

Power Finance & Risk

The weekly issue from **Power Intelligence**

www.powerintelligence.com

1 If By Sale: ECP Shoots For IPP Exit

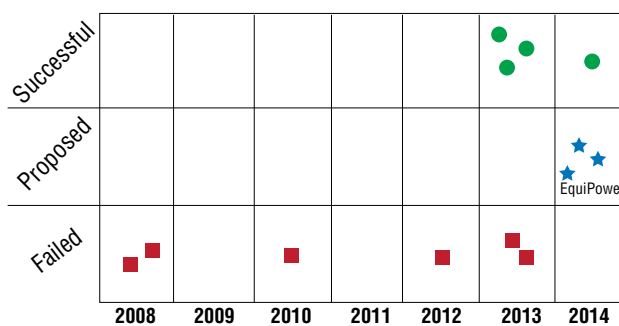
Energy Capital Partners is exploring ways of exiting its four-year-old portfolio company **EquiPower Resources Corp.**

ECP has hired **Barclays** and **Goldman Sachs** to run a strategic evaluation of an initial public offering as well as a sale, say deal watchers. The outcome of the process is going to depend on which method will give Hartford, Conn.-based EquiPower the highest valuation, say observers, noting that ECP is agnostic about its exit. The M&A process has so far been spread by word of mouth, say a prospective buyer and an official closer to the process.

Riverstone Holdings went down an 18-month-long dual trek with wind developer **Pattern Energy** that swerved from an IPO to a minority interest sale deal back to a successful IPO on the New York Stock Exchange and Toronto Stock Exchange (PI, 5/23/13). A deal watcher says that ECP is on a shorter timetable and wants to

(continued on page 12)

Power IPOs Since 2008



Source: Power Intelligence

#POWERDRINKS — PRIVATE EQUITY PERSPECTIVES

Power Finance & Risk teamed with **Orrick, Herrington & Sutcliffe LLP** to host the first #PowerDrinks, an informal event series designed to spark conversation and discussion in the power and utility industry.

Kyle Drefke and **Christopher Gladbach**, attorneys in Orrick's energy and infrastructure group in Washington D.C., moderated the discussion between **Andrew Ellenbogen**, senior v.p. of **EIG Global Energy Partners**, **Tim Short**, director of clean energy and infrastructure at **Capital Dynamics**, and **Mark Voccola**, partner at **Energy Investors Funds**.

See transcript, page 8

Creditors Put AES Eastern Remnants On Mart

The group of creditors that took over coal-fired facilities formerly known as **AES Eastern Energy** have reportedly put two coal-fired assets up for sale.

The creditors, operating under the name **Upstate New York Power Producers**, have hired **Blackstone** to sell the 306 MW Cayuga coal-fired facility in Lansing, N.Y., and the 675 MW Somerset coal-fired facility in Barker, N.Y., say deal watchers. The process is in the early stages.

Creditors at the time of takeover included affiliates of **JPMorgan**, **Prudential Life Insurance Co.**, **John Hancock**, **New York Life Investment Management Holdings**, **Allstate Insurance** and investment management shop **Standard General** (PI, 3/23/12).

The individual facilities are owned through a series of operating

(continued on page 12)

Tenaska Closes 2d Solar Deal

Fifteen lenders participated in **Tenaska Solar Ventures'** \$450 million deal backing its 150 MW Imperial Solar Energy Center West, near El Centro, Calif.

See story, page 7

Public IPP Fishes For Buyout

Primary Energy Recycling Corp., a shop that owns recycled energy assets in Indiana, is trying to sell itself in an auction run by **Moelis & Co.**

See story, page 6

Generation Sale ■ DATABASE

Check out the latest asset trades in *PI's* weekly calendar, compiled from our exclusive Generation Sale Database.

See calendar, page 3

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THE BUZZ

The financing market was on fire this week with three financings totaling \$1.57 billion coming to a close.

Tenaska Solar Ventures wrapped a \$450 million project finance backing its 150 MW Imperial Solar Energy Center West, near El Centro, Calif. The Omaha, Neb.-based shop brought 15 lenders into the deal (see story, page 7). Tenaska brought in **Silver Ridge Power** for a 20% equity stake as part of the deal.

The Garden State is home to two of the projects that snared cash. **Energy Investors Funds** landed \$590 million from a bank group led by **GE Energy Financial Services** to fund construction on its 705 MW Newark gas-fired project in Newark, N.J. Lenders flocked to the quasi-merchant deal, pushing pricing down to around LIBOR plus 350 basis points. Meanwhile, **ArcLight Capital Partners** inked a refinancing on the 512 MW Bayonne gas-fired facility in Bayonne, N.J., to fund its purchase of a stake from **Hess Corp.** (see story, page 7).

Infrastructure Finance Advisors is helping community solar developer **SunShare** bring in an equity investor for a portfolio of solar garden projects around Denver (see story, page 6). Community solar portfolios allow utility customers who are unable to install solar panels on their roofs to buy shares in the output of projects—much like urban dwellers buy plots in community gardens to get their green thumbs in the dirt.

TELL US WHAT YOU THINK!

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 Intelligence's* database. A full listing of completed sales for the last 10 years is available at www.powerintelligence.com/AuctionSalesData.html

Seller	Assets	Location	Advisor	Status/Comment
AES Corp.	Stakes (DPL Energy Coal, Gas, Oil)	Various	Barclays	Binding bids due after PJM capacity results (PI, 5/26).
Acciona	Portfolio (Wind, Solar)	Various	Lazard	First rounds bids submitted (PI, 3/31).
Advanced Power Systems	Cricket Valley (1 GW CCGT)	Dutchess County, N.Y.	Whitehall & Co.	TIAA-CREF has taken a stake (PI, 4/28).
ArcLight Capital Partners	Juniper Generation (Cogen portfolio)	Various, California	McManus & Miles	Sale relaunched after several PPAs were extended (PI, 3/17).
ArcLight Capital Partners	Peakers (2 GW Gas)	Various, Georgia	TBA	Carved peakers out of Southeast PowerGen to sell (PI, 3/24).
ArcLight Capital Partners	Victoria (330 MW CCGT)	Victoria, Texas	UBS	Sale is near launch (PI, 4/7).
ArcLight Capital Partners	Sun Peak (222 MW Gas)	Las Vegas, Nev.		Nevada Power is buying them (PI, 5/12).
Calpine	Portfolio (3.5 GW Gas)	Various		Financing purchase with series commercial bank deals (PI, 6/16).
Corona Power	Stake (Sunbury, 900 MW Repowering)	Shamokin Dam, Pa.	Perella Weinberg	First round offers due April 14 (PI, 3/31).
Duke Energy	Portfolio (6.6 GW Coal, Gas, Oil)	Various	Citi, Morgan Stanley	First round bids due around 5/30 (PI, 5/26).
Energy Capital Partners	EquitPower (Portfolio)	Various	Goldman, Barclays	On a dual track to IPO or sale (see story, page 1).
Entegra Power Group	550 MW Stake (2.2 GW Union Station CCGT)	Arkansas	Bank of America	Gearing up to sell the unit that has a tolling agreement (PI, 3/31).
Essar Group	Algoma (85 MW CCGT)	Algoma, Ontario	Barclays	Teasers are on the market (PI, 1/13).
Exelon Corp.	Stake (417 MW Safe Harbor Hydro)	Conestoga, Pa.	None	Brookfield is buying the stake (PI, 5/26).
	Quail Run (488 MW)	Odessa, Texas	Morgan Stanley	Process launched recently (PI, 6/16).
	Fore River (726 MW CCGT)	North Weymouth, Mass.	Citigroup	Process launched recently (PI, 6/16).
FGE Power	FGE Texas (726 MW CCGT)	Westbrook, Texas	Fieldstone	Fieldstone is advising on equity hunt in tandem to debt raise with Goldman.
GE Capital	Stake (250 MW Wind)	Finney, Kansas		Enel is buying out the rest of the farm (PI, 5/19).
Hess Corp.	Stake (50% Bayonne 512 MW Gas)	Bayonne, N.J.	Goldman Sachs	ArcLight buying out Hess' stake, up for refi (see story, page X).
Invenery	Parc des Moulins (135.7 MW Wind)	Kinnear's Mills, Quebec		La Caisse has bought a minority stake (PI, 5/5).
MACH Gen	Portfolio	Various		Second lien creditors have taken it over via Ch. 11 deal (PI, 5/19).
Meridian Energy	CalRENEW-1 (5 MW Solar)	Mendota, Calif.		SunEdison bought the asset (PI, 5/26).
NRG Energy	Various (Gas, Solar)	Various	None	Dropdowns to NRG Yield (PI 4/14).
NextEra Energy Resources	Pheasant Run II (75 MW Wind)	Huron County, Mich.	None	DTE Electric is considering buying the farm via a PPA option (PI, 3/3).
Norvento USA	Bloom (180 MW Wind)	Dodge City, Kan.	TBA	Capital Power bought the project (PI, 3/24).
Ontario Teachers Pension Plan Board	Stake (Northern Star Generation)	Various	Citigroup	CalPERS, Harbert emerge as frontrunners (PI, 4/28).
Optim Energy	Portfolio (1.4 GW Coal, Gas)	Texas	Barclays	Mulling a sale via bankruptcy filing (PI, 3/10).
PPL Corp.	Portfolio (10 GW Various)	Various	Bank of America, Morgan Stanley	Spinning off PPL Generation into a new company in deal with Riverstone (PI, 6/16).
Pattern Development	Panhandle 1 (218 MW Wind)	Carson County, Texas	None	Pattern Energy Group, tax equity investors are buying it (PI, 5/12).
Power Resources Cooperative	Stake (605 MW Boardman Coal)	Boardman, Ore.		Portland General is upping its stake as retirement, refueling loom (PI, 4/28).
Project Resources Corp.	Rock Aetna (21 MW Wind)	Minnesota	Alyra Renewable Energy Finance	Looking for a buyer with access to turbines to qualify for PTC (PI, 1/13).
Rainy Rivers Nations	Stake (25 MW Solar)	Pinewood, Ontario		Two infrastructure investors stook stakes (PI, 5/26).
Riverstone Holdings	Portfolio (5.3 GW Various)	Various	JPMorgan	Putting generation into a new company in deal with PPL (PI, 6/16).
Southwest Generation	LV Cogen 1, 2 (274 MW Gas)	Las Vegas, Nev.		Nevada Power is buying them (PI, 5/12).
Starwood Energy Group	Neptune (25% Stake Transmission)	New York		Northwestern Mutual is buying Starwood's stake (PI, 5/19).
SunShare	Portfolio (9.6 MW Solar)	Colorado	Infrastructure Finance Advisors	Looking for equity investor in community solar portfolio (see story, page 6).
Terra-Gen Power	Alta (947 MW Wind)	California	Citigroup, Morgan Stanley	NRG Yield is buying the wind assets (see story, page X).
We Energies	Presque Isle (425 MW Coal)	Marquette, Wis.	None	No buyers submitted proposals in RFP (PI, 3/10).

► **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 Managing editor **Holly Fletcher** at (212) 224-3293 or e-mail hffletcher@iintelligence.com.

PROJECT FINANCE DEAL BOOK

Deal Book is a matrix of energy project finance deals that Power Intelligence is tracking in the energy sector. A full listing of deals for the last several years is available at <http://www.powerintelligence.com/projectfinancedeal.html>

Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
Alterra, Fiera Axiom	Jimmie Creek (62 MW Hydro)	British Columbia, Canada	TBA	TBA	TBA	TBA	Sponsor will likely tap LifeCos for the debt (PI, 5/5).
Cameron LNG	LNG Export Facility	Hackberry, La.	TBA	TBA	~\$4B	TBA	Sponsor is shooting for pricing of L+175 bps (PI, 3/10).
Cape Wind Associates	Cape Wind (420 MW Wind)	Nantucket Sound, Mass.	BTMU, Natixis, Rabo	TBA	TBA	TBA	Sponsor adds Natixis and Rabo as leads with BTMU (PI, 3/31).
Cheniere Energy	Sabine Pass Trains 3 & 4 (LNG Export Facilities)	Sabine Pass, La.	TBA	TBA	\$4.4B	TBA	Company issues \$2B in notes to refi debt and fund construction (PI, 5/19).
Competitive Power Ventures	St. Charles	Charles County, Md.	GE EFS	TBA	~\$600M	TBA	Sponsor is aiming for L+350 bps (PI, 6/2).
Dalkia/Fengate	Merrit (40 MW Biomass)	Merrit, B.C.	BTMU	TBA	\$168M	TBA	Sponsor aims to wrap the financing early next year (PI, 12/2).
EDP Renewables North America	Headwaters (200 MW Wind)	Randolph County, Ind	TBA	Tax Equity	\$350-400	TBA	The sponsor is looking to secure both equity and tax equity investment (PI, 6/24).
Energy Investors Funds	Newark Energy Center (655 MW Gas)	Newark, N.J.	GE EFS		~\$500M	TBA	Price talk is swirling at L+350 bps (PI, 6/16).
Exmar NV	Floating Liquefaction Project	Colombia	TBA	B Loan	\$170M	TBA	Sponsor looking to land a B loan for the debt on the project (PI, 5/5).
FGE Power	FGE Texas (726 MW Gas)	Westbrook, Texas	Goldman Sachs	TBA	TBA	TBA	The sponsor is close to lining up equity and will tap Goldman Sachs to launch a B loan (PI, 1/27).
Freeport LNG	Freeport (LNG Export Terminal)	Freeport, Texas	Credit Suisse, Macquarie	TBA	~\$4B	TBA	More than 20 lenders are eyeing the deal, with some offering tickets of \$600M (PI, 2/10).
Invenergy	Marsh Hill (16 MW Wind)	Jasper, N.Y.	Rabo	TBA	TBA	TBA	Rabo is the only arranger on the loan (PI, 6/2).
KSPC, Samsung	Kelar (517 MW Gas)	Chile	Natixis	TBA	TBA	TBA	The JV appoints Natixis as lead on the deal (PI, 1/13).
LS Power	Portfolio (Gas)	Various	BNP Paribas, Union Bank		TBA		Will finance via a series of three transactions (PI, 6/16).
Lake Charles Exports	Lake Charles (LNG Export Facility)	Lake Charles, La.	TBA	TBA	TBA	TBA	Sponsor begins preliminary financing search for the potentially \$11B project (PI, 8/26).
Magnolia LNG	Magnolia LNG (LNG Export Facility)	Lake Charles, La.	BNP, Macquarie	TBA	\$1.54B	TBA	Sponsor issues shares to bridge to closing of the debt (PI, 5/12).
NextEra Energy Resources	Bluewater (60 MW Wind)	Lake Huron, Ontario	TBA	TBA	TBA	TBA	Sponsor is talking to lenders in the U.S. to finance the project (PI, 5/19).
New Generation Power	NGP Texas (400 MW Wind)	Haskell County, Texas	TBA	Construction/ Term/Tax Equity	~\$700M	TBA	This is the sponsor's largest deal to date (PI, 4/14).
NTE Energy	Multiple (Gas)	U.S.	Whitehall	TBA	TBA	TBA	Sponsor is looking to line up equity investors and then debt backing three projects in the U.S. (PI, 3/10).
OCI Solar Power	Alamo 4 (39.6 MW Solar)	Kinney County, Texas	North America Development Bank	Construction	\$40M	TBA	This finances the fourth phase of a 400 MW project (PI, 6/16).
Pattern Energy	Armow (180 MW Wind)	Kincardine, Ontario	TBA	TBA	TBA	TBA	Sponsor is looking for tighter pricing than its K2 financing (PI, 5/26).
Radback Energy	Oakley (586 MW Gas)	Contra Costa County, Calif.	BTMU	Term	\$990M	4-yr	Deal is temporarily put on hold following an appellate court decision (PI, 11/11).
Sempre U.S. Gas & Power	Energía Sierra Juárez (156 MW Wind)	Baja California, Mexico	BTMU	TBA	~\$250M	TBA	On track to close within two weeks (PI, 6/2).
SolarReserve	Rice (150 MW Solar Thermal)	Blythe, Calif.	Morgan Stanley	TBA	\$450M	TBA	Sponsor taps Morgan Stanley to secure debt, tax equity and equity (PI, 8/26).
Tenaska	Imperial Solar Energy Center West (150 MW CPV)	Imperial County, Calif.	BTMU, Union	TBA	\$450M	TBA	Closed the deal this week (see story, page 7).
Transmission Developers	Champlain Hudson Transmission Line	New York	RBC	TBA	~\$1.6B	TBA	Sponsor is aiming to line up the debt by year-end (PI, 3/3).

New or updated listing

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MERGERS & ACQUISITIONS

Samsung, Pattern Snap Up Ontario Wind Project

Samsung Renewable Energy and **Pattern Energy** have agreed to buy the roughly 100 MW Belle River wind project in Ontario from **GDF Suez Canada**.

The deal gives the Samsung and Pattern joint venture a 90-day option to purchase the project in Lakeshore, Ontario, as well as about 6,000 acres of land, the wind analysis data for that area, says a spokeswoman for **GDF Suez Energy North America**, the parent of the affiliate in Canada. She adds that the municipality strongly supports the project.

The Belle River project is expected to be completed in December 2016, according to a Pattern spokesman. Pattern and Samsung will split ownership 50:50 as they have done in past deals.

The project is part of Samsung's amended Green Energy Investment Agreement, or GEIA, with the government of Ontario to develop 1,369 MW of renewable energy in three phases by 2016. Samsung had originally agreed to developing 2.5 GW by 2016 but scaled back its initiative when outside factors including economic changes and community engagement work impacted the plans (PI, 6/24).

Pattern and Samsung have been active in the project finance market in the last year financing projects in the first phase of the GEIA, including the 270 MW K2 wind project in Ashfield-Colborne-Wawanosh and the 150 MW Grand wind project in Haldimand County (PI, 1/9 & 9/18).

Duke Picks Up Regulated Coal Stake From DPL

Duke Energy Kentucky has agreed to buy **Dayton Power & Light's** stake in coal-fired facility in Boone County, Ky., for \$12.4 million.

Duke Energy Kentucky already jointly owns 69% of the 600 MW East Bend coal-fired facility alongside DPL, a subsidiary of **AES Corp.** Duke Energy Kentucky is the regulated affiliate of **Duke Energy** in Kentucky. DP&L owns the remaining 31%.

The deal is between two regulated entities and has no bearing on the sale of affiliates' unregulated generation in Kentucky

and Ohio, says a Duke spokesman. Duke Energy Kentucky sees the acquisition as a low-cost way to serve its customers with a scrubbed coal-fired plant, the spokesman notes.

Both Duke and AES are selling unregulated generation in Ohio, some of which is jointly owned between the two. First round bids in the sale of Duke's assets came

in recently, say deal watchers. **Citigroup** and **Morgan Stanley** are running the sale for Duke.

Joint ownership of East Bend in Kentucky was more complex than sole ownership for the duo because DPL's footprint is in Ohio. The deal puts the plant within one subsidiary that reports to one state commission rather than two. DP&L is filing with the **Public Utilities Commission of Ohio** for approval on the sale.

Goldman Chases Infigen Tax Equity Stakes

A **Goldman Sachs** subsidiary is lined up to buy tax equity stakes from **KeyCorp.** in a pair of wind farms owned by **Infigen Energy**.

GS Power Holdings will take **KEF Equity Investment Corp.**'s position in the 74.25 MW Blue Canyon wind farm in Oklahoma and the 80 MW Caprock wind farm in New Mexico, according to a filing with the U.S. **Federal Energy Regulatory Commission**.

KeyCorp., the parent of **KeyBank**, had tried to sell its stakes in those farms in the first quarter of 2013 to a joint venture between **Threshold Power** and **JPMorgan Capital Corp.** (PI, 2/11/13). The deal was one part of now-defunct Threshold's plan to take a portfolio of cash flows from operating wind assets public on the Toronto Stock Exchange. The deal with KeyCorp. was not consummated because the IPO and Threshold's business plan were cancelled (PI, 8/29).

JPMCC is no longer a tax equity investor in either farm. It sold its stakes in a portfolio of nine farms including Blue Canyon and Caprock to Infigen Energy for \$95 million late in 2013 (PI, 11/14).

The tax equity roster in Blue Canyon will consist of Goldman, Infigen and an affiliate of **Northwestern Mutual Life Co.** once the deal is finalized. Caprock's investor base will consist of the same entities as well as an affiliate of **Union Bank**, according to the FERC filing.

A Goldman spokeswoman could not immediately comment further on the filing. Neither a KeyCorp. official nor an Infigen spokesman was available by press time.

Details Emerge On SunEdison's Silver Ridge Deal

AES Corp. has agreed to sell its stake in solar developer **Silver Ridge Power** to **SunEdison** for up to \$207 million.

SunEdison is initially buying 336 MW of solar assets in the U.S., Europe and India for \$165 million. The company will have the option to buy AES' 50% stake in a 130 MW portfolio in Italy for \$42 million until August 2015.

The duo struck a deal earlier this quarter, as previously reported by *PFR* (PI, 5/29). AES and Silver Ridge co-owner **Riverstone Holdings** had planned to try another run at taking the company public. The deal with SunEdison removes that impetus as the assets will

(continued on page 6)



MERGERS & ACQUISITIONS

(continued from page 5)

be channeled toward its proposed yieldco **TerraForm Power**.

AES is retaining its stakes in 55 MW of solar projects in Puerto Rico and Spain.

The deal with SunEdison is expected to receive U.S. Federal Energy Regulatory Commission approval later this month.

Community Solar Shop Launches Portfolio Equity Sale

SunShare, a community solar developer out of Denver, Colo., is looking for an equity partner in a portfolio of distributed solar projects around Denver.

SunShare is looking for a co-investor in a 9.6 MW portfolio of six projects it is developing under the community solar garden programs with **Xcel Energy** subsidiary **Public Service Co. of Colorado** and **Colorado Springs Utilities**. The company will consider a variety of options including breaking the portfolio into individual investments, according to the teaser released by **Infrastructure Finance Advisors**, headed by **Richard Ashby** in Boulder, Colo.

The **Colorado Public Utilities Commission** oversees the community solar garden program, which allows commercial, industrial and residential customers to buy power from the projects under 20-year agreements. The commercial and industrial offtakers for SunShare's projects are primarily entities with investment-grade ratings. The residential customers will pre-pay for the power.

Community solar is an initiative that is alternately called shared solar or virtual net metering. City Light customers had the option to

invest in a 24 watt unit for a single payment of \$150, up to 125 units, or \$18,750. Customers then receive credits on their monthly power bills for the output of the unit or units over the 20-year contract. **Seattle City Light** has taken the shared solar approach on a 49 kW project on the **Seattle Aquarium** (PI, 8/9).

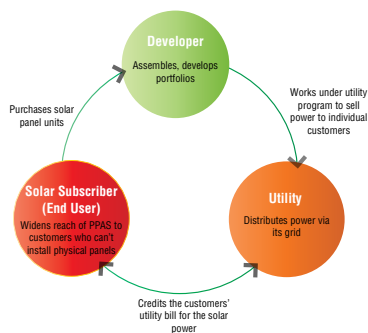
SunShare is looking for an equity partner on the portfolio, preferably one that

will work with the company on projects in other states that have community solar programs, such as California and Minnesota. The company is planning to have 50 MW in active development or construction in 2015.

The company is aiming to have a purchase and sale agreement signed by the end of August, according to the teaser. Indicative bids are due June 30 with final bids pegged to come in on July 28.

Ashby was not available for immediate comment.

Community Solar Model



Source: Power Intelligence/Andrea Innis

TSX-Listed Recycled Energy Shop Hunts Buyer

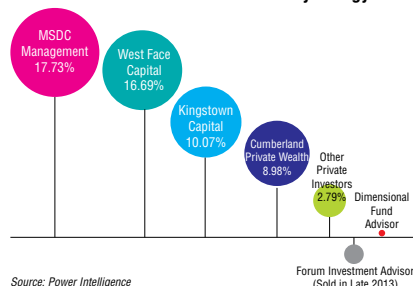
Primary Energy Recycling Corp., an independent power producer that owns recycled energy assets in Indiana, is working with **Moelis & Co.** on a sale.

The Oak Brook, Ill.-based company is traded on the Toronto Stock Exchange with 55% of its stock held by five institutional investors, according to analysts and filings. Recycled energy to power facilities use waste or escaped heat from industrial processes to

power turbines. The investors include affiliates of **MSDC Management LP**, **West Face Capital**, **Kingstown Capital** and **Cumberland Private Wealth**, according to filings.

The investors have been in the capital structure for several years and have been making friendly

Institutional Investors Behind Primary Energy



Source: Power Intelligence

moves, that indicate they want to exit, says an equity analyst, pointing to takeovers of board seats. The company has a market capitalization of C\$249.46 million (\$230.4 million) at press time. There was \$62.6 million of outstanding debt at the end of Q1, according to the quarterly earnings report.

Primary Energy has been a takeover target because of its contracted assets and relatively low levels of leverage on its individual assets, say observers. Primary Energy assets has an average contract life of 14 years. A variety of private equity-backed shops say that financial advisors have encouraged would-be acquirers to dig into the company on several occasions over the last two years.

Primary Energy owns four inside-the-fence facilities primarily on industrial sites around East Chicago, Ind. The sites are owned by multinational steel manufacturer **ArcelorMittal**. The portfolio, below, also includes a 50% stake in a pulverized coal facility.

-50 MW Ironside Energy combined heat and power facility in East Chicago, Ind., that that turns recycled waste energy to power. The facility has an offtake agreement with **Indiana Harbor Works** until 2020.

-90 MW North Lake recycled heat-fired facility in East Chicago, Ind., that is Contracted until at least 2041.

-95 MW Cokenergy recycled heat-fired facility in East Chicago, Ind., that uses waste heat from an onsite coke-making facility and is contracted to its host site until 2023.

-63 MW Portside Energy cogeneration facility in Portage, Ind., that sells steam and power to **United States Steel Corp.**'s Midwest Plant operations until 2028. The status of the sale process could not be learned. A Moelis spokeswoman declined to comment. A Primary Energy spokesman didn't respond to an inquiry.

PROJECT FINANCE

Tenaska Inks \$450M Solar Financing

Tenaska Solar Ventures has wrapped a \$450 million deal backing its 150 MW Imperial Solar Energy Center West, near El Centro, Calif.

The construction plus seven-year loan garnered strong interest from the project finance market, **Dave Kirkwood**, v.p. and treasurer at Tenaska in Omaha, Neb., told *PFR* in an email. The bank list included 15 lenders, among those were leads **Mitsubishi-UFJ Financial Group**, **BNP Paribas**, **Royal Bank of Canada**, **Santander Bank**, **Helaba** and **DZ Bank**.

Tenaska has been in the market to arrange a financing pack-

age for Imperial Solar Energy Center West, which includes bringing in **Silver Ridge Power** for a 20% equity stake (PI, 5/16). The project is contracted to **San Diego Gas & Electric** for 25 years.

Construction on Imperial Solar Energy Center West is expected to begin in late 2014, with commercial operation expected in 2016. This is Tenaska's second solar facility.

Tenaska is interested in building out its development portfolio of gas-fired and renewable projects in PJM, (MISO), the Northeast, California and Texas.

FAST FACT

➤ This is **Tenaska Solar Venture's** second solar project and lenders flocked to the deal with commitments exceeding the financing.

STRATEGIES

Greenleaf Inks Facility For Acquisitions

Greenleaf Power, a company out of Sacramento, Calif., that owns biomass-fired plants, has closed a \$100 million growth capital facility with **Babson Capital Management**.

The proceeds of this facility will be used to finance additional acquisitions. The company has a portfolio of five biomass facilities totaling 145 MW in the U.S. and Canada, all of which were acquired.

Boutique advisory shop **EA Markets** was financial advisor to Greenleaf on the transaction. **Hugh Smith**, president of Greenleaf, was not immediately available to comment on the terms of the debt facility or acquisition of more plants.

Greenleaf is backed by private equity shop **Denham Capital**. It recently bought a 21.5 MW wood-fired biomass facility in Tracy, Calif., and a cogeneration facility in St-Felicien, Quebec, from **Enel Green Power North America** (PI, 6/6/13 & 10/17). The shop is primarily interested in biomass-fired or landfill-to-energy facilities.

ArcLight Wraps Bayonne TLB, Cinches Pricing

ArcLight Capital Partners has sealed a \$530 million term loan B package backing its Bayonne facility and ratcheted pricing down to 350 basis points over LIBOR. Price talk had pegged the deal at LIBOR plus 375-400 bps (PI, 6/16).

Credit Agricole, **Macquarie Capital** and Morgan Stanley are lead arrangers on the deal, which includes a seven-year, \$500 million B loan and a five-year, \$30 million credit facility. The package has an original issue discount of 99 and a 1% LIBOR floor. **Moody's Investors Service** has rated the package Ba3.

Boston-based ArcLight will use proceeds from the package to back its purchase of **Hess Corp.**'s stake in the 512 MW Bayonne gas-fired facility in Bayonne, N.J. ArcLight, which owns 50% of the asset, will be sole owner once the deal is complete. Hess is exiting its downstream energy business, according to observers, and is also selling its stake in the Newark gas-fired project in New Jersey to co-owner **Energy Investors Funds** (PI, 4/14).

The refinancing puts additional leverage back onto the facility. Bayonne was financed in the fall of 2010 with a 4370 million that is set to mature in 2016 (PI, 9/30/10).

FAST FACT

➤ **ArcLight Capital Partners** will be the sole owner of the 512 MW Bayonne facility once the deal is complete.

PEOPLE & FIRMS

Energy Head Exits Babson Capital

Brian Daly, managing director at **Babson Capital**, has left the firm. Daly led the energy finance group and was based in Babson's New York office. He left the global investment manager late last month.

A Babson spokesman in Charlotte, N.C., confirmed the departure but declined to comment on plans for replacing Daly, citing company policy. Babson is committed to remaining active in power and energy finance, the spokesman adds. Babson most recently inked a \$100 million growth capital facility with **Greenleaf Power** (PI, 6/17). It manages \$198.6 billion in assets under management, as of March 31.

Prior to joining Babson in 2012 (PI, 7/20/2012), Daly was a director at **Conning Asset Management** for four years and managing director at **Trust Company of the West** for almost 16 years. Former TCW colleagues **Brett Macune**, director, and **William VanHerwarde**, managing director, joined Babson with Daly.

PANEL TRANSCRIPT

Private Equity Perspectives – Part 1

*THE FOLLOWING FEATURE is a transcript of a panel co-hosted by **Orrick, Herrington & Sutcliffe LLP** and **PFR** as part of our #PowerDrinks series. Check back next week for the second installment of this transcript, when speakers discuss the impact of natural and shale gas development on investment strategy. The panel was moderated by **Kyle Drefke** and **Christopher Gladbach**, attorneys in Orrick's energy and infrastructure group in Washington D.C.*

The panelists were:

-**Andrew Ellenbogen**, Senior Vice President, **EIG Global Energy Partners**.

-**Tim Short**, Director of Clean Energy and Infrastructure, **Capital Dynamics**, and

-**Mark Voccola**, Partner, **Energy Investors Funds**

Drefke: We're very pleased to present this panel today on energy industry trends and strategies from a private equity perspective. I would like to briefly introduce our panelists this afternoon and have each of them talk about themselves and their funds. Our panelists are an esteemed group of senior executives in the field. They all make important investment decisions for their organizations. We will start with Andrew Ellenbogen, Senior Vice President of EIG Global Energy Partners.

Ellenbogen: Thank you very much. EIG is an energy-only institutional investor. We've been around for about 32 years, part of that time as the energy and infrastructure group of **Trust Company of the West**. We have \$15.4 billion of assets under management as of March 31.

As an energy investor, we invest throughout the space; oil & gas, upstream exploration and production, and infrastructure. We've done some mining, and of course power. We invest globally and we invest up and down the capital structure depending on the risk profile. Most commonly our focus is on mezzanine debt and we can talk more about how we tend to structure that but typically its mezzanine or junior/sub-debt or maybe even preferred equity.

We're currently investing out of our fifteenth and sixteenth funds, which are approximately \$4.1 billion and \$6 billion, respectively. Our typical investment size ranges from, on the low end, \$100 million to \$750 million on the high end.

We are looking throughout the space domestically as well as abroad. I recently just came back from Brazil and we're doing a lot of work there. We're also looking a lot in Mexico, and in the Andean region including Colombia, Peru and Chile, as well as in Asia and

An earlier version of this transcript incorrectly stated EIG Global Energy Partners' asset under management. It is \$15.4 billion, not \$50.4 billion

India—then domestically, throughout the states. Most recently we've completed a couple of financings for combined cycle plants in the Marcellus Shale area.

Drefke: Next, we have Mark Voccola, a partner at Energy Investors Funds.

Voccola: Thank you. We're a private equity fund that's been around since 1987. We invest primarily in power generation in the U.S. and throughout the life cycle of assets. We'll invest in development and construction, as well as buying operating assets. We'll also invest in transmission, primarily in the construction and build side of electric transmission assets.

In the past seven or eight years, we've started investing about a quarter of our funds in midstream assets. There is some acquisition but its primarily development and construction.

We have about \$4 billion under management right now. We're investing out of our United States Power Fund IV. It's a \$1.7 billion fund. Again, we're focused solely on the U.S. Recent transactions completed, we've bought a generating asset in Texas, we've bought a gathering system in the Gulf off of Texas and we're building a few projects right now. We're getting ready to start construction on a simple cycle project in California and a combined cycle project in PJM.

Generally, what we like to look for are contracted assets. It's a lot harder to find those now. But people out there with 20-year PPAs looking for money, we're all for it, there just don't seem to be as many out there.

Drefke: We also are joined by Tim Short, Director of Clean Energy and Infrastructure at Capital Dynamics.

Short: Good afternoon. Capital Dynamics is a Swiss-based global asset manager. It manages about \$19 billion across private equity products. Within that, we have a team we call Clean Energy and Infrastructure, which manages north of \$1 billion in assets. We probably target slightly smaller assets than the other members of this panel,



Kyle
Drefke



Christopher
Gladbach

PANEL TRANSCRIPT

what we might call mid-market or larger mid-market, assets.

Our equity tickets per project are probably \$25 million at the low end and on the high end up to \$100 million. We're really focused at the moment on the power space. By clean, we include all of the proven renewables as well as natural gas-fired generation. We just won't do coal or nuclear, obviously.

We'll invest from late development through to operating assets. Geographically, our current preference is in the U.S. and the U.K. We, by mandate, also invest in Canada, Europe and Australia. The U.S. and the U.K. are really our focus. Recently, we built a distributed solar portfolio here in the U.S. We've been doing some mid-scale wind in the U.K., some large-scale wind here in the U.S. and looking at some advanced development natural gas generation as well. Additionally, we manage portfolios of landfill gas assets in the US and UK.

We also prefer contracted assets and see the same difficulty getting ahold of them these days. As we think about risk and return, we're not a pure infrastructure investor, but we're also not a pure private equity investor. We sit somewhere in between, looking for opportunities in that space.

Gladbach: You all spoke a bit about your investment posture. Can you speak a bit about specific investments, maybe a region or fuel type that excites you and then also a key challenge that you're struggling with as you are evaluating investment opportunities?

Short: While it may be less relevant to this particular room, we're investing a lot in midsize U.K. wind projects. We're seeing strong double-digit, unlevered returns in that space. I think our philosophy, what we look for, are windows of opportunities and what we find is that they're there for a period and then they close.

A couple of years ago, I think solar fit into that category. You could really get those double-digit, unlevered returns in the solar space before offtake contract pricing and return expectations began to tighten. Now, you really can't do that. That window has closed.

We're seeing that similarly in wind at the moment. I think some of the emerging trends we'll be focusing on will be managing the intermittency of some of these renewables and the role of peakers in that dynamic as well.

In terms of regions in the U.S., we have a preference for contracted assets, which means we do find ourselves involved in some of the less liquid power markets. We're in the Southeast at the moment looking at things because of their long-term, contracted offtake. You don't see that in PJM.

We're struggling with a lot of the merchant opportunities that you see in ERCOT and PJM at the moment. It just doesn't fit our risk profile and we don't think it makes a whole lot of sense. That said, we see the same dynamic as everybody does in Texas with tight reserve margins, which means ERCOT remains an interesting market for us.

Gladbach: Mark, can you speak about what you find challenging in

this investment environment and opportunities you find interesting.

Voccola: I think the most challenging thing is trying to find anything with a contract. It felt like, I was a lot smarter when I was making investments 10 years ago when I had a 20-year PPA on the projects the developers were backing. Having said that, there are still a few here and there. There's some still in California and some of the less liquid markets in discussion with some of the smaller utilities. I think some of the municipalities and co-ops are still willing to sign contracts. Those deals aren't 20-year contracts anymore, they're shorter. But still, on the backs of those contracts, it's easier to get a more financeable deal done with equity returns that are, on a risk-adjusted basis, more in the range we're used to seeing.

“Generally, what we like to look for are contracted assets. It's a lot harder to find those now. But people out there with 20-year PPAs looking for money, we're all for it, there just don't seem to be as many out there.”

— Mark Voccola

We are building some projects. Some of those, the risks I guess for others, may not fit their profile with some of the quasi-merchant projects. They're in PJM right now. We're building a project in northern New Jersey that will be coming online next summer and there are other projects that are nearing construction.

Generally speaking, it's gas-fired generation on the power side. It's primarily development and construction. On the M&A

side, it feels like there's a lot of money chasing not that many deals out there so that the yields are getting pushed down.

Gladbach: When you are talking about quasi-merchant, you're talking about a project with a short-term hedge?

Voccola: With a hedge and a view toward the capacity market. On the midstream side, the Gulf and Marcellus Shale are where the plays are. There's a lot of gas that people could move to market and there are a lot of opportunities with developers out there. Some of them are relatively small projects—big projects compared to our generation deals—but small compared to some of the larger pipeline deals that are out there. There are opportunities for some smaller developers to get the yield.

Gladbach: That's an interesting point. You think of mining and extraction industries globally and it's something like 10% of the cost of extraction is energy cost. So the opportunities there do sound interesting. It's something to think about when you're looking across the space.

Andrew, what are you looking at and what are you finding the most challenging?

Ellenbogen: We're a little bit of a different animal in that we're a cred-

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it-oriented investor. Typically, the situations that we're looking at are going to be more structural situations where there's an equity player who's there with a view on the story that the asset has. But there is, for one reason or another, a need in the capital structure that sits, as a mezzanine layer, between the equity they can bring to the table and the senior that's there. Sometimes those are variations in the availability of capital to the sponsor or it may be timing. It's any number of things.

We certainly like certain regions and certain asset types, but often times, what we're first and foremost looking for is a situation that presents a great asset and allows us to place that kind of capital. That being said, I think there are some very interesting things that are emerging in the space that have been a little less talked about in the past. A lot of talk turning to MISO these days in terms of reserve margins shortfalls there and in the next few years. Dynegy certainly talks a lot about that, among others. And now, with the carbon rules having come out, we may well see some folks looking hard at whether or not there's some gem in the aftermath of the new governance.

Drefke: Andrew, just expounding on that point a little bit, most people approaching the energy sector do not think of coal as one of those hidden gems. Considering the potential cost of carbon going forward, how are you approaching opportunities in this portion of the sector? What delineates a good opportunity?

Ellenbogen: Well, as I mentioned, it's going to have to be a situation where there's an equity party who likes the fundamental, underlying story. That being said, I think there's probably going to be a lot of volatility in playing that bet. So that equity party is likely to come into a situation where the leveragability is probably lighter than might be possible in other kinds of assets. That probably opens up the window of opportunity for us to take a view on whether or not we fill the gap between that equity and the senior. But I think you have to come in and you have to assume the worst as to carbon prices and all of us are thinking that one of the biggest upcoming challenges is determining what's going to happen under the carbon rules. We'd be bracing for the adverse there and remaining pretty conservatively levered.

Drefke: Certainly environmental lawyers all across the U.S. have been busy this past week and a half with all of the updates and alerts about the U.S. **Environmental Protection Agency's** notice of proposed rulemaking with respect to carbon, published on June 2. It will be interesting to see the responses to the proposed rule and how the final form of the rule changes from the proposed rule.

Ellenbogen: I didn't mention, but it goes without saying, that those gems are likely going to be scrubbed, newer, higher efficiency, environmentally compliant equipment.

POWER TWEETS

The #Power Tweets feature tracks trends in power project finance and M&A in the Americas on **Twitter**. For more news and coverage, follow @power_intel on Twitter, as well as Managing Editor @HollyFletcher, Editor @SaraReports and Associate Reporter @na_asiamah.

@lbarronlopez: House panel approves \$34 billion energy spending bill | TheHill <http://thehill.com/policy/energy-environment/209816-house-panel-approves-34b-energy-spending-bill#.U6HINQR72ns.twitter> ... via @TheHill

@joelgehman: On April 23, #Alberta generated 1,000 megawatts of #windenergy, enough to power almost every home in the province <http://www.edmontonjournal.com/opinion/Opinion+Wind+energy+marks+milestone+faces+headwind/9929600/story.html> ...

@Power_Intel: Say 'hi' and follow @NA_Asiamah, the newest reporter at @Power_Intel! #projectfinance early #FF

@GermanyinUSA: On 6/9, solar power peaked at 23GW, equal to 50% of German electricity demand of that day. MT @EnergiewendeGER

@Silvio_Marcacci: Cool microgrid stats out of California: Caltech gets 80% its power from one, UCSD saves \$850k/month with one <http://ow.ly/ybXBI>



@SolarFred: via @SolarNovus SolarWorld, RGS Energy Partner to Deploy US-Made Solar Panels <http://ow.ly/2lt3nX>

@JMSilver_energy: France announces target of 40% #renewables by 2030. Leaves US goal in the dust.

@glennpisani: Massachusetts Orders State Utilities To Modernize Grid <http://wp.me/p2eY3F-cV>

@heinzerlaw: Documents on White House review of EPA GHG rules now up at <http://regulations.gov>. Docket ID: EPA-HQ-OAR-2013-0602-0279. There are many.

@cheynman: #Suniva modules used on 186KW array MT #WholeFoodsMarket gets largest solar installation in Texas <http://tinyurl.com/oag7ebw> @pvsolarreport

@TheLeadSA: Floating Solar Could Save Water in #SouthAustralia <http://bit.ly/1m0BYp> @sourceable #SolarChat @water

Power Intelligence

11th ANNUAL DEALS & FIRMS OF THE YEAR AWARDS

TUESDAY, JUNE 24, 2014, NEW YORK

Power Finance & Risk is proud to present the winners of the 11th Deals & Firms of the Year Awards, a process that lauds excellence across the power industry in 2013.

The winners in the 16 award categories are advisors, investors, lenders, law firms, sponsors and transactions that have been singled-out as best in class by industry peers in a digital poll. We received a record amount of participation and PFR would like to thank all of our voters who took the time to reflect upon and commend distinction in the power industry in 2013.

Project Finance
Borrower Of The Year

Best Institutional
Investor In Power

Best Project Finance Lender
For Non-Renewables Generation

Best Project Finance Lender
For Renewables Generation

Project Finance Bond
Arranger Of The Year

Renewables Project Finance
Deal Of The Year

Non-Renewables Project
Finance Deal Of The Year

Project Finance Law Firm
Of The Year

Best Seller Of
Power Assets

Best Buyer
Of Power Assets

M&A Asset Deal
Of The Year

Best Renewable Asset
M&A Advisor

Best Non-Renewable
Asset M&A Advisor

Best Corporate
M&A Advisor

Best Law Firm
For Asset M&A

Best Tax
Equity Investor

To attend the awards ceremony please contact our Publisher:

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Power Intelligence

ECP Shoots For Exit *(Continued from page 1)*

see a deal in place by year-end.

The private equity shop has been mulling the possibility of an IPO for almost two years (PI, 11/12/12). At the time there were questions about what size portfolio the public markets would accept although analysts now say there has been enough diversity in the portfolio sizes and models of successful yieldcos that EquiPower would likely not hit obstacles.

EquiPower owns or operates a portfolio of 5.5 GW of gas- and coal-fired facilities in Connecticut, Massachusetts, Illinois, Ohio and Pennsylvania. It also manages three facilities totaling 3 GW that are owned by affiliates. The size of its portfolio make it an attractive option for buyers with an appetite for merchant generation, observers say, who note that it's too early to whether the dual track will lead to a public listing. Whether the 3 GW of generation that is managed by EquiPower would be included in a deal could not be learned. Spokespeople for Barclays, ECP and Goldman either declined to comment or did not immediately respond to inquiries.

—Holly Fletcher

EquiPower Resources Corp. Portfolio

Name	Size /Fuel Type	Location	Status
Richland Stryker	450 MW Simple Cycle	Various, Ohio	Owner
Kincaid	1,093 MW Coal-Fired	Kincaid, Ill.	Owner
Elwood	1,532 MW CCGT	Elwood, Ill.	Owner
Liberty	583 MW CCGT	Eddystone, Pa.	Owner
Milford	555 MW CCGT	Milford, Conn.	Owner
Lake Road	812 MW CCGT	Killingly, Conn.	Owner
Masspower	265 MW CCGT	Orchard, Mass.	Owner
Dighton	178 MW CCGT	Dighton, Mass.	Owner
Empire Generating	645 MW CCGT	Albany, N.Y.	Manager
Bratyon Point	1,557 MW Coal, Gas and Oil	Brayton, Mass.	Manager
Broad River	881 MW CCGT	Gaffney, S.C.	Manager

Source: EquiPower

Creditor Group *(Continued from page 1)*

companies including, **Cayuga Operating Co.**, **Somerset Operating Co.** and **Somerset Cayuga Holding Co.**, according to filings with the U.S. **Federal Energy Regulatory Commission**.

Both Somerset and Cayuga had sale leaseback agreements so the ownership list may have shifted if some pass-through certificate holders—the creditors who took it over—opted to sell down their stakes.

The facilities were part of four coal-fired plants that wound up in creditors' hands after an unsuccessful sell and restructuring process landed **AES Corp.** subsidiary in bankruptcy court two years ago. Two other AES Eastern facilities, the 105 MW Greenidge and the 83 MW Westover, were offline at the time of bankruptcy and put on track for retirement.

A spokesman for Blackstone could not immediately comment. Bill Wexler, CEO of Upstate New York Power, declined to comment.

—Holly Fletcher

ALTERNATING CURRENT

Bacardi 'Spirit' Makes Drinking Greener



If your last glass of rum knocked the wind out of you then you might not be ready for this. That rum in your piña colada just might have come from a factory powered by wind.

Bacardi Limited is using two wind turbines to generate energy at its Bacardi Rum Factory in Cataño, Puerto Rico. The wind power is part of a larger initiative dubbed the "Good Spirited" sustainability program to reduce the distiller's emission footprint. It's planning to implement responsible sourcing to have all of its sugarcane—the sweetener that gets fermented to liven up your night—sustainably sourced by 2022.

The power generated by the two 250 kW turbines near San Juan is equivalent to about 3-7% of the factory's power, which is roughly what 100 households would use annually. Bacardi buys the power from the micro-wind project, which is owned by local developer

Aspenall Energies. The turbines offset more than 900 tons of CO2 per year, according to Bacardi.

So, have that second (or third) daiquiri. You're helping keep the Puerto Rican wind market a-whirl. You know it you want it.



ISTock/ThinkStock

QUOTE OF THE WEEK

"I think some of the municipalities and co-ops are still willing to sign contracts. Those deals aren't 20-year contracts anymore, they're shorter."—**Mark Voccola**, partner at **Energy Investors Funds**, on how the utility sector is shifting away from power purchase agreements (see #PowerDrinks transcript, page 8).

ONE YEAR AGO

Energy Capital Partners aimed to sell its 1 GW Odessa, Texas combined cycle facility in Odessa, Texas, in an auction run by **Goldman Sachs**. [**Koch Energy Services** bought the Odessa facility for roughly \$650 per kW in October (PI, 10/11).]