

power finance & risk

The exclusive source for power financing and M&A news

www.iipower.com

A PUBLICATION OF INSTITUTIONAL INVESTOR, INC.

JUNE 20, 2011

VOL. XIV, NO. 24

Final Bids For Brookfield Cable Due

Final bids for **Brookfield's** Cross Sound Cable are due at month-end.

See story, page 2

Solar Start-Up Targets Project Acquisitions

Principal Solar is looking to buy projects of up to 1 MW in the U.S.

See story, page 2

Project Finance

Recurrent Hunts Calif. Solar Debt	3
Abengoa, NextEra Near DOE Guarantee	3
Brookfield, Coram Ink \$209M Package	3
Biomass Sponsor Scout Funds	3
Ormat Approaches Guarantee	4
LS Wraps Merchant Deal	4

Mergers & Acquisitions

NextEra NatGas Sale Reaches Round II	4
Rockland Lands Plant Stake	5
Liberty Bidders Float Indicative Bids	5
Consortium Shops Granite Ridge	5

Corporate Strategies

AES Issues Bonds For DPL	5
--------------------------	---

Departments

Project Finance Deal Chart	6
Generation Sales Database	7

COPYRIGHT NOTICE: All materials contained in this publication are protected by United States copyright law and may not be reproduced, distributed, transmitted, displayed, published, broadcast, photocopied or duplicated in any way without the prior written consent of Institutional Investor. Copying or distributing this publication is in violation of the Federal Copyright Act (17 USC 101 et seq). Infringing Institutional Investor's copyright in this publication may result in criminal penalties as well as civil liability for substantial money damages. ISSN# 1529-6852

PERUVIAN CO. SCOUTS \$525M HYDRO CREDIT

Peruvian developer **Inkia Energy** has reached out to lenders about borrowing roughly \$525 million to support its \$750 million, 400 MW hydro project in Cerro del Aguila, Peru. Inkia is negotiating the financing and the engineering, procurement and construction contracts, says **Jorge Melgar**, project manager in Lima, declining to discuss the terms, size and status of the financing.



Inkia has lined up a 15-year power purchase agreement with a government-owned utility for 200 MW. Although another 200 MW will be sold into merchant markets, financiers anticipate Inkia will still land bank financing. "In Peru, there's a significant shortage of power," says a v.p. in New York. "Hydro is low-cost, it's easy to distribute and it's essential." **Standard & Poor's** has upheld its

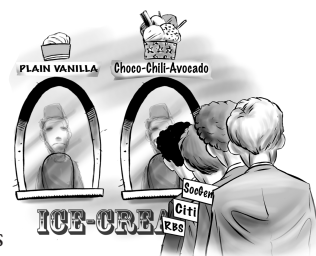
(continued on page 8)

Uncommon Ground

LENDERS CAST A WIDER PROJECT NET

Lenders are showing appetite for financings that back uncommon projects or those featuring innovative technology for the first time in more than three years. At least \$5.64 billion in financings supporting such projects in the U.S. are possible by year-end as banks look to put money to work in a period of depressed deal flow in wind, which has been the backbone of project finance since the financial collapse in 2008.

"It's a natural selection process: We've killed the buffaloes," says a senior financier of the wind market, which is showing signs of a slowdown caused by expiring subsidies, low natural gas prices and fewer available offtake agreements for wind and solar plants. "So



(continued on page 7)

LA PALOMA SNIFFS OUT HEDGES, REFI

La Paloma Generating Co., with co-owner **Rockland Capital** at its helm, is talking to banks about lining up new hedges and a refinancing for its 1,002 GW namesake combined-cycle facility. The plant near McKittrick, Calif., which has seen its share of operational and financial woes, has roughly \$400 million in term loan debt. The balance outstanding could not be learned.

Refinancing talks are in early stages and the success will depend on La Paloma's ability to replace hedges that expire in December of next year, one banker says. **Morgan Stanley Capital Group** has a tolling agreement for 720 MW, or 70%, of its power. A hedge on one 240 MW unit has an option to be extended for five years. Sponsors looking for hedges have hit problems finding willing counterparties given low power and natural gas prices. Whether **Morgan Stanley Capital Group** is considering extending the other hedges couldn't be learned.

(continued on page 8)

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

At Press Time Final Bids For Cross Sound Set For Month-end

The sale of **Brookfield Asset Management's** 24-mile **Cross Sound Cable** in the Long Island Sound is nearing the final round, with bids due by the end of the month. **Rothschild** is running the sale.

Bidders that submitted indicative bids are said to include **ArcLight Capital Partners**, **Energy Capital Partners** and **Energy Investors Funds**, deal watchers say. A Brookfield affiliate is also considering a bid, says one observer. The number of bidders shortlisted and identities of other prospective bidders could not be learned.

One deal watcher says bidders had to be in the ballpark of \$175-190 million to make it into the final round. A bid in that neighborhood would be an aggressive number for a transmission line with debt and a 20-year offtake contract, which caps the immediate upside on return, says an infrastructure investor who is familiar with the line.

The **Commonwealth Bank of Australia**, which is the sole lender on a \$193.5 million loan that matured in February, gave Brookfield—which picked up the line when it acquired **Prime Infrastructure Group**—a stay on the condition that the line be sold (PFR, 4/27). The amount outstanding on the loan could not be learned.

Cross Sound is a 330 MW high voltage direct currents line that runs between Shoreham, N.Y., and New Haven, Conn. The **Long Island Power Authority** is the offtaker.

Spokespeople for EIF and Brookfield declined to comment while spokespeople and officials at the other entities could not immediately comment.

Think Big: Solar Start-up Hunts Operating Projects

Principal Solar is looking to acquire operating, contracted solar projects with up to 1 MW of capacity ahead of buying projects of up to 5 MW in the next few years. "We want to be the largest solar power company in the country when grid parity occurs," says **Michael Gorton**, ceo and chairman in Dallas, referring to the point where the cost of solar generation is competitive with other resources. "Within a couple of years we'll be talking to the biggest providers out there."

The company, which began publicly trading shares over the counter last month, will purchase projects using the stock as collateral. The stockholders will be required to hold the stock for a year, thereby giving it time to appreciate in value as the company continues to acquire projects with steady revenue streams, Gorton says, adding that smaller, cash-strapped sponsors will be able to monetize the collateral for development. The company is targeting projects in New Jersey, Maine, Pennsylvania and Florida due to the states' solar development incentives, Gorton says, declining to elaborate on project specifics.

The company has 300 million shares, 12.8 million of which have been issued. The shares were priced at \$1.62 as of June 17, after opening at \$1.50 on May 27. Dallas-based merchant banking outfit **Pegasus Funds** worked on the initial public offering. Gorton founded the company in 2009. **Kenneth Allen**, former manager at **TXU Energy**, is chief operating officer.

power finance & risk

The exclusive source for power financing and M&A news

EDITORIAL

STEVE MURRAY
Editor

TOM LAMONT
General Editor

PETER THOMPSON
Executive Editor [Chicago]
(773) 439-1090

SARA ROSNER
Managing Editor
(212) 224-3165

BRIAN ECKHOUSE
Senior Reporter
(212) 224-3624

HOLLY FLETCHER
Senior Reporter
(212) 224-3293

STANLEY WILSON
Washington Bureau Chief
(202) 393-0728

ANN O'DOWD
Intern

KIERON BLACK
Sketch Artist

PRODUCTION

DANY PEÑA
Director

DEBORAH ZAKEN
Manager

MELISSA ENSMINGER,
JAMES BAMBARA, DOUGLAS LEE
Associates

JENNY LO
Web Production & Design Director

ADVERTISING

PAT BERTUCCI
Associate Publisher
(212) 224-3890

ADRIENNE BILLS
Associate Publisher
(212) 224-3214

PUBLISHING

ALLISON ADAMS
Group Publisher

GAURI GOYAL
Business Director
(212) 224-3504

ANNA LEE
Marketing Director
(212) 224-3175

ISMAELA BEST
Senior Marketing Manager
(212) 224-3609

VINCENT YESENOSKY
Head of US Fulfillment
(212) 224-3057

DAVID SILVA
Senior Fulfillment Manager
(212) 224-3573

SUBSCRIPTIONS/ ELECTRONIC LICENSES

One year \$2,995 (in Canada add \$30 postage, others outside US add \$75)

KEN LERNER
Account Executive
(212) 224-3043

REPRINTS

DEWEY PALMIERI
Reprint & Permission Manager
(212) 224-3675
dpalmieri@institutionalinvestor.com

CORPORATE

JANE WILKINSON
Chief Executive Officer

STEVE KURTZ
Chief Operating Officer

Customer Service: PO Box 5016,
Brentwood, TN 37024-5016.
Tel: 1-800-715-9195. Fax: 1-615-377-0525
UK: 44 20 7779 8704
Hong Kong: 852 2842 6910
E-mail: customerservice@iinvestor.com

Editorial Offices: 225 Park Avenue
South, New York, NY 10003.
Tel: (773) 439-1090
Email: pthompson@iinvestor.com

Institutional Investor Hotline:
(212) 224-3570 and (1-800) 437-9997 or
hotline@institutionalinvestor.com

Power Finance & Risk is a general circulation newsweekly. No statement in this issue is to be construed as a recommendation to buy or sell securities or to provide investment advice.

Power Finance & Risk ©2011
Institutional Investor, Inc. ISSN# 1529-6852

Copying prohibited without the permission of the Publisher.

**Institutional
Investor NEWS**
INTELLIGENCE FIRST

Project Finance

Recurrent Eyes Financing For Calif. Solar

Recurrent Energy has begun talking to lenders about financing at least 60 MW of its 140 MW pipeline of solar photovoltaic projects in California. **Southern California Edison** has offtake agreements for 80 MW of Recurrent-developed ground-mount solar projects in Kern and San Bernardino counties. The **Sacramento Municipal Utility District** will buy generation from a dozen 5 MW projects near Galt and Elk Grove, under the agency's feed-in tariff program.

The **Sharp Corp.** affiliate's relationship lenders include **CIBC** and **WestLB**. Whether those banks are eying the financing couldn't be learned. Details regarding the projects being financed, the amount of debt sought and the financing timeline also couldn't be immediately ascertained.

Arno Harris, Recurrent president in San Francisco, declined to comment through a spokeswoman. **Dale Keyes**, Sharp director of strategy and finance in Huntington Beach, Calif., didn't return a call seeking comment.

Recurrent is also looking to finance some of its 170 MW pipeline in Ontario (PFR, 4/6).

Abengoa, NextEra Score DOE Conditional Guarantees



The U.S. Department of Energy has offered \$1.88 billion in conditional loan guarantees to **Abengoa Solar** and **NextEra Energy Resources** backing concentrating solar power projects in Southern California.

A \$1.2 billion guarantee would support Abengoa's

Mohave project in Riverside

County, Calif., while a \$681.6 million guarantee would back NextEra's Genesis project in Blythe, Calif.

If the Abengoa guarantee supporting 250 MW is ultimately approved, the **Federal Financing Bank** would provide the \$1.2 billion loan. NextEra's loan guarantee would fall under the DOE's Financial Institution Partnership Program; **Credit Suisse** is the lender-applicant. The NextEra project is expected to cost more than \$1 billion and have 250 MW of capacity (PFR, 2/2).

Most FFB loans have been priced at 37.5 basis points over LIBOR; tenors have stretched for at least 12 years (PFR, 5/24). Terms on the Abengoa and NextEra loans couldn't be learned.

An Abengoa spokeswoman didn't make an official available by press time. **Paul Cutler**, **NextEra Energy** treasurer in Juno Beach, Fla., and a **Credit Suisse** official in New York didn't return calls by press time. An FFB official and a DOE spokeswoman, both in Washington, D.C., declined to comment.

Pacific Gas & Electric has a 25-year offtake agreement for Genesis. The utility reportedly has a 25-year contract to buy generation from Mojave. A spokesman for PG&E did not return a call.

Abengoa previously snared a \$1.45 billion loan from FFB, for its roughly \$1.9 billion, 250 MW Solana concentrating solar project near Gila Bend, Ariz. (PFR, 1/5).

Brookfield, Coram Land Calif. Wind Funds

A trio of banks has wrapped a \$209 million financing package supporting **Brookfield Renewable Power** and **Coram Energy's** 102 MW Coram project in Tehachapi, Calif. The deal closed June 6.

Bank of Tokyo-Mitsubishi UFJ, **Sumitomo Mitsui Banking Corp.** and **Mizuho Corporate Bank** are participating in the package that includes a \$150 million construction loan and a \$59 million bridge loan. The project is also expected to garner a cash grant from the U.S. Department of Treasury, industry officials say.

The project recently started construction and is scheduled to be online next year. **Pacific Gas & Electric** is the offtaker (PFR, 4/6).

Pricing and tenor on the loan could not be learned. **Brian O'Sullivan**, president at Coram, and **John Pires**, v.p. at Brookfield Renewable Power in Ottawa and a Treasury spokeswoman declined to comment. A Brookfield spokesman and bank officials were not immediately able to comment.

Developer Hunts Conn. Biomass Funds

Enova Energy Group, an Atlanta-based developer, has reached out to lenders about financing a 37.5 MW biomass project in Plainfield, Conn., this year. The plant will cost at least \$75 million to build. Biomass projects cost in excess of \$2 million per MW and often more than \$4 million per MW, bankers say.

The Plainfield plant, which is in late-stage development, would burn construction debris from a landfill, according to the Enova Web site. The size of the financing and desired terms, including pricing and structure, couldn't be learned. Whether Enova has secured offtakers also couldn't be learned.

The project falls under **Plainfield Renewable Energy LLC**,

which had also encompassed a planned 30 MW woodchip biomass project near Plainfield (PFR, 9/18/09). Plainfield Renewable Energy was launched as a joint venture between Winter Park, Fla.-based **Decker Energy** and **NuPower** of Connecticut. Decker Energy and NuPower's role in the latest project also couldn't be learned. **Bill Brunstad**, Enova president in Atlanta, didn't immediately address an inquiry. Officials at Plainfield in Norwalk, Conn., and Decker in Winter Park, Fla., declined to comment.

DOE Offers Ormat Conditional \$280M Guarantee

The U.S. Department of Energy has conditionally offered to guarantee \$280 million of a \$350 million loan backing three of **Ormat Technologies'** geothermal projects in Nevada. **John Hancock Life Insurance Company** is the lender-applicant under the DOE's Financial Institution Partnership Program.

The loan supports the Jersey Valley plant in Pershing County, the McGinness Hills projects in Lander County and the Tuscarora facility in Elko County. The plants are expected to generate a combined 121 MW. The breakdown of capacity at each facility could not be learned.

NV Energy subsidiary **Nevada Power Company** is the offtaker for the Ormat plants, under 20-year power purchase agreements.

Sponsors targeting final approval for conditional guarantees often need to hit certain milestones, including state and federal permitting (PFR, 5/12). The specific milestones required for the Ormat guarantee couldn't be learned. The loan terms, including pricing and tenor, and whether other lenders or insurance companies are participating in the financing also couldn't be immediately ascertained.

A DOE spokeswoman in Washington, D.C., declined to comment. An Ormat official in Reno, Nev., and a John Hancock official in Boston didn't return calls seeking comment.

LS Scores \$73M Merchant Financing

LS Power has snagged a \$73 million financing backing three merchant gas-fired plants in Illinois and Connecticut. **GE Energy Financial Services** is the administrative and collateral agent on the deal.

The senior secured credit facility comprises a term loan and revolving credit facilities. It will be used to recapitalize the 540 MW University Park North plant, the 300 MW University Park South plant, both in University Park, Ill., and the 225 MW Wallingford plant in Wallingford, Conn. **Matt O'Connor**, leader of GE EFS' financial institutions group in Stamford, Conn., helped lead the financing.

The debt will recapitalize equity that LS Power used to buy the

three plants, notes a GE EFS spokesman in Stamford, Conn. LS bought University Park South from **Tenaska Capital Management** in April (PFR, 4/6). The sponsor bought the University Park North and Wallingford plants from **PPL** in September.

Lenders are more comfortable financing merchant deals than in the immediate aftermath of the 2008 financial collapse. **ArcLight Capital Partners** and **Hess Corp.** scored a \$422 million financing supporting the Bayonne Energy Center last fall—a deal that features a merchant tail (PFR, 4/21).

Deal details, including pricing and tenor, couldn't be learned. The GE EFS spokesman didn't address deal terms. **Joe Esteves**, LS cfo in New York, didn't return a call.

Mergers & Acquisitions

NextEra NatGas Sale Moves To Round II

A group of five to seven prospective buyers has moved to the second round of **NextEra Energy's** 2.2 GW natural gas-fired sale. Auctioneers **Citigroup** and **Credit Suisse** took bids about a week earlier this month. Potential bidders could not be identified.

The sheer size of the portfolio means the purchase price will likely hit \$1.5 billion, which would be an average of \$700 per kW. The plants in California and Rhode Island are expected to bring a higher per kW price, given the competition for Northeast and West Coast assets, bankers note. "It's going to be people who are really hungry, can write a big check and who need to do a deal," says one banker, noting that even if a buyer lined up a \$1 billion staple financing package, the equity check would still be huge.

The 507 MW Blythe combined-cycle plant in Blythe, Calif., and the 550 MW RISEC CCGT in Johnston, R.I., are the most attractive because of their locations, bankers say. Blythe has a 10-year power purchase agreement with **Southern California Edison** while RISEC is merchant. The varied location of the plants have turned off a few companies on the acquisition hunt because the shops didn't have appetite for plants in the Southeast, observers say.

The portfolio also includes:

- 668 MW Calhoun peaker in Eastaboga, Al., which has 11 years remaining on an **Alabama Power Co.** PPA
- 98 MW Cherokee CCGT in Gaffney, S.C., which has two years remaining on a PPA with **Duke Energy Carolinas**
- 708 MW Doswell CCGT in Ashland, Va., which has six years remaining on a **Virginia Electric Power Co.**; there is also a 171 MW merchant peaker.

The two peakers, Doswell and Calhoun, are candidates for upgrades to CCGT, according to the teaser. The identity and

number of shops that submitted first round bids could not be immediately learned. Spokesmen at Citi and CS declined to comment, while a NextEra spokesman did not return a call.

Rockland Scoops Lone Star Plant Stake

Rockland Capital has bought a stake in Gregory Power Partners, a vehicle that encompasses the 400 MW combined-cycle plant in Texas from an affiliate of JPMorgan. The 10% stake in the Gregory plant was sold by Arroyo Energy Investors. The transaction closed June 9.

Shane Litts, partner at Rockland in Houston, headed up the deal. Neither party used an advisor. Scott Harlan, managing partner, declined to specify the stake's purchase price.

Gregory is also owned by affiliates of John Hancock Life Insurance (71.1%) and Atlantic Power Corp. (18.9%). The plant had been on the market about three years ago but was pulled in the midst of the financial crisis (PFR, 1/23/09).

This is Rockland Capital's third investment under its \$333.1 million fund, Rockland Power Partners, that closed in January. Rockland and JPMorgan officials did not return a call.

Bidders Float Indicative Bids For Liberty

First round bids have come in for Liberty Electric, the 586 MW combined-cycle merchant plant in Eddystone, Pa., owned by a hedge fund consortium led by Strategic Value Partners. JPMorgan is running the auction. The Greenwich, Conn.-based hedge fund is tipped to be seeking a price north of \$800 per kW, says one M&A banker.

SVP halted past auctions of Liberty and prospective buyers have been hesitant to jump in, bankers say, noting that it's a waste of time and capital to bid on a plant that isn't going to be sold. SVP opted for a \$400 million recapitalization instead of a sale when bids came in lower than desired. GE Energy Financial Services was said to have bid about \$450 million, or nearly \$800 per kW, as the top bidder in the 2007 auction (PFR, 2/9/07).

Whether the plant, which is in a PJM zone near Philadelphia, will land satisfactory bids at a time when there is still wariness surrounding merchant generation and decreased power demand is unclear, industry observers say. The sale is being led by Carsten Woehrn, executive director at JPMorgan (PFR, 4/29). The plant had a hedge that expired in 2010 although 75% was extended until the end of this year. The identity of the counterparty on the hedge could not be learned.

The plant is owned by a consortium of investors including Harbert Venture Partners, CarVal Investors—formerly Cargill

Value Investments—and JPMorgan.

Neither the number of prospective buyers nor their identities could be learned. A JPMorgan spokeswoman declined to comment and officials with JPMorgan and SVP didn't respond to an inquiry. Officials at other investors could not immediately be reached for comment.

Consortium Shops Granite Ridge

The investor consortium that owns Granite Ridge Energy, a 661 MW combined-cycle facility in Londonderry, N.H., is shopping for a buyer. The owners, including Värde Partners and CarVal Investors, have spoken to several prospective acquirers about the merchant plant, industry officials say.

Värde owns roughly 20% of the plant while CarVal owns about half. Other owners, as of 2008, included Durham Asset Management, Gracie Capital, King Street Capital, KSHC Energy V and TPG Credit Opportunities Fund (PFR, 5/23/08). The breakdown of equity stakes among the owners could not be learned.

Värde sought to increase its share earlier this year, signaling a possible wider divestiture (PFR, 2/15). The plant had been in the late stages of an auction, run by Merrill Lynch, in late 2008 but the process was shelved (PFR, 11/26/08).

The status of the sale and whether the consortium is using an advisor couldn't be learned. Officials and spokespeople at CarVal, King Street and Värde either didn't return calls or declined to comment.

Corporate Strategies

AES Taps Bonds For DPL Purchase

AES has issued \$1 billion in privately placed senior unsecured notes to finance a portion of its \$4.7 billion purchase of DPL, the parent company of Dayton Power & Light.

The 10-year notes carried a 7.375% coupon. AES priced the issuance at 442 basis points over U.S. Treasuries, deal watchers say. The bonds are rated B1 by Moody's Investors Service and BB+ by Standard & Poor's.

Bank of America, JPMorgan and Morgan Stanley were bookrunners. Barclays Capital, BNP Paribas, Credit Agricole, Mitsui Banking Corp. and Scotia Capital were co-managers.

A \$1.25 billion senior unsecured bond issuance is also planned at DPL, which will become ring-fenced from AES (PFR, 5/20). The Charlottesville, Va.-based company has also lined up a seven-year, \$1.05 billion term loan B to fund the takeover of DPL (PFR, 5/27). When the unsecured notes will be issued has not yet been determined.

Spokespeople at the firms either declined to comment or did not return calls.

Project Finance Deal Book

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

Live Deals: North America

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
Abengoa Solar	Mojave (250 MW Solar Thermal)	San Bernardino County, Calif.	FFB	TBA	\$1.2B	TBA	DOE offers conditional FFB loan (see story, page 3).
American Renewables	Gainesville (100 MW Biomass)	Gainesville, Fla.	BoTM	TBA	\$400M	TBA	BoTM mandated for club deal and will joined by six or seven others (PFR, 5/23).
Brookfield Renewable Power, Coram Energy	Unknown (102 MW Wind)	Tehachapi, Calif.	BoTM, Mizuho, SMBC	TBA	TBA	TBA	Deal wraps (see story, page 3).
Brookfield Asset Management, Isolux Corsan	CREZ (300 Miles Transmission)	Texas Scotia, SocGen	BOTM, DB, Santander,	TBA	\$400-500M piece	TBA	At least one of the lenders plans to syndicate their (PFR, 5/30).
Cheniere Energy	Unidentified (Export LNH Facility)	Sabine Pass, La.	TBA	TBA	\$2.24B	TBA	Sponsor eyes financing by year-end (PFR, 6/13).
Competitive Power Ventures	Sentinel (850 MW Gas)	Riverside County, Calif	BoTM	TBA	\$800M	10-yr	Deal wraps oversubscribed (PFR, 6/6).
DKRW Advanced Fuels	Unidentified (Coal Liquefaction)	Medicine Bow, Wyo.	TBA	TBA	TBA	TBA	Sponsor taps Citi to advise on the \$1B+ financing (PFR, 6/13).
Enova Energy Group	Plainfield (37.5 MW Biomass) Unidentified (20 MW PV)	Plainfield, Conn. Southern Nevada	TBA John Hancock	TBA TBA	TBA TBA	TBA TBA	Sponsor scouts financing (see story, page 3). Fotowatio snags conditional DOE loan guarantee (PFR, 6/13).
Gradient Resources	Patua (60 MW Phase I Geo)	Reno, Nev.	BNP, Dexia, Scotia	TBA	\$600M	TBA	Mandated banks plan syndication (PFR, 5/30).
Hudson Transmission Partners	Hudson Transmission	Ridgefield, N.J.-New York	RBS, SocGen	TBA	TBA	TBA	Deal wraps (PFR, 5/30).
LS Power	Cross Texas (230 Miles Transmission)	Texas	BNP, Citi, Crédit Agricole and MUFG	TBA	TBA	TBA	LS Power prices loan at roughly 200 bps over LIBOR (PFR, 6/6).
NextEra Energy Resources	Genesis (250 MW Solar Thermal)	Blythe, Calif.	Credit Suisse	TBA	\$1B+	TBA	DOE offers conditional loan guarantee (see story, page 3).
NRG	El Segundo (550 MW Gas) Roadrunner (20 MW Solar PV)	El Segundo, Calif. Santa Teresa, N.M.	Crédit Agricole, Mizuho, RBS, MUFG	TBA TBA	\$683M TBA	TBA TBA	NRG tags three to lead deal (PFR, 6/13). Sponsor lands financing (PFR, 6/6).
Ormat Technologies	Various (121 MW Geothermal)	Nevada	John Hancock	TBA	\$350M	TBA	DOE offers conditional \$280M loan guarantee (see story, page 4).
Recurrent Energy	Unidentified (60 MW Solar PV)	Calif.	TBA	TBA	TBA	TBA	Recurrent hunts financing supporting at least 60 MW of solar PV (see story, page 3).
SolarReserve	Crescent Dunes (110 MW Solar)	Tonopah, Nev.	FFB	TBA	TBA	TBA	Sponsor snags conditional DOE loan guarantee (PFR, 5/30).
Summit Power Group	Texas Clean Energy Center (400 MW IGCC)	Odessa, Texas	RBS	Loan, bonds, private placement	TBA	TBA	Sponsor plots \$1.3-1.4 billion financing package (PFR, 5/30).
Terra-Gen Power	Alta Phases 6 and 8 (300 MW Wind)	Tehachapi, Calif.	Crédit Agricole, MUFG	Mini-Perm	\$631M	C+ 7-yr	Deal wraps (PFR, 6/6).

PRINT IT OUT. DOWNLOAD IT. YOUR CHOICE.

Subscribers can access their copy of **Power Finance & Risk** on Friday afternoons at www.iipower.com.

To set up your subscriber password, contact customerservice@iinews.com or call (800) 715-9195 between 8:00 a.m. and 6 p.m.

Generation Sales Database

Generation Sale ■ DATABASE

Following is a listing of ongoing generation asset sales from PFR's Generation Sales Database. The entries below are of new sales and auctions or of sales and auctions that have changed in their parameters or status. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report new sales and auctions or changes in the status of a sale or auction, please call Senior Reporter **Holly Fletcher** at 212.224.3293 or e-mail hletcher@iineews.com. The full database is available at <http://www.iipower.com/GenerationSalePage.aspx>

Seller	Assets	Location	Advisor	Status/Comments
Arroyo Energy Investors	Gregory (400 MW Gas)	Gregory, Texas	None	Rockland Capital buys a 10% stake in the plant (see story, page 5).
Brookfield Infrastructure Partners	Cross Sound Cable (24-mile Transmission)	N.Y., Conn.	Rothschild	Potential buyers are receiving CIMs right now (PFR, 5/2).
Calpine	Mankato (375 MW CCGT) Broad River (847 MW Simple cycle)	Mankato, Minn Gaffney, S.C.	Barclays Capital	Teasers are out (PFR, 6/13).
CarVal Investors, Värde Partners, Consortium	Granite Ridge (661 MW Gas)	Londonderry, N.H.		Owners have spoken to several prospective buyers (see story, page 5).
CH Energy Group	Shirley (20 MW Wind)	Glenmore, Wis.	N/A	Purchase marks Duke's foray into northern Midwest (PFR, 5/31).
City Water & Light	Stake (550 MW Nelson coal-fired steam)	Westlake, La.	TBA	A unit of Entergy is buying the portion it has a PPA with (PFR, 5/23).
Compass Wind	Spion Kop (40 MW Wind)	Judith Basin County, Mont.	TBA	NorthWestern Energy is planning to put the project into its ratebase (PFR, 6/13).
Constellation Energy	Quail Run (550 MW CCGT)	Odessa, Texas		A sale to High Plains Diversified Energy Corp. was nixed (PFR, 6/13).
Entegra Power Group	Gila River (340 MW unit in 2.2 GW CCGT)	Phoenix, Ariz.	Barclays Capital	Wayzata emerges from go-shop as buyer (PFR, 6/13).
First Wind	Various (Wind)	Maine, New York	Credit Suisse Macquarie Capital	Emera and Algonquin are teaming up on a joint venture (PFR, 5/9).
Gamesa Energy USA	Chestnut Flats (38 MW Wind)	Cambria County, Pa.	None	Has lined up a buyer that will bring a PPA for the merchant project (PFR, 5/2).
GDF Suez Energy North America	Hot Spring (746 MW CCGT) Choctaw (746 MW CCGT)	Malvern, Ark. Ackerman, Miss.	UBS	UBS is releasing CIMs to interested parties (PFR, 5/15).
LS Power	Cross Texas Transmission (234-mile project) Great Basin Transmission (230-mile project)	Texas Nevada	Citigroup Citigroup	Final offers are due by month's end (PFR, 5/15).
Navasota Energy Partners	L'Energia (80 MW CCGT)	Lowell, Mass.	TBA	EDF Trading North America has agreed to buy the plant (PFR, 5/30).
NextEra Energy Resources	Blythe (507 MW Combined-cycle) Calhoun (668 MW Peaker) Doswell (708 MW CCGT & 171 MW Peaker) Cherokee, (98 MW CCGT) Riseac (550 MW CCGT)	Blythe, Calif. Eastaboga, Ala. Ashland, Va. Gaffney, S.C. Johnston, R.I.	Credit Suisse, Citigroup	Five to seven buyers move to second round (see story, page 4).
NRG Solar	Various (stake in 881 MW Solar pipeline)	Various	Credit Suisse	NRG is looking for a minority owner for its solar subsidiary (PFR, 5/9).
PSEG Power	Odessa (1 GW CCGT)	Odessa, Texas	Goldman Sachs	The company is talking to other parties after High Plains Diversified Energy Corp. dropped out of the auction (PFR, 6/13).
PNM Resources	Stake in Optim Energy Altura (600 MW Cogen) Twin Oaks (305 MW Lignite-fired) Cedar Bayou 4 (275 MW natural gas-fired)	Texas Channelview, Texas Bremond, Texas Chambers County, Texas	Morgan Stanley	Teasers are out as Cascade Investments considers exiting (PFR, 5/23).
Raser Technologies	Thermo 1 (14 MW Geothermal) Lightning Dock (15 MW Geothermal development)	Thermo, Utah Hidalgo County, N.M.	Bodington & Co.	A pair of investors have come forward as stalking horse bidders in a Ch. 11 bankruptcy (PFR, 5/23).
Standard General	Standard Binghamton (49.3 MW Peaker)	Binghamton, N.Y.	Energy Advisors	Alliance Energy Group expects a 2Q close (PFR, 5/23).
Strategic Value Partners, JPMorgan, Cargill	Liberty Electric Power (586 MW CCGT)	Eddystone, Pa.	JPMorgan	Bidders float indicative bids (see story, page 5).
Synergics	Roth Rock (40 MW Wind)	Oakland, Md.	TBA	Gestamp Wind North America has agreed to buy the project and has lined up a tax equity investor (PFR, 5/2).
Wayzata Opportunities Fund	Chowchilla (49 MW Peaker) Red Bluff (45 MW Peaker)	Chowchilla, Calif. Red Bluff, Calif.	TBA TBA	EWP Renewable Corp., a unit of Korean Electric Power Corp., is buying the facilities (PFR, 5/30).

LENDERS CAST

(continued from page 1)

now we look around and ask, 'What's next?'"

The imminent closure of several deals backing contracted gas-fired projects in California and transmission lines in Texas are also prompting bankers to weigh financings backing unconventional projects that would have never seen a credit committee after the financial collapse. "If we want to make

budget, we have to make it somewhere... other than conventional power," says a syndicator, who contends these uncommon projects represent an emerging trend. "The wind and solar developers just won't get us there."

Royal Bank of Scotland is leading a \$1.3-1.4 billion deal for **Summit Power's** more than \$2 billion, 400 MW integrated gasification combined-cycle plant in Odessa, Texas (PFR, 5/27). The plant marks first coal-fired project to hit the market in several

years and the first ever backing carbon capture and sequestration technology. **DKRW Advanced Fuels** is looking for more than \$1 billion in financing backing its roughly \$1.7 billion coal liquefaction-to-gas plant in Medicine Bow, Wyo., and has chosen **Citigroup** to be its financial advisor (PFR, 6/10). **Société Générale** is advising **Cheniere Energy** on its hunt for roughly \$2.24 billion for the first export liquefied natural gas facility in the continental U.S. (PFR, 6/10). "These types of projects are always around, but they're really hard to get done because they have long gestation periods," adds the senior financier. "But they're more visible now."

Pricing in some cases may be a tad higher than the recent market floor of 200-225 basis points over LIBOR for traditional projects, but financiers expect other financings for unorthodox projects to stay in that range. "Banks can't be selective right now," says an originator in New York. "There just aren't that many transactions out there." —*B.E.*

LA PALOMA SNIFFS

(continued from page 1)

In the years following commercial operation in 2003, La Paloma struggled with operational problems, thereby reducing its cash flow and limiting the amount of principal debt it was able to pay off, says an analyst. Lender **Trust Co. of the West** foreclosed on **Complete Energy's** 60% stake in La Paloma in November 2009, with Rockland taking its initial 7.4% stake last year (PFR, 11/20/09 & 5/3/10). The exact cause of the operational problems with the plant couldn't be immediately learned. **Scott Harlan**, managing partner at Rockland in Houston, could not be reached for comment.

If re-hedging and refinancing talks fail to materialize the owners could look to sell, says one industry official, noting that institutional investors behind the facility are not natural long-term owners. Rockland owns up to one-fifth of the equity. An affiliate of **Morgan Stanley** and **TCW** are majority owners of La Paloma. The remainder of the facility is owned by affiliates of various investment shops, including **Solus Alternative Investment Management**, **Credit Suisse**, **Merrill Lynch**, **Loews Corp.**, **Complete Energy**, **Batesville** and **Deephaven Capital Management**, according to a January filing with the U.S. Federal Energy Regulatory Commission. **Deephaven** is an affiliate of **Stark Investments**.

WestLB arranged the existing debt package in 2005 (PFR, 8/12/05). The debt includes a \$244 million first lien term loan that matures in 2012, priced at 175 basis points over LIBOR; a \$155 million second lien term loan that matures in 2013, priced at 350 bps over LIBOR; and about \$60 million in working capital and letters of credit.

Officials and spokespeople at the other banks and investment companies either declined to comment or didn't respond to inquiries. —*Holly Fletcher*

PERUVIAN CO.

(continued from page 1)

BBB rating of Peru.

The election of **Ollanta Humala** as Peru's president on June 5 is posing a potential hiccup to the **Inkia** financing. Bankers worry that Humala may have inclinations along the lines of **Hugo Chavez**, the Venezuelan president who has a history of nationalizing private enterprise. They are waiting to see whether the cabinet Humala is set to select next month will be business-friendly. "Energy is so crucial in Peru that it's assumed he'll continue to allow [new projects] to be put in place," the v.p. says.

French, Japanese and Spanish banks are studying the **Inkia** financing. "It's the usual suspects," says a senior originator in New York. Columbian banks are also potential project lenders. Financiers expect financial close by year end. Banks active in the Latin American project market include **Bank of Tokyo-Mitsubishi UFJ**, **BBVA**, **BNP Paribas**, **Crédit Agricole**, **Société Générale** and **Sumitomo Mitsui Banking Corp.** (PFR, 7/3/08).

Most Latin American project financings start at, or step up to, 300 basis points over LIBOR, or 75 bps above most U.S. deals (PFR, 3/4). "The [Latin American] market appeals to lenders looking for better margins," says a syndicator in New York.

Inkia officials held initial talks with the **Inter-American Development Bank** about financing the project, but the developer has yet to formally seek the bank's involvement, says **Esteban Sarzosa**, IDB structured and corporate finance senior specialist in Washington, D.C. "It's been approached as a commercial deal so far," confirms the senior originator. Whether **Inkia** will ultimately tap the IDB couldn't be learned.

Bank officials declined to comment or didn't return messages.

—*Brian Eckhouse*

Quote Of The Week

"We want to be the largest solar power company in the country when grid parity occurs." —**Michael Gorton**, ceo and chairman of **Principal Solar** in Dallas, referring to the company's hunt to buy solar projects of up to 1 MW (see story, page 2).

One Year Ago In Power Finance & Risk

Terra-Gen Power discussed financing three phases of the Alta wind project, or 570 MW, in one swoop with lenders. [The **ArcLight Capital Partners** affiliate wrapped a \$1.2 billion financing supporting the phases via **Citigroup**, **Barclays Capital** and **Credit Suisse** (PFR, 7/26). **Terra-Gen** landed a \$631 million financing for two additional phases earlier this month (PFR, 6/1).]