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Power Finance & Risk

Exclusive Insight on Power M&A and Project Financing

LS Power wins big in PG&E storage procurement

Shravan Bhat

Pacific Gas & Electric has awarded resource adequacy contracts to lithium-ion battery storage projects totaling 423 MW across California, with LS Power bagging almost half the capacity.

PG&E requested **California Public Utilities Commission** (CPUC) approval for the five contracts on May 18.

Aside from LS Power, the other successful bidders were **Vistra**, **NextEra Energy Resources** and **Avenue Capital**.

The systems are due to be online by August 2021. Each unit will have four hours of discharge.

Several of the contracts were awarded to expansions of projects that had been successful in previous rounds of procurement carried out by PG&E and neighboring utility **Southern California Edison**.

LS Power's Diablo expansion, for instance, builds on a 50 MW first phase at a PAGE 11 »

"Leading the charge"

Sunenergy1 working with bank twosome on solar deal

Shravan Bhat

Sunenergy1 is working with two lenders on the financing of a portfolio of contracted solar projects that are in development in two US states.

CIT Bank and **ING Capital** are in the early stages of financing the 100 MW two-project portfolio, which comprises:

- Albemarle Beach – an 80 MW facility in Washington County, North Carolina
- Mechanicsville – a 20 MW plant in Hanover County, Virginia

Data center operator **Digital Realty** is the offtaker for Albemarle Beach while Mechanicsville will sell its output to health insurer **Anthem**.

Financial close PAGE 7 »

Developer takes bids for DG solar assets

Shravan Bhat

A developer has received acquisition proposals for a portfolio of contracted, debt-financed commercial and industrial solar projects in the Midwest, as well as a pipeline of development-stage assets.

The developer, **En-Trust Energy Group**, put the two portfolios up for sale in the spring, with **Fifth Third Securities** acting as PAGE 6 »

Ibereólica, EDF near close on Chile wind refi

Carmen Arroyo

Grupo Ibereólica and **EDF Energies Nouvelles** are nearing financial close on the refinancing and expansion of a jointly owned wind asset in Chile.

The transaction will refinance the 115 MW Cabo Leones I project, located in the Atacama region, and fund the construction of a 60 MW expansion, bringing the total capacity to 175 MW.

DNB is the man- PAGE 13 »

IN THIS ISSUE

LNG

LNG developer launches capital raise

Pointe LNG has appointed a financial adviser to secure development capital and construction financing for a proposed LNG export terminal project in Plaquemines Parish, Louisiana.

Whitehall & Co has won the mandate to raise some $4 billion for the 6 mpta project, including roughly $56 million of development capital.

The sponsor is aiming to reach financial close on the development capital by the third quarter of 2020, with a final investment decision pegged for mid-2022.

Whitehall has also been tasked with securing offtake agreements for the greenfield project, which is expected to be online by 2026.

"In addition to being one of the most competitive projects in the market from a build cost and delivered LNG price perspective, Pointe LNG represents the best combination of project size, delivery timeframe, and execution certainty to both investors and LNG purchasers," said **Jonathan Cody**, co-founder and head of investment banking at Whitehall.

The developers are banking on the proximity of the project to **Kinder Morgan**'s Tennessee Gas and Southern Natural Gas pipelines for supply and gas-fired generation for demand, among other factors.

A recent drop off in LNG demand, however, has been cited as an issue for nearby greenfield LNG terminals, such as **Tellurian**'s **Driftwood** and **Energy Transfer**'s Lake Charles developments (PFR, 3/25, 3/31).

Pointe LNG co-founders **Tom Burgess** and **Jim Lindsay** had previously started the development of an LNG project in the same location, called Louisiana LNG Energy (LLNGE), which they sold to a joint venture between **Cheniere Energy** and **Parallax** in 2015.

When Cheniere and Parallax did not complete development due to internal disputes, the original developers were able to return to the site and resume development under the name of Pointe LNG. ■

Power Finance & Risk

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GENERATION AUCTION & SALE CALENDAR ●

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

Generation Sale DATABASE

Seller	Assets	Location	Adviser	Status/Comment
Aura Power, ib vogt	Fox Coulee, Empress (114 MW Solar)	Alberta	Rubicon	Auction was in second phase in February (PFR, 2/18).
Avangrid Renewables	Vertex (1.15 GW Wind)	US	Wells Fargo	Final bid date was toward the end of April (PFR, 3/30).
Beal Financial Corp.	Portfolio (3.5 GW Gas)	US	Cantor Fitzgerald	Indicative bids were in by May (PFR, 5/4).
Castlelake	Summit Wind (57.5 MW Wind)	Alameda County, CA	FTI	Auction launched in May (PFR, 5/18).
● Clearway Energy Group	Resi Solar Portfolio (53 MW)	US	Key	Spruce acquired the portfolio for $75 million in May (see story, page 5).
Community Energy	Halifax (80 MW Solar)	Halifax County, NC	Greentech	Binding bids were due in mid-March (PFR, 3/16).
	Great Cove (220 MW)	Fulton County, PA		
● Dream Asset Management	Solar Portfolio (43 MW [DC])	Ontario		Buyer is Potentia Renewables. Deal expected to close by end of June 2020 (see story, page 5).
	Wind Portfolio (24 MW)	Nova Scotia		
The Dominican Republic	Punta Catalina (675 MW Coal, 50%)	Dominican Republic	Guggenheim	The process is on hold (PFR, 5/18).
● En-Trust	Operating Portfolio (8.6 MW [DC] Solar)	Ohio, Michigan	Fifth Third	CIM distributed in April (see story, page 1).
	Pipeline Portfolio (21.9 MW [DC] Solar)	Midwest		
Eolus North America	Wall Wind I (46.5 MW Wind)	Kern County, CA	Paragon	Developer was taking second round bids in April (PFR, 4/20).
● Etrion, Total, Solventus	Salvador (68 MW Solar)	Atacama, Chile	BTG Pactual	Innergex is the buyer. Sale announced on May 14 (see story, page 12).
Foundation Solar Partners	Portfolio (305 MW Solar)	Pennsylvania		Sale was expected to launch in late April (PFR, 3/30).
Galehead Development	Portfolio (136 MW Solar)	US	Basho Energy	Auction launched in January (PFR, 3/9).
GDSolar	Portfolio (Solar)	Brazil		Buyer is EDP Grid. Announced in May (PFR, 5/18).
Glidepath Power Solutions	Clermont (80 MW Storage)	New York	Guggenheim	Teasers circulated on April 20 (PFR, 4/27).
Goldwind Americas	Penonomé I (55 MW Wind)	Panama		Buyer is AES Corp. Announced in May (PFR, 5/18).
Hanwha QCells	Dodgers (250 MW Solar)	Texas	Paragon	Seller had acquired the assets in February (PFR, 5/4).
● Invenergy	Beech Ridge II (56 MW Wind)			Sale to Southern Power closed May 22 (see story, page 6).
John Laing	Portfolio (243 MW Solar)	North Carolina	CohnReznick	Auction was underway by March (PFR, 3/30).
Longroad Energy Partners	Muscle Shoals (227 MW Solar)	Colbert County, AL	Fifth Third	Sale process was underway in March (PFR, 3/23).
LS Power	Centilena (170 MW Solar)	Imperial County, CA	Citi (lead), BMO	Sale launched in early 2020 under codename Project Hornet (PFR, 3/2).
	Dover SUN (10 MW Solar)	Dover, DE		
	Arlington Valley II (125 MW Solar, 30%)	Arlington, AZ		
● Pattern Energy Group	Broadview (324.3 MW, 49%)	Curry County, NM, Deaf Smith County, TX		PSP Investments is in talks to acquire the stake (see story, page 6).
● Petrobras	Mangue Seco 1 & 2 (52 MW Wind, 50%)	Brazil	CA CIB	Teasers issued in February (PFR, 3/16).
	Portfolio (578 MW Oil)	Brazil	Goldman Sachs	Teasers issued by May (PFR, 5/18).
	NTS (Pipeline, 10%)	Brazil	Santander	Teasers issued in May (see story, page 12).
Petrobras, Wobben	Mangue Seco 3 & 4 (54 MW Wind)	Brazil	CA CIB (Petrobras), DNB (Wobben)	Sale process launched in March (PFR, 3/23).
RWE Renewables	Portfolio (861 MW Wind)	Texas	Marathon Capital	Auction launched in February (PFR, 2/10).
Solterra Partners, Leyline Renewable Capital	Wilkes (75 MW Solar)	Wilkes County, NC		Initial bids had come in by May (PFR, 5/11).
Starwood Energy	Stephens Ranch (376 MW Wind)	Texas	Marathon Capital	Auction launched in April (PFR, 5/18).
● Strata Solar	Ventura (100 MW/400 MWh Storage)	Ventura County, CA		CapDyn is the buyer. Deal expected to close in May (see story, page 11).
● Sun2o Partners	Trinidad Solar (250 MW)	Douglas and Grant counties, WA		Teasers sent out in May (see story, page 6).
	Soda Springs Solar (80 MW)	Caribou County, ID		
Turning Point Energy	Escalante (200 MW Solar)	McKinley County, NM	CohnReznick	Developer was nearing a sale in March (PFR, 3/9).
● WindRiver Power Corp	Canyon Creek (75 MW Hydro)	Hinton, Alberta		TC Energy has acquired a stake. Announced May 21 (see story, page 5).

● **New or updated listing**

The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed.
To report updates or provide additional information on the status of financings, please call Taryana Odayar at (212) 224 3258 or e-mail taryana.odayar@powerfinancerisk.com

PROJECT FINANCE

Deal Book is a matrix of energy project finance deals that Power Finance & Risk is tracking in the energy sector.
A full listing of deals for the last several years is available at http://www.powerfinancerisk.com/Data.html

Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Deal Type	Loan Amount	Tenor	Notes
ArcLight Capital Partners	Griffith Energy (570 MW Gas)	Mohave County, Ariz.	Crédit Agricole, ING Bank, CIT Bank	Term Loan	$115M	7-yr	The banks aim to close the deal in June (PFR, 5/11).
				Ancillary Facilities	$41M		
● Atlas Renewable Energy	Pimienta (400 MW (DC) Solar)	Campeche, Mexico	DNB, IDB Invest, Bancomext	Private Placement	$200M		Closing is expected by early June (PFR, 5/18).
	Juazeiro (187 MW Solar)	Brazil	IDB Invest	Debt	$90M		Negotiations are underway (see story, page 13).
Calpine Corp.	Geysers (725 MW Geothermal)	California	BNP, Crédit Agricole, MUFG	Loan	$1B		Price talk is L+200 (PFR, 5/18).
Castlelake	Summit Wind (57.5 MW Wind)	Alameda County, Calif.	Rabo, NordLB	Debt			The deal closed at the end of March (PFR, 5/18).
			GE EFS	Tax equity			
Castleman Power Development	Portfolio (400 MW Gas)	Texas	ING Capital	Term loan	$160M	7-yr	Price talk was said to be 325 bp before the Covid-19 outbreak (PFR, 4/13).
				Ancillary Facilities	$20M		
Clearway Energy	Golden Fields III (192 MW Solar)	California	Morgan Stanley	Tax equity			The offtakers are unrated CCAs (PFR, 5/18).
● ConnectGen	Portfolio (278 MW Solar)	US	CoBank, NordLB	Term Loan		14.5-yr	The deal has closed (see story, page 7).
● EDF Renewables	O'Brien (20 MW Solar)	Wisconsin					Madison Gas & Electric is the buyer (see story, page 7).
EnfraGen	Portfolio (200 MW Distributed Solar)	Chile					The financing is expected to close before the end of the summer (PFR, 4/13).
● Engie	Portfolio (Wind, Transmission)	Brazil	BNDES	Debt	$473.1M		The loans were signed electronically (see story page 13).
Engie Energía Chile	Calama (151.2 MW Wind)	Antofagasta, Chile	IDB Invest	Term Loan	$110M	12-yr	The project is expected to be brought online by mid-2021 (PFR, 5/4).
				Ancillary Facilities	$15 M		
Fisterra Energy	Tierra Mojada (875 MW Gas)	Jalisco, Mexico		Bond refinancing			Morgan Stanley is understood to be pursuing the mandate (PFR, 5/4).
● Grupo Ibereólica, EDF	Cabo Leones 1 (175 MW Wind)	Chile	DNB	Refinancing		18-yr	The sponsors are nearing financial close (see story, page 1).
● Grupo Ibereólica, GPG	Cabo Leones 2 (204 MW Wind)	Chile	Crédit Agricole	Construction Debt			Cred Ag has won the mandate (see story, page 13).
Innergex	Hillcrest (200 MW Solar)	Brown County, Ohio	CIT, Mizuho, MUFG	Term Loan	$82M	7-yr	The plant is due online by year-end (PFR, 5/18).
				Ancillary Facilities	$25.9M		
			Wells Fargo	Tax equity	$109.8M		
KEPCO	Guam Solar (92 MW Solar, Storage)	Guam	Mizuho, KDB	Construction Debt			The plant is due online by 2021 (PFR, 5/18).
Key Capture Energy	Portfolio (1.5 GW Storage)	US		Capital Raise			The sponsor is in talks with investment banks (PFR, 5/4).
New Columbia Solar	Portfolio (30 MW Solar)	Washington, DC	Franklin Park	Tax equity	$40M		The deal has closed (PFR, 5/18).
ProEnergy Services	Topaz (Gas)	Galveston County, Texas	MUFG	Term Loan	$200M	C+7-yr	The deal is in the works (PFR, 4/13).
● SolRiver	Portfolio (24 MW C&I Solar)	US	AVANA Capital	Construction Debt	$30M	1-yr	The deal closed in Q4 2019 and Q1 2020 (see story, page 7).
Sonnedix	Unidentified (Solar)	Chile		Term loan			Sonnedix has been reaching out to commercial banks since last fall (PFR, 4/13.)
	Valleland (60 MW Solar)	Atacama, Chile					
Stonepeak, MPLX, WhiteWater, West Texas Gas	Whistler (Gas Pipeline)	Texas		Private Placement	$800M	10.6-yr	The sponsors launched the placement at the end of April (PFR, 5/11).
● Sunenergy1	Portfolio (100 MW Solar)	US	CIT, ING Capital	Construction Debt			Financing close is months away (see story, page 1).
● Sunnova	Portfolio (Resi Solar)	US	JP Morgan	Tax equity	$75M		The deal closed in February (see story, page 7).
TerraForm Power	Bishop Hill I (218 MW Wind)	Henry County, Ill.	MUFG, Wells Fargo	Private Placement	$246M	17.3-yr	The deal closed March 26 (PFR, 5/18).

● **New or updated listing**

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To report updates or provide additional information on the status of financings, please call Shravan Bhat at (212) 224-3260 or e-mail shravan.bhat@powerfinancerisk.com

Clearway exits resi solar with portfolio sale

Clearway Energy has exited the residential solar sector with the sale of its 53 MW portfolio to a specialist finance company.

Spruce Finance bought the rooftop solar portfolio for $75 million in cash, marking its largest deal to date and the latest example of its "growth by acquisition" strategy.

Advisers on the deal included:

- **KeyBanc Capital Markets** - financial to Clearway
- **Troutman Sanders** - legal to Spruce

The deal expands Spruce's portfolio by 20%, to more than 250 MW, and also benefits the company's **Energy Service Experts** subsidiary, which has entered into a transitional asset management services partnership covering the portfolio with **NRG Energy**.

"Despite the current global crisis, we expect strong and stable returns — both financial and environmental — from investing in a renewable future," said **Christian Fong**, CEO of Spruce. "The Clearway acquisition comes because of our strong relationships with others in the industry, and underscores our ability to stay the course in a challenging time."

Spruce recently closed a $124 million debt financing for its portfolio of resi solar power purchase agreements and leases with **Vantage Infrastructure** and **Sequioa Economic Infrastructure Income Fund** (PFR, 5/4).

A portion of those funds was used to acquire the Clearway assets.

Meanwhile, Clearway used the proceeds of the residential portfolio sale in part to fund the previously announced dropdown of the remaining stakes in the 161 MW Wildorado and 122 MW Elbow Creek wind repowering projects, collectively known as Repowering 1.0, for $70 million (PFR, 4/21).

"The divesture of Clearway's residential solar portfolio allows the Company to use proceeds from the sale of a non-core asset to prudently recycle capital into strategic investments more aligned with the Company's platform and operating strengths," said **Christopher Sotos**, Clearway Energy's president and CEO. "The proceeds from the divesture along with the expected release of excess restricted cash at PG&E projects in the second half of this year will allow Clearway to fund the previously announced drop-down investments in line with our balance sheet objectives." ■

Potentia to acquire Canada wind, solar assets

Potentia Renewables has signed a deal to acquire a 67 MW portfolio of operational wind and solar assets in Canada from **Dream Asset Management**, after acquiring all of the Canadian renewable energy assets held in Dream's alternatives fund last year.

The latest portfolio to be acquired by Potentia comprises three ground-mounted solar projects totaling 43 MW (DC) in Ontario and four operational wind farms totaling 24 MW in Nova Scotia.

The deal is expected to close by the end of June 2020.

"This transaction is another important step for Potentia as we add solar and wind operating assets to our rapidly growing portfolio," said **Jeff Jenner**, CEO of Potentia. "Despite market turmoil, Potentia's team remains poised to efficiently execute on our ambitious acquisition and development growth strategy."

Dream revealed the sale of the renewable energy portfolio in its first quarter investor report on May 12.

The asset manager said it expected the deal to generate about C$60 million in net proceeds after tax while eliminating C$150 million of project finance term loans from its balance sheet. "The transaction proceeds will be used to increase our liquidity and pay down debt," reads the report.

FIRELIGHT

Dream develops and invests in renewable energy projects in Canada through **Firelight Infrastructure Partners**.

Firelight's operational portfolio includes a 24 MW community wind portfolio in Nova Scotia, which has 20-year feed-in tariff contracts with **Nova Scotia Power**, and eight ground-mounted solar assets in Ontario.

In 2014, Dream transferred two community wind projects totaling 13.2 MW in Nova Scotia and two rooftop-mounted solar projects totaling 2.4 MW in Ontario from Firelight to the asset manager's Alternatives Trust fund.

Dream continued to transfer solar assets from Firelight to the alternatives fund until 2018, when it decided to sell the portfolio held in the fund. Potentia emerged as the buyer of these assets, which by then totaled 22.4 MW, last year (PFR, 9/3/19). ■

TC takes stake in Alberta pumped hydro

TC Energy has made an equity investment in **Turning Point Generation**, a company that is developing up to 400 MW of pumped hydro capacity in Alberta.

Turning Point, a subsidiary of **WindRiver Power Corp**, is developing the Canyon Creek hydro project near Hinton, Alberta, which will have an initial capacity of 75 MW and will be able to discharge at full output for 37 hours.

The project, located at the site of a decommissioned open pit coal mine, was approved by the **Alberta Utilities Commission** in August 2018.

"We are excited to be joined by TC Energy in advancing the Canyon Creek Project to its commencement of construction, which we anticipate by year's end," said **Kipp Horton**, president and CEO of WindRiver, and president of Turning Point Generation. "TC Energy's outstanding reputation, financial strength and intimate working knowledge of the Alberta electricity market make it an ideal complement to WindRiver's expertise in hydro plant construction and operation." ■

NORTH AMERICA MERGERS & ACQUISITIONS

Developer takes bids for DG solar assets

« FROM PAGE 1

auctioneer.

The seller has received 15 bids so far, deal watchers tell *PFR*.

The debt-financed portfolio is made up of operational or under-construction projects totaling 9 MW, which sell their output to investment grade local school districts. All of the projects are located in Ohio but one, which is in Michigan.

The PPAs have a weighted average remaining contract length of 23.5 years.

1st Source Bank provided the five-year delayed-draw construction financing in 2019.

The EPC contractor for the projects is **Inovateus Solar**.

En-Trust was established in 2017 by **Thomas Blake**, the president and CEO of **Our Country Homes Enterprises**, a manufacturer of fixtures for retail stores, based in Fort Wayne, Indiana.

Blake brought in **Michael Campo**, a former senior vice president at 1st Source in Fort Wayne, as CFO in 2018.

The solar developer was set up as a subsidiary of the manufacturer, and the latter has availed itself of the tax benefits generated by the first portfolio of projects, so there is no need for third party tax equity.

However, the parent company will not make use of the tax credits generated by the development-stage portfolio that is also for sale, so tax equity will be needed for that portfolio.

Of the 19 projects in the development pipeline, three are at late-stage development. All of them are located in Ohio. ■

Solar start-up seeks partners in Northwest

A solar start-up is searching for equity partners to develop two projects in the northwestern US.

The company, Greenwich, Connecticut-based **Sun2o Partners**, is working on a portfolio of utility-scale solar-plus-storage assets, including two that are as yet uncontracted but located near potential non-utility offtakers:

The projects are:

- Soda Springs – an 80 MW project in Caribou County, Idaho
- Trinidad – a 250 MW project near Quincy, Washington.

The Soda Springs project is situated near **Monsanto**'s Soda Springs elemental phosphorous plant, while Trinidad is near **Microsoft**'s Quincy data center.

Sun2o was founded in 2016 by **Victor Stolt-Nielsen Holten** and **Corey Kupersmith**. They are alumni of **Constellation Energy** and **Bank of America Merrill Lynch**, respectively. ■

Pattern to bring co-investor in on wind project

Pattern Energy Group is working on a deal to sell a stake in a wind project in New Mexico to the **Public Sector Pension Investment Board**.

The Canadian pension fund manager, through investment vehicle **Vertuous Energy**, will take a 49% stake in the Broadview wind farm under the terms of a deal outlined in a US **Federal Energy Regulatory Commission** filing dated May 15.

Pattern has requested FERC approval of the deal by June 30.

The 324.3 MW Broadview project is is located partly in Curry County, New Mexico, and partly in Deaf Smith County, Texas. It is composed of two smaller projects with individual capacities of 142.6 MW and 181.7 MW, both of which are contracted with **Southern California Edison** for 20 years.

Broadview is limited to 297 MW of injection capacity at its transmission interconnection point.

The project was financed in 2016 (PFR, 7/1/16) with a construction loan and $160 million of back leverage arranged by:

- **KeyBanc Capital Markets**
- **Morgan Stanley**
- **Société Générale**
- **Rabobank**

and tax equity commitments (PFR, 2/1/17) from

- **Allianz Capital Partners** (39%)
- **JP Morgan** (31%)
- **Capital One** (15%)
- **Royal Bank of Canada** (15%)

Pattern Development dropped the project down into its yield company shortly after it came online in March 2017. The yieldco's cash equity stake initially accounts for some 84% of the project's cash flows, which will increase when the tax equity deal flips.

The yieldco paid its developer/sponsor $269 million for both the Broadview project and a 99% stake in an associated transmission line (PFR, 7/1/16). ■

Southern Power closes acquisition of Beech Ridge II

Southern Power has completed its acquisition of a 90% stake in the 56.2 MW Beech Ridge II project in West Virginia from **Invenergy**.

The transaction closed on May 1, the same day that the project reached commercial operations.

The deal was first reported to be in the works in January (PFR, 1/2).

"We are pleased to announce the acquisition of our 13th wind project," said Southern Power CEO **Mark Lantrip**. "This project marks Southern Power's first renewable asset in the Mid-Atlantic region, and it is an important step in the continued growth of Southern Power's wind portfolio."

Invenergy had originally planned to sell both Beech Ridge II and another project, the 175 MW Hardin Wind farm in Hardin County, Ohio, to **American Electric Power** subsidiary **Appalachian Power** (PFR, 7/5/17). However, the **Public Service Commission of West Virginia** rejected the deal in May 2018. ■

Sunenergy1 working with bank twosome on solar deal

« FROM PAGE 1 is still months away, says a deal watcher, who adds that the banks have to accurately value capacity revenues in order to correctly size the loan. The Mechanicsville project is situated in the **PJM Interconnection**.

The debt will most likely take the form of a construction-to-term loan with a mini-perm maturity, sized to include a five year merchant tail beyond the tenor of the power purchase agreement.

Fifth Third Bank was initially expected to participate in the term loan but is understood to have scaled back its involvement and is now in negotiations to provide ancillary facilities.

Sunenergy1 recently worked with ING on another North Carolina solar portfolio, which also sold its output to Digital Realty (PFR, 1/13).

Wisconsin build-transfer in works

Madison Gas and Electric is seeking approval for a build transfer deal for an **EDF Renewables** solar project in Wisconsin.

The utility would purchase the 20 MW O'Brien Solar Fields project in Dane County when it is completed, under the terms of the deal.

The $32 million project is expected to be online in 2021.

The utility asked the **Public Service Commission of Wisconsin** to approve the plan on May 18.

EDF expects construction to start this year.

Madison will use the generation to supply several customers that have signed up for its Renewable Energy Rider program.

The end customers include:

- **City of Fitchburg**
- **Placon**
- **Promega Corp**
- **University of Wisconsin-Madison**
- **Willy Street Co-op**
- **Wisconsin Department of Administration**

Sunnova finds tax equity

Sunnova has closed a $75 million tax equity investment from an undisclosed investor, its second this year. The commitment is housed in Sunnova's TEP IV-D fund.

"One thing about this tax equity market is that there are two providers that have said that they are open, very much open, for business and are standing by their commitments, and we have relationships with both of them," said **Rob Lane**, Sunnova's CFO, on a May 15 earnings call.

JP Morgan provided the company's first tax equity commitment of 2020, in February. The $75 million investment will go into Sunnova's TEP IV-C fund. **Bank of America Merrill Lynch** was the tax equity investor for TEP IV-B, which closed on December 31, 2019.

SolRiver finds construction financing

Colorado-based solar investment fund **SolRiver Capital** has closed construction financing for a portfolio of small utility-scale assets.

AVANA Capital has provided $30 million in nine-month debt for the 24 MW six-asset portfolio, which is spread across North Carolina, Oregon, and Pennsylvania.

The loans closed over the fourth quarter of 2019 and the first quarter of 2020. **Stinson** served as legal advisor.

"AVANA's trust in our ability to deliver compelling projects has enabled SolRiver to quickly close and finance construction across the country, from Oregon to New York," said **Brandon Conard**, managing partner at SolRiver, in a statement on May 18.

AVANA has financed SolRiver projects before, in Ohio and New York.

"Our experience with renewable energy combined with our expertise in solar finance, permanent debt, and tax equity enabled us to extend the maximum financing to SolRiver for this portfolio," said AVANA's co-founder **Sanat Patel**.

SolRiver recently established a joint investment vehicle with **Rockland Capital**, called SolRock, to acquire and own small utility-scale projects (PFR, 4/28).

ConnectGen seals solar debt

ConnectGen, a developer led by a group of former **EDP Renewables North America** staffers, has closed term financing for a solar portfolio it acquired from **First Solar**.

CoBank and **NordLB** served as joint lead arrangers on the 14.5-year term loan, which will finance three assets totaling 278 MW.

"They are two of the leading banks in financing renewable energy, and we appreciate their vote of confidence in these projects and our growing platform, particularly during these challenging times," said **Caton Fenz**, ConnectGen's CEO, in a statement on May 19.

The assets are:

- Windhub A - a 20 MW project in Kern County, California
- Sunshine Valley - a 104 MW project in Nye County, Nevada
- Sunstreams I - a 154 MW project in Maricopa County, Arizona

ConnectGen and EDPR own the trio on a 50:50 basis. They completed the joint acquisition last fall (PFR, 11/18/19).

> **"They are two of the leading banks in financing renewable energy, and we appreciate their vote of confidence"**

All three projects have 15-year power purchase agreements with **Southern California Edison**.

Houston-based ConnectGen has 139 MW of solar in operations and is backed by private equity firm **Quantum Energy Partners** (PFR, 7/27/18).

CORPORATE FINANCE

Sunnova issues convertible bond

Sunnova issued a $130 million senior unsecured convertible bond in a private placement on May 13.

The five-year notes bear interest at 9.75% and are convertible into Sunnova common stock at an initial conversion rate of $13.50 per share. Sunnova shares closed at $14.90 on May 19.

The offering includes a 30-day greenshoe option, allowing investors to purchase up to $60 million in additional notes.

Investors included affiliates of **Kayne Anderson Capital Advisors** (lead investor), as well as **Liberty Mutual Group**, **Newlight Partners**, and **Magnetar Capital**.

Sunnova gave a small number of holders of its 7.75% convertible senior notes due 2027 the option to exchange $55 million in principal for the same face value of the new 9.75% notes.

BofA Securities was sole capital markets adviser on the convertible note offering, and **Baker Botts** was Sunnova's legal counsel.

Meanwhile, the residential solar company has also raised $75 million in additional tax equity from an undisclosed investor (see story, page 7).

"Thanks to the steps we have taken to minimize the operational and financial impact of Covid-19 on the business, coupled with our disciplined approach, flexible business model, strong first quarter 2020 results, and the ability of our dealers to quickly pivot to new virtual online sales practices, we are pleased to be able to reaffirm our 2020 guidance," said **John Berger**, Sunnova's CEO. ■

PPA PULSE

Municipal opportunities

While the big procurement news last week was the announcement of the winners in **Pacific Gas & Electric**'s latest round of battery storage procurement (see story, page 1), there were also several developments involving less high profile offtakers—municipalities and universities.

GROWING TRIBE

Charlottesville, Virginia-based solar developer **Sun Tribe Development** has inked a power purchase agreement with a municipal offtaker in Pennsylvania.

The **Borough of Chambersburg** will buy the output of a 15 MW solar system under the terms of the contract.

"After an RFP process which included conversations with some of the nation's leading renewable energy companies, we thought Sun Tribe was the best partner to meet our vision and deliver affordable energy for the Borough's ratepayers," said borough manager **Jeffrey Stonehill** in an announcement on May 21.

Chambersburg is Pennsylvania's only municipality supplying both electricity and gas. It is also the largest municipal electric utility in the state and the only one to operate its own generation assets.

The unnamed Sun Tribe project will meet 10% of Chambersburg's power needs, starting 2021.

HYDRO EDUCATION

Also in Pennsylvania, **Villanova University** has signed a renewable energy procurement deal that includes generation from **Brookfield Renewable**'s 252 MW Holtwood Hydroelectric Plant.

Engie Resources won a competitive bid process to supply the Catholic school's Main Campus, West Campus, South Campus and its hotel and conference center, The Inn at Villanova University. The contract is for 52,000 MWh a year, of which 50% will come from the Holtwood plant.

Villanova aims to be carbon neutral by 2050. The school's president, Rev. **Peter M. Donohue**, signed the American College & University Presidents' Climate Commitment in 2007 and the St Francis Pledge in 2014, the latter being a commitment to the vision set out in Pope **Francis**'s encyclical, *Laudato Si': On Care for Our Common Home*.

The university worked with independent energy consultant **Evolution Energy Partners** on the procurement process.

Brookfield bought the Holtwood and Wallenpaupack assets from **Talen Energy** for $860 million in 2016 (PFR, 4/4/16).

OLIN ONE

The city of Charlotte, North Carolina, has become the first municipality to execute a renewable power agreement through **Duke Energy**'s Green Source Advantage (GSA) program.

The program differs from many other renewable energy riders and schemes run by utilities in that it allows large customers to select and negotiate directly with a renewable energy company of their choice.

Charlotte has executed a 20-year agreement for the output of the 35 MW Olin Creek solar project in Iredell County, North Carolina, which is being developed by **Carolina Solar Energy** and **Ecoplexus**.

Charlotte picked the project following a request for proposals issued by the city in June 2019 (PFR, 2/26). The project is expected to be online in 2022.

The city is aiming to be 100% zero carbon by 2030.

PR EXERCISE

Canada's **Greenbriar Capital Corp** has inked a power purchase and operating agreement for an up-to-160 MW solar project in Puerto Rico.

The Montalva solar project, on the island's southwest coast, in the municipalities of Guanica and Lajas, will supply the state-owned **Puerto Rico Power Authority** under the 25-year PPOA.

The C$200 million ($143.96 million) project will have a capacity of between 80 MW and 160 MW and will feature battery storage systems.

China Machinery Engineering Corp (CMEC) will build the project under an engineering, procurement and construction contract signed in early April.

The project is being financed through a $195 million loan structured by **Voya Investment Management**.

Greenbriar developed the project through a local subsidiary, **PBJL Energy Corp**. ■

CORPORATE FINANCE

AES prices senior secured bond

AES Corp has priced a $1.6 billion dual-tranche senior secured bond offering to refinance existing unsecured debt.

The trade comprised:
- a $900 million five-year tranche priced at 3.3%
- a $700 million 10-year tranche priced at 3.95%

Credit Suisse (left), **Citi**, **Bank of America** and **JP Morgan** were the bookrunners on the deal, which was priced on May 15.

Simultaneously, AES announced a tender offer to repurchase three series of unsecured bonds maturing in 2021 and 2023. The company aims to buy back up to $1.584 billion of unsecured debt.

"This transaction represents an important milestone in our strategy to shift our debt structure to investment grade," said **Andrés Gluski**, president and CEO of AES. "Upon closing, we will not have any meaningful parent debt maturities until 2025 and the reduced interest cost will further improve our investment grade metrics."

> **"This transaction represents an important milestone in our strategy to shift our debt structure to investment grade"**

The addition of the first lien debt to the company's capital structure weakens the prospects for recovery of the company's remaining unsecured debt, though not to the extent that any of the three main rating agencies decided to downgrade the unsecured bonds.

AES's senior secured debt is rated Baa3/BBB-/BBB- by **Moody's Investors Service**, **S&P Global Ratings**and **Fitch Ratings**, while its unsecured debt is rated Ba1/BB+/BBB-.

However, the newly issued senior secured bonds include a fall-away provision which means that, if the company's unsecured debt is upgraded to investment grade by at least two rating agencies, the collateral for the secured debt is released.

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

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

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

FAST FACT

65 bp

The spread between the $900 million five-year tranche and the $700 million 10-year notes.

Talen prices high yield offering

North American independent power producer **Talen Energy Supply** has priced an eight year high yield bond to refinance existing debt.

Goldman Sachs and **JP Morgan** were the bookrunners on the $400 million deal, which was priced at 7.625% on May 19.

The size of the transaction was increased from an initially proposed $330 million.

Talen will use the proceeds to repay borrowings under its senior secured revolving credit facility and for general corporate purposes, which could include paying off other debts.

The senior secured bonds are rated Ba3/BB-/BB by **Moody's Investors Service**, **S&P Global Ratings** and **Fitch Ratings**.

> **"Recessionary economic conditions that pressure power demand could lead to lower ratings"**

S&P Global Ratings downgraded the company's senior unsecured and senior secured debt in March, pointing to slower than expected deleveraging, resulting in adjusted leverage of more than eight times Ebitda at the end of fiscal 2019.

"Although Talen is significantly hedged for 2020, recessionary economic conditions that pressure power demand could lead to lower ratings if adjusted leverage remains above 7.5x in 2021 and beyond," S&P's analysts wrote.

Talen owns or controls some 14 GW of generation capacity in the US. ■

Clearway reopens high yield bond

Clearway Energy Group has priced a tap of a series of high yield green bonds that mature in 2028.

JP Morgan was the left lead on the $250 million deal, which was priced on May 19 and was expected to close on May 21.

The deal had been announced at the smaller expected size of $200 million earlier on May 19.

The 144A/Reg S bonds are issued through a financing vehicle called **Clearway Energy Operating**, which is rated Ba2/BB by **Moody's Investors Service** and **S&P Global Ratings**.

Clearway originally issued the 2028 series in December of last year, pricing the $600 million offering at 4.75%.

The tap was priced at 102% of par to yield 4.44%.

Clearway intends to use the proceeds of the reopening to repay $45 million of its 3.25% convertible bonds when they mature on June 1, 2020, as well as to pay down its revolving credit facility. ■

CASE STUDY

esFaraday battery storage portfolio

In a sector where there is often more talk than action, Californian developer **esVolta** cinched a landmark financing earlier this year for what it claims is the first large-scale standalone battery storage portfolio to reach financial close.

The developer zeroed in on the roughly $140 million senior secured loan in February. It will fund the construction and operation of a 136 MW/480 MWh portfolio of lithium-ion projects, collectively called esFaraday.

The relatively large sizes of the eight projects and their individual PPAs with a range of utility and non-utility offtakers take the burgeoning asset class a step forward.

"It represents the first large portfolio financing done in the energy storage sector; it's groundbreaking in the industry, and a first of its kind," says **Krish Koomar**, vice president and CFO of esVolta. "We are a small sponsor, but we have developed a solid base of projects and capabilities that enabled us to enter the project finance market in scale."

> **"We are a small sponsor, but we have developed a solid base of projects and capabilities that enabled us to enter the project finance market in scale"**

The projects are mostly contracted with investor-owned utilities, the exceptions being one project that has a power purchase agreement with a community choice aggregator and another that will sell its output to a non-utility corporation.

One of the projects is operational, while the rest are under construction.

The esFaraday portfolio comprises:

- Don Lee – a 6.5 MW/26 MWh project in Escondido, which has a PPA with **San Diego Gas & Electric**, and is housed in a former avocado processing facility
- Hummingbird Energy Storage – a 75 MW project in San Jose, which has a PPA with **Pacific Gas & Electric**, and is helping replace generation from three **Calpine Corp** gas-fired plants (PFR, 7/5/18)
- Millikan – a 2 MW/9 MWh project in Irvine, which has been online since January 2017 and has a PPA with **Southern California Edison**, and was built in about six months in response to the Aliso Canyon crisis
- Quarantina – a 10 MW/40 MWh project in Santa Barbara, which has a PPA with Southern California Edison, and was designed to provide local capacity to a key part of the grid
- Acorn – a 1.5 MW/6 MWh project in Thousand Oaks, which has a PPA with Southern California Edison
- Wildcat – a 3 MW/12 MWh project in Palm Springs, which has a PPA with Southern California Edison, located adjacent to an existing solar plant,
- Tierra Robles – a 7 MW/28 MWh project in Oakland, which has a PPA with **East Bay Community Energy**, and is part of East Bay's Oakland Clean Energy Initiative.
- Santa Paula – a 30 MW/60 MWh Santa Paula project in Santa Paula, which has a tolling agreement with a non-utility corporation.

COMMERCIAL BANKS LEAD THE WAY

As standalone battery storage emerges as an eligible asset for project finance, commercial banks have been the first to jump in, though developers have also explored other options.

"I usually canvas the market pretty thoroughly," says esVolta's Koomar. "We approached a spectrum of banks, infrastructure funds, term B lenders and others."

Having surveyed the possibilities, esVolta opted for the bank market, picking lenders that are "highly knowledgeable in the space and ready to participate in battery storage in scale," says Koomar. "We had great relationships, and formed a club that had good chemistry."

CIT Bank acted as coordinating lead arranger on the deal, joined by **Siemens Financial Services**, **CoBank** and **KeyBanc Capital Markets** as joint lead arrangers.

"Battery storage transactions are inherently complex due to the variety of available revenue sources, some of which are contracted and others of which are not," says **Mike Lorusso**, managing director at CIT and group head of its power and energy business. "When esVolta came to us with this opportunity, rather than try to fit the deal into a standardized structure, we evaluated all the various elements to develop a new structure that would create the best fit."

CIT had recently led another high profile standalone battery storage portfolio financing in California, for **Macquarie Capital**'s and **Advanced Microgrid Solutions**' 63 MW/ 340 MWh Electrodes portfolio, which it brought to financial close in 2017 (PFR, 3/27/17).

> **"The most difficult part was getting the operational data and the technical side right, to demonstrate that our projects and technology are commercially proven"**

The deal has subsequently been refinanced and expanded several times.

Meanwhile, the esFaraday portfolio also demonstrates that hedge providers are showing more interest in standalone projects, notes esVolta's Koomar, citing the tolling contract for the Santa Paula project.

"You really have to look at projects' or portfolios' cash flow profile and customize it to make it palatable to the lending community," he says. "There is no one size fits all."

TODAY CALIFORNIA, TOMORROW...

The high market penetration of intermittent renewables in California makes it a prime location for cutting-edge battery storage projects, but the novelty factor still makes it a challenge for banks.

"The most difficult part was getting the operational data and the technical side right, to demonstrate that our projects and technology are commercially proven, so that the engineers and banks were able to get comfortable," explains

CONTINUED PAGE 11 »

BATTERY STORAGE

LS Power wins big in PG&E storage procurement

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12-acre site in Pittsburg, to which PG&E awarded a contract in 2017.

The same developer's Gateway project in San Diego, meanwhile, has a pre-existing 100 MW 15 year capacity contract with SoCalEd (PFR, 5/4).

Similarly, NextEra is adding a PG&E battery storage contract to its existing 110 MW Blythe solar project, which has a PPA with SoCalEd and began operations in 2016 (PFR, 12/1/16).

Vistra's contract for Moss Landing will support an add-on to the 300 MW/1200 MWh Moss Landing phase I, which won a PG&E contract two years ago (PFR, 7/5/18).

"Utilizing our existing power plant sites allows us to cost-competitively develop renewable and battery storage assets as we rotate our power generation portfolio toward carbon-free technologies," said **Curt Morgan**, Vistra's president and CEO, in a statement on May 19.

In a slightly different twist, Avenue Capital's contract will support the addition of battery storage to its 270 MW Coso geothermal project, which recently won power purchase agreements with a pair of community choice aggregators (PFR, 4/16).

MORE TO COME

These five projects form the first of two phases of competitive solicitations PG&E has in store. Phase two is penciled in for this summer.

The utility was authorized to procure 716.9 MW of system reliability resources last year and the second phase will award projects due to be online between August 2022 and August 2023. ■

PG&E STORAGE

Sponsor	Project	Location	Size	Term
Vistra	Moss Landing II	Monterey County	100 MW	10 years
LS Power	Diablo	Contra Costa County	150 MW	15 years
LS Power	Gateway	San Diego County	50 MW	15 years
NextEra Energy Resources	Blythe	Riverside County	63 MW	15 years
Middle River Power	Coso	Inyo County	60 MW	15 years

Source: Pacific Gas & Electric Co

Buyer emerges for standalone storage project

Strata Solar has entered into an exclusivity agreement with an equity investor for its Ventura Energy Storage project in California.

The prospective buyer of the 100 MW/400 MWh project is **Capital Dynamics**, sources tell *PFR*. The deal is expected to close this month.

Strata had been weighing financing options including bank financing and an equity sale (PFR, 5/12).

Capital Dynamics is no stranger to utility-scale battery storage – it recently agreed to buy **8minute Solar Energy**'s 400 MW Eland solar-plus-storage center in California, which includes a 300 MW/1200 MWh battery system (PFR, 1/22). ■

esFaraday battery storage portfolio

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Koomar.

The financing could serve as a template for further deals not only in California but also other states.

"California is by far the most advanced market in energy storage, but we're seeing a lot of other states joining the fray and seeking bids including for new peaking capacity," says Koomar. "So we're seeing a very fast transition from a California-only market to a much broader U.S. market for energy storage."

STRUCTURING THE DEAL

The $140 million esVolta deal includes a $50.7 million tranche that is designed to bridge to the sale of four of the assets, totaling 86 MW/345 MWh, to **Southern Power**.

The remainder of the debt comprises:

- a $60.4 million construction-plus-five-year term loan
- a $24 million letter of credit facility
- a $5 million working capital facility

The construction loan provides for a maximum construction period of two years.

The part of the portfolio that Southern Power is buying includes the 75 MW/300 MWh Hummingbird Energy Storage project in San Jose, one of the largest in the world.

The others are Don Lee, Wildcat and Millikan.

Southern's investment in one of the projects – the Millikan project in Irvine, which has been online since January 2017 – has already closed (PFR, 7/26/19).

Boutique investment bank **Javelin Capital** advised esVolta on the partnership agreement with Southern Power. ■

LATIN AMERICA MERGERS & ACQUISITIONS

Innergex buys solar asset, PPAs in Chile

Innergex Renewable Energy has acquired the operational 68 MW Salvador solar project in Chile from its three owners, along with several 11-year demand-based power purchase agreements.

Innergex bought the assets from Japanese independent power producer **Etrion**, France's **Total**, and the original developer of the Salvador project, **Solventus**.

The sale was announced on May 14.

Innergex paid $46.6 million for the merchant solar project and $19.5 million for the PPAs. The PPAs are for 54.6 GWh/year.

Innergex paid for the assets with the proceeds of an issuance of shares to **Hydro-Québec** in a private placement earlier this year (PFR, 2/6).

"We are proud to announce the completion of our first acquisition with the proceeds from Hydro-Québec's private placement," said **Michel Letellier**, Innergex's CEO, in a statement. "The acquisition of Salvador is a strategic one that not only generates a quick return on investment but also diversifies our energy portfolio in South America."

> **"This was our last non-core asset outside of Japan"**

The sale is also a turning point for Etrion, as it marks the company's exit from Latin America. "This was our last non-core asset outside of Japan, which was carried at zero value on our balance sheet after being fully deconsolidated in September 2017," said **Marco Antonio Northland**, Etrion's CEO.

Solventus, Total and Etrion brought the Salvador project online in 2015, having financed it with a $200 million 19.5-year loan from the **Overseas Private Investment Corp** (OPIC, now known as the **US International Development Finance Corp**) in 2013 (PFR, 9/26/13).

The sponsors funded an additional $85.7 million of project costs with equity. Etrion owned a 70% stake in the project, Total 20% and Solventus 10%.

Total subsidiary **SunPower Corp** built the project.

The counterparty under the PPAs is power trading company **Empresa Eléctrica ERNC**.

Innergex expects them to benefit **Energia Laima**, an owner of operational hydro assets in Chile, in which Innergex owns a 50% stake. ■

Petrobras invites bids for NTS pipeline stake

Petrobras has started the non-binding phase of the sale of its minority stake in natural gas pipeline network **Nova Transportadora do Sudeste** (NTS).

The state-owned company sold a 90% stake in NTS to a fund managed by **Brookfield** in 2017 (PFR, 8/4/16), and is now selling its remaining 10%.

Brookfield sold down 7.65% to **Investimentos Itaú** in 2017 for $292.3 million, according to *IJGlobal* data.

Santander is acting as exclusive financial adviser to Petrobras on the sale process.

Qualified bidders will receive detailed documents regarding the asset and instructions for how to present their non-binding offers.

Petrobras did not announce a deadline for the bids, since most divestment processes of the company have been delayed due to the Covid-19 pandemic.

NTS holds long-term authorizations to operate and manage a pipeline system of about 2,000 km with the capacity to transport 158.2 million cubic meters a day of natural gas.

The ownership structure of NTS is:

- Nova Infraestrutura Fundo de Investimentos em Participações (an investment fund managed by Brookfield Brasil Asset Management) – 82.35%
- Itaúsa – 7.65%
- Petrobras – 10%

The NTS network comprises the following pipelines:

- Malha SE II – 404 km
- Malha SE – 1,275 km
- Gasduc III – 178 km
- Gastau – 98 km
- Paulínia-Jacutinga – 93 km

They are located in the states of Rio de Janeiro, Minas Gerais and São Paulo, which are responsible for about 50% of the natural gas consumption in Brazil.

NTS is connects to the Brazil-Bolivia pipeline (known as Gasbol), the TAG transportation network, the Guanabara Bay LNG regasification terminal and the processing plants of natural gas produced in the Campos Basin and pre-salt layer of the Brazilian coast. ■

Eneva gives up on merger with AES Tiete

Eneva has given up on its attempt to merge with **AES Corp**'s Brazilian subsidiary **AES Tiete**, at least for now.

The company will focus on its own projects and will continue looking for acquisitions in the country, according to its executives.

The original unsolicited R$6.6 billion cash and share offer was made in March.

After the rejection of the offer by AES Tiete in April, both companies signaled the possibility of maintaining conversations and studying a new proposal (PFR, 4/24, 5/13).

However, Eneva has since changed its position. President **Pedro Zinner** said that the company is currently "focusing its efforts on its strategic plan."

"At the moment, we really do not intend to present a new offer for AES Tiete," he said in a teleconference with analysts regarding the company's financial results.

The company is also studying other possibilities of growing through acquisitions. Due to the Covid-19 crisis, many companies will go through financial hardship, which may present acquisition opportunities, according to the company's financial director, **Marcelo Habibe**. ■

Ibereólica, GPG mandate bank for Chilean wind

Grupo Ibereólica and **Global Power Generation**, a subsidiary of Spain's **Naturgy Energy Group**, have mandated a commercial bank to structure a loan for a 204 MW wind project in Chile.

Crédit Agricole has won the mandate to arrange the debt package that will finance the construction of the Cabo Leones II wind farm, in the province of Huasco, in the Atacama Region.

Further financing details could not be learned by press time. Crédit Agricole representatives in New York and spokespeople for Naturgy and Ibereólica in Madrid did not respond to requests for comment.

The project has a 20-year power purchase agreement awarded during the 2016 renewable auction. The PPAs awarded in that auction include a 24-hour energy supply clause. **Sonnedix** secured PPAs for two solar assets with similar terms (PFR, 4/6).

The Cabo Leones II project must supply 550 GWh per year under the terms of the contract, which kicks in on January 1, 2021. The PPA is priced at $47.25/MWh.

GPG owns a 51% stake in the project, while Ibereólica holds the remaining 49%. The sponsors have a second joint venture in the country - the 126 MW Inca de Varas solar project in the Atacama region (PFR, 5/11).

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

Ibereólica, EDF near close on Chile wind refi

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dated lead arranger on the 18-year loan, which is expected to close in the next two weeks.

The pricing is "very aggressive," says a deal watcher in New York.

The Cabo Leones I project sells its output to 25 distribution companies under power purchase agreements won in a power auction in October 2015 (PFR, 11/22/16).

DNB was among the banks that originally financed the project in November 2016, along with **Sumitomo Mitsui Banking Corp** and **Crédit Agricole**. The financing comprised a $119.5 million construction loan and $18.88 million in letters of credit. **Banco Security** arranged a $15 million VAT facility.

Cabo Leones I was the first phase of the three project Cabo Leones portfolio. Ibereólica co-owns the 204 MW Cabo Leones II project with **Naturgy Energy Group** subsidiary **Global Power Generation**, and is the sole owner of the 173.25 MW Cabo Leones III project.

Cabo Leones III was financed in June 2019 with a $110.8 million debt package arranged by SMBC and **Santander** (PFR, 6/27/19), while Cabo Leones II project is in the process of being financed by Crédit Agricole (see story, above and left).

Wind, solar developers win reprieve in Mexico

A group of renewable energy developers in Mexico have won a legal reprieve against grid operator **Cenace**'s suspension of interconnections for wind and solar projects.

After three weeks of turmoil, 23 projects have received protection from the courts and will be able to start operating while the judges decide on Cenace's policy.

On April 29, Cenace halted the interconnection of solar and wind assets to the grid until further notice, claiming the grid's stability was at risk because of the intermittency of renewable assets and low power demand due to Covid-19 (PFR, 5/11).

X-Elio's 70 MW Xoxocotla solar unit, **Enel Green Power**'s 244 MW Dolores wind farm, and **Engie**'s 51.8 MW Tres Mesas wind facility are among the projects that will be able to operate thanks to the court order. They all have 15-year power purchase agreements awarded during renewable energy auctions and have been financed with loans from DFIs and commercial banks (PFR, 1/3, 1/16).

However, developers in Mexico City remain concerned, as not all projects have been able to circumvent the policy. "The problems for the companies that were not able to get legal protection remain the same," says one official, who also notes that the judge could still rule in Cenace's favor.

Cenace and the state-owned state-owned **Comisión Federal de Electricidad** (CFE) have said they will fight to have the court order lifted.

"The courts prioritized private interest over the interest of the general population, embodied in the human right to a dignified life, of which access to electricity is part," wrote CFE in a statement on May 20.

"**López Obrador** is already campaigning," notes the development official, pointing to the 2021 mid-term election. In any case, the damage to investor confidence is already done, he adds.

IDB to finance Atlas solar project in Brazil

Atlas Renewable Energy is negotiating an up to $90 million financing with **IDB Invest** to fund the expansion of its Juazeiro solar project in Brazil.

The debt would cover up to 63% of the project's total cost, which is estimated at $140.7 million.

The proposed financing involves a combination of senior and subordinated loans, denominated both in dollars and reais.

The 187 MW project is located in the Brazilian state of Bahia and will sell its output through bilateral power purchase agreements with large industrial energy intensive users and to the spot market (PFR, 2/12).

It is split into four special purpose vehicles numbered V through VIII.

Construction is planned to start in June 2020, if the Covid-19 pandemic allows, and is expected to last 12 months.

The project is adjacent to a 155 MW operating project called Juazeiro II, also developed by Atlas, and will be connected to the Juazeiro II – Chesf substation through an existing transmission line.

PEOPLE & FIRMS

Deutsch said to exit SMBC

Isaac Deutsch, who led **Sumitomo Mitsui Banking Corp**'s Americas specialized finance division between 2012 and 2018 before becoming the firm's deputy Americas CEO, is said to have departed from the bank recently.

The senior project finance and Latin America specialist's immediate plans could not be confirmed by press time.

Officials at SMBC in New York either declined to comment or did not respond to inquiries.

Deutsch had been deputy CEO for the Americas for the last two years, prior to which he was managing director and head of specialized finance, leading a team of more than 100 people spread across New York, São Paulo, Santiago, Bogotá, Lima, and Mexico City.

The specialized finance group handles project finance, public finance, and US private placements.

Deutsch joined SMBC as head of Latin America in 2008 after a decade with **WestLB**, five years of which was spent in the firm's São Paulo office (PFR, 9/18/08). He led WestLB's Latin American structured and corporate finance practice.

He would go on to spearhead SMBC's expansion in Latin America, with the opening of four new offices to complement the Japanese institution's São Paulo outpost. ■

BNP appoints Pourchet as LatAm CIB head

BNP Paribas has appointed **Florence Pourchet** as its new head of corporate and investment banking in Latin America, effective immediately.

She was previously head CIB in Hispanic Latin America (Latin America ex-Brazil), a role she had held since 2019, as well as head of credit and portfolio management and head of corporate social responsibility for the Americas.

She has been with BNP Paribas since 1990, first in Paris and then in New York.

Pourchet retains her responsibilities as head of CSR Americas, advising **Herve Dutell**, BNP Paribas' chief sustainability officer for the Americas.

Ricardo Guimarães, BNP's recently appointed head of Brazil and CEO of **Banco BNP Paribas Brasil**, will now report to Pourchet.

The following country heads will also report to her:

- **Jorge Valderrama** – Colombia and the Caribbean region
- **Tullio Lanari** – Southern Cone
- **Francisco Hernández** – Mexico
- **Walter Ringwald** – LatAm advisory and Hispanic LatAm coverage ■

Silicon Ranch hires project finance manager

Nashville-based utility-scale solar developer Silicon Ranch has appointed a project finance manager who used to work at **SunPower Corp**.

The finance official, **Ryan Edwards**, joined Silicon Ranch in April.

He had worked at SunPower in Austin for two years and nine months, focusing on residential solar, but is moving to Nashville for the new job, in which he will focus on utility-scale projects. ■

BlackRock-backed developer makes M&A hires

Distributed Solar Development (DSD), a joint venture between **BlackRock Real Assets** and **GE Renewable Energy**, has added two new staffers in its asset acquisitions team.

Lauren Craft joined this month as director while **Jonathan Morton** started in April as vice president.

Craft had previously been project finance manager at **AES Distributed Energy** and has held prior positions at **SunEdison** and **NextEra Energy Resources**.

Morton was last with **Nautilus Solar Energy** and has previously worked at **TerraForm Power**, **Element Power** and **GE Energy Financial Services**.

Based in Schenectady, New York, DSD is made up largely of the former **GE Solar** team (PFR, 7/17/19). ■

Antin hires ArcLight investor relations head

Antin Infrastructure Partners has hired **ArcLight Capital Partners**' long-serving head of investor relations **Matt Nelson** as its investor relations chief for North America.

Nelson joined the French infrastructure manager this month, after more than seven years with ArcLight.

Between October 2006 and March 2013, Nelson worked for **Providence Equity Partners**, eventually rising to managing director of investor relations.

Antin is raising its fourth fund, Antin Infrastructure Partners IV, with a target size of €5 billion ($5.4 billion).

ArcLight closed its seventh fund in February with $3.4 billion in commitments. ■

New finance recruit at storage developer esVolta

Battery storage developer **esVolta** has hired a new director of finance.

Harry Picone joins esVolta from **RBP Partners** and **Blue Sky Alternative Investments** where he had worked for over six years in the energy, infrastructure and real estate sectors.

In his new role, Picone will oversee the financial aspects of esVolta's project development, financial reporting, M&A, capital raising and treasury activities.

Picone had closed over $200 million in standalone storage deals before joining esVolta. ■

OBITUARY

Doug Egan, IPP business pioneer

Doug Egan, the co-founder and former CEO of **Competitive Power Ventures**, has passed away at the age of 63 after a long illness.

A lawyer by training, Egan built a name for himself as a creative entrepreneur, tenacious dealmaker and supportive mentor over several decades working in project development at **US Generating Co**, its successor **PG&E Generating Co**, and later as the co-founder of CPV.

Among Egan's many accomplishments, his peers, rivals and colleagues consider his crowning glory to be his pioneering of the large-scale independent power business, before the entrance of the big publicly-listed and private equity-backed companies.

"He developed, pursued, and succeeded in realizing a vision of smaller, more nimble companies leading the entire power industry in developing a cleaner, more efficient generation fleet – something that the incumbent utilities were not able to do for a variety of reasons," says **Richard Cogen**, a partner at **Nixon Peabody** who first met Egan in the late 1990s, when Egan was heading development at US Generating Co.

Egan's commanding knowledge of the unregulated power sector and the significant influence he wielded over it precipitated the creation of CPV in 1999, with fellow PG&E alumnus **Gary Lambert**, who is CPV's present CEO.

Egan and Lambert wasted no time in establishing CPV as a premier development company and heavyweight market player, raising venture capital through a series of funding rounds.

In 2000, the pair secured $51 million from **Warburg Pincus** and a group of individual investors including **Jacek Makowski**, the founder of **J. Makowski Co**, where Egan and Lambert had worked prior to PG&E.

"The current market for new power generation facilities is unprecedented," said Egan at the time. "The difference between companies that succeed in developing the projects to meet the need and companies that fail will be the quality of the individuals that manage those projects."

In 2005, CPV landed $25 million in financing from **ArcLight Capital Partners** for its wind projects, and by 2008 it had raised a further $300 million from Warburg Pincus.

"The one thing Doug demonstrated to me is that there is always a deal," says Egan's former colleague, **Sanford Hartman**, a former vice president and managing director in PG&E's legal department. "No matter what happened, he would find that deal and get it done."

He also found ways to keep the business afloat during challenging times.

"He found a way to keep CPV whole and alive by keeping an asset management business that probably saved CPV during the down periods between the early 2000s and 2010," says a rival developer.

Having weathered the financial crisis and subsequent recession, which limited electricity demand growth, by 2015 CPV had attracted the attention of **Global Infrastructure Partners**, which succeeded Warburg Pincus as the firm's principal owner and agreed to fund CPV's next round of growth.

"I've had the honor of knowing and working with Doug for over 25 years," said Lambert, his long-time colleague. "He was my business partner, mentor and most importantly, my friend. He will be remembered as a man of unyielding integrity, honesty and a deep passion for life."

"He cared…about people, about the industry and most importantly, about always doing the right thing, no exception or excuses," added **Tom Rumsey**, senior vice president of regulatory and external affairs at CPV. "He and Gary built a family that happens to also be a company. I will miss him, as will everyone at CPV and beyond."

Egan suffered from Alzheimer's disease during the final stages of his life. He is survived by his wife **Julie** and sons **Cody**, **Jack** and **Aaron**.

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Egan started his career in project development in the early 1980s after graduating from **Dartmouth College** and **Cornell Law School**. He landed a job at Connecticut law firm **Martha Cullina Richter & Pinney**, where he represented the **Connecticut Resource Recovery Authority** in developing and financing waste-to-energy projects.

He went on to become vice president of development at **J. Makowski Co** in Boston, handling the acquisition and financial restructuring of **Altresco Financial**, and also served as general counsel for **Intercontinental Energy Corp** in Massachusetts, overseeing the construction of two cogeneration projects totaling more than 600 MW.

He then joined US Generating Co as vice president and regional executive for the Northeast, supervising six operating projects.

Egan rose to the position of senior vice president for development at US Generating's successor, PG&E Generating, initiating seven gas-fired projects and a wind project with a combined capacity exceeding 5 GW before co-founding CPV in 1999.

Egan is revered as a mentor by the three generations of power developers who rose through in the ranks of the industry under his tutelage.

"Doug was one of the best mentors anyone could have in the power industry," says **Sean Finnerty**, CPV's executive vice president for M&A and renewable energy. "I learned very early on working for Doug that he could read a situation and work through issues quickly; assessing various paths forward with a clear goal."

Although best known for his razor-sharp business acumen, Egan's colleagues recall his soft spoken, calm and gentlemanly demeanor equally well.

"Doug Egan was a class act," said **Ted Brandt**, CEO of **Marathon Capital**. "He was brilliant, creative, open minded and honest. He managed to be confident without arrogance, aggressive without being obnoxious and to make an important point without sucking the air from a room. He helped to build a great firm with CPV, along with Gary Lambert, and we will all miss Doug!"

"I was a competitor of Doug's when I was at Panda, and he was gracious enough to invite me to CPV's Las Vegas golf outing every year," added **Bob Simmons**, founding partner of **Panda Power Funds** and now senior managing director at Marathon. "I found him to be a very likable gentleman, a very candid, upfront, trustworthy guy."

"Doug was a true leader in the independent power industry," said **Bill Bice**, a partner in **Milbank**'s project, energy and infrastructure finance group. "He was always thoughtful and caring – even to pesky lawyers on the other side of his transactions! My best memory of Doug isn't one of him in some conference room making salient points on a tax equity document or in some hearing room defending a PPA - but rather him grooving to Little Feat in Vermont and just having the good time that he so deserved. *Requiescat in pace.*" ■

PEOPLE & FIRMS

Daul surfaces in new role alongside industry veterans

Ty Daul, former president of **Recurrent Energy**, has surfaced at a new company alongside other industry veterans.

Daul, who had led Recurrent, the US project development arm and subsidiary of **Canadian Solar**, since 2017, has joined **Quinbrook Infrastructure Partners** portfolio company **Primergy Solar** as CEO.

"With Primergy, we're building a development and operating portfolio of solar and energy storage projects throughout North America," Daul tells *PFR*. "It will include standalone [storage] as well. The overall split is going to be a function of the opportunity set and what we believe will be the best projects to bring into the portfolio."

Joining Daul at the company is new CFO **Tim Larrison**, who arrives at Primergy from **Engie Storage**, where he held the same title.

Larrison has previously served as CFO of **YGEA Holding**, a holding company of **Yingli Solar Americas**, and as CFO of **Simbol Materials**, as well as finance director of **Virgin Media**. Other former employers include **Enron Europe** and **Ernst and Young**.

Adam Larner, who has been with Primergy since its early stages, in May 2019, has meanwhile been promoted from senior director to chief operating officer. Larner has previously worked at **SunEdison**, **Borrego Solar** and **RP Construction**.

David Scaysbrook, the co-founder and managing partner of Quinbrook, is Primergy's chairman.

GEMINI

Primergy's flagship project is the $1.1 billion 690 MW Gemini solar-plus-storage project, located about 25 miles north of Las Vegas in Clark County, Nevada, which is going through the permitting process.

Touted as the world's largest solar-plus-storage project to date, Gemini will be capable of storing more than 1,400 MWh of solar generation. Quinbrook is building the project in conjunction with **Arevia Power**, and expects to bring it online by 2023.

Earlier this month, the **Bureau of Land Management** and the **US Department of the Interior** issued the final record of decision for the project, concluding the federal authorization and environmental review process.

Gemini will sell its output under the terms of a 25-year power purchase agreement with **NV Energy**.

Primergy is one of two renewable energy and storage portfolio companies of Quinbrook. The other, Chicago-based **Glidepath Power Solutions**, develops and invests in wind projects as well as solar and battery storage projects, including standalone storage.

Following Daul's departure from Recurrent, the company's managing director of development, **Michael Arndt**, is serving as the company's general manager for North America (PFR, 5/8). ■

Leadership changes at GlidePath

Battery storage developer **GlidePath Power Solutions** has appointed a new CEO and chief revenue officer.

Founder and CEO **Daniel Foley** left the company last month, after three years at the helm. He had previously held C-suite positions at **Lincoln Clean Energy** and **Acciona**.

Replacing him in the top job is **Chris McKissack**, who has been with GlidePath since 2014 and was previously chief operating officer.

"GlidePath continues to be at the forefront of expanding the role of energy storage in the US electricity grid, including integration with existing operating assets to maximize their value," said McKissack. "I'm grateful for the confidence the board has placed in me and look forward to leading GlidePath in its next phase of development."

Before joining GlidePath, McKissack had worked at wind developer **Lincoln Clean Energy** in engineering, transmission and power marketing roles. He has also previously worked as an engineer at **Exelon Corp** subsidiary **ComEd** and **GE Energy**.

Meanwhile, new hire **Byron Boone** has joined Glidepath as chief revenue officer. He started in March.

Boone had previously been with **RES Americas** for four years, finishing at the rank of vice president, development.

GlidePath is a **Quinbrook Infrastructure Partners** portfolio company. The developer came to market with an 80 MW / 440 MWh standalone storage portfolio last month (PFR, 4/22). ■

Potentia taps Langley for US push

Potentia Renewables, the wind and solar subsidiary of **Power Corp of Canada**, is bringing in seasoned project originator **Matt Langley** to lead its expansion into the US.

He will be based in the San Francisco Bay Area as vice president, US development.

Langley has worked in business development, origination and finance since 2008 for renewable energy developers **Clipper Windpower**, **juwi Wind**, **Infinity Renewables** and **Pattern Energy Group**. In 2018, he briefly served as CFO of **Upepo Energy**, a renewable energy developer focused on Sub-Saharan Africa (PFR, 1/2/18).

A regular fixture on the conference circuit, Langley is known to be an especially well-informed originator. In his most recent role, at Pattern, he held the unusual title of vice president, origination and market intelligence.

Toronto-based Potentia acquired its first operational US wind assets last year, the 20 MW Musselshell wind portfolio in Montana, which it bought from **Goldwind International Holdings** (PFR, 5/30/19). The company also owns a 32 MW community solar portfolio in Minnesota. ■

