

Power Finance & Risk

Exclusive Insight on Power M&A and Project Financing

By the publisher of GlobalCapital

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● Q&A

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Green Revolver Pricing Arrives in U.S.

Michigan utility **CMS Energy** has brought an innovative, sustainability-linked revolver pricing metric to the U.S.

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Nick Knapp, CohnReznick Capital — Part I

The boutique investment bank's recently appointed president discusses the firm's evolution with **Fotios Tsarouhis**. Pages 10 & 11

GE EFS Reshuffles Top Team as Assets Hit Market

Two top dogs are departing **GE Energy Financial Services** as the entity markets generation assets and its debt platform.

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Invenergy Plots Thermal Portfolio Refinancing

Shravan Bhat

Invenergy has mandated two banks to run a term loan B refinancing for a slightly tweaked portfolio of gas-fired assets in the U.S. and Canada.

Credit Suisse (left) and **Goldman Sachs** are arranging the \$350 million seven-year term loan B, which will refinance an existing loan for the sponsor's Invenergy Thermal Operating I portfolio.

Price talk on the loan is 375 basis points over Libor with a 0% floor and a 99.5% new issue discount. Commitments are due on June 27. The debt package also includes a \$65 million five-year revolving credit facility.

Invenergy Thermal Operating I is a subsidiary of **Invenergy Clean Power**, which has been a joint venture between Invenergy and **AMP Capital** since the latter acquired

a 50% stake last month (PFR, 5/22).

In tandem with the refinancing, the sponsors are adding the 620 MW Grays Harbor Energy Center natural gas-fired in Elma, Wash., to the portfolio, bringing its total capacity to 2,680 MW.

The proceeds of the term loan B will be used partly to repay the project finance debt of Grays Harbor, which Invenergy refinanced in 2014 (PFR, 4/30/14).

The portfolio's second lien debt will meanwhile be eliminated as part of the refinancing transaction, reducing the financing vehicle's overall interest expense, according to a June 12 report from **Moody's Investors Service**.

Sydney-based AMP provided the mezzanine debt in 2015 in the form of a \$200 million second lien term

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Vivint Reveals Details of ABS Private Placement

Richard Metcalf

Credit Suisse was sole arranger on a privately placed solar securitization that Vivint issued alongside its public market debut two weeks ago.

The \$345 million private placement, issued through **Vivint Solar Finance**

ing IV, brings the total raised through the two ABS transactions to \$811 million.

The five-year private placement will act as a warehouse for a portfolio of assets that Vivint will look to refinance in the future, says **Rob Kain**, vice president of

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● PPA PULSE

Wind, Solar Contracts Cheaper Despite Tariffs

Shravan Bhat, Stuart Wise

Power purchase prices for active wind and solar projects across **ERCOT**, **MISO**, **PJM Interconnection** and the **Southwest Power Pool** have dropped in the last three months, according to a report from renewable energy marketplace **LevelTen Energy**.

The average price for wind projects across

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Bankers Eye Next Wave of Mexico Renewable P.F. Deals

Richard Metcalf, Shravan Bhat

Project finance bankers are evaluating an "additional wrinkle" in power purchase agreements awarded in Mexico's third long-term power auctions, which could lead to higher spreads as the sponsors behind the latest wave of renewables projects in the country approach the market for debt financing.

Many of the projects that won PPAs in the

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Moody's Downgrades Terra-Gen Portfolio Debt

Moody's Investors Service has lowered its rating for a term loan B secured on a portfolio of ageing Terra-Gen renewable assets in the western U.S.

The rating agency downgraded the debt, issued through **Terra-Gen Finance Co.**, from B1 to B2 on June 6, picking out refinancing risk as a key factor in the decision.

Goldman Sachs arranged the \$300 million seven-year term loan B and a \$25 million five-year revolving credit facility for the 653 MW portfolio in 2014. The term loan was priced at 425 basis points over Libor (PFR, 11/13/14).

The deal was rated BB+ by **S&P Global Ratings** and Ba3 by Moody's at the time. Moody's downgraded the loan to B1 in March 2016.

TGF has repaid just 9% of the principal since 2014, leaving \$273 million still to repay after more than half of the life of the loan has elapsed.

RECONTRACTING

Moody's cites refinancing risk stemming from a deterioration in the quality of TGF's asset base as a major reason for the downgrade.

"The downgrade also incorporates expectations that while distributable cash flow from the Dixie Valley geothermal generation facility in Nevada is likely to increase, the benefits of the new Dixie power purchase agreement (PPA) move to fixed pricing will be offset by scheduled step-ups in lease payments and capital spending," reads the rating agency's report.

Terra-Gen secured a \$286 million debt package

for the 67 MW Dixie Valley plant in Churchill County, Nev., in 2010 (PFR, 9/30/10). The developer and project sponsor was then owned by **ArcLight Capital Partners** but was acquired by **Energy Capital Partners** in 2015.

One positive development for TGF is that revenues from its Harper Lake project—comprising two 80 MW solar thermal facilities in the Mojave Desert at Harper Lake, Calif.—should increase when its project-level debt repayments end this year. Its PPA extends to 2021.

Another positive is that TGF has signed medium-term replacement contracts for 18% of its output with community choice aggregators like **Marin Clean Energy**.

Terra-Gen Finance owns 21 projects comprising 497 MW of wind, 89 MW of solar and 67 MW of geothermal generation.

Representatives from Terra-Gen in New York and ECP in Short Hills, N.J. did not respond to requests for comment.

Outside of the TGF portfolio, Terra-Gen recently sealed \$244.3 million in financing from **Crédit Agricole**, **KeyBanc Capital Markets** and **Commonwealth Bank of Australia** for the 193.5 MW Voyager II wind project in Kern County, Calif., and the 32.7 MW Texas Big Spring wind project in Howard County, Texas (PFR, 4/19).

The developer also signed a build-transfer deal with a subsidiary of **Ameren Corp.** for its 400 MW High Prairie wind project in northeastern Missouri (PFR, 5/22). ■

PFR Power Finance & Risk

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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.

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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
Actis	Atlantc Energias Renovaveis (625 MW Wind)	Brazil		Chinese investors are among the bidders for the fully-contracted wind assets (PFR, 3/22).
AltaGas	Forrest Kerr, McLymont Creek, Volcano Creek (277 MW, 35%)	British Columbia		Axiom Infrastructure and Manulife are acquiring the stake through a J.V. for C\$922 million (\$700 million) (see story, page 8).
ArcLight Capital Partners	Mesquite (595 MW)	Maricopa County, Ariz.		Southwest Generation is buying the project (PFR, 5/29)
Ares-EIF, Starwood Energy	Hudson (660 MW Transmission)	New Jersey, New York	Goldman Sachs (seller), Barclays (buyer)	The sponsors are selling their majority stake in the project, which was completed in June 2013 (PFR, 4/24).
Blackstone	Frontera (526 MW Gas)	Hidalgo County, Texas	Cantor Fitzgerald, Jefferies, JP Morgan	Morgan Stanley was left lead on a \$700 million seven-year term loan B that was issued in April to refinance the project (PFR, 6/11).
Conduit Capital Partners	Santa Catarina (22 MW Wind)	Monterrey, Nuevo León, Mexico		Conduit plans to launch a sale process for the contracted, operational asset this year (PFR, 1/8).
Fengate Real Asset Investments	Portfolio (9.1 MW (DC) Solar)	Austin and San Antonio, Texas		Fengate has acquired the portfolio from PowerFin Partners in exchange for the first chunk of a \$100 million multi-year equity commitment (see story, page 8).
G&S Solar	Portoflio (10 MW Solar)	Massachusetts	Ignite Renewable Capital	CleanCapital bought the portfolio and a 14.2 MW portfolio, across California and Nevada from X-Elio earlier in May, for around \$70m (PFR, 6/11).
GE EFS	Debt, Equity Holdings		Citi, BAML	Citi is running the sale of the debt book for the GE Capital division, while BAML is marketing the private equity holdings (PFR, 6/11).
Hudson Clean Energy Partners	Portfolio (210 MW Hydro)	U.S.	Evercore	Hudson is weighing a sale of its stake in Eagle Creek Renewable Energy, which owns 210 MW of hydro assets throughout the continental U.S. (PFR, 2/26).
INova (Semptra Energy)	Termoelectrica de Mexicali (625 MW Gas)	Baja California, Mexico		The company intends to sell the facility by the end of the year (PFR, 5/14).
Invenergy	Ector County (330 MW Gas)	Ector County, Texas	Guggenheim (seller)	Invenergy has put the peaker up for sale (PFR, 2/26).
Invenergy	Nelson (584 MW Gas)	Rock Falls, Ill.	Credit Suisse	A buyer has been selected following a multiple-stage auction process (PFR, 5/7).
Invenergy	Invenergy Clean Power (3.7 GW Gas)	U.S., Canada, Mexico		Australian investment manager AMP Capital has bought a 50% stake in the portfolio (PFR, 5/29).
LS Power	Aurora (878 MW Gas)	Aurora, Ill.	Guggenheim	LS Power took bids for the two assets in the first quarter of this year (PFR, 3/22).
	Rockford (450 MW)	Rockford, Ill.		
	Seneca (508 MW Hydro)	Warren, Pa.	Barclays, PJ Solomon	LS Power is marketing the project four years after it abandoned an initial attempt sell it (PFR, 3/22).
LS Power	Hunlock (44 MW Gas)	Hunlock Creek, Pa.		UGI Utilities is acquiring the project for an undisclosed price (PFR, 5/29).
Macquarie Infrastructure Corp.	Bayonne Energy Center (512 MW Gas)	Bayonne, N.J.		MIC is weighing a sale of the project, which powers parts of New York City (PFR, 2/26).
Onyx Renewable Partners	Portfolio (Small-scale Solar)	U.S.	RBC, CohnReznick	Onyx has begun marketing the portfolio (PFR, 1/29).
Peabody Energy	Navajo Generating (2,250 MW Coal)	Arizona	Lazard	Middle River Power, an Avenue Capital Partners portfolio company, has expressed interest in acquiring the project (PFR, 5/7).
Rockland Capital	Victoria (290 MW Gas)	Victoria County, Texas	PJ Solomon	Rockland is selling the CCGT, which it acquired from ArcLight in 2016 (PFR, 3/12).
Siemens FS, other former creditors	Temple I (758 MW Gas)	Texas	Houlihan Lokey	A creditor group that took control of the CCGT plant earlier this year has begun to explore strategic options that could result in a sale (PFR, 5/7).
Southern Company	Portfolio (1.22 GW Gas)	Florida	BAML, Goldman Sachs, Citi (seller)	NextEra Energy is paying about \$195 million for stakes in the Stanton and Oleander projects (PFR, 5/29).
Roaring Fork Wind (RES Americas, Vestas)	Wildhorse Mountain (100 MW Wind)	Pushmataha County, Okla.		Southern Power has acquired the project, which is expected to be online in the fourth quarter of 2019 and has a 20-year PPA with Arkansas Electric Cooperative Corp. (PFR, 6/4).
Talen Energy	Bayonne Power Plant (163 MW Gas)	Bayonne, N.J.		Talen will deactivate the plant before transferring it to a Macquarie Infrastructure Corp. subsidiary for an undisclosed sum (PFR, 6/4).
TransAlta Corp.	Portfolio (90 MW Wind, Solar)	U.S., Canada		The yieldco, TransAlta Renewables, will purchased the projects for \$166 million (PFR, 6/11).
VivoPower	NC-47 (33.8 MW Solar, 14.5%)	Robeson County, N.C.		New Energy Solar is acquiring the developer's stakes for \$11.4 million (PFR, 6/4).
	NC-31 (34.2 MW Solar, 10%)	Bladen County, N.C.		

● 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
7X Energy	Lapetus Energy Centre (35 MW Solar)	Andrews County, Texas		Debt, Tax Equity	TBA		Brazos Electric Power Cooperative will purchase the output under the terms of the 20-year deal (PFR, 5/29).
ArcLight Capital Partners	Covert (1,176 MW Gas)	Van Buren County, Mich.	BNP Paribas	Term Loan A	\$477.5M	5-yr	BNP circled the debt at 300bp over Libor in April in a deal that was oversubscribed (PFR, 6/4).
				Ancillary Credit Facilities	\$55M		
Atlas Renewables Energy (Actis)	Naranjal, Litoral (75 MW Solar)	Salto, Uruguay	IDB Invest	Senior Secured Bonds	\$97.3M	24-yr	The two projects have 30-year PPAs with Uruguayan state-owned utility Administración Nacional de Usinas y Trasmisiones Electricas (see story, page 8).
				Subordinated Bonds	\$11M	15-yr	
Carlyle Group	Rhode Island State Energy Center (583 MW Gas)	Johnston, R.I.	Investec	Term Loan A	\$360M	7-yr	The private equity sponsor is refinancing the plant's existing term loan B into the bank market (PFR, 6/4).
Capital Dynamics	San Joaquin (21.5 MW Solar)	Fresno County, Calif.	U.S. Bank	Tax Equity	\$21M		The tax equity deal for the \$45.9M project closed on April 27 (see story, page 6).
ConEd Development	Wistaria (107 MW Solar)	Imperial County, Calif.	TBA	Debt, Tax Equity	TBA		The project has a 20-year PPA with Southern California Edison (see story, page 5).
Controlled Thermal Resources	Hells Kitchen (275 MW Geothermal)	Imperial County, Calif.	Lazard (adviser)	Equity, Debt, Tax Equity	TBA		The developer has postponed the capital raise until October (see story, page 5).
Enel Green Power Mexico	Portoflio (992 MW Solar)	Mexico	BBVA, Caixa, MUFG, Natixis	Debt (Commercial Tranche)	\$400M	17-yr	The commercial tranche is priced at 225bp over Libor, stepping up by 25bp every five years (PFR, 6/11).
			Bancomext, EIB, IDB	Debt (Multilateral Tranche)	\$250M	20-yr	
FGE Power	Goodnight (500 MW Wind)	Armstrong County, Texas	Karbone	Tax Equity	TBA		The sponsor has already secured a cash equity commitment for the project from Fortistar (PFR, 5/29).
GE EFS	Shady Hills (573 MW Gas)	Pasco County, Fla.	TBA	TBA	TBA	TBA	GE EFS is aiming to have all the permits in place and reach financial close in December (PFR, 5/21).
Genneia	Pomona (101.4 MW Wind)	Rio Negro, Argentina	KfW IPEX-Bank	Term Loan	\$120.9M	TBA	The KfW tranche is covered by German export credit agency Euler Hermes (see story, page 8).
			DEG	Term Loan	\$20.7M	TBA	
Invenergy	Wind Catcher (2 GW Wind)	Oklahoma	TBA	Debt	\$2B	TBA	The sponsor is asking banks to price the two-year construction loan at L+87.5 bp (PFR, 4/30).
Invenergy Clean Power (Invenergy, AMP Capital)	Invenergy Thermal Operating I (2,680 MW Gas)	U.S.	Credit Suisse (left), Goldman Sachs	Term Loan B	\$350M	7-yr	Invenergy is adding a gas-fired project to the portfolio and eliminating second-lien debt as it refreshes the capital structure (see story, page 1).
				Revolving Credit Facility	\$65	5-yr	
Ironclad Energy Partners	RED-Rochester (125 MW Gas)	Rochester, N.Y.	TBA	TBA	TBA	TBA	The project has been funded entirely with equity, but Ironclad will look to recapitalize the project with debt this year (PFR, 5/21).
Lightsource BP	Johnson Corner (20 MW Solar)	Stanton County, Kan.	TBA	Debt, Tax Equity	TBA		Lightsource has issued a teaser for the project and is seeking indications of interest for tax equity and debt by March 9 (PFR, 3/5).
Longroad Energy Holdings	Rio Bravo (237 MW Wind)	Starr County, Texas	Keybank (left), CIBC, HSBC, NAB, Zions	Construction Loan	\$200M	1-yr	The project has a 15-year hedge from Citigroup Energy (PFR, 6/11).
			Berkshire Hathaway	Tax Equity	\$200M		
Longview Power	Longview (700 MW Coal)	Maidsville, W.Va.	Houlihan Lokey (adviser)				Longview Power has hired Houlihan Lokey as it explores strategic options, including a potential refinancing of its senior secured debt (PFR, 4/9).
NextEra Energy Resources	Pinal Center (20 MW Solar, 40 MWh Battery)	Arizona	MUFG, Mizuho	Debt	\$45M	18-yr	The sponsor is understood to have funded construction of the \$60 million project from its balance sheet (PFR, 5/29).
NRG Energy	Canal 3 (333 MW Gas)	Sandwich, Mass.	Natixis	Debt	\$200M	C+7-yr	NRG Energy is putting project finance in place as a condition of a sale of the project to Stonepeak Infrastructure Partners. Price talk is L+275 bp (PFR, 5/14).
Southern Power (Southern Co.)	Portfolio (1.6 GW Wind)	Texas, Oklahoma, Maine	TBA	Tax Equity	~\$1B		The sponsor aims to raise tax equity on the portfolio by the end of the year (PFR, 6/4).
Stonepeak Infrastructure Partners	Canal 1 & 2 (1,112 MW Gas)	Sandwich, Mass.	MUFG	Debt	\$325M	7-yr	The deal will finance the acquisition of the 50-year old peakers from GenOn Energy. Price talk is said to be L+300 bp (PFR, 5/14).
Taaleri Energia	Truscott-Gilliland East (277 MW Wind)	Knox County, Texas	NorthRenew Energy (adviser)	Debt, Tax Equity	\$350M		The Finnish developer is seeking debt and tax equity as it enters the U.S. market (PFR, 2/12).
Terra-Gen	High Prairie (400 MW Wind)	Adair & Schuyler counties, Mo.	TBA	TBA	TBA	TBA	The facility is slated to be complete by 2020, at which point it will be acquired by Ameren Missouri (PFR, 5/29).
X-Elio	Portfolio (210 MW Solar)	Mexico	MUFG	Debt (Commercial Tranche)	210M	16-yr	Dealwatchers say the pricing structuring would be similar to Enel Green Power Mexico's debt raise, at 225bp over Libor (PFR, 6/11).

New or updated listing

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Sponsor Postpones Capital Raise for Geothermal Project

A developer has asked its financial adviser to put a capital raise for a geothermal plant on hold until October as it reworks the economics of the project.

The developer, an Australian company called **Controlled Thermal Resources**, is working with **Lazard Frères & Co.** with a view to raising equity, debt and potentially also tax equity for the proposed 275 MW Hell's Kitchen project, which is located in the Salton Sea Geothermal Field in Imperial County, Calif.

CTR asked Lazard to put the \$1.3 billion capital raise on hold in March to allow time for the project's economics to be restructured, with the aim of marketing the equity again in October.

Besides geothermal heat, there are also lithium deposits at the project's location and the developer intends to build a lithium extraction facility on the same site and incorporate it into the financing structure.

"The original project budget was \$1 billion for 300 MW," says **Rod Colwell**, CTR's West Coast-based ceo. "We will need to reallocate cost centers with the new minerals operation and revisit how that will improve the power project's economics."

CTR began exploring siting options for the Hell's Kitchen project in 2011 and identified

the lithium deposits in 2012. The company signed a lease for the land with **Imperial Irrigation District** in 2016.

According to the latest design, super-heated brine containing lithium will be pumped to the surface and used to produce steam to power the project's turbines. The steam will then also be used to extract the lithium, from which lithium carbonate will be produced.

Colwell says the project will produce 84,000 tonnes of lithium carbonate a year. Lithium is a key component in modern batteries and electric vehicles, among other things, and its price has surged in the last couple of years.

As CTR rejiggers the project's economic profile, Colwell's team is also looking to secure a power purchase agreement with **Southern California Public Power Authority**, ideally by October.

Colwell sees an opportunity to fill the gap that will be left by retiring baseload capacity nearby, such as **Pacific Gas & Electric's** 2,256 MW Diablo Canyon nuclear plant (PFR, 5/5/14) and the Navajo Generating Station, a 2,250 MW coal-fired project (PFR, 5/1).

"Given the risks associated with geothermal, most investors will want to see offtake

arrangements in place for both the power and the minerals," says a deal watcher.

BESPOKE DEAL

Even with a PPA in place, Lazard will have its work cut out. Circling the equity will be more complex than for more conventional generation projects where the risks are better understood by investors with sector expertise.

"Only about three Japanese equity investors can wrap their heads around geothermal," a deal watcher tells *PFR*. "There are a few more infrastructure funds who understand geothermal—but while some have had success, others have been burned."

"We've seen interest from oil and gas investors, who understand the challenges associated with drilling and the opportunities present in selling baseload power," says Colwell.

The Hell's Kitchen project is expected to cost close to \$3,500/kW to construct, as compared with roughly \$1,000/kW for wind and solar projects, although geothermal projects typically operate at a capacity factor over 95%, compared with 25% for solar and 40% for wind.

Officials at Lazard in New York declined to comment. ■

ConEd Development Plots Debt Raise for Calif. Solar Project

Consolidated Edison Development is preparing to approach the market for project finance for a California solar project.

The Valhalla, N.Y.-based developer is planning to sign long-term debt to finance its 107 MW Wistaria project in Imperial Valley.

ConEd will finance the construction of the project from its own balance sheet before putting third-party finance in place around the time of commercial operations, under a plan set forth in paperwork filed with the **California Public Utilities Commission** on March 29.

The proposed offtaker, **Southern California Edison**, sought approval of a 20-year power purchase agreement for the project's output in the filings.

The PPA would come into effect at the commercial operations date, which is expected to be Jan. 1 of next year.

Construction has already begun, says a spokesperson for ConEd in New York, while declining to provide further details about planned financing.

VALLEY RIFT

SoCalEd had agreed in principle to

procure generation from the project as long ago as 2014, when it was part of the then-247 MW Panoche Valley project (PFR, 9/26/14).

The Panoche Valley project was subsequently reduced in size in response to pressure from environmental groups in 2017, and the remaining capacity was relocated to a new site, which became the Wistaria project.

ConEd Development and SoCalEd agreed to separate out a portion of the Panoche Valley contract and allocate it to Wistaria under a separate contract in February of this year. The Panoche Val-

ley project has shrunk to 140 MW as a result.

SoCalEd has asked the PUC to approve the new contract by Oct. 1. The developer and the offtaker "have agreed that if Commission approval is not forthcoming for the Wistaria Contract, the Wistaria Contract will terminate and the original Panoche Valley Contract will remain in effect for the full 247 MW at the higher, original price," according to the filing.

ConEd expects the Wistaria project to achieve an impressive 33% capacity factor by using single-axis trackers. ■

● PROJECT FINANCE

Invenergy Plots Thermal Portfolio Refinancing

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loan C.

Moody's has given the new loan a rating of Ba2, two notches higher than its rating for the existing senior secured debt.

Morgan Stanley, which was left lead on the \$540 million term loan B package that is being refinanced (PFR, 10/21/15), is not mandated on the refinancing. A spokesperson for the investment bank in New York declined to comment.

There is some \$310 million outstanding under the loan,

which was priced at 550 bp over Libor and is due to mature in 2022.

The reduced pricing is partly the result of the deleveraging, says a person familiar with the deal, who notes that Invenergy and AMP have made a \$200 million equity injection to facilitate the debt reduction.

Officials at Goldman Sachs in New York declined to comment and representatives of Credit Suisse, also in New York, did not immediately respond to inquiries. ■

Capital Dynamics Raises Tax Equity

Swiss private equity sponsor **Capital Dynamics** has secured tax equity for a solar project in California.

U.S. Bank has provided tax equity for the \$45.9 million, 21.5 MW project, which is called San Joaquin and located in Fresno County.

The \$21 million tax equity investment closed on April 27, according to a June 11 filing with the U.S. **Federal Energy Regulatory Commission**.

Officials at Capital Dynamics in New York and a spokesperson for

U.S. Bank in St. Louis declined to comment.

The project is split into two components, a 20 MW array called Summer Wheat and a 1.5 MW facility called Winter Wheat, and is set to achieve commercial operations in August.

The project will sell its output to **Pacific Gas & Electric** under a 20-year power purchase agreement.

First Solar is the project's panel supplier and **Hanwha Q Cells** is the construction contractor. ■

Bankers Eye Next Wave of Mexico Renewable P.F. Deals

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first two auctions have already achieved financial close, with development finance institutions providing the bulk of the debt as commercial banks largely sat on the sidelines.

The third wave of project finance deals is now in the pipeline, but it remains to be seen whether commercial bank participation will increase.

"We're yet to see who are the banks in those transactions," says a banker at a commercial lender. "They have an additional wrinkle in that the offtaker is not CFE, it is a clearing house, so we'll see."

Mexico's **National Centre for Energy Control** tweaked the auction model for the third round of bidding, held last year, allowing private companies to participate as offtakers for power, capacity and *certificados de energía limpia* (clean energy certificates) through a clearing house set up by the **Ministry of Energy** (PFR, 11/9).

Iberdrola and **Cemex** bid successfully on the buy-side of the auction, joining CFE as offtakers under the PPAs, and the process yielded record low prices, with an average bid of \$20.57/MWh across 16 bids.

"The third auction was a little bit more risky for lenders than the first two and therefore debt is being priced slightly higher

"Mexico is a bit like PJM Interconnection"

for those projects," says **Adolfo Gutierrez**, senior manager for structured finance at Spanish developer **X-Elio**. "Banks want to share the risk with developers, since not all of the offtake is covered by government PPAs."

X-Elio is expected to sign lead arranger mandates this month for the financing of its 250 MW Bacabachi solar project in Sonora, for which it won a 15-year

PPAs and 20-year CEL agreements in the third auction.

The sponsor has already had success in contracting and financing projects under the auction regime, having this month secured a \$140 million loan package for its 210 MW Guanajuato portfolio, including around \$30 million in 15-year debt from **MUFG** (PFR, 6/6).

MORE PRIVATE OFFTAKERS?

"In the fourth auction in September, the percentage of offtake from government PPAs in the clearing house will probably be even lower," Gutierrez adds. "It's been a good move from the government, which has made banks move forward and support the exchanges."

Others are less bullish on private sector participation, partly because potential offtakers must comply with complex clearing house rules. Some may also be put off if they think already low power prices could

fall even further in future.

"Interest rates for developers could go up if the share of private offtakers in the auctions keeps rising," **Alfredo Alvarez Laparte**, a partner at **EY** in Mexico City, tells *PFR*. "More than 10 companies are trying to build a business case but it's hard to see which will be able to comply with the guarantees the government is asking for."

Meanwhile, not all of the projects that won contracts in Mexico's first and second auctions have secured financing, suggesting that long-circulating concerns about their economic viability may have been well-placed (PFR, 11/15/16).

Forecasting merchant risk beyond the life of the contracts also presents difficulties.

"Fifteen years from now, marginal prices will be driven by CCGTs and their marginal cost will be driven by natural gas prices," Alvarez Laparte says. "Mexico is a bit like **PJM [Interconnection]**." ■

Wind, Solar Contracts Cheaper Despite Tariffs

« FROM PAGE 1

the four independent system operators was \$28.70/MWh in the first five months of the year, while the median price for solar was \$35.25/MWh, according to the report, which cites “P50 levelised hub prices”.

The price drop comes despite the implementation by the U.S. government of trade measures that were expected to make renewable project components more expensive (PFR, 4/11).

Prices vary greatly from one ISO to another, with wind PPA prices across the prairies of ERCOT and SPP dipping to almost half of those seen in PJM, for example.

“The largest price change [over the past three months] occurred in ERCOT wind with median prices down \$5.5/MWh to \$18/MWh and the top quartile benchmark price down \$3/MWh,” reads the report. “SPP solar experienced the smallest price movement with the median price unchanged.”

Here is the rest of last week's PPA news in brief:

27-YEAR DEAL

8minutenergy has signed a

27-year PPA with **Southern California Public Power Authority** for a 90 MW solar project in California that will also have 1.5 MW of battery storage.

The utility will purchase the output of the Springbok 3 project in Kern County under the terms of the contract.

The PPA comes with a three-year extension option. The project is expected to be operational in June 2019.

SOLAR-POWERED HYDROCARBONS?

E.On has secured a 20-year PPA with energy services provider **SK E&S** for part of the output of a 100 MW solar project in Texas.

The offtaker owns a stake in an Oklahoma shale gas field and its South Korean parent company **SK Group** is working with **General Electric** and **Continental Resources** on joint efforts to market U.S. shale gas and oil products around the world.

Its PPA is for 50 MW of the West of the Pecos solar project in Reeves County, E.On's first in Texas, which is expected to be online in 2020.

The German energy com-

pany's plans for the remaining 50 MW capacity of the project could not immediately be learned.

CCA PULSE

CleanPowerSF, a California community choice aggregator managed by the **San Francisco Public Utilities Commission**, has signed a 22-year PPA for a solar project in Lancaster.

The not-for-profit will buy the output from **sPower's** 100 MW San Pablo Raceway project under the terms of the contract. It is sPower's fourth PPA with a California CCA.

Expected to come online next year, the San Pablo Raceway project is part of the sponsor's Antelope Valley solar portfolio, which is expected to total more than 600 MW.

PRATT PARTY

The city of Pratt, Kan., has signed a 15-year PPA for the output of a 6 MW solar project.

The project was developed by **Kenyon Energy** with **Inovateus Solar** as engineering, procurement and construction contractor.

Construction on the solar project is expected to begin this month and the project is slated to begin commercial operations in January.

CHARGING AHEAD

San Diego Gas & Electric has signed PPAs for three battery storage projects out of a group of five that were recently approved by the **California Public Utilities Commission**.

The battery storage portfolio has a combined capacity of 83.5 MW and a total storage capacity of 334 MWh.

The contracts the utility has signed are:

- a 10-year PPA with **Powin Energy** for a 6.5MW/26MWh lithium-ion project in Escondido, which is expected to be completed in June 2021,
- a 15-year PPA with **Enel Green Power** for a 3 MW/12 MWh lithium-ion project in Poway, which has an expected completion date of December 2021, and
- a 20-year PPA with **Advanced Microgrid Solutions** for a 4 MW/16 MWh lithium-ion project in San Juan Capistrano, which is expected to be completed by December 2019.

COAL COMFORT

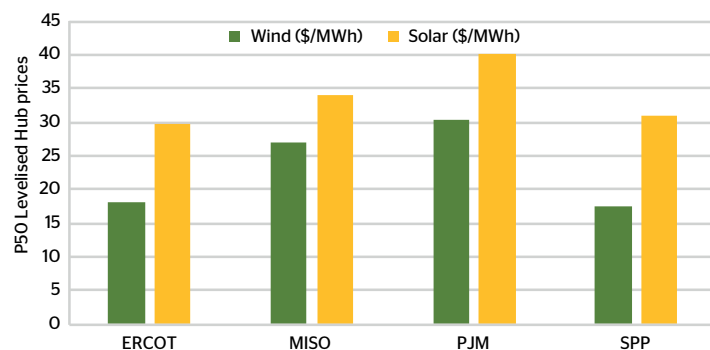
And finally, the board of the **Central Arizona Water Conservation Project** (CAP), which owns and operates water infrastructure in the state, has approved two PPAs that will reduce its reliance on the Navajo Generating Station coal-fired plant, which is scheduled for retirement but which several groups are trying to save.

The new contracts are a 20-year PPA with **Origis Energy USA's** 30 MW Salome Solar project in La Paz County, Ariz., and a five-year PPA for 35 MW from the **Salt River Project's** generation fleet.

The PPA with the Salome project, which is due to be online by the end of 2020, is priced at \$24.99/MWh.

Peabody Energy, which supplies the 2.25 GW NGS from its Kayenta mine, has been looking for someone to buy the plant from its owners and keep it online (PFR, 5/1). ■

Renewable PPA Prices, 2018



Source: LevelTen Energy

● PROJECT FINANCE – LATIN AMERICA

Genneia Taps German Bank for Argentine Wind Finance

Argentina's **Genneia** has signed a \$141.6 million debt financing with German lenders for its 101.4 MW Pomona wind farm in Argentina.

KfW IPEX-Bank is providing the bulk of the funding with a \$120.9 million tranche covered by German export credit agency **Euler Hermes**.

German development bank **DEG - Deutsche Investitions- und Entwicklungsgesellschaft** is providing the remaining \$20.7 million in a separate tranche.

Genneia was awarded a 20-year power purchase agreement with state-run offtaker **Cammesa** in Argentina's RenovAr 1.5 auctions in November 2016. Located in the province of Rio Negro, the project is due to come online in 2019.

The involvement of Hermes is jus-

tified by Genneia's selection of Germany's **Nordex Group** to supply and install converters and maintain the project under a 10-year contract.

The ECA wrap means that KfW IPEX can lend at the commercial interest reference rate (CIRR), which is the official lending rate for ECA financings and generally better for borrowers than commercial rates.

The CIRR rate is set for various currencies on the 15th of each month. This month, the minimum CIRR rate to lend for between five and 8.5 years in dollars is 382 basis points. For dollar loans exceeding 8.5 years, the minimum is 393 bp.

The Pomona loan marks the first time KfW IPEX has provided non-recourse long-term financing for a project in Argentina. ■

Atlas Hits Bond Mart for Uruguay Solar Refi

Atlas Renewable Energy is planning to raise about \$108 million through the issuance of senior and subordinated project bonds to refinance a pair of solar projects totaling 75 MW in Uruguay.

The portfolio comprises the 58 MW El Naranjal and 17 MW Del Literal projects, both in Salto in the northwest of the country.

The proposed offering is split into a roughly \$97.3 million 24-year senior tranche and an approximately \$11 million 15-year subordinated tranche, to be issued through special purpose vehicles **Colidim** and **Jolipark**.

The bonds make up the B portion of an A/B financing structure supported by **IDB Invest**,

the commercial finance arm of the **Inter-American Development Bank**.

IDB Invest's A portion of the financing comprises a roughly \$10 million senior loan and \$2 million subordinated loan.

The two projects have 30-year power purchase agreements with Uruguayan state-owned utility **Administración Nacional de Usinas y Trasmisiones Eléctricas**.

Moody's Investors Service has given the senior notes a Baa3 rating and the subordinated debt a Ba2 rating.

Atlas Renewable Energy is a portfolio company of London-based emerging markets investor **Actis**. ■

● MERGERS & ACQUISITIONS

Fengate Inks Equity Deal with Texas Solar Developer

Fengate Real Asset Investments has entered into a \$100 million, multi-year equity commitment with Texas developer **PowerFin Partners**, echoing a deal the asset manager struck with a Canadian developer two months ago.

PowerFin, which owns a development pipeline of solar projects in Texas, will make assets available exclusively for Fengate to invest in over several years under the terms of the deal.

In return for the first chunk of equity, Ontario-based Fengate has acquired a 9.1 MW (DC) portfolio of operating solar projects in Austin and San Antonio, which was described as a "seed investment" in a statement issued by the investment manager.

The facilities are contracted under several 25-year and 20-year power purchase agreements, said **Greg Calhoun**, Houston-based director of infrastructure at Fengate, in the statement.

Calhoun, formerly of **BayernLB**, took the reins of Fengate's new Houston office late last year.

GROWING PRESENCE

Fengate has been focused on building out its renewables presence in the U.S. and Alber-

ta, **Andrew Cogan**, director of infrastructure at the firm in Toronto, told *PFR* earlier this year.

Last month, the investment manager tapped **Martin Klepper**, a veteran project finance lawyer at **Skadden** and more recently an official with the **U.S. Department of Transportation**,

to join its U.S. infrastructure business (*PFR*, 5/16).

The PowerFin arrangement is Fengate's second such partnership with a renewables developer this year, following its announcement of a \$100 million multi-year equity commitment with **Greengate Power Corp.** in April (*PFR*, 4/3). ■

AltaGas Signs Buyer for Stake in B.C. Hydro Portfolio

A joint venture between **Axiom Infrastructure** and **Manulife Financial Corp.** has agreed to acquire a 35% stake in **AltaGas'** hydro assets in northwest British Columbia for C\$922 million (approximately \$700 million).

AltaGas' three hydro facilities in the region, which total 277 MW, are located within the Tahltan First Nation.

The portfolio comprises the 195 MW Forrest Kerr project, which has been online since October 2014, the 66 MW McLymont Creek project, which came online in October 2015, and the 16 MW Volcano Creek project, which came online in December 2014.

Each of the facilities is contracted with **BC**

Hydro under a 60-year power purchase agreement.

TD Securities, **JP Morgan** and **RBC Capital Markets** are advising AltaGas on the sale, the proceeds of which AltaGas will put toward its acquisition of utility holding company **WGL Holdings**.

The Calgary, Alberta-based company's fundraising plan for the C\$8.4 billion purchase includes about C\$2 billion (\$1.5 billion) from asset sales.

AltaGas called off a sale of two gas-fired projects totaling 837 MW in California earlier this year, pledging to find other projects to sell to fund the WGL acquisition (*PFR*, 3/5). ■

Vivint Reveals Details of ABS Private Placement

◀ FROM PAGE 1

investor relations at Vivint in Salt Lake City.

The unrated deal, dubbed Series 2018-2, comprises a \$296 million Class A tranche and a \$49 million Class B tranche.

The final size of the private deal was determined by the size of the public offering, which Vivint increased from \$355 million to \$466 million in response to strong investor

demand (PFR, 5/24).

The privately-placed senior Class A notes were priced at a weighted average spread of 295 basis points over Libor, while the junior Class B notes yield 475 bp over Libor or, if the senior notes are repaid, 295 bp.

CLEAN SLATE

Vivint used the proceeds of its debut ABS deals to repay and terminate two existing loans—a

subordinated credit facility put together by **Highbridge Principal Strategies** and a term loan A arranged by **Investec**, both of which were signed in 2016.

Vivint inked the \$200 million Highbridge loan at a time of uncertainty for the residential solar company, just two weeks after its proposed acquisition by **SunEdison** fell through (PFR, 3/22/16).

The debt owed under the Highbridge credit facility had accumulated to \$206.4 million by the time it was repaid.

The \$313 million Investec loan, signed about five months after the Highbridge deal, refinanced assets that were previously associated with the company's aggregation facility (PFR, 8/5/16). It had amortized to \$200.8 million by this month. ■

Michigan Utility Adds Sustainability Metric to Revolver Pricing

The margins paid by Michigan utility company **CMS Energy** on two revolving credit facilities will, for the first time, be linked to its sustainability goals as a result of amendments signed on June 5.

The credit facilities are the first sustainability-linked, syndicated revolvers to be inked by a U.S. borrower, according to an announcement from CMS.

The utility's environmental targets include eliminating coal from its fuel mix, reducing carbon emissions by 80% and sourcing more than 40% of its generation from renewables, all by 2040.

The pricing on the loans can fluctuate by up to five basis points in either direction, depending on how much renewable energy the company generates or buys, both in absolute terms and as a proportion of its overall electricity supply.

"We are excited to be a trendsetter in the United States entering an innovative credit facility, where sustainability and financial results go hand-in-hand," said CMS's president

and ceo **Patti Poppe**, in a statement.

Barclays, Bank of America Merrill Lynch, JP Morgan, MUFG and Mizuho are the joint lead arrangers on the credit lines, which total \$1.4 billion. Barclays also acted as sustainability structuring agent.

One of the revolvers is a \$550 million senior unsecured line of credit for parent company **CMS Energy Corp.** and the other is an upsized \$850 million senior secured facility for **Consumers Energy**, a regulated public utility and the group's main operating company.

Besides adding the sustainability-linked pricing metrics and increasing the size of the Consumers revolver by \$200 million, the amendments extended the maturity of the two credit lines by a year to June 2023. The deal also has two one-year extension options.

The amendments also relegated the CMS Energy credit facility from secured to unsecured status. ■

TerraForm Eschews Public Offering in Favor of Brookfield Backstop

TerraForm Power has foregone a planned public equity offering to fund its acquisition of **Saeta Yield**, instead using a backstop provided by its sponsor to place 61 million shares privately with **Brookfield Renewable Partners** and its institutional partners for \$650 million.

As a result of the private placement, **Brookfield Asset Management's** interest in TerraForm Power has risen from 51% to 65%.

The yield company had expected its sponsor to acquire at least 51% of a proposed \$400 million public offering to fund the Saeta acquisition, with the sponsor offering to "backstop" the capital raise at a price of \$10.66 a share, when the transaction was announced in March (PFR, 3/19).

Brookfield later signaled to the market that the yieldco actually needed \$650 million of equity to fund its Saeta bid, and correspondingly increased the size of the backstop.

Barclays and HSBC were listed as bookrunners on the proposed public offering in paperwork filed with the U.S. **Securities and Exchange Commission**, and a

deal watcher says that additional banks were also on stand-by to market the stock.

By early June, however, TerraForm Power shares were trading at just \$10.80, which an equity analyst who follows yieldcos says made the backstop more attractive to the issuer than a public offering would have been on an all-in basis, including a discount to the market price and brokers' fees.

TerraForm decided to forego the public issuance and exercise the backstop on June 4.

Officials at Brookfield in Toronto declined to comment.

The remaining \$550 million needed for the \$1.2 billion acquisition of Spanish yieldco Saeta will come from other funding sources such as the debt market. ■

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Read extended versions of all of the articles on this page on the PFR website. <http://www.powerfinancerisk.com/borrower-strategies>

● Q&A: NICK KNAPP

Q&A: Nick Knapp, CohnReznick Capital — Part I

CohnReznick Capital has rapidly established itself in power project finance and mergers and acquisitions, with particular expertise navigating complex tax equity structures, since its inception in 2008. Recognized as *PFR*'s Tax Equity Advisory Firm of 2017, the firm also advised on two transactions that won Deal of the Year awards (*PFR*, 5/21). *PFR* reporter **Fotios Tsarouhis** recently sat down with Nick Knapp, who took over as president of the company in January, to discuss the latest changes at the firm and his outlook for project finance and M&A activity.

PFR: You became president of CohnReznick Capital in January. How are you settling into the role?

It's been good, it was a smooth transition. I was involved in the management side for the last couple of years, focusing on business management and infrastructure, performance management for the team, really just getting to a best practice point of measuring people and the business overall in a transparent way to drive performance optimization.

We've been growing pretty fast for the last five years and we had a true start-up mentality. As we continue to grow, the idea is to not mess with the entrepreneurial spirit but become a little more institutionalized, with areas of best practice business principles.

The difference now is that I can take ownership of all of that and be accountable for it. My partner **Conor McKenna** is also lock-step with me on company management. We have a very special team approach at CRC and we have been focused on overall team empowerment. The entire team has embraced it and really stepped up to share the management responsibilities. At this point, we have settled in with our full focus on high-quality deal execution and growing the business.

We've made some good internal adjustments. We also hired some strong supporting professionals around the management infrastructure such as accounting, budgeting and administrative items, which allows for more focus on the business growth and the overall team development.

PFR: How have your day-to-day and

month-to-month responsibilities changed? Is there any overlap with your previous position or m.d. business still landing on your desk?

It's still a good mix. There's a change in that I have to report to some other stakeholders, such as working with the CRC board consistently. There are a couple of identified growth areas for us that I'm focused on, but the idea is that I'm going to still be involved on some of the larger, high-profile transactions with the clients that I've worked with and managed for years. I'm not going to disappear with that.

This industry evolves really fast and if you're not, on some level, in the weeds, then your capability of being a good adviser and selling the firm's capabilities is not as strong as it should be. So I think the better advisers are guys who really stay in the weeds and you've got to make enough time to see the big picture and make sure the firm's growing in the right direction. When I look at our peers, the leaders of those companies are still doing deals and still involved with clients.

PFR: Even as you became president, CohnReznick Capital was involved in several sales processes that you were advising on. Will you be continuing in that role?

Yeah, absolutely, but there will also be an effort to empower the broader team to find the appropriate balance. Really trying to find the optimal balance to ensure I main-

tain or grow exposure to key client relationships with time remaining to help win the high-priority firm mandates. Ultimately, this means I will not lead as many mandates. I think that the transitional phase was really tough because there was a lot to balance with evolving variables, but a total team effort got us in a great spot quickly.

PFR: On the deals you will remain actively involved in, will it be at the same level of intensity as before?

For two or three, yes, and then the rest will move to a higher level. It's a balance to make sure we have the right experience level that the clients demand and deserve but it will be more of a supervisory role and less of the deal lead. One thing is for sure—the changes will lead to overall improvements for our clients. We strive to truly be client-centric. It's the foundation of what makes us who we are. When we make team decisions on transitional changes, we ground it with the key question of, "is this improving our clients' situation?"

PFR: Is anyone taking over your former position?

Well, it's pretty spread out. The way we work here is that we have one or two m.d.'s that focus on one silo, like special situations and restructuring. The rest cover everything, so in terms of M&A capability, and project finance capability, we cross over and we feel that's the right way to do it. On a large M&A mandate you still have to be very well-versed on the project-level structuring side because in many cases everything's built in terms of value from the projects up.

I think we're around 50:50 in terms of revenue from M&A mandates and project finance mandates. We might have, at times, much more tax equity financings than we do M&A, so it's good to wear both hats.

Gary Durden was a new m.d. this year and we have a couple directors that will be



Nick Knapp

up for m.d. promotion this coming year. Will also likely have a senior m.d. hire at some point this year. The idea is to spread out all of these names and the ownership of these accounts to the broader m.d. group.

PFR: CohnReznick Capital has been busy hiring over the past year?

We have a good internship program out of **Columbia** and **Yale**'s renewable finance masters programs. That's been really good for us—it's a big part of our junior talent. We bring them on for the internship, which then feeds the permanent hires after the internship for the following year. We had a big group last year of five.

Everybody here is at capacity so there's a recent push right now for hiring. There are five new additions that will be coming on to the team at the analyst and associate level. We also have a strong director starting in a couple weeks coming from a large bank active in tax equity investing.

We are opportunistically searching for a senior m.d. hire right now as well. This senior m.d. will cover both M&A and tax equity, and will also help to drive some of our growth initiatives

PFR: Any specific responsibilities for the senior m.d.?

Nick Knapp: Every year we take it to another level in terms of the types of mandates and the types of clients that we have so we really would like to get somebody at that 20-to-30-year experience mark to come in and

help the overall business. The idea is that they will cover deals and specific accounts but they generally will be helping on all of our mandates and adding that expertise to the team to further improve our full-service investment banking advisory offering across all forms of M&A and project finance.

PFR: Where are you in the process for the more senior hire?

We have a couple of candidates that we're working hard on but those senior-level positions take time to fill. We have a great team dynamic and we need to do our best to ensure it is a near perfect culture fit. The focus is somebody who's in a current seat in this industry and has been for majority of their career. We don't *need* that role, but I think that my goal, our goal, is to hit our potential and to really penetrate as much as we can over the next three years, and I think that's a helpful way for us to continue to be the go-to adviser in the space.

PFR: So when this person likely to join CohnReznick Capital?

Probably within six months. We're successful and able to grow without it, but we are really striving to hit our potential over the next three-to-five years. To do that, we will continue to evolve and adapt with a continuous focus on adding high quality talent across all levels in a smart and sustainable manner.

We will likely be expanding into broader infrastructure advisory and other areas of energy. As we expand into other areas, we are doing so in a manner that will not dilute our focus and passion in our core of renewable and sustainable energy, but the idea is to add a bit to that, to diversify, and to grow the business over time.

PFR: Would that include gas-fired project financing and M&A?

Yes. The key growth theme is to truly be full-service for our clients. This means across all banking and advisory needs with-in renewables, but also on the other areas of activity for our [independent power producer] and utility clients as well as our large infrastructure fund clients.

PFR: Are you guys going to make a big dive into coal?

We're going to stay away from conventional coal financings, but we will be diving into the carbon capture, utilization and storage activity. We feel it fits squarely into our sustainability mission and we are positioned well to advise on these Section 45Q tax credit transactions with our firm's deep and broad tax credit structuring and placement advisory practice.

PFR: Do you foresee an expansion of CohnReznick Capital's geographic reach?

Our focus is definitely very heavy in the U.S. and will continue to be. That said, we are open to Canada, Mexico, and Europe, and currently pursuing M&A opportunities in these regions. We will start to be a little more proactive on this and for us it's about leveraging our current strengths and capabilities to find our niche in each of those areas.

In the U.S., we have a green niche we can build off in the fact that we're good at structuring and executing complex U.S. deals. Internationally that's less the case, where it's more standard project finance deals without the tax equity structure complexities. So we see our play much more on the M&A side internationally, utilizing our deep U.S. and international investor relations.

Whenever there's a change to the programs it creates opportunity for advisers, like if there's a shift in the feed-in tariff programs in Europe, where it may look different over time. When those changes start to happen is when we can be a little more proactive and say there's an area where people need help, and there is an increased value-add position for us. The idea is, overall, when we talk about broader energy and broader power and infrastructure, the focus is, "How can we create a competitive niche?" The market in the U.S. is extremely strong and we think it will be for years. The idea is not to dilute our growth and our expansion in the U.S. by expanding internationally before we have that same line of sight on a niche value-add play. ■

Check back next week for part II of this exclusive interview

● PEOPLE & FIRMS

GE EFS Reshuffles Top Team, Announces Retirements

GE Energy Financial Services has announced the retirement of two senior figures as the **General Electric** division looks to sell its loan book and private equity assets.

Tim Howell, managing director, power and development, will leave the **GE Capital** unit at the end of the year and **Kevin Walsh**, m.d. and head of renewable energy, is set to depart in the first quarter of 2019.

The company has lined up a trio of existing EFS executives to assume their responsibilities.

Managing directors **Gaurav Raniwala** and **Susan Flanagan** have been appointed global renewable energy leader and global power leader, respectively, while **Raghuvveer Kurada**, m.d. overseeing EFS's global markets execution teams, has been named global capital advisory leader.

Howell started at **General Electric** in 1984, moving over to GE Capital as a vice president in structured finance in 1994. He was promoted to m.d. on his move to GE EFS in 2000.

Walsh, who joined GE in 1982, founded the renewables group at EFS in 2006.

The departures of Howell and Walsh, two of EFS's most senior executives, come as GE Capital undergoes an extensive cor-

porate restructuring and attempting to divest non-core assets.

GE EFS recently mandated **Citi** to auction off its project finance loan book and **Bank of America Merrill Lynch** to put its power sector private equity holdings up for sale. The investment banks formally reached out to potential buyers last month.

"While the unit seeks to reduce the size of its asset base to support a smaller and more focused GE Capital, GE Energy Financial Services continues to invest in and structure third-party financial solutions for GE's power and renewable energy customers in the U.S. and globally," the company said in a statement on Thursday.

However, a number of EFS employees have either already left the division or are preparing to exit soon, deal watchers tell *PFR*. "People are leaving left and right," says a New York-based investment banker.

Among them are **Katherine McElroy**, formerly v.p., debt origination, at EFS, who has joined **Capital Dynamics** (*PFR*, 6/4).

Among the top brass, meanwhile, **Alta Yen**, who handled GE EFS's power private equity portfolio as m.d. of investment strategy, has moved on internally, taking the role of m.d., strategic planning, at GE. ■

● ALTERNATING CURRENT

Star Trek's Shatner Plugs Solar Crypto Enterprise



Using renewable energy to mine cryptocurrency is not a new idea—*PFR* first reported on it in December, at which point miners in Europe and Iceland were already using hydro and geothermal—but a recent intervention by *Star Trek* legend **William Shatner** has thrust the concept squarely into the limelight.

The Canadian actor is a spokesperson for **Solar Alliance Energy**, which on June 13 announced that it had acquired a warehouse in Murphysboro, Ill., that it intends to convert into a solar-powered cryptocurrency mining facility.

"RU a blockhead when it comes to the blockchain?" wrote Shatner on Twitter shortly after the announcement. "Do you get it? My friends at @Solar_Alliance do".

"They're starting a new green energy cryptocurrency mining facility in Murphysboro, IL!" he added. "How craycray is it that? A mining town goes into green energy mining? It's wild!"

Solar Alliance has signed a memorandum of understanding with an unidentified solar panel manufacturer to develop a 3 MW behind-the-meter array at the Murphysboro site, among others. The facility will remain connected to the grid, so the operation may not be 100% green if its needs exceed the production of the solar panels.

Solar Alliance does not intend to own and operate the token mining rigs itself, but will lease space in the building to crypto mining tenants.

Even so, while some commentators have described the cryptocurrency craze as a faddish bubble, Solar Alliance is betting that a business model based on crypto mining revenues will help it to live long and prosper. ■

One Senior P.F. Banker In, One Out at SMBC

Ivan Oliveros has left **Sumitomo Mitsui Banking Corp.**, where he was head of Latin America power and renewables, while **Leonardo Osorio**, who was until recently a managing director at **Crédit Agricole**, has joined the Japanese bank as executive director and head of natural resources project finance.

Oliveros had been with SMBC for eight-and-a-half years, having joined as a vice president in 2010 before building up the firm's power and renewables presence in Latin America.

So successful was he in that position that voters recently picked him as the joint winner of *PFR*'s Latin America Project Finance Banker of the Year award, alongside **Joana Pascual** of the **Inter-American Investment Corp.** (*PFR*, 5/21).

He is said to have left SMBC to take up a role at investment bank **Jefferies**. Further details of his new position could not immediately be learned. Oliveros and a spokesperson for Jefferies in New York declined to comment.

Who would take over Oliveros'

responsibilities at SMBC could also not be established.

SMBC's new natural resources head, Osorio, was in **Crédit Agricole**'s structured finance advisory group until May and took up his new role this month, according to his LinkedIn profile.

He remains based in New York. Who he reports to at SMBC could not immediately be learned. Osorio could not be reached for comment by press time and officials at SMBC in New York and Tokyo either declined to comment or did not

respond to inquiries.

Osorio had been at **Crédit Agricole** since 2015, having joined the bank from boutique financial advisory firm **L2 Energy Capital** (*PFR*, 1/26/16).

Crédit Agricole is recruiting for Osorio's replacement, says a spokesperson for the bank in New York.

Osorio reported to **Jaya Viswanadha**, **Crédit Agricole**'s New York-based head of Americas energy and infrastructure advisory.

From 1998 to 2012, Osorio worked at **BNP Paribas**, rising from an associate in project financing and utilities to director of project finance in Latin America. ■