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Brookfield Lender Circles Syndication

At least one of the lenders to **Brookfield Asset Management's** transmission line is mulling a syndication after the deal wraps.

See story, page 2.

AES Term Loan Pricing Emerges

AES has priced its \$1.05B term loan B at 325 basis points over LIBOR.

See story, page 2

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CVPS LOOKS FOR SUITOR

Central Vermont Public Service, the state's largest utility, has put itself on the market. Teasers from **Lazard** have been sent out, says one advisor to a potential buyer, noting that the process is in early stages.

The investor-owned utility, based in Rutland, serves 159,000 customers. It has a \$311 million market capitalization. CVPS has flirted with a sale after a strategic review with **Morgan Stanley** in 2007 (PFR, 5/18/07). How or why that effort ended could not be determined.

There are several prospective suitors that already have operations in the region, including **Algonquin Power & Utilities Corp.**, **Emera**, **Northeast Utilities** and **Gaz Métro** that are likely to



(continued on page 8)

SUMMIT SEEKS \$1.3-1.4B FOR NOVEL CLEAN COAL PROJECT

Summit Power Group is plotting a \$1.3-1.4 billion financing package backing its more than \$2 billion, 400 MW integrated gasification combined-cycle plant in Odessa, Texas. The deal is the first coal-fired credit to come to the U.S. project finance market in several years and is the first ever backing carbon capture and sequestration technology in the U.S. Similar integration technology has been used in Asia and Europe.

Royal Bank of Scotland is the lead lender and financial advisor on the deal, which will likely comprise a \$400-500 million loan along with private and public placement of bonds. "There's no new technology in the plant, just the integration of the three is new," says **Eric Redman**, president in Seattle, pointing to IGCC, carbon capture and sequestration. German project contractors **Siemens** and **Linde**, are providing performance warranties over what was

(continued on page 7)

DEVELOPER READIES \$600M GEO LOAN

Geothermal developer **Gradient Resources**, backed by **Denham Capital**, is putting together a \$600 million financing backing its Patua geothermal project. The Reno-based company has tagged **BNP Paribas**, **Dexia Crédit Local** and **Scotia Capital** to lead the deal. The financing marks the largest geothermal deal in the U.S. in recent memory, bankers say, and it will be syndicated. It is scheduled to close in July.

The sponsor, formerly known as **Vulcan Energy**, had eyed a smaller financing last fall for a \$240 million, 60 MW phase of the project east of Reno (PFR, 10/1), but apparently determined more megawatts could be developed after successful drillings, explains a deal watcher. The revised financing will support at least 120 MW. Denham, an energy and commodity private equity shop, is an equity investor in the Patua project.

The deal marks the company's debut project financing, but the experience of its executives

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



At Press Time

Brookfield Transmission Lender Targets Syndication

At least one of the lenders in a \$400-500 million financing backing Brookfield Asset Management's transmission line in West Texas will syndicate its piece after financial close. The leads are **Banco Santander**, **Bank of Tokyo-Mitsubishi UFJ**, **Deutsche Bank**, **Scotia Capital** and **Société Générale**. Financial close is expected by the end of the quarter.

The deal is priced at 225 basis points over LIBOR (PFR, 5/4). Other deal details, including size and tenor, couldn't be learned. The size of tickets and which lender will syndicate also couldn't be immediately ascertained. **Wayne Morton**, general manager of Austin, Texas-based **Wind Energy Transmission Texas**, the joint venture of Brookfield and Spanish developer **Isolux Corsan Concesiones**, declined to comment. Bank officials declined to comment or didn't return call.

WETT's transmission project spans 309 miles and will cross 11 counties in Texas' Competitive Renewable Energy Zone. The lines will use 345 kV conductor wires.

AES Inks Term Loan Pricing

AES has priced its \$1.05 billion term loan B, which will finance a portion of its \$4.7 billion acquisition of DPL, at 325 basis points over LIBOR. Commitments for the seven-year loan were due Wednesday.

The loan, which is expected to wrap the week of June 6, has a 100 bps LIBOR floor and an original issue discount of 99.5. **Bank of America**, lead left, **JPMorgan** and **Morgan Stanley** are arranging the senior secured loan. **Henrik Dahlback**, director at BofA in New York, is the lead syndicator.

The term loan is rated Ba1 by **Moody's Investors Service** and BB+ by **Standard & Poor's**.

AES, based in Arlington, Va., will issue \$1 billion in 10-year senior, unsecured notes during the regulatory approval process to partially fund the acquisition of parent of **Dayton Power & Light** (PFR, 5/20). A \$1.25 billion senior unsecured bond issuance is also planned at DPL, which will become ring-fenced from AES. The companies expected the acquisition to be finalized within six to nine months.

Details such as whether the company has decided on underwriters or a timeline for the bonds, could not be learned. Spokespeople at the banks either declined to comment or did not respond to inquiries. An AES spokesman could not immediately comment.

Tell Us What You Think!

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

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**Institutional
Investor NEWS**
INTELLIGENCE FIRST

<p>UAE March 2011</p>  <p>Shams Power Company PJSC</p> <p>USD 612,000,000 Project Financing</p> <p>Mandated Lead Arranger WestLB</p>	<p>US February 2011</p>  <p>Viento II Funding, Inc.</p> <p>USD 225,200,000 Financing of a 362MW wind farm portfolio consisting of three projects</p> <p>Joint Lead Arranger Sole Bookrunner WestLB</p>	<p>US December 2010</p>  <p>Caithness Shepherds Flat, LLC</p> <p>USD 1,426,189,402 Project Financing</p> <p>Joint Lead Arranger Joint Bookrunner WestLB</p>	<p>Chile December 2010</p>  <p>Hidroeléctrica San Andrés Ltda. Hidroeléctrica El Paso Ltda.</p> <p>USD 120,000,000 Project Financing for two 40MW hydroelectric run-of-river power plants in Chile</p> <p>Mandated Lead Arranger Bookrunner WestLB</p>
<p>Turkey November 2010</p>  <p>EnerjiSA Enerji Üretim A.Ş.</p> <p>EUR 1,000,000,000 Senior Debt Facilities</p> <p>Bookrunner Joint Lead Arranger WestLB</p>	<p>US September 2010</p>  <p>Bayonne Energy Center</p> <p>USD 422,000,000 Senior Secured Credit Facility</p> <p>Joint Bookrunner Joint Lead Arranger Syndication Agent WestLB</p>	<p>Egypt August 2010</p>  <p>Egyptian Refining Company</p> <p>USD 2,350,000,000 Project Financing</p> <p>Mandated Lead Arranger WestLB</p>	<p>Canada June 2010</p>  <p>Helios Solar Star A-1, L.P.</p> <p>CAD 96,200,000 Construction financing for 20MW PV generating facilities</p> <p>Joint Bookrunner Joint Lead Arranger WestLB</p>
<p>USA May 2010</p>  <p>Hudson Ranch Power I LLC</p> <p>USD 300,184,000 Senior Secured Credit Facilities</p> <p>Bookrunner Lead Arranger Co-Syndication Agent WestLB</p>	<p>Germany/Russia May 2010</p>  <p>Nord Stream</p> <p>EUR 3,884,000,000 Term Loan Facility</p> <p>Original Facilities Lender WestLB</p>	<p>Mexico April 2010</p>  <p>Rubicon Drilling</p> <p>USD 225,000,000 Senior Secured Term Loans</p> <p>Joint Bookrunner Mandated Lead Arranger WestLB</p>	<p>Australia March 2010</p>  <p>Collgar Wind Farm Pty Ltd</p> <p>AUD 478,000,000 206MW Collgar Wind Farm Project Finance Facilities</p> <p>Mandated Lead Arranger WestLB</p>

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Project Finance

Terra-Gen Nabs Google, Citi Tax Equity

Google and Citigroup have each invested \$55 million in tax equity in Terra-Gen Power's Alta wind project via a sale-leaseback structure. The investments will help take out a financing that supported the construction of the ArcLight Capital Partners affiliate's 102 MW fourth phase, says Greg Wetstone, Terra-Gen v.p. in New York.

Rick Needham, director of green business operations and strategy, headed up the deal for Google. Global Infrastructure Partners is also an investor in Terra-Gen.

Citigroup was one of three joint bookrunning managers that issued \$580.2 million of pass-through certificates in July as part of a \$1.2 billion financing backing phases two through five of Alta (PFR, 7/26). Terra-Gen wrapped a sale-leaseback in December, supporting the first 150 MW (PFR 1/10). GE Energy Financial Services and Mitsubishi UFJ Financial Group affiliate Union Bank participated in that deal.

Whether Google and Citi are considering other investments in the Alta project, which is expected to generate up to 1,020 MW by year-end, couldn't be learned. John O'Connor, Terra-Gen cfo in New York, declined to comment. A spokesman at Google in Mountain View, Calif., didn't immediately respond to an inquiry.

Southern California Edison has a power purchase agreement for 1,550 MW at Alta.

SolarReserve Lands Conditional DOE Guarantee

The U.S. Department of Energy has offered SolarReserve a \$737 million conditional loan guarantee for its 110 MW Crescent Dunes concentrating solar project in Tonopah, Nev. The loan guarantee, if ultimately awarded, would be partially funded by the Federal Financing Bank.

SolarReserve is targeting financial close before Sept. 30, when the DOE loan guarantee program is scheduled to expire (PFR, 4/15), says Michael Whalen, cfo in Santa Monica, Calif. Macquarie Capital is SolarReserve's financial advisor on the deal.

The FFB loan would be priced at 37.5 basis points over LIBOR, says a deal watcher. It has a tenor longer than 12 years. SolarReserve had targeted an 80:20 debt-to-equity split for the plant (PFR, 7/30). The potential size of the FFB loan, its tenor and sources of equity for the project could not be learned. Whalen, a Macquarie official in New York and a DOE spokeswoman in Washington, D.C., declined to discuss the financing. A spokeswoman at the U.S. Department of Treasury

in Washington, D.C., which oversees the FFB, didn't return a call.

NV Energy has a 25-year offtake agreement for Crescent Dunes. SolarReserve expects the plant, which will feature a solar tower, molten salt and a storage system, to be operational in 2014.

SolarReserve is also developing the more than \$500 million, 150 MW Rice concentrating solar project, northwest of Blythe, Calif. (PFR, 10/13). The developer has sought an FFB loan to fund up to 80% of the project's costs. The status of that financing couldn't be learned.

Hudson Transmission Wraps Private Placement

Hudson Transmission Partners has wrapped a private placement backing its \$850 million transmission line between Ridgefield, N.J., and Manhattan. Royal Bank of Scotland and Société Générale are the joint private placement arrangers. Energy Investors Funds and Starwood Energy are backing HTP.

The private placement is estimated to be roughly \$700 million with more than 10 institutional investors buying the notes, says a spokesman in Fairfield, Conn. EIF and Starwood are funding remaining project costs with equity. Jeff Wood, senior v.p., headed up the financing effort for HTP.

Bank officials did not return calls and details, such as the tenor and pricing on the notes, could not be immediately learned. The New York Power Authority has a long-term capacity contract for the 660 MW, 345 kV line, which is slated for operation in 2013.

Mergers & Acquisitions

Korean Co. To Buy Wayzata Calif. Peakers

EWP Renewable Corp., a U.S. subsidiary of Korea Electric Power Corp., is in the process of buying two California natural gas-fired facilities totaling 94 MW from Wayzata Opportunities Fund. Scotia Capital advised Wayzata, while EWP did not use an advisor.

Finalization of the sale depends on approval from the U.S. Federal Energy Regulatory Commission, says John Wood,



executive v.p. at EWP Renewable in San Diego. The 49 MW Chowchilla and the 45 MW Red Bluff, each a namesake for its town, sell power into the wholesale markets, according to a May 19 filing with the FERC. The sale could be finalized in early July.

EWP is the San Diego-based branch of the **Korea East-West Power Co.**, which is a subsidiary of KEPCO. The subsidiary renamed EWP, formerly **Marubeni Sustainable Energy**, after buying it last fall (PFR, 11/10).

Blake Carlson, partner at Wayzata in Wayzata, Minn., did not return a call. An official at Scotia Capital could not be immediately reached.

Invenergy Pockets Quebec Wind Project

Invenergy has acquired a 156 MW wind project in Quebec from developer **3Ci**. The acquisition of the Des Moulins project in Kinnear's Mills puts a third asset in Invenergy's Canadian wind development pipeline.

Invenergy had been tipped as one of the companies looking to buy the project, which has a 20-year power purchase agreement with **Hydro-Québec**. **3Ci**, a developer from St. Bruno, Quebec, has had the project on the market as a way to finance its construction (PFR, 3/30).

Details such as a purchase price could not be learned. Financial advisors were not used. Officials and spokespeople declined further comment.

Navasota To Offload Plant To EDF Sub

Navasota Energy Partners and an investor consortium have lined up **EDF Trading North America** to buy its merchant 80 MW combined-cycle plant in Lowell, Mass. The transaction is expected to close either in late June or early in the third quarter, according to a document filed May 20 with the U.S. **Federal Energy Regulatory Commission**.

The L'Energia plant is owned by a consortium of investors including **Stonehill Institutional Partners**, **Navasota**, **Raline Crow Wing Partners** and **BFG Big Sky**. Details regarding the investors, sale price and offtake arrangements, could not be immediately learned.

Navasota retained **JPMorgan** to sell several plants in the fall of 2008 but shelved the auction due to the economic crisis (PFR, 2/8/08). It then sold the 550 MW Colorado Bend Energy Center and the 550 MW Quail Run Energy Center in Texas to **Constellation Energy** for \$365 million last year (PFR, 4/16/10). Whether JPMorgan is involved with this sale could

not be learned.

Calls to **Dan Hudson**, principal owner of **Montgomery Energy Partners** and cfo at Navasota, and a JPMorgan spokeswoman were not immediately returned. A spokeswoman for EDF Trading in Paris declined to comment.

Corporate Strategies

First Wind Makes Capital Markets Debut With Notes

First Wind has issued \$200 million in senior secured notes via subsidiary **First Wind Capital**, marking its first issuance in the capital markets. The Boston-based shop had likely been considering an issuance as a means of funding since it shelved its initial public offering last year, says **Scott Solomon**, an analyst at **Moody's Investors Service**. First Wind priced the seven-year notes at 10.25% in a private placement. The deal closed May 20. Proceeds will go toward developing wind farms in the western U.S. and Hawaii and toward paying down an \$83 million term loan with 17% interest set to mature in March 2013. **Credit Suisse**, **Deutsche Bank Securities**, **Goldman Sachs & Co.**, and **Royal Bank of Scotland** were the joint bookrunning managers on the deal. Moody's rates the notes B3.

Bank officials and **Steve Schauer**, v.p. of finance and treasurer, declined to comment or did not return calls. The use of the term loan and details regarding First Wind's projects that would benefit from the proceeds of the notes could not be learned.

The developer's funding efforts also include partnering with **Emera** and **Algonquin Power & Utilities Corp.** to build out its 370 MW Northeast portfolio (PFR, 5/2). First Wind had also been exploring other avenues for raising capital with **Morgan Stanley**.

People & Firms

Citi Scoops BarCap Director

Jugjeev Duggal, director at **Barclays Capital**, has left the firm to join **Citigroup**. Duggal worked in the power and utilities team at Barclays but is said to be joining the mergers & acquisitions team at Citi, industry officials say.

Duggal was part of the advisory team that worked with **Highstar Capital** on its recent acquisition of two power plants from **LS Power** (PFR, 3/30).

Details such as his start date at Citi and to whom he will report could not be immediately learned. Spokesmen for Barclays and Citi declined to comment. Duggal could not be reached.

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.

● **Softbank Corp.**, which is widely known for mobiles and internet portals, has announced it will spend hundreds of millions of dollars to aid in solar project construction in Japan. The company aims to promote renewables and reduce the country's dependence on nuclear (*The Wall Street Journal*, 5/25).

● **Green Mountain Power Corp.**'s has agreed to buy 60 MW for 4.7 cents per kWh from **NextEra Energy Resources** in a 23-year deal. Most of the power will come from the company's nuclear plant in Seabrook, N.H. (*Burlington Free Press*, 5/25).

● **Calpine Energy Services** has inked a 10-year power purchase agreement with **Entergy Services** to provide 485 MW from its 501 MW Carville plant in St. Gabriel, La. The PPA commences in June 2012 (*Power-Gen Worldwide*, 5/24).

● **El Paso Corp.**, which owns the largest system of interstate natural-gas pipelines in North America, will split its pipeline and midstream operations from its exploration and production operations. The split is intended to make each part more desirable to investors and shares of El Paso rose 6.9% to \$20.29 after the announcement (*The Wall Street Journal*, 5/24).

Generation Sales Database

Generation Sale DATABASE

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

Seller	Assets	Location	Advisor	Status/Comments
3Ci	Des Moulins (156 MW Wind)	Kinnear's Mills, Quebec	TBA	Invenenergy has acquired the project (see story, page 5).
Axio Power	Stakes (development PV)	Various		Has entered exclusive talks with a buyer (PFR, 2/21).
Brookfield Infrastructure Partners	Cross Sound Cable (24-mile Transmission)	N.Y., Conn.	Rothschild	Potential buyers are receiving CIMs right now (PFR, 5/2).
Calpine	Mankato (375 MW CCGT) Broad River (847 MW Simple cycle)	Mankato, Minn Gaffney, S.C.	Barclays Capital	Teasers are expected to go out soon for the plants (PFR, 5/9).
City Water & Light	Stake (550 MW Nelson coal-fired steam)	Westlake, La.	TBA	A unit of Entergy is buying the portion it has a PPA with (PFR, 5/23).
Entegra Power Group	Gila River (340 MW unit in 2.2 GW CCGT)	Phoenix, Ariz.	Barclays Capital	Final round bids are due in a go-shop process later this month (PFR, 5/15).
EQT Corp.	Big Sandy (68-mile Natural Gas Pipeline)	Kentucky	TBA	Infrastructure funds associated with Citi and Macquarie are among bidders (PFR, 5/9).
First Wind	Various (Wind)	Maine, New York	Credit Suisse Macquarie Capital	Emera and Algonquin are teaming up on a joint venture (PFR, 5/9).
GDF Suez Energy North America	Hot Spring (746 MW CCGT) Choctaw (746 MW CCGT)	Malvern, Ark. Ackerman, Miss.	UBS	UBS is releasing CIMs to interested parties (PFR, 5/15).
KGen Power	Hot Spring (620 MW CCGT) Hinds (520 MW CCGT)	Hot Spring, Ark. Jackson, Miss.	Credit Suisse	Local state subsidiaries of Entergy have agreed to buy the plants in two separate transactions totaling \$459 million (PFR, 5/9).
LS Power	Cross Texas Transmission (234-mile project) Great Basin Transmission (230-mile project)	Texas Nevada	Citigroup Citigroup	Final offers are due by month's end (PFR, 5/15).
Navasota Energy Partners	L'Energia (80 MW CCGT)	Lowell, Mass.	TBA	EDF Trading North America has agreed to buy the plant (see story, page 5).
NextEra Energy Resources	Blythe (507 MW Combined-cycle) Calhoun (668 MW Peaker) Doswell (708 MW CCGT & 171 MW Peaker) Cherokee, (98 MW CCGT) Risee (550 MW CCGT)	Blythe, Calif. Eastaboga, Ala. Ashland, Va. Gaffney, S.C. Johnston, R.I.	Credit Suisse, Citigroup	Teasers went out this week (PFR, 5/9).
NRG Solar	Various (stake in 881 MW solar pipeline)	Various	Credit Suisse	NRG is looking for a minority owner for its solar subsidiary (PFR, 5/9).
PNM Resources	Stake in Optim Energy Altura (600 MW Cogen) Twin Oaks (305 MW lignite-fired) Cedar Bayou 4 (275 MW natural gas-fired)	Texas Channelview, Texas Bremont, Texas Chambers County, Texas	Morgan Stanley	Teasers are out as Cascade Investments considers exiting (PFR, 5/23).
Raser Technologies	Thermo 1 (14 MW Geothermal) Lightning Dock (15 MW Geothermal development)	Thermo, Utah Hidalgo County, N.M.	Bodington & Co.	A pair of investors have come forward as stalking horse bidders in a Ch. 11 bankruptcy (PFR, 5/23).
Standard General	Standard Binghamton (49.3 MW Peaker)	Binghamton, N.Y.	Energy Advisors	Alliance Energy Group expects a 2Q close (PFR, 5/23).
Wayzata Opportunities Fund	Chowchilla (49 MW Peaker) Red Bluff (45 MW Peaker)	Chowchilla, Calif. Red Bluff, Calif.	TBA TBA	EWP Renewable Corp., a unit of Korean Electric Power Corp., is buying the facilities (see story, page 4).

Project Finance Deal Book

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

Live Deals: North America

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
American Renewables	Gainesville (100 MW Biomass)	Gainesville, Fla.	BoTM	TBA	\$400M	TBA	BoTM mandated for club deal and will joined by six or seven others (PFR, 5/23).
Boralex, Gaz Métro	Unidentified (272 MW Wind)	Seigneurie de Beupré, Quebec	TBA	TBA	\$500-600M	18-20-yr	Sponsors tap BNP Paribas as adviser on \$500-600 million credit (PFR, 5/2).
Brookfield Asset Management, Isolux Corsan	CREZ (300 Miles Transmission)	Texas Scotia, SocGen	BOTM, DB, Santander,	TBA	\$400-500M	TBA	At least one of the lenders plans to syndicate their piece (see story, page 2).
Calpine	Russell City (600 MW Combined-Cycle)	Hayward, Calif.	ING, Union Bank	TBA	TBA	TBA	Loan priced at 225 bps over LIBOR (PFR, 5/23).
Cogentrix	Alamosa (30 MW PV)	San Luis Valley, Colo.	FFB	TBA	\$90.6M	TBA	Sponsor snags conditional DOE loan guarantee (PFR, 5/16).
Competitive Power Ventures	Sentinel (850 MW Gas)	Riverside County, Calif.	BoTM	TBA	TBA	TBA	ING, RBS join financing (PFR, 5/16).
EDF EN Canada	Lac-Alfred (300 MW Wind)	La Matapédia et la Mitis, Quebec	TBA	TBA	TBA	TBA	Sponsor shelves debt financing (PFR, 5/9).
Edison Mission Energy	Walnut Creek (500 MW Gas)	Los Angeles County, Calif.	MUFG,	TBA Santander	\$500-600M	TBA	EME reaches out to lenders about the financing (PFR, 4/25).
El Paso Corp.	Ruby (675-Mile Pipeline)	Wyoming to Oregon	TBA	Refi	TBA	TBA	Sponsor to refinance \$1.51 billion loan after project is operational this summer (PFR, 4/18).

For a complete listing of the Project Finance Deal Book, please go to iipower.com.

SUMMIT SEEKS

(continued from page 1)

described as a long period, but the length could not be determined. RBS and Summit are exploring export/import financing, given the heavy German input, says **Richard Randall**, the managing director for power and project finance who is heading up the effort at RBS. Summit is targeting an October closing. Construction on the Texas Clean Energy Center will begin shortly thereafter, with the project fully operational by 2014.

The financing will be complemented by a \$450 million award from the U.S. **Department of Energy** as part of the agency's clean-coal power initiative. "That's nice," says a head of project finance of the DOE award, "but the more important thing is the guarantee of performance."

Financiers say several thermal-focused banks are intrigued by clean coal, with one pointing to a healthy interest in leading the deal, despite the lack of precedent of banks financing carbon capture and sequestration. "It seems feasible—all the technologies are proven. But we haven't talked to our credit committee yet," says an originator of financing integrated gasification. Some lenders will need to study the quality of the product in an IGCC plant versus that of a traditional gas-fired plant before they sign on, adds the head of project finance. "That's not the sort of project that banks will rush to," he says of the technology.

While the carbon capture and sequestration technology raises

some questions for lenders, it also alleviates concerns about emissions regulations. "The concern is not driven by the use of [clean] coal, because you're minimizing the emissions," explains the head of project finance.

Summit owns a 75% interest in the project, with **CW NextGen** owning the rest, though Summit and CW are looking to sell down their equity stakes. Redman anticipates completing those transactions at closing. Summit has been seeking equity investors for at least two years (PFR, 4/24/09). Redman declined to identify potential investors and the size of the stakes. The reasons behind any delay, or the status, of the equity sale could not be learned.

CW NextGen is a Texas limited partnership that includes **Clayton Williams**, chairman and ceo of Midland, Texas-based **Clayton Williams Energy**, an independent oil and gas company. **Don Hodel**, former secretary of the DOE, and **Earl Gjeldre**, coo and a former chief of staff at the department, launched Summit in the late 1990s.

Most of the output for the three generators at the plant is contracted; Redman expects the rest to be contracted by closing. Pricing and tenor couldn't be learned. Redman declined to elaborate on deal details or identify the offtakers. Williams didn't return a call seeking comment.

A debt package supporting **Longview Power's** 695 MW supercritical pulverized project in Maidsville, W.Va., is one of the

last coal-fired plants to be financed in the U.S. (PFR, 10/3/08). That plant does not include carbon capture and sequestration technology.

—*Brian Eckhouse*

CVPS LOOKS FOR

(continued from page 1)

look, bankers say. The regulatory climate in Vermont has not always been friendly to utilities so that could be a deterrent to some prospective buyers, says one M&A banker.

The stable cash flows at regulated utilities such as CVPS are attractive to “a certain buyer universe,” says a banker. Financial players may take a look at the asset but a strategic is expected to emerge as the buyer, says another financier.

Montreal-based Gaz Métro, which already owns **Green Mountain Power** and **Vermont Gas Systems**, is tipped to be the likeliest buyer because it already has an operating history and familiarity with the regulators, the banker says. NU is busy with its merger with **NStar** so it may not be a serious player, he adds. The sale is also similar to **National Grid** selling its New Hampshire properties—**Granite State Electric Co.** and **EnergyNorth Natural Gas**—last year to Algonquin for \$285 million, notes one deal watcher (PFR, 12/9).

A CVPS spokesman was not available and an official did not respond to an inquiry. A Lazard spokeswoman declined to comment. Spokespeople at the regional companies either declined to comment or did not immediately respond to inquiries.

—*Holly Fletcher*

DEVELOPER READIES

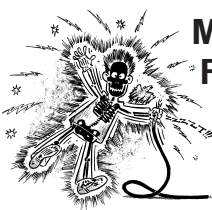
(continued from page 1)

and Denham’s relationship with lenders give it a boost. “If Gradient didn’t have Denham behind them, this would definitely be more challenging,” says a deal watcher. **Craig Mataczynski**, ceo, joined the company in April of last year after exiting his post as ceo at **Renewable Energy Systems Americas**. Prior to RES, Mataczynski was the president and ceo of **NRG North America**.

Due to the paucity of geothermal financings, they generally get more consideration from lenders than other renewables, says a New York-based syndicator. “If you look at the pipeline, there’s not a whole lot out there... I would expect this deal to do pretty well if these market conditions continue,” he says pointing to scant deal flow for banks looking to put capital to work. Lenders favor geothermal deals once they are comfortable with potential drilling risks because the resource represents consistent baseload capacity and helps diversify lender portfolios. The **Sacramento Municipal Utilities District** has a 21-year offtake agreement for up to 132 MW at Patua.

Gradient and the sponsors have yet to finalize pricing and

Alternating Current



Macq Attack: Macquarie Energy’s Full-Court Press

Macquarie Energy hosted dozens of reporters at a cocktail reception at its offices in New York on Thursday evening. Attendees at the two-hour long rendezvous rubbed elbows with executives from New York, Houston and Calgary.

Peter Kind, senior managing director in U.S. advisory and capital markets business at **Macquarie Capital**, **Alan James**, senior managing director focusing on the utility and energy sectors at **Macquarie Securities**, **James Hooke**, ceo of **Macquarie Infrastructure Co.** and **Andrew Chapman**, senior managing director of **Macquarie Infrastructure & Real Assets** were among the officials sipping pinot grigio, cabernet and Stella Artois.

While enjoying the view from the 22nd floor and listening to music, participants noshed on a wide selection of hors d’oeuvres: latkes with a dollop of avocado, seared scallops, coconut shrimp and grilled artichokes were rounded out with a dessert selection of chocolate caramels with sea salt and lemon raspberry tartlets.

tenor of the deal. **Ren Plastina**, BNP managing director, and **Vincas Snipas**, Dexia v.p., are leading the deal alongside **Alok Garg** and **Pam McDougall**, Scotia director and managing director, respectively.

A Gradient spokeswoman in Reno didn’t make Mataczynski available by press time. **Scott Mackin**, Denham partner in Short Hills, N.J., and a spokesman in Boston didn’t return calls. Officials at BNP, Dexia and Scotia declined to discuss the financing.

—*Brian Eckhouse & Sara Rosner*

Quote Of The Week

“There’s no new technology in the plant, just the integration of the three is new.” —**Eric Redman**, president of **Summit Power Group** in Seattle on financing a more than \$2 billion, 400 MW integrated gasification combined-cycle plant that features power generation, carbon capture and sequestration (see story, page 1).

One Year Ago In Power Finance & Risk

Wind developer **enXco** and **Indianapolis Power & Light Co.** had revised a lapsed power purchase agreement for the 201 MW Lakefield wind project in southwestern Minnesota—a move that revived financing discussions. [**Dexia Crédit Local** and **Société Générale** wrapped a \$422 million financing backing the wind project, with **Banco Santander**, **CoBank**, **Helaba** and **Lloyds TSB** participating (PFR, 5/16).]