

Power Finance & Risk

The weekly issue from **Power Intelligence**

www.powerintelligence.com

Scotia To Scale Back PF Role

Scotiabank is planning to contract and relocate its New York-based power project finance team to its head office in Toronto, likely by August. The bank also expects to take more junior roles in project finance deals—across power and infrastructure—globally, says a person familiar with the bank.

Scotia has decided to focus on advisory and corporate business, says a banker. “They don’t want to do long-term money,” he says, citing factors such as looming Basel III capital requirements.

The bank has traditionally favored short-term financings—seven years or less—but will adopt more selective guidelines when mulling deals. It plans to consider projects that are fully contracted and financings that satisfy specific returns over equity, which vary by region and resource, though generally in the high-teens. Scotia will favor key existing clients as well.

“Scotia is making a statement that it’s not going to use project finance to grow its wholesale business,” says a person tracking the reshuffling. The bank will maintain a small portfolio management team in New York, while its infrastructure team based there will shrink. Latin American project financings will be chiefly handled by

(continued on page 11)

Scotia’s Recent PF Scorecard

Sponsor	Project	Location	Loan Amount*	Tenor	Status
Sharyland Utilities	CREZ (300 Miles Transmission)	West Texas	\$727M	TBA	Wrapped June 2011
NRG Energy	El Segundo (550 MW Gas)	El Segundo, Calif.	\$688M	10-yr	Wrapped Aug. 2011
Inkia Energy	Unidentified (500 MW Hydro)	Cerro del Aguila, Peru	\$600M	12-yr	Active
Brookfield Asset Management, Isolux Corsan	CREZ (378 Miles Transmission)	West Texas	\$560M	TBA	Wrapped Aug. 2011
LS Power	Cross Texas (230 Miles Transmission)	Texas	\$433M	TBA	Wrapped July 2011
Cogentrix	Portsmouth (110 MW Coal)	Portsmouth, Va.	\$120M	5-yr	Active
Primary Energy Recycling	Various (Cogen)	Indiana	\$110M	5-yr	Active

* Scotia exposure within the total unknown

Source: Project Finance Deal Book

EIX Taps Moelis For Edison Mission Debt

Edison International has tapped **Moelis & Co.** to advise on restructuring debt at its unregulated power producer unit **Edison Mission Group**. The latest move in its efforts to rework debt comes as bondholders also begin to organize.

Bondholders are also talking with restructuring bankers, says one banker, who says the restructuring is, after **Dynegy**, “the next big one” that restructuring advisors want in on. The parent company wants to reduce debt by about \$1 billion, executives said

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Panda Targets Debt, Equity For Temple

Panda Energy International is looking to line up debt and equity for its 1.5 GW Temple combined cycle project in Temple, Texas. The merchant combined cycle new-build is estimated to cost at least \$1 million per MW, putting the total bill for Temple at \$1.5 billion, says a senior financier in New York.

The debt structure will include a first lien A tranche that will likely consist of a term loan and other credit facilities in addition to a B tranche comprised of mezzanine debt. Four lenders are

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Rare District Assets On The Block

The district energy company serving Toronto and Windsor, Ontario, is up for sale. The City of Toronto and an Ontario pension fund are the sellers.

See story, page 8

New Project Finance Loans

We’ve added five updates to the live project financings. Get the inside track on what sponsors are up to and how the market is reacting.

See Deal Book, page 4

Generation Sale DATABASE

Check out the latest asset trades in *PI*’s weekly calendar, compiled from our exclusive Generation Sale Database.

See calendar, page 3

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THE BUZZ

In the last few weeks activity has picked up on the M&A front as several single assets float around. Buyers anticipate the teasers for **CalPeak Power's** assets to be released by **Scotiabank** soon. Industry officials are pleased with the recent trickle of assets, although no one has yet forecast a wave for the rest of the year. Instead, buyers are happy to take a sniff of what is coming along while sellers are content to see where valuations fall on a few processes, say bankers.

On the asset side, **Tyche Power Partners'** 286 MW Brooklyn Navy Yard gas-fired plant in Brooklyn, N.Y., joins **MACH Gen's** Harquahala combined cycle in Arizona on the market—albeit for different sets of eyes. The Brooklyn Navy Yard has a long-term contract, so it will attract a different set of prospective buyers than the merchant 1 GW Harquahala.

Shops interested in retail power or district energy companies are getting ready to submit bids for the City of Toronto and **Ontario Municipal Employees Retirement System's** district energy company **Enwave Energy Corp.** Scotia is also running that sale out of the Toronto and New York offices.

Scotia is also in the spotlight on the financing side this week with its planned downsizing in project finance in the U.S. It's a move that surprised peers at rival banks. Financiers had expected the opposite strategy, actually. They assumed Scotia and other Canadian lenders, including **CIBC**, would assert themselves in the sector, as multiple European banks retreated from the U.S. marketplace or began offering shorter-term financings. Indeed, CIBC followed that script.

The market, it seemed to some bankers, was moving in the direction of Canadian lenders' preferred structure: deals at 10 years or less. But that wasn't the full story. In this market, sponsors seeking small- and medium-sized financings have leaned on the few lenders that will offer debt longer than 15 years, including **Bank of Tokyo-Mitsubishi UFJ**, **CoBank** and **Mizuho Corporate Bank** (PI, 2/16 and 3/2). For deals larger than \$400 million, sponsors could mix short-term bank debt with bonds—which has become a popular structure in 2012.

There's also governmental financings to help with long-term tranches. The **North American Development Bank**, for instance, will likely lend **Duke Energy Renewables** \$220 million in long-dated debt toward a larger financing backing the developer's 402 MW Los Vientos wind projects in Willacy County, Texas (see story, page 5).

Scotia is helping finance at least three active deals, including a \$110 million refinancing of inside-the-fence thermal facilities managed by **Primary Energy Recycling**, an Oak Brook, Ill.-based energy recycling servicer (see story, page 6). The bank, though, plans to dabble in advisory.

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Power Finance & Risk is a general circulation newsweekly. No statement in this issue is to be construed as a recommendation to buy or sell securities or to provide investment advice.

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Institutional Investor, LLC

Issn# 1529-6652

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GENERATION AUCTION & SALE CALENDAR

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

Seller	Assets	Location	Advisor	Status/Comments
Air Products & Chemicals	Stockton (50 MW Coal/Biomass Cogen)	Stockton, Calif.	New Harbor	Teasers for the facility went out Feb. 2 (PI, 2/13).
Alcoa	Calderwood (140.4 MW Hydro) Cheoah (118 MW Hydro) Chilhowee (52.2 MW Hydro) Santeetlah (40.4 MW Hydro)	Little Tennessee River, Tenn. Little Tennessee River, N.C. Little Tennessee River, Tenn. Cheoah River, N.C.	JPMorgan	Indicative bids due in early April (PI, 4/2).
Bicent Power	Hardin (120 MW Coal) San Joaquin (48 MW San Joaquin Gas)	Billings, Mont. Lathrop, Calif.	Moelis & Co. Scotiabank	Creditors are circling the plants in a pre-pack bankruptcy (PI, 4/30). San Joaquin will be included in the sale of CalPeak assets (see story, page 7).
BVP Property	Big Valley (7.5 MW Biomass or development)	Bieber, Calif.	Barrier Advisors	NexBank foreclosed on the asset in Q1 and is looking to sell it (PI, 5/21).
Calpine	Riverside (600 MW Gas)	Beloit, Wis.	TBA	WPL is paying \$393 million for the plant (PI, 5/21).
Capital Power	Miller Creek (33 MW Hydro) Brown Lake (7.2 MW Hydro)	British Columbia British Columbia	CIBC	The owners has 60.56% equity stakes in the projects (PI, 4/9).
Cascade Investments	Altura (600 MW Cogen) Twin Oaks (305 MW lignite-fired) Cedar Bayou 4 (275 MW natural gas-fired)	Channelview, Texas Bremont, Texas Chambers County, Texas	TBA	Cascade has been listening to sell-side pitches (PI, 3/19)
Constellation Energy Group	Rio Bravo Fresno (24 MW Biomass) Rio Bravo Rocklin (24 MW Biomass) Chinese Station (22 MW Biomass)	Fresno, Calif. Lincoln, Calif. Jamestown, Calif.	No advisor	The company has reached out to prospective buyers as it considers selling its stakes (PI, 1/9).
Conti Group, Grupo Arranz Acinas	Development pipeline (550 MW Wind)	Texas, Kansas, Minnesota	Alyra Renewable Energy Finance	Teasers went out in late July (PI, 8/1).
Covanta Energy	Burney Mountain (11.4 MW Biomass) Mt. Lassen (11.4 MW Biomass)	Shasta County, Calif. Westwood, Calif.	None None	Looking to sell the facilities (PI, 12/19).
Edison Mission Group	Homer City (1.884 GW Coal)	Homer City, Pa.	Barclays Capital	Looking to exit the facility as its lessee (PI, 3/12).
Exelon	Brandon Shores (1,273 MW Coal) H.A. Wagner (976 MW Coal) C.P. Crane (399 MW Coal)	Anne Arundel Co., Md. Anne Arundel Co., Md. Baltimore Co., Md.	Citigroup, Goldman Sachs	Initial bids are due in early May (PI, 4/23).
First Wind	Steel Wind II (49.9% stake of 15 MW Wind)	Lackawanna, N.Y.	TBA	A minority stake is being put into the JV with Emera (see story, page 7).
Gamesa Energy USA	Pocahontas (80 MW Wind) Sandy Ridge (50 MW Wind) N/A (Wind) N/A (Wind)	Pocahontas County, Iowa Blair County, Pa.	JPMorgan	Algonquin Power & Utilities a controlling interest in the four projects.
GDF Suez Energy North America	Hot Spring (746 MW CCGT)	Malvern, Ark.	UBS	Arkansas Electric Co-Op Corp. has agreed to buy the Hot Spring; set to file with regulators (PI, 2/20).
Iberdrola Renewables	Klamath (636 MW CoGen)	Klamath Falls, Ore.	Royal Bank of Canada	Teasers went out in late March (PI, 4/16).
LS Power	Blythe (507 MW CCGT)	Blythe, Calif.	Credit Suisse	LS is looking to flip the plant it bought in a portfolio in the fall (PI, 4/16).
Luminus Management, CarVal Investors, Fortress Investment Group	Bosque (507 MW Gas)	Laguna Park, Texas	Bank of America	Hope to sell the plant by early summer (PI, 4/30).
MACH Gen	Harquahala (1 GW Gas)	Maricopa County, Ariz.	Goldman Sachs	The sale launched recently (PI, 5/21).
NRG Solar	CVSR (250 MW Solar PV)	San Luis Obispo County, Calif.	Credit Suisse, Morgan Stanley	NRG is out talking to potential investors (PI, 3/5).
Olympus Power, Metalmark Capital	Brooklyn Navy Yard (Stake, 286 MW Gas-fired)	Brooklyn, N.Y.	Credit Suisse	Teasers went out recently for the stake (see story, page 7).
Perennial Power	Mid-Georgia (300 MW CoGen)	Kathleen, Ga.	Fieldstone	ArcLight, GE EFS and GIC are buying the facility although Georgia owner has first refusal rights (PI, 5/21).
Silverado Power, Martifer Solar	Various (130 MW Solar)	Various, Calif.	Marathon Capital	The partners are looking to raise capital around the contracted portfolio (PI, 2/13).
Solar Trust of America	Blythe (1 GW Solar PV) Palen (500 MW Solar PV)	Blythe, Calif. Desert Center, Calif.	RPA Advisors Marathon Capital	RPA is working with the company; creditor committee with Marathon (PI, 5/7).
Amargosa, Nev.	Ridgecrest (250 MW Solar PV)	Ridgecrest, Calif.		Amargosa (500 MW Solar PV)
Starwood Energy, Tyr Energy, GSO Capital	Vaca Dixon (49 MW Peaker) Panoche (49 MW Peaker) Border (49 MW) Enterprise (49 MW)	Vacaville, Calif. Firebaugh, Calif. San Diego, Calif. Escondido	Scotiabank	The portfolio sale will launch soon (see story, page 7).
SunPower	McHenry (25 MW Solar PV)	Modesto, Calif.	TBA	K Road has bought the project and lined up financing from three lenders (PI, 5/21).
U.S. Power Generating Co.	Gowanus Barges 1 (160 MW Oil) Gowanus Barges 4 (160 MW Oil)	Brooklyn, N.Y.	Tier One Capital Management	First round bids for the two barges are expected in February (PI, 1/9).

New or updated listing

The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed.

PROJECT FINANCE DEAL BOOK

Deal Book is a matrix of energy project finance deals that *Power Intelligence* is tracking in the energy sector. A full listing of deals for the last several years is available at <http://www.powerintelligence.com/projectfinancedeal.html>

Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
AES Solar, 8minutenergy Renewables	Mount Signal (200 MW Solar PV)	Imperial Valley, Calif.	TBA	TBA	\$700M	TBA	Mandates expected soon (PI, 5/21).
BP, Semptra	Flat Ridge 2 (419 MW Wind)	Wichita, Kan.	TBA	TBA	TBA	TBA	Sponsors to reach out to lenders in May (PI, 5/7).
	Mehoopany (141 MW Wind)	Wyoming County, Penn.	BTMU, CoBank, Mizuho	TBA	\$200M	18-yr	Pricing, tenor emerge (PI, 4/16).
Cape Wind Associates	Cape Wind (420 MW Wind)	Nantucket Sound,	Barclays	TBA	TBA	TBA	Financing to be re-ignited (PI, 4/16).
Cogentrix	Portsmouth (110 MW Coal)	Portsmouth, Va.	RBC, Scotia	Refi	\$120M	5-yr	Sponsor tags RBC to lead refi, with Scotia as co-lead (PI, 5/7).
Dalkia Canada, Fengate Capital	Ft. St. James (33 MW Biomass)	Ft. St. James, B.C.	TBA	TBA	TBA	TBA	Sponsors seek roughly \$175 million financing for project (PI, 3/26).
	Merritt (33 MW Biomass)	Merritt, B.C.	TBA	TBA	TBA	TBA	Sponsors seek roughly \$175 million financing for project (PI, 3/26).
Diamond Generating Corp.	Mariposa (200 MW Gas)	Alameda County, Calif.	SMBC, DZ, CoBank, Sumitomo Trust	TBA	\$150M	10-yr	Sponsor mandates four lenders (PI, 5/14).
► Duke Energy Renewables	Los Vientos (402 MW Wind)	Willacy County, Texas	TBA	TBA	TBA	TBA	Sponsor circles \$220 million NADB tranche (see story, page 5).
enXco	Shiloh 3 (102.5 MW Wind)	Solano County, Calif.	BayernLB, NordLB, Rabo, Union Bank	Mini-Perm	\$150M+	7-year	Sponsor and equity backer tap lenders for back-levered deal (PI, 5/7).
Finavera Wind Energy	Wildmare (77 MW Wind)	Peace River, B.C.	TBA	TBA	\$160M	TBA	Sponsor targets financing, likely from life insurance companies (PI, 4/2).
► GCL Solar	Various (77 MW PV)	Puerto Rico	Union Bank, WestLB	TBA	\$200M	TBA	Deal to wrap this week (see story, page 7).
Inkia Energy	Unidentified (500 MW Hydro)	Cerro del Aguila, Peru	BBVA, Crédit Agricole, HSBC, Scotia, SocGen, SMBC	TBA	\$600M	12-yr	A dozen lenders expected to make commitments (PI, 4/30).
LS Power	Centinela (175 MW Solar PV)	Imperial Valley, Calif.	TBA	TBA	TBA	TBA	Sponsor scouts financing, which may cobble bank debt and bonds (PI, 2/20).
Odebrecht	Chaglia (406 MW Hydro)	Peru	BNP	Term	\$650M	17.5-yr, 20-yr	Two more lenders joint deal (PI, 5/21).
Pattern Energy	Ocotillo (315 MW Wind)	Imperial Valley, Calif.	TBA	Mini-Perm	\$400M	C+ 7-yr	Sponsor targets \$400 million financing; 10 lenders eye deal (PI, 5/14).
Potentia Solar	Various (Solar PV)	Ontario	TBA	TBA	\$75M	TBA	Sponsor scouts financing for 125 solar DG projects (PI, 4/2).
Primary Energy Recycling	Various (Cogen)	Indiana	RBC, Scotia	Refi	\$110M	5-yr	Sponsor tags RBC and Scotia to lead refi (see story, page 6).
► Ridgeline Energy	Meadow Creek (120 MW Wind)	Bonneville County, Idaho	TBA	TBA	\$180-200M	TBA	Sponsor discusses financing with lenders, equity with Diamond Generating Corp. (see story, page 6).
► Rockland Capital, Broadway Electric Co.	Mass Solar (Solar PV)	Massachusetts	TBA	TBA	\$200M	TBA	Sponsors talking to four lenders about financing (PI, 5/14).
Semptra U.S. Gas & Power	Copper Mountain 2 (92 MW PV)	Boulder City, Nev.	TBA	TBA	\$130M	17-18-yr	BTMU, Crédit Agricole and SMBC likely lenders (PI, 5/21).
Solarpack	Various (22 MW Solar PV)	Tacna and Moquega, Peru	TBA	TBA	\$120M	20-yr	Sponsor is talking to lenders for funds for two projects (PI, 4/30).
Standardkessel, Green Energy Team	Unidentified (6.7 MW Biomass)	Koloa, Hawaii	TBA	TBA	TBA	TBA	WestLB exits deal; sponsor tap another bank as lead (PI, 5/21).
► SunEdison	Unidentified (20 MW Solar PV)	Picture Rocks, Ariz.	NADB	TBA	\$65M	TBA	Deal wraps (see story, page 5).

► New or updated listing

To report updates or provide additional information on the status of financings, please call Senior Reporter **Brian Eckhouse** at (212) 224-3624 or e-mail beckhouse@iintelligence.com. A full listing of deals for the last several years is available at <http://www.powerintelligence.com/ProjectFinanceDeal.html>.

PROJECT FINANCE

Duke Circles NADB Tranche For Texas Wind

Duke Energy unit **Duke Energy Renewables** is nearing a \$220 million loan from the **North American Development Bank** supporting its 402 MW Los Vientos wind projects in Willacy County, Texas. Negotiations are essentially completed, says **Gerónimo Gutiérrez**, NADB managing director in San Antonio, noting that the bank's board of directors is now considering the deal.

The NADB loan will complement a larger but shorter-term commercial bank tranche. Duke is expected to select lenders for that tranche in the next three weeks, says a deal watcher. Financial close is expected this summer.

Duke relationship lenders include **Banco Santander**, **Bank of Tokyo-Mitsubishi UFJ**, **CoBank**, **Crédit Agricole**, **Lloyds Bank Corporate Markets**, **Mizuho Corporate Bank** and **Sumitomo Mitsui Banking Corp.** In April, BTMU, Mizuho and SMBC led a \$353 million financing backing two Duke wind projects in Kansas (PI, 4/30).

The size of the commercial bank tranche and the pricing and tenor of both pieces couldn't be learned. Gutiérrez declined to comment. **Anthony Dorazio**, Duke Energy Renewables senior v.p. of wind in Charlotte, N.C., didn't return a call seeking comment. Bank officials declined to comment or didn't return calls.

CPS Energy has a 25-year offtake agreement the 200 MW Los Vientos I project, while **Austin Energy** has a 25-year power purchase agreement for the 202 MW Los Vientos II (PI, 2/16). The Los Vientos wind projects are expected to be operational by year-end.

SunEdison Seals Ariz. PV Deal

SunEdison has inked a \$65 million financing backing its 20 MW solar photovoltaic project in Picture Rocks, Ariz. The **North American Development Bank** is financing construction.

Dean Hull, NADB business development officer, and **Chris Bailey**, SunEdison v.p. of project finance, worked on the deal. The pricing and tenor couldn't be learned. **Gerónimo Gutiérrez**, NADB managing director, declined to reveal deal terms. A SunEdison spokesman in Beltsville, Md., didn't immediately address an inquiry.

The NADB was jointly created by the U.S. and Mexican governments to enhance environmental conditions along their shared border. "We're the only bi-national institution with an environmental mandate that's capable of financing these projects," Gutiérrez says.

The bank has played in renewables finance before. It reportedly

FAST FACT

The financing will likely feature two tranches. The commercial bank piece would be larger than an NADB tranche, but have a shorter tenor.

lent developer **SunPeak Solar** a \$77.4 million construction loan for a 23 MW PV project in Niland, Calif. In sum, NADB has provided roughly \$1.35 billion in loans and grants to support 154 environmental infrastructure projects along the U.S.-Mexico border. The NADB has a financing pipeline of nearly 800 MW of wind and solar projects in the next several months.

Tucson Electric Power, a subsidiary of **UNS Energy Corp.**, has a 20-year offtake agreement for the Picture Rocks project. Picture Rocks will use crystalline silicon photovoltaic modules produced by **MEMC Electronic Materials**, SunEdison's parent. The modules will be mounted on a single-axis tracker designed to follow the path of the sun.

Spanish Co. Lands Wind Private Placement

A subsidiary of **Elecnor**, a Spanish renewables, transmission and gas pipeline player, has landed a C\$250 million (\$243.1 million) unrated private placement backing its 100 MW wind project in L'Erable, Québec. It is the first Canadian project developed by Elecnor subsidiary **Enerfin Energy Company** of Canada.

National Bank Financial and **Sun Life Financial** were underwriters of the private placement—one of the largest such unrated issuances in the country for a renewables project. The syndicate is also comprised of **Manufacturers Life Insurance Company**, **The Great-West Life Assurance Company** and **Industrial Alliance Insurance and Financial Services**. The L'Erable financing has a coupon of 5.02% and a tenor of roughly 21 years, says a deal watcher.

National Bank Financial, a wholly owned subsidiary of **National Bank of Canada** and a regular player in the Canadian infrastructure market, was also the agent for the lenders. The NBC subsidiary has increasingly sought advisory mandates in addition to pitching unrated private placements on power deals, says a person familiar with the bank. Much of the National Bank Financial project finance group joined three years ago from **CIT Canada**.

Hydro-Québec has a 20-year offtake agreement for L'Erable, which is under construction, according to the utility website. The project will use 50 **ENERCON** E-82 wind turbines. It is expected to be operational within 18 months.

Elecnor is already a wind player in the Americas. The Madrid-based company has 328 MW of wind capacity in Brazil and is developing projects in Montana, Oregon and Washington, according to its website.

An Elecnor spokesperson didn't reply to an e-mail seeking comment by press time. Officials or spokespeople at the banks and insurance companies declined to comment or couldn't be reached.



FAST FACT

The **National American Development Bank** finances projects along the U.S.-Mexico border to enhance environmental conditions.

Ridgeline Targets Debt, Equity For Idaho Wind

Ridgeline Energy is talking to lenders about a \$180-200 million financing backing its 120 MW Meadow Creek wind project in Bonneville County, Idaho. The Seattle-based affiliate of **Veolia Environment** is targeting financial close by the end of June.

Ridgeline is also eyeing an equity investment in the project.

Diamond Generating Corp., which bought half of Ridgeline's share of the 124.5 MW Goshen II wind project (PI, 11/12/09), also in Bonneville County, is considering a stake in Meadow Creek, according to deal watchers. The Los Angeles-based Diamond also partnered with Ridgeline on the operating 79.2 MW Rockland wind farm in Power County, Idaho.

The lenders that participated in the Goshen II deal are potential players in the Meadow Creek financing. **Caja Madrid, Mitsubishi UFJ Financial Group, Mizuho Corporate Bank** and **Sumitomo Mitsui**

Banking Corp. financed Goshen II (PI, 7/6/10). Deal details, including size, pricing and tenor, couldn't be learned. A Ridgeline official didn't return a call seeking comment, while a Diamond official declined to comment. Bank officials declined to comment or didn't return calls.

Whether Ridgeline has secured a power purchase agreement for Meadow Creek couldn't be learned. The project will use **Suzlon S97 2.1 MW** wind turbines. Commercial operations are expected before December.

Ill. Co. Tags Duo For Refi

Primary Energy Recycling, an Oak Brook, Ill.-based energy recycling servicer, has tapped **Royal Bank of Canada** and **Scotiabank** to lead a \$110 million refinancing of inside-the-fence thermal facilities at five steel mills in Indiana. Financial close is imminent, likely this week.

The refi is priced at LIBOR plus 300 basis points and will have a tenor of five years. Syndication of the loan has attracted at least two participating lenders, says a deal watcher. The identity of the participating banks couldn't be learned. A Primary official in Oak Brook didn't immediately address an inquiry, while a Toronto-based spokesman for the company didn't return a call seeking comment. Bank officials declined to comment or didn't return calls.

Primary's 283 MW portfolio is comprised of full ownership or stakes in: the 50 MW Ironside combined heat and power facility; the 75 MW North Lake CHP furnace; Harbor Coal, which uses pulverized coal; the 95 MW Cokenergy CHP project; and the 63 MW Portside Energy. Ironside, North Lake, Harbor Coal and Cokenergy are in East Chicago, Ind., while Portside is in Portage, Ind.

RBC and Scotia are also leading a roughly \$120 million refinancing of **Cogentrix** and **Quantum Utility Generation's** 110 MW Portsmouth Gerico stoker coal-fired plant in Portsmouth, Va. (PI, 5/3).

FAST FACT

➤ The refi is priced at LIBOR plus 300 basis points and will have a tenor of five years.

Ridgeline Energy Projects

Project	Type	Status	MW	Location
Goshen North	Wind	Operating	124.5	Bonneville County, Idaho
Rockland	Wind	Operating	79.2	Power County, Idaho
Meadow Creek	Wind	In Development	120	Bonneville County, Idaho
Monticello Hills	Wind	In Development	18.45	Otsego County, N.Y.
South Mountain	Wind	In Development	N/A	Delaware County, N.Y.
Dry Lots	Wind	In Development	N/A	Herkimer County, N.Y.
Smokey Avenue	Wind	In Development	N/A	Otsego County, N.Y.
Bruce Hill	Wind	In Development	N/A	Delaware County, N.Y.
Frontier I	Solar	In Development	20	Stanislaus County, Calif.
Frontier II	Solar	In Development	30	Stanislaus County, Calif.

Source: Power Intelligence via Veolia Environment

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GCL Circles Puerto Rico Closing

GCL Solar Energy expects to wrap a more than \$200 million financing supporting solar photovoltaic projects in Puerto Rico this week. **Union Bank** and **WestLB** are attached to the deal.

One other lender may participate, says a deal watcher. The **Puerto Rico Electric Power Authority** is the offtaker for at least 48 MW of GCL PV projects in the territory. **MetLife** has agreed to take a tax equity piece of GCL projects in Puerto Rico (PI, 3/2).

For WestLB to remain affiliated with the deal at closing, GCL

must wrap the financing by June 30, the bank's deadline for new business (PI, 5/16). WestLB will be broken up that day, per a restructuring ordered in December by the **European Commission**.

The identity of the third potential lender and deal terms, including pricing and tenor, couldn't be learned. **Jimmy Chuang**, GCL head of structured finance in San Francisco, didn't return a call seeking comment. Bank officials and spokespeople declined to comment or didn't return calls.

MERGERS & ACQUISITIONS

First Wind Adds N.Y. Project To Emera JV

First Wind is looking to add its most recently operating project in the Northeast, Steel Winds II, to **Northeast Wind**, its joint venture with Emera.

The 15 MW Steel Winds II in Lackawanna, N.Y., was under construction when Emera and First Wind applied for federal and state approval of the joint venture in May 2011. It came online in January as the approval process lingered at the **Maine Public Utilities Commission**, according to a filing with the U.S. **Federal Energy Regulatory Commission**.

Steel Winds II now needs approval to be entered into Northeast Wind's portfolio. Like the other seven farms totaling 370 MW in the joint venture, Northeast Wind will own 49% of Steel Winds II.

Emera was initially partnered with **Algonquin Power & Utilities** on taking the wind stakes but Emera became the single minority owner when Algonquin left the agreement because of delays with the PUC (PI, 1/31).

Steel Winds II has a long-term financial swap that locks in the power price in lieu of a power purchase agreement.

Scotia To Handle Calif. Gas-Fired Sale, Including CalPeak

Scotiabank has been tagged to run the sale of **Starwood Energy's** CalPeak Power—an auction that will encompass two additional gas-fired assets in California. Starwood's 120 MW Midway simple cycle peaker near Fresno, Calif., will be sold along with the 48 MW San Joaquin gas-fired plant in Lathrop, Calif., that is owned by **Bicent Power**.

GSO Capital, the credit unit of **Blackstone**, is a driving force in the auction, says another deal watcher, which is why San Joaquin, an asset owned by bankruptcy protected Bicent is included. Teasers are expected to be released shortly, says a deal watcher. GSO has stakes in both CalPeak and Bicent, for which it is providing debtor-in-possession financing (PI, 4/24). Neither the amount nor the structure of GSO's investment in CalPeak could be immediately learned.

Tyr Energy has a minority stake in CalPeak, which owns four plants in California:

- 49 MW Vaca Dixon peaker in Vacaville;
- 49 MW Panoche peaker in Firebaugh;
- 49 MW Border peaker near San Diego; and
- 49 MW Enterprise peaker in Escondido.

Midway has a 15-year power purchase agreement with **Pacific Gas & Electric**. The CalPeak plants were fully contracted with the **California Department of Water Resources** through the end of 2011 (PI, 5/11).

Neither a timeline for teasers nor whether the proposed sale of San Joaquin via this portfolio has been approved by U.S. **Bankruptcy Court District of Delaware** could be immediately learned. Officials for the banks and owners either declined to comment or did not respond to inquiries.

JV Markets Brooklyn Navy Yard Stake

Tyche Power Partners, a joint venture between **Olympus Power** and **Metalmark Capital**, is selling its long-term contracted stake in a cogeneration facility in Brooklyn. The 286 MW Brooklyn Navy Yard gas-fired facility sits between the Manhattan and Williamsburg Bridges in New York. Teasers were sent out recently by **Credit Suisse**.

Ahmad Masud, managing director in the M&A group and head of power M&A at Credit Suisse, will be handling the sale.

Consolidated Edison Co. of New York buys 97% of the power under a contract that expires in 2036. **Brooklyn Navy Yard Development Corp.** buys 3% under a power purchase agreement that runs until 2039.

Metalmark Capital, a private equity firm spun out of **Morgan Stanley Capital Partners**. New York-based **York Research Corp.** is also a co-owner; whether it is selling could not be learned. An official was not reached.

Olympus and Metal Mark tried selling the facility via Credit Suisse in 2007 (PI, 6/15/07).

Officials or spokespeople for the owners and Credit Suisse either declined to comment or did not reply to inquiries.

Toronto, Canadian Pension Market District Co.

The City of Toronto and **Ontario Municipal Employees Retirement System** are selling **Enwave Energy Corp.**, the district energy company that services Toronto and Windsor, Ontario. First round bids are due to advisor **Scotiabank** on June 5.

Enwave heats about 150 buildings with about 24 miles of steam pipes. Its peak load is about 337 MWth, or thermal megawatts, according to its Web site. It uses 16 gas-fired boilers that are part of three steam plants—Walton, Pearl, and Queen's Park—that produce up to 381 MWth and could be expanded up to 522 MWth.

The contracted nature of the customers could interest infrastructure players while some private equity shops might be interested in the growth opportunities. Strategics such as **Veolia**

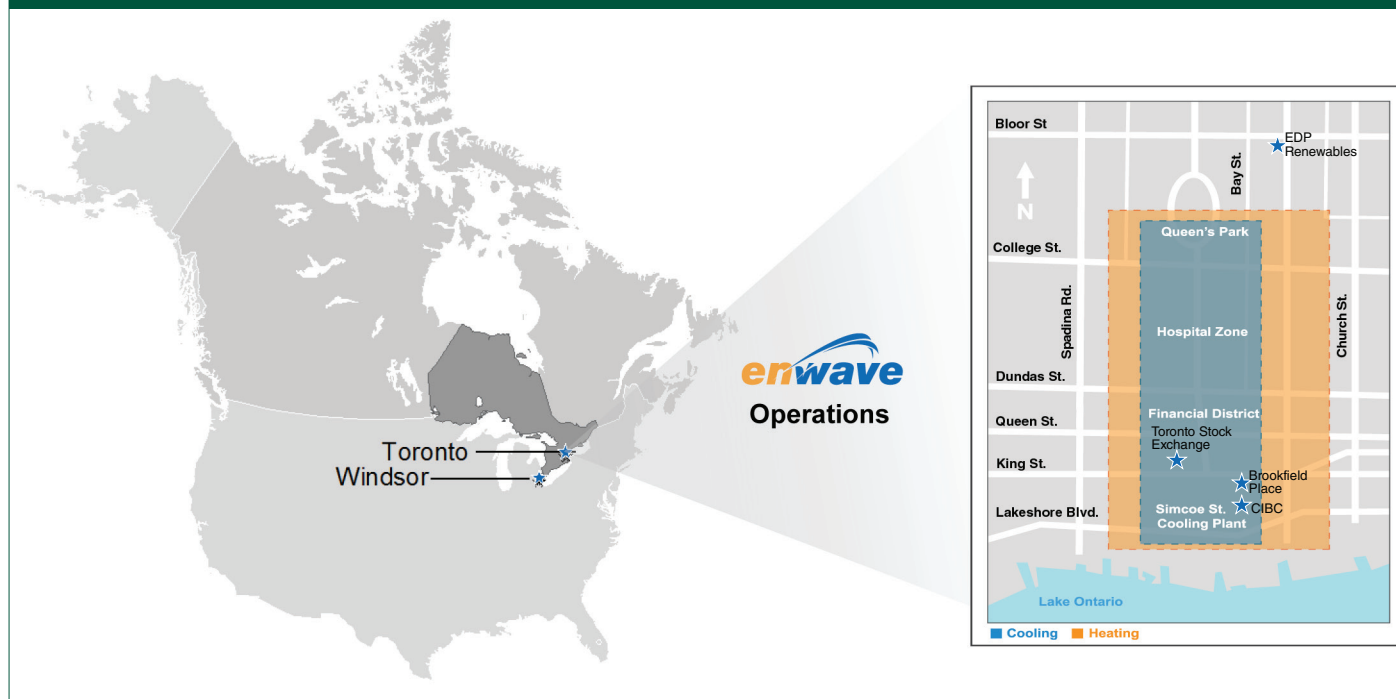
or **NRG Thermal**, a subsidiary of **NRG Energy** that owns district energy services in San Francisco and Harrisburg, Pa., could want to expand their portfolio, says the deal watcher.

This sale is unusual because it provides an opportunity to invest in a city district service, a sector that has a high barrier to entry, given the nature and location of the business, deal watchers say.

The sale is being run out of Scotia's New York and Toronto offices by **Thomas Kurfurst**, managing director in Toronto, and **Boyd Nelson**, director and co-head of U.S. power and utilities in New York, according to the teaser.

Dennis Fotinos, president and ceo of Enwave, was not immediately available for comment. Spokespeople for Toronto and OMERS declined to comment.

Enwave Operations



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PEOPLE & FIRMS

Dexia MD Exits To Start Advisory Shop

Ed Ludwig, a managing director at **Dexia Global Structured Finance**, has left the firm to start boutique advisory shop **Merit Capital Advisors**.

The firm, based in New York, will focus on buy-side and sell-side roles in renewable and conventional generation as well as project finance advisory. It has been retained on a few mandates, says an industry official. The details regarding its mandates could

not be learned.

Merit Capital will look to clients that Ludwig has advised in the past, including **Diamond Generating Corp.**, **J-Power** and **Osaka Gas**.

Ludwig left Dexia's New York office late last month. He was at Dexia for almost 10 years, according to LinkedIn. Ludwig confirmed the switch, declining further comment.

Santander Hires First Solar V.P.

Banco Santander has hired **Thomas Plagemann**, **First Solar** v.p. of project finance, as head of energy in its U.S. corporate investment banking group. He joined earlier this month and is based in New York.

Plagemann reports to **Charles Galante**, the head of Santander's U.S. corporate investment banking group, which also encompasses telecom finance. Plagemann oversees Santander's U.S. energy clients, specifically those in the power and oil & gas sectors, says a person familiar with the bank.

First Solar, in April, announced that it will reduce its global personnel by roughly 2,000 positions as one of several initiatives to restructure operations. The Tempe, Ariz.-based thin-film panel maker and engineering, procurement and contracting company

also plans to shutter its manufacturing operations in Frankfurt. Whether First Solar's restructuring prompted Plagemann's move to Santander couldn't be learned. Plagemann, Galante and a First

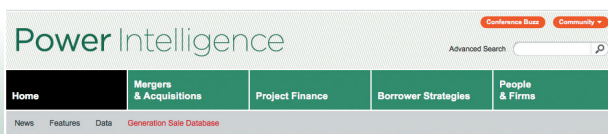
FAST FACT

► **Thomas Plagemann**, while at **First Solar** last year, managed a \$1.74 billion financing backing the **Desert Sunlight** project in Southern California.

Solar spokesman in Tempe didn't return calls seeking comment.

Plagemann oversaw a \$1.74 billion financing supporting the **Desert Sunlight** solar photovoltaic project in **Chuckwalla Valley, Calif.** (PI, 4/20), which First Solar developed and later sold to **GE Energy Financial Services** and **NextEra Energy Resources**. He previously was a managing director at **AIG Financial Products** (PI, 10/26/07).

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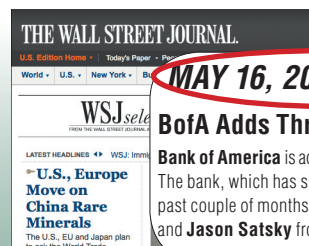
MAY 16, 2012 – 7:10 PM

Credit Suisse Bigwigs Reportedly Eye BofA

Two **Credit Suisse** power and utility senior staffers are reportedly eyeing a move to **Bank of America**: **Ray Wood**, head of global alternative energy, and **Gavin Wolfe**, vice chairman of investment banking & co-chairman of power and renewables energy.

Calls to the offices of both Wood and Wolfe were picked up by assistants who said they were unavailable or declined to comment while a Bank of America spokesman could not be reached immediately.

Laurie Coben, managing director and global head of energy and



MAY 16, 2012 – 8:32 PM

BofA Adds Three Bankers From Credit Suisse

Bank of America is adding three new bankers to its energy and power group. The bank, which has seen some high level defections and additions the past couple of months, announced it has hired **Ray Wood**, **Gavin Wolfe** and **Jason Satsky** from **Credit Suisse**.



MAY 16, 2012 – 10:14 PM

Bank of America Hires 3 Power Specialists From Credit Suisse

Bank of America Merrill Lynch has hired a team of three investment bankers specializing in the power industry from **Credit Suisse**, the firm announced in an internal memorandum reviewed by **DealBook** on Wed-

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NEWS IN BRIEF

News In Brief is a summary of publicly reported power news stories. The information has been obtained from sources believed to be reliable, but **PFR** does not guarantee its completeness or accuracy.

- The **Federal Energy Regulatory Commission** has approved **Spectra Energy's** proposed \$1.2 billion, 20-mile gas pipeline from New Jersey to New York City. The project, which will transport roughly 800 million cubic feet of gas each day, is expected to be operational late next year (*Reuters*, 5/23).
- The U.S. **Fish and Wildlife Service** estimates that up to 20 bald eagles could be killed annually at **Invenenergy's** proposed Pantego wind project in Beaufort County, N.C., though that preliminary assessment is based on five months of bird counts. The project would feature 49 wind turbines (*The Miami Herald*, 5/23).
- Boise, Idaho-based developer **U.S. Geothermal** has signed a purchase agreement with institutional investor **Lincoln Park Capital Fund** of Chicago for the sale of up to \$10.75 million of common stock over a 36-month period. **Kuhns Brothers Securities Corp.**, a Lime Rock, Conn.-based investment firm, was the placement agent (*MarketWatch*, 5/23).
- Wind turbines at **First Wind's** 105 MW Palouse wind project in Whitman County, Wash., are expected to be erected this summer, according to engineering procurement and construction contractor **RMT** of Madison, Wis. The project is slated to be operational by year-end (*Yahoo! Finance*, 5/23).
- **Hu Honua Bioenergy** has arranged a power purchase agreement with **Hawaii Electric Light Co.** for a 21.5 MW project that is converting Hilo Coast Power Co., an existing facility, into a biomass-fired plant that will burn local waste such as eucalyptus (*Pacific Business News*, 5/22).
- **PSEG Power** has opted not to build a natural gas-fired plant in Seawaren, N.J., after the results of the PJM capacity auction last week. Three natural gas projects owned by **Competitive Power Ventures**, **Hess Corp.** and **LS Power** cleared the capacity auction making new build less competitive (*NJ Spotlight*, 5/22).
- The U.S. **Federal Energy Regulatory Commission** has approved a 5.3 MW hydro project in Kauai, Hawaii, although the developer, **Konohiki Hydro Power**, still needs to negotiate a power purchase agreement (*The Honolulu Star-Advertiser*, 5/22).
- **Gregory Jaczko** is resigning from his position as chairman of the U.S. **Nuclear Regulatory Commission** more than a year before his term expires. A replacement, appointed by the White House, is expected to be named soon and will need to be confirmed by the U.S. Senate (*Reuters*, 5/22).
- New England saw the average price of wholesale power fall 6% last year due to lower natural gas prices, reduced power demand and increased hydro generation, according to a report from **ISO-New England** (*Renew Grid*, 5/22).
- **Suntech Power** and **Trina Solar** are among Chinese solar panel makers that are expected to acquire components from Taiwan and Korea after the U.S. **Department of Commerce** imposed an anti-dumping tariff on Chinese polysilicon solar cells. The U.S. will charge a tariff of at least 31% on the import price of the cells (*The Financial Times*, 5/21).
- **EnergySource**, a sponsor of the 49.9 MW Hudson Ranch I geothermal project in Salton Sea, Calif., along with the **American Council on Renewable Energy** and Imperial County officials dedicated the plant May 18. Hudson Ranch began commercial operations in March (*Imperial Valley Press*, 5/21).
- **PJM** has secured 164,561 MW of capacity resources from an auction for the 2015-2016 delivery year—at a base price of \$136 per MW. The 2011 auction rendered roughly 150,000 MW at a base price of almost \$126 per MW (*Reuters*, 5/21).
- **Angela Merkel**, the German chancellor, is looking to ink a solar aid plan before lawmakers depart for summer recess. Merkel has sought to cut solar subsidies (*Bloomberg*, 5/23).
- The Massachusetts **Department of Environmental Protection** is weighing regulations that would compel the state to study potential noise issues before wind turbines are erected. State environmental officials recently documented high noise levels in Falmouth, Mass. (*The Boston Globe*, 5/21).
- **Horizon Wind Energy** is looking to build a 63-turbine wind project in Oneida Township, Mich. The township's planning commission will hold a hearing on the project next month (*Austin American-Statesman*, 5/21).



Hudson Ranch I

EIX Taps *(Continued from page 1)*

on the most recent earnings call.

Last fall, **Edison Mission Energy**, a subsidiary of Edison Mission Group, had looked at ways to refinance a \$500 million senior unsecured bond maturing next year before it tackles refinancing two revolvers totaling \$1.064 billion that mature next month (PI, 9/9). The debt reworking is needed because the Edison Mission fleet has been hard hit by low power prices and has faced a \$1.2 billion capex for environmental upgrades at its coal-fired plants.

The senior unsecured bond carries a 7.5% coupon and holders include **Capital World Investors**, **Eaton Vance Management** and **Manulife Asset Management**. Capital World is also a holder of notes in a \$500 million issuance that matures in 2016 and carries a 7.75% coupon. **Neuberger Berman Europe** and **Northwestern Mutual Fund** also have pieces.

Neuberger and Capital World are among the top four largest bondholders, rounded out by **Blackrock Fund Advisors** and **Metropolitan West Asset Management**, in a \$1.196 billion issuance that matures in 2017 that carries a 7% coupon.

A Moelis spokeswoman declined to comment. An Edison Mission spokeswoman could not immediately comment.

—**Holly Fletcher**

Scotia To *(Continued from page 1)*

its team in Mexico City.

Scotia has asked some New York-based bankers to consider relocating to Toronto, multiple observers of the bank told *PI*, while other financiers are expected to depart, potentially via retirements. The status of specific bankers and plans for the bank's Houston operation couldn't be learned. **Pamela McDougall**, a managing director in the New York-based power and utilities group, declined to comment.

Matt Giffen, head of global energy solutions and co-head of global infrastructure finance in Toronto, couldn't be reached by press time. Bank spokespeople in Toronto didn't return calls.

Financiers widely expected Scotia and other Canadian lenders, including **CIBC**, to boost market-share this year across the Americas, as the number of project finance lenders dwindled (PI, 1/20). But with deal flow down sharply from last year, the few players that can offer debt longer than 12 years—including the Japanese banks in the U.S. and local banks in Latin America—have gobbled up active financings, bankers explain.

Scotia has been active in the U.S. market. It is leading or co-leading refinancings supporting a Virginia coal-fired project owned by **Cogentrix** and **Quantum Utility Generation** (PI, 5/3) and Indiana-based thermal assets owned by energy recycling servicer **Primary Energy Recycling** of Oak Brook, Ill. (PI, 5/22). —**Brian Eckhouse**

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Panda Targets *(Continued from page 1)*

said to be working on the A tranche while **Ares Management** is providing mezzanine debt. Neither the identities of the lenders nor the amount of debt could be learned.

The piece arranged by banks will have a hedge that mitigates the merchant risk for lenders, says a deal watcher. The details of the hedge could not be determined last week.

The likelihood of inking funds for a completely merchant facility is slim given that the only pure merchant deal in recent memory was the West Deptford project in New Jersey from industry stalwart **LS Power** (PI, 12/7).

Panda began putting out feelers for the merchant Temple financing last year with the aim of lining up debt for at least the first 600 MW phase (PI, 5/20/11). Panda, under the lead of **Robert Simmons**, cfo of **Panda Power Funds** in Dallas, is now said to be looking to finance Temple all at once, including debt and equity. It is not using a financial advisor.

For the equity piece, Panda could draw from its own fund or look to limited partners it has worked with in the past, says one industry official. The mezzanine portion of the financing could have equity warrants that could convert to equity.

Privately owned Panda is well-known through the project finance marketplace. Panda, in its **Teco Panda** joint venture, developed the 2.2 GW Union River near El Dorado, Ark., and 2.2 GW Gila River in Gila Bend, Ariz. Those two facilities emerged from a 2005 bankruptcy as **Entegra Power Group** (PI, 2/4/05).

If Panda pursues a route similar to the old path—mostly debt with little internal equity (PI, 5/20/11)—financiers may shy from the deal, industry officials say. The current trip to the financing market is drawing attention from financiers, several of which lost some hide in the financings backing Gila River and Union Power, as the market's attitude toward debt-to-equity ratios have changed over the last decade.

Neither a Panda spokesman nor Simmons returned calls. Officials or spokespeople at the banks either declined to comment or were not reached. —**Holly Fletcher & Brian Eckhouse**

CONFERENCE CALENDAR

- **American Wind Energy Association** will host WINDPOWER 2012 June 3-6 at the Georgia World Congress Center in Atlanta Georgia.
- **Edison Electric Institute** will host the EEI Annual Convention June 3-6 at the JW Marriott Grande Lakes in Orlando, Fla.
- **American Council on Renewable Energy** and **Euromoney Energy Events** will host the 9th Annual Renewable Energy Finance Forum June 19-20 at The Waldorf=Astoria in New York City.
- **Infocast** will host the 5th Annual Storage Week June 25-27 at the Doubletree by Hilton in San Jose, Calif.
- **Platts** will host the 6th Annual Utility M&A Conference June 25-26 at the New York Helmsley in New York.

ALTERNATING CURRENT

FPL Rebrands Energy Conservation

Utilities increasingly are promoting energy conservation programs, but that term—energy conservation—is becoming a bit tired at this point. **Florida Power & Light** has apparently caught on. The Juno Beach, Fla.-based utility dresses its energy conservation initiative as the decidedly livelier “Home Energy Makeovers” program.

About four times a year, FPL partners with a Florida municipality to provide local families with energy-efficient upgrades under this program. Earlier this month, FPL and the city of Holly Hill collaborated to bring these upgrades to 45 local families, notes **Jim McCroskey**, city manager.

Many of his city's residents are senior citizens on fixed-incomes. **Roy Johnson**, the mayor of Holly Hill and a retired FPL employee, had lobbied for his city's inclusion in the program, explains a utility spokeswoman. Holly Hill is a moderate-income community that sits less than three miles northwest of the heart of Daytona Beach.

The free upgrades, which include installing compact fluorescent lights and water-saving showerheads and faucets, cut roughly 25% of program participants' utility bills. FPL estimates that all of the participants in the six-year-old program save a collective \$140,000 annually.

But there may be a downside for you banker-types. FPL, a **NextEra Energy** utility, has built only about a dozen power plants in the past decade—a small number that the utility attributes in part to programs like “Home Energy Makeovers” that decrease power demand.



- **Infocast** will host Commercializing Small Modular Reactors 2012 For Domestic & International Markets July 17-19 at the Renaissance Dupont Circle Hotel in Washington, D.C.

QUOTE OF THE WEEK

“We’re the only bi-national institution with an environmental mandate that’s capable of financing these projects.”—**Gerónimo Gutiérrez**, **National American Development Bank** managing director in San Antonio, on the remit to enhance environmental conditions along the U.S.-Mexico border (see story, page 5).

ONE YEAR AGO

Gradient Resources, a Reno, Nev.-based geothermal sponsor, mandated **BNP Paribas**, **Dexia Crédit Local** and **Scotiabank** to lead a \$600 million syndicated financing backing at least 120 MW at its Patua project east of Reno. [**Mitsubishi UFJ Financial Group** affiliate **Union Bank** was tapped to lead a downsized deal that is now expected to support 30 MW at Patua (PI, 2/24)].