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The exclusive source for power financing and trading news

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## TXU Buyers Plot Large Term Loan

**Kohlberg Kravis Roberts** and **Texas Pacific Group's** planned purchase of **TXU** will involve a \$20 billion term loan.

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## Leads Ready InterGen Refi

**Lehman Brothers** and **Merrill Lynch** will launch the \$2.5-3 billion corporate-level refinancing this week.

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## 4th Annual REFF Coverage

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## GOLDMAN, CS FUNDS EMERGE AMONG EDF MEXICO SUITORS

Infrastructure funds run by **Goldman Sachs** and **Credit Suisse** are among bidders taking aim at a 1,984 MW portfolio of contracted generation in northeast Mexico being sold by **Électricité de France International**. Others pursuing the assets include **InterGen**, France's **SUEZ Energy International**, Spain's **Gas Natural**, **Mitsui & Co**, and a joint venture between **Marubeni** and **International Power**. Malaysia's **Tanjong Group**, which recently agreed to acquire 1,434 MW of emerging market generation from **CDC Globaleq**, is

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## CALPINE LINES UP QUARTET FOR \$3B EXIT FINANCING

**Goldman Sachs**, **Credit Suisse**, **Deutsche Bank** and **Morgan Stanley** are set to provide roughly \$3 billion in secured financing aiding **Calpine Corp.**'s emergence from bankruptcy. As first reported by *PFR Daily* before its plan of reorganization was unveiled Wednesday, the package will be separate from its \$5 billion debtor-in-possession facility (PFR, 3/30) and will help repay about \$3.8 billion of second-

(continued on page 12)



## 2GW CALIF. WIND SHOP PURSUES SALE

San Francisco-based **Foresight Wind Energy** is in advanced negotiations with two strategic buyers—one domestic and one foreign. Foresight has over 2GW in various stages of development and 180 MW about to be constructed in New Mexico and Arizona, but no iron in the ground.

The firm is using boutique advisory **CP Energy** to run the auction, which took second-round bids in the first week of June. **CP Energy** sold **Orion Energy** to **BP Alternative Energy** last year. Calls to CEO **Warren Byrne** were not returned and its advisor declined to comment.

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## MORE SOLAR PROJECT FINANCE DEALS ON THE HORIZON



John Cavalier

Equity investment has been the primary driver for solar development in North America, but project finance deals such as for **Acciona Solar Power's** 64 MW Nevada Solar One facility could bring a change, a panel at the 4<sup>th</sup> Annual Renewable Energy Finance Forum in New York concluded. "We're starting to look at project financings around large commercial projects," **John Cavalier**, chairman of the global energy group at **Credit Suisse**, told *PFR* on the sidelines of the conference.

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Check [www.iipower.com](http://www.iipower.com) during the week for breaking news and updates.



## At Press Time

### Invite Only Airtricity Roscoe Loan Gets Limited Syndication

HypoVereinsbank and NordLB began an invitation-only syndication last week of debt funding Airtricity's 209 MW Roscoe wind project near Abeline, Texas, according to bankers familiar with the deal. They are looking to bring in around five banks on their two-thirds of the \$300 million construction loan. Co-lead **BayernLB** has opted not to sell down its portion. Officials at Airtricity and the banks declined to comment or did not return calls.

Pricing is yet to be determined, but is expected to begin at around 125 basis points over LIBOR. The banks opted for a club deal because of the size of the loan and because Airtricity wanted to use its existing lenders. The project has a five-year PPA with **TXU Wholesale**, after which power will be sold on a merchant basis. **GE Energy Financial Services** and **Wachovia** have invested 50% each in the project's equity.

## TXU Buyout Term Loan To Hit \$20B

The acquisition financing supporting **Kohlberg Kravis Roberts** and **Texas Pacific Group's** leveraged buyout of TXU will involve the largest ever term loan to date, at around \$20 billion. That compares to about \$14 billion expected in the buyout of **First Data**, which is yet to come to market, and the \$8.8 billion funding the purchase of **HCA**.

Lenders have committed \$25.9 billion in debt facilities, of which \$20 billion will be a B loan at **TXU Energy Co.** Not all of this will be funded at close, as some will be drawn on a delayed basis and part of it is an unfunded revolver and letter of credit. A separate \$11.25 billion senior unsecured bridge loan will be funded to backstop the planned issuance of \$4 billion of unsecured notes at the corporate level. **TXU DevCo.** will receive about \$1 billion to fund construction of three coal plants, (PFR, 11/10).

Pricing is still in flux but investors expect it will be fair so as not to alienate them. "If they need \$20 billion, there's the need to generate interest," said one portfolio manager. Another speculated pricing would be in the LIBOR plus 2 1/4% range. General syndication is expected next quarter.

**Citigroup**, **Goldman Sachs**, **Morgan Stanley** and **JPMorgan** lead the deal, having advised the buyers, and are supported by joint bookrunners **Lehman Brothers** and **Credit Suisse**. **Lazard Frères** ran the go-shop process for TXU (PFR, 3/23), which yielded no superior bids. **Merrill Lynch**, which previously had a role funding TXU's \$11 billion coal rollout alongside Morgan and Citi, has been left out of the deal for reasons that could not be determined. Calls to the firms were not returned and spokespeople for TXU and the buyers had no comment.

Two thirds of TXU shareholders need to approve the deal, but it already has the support of several state regulators because the debt is backed by the competitive businesses of TXU, not regulated entity **Oncor**.

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INTELLIGENCE FIRST

## KGen Weighs Options For 1.8 GW Acquisition Funding

**KGen Power Corp.** is evaluating financing options to fund its \$1.3 billion purchase of 1.8 GW of gas-fired, combined-cycle generating capacity from **Complete Energy Holdings**. **Daniel East**, v.p. of strategic planning and development in Houston, says, "We do have the flexibility to tap the market in a private placement or roll it up with existing equity and do an IPO either between sign and close, or post closing." He declined to say whether the company was already in talks with potential underwriters or placement agents.

Although the precise breakdown has not been determined, the company will use \$50 million of equity it has on hand and various tranches of debt led by **Morgan Stanley**.

Complete started looking to sell earlier this year with advisor **Goldman Sachs** (PFR, 3/02). The transaction, involving the 837 MW Batesville Electric Generating facility in Batesville, Miss., and the 1,022 MW La Paloma Generating facility in McKittrick, Calif., boosts KGen's portfolio to 4,889 MW from 3,030 MW. The deal is expected to close in late August, after KGen refinances about \$420 million of bank debt at La Paloma and assumes \$265.5 million of bond debt at Batesville.

KGen Power Corp. was founded in December when the company completed a private equity placement generating funds to purchase a 100% stake of the outstanding interests in a portfolio of southeast assets from its former private equity backer **MatlinPatterson** (PFR, 12/08).

## Noble Closes In On Construction Loan, Tax Equity

**Noble Environmental Power** has closed on \$445 million in construction loans via **Dexia Crédit Local** and **HSH Nordbank**, and garnered \$210 million in tax equity investments from **GE Energy Financial Services**.

The loans will bankroll three projects already under construction in the North Country of New York—54 MW Altona, 100.5 MW Clinton and 81 MW Ellenburg—and a fourth, 100.5 MW Bliss, in Wyoming County, N.Y., construction of which will begin after the first three are complete, says **Chuck Hinckley**, ceo of Noble in Essex, Conn. The tax equity will initially cover 282 MW across Clinton, Ellenburg and Bliss, with an investment in Altona falling into place later. The assets, along with 129 MW Chateaugay in Franklin County, N.Y., were awarded 10-year production incentives from the **New York State Energy Research and Development Authority**.

Calls to the banks were not returned and a spokesman at GE EFS and Noble's financial advisor **CP Energy** both

declined to comment. GE supplied the turbines for the projects, purchased with the aid of a \$133 million turbine loan underwritten by **CIT Group** (PFR, 12/21). Dexia and HSH began syndicating the construction loans earlier this year (PFR, 1/12).

## Leads Kick Off \$2.5-3B Bank/Bond InterGen Refi

**Lehman Brothers** and **Merrill Lynch** are set to kick off a \$2.5-3 billion corporate level refinancing for InterGen this week. The deal will comprise both bank and bond tranches, but its precise makeup could not be learned. Officials at the leads declined comment and a call to **Martin Rees**, cfo in Burlington, Mass., was not returned.

As first reported by *PFR*, the IPP is looking to pay off debt tied to three U.K. project entities and a portion of the acquisition financing obtained by **AIG Highstar Capital** and **Ontario Teachers' Pension Plan**, who bought InterGen, (PFR, 2/16, 3/23). The company was initially leaning towards a refinancing at the project level of its U.K. fleet—comprising 860 MW Spalding in Lincolnshire, 748 MW Rocksavage in Runcorn and 732 MW Coryton in Essex—but went for a larger takeout to release more cash.

## Singapore Investor Taps Advisors To Divest Gencos

Asian investment firm **Temasek Holdings** has tapped **Credit Suisse** and **Morgan Stanley** to advise on its planned divestiture of three wholly owned independent power generation companies in Singapore, **PowerSeraya**, **Senoko Power** and **Tuas Power**. It plans to kick off the sale process as early as September.

"Temasek is open to various options for the sale process and will take into account the pros and cons of each," said a spokesman. "At this moment, we are more inclined towards a sequential trade sale and not an IPO, as we have no interest in holding any direct residual interest in the gencos," he added, noting that information memoranda would be issued to potential buyers at the appropriate time.

**Wong Kim Yin**, managing director of investments at Temasek, said the firms has seen interest from potential buyers since last year. The improving economic climate in Singapore and recent passage of legislation supporting competitive wholesale supply of gas and power is expected to draw interest—particularly from Japanese acquirers.

PowerSeraya has 3,100 MW, Senoko Power owns 3,300 MW and Tuas Power owns 2,670 MW.



## DZ Bank Lands WestLB Staffer

**Barbara Riccardi**, a director in the energy project finance team at WestLB in London, has joined DZ Bank as a director. She reports to Managing Director **Jonathan Bullock**, originating power as well as oil and gas deals.

Riccardi left WestLB in April alongside senior deal team manager **Richard Saint**, and was replaced by **Richard Lum** (PFR, 4/13). Among the transactions she worked on at WestLB was the merchant financing for **Energia's** 760 MW Modugno plant in Bari, southern Italy, alongside **Banca Monte dei Paschi di Siena**, **Banca Nazionale del Lavoro** and **EFI Banca**.

## HVB Pockets Third Bank Of Scotland Staffer

**HypoVereinsbank** has hired **David Pratt**, a director at **Bank of Scotland** focusing mainly on renewable energy finance, for its London team. He is the third staffer from BoS to join HVB in recent months, after **Amit Dewan**, a director, came across in May (PFR, 5/4/07), following **Jim Barry**, head of project and commodity finance, who made the move last November (PFR, 11/10).

Pratt joins at the v.p. level and will report to Dewan. He could not be reached on gardening leave, but an official at BoS confirmed the hire.

## Spanish Shop Picks BNP To Advise On Montana Wind

**Naturener USA**, a subsidiary of Spanish renewable energy concern **Naturener**, has appointed **BNP Paribas** to advise on the financing for its 300 MW wind project in Toole and Glacier Counties in Montana. Several options for bankrolling the McCormick Ranch Wind Park are under consideration, says **Bill Alexander**, Naturener's chief development officer for North America in San Francisco, but the company will likely use equity on hand, substantial tax-equity investment and potentially project loans.

A long-term power purchase agreement is being negotiated, Alexander adds, declining to name the parties that have been approached. McCormick Ranch Wind Park will be Naturener's first project, after establishing a presence in the North American market earlier this year by acquiring **Great Plains Wind & Energy** and southern Alberta developer **Energy Logics** (now **Naturener Energy Canada**). The new owners are aiming to accelerate construction of the park, which is being expanded from an initial 120 MW. A \$400 million order for 300 MW of **Acciona** turbines was placed earlier this month.

Naturener is owned by Belgian industrial group **SAPEC**

indirectly via the **Tharsis Group**, Spanish savings bank **Caja Castilla La Mancha** and a private investor in New York. It plans to bring 1.8 GW online in North America by 2012, including about 700 MW in Canada, at a total cost of \$3 billion.

## Credit Suisse Taps UBS For Infrastructure Head

Credit Suisse has appointed **Markus Pressdee** to lead its infrastructure division in the Americas, according to an internal memo obtained by *PFR*. He joins in September from **UBS** and will report to **Jamie Welch**, head of energy in New York, and will have responsibility for the Americas and Asia, as well as assisting the European infrastructure effort.

At UBS, Pressdee was a senior member of the mergers and acquisitions team, helping to finance more than \$140 billion of transactions globally, most recently the \$2.4 billion divestiture by Hong Kong-based **Orient Overseas International** of four North American container terminals to **Ontario Teachers Pension Plan**. His primary focus there was on infrastructure, energy and telecommunications.

## Rich Pickens?

## Investors Line Up For Slice Of 4 GW Wind Complex

**Mesa Power** is in discussions with equity investors in a bid to fund its planned \$6 billion wind park near Pampas, Texas. "We've been approached by several large utilities experienced in merchant and contracted wind projects" looking to invest, says **Mike Boswell**, a development official at Mesa Power in Dallas, declining to elaborate. The 2-4 GW complex backed by billionaire investor **T. Boone Pickens** would be the world's largest such facility.

Boswell says Mesa could use a fair amount of the tax credits expected to be awarded to the project, so it remains to be seen whether the company will sell the tax equity. But project debt is definitely under consideration, he says, noting it is too early to say how much will be needed. Construction is expected to begin in 2009.

In a bid to secure up to 200,000 acres of available space, Mesa Power met with some 250 landowners last week and offered them \$4,500 for every turbine installed and 4% of all power profits generated by the venture. The turbine supply crunch does not concern Mesa, continues Boswell, because it believes it can pick up turbines from developers that do not end up using equipment they purchased, or partner with a turbine manufacturer and build a plant onsite.

## MetLife Fills Global PF Slot

**Metropolitan Life Insurance Co.** has appointed **John Tanyeri** head of its global project finance team, replacing **Erik Savi**, who moved to **Merrill Lynch** last week as a managing director heading up principle investing in power and energy.

Tanyeri, who has served 12 years at Metlife—four of them as a director of project finance under Savi in Morristown, N.J.—declined comment. Savi could not be reached, but a Merrill spokeswoman confirmed his hire and that he reports to **Sal Morale**, head of the energy projects and private placements group.

In his new role, Tanyeri reports to **Scott Inglis**, head of private placements. The insurer has a \$2.4 billion portfolio, investing up and down the energy value chain in power, transmission and infrastructure, liquefied natural gas, and oil and gas. Last year, it originated about \$800 million of energy investments. Separately, **Jeetu Balchandani** has been made head of leasing, having previously acted as a director in the leasing group, also reporting to Inglis.

## Infrastructure Firm Looks To Take On Rivals

**Alinda Capital Partners**, fresh off closing its premier \$3 billion fund, is ready to go head-to-head with **The Carlyle Group** and other infrastructure funds for control of toll roads, airports, water treatment plants and other infrastructure assets in Europe and in North America. The fund was three times oversubscribed.

Asked what differentiates his firm from Carlyle and others, **Chris Beale**, managing partner in New York, said Alinda's professionals have spent their entire careers in infrastructure. Beale was the global head of project finance at **Citigroup**. Carlyle's team is headed by **Robert Dove**, the former head of infrastructure development for **Bechtel**. Beale also said his independent firm will avoid any conflicts that bank-affiliated funds might face. Of investment banks involved in infrastructure, **Goldman Sachs** looms largest. It closed a \$6.5 billion infrastructure fund in January.

Alinda targets transportation assets such as power generation, gas storage and transportation, roads and airports, water utilities and waste water treatment assets. Beale declined to say how much the firm typically invests per deal. It has already invested \$1 billion.

Alinda launched fundraising in September 2005. Beale conceded that getting American investors to sign up was difficult. Whereas private control of infrastructure in Europe is common, the trend is just taking hold here as budget-strapped states and the federal government struggle to maintain an aging infrastructure the **American Society of Civil Engineers** called a "looming crisis" in 2005 (CFW, 9/01). Beale declined to name any investors or the ratio of European to American investors. "It took a lot of time and a lot of meetings," he said, "but I think

during our fundraising, major institutions became aware of the very large market opportunity in the U.S."

The group formed in August 2005. The senior members include **Phil Dyk**, former president of **Ahlstrom Capital**; **Sanjay Khetry**, former head of U.S. and Latin American project finance at Citi; **John Laxmi**, former head of project bond origination with Citi; and **Simon Riggall**, former head of European project finance at Citi.

The Carlyle Group is believed to be winding down fundraising for its first infrastructure fund. **Chris Ullman**, spokesman, did not return calls.

## Greenfield Syndication Readied

**Bank of Tokyo-Mitsubishi** and **BMO Capital Markets** plan to launch syndication of debt supporting **Calpine** and **Mitsui & Co.**'s Greenfield Energy Center at a bank meeting in New York on Wednesday. The sponsors closed on the C\$650 million (\$585 million) non-recourse financing for the 1GW facility in Sarnia, Ontario, May 31. Officials at Calpine and the banks declined to comment or did not return calls.

Price talk could not be learned but sub-underwriting slots of C\$75 million apiece have been awarded to **BayernLB**, **HSB Nordbank**, **NordLB**, and **Helaba**. Construction is more than 50% complete and the plant is backed by a 20-year PPA with the **Ontario Power Authority** (PFR, 10/13).

## BG&E Readies \$625M Stranded Cost Securitization

**Baltimore Gas & Electric** is preparing a \$625 million securitization of utility charges through special purpose entity **RSB BondCo**. The transaction is the first issuance of bonds under the sponsorship of BGE. The collateral consists primarily of rate stabilization property, which represents the right to collect charges (qualified rate stabilization charges or QRSCs) from BGE's residential electric customers. BGE is a wholly owned subsidiary of **Constellation Energy Group**. Officials at Constellation did not return calls for comment.

The rate stabilization bonds allow BGE to recover costs deferred between July 2006 and May 2007. During this period rate stabilization measures were imposed following the expiration of a freeze on residential electric rates relating to the deregulation of Maryland's electric generation industry. The deal was first talked about in January as a means of BGE bridging the gap between the power it buys and the rate limits it faces.

**Fitch Ratings** expects to rate the three tranches of notes AAA. The transaction's strengths, according to Fitch, include the facts that QRSCs represent a small part of the customers' bills and are only applied to residential customers. **Morgan Stanley** is underwriting the transaction.

## Corporate Strategies

### Calif. Biomass Tags Morgan Stanley To Back Build Out



Amanda Martinez

**Bull Moose Energy** has obtained a \$60 million commitment from Morgan Stanley to bankroll its development of a string of biomass generating plants, including the 20 MW Otay Mesa facility near San Diego. The developer had expected to use traditional project financing, explains **Amanda Martinez**,

ceo in Oceanside, Calif., but solicited an equity partner because that route offered more flexibility and the option of using debt to fund developments down the road.

Bull Moose put out a private placement memorandum in December and spoke to more than 16 banks, funds and other institutions, after locking down a 20-year PPA with **San Diego Gas & Electric**. "Everybody had a different option," Martinez says, referring to pitches from a traditional 75:25 debt-to-equity financing, to tax-equity and tax-free bond issuance. "Obviously, the day you get a call from someone like Morgan Stanley, they jump to the front," she added. Bull Moose is not seeking additional capital in the near future for its rollout.

**Aaron Lubowitz**, managing director in the global structured products group at Morgan Stanley in New York, declined to comment.

The \$55 million Otay Mesa project, construction of which will commence this fall, will run on wood waste, aided by a San Diego statute mandating recycling of construction and demolition waste. It is the first project for Bull Moose. Another 20 MW, cookie cutter unit should follow nine months later, for which a PPA is being arranged. Each will feature a new type of low-emission gasification technology that is yet to be financed.

### CMS Ploughs Sale Proceeds Into Utility

**CMS Energy** plans to use the \$211.1 million raised by selling **CMS Energy Brasil** to **CPFL Energia** to reduce debt and fund investments at utility **Consumers Energy**. "We're focusing on the utility—it's lower risk. At this point, that's our strategy," says **Jim Loewen**, assistant treasurer in Jackson, Mich.

CMS bought the Brazilian distribution company in 1999 when it was expanding internationally, says **Karen Anderson**, analyst at **Fitch Ratings** in Chicago. It began to divest foreign operations after a 2002 management change to lower its overall business risk and values for emerging-markets assets have increased since then, she adds. On June 1, CMS agreed to sell interests in Chilean unit **GasAtacama** and **Jamaica Private Power Co.** to

**Ashmore Energy International** for a combined \$94 million.

Priorities at **Consumers Energy** include the \$517 million purchase of 946 MW **Zeeland** from **LS Power**, which is pending regulatory approval. The utility will be short on capacity, says **Anderson**, and is expected to continue to add generation through acquisitions or development in the near future.

To reduce debt further, CMS launched a tender offer for \$409 million in 7.5% notes due 2009. By June 18, it had received tenders for \$359.5 million, or 88% of the outstanding principal of the notes.

Last week, it also sold \$150 million in six-year floating-rate notes priced at 95 basis points over three-month LIBOR and \$250 million in ten-year notes priced at 6.55%, a 150 spread over Treasuries, in an offering underwritten by **Deutsche Bank**, **Barclays Capital**, **Citigroup Global Markets**, **JPMorgan Securities**, **Merrill Lynch** and **Wachovia Securities**.

### With No Attractive Acquisition Targets, Dominion Plots Redemption

**Dominion Resources'** tender offer to buy back \$2.5 billion of its outstanding debt is part of its plan to call in between \$3.2-3.5 billion overall, using proceeds from pending divestitures. "We don't see anything compelling to buy right now," says **Scott Hetzer**, treasurer in Richmond, Va. The \$2.5 billion also will help it maintain a BBB+ rating.

To reach its \$3.5 billion debt reduction target, Dominion will redeem \$500 million of bank debt and a series of 7.8% trust preferred securities issued by its subsidiary **Consolidated Natural Gas Company's** trust **Dominion CNG Capital Trust I**. The redemption price will be the par value of \$25 per note, plus accrued and unpaid distributions through July 17.

Pricing on the more immediate tender offer will emerge July 9, two days before the deal's expiration date. **Barclays Capital**, **Citigroup Global Markets**, **Merrill Lynch** and **Pierce, Fenner & Smith** are deal managers, while **Credit Suisse Securities** and **Deutsche Bank Securities** are co-dealer managers. Hetzer declined to comment on why these firms were selected.

**Loews Corp.** and **XTO Energy** have agreed to buy Dominion's onshore exploration and production operations in two separate transactions, netting it a combined \$6.5 billion. Additionally, **Eni** unit **Eni Petroleum** is in the process of buying Dominion's crude oil and natural gas exploration business in the Gulf of Mexico for \$4.8 billion. "We made a strategic move by getting rid of our Gulf facilities. We will now call in other securities that we don't have to retire to reach our goal," says Hetzer. The company is rated BBB by **Standard & Poor's**, Baa2 by **Moody's Investors Service** and BBB+ by **Fitch Ratings**.



## 4th Annual Renewable Energy Finance Forum

Wind bankers, developers and service providers flocked to the Waldorf Astoria Wednesday and Thursday for **Euromoney** and the **American Council on Renewable Energy's 4<sup>th</sup> Annual Renewable Energy Finance Forum**. **Ben Miller**, associate reporter, filed the following items.

### MORE SOLAR

(continued from page 1)

Solar projects are nearing the critical size to make use of non-recourse financing, said Cavalier. Thermosolar deals the size of Nevada Solar One (PFR, 5/4) are not expected any time soon because the technology is in some cases unproven and expensive, but a series of 15-20 MW photovoltaic projects, such as **SunPower's** Nellis Air Force Base unit (PFR, 6/1), might become more commonplace, as will RFPs like the one recently issued by the **Los Angeles Department of Water & Power**.

As with wind, vertical and horizontal integration will help solar players deal with supply bottlenecks caused by competition for materials and regulatory uncertainty. In addition, more certainty surrounding tax-credits is encouraging developers to be more creative about the use of hybrid projects, said **Adrian Katzew**, global head of the energy sector at **Santander Structured Finance**. "Why is the regulatory environment forcing us to generate only when there is sun when there could be means for a plant to receive credits for the solar power it generates, while still running generators on gas when the sun is poor?" he asked.

### Wind Financiers Talk New Deal Structures

Panelists were buzzing about the possibilities for new financing structures, but were reluctant to bet on them as standard fare.

**Kevin Walsh**, managing director of **GE Energy Financial Services**, said it has taken a while for the market to get comfortable with five-year contract/merchant tail deals, such as was used on **Airtricity's** Roscoe wind farm, in which GE has a tax equity investment. And **Bruno Mejean**, senior v.p. at **NordLB**, said banks are still wary of pure merchant deals, though they have begun to get their arms around financial hedges and merchant tails after a project has been contracted for five to seven years.

"I see more electricity swaps," predicted **Adrian Katzew**, head of energy structured finance at **Santander**. He sees five- to seven-year swaps based on power prices beginning to compete with power purchase agreements in more liquid markets, netting generation owners more than what utility offtakers would typically pay. Merchant setups offer an attractive upside as costs rise and yields fall, agreed **David Giordano**, director at **Babcock & Brown**.

Panelists did not see a radical departure from the current deal structures, even as greater familiarity with wind finance brings more competition. Prices on deals are at an all-time low, said Mejean, noting that today a typical deal fetches around 125

basis points. Prices could stabilize if subsidies decrease or interest rates rise, he adds.

### Horizontal, Vertical Integration Drives Growth

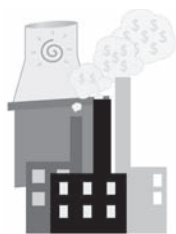
For renewable players of all sizes, teaming up will be the key to lowering costs and overcoming supply chain issues, delegates said. Though consolidation has been a big talking point this year, panelists emphasized the importance of horizontal integration in bringing the benefits that come with scale and vertical integration for accessing materials.

There's only scope for a few more big strategic mergers before the music stops, said **Ted Brandt**, CEO of boutique advisory **Marathon Capital**, on the sidelines of the conference, adding, "It'll then be at least two years before the next wave starts." **Craig Coburn**, CFO of **BP Alternative Energy**, sees just as much value in partnerships as in acquisitions. His company's 15 GW pipeline is "a chunk of capital even for someone like BP," he told *PFR*.

The search for additional funds will likely lead developers in new directions over the next three to five years, possibly into the hands of larger industry conglomerates, strategic investors or the public markets, said **Paul Gaynor**, president of **UPC Wind Management**.

### Reporter's Notebook

- **Marathon Capital** whisked a host of clients and business associates off to see the **New York Mets** vs. the **Minnesota Twins** from a swanky skybox at less than swanky Shea Stadium. The booze was abundant, echoing the frothy wind market the boutique advises on, as bankers and developers stood cheek by jowl, noshing on hotdogs and wings. A good night for industry folk—not so great for Mets fans. The team lost 6-2.
- "I feel a little like [Elizabeth Taylor's seventh husband] **Larry Fortensky** on their honeymoon night. I'm not sure I can provide anything new and exciting."—**Alf Bjorseth**, chairman of Norwegian alternative energy concern **Scatec**, praising the other members of the solar energy panel.
- Public energy number one might be New Mexico's Senator **Pete Domenici**, who Thursday morning proposed an amendment striking the production tax credit extension from the energy bill under debate on Capitol Hill. Attendees were urged to call Washington. Good luck.



## Generation Auction & Sale Calendar

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

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
AES Corp.	Delano Mendota	Central Valley, Calif. Central Valley, Calif.	57 25	Biomass Biomass	Bodington & Co.	To be acquired by Covanta Holding Corp. for \$51 million.
AIG Highstar Capital (Northern Star Generating)	13 plants	U.S. portfolio, concentrated in Florida and Pennsylvania	1,600	Gas, coal and waste coal	Lehman Brothers	UBS Infrastructure Asset Management unit to acquire AIG's 50% stake for an undisclosed sum.
Airtricity	Various	North America	6,500	Wind	Credit Suisse	Seller weighing an outright sale or 50/40 joint venture. Final bids due in early August (PFR, 6/18).
ArcLight Capital Partners	Crete Energy Venture Lincoln Generating	Crete, Ill. Manhattan, Ill.	203 (50%) 656 (90%)	Gas Gas	N/A N/A	Sale options being explored (PFR, 4/23).
Astoria Energy	Astoria plant	Queens, N.Y.	500 MW; 1 GW permitted	Gas	N/A	Owners fielding offers. Suez Energy acquiring a 30% stake (PFR 9/29).
Atlantic Power Corp.	Various	Major U.S. markets	588	Gas, Coal, Hydro, Oil	N/A	Aquila's former merchant fleet bought by ArcLight Capital Partners affiliate Teton Power.
BayCorp Holdings	Benton Falls	Benton, Maine	4.3	Hydro	Concentric Energy Advisors	N/A
Boralex Power Income Fund	Kingsey Falls Senneterre Dolbeau Beauport Buckingham Forestville Rimouski Saint-Lambert Hudson South Glens	Québec Québec Québec Québec Québec Québec Québec Québec New York New York	31 34.6 28 4.5 9.9 12.7 3.6 6 45.8 13.9	Gas Cogen Biomass Biomass Hydro Hydro Hydro Hydro Hydro Hydro Hydro	Genuity Capital Markets	First round bids due June 4. Credit Suisse is preparing a staple financing.
Calpine	Acadia Energy Center Fremont Energy Center Hillabee Energy Center	Eunice, La. Sandusky County, Ohio Alexandra City, Ala.	1,016 (50%) 512 774 MW	Gas Gas Gas	Miller Buckfire	July 30 auction. Co-owner Cleco Corp. is stalking horse. Plant 70% complete. Teasers dispatched last week (PFR, 6/18).
City of Vernon	Malburg Generating Station Palo Verde Power Hoover Upgrading Related transmission	Southern Calif. Southern Calif. Southern Calif. Southern Calif.	134 11 22	Gas Nuclear Hydro	Lehman Brothers	Two-stage auction. Assets being offered debt-free, with promise of 15-year PPA with seller.
Conduit Capital	Various	Latin America Caribbean	939 net ownership	Diverse	BNP Paribas	Took binding bids last week on two Mexican assets, and one Jamaican asset (PFR 6/15).
Con Ed Development	CEEMI CEEMI expansion Newington Energy Ada Cogeneration Lakewood Ocean Peaking Power Rock Springs Genor Ever Power Wind	Springfield, Mass. Springfield, Mass. Newington, N.H. Ada, Mich. Lakewood, N.J. Lakewood, N.J. Rising Sun, Md. Puerto Barrios, Guatemala NEPOOL, NY, PJM	185 96 525 (99.5%) 29 (48%) 246 (80%) 339 670 (50%) 42 (49.5%) 500 planned	Gas, Oil, Hydro Gas, Oil Gas Gas Gas Gas Gas Oil Wind	Morgan Stanley	Phase one bids due July 9. Final bids due late August.
Desert Power	Desert Power plant	Rowley, Utah	65 installed 100 planned	Gas	Miller Buckfire	Set for July 27 auction (PFR, 4/05).
DONG Energy	Energi E2 Removables Ibericas	Spain	265	Predominantly Wind	NM Rothschild & Sons, FIH	Company weighing sale.
Dynegy	Bluegrass Heard County Lyondell	Oldham County, Ky. Heard County, Ga. Channelview, Texas	573 539 600	Gas Gas Gas	JPMorgan Chase	Final bids were due May 10. Seller hopes to fetch between \$200-500 million in asset sales. To be acquired by Energy Co for \$470 million in cash.
DTE Energy	Georgetown 4 Crete Energy Venture East China River Rouge	Indianapolis, Ind. Crete, Ill. East China, Mich. Detroit, Mich.	80 304 (50%) 320 240	Gas Gas Gas Gas	N/A	Acquired by Indianapolis Power & Light. Sales process initiated, final bids due Q2. Seller exploring options, including outright sale. On books at scrap value, decommissioned.
Electricite de France Internationalunit Controladora del Golfo	Saltillo Anahuac (RB2) Lomas de Real (RB3) Valle Hermoso (RB4) Electricidad Aguila de Altamira Gasoducto del Rio	Ramos Arizpe, Coahuila Valle Hermoso, Tamaulipas Valle Hermoso, Tamaulipas Valle Hermoso, Tamaulipas Altamira 54 km pipeline	248 495 495 500 495 (51%) 330,000M Btu/D	Gas Gas Gas Gas Gas	JPMorgan Chase	First round bids were due early April (PFR, 4/16).
Entergy Corp.	50% stake in Top Deer Wind Ventures RS Cogen	Worth County, Iowa Carsen County, Texas Lake Charles, La.	40 40 212	Wind Gas	New Harbor	Seller wants about \$500 million for the assets. Bidders shortlisted to four players: two financial; two infrastructure (PFR, 6/18).



# Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
	Roy S. Nelson	Westlake, La.	60	Gas/Oil		
	Warren Power	Vicksburg, Miss.	225	Gas		
	Harrison	Marshall, Texas	335	Gas		
	Independence	Newark, Ark.	121	Coal		
	Robert Ritchie	Helena, Ark.	544	Gas/Oil		
	Offtake Contract	Sam Rayburn Power Agency	50-80			
General Electric	Baglan Bay	Port Talbot, Wales	510	Gas	Lexicon Partners	Books dispatched early May.
GE Energy Financial Services	Green County plant	Jenka, Okla.	795	Gas	N/A	Bids due May 2.
	Birchwood	Fredericksburg, Va.	242	Coal	N/A	Tyr said to be interested in acquiring (PFR, 2/12/07).
	Lake Benton I	Minnesota	107	Wind	N/A	To be acquired by AES.
	Storm Lake II	Iowa	80	Wind		
Globeleq	Emerging market portfolio	Asia, Africa, Americas	2,082	Mixed	Lehman Brothers	Americas assets to be sold to D.S. Constructions and Israel Corp. Asia and Africa assets to be sold to Tanjong Energy Holdings and Aljomaih in \$1 billion deal.
Goldman Sachs	Horizon	Houston, Texas		Wind	N/A	Energias de Portugal to acquire for estimated \$2.93B, of which \$2.5B will be debt led by Barclays (PFR, 3/27).
(Cogentrix Energy)	Wind Energy					
	Indiantown	Martin County, Fla.	355	Coal	Goldman Sachs	Teasers sent May 10, (PFR 5/14). Indicative offers due next month.
	Logan	Logan Township, N.J.	218	Coal		
	Cottage Grove	Cottage Grove, Minn.	245 (35%)	Gas/Oil		
	Whitewater	Whitewater, Wis.	236.5 (35%)	Gas/Oil		
	Scrubgrass	Venango County, Pa.	85 (50%)	Coal/Waste		
	Selkirk	Selkirk, N.Y.	345 (47.2%)	Gas		
	Northampton	Northampton County, Pa.	112 (80%)	Coal/Waste		
	Quachita	Sterlington, La.	804 (80%)	Gas		
	Carneys Point	Carneys Point, N.J.	262 (60%)	Coal		
	Richmond	Richmond, Va.	209 (80%)	Coal		
	Rocky Mount	Rocky Mount, N.C.	118 (80%)	Coal		
	Morgantown	Morgantown, Va.	60 (15%)	Coal/Waste		
	Plains End I, II	Golden, Colo.	182 (80%)	Gas		
	Rathdrum	Rathdrum, Idaho	275	Gas		
Greenwich Energy Investments	Masspower	Springfield, Mass.	258	Gas	Miller Buckfire	BG North America beat Arcapita to the asset in a deal worth circa \$150 million (PFR, 3/28).
LS Power	Shady Hills	Shady Hills, Fla.	477	Gas/Oil	N/A	GE Energy Financial Services to acquire.
	Zeeland	Zeeland, Mich.	946	Gas	N/A	To be acquired by CMS Energy for \$517 million.
MDU Resources	Brush Power (1&3)	Brush, Colo.	213	Gas	Goldman Sachs	Natural Gas Partners and industry executive
IPP unit, Centennial Energy Resources	Hardin Generating	Hardin, Mont.	116	Coal		Paul Prager to acquire for \$636 million. Barclays Capital and Goldman Sachs launched syndication of a \$610 million acquisition package June 12.
	Hartwell Generating	Hartwell, Ga.	310	Gas		
	Mountain View	San Geronio	66.6	Wind		
	Power Partners	Pass, Calif.				
	San Joaquin Cogen	Lathrop, Calif.	48	Gas		
Mirant Corp.	Diverse U.S. assets	PJM, NEPOOL, Calif.	10,650	Various	JPMorgan	JP Morgan took first-round bids June 12 from bidders including US Power Generating Co., (PFR 4/5).
Mirant	Curacao Utilities (25%)	Curacao	133	Asphalt	JPMorgan	Marubeni to acquire for \$1.082 billion, including \$350 million in debt, and power purchase obligations of about \$153 million. Mizuho to lead acquisition financing.
	Grand Bahama Power Co. (55%)	Grand Bahama Island	151	Oil		
	Jamaica Public Service Co. (80%)	Jamaica	621	Oil/Hydro		
	PowerGen (39%)	Trinidad & Tobago	1.2 GW	Gas		
Noble Environmental Power	Various	NY, Mich	385	Wind	Goldman Sachs	Timeline unclear.
Progress Ventures	Walton	Walton, Ga.	450	Gas	JPMorgan	Seller will fetch \$480 million in sale of generation to ArcLight Capital Partners and contract portfolio to Constellation Energy Commodities Group. Lehman Brothers and Citigroup launched acquisition financing May 21.
	Monroe Power	Monroe, Ga.	350	Gas		
	Washington County	Washington County, Ga.	600	Gas		
	Effingham County	Effingham County, Ga.	500	Gas		
PSEG Global	Electroandes	Andean region, Peru	180	Hydro	JPMorgan	Seller has received reverse enquiries and is determining wider interest.
			437 miles	Transmission		
Reliant Energy	IndianRiver	Titusville, Fla.	587	Oil/Gas	JPMorgan	Indicative bids were taken April 10. JP Morgan is doing a staple financing, said to be in the \$1 billion range (PFR, 2/26).
	Osceola Generating Station	Holopaw, Fla.	470	Gas (peaker)		
	Bighorn Generating Station	Las Vegas, Nev.	598	Gas		
	Choctaw Generating Station	French Camp, Miss.	804	Gas (mothballed)		
	Channelview	Lyondell, Texas	830	Gas	Houlihan LoKey	Bids due early next month.
TransAlta	Western Canada, Ontario	Diverse U.S. I	404	Gas, Coal	BMO Capital Markets	Teasers already out.
Trinergy	Various	Italy, Germany, Ireland, U.K. Spain	648	Wind	RBC Capital Markets	Bids due next week.
Tyche Power Partners	Brooklyn Navy Yard	Brooklyn, N.Y.	286	Gas Cogen	Credit Suisse	Two-stage auction (PFR, 6/18).
Zephyr Investments	Various	Europe	391	Wind	Lexicon Partners	Englefield Capital agreed to sell one-third interest to Infracapital Partners and JPMorgan Asset Management, for GBP 145 million (\$288.8 million).

# Project Finance Deal Book

*Deal Book is a matrix of energy project finance deals that PFR is tracking in the energy sector. 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 Katy Burne, Managing Editor, at (212) 224-3165 or e-mail kburne@iineews.com.*

## Live Deals: North America

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
InterGen	Generation portfolio refi	Various	Merrill Lynch, Lehman Bros.	Bond/bank deal	\$3B	TBA	Deal to launch week commencing 6/25.
Borealis Infrastructure LEP Holdings	Bruce Power (4.6 GW) Liberty Electric Power (568MW Gas) Refi	Tiverton, Ont. Eddystone, Pa.	Scotia, Dexia Credit Suisse, Merrill Lynch	TBA First lien Second lien	C\$705M (\$720M) \$400 \$200	TBA TBA TBA	July syndication expected. Syndication timeline unclear.
Nacogdoches Power	Nacogdoches (100MW Biomass)	Sacul, Texas	TBA	TBA			Looking for banks to fund debt for \$330M project.
Calpine, Mitsui & Co.	Greenfield (1GW Gas)	Courtright, Ont.Canada	Bank of Tokyo Mitsubishi BMO Financial	Loan	C\$650M (\$590M)	18 yr	Ontario Power Authority offtake. Syndication expected 6/20.
Calpine	Otay Mesa	San Diego, Calif.	ING, BayernLB	Credit facility	\$377M	12 yr	Syndication launched 5/23. San Diego Gas & Electric offtake.
LS Power	Sandy Creek (4GW) Refi	Riesel, Texas	TBA	TBA			Looking for banks to lead debt. Negotiating offtake and equity.
J-Power USA	Pala (86.5 MW Gas)	San Diego Co., Calif.	TBA	TBA			Looking for lead bank.
Babcock & Brown MACH Gen	2008 Turbine Supply Generation Portfolio (800MW Coal)	Various, North America	TBA Credit Suisse	TBA TBA			Selecting lead banks.
Osaka Gas, Tenaska, Diamond Generating	Tenaska Gateway (845 MW Gas) Refi	Rusk County, Texas	BNP Paribas, Calyon	Bond offering	\$350M		Refinancing of \$850M second lien, or more. Structure TBA. Expected by the end of May.
AES	Petcoke Portfolio (460MW) Refi	Tamuin, Mexico	BNP Paribas	TBA			Looking for second bank.
Acciona Solar Power	Nevada Solar One (64MW Solar)	Boulder City, Nev.	Santander, BBVA, La Caixa	Term loan	\$140M		Syndication expected in August.
Airtricity	Roscoe (209MW Wind) 2008 Turbine Supply	Abilene, Texas Various	HVB, BayernLB, NordLB TBA	TBA TBA	\$300M	TBA	Syndication timeline unclear. Choosing lead banks.
White Creek Wind	White Creek (205 MW Wind)	Klickitat Co., Wash.	HSB Nordbank	Construction financing	\$352M	TBA	HSB signed up Dexia and BayernLB; is looking to hook others.
Shell WindEnergy, Dominion Invenergy	Mt.Storm (264 MW, Wind) St. Clair Power Station (570 MW Gas)	Grant Co., W.Va. Sarnia, Ontario, Canada	TBA TBA	Construction financing Construction term loan	\$288M \$383M	TBA 21 yr	Choosing Leads. Hedge with merchant tail expected.
EdF Energie Nouvelles Terrawinds Resources	La Ventosa (80-100 MW Wind) TerraWinds (201 MW Wind)	Juchitan, Oaxaca, Mexico Rivier-Du-Loup, Quebec, Canada	TBA HSB Nordbank	TBA Senior secured construction and term debt facility	\$96M C\$300M (\$259M)	TBA	RBC Capital Markets (Advisor) Self-syndication launched 4/24. Choosing lead banks. Delayed.
Perennial Power	Hermiston Generation Plant (474 MW Gas)	Hermiston, Ore.	TBA	TBA	\$130M	10 yr	Hydro-Quebec offtake. Awaiting syndication.
Lodi Gas Storage	Acquisition Refi		TBA	Secured loans	\$145M	TBA	Lead banks expected 2Q2007
Noble Environmental Power	Altona, Ellenberg, Clinton and Bliss (339 MW Wind)	Altona, Ellenberg, Clinton and Bliss, N.Y.	HSB Nordbank, Dexia	Non-recourse loan	\$445M	TBA	Status unclear. Closed 6/20. Still syndicating.
Bethel Energy	(100 MW Solar)	Imperial County, Calif.	TBA	Debt and equity, TBA	\$368M	TBA	Looking for lead banks
Katabatic Power	(25.5 MW Wind)	Mount Hays, B.C.	TBA	TBA	TBA	TBA	Looking for lead banks.
Harbinger Capital Partners	Calgary Energy Center (300MW Gas) Refi Island Cogen (230MW Gas) Refi	Calgary, Alberta	UBoC	Term Loan LC Term Loan	C\$274M C\$45M C\$150M	19 yr 15 yr	Syndication launched week of 6/18.

## Live Deals: Europe/Middle East/Africa

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
Spanish Egyptian Gas Co.	Damietta LNG	Damietta, Egypt	TBA	Term Loan	\$600M	15 yr	25 year tolling agreement
Solucar Energia	SolNova (100MW, Solar)	Sanlucar La Major, Spain	Caja Madrid, SocGen, Calyon Natixis, Santander	Bank Facility Structure TBA	\$250M EUR450-500M		September syndication expected.
Botswana Power Corp. InterGen	Morpule (1.2GW Coal) Rijnmond Energie Center (820MW, Cogen)	Palapye, Botswana Rotterdam, Netherlands	TBA TBA	TBA TBA			Project Financing Solutions advising. Refi of EUR240M (\$326M) in debt and 400MW expansion.
AES ACS Group	Cartagena (1.2GW, Gas) Refi La Boga Portfolio (Wind)	Cartagena, Spain 6 sites, Spain	Calyon, Societe Generale Natixis, La Caixa	TBA Term loan	EUR 350M (\$462M)		Terms to be set. Syndication slated to wrap in June.
Babcock & Brown, Eurowatt Marubeni	Wind Portfolio (120MW) Messiaed (2GW Gas)	Various, France Doha, Qatar	La Caixa, Natixis Calyon, Managing Agents TBA	Tax facility Term loan Financing package	EUR 58M EU183M (\$234M) \$1.3B		Syndication timeline unclear. Syndication delayed.
Dhofar Power Co. Tanjong Broup	Salah (192 MW Gas Refi) Port Said East (683 MW Gas Refi)	Salah, Oman Port Said, Egypt	Calyon Calyon	TBA TBA	\$340M \$500-675M	TBA TBA	June syndication expected. June syndication expected.
Ras Laffan Power Co. (AES) AES Oasis, Mitsui & Co.	Ras Laffan A (750 MW IWPP) Almanakher (370MW Gas)	Doha, Qatar Almanakher, Jordan	TBA Sumitomi Mitsui, Overseas Private Investment Corp., JBIC	TBA Senior facility Equity tranche	\$572M \$255M \$75M		Looking for lead banks. Near close. National Electric Power Co. offtake.

## Uganda Hydro Project Zeroes In On Funding Close

Bujagali Energy, a joint venture between Kenya's **Industrial Promotion Services** and **Sithe Global Power**, hopes to close on \$630 million in debt funding its planned 250 MW Bujagali hydro project in southeast Uganda by the end of this month.

**International Finance Corp.**, the private sector lending arm of the **World Bank**, leads the deal, and is supported by a consortium comprising Barclays affiliate **Absa Capital**, the **European Investment Bank** and **Standard Chartered**. The project, construction of which is slated to begin later this year, is estimated

to cost \$800 million, of which \$630 million will be debt—20% of it commercial debt. Bujagali is expected to sell energy through a long-term PPA with the **Uganda Electricity Transmission Company**, which then will distribute the power through **Umeme**.

The project is designed to address chronic energy shortages in Uganda, says **Mac Cosgrove-Davies**, senior energy specialist at the World Bank. "We expect Bujagali will end the brownouts and meet Uganda's short-term power needs, as well as possibly set it up for long-term regional power partnerships in the future," he adds. Already onsite is 150 MW of oil-fired capacity. A previous attempt to develop a hydro project at Bujagali by AES was terminated in 2003.

## Weekly Recap

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

### North America

- **Evercore Partners** said that **Stephen Schaible** will join the firm's advisory business as a senior managing director in September (*Earthtimes.org*, 6/21).
- **Countryside Power Income Fund** has struck an agreement with **Fort Chicago Energy Partners** to support its cash takeover offer of C\$9.60 per unit, for a deal valued at C\$199.8 million (\$188.5 million) (*Reuters*, 6/20).
- **ATCO Electric** has applied to the Alberta Energy & Utilities Board for approval to build and operate a 240-kilovolt, 235Km transmission line in northwestern Alberta (*Calgary Sun*, 6/20).
- **General Electric's GE Energy Financial Services** unit will pay \$603 million for a stake in natural gas pipeline owner **Regency Energy Partners** (*Reuters*, 6/19).
- **Kinder Morgan Energy Partners** sold \$550 million in 30.5-year senior bonds, upsized from an originally planned \$500 million offering (*Reuters*, 6/19).
- The **North Carolina Utilities Commission** has rejected the last remaining challenge that environmentalists raised to its approval of **Duke Energy's** planned 800 MW facility at its Cliffside plant in Rutherford Co., N.C. (*Charlotte Business Journal*, 6/18).

### Europe

- Russia's **OAO Gazprom** asked the Russian government to stop an **Exxon Mobil Corp.**-led project from exporting natural gas to China (*Wall Street Journal*, 6/20).
- Six companies have signaled their interest in building new nuclear power stations in Britain. **Areva** has signed up the six companies as possible users of its European pressurized reactor

design (*Financial Times*, 6/20).

- **British Energy** has won a court action against **Credit Suisse** over the bank's move to consolidate options to buy the Eggborough power station into a company called **Ampere**. A further court hearing will be scheduled to define the exact scope of the award (*Financial Times*, 6/19).
- **Royal Bank of Scotland** is close to a deal to buy trading firm **Sempra Commodities**, owned by U.S.-based **Sempra Energy** (*Reuters*, 6/19).
- Spain's **Solaria Energia** plans to raise as much as EUR221 million (\$295.7 million) from an initial public offering of a 23% stake in the company this week (*Wall Street Journal*, 6/18).
- Scottish lawmakers have approved **BP's** application to build a 550MW emissions-controlled plant at an existing facility in Peterhead in the hope BP will reconsider the abandoned \$1 billion project. (*Energy Business Review*, 6/15).
- **Areva** offered to pay more than \$2.5 billion in cash for **UraMin** to gain uranium-mining assets amid a revival in global demand for the nuclear fuel (*Bloomberg*, 6/15).

### Australia

- **Origin Energy** has committed to proceed with the construction of its 630 MW gas-fired Darling Downs power station near Braemar in Australia (*AFX*, 6/19).

### South America

- **CMS Energy** has closed on the \$211.1 million sale of **CMS Energy Brasil** to **CPFL Energia**. The company plans to use sale proceeds to reduce debt at parent CMS Energy and invest in CMS utility **Consumers Energy** (*Crain's Business Detroit*, 6/18).



## GOLDMAN, CS

(continued from page 1)

thought to have fallen out of the race.

Second-round bids are due July 14 and auctioneer **JPMorgan** is planning to compile a shortlist of four. Officials at the firm declined comment and **EDFI**, **GS Infrastructure Partners**, **Global Infrastructure Partners** and the other bidders either did not return calls or declined comment. The assets were put on the block in late March (PFR, 3/16). Exactly how much **EDFI** wants for them could not be ascertained. The planned divestiture is driven by its desire to focus its growth on Europe.

On the block is:

- 248 MW Central Saltillo in Ramos Arizpe in the State of Coahuila;
- 495 MW Central Anáhuac, also known as Rio Bravo 2, in Valle Hermoso, Tamaulipas;
- 495 MW Central Lomas de Real, or Rio Bravo 3, also in Valle Hermoso;
- 500 MW Central Valle Hermoso, or Rio Bravo 4; and
- a 51% stake in 495 MW Electricidad Aguila de Altamira—a joint venture with **Mitsubishi Corp.**—in Altamira.

Each combined-cycle gas thermal plant is managed and operated by **EDFI** subsidiary **Comego** (Compania Mexicana de Gerencia y Operacion), which also is also for sale, alongside **Controladora del Golfo**, the holding company which houses **EDFI**'s stake in the aforementioned assets. Interest in the company's 54 kilometer, 330,000 million Btu-per-day pipeline, **Gasoducto del Rio**, which is connected to the **Tennessee Gas Pipeline**, also is being evaluated.

—Katy Burne

## CALPINE LINES

(continued from page 1)

lien debt at the corporate level (PFR, 5/04).

The deal will consist of a first lien and second lien, but the precise make-up of each tranche could not be learned. Officials at the banks, as well as Calpine's restructuring advisor **Miller Buckfire** and counsel **Kirkland & Ellis**, either declined to comment or did not return calls. **Mel Scott**, a spokesman for the San Jose, Calif., **IPP**, had no additional comment and officials at Calpine were not available.

Calpine's plan of reorganization notified each class of creditor of their proposed distribution—whether cash or ownership of reorganized Calpine stock—once it exits Chapter 11. The company hopes to be in a position to repay its remaining debtors in full—including unsecured holders, who are being advised by **Lazard Frères & Co.**—and provide some distribution to existing equity. The first-lien holders already have been repaid, but are seeking roughly \$96 million in make-whole premiums for repayment prior to maturity. Additionally, some \$2.5 billion in

borrowings tied to CalGen, operator of a 9.8GW portfolio, were repaid as part of the DIP (PFR, 3/02).

Creditors have until August 20 to vote on the plan, during which time a competing plan may emerge that could lead to a change of ownership via private equity investment. Calpine intends to have the plan confirmed at a hearing in the fourth quarter. It estimates that the reorganized value of the company, after paying \$1.4 billion of allowed claims, will be about \$21.7 billion—valuing stock in the new company at \$1.30 a share.

—K.B.

## 2GW CALIF.

(continued from page 1)

The seller has been marketing its development pipeline in the Southwest since last year, but is reportedly not interested in a fire sale. "There is a distinct possibility they will wait it out if they can't get people to pony up the price," said one close observer, adding, "Everyone's looking at the **Horizon [Wind Energy]** transaction and going gaga." **Energias De Portugal** agreed to purchase **Horizon** for \$2.9 billion from **Goldman Sachs**, but the transaction is viewed one of a kind.

After obtaining seed funding from high-net-worth individuals, the company is looking to sell to enhance resources to compete with other growing renewable outfits.

—K.B.

## Calendar

• **Infocast** presents the *Carbon Sequestration Development & Finance Summit* September 24-26 at the Hotel Derek in Houston. To register, call 818-888-4444.

• The **Solar Electric Power Association** will host the *Solar Power 2007 Conference and Expo* September 24-27 at the Long Beach Convention Center in Long Beach, Calif. Visit [www.solarpowerconference.com](http://www.solarpowerconference.com) to register.

## Quote Of The Week

"That's a chunk of capital even for someone like BP." —**Craig Coburn**, cfo of **BP Alternative Energy**, on his company's intentions to partner up to fund its 15 GW pipeline (see story, page 7).

## One Year Ago In Power Finance & Risk

**AIG Highstar** and **Ontario Teachers' Pension Fund** tapped **Lehman Brothers** and **BNP Paribas** to refinance debt tied to assets in its **Northern Star Generation** portfolio. [They syndicated a \$259 million term loan and \$19 million letter of credit last August to back the purchase of QF facilities **Mulberry** and **Orange** in Florida (PFR, 8/2). The same banks later led a \$850 recap for the 1.5GW fleet (PFR, 2/2), teeing up **AIG**'s sale of its 50% interest to **UBS** in May.]