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## Navasota Bids Due

Preliminary offers on a pair of gas-fired combined-cycle plants in ERCOT being sold by **Navasota Holdings Texas Partners** are due Friday.

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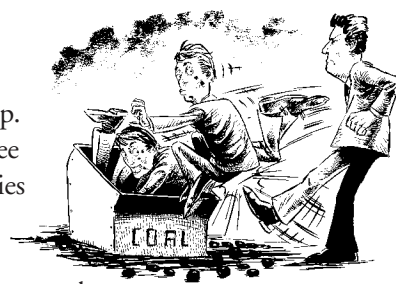
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## JPMORGAN CUTS BANKERS

JPMorgan Chase has axed a number of investment bankers in its North American natural resources group. As first reported on *PFR's* Web site last Thursday, three of its six executive directors covering power and utilities and a handful of associates and analysts left the firm just before the Memorial Day weekend.

The executive directors who have left are **Eric Gleason**, who



*(continued on page 12)*

## PHILIP MORRIS STUBS OUT POWER

**Philip Morris Capital Corp.** is planning to divest its entire portfolio of leveraged lease interests in power generation. The company has begun selling the assets individually and will continue through 2013 as part of a restructuring plan that began five years ago with the aim of deploying capital in other areas.

PMCC was formed in 1982 and has built a diversified domestic and international portfolio by providing the equity portion of lease financings, allowing it to offset its tax position. But according to an annual report from its parent company **Altria Group**, "In 2003, PMCC shifted its strategic focus and is no longer making new investments." Instead it

*(continued on page 12)*

## MERRILL MINTS CLEAN ENERGY COVERAGE TEAM

**Merrill Lynch** has reworked its investment banking origination effort for alternative energy and clean tech clients, anticipating deal volume will increase as carbon legislation draws nearer. It has created an Americas Clean Energy Committee to be led day-to-day by **Parker Weil**, co-head of energy and power, and **Kevin Keyes**, head of equity capital markets, and to be chaired by **Colbert Narcisse**, coo of Americas origination, all based out of New York.

"Renewable energy is two main industry groups—it's the megawatts, kilowatts and alternative fuels, and then the technology that makes those processes more efficient," says Weil,

*(continued on page 12)*

## BBVA SEEN FINANCING ACCIONA WIND FARM

Spain's **Acciona Energia** has reportedly asked **BBVA Bancomer** to arrange financing for its \$400 million, 250 MW Eurús wind farm in Mexico's southern state of Oaxaca.

Cement producer **Cemex** and subsidiaries **Inmobiliaria Rio La Silla** and **TEG Energia** are partners with Acciona. Cemex will also draw power generated by the facility.

Calls to officials at BBVA in New York and in Mexico City and to Acciona were not returned, nor were calls to Cemex and its subsidiaries.

Construction of Eurús near the town of Juchitan de Zaragoza could begin as early as the third quarter and is expected to be complete by 2010. Oaxaca has some of the best

*(continued on page 12)*

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



## At Press Time Bid Deadline Set For Navasota Plants

JPMorgan has told potential bidders on 1,650 MW in ERCOT generation up for sale by Navasota Holdings Texas

Partners that indicative offers need to be in by June 6.

The plants are the 275 MW Colorado Bend Energy Center in Wharton, Texas, and 275 MW Quail Run near Odessa (PFR, 2/8). A second phase of construction is set to complete this summer on both plants, raising their capacity respectively to 550 MW, and a third phase next year will boost their output again to 825 MW each (PFR, 4/25). The units have a 7,425 Btu per kWh heat rate and are the only new gas-fired generating facilities to come online last year and this year. Navasota is 75% controlled by three hedge funds and by its founders, **Frank Giacalone**, president, and **Dan Hudson**, cfo. Calls to Hudson and JPM were not returned.

## Calpine Rejection Of NRG Expected To Draw Fresh Bids

Calpine Corp.'s decision to pass on NRG Energy's unsolicited bid to merge will likely bring fellow IPPs into the fray. "NRG was trying to sneak this bid under the table and Harbinger [Capital Partners] slapped them on the wrist," says **Lasan Johong**, senior equity analyst at RBC Capital Markets in New York, noting that a higher offer should follow. "The reason for [NRG's] all-stock bid is it is the most leveraged of all the IPPs."

Dynegy and Reliant Energy are better positioned to snap up the IPP because they have more cash on hand, Johong says. It is unclear whether these companies are being advised on approaching Calpine. Dynegy declined to comment and a call to Reliant was not returned.

Johong believes NRG will raise its offer, but not beyond \$28-30 per Calpine share. As well as Dynegy and Reliant, **Mirant** could also bid in the mid \$30s per share, he says, by redeploying capital from the \$3.6 billion it set aside for share repurchases. A Mirant spokeswoman declined to comment on whether the Atlanta IPP is in a position to approach Calpine or any other company while its open market buyback program is ongoing, noting that so far the IPP has spent \$900 million on repurchases. Mirant recently ran a process to sell itself but pulled the auction due to the choppy credit markets and concerns over the costs of its carbon footprint (PFR, 11/16).

Calpine's board said in a statement Friday that it believes NRG's proposal is, "inadequate and materially undervalues the company's unique asset portfolio and future prospects." **David Crane**, ceo of NRG, responded in a statement that the company "continues to believe [its] proposal offers significant strategic and financial benefits and [it] remains interested in a combination with Calpine on the terms [it has] proposed." It offered a fixed exchange ratio translating to an \$11.5 billion deal, envisaging a combined entity with a \$20 billion market cap and more than 45 MW of generation (PFR, 5/23). **Goldman Sachs** is advising Calpine and has been authorized to contact NRG's advisors, **Credit Suisse** and **Merrill Lynch**, to determine if there is a basis for further discussions. Spokespeople at both companies did not return calls.

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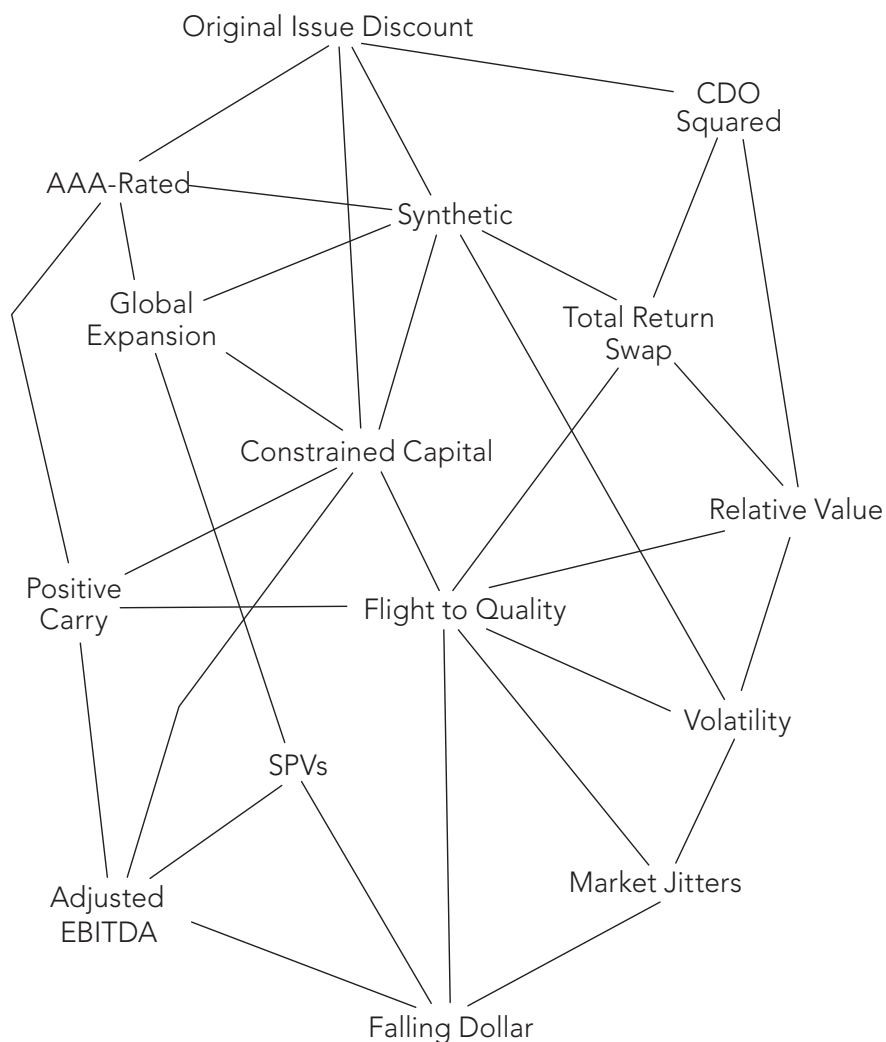
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## Denham Wraps \$2B Fund

**Denham Capital Management** has closed a new \$2 billion fund to invest in power and carbon projects, natural resources and energy infrastructure globally. As first reported by *PFR* last Thursday, the raise exceeded the firm's \$1.75 billion target and drew commitments from more than 90% of Denham's existing limited partners.

*Denham Commodity Partners Fund V* brings the amount of capital under management at Denham to \$4.3 billion. The firm invests across the capital structure and at all stages of the corporate and asset lifecycle—including development—in the U.S., Canada, South America, Europe, Russia, Asia and Australia. It recently opened an office in London, run by **Louis van Pletzen**, managing director, who joined from **Nomura International** late last year (*PFR*, 10/5) and plans to set up shop in Sao Paulo, Brazil, later this year.

Details of funds I though IV could not be learned and **Stuart Porter**, chairman and ceo of Denham in Boston, was not available for comment.

## Tenaska To Leverage PJM Peaker



Alan Levande

**Tenaska Capital Management** is planning to leverage its agreed upon \$368 million acquisition of Rolling Hills, a gas-fired peaker with 815 MW summer capacity in Wilkesville, Ohio, from **Dynegy**. "We will likely leverage the plant subsequent to acquisition," says **Alan Levande**, senior managing director at Tenaska in New York,

noting it would approach a broad range of undisclosed relationship banks for the debt. It will initially fund the acquisition entirely with equity from *Tenaska Power Fund II*.

Dynegy approached a small group of unnamed buyers for the asset in a process thought to be competitive, says Levande. "We're selling Rolling Hills because the offer had good net value for stockholders," said a spokeswoman at Dynegy, declining further comment. Neither party had a financial advisor for the transaction, which is slated to close in two to three months pending Hart-Scott-Rodino review and approval from the **Federal Energy Regulatory Commission**.

Levande says Tenaska plans to hold the asset for five to seven years before selling it, but would not elaborate on targeted returns. "It's a modern, clean, efficient power plant," he says. "It's in the PJM market, which is a key component in our acquisition strategy."

Tenaska has five facilities in the PJM, including 308 MW Calumet in Chicago, 250 MW Wolf Hills in Bristol, Va., 300 MW Big Sandy in Kenova, W.Va., 625 MW Armstrong Energy in

Shelocta, Pa., and 313 MW Pleasants Energy in St. Mary's, W.Va.. **International Power America** is purchasing Calumet, Armstrong and Pleasants along with 616 MW Troy Energy in Luckey, Ohio, which serves MISO, for a total of \$856.4 million (*PFR*, 5/16).

## RBS Readies \$560M Black Hills Acquisition Financing

**Royal Bank of Scotland** is planning to launch into retail syndication this month a \$560 million debt package bankrolling **Hastings Funds Management** (55%) and **IIF BH Investment's** (45%) acquisition of power assets from **Black Hills Corp.** About three sub-underwriters are expected to be brought into the deal before launch. Firms in the running could not be learned, though **Union Bank of California** was thought to be among them (*PFR*, 5/1). Officials at the lead and the buyers declined to comment.

The package that will be pitched to project finance banks will consist of a seven-year, \$460 million term loan and a \$100 million facility for working capital. Pricing is 325 over LIBOR.

The fleet being acquired for \$840 million is 974 MW and is predominantly contracted, though a portion of the offtake agreements will roll off before the seven-year debt matures. The buyers are working to put hedges in place for one of the plants, 98 MW Harbor, a combined-cycle gas turbine plant in Long Beach, Calif., according to one deal tracker, but are yet to select a bank.

## Lenders Pitch For \$400M Storage Financing

**Falcon Gas Storage** received indicative bids last week from a small group of relationship banks looking to lead a more than \$400 million financing for its **MoBay Storage Hub** subsidiary. Energy investment banking boutique **Tudor, Pickering, Holt & Co.** and **Royal Bank of Scotland** are advising on the deal.

Among the lenders pitching are **WestLB** and **Barclays Capital**, who led a \$335 million financing last year for subsidiary **NorTex Gas Storage** (*PFR*, 2/16/07). The package will comprise a term loan with a likely tenor of construction plus seven years and a small working capital facility.

As first reported by *PFR*, the sponsors were looking to launch the debt in March (*PFR*, 2/15), but were in no hurry and wanted to determine the best way to approach the market. They are expected to choose lead arrangers early this month and are aiming to reach financial close by July when construction is slated to begin on the first phase of the 50 billion cubic feet per day facility.

MoBay will be the only gas storage facility to serve both the Florida Gas Transmission and Gulfstream Natural Gas System. It



will have a maximum injection and withdrawal capability of 1 bcf. Some 80% of the gas is contracted to undisclosed purchasers in contracts lasting two to 20 years.

Calls to **Edmund Knolle**, coo at Falcon in Houston, and to **Ed Guay**, managing director at Tudor in Denver, were not returned. Officials at RBS, WestLB and Barclays declined to comment or did not return calls.

## EdF Sub Close To Awarding Mexico Mandate

EdF Energies Nouvelles is close to mandating a bank for around \$140 million in financing for its 67.5 MW La Ventosa wind project in the mountains of Mexico's southern state of Oaxaca.

The cost of the entire project is said to be around \$200 million and pitches from banks were due by the middle of last month. "It's whatever the market will take," says a deal watcher on the size of the financing. At least three banks are reportedly in the running.

The farm has been under development for more than six years but had permitting problems (PFR, 12/15/06). "They have an exceedingly tight schedule," says the tracker, noting that the developer is looking to reach financial close next month before beginning the 14-month construction period. The offtaker is **Wal-Mart de Mexico**.

Calls to EdF and **Mitsui & Co.**, which is thought to be a partner in the project, were not returned.

## Leads Close Borco Syndication

**ABN Amro** and **DnB Nor Bank** closed the retail syndication last Wednesday of the \$410 million acquisition financing for **Bahamas Oil Refining Company**, with commitments from eight banks totaling \$345 million. The package has already been funded to buyers **First Reserve Corp.** (80%) and **Royal Vopak** (20%), who are paying \$875 million for the oil storage terminal.

**ING** and **DekaBank** participated in the top tier as documentation agents with undisclosed tickets, joining **Natixis**, which signed up before retail syndication (PFR, 4/18). **HSH Nordbank**, **Siemens Financial Services** and **Fortis Capital** each joined as senior managing agents with \$50 million tickets. **Bank of Ireland** committed \$25 million and **Sumitomo Mitsui Banking Corp.** and **Commerzbank** each committed \$20 million. Allocations could not be learned. As well as acting as lead arrangers and book runners, ABN served as administration agent and DnB as syndication agent.

The financing includes a \$325 million term loan and an \$85 million revolver for working capital maturing in eight years, and a \$10 million debt service reserve facility not being syndicated. Pricing starts at 200 basis points over LIBOR for years one through five and rises to 225 for the remaining years.

## Miss. Storage Financing Nears Wrap

Syndication of \$140 million in senior secured financing tied to a 12 billion cubic foot per day underground gas storage facility near Amory, Miss., under development by **Monroe Gas Storage**, is set to wrap by the end of this week. **Fortis** leads the deal and has rounded up all commitments needed, after launching the deal in April (PFR, 4/7).

Participant lenders are finalizing documentation, says **Kevin Legg**, v.p. of marketing at **Foothills Energy**, which is a joint venture partner in Monroe with **High Sierra Energy**. The company should be ready to start construction soon on the project, he adds. The facility will connect to **Spectra Energy's** Texas Eastern Transmission pipeline and **El Paso's** Tennessee Gas Pipeline to serve markets in the Southeast, Midwest and Northeast U.S.

Calls to **Fortis** and **Marjorie Hargrave**, cfo of High Sierra, were not returned.

## MS Nudges Back Topaz Deadline

**Morgan Stanley** has pushed back to this week the commitment deadline in the retail syndication of \$740 million of debt tied to **Carlyle/Riverstone's** 1.4 GW Texas repowering initiative.

The deal, which reached financial close May 7, is 87-88% sold down, explains an official handling the deal, who says the latest is a \$50 million ticket from Sweden's **SE Banken**. Six to seven institutions are looking at the deal, he adds, noting the deal volume in the market is the cause of the delay. "It's a function of the absolute number of resources that are there." Syndication of financing for **Kleen Energy Systems' 620 MW** plant in Middletown, Conn., (PFR, 5/23), the refinancing of **LS Power's Broadway Gen Funding** (PFR, 5/23) and infrastructure deals like the privatization of the Pennsylvania Turnpike are causing the bottleneck, he says. "The amount of questions in credit committees has increased and everyone is very busy."

**Morgan Stanley** launched the deal in late April at a New York bank meeting and is offering tickets of \$25 million, \$35 million and \$50 million with upfront fees of 62.5 basis points, 87.5 bps and 125 bps, respectively (PFR, 4/25). The package consists of a \$615 million construction/term loan and a \$75 million working capital facility both priced at 325 bps over LIBOR and maturing in 2014. Rounding out financing is a two-year, \$50 million letter of credit priced at 300.

**Natixis**, **ING Capital** and **Dexia Crédit Local** are co-underwriters and **WestLB** and **Calyon** are sub-underwriters. **GE Energy Financial Services** and **Union Bank of California** have taken buy-and-hold stakes. Officials at the banks and either declined to comment or did not return calls, and calls to **Riverstone** were not returned.

## Pair Of Bankers Depart Citi For NRG

Bruce Chung, a director at Citigroup in New York, and Eli Smith, a v.p. at the firm, have left to join NRG Energy's nuclear development company. Chung left in early May and Smith followed about two weeks ago. Their start dates and new titles could not be learned and a spokesman was unable to comment. But both will ultimately be reporting to Steve Winn, the Princeton, N.J., IPP's former head of mergers and acquisitions who is now executive v.p. for strategy and nuclear development at the company.

In March, NRG announced it had teamed up with Toshiba to form Nuclear Innovation North America (NINA), a joint venture that will see it develop, finance and build nuclear reactors using the Japanese manufacturer's technology. Toshiba is investing \$300 million over the next six years for a 12% stake in the venture, to be headed by Winn. The company already has two reactors planned, units three and four at the South Texas Project in San Antonio, Texas.

## SUEZ Tees Up Debt For Abu Dhabi Project

SUEZ Energy International is the frontrunner to win Abu Dhabi's latest power tender for a greenfield 1.6 GW/100 mwd independent water and power project, Shuweihat II, and is in the process of arranging a circa \$2.2 billion debt package via BayernLB, Calyon and Natixis.

Bids were submitted May 14 and SUEZ reportedly came in with EPC costs that were \$500 million more competitive than the runner up. Also bidding on the project were two consortia: one between International Power and Sumitomo Corp., and the other between Marubeni Corp. and Osaka Gas. The three parties are still being evaluated and a preferred bidder is expected to be formally announced in the next few weeks.

HSBC is advising Adwea, the state-owned water and electricity authority, which will own 60% of the project. The winning bidder will control the rest (PFR, 11/30/07). Calls to SUEZ and the banks were not returned.

## Trio Syndicates \$300M For Russian Utility

Barclays Capital, BNP Paribas and ING are syndicating a \$300 million financing for general corporate purposes for RAO UES subsidiary Moscow United Electricity Grid Co. The joint mandated lead arrangers and book runners are set to close syndication this week.

The debt is comprised of a \$300 million term loan with a tenor of two years. Ticket sizes on offer are \$30 million, \$20 million and \$10 million, with pricing at 100 basis points over LIBOR, 85 bps and 70 bps, respectively. The sponsor's first ever syndicated loan will be used for unspecified capital expenditures, which are abundant in the Russian power market, according to a deal watcher. Officials at the leads declined to comment and a spokeswoman at the sponsor was unavailable for comment.

## Corporate Strategies

### San Antonio Utility Preps \$300M Sale For Capex



Paula Gold-Williams

CPS Energy, San Antonio's public utility, will issue \$300 million in 24-year electric and gas systems revenue bonds next month in the first of two possible offerings to help fund construction of its partially complete 750 MW J.K. Spruce II coal plant. Paula Gold-Williams, cfo, says, "We look at all of our financing and look at how the market is going to be and we also consult with our financial advisors and they told us this was a good time."

The issuer wanted to come to market sooner but settled on a new launch schedule with financial advisors, Public Financial Management and Estrada Hinojosa & Co., who were selected through an RFP process that began last year. "We have seen some stabilization in the market," says Gold-Williams. More than

\$100 million of the net \$289.5 million in proceeds from the bonds—issued under the City of San Antonio but held on CPS' books—will go towards Spruce, while the rest will be used for electric transmission and distribution as well as gas distribution and other equipment costs.

CPS is also considering a \$240 million offering in September to fund construction of Spruce through April next year and it could issue \$450 million more in 2010 for other projects, such as the expansion of the 2.7 GW South Texas Nuclear Project in which it holds a 40% stake. Majority owner NRG Energy plans to double the existing capacity at STP by 2016. "Those financings will also be for finalizations of Spruce, as well as costs associated with environmental upgrades," says Dan Aschenbach, senior v.p. in New York at Moody's Investors Service, which rated the new notes Aa1.

Lehman Brothers leads the upcoming deal with Morgan Stanley, Cabrera Capital Markets, Loop Capital Markets, Banc of America Securities, Coastal Securities and RBC Capital

**Markets** as co-mangers. “We have a group of underwriters that we maintain every year and we rotate the participants,” says Gold-Williams, who notes CPS has a debt-to-equity ratio of about 56:44.

## Minnesota Power Plots Funding For \$1.5B Green Drive

Minnesota Power will use a combination of internally generated cash, newly issued debt and equity to fund a \$1.5 billion five-year capital expenditure plan that includes purchasing a transmission line and developing several hundred megawatts of wind in North Dakota.

The initial funding is “baked into the capex plan,” says **Vince Meyer**, manager of investor relations at parent company **Allete** in Duluth, Minn., explaining that roughly half will come from cash generated through rate base, a third will come from new debt and another 17% will be equity. In five years time, however, it might look at separate financing options, “depending on where our balance sheet, cash flow and debt equity levels sit,” he adds, declining to talk specifics.

The move away from coal comes after the Minnesota

legislature passed a law requiring the state to generate 25% of its energy from renewables by 2025. Wind resources in North Dakota helped the company opt for that type of generation. “If we didn’t have a site and if the wind resources weren’t there as it is, we probably would be looking at other types of renewables,” says Meyer, noting that biomass would have been a likely second behind solar.

The plan calls for purchasing a 465-mile direct current transmission line from Center, N.D., to the Arrowhead Substation in Hermantown, Minn., from **Square Butte Electric Cooperative** for \$80 million. “It’s a key corridor, and we can do more with it. North Dakota has some of the best wind energy in the country,” Meyer says. Allete subsidiary **BNI Coal** also owns the mines that produce fuel for its 455 MW Milton R. Young coal plant in Center.

## Calif. Muni To Refi Auction-Rate Debt



Noreen  
Roche-Carter

**Sacramento Municipal Utility District**, a publicly owned utility, intends to use the bulk of its proceeds from a planned \$510 million bond issue to refinance auction-rate debt. The bonds priced last Wednesday for retail investors and on Thursday for institutional investors with coupons ranging from 3-5% and tenors between 2013 and 2028.

About \$150 million from the deal has been set aside to repay distribution and transmission costs and the remaining \$360 million to refinance \$406 million in auction-rate debt issued in 2002 and 2003. SMUD will likely come back to market in a few months with a \$200 million offering to refinance the remaining auction-rate debt. “We’re hopeful to come back to the market with a variable-rate [issue] by July,” says **Noreen Roche-Carter**, treasurer in Sacramento, Calif.

**Goldman Sachs** is senior manager for the deal, with **De La Rosa & Co.**, **JPMorgan**, **Merrill Lynch**, **Morgan Stanley**, **M.R. Beal & Co.** and **Ramirez Co.** co-managers. “We’ve worked with Goldman for a long time,” says Roche-Carter, adding, “We’ve not truly issued debt on the SMUD level since 2004.” The utility’s most recent issue was last year from its **Northern California Gas Authority** unit. Proceeds from the \$758 million sale were put towards the pre-payment of 20 years’ supply of natural gas.

**Fitch Ratings** assigned an A rating to the newer issue. “There are environmental targets—Renewable Portfolio Standards—they have set for themselves. SMUD’s trying to be more aggressive than their counterparts and in general it’s going to cost more,” says **Lina Santoro**, senior director at the rater in New York. SMUD’s debt-to-equity ratio is 85:15.

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**Iberdrola Reportedly Stalks Miss. Gas Storage**  
May 1, 2008

Iberdrola Renovables is rumored to be in talks to acquire **Caledonia Energy Partners**, owner of a gas storage facility in Caledonia, Miss. The Spanish utility is now the third-largest gas storage operator in the U.S. after closing in December on **Freebird Gas Storage** for EUR112.3 million (\$164 million).

The sellers are **Tenaska Power Fu** 50% stake in Caledonia in 2006, and energy veterans, who were the retained a 50% share (PFR, 1/11) worth \$250-300 million, came with 1 billion cubic feet of natural gas Bcf of expansion capacity and El Paso's Tennessee

**REUTERS**  
MAY 19, 2008

**Iberdrola Renovables Boosts U.S. Gas Storage**

Spain's Iberdrola Renovables said on Monday it has bought a 0.33 billion cubic metre gas storage facility in Mississippi for \$285 million (184 million euros). Renovables, 80 percent owned by Spain's biggest power company Iberdrola said the facility was bought from Caledonia Energy Partners and the deal is expected to close in the near future.

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## Generation Auction & Sale Calendar

*Following is a directory of ongoing generation asset sales. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report new auctions or changes in the status of a sale, please call Katy Burne, Managing Editor, at (212) 224-3165 or e-mail [kburne@iinews.com](mailto:kburne@iinews.com).*

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
AES	Warrior Run Red Oak Ironwood	Cumberland, Md. Sayreville, N.J. South Lebanon Township, Pa.	205 832 720	Coal Gas Gas	Goldman Sachs	Shopping PJM assets (PFR, 5/21).
Allco Finance Group	Various	Kern County, Calif. Germany, France Australia, New Zealand	3,100 97 1,600	Wind N/A N/A	Marathon Capital	Company plans to sell either as global portfolio or in regional chunks (PFR, 3/11). DIF Renewable Energy Fund purchased 27.7 MW of French and German assets (PFR, 5/16).
Arroyo Energy Investors	Thermo Cogeneration	Fort Lupton, Colo.	272	Gas	N/A	Starwood Energy Group Global to buy for \$207.2M (PFR, 2/6).
Black Hills Corp.	Arapahoe Valmont Fountain Valley Las Vegas I Las Vegas II Harbor Valencia	Denver, Colo. Valmont, Colo. Colorado Springs, Colo. Las Vegas, Nev. Las Vegas, Nev. Long Beach, Calif. Albuquerque, N.M.	130 80 240 53 224 98 149	Gas Gas Gas Gas Gas Gas Gas	Credit Suisse	Hastings Funds Management and a unit of JPMorgan Asset Management to acquire for \$840M with RBS leading the financing (PFR, 4/30).
BTEC Turbines	Southaven Energy New Albany Power	Miss. Miss.	340 390	Gas Gas	JPMorgan	Assets or just the equipment for sale. Teasers dispatched (PFR, 4/3).
Bulgarian Privatization Agency	Bobov Dol	Bulgaria	630	Thermal	N/A	Bulgaria's Minna Kompania and Consortium Energia, Belgium's Electrabel, Greece's Damco Energy and U.S. joint venture Sencap intend to bid.
Calpine	Texas City Clear Lake	Texas City, Texas Clear Lake, Texas	425 375	Gas Gas	Miller Buckfire	Second-round bids taken 5/5.
CarVal Investors et al.	Granite Ridge	Londonderry, N.H.	720	Gas	N/A	Sellers are looking to mandate auctioneer (PFR, 5/19).
Catamount Energy	Sweetwater Ryegate Power Rumford	Nolan County, Texas Vermont Rumford, Me.	505 (50%) 20 85	Wind Wood waste Cogen	Goldman Sachs	Unsolicited approaches have been made to financial backer Diamond Castle Holdings (PFR, 8/31).
Central Vermont	Various	Vermont	70 in summer	Hydro	Morgan Stanley	Status unknown (PFR, 5/18).
Connecticut Energy (Pepco Holdings)	Various	PJM Interconnection	3,700	Various	Credit Suisse	Company reviewing strategic alternatives, including whole or partial sale and merger (PFR, 12/10).
Con Ed Development	CEEMI Newington Energy Lakewood Ocean Peaking Power Rock Springs Genor Ada Cogeneration EverPower Wind	Springfield, Mass. Newington, N.H. Lakewood, N.J. Lakewood, N.J. Rising Sun, Md. Puerto Barrios, Guatemala Ada, Mich. NEPOOL, NY, PJM	185 525 (99.5%) 246 (80%) 339 670 (50%) 42 (49.5%) 29 (48%) 500 planned	Gas, Oil, Hydro Gas Gas Gas Gas Oil 29 (48%) Wind	Morgan Stanley	Industry Funds Management has acquired all assets except Newington for \$1.4B. Barclays launched syndication of a \$545M first lien financing to support acquisition (PFR, 5/16).
ConocoPhillips	Immingham	Lincolnshire, U.K.	730	Gas	Citigroup	Looking at strategic options on the plant (PFR, 1/18).
Complete Energy Holdings	La Paloma	McKittrick, Calif.	1,022	Gas	JPMorgan	Has agreed to merge with GSC Acquisition Co. in \$1.3B deal (PFR, 5/16).
	Batesville	Batesville, Miss.	837	Gas		
Corona Power	Sunbury Generating	Shamokin Dam, PA	432	Coal, oil, diesel	Merrill Lynch	Soliciting equity to complete \$250M of upgrades (PFR, 12/24).
DONG Energy	Evia, Karistos and Tourla	Greece	19	Wind	HSBC	Teasers expected later this quarter after IPO (PFR, 1/18).
DTE Energy	East China	East China, Mich.	320	Gas	N/A	Seller exploring options, including outright sale.
Dynegy	Rolling Hills	Wilkesville, Ohio	815 in summer	Gas	N/A	Tenaska Capital Management to acquire for \$386M (PFR, 5/28).
EISL	Various	Catalonia, Spain	630	Wind, Hydro	JPMorgan	Company weighing sale (PFR, 12/24).
Energy Capital Partners	Mt. Tom Various Empire Generating Waterbury Turners Falls Cabot, Mass.	Holyoke, Mass. Conn. and Housatonic Rivers Rensselaer, N.Y. Waterbury, Conn. Turners Falls, Mass. Montague, Mass.	146 216 635 96 6 62	Coal Hydro Gas Gas Hydro Hydro	Credit Suisse	ECP has hired Credit Suisse to advise on how to monetize FirstLight Power Resources portfolio (PFR, 5/13).
Energy Future Holdings (Luminant)	Sandow 4 Sandow 5	Milam Co., Texas	545 (50%) 581 (50%)	Coal Coal	Credit Suisse	Reportedly planning to sell stakes to Perennial Power Holdings (PFR, 2/18).
Entegra	Gila Union	Phoenix, Ariz. El Dorado, Ark.	2,300 3,000	Gas Gas	N/A	Merger talks with KGen stalled (PFR, 1/17).
Entergy Corp.	50% stake in Top Deer Wind Ventures RS Cogen Roy S. Nelson Warren Power Harrison Independence Robert Ritchie	Worth County, Iowa Carsen County, Texas Lake Charles, La. Westlake, La. Vicksburg, Miss. Marshall, Texas Newark, Ark. Helena, Ark.	40 40 212 60 225 335 121 544	Wind Gas Gas/Oil Gas Gas Coal Gas/Oil	New Harbor	Seller wants about \$520M for the assets. Bidders shortlisted to four players: two financial; two infrastructure (PFR, 6/18).
EPCOR	Castleton-on-Hudson	Albany, N.Y.	64	Gas	N/A	Quietly shopping asset (PFR, 4/18).
ESB International	Marina Great Island Tarbert	Cork City, Ireland Wexford Co., Ireland County Kerry, Ireland	115 240 640	Gas Oil Oil	Merrill Lynch	In second round the winning bidder should be revealed this summer.
Exergy Development Group	Various	Upper Midwest, Northwest U.S.	3,600	Wind	Marathon Capital	Weighing partnership, joint venture, recap or sale (PFR, 12/17).
First Reserve, GenPower	Longview Power	Maidsville, W.Va.	695	Coal	Merrill Lynch	Merrill landed mandate to advise on the sale (PFR, 5/16).



# Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
Foresight Wind Energy	Various	Arizona, New Mexico	2,000	Wind	CP Energy	Transaction delayed (PFR, 10/8).
FPL Energy	Posdef	Stockton, Calif.	44	Coal/Petcoke	New Harbor	Indicative bids due April 11 (PFR, 3/11).
	Tesla	Tracy, Calif.	1,120	Gas/Steam	Credit Suisse	Development site. Status unclear.
G2 Energy	N/A	Boise, Idaho	3	Landfill Gas	N/A	FORTISTAR to acquire 99% and is financing the acquisition via Caterpillar Financial Services (PFR, 5/7).
	N/A	Fort Worth, Texas	1.6	Landfill Gas		
General Electric	Baglan Bay	Port Talbot, Wales	510	Gas	Lexicon Partners	GE re-ignited sale process. Carron Energy interested.
	Panther Creek	Nesquehoning, Pa.	94	Waste Coal	N/A	Looking for buyers (PFR, 2/26).
	Pittsfield Generating	Pittsfield, Mass.	163	Gas	N/A	Maxim Power set to acquire (PFR, 3/17)
	Colton Power	Colton, Calif.	80	Gas	N/A	Selling with help of asset manager PUREENERGY (PFR, 4/8).
Goldman Sachs (Cogentrix Energy)	Southaven Power	Southaven, Miss.	810	Gas	Houlihan Lokey	TVA will acquire for \$466.3M (PFR, 4/1).
InterGen (AIG Highstar Capital II, 50%)	Rocksavage	Runcorn, U.K.	748	Gas	Lehman Brothers	Preliminary bids were due 3/26 (PFR, 2/7).
	Coryton	Essex, U.K.	732	Gas		
	Spalding	Lincolnshire, U.K.	860	Gas		
	Rijnmond I, II	Rotterdam, the Netherlands	820, 400	Gas		
	Bajio	San Luis de la Paz, Mexico	600 (306 stake)	Gas		
	La Rosita	Mexicali, Mexico	1,100	Gas		
	Quezon	Philippines	460 (211 stake)	Coal		
	Millmerran	near Brisbane, Australia	880 (228 stake)	Coal		
	Callide	Queensland, Australia	920 (230 stake)	Coal		
K&M International Power	Termovalle	Cali, Colombia	220	Gas	JPMorgan	Teasers dispatched (PFR, 3/18).
Kelson Canada (Harbinger Capital Partners)	Calgary Energy Center	Calgary, Alberta	300	Gas	UBS	First round bids taken 4/30 (PFR, 4/30).
	Island Generation	Duncan Bay, B.C.	230	Gas		
	King City Cogeneration	King City, Calif.	120	Gas		Asset taken off the block for unknown reasons.
	Whitby Cogeneration	Whitby, Ontario	50	Gas		
Kelson Holdings	Dogwood	Pleasant Hill, Mo.	620	Gas	Goldman Sachs, Merrill Lynch	Weighing strategic options, including sale/merger (PFR, 10/9).
	Redbud	Luther, Okla.	1,200	Gas		Redbud to be sold to load serving entities for \$852M (PFR, 1/21).
	Cottonwood	Deweyville, Texas	1,200	Gas		
	Magnolia	Benton County, Miss.	922	Gas		
KGen Power	Murray I	Murray Co., Ga.	630	Gas	Credit Suisse	Talks to merge with Entegra stalled due to management disagreements (PFR, 3/24).
	Murray II	Murray Co., Ga.	620	Gas		
	Hot Spring	Hot Spring Co., Ark.	620	Gas		Received \$20 per share offer reportedly from ArcLight Capital Partners (PFR, 5/9), but did not recommend to shareholders.
	Hinds	Jackson, Miss.	520	Gas		
	Sandersville	Washington Co., Ga.	640	Gas		
LS Power	Sugar Creek	Sugar Creek, Ind.	561	Gas	N/A	Northern Indiana Public Service to acquire (PFR, 11/2).
MACH Gen	Millennium	Carlton, Mass.	360	Gas/Oil	Credit Suisse	Pair of Northeast assets set to fetch \$1B (PFR, 5/21).
	Athens	Athens, N.Y.	1,000	Gas/Oil		
	Covert	South Haven, Miss.	1,100	Gas		
	Harquahala	Tonopah, Ariz.	1,090	Gas		
Mirant	Lovett Generating Station	Tompkins Cove, N.Y.	183	Coal/Gas	N/A	Alliance Energy offered to buy for undisclosed sum but withdrew offer when Mirant did not respond (PFR, 2/14).
National Grid	Ravenswood Station	Queens, N.Y.	2,450	Gas	Merrill Lynch	TransCanada agreed to purchase for \$2.9B (PFR, 4/1).
	E.F. Barrett	Island Park, N.Y.	311	Gas		Sale being evaluated. Long Island Power Authority has option to purchase some of the units until 5/31 (PFR, 4/11).
	Far Rockaway	Far Rockaway, N.Y.	100	Gas		
	N/A	Shoreham Nuclear Plant, N.Y.	72	Gas		
	Wading River	East Shoreham, N.Y.	239	Gas		
Navasota Energy Partners	Colorado Bend	Wharton, Texas	825	Gas	JPMorgan	Teasers dispatched (PFR, 2/11). Bids due June 6 (PFR, 5/29).
	Quail Run	Odessa, Texas	825	Gas		
Noble Environmental Power	Various	N.Y., Mich.	385	Wind	Goldman Sachs	Company filed S-1 to IPO (PFR, 5/16).
North American Power Group	Rio Bravo Fresno	Fresno, Calif.	25	Biomass	N/A	In discussion with potential buyers (PFR, 8/31).
	Rio Bravo Rocklin	Roseville, Calif.	25	Biomass		Holds interests alongside Constellation Energy Group.
NorthWestern Energy	Colstrip Unit 4 (30%)	Mont.	740	Coal	Credit Suisse	Exploring strategic options (PFR, 2/8).
NRG Energy	Indian River	Millsboro, Del.	784	Coal	N/A	Seller soliciting offers on plant (PFR, 11/8).
Primary Power International	Hillman	Hillman, Mich.	19	Biomass		FORTISTAR agreed to purchase an interest in the portfolio. Deal was set to close in 30 days (PFR, 2/19).
	Grayling	Grayling, Mich.	36			
	Genesee	Flint, Mich.	35			
	Dapp Generating	Westlock, Alberta	17			
	Valley Power	Drayton Valley, Alberta	12			
Reliant Energy	Channelview	Lyondell, Texas	830	Gas	Houlihan Lokey	FORTISTAR and Global Infrastructure Partners to acquire for \$500M (PFR, 4/8). A judge has approved the sale (PFR, 5/16).
	Bighorn	Primm, Nev.	598	Gas	JPMorgan	Nevada Power to buy for \$500M.
RES Americas	Various	U.S.	1,000 under construction	Wind	Credit Suisse	Bids approaching \$1B received 5/5 from Pacific Gas & Electric, Sempra Generation, SUEZ Energy North America, First Reserve and GE (PFR, 5/5). SUEZ dropped out.
Ridgeline Energy	Various	Idaho, Ore., Wash.	3,700 pipeline	Wind	Marathon Capital	Talks nixed with a southern U.S. utility (PFR, 10/8). Back in play.
Ridgewood Renewable Power	Penobscot	West Enfield, Maine	25	Biomass	Ewing Berriss	Final bids taken 5/15 with Babcock & Brown, Borealis Infrastructure, Covanta Energy, Energy Capital Partners, and Epcor Power said to be in the running (PFR, 5/19).
	Jonesboro	Jonesboro, Maine	25	Biomass		
	Various	Maine, Va., N.Y., Calif.	26	Hydro		
Rockland Capital Energy Investments	B.L. England	Cape May County, N.J.	447	Coal, Oil	JPMorgan	Owner seeking strategic equity partner (PFR, 12/10). Status unknown.
Sempra Generation	Catoctin	Frederick Co, Md.	600 development	Gas	N/A	Development project reportedly for sale.
Sierra Pacific Industries	Loyalton	Loyalton, Calif.	20	Biomass	N/A	Renegy agreed to purchase 4/11 for \$13M (PFR, 4/16).
Signal Hill Power	Wichita Falls	Wichita Falls, Texas	77	Gas	Miller Buckfire	First-round bids received 3/17.
Sumas	Sumas Cogeneration	Sumas, Wash.	125	Gas	N/A	Puget Sound Energy agreed to buy for undisclosed sum.

For the complete Generation Auction and Sale Calendar, please visit [www.iipower.com](http://www.iipower.com)

# Project Finance Deal Book

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

## Live Deals: North America

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
Babcock & Brown Power, Pittsburgh Power	Trans Bay Cable (400 MW, two 200 kV cables)	San Francisco, Calif.	BayernLB	Construction Loan	\$299M	33-yr	Syndication of subordinate tranche ongoing.
Babcock & Brown	2009 Turbine Supply	Various	TBA	Construction Loan	\$188M	7-yr	Selecting lenders.
	2008 Portfolio (638 MW Wind)	Various	TBA	Turbine supply	TBA	TBA	Seeking tax equity (PFR, 4/4).
Biomass Group	South Point (200 MW Biomass)	South Point, Ohio	WestLB	Construction Loan	\$265-300M	TBA	Syndication expected.
Borealis Infrastructure	Bruce Power (4.6 GW)	Tiverton, Ontario	Scotia, Dexia	TBA	C\$750M (\$710M)	TBA	Leads considering relaunch in U.S.
				HoldCo Loan	\$100M	TBA	
BP, Dominion	Fowler Ridge (750 MW Wind)	Indiana	TBA	TBA	TBA	TBA	Selecting leads (PFR, 3/31).
Brick Power Holdings	Tiverton (265 MW Gas)	Tiverton, R.I.	Credit Suisse, Merrill Lynch	Recapitalization	TBA	TBA	Timeline unclear.
	Rumford (265 MW Gas)	Rumford, Maine			TBA	TBA	
BrightSource Energy	Various (3.5 GW Solar)	Southwest	TBA	TBA	TBA	TBA	Will seek project financing.
Broadway Gen Funding	Various	Ga., Nev.	GE, ING	Term Loan	\$290M	7-yr	Commitments due mid-June
				Revolver/LC	\$110M	5-yr	(PFR, 5/20).
Caletta Renewable Energy	Port Erie (90 MW Tires)	Erie, Pa.	TBA	TBA	TBA	TBA	Selecting lenders (PFR, 3/7).
Carlyle/Riverstone	Topaz (1.5 GW Gas)	Various, Texas	Morgan Stanley, Dexia, ING, Natixis	Construction Loan	\$615M	6-yr	Deadline extended to early June
				Working Capital facility	\$75M	6-yr	(PFR, 5/27).
				Letter of Credit	\$50M	2-yr	
CPV	Sentinel (800 MW Gas)	Desert Hot Springs, Calif.	TBA	TBA	TBA	TBA	Selecting lenders (PFR, 3/14).
EarthFirst Canada	Dokie I (144 MW Wind)	Peace River, British Columbia	WestLB	TBA	\$212M	17-yr	Syndication expected soon.
Econergy International	La Gloria (50 MW Wind)	Costa Rica	NordLB	Term Loan,	\$125M	TBA	Timeline unclear.
Edison Mission	Walnut Creek (500 MW Gas)	City of Industry, Calif.	TBA	TBA	TBA	TBA	Selecting lenders (PFR 5/5).
Empresas ICA	La Yesca (750 MW Hydro)	Nayarit, Mexico	WestLB, Citibank/Banamex, HSBC, BBVA Bancomer, Santander, NordLB	Construction Loan	\$910M	4-yr, 9m	Syndication ongoing.
				Revolver	\$80M		
Energy Investors Fund	Hot Springs (48MW Geo)	Elko, Nev.	DZ Bank, Fortis Capital	TBA	\$120M	TBA	Timeline unclear.
Energy Management	Various (Biomass)	Various	TBA	TBA	TBA	TBA	Selecting lenders (PFR, 5/2).
ENMAX Energy	Calgary (1.2 GW Gas)	Calgary, Alberta	TBA	TBA	TBA	TBA	Timeline unclear.
Eurus Energy Americas	Bull Creek (180 MW Wind)	Borden County, Texas	TBA	TBA	TBA	TBA	Seeking tax equity investors.
Everpower Renewables	2009 Turbine Supply	Midwest, Pacific N.W.	KeyBanc Capital Markets	Turbine supply	\$140M		Looking for long-term financing (PFR, 5/23).
	Highland II (50-70 MW Wind)	Krayn, Pa.	TBA	TBA	TBA	TBA	Selecting lenders (PFR, 5/23).
	Howard (50-63 MW Wind)	Steuben County, N.Y.	TBA	TBA	TBA	TBA	Selecting lenders (PFR, 5/23).
	Buckeye (300 MW Wind)	Ohio	TBA	TBA	TBA	TBA	Selecting lenders (PFR, 5/23).
Excelsior Energy	Mesaba Energy (603 MW IGCC)	Minn.	TBA	TBA	TBA	TBA	Barclays advising.
Falcon Gas Storage	MoBay (50Bcf Gas Storage)	Mobile County, Ala.	TBA	TBA	\$300-350M	TBA	Selecting lenders.
Foothills Energy,	Monroe (12 Bcf gas Storage)	Amory, Miss.	Fortis	TBA	\$140M	TBA	All commitments in (PFR, 5/30).
High Sierra Energy							
Gilead Power Corp.	Ostrander (20 MW Wind)	Prince Edward County, Ontario	TBA	TBA	TBA	TBA	Selecting lenders.
GNL Quintero	LNG Receiving/Regasification	Quintero Bay, Chile	Banesto, BBVA, Caylor, Fortis, ING, Intesa SanPaolo, Mizuho Santander, WestLB	TBA	\$1B	TBA	Leads mandated (PFR, 3/12).
Green Rock Energy	Green Rock (Gasification)	St. James Parish, La.	TBA	TBA	\$1B	TBA	Selecting lenders.
Hunton Energy	Freeport (400 MW Gas, Steam)	Freeport, Texas	TBA	TBA	TBA	TBA	Selecting lenders (PFR, 4/2).
Kleen Energy Systems	Middletown (520 MW)	Middletown, Conn.	Goldman Sachs	Term Loan A	\$400-450M	10-yr	Near wrap (PFR, 5/23).
				Term Loan B	\$300-325M	17-yr	
				Revolver/LC	\$250M	TBA	
Kruger Energy	Port Alma (101.2 MW Wind)	Ontario	Scotia Capital	TBA	TBA	TBA	In syndication (PFR, 5/16).
LVE Energy Partners	LVE Energy Center (16 MW backup power)	Las Vegas, Nev.	Sumitomo Mitsui Banking Corp.	Term Loan	\$145M		Timeline unclear.
				Letter of Credit	\$20M		
				Letter of Credit	\$100M		
Martin Resources	Arcadia Gas Storage (15.5 Bcf)	Arcadia, La.	CIT	Construction/Term Loan	\$125M	8-yr	Syndication ongoing (PFR, 4/10).
Martin Resources, ECP	Cardinal (Gas Storage)	Southeast	TBA	TBA	TBA	TBA	Looking for debt (PFR, 5/12).
Mesa Power	Mesa Power (4 GW Wind)	Texas	TBA	Turbine Supply Loan	TBA	TBA	Timeline unclear (PFR, 2/22).
Morris Energy	Various	Northwest	TBA	TBA	\$100M	TBA	Considering options (PFR, 5/13).
Nacogdoches Power	Nacogdoches (100 MW Biomass, 300 MW Gas)	Sacul, Texas	TBA	TBA	TBA	TBA	Looking for debt/equity for \$600M project.
Nevada Geothermal Power	Blue Mountain Faulkner I (35 MW Geo)	Humboldt County, Nev	Morgan Stanley, Giltair Bank	TBA	140M	TBA	Banks named (PFR,5/5)
NGS Energy Fund	Tres Palacios (36.4 bcf Gas Storage)	Matagorda County, Texas	ING Capital	TBA	TBA		Financing downsized (4/11).
Noble Environmental Power	Turbine Supply Loan	Various	HSB, KeyBanc	Turbine Supply Loan	\$460M	3-yr	Pricing flexed up (PFR, 4/8).
	2008 Portfolio	Upstate New York	Citibank, BNP, RBS, HSH	TBA	\$757M	TBA	Leads mandated (PFR, 3/4).
	Great Plains (114 MW Wind)	Texas Panhandle	UBoC, Bayern, AIG	TBA	\$265M	TBA	Leads tipped last month (PFR, 3/4).
NorthWestern Energy	Mill Creek (120-220 MW Gas)	Anaconda, Mont.	TBA	TBA	TBA	TBA	Seeking project financing for 50% (PFR, 3/14).
	Transmission	Montana-Idaho	TBA	TBA	TBA	TBA	

For the complete Project Finance Deal Book, please visit [www.iipower.com](http://www.iipower.com)

## CS Anoints Head Of Commodities Americas



Bob Flicker

Credit Suisse has named **Bob Flicker** to the new role of head of commodities for the Americas as it seeks to consolidate different commodities businesses. "We hope by the end of the year to have a fully functional platform across the commodities spectrum," says **Beau Taylor**, global co-head of commodities in New York, who focuses on

the firm's proprietary commodities trading.

"We are going to have a materially integrated commodities franchise across all asset classes," notes Taylor, to whom Flicker began reporting as of May 21. "My priorities will be to try to create a better structure for selling our products across all of commodities," adds Flicker. Until now, the individual commodities businesses had developed at different paces and therefore remained separate, he explains. The firm is active in power and gas trading, as carbon, metal, coal, oil and agriculture.

Flicker joined CS along with Taylor last year from **JPMorgan** (PFR, 10/26), where he was deputy head of commodity trading. Since then he has worked as a managing director in the commodities proprietary trading group as a risk manager and head of its hiring and build-out strategy.

## SUEZ Eyes B.C. Biomass



Zin Smati

**SUEZ Energy North America** is looking to buy an unidentified biomass facility on an island in northwest British Colombia. It is part of a move to amass a 10 GW power portfolio from its 5.6 GW base and double last year's \$5.5 billion profits across its seven subsidiaries over the next three to five years.

"We already have a portfolio of biomass assets in the States. The first plant we bought was a biomass plant," says **Zin Smati**, president and ceo of the French-owned unit in Houston. He declined to disclose details of the acquisition, but a deal that might fit the bill is **Green Island Energy's** 85 MW Gold River biomass project on Vancouver Island.

SUEZ recently closed on a 30% stake in 500 MW Astoria Energy in Queens, N.Y., for an undisclosed sum (PFR, 5/2) and plans to spend at least \$2 billion on power assets over the next few years. "We understand the New York market well," says Smati, adding that besides NYISO, SUEZ is looking to invest in deregulated, competitive markets such as ERCOT, PJM and New England. Further investments in Mexico are also in the cards, following the company's pending merger with **Gaz de France**, set to be complete in July. Renewable energy is also a big

priority, but the company recently pulled out of the bidding for **RES Americas** (PFR, 5/9) because it was not interested in the company's third-party construction business.

On the greenfield front, SUEZ is looking to expand its 65 MW gas-fired peaker in Wharton County, Texas, by 200-300 MW, its 746 MW gas plant in Wise County, Texas, by an undetermined amount, and its 42 MW Everett co-generation facility near Boston by around 100 MW. It will finance the expansions on balance sheet, Smati says, noting, "We don't do a lot of project financing."

## Carbon Price Confusion Weighs On Industry

The uncertainty of how to price the cost of carbon into financing models is hampering private equity, utilities and developers' plans for greenfield projects and M&A. "These days when clients are looking to finance a project or acquisition, one of the biggest questions is, 'What is the price of carbon?'" said **Steven Schleimer**, director of energy and environmental market regulation at **Barclays Capital**, at the *Carbon Finance & Investment Summit* Thursday at Embassy Suites Hotel in New York. "One of the questions is, 'Who is going to take the carbon risk?' You really need to have a price signal for investors."

The heavily revised Lieberman-Warner Bill is up for discussion in Congress today, but most attendees agreed the bill will not be passed until at least next year when a new president takes office and will not be implemented for another three to five years. "The quicker the feds can get it together and get a program in place the better," said **Laurie Gage**, a broker at carbon broker **CantorCO2e**. "The more offsets you can bring into the program, the cheaper it is going to be."

Schleimer says roughly \$10-\$40 per ton of carbon tends to be penciled in on pro forma but with valuations at \$4,000-5,000 per kW for new build, new plants are getting too costly. "It will be easier to build when the carbon pricing is resolved," **Joel Bluestein**, president at energy consulting firm **ICF International Co.**, told *PFR*, noting gas and nuclear will be favored.

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## JPMORGAN CUTS

(continued from page 1)

covered mid-cap utilities on the east coast and was also the relationship manager for **FPL Group**, and **Brent Wall**, who also handled mid-cap utilities as well as midstream energy clients. A third executive director, **Terry Kennon**, who was partly responsible for the firm's biofuels effort, also left.

Driving the head count reduction is slowing deal volume as well as the **Bear Stearns** acquisition (PFR, 3/20). All six of JPM's managing directors in power will stay on.

Calls to **Jay Horine**, head of power and alternative energy in New York, and to **Doug Petno**, head of natural resources, were not returned. A spokeswoman declined to comment.

—K.B.

## MERRILL MINTS

(continued from page 1)

noting that to date the firm's coverage has been a coordinated effort between energy/power and technology. The committee now provides for "a way for us to focus our internal resources and make sure we're being consistent with the firm's sustainable energy framework," he adds.

According to a memo sent last week by **Purna Saggurti**, head of Americas origination, four industry group heads will be responsible for clean energy business. They are: **Joe McIntosh**, a managing director in consumer coverage in Chicago; **Karl Newlin** and **Mike Bock**, managing directors in energy/power in Los Angeles and New York, respectively; **David Iwan**, a director in multi-industries in New York and **John Rhine**, a managing director in technology in San Francisco. On the product side, **Jack Sconzo** will weigh in from debt capital markets, **Johnny Williams** and **David McShane** from equity capital markets and **Uday Malhotra** from leveraged finance. **Mark Goldfus**, a senior v.p. in public policy, will advise on regulatory developments.

Merrill has executed 12 investments in renewable energy from its **Merrill Lynch Capital Partners** unit, one of which was its \$35 million principal investment in geothermal developer **Vulcan Power Co.**, which plans to develop 900 MW to 2 GW over time. It also has four initial public offerings in various stages in the works for solar equipment manufacturers and the like. The bank was sole global coordinator and book runner on the IPO of **Trina Solar** in 2006 and more recently led a \$55 million convertible bond for technology licensing and development company **Raser Technologies**. "Deal flow is increasing...It's going to be an equity-driven cycle," says Weil. "We're going to be investing off our balance sheet or using financing from third parties, such as from the capital markets, as a way to finance growth in the area."

—Katy Burne

## BBVA SEEN

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wind resources in the world, but developers have witnessed delays due to turbine supply constraints and transmission and permitting issues.

**EdF Energies Nouvelles** is close to mandating a bank to finance its 67.5 MW La Ventosa wind project nearby (see story, page 5).

—Thomas Rains

## PHILIP MORRIS

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is focusing on managing its existing portfolio to maximize gains and generate cash flow from asset sales and related activities, the report said. The reason for the gap between that 2003 move and the current planned sales is unclear.

At year-end, PMCC had \$6.2 billion in finance lease investments, but the value of the power assets could not be determined. **Joan Woodroof**, director of structured finance, at PMCC in Stamford, Conn., declined to comment. About 30% of PMCC's portfolio comprises leveraged and direct finance lease investments in power. The rest is aircraft (23%), rail and surface transport (22%), manufacturing (14%) and real estate (11%).

PMCC leases the 730 MW gas-fired Pasadena plant to an indirect subsidiary of **Calpine**. It also owns a 265 MW gas-fired facility in Tiverton, R.I., and a 265 MW facility in Rumford, Maine, which were leased to Calpine. These assets fell into receivership in 2006 when Calpine rejected its leases while under bankruptcy protection (PFR, 2/1). PMCC also owned 100% of the lessor interest in the 5 MW Lower Haypress hydro project in Sierra and Nevada Counties, Calif., which was purchased by **Energy Investors Funds** last August. The remainder of the portfolio could not be identified.

—Katie Hale

## Quote Of The Week

*"[NRG] Energy was trying to sneak this bid under the table and Harbinger [Capital Partners] slapped them on the wrist."*—**Lasan Johong**, senior equity analyst at **RBC Capital Markets** in New York, responding to **Calpine's** rejection of an \$11.5 billion takeover bid from NRG (see story, page 2).

## One Year Ago In Power Finance & Risk

**K-Road Power** was planning to raise a \$1 billion fund to invest in alternative energy. [K-Road iced the fund due to the credit crunch and is instead fundraising for a \$750 million to \$1 billion special purpose acquisition company that will acquire traditional generation, renewable energy and gasification assets (PFR, 4/18).]