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Fund Puts Duquesne Stake On Block

Diversified Utility & Energy Trusts is selling its 29% stake in **Duquesne Light Holdings**, the Pittsburgh, Pa.-based utility holding company.

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CPV Courts Investors

Competitive Power Ventures has entered into non-disclosure agreements with several entities looking to take a stake in the company's wind unit.

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Muscling Up

TERRA-GEN PLOTS SINGLE ALTA FINANCING

Terra-Gen is talking to lenders about financing the next three phases of its Alta wind project, a combined 570 MW, in one swoop. The developer, which had planned to finance the 720 MW project in Tehachapi, Calif., in 150 MW chunks, changed its approach after watching the recent big ticket deals move through the market. "Why pay your lawyers three times for the same transaction if you can get it all done at once?" says a project financier. Developing 570 MW of wind costs \$1.2-\$1.5 billion.

The deals that prompted the change of strategy are El Paso's \$3 billion Ruby Pipeline

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PPL HAWKS 900MW PORTFOLIO

PPL Corp. is looking to sell three plants in a combined 900 MW portfolio, which is expected to fetch roughly \$200 million. The plants are merchant, which means demand from buyers will likely be soft, says one deal watcher, because the absence of long-term offtake contracts would make the purchase nearly impossible to finance through a bank loan. Even if a bank did step up for a B loan, the other financing alternative, widening spreads in the B loan market might make that option too expensive for potential buyers to consider.

The company will use proceeds of the sale to back its \$6.7 billion purchase of E.ON's

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UNION BANK OPENS NYC OUTPOST

Union Bank, a mainstay of power project finance, is expanding its syndications team into New York City. The Los Angeles-based bank has hired **Mark Smith**, formerly a **WestLB** director of originations, as its v.p. of loan syndications. Smith will be Union Bank's first syndicator stationed full-time in New York. He will report to **Monique Palumbo**, who heads Union Bank's syndications team focusing on project finance and utilities. He starts June 28. Palumbo will split her time between Los Angeles and New York, a banker says.

Union Bank's expansion is a logical move, given that the lender is the only major player in

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WIND TURBINE PRICES TUMBLE

The North American market for wind turbines is getting cheaper for developers as more manufacturers are targeting the area and new project development has slowed. The market is opaque in terms of pricing, but developers and bankers say prices are now \$1.1-1.3 million per MW, against \$1.3-1.6 million per MW a couple of years ago.

"It's a simple case of supply and demand. There are more turbines than [projects] being built," says one banker. Established manufacturers are cutting prices as more Asian competitors like **Goldwind**, which are often less expensive, move into the space, he adds.

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At Press Time

DUET Preps Utility Stake Sale

Diversified Utility & Energy Trusts, or DUET Group, is selling its 29% stake in Duquesne Light Holdings, the Pittsburgh, Pa.-based utility holding company. The stake could be worth \$300 million, industry officials say. Macquarie Group is running the sale process, which is expected to wrap by year-end.

A buyer is likely to be another infrastructure fund or financial investor that wants a piece of a regulated asset, says an analyst and an M&A banker. "It will be hard to find a corporate entity interested in a non-controlling stake," says the banker in New York. Another member of the consortium could want to increase its ownership, notes another banker.

Duquesne, the parent of Duquesne Light Co., is owned by a consortium that includes DUET, Macquarie Infrastructure Partners and Industry Funds Management. Other owners include affiliates of Macquarie, the Motor Trades Association of Australia and pension fund State Super, according to a filing with the U.S. Federal Energy Regulatory Commission at the outset of the consortium's takeover of the then-public company in 2006.

DUET is a 50:50 joint venture between Macquarie Infrastructure Partners and Australian wealth management company AMP Limited. Details on the auction, including a timeline for bids, type of process and whether Macquarie would want to increase its ownership, could not be learned.

Calls to a Macquarie official and spokeswoman were not returned before press time. A DUET official in Australia could not be reached and a Duquesne official was not immediately available.

UNION BANK

(continued from page 1)

the project finance market based on the West coast and the only one without any outlets in New York, a project financier notes. "All the major banks are in New York, so UBoC had to be here," he says. Whether Union Bank is planning to further bulk out its syndications team could not be learned. Palumbo did not return a phone call or email seeking comment.

Smith's hire comes four months after the bank's power and utilities group launched an alliance with Bank of Tokyo-Mitsubishi's team, under the umbrella brand Mitsubishi UFJ Financial Group. The umbrella does not span syndications or credit committees, an observer notes, and bankers at other institutions are still trying to reconcile when and how the affiliates collaborate or compete. One longtime financier says he is "befuddled" by Union Bank's move, pointing to BoTM's strong presence in New York City. Union Bank and BoTM led \$212 million in financing backing Competitive Power Ventures' wind farms in Kansas and North Dakota shortly after they announced their partnership (PFR, 2/19).

Jonathan Lindenberg, BoTM's head of project finance in the Americas, referred questions to a spokeswoman who did not answer them by press time.

—Brian Eckhouse

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Spanish Conglomerate Eyes Third Planet

Grupo ACS, a Spanish construction firm, is said to have entered into an exclusive contract to purchase **Third Planet Windpower**. Adding the Third Planet development team and pipeline would fit the Madrid-based conglomerate's plan to expand its presence in the U.S., industry officials say. It is already developing a 150 MW wind project in New Mexico and a 250 MW wind project in Texas.

The exclusive contract extends until mid-July. The sale would not include the merchant 100 MW Loraine wind farm in Texas, but would include a 40 MW wind project in Nebraska that has a PPA with **Omaha Public Power District**. Several foreign players have been in talks with the company (PFR, 5/6).

ACS has developed six wind projects in Spain and has about 1.3 GW of generation abroad. An investor relations contact in Madrid could not be reached by phone and an email was not returned before press time.

Calls to **Walter Kamp**, ceo of Third Planet in Palm City, Fla., and **Jerry Johnson**, treasurer in San Ramon, Calif., were not returned before press time. An official at **Morgan Stanley**, which backs Third Planet, did not return a call.

GE Said To Make BostonGen Bid

GE Energy Financial Services is reportedly one of the first round bidders in the auction of **U.S. Power Generating Co.**'s natural gas assets in Boston. GE is looking at natural gas assets to expand its portfolio and has some merchant appetite, says **Andy Katell**, spokesman, declining to comment on whether GE EFS is bidding on **Boston Generating**. Final bids are due in mid July, according to a deal watcher.

JPMorgan is running the auction. Other bidders who reportedly have their name in the hat are **GDF Suez** and Canadian independent power producer **Capital Power**. **Constellation Energy** is working with **UBS** and **Credit Suisse** on a bid (PFR, 4/22). First round bids were due last month.

"It's not often businesses of this size come to market. This is a big, big deal," says one banker. However, BostonGen has been trying to refinance about \$1.7 billion in debt (PFR, 4/9) and it might be difficult for a buyer to hit a value that would satisfy the first and second lien and mezzanine lenders, say deal watchers.

The debt and the investors in it include: a \$1.1 billion term loan B held by **Angelo Gordon**, **Avenue Capital**, **Highland Capital Management** and **Trust Company of the West**; a second \$300 million lien held by **Carval Investors**, **Goldman Sachs** and **Fortress**; \$300 million in mezzanine debt belonging to **Candlewood Partners** and **Satellite Asset Management**. **Sandell Asset Management** has a small piece of each tranche.

A call to **Tim Howell**, managing director at GE EFS in

Stamford, Conn., was forwarded to Katell. An official at Capital Power in Edmonton declined to comment and a GDF spokeswoman did not return a call. Officials at JPMorgan and U.S. PowerGen in New York declined to comment.

Assets on the block include the 801 MW Fore River and the 560 MW Mystic 7, both gas- and oil-fired, and the 1602 MW combined, natural gas-fired, Mystic 8 and 9, in the greater Boston area.

BP Wraps Idaho Wind Deal

BP Alternative Energy and **Ridgeline Energy** have closed \$260 million in financing for their 90 MW Goshen II wind farm east of Idaho Falls, Idaho, a deal watcher says. **Mitsubishi UFJ Financial Group**, **Caja Madrid**, **Commerzbank** and **Mizuho** led the 15-year deal. Final pricing could not be learned, but bankers expected the deal to start 250 to 275 basis points over LIBOR.

BP and Ridgeline signed a 20-year PPA with **Southern California Edison** in April for up to 130 MW, pending approval by the **California Public Utilities Commission**. The close comes after BP upped its stake in the interconnection link to the project (PFR, 6/11).

Steve Voorhees, ceo of Ridgeline in Seattle, and **John Graham**, president of **BP Wind Energy** in Houston, couldn't be reached at press time. Bankers either declined comment or did not return calls.

Helaba, UniCredit Wrap NextEra Loan

Helaba and UniCredit have closed a five-year, back-leveraged \$78 million term loan backing **NextEra Energy Resources** 120 MW Ashtabula II and the 49.5 MW Milton II wind farms in North Dakota. Helaba served as administrative and collateral agent on the deal, which closed late last month.

Under the back-leveraged structure, the sponsor will use cash flows from the project to pay back the \$78 million loan. Once the loan is paid back, cash flows from the project will revert to tax equity investors, which include **JPMorgan** and two other unidentified entities (PFR, 3/19). The tax equity investors will retain the cash flows until they realize their tax equity credits in the project, at which point the cash flows revert back to the sponsor. The structure allows the sponsor to free up capital on a project it does not technically own due to the tax equity investment, an attorney familiar with the structure notes.

Bankers at Helaba, declined to comment. **Gisela Croess**, a banker at UniCredit, couldn't be reached for comment. A NextEra spokesman in Juno Beach, Fla., did not return a phone call. Pricing could not be learned.

Minnkota Power Co-op bought about half of the power from

Ashtabula II, while **Basin Power Electric Co-op** purchased power from Milton II.

Hudson Line Debt To Launch

Lead banks **Royal Bank of Scotland** and **Société Générale** are preparing to launch financing backing **Hudson Transmission Partners** \$500 million transmission line late in the third quarter. The move comes after the **New York Power Authority**, which had been considering buying the line, nixed that idea and agreed to take a long-term capacity contract for the asset.

The contract has allowed banks to move forward with structuring the financing, a deal watcher notes, adding it will include a term loan with a long tenor, and have a construction term. The financing is expected to be roughly \$450 million. Bank officials either declined to comment or did not return calls and details such as pricing, tenor and the length of the NYPA contract could not be immediately learned.

Steve DeCarlo, the v.p. of transmission at NYPA, did not return a call and **Ed Stern**, ceo of Hudson in Fairfield, Conn., declined to comment. The reasons behind authority's decision to enter into the contract with the project rather than buy it could not be immediately learned.

Energy Investors Funds and **Starwood Energy** are backing the eight-mile 345kV line that will stretch from Ridgefield, N.J., to midtown Manhattan.

Potential Investors Look At CPV Wind

Competitive Power Ventures has entered into several non-disclosure agreements with companies interested in taking an investment stake in its wind unit. Interested parties include at least two domestic strategic investors and a financial institution, deal watchers say, adding the mix is expected to include some infrastructure funds. The exact number or identities of interested parties could not be learned.

At least one of the interested strategics is reviewing the company's financial information with the intention of making an offer to acquire, says an industry official. CPV is looking for expansion and growth capital although the process "could go a lot of ways," says one deal watcher, noting it's very early in the process. No offers have come in yet.

The Braintree, Mass.-based company retained **Marathon Capital** in April to tap investors for about \$400 million in equity (PFR, 4/16). CPV closed on the purchase of the **Interwind**, an affiliate of **SkyPower**, Canadian wind portfolio earlier this year (PFR, 1/22).

Calls to **Sean Finnerty**, senior v.p. of renewable development, and a spokesman, were not returned. A Marathon official declined to comment.

Calif. Solar Co. Seeks Pipeline Suitor

Solar Electric Solutions is searching for a private equity shop to invest in its photovoltaic pipeline. The Woodland Hills, Calif.-based developer has 12 projects, totaling 100 MW, in mid- to late-stage development, two of which are shortlisted for PPAs, a deal watcher says. **Alyra Renewable Energy Finance**, SES's advisor, sent a teaser out last week. The amount of equity investment sought could not be learned.

SES has an additional three projects totaling 30 MW in the early stages of development in the Southwest and is looking to develop 350 MW by the end of 2011, he adds. The company is focusing on installations 20 MW or smaller.

Mohammed Alam, president of Alyra in Northampton, Mass., declined to comment. Details about the projects, including location and potential offtakers could not be learned. It's not clear whether any of the current projects have construction financing. Officials at the company could not be reached for comment.

Canadian Geo. Co. Snags Debut FIPP Guarantee

U.S. **Department of Energy** has awarded the first loan guarantee under its Financial Institution Partnership Program to a \$98.5 million facility for **Nevada Geothermal Power**. The company expects the guarantee to shave 9% in interest costs off the loan, translating to savings of "hundreds of thousands a month," says **Paul Mitchell**, director of investor relations in Vancouver. The DOE announced the award that guarantees 80% of the loan June 15.

The company will use the 20-year guaranteed loan to refinance debt for its 49.5 MW Blue Mountain facility in Humboldt County, Calif. Proceeds will take down a portion of debt from the **Trust Company of the West** that carries an interest rate of about 14%, Mitchell says. The FIPP-backed loan is from **John Hancock Financial Services** and carries an interest rate of around 5%. The remainder of the debt will carry a rate that blends the pricing of the two loans, he says. The company expects to have the funds from John Hancock within two to three weeks, after it receives approval from the U.S. **Office of Management and Budget** and the U.S. **Department of Treasury**.

The FIPP received just under a dozen submissions and while the announcement of the initial guarantee is good news for the program, market observers don't expect it to unleash a wave of approved applications. "The thoroughness of the DOE's scrubbing of the deals is more than expected. It's a deeper review process, which taxpayers may welcome, but if you're trying to close a deal, it's not good news," says **Kenneth**

Hansen, partner at law firm **Chadbourne & Parke** in Washington, D.C.

The facility in Humboldt County, Nev., began selling power and renewable energy credits to **NV Energy** in November under a 20-year agreement. The other FIPP applicants are likely to be developers in the market for construction loans, not seeking refinancings, deal watchers say. John Hancock is the financial sponsor and lead lender for several FIPP applications and is still waiting for news on one solar and one wind application, a deal watcher says.

The FIPP program was established under the 2009 American Recovery and Reinvestment Act and will continue to accept applications until Jan. 6. A John Hancock official declined to comment and DOE spokespeople did not respond to press requests.

ArcLight Closes \$220M B Loan

Lenders backing **ArcLight Capital Partners'** purchase of five generation and transmission assets have wrapped on a \$220 million B loan, months after closing was first eyed. A dispute between seller **Energy Investors Funds** and one offtaker snagged the close (PFR, 5/28). The deal wrapped last week.

A lengthy approval process by the U.S. **Federal Energy Regulatory Commission** also delayed the deal (PFR, 5/28). During the approval process, lead arrangers **Bank of America** and **Barclays Capital** implemented ticking fees which reached 200 basis points over LIBOR, after a bump up from a 150 bps ticking fee in April. Pricing on the seven-year facility starts at 350 bps over LIBOR, with a 2% LIBOR floor and an original issue discount of 98.5.

A Barclays official declined to comment. **John O'Connor**, cfo of **Terra-Gen**, an ArcLight affiliate, and officials at EIF and BofA did not return calls.

BrightSource Hones In On DOE Loan

BrightSource Energy expects to close on its \$1.37 billion loan under the U.S. **Department of Energy's** Section 1705 loan guarantee program for innovative renewables and nuclear projects before this fall. The Oakland, Calif.-based company will use the funds, which are provided via the **Federal Financing Bank** under the 1705 program, to develop its 400 MW solar thermal plant in Ivanpah, Calif., which is slated for operation in 2012.

The BrightSource loan is guaranteed by the DOE under Sect. 1705 in the American Recovery and Reinvestment Act. The Federal Financing Bank, a government corporation supervised by the U.S. **Treasury**, will provide a loan to finance up to 80% of the project costs under the program, a DOE spokeswoman notes. **Gary Burner**, cfo of the Federal Financing Bank, couldn't be reached for comment at press time and details such as pricing and tenor on the loan could not be learned.

The program mandates that developers close equity and secure

permits before launching construction, notes a BrightSource spokesman in Oakland, Calif., who confirmed a targeted fall groundbreaking. **Alstom Power** invested \$55 million in the company last month (PFR, 5/21). Other BrightSource investors include the **California State Teachers Retirement System**, **Morgan Stanley** and venture capital firms **Draper Fisher Jurvetson** and **VantagePoint Venture Partners**. The spokesman declined to specify the size of the equity stake or identify equity investors in the BrightSource project.

The Ivanpah project, about four miles west of Primm, Nev., is part of a 2.6 GW of renewables projects planned by BrightSource, which has offtake agreements with **Pacific Gas & Electric** and **Southern California Edison**.

Corporate Strategies

Alliant Subs Take Out CP With Bonds

Alliant Energy subsidiaries **Interstate Power & Light** and **Wisconsin Power & Light** have issued \$300 million in debentures to pay down commercial paper. The company closed the deals on June 10.

Barclays Capital, **JPMorgan Securities**, **RBS Securities**, **UBS Securities** and **BNY Mellon Capital Markets** served as joint bookrunners for subsidiary **Interstate Power & Light's** \$150 million deal and **KeyBanc Capital Markets** joined **Barclays**, **JPM**, **RBS** and **UBS** for subsidiary **Wisconsin Power & Light's** \$150 million deal. **Interstate Power** issued five-year senior debentures, carrying a coupon of 3.30%. Pricing was 130 basis points over Treasuries. **Wisconsin Power** priced its ten-year debentures with a 4.6% coupon and 135 bps over Treasuries.

The bookrunners across both deals are relationship banks of Alliant, says Assistant Treasurer **Enrique Bacalo** in Madison, Wis. Proceeds will be used to repay outstanding CP. **Interstate** had \$209 million in outstanding CP and **WP&L** had \$141 million as of March 31, according to Alliant's first quarter report. Bacalo declined to specify which bankers worked on the deal. Bankers either declined comment or couldn't be reached by press time.

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News In Brief

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

Americas

● **Wal-Mart** is challenging an agreement between the developer of the proposed offshore Cape Wind farm in Massachusetts and offtaker **National Grid** over the cost of wind power purchased from the farm, in a complaint filed with the state (*The Boston Globe*, 6/17).

● Six U.S. senators have proposed extending the U.S. **Department of Treasury** cash grant program for two years, until the end of 2012. The senators expect the program, which is favored by developers and power companies, to hasten the transition to renewable power (*Dow Jones Newswires*, 6/16).

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@iineews.com.*

Live Deals: North America

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
AES	Mong Duong II (1,200 MW coal)	Vietnam	TBA	TBA	TBA	TBA	Bankers anticipate the project to cost at least \$2.4B (PFR, 5/24).
Arclight Capital Partners	Various (Gas and Transmission)	Various	Barclays, BofA	Term Loan	\$220M	7-year	Loan closed ahead of drop-dead date (see story, page 6).
BP, Ridgeline	Goshen II (90 MW Wind)	Bonneville County, Idaho	BTMU, Caja Madrid, Commerzbank and Mizuho	Roughly \$260M	TBA	15-yr	Financial close reached on Idaho wind farm (see story, page 4).
BrightSource Energy	Various (1.3 GW Solar)	Southern California	TBA	TBA	TBA	TBA	Financial close expected by year end (see story, page 6).
Brookfield Asset Management, Isolux Corsan	CREZ Transmission	Texas	TBA	TBA	TBA	TBA	Contacting European banks for financing (PFR, 6/7).
Catalyst Renewables, Hannon Armstrong	50 MW Hudson Ranch I (geo)	Salton Sea, Calif.	WestLB, ING, SocGen	Mini-Perm	\$297M	7-yr	Financial close reached on \$401 million deal (PFR, 5/24).
Cavallo Energy	Cross Hudson Transmission	Ridgefield, N.J.-to-New York	TBA	TBA	\$400-\$450 M	TBA	Bidding process to secure shippers started May 17 (PFR, 5/17).
Edison Mission Group	Laredo Ridge Wind Energy Project	Petersurg, Neb.	TBA	TBA	TBA	TBA	Club deal with pricing at 250 bps over LIBOR (PFR, 5/17).
El Paso	Ruby Pipeline (675-mile Natural Gas Pipeline)	Wyoming to Oregon	Credit Suisse, Calyon, BMO, Scotia, SocGen, Banco Santander, RBS	TBA	\$1.5B	7-yr	Financial close reached (PFR, 5/17).
Fishermen's Energy	Various (20 MW Offshore Wind)	Atlantic City, N.J.	Fieldstone Capital	TBA	TBA	TBA	Financing hinges on renewables credits (PFR, 6/7).
Horizon Wind Energy	Meadow Lake II	White County, Ind.	TBA	TBA	TBA	TBA	JPMorgan Capital selling tax equity stake (PFR, 5/4).
Hudson Transmission Partners	Hudson Transmission	Ridgefield, N.J.-New York	RBS, SocGen	TBA	TBA	TBA	Loan size ranges from \$300-800 million depending on whether NYPA buys project (PFR, 5/17).
Invenery	Beech Ridge (100.5 MW Wind)	Greenbrier County, W. Va.	TBA	TBA	TBA	TBA	PPA rejected by Virginia over cost to ratepayers (PFR, 6/7).
Kruger Energy	Chatham (100 MW Wind)	Ontario	Deutsche Bank	Mini-Perm	\$220M	3-yr	Financial close reached, marking Deutsche Bank's reemergence into power mark (PFR, 5/31).
Northland Power	Saskatchewan (265 MW Combined Cycle)	North Battleford, Saskatchewan	CIBC, BMO, Union Bank	Mini-Perm	\$500-600M	TBA	Selected co-leading banks (PFR, 6/7).
Pure Energy	Bayonne Energy Center (512 MW gas)	Bayonne, N.J.	Calyon, WestLB	Mini-Perm	\$300-400M	TBA	Bankers reluctant to support merchant generation (PFR, 6/14).
Rollcast Energy	Piedmont Green Power (50MW biomass)	Barnesville, Ga.	Natixis, Union Bank	\$100M	TBA	TBA	Financial close approaching (PFR, 6/14).
Terra-Gen Power	Alta Phases 2-4 (570 MW Wind)	Tehachapi, Calif.	Calyon, Natixis	TBA	TBA	TBA	Financial close approaching for the second through fourth phases (see story, page 1).

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

WIND TURBINE

(continued from page 1)

That downward move has a knock-on effect on the economics of farms. Better terms can be offered to offtakers, for instance, as the basic project costs get lower given that turbine costs often account for two-thirds of the cost of construction. Lower costs will make some projects more competitive against natural gas power, one banker adds.

If the predictions for a slack year for wind construction prove true, turbine manufacturers may look at acquiring project pipelines or developers as a way to continue putting turbines in the ground, says a renewable M&A lawyer, who declined to comment on whether any companies are actively in talks.

Turbines with discounted price tags may reduce the final construction cost, but without a rebound in the national economy and a federal renewable portfolio standard, the wind industry is likely to remain in a slump, says one private equity investor. "Turbine prices are coming down; in parallel, power prices are coming down. The broader market is in constriction," adds **Cynthia Crooks**, v.p. and head of development at wind developer **OwnEnergy** in New York.

A **Vestas** spokeswoman could not make an official who was traveling in Europe available for comment before press time. Officials at **GE Energy**, **Siemens** and **Clipper Windpower** did not respond to requests for comment. A **Gamesa** official could not be reached for comment.

—*Holly Fletcher*

TERRA-GEN PLOTS

(continued from page 1)

(PFR, 4/27) and **Caithness Energy** and **GE Energy's** \$2 billion, 909 MW Shepherd's Flat wind project (PFR, 4/19). Terra-Gen is looking for individual lenders to take commitments of up to \$200 million, a project financier notes. Some lenders, however, are still wary of making such large commitments in uncertain credit markets. The developer may have to revert back to the original plan of developing the farm in chunks if it can't attract enough interest from lenders for large financing commitments, he adds. A deal for the 570 MW chunk is likely to come out before year-end if there is adequate interest in the deal.

ArcLight Capital Partners and **Global Infrastructure Partners**, which is also a partner in the Ruby project, are backing the developer by contributing an undisclosed amount of equity to Alta. The sponsors are in talks with relationship banks on how to structure the deal, which could include a bond component, another banker notes. **Credit Agricole** and **Natixis** were co-bookrunners on a \$394 million deal for the first 150 MW phase

of the project with **Union Bank**, **Prudential Investment Management**, **Rabobank** and **Banco Santander** participating (PFR, 3/18).

Bank officials either declined to comment or did not return calls, details such as the amount of debt, structure, timeline or tenor sought for the deal could not be learned. **John O'Connor**, cfo of Terra-Gen, and a spokesman at GIP, both in New York, did not return calls.

Terra Gen has a 1.5 GW offtake agreement with **Southern California Edison**.

—*B.E. & Sara Rosner*

PPL HAWKS

(continued from page 1)

Louisville Gas & Electric Co. and **Kentucky Utilities Co.**, a banker says. The portfolio includes a 540 MW natural gas-fired peaker in University Park, Ill., a 243 MW natural gas-fired peaker in Wallingford, Conn., and a hydro plant. **Paul Farr**, cfo in Allentown, Pa., did not return a call and a PPL spokesman declined to comment on the sale. Details, such as the identity of the advisor and the timeline for bids could not be learned.

Strategic investors with experience operating merchant generation and private equity shops that have a bullish outlook on the power markets in New England and Mid-Atlantic regions are likely buyers, the deal watcher says. **ArcLight Capital Partners** purchased a 23 MW portfolio of hydro assets from PPL for an undisclosed amount last year (PFR, 11/13). An ArcLight official did not return a call and whether the firm is looking at the sale could not be learned.

—*S.R.*

Quote Of The Week

"The thoroughness of the DOE's scrubbing of the deals is more than expected. It's a deeper review process, which taxpayers may welcome, but if you're trying to close a deal, it's not good news."—

Kenneth Hansen, partner at **Chadbourne & Parke** in Washington, D.C., on the U.S. **Department of Energy's** evaluation of deals submitted for loan guarantees under the Financial Institution Partnership Program (see story, page 5).

One Year Ago In Power Finance & Risk

The U.S. **Department of Energy** was preparing to solicit applications for its Financial Institution Partnership Program for loan guarantees for renewable and transmission projects [**Nevada Geothermal Power** landed the first award under FIPP this week. FIPP partner **John Hancock Financial Services** is providing the \$98.5 million facility (see story, page 5).]