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Life's A Beech

The PPA for **Invenergy**'s Beech Ridge wind project appears to be in question again. A state power regulator appears to have stepped in and judged the power too expensive for the planned offtaker.

See story, page 2

REC Derivative Mart Ignites

Derivatives on renewable energy certificates are starting to gain momentum. Investment funds and banks are getting active in swaps and forwards.

See story, page 2

In The News

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DYNEGY SNAGS FIRST SPARK SPREAD TRIGGERED LOAN

Dynegy Holdings has landed what bankers say is the first contingent credit facility that would be triggered into life by a widening in spark spreads. **Morgan Stanley Capital Group** structured the deal after a request from the Houston-based IPP.

The unsecured $150 million bilateral facility is a variation of knock-in facilities devised by Morgan Stanley—those were based on commodities, including natural gas, oil and power. In 2008, Dynegy snagged an unsecured $300 million bilateral contingent facility with Morgan

(continued on page 7)

CANADIAN IPP SCOUTS U.S. GAS GENERATION

Capital Power, an independent power producer in Edmonton, Canada, is targeting acquisitions of natural gas generation assets in the American northeast and west. Formerly known as **EPCOR**, Capital Power plans to triple its capacity to 10 GW by 2020. "I think it's a good time for us as a strategic player, with a strong balance sheet," says **Patricio Fuenzalida**, director of business development-U.S. West.

(continued on page 7)

Start Your Pitches

BROOKFIELD SCOPES LONE STAR LINE FINANCING

Brookfield Asset Management has started the ball rolling on financing a roughly $500 million greenfield transmission line in the Odessa area of Texas. It approached at least two project finance banks in late May to see what lender appetite will be like. "They asked us about the level of risk we'd be willing to take on," says a project financier in New York. "We haven't gotten back to them yet."

Brian Lawson, Brookfield's senior managing partner and cfo in Toronto, did not return a call seeking comment. Spokeswoman **Katherine Vyse** confirmed that **Wind Energy**

(continued on page 7)

MISO PUSHES WIND TRANSMISSION PLAN

The **Midwest-ISO** is proposing a transmission plan to ship power from 1.9 GW of wind projects in the Midwest. Transmission owners, wind developers and MISO are in talks about potential routes and cost allocation for the project that could run between $300-500 million.

MISO is looking at how to spread costs of projects in its footprint and suggested load servers would foot 80% of the costs during a conference call Wednesday, industry officials say. Wind developers, or generators, would pay for the rest. Cost allocation is one of the

(continued on page 8)

At Press Time

Beech Wind Farm Hits Snag Again

Virginia's **State Corporation Commission** rejected a 20-year PPA supporting **Invenergy**'s Beech Ridge wind farm, preventing **Appalachian Power** from participating in the state's renewable energy portfolio standard program. The denial could ultimately represent the second derailing of the Greenbrier County, W.Va., farm this year.

"That could be the final death killer," a deal watcher says. "You can't do the farm without the PPA."

Appalachian Power, an **American Electric Power** subsidiary, may transfer the project to an AEP company in a different state, a spokesman says. He declined to speculate whether the commission's denial of participation jeopardized the PPA.

In January, a federal court ruled that Invenergy could only operate the farm during the hibernating periods of an endangered Indiana bat, necessitating a tweaked PPA with Appalachian Power—the contract rejected Wednesday by the Virginia commission. The commission denied Beech Ridge and two PPAs for another farm, citing unreasonably high costs that would be passed along to ratepayers of Appalachian Power.

After the judge's order, Invenergy scaled Beech Ridge from a 186 MW farm to a 100.5 MW facility (PFR, 5/31) and continued construction in anticipation of operation this summer. As of late May, Invenergy had built 67 turbines at the farm and bankers anticipated financing to be finalized in June. **Natixis** and **Dexia Crédit Local** are leads.

David Groberg, v.p. of development for Invenergy's wind operation in the eastern U.S., declined comment. Bankers at Natixis and Dexia couldn't be reached at press time.

REC Derivatives Gather Steam

Investors and market makers are getting more active in derivatives on renewable energy certificates, tradable notes representing 1 MWh of renewable power. Forwards and swaps are the main instruments and there is a quickly-growing secondary market.

"There is pretty active OTC trading in the secondary market, with financial institutions trading back and forth and financial institutions trading directly with wind developers," says **Vanessa Tanaka**, a partner with **McDermott Will & Emery** in Chicago. "We have seen some OTC options with respect to RECs, though not as high of a volume as spot and forward trades."

Twenty-nine states, along with Washington, D.C., have renewable portfolio standards that require large energy companies or municipalities to produce, or buy the rights to, a certain amount of renewable energy each year. Tanaka says that most contracts are written with considerations for the possibility of a federal RPS or a carbon cap and trade program that could eliminate RPS all together. "You draft the agreement so the parties can try to retain the original risk allocation when they entered into the transaction," she says. "Ultimately, if the parties cannot agree after the negotiation process, there is usually an out."

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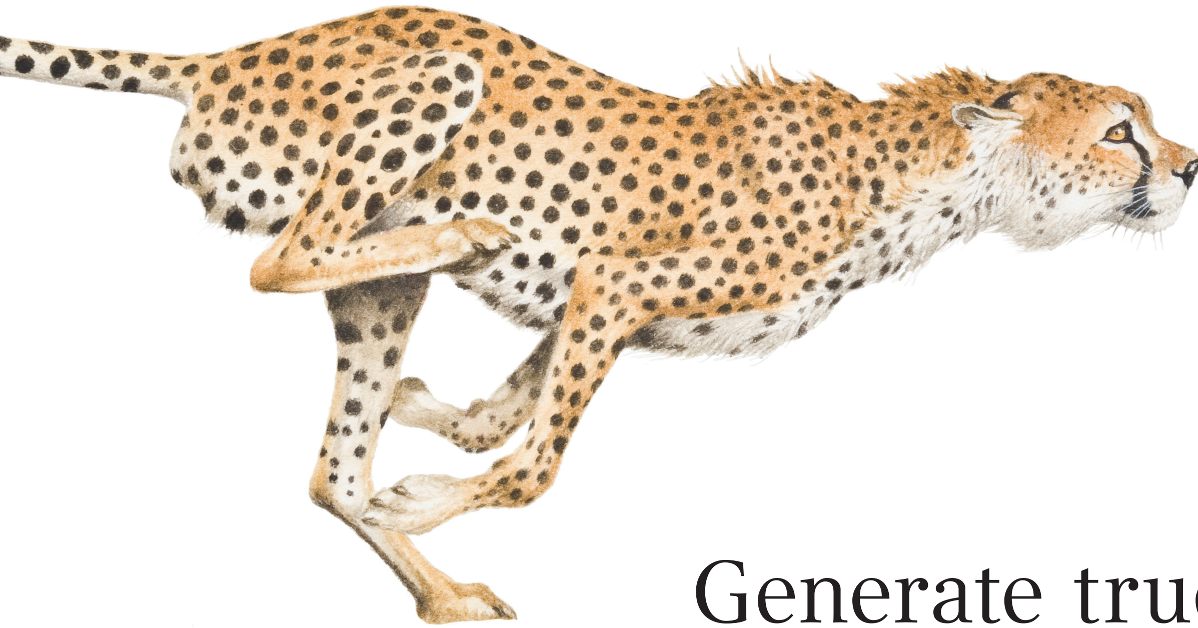


Solar PE Shop Looks For Investments, Acquisitions

Syncarpha Capital, a newly formed private equity shop, is looking for development stage solar photovoltaic projects in which to invest. The firm is interested in acquiring projects to add to its own project pipeline as well as provide development capital to other companies, says **Sean Rheuben**, principal in New York. "We position ourselves for being capital providers to other developers," he says.

In addition to providing capital, Syncarpha plans to own and operate solar installations. The shop has a roster of projects in the Northeast and Canada, says Rheuben, noting that the firm will consider projects with good economics in other regions. Syncarpha will look to line up outside debt for these projects, he says, declining to elaborate on project specifics or detail financing plans. Some will go into construction this year.

The PE shop is looking to take advantage of the dedicated solar renewable energy credits in New Jersey and sell wholesale power, Rheuben says, declining to say whether the team has projects in the works. "[The wholesale market is] a great opportunity if you can manage the risk carefully," he says.

Cliff Chapman and **Richard Turnure** are managing partners and co-founders.

First Reserve Eyes Financing For Solar

First Reserve is talking to banks about lining up financing for projects in North America and parts of Europe under its new partnership with **SunEdison**. How much financing the duo is scouting or for which projects could not be learned. **Mark Florian**, managing director at First Reserve, declined to comment through a spokeswoman on financing details like amount, timeline or banks involved.

Under the partnership, First Reserve will scout financing for projects that will be built and operated by SunEdison, a unit of **MEMC Electronic Materials**. In the past, the developer has worked with **NordLB** and **U.S. Bank** for projects in Ontario and a credit facility (PFR, 11/21/08 & 9/17).

The two joint ventures—one dedicated to projects in the U.S. and one for projects in Canada, Italy and Spain—will acquire up to $1.5 billion in photovoltaic projects and existing installations. Officials declined to say give the JV names or say whether the JV will pay fair market value or a price per MW. The companies will contribute $167 million in equity initially.

Joint ventures like this could be popular with developers as they look to line up financing for capital-intensive projects, says a banker, noting that solar developers still hit obstacles while looking for bank debt. First Reserve is likely to consider partnerships with similar designs, says the spokeswoman, declining to elaborate.

A SunEdison official was not available for comment before press time.

Toronto IPP Inks Leads For Saskatchewan Plant

BMO Capital Markets, **CIBC** and **Union Bank** have signed on as leads for **Northland Power**'s C$700 million ($674 million) combined cycle project near North Battleford, Saskatchewan, says **A.F. Anderson**, cfo in Toronto.

The roughly 265 MW facility will be built with a combination of debt and equity. The debt will be a mini-perm. Anderson declined to specify tenor and basis points over LIBOR. Northland Power is supplying 20% equity, with the rest financed through debt, Anderson says. The IPP had a liquidity of about $82 million at the close of the first quarter, he adds, and received a $67 million infusion in late May.

Northland has a PPA with **SaskPower**. Building is expected to commence this summer, with operations initiated in 2013, say contractors on the project.

David Williams, managing director of power at CIBC, and **Monique Palumbo**, head of syndications at Union Bank, were unavailable for comment. Bankers at BMO declined comment.

N.J. Offshore Wind Hinges On Credits

Financing a wind farm off Atlantic City, N.J., this year hinges on whether the state approves renewable energy credits for off-shore projects, says **Anastasia Pozdniakova**, managing director of **Fieldstone Capital Group**.

"That would be the cornerstone of making this project financeable," says Pozdniakova, who believes political winds are in the farm's favor. **Fishermen's Energy**, the sponsor of the projects, hired Fieldstone earlier this year to find investors for the farm. The $120 million project supporting 20 MW would be a precursor to a massive second phase that would add 350 MW at a cost of $1.4 billion (PFR, 2/19).

Solar power energy credits are available in New Jersey, but not for offshore wind. A state law may be required to extend the credit to offshore, says a spokesman for the state **Board of Public Utilities**.

Securing state renewables credits this year could be critical for Fieldstone. Federal cash grants for renewables projects paying 30-cents on the dollar are scheduled to expire Dec. 31 if construction isn't launched.

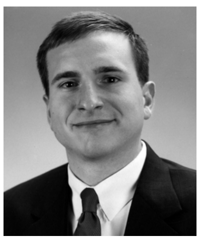
Bankers aren't as optimistic as Pozdniakova. A wind financier believes any movement on Fishermen's Energy is at least a year away. The New Jersey renewables plan, he says, was drafted in a "different era"—before a new governor arrived promising to cut billions in an effort to balance a deficit-heavy budget.

"And no offshore wind project has been done [nationally] to date," the financier says. "This has nothing to do with Fishermen's Energy. It just takes time to get something like this done."

Pozdniakova hopes to secure equity partners in the fall, allowing for construction to begin by the end of the year. Fieldstone has spoken with European banks, including **Rabobank** and **Dexia**, familiar with the financing of offshore projects. Representatives of Rabobank and Dexia, as well as Fishermen's Energy, couldn't be reached for comment.

Corporate Strategies

TVA Pulls Trigger On Low Rates



Josh Carlon

The **Tennessee Valley Authority** waited for interest rates to drop below 5% before re-opening an issue of 30-year power bonds placed last September, offering an additional $500 million in notes. The utility had previously offered $1.5 billion in 2009 Series C bonds.

"We're glad to be able to find a window in a volatile market to get this deal done," says **Josh Carlon**, director of corporate finance in Knoxville. "We don't have a [specific] funding need, so we can sit back and find the best possible deals."

Bank of America and **Morgan Stanley** were joint book runners on the reopening. The financing was prompted by several factors, including low interests and strong investor demand for long-dated bonds. Issuing another $500 million, Carlon says, supports a larger, more liquid secondary bond market.

With the European liquidity crisis prompting a flight to quality—specifically the safety of Treasury bills and notes issued by high-grade corporate and agencies—interest rates fell. So TVA was able to issue $500 million in global power bonds with a coupon of 4.87%. The previous $1.5 billion offering had a yield of 5.2%, Carlon says. That offering was initially intended to be $1 billion, but high demand encouraged TVA to expand it to $1.5 billion. "There are not many high quality issuers doing long-term bonds," Carlon explains. **Fitch Ratings** assigned a AAA rating to the 2009 issuance, with a stable outlook, noting that the power bonds are secured by a net power proceeds pledge.

TVA, a corporation owned by the U.S. government, will apply the newest bonds to help reduce $25.5 billion in debt. Pricing is about 75 basis points over Treasury. Utility finance officials haven't ruled out taking out additional notes by year's end, Carlon says.

Representatives of B of A and Morgan Stanley could not be reached for comment.

Austin Upsizes Issue

Austin Energy has upped a bond issue to nearly $220 million from a previously announced approximately $200 million due to market pricing. The issue of tax-exempt and Build America Bonds is expected to price Thursday and settle July 8. "We continue to watch the market," says **Art Alfaro**, city treasurer in Austin, noting just how much of the issue will be tax-exempt bonds will depend on pricing. Pension funds and international investors, which are commonly attractedly to BABs, will likely make up most of the investors for the issue, he says.

The two-tranche 30-year issue is broken down into a $118.82 million tax-exempt series 2010A and $101.2 taxable series 2010B. The majority of the proceeds with go to pay down commercial paper, says Alfaro. The city has a $350 million commercial paper program, which it divides into $200 million for water and $150 million for power needs. "As it gets closer to capacity, we refund," he says. The remaining proceeds will go to refunding two separate bond issuances. The first is the $5.19 million series 1993 bond offering with a 5.25% coupon, maturing in 2014 and the second is the $69.2 million series 2001 bond offering with a 5% coupon with maturities ranging from 2022 to 2030.

The senior manager for the sale is **Citigroup**, with co-managers **Morgan Stanley**, **Barclays Capital**, **Morgan Keegan**, **Southwest Securities**, **Cabrera Capital Markets**, **Rice Financial Products Co.** and **Siebert Brandford Shank & Co.** participating. In May 2007, the City Council approved a pool of underwriting firms for a period of three years with two 12-month extensions, notes Alfaro. The pool consists of two teams, with each team composed of three national firms, two regional firms and three minority/women-owned firms. The teams and lead underwriter are rotated, he says.

Fitch Ratings assigned a AA- rating to the original near $200 million Austin Energy bond issue, noting a stable service territory and diverse supply mix as advantages, but citing unchanged base rates since 1994 as a concern.

Duke Carolinas Unit Funds Construction With Bonds

Duke Energy Carolinas is selling $450 million first mortgage bonds to fund costs associated with its ongoing generation construction program in North Carolina. Three projects—two natural gas and one clean coal—are being built to replace older, emission heavy units, says a spokesman for parent **Duke Energy** in Charlotte, N.C., who declined to make an official available for comment.

The 825 MW Cliffside supercritical pulverized coal expansion is slated to be online in 2012. Construction recently started on the $660 million, 620 MW Buck Steam combined cycle natural gas plant in Salisbury. Duke expects to have shovels in the ground on the $710 million, 620 MW Dan River combined cycle project next year.

The 10-year bonds carried a 4.3% coupon and priced 100 basis points over U.S. Treasuries. **Moody's Investors Service** and **Standard & Poor's** rated the bonds A1 and A, respectively.

Barclays Capital and **JPMorgan Securities** were bookrunners, with **BBVA Securities**, **Bank of New York Mellon** and **Scotia Capital** as co-managers. Boutique investment banks **Aladdin Capital** and **The Williams Capital Group** were joint managers. The spokesman declined to comment on why the banks were selected.

Calls to officials and spokespeople at the banks were not returned before press time.

Project Finance Deal Book

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

Live Deals: North America

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
AES	Mong Duong II (1,200 MW coal)	Vietnam	TBA	TBA	TBA	TBA	Bankers anticipate the project to cost at least $2.4B (PFR, 5/24).
Brookfield Asset Management, Isolux Corsan	Unknown (Transmission)	Texas	TBA	TBA	TBA	TBA	Contacting European banks for financing (see story, page 1).
Catalyst Renewables, Hannon Armstrong	50 MW Hudson Ranch I (geo)	Salton Sea, Calif.	WestLB, ING, SocGen	Mini-Perm	$297M	7-yr	Financial close reached on $401 million deal (PFR, 5/24).
Cavallo Energy	Cross Hudson Transmission	Ridgefield, N.J. -to-New York	TBA	TBA	$400-$450 M	TBA	Bidding process to secure shippers started May 17 (PFR, 5/17).
Edison Mission Group	Laredo Ridge Wind Energy Project	Petersurg, Neb.	TBA	TBA	TBA	TBA	Club deal with pricing at 250 bps over LIBOR (PFR, 5/17).
El Paso	Ruby Pipeline (675-mile Natural Gas Pipeline)	Wyoming to Oregon	Credit Suisse, Calyon, BMO, Scotia, SocGen, Banco Santander, RBS	TBA	$1.5B	7-yr	Financial close reached (PFR, 5/17).
enXco	Lakefield (201 MW Wind)	Minnesota	Dexia, SocGen, Banco Santander, CoBank	TBA	TBA	TBA	Financing restarts after PPA overhauled (PFR, 5/31).
First Wind	Milford II (100 MW Wind)	Milford, Utah	TBA	TBA	$220M	TBA	Expected to close this month (PFR, 5/3)
Fishermen's Energy	Various (20 MW Offshore Wind)	Atlantic City, N.J.	Fieldstone Capital	TBA	TBA	TBA	Financing hinges on renewables credits (see story, page 4).
Horizon Wind Energy	Meadow Lake II	White County, Ind.	TBA	TBA	TBA	TBA	JPMorgan Capital selling tax equity stake (PFR, 5/4).
Hudson Transmission Partners	Hudson Transmission	Ridgefield, N.J.-New York	RBS, SocGen	TBA	TBA	TBA	Loan size ranges from $300-800 million depending on whether NYPA buys project (PFR, 5/17).
Invenergy	Beech Ridge (100.5 MW Wind)	Greenbrier County, W. Va.	TBA	TBA	TBA	TBA	Financial close expected soon on scaled down project (PFR, 5/31).
Kruger Energy	Chatham (100 MW Wind)	Ontario	Deutsche Bank	Mini-Perm	$220M	3-yr	Financial close reached, marking Deutsche Bank's reemergence into power mark (PFR, 5/31).
Panda Energy	Two 15-20 MW photovoltaic projects	TBA	TBA	TBA	TBA	TBA	Con Edison Development will assist with financing PFR, 5/3).

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

News In Brief

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

Americas

• President **Obama** vowed to act quickly on climate change legislation, using the Gulf oil spill as an opportunity to sway opponents to his side (*The New York Times*).

• The **University of Michigan at Ann Arbor** will receive up to $8.5 million over five years to work on nuclear research and development. The national hub is developing a virtual reactor to study cost, life and safety goals of nuclear power (*Chicago Tribune*).

• Petaluma, Calif.-based **Enphase Energy**, which makes microinverters for solar panels, has raised $63 million in a fifth-round of financing. **Kleiner Perkins Caufield & Byers** and **Bay Partners** joined the round, which includes existing investors **Third Point Ventures, RockPort Capital Partners**, **Madrone Capital Partners**, **PCG Asset Management** and **Applied Ventures** (*San Jose Mercury News*).

Europe/Middle East/Africa

• **AES Solar Energy**, a joint venture between **AES Corp**. and **Riverstone Holdings**, has closed on a $31 million long-term, non-recourse financing for the construction of the 8 MW Torchiarolo solar PV project in Puglia, Italy (*Reuters*).

• **Scottish & Southern Energy** is likely to purchase no more than 10% in the sale of **EDF** shares. EDF is expected to garner about GBP4 billion ($5.83 billion) in the sale (*The Herald*).

• **Areva** and **Siemens**' nuclear power venture is being investigated by the **European Commission** after Siemens revealed previously undisclosed non-compete clauses to the regulating body (*Financial Times*).

• **GDF Suez** has won a $1.7 billion contract to build two new power plants in Oman, in a consortium with **Siemens** and **GS Engineering & Construction** (*Wall Street Journal*).

DYNEGY SNAGS

(continued from page 1)

Stanley based on rising natural gas prices. It expired last year.

The new twist ties the loan to widening spark spreads because in that environment Dynegy could up its gas-fired output. The facility would allow the generator to collateralize new deals, including for power from combined cycles plants. **David Byford,** Dynegy spokesman, declined to reveal the specific spark spread that would activate the credit facility and the bankers who oversaw the deal. Bankers at Morgan Stanley declined comment.

Dynegy has about $2.3 billion in liquidity, including $802 million cash on hand, according to its first quarter report, but much of it is committed to long-term power contracts. Securing the credit facility allows Dynegy flexibility. "It is a relatively inexpensive way to get liquidity," says **Rick Evans**, Dynegy v.p. of finance in Houston. The credit facility matures Dec. 31, 2012. A fee will accrue on the unutilized portion of the facility at 0.6% annually. Letters of credit availability will accrue fees at 7.25% annually.

In 2008, Dynegy sought near-term contracts for its coal fleet, chiefly based in Illinois, so it pegged that year's credit facility to natural gas prices. Coal prices, explains Byford, typically correlate with the rise and fall of natural gas prices, whereas spark spreads are indicators of gas plants.

—Brian Eckhouse

BROOKFIELD SCOPES

(continued from page 1)

Transmission Texas, a joint venture of Brookfield and Spanish engineering company **Isolux Corsan Concesiones**, had just initiated its financing hunt. Vyse declined to specify which banks Brookfield has contacted. Brookfield is a Toronto-based asset manager.

The 300-mile, 345 kV greenfield line would be part of Texas' **Competitive Renewable Energy Zones** planned for West Texas that would transmit up to 18 GW.

A representative of Wind Energy Transmission Texas declined comment. Efforts to reach Isolux were unsuccessful. *—B.E.*

CANADIAN IPP

(continued from page 1)

Capital Power is shopping for natural gas developments and existing facilities to balance its 60% coal-fired dominated fleet. The company is comfortable with taking on merchant risk although "we are not going crazy with merchant exposure," says Fuenzalida, adding it wants a balance between contracted and merchant facilities. He declined to elaborate on how much cash it is planning to deploy.

The company has been involved in several auctions recently, including those of the **BG Group** natural gas assets (PFR, 2/9) and **LS Power**'s Arlington Valley plant, industry officials say. "They have a lot of cash, an investment-grade balance sheet and are trying to find something to do with it," says a banker in New York. Fuenzalida declined to comment on recent auction involvement or whether his firm uses an advisor. One M&A banker says no advisor was used in a recent auction.

The company will also look at construction-ready and development projects, Fuenzalida says, noting that Capital Power would likely look to finance construction on balance sheet.

The developer has two wind projects totaling about 240 MW in Canada and is interested in expanding its wind business once the company establishes a larger natural gas presence in the U.S., Fuenzalida says. Capital Power would be interested in projects not development teams because it wants to keep its in-house staff lean, he says. ***—Holly Fletcher***

MISO PUSHES

(continued from page 1)

biggest obstacles for companies planning transmission projects that span multiple utility footprints.

Eric Laverty, senior manager of transmission access planning at MISO in Indianapolis, Ind., declined to say whether that cost allocation scheme was being considered for the project, which is being dubbed Big Stone II because of its roots in the scrapped coal plant.

A tariff request for the project is expected to be filed with the U.S. **Federal Energy Regulatory Commission** by July 15, which is likely to draw interveners over its cost reallocation proposal, says **Josh Gackle**, regional policy manager-West at **Wind on the Wires** in Minneapolis, Minn., a trade organization involved in discussions.

MISO sought to backfill—the process of filling transmission vacancy after a project falls out of the queue—the capacity after the 600 MW Big Stone II coal plant in South Dakota was scrapped by its sponsors, including **Otter Tail Power Co.** and **Montana-Dakota Utilities Co.**

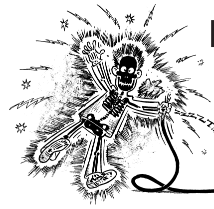
Under the plan, wind developers sitting in the interconnection queue could see wait times reduced. A handful of routes running from South Dakota east to Minnesota are being considered, says Laverty.

National Wind has been granted a position in the backfill queue for its 300 MW Dakota project in South Dakota, which was waiting on the interconnection list. "What we were waiting for was a just a good transmission option and Big Stone might be that option," says **Leon Steinberg**, president of National Wind in Minneapolis.

Big Stone II, which is slated to be online around 2015, still has several elements to resolve, including whether it is too similar with or would interfere with other proposals like the **Green Power Express**, says Laverty.

Utilities are expected to be included on the building and financing of the lines. An Otter Tail spokeswoman confirmed the utility is still involved with the plans but declined to comment on financing plans. Other parties involved could not be learned. *—H.F.*

Alternating Current

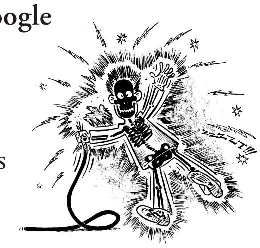


Heaven Up Here?

Project financiers have something of an MO: lend to developers they know, who use technology they trust and possess bulletproof PPAs with upstanding utilities. This probably explains why many lenders scoff at renewables advocates who insist offshore wind is presently viable.

Then you get the really inventive stuff, like a California company's push to harness high-altitude wind aboard planes and cable it back to earth. "That is so far off reality," says one of the busiest project financiers in New York. "What happens if the weather gets bad? Who powers my home then?" Another financier was less inquisitive and more definite, "The idea is patently ridiculous. No chance of getting it through my credit committee."

Makani CEO **Corwin Hardham** acknowledges difficulty securing bank financing. **Google** provided early funding. Hardham is speaking with venture capitalists for another round of financing.



Fortunately for us, Makani's staffers weren't too high in the clouds to miss our call.

Correction

A story in PFR on May 31, 2010 misidentified a bank taking a $40 million ticket in **Kruger Energy**'s wind farm loan in Chatham-Kent, Ontario. The lender is **Rabobank**, not **BNP Paribas**.

Quote Of The Week

"We're glad to be able to find a window in a volatile market to get this deal done. We don't have a [specific] funding need, so we can sit back and find the best possible deals."—**Josh Carlon**, *director of corporate finance at the* ***Tennessee Valley Authority*** *in Knoxville, on the utility's recent $500 million bond offering (see story, page 5).*