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Arclight, Hess Home In On N.J. Loan

ArcLight Capital Partners and Hess are expected to bring to market shortly a loan for a gas-fired peaker in Bayonne, N.J., now that the project has a PPA.

See story, page 2

SunEdison Wraps \$80M For PV

SunEdison has closed an \$80 million financing with **NordLB** for a 20 MW first phase of solar PV projects in Canada. More is planned.

See story, page 2

In The News

Merrill Ups Stake In Plant	3
Offshore Developer Hunts \$5M	3
DTE To Ink Plant Acquisition	3
Credit Suisse Takes Wind Farm Stake	3

Corporate Strategies

Cleco Plans Notes Sale	4
ConEd Issues \$700M	4

People & Firms

Deutsche Bank Snags Mukani	4
Law Firm Bulks Up Roster	4

Departments

News In Brief	5
Project Finance Deal Chart	7

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Euro Hangover

U.S. PROJECT LOANS TIPPED FOR 50 BPS SPIKE

The European debt crisis is brewing up a direct hit for U.S. borrowers: loan costs are being tipped to rise 50 basis points because funding costs for the European banks that dominate the project finance market have spiked.

"If you're a bank in Spain or Greece or Ireland or most places in Europe, you've either been downgraded or you're on negative watch. What does that do to your cost of funds? It goes up," said a project financier at a German bank in New York. He says a price spike will feed through on the deals currently being worked on that will hit the market toward the end of the third quarter. Pricing on most wind deals has been in the 225-250 bps range while gas-fired deals have been in the 300-350 bps range.

Power project financing in the U.S., especially renewables financing, has been carried by

(continued on page 8)

LAKE ERIE PROJECT DRAWS BIDDERS

NRG Energy's Bluewater Wind, Fishermen's Energy and Apex Offshore are among the five players to respond to the **New York Power Authority's** request for proposals for up to \$2-2.5 billion of offshore wind generation on Lake Erie. A NYPA committee plans to choose winning proposals for the up to 500 MW capacity projects by year-end.



Apex, a newcomer to offshore, is a unit of **GreenLight Energy Resources'** wind developer **Apex Wind**. The infancy of the offshore market means that even developers that have bid into other calls don't necessarily have a competitive advantage, according to **Matthew Kaplan**,

(continued on page 7)

Out Of The Woods?

DEVELOPER PLOTS PAIR OF BIOMASS DEALS

Catalyst Renewables has begun talking to lenders to finance two \$100 million biomass plants in New York State. The move comes as lenders prepare to wrap a \$100 million financing of **Rollcast Energy's** 50 MW plant in Georgia—the first U.S. biomass deal this year.

"You don't see many biomass deals out there or many good biomass projects out there," says **Eric Spomer**, president of Catalyst in Dallas, who is monitoring the Rollcast deal. "It'd be good to know it's possible." Spomer declined to identify potential lenders or the amount of debt sought for each of his 37-40 MW projects. The developer is looking to secure financing later this year.

Developers and bankers attribute the paucity of debt-financed biomass projects to

(continued on page 8)

Check www.iipower.com during the week for breaking news and updates.

At Press Time

SunEdison Wraps First Phase Of PV Financing

SunEdison is closing a financing with NordLB this week for 20MW of photovoltaic projects in Canada. The roughly \$80 million financing is half of what the developer is trying to arrange for four, 10 MW projects in the region, a deal watcher says.

The total financing will be about \$160 million (at a cost of \$4 million per MW cost) and is expected to wrap early this summer. NordLB is looking to assemble a club with one or two banks on the second package, the deal watcher says. The projects are expected to go into construction this year and have PPAs with the **Ontario Power Authority**.

The exact amount, pricing or tenor of the financing could be learned. Calls to officials at SunEdison and NordLB were not returned before press time.

ArcLight, Hess Near Gas Financing

Partners **ArcLight Capital Partner** and **Hess Corp.** are moving forward with a \$300-400 million debt package backing their 512 MW gas-fired peaker in Bayonne, N.J., after Hess agreed to be the offtaker. One banker predicts the package should be on the market within two weeks. The deal had been slated to come to market two months ago.

Observers attribute the delay to little bank appetite for its initial merchant incarnation. "That is precisely the reason why we were not looking at the deal," says a financier in New York. When the companies finalized the PPA could not be learned.

Deal watchers anticipate a seven- to eight-year loan, with pricing between 300-350 basis points over LIBOR. The developers are posting 30-40% equity in the project, bankers say. Pricing and tenor could not be learned at press time.

ArcLight-backed company **Pure Energy Resources** is developing the project, in which Hess is a partner. **Dan Revers**, managing partner at ArcLight in Boston, and Pure founder **Paul Barnett** in Burlington, Mass., did not return calls seeking comment. Bank officials did not return calls at press time.

BP Ups Wind Interconnection Stake

BP Alternative Energy and partner **Diamond Generating** have increased their stakes in the interconnection line to partner **Ridgeline Energy's** 90 MW Goshen wind project. The move comes as developers in the Midwest have raised concerns about being required to foot mounting interconnection and transmission costs (PFR, 6/4).

BP and Diamond will now own roughly 46% of the 17-mile interconnection line to the Idaho Falls, Idaho-based project, according to a document filed June 7 with the U.S. **Federal Energy Regulatory Commission**. Officials and spokesmen at BP and Diamond did not return calls or respond to email. The size of BP and Diamond's original stake could not be learned, nor could the names of the other partners.

The developers are talking to **Mitsubishi UFJ Financial Group**, **Caja Madrid**, **Commerzbank**, **Helaba** and **Mizuho** about arranging \$260 million in financing (PFR, 5/14). **Robert Ellis**, general counsel for Ridgeline, did not return a call about the financing and the change in interconnection ownership. Calls to officials at the banks were not returned by press time.

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**Institutional
Investor NEWS**
INTELLIGENCE FIRST

Merrill Looks To Increase Stake In Conn. Plant

Merrill Lynch Credit Products is increasing its equity stake in the 559 MW Milford combined-cycle plant in Milford, Conn. The transaction needs approval from federal regulators by July 6, according to documents filed June 4 with the U.S. **Federal Energy Federal Regulatory Commission**.

The oil- and gas- fired plant is owned by a consortium and the transaction would make MLCP the largest stakeholder with 20% ownership and put a three-year limit on the increase, according to the filing. It currently owns just over 10%, according to a document filed May 14 with FERC.

The **Bank of America** unit anticipates increasing its equity stake again, according to the documents. Details like how much investment MLCP is making or why it is expanding its ownership could not be learned.

The consortium includes MLCP, **Stark Investments**, **Taconic Capital Advisors**, and affiliates of **Deutsche Bank**. **Competitive Power Ventures** operates the facility. Calls to officials at the firms were not returned.

Texas Co. Targets Offshore Wind Capital

Baryonyx, an offshore wind developer, is looking to raise \$5 million to fund the early stages of two projects in Texas. The company is talking to individual and angel investors in the U.S., U.K. and Canada, says **Graeme Walker**, cfo. The minimum investment ticket is \$25,000 and the second close is June 16, Walker says, noting the first close was June 4.

The company is also talking to investors in a prior venture, **Eclipse Energy**, an offshore wind and natural gas developer in the U.K. that was purchased by **Vattenfall** for about \$90 million. The upper and lower limits for the fundraising are \$3 million and \$7.5 million. The Austin, Texas-based company is not using a financial advisor.

Baryonyx is in the early stages of development of two offshore wind farms about three marine leagues, or nine nautical miles, off the Texas coast in the Gulf of Mexico. The company has the leases for both the Rio Grande and Mustang projects, each of which could be up to 1 GW, says **Peter Sills**, director of corporate communications.

Sills expects the development process will go smoother than **Cape Wind's** project in Cape Cod because the sites are in state, not federal, waters and require less permitting. The next step is to get approval from the **Army Corp.**, the agency that oversees the environmental process, to move forward with early stage work including environmental and wind data studies, he says.

Construction is tentatively scheduled to begin in 2015.

The company is also developing its 250 MW Dallam Ranch onshore project in the panhandle, which is slated for construction in late 2012 or early 2013.

PPA O.K. Paves Way For DTE Acquisition

DTE Energy Services expects to finalize its acquisition of a 44 MW coal-fired plant in Stockton, Calif., within a month after it received approval June 3 for a renegotiated offtake agreement to retrofit the plant into a biomass facility. Approval from the **California Public Utility Commission** "was the last hurdle for us to purchase the plant," says a spokesman for parent **DTE Energy** in Detroit.

The Port of Stockton District Energy Facility, or **POSDEF Power**, had a PPA with **Pacific Gas & Electric Co.** that needed renegotiation to allow for DTE's planned biomass conversion. DTE received a 25-year contract (PFR, 5/14).

The acquisition from **NextEra Energy Resources** will wrap following DTE's final payment, the spokesman says, declining to give the acquisition cost or the number of previous payments.

Construction for the retrofit will begin in early 2011 pending the receipt of an air permit from the **San Joaquin Valley Air Pollution Control District**. The plant is expected to come online as a biomass facility in 2013. The spokesman declined to comment on construction costs or how the unit would finance construction.

DTE agreed to purchase the plant in January 2009 from **NextEra** (PFR, 1/30/09). Boutique investment bank **New Harbor** is running the sale.

A call to a **NextEra** spokesman in Juno Beach, Fla., was not returned before press time.

CS Unit Wraps Mo. Wind Equity Stake

A **Credit Suisse** affiliate has taken an equity stake in **Wind Capital Group's** Lost Creek farm in Missouri. The transaction for the passive shares of the farm wrapped June 2, according to a filing with the U.S. **Federal Energy Regulatory Commission** yesterday. The size of the equity investment could not be immediately learned.

The agreement with **CS Leasing** gives **Wind Capital Group** the option to repurchase the shares of the farm when CS hits an internally set target, according to filings. CS will also have the option to sell its equity stake starting the tenth anniversary of the closing of the transaction.

The 150 MW farm in DeKalb County went online earlier this

spring and has a 20-year PPA with **Associated Electric Cooperative** (PFR, 10/26).

Calls to **Ciaran O'Brien**, cfo of Wind Capital in St. Louis, Mo., and a Credit Suisse official in New York were not returned before press time.

Corporate Strategies

Cleco Plots Bond

Cleco Power anticipates issuing about \$125 million in senior unsecured bonds in 2011 to help finance a meter project.

Chuck Mannix, treasurer and v.p. of tax in Pineville, La., says the subsidiary of **Cleco Corp.**, has yet to approach potential underwriters. Mannix anticipates choosing among Cleco's relationship firms, which include **BNY Mellon**, **JPMorgan** and **KeyBanc Capital Markets**. "If one bank's been more active in that...then we might lead toward them," he says. "It's ... the art of keeping a relationship fresh."

The \$71 million project would upgrade meters across Cleco's system. Cleco secured \$20 million in stimulus dollars toward the project, Mannix says. The rest could be financed through the 2011 issuance. Bank officials either declined to comment or did not return calls and the identity of bankers that the company has worked with could not be learned by press time.

In 2006, BNY Mellon spearheaded Cleco's \$275 million credit facility, maturing in June 2011, Mannix says. Thirteen banks contributed to that loan, which funded Cleco's \$31 million, 33 MW natural gas-fired generator at the utility's Teche plant, in Baldwin, La. The generator, called Teche 4, is under construction.

ConEd NY Upsize Notes

Consolidated Edison Company of New York has issued \$700 million in unsecured debentures in two equal tranches, upsized from a planned \$600 million, reflecting strength in the bond market. The issuance continues a trend of twice-annual issuances—and the utility anticipates issuing more notes for the same purpose of general infrastructure later this year, says **Scott Sanders**, v.p. and treasurer in New York. "It's the normal cycle of cash flow that the company needs."

Like a number of other utilities not under time pressure to issue bonds, the **Consolidated Edison** subsidiary bided its time for the lowest coupons. "The markets have been very volatile," Sanders says. "We found a day that was calmer ... [and] the rates were attractive."

One tranche of notes—Series A 2010 debentures—matures in 10 years, carrying a coupon of 4.45%. Pricing for that tranche is 115 basis points over U.S. Treasuries. The other

tranche—Series B 2010 debentures—matures in 30 years, carrying a coupon of 5.70%. Pricing for the longer-term bonds is 150 basis points over Treasury.

Bank of America, **JPMorgan**, **Morgan Stanley** and **Wells Fargo Securities** were selected as joint bookrunners as part of ConEd's regular rotation of banks. Bankers involved in the deal include **David Mikula** at BofA, **Peter Madonia** at JPMorgan, **Anthony Ianno** at Morgan Stanley and **Jake Horstman** at Wells Fargo. None of the bankers could be reached for comment. **The Williams Capital Group**, **KeyBanc Capital Markets** and **Ramirez & Co.** are co-managers.

In December, ConEd issued \$600 million in 30-year notes, with coupons of 5.5% (PFR, 12/9). **Citi**, **JPMorgan**, **Mizuho Securities** and **UBS Investment Bank** were joint bookrunners on that deal.

People & Firms

Deutsche Bank Taps Nord Financier

Vinod Mukani, director of structured finance at **NordLB**, is joining Deutsche Bank this week. He'll be in the project and capital advisory group as a senior v.p. to work on a variety of mandates, including project finance, M&A and equity raises and will report to **Bhaswar Chatterjee**, director of project and capital advisory in North America. Deutsche Bank recently re-entered the North American loan project finance market in a \$220 million mini-perm for **Kruger Energy** (PFR, 5/28).

Mukani, who has worked primarily with solar financings at NordLB, confirmed his move, declining to elaborate. A NordLB spokesman in Hanover, Germany, confirmed the departure and says that **Bulent Osma**, senior director of energy and advisory services in New York, will take over Mukani's responsibilities.

A spokesman for Deutsche Bank in New York could not comment before press time.

Law Firm Hires Partners

Foley & Lardner has hired attorneys **Robert Anderson** and **John Klusaritz** as partners, covering power finance and M&A for its energy industry group. Their hires are part of Foley's effort to expand its energy team, Anderson says. The pair joined the team, chaired by **James Tynion**, late last month. Foley employs 86 attorneys in the space, about 40 of whom are partners.

Anderson, based in San Francisco and specializing in renewables, arrives from **Nixon Peabody**, where he represented developers in solar, wind, geothermal and waste. Klusaritz, works primarily in wind, solar and transmission and represents private equity funds, development groups and financiers. He is based in Washington, D.C., and last worked at **Bingham McCutchen**.

Both partners anticipate their clients to follow them to Foley. They declined to identify the clients they represent.

Chadbourn Adds L.A. Renewable Partner

Kerin Cantwell, a former partner of **Chadbourn & Parke** in Hong Kong in the 1990s, has rejoined the firm in a similar capacity in Los Angeles. Cantwell expects to focus primarily on U.S. renewables projects in the newly created role, including the \$2 billion, 909 MW Shepherds Wind farm sponsored by **GE Energy** and **Caithness Energy**. Chadbourn is advising

Caithness and GE on that deal.

"You can't find great athletes like this very often," says partner **Adam Umanoff** in Los Angeles. The firm is bullish on renewables, particularly wind. Cantwell will join about 80 attorneys across Chadbourn's project finance operation, a quarter of whom are based in Los Angeles, Umanoff says.

Cantwell joined Chadbourn as an associate in 1994, specializing in joint ventures with American investors in Asia. She became a partner in 1997, before departing in 1999 to raise her children. She spent the past five-plus years as a real estate banker in Los Angeles.

News In Brief

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

Americas

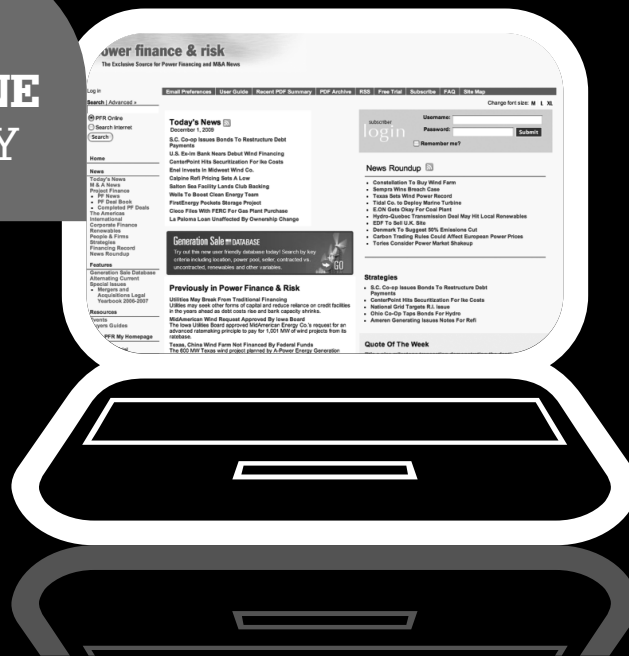
- Private equity firms are planning more investments in renewables within the next year, particularly in on-shore wind (*The Wall Street Journal*).
- The governors of 10 eastern states have formed a consortium to promote the development of offshore wind power (*Bloomberg*).
- A bill is before the New York State legislature requiring the **New York Power Authority**, the **Long Island Power Authority** and other state retail power suppliers to obtain solar power each year through 2025. It will create thousands of jobs and billions of dollars in economic activity, advocates argue (*Reuters*).
- **Iberdrola Ingenieria** has been awarded a contract to build a \$99 million, 228 MW wind farm at Piedra Larga in Oaxaca, Mexico (*North American Windpower*).
- U.K. utility **Centrica** is acquiring Florida-based home services provider **Clockwork Home Services** through its subsidiary **Direct Energy** for \$183 million in cash. Clockwork provides heating, cooling, plumbing and electric services to customers throughout Canada and the U.S.
- Utah Gov. **Gary Herbert** is forming a task force to investigate a 10-year blueprint for energy, including the possibility of nuclear power (*Salt Lake Tribune*).
- **Duke Energy Generation Services** has secured a 25-year loan from **Prudential Capital Group** for its 14 MW Blue Solar Wing solar project in development in San Antonio, Texas. The company raised about \$45 million by leveraging its interest in the project (*Reuters Africa*).
- Idaho-based renewables company **Sunergy World** and the city

of Boise have agreed to build a \$45 million, 10 MW solar plant at a brownfield site near the Boise Airport (*Associated Press*).

Europe

- **DONG Energy** has secured a GBP250 million (\$386.7 million) loan facility with the **European Investment Bank** to help finance the 630 MW London Array offshore wind project in the Thames Estuary.
- **RWE Innogy**, utility **Stadtwerke München** and **Siemens** have formed a joint venture to finance the 576 MW Gwynt y Môr offshore wind farm off the coast of Wales in Liverpool Bay (*The Financial Times*).
- The U.K. government will likely miss its goal of producing more renewable power, even after spending GBP265 million (\$386 million) between 2000 and 2009 and GBP1 billion in regulatory action last year, according to the National Audit Office (*Bloomberg*).
- In an effort to plug a growing budget deficit, the Polish government is moving ahead with an initial public offering from **Tauron Polska Energia**. The government hopes to raise at least \$1.2 billion (*Bloomberg*).
- The costs for Italy's overall energy imports this year are expected to increase EUR7-9 billion (\$8.47-10.89 billion). Italy sources only 6.2% of its energy domestically (*Reuters*).
- **Sanyo Electric Co.** is planning to scale up its solar energy business in Europe to EUR800 million (\$966.2 million) by March 2016 (*Bloomberg*).
- Poland's largest gas and oil company **Polskie Górnictwo Naftowe i Gazownictwo** is planning to sell up to PLN3 billion (\$879 million) in domestic bonds through July 2013 to fund exploration and production and its expansion into power (*Bloomberg*).

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Project Finance Deal Book

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

Live Deals: North America

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
AES	Mong Duong II (1,200 MW coal)	Vietnam	TBA	TBA	TBA	TBA	Bankers anticipate project cost of at least \$2.4B (PFR, 5/24).
Brookfield Asset Management, Isolux Corsan	CREZ Transmission	Texas	TBA	TBA	TBA	TBA	Contacting European banks for financing (PFR, 6/7).
Catalyst Renewables, Hannon Armstrong	50 MW Hudson Ranch I (geo)	Salton Sea, Calif.	WestLB, ING, SocGen	Mini-Perm	\$297M	7-yr	Financial close reached on \$401 million deal (PFR, 5/24).
Cavallo Energy	Cross Hudson Transmission	Ridgefield, N.J.-to-New York	TBA	TBA	\$400-\$450M	TBA	Bidding process to secure shippers started May 17 (PFR, 5/17).
Edison Mission Group	Laredo Ridge Wind Energy Project	Petersburg, Neb.	TBA	TBA	TBA	TBA	Club deal with pricing at 250 bps over LIBOR (PFR, 5/17).
El Paso	Ruby Pipeline (675-mile Natural Gas Pipeline)	Wyoming to Oregon	Credit Suisse, Calyon, BMO, Scotia, SocGen, Banco Santander, RBS	TBA	\$1.5B	7-yr	Deal wrapped (PFR, 5/17).
enXco	Lakefield (201 MW Wind)	Minnesota	Dexia, SocGen, Banco Santander, CoBank	TBA	TBA	TBA	Financing restarts after PPA overhauled (PFR, 5/31).
Fishermen's Energy	Various (20 MW Offshore Wind)	Atlantic City, N.J.	Fieldstone Capital	TBA	TBA	TBA	Financing hinges on renewables credits (PFR, 6/7).
Horizon Wind Energy	Meadow Lake II	White County, Ind.	TBA	TBA	TBA	TBA	JPMorgan Capital selling tax equity stake (PFR, 5/4).
Hudson Transmission Partners	Hudson Transmission	Ridgefield, N.J.-New York	RBS, SocGen	TBA	TBA	TBA	A \$300-800 million loan depending on whether NYPA buys project (PFR, 5/17).
Invenery	Beech Ridge (100.5 MW Wind)	Greenbrier County, W. Va.	TBA	TBA	TBA	TBA	PPA rejected by Virginia over cost to ratepayers (PFR, 6/7).
Kruger Energy	Chatham (100 MW Wind)	Ontario	Deutsche Bank	Mini-Perm	\$220M	3-yr	Deal wrapped; Deutsche Bank reenters power market (PFR, 5/31).
Northland Power	Saskatchewan (265 MW Combined Cycle)	North Battleford, Saskatchewan	CIBC, BMO, Union Bank	Mini-Perm	\$500-600M	TBA	Selected co-leading banks (PFR, 6/7).
Pure Energy	Bayonne Energy Center (512 MW gas)	Bayonne, N.J.	Calyon, WestLB	Mini-Perm	\$300-400M	TBA	Bankers wary of merchant generation (see story, page 2).
Rollcast Energy	Piedmont Green Power (50MW biomass)	Barnesville, Ga.	Natixis, Union Bank	\$100M	TBA	TBA	Financial close by month-end (see story, page 1).

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

LAKE ERIE

(continued from page 1)

analyst at IHS Emerging Energy Research in Cambridge, Mass. "It's a pretty level playing field," he says.

Power purchase agreements will be negotiated and signed once the projects undergo environmental studies, permitting and community forms—in about two years, a NYPA spokeswoman says. Construction on potential projects could start around 2015. NYPA estimates that 500 MW of wind will cost between \$2-2.5 billion, at a price per MW of \$4-5 million.

Lenders will want to see plans for constructing the project, as well as how repairs will be made, the operating record of the turbine technology and a long-term power purchase agreement,

bankers in New York and Canada say. It's not clear whether developers are already scouting financing for the Great Lakes projects although bankers will likely see proposals once NYPA makes its selection.

Developing wind projects in the Great Lakes pose a different set of logistical challenges than building in the Atlantic, bankers and analysts note. Turbines will need to be installed to withstand the moving ice sheets in the spring because freshwater ice is denser than salt water ice, a project developer says. Vessels large enough to support the turbine components would either have to fit through the relatively narrow St. Lawrence Seaway or be assembled for use in the Lakes, says the developer.

Calls to **Rhonda Jackson**, spokeswoman for Fishermen's in

Cape May, N.J., and **K.C. Sahl**, New York and New England project director for Bluewater in Hoboken, N.J., were not returned. **Jim Trousdale**, cfo of Apex, did not return a call. The NYPA spokeswoman declined to confirm or give names of bidders. Bids were due June 4.

The identity of the two remaining bidders participating in the RFP could not be learned. **Deepwater Wind**, is sticking to plans to develop projects in the Atlantic Ocean and did not submit a proposal, market watchers say.

—**Holly Fletcher**

U.S. PROJECT

(continued from page 1)

European banks that are most susceptible to the credit crisis overseas. Spanish bank **BBVA** was unable to renew \$1 billion in commercial paper at the end of last month, and banks that are able to renew their CP are looking at rates of 0.6-0.7%, three to four times higher than rates of 0.15-0.2% paid earlier this quarter. LIBOR, the rate at which banks fund themselves and a general indicator of perceived risk, has shot up to a 10-month high of roughly 53 bps for the three-month rate. The widening spreads indicate that lenders that have been the most bullish on project financing are beginning to see a squeeze in self-funding. A BBVA official did not return a call.

Compounding lenders wariness is the move by many European countries to lower feed-in tariff rates for renewables projects after a scandal in Spain where sponsors falsely increased the reported amount of solar production to get a higher tariff. "Some of these guys were reporting solar production at night, it was just ridiculous," a banker says, adding that if the tariffs were lowered retroactively, many of the debt-financed projects would go into default. An audit performed by the Secretary of State for Energy **Pedro Marin** found that the Spanish grid received 4.5 GWh of power from midnight to 7 a.m. from November 2009 to January of this year.

Calpine's \$1.4 billion B loan financing backing its purchase of several generation assets from a **Pepco Holdings** subsidiary saw a price jump of 200 basis points over LIBOR to 550 bps before it wrapped on Monday. The increase, though typical of a corporate deal, partially reflects a perceived increase in risk in the marketplace, the banker explains. Calpine's debt has also been yielding roughly 4.5% on the secondary market, a portfolio manager at a trust company says, noting that the original price of 350 bps on the deal did not provide enough incentive for investors to take a stake in the primary market.

Credit Suisse, **Citigroup** and **Deutsche Bank** led the deal, which includes a \$1.3 billion, seven-year term B loan and a \$100 million revolver. Pricing includes 1.5% LIBOR floor and an original issue discount of 98. The purchase from the Pepco

subsidiary **Conectiv Energy** is slated to close next quarter. An official at Credit Suisse directed calls to a spokesman, who did not return calls and Citi and Deutsche Bank officials did not return calls. **Zamir Rauf**, cfo of Calpine in Houston, did not return a call.

—**Sara Rosner**

DEVELOPER PLOTS

(continued from page 1)

uncertain power markets and the risk of biomass fuel supply. "Not only is it expensive to build biomass greenfield, but where the wood is, there's generally no power market... like in New York, which is deregulated," Spomer said.

"Getting a PPA isn't too challenging, but it's difficult to hedge risk of the supply of fuel," explains a syndicator in New York. "There is [a limited] supply of, say, wood waste, so it's difficult to gauge costs more than two years out."

Lead banks **Natixis** and **Union Bank** have tinkered with the size of the loan for the Rollcast plant in Barnesville, Ga., and negotiated with fuel suppliers—a critical step before construction can commence (PFR, 4/8). The financing is set to wrap in the next several weeks, deal watchers say. Tenor and pricing could not be learned. Bankers at Natixis and Union Bank declined comment. **Penn Cox**, ceo of Rollcast in Charlotte, N.C., did not return a call.

The last biomass plant to be financed in the U.S. was the \$400 million, 100 MW Nacogdoches biomass project in Sacul, Texas (PFR, 7/31). **Bank of Tokyo Mitsubishi-UFJ** and **WestLB** led the loan for the project, which was later bought by **Southern Co.**

—**Brian Eckhouse**

Quote Of The Week

"If one bank's more active in that... then we might lean toward them. It's... the art of keeping a relationship fresh."—**Chuck Mannix**, treasurer and v.p. of **Cleco Power** in Pineville, La., on how the company will choose lead underwriters for a \$125 million bond issue next year (see story, page 4).

One Year Ago In Power Finance & Risk

GE Energy Financial Services and **Plutonic Power** were talking with **Manulife Financial** about lining up C\$200 million (\$181.28 million) to fund construction of the 300 MW Dokie Ridge wind project near Chetwynd, B.C., which the duo was acquiring from **EarthFirst Canada**. [Manulife led a C\$175 million (\$166.6 million) syndicate that underwrote 25-year fixed-rate non-recourse project debt when the purchase was finalized in December (PFR, 12/11).]