	\$500-600M	TBA	EME reaches out to lenders about the financing (PFR, 4/25).
El Paso Corp.	Ruby (675-Mile Pipeline)	Wyoming to Oregon	TBA	Refi	TBA	TBA	Sponsor to refinance \$1.51 billion loan after project is operational this summer (PFR, 4/18).
enXco	Lakefield (201 MW Wind)	Jackson County, Minn.	Dexia, SocGen	TBA	TBA	TBA	Deal wraps (see story, page 3).
Fotowatio Renewable Ventures	Unidentified (30 MW PV)	Webberville, Texas	BayernLB	TBA	TBA	TBA	Deal wraps (PFR, 5/2).
Hudson Transmission Partners	Hudson Transmission	Ridgefield, N.J.-New York	RBS, SocGen	TBA	TBA	TBA	Deal launches (PFR, 5/2).
Inverergy	Le Plateau (138 MW Wind)	Quebec	Natixis, RBC	TBA	TBA	TBA	Deal wraps, with BayernLB, Rabo, SMBC and Union Bank taking part (see story, page 3).
LS Power	Cross Texas (230 Miles Transmission)	Texas	BNP, Citi, Crédit Agricole and MUFG	TBA	TBA	TBA	LS Power mandates four banks to lead deal (PFR, 5/16).
NRG	El Segundo (550 MW Gas)	El Segundo, Calif.	TBA	TBA	TBA	TBA	Tokyo Electric Power Company drops out (see story, page 3).
	Roadrunner (20 MW Solar PV)	Santa Teresa, N.M.	RBS	TBA	TBA	TBA	RBS to lead financing (see story, page 3).
Solar Trust of America	Various (485 MW Solar Thermal)	Blythe, Calif.	Citi, Deutsche Bank	TBA	\$2B	TBA	Sponsor snags conditional loan guarantee (PFR, 4/25).
SunPower Corp.	California Valley Solar Ranch (250 MW Solar)	San Luis Obispo County, Calif.	Federal Financing Bank	Federal Loan	\$1.187B	TBA	Sponsor snags conditional loan (PFR, 4/18).
Terra-Gen Power	Alta Phases 6 and 8 (300 MW Wind)	Tehachapi, Calif.	Crédit Agricole, MUFG	Mini-Perm	TBA	C+ 7-yr	Commitments inked for syndication (PFR, 5/9).
Wind Capital Group	Lost Creek (150 MW Wind)	Dekalb County, Mo.	Santander, BayernLB, NordLB, Rabobank, Union Bank	Refi	\$240M+	TBA	Sponsors close refi (PFR, 4/18).

For a complete listing of the Project Finance Deal Book, please go to [iipower.com](http://iipower.com).

## Generation Sales Database

**Generation Sale ■ DATABASE**

Following is a listing of ongoing generation asset sales from PFR's Generation Sales Database. The entries below are of new sales and auctions or of sales and auctions that have changed in their parameters or status. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report new sales and auctions or changes in the status of a sale or auction, please call Senior Reporter **Holly Fletcher** at 212.224.3293 or e-mail [hfletcher@iineews.com](mailto:hfletcher@iineews.com). The full database is available at <http://www.iipower.com/GenerationSalePage.aspx>

Seller	Assets	Location	Advisor	Status/Comments
Brookfield Infrastructure Partners	Cross Sound Cable (24-mile Transmission)	N.Y., Conn.	Rothschild	Potential buyers are receiving CIMs right now (PFR, 5/2).
Calpine	Mankato (375 MW CCGT) Broad River (847 MW Simple cycle)	Mankato, Minn Gaffney, S.C.	Barclays Capital	Teasers are expected to go out soon for the plants (PFR, 5/9).
City Water & Light	Stake (550 MW Nelson coal-fired steam)	Westlake, La.	TBA	A unit of Entergy is buying the portion it has a PPA with (see story, page 5).
Entegra Power Group	Gila River (340 MW unit in 2.2 GW CCGT)	Phoenix, Ariz.	Barclays Capital	Final round bids are due in a go-shop process later this month (PFR, 5/15).
EQT Corp.	Big Sandy (68-mile Natural Gas Pipeline)	Kentucky	TBA	Infrastructure funds associated with Citi and Macquarie are among bidders (PFR, 5/9).
First Wind	Various (Wind)	Maine, New York	Credit Suisse Macquarie Capital	Emera and Algonquin are teaming up on a joint venture (PFR, 5/9).
Gamesa Energy USA	Chestnut Flats (38 MW Wind)	Cambria County, Pa.	None	Has lined up a buyer that will bring a PPA for the merchant project (PFR, 5/2).
GDF Suez Energy North America	Hot Spring (746 MW CCGT) Choctaw (746 MW CCGT)	Malvern, Ark. Ackerman, Miss.	UBS	UBS is releasing CIMs to interested parties (PFR, 5/15).
KGen Power	Hot Spring (620 MW CCGT) Hinds (520 MW CCGT)	Hot Spring, Ark. Jackson, Miss.	Credit Suisse	Local state subsidiaries of Entergy have agreed to buy the plants in two separate transactions totaling \$459 million (PFR, 5/9).
LS Power	Cross Texas Transmission (234-mile project) Great Basin Transmission (230-mile project)	Texas Nevada	Citigroup Citigroup	Final offers are due by month's end (PFR, 5/15).
NextEra Energy Resources	Blythe (507 MW Combined-cycle) Calhoun (668 MW Peaker) Doswell (708 MW CCGT & 171 MW Peaker) Cherokee, (98 MW CCGT) Risec (550 MW CCGT)	Blythe, Calif. Eastaboga, Ala. Ashland, Va. Gaffney, S.C. Johnston, R.I.	Credit Suisse, Citigroup	Teasers went out this week (PFR, 5/9).
NRG Solar	Various (stake in 881 MW solar pipeline)	Various	Credit Suisse	NRG is looking for a minority owner for its solar subsidiary (PFR, 5/9).
PNM Resources	Stake in Optim Energy Altura (600 MW Cogen) Twin Oaks (305 MW lignite-fired) Cedar Bayou 4 (275 MW natural gas-fired)	Texas Channelview, Texas Bremont, Texas Chambers County, Texas	Morgan Stanley	Teasers are out as Cascade Investments considers exiting (see story, page 1).
Raser Technologies	Thermo 1 (14 MW Geothermal) Lightning Dock (15 MW Geothermal development)	Thermo, Utah Hidalgo County, N.M.	Bodington & Co.	A pair of investors have come forward as stalking horse bidders in a Ch. 11 bankruptcy (see story, page 4).
Standard General	Standard Binghamton (49.3 MW Peaker)	Binghamton, N.Y.	Energy Advisors	Alliance Energy Group expects a 2Q close (see story, page 4).
Strategic Value Partners, JPMorgan, Cargill	Liberty Electric Power (586 MW CCGT)	Eddystone, Pa.	JPMorgan	Teasers have gone out and buyers are receiving CIMs (PFR, 5/2).
Synergics	Roth Rock (40 MW Wind)	Oakland, Md.	TBA	Gestamp Wind North America has agreed to buy the project and has lined up a tax equity investor (PFR, 5/2).

## GE ENERGY

(continued from page 1)

combined-cycle project in Dover, N.Y., says **Tom Spang**, ceo of Advanced Power NA in Boston. Advanced Power will own 100% of the project, although GE will have the option to take an equity stake. The plan is to bring one to two projects into active development each year. Spang says more announcements on projects are set for later this year, declining to comment on specific locations.

The shop expects to look to the roster of banks that financed a project it developed in Belgium, as well as other lenders, when it comes to finance Cricket Valley early next year. **BBVA, Calyon, DZ Bank, ING, KBC, KfW, Lloyds TSB, Royal Bank of Scotland** and **WestLB** were in that deal (PFR, 12/19/08).

The company is in advanced stage negotiations for a power purchase agreement for Cricket Valley, which is expected to go into construction next year. The subsidiary is also developing the

350 MW Brockton project in Brockton, Mass., which is expected to go into construction in 2013 (PFR, 5/2/08). Brockton is not a part of the JV. Spang declined to identify the offtaker.

Advanced Power is looking at regions outside of the Northeast although it expects to continue its development in the region where it's based, says Spang, noting that Massachusetts will likely have plant retirements in the next several years. "The development process is a long process so when we look at the need for new projects we look at six, seven, eight years down the road," he says. "We initiated these projects before the recession started."

The parent, backed by private equity shop **3i**, has built 9.4 GW of CCGT plants worldwide and currently has 6 GW in development, including the U.S. A spokesman for GE Energy did not immediately respond to an inquiry.

—**Holly Fletcher**



## BIOMASS DEVELOPER

(continued from page 1)

declining to identify potential lenders. The developer chose BoTM because it is a relationship bank with experience in biomass. Smith expects the deal to close by early next quarter.

The deal will be a seven-year mini-perm and will be priced slightly above the recent low of LIBOR plus 225 basis points (PFR, 3/4), says Smith, which should appeal to banks looking for wider margins.

Few biomass projects have been financed in recent years, as sponsors struggle with political resistance to the resource in some states and a scarcity of wood in others. A \$100 million financing backing **Rollcast Energy's** 50 MW Piedmont plant in Barnesville, Ga., took months to wrap, in part because **Natixis** dropped out to review the resource (PFR, 8/18). **Union Bank**, BoTM's sister company under **Mitsubishi UFJ Financial Group**, ultimately closed the deal with **Investec North America** (PFR, 10/27).

"A well-structured deal... will push biomass forward, especially [if the sponsor] has done a good job mitigating fuel risk, probably sharing it with the offtaker," says a senior financier. "You need to structure around the risks of fuel supply and price." The Gainesville financing has a fuel cost pass-through. Details regarding the fuel supply could not be learned.

BoTM and **WestLB** led a roughly \$300 million deal backing the developer's 100 MW Nacogdoches plant in Sacul, Texas (PFR, 7/31/09), which American Renewables later sold to **Southern Co.** Florida regulators reportedly approved Gainesville in December. EMI is also developing the 420 MW Cape Wind farm off the coast of Massachusetts (PFR, 10/22/04).

**Gainesville Regional Utilities** has a 30-year offtake agreement for the local plant. Construction is expected to begin this year, with completion targeted in 2014. Bank officials declined to discuss the Gainesville financing or didn't return calls. **Josh Levine**, American Renewables project director in Boston, didn't return a call.

—**Brian Eckhouse**

### fund action

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## PNM LOOKS

(continued from page 1)

Recent generation sales have involved either an offtaker buying the plant or the facility having some kind of hedge in place. Also, the sales of **Bridgeport** and **Milford Power**, uncontracted plants in New England, reflect expectations of a rebound in a normally robust market, one industry official notes (PFR, 3/8 & 1/6). ERCOT, however, generally has less power demand than the Eastern seaboard.

PNM conducted a strategic review of the investment, according to its March 1 10-K filing. A PNM spokesman in Albuquerque, N.M., declined any further comment on that issue.

Optim Energy owns:

- 600 MW Altura cogeneration plant in Channelview, Texas, that has an agreement to sell steam, but not power, to **Lyondell Chemical Co.**;
- 305 MW Twin Oaks lignite-fired plant in Bremond, Texas; and
- 275 MW Cedar Bayou 4 natural gas-fired plant in Chambers County, Texas. **NRG Energy** owns half of this facility.

Twin Oaks had a power purchase agreement in place until the end of last year, says a PNM spokeswoman, noting that it was not extended and declining to identify the offtaker. Optim has fuel hedges in place for all the plants but no hedges for the power, she says.

The pair bought Altura, formerly known as Lyondell, from **Dynegy** in 2007 for \$470 million (PFR, 6/1/07). Whether the power marketing desk will be included in the sale could not be immediately learned. A Cascade official in Kirkland, Wash., was not immediately available for comment. A spokeswoman for Morgan Stanley declined to comment.

—**Holly Fletcher**

### Quote Of The Week

*"The development process is a long process so when we look at the need for new projects we look at six, seven, eight years down the road. We initiated these projects before the recession started."*—**Tom Spang**, ceo of **Advanced Power NA** in Boston, on the company's strategy to develop natural gas-fired plants along with partner **GE Energy** (see story, page 1).

### One Year Ago In Power Finance & Risk

ING, **Société Générale**, **Union Bank** and **WestLB** wrapped a \$300 million credit backing **Hannon Armstrong** and **Catalyst Renewables'** 49 MW Hudson Ranch I project in Salton Sea, Calif., the largest geothermal financing in years. [Hannon and Catalyst are planning to finance the 50 MW Hudson Ranch II by early 2012 (PFR, 2/11).]