

# power finance & risk

The exclusive source for power financing and trading news

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## BNP To Lead AES Mexico Refi

AES has mandated **BNP Paribas** on the refinancing of its 230 MW plant in Tamuin, Mexico.

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## Trio Triumphs In Horizon Auction

**Morgan Stanley, JPMorgan** and **ABN Amro** have won a tax equity auction tied to six of **Horizon Wind Energy's** facilities.

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## Place Your Bids

### MIRANT SALE HEADS INTO FIRST ROUND

JPMorgan is set to take preliminary bids by noon on Tuesday for **Mirant Corp.** and **US Power Generating Co.** is among a handful of firms planning to submit an offer. Other logical buyers are **International Power, Dynegy** and **NRG Energy** on account of their deep pockets and strategic focus.

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### NY PRIVATE EQUITY SHOP EYES CLEAN ENERGY CO.

New York private equity shop **Knox Lawrence International** is in exclusive talks with U.K. engineering giant **Tomkins** to buy its clean energy unit, **Dearborn Midwest Conveyor**. The acquisition, on which **RBC Capital Markets** is advising, is slated to close later this month. The likely price could not be determined, but the company generates roughly £200 million (\$396 million) in annual revenues.

DMW is the largest of a handful of engineering and systems companies helping utilities

(continued on page 12)

### UPC TAPS JPMORGAN TO ADVISE ON DEVELOPMENT FINANCE

UPC Wind has hired JPMorgan to help it determine the most efficient way to finance its development pipeline, with the aim of putting 1 GW in service by the end of 2008. **Bryan Martin**, co-head of private equity at **DE Shaw**, which backs UPC alongside **Madison Dearborn Partners**, told *PFR*, "It's primarily a financial advisory role to help the company ascertain its capital requirements as it grows." **Tim Rosenzweig**, cfo of the Newton, Mass.,

(continued on page 11)

### CONSOLIDATION SEEN FUELLING WIND GROWTH

Consolidation was center stage for the 7,000 attendees at the **American Wind Energy Association** annual gathering in Los Angeles last week, with many seeing the rise of the hefty balance sheet as a way to propel the sector's market share of energy generation. Consolidation is inevitable, **Randall Swisher**, AWEA executive director, told reporters.

"There's a huge interest right now. When big money wants in, it will find a way. It will

(continued on page 6)



Windpower 2007

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



## At Press Time

### RBS Adds ABN Originator

Orhan Sarayli has joined Royal Bank of Scotland's power origination team in New York from ABN Amro. He started two weeks ago as a senior v.p. reporting to Rich Randall, managing director. Randall confirmed the hire, and says RBS is expanding its New York team as its deal flow increases. He expects to add another senior staffer through an internal move shortly.

Sarayli will focus on origination and marketing, as he did for three years as a director in ABN's power and utilities group in New York. Prior to ABN, he worked in an advisory capacity at TD Securities.

### FPL Mulls New Round Of Portfolio Financing

FPL Energy is reportedly plotting a refinancing of a portfolio of wind farms either in operation or in development, according to sources who had spoken with the company. The size of the deal, expected later this year, could not be learned. But it is expected to mirror its \$700 million Lone Star Wind transaction, which refinanced 606.5 MW of wind in ERCOT via BayernLB, Fortis Capital and Mizuho Corporate Bank (PFR, 3/2).

As the nation's largest wind owner, FPL has tapped the bank market to refinance debt used to develop projects on balance sheet. It has also tapped the bond market, including a BNP Paribas-led sale of \$200 million in 20- to 25-year bonds to fund subsidiary Bison Wind's 200 MW in North Dakota and Oklahoma (PFR, 6/22). A call to an official at FPL was not returned.

### BNP Scores Mandate On AES Petcoke Refi

AES Corp. has tapped BNP Paribas to lead a refinancing of its 230 MW Termoeléctrica del Golfo facility in Tamuin, Mexico. The precise terms and syndication timetable for the \$250 million package are yet to be set, say deal trackers. Calls to an AES spokeswoman were not returned and officials at BNP declined comment.

AES bought a pair of petcoke plants in February from subsidiaries of Exelon and Alstom for \$610 million. A mandate on the neighboring plant, 230 MW Termoeléctrica del Peñoles, is expected in the coming weeks. The plants provide power to Cemex and Industrias Peñoles, respectively, under 20-year agreements.

#### 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 **Katy Burne**, managing editor, at 212-224-3165 or [kburne@iinews.com](mailto:kburne@iinews.com).

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INTELLIGENCE FIRST

## Trio Swoops For Horizon Tax Equity

Morgan Stanley, JPMorgan Capital and ABN Amro unit Lease Plan North America are to close on roughly \$600-700 million in tax equity tied to six of Horizon Wind Energy's facilities.

Citigroup Global Markets, which advised Energias de Portugal on its impending \$2.5 billion purchase of Horizon, began auctioning the tax equity about a month ago. EDP intends to close its acquisition later this month or early next, once the equity transaction and a financing package being structured by Barclays Capital are sewn up.

EDP auctioned the tax equity, linked to five farms already in operation and one to come online at the time of completing its purchase, because as a foreign-owned utility it can't take advantage of tax-credits generated by the developer's 560 MW of projects. The sites include 151.2 MW Blue Canyon in southwest Oklahoma, Flat Rock I and II in Lewis County, N.Y., with a combined capacity of 321.75 MW, and 198 MW High Trail Wind Farm in McLean County, Ill.

Calls to Citi officials were not returned and tax-oriented investment principals at the other banks declined comment or could not be reached.

## Morgan Stanley, MMC Team Up For Calif. Developments

Morgan Stanley Capital Group and New York acquisition shop MMC Energy have signed a joint venture that could see the pair develop, own and operate as many as three generation projects in San Diego. Together they will bid into an RFP launched last year by San Diego Gas & Electric to supply peaking power under 20-year contracts.

The move represents something of a renaissance for Morgan Stanley, which has taken large positions on the commodities side, but not acted as a developer for some time. "We haven't done it for a while because the economic signals to build new generation in the U.S. haven't been there," says Simon Greenshields, global head of gas and power trading in Purchase, N.Y., adding, "The California market, with the introduction of resource adequacy as well as energy, is starting to get to the point where building is getting economic." The last plant developed by a Morgan Stanley affiliate was Naniwa, a 380 MW facility in Storey, Nev., built in response to the California energy crisis.

Three proposals will be submitted to SDG&E, which is due to notify bidders of its selection by the middle of next month. These include a 49 MW expansion of MMC Energy's 44 MW Chula Vista plant and a separate re-powering of its Escondido unit to 46.5 MW in San Diego County. A third development on a nearby greenfield site, which would be provided by SDG&E and accommodate 232.5 MW, also is being proposed

but if this alone is selected, MMC has committed to developing Chula Vista on its own. Morgan Stanley and MMC will each own between 30% and 70% of the joint venture depending on which facilities are selected. Denis Gagnon, cfo of MMC, declined to comment.

## Merrill Taps Morgan Stanley Banker For EMEA Head

Merrill Lynch has hired Jonathan Grundy from Morgan Stanley to head its energy, power and infrastructure advisory unit for Europe, Middle East and Africa, in London. He reports to Mark Aedy, head of EMEA origination, and will preside over a unit that has been expanded to include infrastructure, which was previously separated from the energy and power group under Grundy's predecessor, Richard Nourse.

Grundy spent 16 years at Morgan Stanley and advised on a number of high-profile transactions including the EUR1.7 billion (\$2.3 billion) merger of Spanish utility Iberdrola and ScottishPower, which closed in April. Nourse, who ran the EMEA energy and power unit for four years, will remain a consultant at Merrill.

## Reliant, Dynegy Chiefs Split On Greenfield Approach

Two prominent IPP executives expressed diverging opinions on greenfield development strategy last Tuesday on a panel at an RBC Capital Markets energy conference in New York.

Brian Landrum, coo of Reliant Energy, sees little opportunity in greenfield at the present time, noting, "We're very unlikely to look at greenfield because it's very hard to make a return above [weight-adjusted cost of capital] through the cycle." Instead, Reliant is pursuing an initiative to increase existing unit capacity via heat rate or operating improvements. The company is only now at the break-even point on new build in the eastern PJM, adds Landrum, citing as one of Reliant's success stories its 521 MW Seward plant, which cost \$1,200 per KW to build, but would cost \$2,000 to replace.

Bruce Williamson, ceo of Dynegy, says his company feels differently about the greenfield economics, mainly on account of its recent tie up with LS Power, which gave it a development expertise. "We were different prior to our merger," he notes.

Both IPPs are selling asset bundles right now via JPMorgan, but are expected to pursue acquisitions as well. Reliant has just emerged from a three-year repositioning after nearly going bankrupt in 2002, says Landrum, and will look at acquisitions on a "situational, numbers and period-dependent basis". Meanwhile, Dynegy is widely expected to consolidate with

another IPP. "We have been getting a lot of blue books, but anything we look at is going to have to be free cash flow [accretive] and better for our shareholders than what we have on a standalone basis," said Williamson.

## RBS Loses Senior Loan Staffer

Royal Bank of Scotland has seen the departure of **Tom Perry**, a senior director responsible for syndicating power loans, among other deals, from its London team. He left last Thursday, according to **Declan McGrath**, head of loan capital markets, who declined to comment on where he was going.

In April, Perry's boss **Steve Gee**, who was head of project finance for Europe, Middle East and Africa, left to take a sabbatical after 17 years with the bank. McGrath will assume Gee's duties until a replacement can be found.

## Calyon To Bring Middle East Troika To Market

Calyon is preparing to launch syndication of three energy deals it is underwriting for Middle East sponsors, says **Tess Jarmolkiewicz**, a director of project finance syndications in London. The deals will allow the sponsors to obtain cheaper terms that are in line with recent market precedents.

Up first is a \$340 million refinancing for **Dhofar Power Company**, an Omani entity owned 81% by **PSEG Global** that has a concession to own and operate the Salalah power system and a 192 MW independent power plant in the southern port of the city. The deal will refinance about \$175 million in existing project debt led by **BNP Paribas**, **WestLB** and **Bank Muscat** and fund \$165 million worth of transmission and distribution expansion onsite. It is expected to come to market mid-month and close by the end of next month, says Jarmolkiewicz.

A \$500 million refinancing for **Tihama Power Generation Co.** is next up. The company closed on a \$510 million debt package in 2004 for four independent cogeneration projects at **Saudi Aramco's** processing facilities in the kingdom's eastern province. Tihama is sponsored by **International Power** (60%) and **Saudi Oger** (40%), which tapped Calyon as one of eight lead arrangers on the original financing.

Also in the works is a \$500-675 million refinancing for **Port Said East Power**, a CCGT in northern Egypt owned by **Tanjong Group**, which bought the facility from France's **EDF International** in 2006. EDF originally obtained \$750 million in project debt for the facility, and its neighboring **Suez Gulf Power**, via **Crédit Lyonnais**, **Barclays Capital** and **Société Générale** (PFR, 3/25/02). Syndication is expected to launch by the month-end.

## FirstEnergy Taps McManus and Miles On Sale, Leaseback

FirstEnergy has tapped investment bank **McManus and Miles** to run the private placement of equity interests in unit one of its **Bruce Mansfield** generation facility in **Shippingport, Pa.**, with the aim of leasing the 830 MW plant back over 35 years. The 144A is slated to close next month, at the same time as a portion of debt is placed with institutional buyers. The expected \$1.2 billion proceeds will refinance the company's previously wrapped \$900 million share repurchase and \$300 million injection into its pension plan (PFR, 3/16).

Treasurer **Jim Pearson** in **Akron, Ohio**, says FirstEnergy went the sale leaseback route so it could capture gains from a sale, offsetting a \$785 million expiring tax loss carry forward from international assets it sold after merging with **GPU**, while ensuring it maintained control of the asset. "Bruce Mansfield is a very valuable asset with a high market price and low tax base, allowing us to recognize a taxable gain," said Pearson, who declined to confirm the appointment of **McManus and Miles**. A call to **Geoff Wilson**, executive director at the **New York boutique**, was not returned.

FirstEnergy had already sold and leased back 6.5% of **Bruce Mansfield** in 1987, alongside several of its nuclear units, or portions thereof. It used the solution to generate cash following a heavy period of construction. The identification of the asset this time, says Pearson, is a one-off transaction. Power from the fully scrubbed plant is sold into the **Midwest Independent Transmission System Operator** grid.

## Corporate Strategies

### NiSource To Raise \$500M Post Review

**NiSource** is looking to raise about \$500 million in new capital, following the conclusion of its financial and strategic review process, initiated last year via **The Blackstone Group** (PFR, 10/11). The company needs to refinance \$250 million of maturing debt it rolled into a bank facility and tap the bond market for about \$200 million to help fund its \$800 million capital expenditure program this year, says spokesman **Karl Brack** in **Merrillville, Ind.**, who declined to make CFO **Mike O'Donnell** available.

The fact the review didn't result in any asset sales reflects the challenges **NiSource** foresaw in trying to sell or spin off its electric utility **Northern Indiana Public Service Co.**, or find a buyer for the entire company. **Blackstone** recommended **NiSource** break itself up to get a pop in its stock price and unlock maximum value for shareholders as a pure play gas

company. But doing so would have involved material tax leakages that proved too difficult for it to mitigate or defer. This prompted institutional investors and hedge funds that piled into the stock expecting a deal to start unwinding their positions, says **Steven Marascia**, equity research analyst at **Anderson & Strudwick** in Richmond, Va. "NiSource disappointed a lot of investors that bought its stock over the last few months, betting some kind of asset sale or restructuring would happen," he says. Two days before May 30, when the company announced the termination of its review process, its stock hit an intra-day high of \$24.11. Since then it has hovered in the \$21-22 range.

Observers had speculated that **Duke Energy Corp.** would be the most likely suitor for Nipsco, because it recently spun off its gas business **Spectra Energy**. But a mergers and acquisitions official at the company recently told *PFR* its interest was "lukewarm at best" on account of its heavily industrial customer mix. Other rumored suitors were **American Electric Power**, **DTE Energy**, **Ameren Corp.** and **Exelon Corp.**

Brack says the review took in all parts of the business and assets and included an A to Z analysis of potential alternatives. "No stone was left unturned," he says. NiSource believes that its business case is fundamentally sound even without structural changes, says Brack, noting that it plans to reach sustainable earnings growth of 3-5% by 2010. As of March 31, the company had short term debt of \$620 million and total debt of \$5.9 billion.

## Duke Back In Market After Four-Year Hiatus

**Duke Energy's Duke Energy Carolinas** subsidiary has sold \$500 million of 30-year unsecured bonds to retire old debt. It is the company's first offering since December 2003, when it issued \$250 million in two-year, floating-rate notes. "We have been able to meet our needs with internal cash generation," explains **Stephen De May**, assistant treasurer in Charlotte, N.C., noting proceeds from asset sales also reduced the need for borrowing. "We'll access the market more regularly in the next few years," he added.

Duke filed a \$950 million debt shelf last month. Proceeds from the offering will pay down commercial paper used to fund two recent redemptions. All of a \$250 million 6.6% issue due 2022 were redeemed April 30, while \$110 million of 1.75% convertible notes due 2023 were redeemed May 15. The remaining \$140 million will be used for general corporate purposes.

**Merrill Lynch** and **Morgan Stanley** led the sale, while **BNP Paribas**, **Credit Suisse**, **Lazard Capital Markets** and **UBS** were co-mangers. De May says underwriters are chosen for their

ability to execute transactions smoothly. The notes are rated A- by **Standard & Poor's** and priced at 99.987 over Treasuries.

Duke is entering into an expansion period that will require funds mainly for new generation and environmental upgrades at existing facilities. On May 15, Duke Energy Carolinas issued an RFP for up to 800 MW of power by 2010, and 2 GW by 2013. At the same time it is seeking a 3.6% rate increase from its customers.

## Puget Energy Completes Inaugural Hybrid Issue



Jim Sant

**Puget Sound Energy** sold \$250 million in its inaugural hybrid issuance last week. **Jim Sant**, assistant treasurer in Bellevue, Wash., says the **Puget Energy** subsidiary was "thrilled" with the security and would not hesitate to use it again, though perhaps not until next year. The deal was the first utility hybrid issued at the operating company level, and the first to

use a trust redemption covenant in conjunction with a replacement capital covenant in order to achieve 50% equity credit from **Moody's Investors Service**, despite an absence of unsecured, long-term debt in the company's capital structure.

The original plan was for Puget to pay for its June 1 redemption of 8.23% trust preferred securities with proceeds from the 6.97%, 60-year hybrid, whose rate converts to 2.53% over three-month LIBOR in 2017. Instead it decided to give investors enough time after the Memorial Day weekend to digest the unique aspects of its offer, and fund the redemption for one day with a short-term facility until it could pay off the debt the following Monday.

**Lehman Brothers**, **JPMorgan Securities**, **Morgan Stanley**, **BNY Capital Markets**, **Citigroup Global Markets**, **UBS Securities** and **Wachovia Capital Markets** underwrote the deal. All are on Puget's syndicated credit agreement. "We like to do business with banks that have made commitments to us on the lending side," says Sant, adding, "We also wanted to go with banks that had expertise with hybrids because we had some firsts in our deal."

Proceeds will trim \$200 million in short-term debt—a combination of commercial paper and receivables securitized via JPMorgan and Citigroup. The idea, continues Sant, is to get sufficient headroom to add wind to Puget's portfolio. The company has already spent \$550 million on two wind facilities, 150 MW Hopkins Ridge and 230 MW Wild Horse, and expects to provide 10% of its power by 2013 from renewable resources. Earlier this year, it bought the 277 MW gas-fired Goldendale Energy Center from **Calpine** for \$100 million.

## American Wind Energy Association's WINDPOWER 2007 Conference

About 7,000 wind enthusiasts, many of them developers and financiers, blew into the Los Angeles Convention Center for the WINDPOWER 2007 conference and exhibition June 3-6. Associate Reporter **Ben Miller** filed the following stories.

### CONSOLIDATION SEEN

(continued from page 1)

bring capability," he said.

The deals which will see **Tierra Energy** and **Horizon Wind** folded into major utilities could create players that can tackle hurdles to growth like tight turbine supplies and lack of transmission investment—issues that the traditional small wind shops aren't equipped to handle.

**Robert Lukefahr**, president of power for the Americas at **BP Alternative Energy**, told the conference BP, which plans to put 1 GW in the ground in 2007-2008, has been able to enter quickly mostly through buying existing projects, such as those of **Orion Energy** and **Greenlight Energy**. An equity stake in **Clipper Windpower** and agreement to buy up to 4.25 GW of wind turbines over five years has reduced supply-chain problems and moved along those projects, he added. —*Ben Miller*

### Turbine-Supply Crunch Energizes



Multi-project and multi-year supply arrangements are becoming the norm as developers and turbine manufacturers combat supply constraints. "Long-term frame agreements have been a significant change for us—they

let us plan ahead," **Andris Cukurs**, North America ceo of turbine manufacturer **Suzlon Wind Energy**, told attendees. Previously, orders for single projects were more common.

Larger players are able to buy turbines in bulk and sign agreements to purchase over two to three years. They are also better able to stomach the risk of having that cash outlay at a time when they are not quite ready to put the turbines into operation, said **Ward Marshall**, a deal originator at **Babcock & Brown**, noting that this forces developers to make decisions earlier. Globalization of the industry, allowing unused turbines to reach projects in other parts of the world, has helped, but competition across industries for raw materials has crimped supply, he said.

**Babcock** agreed last month to buy turbines to last it through 2009 and is lining up a roughly \$800 million financing package for the purchase (PFR, 5/18). So far it does not have a single PPA in place, but it aims to build in ERCOT and PJM where it can count on demand, said Marshall.

### Airtricity Targets Turbine Funding

Airtricity is seeking lenders on a \$325 million turbine supply loan that will support 580 MW of projects it wants to bring online next year in the U.S. **Ciaran O'Brien**, cfo of the Irish wind developer's North American affiliate, declined to talk about the timeline or criteria for selection, but **HypoVereinsbank**, **BayernLB** and **NordLB**, which led a 2007 turbine loan for the company, are expected to have a leg up.

Those three have separately been mandated to syndicate \$300 million in debt funding Airtricity's Roscoe wind farm near Abilene in West Texas. Syndication should launch in three to six weeks, O'Brien says. The 209 MW project has a five-year PPA with **TXU Wholesale**. Last month, **GE Energy Financial Services** and **Wachovia** invested 50% each in the project's structured equity.

To help raise as much as \$1.5 billion in additional funding, Airtricity tapped **Credit Suisse** in April to advise it on a potential sale of 49% of the North American business (PFR, 4/11). It expects to have a clearer picture of prospective buyers and of whether the sale will proceed by September. O'Brien declined to comment on the process.

### Reporter's Notebook

- Whirling Dervishes. In addition to bashes thrown by **PPM Energy** and **Fortis**, law firm **Millbank, Tweed, Hadley & McCloy** treated attendees to a Middle Eastern-themed bash at the Figuroa Hotel. Not to be outdone, rivals **Chadbourne & Parke** furnished every attendee with a yo-yo.
- Gordon goes Hollywood? Rumors abounded about documentary and theatrical-film rights being negotiated for **Wendy Williams'** and **Robert Whitcomb's** book *Cape Wind: Money, Celebrity, Class, Politics and the Battle for Our Energy Future on Nantucket Sound*. No word on whether **Jonathan Pryce** was being singled up to play Cape Wind entrepreneur **Jim Gordon**.
- LA Marathon! Plenty of water stations were around to rehydrate winded conference-goers, hiking the long and labyrinthine routes between the exhibition floor, conference rooms and exhibit hall.
- Next time, no macadamia nuts! "This is all **Office Depot**," said one **Siemens** staffer, proudly referring to the German turbine maker's improvised exhibition booth. The original unit was set to be a two-story affair made from timber, but was held up in customs and sent back to Denmark. Its delegation threw together a display in less than two days in time for the Sunday opening.

## 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.*

### Live Deals: North America

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
LEP Holdings	Liberty Electric Power (568MW Gas) Refi	Eddystone, Pa.	Credit Suisse, Merrill Lynch	First lien Second lien	\$400 \$200	TBA TBA	Syndication timeline unclear.
Nacogdoches Power	Nacogdoches (100MW Biomass)	Sacul, Texas	TBA	TBA			Looking for banks to fund debt for \$330M project.
Calpine, Mitsui & Co.	Greenfield (1GW Gas)	Courtright, Ont.Canada	Bank of Tokyo Mitsubishi BMO Financial	Loan	C\$650M (\$590M)	18 yr	Ontario Power Authority offtake. Syndication expected end of June.
Calpine	Otay Mesa	San Diego, Calif.	ING, BayernLB	Credit facility	\$377M	12 yr	Syndication launched 5/23. San Diego Gas & Electric offtake.
LS Power	Sandy Creek (4GW) Refi	Riesel, Texas	TBA	TBA			Looking for banks to lead debt. Negotiating offtake and equity investment.
J-Power USA Babcock & Brown MACH Gen	Pala (86.5 MW Gas) 2008 Turbine Supply Generation Portfolio (800MW Coal)	San Diego Co., Calif. Various, North America Various	TBA TBA Credit Suisse	TBA TBA TBA			Looking for lead bank. Selecting lead banks. Refinancing of \$850M second lien, or more. Structure TBA.
Osaka Gas, Tenaska, Diamond Generating AES	Tenaska Gateway (845 MW Gas) Refi Petcoke Portfolio (460MW) Refi	Rusk County, Texas Tamuin, Mexico	BNP Paribas, Calyon TBA	Bond offering TBA	\$350M		Expected by the end of the month.
Acciona Solar Power	Nevada Solar One (64MW Solar)	Boulder City, Nev.	Santander, BBVA, La Caixa	Term loan	\$140M		Looking for lead banks. Syndication expected in August.
White Creek Wind	White Creek (205 MW Wind)	Klickitat Co., Wash.	HSH Nordbank	Construction financing	\$352M	TBA	HSH signed up Dexia and BayernLB, looking to hook others.
Shell WindEnergy, Dominion Invenergy	Mt.Storm (264 MW, Wind) St. Clair Power Station (570 MW Gas)	Grant Co., W.Va. Sarnia, Ontario, Canada	TBA TBA	Construction financing Construction term loan LC facility	\$288M \$383M \$96M	TBA 21 yr	Choosing Leads. Hedge with merchant tail expected. RBC Capital Markets (Advisor) Self-syndication launched 4/24.
InterGen EdF Energie Nouvelles Calpine, Mitsui & Co.	Generation portfolio refi La Ventosa (80-100 MW Wind) Greenfield (1GW Gas)	Various Juchitan, Oaxaca, Mexico Courtright, Ont., Canada	Merrill Lynch, Lehman Bros. TBA Bank of Tokyo Mitsubishi, BMO Financial	Bond offering TBA Loan	\$3B C\$650M (\$590M)	TBA 18 yr	Timeline unclear. Choosing lead banks. Delayed. Ontario Power Authority offtake. Selecting sub-underwriters.
Terrawinds Resources	TerraWinds (201 MW Wind)	Rivier-Du-Loup, Quebec, Canada	HSH Nordbank	Senior secured construction and term debt facility	C\$300M (\$259M)	TBA	Hydro-Quebec offtake. Awaiting syndication.
Perennial Power	Hermiston Generation Plant (474 MW Gas)	Hermiston, Ore.	TBA	TBA	\$130M	10 yr	Lead banks expected 2Q2007
Lodi Gas Storage Noble Environmental Power	Acquisition Refi Altona, Ellenberg, Clinton and Bliss (339 MW Wind)	Altona, Ellenberg, Clinton and Bliss, N.Y.	TBA HSH Nordbank, Dexia Credit Locale	Secured loans Non-recourse loan	\$145M \$445M	TBA TBA	Status unclear. Supported by 10 yr. hedges. Syndication expected 2Q2007
Bethel Energy Katabatic Power	(100 MW Solar) (25.5 MW Wind)	Imperial County, Calif. Mount Hays, B.C.	TBA TBA	Debt and equity, TBA TBA	\$368M TBA	TBA TBA	Looking for lead banks Looking for lead banks.
Borelais Infrastructure	Bruce Power (4.6 GW)	Tiverton, Ont.	TBA	TBA	C\$1B (\$846M)	TBA	Choosing lead banks.

### Live Deals: Europe/Middle East/Africa

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
Spanish Egyptian Gas Co.	Damietta LNG	Damietta, Egypt	TBA	Term Loan Bank Facility	\$600M \$250M	15 yr	25 year tolling agreement
Solucar Energia	SolNova (100MW, Solar)	Sanlucar La Major, Spain	Caja Madrid, SocGen, Calyon Natixis, Santander	Structure TBA	EUR450-500M		September syndication expected.
Botswana Power Corp. InterGen	Morpule (1.2GW Coal) Rijnmond Energie Center (820MW, Cogen)	Palapye, Botswana Rotterdam, Netherlands	TBA TBA	TBA TBA			Project Financing Solutions advising. Looking for banks to refinance EUR240M (\$326M) in project debt and fund 400MW expansion.
AES ACS Group	Cartagena (1.2GW, Gas) Refi La Boga Portfolio (Wind)	Cartagena, Spain 6 sites, Spain	Calyon, Societe Generale Natixis, La Caixa	TBA Term loan Tax facility	EUR 350M (\$462M) EUR 58M		Terms to be set. Syndication slated to wrap in June.
Babcock & Brown, Eurowatt Marubeni	Wind Portfolio (120MW) Messaieed (2GW Gas)	Various, France Doha, Qatar	La Caixa, Natixis Calyon, Managing Agents TBA	Term loan Financing package	EU183M (\$234M) \$1.3B		Syndication timeline unclear. Syndication delayed.
Ras Laffan Power Co. (AES)	Ras Laffan A (750 MW IWPP)	Doha, Qatar	TBA	TBA	\$572M		Looking for lead banks.
C-Power AES Oasis, Mitsui & Co.	Thornton Bank (300 MW Wind) Almanakher (370MW Gas)	Belgian Coast Almanakher, Jordan	Dexia Sumitomi Mitsui, Overseas Private Investment Corp., JBIC	TBA Senior facility Equity tranche	EUR100M (\$131M) \$255M \$75M	TBA	Status unclear. Near close. National Electric Power Co. offtake.



## 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 Corp.	Delano	Central Valley, Calif.	57	Biomass	Bodington & Co.	To be acquired by Covanta Holding Corp. for \$51 million.
	Mendota	Central Valley, Calif.	25	Biomass		
AIG Highstar Capital (Northern Star Generating)	13 plants	U.S. portfolio, concentrated in Florida and Pennsylvania	1,600	Gas, coal and waste coal	Lehman Brothers	UBS Infrastructure Asset Management unit to acquire AIG's 50% stake for an undisclosed sum.
ArcLight Capital Partners	Crete Energy Venture	Crete, Ill.	203 (50%)	Gas	N/A	Sale options being explored (PFR, 4/23).
	Lincoln Generating	Manhattan, Ill.	656 (90%)	Gas	N/A	
Astoria Energy	Astoria plant	Queens, N.Y.	500 MW; 1 GW permitted	Gas	N/A	Owners fielding offers. Suez Energy acquiring a 30% stake (PFR 9/29).
Atlantic Power Corp.	Various	Major U.S. markets	588	Gas, Coal, Hydro, Oil	N/A	Aquila's former merchant fleet bought by ArcLight Capital Partners affiliate Teton Power.
BayCorp Holdings	Benton Falls	Benton, Maine	4.3	Hydro	Concentric Energy Advisors	N/A
Boralex Power Income Fund	Kingsey Falls	Québec	31	Gas Cogen	Genuity Capital Markets	First round bids due June 4. Credit Suisse is preparing a staple financing.
	Senneterre	Québec	34.6	Biomass		
	Dolbeau	Québec	28	Biomass		
	Beauport	Québec	4.5	Hydro		
	Buckingham	Québec	9.9	Hydro		
	Forestville	Québec	12.7	Hydro		
	Rimouski	Québec	3.6	Hydro		
	Saint-Lambert	Québec	6	Hydro		
	Hudson	New York	45.8	Hydro		
	South Glens	New York	13.9	Hydro		
Calpine	Acadia Energy Center	Eunice, La.	1,016 (50%)	Gas	Miller Buckfire	July 30 auction. Co-owner Cleco Corp. is stalking horse Plant 70% complete
	Fremont Energy Center	Sandusky County, Ohio	512	Gas		
City of Vernon	Malburg Generating Station	Southern Calif.	134	Gas	Lehman Brothers	Two-stage auction. Assets being offered debt-free, with promise of 15-year PPA with seller.
	Palo Verde Power	Southern Calif.	11	Nuclear		
	Hoover Upgrading	Southern Calif.	22	Hydro		
	Related transmission	Southern Calif.				
Conduit Capital	Various	Latin America Caribbean	939 net ownership	Diverse	BNP Paribas	Final bids due late May (PFR 4/16).
Con Ed Development	CEEMI	Springfield, Mass.	185	Gas, Oil, Hydro	Morgan Stanley	Phase one bids due July 9. Final bids due late August.
	CEEMI expansion	Springfield, Mass.	96	Gas, Oil		
	Newington Energy	Newington, N.H.	525 (99.5%)	Gas		
	Ada Cogeneration	Ada, Mich.	29 (48%)	Gas		
	Lakewood	Lakewood, N.J.	246 (80%)	Gas		
	Ocean Peaking Power	Lakewood, N.J.	339	Gas		
	Rock Springs	Rising Sun, Md.	670 (50%)	Gas		
	Genor	Puerto Barrios, Guatemala	42 (49.5%)	Oil		
Ever Power Wind	NEPOOL, NY, PJM	500 planned	Wind			
Desert Power	Desert Power plant	Rowley, Utah	65 installed 100 planned	Gas	Miller Buckfire	Set for July 27 auction (PFR, 4/05).
DONG Energy	Energi E2 Removables Ibericas	Spain	265	Predominantly Wind	NM Rothschild & Sons, FIH	Company weighing sale.
Dynergy	Bluegrass	Oldham County, Ky.	573	Gas	JPMorgan Chase	Final bids were due May 10. Seller hopes to fetch between \$200-500 million in asset sales. To be acquired by Energy Co for \$470 million in cash.
	Heard County	Heard County, Ga.	539	Gas		
	Lyondell	Channelview, Texas	600	Gas		
DTE Energy	Georgetown 4	Indianapolis, Ind.	80	Gas	N/A	Acquired by Indianapolis Power & Light. Sales process initiated, final bids due Q2. Seller exploring options, including outright sale. On books at scrap value, decommissioned.
	Crete Energy Venture	Crete, Ill.	304 (50%)	Gas		
	East China	East China, Mich.	320	Gas		
	River Rouge	Detroit, Mich.	240	Gas		
Electricite de France Internationalunit Controladora del Golfo	Saltillo	Ramos Arizpe, Coahuila	248	Gas	JPMorgan Chase	First round bids were due early April (PFR, 4/16).
	Anahuac (RB2)	Valle Hermoso, Tamaulipas	495	Gas		
	Lomas de Real (RB3)	Valle Hermoso, Tamaulipas	495	Gas		
	Valle Hermoso (RB4)	Valle Hermoso, Tamaulipas	500	Gas		
	Electricidad Aguila de Altamira	Altamira	495 (51%)	Gas		
Gasoducto del Rio	54 km pipeline	330,000M Btu/D				
Entergy Corp.	50% stake in Top	Worth County, Iowa	40	Wind	New Harbor	Seller wants about \$500 million for the assets. Bidders shortlisted to about 10 financial players, (PFR, 2/8).
	Deer Wind Ventures	Carsen County, Texas	40			
	RS Cogen	Lake Charles, La.	212	Gas		
	Roy S. Nelson	Westlake, La.	60	Gas/Oil		

## Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
	Warren Power	Vicksburg, Miss.	225	Gas		
	Harrison	Marshall, Texas	335	Gas		
	Independence	Newark, Ark.	121	Coal		
	Robert Ritchie	Helena, Ark.	544	Gas/Oil		
	Offtake Contract	Sam Rayburn Power Agency	50-80			
General Electric	Baglan Bay	Port Talbot, Wales	510	Gas	Lexicon Partners	Books dispatched early May.
GE Energy Financial Services	Green County plant	Jenka, Okla.	795	Gas	N/A	Bids due May 2.
	Birchwood	Fredericksburg, Va.	242	Coal	N/A	Tyr said to be interested in acquiring (PFR, 2/12/07).
	Lake Benton I	Minnesota	107	Wind	N/A	To be acquired by AES.
	Storm Lake II	Iowa	80	Wind		
Globeleq	Emerging market portfolio	Asia, Africa, Americas	2,082	Mixed	Lehman Brothers	Americas assets to be sold to D.S. Constructions and Israel Corp. Asia and Africa assets to be sold to Tanjong Energy Holdings and Aljomaih in \$1 billion deal.
Goldman Sachs	Horizon	Houston, Texas		Wind	N/A	Energias de Portugal to acquire for estimated \$2.93B, of which \$2.5B will be debt led by Barclays (PFR, 3/27).
(Cogentrix Energy)	Wind Energy					
	Indiantown	Martin County, Fla.	355	Coal	Goldman Sachs	Teasers sent May 10, (PFR 5/14). Indicative offers due next month.
	Logan	Logan Township, N.J.	218	Coal		
	Cottage Grove	Cottage Grove, Minn.	245 (35%)	Gas/Oil		
	Whitewater	Whitewater, Wis.	236.5 (35%)	Gas/Oil		
	Scrubgrass	Venango County, Pa.	85 (50%)	Coal/Waste		
	Selkirk	Selkirk, N.Y.	345 (47.2%)	Gas		
	Northampton	Northampton County, Pa.	112 (80%)	Coal/Waste		
	Quachita	Sterlington, La.	804 (80%)	Gas		
	Carneys Point	Carneys Point, N.J.	262 (60%)	Coal		
	Richmond	Richmond, Va.	209 (80%)	Coal		
	Rocky Mount	Rocky Mount, N.C.	118 (80%)	Coal		
	Morgantown	Morgantown, Va.	60 (15%)	Coal/Waste		
	Plains End I, II	Golden, Colo.	182 (80%)	Gas		
	Rathdrum	Rathdrum, Idaho	275	Gas		
Greenwich Energy Investments	Masspower	Springfield, Mass.	258	Gas	Miller Buckfire	BG North America beat Arcapita to the asset in a deal worth circa \$150 million (PFR, 3/28).
LS Power	Shady Hills	Shady Hills, Fla.	477	Gas/Oil	N/A	GE Energy Financial Services to acquire.
	Zeeland	Zeeland, Mich.	946	Gas	N/A	To be acquired by CMS Energy for \$517 million.
MDU Resources	Brush Power (1&3)	Brush, Colo.	213	Gas	Goldman Sachs	Natural Gas Partners and industry executive
IPP unit, Centennial Energy Resources	Hardin Generating	Hardin, Mont.	116	Coal		Paul Prager to acquire for \$636 million. Barclays Capital and Goldman Sachs to lead acquisition financing.
	Hartwell Generating	Hartwell, Ga.	310	Gas		
	Mountain View	San Geronio	66.6	Wind		
	Power Partners	Pass, Calif.				
	San Joaquin Cogen	Lathrop, Calif.	48	Gas		
Mirant Corp.	Diverse U.S. assets	PJM, NEPOOL, Calif.	10,650	Various	JPMorgan	Company weighing sale or merger, (PFR 4/5).
Mirant	Curacao Utilities (25%)	Curacao	133	Asphalt	JPMorgan	Marubeni to acquire for \$1.082 billion, including \$350 million in debt, and power purchase obligations of about \$153 million.
	Grand Bahama Power Co. (55%)	Grand Bahama Island	151	Oil		
	Jamaica Public Service Co. (80%)	Jamaica	621	Oil/Hydro		
	PowerGen (39%)	Trinidad & Tobago	1.2 GW	Gas		
Noble Environmental Power	Various	NY, Mich	385	Wind	Goldman Sachs	Timeline unclear.
Progress Ventures	Walton	Walton, Ga.	450	Gas	JPMorgan	Seller will fetch \$480 million in sale of generation to ArcLight Capital Partners and contract portfolio to Constellation Energy Commodities Group. Lehman Brothers and Citigroup launched acquisition financing May 21.
	Monroe Power	Monroe, Ga.	350	Gas		
	Washington County	Washington County, Ga.	600	Gas		
	Effingham County	Effingham County, Ga.	500	Gas		
PSEG Global	Electroandes	Andean region, Peru	180	Hydro	JPMorgan	Seller has received reverse enquiries and is determining wider interest.
			437 miles	Transmission		
Reliant Energy	IndianRiver	Titusville, Fla.	587	Oil/Gas	JPMorgan	Indicative bids were taken April 10. JP Morgan is doing a staple financing, said to be in the \$1 billion range (PFR, 2/26).
	Osceola Generating Station	Holopaw, Fla.	470	Gas (peaker)		
	Bighorn Generating Station	Las Vegas, Nev.	598	Gas		
	Choctaw Generating Station	French Camp, Miss.	804	Gas (mothballed)		
	Channelview	Lyondell, Texas	830	Gas	Houlihan LoKey	Bids due early next month.
TransAlta	Western Canada, Ontario	Diverse U.S. I	404	Gas, Coal	BMO Capital Markets	Teasers already out.
Tyche Power Partners	Brooklyn Navy Yard	Brooklyn, N.Y.	286	Gas Cogen	N/A	Owners reportedly soliciting interest in 50% stake (PFR, 4/18). Balance held by B-41 Associates.
Zephyr Investments	Various	Europe	391	Wind	Lexicon Partners	Englefield Capital agreed to sell one-third interest to Infracapital Partners for GBP 145 million (\$288.8 million).

## Weekly Recap

*The Weekly Recap 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.*

### North America

- **LS Power** and **Dynegy** are proposing to build a \$1.3 billion, 750 MW coal plant in Midland, Michigan (*Associated Press*, 6/7).
- North Dakota's Public Service Commission has approved **FPL Energy's** \$250 million, 159 MW Langdon Wind project in Cavalier County (*Associated Press*, 6/1).
- **Reliant Energy** priced \$575 million of its 7.625% senior notes due 2014 and \$725 million of its 7.875% senior notes due 2017. It plans to use the proceeds to retire its \$400 million senior term loan and repay debt (*Associated Press*, 6/7).
- Oregon's governor enacted a law stipulating that 25% of power delivered by the state's biggest utilities come from renewable sources by 2025 (*Reuters*, 6/7).
- Illinois' state environmental agency issued an air permit for **Tenaska's** 630 MW clean-coal Taylorville Energy Center plant, moving the \$2 billion project a step closer to construction (*Reuters*, 6/6).
- Florida state regulators have ruled against **Florida Power & Light**, rejecting the company's bid to build a clean coal power plant in Glades County (*South Florida Business Journal*, 6/6).
- **OPEC** warned western countries that their efforts to develop biofuels as an alternative energy source to combat climate change risked driving the price of oil "through the roof" (*Financial Times*, 6/6).
- State regulators have rejected **Florida Power & Light's** bid to build a clean coal power plant in Glades County (*South Florida Business Journal*, 6/6).
- Former **Enron** executive **Kevin Hannon** was sentenced to two years in prison for his role in the defunct energy firm's collapse. (*Wall Street Journal*, 6/5).
- **Tampa Electric** has completed the first phase of its \$330 million emissions control equipment installation at Big Bend Power Station in Hillsborough County, Fla. The project is scheduled to be fully complete in late 2010 (*Tampa Bay Business Journal*, 6/5).
- **TXU Energy Retail** has agreed to pay a record \$5 million settlement to state regulators to resolve claims it violated the law by signing up customers to one-year contracts without their consent (*Houston Chronicle*, 6/5).
- **Calpine Corp.** said it has obtained \$650 million in non-recourse financing to construct its 1 GW Greenfield Energy Centre facility in St. Clair Township, Ontario. The project is a joint venture with **Mitsui & Co.** (*EnerPub*, 6/5).

- **Ernie Green** will retire from **DPL's** board of directors effective immediately, the company announced. Green has been a member of the board since 1991. Green resigned a week after he testified on behalf of **DPL** against three former top executives (*Dayton Daily News*, 6/5).
- New York Governor **Eliot Spitzer** is backing a state **Public Service Commission** initiative to reduce electric usage in the state by 15% by 2015 (*Albany Times Union*, 5/31).
- **Ashmore Energy International** announced it has agreed to acquire a 50% interest in Chile's **GasAtacama** and a 42.3% stake in **Jamaica Private Power** from subsidiaries of **CMS Energy** for \$94 million (*Reuters*, 6/1).
- **Standard & Poor's** cut its ratings on **Commonwealth Edison** to BB from BBB- (*Reuters*, 6/1).
- Natural gas explorer **XTO Energy** said it agreed to buy natural gas and oil properties from Virginia-based gas and electric company **Dominion Resources** for \$2.5 billion. (*Reuters*, 6/4).
- **Calpine** plans to add 80 MW at its 725 MW Geysers geothermal power plant in northern California (*Reuters*, 5/31).

### Europe

- Officials from France, Germany, Belgium, the Netherlands and Luxembourg agreed to link their power markets into a single "North-West European electricity market" by 2009 (*Wall Street Journal*, 6/7).
- Italy's **Eni** plans to sell EUR1.5 billion (\$2 billion) of bonds and transfer its electricity generating unit's marketing, trading and risk management operations to the main company as part of its effort to jointly offer electricity and natural gas once consumers can freely choose their suppliers (*Bloomberg*, 6/7).
- Italian utility **Enel** announced it has beat three rivals to buy a 25.03% stake in Russian wholesale generation company **OAO OGK-5** for \$1.52 billion (*Wall Street Journal*, 6/6).
- A five member consortium, including **E.On**, stainless steel maker **Outokumpu Oyj** and miner **Boliden**, announced the creation of **Fennovoima**, which plans to build a 1-1.8 GW nuclear plant in Finland (*Associated Press*, 6/6).
- The UK government sold a 25% stake in **British Energy**, raising GBP2.1 billion to help pay decommissioning costs for nuclear reactors (*Financial Times*, 6/1).
- **E.On** has earmarked EUR42 billion (\$56 billion) for growth initiatives by 2010, to put cash to work after a failed bid to take over **Endesa** (*Wall Street Journal*, 6/1).

## Details Of Horizon Acquisition Financing Emerge

A two-tranche debt package is being readied by **Barclays Capital** and **Citigroup** to support **Energias De Portugal's** \$2.9 billion purchase of **Horizon Wind Energy**.

The roughly \$3 billion in debt is expected to be split into equal seven- and one- year tranches, with the shorter-term portion being refinanced later via a long-term bond issue.

The syndication timetable remains to be set, but the leads are in talks with a number of Iberian banks hoping to score supporting roles. The identity of these firms could not be learned. Calls to an EDP spokesman in Lisbon and Barclays officials in London were not returned.

## Italian Genco To Pocket EUR1.2B Club Refi

**Tirreno Power**, Italy's fifth largest power producer, has appointed a club of banks on a EUR1.2 billion (\$1.6 billion) corporate-level refinancing, which will take out existing debt tied to three baseload gas and coal plants and fund construction of two combined cycle gas turbine units.

**Banca Mediocredito** and **ING Bank** lead the deal and are

supported by **Intesa Sanpaolo**, **BNP Paribas**, **UniCredit** and **Calyon**, according to deal trackers. Officials at the Rome-based sponsor, which is expected to meet financial close this week, could not be reached and officials at the banks either declined comment or did not return calls.

**Tirreno**, formerly known as **Interpower**, is co-owned by the **Sorgenia Group**, through the subsidiary of **Energia Italiana**, and by **AceaElectrabel**. Its thermal portfolio, comprising **Vado Ligure**, **Torrevaldaliga Sud** and **Napoli**, is supported by 17 hydroelectric stations in Genoa with an overall net capacity of 63 MW.

## UPC TAPS JPMORGAN

(continued from page 1)

developer declined to comment.

Some observers speculate **UPC** has begun quietly shopping itself. **Martin** says the company is not running a formal auction but did concede that consolidation in the wind sector has prompted a number of inquiries. That interest prompted **UPC** to seek advice on the extent to which it should raise capital via additional equity and debt, he adds.

The firm has a development pipeline of 3 GW.

—K.B.

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## NY PRIVATE EQUITY

(continued from page 1)

comply with environmental controls. The company, based out of Detroit and Kansas City, Kan., manufactures equipment enabling utilities to mix limestone with coal before the fuel is burned to produce power. Its roster of clients includes TXU Corp., Public Service Enterprise Corp. and Vectren Corp., and it has alliances in Mexico.

Calls to officials at Tomkins and RBC in London were not returned. Nana Baffour, Managing Principal at Knox Lawrence, declined to comment except to say the energy-focused firm is “constantly looking for new opportunities to invest”.

Knox Lawrence has been expanding its presence in utility services in recent months. It was part of an Oak Hill Capital Partners-led consortium that bought Vertex, the business process outsourcing arm of United Utilities (PFR, 10/06). It also bought a controlling stake in Consonus Technologies from Questar Corp., which it is about to take public; and utility outsourcing business IEI Financial Services from Vectren.

—K.B.

## MIRANT SALE

(continued from page 1)

Jay Worenklein, ceo of USPG in New York, declined comment.

Dynegy CEO Bruce Williamson said last week that any acquisition would have to be “free-cash-flow accretive,” indicating it did not view the Atlanta IPP as an attractive target. But Nir Grossman, senior director of investor relations, told PFR the Houston IPP “has not said categorically it is not interested in buying [Mirant].” An International Power spokeswoman declined comment and calls to NRG and JPMorgan were not returned.

As first reported by PFR, Mirant hired JPMorgan in April to explore strategic alternatives (PFR, 4/5). Some believe there is a chance it will not be sold because it would be too expensive, even for private equity. Others say it is too good an opportunity to pass up. “It’s not a big hurdle,” notes one hedge fund activist, adding, “You could lever it up five or even six times.” Mirant is well positioned to capitalize on declining reserve margins in the PJM Interconnection, North East and California energy markets. As of Friday, its share price was \$44.03.

—Katy Burne

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APRIL 10, 2007

**IBERDROLA SEEN LANDING CPV WIND**  
Iberdrola is reportedly nearing a deal to acquire CPV Wind, the Competitive Power Ventures-owned renewable energy concern. The deal would give the Spanish player a pipeline of circa 3.6 GW of wind capacity in various stages of development. The exact sale price could not be learned, but deal trackers say the auction has been hotly contested.  
CPV Wind retained Marathon Capital to help it evaluate strategic options late last year when co-owners ArcLight Capital Partners indicated it wanted to flip its stake. The company was the running to acquire CPV Wind were Brookfield Power and Acciona (PFR, 10/06). Iberdrola USA, CPV, ArcLight and Marathon Capital immediately returned.  
Iberdrola will shortly assume ownership of CPV Wind with its acquisition of PPM Energy with its acquisition of ScottishPower. It previously bought PPM Energy and Joice, Iowa.

**REUTERS**  
APRIL 11, 2007

**Spain's Iberdrola Buys U.S. Wind Power Firm CPV**  
Spanish energy company Iberdrola (IBE.MC: Quote, Profile, Research) said on Wednesday it had bought U.S. wind power firm CPV Wind Ventures and would invest 1.5 billion euros (\$2 billion) to acquire the firm.

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### Calendar

- World Trade Group presents the *LNG North America Summit*, June 19-20 at the J.W. Marriott in Houston. Visit [www.lngna.com](http://www.lngna.com) to register.
- The Performance Institute presents *Performance Management for Utilities*, July 30-Aug.1 at the Performance Institute in Arlington, Va. Call 703-894-0481 to register.

### Quote Of The Week

*“The California market, with the introduction of resource adequacy as well as energy, is starting to get to the point where building is getting economic.”* — **Simon Greenshields**, global head of gas and power trading at **Morgan Stanley**, on the firm’s return to greenfield development (see story, page 3).

### One Year Ago In Power Finance & Risk

Centrica North America subsidiary Direct Energy made an unsolicited bid for a bundle of gas-fired plants owned by Constellation Energy, prompting the Baltimore-based company to court other offers. [Credit Suisse and Deutsche Bank ran the auction and prepped a \$1-1.1 billion staple (PFR, 7/21). After initial bids topped \$1.5 billion, Tenaska Power Fund snapped up the 3.4 GW portfolio for \$1.64 billion (PFR, 10/10).]