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A PUBLICATION OF INSTITUTIONAL INVESTOR, INC.

MAY 26, 2008

VOL. XI, NO. 21

Granite Ridge Back On The Block

Hedge fund owners of Granite Ridge in Londonderry, N.H., have started auditioning auctioneers.

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Calpine Bid

NRG FORESEES LONE STAR SELLOFF



David Crane

If NRG Energy's all-stock bid for Calpine goes through, some 3-5 GW in Texas would need to be divested, David Crane, ceo of NRG, told *PFR* in an interview late Thursday. "We're dominant in Texas and they're dominant in California. But there would be a selling down of individual assets to get down where we need to be," he says, noting the target would be a 20% market share in the region under Public Utility Commission guidelines.

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EVERPOWER HUNTS \$1B WIND FINANCING

Everpower Renewables is in talks to line up financing for three projects set to come online by the end of next year and arrange long-term financing to take out a \$140 million turbine and construction loan. "For all three we are looking for about a \$1 billion," says a company official. It has not yet been decided whether debt would be held at the project, mezzanine or holding company level but the financing will be a blend of tax equity and debt financing, with a short tenor, and developer equity.

Projects slated for commercial operation include a 50-75 MW phase two of the 62.5 MW

(continued on page 11)

AES TAPS GOLDMAN TO SELL PJM ASSETS

AES Corp. has hired Goldman Sachs to advise on the divestiture of three plants in the PJM Interconnection. As reported in *PFR Daily* last Wednesday, up for grabs are:

- Ironwood, a 720 MW combined-cycle gas turbine facility in South Lebanon Township, Pa.
- Red Oak, an 832 MW gas-fired combined cycle plant in Sayreville, N.J., and
- Warrior Run, a 205 MW unit in Cumberland, Md., which emerged as a potential target earlier this month.

The Arlington, Va., IPP reportedly believes the values ascribed to Tenaska Power Fund's

(continued on page 12)

OHIO WIND DEVELOPER TARGETS FINANCING

Cincinnati, Ohio-based wind developer Vision Energy will look to line up innovative financing late this year or early next for the first of a handful of projects averaging 300-400 MW that make up its more than 1.5 GW pipeline. "It could be a portfolio, or it could be a one or two sort of thing," says Turner Hunt, president. The company will look for tax equity investments and wants financing in place early next year when construction begins on the first few projects.

Previously, the company co-developed 750 MW Fowler Ridge wind farm northeast of

(continued on page 11)

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



At Press Time

Hedge Funds Scope Auctioneer For Northeast Plant

Hedge fund owners of Granite Ridge are understood to have recently begun auditioning banks for the role of auctioneer on their 720 MW Granite Ridge facility in Londonderry, N.H.

CarVal Investors—formerly **Cargill Value Investments**—owns roughly 50% alongside affiliates of **Durham Asset Management**, **Gracie Capital**, **King Street Capital**, **KSHC Energy V** and **TPG Credit Opportunities Fund**. Earlier this year, they weighed a \$300-350 million recapitalization of the plant to fund a distribution in advance of a planned sale later this year (PFR, 1/30). It is unclear how that deal would have been structured and whether the market would have supported it. A principal at CarVal did not return a request for comment.

In 2006, **Morgan Stanley** ran a process to sell the plant (PFR, 11/6/06), which pulled in three buyers (PFR, 7/20). But the offers did not meet the owners' expectations so the auction was terminated. It could not be determined which firms are under consideration for the sell-side mandate this time.

Granite Ridge, whose output is sold into NEPOOL on a merchant basis, was built by **AES** and fell into private equity hands in 2004. It has scope to develop a further 540 MW onsite.

RES Hunts Project Financiers



Chris Calavitta

Renewable Energy Systems Americas is looking to fill four slots in its finance department as it beefs up on the development side amid a possible sale of the company. **Chris Calavitta**, director of renewable energy finance in Denver, says, "We definitely need to get more people on board to help us process all of the capital-raising efforts coming down the pipe."

Calavitta is one of two existing directors of renewable energy finance and the company needs a third. "We're looking for some more bench strength at the director level," he notes, adding that the new position of associate of renewable energy finance also needs to be filled alongside the new roles of director of power sales origination and insurance risk manager for construction and operation. "We've got a crazy pipeline of activity. We're going to need to have those people on the ground and to hit the ground running."

RES Americas has 3.2 GW in advanced development with 1.5 GW to come online by the end of 2010, and another 7.9 GW in mid- or early-stage development. The company, which is owned by U.K. construction specialist **Sir Robert McAlpine Group**, is up for sale and recently attracted bids approaching \$1 billion (PFR, 5/9).

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
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INTELLIGENCE FIRST

Leads Kick Off \$400M Broadway Gen Recap

Administrative agent **GE Energy Financial Services** and co-arranger **ING Capital** launched syndication last Wednesday of a \$400 million debt package to refinance **LS Power** affiliate **Broadway Gen Funding**, with pricing pitched at 300 over LIBOR. As reported in *PFR Daily*, commercial banks were invited to a 10 a.m. bank meeting at the W Hotel in midtown Manhattan, with a view to drawing a club of five to 10 banks. Commitments are due in mid-June.

The package consists of a \$290 million, seven-year term loan and a five-year \$110 million revolver and letter of credit facility. Ticket sizes could not be learned and officials at LS and GE EFS declined to comment. Calls to ING were not returned.

Broadway Gen was the vehicle LS used to acquire 3.6 MW of gas-fired generation from Mirant for \$1.4 billion (PFR, 11/2). Three of the assets have been sold and the sale of 561 MW Sugar Creek to **Northern Indiana Public Service Co.** (PFR, 11/2) is expected to close by the end of this month, leaving just two plants in the portfolio. They are 531 MW Apex 30 miles northeast of Las Vegas, which is contracted through 2011 via a financial hedge structured by **Credit Suisse**, and 664 MW West Georgia in Thomaston, Ga., which has two new physical tolls with local municipal power agencies and cooperatives.

The first lien of the \$1.3 billion original financing, led by **JPMorgan** (PFR, 3/30/07), has been paid off and the second lien is trading around par.

Channelview Sale Gets Green Light

Equistar Chemicals and **Reliant Energy** have settled their dispute over the 830 MW Channelview facility in Lyondell, Texas, allowing the sale of the plant to **FORTISTAR** and **Global Infrastructure Partners** for \$500 million to go ahead as planned. A judge had rejected the sale agreement on the grounds the buyers excluded certain existing arrangements between Reliant and Equistar, its steam customer (PFR, 4/10).

"This resolves a dispute that likely would have prevented the sale from proceeding," says **Andrew Johannesen**, v.p. and treasurer at Reliant in Houston. "Equistar has agreed to terminate the cash sharing agreement and allow us to proceed in exchange for sharing in the sale proceeds," added a Reliant spokeswoman. An Equistar spokesman declined to comment.

The precise proceeds to each party can't be determined at this point, notes Johannesen, because it is unclear what the revenues from the plant will be between now and when the transaction closes. But funds will come from the sale of the asset, cash left in the project entity and cash held in an escrow

account that will be released once all indemnification claims against the asset are satisfied. All creditors—secured and unsecured, are expected to be paid off—with any proceeds being split between Equistar and Reliant. According to one deal tracker, the amount left over will be about \$110 million, of which Reliant will see \$50 million and Equistar will get \$60 million.

Merrill Lands Longview Mandate



Longview Power

Merrill Lynch has won the mandate to advise on the sale of **Longview Power**, owner of a 695 MW supercritical pulverized coal plant under construction in Maidsville, W.Va. As first reported by *PFR*, its owners—energy private equity firm **First Reserve Corp.**

(90%) and developer **GenPower** (10%)—were tempted to sell because of rising valuations for assets in the PJM Interconnection (PFR, 5/2).

The plant, set to come online in the spring of 2011, is predominantly merchant but **PPL EnergyPlus** has signed a five-year PPA to draw 300 MW. Its rough cost is \$1.82 million, about half of which was put in place last year via a \$1.15 billion construction financing led by **Goldman Sachs** and **WestLB** (PFR, 2/9/07). A spokeswoman at First Reserve in Greenwich, Conn., declined to comment, as did officials at Merrill.

MACH Gen Pair Could Fetch \$1B

Bidders chasing two Northeast plants that are part of the 3.6 GW MACH Gen portfolio being auctioned by its hedge funds owners have reportedly assigned a circa \$1 billion valuation to the pair.

Credit Suisse is handling the auction, which was launched late last year (PFR, 12/14), and took final bids May 9. The seller said it would entertain offers on the entire bundle or individual units, but the assets outside the Northeast have been less attractive to buyers.

Up for sale are the 360 MW Millennium unit in Charlton, Mass.; a 1,080 MW unit in Athens, N.Y.; the 1,100 MW Covert unit in South Haven, Mich., and the 1,092 MW Harquahala unit in Tonopah, Ariz. The Arizona facility is not drawing much interest, according to one deal watcher, because the nearby 3.8 GW Palo Verde nuclear plant in Wintersburg, Ariz., typically runs well and when it does not, utilities in the region need peaking rather than baseload capacity.

The bidders could not be learned and calls to CS and MACH Gen ceo, **Ned Kleinschmidt**, in Saddle Brook, N.J., were not returned.

HSBC Lands Eskom Mandate

HSBC has been appointed as financial advisor to South Africa's Eskom for its independent generation program—the first development of generation through the private sector in South Africa. The state-owned utility is about to issue a request for proposals for bidders to build, own and operate 2.1-4.5 GW of baseload capacity, coming online between 2012 and 2017.

Global developers, including mining companies, will be invited to bid for the projects, which will likely be coal-fired and generate at least 400 MW per facility. A winning bid will score a PPA of up to 40 years. Expressions of interest are due June 17. It has not yet been determined if bidders will need financing lined up when submitting proposals before the Jan. 31 deadline next year. An official at HSBC declined to comment and a spokeswoman at Eskom was not available for immediate comment.

On Sept. 5, the South African government designated Eskom as the single buyer of power from IPPs in the country, after deciding in 2003 that generating capacity would be divided in favor of the utility (70%) rather than IPPs (30%).

AES was selected as the winning bidder on a 760 MW peaker near Durban in KwaZulu-Natal and a 342 MW plant in Port Elizabeth on the Eastern Cape, and was about to close on the financing last quarter (PFR, 3/20). But the IPP reportedly pulled out because of the tariff on offer. A call to AES was not returned.

Environmental Hedge Fund Targets \$500M



David Kandolha

Environmental hedge fund **Akeida Capital Management** plans to raise \$250 million for year one of its maiden fund, and \$500 million by the end of next year. The firm was formed in December by two founders and managing directors from carbon offset specialist **Natsource Asset Management**—**David Kandolha** and **Harvey Abrahams**—who

launched the *Akeida Environmental Master Fund* last month.

The firm will also leverage its capital markets expertise to trade the carbon credits forward and potentially securitize its portfolio downstream. "There are a number of financial structures we would look at to monetize our portfolio," says Kandolha, portfolio manager in New York, adding, "Creating a structured product is something we could do and we could also forward sell a receivable." To get to the point of securitizing, the firm would need the projects to be at a certain point in their life cycle, and for the fund to have a certain amount of diversity between project type and regions, says **Beverly Westle**, head of marketing and client services, noting that such a move is not a near-term goal. **Credit Suisse** executed the first carbon credit securitization in December.

Akeida will allocate 65% of its funds to investments related to environmental projects, by originating and developing projects that produce emission reduction and renewable energy credits. Special attention will be paid to projects with a high degree of predictability and financing already in place, says Kandolha. "Because of our [18-month] lock up, we have to have a high degree of certainty, with technologies that have a fairly certain delivery level, such as industrial gases," he says. The firm will shy away from large hydro and landfill gas. "[Landfills] often deliver 15% or less of what you are contracted for," he explains. Akeida is one of the traders eligible to deliver projects to the **Chicago Climate Exchange**.

A further 20% of the fund will be spent on speculative trading. "We're not shooting for huge home runs on every trade. We're happy with 40-50% returns so we can mitigate our risk," Kandolha says. "We've done a few trades here [in the U.S.] and we think it is a market that will grow very fast." Some 15% will be used to hedge the projects. **Goldman Sachs** serves as its prime broker, **Concept Capital** as the fund's administrator and its futures account is managed through **Morgan Stanley**. It charges a 2% management fee and incentive fees of 20%.

Iberdrola Unit Lands Miss. Gas Storage

Tenaska Power Fund has agreed to sell its interests in **Caledonia Energy Partners**, owner of a 11.7 billion cubic feet per day storage facility in northeast Mississippi, to **Iberdrola Renewables** subsidiary **ENSTOR**. The buyer, which *PFR* first reported was in pole position with a \$250-300 million bid (PFR, 5/1), is reportedly paying \$285 million (EUR184 million). The transaction is set to close later this quarter.

"We brought additional capacity and funding to help it advance and go through construction," says **Paul Smith**, senior managing director at **Tenaska Capital Management**, manager of TPF, in Omaha, Neb., adding, "Most of the value had been created." Along with TPF's stake, unnamed developers and **Pacesetter Energy**, which led the design, engineering and operations of the project, sold out. **Credit Suisse** ran the auction, which saw interest from both strategic and financial players, says Smith.

A permit to expand the facility to 16.9 Bcf is pending approval by the **Federal Energy Regulatory Commission**. The unit is connected to **El Paso's** Tennessee Gas Pipeline in Lowndes County and has been constructed to handle four withdrawal cycles per year.

Iberdrola's financing plans could not be learned. **Jan Johnson**, a spokeswoman for ENSTOR in Portland, Ore., and **Jeff Keeler**, an official at Iberdrola in Concord, N.H., did not return calls. **Matt Morrow**, president at ENSTOR in Houston, was not available for comment.

Dutch Fund Picks Up Allco Wind Assets

Allco Finance Group has sold five wind farms totaling 27.7 MW across Germany and France for an unknown sum to Dutch infrastructure fund **DIF Renewable Energy**. The Aussie infrastructure player is running a process to sell 4 GW of wind (PFR, 3/14)—including a 1.5 GW complex in Tehachapi, Calif.—a spokeswoman in Sydney says buyers for the remaining assets are expected to be identified by the end of June.

Being acquired by DIF are the:

- 6 MW Waldfishbach-Burgalden, 1.6 MW Hermersberg and 4 MW Weselberg farms in Rhineland-Palatinate, Germany, and
- 9.2 MW Lestrade and 6.9 MW Vaux-les-Mouzon in the Midi Prenees and Champagne Ardenne regions of France, respectively.

Its portfolio already includes the 12 MW Ferme Eolienne las Remise des Bruyeres facility in the Beauce Region of France and a majority ownership of the 44 MW Koegorspolder project in the Netherlands.

DIF is planning to launch another infrastructure fund within a few months. Six institutional investors committed EUR105 million (\$163.4 million) to its renewable fund, which had its second closing in February after launching last year. A final closing is planned for this month or next, with a target of EUR120-150 million. DIF's first fund, *DIF Public Private Partnership*, closed in 2006 with EUR150 million and is almost fully committed. Calls to **Jean-Pierre Sweerts**, managing director at DIF, were not returned.

Yemen LNG Financing Wraps

Sponsors of Yemen LNG, a 6.7 million tons per year facility near Balhaf on the Gulf of Aden coast in Yemen, have closed on \$2.8 billion in loans, and will draw on the funds immediately.

The \$4.8 billion project is sponsored by **Total** (39.62%), **Hunt Oil Co.** (17.22%), **Yemen Gas Co.** (16.73%), **SK Energy Co.** (9.55%), **Korea Gas Corp.** (8.88%), the **General Authority for Social Security and Pensions of Yemen** (5%) and **Hyundai Corp.** (3%). Additional funding will be provided via sponsor equity, says **Pascal Breant**, head of corporate finance for the Middle East at Total in Paris. "It's a groundbreaking transaction with a very complex structure," he says, noting it is the largest limited-recourse financing of a project ever in Yemen.

Bank of Tokyo-Mitsubishi UFJ, **BNP Paribas**, **Citigroup**, **ING**, **Royal Bank of Scotland**, **Société Générale** and **Sumitomo Mitsui Banking Corp.** are lead arrangers and bookrunners on a \$1.7 billion senior limited recourse tranche. That portfolio consisted of a \$650 million secured bank facility, a \$430 million

facility guaranteed by **Coface**, a \$400 million facility guaranteed by the **Export-Import Bank of Korea** (KEXIM) and a \$200 million **Japanese Bank for International Cooperation** (JBIC) and **Nippon Export and Investment Insurance** (NEXI) guaranteed facility. The tenor across all these tranches is just short of 13 years. Syndication closed via the leads and a few outside banks, taking tickets ranging from \$30-60 million.

Total guaranteed a separate, \$1.1 billion, multi-tranche loan underwritten by **BoTM**, **BNP**, **Citi**, **Calyon**, **ING**, **RBS**, **SocGen** and **SMBC**.

Korea Gas, **Total Gas & Power** and **SUEZ** have each signed 20-year take-or-pay offtake agreements for the facility. Construction of the project is 75% complete with the first phase expected to be finished by year-end. Officials at the banks and other sponsors either declined to comment or did not return calls.

D.C. Renewable Finance Outfit Seen Recapitalizing

TowPath Renewable Ventures, a Washington, D.C., energy financial services company, is in the process of recapitalizing its flagship fund, dedicated to structured debt for renewable projects, and recently ran a beauty pageant for an advisor.

It could not be determined which firm was retained or how much the company is trying to raise from investors. **Jennifer von Bismarck**, president and co-founder of TowPath, told *PFR* she was not authorized to comment because "all the terms and the parties involved are under non-disclosure agreements."

TowPath specializes in financing wind, solar, geothermal, hydro, waste-to-energy, methane and biofuels projects. Last year, it formed a securitization practice to offer renewable energy collateralized loan obligations (PFR, 7/20).

UniCredit Wraps Dual Invenergy Syndications

UniCredit HVB has wrapped parallel syndications of \$509.5 million in financing for Invenergy's 150 MW McAdoo Wind Energy project in Texas and 99 MW Grand Ridge farm near Chicago via seven and six banks, respectively. Both deals wrapped last week.

The McAdoo deal saw **Dexia Crédit Local**, **Natixis** and **NordLB** join as documentation agents while **HSH Nordbank**, **Helaba**, **US Bank** and **Allied Irish Bank** also joined the syndicate. In the Grand Ridge financing, **Helaba**, **HSH** and **Nord** served as documentation agents and **Natixis**, **US Bank** and **Allied Irish** also participated. HVB served as lead arranger, administration and syndication agent in both deals. Specific allocations could not be learned.

The financing for McAdoo in Dickens County, east of Lubbock,

consists of a \$262.3 million construction loan and \$38.1 million letter of credit (PFR, 4/18). The one for Grand Ridge in Ottawa, Ill., includes a \$189 million construction loan and a \$20 million letter of credit. The debt has a tenor of six months and will be repaid with tax equity investments in both farms from **GE Energy Financial Services**. Pricing was rumored to be in the range of 100-112.5 basis points over LIBOR. The farms have hedges structured by **Credit Suisse**. Officials at HVB declined to comment and calls to **Jim Murphy**, cfo at Invenergy, were not returned.

AES Tees Up Irish Pollution Control Financing

AES Corp. is arranging financing for its planned installation of flue gas desulfurization equipment at the 520 MW Kilroot power station near Carrickfergus in County Antrim, northern Ireland. The terms of the deal, set to launch next month, could not be learned but, as first reported in *PFR Daily* last Monday, **BNP Paribas** is thought to be leading the debt.

AES Kilroot came online in 1992 and is the second largest plant in Northern Ireland, powering about 10% of the county's grid under a contract with **Northern Ireland Electricity**. The Department of Enterprise Trade and Investment gave consent for the FGDs in January 2006, without which the plant may be shut down by 2015 under the European Union's Large Combustion Plant Directive. After they are installed, they will reduce sulfur dioxide emissions at the plant by 75% and allow it to continue burning coal as its primary fuel, with biomass as a backup.

Davy Elliott, head of corporate risk at Kilroot, confirmed the financing is under way but referred further questions to **Jon Poley**, project director, who did not return calls.

Kleen Financing Draws Eight

Eight banks have taken tickets in the **Goldman Sachs**-led retail syndication of \$1.015 billion in financing supporting **Kleen Energy Systems'** 620 MW baseload plant in Middletown, Conn. A handful of others are expected to commit by early this week to fill out the syndicate. The deal is now on track to close by early to mid-June—a slight delay from the original timetable of May 30 (PFR, 5/2). The participants and their commitment levels could not be learned.

Tickets of \$50 million and \$25 million are on offer, with fees of 75 basis points for the larger ticket and 35 bps on the smaller ticket. **BNP Paribas**, **Dexia Crédit Local**, **HSH Nordbank**, **ING Capital**, **Natixis**, **Scotia Capital**, **Union Bank of California** and **WestLB** are joint lead arrangers and are said to have committed \$150-200 million each, with the expectation of being scaled back to \$75 million. Goldman is administration agent, while Natixis is syndication agent and BNP, ING and UBoC are documentation

agents. The total financing consists of a \$450 million term loan A, priced at 175 bps over LIBOR with an eight-year tenor after construction ends in 2010, a \$315 million B loan with a 14-year tenor post construction priced at 250, and an unfunded \$250 million revolver and letter of credit facility priced at 175.

BoS Pockets Solar Mandates

Halifax Bank of Scotland has been mandated to arrange financing for an undisclosed solar thermal project and a separate solar photovoltaic facility, says **Federico Florian**, director of energy and environmental finance at HBOS in London. He declined to disclose details of the projects' sizes and their sponsors, but says they are in Europe.

HBOS is separately set to close syndication within days of a EUR180 million (\$283.5 million) construction financing for **Abertura Solar Park**, a 20 MW solar photovoltaic project in the Spanish province of Cáceres (PFR, 4/11). Ticket sizes on offer are EUR25-30 million, says Florian.

Goldman Banker Departs Down Under

Brett Mitsch has left **Goldman Sachs** **JBWere** in Melbourne, Australia, for unknown reasons. His last day was May 12, according to a spokeswoman, who says he has not yet been replaced. She declined to provide a forwarding number for him and his destination could not be learned.

Mitsch, an Australian national, was a senior v.p. covering power and utility M&A for **Lehman Brothers** in New York before Goldman hired him for its Anzac operation (PFR, 2/9/07). At Lehman he advised on **Aquila's** pending sale to **Great Plains Energy** and its sale of certain utility assets to **Black Hills Corp.**

Corporate Strategies

SUEZ Maps Funding For \$5.4B LatAm Hydro

SUEZ Energy International is looking to finance two thirds of the BRL9 billion (\$5.44 billion), 3.3 GW Jirau hydro project on Rio Madeira in Brazil with loans from local banks, arranged via development bank **Banco Nacional de Desenvolvimento Econômico e Social** (BNDES). "It's easier to negotiate with BNDES," says **Gustavo Labanca**, v.p. of finance at SUEZ in Rio de Janeiro, on the rationale.

SUEZ won the tender to build, own (50.1%) and operate the project, alongside three partners—**Eletrosul** (20%), **Chesf** (20%) and **Camargo Correa** (9.9%). They will fund the remaining 25-30% with equity and cash flows from power purchase agreements,

says Labanca. The sponsors have secured 70% of the power offtake with 30-year PPAs beginning in 2013 with 39 distributors, he adds. The rest will be sold spot to mainly industrial clients.

BNDES previously arranged a 24-year loan at a 6.25% short-term interest rate for SUEZ's 1,087 MW Estreito hydro project. That deal also involved **Unibanco, Banco Bradesco, Itau BBA and Banco Votorantim** providing a BRL524 million tranche.

Labanca says these and foreign banks may be invited to help finance Jirau.

Financial close is targeted for the beginning of next year. "It's a very aggressive schedule," says Labanca. The hydro facility—the largest infrastructure project in the country—is set to come online in 2013.

AEP Sub Issues RFP To Make Up Generation Gap



Steven Fate

American Electric Power subsidiary **Public Service Company of Oklahoma** has issued requests for proposals for 450-600 MW of conventional generation and 200 MW of renewable energy as it looks to meet demand following the Oklahoma Corporation Commission's denial of its \$1.8 billion, 950 MW Red Rock coal plant last October. "A lot

of it is driven towards when we need the added capacity and energy. If we wanted to have a reasonable amount of time, we needed to move on this as quickly as we could," says **Steven Fate**, PSO's system liaison manager and acting project manager for the larger RFP. The utility is taking public comments until June 9, which will be followed by a pre-bid conference July 14 ahead of the final deadline on August 22.

Bids are due on the renewable capacity by June 30. PSO decided to split it from the other RFP due to the risk of federal production tax credits expiring. "We needed to move quickly to find out what the viable proposals were and get them online for the PTCs, as well as work with the Southwest Power Pool (SPP) in getting the necessary transmission upgrades," Fate notes, adding that bidders are required to already be in the queue to connect to the SPP. Projects have to be at least 2 MW for solar, landfill gas, biogas or hydro, or at least 20 MW for wind or biomass. Both RFPs are open to any technologies, but Fate says the winner of the renewable RFP will likely be a wind developer due to the state's resources.

A primary aim of the RFP is to source the cheapest projects. "Pricing will be part of the proposal they will set out in their contract." PSO will either offer a 20-year power purchase or tolling agreement or—if it is an existing asset—an asset

purchase agreement. "We would want an operating history that we can look at in the due diligence to make sure of exactly what we are getting," Fate explains. Under the terms of the RFP, all projects need to reach commercial operation between 2012 and 2015, during which time demand will rise by 150 MW a year in PSO's service territory.

PSO would have owned a 50% share of Red Rock alongside **Oklahoma Gas and Electric** and the **Oklahoma Municipal Power Authority** (PFR, 11/21).

NiSource Takes Out Debt Ahead Of Capex Step Up

NiSource Finance Corp. issued \$700 million in notes with lower than expected pricing to pay down debt ahead of aggressive capital expenditures at its parent company, **NiSource**. "We try not to have more than \$500-600 million come due in any given year," says **David Vajda**, v.p. and treasurer in Merrillville, Ind. The offering was \$500 million and \$200 million, maturing Jan. 15, 2019 and March 1, 2013, respectively. "Right now we have no maturities in 2019, so we put \$500 million there. We have \$345 million due in 2013, so this will move it up to \$545 million."

The \$694.9 million in proceeds will initially pay down short-term debt with an average rate of 3.1% as of March 31, but ultimately will go towards its utility subsidiary **Northern Indiana Public Service Co.**'s purchase of 561 MW Sugar Creek from **LS Power**. The \$330 million deal is expected to close within the next month (PFR, 5/20). Additionally, some \$340 million will cover the cost of redeeming debt last December tied to a 525 MW CCGT in Whiting, Ind. The company is selling that plant to **BP** for \$210 million in a deal expected to close in about six weeks.

The 6.8% rate on the \$500 million issue "is a little bit tighter than we thought," says Vajda, adding that the company was "looking at levels around 6.9% prior to launch." The 6.15% rate on the \$200 million sale was "a little bit better" than expected as well, he says. **NiSource** had \$1.5 billion in offers for the 2019 notes and \$1.2 billion for the 2013 notes. "We think the book-runners did a great job in pulling this together."

Banc of America Securities, JPMorgan, and Wachovia Securities were joint book-running managers, while **BMO Capital Markets, KeyBanc Capital Markets, Commerzbank** and **Mizuho Securities** were co-managers. "Their capabilities of being able to get these types of transactions done in difficult markets really came through," Vajda says of their selection from a list of 18 banks that extend credit to company. About 54% of **NiSource's** capital structure is debt, which Vajda says could rise to around 59% this year after years of de-leveraging.

Project Finance Deal Book

Deal Book is a matrix of energy project finance deals that PFR is tracking in the energy sector. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report updates or provide additional information on the status of financings, please call Katy Burne, Managing Editor, at (212) 224-3165 or e-mail kburne@iineews.com.

Live Deals: North America

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
Babcock & Brown Power, Pittsburgh Power	Trans Bay Cable (400 MW, two 200 kV cables)	San Francisco, Calif.	BayernLB	Construction Loan	\$299M	33-yr	Syndication of subordinate tranche ongoing.
Babcock & Brown	2009 Turbine Supply	Various	TBA	Construction Loan	\$188M	7-yr	Selecting lenders.
	2008 Portfolio (638 MW Wind)	Various	TBA	Turbine supply	TBA	TBA	Seeking tax equity (PFR, 4/4).
Biomass Group	South Point (200 MW Biomass)	South Point, Ohio	WestLB	Construction Loan	\$265-300M	TBA	Syndication expected.
Borealis Infrastructure	Bruce Power (4.6 GW)	Tiverton, Ontario	Scotia, Dexia	TBA	C\$750M (\$710M)	TBA	Leads considering relaunch in U.S.
				HoldCo Loan	\$100M	TBA	
BP, Dominion	Fowler Ridge (750 MW Wind)	Indiana	TBA	TBA	TBA	TBA	Selecting leads (PFR, 3/31).
Brick Power Holdings	Tiverton (265 MW Gas)	Tiverton, R.I.	Credit Suisse, Merrill Lynch	Recapitalization	TBA	TBA	Timeline unclear.
	Rumford (265 MW Gas)	Rumford, Maine			TBA	TBA	
BrightSource Energy	Various (3.5 GW Solar)	Southwest	TBA	TBA	TBA	TBA	Will seek project financing.
Broadway Gen Funding	Various	Ga., Nev.	GE, ING	Term Loan	\$290M	7-yr	Commitments due mid-June
				Revolver/LC	\$110M	5-yr	(PFR, 5/20).
Caletta Renewable Energy	Port Erie (90 MW Tires)	Erie, Pa.	TBA	TBA	TBA	TBA	Selecting lenders (PFR, 3/7).
Carlyle/Riverstone	Topaz (1.5 GW Gas)	Various, Texas	Morgan Stanley, Dexia, ING, Natixis	Construction Loan	\$615M	6-yr	Syndication
				Working Capital facility	\$75M	6-yr	launched (PFR, 4/22).
				Letter of Credit	\$50M	2-yr	
CPV	Sentinel (800 MW Gas)	Desert Hot Springs, Calif.	TBA	TBA	TBA	TBA	Selecting lenders (PFR, 3/14).
EarthFirst Canada	Dokie I (144 MW Wind)	Peace River, British Columbia	WestLB	TBA	\$212M	17-yr	Syndication expected soon.
Econergy International	La Gloria (50 MW Wind)	Costa Rica	NordLB	Term Loan,	\$125M	TBA	Timeline unclear.
Edison Mission	Walnut Creek (500 MW Gas)	City of Industry, Calif.	TBA	TBA	TBA	TBA	Selecting lenders (PFR 5/5).
Empresas ICA	La Yesca (750 MW Hydro)	Nayarit, Mexico	WestLB, Citibank/Banamex, HSBC, BBVA Bancomer, Santander, NordLB	Construction Loan	\$910M	4-yr, 9m	Syndication ongoing.
				Revolver	\$80M		
Energy Investors Fund	Hot Springs (48MW Geo)	Elko, Nev.	DZ Bank, Fortis Capital	TBA	\$120M	TBA	Timeline unclear.
Energy Management	Various (Biomass)	Various	TBA	TBA	TBA	TBA	Selecting lenders (PFR, 5/2).
ENMAX Energy	Calgary (1.2 GW Gas)	Calgary, Alberta	TBA	TBA	TBA	TBA	Timeline unclear.
Eurus Energy Americas	Bull Creek (180 MW Wind)	Borden County, Texas	TBA	TBA	TBA	TBA	Seeking tax equity investors.
Everpower Renewables	2009 Turbine Supply	Midwest, Pacific N.W.	KeyBanc Capital Markets	Turbine supply	\$130M		Syndication ongoing.
Excelsior Energy	Mesaba Energy (603 MW IGCC)	Minn.	TBA	TBA	TBA	TBA	Barclays advising.
Falcon Gas Storage	MoBay (50Bcf Gas Storage)	Mobile County, Ala.	TBA	TBA	\$300-350M	TBA	Selecting lenders.
Foothills Energy,	Monroe (12 Bcf gas Storage)	Amory, Miss.	Fortis	TBA	\$140M	TBA	Syndication launched 4/9
High Sierra Energy							(PFR, 4/7).
Gilead Power Corp.	Ostrander (20 MW Wind)	Prince Edward County, Ontario	TBA	TBA	TBA	TBA	Selecting lenders.
GNL Quintero	LNG Receiving/Regasification	Quintero Bay, Chile	Banesto, BBVA, Caylor, Fortis, ING, Intesa SanPaolo, Mizuho Santander, WestLB	TBA	\$1B	TBA	Leads mandated (PFR, 3/12).
Green Rock Energy	Green Rock (Gasification)	St. James Parish, La.	TBA	TBA	\$1B	TBA	Selecting lenders.
Hunton Energy	Freeport (400 MW Gas, Steam)	Freeport, Texas	TBA	TBA	TBA	TBA	Selecting lenders (PFR, 4/2).
Invenergy	Grand Ridge (99 MW Wind)	Ottawa, Ill.	UniCredit HVB	Construction Loan	\$189M	6m	Deal wrapped last week
				Letter of Credit	\$20M	6m	(PFR, 5/23).
	McAdoo (150MW Wind)	Dickens County, Texas	UniCredit HVB	Construction Loan	\$262.3M	6m	Deal wrapped last week
				Letter of Credit	\$38.1M	6m	(PFR, 5/23).
Kleen Energy Systems	Middletown (520 MW)	Middletown, Conn.	Goldman Sachs	Term Loan A	\$400-450M	10-yr	Retail syndication launched
				Term Loan B	\$300-325M	17-yr	(PFR, 5/1).
				Revolver/LC	\$250M	TBA	
Kruger Energy	Port Alma (101.2 MW Wind)	Ontario	Scotia Capital	TBA	TBA	TBA	In syndication (PFR, 5/16).
LVE Energy Partners	LVE Energy Center (16 MW backup power)	Las Vegas, Nev.	Sumitomo Mitsui Banking Corp.	Term Loan	\$145M		Timeline unclear.
				Letter of Credit	\$20M		
				Letter of Credit	\$100M		
Martin Resources	Arcadia Gas Storage (15.5 Bcf)	Arcadia, La.	CIT	Construction/Term Loan	\$125M	8-yr	Syndication ongoing (PFR, 4/10).
Martin Resources, ECP	Cardinal (Gas Storage)	Southeast	TBA	TBA	TBA	TBA	Looking for debt (PFR, 5/12).
Mesa Power	Mesa Power (4 GW Wind)	Texas	TBA	Turbine Supply Loan	TBA	TBA	Timeline unclear (PFR, 2/22).
Morris Energy	Various	Northwest	TBA	TBA	\$100M	TBA	Considering options (PFR, 5/13).
Nacogdoches Power	Nacogdoches (100 MW Biomass, 300 MW Gas)	Sacul, Texas	TBA	TBA	TBA	TBA	Looking for debt/equity for \$600M project.
Nevada Geothermal Power	Blue Mountain Faulkner I (35 MW Geo)	Humboldt County, Nev	Morgan Stanley, Glitnir Bank	TBA	140M	TBA	Banks named (PFR, 5/5)
NGS Energy Fund	Tres Palacios (36.4 bcf Gas Storage)	Matagorda County, Texas	ING Capital	TBA	TBA		Financing downsized (4/11).
Noble Environmental Power	Turbine Supply Loan	Various	HSH, KeyBanc	Turbine Supply Loan	\$460M	3-yr	Pricing flexed up (PFR, 4/8).
	2008 Portfolio	Upstate New York	Citibank, BNP, RBS, HSH	TBA	\$757M	TBA	Leads mandated (PFR, 3/4).
	Great Plains (114 MW Wind)	Texas Panhandle	UBoC, Bayern, AIG	TBA	\$265M	TBA	Leads tipped last month (PFR, 3/4).

For the complete Project Finance Deal Book, please visit www.iipower.com



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@iinews.com.

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
AES	Warrior Run	Cumberland, Md.	205	Coal	Goldman Sachs	Shopping PJM assets (PFR, 5/21).
	Red Oak	Sayreville, N.J.	832	Gas		
	Ironwood	South Lebanon Township, Pa.	720	Gas		
Allco Finance Group	Various	Kern County, Calif.	3,100	Wind	Marathon Capital	Company plans to sell either as global portfolio or in regional chunks (PFR, 3/11). DIF Renewable Energy Fund purchased French and German assets for undisclosed sum (PFR, 5/16).
		Germany, France	97		N/A	
		Australia, New Zealand	1,600		N/A	
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).
Astoria Energy	Astoria plant	Queens, N.Y.	500	Gas	N/A	Suez acquired 30% on 5/22 for undisclosed sum.
Black Hills Corp.	Arapahoe	Denver, Colo.	130	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).
	Valmont	Valmont, Colo.	80	Gas		
	Fountain Valley	Colorado Springs, Colo.	240	Gas		
	Las Vegas I	Las Vegas, Nev.	53	Gas		
	Las Vegas II	Las Vegas, Nev.	224	Gas		
	Harbor	Long Beach, Calif.	98	Gas		
	Valencia	Albuquerque, N.M.	149	Gas		
BTEC Turbines	Southaven Energy	Miss.	340	Gas	JPMorgan	Assets or just the equipment for sale. Teasers dispatched (PFR, 4/3).
	New Albany Power	Miss.	390	Gas		
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	Texas City, Texas	425	Gas	Miller Buckfire	Second-round bids taken 5/5.
	Clear Lake	Clear Lake, Texas	375	Gas		
CarVal Investors et al.	Granite Ridge	Londonderry, N.H.	720	Gas	N/A	Sellers are looking to mandate auctioneer (PFR, 5/19).
Catamount Energy	Sweetwater	Nolan County, Texas	505 (50%)	Wind	Goldman Sachs	Unsolicited approaches have been made to financial backer Diamond Castle Holdings (PFR, 8/31).
	Ryegate Power	Vermont	20	Wood waste		
	Rumford	Rumford, Me.	85	Cogen		
Central Vermont	Various	Vermont	70 in summer	Hydro	Morgan Stanley	Status unknown (PFR, 5/18).
Connect 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	Springfield, Mass.	185	Gas, Oil, Hydro	Morgan Stanley	Industry Funds Management has acquired all assets except Newington for \$1.4B. Barclays launched syndication of a \$545M first lien financing to support acquisition (PFR, 5/16).
	Newington Energy	Newington, N.H.	525 (99.5%)	Gas		
	Lakewood	Lakewood, N.J.	246 (80%)	Gas		
	Ocean Peaking Power	Lakewood, N.J.	339	Gas		
	Rock Springs	Rising Sun, Md.	670 (50%)	Gas		
	Genor	Puerto Barrios, Guatemala	42 (49.5%)	Oil		
	Ada Cogeneration	Ada, Mich.	29 (48%)	29 (48%)		
ConocoPhillips	EverPower Wind	NEPOOL, NY, PJM	500 planned	Wind		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	Has agreed to merge with GSC Acquisition Co. in \$1.3B deal (PFR, 5/16).
	Batesville	Batesville, Miss.	837	Gas		
Corona Power	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	Holyoke, Mass.	146	Coal	Credit Suisse	ECP has hired Credit Suisse to advise on how to monetize FirstLight Power Resources portfolio (PFR, 5/13).
	Various	Conn. and Housatonic Rivers	216	Hydro		
	Empire Generating	Rensselaer, N.Y.	635	Gas		
	Waterbury	Waterbury, Conn.	96	Gas		
	Turners Falls	Turners Falls, Mass.	6	Hydro		
	Cabot, Mass.	Montague, Mass.	62	Hydro		
Energy Future Holdings (Luminant)	Sandow 4	Milam Co., Texas	545 (50%)	Coal	Credit Suisse	Reportedly planning to sell stakes to Perennial Power Holdings (PFR, 2/18).
	Sandow 5		581 (50%)	Coal		
Entegra	Gila	Phoenix, Ariz.	2,300	Gas	N/A	Merger talks with KGen stalled (PFR, 1/17).
	Union	El Dorado, Ark.	3,000	Gas		
Entergy Corp.	50% stake in Top	Worth County, Iowa	40	Wind	New Harbor	Seller wants about \$520M for the assets. Bidders shortlisted to four players: two financial; two infrastructure (PFR, 6/18).
	Deer Wind Ventures	Carsen County, Texas	40			
	RS Cogen	Lake Charles, La.	212	Gas		
	Roy S. Nelson	Westlake, La.	60	Gas/Oil		
	Warren Power	Vicksburg, Miss.	225	Gas		
	Harrison	Marshall, Texas	335	Gas		
	Independence	Newark, Ark.	121	Coal		
	Robert Ritchie	Helena, Ark.	544	Gas/Oil		

Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
EPCOR	Castleton-on-Hudson	Albany, N.Y.	64	Gas	N/A	Quietly shopping asset (PFR, 4/18).
ESB International	Marina	Cork City, Ireland	115	Gas	Merrill Lynch	In second round. Winning bidder should be revealed this summer.
	Great Island	Wexford Co., Ireland	240	Oil		
	Tarbert	County Kerry, Ireland	640	Oil		
Exergy Development Group	Various	Upper Midwest, Northwest U.S.	3,600	Wind	Marathon Capital	Weighing partnership, joint venture, recap or sale (PFR, 12/17).
First Reserve, GenPower	Longview Power	Maidsville, W.Va.	695	Coal	Merrill Lynch	Merrill Lynch landed mandate to advise on the sale of the plant (PFR, 5/16).
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		
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).
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		
K&M International Power	Callide	Queensland, Australia	920 (230 stake)	Coal	JPMorgan	Teasers dispatched (PFR, 3/18).
	Termovalle	Cali, Colombia	220	Gas		
Kelson Canada (Harbinger Capital Partners)	Calgary Energy Center	Calgary, Alberta	300	Gas	UBS	First round bids taken 4/30 (PFR, 4/30).
	Island Generation	Duncan Bay, B.C.	230	Gas		
	King City Cogeneration	King City, Calif.	120	Gas		
	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 to be sold to load serving entities for \$852M (PFR, 1/21).
	Redbud	Luther, Okla.	1,200	Gas		
	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). Received \$20 per share offer reportedly from ArcLight Capital Partners (PFR, 5/9), but did not recommend to shareholders.
	Murray II	Murray Co., Ga.	620	Gas		
	Hot Spring	Hot Spring Co., Ark.	620	Gas		
	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	Pair of Northeast assets set to fetch \$1B (PFR, 5/21).
	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). Sale being evaluated. Long Island Power Authority has option to purchase some of the units until 5/31 (PFR, 4/11).
	E.F. Barrett	Island Park, N.Y.	311	Gas		
	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 filed S-1 to IPO (PFR, 5/16).
North American Power Group	Rio Bravo Fresno	Fresno, Calif.	25	Biomass	N/A	In discussion with potential buyers (PFR, 8/31). Holds interests alongside Constellation.
	Rio Bravo Rocklin	Roseville, Calif.	25	Biomass		
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			

BoTM Signs Up To Peru LNG

Bank of Tokyo Mitsubishi has committed to the retail syndication of a \$400 million B loan tied to construction financing for **Peru LNG's** 625 million cubic feet per day liquefaction terminal south of Lima. Another pair of unidentified banks are expected to sign up by the end of this week, ahead of the deal closing in mid to late June.

Pricing on the 15-year B loan—the only portion of the aggregate \$2 billion deal being syndicated—starts at 75 basis points over LIBOR during construction, climbs to 100 at completion in 2010 and then steps up 12.5 bps every three years. Tickets on offer are \$25 million and \$40 million.

Société Générale and **BBVA Bancomer** lead the deal, which launched via conference call last month (PFR, 4/25). **ING**, **Sumitomo Mitsui Banking Corp.** and **Mizuho Corporate Bank** joined the deal in wholesale syndication.

The entire financing package for the facility additionally features three B loans: \$400 million from the **U.S. Export-Import Bank**, \$250 million from Italy's **SACE** and \$150 million from the **Export-Import Bank of Korea (KEXIM)**. Additionally, the **International Finance Corp.** is providing a \$300 million A loan, recently upsized from \$250 million, and the **IDB** and **KEXIM** are providing A loans of \$400 million and \$150 million, respectively. Peru's **Banco de Crédito** will lead a local bond offering this summer that was downsized to \$200 million from \$350 million due to the depreciation of the U.S. dollar against the Peruvian nuevo sol. Officials at **SocGen**

and **ING** declined to comment and calls to **BBVA** and the other banks were not returned.

Starwood Deal Oversubscribed, Nears Wrap

Syndication of \$215 million in financing for **Starwood Energy Group Global's** pending \$207.2 million acquisition of the 272 MW combined-cycle Thermo Ft. Lupton plant northeast of Denver is set to close roughly two times oversubscribed. The deal has more than nine commitments, each ranging from \$20-50 million. Mainly commercial banks have joined the **WestLB** and **Sumitomo Mitsui Banking Corp.**-led deal that is on track to wrap by May 30 (PFR, 5/9). "For strong credit and well-structured deals, there is a lot of appetite for investors," says one deal watcher.

The deal includes a \$141.2 million senior term loan, priced at 150 basis points over LIBOR, stepping up by 12.5 bps every four years, and a \$21.8 million junior term loan, priced at 325. Both are being sold pro-rata, though some lenders have expressed an interest in playing in individual tranches. Rounding out the package are a \$6 million working capital facility, a \$33.8 million performance-based letter of credit and a \$12.2 million LC for debt service reserve. All the debt matures in June 2019 when the plant's tolling contracts are set to expire. Officials at the banks and **Brad Nordholm**, ceo at the Starwood unit, either declined to comment or did not return calls.

EVERPOWER HUNTS

(continued from page 1)

Highland project in Krayn, Pa., (PFR, 11/21) as well the 50-63 MW Howard project in Steuben County, N.Y., and the first 100 MW phase of the 300 MW Buckeye Wind farms in Champaign and Logan Counties, Ohio. Everpower hopes to develop the remaining 200 MW of Buckeye by 2011.

Downstream the developer has roughly 20 projects in the 75-150 MW range, predominately in the Pacific Northwest, that it hopes to bring on at a pace of 200 MW a year from 2011 to 2013. Groundbreaking is also set to begin in 2010 on a 65-80 MW farm in Allegany, N.Y. "It's a little on the aggressive side, but we think we are in a window of opportunity," the official says. The developer has lined up turbines from **Nordex** for Highland.

Talks are under way with banks and strategic investors to take out a **KeyBanc Capital Markets**-led turbine and construction financing of about \$140 million for the first phase of Highland. "Our arrangement with the bank is once construction is complete [those loans] need to be taken out," he says, noting that **KeyBanc** is in the running for future deals. "KeyBanc has

expressed to us that they would like to continue working with us... We would welcome their participation in future deals." Calls to **KeyBanc** were not returned.

—*Thomas Rains*

OHIO WIND

(continued from page 1)

Indianapolis with **Orion Energy** from 2005 to 2007. Vision sold its interest in that and other farms it had in development to **BP Alternative Energy** in December 2006 when Orion was sold to BP.

Vision's projects are in the Midwest and are set to come online from 2010 - 2012 and Hunt says the company will own the farms after construction. Vision's 100 MW Benton County farm in Indiana came online last month as the state's first wind farm and 150 MW Camp Grove in Stark and Marshall Counties, Ill., came online last December.

Camp Grove sells power through a 20-year PPA for 75 MW to **American Electric Power** subsidiary **Appalachian Power**, while Benton sells power to **Duke Energy Indiana** through a 20-year PPA for 100 MW. Both use 1.5 MW **General Electric** turbines.

—*T.R.*

AES TAPS

(continued from page 1)

recent move to monetize certain PJM assets means now is the time to sell (PFR, 5/12). Tenaska agreed to sell four plants to **International Power America** for \$856.4 million.

Officials at AES, which has 13 GW of generation across the U.S., and Goldman declined to comment. —K.B.

NRG FORESEES

(continued from page 1)

The chances of the \$11.5 billion merger succeeding are strong, according to industry watchers, who say the Houston IPP's defenses are down while management changes are being implemented and there is a lack of rival suitors.

	Calpine	NRG
West	6,521 MW (Gas) 725 MW (Geothermal)	2,130 MW (Gas)
Texas	7,4847 MW (Gas)	5,480 MW (Gas) 4,150 MW (Coal) 1,175 MW (Nuclear)
North	2,822 MW (Gas)	3,690 MW (Oil) 1,420 MW (Gas) 1,870 MW (Coal)
South	6,254 MW (Gas)	1,490 (Coal) 1,360 (Gas)
Total	23,809 MW	22,880 MW

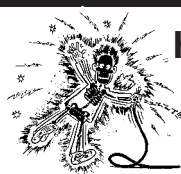
NRG envisages an entity with a \$20 billion market cap and more than 45 GW of generation, putting it on par with **Exelon**. It had not considered making a play while Calpine was exiting bankruptcy, but believes now is the time to create an IPP behemoth with political clout, a well-

diversified fleet and economies of scale. "If you look at the price, it's a fair price. We think we offered full value," says Crane, adding, "We offer a much better option in terms of liquidity. It's accretive on a cash flow basis."

Because of the fixed exchange ratio NRG is offering, as its stock price rises and the market takes a more bullish view on the potential combination, its bid for Calpine automatically increases, according to one deal tracker. Additionally, since utility competitors trade on a price-to-earnings basis, the IPP would be too expensive for them. NRG trades on an EBITDA basis. "There's a limit to how much a utility can pay without risking their share price and there are not many parties that could suffer that dilution," says one senior official advising on the deal.

Calpine's debt-to-capitalization ratio as of March was 74:26, according to **Standard & Poor's**, whereas NRG's debt to capitalization ratio is 55:45, says Crane. Under the terms of Calpine's exit financing, a change of control is considered an event of default, so the merger could trigger a refinancing or repricing of Calpine's debt, according to S&P. Calpine has "pretty high leverage," says **Angie Storozynski**, utilities analyst at **Macquarie Capital Securities** in New York. "For financial players, it won't be an interesting play because you cannot increase leverage much beyond where it is." Any new bidder would likely be a foreign buyer or another IPP, notes **Gordon**

Alternating Current



Hydro Woes

Think your bonus was an insult? Spare a thought for the unlucky residents of the central Asian nation of Tajikistan.

Makhmadsaid Ubaidullayev, mayor of capital city Dushanbe and speaker of the upper chamber of the country's Parliament, has suggested that citizens of his city donate 50% of their monthly salaries to the country's unfinished 2.4-3.6 GW Rogun hydro plant, on which construction began in the 1970s. Ubaidullayev has even instructed government agencies to withhold that amount from federal and state employees' wages.

As if that weren't enough for you to double check your tax return, here's the kicker: taking half the salary of the citizens of Dushanbe for two months as proposed will raise about \$10 million, well short of the \$550 million estimated for completion of the project. Other estimates put the cost at \$1.3-3.2 billion. We suggest saving the pennies, folks.

Howald, director at **Calyon Securities** in New York. "**Reliant [Energy]** has got plenty of free cash," he says, noting NRG is highly disciplined with its cash and is unlikely to enter a bidding war. Crane declined to comment on this.

NRG's offer undervalues Calpine's 24 GW portfolio relative to its replacement cost, which one IPP executive valued at close to \$30 billion. But, according to M&A officials, this is fair because Calpine has unpredictable earnings in the near term on account of having plants in markets that are still recovering, despite holding value long-term. NRG's offer is an implied 6.7% premium based on the closing price of both companies' shares as of last Wednesday, or an implied value of \$22.70 per Calpine share. **Goldman Sachs** is advising Calpine, which declined to comment, and **Credit Suisse** and **Merrill Lynch** are advising NRG. —Katie Hale, K.B.

Quote Of The Week

"There would be a selling down of individual assets to get down where we need to be." —**David Crane**, ceo of **NRG Energy** in Princeton, N.J., on the company's planned sale of 3-5 GW in ERCOT if a merger with **Calpine** were to go through (see story, page 1).

One Year Ago In Power Finance & Risk

John Hancock Life Insurance and **J-Power USA Development Co.** formed joint venture in an all-equity deal to invest in contracted U.S. generation [The JV recently acquired a 49.5% stake in the 242 MW Birchwood facility near Fredericksburg, Va., from **GE Energy Financial Services** (PFR, 5/9), after purchasing 795 MW Green Country in Jenka, Okla., from **GE** and **Tyr Energy** (PFR, 7/27).]