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The exclusive source for power financing and trading news

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## Mexican IPP Nears Financial Close

A Mexican independent power project is set to close on project financing and third-party equity, with a view to starting construction in a few weeks.

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## ARCLIGHT LOOKS TO SELL FLA. PLANT

ArcLight Capital Partners is marketing its interests in the 153 MW Auburndale gas- and oil-fired, combined-cycle cogenerating facility in Polk County, Fla. As first reported on PFR's Web site last Wednesday, the Boston private equity shop mandated New York boutique McManus & Miles to run the auction. Teasers were dispatched late last month.

Calpine is a co-owner in the qualifying facility, located 50 miles east of Tampa, after acquiring 50% from Edison Mission Energy in Oct. 1997 and the remainder in 2000. ArcLight Energy Partners Fund I subsidiary Pomifer Power Funding acquired a 70% stake from Calpine for \$86 million along with 12 other plants from Aquila in August 2003 (PFR, 9/8/03). The IPP kept the remaining 30% and has not yet determined if it will sell, according to one deal watcher. A Calpine spokesman declined to comment. Calls to Geoff Wilson, executive director at McManus & Miles, and Dan Revers, managing partner at

*(continued on page 12)*

## DEVELOPER PLOTS FUNDING FOR TEXAS WIND

Spinnaker Energy, a San Diego-based development partner of Portugal's Martifer Renewables Electricity, is in talks with banks to finance 800-1,000 MW of wind projects in southern Texas. "We've not mandated anyone but we've had preliminary discussions and have some major players who have provided unsolicited proposals," says Doug Wert, ceo of Spinnaker, noting only certain institutions will be able to cater to their needs. "We'll probably end up going through a merchant structure, incorporating hedging, construction, bridge loans and term debt," he adds.

Wert declined to identify the commercial institutions involved, but Déxia Credit Local and BBVA are reportedly among them. Also on the short list are some names not typically associated with project financing, such as the North American

*(continued on page 12)*



Doug Wert

## CANADIAN IPP TARGETS NON-RECOURSE FUNDING

Calgary-based IPP Pristine Power is looking to project finance up to 70% of its 1.8 GW pipeline of gas-fired, energy recovery, biomass and hydro projects within the next year and a half. Geoff Krause, cfo, says, "As the company matures and [it] generates more capital, more financing will be done at the corporate level," but the amount to be sought has not yet been determined.

The IPP, which went public in March, is already in the market for loans supporting a pair of 5 MW waste heat recovery projects in 150 Mile House and Savona, B.C., via project financier Corpfinance International's CFI Infrastructure Opportunities Fund. Those are being developed with fellow Canadian IPP Enmax through joint venture EnPower Green Energy Generation and are expected to cost a combined C\$39.5 million (\$38.9 million). Bank of America and National Bank of Canada, among others, have been solicited to participate in

*(continued on page 12)*

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## At Press Time

### Ex-Navigant Trio Plot Expansion At New Consultancy

**Thorndike Landing**, an energy M&A and finance advisory boutique formed this time last year by three former **Navigant Consulting** executives, is on the hunt for advisors and other senior professionals with power, natural gas and oil expertise as it looks to expand. The firm predominantly advises on clients entering new markets, due diligence for acquisitions and divestitures and on business strategy.

Officials at the firm in Boston declined to comment, but a market player that had spoken with its partners says they have been aggressively hiring. The partners are: **Duane Clark**, who was at professional services companies **Deloitte** and **Barrington Energy Partners** before he joined Navigant; **John Dingle**, who was at **Reed Consulting Group** and then Barrington, before he sold the firm to Navigant in July 2002; and **Olaf Karstens**, who also served at Barrington and before that was at **Boston Consulting Group**. Dingle ran Navigant's financial advisory practice with **Mark Kubow**, who is yet to land after leaving **EnergyCo**. as president of generation and development (PFR, 2/15).

Since Thorndike's formation, the firm has advised clients on more than \$6.6 billion in M&A activity, according to a recent anniversary mailing sent by the company. Among the deals were **AIG Financial Products'** acquisition of interests in the Bruce Mansfield plant in Shippingport, Pa., from **FirstEnergy**, which is leasing the plant back (PFR, 6/807) and **SUEZ's** acquisition of **Ventus Energy**.

## Funding Teed Up For Mexican IPP

Sponsors of an independent, 142 MW project near Monterrey in Nuevo León, Mexico, expect to close on debt and equity from a variety of institutional investors within weeks. "The project is in the process of being capitalized and should be done in about a month," says **Gerry Tanner**, an official at project entity **Genermex**, which is majority owned by San Mateo, Calif., developer **Baja Power** and minority owned by construction company **Grupo Garza Ponce**. "It's a traditional project financing," Tanner adds, declining to disclose the banks or specifics of the deal.

Power from the gas-fired facility will supply a consortium of local factories, known as maquiladora, which are engaged in the import and export trade. The tenor on that contract is 10 years. The plant has all its permits and groundbreaking is set to begin in about six weeks. **Skoda Praha** was originally appointed the EPC contractor, but was replaced about six months ago, says Tanner, declining to elaborate. "This was not easy to do for a lot of reasons," he says. "We've worked on it a long time and the bulldozer should be showing up pretty soon."



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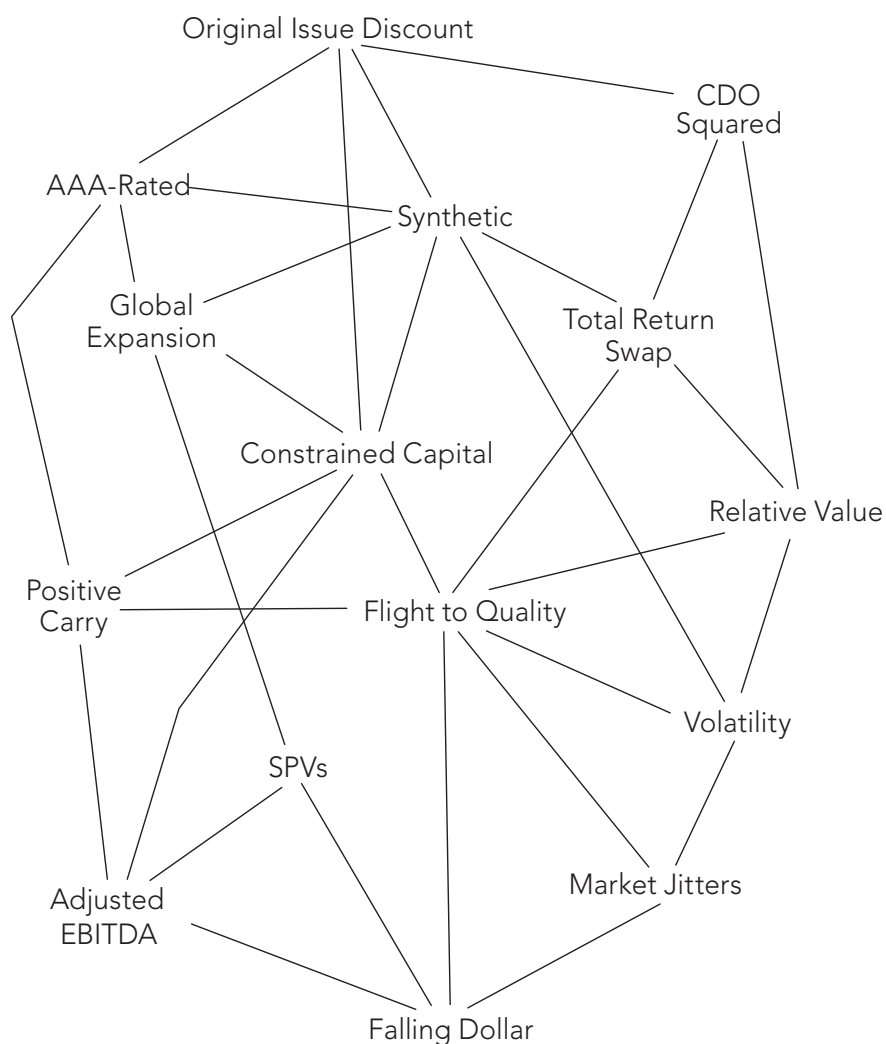
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Capital Markets



## Iberdrola Awards Tax Equity Slots

GE Energy Financial Services and Wachovia Investment Holdings are set to provide a \$125-130 million slug of tax equity to three projects owned by Iberdrola Renewables, formerly PPM Energy.

As first reported in *PFR Daily* last Tuesday, the roughly \$250 million portfolio, known as Aeolus V, mirrors four previous all-equity financings completed by PPM and comprises:

- 45 MW Dillon in the Coachella Valley, Calif.
- 72 MW Providence Heights in Bureau County, Ill., and
- 20 MW Winnebago Windpower in Iowa.

The first tranche of equity for Dillon is set to fund this month, followed by equity for Providence and Winnebago next month and in September, respectively. Calls to PPM, and Wachovia were not returned and a GE spokesman declined to comment.

## Dominion Takes Final Bids On Subs

Dominion took final bids on its Dominion Peoples and Dominion Hope natural gas distribution businesses May 30 and the units are reportedly expected to fetch around \$800 million. The utility's financial advisor, Goldman Sachs, bought the companies back to market after a \$970 million sale agreement inked in 2006 with Equitable Resources fell through Jan. 15 due to regulatory roadblocks (PFR, 1/25). A pair of buyers are thought to be in final negotiations.

Chet Wade, a spokesman for Dominion in Richmond, Va., says the company is "doing whatever produces the best value" and expects to make an announcement later this month. He declined to comment further about the sale. Proceeds will help pay down debt.

## Wind Developer Loses CEO



Jack Gelman

Jack Gelman, ceo of Alternity Wind Power, recently stood down from the company for unknown reasons amid a reorganization and refocused strategy at the South Plainfield, N.J., developer. Todd Martin, v.p. of business development, declined to provide details of the departure late last month. "We're going to have some announcements in July about

what our strategy is going forward," he said, noting the goal is to have 2.1 GW by 2013. A call to Gelman was not returned.

Alternity, which is majority owned by construction and engineering specialist Conti Group (PFR, 9/21), acquired the development rights to an 80 MW project known as Wild Madrone in Montana in February and intends to bring it online in late 2009 after it signs a PPA. "Project financing will be involved," says Martin, noting Conti will provide the equity. For

the time being, Kurt Conti is serving as ceo and Jyothish Daniel is coo. Jim Ansell is v.p. and chief development officer, based in Tucson, Ariz.

Due diligence is also being conducted on five or six smaller projects, all west of Mississippi, as well as one in west Texas. "We're hoping in the next 90 days we should be able to close on project number two. Our strategy from the beginning was to be a late developer rather than starting from scratch and doing greenfield." Farms being targeted are 100-200 MW.

## UBoC Lassos Nine To Close Vernon Deal

Union Bank of California has closed syndication of \$212 million in debt supporting Bicent California's acquisition of generating assets from the City of Vernon, Calif., via nine banks.

DZ Bank and LBBW were each allocated \$21.5 million; CoBank, HSH Nordbank, SMBC, TD Banknorth and Siemens Financial Services each have \$20 million; AIB Debt Management has \$15 million; and Crédit Industriel et Commercial has \$10 million. The lead's final allocation was \$22 million and Bank of Nova Scotia has \$22 million for an agent title (PFR, 4/25).

The financing for the \$342 million purchase consists of a \$207 million term loan and \$5 million revolver, priced at 200 basis points over LIBOR. Calls to Bicent and the lead were not returned.

Separately, UBoC is preparing to start syndicating debt tied to Bicent's \$404 million purchase of a 30% interest in NorthWestern Energy's 740 MW Colstrip Unit 4 in Colstrip, Mont.

## Four Sign Up To ConEd Financing

Four senior managing agents—Commonwealth Bank of Australia, Dexia Crédit Local, GE Energy Financial Services and ING—have signed up to the Consolidated Edison Development acquisition financing with commitments of \$60 million apiece. Further commitments were due by Wednesday, with some expected to trickle in towards the end of last week.

Barclays Capital is sole lead arranger, after underwriting Infrastructure Funds Management's \$1.477 billion purchase of the 1.7 GW generating portfolio. HSH Nordbank and Union Bank of California are joint book runners (PFR 5/14) and each committed roughly \$136 million to the \$545 million loan package. Officials at IFM, Barclays, CBA, Dexia, GE and ING and either declined to comment or did not return calls.

More SMAs are expected to sign up to the deal before retail syndication launches the week of June 16. Among those thought to still be reviewing the deal are Scotia Capital, BayernLB and CoBank. Barclays pushed back its original target date for



commitments to give banks more time for due diligence after the PJM Interconnection announced lower capacity payments beginning in 2011. But the lower rates are not expected to deter lenders since the debt fully amortizes within the original maturity schedule and there is only 30% leverage on the senior debt (PFR, 4/25), rated BB+ by **Standard & Poor's** and Ba1 by **Moody's Investors Service**. A \$325 million, eight-year high-yield bond tranche is set to come to market in about two weeks, rated BB-/Ba3.

## Channelview Buyers Prep Credit

**FORTISTAR** and **Global Infrastructure Partners** are arranging a working capital line to support gas purchases and letters of credit for project counterparties to the 830 MW Channelview facility in Lyondell, Texas. The pair, who will shortly go out for permanent financing, today got bankruptcy court approval to acquire the plant.

On an interim basis, GIP is funding the bulk of the \$500 million deal with equity, says **Salim Samaha**, principal in New York, adding, "Sometime after closing we will have a more permanent facility, involving a term loan A and working capital." **Mark Comora**, president of FORTISTAR, said the IPP will be funding a minority portion of equity but declined to comment on the financing.

The acquisition is expected to close within 30 days, likely via a single lender that is yet to be mandated, Samaha adds. Banks should be attracted to Channelview, he notes, because it has long-term contracts for its steam and power capacity with host **Equistar Chemicals** (PFR, 5/23) and is located in the Houston zone, where power supply is constrained. "One of the benefits of buying an asset out of bankruptcy is that you get the asset free and clear of all liens and encumbrances."

## Leads Wind Up Puget Syndication

Retail syndication is expected to close mid-month for the \$3.575 billion buyout financing for **Puget Energy**. Leads **Barclays Capital** and **Dresdner Kleinwort** have pulled in some 25 lenders, several of them relationship lenders to Puget and others international lenders that play less frequently in such transactions, according to an official at one of the leads. Allocations could not be learned.

Barclays and Dresdner sought to sell down roughly \$1 billion during the retail syndication and offered tickets of \$100 million, \$75 million, \$50 million and \$25 million with fees of 80, 70, 55 and 40 basis points, respectively (PFR, 5/16). Wholesale syndication saw the selling down of roughly \$2 billion, with **Export Development Bank of Canada**, **CoBank**, **Royal Bank of Scotland**, **Bank of Nova Scotia** and **La Caixa** each committing at

the \$300 million agent level and **BayernLB** and **Wells Fargo** each committing \$200 million for a senior managing agent title. **Westpac** provided \$50 million for a co-agent title.

## Fortis Taps UBS For Power, Gas Trading Chief

**Fortis Energy Marketing and Trading** has hired **Don Black**, managing director and head of natural gas trading at UBS, as head of power and gas trading. The new position reports into **Luc Machiels**, president of FEMT and deputy head of global energy and commodities, who says it has been in the firm's plan to continue to build the division since his own promotion (PFR, 2/8).

"We already cover all the major North American power and gas markets," says Machiels, adding, "We look to expand our client flow, structured origination and contractual asset activity in each of the markets we are currently active."

Black will continue at UBS in Stamford, Conn., until July 25 and joins FEMT Aug. 1 in Houston. "He's very familiar with how banks work, including pricing and origination for our clients," says **Adrian Reed**, director of strategic planning at FEMT. Black joined UBS in 2002, where he started the origination desk and managed the natural gas options book. From 1993 to 2001 he was a v.p. at **Enron**, where he launched the company's power and gas trading and risk management teams in Argentina and Brazil and managed the Texas desk.

**David Green**, head of gas trading and FEMT, and **Lloyd Jackson**, head of power trading, who joined in February, will report to Black. Separately, **James O'Brien** has been named global head of oil trading and has relocated to Houston from Singapore as Fortis has consolidated its oil trading activities into Houston and London.

## Starwood Thermo Financing To Wrap

**WestLB** and **Sumitomo Mitsui Banking Corp.** were expected to close \$215 million in financing for **Starwood Energy Group Global's** pending acquisition of 272 MW Thermo Ft. Lupton near Denver as PFR went to press Friday.

The deal was roughly two times oversubscribed and pulled in nine additional banks. **Natixis** and **Mizuho Corporate Bank** are documentation agents, joined by seven others: **MetLife**, **Helaba**, **LBBW**, **Natixis**, **United Overseas Bank**, **Prudential**, **DekaBank** and **Bank of Tokyo Mitsubishi**. All were allocated final holds of roughly \$20 million, after commitments came in between \$20 million and \$100 million.

The debt matures in 2019 in tandem with the expiration of the plant's tolling contracts and comprises a \$141.2 million senior term loan, priced at LIBOR plus 150 basis points, that

steps up 12.5 bps every four years and a \$21.8 million junior term loan priced at 325 (PFR, 5/23). Rounding out the debt are a \$6 million working capital facility, a \$33.8 million performance-based letter of credit and a separate \$12.2 million LC. Officials at the leads and the sponsor either declined to comment or did not return calls.

## Logistics Developer Eyes Rooftop Solar Foray

**Coperfil Real Estate Group**, a Spanish logistics, retail and business park developer, is eyeing green energy as a way to increase the value of its portfolio. The firm, which recently sold two green-friendly logistics properties in Madrid to Swedish bank **SEB**, uses solar panels to generate electricity at its business parks. By 2011, the firm hopes to install 40 MW of solar panels across its units, which total two million square metres, at a cost of EUR160 million (\$249 million), says **Oriol Gual**, director of property.

Coperfil will also install solar panels on properties that it develops for other firms. It is working on a six-building, 111,000-square-metre logistics centre in Catalonia, Spain, for **GE Capital** that will generate 3 MW.

Elsewhere, the company will rent buildings from others for the use of their rooftops for solar panelling. As part of the SEB deal, Coperfil will pay EUR600,000 over 25 years for use of the Madrid properties and sell excess output to Spanish power companies, Gual says.

## Renewable Outfit Closes First Solar Deal

**Energy Capital Investments**, an affiliate of Phoenix, Ariz., investment firm **Najafi Companies**, has closed its first solar deal, sponsoring a \$1 million unidentified project on the West coast. The portfolio company, which Najafi founded in December, is developing the project with the offtaker, a California-based hospital district.

**Cliff Svoboda**, ceo of ECI in Scottsdale, says after reviewing roughly 100 investments in the space, the company drew up a short list of 10 deals in geothermal, biomass, solar and landfill gas to energy. Also being considered is a majority stake in a biodiesel company, which would be ECI's first ever acquisition. Further details could not be learned. "We're very particular of where we're making investments," says Svoboda, who was formerly a v.p. running the energy group at Cincinnati, Ohio-based **National City Commercial Capital**.

ECI is fully funded with \$100 million from Najafi but expects additional equity infusions as it expands its portfolio. Debt also

will be sought for projects and acquisitions, but Svoboda says the amount will vary with each transaction. "It's very much project-oriented. The tax benefits play a role."

## Developer Scopes Chinese Solar

**Solar Millennium** is looking to develop what it claims will be the first solar thermal project in China. The German company is finalizing a feasibility study on a 50 MW project in the Inner Mongolia region, says **Henner Gladden**, chief technical officer in Erlangen. It has also signed a contract with construction specialist and plant operator **Inner Mongolia Lvneng New Energy Co.** for 1 GW of developments in China.

Gladden declined to disclose the expected cost, but said similar projects in Spain work out to around \$300 million. Solar Millennium is developing three 50 MW projects in Spain—**AndaSol I, II and III** in Andalucía—along with **ACS/Cobra** (PFR, 12/08/06). Those were funded with 20% equity and 80% debt, he notes, with the equity coming from pension and infrastructure funds. Solar Millennium will be looking for a similar financing structure for the Chinese projects. "A majority [of financing] will be conventional project financing. It's really competitive between banks," he says, noting the developer typically approaches a number of European commercial banks.

Solar Millennium primarily invests in Spain because of the attractive feed-in tariffs, as well as the southwestern U.S. because of federal production tax credits. It is also developing a 150 MW solar thermal project in Kuraymat, Egypt, with Cairo-based contractor **Orascom Construction Industries**, backed by a \$50 million grant from the **World Bank**. And it has pre-qualified for a 100 MW solar tender in Abu Dhabi, offered by state-owned alternative energy player **MASDAR**.

## EBRD Seeks Banks For Romanian Plant Loan

The **European Bank for Reconstruction and Development** will be seeking solicitations shortly for underwriters on part of a EUR350 million (\$539.6 million) financing supporting upgrades to units three and six at the 2.3 GW Turceni coal plant between Craiova and Targu Jiu in southwest Romania.

The structure is expected to include EUR350 in debt, breaking down into a roughly EUR100 million A loan, which the EBRD will likely not syndicate, and a circa EUR250 million B loan, which will be sold down. The tenor on both tranches is expected to be 12-15 years. Rounding out the EUR570 million cost of the modernizations will be equity from the Romanian government. An official at the bank declined to comment and an official at the Turceni could not be reached.

## Bids Taken For Bahrain IWPP

Final bids were received last week from two parties proposing to build, own and operate a 1-1.5 GW/30 million gallons of water per day greenfield independent water and power project near Ad Dur in Bahrain.

Submissions came from the following pair of consortia:

- **SUEZ Energy International and Gulf Investment Corp.**, with financing fully underwritten by **Calyon**, **Mashreqbank** and **Standard Chartered**, as well as from
- **ACWA Power and Korea Electric Power Corp.**, with financing only partially underwritten by **BayernLB** and **Gulf International Bank**.

Officials at the sponsors and banks did not return calls or were not available.

The final bid deadline was pushed back from the first week of May because of issues with securing EPC contracts. Nine pre-qualifying bids were submitted in December and January. A preferred bidder is expected to be announced in August and the project to come online by year-end. **BNP Paribas** is advising Bahrain's Ministry of Finance and Ministry of Electricity and Water on the tender (PFR, 10/12).

## Corporate Strategies

### Int'l Power Replenishes Coffers Post Acquisitions



*Peter Barlow*

**International Power** plans to use proceeds from the sale of EUR700 million (\$1.088 billion) in 4.75%, seven-year guaranteed convertible bonds to finance recent acquisitions. "We got quite a lot of demand," says **Peter Barlow**, director of finance in London, referring to investor interest and the upsizing from a planned EUR500 million

deal. "People liked the equity option. There were not many convertibles in the market."

The issue, which closed June 5, was led by **Deutsche Bank** and **Morgan Stanley**. "They're top five banks in Europe...Both have a good presence in the market," says Barlow. **ABN Amro**, **Barclays Capital**, **BNP Paribas**, **Calyon Crédit Agricole**, **Citigroup**, **Credit Suisse**, **ING Wholesale Banking** and **JPMorgan Cazenove** were co-managers.

Proceeds will replace funds used to close its EUR140 million purchase of a 40% stake in 990 MW **TurboGás** in Portugal earlier this month; the yet-to-close acquisition of 1.8 GW from **Tenaska Power Fund** and **Warbug Pincus** for \$856.4 million (PFR, 5/12), being financed via **Royal Bank of Scotland**; its acquisition of the 495 MW **Maestrals** wind portfolio for

EUR868 million last August and a EUR500 million investment in 830 MW **Elecgas** in Portugal in March. "We're constantly growing and doing a number of acquisitions," says Barlow. "Essentially this is replenishing the coffers."

**Fitch Ratings** assigned a BB to the issue, citing management's prudent approach to acquisition financing of new generation as a contributing factor. **International Power's** debt-to-capitalization ratio is 60:40. The company has an \$850 million revolver via 21 undisclosed banks, which is set to expire in three years. Barlow says it will refinance before that time. He declined to elaborate and says the company doesn't plan to come to market anytime soon with another issue, but acquisitions are always of interest.

## AMP-Ohio Preps First Of Four Issues For Ill. Plant

**American Municipal Power-Ohio** will issue \$300 million in so-called **Prairie State Energy Campus** project revenue bonds later this month. It is the first of four offerings to fund construction of its 368 MW interest in a 1.6 GW coal plant in **Lively Grove, Ill.**

"They are issuing this debt to participate in their share of the project on behalf of their members," says **Jeff Panger**, director at **Standard & Poor's** in New York, which gave the 35-year bonds an A rating. "It's partially a matter of the useful life of the project and partially driven by the coal reserve they have on hand," he adds of the tenor. The notes are expected to price around June 17, with **JPMorgan** underwriting the sale.

"For **Prairie State**, what we're expecting is in addition to this current bond issue, **AMP-Ohio** is expected to issue three more bond series [by 2011]," adds **Yvette Dennis**, director at **Fitch Ratings** in New York, which also rated the bonds A. In March, it issued \$450 million of bond anticipation notes for **Prairie State**, which are expected to be taken out by a fresh bond offering in January.

**AMP-Ohio** has the largest share of the \$4 billion project with a 23% stake worth \$1.2 billion. The other owners comprise the **Illinois Municipal Electric Agency** (15.2%), **Indiana Municipal Power Agency** (12.6%), **Missouri Joint Municipal Power Commission** (12.3%) and five others with less than 9% each.

In addition to **Prairie State**, **AMP-Ohio** is also developing the 1 GW **American Municipal Power Generation Station** in **Meigs County, Ohio**, set to come online by 2012 and 560 MW of hydro on the **Ohio River**, 191 MW of which are to be complete by 2012. **Robert Trippe**, cfo of **AMP-Ohio**, declined to comment via a spokesman.



## Generation Auction & Sale Calendar

Following is a directory of ongoing generation asset sales. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report new auctions or changes in the status of a sale, please call Katy Burne, Managing Editor, at (212) 224-3165 or e-mail [kburne@iinews.com](mailto:kburne@iinews.com).

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
AES	Warrior Run	Cumberland, Md.	205	Coal	Goldman Sachs	Shopping PJM assets (PFR, 5/21).
	Red Oak	Sayreville, N.J.	832	Gas		
	Ironwood	South Lebanon Township, Pa.	720	Gas		
Allco Finance Group	Various	Kern County, Calif.	3,100	Wind	Marathon Capital	Company plans to sell either as global portfolio or in regional chunks (PFR, 3/11). DIF Renewable Energy Fund purchased 27.7 MW of French and German assets (PFR, 5/16).
		Germany, France	97		N/A	
		Australia, New Zealand	1,600		N/A	
ArcLight Capital Partners	Auburndale	Polk County, Fla.	158 (70%)	Gas, Oil	McManus & Miles	Teasers dispatched in May (PFR, 6/11).
Arroyo Energy Investors	Thermo Cogeneration	Fort Lupton, Colo.	272	Gas	N/A	Starwood Energy Group Global to buy for \$207.2M (PFR, 2/6).
Black Hills Corp.	Arapahoe	Denver, Colo.	130	Gas	Credit Suisse	Hastings Funds Management and a unit of JPMorgan Asset Management to acquire for \$840M with RBS leading the financing (PFR, 4/30).
	Valmont	Valmont, Colo.	80	Gas		
	Fountain Valley	Colorado Springs, Colo.	240	Gas		
	Las Vegas I	Las Vegas, Nev.	53	Gas		
	Las Vegas II	Las Vegas, Nev.	224	Gas		
	Harbor	Long Beach, Calif.	98	Gas		
	Valencia	Albuquerque, N.M.	149	Gas		
BTEC Turbines	Southaven Energy	Miss.	340	Gas	JPMorgan	Assets or just the equipment for sale. Teasers dispatched (PFR, 4/3).
	New Albany Power	Miss.	390	Gas		
Bulgarian Privatization Agency	Bobov Dol	Bulgaria	630	Thermal	N/A	Bulgaria's Minna Kompania and Consortium Energia, Belgium's Electrabel, Damco Energy and Sencap intend to bid.
Calpine	Texas City	Texas City, Texas	425	Gas	Miller Buckfire	Second-round bids taken 5/5.
	Clear Lake	Clear Lake, Texas	375	Gas		
CarVal Investors et al.	Granite Ridge	Londonderry, N.H.	720	Gas	N/A	Sellers are looking to mandate auctioneer (PFR, 5/19).
Catamount Energy	Sweetwater	Nolan County, Texas	505 (50%)	Wind	Goldman Sachs	Unsolicited approaches have been made to financial backer Diamond Castle Holdings (PFR, 8/31).
	Ryegate Power	Vermont	20	Wood waste		
	Rumford	Rumford, Me.	85	Cogen		
Central Vermont	Various	Vermont	70 in summer	Hydro	Morgan Stanley	Status unknown (PFR, 5/18).
Cobisa Corp.	Cobisa-Greenville	Dallas-Fort Worth, Texas	1,750	Gas	Pace Global Energy Services	Auctioneer running a targeted auction (PFR, 5/30).
Conectiv Energy	Various	PJM Interconnection	3,700	Various	Credit Suisse	Company reviewing strategic alternatives (PFR, 12/10).
Con Ed Development	Newington Energy	Newington, N.H.	525 (99.5%)	Gas		Plants not sold to Industry Funds Management.
	Genor	Puerto Barrios, Guatemala	42 (49.5%)	Oil		
	Ada Cogeneration	Ada, Mich.	29 (48%)	29 (48%)		
ConocoPhillips	Immingham	Lincolnshire, U.K.	730	Gas	Citigroup	Looking at strategic options on the plant (PFR, 1/18).
Complete Energy Holdings	La Paloma	McKittrick, Calif.	1,022	Gas	JPMorgan	Has agreed to merge with GSC Acquisition Co. in \$1.3B deal (PFR, 5/16).
	Batesville	Batesville, Miss.	837	Gas		
Corona Power	Sunbury Generating	Shamokin Dam, PA	432	Coal, oil, diesel	Merrill Lynch	Soliciting equity to complete \$250M of upgrades (PFR, 12/24).
DONG Energy	Evia, Karistos and Tourla	Greece	19	Wind	HSBC	Agreed to sell portfolio to Mytilineos Holdings for EUR28M.
DTE Energy	East China	East China, Mich.	320	Gas	N/A	Seller exploring options, including outright sale.
Dynegy	Rolling Hills	Wilkesville, Ohio	815 in summer	Gas	N/A	Tenaska Capital Management to acquire for \$386M (PFR, 5/28).
EISSL	Various	Catalonia, Spain	630	Wind, Hydro	JPMorgan	Company weighing sale (PFR, 12/24).
Energy Capital Partners (FirstLight Power Resources)	Mt. Tom	Holyoke, Mass.	146	Coal	Credit Suisse	ECP has hired Credit Suisse to advise on how to monetize FirstLight Power Resources portfolio (PFR, 5/13). Teasers are out.
	Various	Conn. and Housatonic Rivers	216	Hydro		
	Empire Generating	Rensselaer, N.Y.	635	Gas		
	Waterbury	Waterbury, Conn.	96	Gas		
	Turners Falls	Turners Falls, Mass.	6	Hydro		
	Cabot, Mass.	Montague, Mass.	62	Hydro		
Energy Future Holdings (Luminant)	Sandow 4	Milam Co., Texas	545 (50%)	Coal	Credit Suisse	Reportedly planning to sell stakes to Perennial Power Holdings (PFR, 2/18).
	Sandow 5		581 (50%)	Coal		
Entegra	Gila	Phoenix, Ariz.	2,300	Gas	N/A	Merger talks with KGen stalled (PFR, 1/17).
	Union	El Dorado, Ark.	3,000	Gas		
Entergy Corp.	50% stake in Top	Worth County, Iowa	40	Wind	New Harbor	Seller wants about \$520M for the assets. Bidders shortlisted to four players: two financial; two infrastructure (PFR, 6/18).
	Deer Wind Ventures	Carsen County, Texas	40			
	RS Cogen	Lake Charles, La.	212	Gas		
	Roy S. Nelson	Westlake, La.	60	Gas/Oil		
	Warren Power	Vicksburg, Miss.	225	Gas		
	Harrison	Marshall, Texas	335	Gas		
	Independence	Newark, Ark.	121	Coal		
	Robert Ritchie	Helena, Ark.	544	Gas/Oil		
EPCOR	Castleton-on-Hudson	Albany, N.Y.	64	Gas	N/A	Quietly shopping asset (PFR, 4/18).
ESB International	Marina	Cork City, Ireland	115	Gas	Merrill Lynch	Second-round bids due mid-month with winner to be chosen by mid-July.
	Great Island	Wexford Co., Ireland	240	Oil		
	Tarbert	County Kerry, Ireland	640	Oil		
Exergy Development Group	Various	Upper Midwest, Northwest U.S.	3,600	Wind	Marathon Capital	Weighing partnership, joint venture, recap or sale (PFR, 12/17).
First Reserve, GenPower	Longview Power	Maidsville, W.Va.	695	Coal	Merrill Lynch	Merrill landed mandate to advise on the sale (PFR, 5/16).
Foresight Wind Energy	Various	Arizona, New Mexico	2,000	Wind	CP Energy	Transaction delayed (PFR, 10/8).



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

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
FPL Energy	Posdef	Stockton, Calif.	44	Coal/Petcoke	New Harbor	Indicative bids due April 11 (PFR, 3/11).
	Tesla	Tracy, Calif.	1,120	Gas/Steam	Credit Suisse	Development site. Status unclear.
G2 Energy	N/A	Boise, Idaho	3	Landfill Gas	N/A	FORTISTAR to acquire 99% and is financing the acquisition
	N/A	Fort Worth, Texas	1.6	Landfill Gas		via Caterpillar Financial Services (PFR, 5/7).
General Electric	Baglan Bay	Port Talbot, Wales	510	Gas	Lexicon Partners	GE re-ignited sale process. Carron Energy interested.
	Panther Creek	Nesquehoning, Pa.	94	Waste Coal	N/A	Looking for buyers (PFR, 2/26).
	Pittsfield Generating	Pittsfield, Mass.	163	Gas	N/A	Maxim Power set to acquire (PFR, 3/17)
	Colton Power	Colton, Calif.	80	Gas	N/A	Selling with help of asset manager PUREENERGY (PFR, 4/8).
Goldman Sachs (Cogentrix Energy)	Southaven Power	Southaven, Miss.	810	Gas	Houlihan Lokey	TVA will acquire for \$466.3M (PFR, 4/1).
InterGen (AIG Highstar Capital II, 50%)	Rocksavage	Runcorn, U.K.	748	Gas	Lehman Brothers	Preliminary bids were due 3/26 (PFR, 2/7).
	Coryton	Essex, U.K.	732	Gas		
	Spalding	Lincolnshire, U.K.	860	Gas		
	Rijnmond I, II	Rotterdam, the Netherlands	820, 400	Gas		
	Bajio	San Luis de la Paz, Mexico	600 (306 stake)	Gas		
	La Rosita	Mexicali, Mexico	1,100	Gas		
	Quezon	Philippines	460 (211 stake)	Coal		
	Millmerran	near Brisbane, Australia	880 (228 stake)	Coal		
	Callide	Queensland, Australia	920 (230 stake)	Coal		
K&M International Power	Termovalle	Cali, Colombia	220	Gas	JPMorgan	First round bids due 7/1 (PFR, 6/12)
Kelson Canada	Calgary Energy Center	Calgary, Alberta	300	Gas	UBS	First round bids taken 4/30 (PFR, 4/30).
(Harbinger Capital Partners)	Island Generation	Duncan Bay, B.C.	230	Gas		
	King City Cogeneration	King City, Calif.	120	Gas		Asset taken off the block for unknown reasons.
	Whitby Cogeneration	Whitby, Ontario	50	Gas		
Kelson Holdings	Dogwood	Pleasant Hill, Mo.	620	Gas	Goldman Sachs, Merrill Lynch	Weighing strategic options, including sale/merger (PFR, 10/9).
	Redbud	Luther, Okla.	1,200	Gas		Redbud to be sold to load serving entities for \$852M
	Cottonwood	Deweyville, Texas	1,200	Gas		(PFR, 1/21).
	Magnolia	Benton County, Miss.	922	Gas		
KGen Power	Murray I	Murray Co., Ga.	630	Gas	Credit Suisse	Talks to merge with Entegra stalled due to management
	Murray II	Murray Co., Ga.	620	Gas		disagreements (PFR, 3/24).
	Hot Spring	Hot Spring Co., Ark.	620	Gas		Received \$20 per share offer reportedly from ArcLight Capital
	Hinds	Jackson, Miss.	520	Gas		Partners (PFR, 5/9), but did not recommend to shareholders.
	Sandersville	Washington Co., Ga.	640	Gas		
MACH Gen	Millennium	Carlton, Mass.	360	Gas/Oil	Credit Suisse	Pair of Northeast assets set to fetch \$1B (PFR, 5/21).
	Athens	Athens, N.Y.	1,000	Gas/Oil		
	Covert	South Haven, Miss.	1,100	Gas		
	Harquahala	Tonopah, Ariz.	1,090	Gas		
Mirant	Lovett Generating Station	Tompkins Cove, N.Y.	183	Coal/Gas	N/A	Alliance Energy offered to buy for undisclosed sum but
						withdrew offer when Mirant did not respond (PFR, 2/14).
National Grid	Ravenswood Station	Queens, N.Y.	2,450	Gas	Merrill Lynch	TransCanada agreed to purchase for \$2.9B (PFR, 4/1).
	E.F. Barrett	Island Park, N.Y.	311	Gas		Sale being evaluated. Long Island Power Authority has option
	Far Rockaway	Far Rockaway, N.Y.	100	Gas		to purchase some of the units until 5/31 (PFR, 4/11).
	N/A	Shoreham Nuclear Plant, N.Y.	72	Gas		
	Wading River	East Shoreham, N.Y.	239	Gas		
Navasota Energy Partners	Colorado Bend	Wharton, Texas	825	Gas	JPMorgan	Teasers dispatched (PFR, 2/11). Bids due June 6 (PFR, 5/29).
	Quail Run	Odessa, Texas	825	Gas		
Noble Environmental Power	Various	N.Y., Mich.	385	Wind	Goldman Sachs	Company filed S-1 to IPO (PFR, 5/16).
North American Power Group	Rio Bravo Fresno	Fresno, Calif.	25	Biomass	N/A	In discussion with potential buyers (PFR, 8/31).
	Rio Bravo Rocklin	Roseville, Calif.	25	Biomass		Holds interests alongside Constellation Energy Group.
NorthWestern Energy	Colstrip Unit 4 (30%)	Mont.	740	Coal	Credit Suisse	Bicent Power has agreed to buy for \$404 million.
NRG Energy	Indian River	Millsboro, Del.	784	Coal	N/A	Seller soliciting offers on plant (PFR, 11/8).
Primary Power International	Hillman	Hillman, Mich.	19	Biomass		FORTISTAR agreed to purchase an interest in the portfolio. Deal
	Grayling	Grayling, Mich.	36			was set to close in 30 days (PFR, 2/19).
	Genesee	Flint, Mich.	35			
	Dapp Generating	Westlock, Alberta	17			
	Valley Power	Drayton Valley, Alberta	12			
Reliant Energy	Channelview	Lyondell, Texas	830	Gas	Houlihan Lokey	FORTISTAR and Global Infrastructure Partners to pay \$500M.
	Bighorn	Primm, Nev.	598	Gas	JPMorgan	Nevada Power to buy for \$500M.
RES Americas	Various	U.S.	1,000 under construction	Wind	Credit Suisse	Bids approaching \$1B received 5/5 from Pacific Gas & Electric, Sempra Generation, SUEZ Energy North America, First Reserve and GE (PFR, 5/5). SUEZ dropped out.
Ridgeline Energy	Various	Idaho, Ore., Wash.	3,700 pipeline	Wind	Marathon Capital	Talks nixed with a southern U.S. utility (PFR, 10/8). Back in play.
Ridgewood Renewable Power	Penobscot	West Enfield, Maine	25	Biomass	Ewing Bemiss	Final bids taken 5/15 with Babcock & Brown, Borealis
	Jonesboro	Jonesboro, Maine	25	Biomass		Infrastructure, Covanta Energy, Energy Capital Partners,
	Various	Maine, Va., N.Y., Calif.	26	Hydro		and Epcor Power said to be in the running (PFR, 5/19).
Rockland Capital	B.L. England	Cape May County, N.J.	447	Coal, Oil	JPMorgan	Owner seeking strategic equity partner (PFR, 12/10).
Energy Investments						Status unknown.
Sempra Generation	Catoctin	Frederick Co, Md.	600 development	Gas	N/A	Development project reportedly for sale.
Sierra Pacific Industries	Loyalton	Loyalton, Calif.	20	Biomass	N/A	Renegy agreed to purchase 4/11 for \$13M (PFR, 4/16).

For a complete listing of the Generation Auction & Sale Calendar, please go to [iipower.com](http://www.iipower.com)

## News In Brief

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

### North America

- **Dynegy** and **LS Power** are selling 11%, or 100 MW, of their 900 MW Sandy Creek plant near Waco, Texas, to the **Lower Colorado River Authority** (*Houston Business Journal*, 6/6).
- **NorthWestern Energy** has signed a deal to sell its 30% stake in 740 MW Colstrip Unit 4 in Colstrip, Mont., for \$404 million to **Bicent Power** in an all-cash deal (*CNNMoney.com*, 6/10).
- Three companies have been chosen by state regulators to build peaking plants in Connecticut: **Bridgeport Energy II**, **PSEG Power** and a venture between **United Illuminating** and **NRG Energy** (*Hartford Courant*, 6/12).
- Montreal-based IPP **Boralex** has agreed to buy a 14.5 MW hydro unit in Ocean Falls, B.C., and two hydro sites worth 10 MW from an undisclosed seller (*The Canadian Press*, 6/11).

- **BC Hydro** has put out a call to the private sector for 5,000 GW hours of new electricity (*The Vancouver Sun*, 6/12).
- The U.S. Senate voted 55-44 against the one-year extension of the federal Production Tax Credits for renewable energy (*San Jose Mercury News*, 6/11).
- **EDP Renewables** has purchased Brazilian wind power operator **CENEAEEL**, which has 84 MW (*Reuters*, 6/12).

### Europe

- Denmark's **DONG Energy** has agreed to sell its wind power assets in Greece totaling 18.6 MW to local operator **Mytilineos Holdings** for EUR28 million (\$43.2 million) (*Reuters*, 6/12).
- **SUEZ Energy International** subsidiary **Electrabel** has agreed to acquire 100% of the share capital of wind energy developer **General Renewable Energy and Technics** (*Energy Business Review*, 6/9).

## power finance & risk

## Exclusive News...

MAY 30, 2008

### HOUSTON IPP PUTS 1.7 GW ON THE BLOCK

Houston IPP **Cobisa Corp.** has put a 1,750 MW combined-cycle gas turbine development project in the Dallas-Fort Worth area up for sale and retained **Pace Global Energy Services** to run a targeted auction.

MAY 14, 2008

### LUMINUS ZEROS IN ON SECOND-LIEN, MEZZ POWER

**Luminus Group** has set up a fund to originate and trade second-lien and mezzanine loans, as well as other subordinated debt-like instruments solely in such as preferred and hybrid securities, solely in

APRIL 18, 2008

### ECP WEIGHS NORTHEAST GENERATING SALE

**Doug Kimmelman's Energy Capital Partners** is considering offloading all or part of its Northeast generating portfolio. The Short Hills, N.J., private equity firm was outbid on the recent Ravenswood and Consolidated Edison Development auctions and

MAY 29, 2008

### JPMORGAN CUTS POWER I-BANKERS

**JPMorgan Chase** has axed a number of investment bankers in its North American natural resources group. The move saw the departure last Wednesday of three of its six executive directors covering power and utilities and a handful of associates and analysts.

The executive directors who have left are **Eric Gleason**

MAY 05, 2008

### RES AMERICAS BIDDERS EMERGE

Non-binding bids for **Renewable Energy Systems Americas** were due last Monday and contenders were said to be lining up offers approaching \$1 billion. As first reported on PFR's Web site, in the hunt are strategic players **Pacific Gas & Electric**, **Sempra Generation** and **SUEZ Energy North America**, as well as financial

APRIL 08, 2008

### FORTISTAR, PARTNER LAND CHANNELVIEW

**FORTISTAR** and **Adebayo Ogunesi-led Global Infrastructure Partners** have won the auction for **Reliant Energy's** 830 MW **Channelview** plant in Lyondell, Texas, for \$500 million, beating **Kelson Energy**, which declined to raise its \$468 million bid.

MAY 23, 2008

### NRG FORESEES LONE STAR SELLOFF

If **NRG Energy's** all-stock bid for **Calpine** goes through, some 3-5 GW in Texas would need to be divested, **David Crane**, ceo of **NRG**, told *PFR* in an interview late Thursday. "We're dominant in Texas and they're dominant in California. But there would be a selling down of individual assets to get down

MAY 02, 2008

### LONGVIEW MAY HIT THE BLOCK

The owners of **Longview Power**, a 695 MW supercritical pulverized coal plant under construction in Maidsville, W. Va., south of Pittsburgh, are considering selling the project. Energy private equity firm **First Reserve Corp.**, which owns 90% through its 7.8 billion fund **XI** and developer **C.P.**

MARCH 26, 2008

### HARBINGER SHOPS EX-CALPINE CANADA FLEET

**Harbinger Capital Partners** is selling a series of plants through subsidiary **Kelson Canada**, formerly **HCP Acquisition**. As first reported by *PFR* last Wednesday, **UBS** is thought to be auctioning the portfolio, which consists of:

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## Bids Due On Colombian Plant

First-rounds bids for **K&M International Power's** 220 MW Termovalle plant in Cali, Colombia, are due July 1, says **William Kappaz**, ceo in McLean, Va. He declined to comment further on how much the unit might fetch and which parties are expected to submit bids. Auctioneer **JPMorgan** dispatched teasers three months ago (PFR, 3/20).

**Lehman Brothers** underwrote a \$69 million refinancing of the project debt last November, with proceeds used to repurchase a series of 12.25% senior secured notes due Dec. 2016, issued under a \$55 million refinancing done in 2006. **Chase Manhattan Bank** provided 80% of the construction financing in 1996—at the time the largest limited-recourse project financing in Colombia executed without a sovereign guarantee. **Fuji Bank** provided the remaining 30% as equity, supporting then co-owner **Marubeni Corp.**, which sold out in Aug. 2006. The plant's contract with local utility **Empresa de Energia del Pacifico** and industrial customers expires in 2018.

## Natsource Seeks Investors For Carbon Credit Fund



Jack Cogen

Natsource is seeking additional investors for its *Natsource Carbon Asset Pool*, following the fund's soft close with EUR46 million (\$70.9 million) in commitments last Thursday. "Documents are in front of a number of entities," says **Jack Cogen**, ceo of the energy and environmental asset management firm in New York, declining to reveal names. **Unión**

**Fenosa** and energy conversion specialist **ENECO**, along with an undisclosed investor, contributed to the initial investments in the pool, which allows companies to cut overheads and source project offsets efficiently. "It's basically a rent or buy decision," says Cogen.

**Egbert Liese**, managing director of **Natsource Europe** in London, who was hired in March last year specifically to start the fund, says a second closing is expected in a few weeks, taking the amount raised to EUR200 million. After that, the pool will look to deploy funds for solar projects in the Ukraine and Russia and also in Clean Development Mechanism projects.

Within the next year the firm will finish deploying the EUR520 million raised for its first fund, the *Greenhouse Gas Credit Aggregation Pool*, which had 19 investors from Europe, Canada and Japan, including **Iberdrola**, **Repsol** and **Tokyo Gas**. Only European investors were targeted for *Natsource Carbon Asset Pool* to ensure their interests and needs were aligned, says Cogen. Natsource will likely launch a carbon fund for U.S. investors before carbon emissions legislation takes effect, probably by 2011. "We're in discussions for U.S. products," he notes.

## Renewables Concern Readies IPO



Thomas Schneider

Canadian renewable energy concern **Schneider Power** is planning to register for its initial public offering within the next two weeks. "We want a larger presence and name recognition," says **Thomas Schneider**, founder, president and ceo. He declined to name the underwriters or the expected proceeds from the planned listing on the **Toronto Stock Exchange** (PFR, 5/2).

The company has more than 1,735 MW in potential wind and solar capacity in its pipeline, including 38.6 MW of construction-ready and advanced-stage projects with long-term PPAs and one farm operational in Ontario. Its subsidiary **Schneider Power USA**, along with renewables specialist **juwi**, has agreed to develop 300 MW of wind in the Northeast and Midwestern U.S. as well as in Texas at an estimated cost of \$750-850 million, which Schneider is planning to finance on balance sheet and with the IPO proceeds. These will be the company's first projects south of the border.

Last week, the company announced it had hired a new cfo, **John Ng**, who Schneider says has "an incredible amount of capital markets experience, and a lot of contacts on Bay Street," referring to the city's financial district. He replaces **Beverlee Moore**, who has been promoted to run a newly formed division, **Schneider Power Ventures**, focusing exclusively on business development in carbon capture and conservation projects. He was formerly cfo at calling plan provider **Telehop Communications** for two years.

## Marine Renewable Developer Hunts Capital

Hydroelectric and wave power developer **Verdant Power** is seeking \$10 million in capital over the next four months and \$50 million over the next four to five years to deploy marine-faring turbines it has developed. The company is also seeking strategic partners, says **Ron Smith**, ceo in New York, noting everyone from utilities to manufacturers are being considered.

Verdant has been funded by family, friends, angel investors, as well as a \$7 million investment from **Tudor Investment Corp.** and a \$750,000 grant from the **New York State Energy Research & Development Authority**. Canadian investment bank **Jacob & Company Securities** is its lead broker on private transactions.

Smith says the company is planning on venturing into the U.K. after its next capital infusion by opening an office and beginning project developments. In April, Verdant received C\$2.2 million (\$2.15 million) from the Ontario government to deploy turbines in the St. Lawrence River. The resulting project is expected to generate 15 MW of electricity within three to four years. Verdant has also been awarded a 1 MW project by the



U.S. Navy in the Puget Sound in Washington. Separately, it plans to bid into an upcoming RFP for 70 MW by the **Snohomish County Public Utility District**. Its Roosevelt Island Tidal Energy (RITE) project in New York City's East River was the first tidal energy project granted a license from the **Federal Energy Regulatory Commission** (PFR, 5/5/06) and was funded by venture capital firm **iQ Venture Partners**.

## ARCLIGHT LOOKS

(continued from page 1)

ArcLight, were not returned.

Auburndale began operations in July 1994 and is under contract to sell 131 MW of capacity and energy to **Florida Power** through 2013 as well as 190,000 pounds of steam per hour to local industrial customers, **Florida Distillers** and **Cutrale Citrus Juices**, through 2009 and 2013, respectively. The facility is separate to Calpine's 116 MW Auburndale peaking unit, which sells power on a merchant basis and entered commercial operations in Aug. 2002.

—Katy Burne

## DEVELOPER PLOTS

(continued from page 1)

**Development Bank**, which has a mandate under the North American Free Trade Agreement to support certain projects. "Our projects fall within their sphere of influence and they're very interested in getting into renewables," says Wert. **Scott Storment**, senior project development officer at the NADB in San Antonio, did not return a call.

Spinnaker has a 10% stake in Martifer sister company **Martifer Renewables Wind** as a result of their partnership and is responsible for the development, financing, construction and operations of all Martifer's North American wind and solar pipeline. Phase one of the wind will cost \$650 million and comprise the 200 MW Alta Mesa farm in Oilton, east of Laredo, Texas, and 80 MW Rio Vista I south of Randado, Texas. Phase two will consist of up to 520 MW, broken down into four phases. Financial close is expected in the first or second quarter of next year, but the exact timeline will depend on whether the federal Production Texas Credits are extended. Martifer signed a strategic alliance with turbine maker **REpower Systems** in 2005.

Meanwhile, Spinnaker is planning to arrange financing by the end of next year for 106.8 MW of solar thermal-biofuel hybrid power in the San Joaquin Valley, Calif., under **Martifer Renewables Solar** that will employ solar thermal and biomass technology. **Bethel Solar Partners**, the Alpine, Calif.-based developer of the units, sold its interests to Martifer last year (PFR, 10/5) but has an ongoing relationship with the projects. **Pacific Gas & Electric** last week revealed it is the offtaker of the plants, which Wert says are the first of their kind and will be able to

generate power at a price competitive with conventional generation. "What we have here are two of the most proven technologies... We don't expect to have any problems with the banks," he says.

—K.B.

## CANADIAN IPP

(continued from page 1)

the financing, but because of the small deal size it has taken longer than expected to close. Savona is expected to come online next month and 150 Mile House by September.

Separately, Pristine will look for non-recourse project financing for a C\$270 million, 65 MW biomass unit in Mackenzie, B.C., by year-end. It has begun talks with a number of banks, says Krause, including BofA, **Allied Irish Bank** and relationship bank **TD Securities**. Additionally it will seek equity from Canadian pension funds, because "it reduces the amount of equity [it] has to put in."

Last Tuesday, Pristine submitted proposals with gasification specialist **Nexterra Energy Corp.** for three biomass projects in British Columbia under the BC Bioenergy Strategy program—a 20 MW project in Burns Lake, a 10 MW unit in Anaheim Lake and a 10 MW project in Cheslatta. The winning consortium will be announced within two weeks.

Pristine will also be involved in seeking funding from pension funds and a large syndicate of banks for its 10% interest in the 600 MW proposed Klinaklini Run of River hydro project north of the Knight Inlet, along with undisclosed private investors. "You would be able to tap the larger markets," says Krause of the C\$1.5-2 billion project, financing for which will be sought by next year. A 308 MW hydro unit will follow nearby. And Pristine has pre-qualified under the **Ontario Power Authority's** RFP to procure new capacity for its Northe York region, with its 350-400 MW gas-fired Georgina Energy Centre. Final bids are due Oct. 30, with a winner expected to be announced in December.

—Katie Hale

## Quote Of The Week

*"We'll probably end up going through a merchant structure, incorporating hedging, construction, bridge loans and term debt."* —**Doug Wert**, ceo of **Spinnaker Energy** in San Diego, on plans for financing 800-1,000 MW of wind in southern Texas (see story, page 1).

## One Year Ago In Power Finance & Risk

**Airtricity** was considering selling its North American subsidiary and had asked **Credit Suisse** to take indicative offers. [E.ON agreed to acquire the company for \$1.37 billion, consisting of \$820 million in equity capital and the assumption of \$553 million in net debt and inter-company loans (PFR, 10/5).]