

Power Finance & Risk

The weekly issue from **Power Intelligence**

www.powerintelligence.com

TDI Plots \$1.2B Project To Bring Hydro To New England

Transmission Developers, Inc., a portfolio company of **The Blackstone Group**, is working to fast-track a \$1.2 billion transmission line in Vermont that would bring hydropower from Canada into New England.

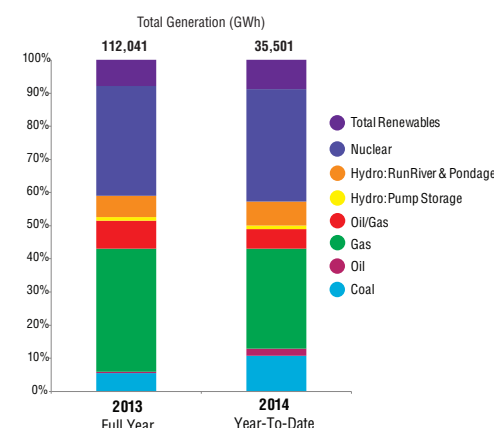
The **New England Clean Power Link** is a proposed 100-mile line that would run from the Canadian border to Ludlow, Vt., and help diffuse NE-ISO's

reliance on natural gas for generation, says **Donald Jessome**, CEO of TDI, which began making public filings for the line in late 2013 and is on track to have it operational in 2019.

The line will be merchant and the company is already in talks with potential commercial partners, or those who will ship power south and buy it. While the line is bi-directional, the

(continued on page 12)

New England-ISO Peak Generation Mix



Source: NE-ISO

THE BUZZ

SunEdison and NextEra Energy are each primed to take a portfolio of renewable assets public in yield companies this summer—meaning that investors will have double the chances to dig into wind and solar due diligence. And the renewable market has double the opportunities to discern whether investors have completely outgrown their jitters over renewable assets or if there are still facets that present problems.

SunEdison's **TerraForm Power** will be the first all-solar yieldco to hit the market. Previously **Silver Ridge Power** tried to go as a public solar developer on the **Toronto Stock Exchange** but pulled the listing after investors squirmed over the balance of assets (PI, 5/31/13). Now, TerraForm is gearing up with an appeal about geographically diverse portfolio—its initial portfolio is in the

(continued on page 2)

MIREC: Energy Reform Uncertainty Mires Mexico Renewables

Renewable project development in Mexico is slowing down as players await the outcome of follow-up legislation in June, according to bankers, attorneys and developers at **Green Power Conferences' Mexican International Renewable Energy Congress** in Mexico City.



Dino Barajas

Mexico's Congress passed the initial legislation last year to

(continued on page 9)

Conversation & Cocktails

Join Orrick and Power Finance & Risk for a casual panel discussion on trends in private equity followed by #PowerDrinks, an informal PFR mixer for power and energy professionals.

See page 11

PPA Pulse: Wind, Solar Bring Home Contracts

Georgia Power has signed a pair of wind power purchase agreements in a landmark first for the Atlanta-based utility. Developers are lining up PPAs across the country from a variety of offtake counterparties. See page 7

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

IN THIS ISSUE

PROJECT FINANCE

- 5 | CPV Looks For Tight St. Charles Pricing
- 5 | Invenergy Wraps N.Y. Wind Deal

MERGERS & ACQUISITIONS

- 7 | DTE Offloads Retired Coal Plant
- 7 | NextEra, Southern Rope First Solar Assets
- 7 | Hannon Pays \$107 For American Wind
- 7 | SunEdison Files For IPO, Stalks Add-On Deal

CONFERENCE COVERAGE

- 8 | Mexican International Renewable Energy Conference

STRATEGIES

- 10 | PJM Pricing Higher Than Forecast

PEOPLE & FIRMS

- 10 | Garg Joins Wells Fargo

DEPARTMENTS

- 3 | Generation Auction & Sale Calendar
- 4 | Project Finance Deal Book
- 8 | PPA Pulse
- 10 | Power Tweets
- 12 | Alternating Current

THE BUZZ

U.S., Canada, U.K. and Chile—to stockholders. In a stroke of irony, SunEdison is also trying to half of Silver Ridge, which would put the same assets back on public display after they came off (see story, page 6).

NextEra Energy Partners LP consists of wind and solar in the U.S. and Canada that does not have tax equity investments—a financing structure that has turned investors off in the past (PI, 5/23).

Hannon Armstrong Sustainable Infrastructure is increasingly interested in to niche renewable investments since the spreads on utility-scale renewable assets have tightened as new build lags, **Jeffrey Eckel**, ceo, said on the recent earnings call. In a strong niche play, HASI has bought **Chuck Hinckley's American Wind Capital**, the leading renewable and lease aggregator in the U.S. (see story, page 6).

The project finance market is pushing toward record lows in the post-financial crisis era—and no fuel type is exempt. Lenders are circling deals with low pricing because there is such a paucity of deals that they need to look at anything that's out there, say financiers. The competitive interest in quasi-merchant gas deals underscores how commercial lenders are sharpening their pencils to make aggressive deals work.

Competitive Power Ventures is trying to score LIBOR plus 350 basis points for its St. Charles gas-fired project in Maryland and the syndication process is more of a "cliquey invitation," says one lender (see story, page 5)

Pattern Energy is angling to line up a financing package for its Armow wind project in Ontario at LIBOR +162.5 bps (PI, 5/23).

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 **Holly Fletcher**, managing editor, at (212) 224-3293 or hfletcher@iintelligence.com.

Power Intelligence

EDITORIAL

Holly Fletcher
Managing editor
(212) 224-3293

Sara Rosner
Editor
(212) 224-3165

Stuart Wise
Data Associate

Andrea Innis
Data Associate

Kieron Black
Sketch Artist

PRODUCTION

Gerald Hayes
Manager

Darush Hessami
Deputy

Andy Bunyan
Associate

ADVERTISING

James Barfield
U.S. Publisher,
Capital Markets Group
(212) 224-3445

PUBLISHING

Emmanuelle Rathouis
Marketing Director

Vincent Yesenosky
Head Of U.S. Fulfillment
(212) 224-3057

Nina Bonny
Customer Service Manager
(212) 224-3433

SUBSCRIPTIONS/
ELECTRONIC LICENSES

One Year \$3,147 (In Canada add \$30 postage, others outside U.S. add \$75)

Ken Lerner
Account Executive
(212) 224-3043

REPRINTS

Dewey Palmieri
Reprint & Permission
Manager (New York)
(212) 224-3675
dpalmieri@institutionalinvestor.com

CORPORATE

Richard Ensor
Chairman

John Orchard
Managing Director,
Capital Markets Group

Customer Service

PO Box 4009, Chesterfield, MO 63006-4009, USA
Tel: **1-800-715-9195**
Overseas dial: **1-212-224-3451**
Fax: **212-224-3886**
UK: **44 20 7779 8704** Hong Kong: **852 2842 8011**
E-Mail: customerservice@iintelligence.com

Institutional Investor Hotline

(212) 224-3570 and (1-800) 437-9997 or Hotline@iintelligence.com

Editorial Offices 225 Park Avenue South, New York, NY 10003

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.

Power Finance & Risk ©2014

Institutional Investor, LLC Issn# 1529-6652

Copying prohibited without the permission of the publisher.

COPYRIGHT NOTICE: All materials contained in this publication are protected by United States copyright law and may not be reproduced, distributed, transmitted, displayed, published, broadcast, photocopied or duplicated in any way without the prior written consent of Institutional Investor. Copying or distributing this publication is in violation of the Federal Copyright Act (17 USC 101 et seq). Infringing Institutional Investor's copyright in this publication may result in criminal penalties as well as civil liability for substantial money damages. ISSN# 1529-6652

Postmaster

Please send all undeliverable Mail and changes of addresses to:
PO Box 4009 Chesterfield, MO 63006-4009 USA

GlobalCapital

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/Comment
▶ AES Corp.	Stakes (Solar fleet)	Various		SunEdison is buying its stake in Silver Ridge Power (see story, page 6).
AES Corp.	Stakes (DPL Energy Coal, Gas, Oil)	Various	Barclays	Binding bids due after PJM capacity results (PI, 5/26).
Acciona	Portfolio (Wind, Solar)	Various	Lazard	First rounds bids submitted (PI, 3/31).
Advanced Power Systems	Cricket Valley (1 GW CCGT)	Dutchess County, N.Y.	Whitehall & Co.	TIAA-CREF has taken a stake (PI, 4/28).
ArcLight Capital Partners	Juniper Generation (Cogen portfolio)	Various, California	McManus & Miles	Sale relaunched after several PPAs were extended (PI, 3/17).
ArcLight Capital Partners	Peakers (2 GW Gas)	Various, Georgia	TBA	Carved peakers out of Southeast PowerGen to sell (PI, 3/24).
ArcLight Capital Partners	Victoria (330 MW CCGT)	Victoria, Texas	UBS	Sale is near launch (PI, 4/7).
ArcLight Capital Partners	Sun Peak (222 MW Gas)	Las Vegas, Nev.		Nevada Power is buying them (PI, 5/12).
Atlantic Power Corp.	Fleet (2.1 GW)	Various	Goldman Sachs, Greenhill	Tapped two advisors to run strategic evaluation (PI, 5/12).
BNB Renewable Energy	Mesquite (200 MW Wind)	Lamesa, Texas		Sumitomo bought the remainder of the project (PI, 5/5).
Calpine	Portfolio (3.5 GW Gas)	Various		LS Power is buying the fleet in the Southeast (PI, 4/28).
Corona Power	Stake (Sunbury, 900 MW Repowering)	Shamokin Dam, Pa.	Perella Weinberg	First round offers due April 14 (PI, 3/31).
▶ DTE Energy	Marysville (167 MW Coal)	Marysville, Mich.		Redevelopment firm is buying it (see story, page 6).
Duke Energy	Portfolio (6.6 GW Coal, Gas, Oil)	Various	Citi, Morgan Stanley	First round bids due around 5/30 (PI, 5/26).
EmberClear	Portfolio (660 MW CCGT developments)	Good Spring, Pa.	CCA Capital	Tyr has partnered on the development assets (PI, 3/31).
Entegra Power Group	550 MW Stake (2.2 GW Union Station CCGT)	Arkansas	Bank of America	Gearing up to sell the unit that has a tolling agreement (PI, 3/31).
Essar Group	Algoma (85 MW CCGT)	Algoma, Ontario	Barclays	Teasers are on the market (PI, 1/13).
Exelon Corp.	Stake (417 MW Safe Harbor Hydro)	Conestoga, Pa.	None	Brookfield is buying the stake (PI, 5/26).
FGE Power	FGE Texas (726 MW CCGT)	Westbrook, Texas	Fieldstone	Fieldstone is advising on equity hunt in tandem to debt raise with Goldman.
▶ First Solar	Various (Solar)	Calif., N.M.		NextEra, Southern have bought two assets (see story, page 6).
GE Capital	Stake (250 MW Wind)	Finney, Kansas		Enel is buying out the rest of the farm (PI, 5/19).
Invernergy	Parc des Moulins (135.7 MW Wind)	Kinnear's Mills, Quebec		La Caisse has bought a minority stake (PI, 5/5).
MACH Gen	Portfolio	Various		Second lien creditors have taken it over via Ch. 11 deal (PI, 5/19).
Meridian Energy	CalRENEW-1 (5 MW Solar)	Mendota, Calif.		SunEdison bought the asset (PI, 5/26).
NRG Energy	Various (Gas, Solar)	Various	None	Dropdowns to NRG Yield (PI 4/14).
NextEra Energy Resources	Pheasant Run II (75 MW Wind)	Huron County, Mich.	None	DTE Electric is considering buying the farm via a PPA option (PI, 3/3).
Norvento USA	Bloom (180 MW Wind)	Dodge City, Kan.	TBA	Capital Power bought the project (PI, 3/24).
Ontario Teachers Pension Plan Board	Stake (Northern Star Generation)	Various	Citigroup	CalPERS, Harbert emerge as frontrunners (PI, 4/28).
Optim Energy	Portfolio (1.4 GW Coal, Gas)	Texas	Barclays	Mulling a sale via bankruptcy filing (PI, 3/10).
Pattern Development	Panhandle 1 (218 MW Wind)	Carson County, Texas	None	Pattern Energy Group, tax equity investors are buying it (PI, 5/12).
Power Resources Cooperative	Stake (605 MW Boardman Coal)	Boardman, Ore.		Portland General is upping its stake as retirement, refueling loom (PI, 4/28).
Project Resources Corp.	Rock Aetna (21 MW Wind)	Minnesota	Alyra Renewable Energy Finance	Looking for a buyer with access to turbines to qualify for PTC (PI, 1/13).
Rainy Rivers Nations	Stake (25 MW Solar)	Pinewood, Ontario		Two infrastructure investors took stakes (PI, 5/26).
Southwest Generation	LV Cogen 1, 2 (274 MW Gas)	Las Vegas, Nev.		Nevada Power is buying them (PI, 5/12).
Starwood Energy Group	Neptune (25% Stake Transmission)	New York		Northwestern Mutual is buying Starwood's stake (PI, 5/19).
Terra-Gen Power	Alta (947 MW Wind)	California	Citigroup, Morgan Stanley	Brookfield, Berkshire Hathaway Energy lead second round contenders (PI, 5/5).
We Energies	Presque Isle (425 MW Coal)	Marquette, Wis.	None	No buyers submitted proposals in RFP (PI, 3/10).
Exelon Corp.	Stake (417 MW Safe Harbor Hydro)	Conestoga, Pa.	None	Brookfield is buying the stake (PI, 5/26).

▶ New or updated listing

The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report updates or provide additional information on the status of financings, please call Managing editor **Holly Fletcher** at (212) 224-3293 or e-mail hfletcher@iintelligence.com.

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
Alterra, Fierro Axiom	Jimmie Creek (62 MW Hydro)	British Columbia, Canada	TBA	TBA	TBA	TBA	Sponsor will likely tap LifeCos for the debt (PI, 5/5).
Cameron LNG	LNG Export Facility	Hackberry, La.	TBA	TBA	~\$4B	TBA	Sponsor is shooting for pricing of L+175 bps (PI, 3/10).
Cape Wind Associates	Cape Wind (420 MW Wind)	Nantucket Sound, Mass.	BTMU, Natixis, Rabo	TBA	TBA	TBA	Sponsor adds Natixis and Rabo as leads with BTMU (PI, 3/31).
Cheniere Energy	Sabine Pass Trains 3 & 4 (LNG Export Facilities)	Sabine Pass, La.	TBA	TBA	\$4.4B	TBA	Company issues \$2B in notes to refi debt and fund construction (PI, 5/19).
Competitive Power Ventures	St. Charles	Charles County, Md.	GE EFS	TBA	~\$600M	TBA	Sponsor is aiming for L+350 bps (see story, page 5).
Dalkia/Fengate	Merrit (40 MW Biomass)	Merrit, B.C.	BTMU	TBA	\$168M	TBA	Sponsor aims to wrap the financing early next year (PI, 12/2).
EDP Renewables North America	Headwaters (200 MW Wind)	Randolph County, Ind	TBA	Tax Equity	\$350-400	TBA	The sponsor is looking to secure both equity and tax equity investment (PI, 6/24).
Exmar NV	Floating Liquefaction Project	Colombia	TBA	B Loan	\$170M	TBA	Sponsor looking to land a B loan for the debt on the project (PI, 5/5).
FGE Power	FGE Texas (726 MW Gas)	Westbrook, Texas	Goldman Sachs	TBA	TBA	TBA	The sponsor is close to lining up equity and will tap Goldman Sachs to launch a B loan (PI, 1/27).
Freeport LNG	Freeport (LNG Export Terminal)	Freeport, Texas	Credit Suisse, Macquarie	TBA	~\$4B	TBA	More than 20 lenders are eyeing the deal, with some offering tickets of \$600M (PI, 2/10).
Invernergy	Marsh Hill (16 MW Wind)	Jasper, N.Y.	Rabo	TBA	TBA	TBA	Rabo is the only arranger on the loan (see story, page 5).
KSPC, Samsung	Kelar (517 MW Gas)	Chile	Natixis	TBA	TBA	TBA	The JV appoints Natixis as lead on the deal (PI, 1/13).
Lake Charles Exports	Lake Charles (LNG Export Facility)	Lake Charles, La.	TBA	TBA	TBA	TBA	Sponsor begins preliminary financing search for the potentially \$11B project (PI, 8/26).
Magnolia LNG	Magnolia LNG (LNG Export Facility)	Lake Charles, La.	BNP, Macquarie	TBA	\$1.54B	TBA	Sponsor issues shares to bridge to closing of the debt (PI, 5/12).
NextEra Energy Resources	Bluewater (60 MW Wind)	Lake Huron, Ontario	TBA	TBA	TBA	TBA	Sponsor is talking to lenders in the U.S. to finance the project (PI, 5/19).
New Generation Power	NGP Texas (400 MW Wind)	Haskell County, Texas	TBA	Construction/Term/Tax Equity	~\$700M	TBA	This is the sponsor's largest deal to date (PI, 4/14).
NTE Energy	Multiple (Gas)	U.S.	Whitehall	TBA	TBA	TBA	Sponsor is looking to line up equity investors and then debt backing three projects in the U.S. (PI, 3/10).
Pattern Energy	Armow (180 MW Wind)	Kincardine, Ontario	TBA	TBA	TBA	TBA	Sponsor is looking for tighter pricing than its K2 financing (PI, 5/26).
Radback Energy	Oakley (586 MW Gas)	Contra Costa County, Calif.	BTMU	Term	\$990M	4-yr	Deal is temporarily put on hold following an appellate court decision (PI, 11/11).
Sempra U.S. Gas & Power	Energía Sierra Juárez (156 MW Wind)	Baja California, Mexico	BTMU	TBA	~\$250M	TBA	On track to close within two weeks (see story, page 8).
SolarReserve	Rice (150 MW Solar Thermal)	Blythe, Calif.	Morgan Stanley	TBA	\$450M	TBA	Sponsor taps Morgan Stanley to secure debt, tax equity and equity (PI, 8/26).
Tenaska	Imperial Solar Energy Center West (150 MW CPV)	Imperial County, Calif.	BTMU, Union	TBA	TBA	TBA	The company has launched the deal at a bank meeting (PI, 5/19).
Transmission Developers	Champlain Hudson Transmission Line	New York	RBC	TBA	~\$1.6B	TBA	Sponsor is aiming to line up the debt by year-end (PI, 3/3).

New or updated listing

The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report updates or provide additional information on the status of financings, please call Editor Sara Rosner at (212) 224-3165 or e-mail srosner@powerintelligence.com.

PROJECT FINANCE

Invenergy, Wraps N.Y. Wind Deal

Invenergy Wind has closed financing for its Marsh Hill wind project in upstate New York.

Proceeds will be used to fund construction that is already underway on the 16 MW wind project in Jasper, N.Y. **Rabobank** was the sole lead arranger on the deal.

The project has a 10-year power purchase agreement with the **New York State Energy Research and Development Authority**, which plans to sell Marsh Hill's power into the wholesale market. The project is expected to be online in the fourth quarter.

Invenergy has two other wind facilities in Wyoming County, N.Y.: the 112.5 MW Sheldon wind farm and the 94 MW Orangeville wind farm, which went into operation earlier this year.

An Invenergy spokeswoman declined to comment on details including amount, pricing and tenor of the financing. A Rabo spokeswoman declined further comment.

CPV Eyes L+350 for Md. Gas

The roughly \$600 million deal backing **Competitive Power Ventures'** quasi-merchant St. Charles gas-fired project in Maryland is on track to close at LIBOR plus 350 basis points.

The transaction is in the homestretch, say deal watchers, noting that lenders are in the final stages of getting internal approval. The deal could be sealed by the end of the quarter, which had been

CPV's initial timeline. **GE Energy Financial Services** is leading the deal along with **Crédit Agricole** and **ING Capital**.

The timing of the deal coincided with the results of PJM's 2017-2018 capacity auction and lenders were curious about what type of market the project would be facing soon after it comes online. PJM reported higher than expected capacity pricing, \$120 per MW-day, in all of its areas except one—that around **Public Service Enterprise Group**, which came in at \$215/MW-day.

The excess liquidity in the market is creating competition among banks looking to take tickets, say financiers, pointing to the L+350 bps price forecast for St. Charles. **CIT Energy**, **Crédit Agricole**, **ING**, **Natixis**, **NordLB**, **Royal Bank of Canada**, **Royal Bank of Scotland** and **Union Bank** are among those in the running to take tickets although the final list of lenders could be smaller than CPV's Woodbridge roster as prospective banks angle for larger ticket sizes.

St. Charles is the 725 MW gas-fired project in Charles County, Md., that has been at the crux of a utility-led campaign against long-term power purchase agreements. The Maryland **Public Service Commission** ordered **Baltimore Gas & Electric**, **Potomac Electric Power** and **Delmarva Power & Light** to sign long-term PPAs with the facility despite decreased power demand. Whether the utilities will ultimately comply has not been determined so the project is being financed with hedges.

Officials or spokespeople for CPV and the lead lenders declined to comment.

Power Intelligence

Exclusive insight on power M&A and project financing

www.PowerIntelligence.com/Community

Network with key industry professionals, get a read on the industry voice, view live podcast interviews, share your opinion and more!

Visit the New Community Section



Blogs



Polls



Multimedia coverage



Event listings

MERGERS & ACQUISITIONS

Redevelopment Shop Buys Retired DTE Coal-Fired Plant

DTE Energy has sold the retired 167 MW Marysville coal-fired plant to **Commercial Development Co.**, an industrial brownfield redevelopment firm.

CDC will spend the next two years tearing down the 92-year-old facility and preparing the site for redevelopment. CDC has two years to complete the process under its purchase and sale agreement although it plans to be finished within 18 months. The purchase price was not disclosed.



CDC, based in St. Louis, Mo., has redeveloped dozens of brownfield sites including chemical plants, quarries, retail centers and other industrial complexes.

The plant, also known as the Mighty Marysville, was operational from 1922 to 2001. Marysville, Mich., is near the border between the U.S. and Canada in the Michigan thumb. The site is zoned for residential, industrial or commercial use so CDC will work with the city of Marysville to determine its future use.

First Solar Seals NextEra, Southern Deals

First Solar has sold assets totaling 300 MW to subsidiaries of **NextEra Energy** and **Southern Co.**

NextEra Energy Resources has bought the 250 MW Silver State South solar project in Clark County, Nev. The project has a power purchase agreement with **Southern California Edison** and is expected to be online in 2016.

NextEra is also on track to bring the 250 MW McCoy solar project in Riverside County, Calif., online in 2016. The McCoy project is contracted to SoCalEd with First Solar as the EPC contractor.

Southern Power and solar joint venture partner **Turner Renewable Energy** have finalized the acquisition of the 50 MW solar facility in Luna, N.M. The facility began commercial operations this month. It has a 20-year power purchase agreement with **El Paso Electric** for 5.79 cents per kWh

The acquisition by the Southern-Turner partnership, which formed in January 2010 to pursue development of renewable energy project in the U.S. mainly in the Southwest, brings its total solar capacity to 290 MW.

Purchase prices for either of the deals were not immediately learned.

Hannon Pays \$107M For American Wind

Hannon Armstrong Capital has bought land lease aggregator **American Wind Capital Co.** for \$106.6 million.

The deal was struck last month, as first reported on April 30 by PFR. American Wind Capital, headed and founded by **Chuck Hinckley**, owns land leases on property associated with more than three dozen wind and solar assets in the U.S. The portfolio of leases is spread across 14 states. The assets will fit into Hannon Armstrong's affiliated real estate investment trust, **Hannon Armstrong Sustainable Infrastructure**.

As part of the deal, the employees of American Wind Capital, including Hinckley, will form a new company called **AWCC Capital, LLC**. The new company will manage the existing portfolio of land leases and look to originate new deals to which Hannon Armstrong will have a right of first refusal. "We wanted to keep the AWCC name alive," Hinckley told PFR in an interview.

Hinckley says AWCC Capital has a robust pipeline of potential deals to keep the team busy over the next two years. Solar developers are looking for efficient financing methods as solar projects become more competitive, making it ripe for AWCC Capital to do deals. "We have found that we add a lot of value to solar project developers," Hinckley says. Solar developers often bring AWCC in for financing when the development firm decides to exercise an option to buy land.

Hannon Armstrong bought out American Wind Capital's three third-party investors, **Barclays Natural Resource Investments**, **Fortress Investment Group** and **NGP Energy Technology Partners** (PI, 4/30). Annapolis, Md.-based Hannon Armstrong upped its \$700 million credit facility by \$200 million in conjunction with the transaction.

The portfolio of leases is associated with wind and solar assets developed or owned by companies including **First Solar**, **NRG Yield**, **NextEra Energy Resources**, **Southern Co.** and **SunPower**. Offtakers are investment grade buyers such as **Pacific Gas & Electric**, **Southern California Edison** and **Los Angeles Department of Water and Power**.

Marathon Capital has been advising American Wind Capital on the equity raise that has led to the sale (PI, 12/13).

American Wind Capital sealed a novel \$100 million loan, backed by land lease royalties, in the fall. **CIT Group**, **Investec** and **Siemens Financial Services**.

SunEdison Unveils Yieldco, Builds-Out Pipeline

SunEdison has filed with the U.S. **Securities and Exchange Commission** to take a 524 MW portfolio of solar assets public in a yieldco called **TerraForm Power**.

MERGERS & ACQUISITIONS

The public filing to raise up to \$50 million was made May 28. The \$50 million target—which matches **NextEra Energy Resources'** proposed raise for its yieldco **NextEra Energy Partners**—is thought to be a placeholder amount in early filings, say observers. The valuation of TerraForm Power has yet to be determined as SunEdison has not detailed how much of the yieldco it will retain.

Citigroup is an underwriter alongside **Goldman Sachs** and **Barclays**, as previously reported by PFR (PI, 5/19).

The initial portfolio consists of 135.3 MW of distributed generation and 388.5 MW of utility scale assets in the U.S., Canada, U.K. and Chile.

The assets all have long-term power purchase agreements with a weighted average life of 18 years. TerraForm Power will have a right of first offer on 934 MW of assets.

TerraForm was called **SunEdison YieldCo** in earlier references by SunEdison. Under the Jumpstart Our Business Startups Act, or JOBS act, a company must wait at least 21 days after the filing to begin the road show.

Bulking up

SunEdison has also agreed to buy **AES Corp.** out of **Silver Ridge Power**, AES solar joint venture with **Riverstone Holdings**.

The deal includes the entirety of Silver Ridge's global portfolio, according to a filing with the U.S. **Federal Energy Regulatory Commission**.

SunEdison and Riverstone will be the owners of the assets once the deal is closed.

Silver Ridge Power owns the 200 MW Imperial Valley Solar 1 project in Imperial Valley, Calif., and is in the process of increasing its stake in **Tenaska Solar Ventures'** 150 MW CSolar IV project in Imperial Valley (PI, 4/15).

The acquisition is likely to put Silver Ridge assets on their second path to an IPO. About this time last year, AES and Riverstone halted a bid to Silver Ridge public on the **Toronto Stock Exchange** as a pure play solar developer (PI, 5/15/13). The IPO was nixed after investors had concerns over the portfolio balance.

PPA PULSE

PPA Pulse: Wind, Solar Bring Home Contracts

*The PPA Pulse is a guide to which sponsors and projects have recently garnered power purchase agreements in the Americas. To report updates or additional information please contact Data Associate **Stuart Wise** at swise@iintelligence.com.*

- **Austin Energy** has entered into a 20-year PPA with **Recurrent Energy** for the output of a new 150 MW solar project planned for West Texas. The project is expected to be online in 2016.
- **Public Service Company of New Hampshire** has signed a 20-year PPA with **Berlin Station** for the 75 MW **Burgess BioPower** project in Berlin, N.H.
- The **Georgia Public Service Commission** has approved **Georgia Power's** to buy 250 MW of power from a pair of **EDP Renewables North America** wind projects: the 151 MW Blue Canyon II and the 99 MW Blue Canyon VI, both located in the Slick Hills north of Lawton, Okla. These are Georgia Power's first wind PPAs.
- **Tucson Electric Power Co.** has signed a 20-year PPA with Idaho-based developer **Clenora** for the output from the 35 MW Avalon solar project in Pima County, Ariz., which is expected to be completed by the end of the year.

- The **Tucson (AZ) Unified School District** has signed a 20-year PPA with **Constellation** for the first phase of an 11 MW solar project that will power Marshall Elementary School in Tucson.
- **EDP Renewables** has entered into a 25-year PPA with mining company **Industrias Penoles** for a 180 MW wind project to be built in 2016 in Coahuila, a state in northern Mexico.
- **Southern Maryland Electric Cooperative** has entered into a 20-year PPA with an affiliate of **juwi solar** for the 10 MW Rockfish Solar project being developed in Charles County, Md.
- **First Wind** has agreed to a 20-year PPA between **Hawaiian Electric** and the 20 MW Mililani solar project on Oahu. The agreement is being considered by the **Hawaii Public Utilities Commission**.
- **SolarReserve** has entered into a PPA with **NV Energy** for the 110 MW Crescent Dunes solar project that is under construction near Tonopah, Nev.

- **Magna International unit Polycon Industries** has entered into a 20-year PPA with the **Ontario Power Authority** for a 10.2 MW natural gas-fired project to be built by the end of 2016 in Guelph, Ontario.
- **NextEra Energy Resources** subsidiary **SEC SUSD Solar One** has signed a 25-year PPA with the **Stockton Unified School District** in California for the output of several solar projects totaling up to 6.7 MW.
- **Scatec Solar** has entered into a 20-year PPA with **PacifiCorp** for the output of an 80 MW solar project being developed in Iron County, Utah.
- **Southern California Edison** has entered into a 25-year PPA with **TerraGen Power's** 138 MW Alta Wind X in Kern County, Calif.
- The **Logansport, Ind., Utility Service Board** has tentatively approved a PPA with a proposed \$803 million natural-gas plant from developer **Total Concept Solutions Logansport Energy Group**. The city council will vote on the PPA in June.

MEXICO POWER CONFERENCE

Mexican International Renewable Energy Conference

Roughly 300 financiers, developers, attorneys and manufacturers gathered for **Green Power Conferences' Mexican International Renewable Energy Congress** in Mexico City at the Camino Real Polanco. Pending energy reforms, wind financings and solar growth were topics that created the most buzz at the event on May 28-29. Editor **Sara Rosner** filed the following stories.



Camino Real Polanco Hotel

(continued from page 1)

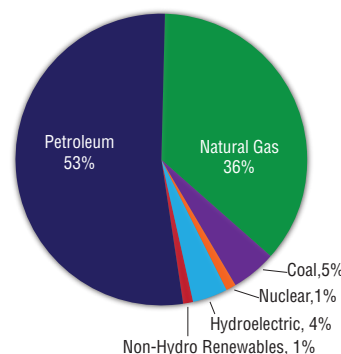
reorganize its energy markets, however, it is gearing up to debate and pass a secondary set of laws to implement the reforms. "Energy is the most polarizing issue in the debates between political parties," Senator **David Penchyna Grub** told attendees. On the table is legislation could lower power pricing by opening up the Mexican power market to private generators, thus increasing supply and competition.

Many prospective offtakers are putting off signing power purchase agreements, officials at developers and EPCs say, as the new legislation may translate into cheaper rates for renewables when it goes into affect. "They're not going to want to sign now. They're going to want to wait and see what comes next," **Dino Barajas**, partner at **Akin Gump Strauss Hauer & Feld**, said of offtakers.

However, other components in the proposed reforms could mitigate decreased power prices and possibly drive costs and pricing upwards.

The legislation includes a transformation of the state-backed utility **Comision Federal de Electricidad** as well as the creation of an independent system operator at the **Centro Nacional de Control de la Energia**. There are also potential changes to transmission rates and to a mechanism known as the energy bank, which currently allows generators in Mexico to produce and receive credit for generation even when demand is low. The legislation also seeks to establish renewable energy credits sys-

Total Energy Consumption in Mexico by Type, 2012



Source: U.S. Energy Information Administration

tem and a corresponding market.

Uncertainty surrounding the timeframe for implementation is trickling down to investors and lenders. "The reform is causing hesitation and consternation among the investors," said **Alberto Perez Echevarria**, managing director of Mexico and Mesoamerica for **GES**, a wind EPC and operations and manage-

ment company. "Everybody is sitting at the starting line." Select committees in the Mexican Senate are set to begin preliminary meetings this week on the secondary laws, and will deal specifically with portions regarding power, water and related regulation on June 9, 16 and 17. Congress will hold an extraordinary session to vote on the secondary laws as it aims to approve them by the end of June.

Once the votes are counted there could be an up to two-year transition period for state agencies to implement the legislation. "We have a big gap. We don't know how renewable energy projects are going to work in the future," **Arturo Saavedra**, director of legal advisory global infrastructure at **KPMG**.

Sempra To Wrap Mexico Wind

The \$250 million financing backing **Sempra U.S. Gas & Power's** 156 MW Energia Sierra Juarez wind project in Baja California, Mexico, is set to close in the next two weeks.

Bank of Tokyo Mitsubishi-UFJ is leading the deal, with **Mizuho** and **NordLB** among the participating banks, according to a deal watcher on the sidelines of the *Mexican International Renewable Energy Conference* in Mexico City on Wednesday. The **North American Development Bank** is also making a commitment in the transaction, which will reportedly have pricing just north of deals backing plain vanilla wind projects in the U.S.

San Diego Gas & Electric has a 20-year offtake contract with the project that is 70 miles east of San Diego and just south of the U.S.-Mexico border. It will connect to the existing Southwest

Powerlink via a new cross-border transmission line.

The deal had been set to close in the first quarter (PFR, 3/17). Reasons for the delay could not be learned by press time.

Marubeni Affiliate Hunts Mexico Wind

Marubeni Corp. affiliate **Oak Creek** is looking to finance the first 148 MW portion of its roughly 400 MW Tres Mesas wind project in Tamaulipas, Mexico.

Subsidiaries of **Wal-Mart de Mexico** and Mexican conglomerate **Alfa** have long-term power purchase agreements with the first portion of the project, which is slated for to begin construction this year. "In Mexico, once you have Wal-Mart behind you, you're set," notes an observer on the sidelines of the Mexican International

(continued on page 9)

MEXICO POWER CONFERENCE

Q1 2014 Latin America Mandated Lead Arranger Ranking

Rank	MLA	% Share
1	Banco do Brasil	19.9
2	Banco Santander	16.4
3	BPCE SA	12.9
4	Mizuho Financial Group Inc	11.8
4	Sumitomo Mitsui	11.8
6	Arab Banking Corp	6.8
7	BNDES	4.7
7	Sudene	4.7
9	BANRISUL	4.6
10	CABEI	3.2
10	Nederlandse Financierings	3.2

Source: Dealogic

Renewable Energy Congress in Mexico City who is familiar with the transaction. Alfa's business segments comprise petrochemicals, aluminum components, foods and electronics and communications.

The sponsor and its subsidiary have applied for a \$55 million, non-

recourse loan from the **North American Development Bank**. The project is also seeking funding from the **Overseas Private Investment Corp**. Commercial project finance lenders may not have an appetite for this deal, notes a banker, pointing to some of the political and social unrest in this particular region in Mexico, that could translate into high security costs during construction.

Marubeni acquired a controlling stake in Escondido, Calif.-based Oak Creek via a \$16.6 million equity investment in 2007. The wind developer and project operator originated the Alta wind project in Tehachapi, Calif.

Solar Developers Flock To Mexico

Commercial and residential solar sponsors from the U.S. and Canada are circling Mexico for growth and expansion. "You could get a very large solar residential market in Mexico, potentially larger than the U.S.," noted **Jonah Greenberger**, director at **Bright**, an affiliate of **Chevron**, at the Mexican International Renewable Energy Congress on Wednesday.

The amount of installed photovoltaic capacity in Mexico is set to double to roughly 120 MW this year compared to last year, said **Carlos Flores**, general manager of **Conermex**, adding that the number of residential users in Mexico is also set to double in the

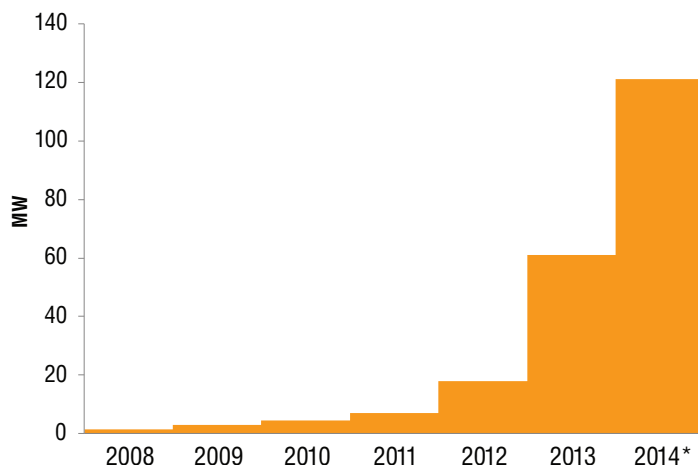
same period from 4,300 last year.

An expiring investment tax credit and a paucity of power purchase agreements in the U.S., as well as the approach of fulfillment renewables targets in Canada, are causing developers to look beyond North America, an attorney said. Potential benefits from energy reforms, such as a streamlined permitting system and a target of generating 35% of power from renewables, and a strong solar resource in Mexico are further attracting these players, according to several observers.

Affiliates of SolarCity and representatives from **Gestamp Solar**, **Canadian Solar**, **First Solar** and **SunEdison** attended the conference.

"We see this technology has a lot of advantages... It's easy to install and for small capacity you don't need to go through the permitting," **Juan Andrés Figueroa**, energy sub-director at **Wal-Mart de Mexico**, which aims to use 100% renewable energy to power its more than 2,250 stores in the country.

Installed PV In Mexico



Source: Conermex

*Estimated

Reporter's Notebook

- **Get On Your Feet** 🎵: **Jonah Greenberger**, director at **Chevron**, encouraged attendees to get on their feet during his panel presentation replicating an initiative at the energy giant to have employees encourage each other to get up from their seats for 30 seconds every 30 minutes.



- **¡Viva Mexico!** A 10-piece mariachi band, replete with violins, trumpets, guitars and snazzy white suits serenaded attendees during the drinks reception on Wednesday night.
- The conference lunch offered a limited selec-

tion albeit no seating or beverages besides water. Some attendees stood at a paucity of small bar-height tables while others wandered the ballroom, plates in hand.

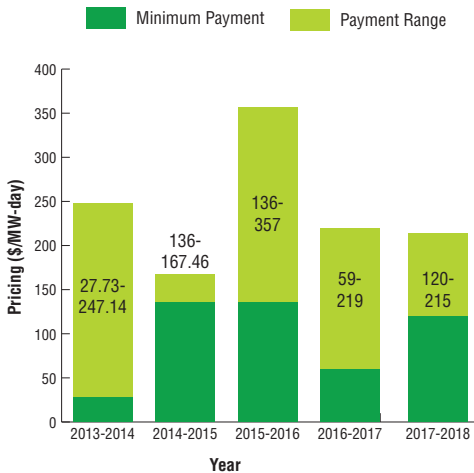
- **Triple Crown:** after morning remarks on the general state of renewables in Mexico, and lunch, the conference was split into three tracks focusing on either wind, solar or geothermal.
- The conference venue, **Camino Real Polanco** hotel, is across the street from the Bosque de Chapulpetec, one of the largest parks in the Western Hemisphere at 1,695 acres or twice the size of New York's Central Park.

STRATEGIES

PJM Prices Up On Fewer Imports

The PJM capacity auction for 2017-2018 came in at \$120 per MW-day for all regions except for one in the east. The area around Public

PJM Capacity Pricing



Source: PJM

bids. The amount of imports dropped by almost 3 GW from 7.4 GW in 2016-2017 to 4.5 GW in the recent auction (PI, 5/31/13).

PJM also cleared 4.8 GW of new combined cycle generation—one

Service Enterprise Group, also known as PSEG LDA, came in at \$215/MW-day because of transmission constraints in Eastern PJM.

This year's auction came in higher than many expectations in part due to rules that limited imports from neighboring RTOs and summer-only demand response

of the largest additions of generation in a single auction cycle. Panda Power Funds, Competitive Power Ventures and Energy Investors Funds have been on a development spree in PJM East over the last two years with the goal of bring six new CCGT projects online by the end of the decade.

The results are expected to buoy generation auctions in the area (PI, 5/21).

PEOPLE & FIRMS

Scotia's Garg Starts At Wells

Alok Garg has joined **Wells Fargo** as a managing director in New York.

Garg, who most recently was director and power sector lead on **Scotiabank's** global infrastructure team, will be looking at the bank's involvement in financing unregulated power generation deals, says an observer. Garg joined this week after a gardening leave.

Wells Fargo has a large presence in the power space with tax equity and investment banking teams. Garg will be working with the financing team as it looks to take on a larger commercial lending role.

Wells Fargo hired **Manish Taneja** as global head of loan syndications on the financial institutions platform earlier this year. Taneja was formerly the global head of loan syndications and private placements at **WestLB** (PI, 1/8).

POWER TWEETS

The #Power Tweets feature tracks trends in power project finance and M&A in the Americas on **Twitter**. For more news and coverage, follow @power_intel on Twitter, as well as Managing Editor @Holly Fletcher and Editor @SaraReports

@SaraReports: WalMart has roughly 90MW of DG in the US, an example that incentivizes Mexico to further develop this sector -govt official [#solarpower](#)

@NobleIdeas: .@xcelenergy reminds @GinaEPA about need for flexibility, touts its cost-effectively carbon pollution cuts. "...not resting on our laurels."

@IberdrolaRen: Did you know we have a quarterly publication called Landowner News? If not, give it a look here <http://bit.ly/OCiViR>

@nextera_energy: More solar on the horizon! We completed the purchase of the Silver State South Solar project in Calif.

@hollyfletcher: Oh look, Hannon Armstrong has bought American Wind Capital for \$106.6M. You read it in @power_intel on April 30. [#scoop](#)



@nelderini: Why Exelon \$XLE jumped 3.6% after 1/6th of its nuke generating capacity failed at PJM auction: <http://bit.ly/1IUjUnV> h/t @scotthomasson

@Clint_Wilder: Ohio legislators take a big step backward, roll back RES <http://thkpr.gs/1oLjUuu> via @climateprogress

@Silvio_Marcacci: Utility-scale solar wholesale prices could hit \$83/MWh in Brazil's upcoming 2nd-half energy auction <http://ow.ly/xohNw>

@ApricumAdvisory: At #MIREC14 Strong interest from international players in Mexican solar market. Energy reform impact on RE growth stil [@MIRECnews](#)

Power Intelligence & Orrick

Invite you to join them for an evening of cocktails & conversation

Please join **Power Finance & Risk** and **Orrick** for an evening of discussion and casual cocktails.

Orrick Energy & Infrastructure lawyers **Kyle Drefke** and **Chris Gladbach** will be moderating a panel discussion on private equity perspectives on trends and changes in the energy industry:

- Preferred opportunities in the energy space (fuel type, geographic reach, stage of development)
- The impact of Yieldcos and direct investment by pension funds
- Renewable energy investments over the next decade: what's next in a post-incentive world
- Attractiveness of different segments of the capital structure (equity, mezzanine debt, hybrid instruments)
- Portfolio companies in the energy space with potential for disruptive innovation or otherwise poised for success

#PowerDrinks, an informal PFR mixer for power and energy professionals, will immediately follow.

RSVP: <http://ow.ly/xp06u> | **Wednesday, June 11, 2014**

Panel Discussion: **5:00 – 6:00 p.m.**

#PowerDrinks, Cocktail Reception: **6:00 – 7:00 p.m.**

Orrick's New York Office, 51 West 52nd Street (at 6th Ave.) New York, NY 10019

Contact Holly Fletcher, managing editor, at hffletcher@iintelligence.com for more information.



TDI Plots *(Continued from page 1)*

electricity will primary run south to New England. “We’re always talking to offtakers, the more real it becomes, the more interest [there is],” says Jessome. The project is expected to be fully permitted next year.

Toronto-based TDI has worked to identify a route that followed existing right of ways and the line will be either buried under water or existing channels such as roads. The company is negotiating with the state and federal agencies that oversee the existing right of ways for access. For the portions that will be buried under roadways, TDI will be in charge of road deconstruction and re-

construction. “There’s a lot of wood to chop there,” Jessome says of working with the state agencies but notes they are interested and cooperative given why the line is necessary.

The financing and development of the New England project will follow

the template that is currently being put assembled for TDI’s \$2.2 billion merchant Champlain Hudson line that will run from Canada to Astoria, N.Y. “We’re quietly optimistic that the great work we did in New York is bearing fruit,” Jessome says about the relatively quick development process of the New England line.

For the 333-mile, 1 GW Champlain Hudson project, TDI anticipates using a combination of bonds and term loan Bs. **Royal Bank of Canada** is advising on Champlain’s financing package, which will likely include debt from export credit agencies (PI, 2/26). The line is expected to have a 70:30 debt-to-equity ratio, for about a \$1.6 billion debt package.

The company is talking with potential financiers now about the Champlain line although the heavy lifting of the financing will not happen until late in the year after it gets its presidential record of decision in September. “There’s strong interest—it is directly proportional to quality of commercial partners,” says Jessome. The company plans to contract at least 750 MW of capacity for at least

“We’re quietly optimistic that the great work we did in New York is bearing fruit.” **Donald Jessome** on the relatively quick development process of the New England project.

FAST FACT

► For the portions that will be buried under roadways, **Transmission Developers** will be in charge of road deconstruction and reconstruction.

don’t want to have all your eggs in one basket,” Jessome says, noting that the company began working in earnest on the New England project during the controversy over the future of **Entergy Corp.’s** Vermont Yankee nuclear facility. “It was our ‘aha! moment,’” he says.

— Holly Fletcher

ALTERNATING CURRENT

Power To The People—Groupon Style

SolarCity Corp. has taken its residential roof-top solar installations to the masses.

Last week the company offered a \$1 “home solar power” package on Groupon, the daily deal company that delivers bargains to your inbox.

No, the \$1 won’t buy the whole package, including the power, but it will get Groupon-ers in select states and Washington, D.C., a \$400 discount on the installation of a roof-top solar panels. They still have to buy the power and additional costs will undoubtedly crop up.

The deal was on offer all last week and SolarCity had sold 430 as of press time on Friday. That’s a potential 430 new customers—a drop in the bucket compared to what is a financeable portfolio or a securitization—but perhaps more importantly, 430 people who have now had rooftop solar panels infiltrate their email.

Daily deal emails frequently go forgotten and unused—based on a reporter’s personal experience—but even if the buyers never follow-through on the free consultation and move on to an installation they are only out a single buck. But, they could help spread the word about how painless the rooftop solar process is (or purports to be). And, really, that’s what SolarCity is out to get: people talking about rooftop.

— Holly Fletcher



QUOTE OF THE WEEK

“We have a big gap. We don’t know how renewable energy projects are going to work in the future.”

—**Arturo Saavedra**, director of legal advisory global infrastructure at **KPMG**, said at the Mexican International Renewable Energy Congress in Mexico City on the uncertainty about how follow-up legislation in Mexico will impact renewable projects in the coming years (see story, page 1)

ONE YEAR AGO

PJM capacity pricing for 2016-2017 came in at \$59-219 per MW-day—a substantially lower payment than some expectations due to a record amount of power was imported from other regions. [The capacity pricing for 2017-2018 has come in at \$120-215/MW-day, a number that is rosier than some expectations due to planned shut-downs and stricter rule enforcement (see story, page 8).]