

# Power Finance & Risk

Exclusive Insight on Power M&amp;A and Project Financing

By the publisher of GlobalCapital

## ● INDUSTRY CURRENT

## ● PLATTS NORTHEAST 2018

## ● PEOPLE &amp; FIRMS

## Parsing the PJM Capacity Auction Results

The results have excited many in the industry but should prompt a thoughtful pause, urges **MUFG's Louise Pesce**. Page 7

## Policy, Market Upheaval Dampens PJM Auction Joy

Conference attendees agreed that a national carbon tax would simplify and improve gas and power markets. Page 8

## Project Finance Pros on the Move

An ex-**GE EFS** staffer moves on and **ING** sets course for California. Also, former colleagues remember **TCW's Brian J. Daly**. Pages 11 and 12

# GE EFS Taps Advisers to Sell Loan Book, Private Equity Holdings

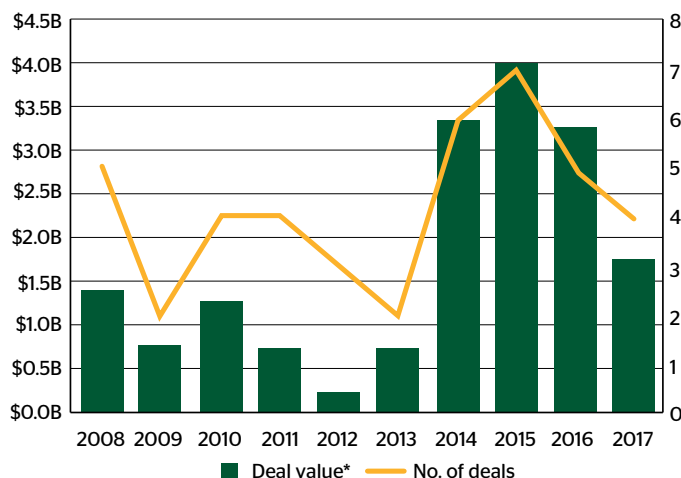
Fotios Tsarouhis

**GE Energy Financial Services** has mandated a pair of financial advisers to sell its project finance loan book as well as equity stakes in generation

assets, *PFR* has learned.

**Citi** is running the sale of the debt book for the **GE Capital** division, while **Bank of America Merrill Lynch** is marketing the private equity holdings. PAGE 6 »

## GE EFS Power Project Debt Investments Since 2008



\*Deal value is the total value of the transactions GE EFS participated in. It does not represent the size of GE EFS's investment. Source: Dealogic

## Enel Nears Financial Close for Mexican Solar Portfolio

Shravan Bhat

The commercial lenders financing **Enel Green Power Mexico's** 992 MW solar portfolio are aiming to reach financial close on the deal this month, *PFR* has learned.

**BBVA, Caixa, MUFG** and **Natixis** are set to provide \$400 million—including a \$30 million VAT facil-

ity—as part of a \$650 million senior debt package, which is said to have a 17-year tenor.

The commercial tranche was priced at 225 basis points over Libor with step-ups of 25 bps every five years, a typical structure for Latin America deals, although step-ups are more commonly every four years, says a deal PAGE 5 »

## Blackstone Puts Recently Refinanced Texas CCGT on the Block

Richard Metcalf

**The Blackstone Group** has appointed financial advisers to market a gas-fired project in Texas that was recently refinanced in the term loan B market.

The asset manager is looking to sell the 526 MW Frontera project in the city of Mission in Hidalgo County, which sells its output into Mexico.

**Morgan Stan-**

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## CohnReznick Founder Reemerges at Infra-focused Firm

Fotios Tsarouhis

The founder and former president of **CohnReznick Capital** has resurfaced in a new role at an investment bank that is preparing to staff up and expand its footprint in the U.S.

**Rob Sternthal** has joined Irish specialist investment bank **Rubicon Infrastructure Advisors** as managing director and head of North America, *PFR* has learned.

Sternthal, who joined the firm this month, will focus on expanding its U.S. presence, planning to add as many as 10 new PAGE 10 »



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## ● ALTERNATING CURRENT

# The Fastest Power Bankers in New York—2018 Edition



*PFR* has pored over the results of this year's **JP Morgan** Corporate Challenge race in New York's Central Park to find out which power sector financiers crossed the finish line first.

As with last year, junior bankers outperformed their bosses in the 3.5 mile race, which was held on May 30 and 31.

**Scott Easey**, a senior associate in infrastructure project finance at **Commonwealth Bank of Australia**, held onto the title of fastest power banker, with a time of 19 minutes and 22 seconds—three seconds outside his time last year (*PFR*, 6/8/17). He finished 30th overall.

**Sumitomo Mitsui Banking Corp.** analyst **Anthony Baruch** followed with an impressive time of 21'20", while **Mark Burnett**, v.p. in energy derivatives at **Société Générale**, finished third again with 22'03"—an almost 30-second improvement over last year.

A pair of **DZ Bank** executives then crossed the line within about half a minute of each other. **Frank Schehl**, m.d. and head of asset securitization, finished with a time of 23'33", while **Alexander Ploch**, a v.p. in Schehl's securitization team, came

in at 24'03".

Although not a banker, **Joe Nano**, a senior analyst in **Capital Dynamics'** clean energy and infrastructure team, merits a mention for breaking the 25-minute barrier, completing the course in 24'55".

**Brett Hanlon**, an associate in **Natixis'** power, utilities and renewable energy group, chalked up a time of 25'48", and special recognition must go to **BayernLB's Bernd Erpenbeck**, an executive director with particular expertise in credit risk management and a very dedicated runner, who put many of his fellow senior bankers to shame with a time of 27'15".

They all outpaced *PFR* editor, **Richard Metcalf**, who finished second among employees of **Euromoney Institutional Investor**, clocking in at 27'23".

**Jim Boyle**, a director at fellow German lender **Commerzbank**, finished the race after 28'54", and a pair of LatAm bankers rounded out the top 10 fastest power bankers in New York, with **DNB's** Latin America project finance head, **Emilio Fabbrizzi**, putting in a 29'26" run and **SMBC's Luis Fernando Perdigon** finishing in 30'56". ■

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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 **Richard Metcalf**, editor, at (212) 224-3259 or richard.metcalf@powerfinancerisk.com

## GENERATION AUCTION &amp; SALE CALENDAR ●

These are the current live generation asset sales and auctions, according to Power Finance and Risk's database.  
A full listing of completed sales for the last 10 years is available at <http://www.powerfinancerisk.com/AuctionSalesData.html>

## Generation Sale ■ DATABASE

Seller	Assets	Location	Adviser	Status/Comment
4CA	Four Corners (1,540 MW Coal)	Fruitland, N.M.		The Navajo Transitional Energy Co. is exercising an option to acquire a 7% interest (PFR, 5/29).
Actis	Atlantic Energias Renovaveis (625 MW Wind)	Brazil		Chinese investors are among the bidders for the fully-contracted wind assets (PFR, 3/22).
ArcLight Capital Partners	Mesquite (595 MW)	Maricopa County, Ariz.		Southwest Generation is buying the project (PFR, 5/29)
Ares-EIF, Starwood Energy	Hudson (660 MW Transmission)	New Jersey, New York	Goldman Sachs (seller), Barclays (buyer)	The sponsors are selling their majority stake in the project, which was completed in June 2013 (PFR, 4/24).
Blackstone	Frontera (526 MW Gas)	Hidalgo County, Texas	Cantor Fitzgerald, Jefferies, JP Morgan	Morgan Stanley was left lead on a \$700 million seven-year term loan B that was issued in April to refinance the project (see story, page 1).
Conduit Capital Partners	Santa Catarina (22 MW Wind)	Monterrey, Nuevo León, Mexico		Conduit plans to launch a sale process for the contracted, operational asset this year (PFR, 1/8).
G&S Solar	Portoflio (10 MW Solar)	Massachusetts	Ignite Renewable Capital	CleanCapital bought the portfolio, as well as a 14.2 MW portfolio, across California and Nevada from X-Elio earlier in May, for around \$70 million (see story, page 9).
GE EFS	Portfolio (Gas, Wind)		BAML	BAML is marketing the private equity holdings (see story, page 1).
Hudson Clean Energy Partners	Portfolio (210 MW Hydro)	U.S.	Evercore	Hudson is weighing a sale of its stake in Eagle Creek Renewable Energy, which owns 210 MW of hydro assets throughout the continental U.S. (PFR, 2/26).
INova (Semptra Energy)	Termoeléctrica de Mexicali (625 MW Gas)	Baja California, Mexico		The company intends to sell the facility by the end of the year (PFR, 5/14).
Invenergy	Ector County (330 MW Gas)	Ector County, Texas	Guggenheim (seller)	Invenergy has put the peaker up for sale (PFR, 2/26).
Invenergy	Nelson (584 MW Gas)	Rock Falls, Ill.	Credit Suisse	A buyer has been selected following a multiple-stage auction process (PFR, 5/7).
Invenergy	Invenergy Clean Power (3.7 GW Gas)	U.S., Canada, Mexico		Australian investment manager AMP Capital will buy a 50% stake in the portfolio (PFR, 5/29).
LS Power	Aurora (878 MW Gas)	Aurora, Ill.	Guggenheim	LS Power took bids for the two assets in the first quarter of this year (PFR, 3/22).
	Rockford (450 MW)	Rockford, Ill.		
	Seneca (508 MW Hydro)	Warren, Pa.	Barclays, PJ Solomon	LS Power is marketing the project four years after it abandoned an initial attempt sell it (PFR, 3/22).
LS Power	Hunlock (44 MW Gas)	Hunlock Creek, Pa.		UGI Utilities is acquiring the project for an undisclosed price (PFR, 5/29).
Macquarie Infrastructure Corp.	Bayonne Energy Center (512 MW Gas)	Bayonne, N.J.		MIC is weighing a sale of the project, which powers parts of New York City (PFR, 2/26).
Onyx Renewable Partners	Portfolio (Small-scale Solar)	U.S.	RBC, CohnReznick	Onyx has begun marketing the portfolio (PFR, 1/29).
Pattern Energy	El Arrayán (115 MW Wind)	Chile		Arroyo Energy Investors will pay \$67 million for a 70% stake (PFR, 5/29).
Peabody Energy	Navajo Generating (2,250 MW Coal)	Arizona	Lazard	Middle River Power, an Avenue Capital Partners portfolio company, has expressed interest in acquiring the project (PFR, 5/7).
Rockland Capital	Victoria (290 MW Gas)	Victoria County, Texas	PJ Solomon	Rockland is selling the CCGT, which it acquired from ArcLight in 2016 (PFR, 3/12).
Siemens FS, other former creditors	Temple I (758 MW Gas)	Texas	Houlihan Lokey	A creditor group that took control of the CCGT plant earlier this year has begun to explore strategic options that could result in a sale (PFR, 5/7).
Southern Company	Portfolio (1.22 GW Gas)	Florida	BAML, Goldman Sachs, Citi (seller)	NextEra Energy is paying about \$195 million for stakes in the Stanton and Oleander projects (PFR, 5/29).
Southern Power	Portfolio (1,760 MW Solar)	U.S.	Citi	Global Atlantic Financial Group will acquire a 33% interest in the fully-contracted portfolio for \$1.175 billion (PFR, 5/29).
Roaring Fork Wind (RES Americas, Vestas)	Wildhorse Mountain (100 MW Wind)	Pushmataha County, Okla.		Southern Power has acquired the project, which is expected to be online in the fourth quarter of 2019 and has a 20-year PPA with Arkansas Electric Cooperative Corp. (PFR, 6/4).
Talen Energy	Bayonne Power Plant (163 MW Gas)	Bayonne, N.J.		Talen will deactivate the plant before transferring it to a Macquarie Infrastructure Corp. subsidiary for an undisclosed sum (PFR, 6/4).
TransAlta Corp.	Portfolio (90 MW Wind, Solar)	U.S., Canada		The yieldco, TransAlta Renewables, will purchase the projects for \$166 million (see story, page 9).
VivoPower	NC-47 (33.8 MW Solar, 14.5%)	Robeson County, N.C.		New Energy Solar is acquiring the developer's stakes for \$11.4 million (PFR, 6/4).

## ● 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 Fotios Tsarouhis at (212) 224 3294 or e-mail [fotios.tsarouhis@powerfinancerisk.com](mailto:fotios.tsarouhis@powerfinancerisk.com)

## PROJECT FINANCE

Deal Book is a matrix of energy project finance deals that Power Finance & Risk is tracking in the energy sector. A full listing of deals for the last several years is available at <http://www.powerfinancerisk.com/Data.html>

### Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Deal Type	Loan Amount	Tenor	Notes
7X Energy	Lapetus Energy Centre (35 MW Solar)	Andrews County, Texas		Debt, Tax Equity	TBA		Brazos Electric Power Cooperative will purchase the output under the terms of the 20-year deal (PFR, 5/29).
AES Gener	Alto Maipo (531 MW Hydro)	Chile	IADB, IFC, KfW, OPIC, DNB, CorpBanca, Banco de Credito e Inversiones, Banco Itaú Chile, Banco del Estado de Chile	Debt	\$1.451B		Fitch Ratings has bumped up the outlook on the company's debt as a result of the restructuring (PFR, 5/21).
			Strabag	Letter of Credit	\$300M		
				Subordinated Supplier Financing	\$392M	20-yr	
ArcLight Capital Partners	Covert (1,176 MW Gas)	Van Buren County, Mich.	BNP Paribas	Term Loan A		5-yr	BNP circled the debt at 300bp over Libor in April in a deal that was oversubscribed (PFR, 6/4).
				Ancillary Credit Facilities	\$55M		
Carlyle Group	Rhode Island State Energy Center (583 MW Gas)	Johnston, R.I.	Investec	Term Loan A	\$360M	7-yr	The private equity sponsor is refinancing the plant's existing term loan B into the bank market (PFR, 6/4).
Deepwater Wind (D.E. Shaw)	Revolution (400 MW Offshore Wind)	Rhode Island	TBA	TBA	TBA	TBA	Rhode Island has awarded a contract to the project (PFR, 6/4).
Enel Green Power Mexico	Portoflio (992 MW Solar)	Mexico	BBVA, Caixa, MUFG, Natixis	Debt (Commercial Tranche)	\$400M	17-yr	The commercial tranche is priced at 225bp over Libor, stepping up by 25bp every five years (see story, page 1).
			Bancomext, EIB, IDB	Debt (Multilateral Tranche)	\$250M	20-yr	
FGE Power	Goodnight (500 MW Wind)	Armstrong County, Texas	Karbone	Tax Equity	TBA		The sponsor has already secured a cash equity commitment for the project from Fortistar (PFR, 5/29).
GE EFS	Shady Hills (573 MW Gas)	Pasco County, Fla.	TBA	TBA	TBA	TBA	GE EFS is aiming to have all the permits in place and reach financial close in December (PFR, 5/21).
Grenergy Renewables	Kosten (24 MW Wind)	Chubut Province, Chile	KfW IPEX-Bank	Term Loan	TBA	15-yr	The loan benefits from a wrap from German export credit agency Hermes (PFR, 6/4).
Invenergy	Wind Catcher (2 GW Wind)	Oklahoma	TBA	Debt	\$2B	TBA	The sponsor is asking banks to price the two-year construction loan at L+87.5 bp (PFR, 4/30).
Ironclad Energy Partners	RED-Rochester (125 MW Gas)	Rochester, N.Y.	TBA	TBA	TBA	TBA	The project has been funded entirely with equity, but Ironclad will look to recapitalize the project with debt this year (PFR, 5/21).
Lightsource BP	Johnson Corner (20 MW Solar)	Stanton County, Kan.	TBA	Debt, Tax Equity	TBA		Lightsource has issued a teaser for the project and is seeking indications of interest for tax equity and debt by March 9 (PFR, 3/5).
Longroad Energy Holdings	Rio Bravo (237 MW Wind)	Starr County, Texas	Keybanc (left), CIBC, HSBC, NAB, Zions	Debt	\$200M	1-yr	The project has a 15-year hedge from Citigroup Energy (see story, page 5).
			Berkshire Hathaway	Tax Equity	TBA		
Longview Power	Longview (700 MW Coal)	Maidsville, W.Va.	Houlihan Lokey (adviser)				Longview Power has hired Houlihan Lokey as it explores strategic options, including a potential refinancing of its senior secured debt (PFR, 4/9).
NextEra Energy Resources	Pinal Center (20 MW Solar, 40 MWh Battery)	Arizona	MUFG, Mizuho	Debt	\$45M	18-yr	The sponsor is understood to have funded construction of the \$60 million project from its balance sheet (PFR, 5/29).
NRG Energy	Canal 3 (333 MW Gas)	Sandwich, Mass.	Natixis	Debt	\$200M	C+7-yr	NRG Energy is putting project finance in place as a condition of a sale of the project to Stonepeak Infrastructure Partners. Price talk is L+275 bp (PFR, 5/14).
Southern Power (Southern Co.)	Portfolio (1.6 GW Wind)	Texas, Oklahoma, Maine	TBA	Tax Equity	-\$1B		The sponsor aims to raise tax equity on the portfolio by the end of the year (PFR, 6/4).
Stonepeak Infrastructure Partners	Canal 1 & 2 (1,112 MW Gas)	Sandwich, Mass.	MUFG	Debt	\$325M	7-yr	The deal will finance the acquisition of the 50-year old peakers from GenOn Energy. Price talk is said to be L+300 bp (PFR, 5/14).
Taaleri Energia	Truscott-Gilliland East (277 MW Wind)	Knox County, Texas	NorthRenew Energy (adviser)	Debt, Tax Equity	\$350M		The Finnish developer is seeking debt and tax equity as it enters the U.S. market (PFR, 2/12).
Terra-Gen	High Prairie (400 MW Wind)	Adair & Schuyler counties, Mo.	TBA	TBA	TBA	TBA	The facility is slated to be complete by 2020, at which point it will be acquired by Ameren Missouri (PFR, 5/29).
Vineyard Wind (Avangrid Renewables, CIP)	Vineyard Wind (800 MW Offshore Wind)	Martha's Vineyard, Mass.	TBA	TBA	TBA	TBA	Massachusetts has awarded a contract to the project (PFR, 6/4).
X-Elio	Portfolio (210 MW Solar)	Mexico	MUFG	Debt (Commercial Tranche)	TBA	16-yr	Dealwatchers say the pricing structuring would be similar to Enel Green Power Mexico's debt raise, at 225bp over Libor (see story, page 5).
			IDB, China Fund, C2F, ICO	Debt (Multilateral Tranche)		20-yr	

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# Enel Nears Financial Close for Mexican Solar Portfolio

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watcher.

Representatives from MUFG and Natixis in New York and Enel in Rome declined to comment while officials at BBVA in Mexico City and Caixa in Barcelona did not immediately respond to inquiries.

The remaining \$250 million portion of the senior debt is a development bank tranche provided by the **European Investment Bank**, the **Inter-American Development Bank** and **Bancomext**.

The solar portfolio, comprising the 427 MW Villanueva I and 327 MW Villanueva II projects in Viesca, Coahuila, and the 238 MW Don José project in Guanajuato, has a total cost of \$1.032 billion.

Canadian institutional investor **Caisse de dépôt et placement du Québec** and an investment vehicle of Mexican pension fund manager **CKD Infraestructura México** have committed to provide 80% of the roughly \$300 million equity required, while Enel is putting up the rest (PFR, 10/10).

The three projects obtained 15-year power purchase agreements and 20-year *certificado de energía limpia* (clean energy certificate) contracts in Mexico's first power auction in 2016 (PFR, 3/21).

Ever since that auction, market observers have claimed that Enel's aggressive bidding strategy had resulted in thin equity returns on the portfolio, but one banker speaking with *PFR* recently noted that if Enel was able to sell a large equity stake to the institutional investors like CPDQ and CKD, that meant that "people are willing to buy the assets" and accept the return.

To increase bankability, the PPAs are largely dollar-denominated, with only 10% in local

pesos. The peso payments are linked to Mexican inflation, while 22% of the dollar-denominated revenues are indexed to U.S. inflation. The remaining 78% of the dollar cashflows, or 70% of the total contracted revenues, are not indexed to inflation.

Construction on the 754 MW Villanueva complex, which will be the largest solar photovoltaic facility in the Americas, is 41% complete, according to a March 22 press release from Enel. Full commercial operations for Villanueva are expected in the second half of 2018. ■

## Private Equity-backed Sponsor Closes in on Mexico Solar Financing

A sponsor was due to close commercial bank funding for a three-project portfolio last week after earlier securing loans for the same assets from development banks.

**MUFG** is understood to be the sole commercial bank on the deal, which will finance **KKR**-owned Spanish developer **X-Elio's** 210 MW Guanajuato portfolio.

The loan has a tenor of construction plus 15 years, five years shorter than the roughly \$140 million development bank tranche.

The size the MUFG loan could not immediately be learned. Officials at MUFG in New York declined to comment and **Carlos Egido**, X-Elio's country manager in Mexico City, did not respond to an inquiry.

The portfolio, comprising the 60 MW Guanajuato project in Los Rodriguez, Guanajuato, the 70 MW Xoxocotla project in Xoxocotla, Morelos, and the 80 MW Conejos Medanos project in Juárez, represents a total investment of \$210 million.

The price structure is likely to follow similar lines to another deal, also due to close this month, backing an **Enel Green Power Mexi-**

**co** solar portfolio. The pricing on the Enel deal is 225 basis points over Libor, stepping up 25 bp every five years (see story, above and left). Step-ups for this kind of deal in Latin America are usually every four years, says a deal watcher.

The development bank financing for the X-Elio portfolio is being led by the **Inter-American Development Bank**, with **China Co-Financing Fund for Latin America and the Caribbean**, the **Canadian Climate Fund for the Private Sector** and Spain's **Instituto Credito Oficial** also participating (PFR, 10/18/17).

About \$45 million of the \$140 million A loan is allocated to the Guanajuato project, \$44 million to the Xoxocotla project and \$50 million to the Conejos Medanos project.

The projects won 15-year power purchase agreements and 20-year contracts for *certificados de energía limpia* (renewable energy certificates) in the country's second power auction in September 2016 (PFR, 10/6).

The Guanajuato project is expected to come online this month, while Xoxocotla and Conejos Medanos should begin operations in June 2019 and March 2019 respectively. ■

# Longroad Finances Texas Wind Project, Looks for Buyer

Boston-based developer **Longroad Energy Holdings** has closed construction and permanent financing for a wind project in Texas and has begun a process to find a long-term owner for it.

**KeyBanc Capital Markets** was coordinating lead arranger on the \$200 million construction loan for the 237.6 MW Rio Bravo project, which is located in Starr County, Texas, and is also advising on the

potential sale.

**Canadian Imperial Bank of Commerce**, **HSBC**, **National Australia Bank** and **Zions Bank** were joint lead arrangers on the loan, which will be replaced with permanent financing, presumably tax equity, from a subsidiary of **Berkshire Hathaway** once the project is online.

The project has a 15-year hedge from **Citigroup Energy**.

The remainder of the \$300 million construction cost will be funded with \$100 million of equity from Longroad, which was set up by former **First Wind** and **SunEdison** staffers led by **Paul Gaynor** in 2016.

Longroad is owned by Wellington, New Zealand-based **Infra-til** and the **New Zealand Superannuation Fund**—which each own a 45% equity stake—as well as the management team, which holds

the remaining 10%.

Longroad acquired a 3 GW portfolio of development-stage solar assets across the U.S. from Austin-based developer **7X Energy** in January 2017 (PFR, 1/18/17) and added two former First Wind assets—the 203.5 MW Milford Wind I and 102 MW Milford Wind II projects in Millard and Beaver counties, Utah—from SunEdison in September (PFR, 9/26/17). ■



## ● PROJECT FINANCE

# GE EFS Taps Advisers to Sell Loan Book, Private Equity Holdings

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The sale process launched in May, says a deal watcher. Representatives of GE Capital in Stamford, Conn., and Citi in New York declined to comment and a spokesperson for BAML in New York did not respond to an inquiry.

GE Capital, whose parent company **General Electric** is undergoing an extensive corporate restructuring and selling off non-core assets, reported a loss of \$215 million in the first quarter of this year.

The loss included a \$45 million hit resulting from the impact of U.S. tax reform “on energy investments,” according to an April 20 earnings statement issued by GE.

Meanwhile, some GE EFS employees are

planning their departures, deal watchers tell *PFR*.

**Katherine McElroy**, formerly a vice president in the debt origination team at GE EFS, recently left to join **Capital Dynamics** (PFR, 6/4).

Earlier this year, **Alta Yen**, who handled GE EFS’s power private equity portfolio as managing director for investment strategy, left the division to take another role within the company as m.d., strategic planning.

GE EFS has been a major debt and equity investor in gas-fired and wind projects in the U.S. in recent years, and its loan book is said to have significant exposure to quasi-merchant gas-fired generation in **PJM Intercon-**

**nection** and the Northeast more generally.

Last year, the firm was an arranger on the debt financings of **Advanced Power’s** 1.1 GW Cricket Valley Energy Center gas-fired project in Dover, N.Y. (PFR, 1/24/17) and **Ares-EIF’s** 450 MW Birdsboro CCGT in Berks County, Pa. (PFR, 2/13/17).

On the equity side, the company had already launched a sale process for its 25% equity stake in the 1,050 MW Fairview gas-fired project in Jackson County, Pa., with Citi acting as auctioneer, last summer (PFR, 8/30).

Citi and BAML reached out to potential buyers of the loan book and private equity portfolio in May, says a deal watcher. ■

## ● PPA PULSE

# NV Energy Signs Six Solar PPAs as Part of 1GW Plan

Nevada’s **NV Energy** has signed 25-year power purchase agreements for the output six solar projects, some of which include large battery storage components, as part of its latest resource plan, which includes more than 1,001 MW of new renewable sources to be built in the state.

The six projects contracted under the PPAs are all expected to be operational by the end of 2021. They are:

■ **Cypress Creek Renewables’** 101 MW Battle Mountain solar project near Battle Mountain, Nev., which includes 25 MW of battery storage, which can be dispatched over four hours,

■ **NextEra Energy Resources’** 200 MW Dodge Flat solar project east of Reno, Nev., which also has 50 MW of battery storage for four hours, and its 100 MW Fish Springs Ranch solar project north of Reno, which

has a further 25 MW of four-hour battery storage,

■ **8minutenergy Renewables’** 300 MW Eagle Shadow Mountain solar project, located on land owned by the **Moapa Band of Paiutes** north of Las Vegas,

■ **Sempra Renewables’** 250 MW Copper Mountain Solar 5 project, which will be located in the Eldorado Valley, south of Boulder City, Nev., and

■ **Hanwha Q Cells’** 50 MW Techren Solar V project, which will be constructed adjacent to Techren Solar I, II, III and IV just south of Boulder City. The fifth phase will increase the total size of the Techren complex to 400 MW. Hanwha owns Techren through **174 Power Global**.

NV Energy was expected to file the resource plan with the **Public Utilities Commission of Nevada** on June 1. The plan represents a total investment in

excess of \$2 billion, according to the company.

“The six new projects position NV Energy to keep its commitment to double renewable energy by 2023 and, importantly, by diversifying our state’s electricity generation portfolio, will reduce the costs to serve customers,” says ceo **Paul Caudill**.

The new projects will bring the size of NV Energy’s portfolio of renewable resources to 3.2 GW.

The utility, a subsidiary of **Berkshire Hathaway’s MidAmerican Energy**, aims to source 100% of its requirements from renewable energy.

*Here is a round-up of the rest of last week’s PPA news:*

## APPETITE FOR INSOLATION

Food service distributor **Sysco Corp.** has signed a 10-year power purchase agreement for the output of three **NRG Energy** “solar

gardens” in Texas.

The solar arrays, collectively known as the Texas Solar Garden Project, total 25 MW and will be located in the Houston and Dallas areas.

The projects are expected to become operational in the first quarter of next year.

## LOUISIANA PURCHASE

A developer has signed a 20-year power purchase agreement with **Entergy Louisiana** for the output of a 50 MW solar project in the state.

**Eagle Solar Group** plans to bring the LA3 West Baton Rouge project online in early 2020, at which point it is expected to be the largest solar project in Louisiana.

The project is located in West Baton Rouge Parish and the PPA is subject to approval of the **Louisiana Public Service Commission**.

The deal is the result of a request for proposals issued by Entergy in 2016. ■

## INDUSTRY CURRENT ●

# Don't Pop the Champagne Yet—Parsing the PJM Auction Results

On May 22, **PJM Interconnection** announced higher-than-expected results in its capacity auction for delivery year 2021-2022. The results have excited many in the industry but should prompt a thoughtful pause, writes **Louise Pesce**, managing director at **MUFG** in Los Angeles, in this week's *Industry Current*.



Louise Pesce

Sponsors, developers, and financiers must digest the results, mull the impacts and plot a course forward. For the past 12 months, conservative loan structures have assumed extreme downside cases. Initially, we should anticipate a refreshed approach to equity investment decisions and debt financing.

Compared to last year, the price levels created “breakout” regions in PSEG, ATSI and BGE. While these regions were anticipated to be higher than last year, the real surprise was RTO, for which most banks and clients had more moderate forecasts.

The early thinking was that \$100/MW-day would have been an acceptable result. However, given the lower energy price environment, it seems that power generators were more rational with their offer price bidding.

But before we sabrage the champagne, the question remains: Is this a trend or are these results random?

Although the results are positive, it is unlikely that the new prices will result in an excess of new gas-fired development projects.

As with last year's results, it's important for all parties to take a deep breath and consider

the impact of other pricing factors.

Renewables struck a big win with a reported 1.64 GW of solar projects clearing the auction. That is 964 MW more solar capacity than had participated in last year's auction. The cleared capacity of wind plants increased 21% to 8.13 GW.

The combination of an uptick in capacity being met by renewable energy, increased demand response, and energy efficiency, are signs that cannot be ignored.

Market pricing could also be distorted thanks to a recent federal order seeking to prevent certain coal and nuclear power plants from retiring in order to “protect national security”.

Greenfield projects that have been sitting on the sidelines (or are in “hibernation” mode) should get the green light as equity investors perceive a more positive environment.

Because of the higher auction results, and supported by robust market reports from consultants, sponsors will likely demand more aggressive leverage than last year. Most lenders will support this strategy.

Refinancings were scarce in 2017, but we

have already seen the first few deals (St. Joseph's Energy Center and Compass Power Generating) transitioning from the bank market to the term loan B market.

So expect more refinancings, because although the auction results were positive, they are still below the results originally forecasted for 2013 to 2015 vintage deals.

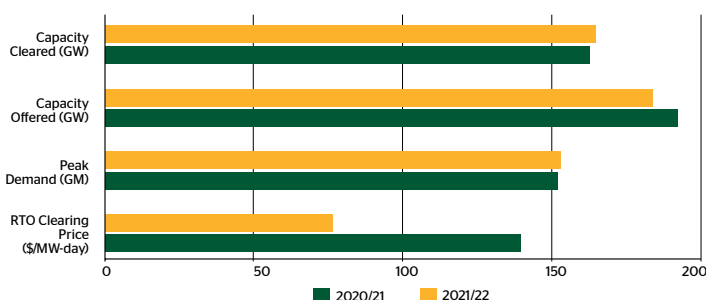
When coupled with lower-than-predicted energy margins, the 100% target B sweeps will still apply. Sponsors that are seeking a steady cash yield or are looking to recycle capital through an asset sale will look to a refinancing to provide distribution relief from this mechanism.

Throughout 2019, expect an uptick in refinancing and new development activity across the market.

But the key takeaways include an increased appetite for renewables and the potential impact of the **Department of Energy's** support for coal and nuclear facilities.

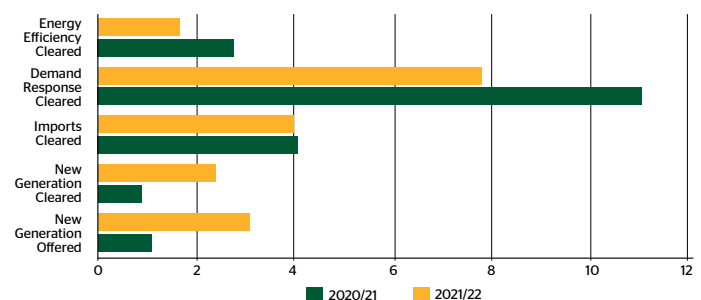
The question that sponsors, lenders and rating agencies must ask is: To what extent should the assumptions of downside cases move upward? ■

## PJM Auction Results



Source: PJM Interconnection, SNL Financial, Cantor Fitzgerald

## New Generation Breakdown (GW)



Source: PJM Interconnection, SNL Financial, Cantor Fitzgerald

## ● PLATTS NORTHEAST 2018

# Policy, Market Upheaval Dampens PJM Auction Joy

As the dust settled after a surprisingly strong **PJM Interconnection** capacity auction result last month, uncertainty around complex market design reforms and federal intervention made for a more sober assessment of the situation at the **S&P Global Platts** Northeast Power & Gas Markets Conference in New York.

Developers, regulators and financiers attending the conference agreed that a national carbon tax would be the fairest and simplest way to integrate low-carbon incentives with market-based grid reliability mechanisms, but conflicting policy goals at the levels of the states, independent system operators and the federal government mean that the actual legal, regulatory and market landscape is much more complex.

### “PICKING WINNERS”

Executives at gas-fired project developers lamented that states were “picking winners” through measures like renewable portfolio standards, zero emissions credits, fuel security standards and so on.

In a keynote address on May 30, **Sara Graziano**, senior v.p. of corporate development at **Vistra Energy**, pointed to **Exelon Generation**’s attempt to withdraw two ageing units at its 2 GW Mystic Generating Station in Massachusetts from the most recent capacity auction in **ISO New England**. The grid operator decided to retain the assets, citing reliability.

The 1,200 MW in offshore wind contracts awarded by Massachusetts and Rhode Island last month (PFR, 5/29), also came in for criticism in some quarters because of their intermittent generation pattern.

### EMERGENCY POWERS

ISOs have been struggling to reconcile their traditional role with an increased focus by the states on environmental regulations and the transition to renewables.

“The idea 20 years ago was reliability at the lowest cost,” said **Rana Mukerji** senior v.p. for market structures at **NY-ISO**. “Sustainability was only added afterwards.”

Now, on top of that, they also have to deal with efforts by President **Donald Trump**’s administration to prop up struggling nuclear

and coal-fired plants.

Even the on-stage representative of coal-fired generators, which are expected to benefit from any intervention by the **Department of Energy** into the electricity markets, spoke out against interference.

“We’re generally against state subsidies,” said **Randy Gillespie**, v.p. of energy management at the 700 MW Longview coal-fired project near Maidsville, W.Va. “The current administration has put forth a number of proposals that we generally think are pretty poor.”

The most recent proposal was a DoE memo dated May 29 that called for the federal government to keep coal and nuclear plants from retiring by using emergency powers to buy their electricity and/or capacity.

“Any federal intervention in the market to order customers to buy electricity from specific power plants would be damaging to the markets and therefore costly to consumers,” said PJM as part of a series of responses on Twitter on June 1.

### NEW ENGLAND NEW RULES

As well as state-run subsidy programs and the involvement of the federal government, generators are also trying to get their heads around reforms introduced by the ISOs themselves, such as ISO-NE’s new two-stage auction process.

Dubbed Competitive Auctions with Sponsored Policy Resources, or CASPR, the program is designed to allow competitive units that would prefer to retire to trade their capacity obligations with others in a secondary market.

### GETTING SIDETRACKED?

Though the topic of the conference was the Northeast, California, with its high solar penetration, and **ERCOT**, with its lack of a capacity market, were frequently brought into the discussion.

California’s policy of promoting renewables drew push-back from **Bob Mancini**, managing director and co-head of **Carlyle Power Partners**, who said that new-build gas-fired generation—which he said was required to balance intermittent renewables—is not adequately compensated by the state’s market structure.

“You have a regulatory problem that’s caused by a regulatory problem,” he said, later adding: “If you’re an owner of existing assets in those markets [California and ERCOT], you’re sitting on very valuable real estate.”

### FOREIGN INTEREST

**Pradeep Killamsetty**, managing director in **John Hancock Financial Services**’ power and infrastructure team, pointed out that interest in the U.S. power sector from generalist and foreign investment funds was high, given the relationship between risks and returns in comparison with other asset classes and markets.

The strength of the dollar and foreign investors’ cost of debt also fed through into the buying power of foreign equity, said Killamsetty.

Asian investors are becoming increasingly conservative about the prospects for CCGTs in the Northeast, noted **Adil Sener**, director in the power, energy and infrastructure group at **Cantor Fitzgerald**, which recently returned from a roadshow in Japan.

He added, however, that there was renewed interest in peakers which would collect energy and capacity payments. ■

## ● MERGERS & ACQUISITIONS

# PPL Lands C&I Platform Acquisition

Pennsylvania utility holding company **PPL Corp.** has acquired commercial and industrial-scale solar developer **Safari Energy**.

New York-based Safari has developed over 200 facilities in 19 states and has some 80 projects in its pipeline, according to a statement announcing the transaction. The company is led by ceo **Matthew Rudey** and president **John Nodeman**.

The purchase price could not immediately be learned but was described as “not material to PPL”.

Meanwhile, PPL has hired **Vijay Singh**, a former executive director of renewable energy development and energy storage for **NextEra Energy Resources**, to lead the company’s distributed energy efforts. Singh had been at NextEra since 2013. ■



## MERGERS &amp; ACQUISITIONS ●

## Blackstone Puts Recently Refinanced Texas CCGT on the Block

◀ FROM PAGE 1

**I**ey was left lead on a \$700 million seven-year term loan B that was issued in April to refinance the project and separate it out from Blackstone's **Lonestar Generation** portfolio, which contains several other gas-fired plants that sell their output in **ERCOT**'s energy-only market (PFR, 4/17).

Pricing on the loan reverse flexed from initial price thoughts of 450 basis points over Libor with a 99% discount, landing at 425 bp with a 99.5% discount on April 25. The deal has a Libor floor of 1%.

The deal had originally been marketed at the slightly smaller size of \$675 million.

Three investment banks—**Cantor Fitzgerald**, **Jefferies** and **JP Morgan**—are understood to be officially mandated as financial advisers on the sale

process for the project.

The power, utilities and renewables investment banking team at Jefferies recently relocated *en masse* to Cantor, with bankers officially taking up their new positions in the last few months (PFR, 1/10).

Spokespeople for Blackstone and the investment banks in New York declined to comment.

The Frontera project benefits from its unique situation, whereby it purchases gas cheaply in the U.S. market and sells generation in Mexico, where power prices are higher.

It has also participated in Mexico's capacity market, a luxury not afforded to generators that sell into ERCOT. The Frontera project's capacity contract with the **Comisión Federal de Electricidad** is expected to add about \$12 million a year to its margin over the next 14 years. ■

## Enel Wins Bidding War for Brazil's Eletropaulo

Italy's **Enel** has bought a 73% stake in **Eletropaulo** for R\$5.52 billion (\$1.48 billion), beating off stiff competition from Spanish rival **Iberdrola** in a bidding war for the Brazilian utility.

Eletropaulo's shareholders, which include **BNDESPar**, the investment arm of the state run development bank **BNDES**, agreed to Enel's terms on June 4.

Enel is buying the company through its Brazilian subsidiary **Enel Brasil Investimentos Sudest**. Enel Sudest will finance the transaction initially through short-term bank loans arranged by **Enel Américas**.

Enel offered R\$45.22 a share for Eletropaulo, trumping a R\$39.53 offer made by Iberdrola-owned **Neoenergia**. Brazil's **Energisa** had also put in a bid for the company.

Brazilian competition authority **CADE** has already given the green

light to the transaction, while the country's energy regulator **Aneel** is expected to approve the deal "in the coming days", according to Enel. The transaction is expected to be settled on June 7.

Enel will become the largest distribution operator in Brazil, with a market share above 20%, as a result of the acquisition.

In 2017, Eletropaulo recorded revenues of R\$13.17 billion. Enel plans to invest the equivalent of €1.5 billion (\$1.75 billion) in Brazilian energy networks between 2018 and 2020. The company has roughly 3 GW of installed capacity in the country.

Despite being outbid by Enel, Iberdrola is still expected to ramp up its investment in Brazil's energy sector. Last month, the company met with government officials to hammer out plans for the equivalent of \$816 million of investment over the next five years (PFR 5/22). ■

## CleanCapital Seals Second C&I Solar Purchase in One Month

Weeks after announcing the acquisition of solar assets in California and Nevada, CleanCapital has added a further 10.2 MW of commercial and industrial-scale solar projects in Massachusetts.

The renewable project sponsor has acquired a portfolio comprising two operating assets in Massachusetts from New York-based developer **G&S Solar**.

This deal was brokered on behalf of G&S Solar by **Chris Hopgood** of **Ignite Renewable Capital**, according to a press release.

Three weeks earlier, CleanCapital bought a 14.2 MW portfolio of projects across California and Nevada from Spanish developer **X-Elio**.

The deals follow the announce-

ment of a \$250 million equity commitment to CleanCapital from **Carval Investors**.

The acquisitions cost around \$70 million and CleanCapital used the Carval funds to pay down some debt associated with the proj-

ects, **Melinda Baglio**, CleanCapital's general counsel and head of acquisitions, tells *PFR*.

The former **White & Case** attorney joined CleanCapital in February (PFR, 2/14).

Founded in 2015, CleanCapital

acquires operational commercial and industrial-scale solar projects and bundles them together to create investment vehicles for institutional investors, high net worth individuals and family offices (PFR, 4/9). ■

## TransAlta Drops Down Contracted Renewables in U.S., Canada

**TransAlta Corp.** has dropped down more than 90 MW of wind and solar assets into its yield company, **TransAlta Renewables**.

The transaction involved the 50 MW Lakeswind wind project in Minnesota, the 20 MW Kent Breeze wind project in Ontario and a 21 MW portfolio of Massachusetts solar projects.

The yieldco purchased the proj-

ects for \$166 million, including the assumption of \$62 million of tax equity obligations and project debt, according to a company statement.

TransAlta Renewables will finance the \$104 million equity portion of the acquisition with existing liquidity, according to the statement.

The projects are contracted with an average weighted remaining life

of 15 years.

Earlier this year, TransAlta Renewables acquired a pair of shovel-ready wind assets totaling 119 MW in two northeastern states from an undisclosed seller (PFR, 2/20).

Representatives of TransAlta Corp. and TransAlta Renewables in Calgary, Alberta, did not immediately respond to inquiries. ■

## ● PEOPLE & FIRMS

# CohnReznick Founder Reemerges at Infra-focused Firm

◀ FROM PAGE 1

bankers this year. “We’ll be growing very quickly,” he says.

“We’re going to look for people that can originate business and there’s no limit to how many people we’re willing to bring on board if they’re proven and can bring in business and fit into the culture that we’re trying to develop.”

Based in New York, Sternthal reports to **Conor Kelly**, an m.d. based in Dublin.

After departing CohnReznick early this year, Sternthal was replaced as president of the firm by **Nick Knapp**, a New York-based principal and m.d. (PFR, 2/9).

Sternthal set up the boutique investment bank in 2008, initially as **Reznick Capital Markets**, under the auspices of **Reznick Group**, a real-estate focused accountancy firm.

Reznick and **J.H. Cohn** merged in 2012 to form CohnReznick and Reznick Capital Markets officially became an affiliate of the combined entity in 2015, changing its name initially to CohnReznick Capital Markets Securities before settling on CohnReznick Capital.

The investment banking boutique completed approximately \$15 billion worth of financings and M&A deals under Sternthal’s leadership, according to the former president.

## CROSSING TO RUBICON

Sternthal’s hiring at Rubicon was the culmination of a roughly 18-month search for someone to run the firm’s North American business, Kelly tells *PFR* from Dublin.

In addition to utility-scale wind and solar,

distributed generation will be a focus for Sternthal in his new role, as will biomass transactions.

Sternthal also aims to secure financing and M&A mandates involving gas-fired and combined-heat-and-power projects within the next two years.

“We are exploring a number of M&A situations where we would acquire other investment banking boutiques,” says Kelly.

The bank was launched in 2011, initially as an M&A advisory shop, establishing a New York presence in 2013. Rubicon set up a debt advisory group in 2016 and a renewables desk the following year.

The New York office is staffed by **Maria Kang** and **Peter O’Neill**, both managing directors. ■

## ● STRATEGIES

# Vivint Prices Debut Securitization

Vivint has priced its first asset-backed securitization, a \$466 million offering backed by a multi-state portfolio of residential solar

assets, with the vast majority of the cash flows coming from power purchase agreements.

**Credit Suisse** and **Citi** were

the bookrunners on the deal, the collateral for which includes leases and hedged solar renewable energy credit (REC) agreements

in addition to the PPAs.

Vivint’s \$400 million Class A tranche and \$66 million Class B tranche were priced with coupons of 4.73% and 7.37%, respectively, on June 4.

Both tranches have an anticipated repayment date of Oct. 30, 2028, and a final maturity date of April 30, 2048. The deal is expected to close on June 11.

**Kroll Bond Rating Agency** had assigned preliminary ratings of A- and BB- to two classes on May 23 (PFR, 5/24).

## PPAS, LEASES AND RECS

The portfolio includes 37,792 leases and PPAs for residential solar assets with a combined capacity of 259.88 MW. Cash flows from \$20.7 million of related REC agreements were also securitized.

Around 95.7% of the portfolio is contracted under PPAs, with leases accounting for the remaining 4.3%. The contracts have an average remaining life of 223.9 months out of an average original term of 240 months. ■

# Resi Solar Lender Raises Growth Equity

Residential solar lender **Sunlight Financial** has raised \$50 million of equity from growth investor **FTV Capital** to fund enhancements to its technology platform and its product suite.

The investment follows several months of discussions between the company and the investment firm, in particular FTV managing partner **Brad Bernstein** and vice president **Mike Vostrizansky**, who will both take positions on Sunlight’s board of directors as part of the deal.

“We were really impressed with their knowledge of financial services and their networks,” says **Matt Potere**, ceo of Sunlight in Charlotte, N.C.

FTV joins existing equity investors **Tiger Infrastructure**, **Hudson**

**Clean Energy Partners** and **Route 66 Ventures**. Tiger remains the company’s largest shareholder.

Sunlight provides consumer loan-style financing for a growing range of home improvements, chiefly solar panel installations but also battery storage and roofing.

To fund the loans it originates, the company has raised more than \$1 billion of capital, including bank market debt, loans from institutional investors and a partnership with Silicon Valley’s **Technology Credit Union** that has been renewed and expanded twice.

As returns in more traditional asset classes, such as utility-scale solar debt, have been squeezed and the residential solar loan product has matured, the number of lenders

considering backing resi solar assets has grown.

“We’re really focused on originating high quality assets and as a result we’ve seen significant demand from investors,” says Potere.

The fact that Sunlight only originates loans and not power purchase agreements or leases also makes it potentially more attractive to debt investors because the homeowners typically use the associated tax credits themselves, eliminating the need for third-party tax equity investors.

“It typically generates higher savings for the customer,” says Potere, who notes that the market has “shifted aggressively from leases and PPAs to loans over the past couple of years.” ■

## OBITUARY ●

## Brian J. Daly, Mezzanine Lending Innovator

Brian J. Daly, a pioneer of mezzanine financing in the power sector, passed away on June 1. He was 53.

While he held many roles throughout his 30-year career, Daly was best known in power finance circles for his two stints with **Trust Company of the West**, from 1992 to 2008 and again from 2014 to 2018.

Daly was responsible for more than 90 investments, representing over \$2.4 billion of capital in the power, biofuels, and infrastructure sectors, during his first 16-year stretch at TCW.

It was there that he developed a novel financing solution for clients including **Morris Energy Group** and **Fortistar**, incorporating additional interest and principal, sweeps and warrants, that allowed developers to raise equity-like capital that still qualified as debt, therefore avoiding dilution.

"He essentially created the modern mezz market in our PF sector," writes a former colleague.

Besides his track record of improving returns for investors, Daly is also remembered for his business acumen and the wealth of accumulated knowledge that he brought to the table.

"My most memorable achievement with him,

it's not one time but instead it is the countless times I saw him change a negotiation in his favor, his ability to recall facts about most generating plants, and his ability to utilize a sponsor's assets, credit or resources to enable them to borrow and develop more than they would otherwise through other lenders," writes another former colleague.

Daly is survived by his wife Terri and his children Kathleen, Kevin and Elizabeth.

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A mechanical engineer and graduate of **Rensselaer Polytechnic Institute**, Daly began his career in 1985 with **Long Island Lighting**, where he negotiated power supply contracts with non-utility generators.

He moved to **Axel Johnson Energy** in 1987 as a project manager, where he handled investments in and fuel supply to unregulated generation projects, before earning an MBA from **Baruch College, City University of New York**.

He joined TCW in 1992, rising through the ranks to become managing director and head of power for the energy and infrastructure group, whose assets under management grew from \$500 million to more than \$6.3 billion on his watch.

While at TCW, Daly worked on the \$525 million acquisition financing that allowed **Complete Energy Holdings** to buy the 1,022 MW La Paloma project in Kern County, Calif., with no money down, as well as deals with **Colmac Energy** and **Pacific Winds**.

He also played a key role in the creation of the Global Project Fund series of collateralized loan obligations and the European Clean Energy Fund—a joint venture with **Swiss Re** and **Conning Asset Management**—which was the largest dedicated power fund in Europe at its closing.

In 2008, Daly left TCW to join **Conning & Co.** as director for the firm's alternative investment program that focused on clean energy and the carbon credit market.

Together with former TCW colleagues **William VanHerwarde** and **Brett Macune**, he left Conning to launch **Babson Capital Management's** energy finance group in 2012.

Daly left Babson shortly thereafter, returning to TCW to lead its newly formed power group in January 2015.

From 2011, he was also on the board of directors of the **Bank of Labor**, a financial institution that serves the labor movement and whose largest shareholder is the **International Brotherhood of Boilermakers**.

He was an avid baseball player and follower of both the **New York Yankees** and the **New York Mets**. ■



Brian J. Daly

## PEOPLE &amp; FIRMS ●

## Energy Trio Exits RBC

Three energy-focused managing directors at **RBC Capital Markets** have departed the Canadian firm's New York office, *PFR* has learned.

**Andrew Rosenbaum**, m.d., power and utilities, and **Ali Akbar**, m.d., energy mergers and acquisitions, have both left the bank, as has fellow m.d. **Andriy Falenchuk**.

Akbar joined independent investment bank **Greenhill** in March, according to an announcement from the firm, which noted that he would focus on midstream energy.

Akbar joined RBC in 2004, having begun his career at **Deutsche Bank**.

Whether Rosenbaum and Falenchuk left to take up positions elsewhere could not immediately be

learned. They were still registered with the **Financial Industry Regulatory Authority** as brokers at RBC at press time.

They both worked at **Lehman Brothers** as senior vice presidents until the firm's 2008 collapse.

When **Barclays** scooped up Lehman's assets and investment banking platform, Falenchuk initially stayed on but left for RBC in 2011, where he rejoined Rosenbaum, who had headed to the Canadian bank the previous year. ■

## CapDyn Hires Former GE EFS Originator

Swiss private equity firm **Capital Dynamics** has added to its recently formed infrastructure credit team with a former debt originator at **GE Energy Financial Services**.

**Katherine McElroy** joined CapDyn as a director in New York a

little over two weeks ago, says a person familiar with the move.

She reports to **Paul Colatrella**, managing director and head of infrastructure debt at the firm, who was previously a senior figure in **Ares Management's** private

credit team (*PFR*, 4/30).

McElroy spent some 12 years as a credit trader and portfolio manager at **Royal Bank of Scotland** before she joined GE EFS in 2016. At GE EFS, she was a vice president in the debt origination team. ■

## ● PEOPLE &amp; FIRMS

## ING Opens West Coast Office

ING Capital's **Tom Cantello** is relocating from New York to San Francisco to set up a new office for the Dutch bank.

Cantello, a managing director in the utilities, power & renewables team, who has been at ING for 11 years, is set to move in early July.

**“My main aim is to meet with clients and prospects in the region”**

“With the largest concentration of renewable energy companies in the US being located in California, it made sense to have a physical presence there,” Cantello tells *PFR* via email. “At the moment my main aim is to meet with clients and prospects in the region to figure out how we can best serve them.”

ING was one of the early lenders in the residential rooftop solar sector and Cantello has worked on deals with **SolarCity** going as far

back as 2013.

The move to California comes as the bank looks to the next wave of emerging renewables technologies.

“California is host to several leading battery storage companies and a local presence will help us be a more effective financing partner to these companies,” says Cantello.

The prospects for rooftop solar-plus-storage in California are strong, after the **California Energy Commission** recently approved a mandate requiring most new homes built in the state from 2020 to have solar panels (PFR, 5/10).

Hiring plans for ING's California team could not immediately be learned. The expansion comes after **David Barrick's** recent retirement as m.d. and co-head of the team and **Erwin Thomet's** subsequent elevation to sole group head (PFR, 5/18).

Before joining ING in 2007, Cantello was a director at **Credit Suisse** and before that he was an associate at **National Westminster Bank**. ■

## Tax Equity Attorney Joins Kirkland as Partner

A lawyer with expertise in renewable energy tax equity transactions has joined **Kirkland & Ellis** in Washington, D.C.

The attorney, **Scott Cockerham**, was until recently counsel at **Akin Gump Strauss Hauer & Feld**, where he had been for about a year and a half.

He joined Kirkland's renewables-focused project finance team, which is led by former **Chadbourne & Parke** attorney **Rohit Chaudhry**, on June 5.

Kirkland hired Chaudhry to bolster its infrastructure debt practice in February along with former **Simpson Thacher & Bartlett** associate **Roald Nashi**.

How Cockerham's responsibilities at Akin Gump would be redistributed could not immediately be learned. A spokesperson for the firm in Washington declined to comment.

Cockerham has previously worked as an associate at **Ballard Spahr** and **Chadbourne**. ■

## Finnish Firm Taps Texas Talent for U.S. Push

A Finnish company that recently entered the U.S. renewables market has appointed a former senior finance official at a Texas-based developer to oversee its North American business.

**Donald J. Curry**, who worked at **Tri Global Energy** for just under four years and was the developer's director of finance, joined **Taaleri Energia** as president in March.

Taaleri Energia, the project development arm of Finnish financial services group **Taaleri**, recent-

ly acquired its first U.S. asset.

The developer acquired the 277 MW Truscott-Gilliland East Wind project in Knox County, Texas, from **Chermac Energy Corp.** earlier this year and is aiming to begin talks with potential project finance providers in the coming months (PFR, 2/8).

The Truscott-Gilliland East project is expected to be online in 2020.

Curry, who is based in Dallas, according to his LinkedIn profile, could not immediately be reached for comment. ■

## Renewables Developer Hires Ex-Morgan Stanley Exec.

**Lincoln Clean Energy** has recruited a finance and corporate development professional who previously worked at Morgan Stanley and sat on the boards of wind platforms owned by the investment bank.

**Vishal Kapadia** joined Lincoln as senior vice president in Chicago in May, according to his LinkedIn profile.

He will “spearhead all finance functions” relating to the developer's mainly-wind portfolio, according to an announcement from the company.

Lincoln, which is backed by private equity firm **I Squared Capital**, recently worked closely with Morgan Stanley on a project finance deal.

Earlier this year, the developer obtained a construction and term

loan from the bank for its 300 MW Tahoka wind project in Lynn County, Texas (PFR, 1/11).

Kapadia was an executive director at Morgan Stanley, where he focused on debt and tax equity financing for wind and solar projects.

He was also on the boards of **Third Planet Windpower**, **NaturEner USA** and **NaturEner Canada**, wind project development platforms that the bulge bracket firm has previously attempted to sell, so far without success (PFR, 8/6/10, 5/10/17).

Before joining Morgan Stanley in 2015, Kapadia was director of finance at **Enel Green Power North America** in Boston.

He also served as managing director of finance at **American Wind Capital** from 2011 to 2014. ■

### ● QUOTE OF THE WEEK

**“If you're an owner of existing assets in those markets [California and ERCOT], you're sitting on very valuable real estate.”**

**Bob Mancini**, managing director and co-head of **Carlyle Power Partners**, on prospects for gas-fired project sales (see story, page 8).