

Power Finance & Risk

Exclusive Insight on Power M&A and Project Financing

By the publisher of GlobalCapital

● PROJECT FINANCE

● MERGERS & ACQUISITIONS

● ALTERNATING CURRENT

Allianz-led Group Commits CapDyn Project Debt

Allianz Global Investors has made its debut solar debt investment with its commitment to a **Capital Dynamics** project. [Page 5](#)

Canadian Solar Nears U.S. Portfolio Sale

Canadian Solar is in the second round of an auction to determine who will own the developer's assets in the U.S. [Page 7](#)

New York's Fastest Power Banker

Commonwealth Bank of Australia's Scott Easey led the power sector pack in the 3.7-mile **JP Morgan** Corporate Challenge. [Page 8](#)

NRG Closes Financing for Former SunEdison Project

Olivia Feld

NRG Energy has completed project financing for the Buckthorn solar project, which it acquired in a portfolio of assets from SunEdison last year. The project is thought to be the first development asset from the portfolio to be financed.

The financing for the 154 MW project, located in Pecos County, Texas, closed the week beginning May 22, a deal watcher tells *PFR*.

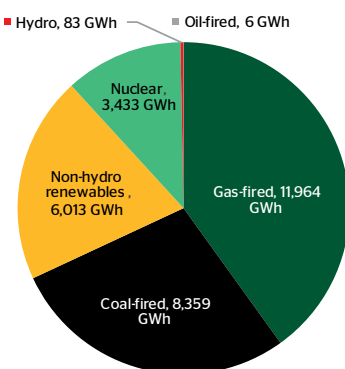
Crédit Agricole and **Santander** are co-ordinating lead arrangers on the \$230 million club deal, while **KeyBank**, **MUFG** and **SMBC** are mandated lead arrangers.

The package includes an approximately \$140 million mini-perm, which is thought to have a construction-plus-seven-year tenor, and a \$55 million tax equity bridge. The remainder of the deal comprises letters of credit.

Wells Fargo is the project's tax equity investor.

Winston & Strawn represented

Net Electricity Generation in Texas by Source February, 2017



Source: U.S. Energy Information Administration, *Electric Power Monthly*

the lenders on the debt financing and **Foley & Lardner** represented the sponsor. **Riverside Advisors** advised on the interest rate hedging for the transaction.

The partially-constructed plant has a 25-year power purchase agreement with **Georgetown Utility Systems**, the municipal utility of the City of Georgetown, Texas, which comes into effect in July of next year.

The PPA was renegotiated under the new owners, [PAGE 5 »](#)

Tax Equity Flows Again After “Permanent” Changes to Structures

Richard Metcalf

Term sheets for tax equity deals have evolved this year to mitigate the risk of corporate tax cuts, unblocking the deal pipeline, especially in solar. And the changes are here to stay for the foreseeable future, say deal watchers.

The beginning of the year was characterized by a lull in tax equity financing, which market participants attributed in part to concerns around President **Donald Trump's** tax reform plans, and in part to the normal yearly cycle.

But although the market seemed quiet, [PAGE 2 »](#)

PJM Auction Result Jars Tyr Project Financing

Richard Metcalf

Tyr Energy was planning to hit the market with a project finance deal following the **PJM Interconnection** capacity auction results, say deal watchers, who note that the disappointing clearing price could lead to lower leverage.

BNP Paribas and **Bank of America Merrill Lynch** had been mandated as lead arrangers for Tyr's 1 GW [PAGE 6 »](#)

Odebrecht Nears Sale of Peru Hydro Project

Fotios Tsarouhis

Odebrecht is close to selecting a buyer for its 406 MW Chaglla hydro project in Peru.

The auction for the project, which sits on the Huallaga River in the Chaglla district of Peru's Huánuco Region, moved into a second round earlier this year, and the Brazilian conglomerate is expected to pick the winning bidder in the next two months, says a deal watcher. [PAGE 7 »](#)



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● PROJECT FINANCE

Tax Equity Flows Again After "Permanent" Changes to Structures

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behind the scenes attorneys were busily drafting language to insulate deals from a major change to tax rates.

Market participants have come up with a wide variety of solutions, from using a reduced tax rate as the basis for pricing, to allowing investors to claw back some of their investment through cash sweeps and providing for deals to be repriced in the event of tax cuts, says **Keith Martin**, a partner at **Chadbourne & Parke**.

"Everyone is addressing the same issues, but not always coming to the same positions," he says.

As part of the negotiations, the parties to a tax equity deal also have to decide how far through the legislative process a tax reform proposal must go before it triggers the provisions.

The tax change conditions in 16 deals signed since Trump's election are all triggered by a proposal that is reported by the tax-writing committee of either house of **Congress**, but none by a presidential tweet, according to a recent article by Martin.

In addition, tax equity investors are often opting to take a depreciation bonus as a way to mitigate tax risk.

The threat of tax reform no longer looms as large as it did at the beginning of the year, which partly explains a recent surge in tax equity signings.

"Current sentiment in Congress is that truly comprehensive tax reform—in other words, a full-fledged cleanup/modernization of the tax code along the lines of what had been done in 1986—is not realistic in the current hyper-polarized environment," wrote **Pavel Molchanov**, equity analyst at **Raymond James**, in a June 1 research note following a visit to Washington, D.C.

A cut to headline rates could still come toward the end of the year, but the focus will be on finalizing healthcare reform first, he adds.

A project finance banker agrees, saying: "In January it seemed inevitable. Less so now."

But in the meantime, investors are expected to hold on to their newly-won protections.

"While some of the concern has abated, there were a set of deal points that were developed for most transactions to accommodate the anticipated losses, and those are not dropping out of term sheets," says a financial adviser who specializes in tax equity. "They have a permanent status." ■

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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 & 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
Antofagasta Minerals	Javiera (69.5 MW Solar, 40%)	Atacama, Chile		Actis platform Atlas Renewable Energy has acquired the stake in the project (PFR, 6/5).
Ares-EIF	Plum Point (670 MW Coal)	Osceola, Ark.	Citi	Bids for the portfolio are due the first week of June (PFR, 5/30).
	Carneys Point (262 MW Coal)	Carneys Point, N.J.		
	Logan (219 MW Coal)	Logan Township, N.J.		
	Morgantown (62 MW Waste coal)	Morgantown, W.Va.		
Apex Clean Energy	Portfolio (12 GW, mostly Wind)	U.S.	CohnReznick Capial	The company is looking to sell itself to a strategic investor (PFR, 5/1).
Ares-EIF, I Squared Capital	Oregon Clean Energy Center (869 MW Gas)	Lucas County, Ohio	Barclays, Credit Suisse	The two banks are running a sale process for the project (PFR, 5/15).
BTG Pactual Infraestructura II, Pátria Investimentos, GMR Group	Latin America Power (114 MW Hydro, Wind)	Chile, Peru	BTG Pactual, Morgan Stanley	Several bidders have been shortlisted in the sale of the company, which also owns an 803.9 MW development pipeline that includes its first solar asset (PFR, 2/13).
Canadian Solar	Portfolio (703 MW DC Solar)	U.S.		Canadian Solar has taken second-round bids for its U.S. portfolio (see story, page 7).
Cemig	Santo Antônio (3.5 GW Hydro, 18.13%)	Brazil		The company is expected to circulate a list of further assets for sale in coming weeks (PFR, 5/22).
	Taesá (Transmission company, 31.54%)			
Corporación América, Grupo San José	Carapé I and II (95 MW Wind)	Maldonado Province, Uruguay		Saeta Yield has acquired both projects (PFR, 6/5).
The Carlyle Group	Red Oak (766 MW Gas)	Sayreville, N.J.		Morgan Stanley Infrastructure has agreed to acquire the project from Carlyle (PFR, 5/15).
Enel	Portfolio (2,010 MW Wind, Solar)	Mexico	Goldman Sachs, BBVA	The Italian company is selling all of its generation assets in in Mexico and Panama, which total over 2.3 GW (PFR, 5/30).
	Portfolio (352 MW Hydro, Solar)	Panama	Morgan Stanley	
Energy Future Holdings	Oncor (Transmission Utility)	Texas	Credit Suisse, BAML, Deutsche Bank, JPM, UBS, Wells Fargo (all buyer)	The Texas Public Utilities Commission has refused to reconsider NextEra's acquisition of Oncor, which it vetoed in April (see story, page 8).
Eversource	Portfolio (1.2 GW Coal, Hydro, Oil)	New Hampshire	JP Morgan	JP Morgan has distributed teasers in prepaion for a two-stage auction for the portfolio (PFR, 3/6).
Exelon Corp.	ExGen Texas (3,476 MW Gas)	Texas	PJT Partners	Exelon plans to sell the distressed Texas portfolio (PFR, 5/8).
First Solar, SunPower	8Point3 Energy Partners (432 MW Solar)	U.S.	BAML, Goldman Sachs	Bank of America Merrill Lynch is advising First Solar, with SunPower advising Goldman Sachs (PFR, 5/8).
Infinity Renewables	(6.6 GW Wind, Solar)	U.S.	CIBC	The company is for sale (PFR, 6/5).
InterGen	Portfolio (2,200 MW Gas, Wind)	Mexico		InterGen is planning to launch a sales process for its Mexican portfolio (PFR, 5/30).
LS Power	Gridiron Generating (3.1 GW Gas)	Connecticut, Illinois, Kentucky, Virginia	Citi, Morgan Stanley (seller), Credit Suisse, Goldman Sachs (buyer)	A fund managed by LS Power sold the assets to a group of institutional investors through Gridiron Generating, a partnership also controlled by LS Power, in a transaction that closed on May 15 (PFR, 5/22).
Morgan Stanley	NaturEner USA (399 MW Wind)	Montana		Morgan Stanley has begun marketing NaturEner, which owns development wind assets in Alberta as well as the 399 MW operational wind portfolio in Montana (PFR, 5/15).
Northland Power	Portfolio (1,754 MW Gas, Solar, Wind)	Canada, Europe	CIBC, JP Morgan	Analysts expect the company to make an announcement on a potential sale of the company this quarter (PFR, 5/15).
Odebrecht	Chaglla (406 MW Hydro)	Huánuco Region, Peru	Itaú, Scotiabank, SMBC Nikko Securities	Odebrecht is expected to select a buyer within the next two months (see story, page 1).
Terra Firma	EverPower Wind (752.25 MW Wind)	U.S.	Barclays, KeyBanc	Terra Firma is marketing the U.S. wind shop, whose assets also include an up-to-1,759 MW development pipeline (PFR, 3/6).
TransCanada	Portfolio (3,818 MW Gas, 132 MW Wind)	U.S.	JP Morgan (seller)	LS Power Equity Advisors has closed its acquisition of the portfolio (see story, page 7).
York Capital Management Global Advisors	Idaho (54.6 MW DC Solar)	Ada County, Idaho	Whitehall & Co.	York Capital has mandated Whitehall to sell the project (PFR, 4/3).

● New or updated listing

The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed.

To report updates or provide additional information on the status of financings, please call Fotios Tsarouhis at (212) 224 3294 or e-mail 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
Advanced Power	South Field (1.1 GW Gas)	Columbiana County, Ohio	GE EFS	Debt	TBA	TBA	GE EFS is left lead on the debt raise. Other joint lead arrangers will be selected later this year (PFR, 5/1).
AES Corp.	AES Southland (1.4 GW Gas, Battery Storage)	Los Angeles and Orange counties, Calif.	MUFG, JP Morgan, Citi	Term Loan	\$520M	C+7-yr	MUFG, JP Morgan, Citi are marketing the loan at Libor+175 bps (PFR, 5/30).
				Letter of Credit	\$300M	C+7-yr	
				Private Placement	\$1.4B	C+20-yr	
Alterra Power Corp.	Flat Top (200 MW Wind)	Comanche and Mills counties, Texas	TBA	Tax Equity	TBA		The sponsor plans to close financing for the project soon, having obtained a 13-year hedge (PFR, 6/5).
American Power Ventures	Renaissance (1 GW Gas)	Greene County, Pa.	Fieldstone (adviser)	Debt, Equity	\$900M		The sponsor has mandated boutique investment bank Fieldstone Private Capital Group to raise debt and equity for the project (PFR, 4/17).
Capital Dynamics	Moapa (250 MW Solar)	Clark County, Nev.	MUFG	Private Placement	TBA	TBA	The deal represents Allianz Global Investors' first debt investment in a U.S. solar project (see story, page 5).
The Carlyle Group	Elgin (844 MW Gas)	Elgin, Ill.	GE EFS (lead), Investec (lead), CIT Bank, SunTrust	Debt	\$280M	7-yr	The debt will back The Carlyle Group's acquisition of the portfolio (PFR, 5/22).
	Rocky Road (349 MW Gas)	East Dundee, Ill.					
	Tilton (180 MW Gas)	Tilton, Ill.					
Cheniere Energy	Midship (199.4-mile Pipeline)	Oklahoma	EIG Global Energy Partners	Equity	\$500M		EIG has committed equity to the project (see story, page 6).
Enel Green Power North America	Rock Creek (300 MW Wind)	Atchison County, Mo.	BAML, JPM	Tax Equity	\$500M		Enel has secured a tax equity investment backing Rock Creek, its first wind project in Missouri (PFR, 6/5).
Genneia	Madryn (220 MW Wind)	Argentina	TBA	Debt, Equity	TBA		Genneia is expected to raise project finance for its investment program (see story, page 6).
Iberdrola	Topolobampo III (766 MW Gas)	Sinaloa state, Mexico	TBA	TBA	TBA	TBA	Iberdrola is close to mandating banks to finance the project's construction (PFR, 4/3).
LS Power	Aspen Generating (1.5 GW Gas, Hydro)	Pennsylvania, Virginia	ING, BNP, Citi, MS	Term Loan	TBA	7-yr	The deal will finance LS Power's acquisition of the assets from FirstEnergy Corp. (PFR, 5/22).
			TBA	Private Placement		TBA	
NextDecade	Rio Grande (LNG 27 mtpa), Rio Bravo (137-mile pipeline)	Brownsville, Texas	Macquarie Capital, Société Générale	Debt, Equity	TBA	TBA	The debt-to-equity ratio is expected to be approximately 55%-45%, with some 20 to 25 banks participating (PFR, 5/30).
NRG Energy	Carlsbad (632 MW Gas)	Carlsbad, Calif.	AIG	Private Placement	\$407M	21.4-yr	AIG led a group of investors following an auction process (PFR, 5/30).
			Crédit Agricole, MUFG	Term Loan	\$219M	C+10	
NRG Energy	Buckthorn (154 MW Solar)	Pecos County, Texas	Crédit Agricole, Santander, Keybank, MUFG, SMBC	Mini-perm	\$140M	C+7-yr	NRG Energy has completed project financing for the facility (see story, page 1).
				Tax Equity Bridge Loan	\$55M	TBA	
				Letters of Credit	\$35M	TBA	
Quantum Utility Generation	Moundville (643 MW Gas)	Marshall County, W.Va.		Debt	TBA		Quantum could launch a debt financing for the project this year (PFR, 2/6).
			BNP Paribas	Equity			
Sunlight Financial	Portfolio (Residential Solar)	U.S.	Technology Credit Union	Loan	\$500M		The financing will back the installation of approximately 20,000 solar systems (PFR, 5/30).
Swift Current Energy	HillTopper (175 MW-200 MW Solar)	Logan County, Ill.		Debt, Tax Equity	TBA		The sponsor plans to finance the project with debt and tax equity (PFR, 2/13).
Tyr Energy	Hickory Run (1 GW Gas)	Lawrence County, Pa.	BNP, BAML	Debt	TBA		The deal was expected to come to the market shortly after the announcement of the PJM auction results (see story, page 1).
Vivint Solar	Portfolio (70 MW Residential Solar)	U.S.	TBA	Tax Equity	\$100M		The commitment will be made by two of Vivint's relationship tax equity investors (see story, page 5).
Walsh & Co. (90%), VivoPower (10%)	NC-47 (47 MW Solar)	Maxton, N.C.	Starbucks	Tax Equity	>\$28.2M		The commitment represents Starbucks' maiden tax equity investment (PFR, 5/30).
Unknown	Unknown (91.6 MW Solar)	North Carolina	Churchill Stateside Group	Tax Equity	\$225M		Churchill Stateside Group has closed its ninth solar tax equity fund, which has committed \$225 million to an undisclosed project (see story, page 5).

New or updated listing

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Allianz GI Seals Inaugural Solar Debt Deal with CapDyn

Allianz Global Investors has completed its first debt investment in a U.S. solar project.

Allianz led a group of institutional investors in committing debt financing to the 250 MW Moapa solar project in Clark County, Nev., which is owned by a fund managed by **Capital Dynamics**.

The back-leveraged loan will refinance a portion of the undisclosed price a Capital Dynamics fund paid for the project. The Switzerland-headquartered private equity firm closed its purchase of Moapa from **First Solar** on March 29 (PFR,

1/25).

KeyBank advised Allianz, with **MUFG Securities Americas** acting as placement agent for the lenders. **NordLB** and KeyBank provided other ancillary debt facilities, according to a statement issued by Allianz.

The number of other institutional investors and their identities, as well as the size, tenor and pricing of the loan, could not immediately be learned.

Milbank Tweed acted as Allianz's legal counsel, while **Amis, Patel & Brewer** advised Capital

Dynamics.

The **California State Teachers' Retirement System** and an investment vehicle managed by **APG Asset Management** each own an approximately 49.6% stake in the fund that owns Moapa, with Capital Dynamics holding the balance.

Moapa, which went online in December, has a 25-year power purchase agreement with the **Los Angeles Department of Water and Power**.

GE EFS and **Goldman Sachs** own the tax equity associated with

the project.

Allianz has previously committed debt financing to several wind projects, **BHE Renewables'** 400 MW Grande Prairie Wind project in Hold County, Neb., and **D.E. Shaw Renewable Investments'** 300 MW Balko wind project in Beaver County, Okla., (PFR, 12/22, PFR, 2/14).

Representatives of Allianz Global Investors, MUFG and NordLB in New York did not respond to inquiries by press time. Officials at Capital Dynamics in New York and KeyBank in Cleveland could not imme-

Churchill Stateside Group Seals Tax Equity Fund

Churchill Stateside Group, a Florida-based asset manager that focuses on tax equity investments across several sectors, closed its ninth solar tax equity fund late last month, and plans to seal additional deals before the end of the year.

The \$225 million fund, Churchill Stateside Solar Tax Credit Fund IX, will back a 91.6 MW utility-scale project under construction in North Carolina. The precise location of the project and the identity of its sponsor could not immediately be learned.

Churchill plans to close three or four additional smaller funds totaling as much as \$200 million later this year, **Devin Sanderson**, chief operating officer and director of renewable energy at Churchill, tells *PFR* from Clearwater, Fla.

The firm closed five solar funds totaling approxi-

mately \$450 million last year. The first four channeled \$430 million of state and federal tax equity investments into 168 MW of solar projects in Idaho, North Carolina and Oregon (PFR, 9/9). The fifth, Solar Fund VII, which closed late in the year, was between \$20 million and \$25 million in size.

Churchill Stateside is the result of the 2010 merger of **Stateside Capital**, which focused on acquiring and syndicating low-income housing tax credits in Georgia, and **The Churchill Companies**, a commercial mortgage provider.

Alongside its tax equity and debt financing activities in the renewables sector, Churchill continues to invest in affordable housing, as well as film production and historic preservation. The firm has over \$1 billion of assets under management, according to a company statement. ■

Vivint Scoops Tax Equity Commitment

Vivint Solar has obtained \$100 million in tax equity commitments for a 70 MW portfolio of residential solar projects.

The tax equity will be provided by two investors that have previously acquired tax equity in Vivint portfolios. The identities of the investors were not disclosed and representatives of Vivint in Lehi, Utah, were not immediately available for comment.

Vivint funds the installation of its projects with a \$375 million aggregation facility from **Bank of America Merrill Lynch**, the maturity of which it extended by three years in March (PFR, 3/15).

Once they are installed, the company typically refinances its projects with long-term, back-levered debt in the commercial bank market or, more recently, the institutional market (PFR, 1/11).

"We're pleased that our investors continue to trust us with their capital options," said Vivint's ceo, **David Bywater**, in a statement on June 5. ■

NRG Closes Financing for Former SunEdison Project

◀ FROM PAGE 1

which the offtaker says resulted in a lower fixed cost for the generation. Under the agreement, any excess capacity will be cleared to **ERCOT** for sale to other utilities.

The project is part of the over-1.5 GW portfolio of development and completed solar and wind

assets acquired in a bankruptcy court-run process from SunEdison (PFR, 9/13).

The deal, which recently won *PFR's* Renewable M&A Deal of 2016, as voted for by the industry, was spearheaded by **Craig Cornelius**, senior v.p., renewables, at NRG. Cornelius, who is based in

San Francisco, runs the company's renewables division.

NRG's stalking horse bid of \$183 million secured the assets in a sale process, run by **Rothschild**, which ultimately never advanced to an auction.

Additional reporting by Richard Metcalf. ■

● PROJECT FINANCE

Cheniere Nets Equity for Oklahoma Pipeline

Private equity firm **EIG Global Energy Partners** is committing \$500 million in equity to a natural gas pipeline **Cheniere Energy** is developing in Oklahoma.

Besides the EIG investment and sponsor equity, the 199.4-mile Midship project is expected to require further financing that could include project finance loans or other debt or equity offerings, according to Cheniere.

Credit Suisse advised the sponsor on the equity raise.

Midship Holdings, the Cheniere subsidiary that is developing the project, has secured off-take commitments from **Devon Energy Corp.**, **Marathon Oil Corp.** and **Gulfport Energy Corp.**, as well as from its parent company, that would collectively support up to 1 million dekatherms per day of its proposed 1.44 million dekatherm-

per-day capacity.

The pipeline will originate at or near the Okarche natural gas processing plant in Okarche and will terminate in the town of Bennington.

Cheniere hopes to receive final authorization for the project from the U.S. **Federal Energy Regulatory Commission** by early 2018, with plans to bring the project in service by early 2019.

Representatives of Cheniere in Houston and EIG in Washington, D.C., did respond to inquiries by press time. ■

FAST FACT

199.4 Miles

Length of the proposed

PJM Auction Result Ups Pressure on Tyr Project Financing

◀ FROM PAGE 1

gas-fired Hickory Run project in Lawrence County, Pa., prior to the **Platts** Global Power Markets conference in Las Vegas in April, deal watchers tell *PFR*.

"That's the only one that's going to be happening right at the auction," said a project finance banker at the time. "It will be very interesting."

The sponsor's plan was to wait to see the results of PJM's capacity auction in May and size the debt accordingly, says another project finance banker.

But the capacity auction results undercut the expectations of many market par-

ticipants, prompting a rethink about deal structures that could lead to fewer deals, lower leverage and generally tougher terms

"Will anyone finance anything in PJM now? If anyone will, I'll bet it's Tyr."

for project sponsors (*PFR*, 5/24).

The Hickory Run project, which Tyr acquired from **LS Power** last year (*PFR*, 6/22/16), is located in the ATSI zone of PJM,

in which capacity cleared at the lowest price in the whole region, \$76.53/MW-day.

"Will anyone finance anything in PJM now?" ponders a third banker, adding: "If anyone will, I'll bet it's Tyr."

The **ITOCHU Corp.**-owned independent power producer is among the few gas-fired project sponsors in a position to inject the necessary equity to achieve financial close, he notes.

Calls to officials at Tyr Energy in Overland Park, Kan., and BAML in New York were not returned. A spokesperson for BNP Paribas in New York declined to comment.

Additional reporting by Olivia Feld. ■

Sponsor Signs Offtake Contracts for Argentine Wind Project

Argentina's **Genneia** has signed two electricity supply contracts for its 220 MW Madryn wind farm in the country's south, which is due to begin commercial operations in 2019.

FAST FACT

220 MW

Total output of the Madryn facility

Genneia signed the 20-year contracts with **Wholesale Electricity Market Administration Company** (Cammesa).

The wind farm will be built in Chubut in two stages, with the first phase due to have a 70 MW capacity and the second a 150 MW capacity.

Genneia is expected to use equity contributions, project finance debt and the proceeds of debt raised in the capital markets to fund its investment program, according to a **Moody's Investors Service**

report.

The company debuted in the international bond markets in January this year, with a \$350 million deal that garnered \$1.5 billion of demand (*PFR*, 4/12). The bulk of the proceeds were earmarked to repay around \$255 million of short-term debt maturing in 2017, according to Moody's, while the rest will go toward the developer's investments.

Besides the bond proceeds, Moody's reckons that Genneia needs an additional \$150 million

of equity and project debt.

So far, the gas distribution and power company has won contracts for five wind projects in the first one-and-a-half rounds of Argentina's RenovAr renewable energy program.

The other projects are the 50 MW Villalonga and 28 MW Chubut Norte wind farms that were awarded contracts in round one of the program and the 100 MW Pomona wind farm and a joint development of the 38 MW Necochea wind farm that won in round 1.5. ■

MERGERS & ACQUISITIONS ●

Canadian Solar Reviews Bids for U.S. Portfolio

Canadian Solar has received second round bids in an auction of operational solar projects in the U.S., the company's CEO **Shawn Qu** told analysts on an earnings call on June 6.

The portfolio that is for sale has a total capacity of 703 MW (DC). The individual projects for sale were not identified in the accompanying earnings report, but the size of the portfolio matches that of the company's entire operational U.S.

fleet with the exception of the 104 MW (DC) RoseRock project, which came online in the fourth quarter of last year.

Guelph, Ontario-based Canadian Solar has received interest from potential buyers "from pretty much every corner of the world," said Qu, adding: "We have seen multiple healthy bids."

The universe of prospective buyers includes utility companies and financial investors and spans the

U.S., Europe and Asia.

PROJECT FINANCE PLANS

The company recently financed and commenced construction on a 73 MW project in North Carolina called IS-42. **Prudential Capital Group** provided debt financing and **U.S. Bank** has committed tax equity to the project (PFR, 4/25).

The next two U.S. projects to be financed by Canadian Solar are its 281 MW (DC) Tranquillity 8 and 28

MW (DC) Gaskell West 1 projects in California.

The Tranquillity 8 project, located in Fresno County, is listed on the website of Canadian Solar subsidiary **Recurrent Energy** in four parts named for the Spanish words for blue, yellow, red and green.

The offtaker for the 20 MW Azul project is listed as **Southern California Edison**, that of the 20 MW Amarillo project is **Pacific Gas & Electric**, that of the 8 MW Rojo project is **Marin Clean Energy** and that of the 60 MW Verde project is the **Sacramento Municipality Utility District**.

SMUD has signed a 20-year PPA for its portion of the output of Tranquillity 8 and the other three offtakers are also expected to sign "long-term" PPAs, according to paperwork filed by Canadian Solar with the U.S. **Securities and Exchange Commission**.

The Gaskell West 1 project in Kern County, Calif., has a 20-year power purchase agreement with SCE.

The Tranquillity 8 and Gaskell West 1 projects are slated to be online by the end of 2018. ■

Odebrecht Nears Sale of Peru Hydro Project

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The identities of the companies bidding to acquire the project could not immediately be learned.

Itaú, **Scotiabank** and **SMBC Nikko Securities** are advising Odebrecht on the sale.

It is the company's second attempt at offloading the project. A sales process launched last

spring was ultimately unsuccessful (PFR, 4/6).

Odebrecht closed a \$774 million senior secured debt financing package for Chaglla in 2013, making it the first project to be financed by **Banco Nacional de Desenvolvimento Econômico e Social** without a completion guarantee. **BNP Paribas** advised Odebrecht on the debt raise (PFR,

7/26/13).

The project has been online since last year and sells its output to **Electroperu** under a 15-year power purchase agreement.

Representatives of Odebrecht and Itaú in São Paulo and Scotiabank in Toronto did not respond to inquiries. Officials at SMBC in New York could not immediately be reached for comment. ■

LS Power Seals TransCanada Purchase at Discount

LS Power Equity Advisors has closed its acquisition of four merchant generation assets in the northeastern U.S. from **TransCanada Corp.** for \$100 million less than initially anticipated.

Helix Generation, which is owned by LS Power Equity Partners III, acquired the assets for \$2.1 billion rather than the \$2.2 billion figure agreed to last year. The lower-than-expected purchase price is the result of an unplanned outage at one of the facilities, the 2,480 MW Ravenswood gas-fired project in Queens, N.Y.

The portfolio also includes the 778 MW gas-fired Ironwood project in Lebanon, Pa., which Trans-

Canada agreed to purchase from **Talen Energy** for \$654 million in late 2015 (PFR, 10/8/15). Rounding out the four-asset set are the 560 MW Ocean State Power gas-fired project in Burrillville, R.I., and the 132 MW Kibby wind project in Franklin County, Maine.

Credit Suisse raised acquisition financing for LS Power in the form of a \$1.675 billion seven-year senior secured term loan B and a \$175 million five-year revolving credit facility earlier this year. The LS Power fund had expected to commit approximately \$680 million in sponsor equity to finance the balance. How the amendment of the purchase price affected

these plans could not immediately be learned (PFR, 2/22, PFR, 3/8).

TransCanada expects to use the proceeds of the sale to retire the balance outstanding under acquisition bridge facilities that it used to finance its purchase of the **Columbia Pipeline Group**. The company closed its \$13 billion acquisition of a 96.1% interest in Columbia, which owns a 5,000-mile network of natural gas pipelines that stretch from New York to the Gulf of Mexico, on July 1, before announcing its acquisition of the remaining 3.9% last fall (PFR, 3/17/16).

TransCanada closed the sale of 13 hydro facilities in Vermont

and Massachusetts to **Great River Hydro**, which is owned by ArcLight Fund VI, a fund managed by **ArcLight Capital Partners**, in April. The proceeds of that sale were also put toward repaying debt associated with the Columbia purchase.

JP Morgan served as TransCanada's financial adviser on both asset sales. **Wells Fargo** advised TransCanada on the purchase of Columbia.

TransCanada is also looking for a buyer for its power marketing business in the U.S., which it has previously stated it values at approximately \$435 million.

Representatives of LS Power in New York and TransCanada in Calgary, Alberta, did not respond to inquiries by press time. ■

● PEOPLE & FIRMS

UBS Lead Power and Utilities Analyst Heads to Rival Firm

Julien Dumoulin-Smith has left UBS, where he was an executive director and lead utilities, power and renewables analyst, to take up a position at a competing firm.

Dumoulin-Smith is heading to **Bank of America Merrill Lynch**, where he will replace **Brian Chin**, who was head of utilities equity research until he left the firm a few months ago.

Chin, who had been at BAML for four years, departed to take up an investor relations role at a water utility company, a deal watcher tells *PFR*.

Dumoulin-Smith, who is well-known for the frequent and detailed reports produced by his team, had been at UBS for 10 years, having joined the Swiss investment bank straight out of college.

He resigned on June 6 and is due to start work at BAML in August, deal watchers tell *PFR*. A spokesperson for BAML in New York declined to comment.

UBS's plans to replace Dumoulin-Smith could not immediately be learned. A spokesperson for the bank in New York declined to comment. ■

● MERGERS & ACQUISITIONS

Texas PUC Buries NextEra-Oncor Deal

The **Texas Public Utilities Commission** has rejected **NextEra Energy's** request for a rehearing of its rejected bid to acquire **Oncor Electric Delivery Co.** from **Energy Future Holdings**.

The PUC indicated in March that it would block the deal, before issuing an order to that effect the following month (*PFR*, 3/31, *PFR*, 4/14). The order denying a rehearing apparently puts an end to the \$18 billion transaction, which means that EFH will have to find a new buyer for the transmission utility.

The commissioners on the PUC, **Kenneth Anderson, Jr.**, and **Brandy Marty Marquez**, were unanimous in their decision denying the rehearing. Former PUC chair **Donna Nelson**, who retired from the regulatory body in April, had also opposed the deal.

Anderson and Marquez reiterated the commission's earlier view that NextEra's insistence on removing restrictions on appointing members to Oncor's board, along with concerns over cross-ownership of transmission utility and generation assets and an expected negative effect on ratepayers, meant the acquisition was not in the public interest.

NextEra's chairman and ceo, **James Robo**, announced that the company would seek a rehearing on an April 21

earnings call, while reiterating NextEra's demand that it have the right to appoint the majority of Oncor's board and have access to the utility's dividends (*PFR*, 4/24).

NextEra formally filed a motion requesting a rehearing on May 8.

NextEra agreed to acquire **Energy Future Holdings' 80%** stake in Oncor for \$18.4 billion last year as part of EFH's Chapter 11 restructuring (*PFR*, 7/29). Later in the year, NextEra agreed to purchase the remaining 20% through a \$2.4 billion merger with **Texas Transmission Holdings Corp.**, owner of a 19.75% stake in Oncor, and a \$27 million purchase of the 0.22% shareholding held by Oncor's management team through **Oncor Management Investment** (*PFR*, 10/31).

The Texas PUC was the last hurdle to the deal, after the **U.S. Bankruptcy Court for the District of Delaware** and the **U.S. Federal Energy Regulatory Commission** both gave it the green light.

Hunt Consolidated's planned \$18 billion purchase of Oncor imploded in 2015 under similar circumstances. The Texas PUC approved that transaction, but imposed stipulations that the Hunt family found to be deal-breakers (*PFR*, 8/10/15). ■

● ALTERNATING CURRENT

The Fastest Power Bankers in New York



Of the many power sector financiers at commercial and investment banks that ran in this year's **JP Morgan Corporate Challenge** race in Central Park, who was the fleetest?

Perhaps unsurprisingly, junior bankers were among the quickest runners over the 3.7-mile course on May 31 and June 1, while their superiors either lagged behind or were too buried in work to make it to the starting line.

The fastest power banker found in a search of the results by *PFR* was a transplant from Sydney who has only been in New York since January.

Scott Easey, a senior associate in infrastructure project finance at **Commonwealth Bank of Australia**, ran the race in 19 minutes and 19 seconds.

Some way behind him was **Martin Versailles**, a Latin America commodities and energy structured finance analyst at **Natixis**, who clocked in at 22'00".

Next, if derivatives specialists are allowed, was **Mark Burnett**, v.p. in energy derivatives at **Société Générale**, who came in with a time of 22'35".

Frank Schehl, m.d. and head of asset securitization at **DZ Bank**, whose work has included a warehouse facility for residential solar finance company **Mosaic**, crossed the line after 23'01", followed by **Gregoire Moriani**, v.p. in global infrastructure and projects at Natixis, with a time of 23'19".

Patrick Finnerty, an associate in power and utilities corporate banking at **MUFG**, finished the course in 23'25", just two seconds faster than **Michael Proskin**, m.d. in power and utilities investment banking at **Credit Suisse**.

Alexander Ploch, a v.p. in Frank Schehl's securitization group at **DZ**, came in at 24'47", **Emilio Fabbrizzi**, head of Latin America project finance at **DNB**, finished in 25'26" and **Nick Pucius**, associate director in specialized finance in North America at **National Australia Bank**, got a respectable time of 25'57". ■

Easey Does It



Source: Gameface Media