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Solar Co., Korean Manufacturer Eye Financing Mart

Sustainable Energy Capital Partners and its partner **KISCO**, a South Korean conglomerate, are talking to U.S. and Asian banks about financing a 20 MW project in California.

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EPA Rules Likely To Muddy Biomass Projects

Biomass developers are leery of new U.S. **Environmental Protection Agency** regulations that will potentially make projects more costly.

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WIND DEVELOPERS SCOPE LEVERAGED LEASES

enXco and several of its peers are asking bankers to consider crafting leveraged lease structures for financing wind farms—a first for wind generation. The structure, where a tax investor is a lessor, was common in the financing of coal-fired and gas-fired plants through 2002 and first used on a solar project in 2008.

“It would be a big precedent,” says **Eli Katz**, a partner with **Chadbourne & Parke** in New York. “It’ll help deal flow... [because] it gives the developer a way to raise a lot of capital in one large structure, instead of getting a partnership and then getting debt.”

Wind developers generally didn’t seek leveraged leases for new farms before the 2009



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CANNON PUTS OUT \$2B WIND FINANCING FEELERS

Cannon Power Group has started sounding out bankers about financing a 1 GW wind farm it is developing in phases near Mexicali, in Baja California.

Cannon, which is partnering with **Gamesa Energy USA** on the Aubanel Wind project, is considering using a mix of financing mechanisms, including Mexican tax equity, bank debt, U.S. government incentives and export-import bank financing, says **Gary Hardke**, managing director in Del Mar, Calif. Developing wind costs at least \$2 million per MW, meaning Aubanel will have a price tag of more than \$2 billion.

Hardke hopes construction on the first phase of up to 100 MW could begin within a year and aims to secure financing within the next several months. The company, an affiliate of **Cascade Wind Holdings**, has worked with **Siemens Financial Services** and

(continued on page 7)

NRG FLOATS REFI, GETS PUSHBACK

NRG Energy is in the market with a \$4.4 billion refinancing package—and institutional investors are balking at pricing. The lenders as a result are going back to the company for a bigger margin.

Citigroup is lead left on the package, which consists of a \$3.14 billion B loan and a \$1.3 billion synthetic letter of credit facility. Pricing on the package, which is set at 350 basis points over LIBOR, may need to come up more than 100 bps in order to get commitments, one portfolio manager says. “Their request isn’t egregious, but at that price I’m not going to pick up my pencil,” he notes. A pricing adjustment is expected as early as this week and the deal is slated to close before month-end.

Current pricing on the deal is already twice the price the company paid for the original package in 2006. That deal included a \$3.575 billion B loan, priced at 175 bps over LIBOR

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



At Press Time

Biomass Shops Eye EPA Regs

Biomass developers are monitoring a potential new U.S. Environmental Protection Agency rule that would make developing projects even more onerous and cost-prohibitive.

The rule would require developers to get an additional permit and purchase emission control technology for plants.

The EPA, mandated by the U.S. Supreme Court to regulate greenhouse gases under the Clean Air Act of 1990, issued the rule, which also applies to coal-fired plants, last month without exempting biogenic sources. The agency ultimately could exempt biomass from the rule as officials there have not reversed their position that biomass is carbon-neutral.

Agency officials intend to determine whether that stance on biomass is appropriate, a spokeswoman says. "The question is, will the impact on biomass be disproportionate?" asks **Andrew Giaccia**, head of the environmental practice group at **Chadbourne & Parke** in Washington, DC. Some studies have found that utility-scale biomass generation emits considerably more greenhouse gases than other fossil fuels because the technology is less efficient.

How the new rule would affect the financing of biomass is uncertain. No biomass plant has been financed in the U.S. this year and the EPA has yet to determine what sort of emission control technology—such as methods for capturing emissions or operating restrictions—would be required for such plants. The agency is expected to do so by year-end.

Calif. Co., Korean Manufacturer Eye Solar Financing

Solar developer **Sustainable Energy Capital Partners**, and South Korean conglomerate **KISCO** are talking to banks about financing a 20 MW photovoltaic project they're building on an old salt mine in the Mojave Desert. The partners expect to bring a mix of U.S., Japanese or Korean banks into the financing, says **Michael Stoddard**, president of SECP in Santa Ana, Calif. He declined to name the banks.

SECP is also talking to the U.S. Department of Energy about applying for the loan guarantee and cash grant programs, he says. If those options fall through, SECP will look to the tax equity market, he says, despite the market still being largely closed. The company is looking to bring in strategic and equity investors.

SEPC has developed several projects in South Korea, including a 20 MW project that had financing arranged by **Standard Chartered** in 2006. Existing ties with KISCO, which manufactures solar panels, led to a partnership to break into the U.S. market, says Stoddard. He declined to comment on equity investments.

The duo is waiting on final approval from the California Public Utilities Commission on a 20-year power purchase agreement with **Southern California Edison**. Construction is slated to start later this year. The project, which sits on land with existing transmission access, could be expanded up to 100 MW, says Stoddard.

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**Institutional
Investor NEWS**
INTELLIGENCE FIRST

Leads Circle Up GE, Caithness Deal

Banks leading financing backing **GE Energy** and **Caithness Energy's** \$2 billion Shepherds Flat wind project are pushing commitments through their respective credit committees ahead of a wider deal launch set for later this quarter. The 909 MW project is located in north central Oregon and some phases are slated for operation between next year and 2012.

Bank of Tokyo-Mitsubishi, **Citigroup**, **Credit Suisse**, **Morgan Stanley** and **Royal Bank of Scotland** are leading the \$1.4 billion financing. The wider syndication to other banks will likely be small after the leads take larger commitments, a project financier notes. The U.S. **Department of Energy** is expected to grant a loan guarantee for up to 80% of the project costs before year-end and pricing on the leads' commitments is lower than other wind deals in the market, reflecting that expectation, he adds. The deal consists of the bank loan facility, which has a tenor of a three-year construction period plus 10 years, a bond component and a few letters of credit.

Officials at BoTM, Citigroup, Credit Suisse and Morgan Stanley did not return calls and an RBS official declined to comment. **Jeff Delgado**, director at Caithness in New York and a GE EFS spokeswoman declined to comment. The size and pricing of leads' commitments and amount of debt in each component of the deal could not be learned.

Southern California Edison has a 20-year PPA with the project.

GE Scopes South Of The Border

GE Energy Financial Services is talking to developers active in Mexico and other parts of Latin America to make investments in power projects. Experienced operators with projects that have solid offtake contracts and reliable engineering procurement and construction contracts hit the sweet spot, says **Dan Castagnola**, managing director of GE EFS in Houston. The firm already plans to invest \$72 million in **Abengoa's** 300 MW combined-cycle project in Tabasco, Mexico.

Talks have been held with sponsors participating in request for proposals for generation sought by Mexican utility **Comisión Federal de Electricidad**. **Iberdrola**, **Acciona** and **Union Fenosa** and U.S. private equity funds with experience in power development are thought to be participating in CFE's call for 300 MW of wind projects (PFR, 2/12). GE has been investing in Latin America for over 30 years, Castagnola notes. He declined to identify sponsors of projects for potential investment. GE EFS does not have a targeted amount of investment for the region, a spokeswoman says.

Abengoa's Tabasco project is buoyed by a 20-year offtake

contract for steam and power that the Spain-based company garnered through an RFP held by **Petroleros Mexicanos** (PFR, 12/15/09). **Banobras**, **Banco Santander**, **Scotiabank**, **La Caixa**, **Banco Espirito Santo**, **Crédit Agricole**, **Export Development Canada** and **HSBC** are providing \$460 million in debt for the project, which is slated for operation in 2012. Abengoa will also invest \$108 million in the project.

Rival Developer Challenges Hudson Line

The developer of the Cross Hudson transmission line, along with several industry players, has challenged a rival project backed by **Hudson Transmission Partners** over its potential cost to ratepayers. **Phillip Gennarelli**, president of **Cavallo Energy** in Houston and the developer of the Cross Hudson transmission line, contends that his company's project will be cheaper than the line proposed by Hudson Transmission.

Hudson Transmission has until July 8 to respond to the interventions submitted to the New York State **Public Service Commission** by Cavallo, the consortium of the **Independent Power Producers of New York**, and the New York State **Department of Environmental Conservation**, as well as to the supportive briefs filed by five companies and agencies. A judge has the authority to accept, reject or modify any of the submitted recommendations, a PSC spokeswoman says. A decision isn't expected before August.

Cavallo estimates Cross Hudson to cost \$525 million, of which about \$375 million would be for the cost of the cable and another \$100 million-plus in upgrades. Hudson Transmission would cost at least \$500 million (PFR, 6/17), though Cavallo points to a price of \$836 million estimated by a consulting firm. Both lines would stretch from Ridgefield, N.J., to midtown Manhattan, though they use different technologies.

Ed Stern, ceo of Hudson Transmission in Fairfield, Conn., says the challenges by Cavallo and IPP won't derail his project. "We have a very real project about to begin construction. They have a concept." It is unclear whether the complaints will delay—or derail—financing of Hudson Transmission. Bankers at **Royal Bank of Scotland** and **Société Générale**, leads on the financing backing the Hudson project, couldn't be reached by press time. Credit Suisse is the financial advisor for Cross Hudson.

Hudson Transmission recently secured a long-term capacity contract with the **New York Power Authority**, after months of negotiations, while Cross Hudson expects to wrap a bidding season to secure shippers to take up capacity on its line by early August ahead of tapping banks for financing (PFR, 5/12). NYPA selected Hudson Transmission over Cross Hudson and other

contenders in a 2006 request for proposals process.

Gennarelli acknowledges competition between the developers for some customers, potentially including NYPA and the **Long Island Power Authority**, though he says negotiations haven't commenced with either utility. "Our view is that we are rivals, but it's not an issue of one project winning and one losing," Gennarelli says, noting that Cross Hudson's feasibility study allows for both lines to interconnect. A NYPA spokesman declined comment.

BP Eyes Partner For Colo. Wind

BP Alternative Energy is talking to potential partners for a \$500 million, 250 MW project in Colorado. The co-developer is likely to be a company that BP has worked with before, says an industry official. Partnerships are central to the company's wind strategy, says a BP spokeswoman in Houston. She declined to elaborate on potential partners or talks.

The Cedar Creek II project in Weld County has a 10-year power purchase agreement with **Xcel Energy** unit **Public Service Company of Colorado** and is expected to be online by 2013, says the industry official. It's an expansion to the 300 MW Cedar Creek I, which was developed in partnership with **Babcock & Brown**.

BP has teamed with a range of companies for wind projects, including **Sempra Generation**, **Diamond Generating** and **Clipper Windpower**.

NextEra Sub Back For More Funding

NextEra Energy subsidiary **NextEra Energy Resources** is talking to banks to finance its next round of wind projects. The company, which typically finances development costs on balance sheet and then taps debt to free up capital for more development, will likely be in the market for a portfolio of at least 200 MW before year-end, bankers say. **FPL Group** changed its moniker to **NextEra Energy** last month.

The Juno Beach, Fla.-based company has been talking to relationship lenders, which include **Banco Santander**, **BayernLB**, **Bank of Tokyo-Mitsubishi**, **BBVA**, **Commerzbank**, **Crédit Agricole**, **Helaba**, **Lloyds TSB** and **UniCredit**, deal watchers say. Bank officials either declined to comment or did not return calls and a **NextEra Energy** spokesman did not return calls. Details such as location, size and number of wind projects in the portfolio could not be learned.

The company had been aiming to develop at least 1,500 MW of wind per year in the next couple of years. So far it has been putting up 700-800 MW due to constraints in the lending community stemming from the credit crisis, a project financier notes. **NextEra** had originally aimed to finance its project

pipeline in 500 MW slugs, but lenders are still wary of making commitments of more than \$100 million and most won't touch anything larger than 200 MW, he adds.

Decker Sub Hunts Biomass Funds

Decker Energy International subsidiary **Fitzgerald Renewable Energy** is talking to lenders to finance a 55 MW wood waste-fired plant in Ben Hill, Ga., a project financier says. Developing biomass costs roughly \$2 million per MW, bringing the plant's price tag to about \$110 million. The Winter Park, Fla.-based company aims to start construction this year. The project is slated for operation in 2012.

Uncertain power markets and the risk of biomass fuel supply have often hindered biomass project financings for lenders. However, the impending close of a \$100 million financing backing **Rollcast Energy's** 50 MW plant in Georgia is causing some developers to re-approach the market (PFR, 6/11). The project in Ben Hill has a long-term PPA with a consortium of rural electric cooperatives and will garner most of its fuel from vendors within 50 miles of the plant.

Macauley Whiting, president of **Decker**, was not available for comment by press time. Details such as the amount of debt sought, tenor and pricing and a financing timeline could not be learned.

Canadian Wind Co. Plots \$800M Funding

Finavera Renewables, a Canadian renewables developer, is considering financing options for an \$800 million, 301 MW wind portfolio that has landed offtake agreements with **BC Hydro**.

The Vancouver-based company is likely looking for investors or partners, says a deal watcher, partially to fund the portfolio. "It's not a blue chip or owned by a bigger, deeper backer," the observer says, noting its contracted projects make it attractive to investors.

The company is also talking to banks about debt financing, according to it financial report issued in March. Calls to **Michael Thompson**, v.p. of wind energy, and **Jon Lever**, cfo, were not returned. Whether **Finavera** is using an advisor could not be learned.

Two of the projects, 47 MW **Tumbler Ridge** and 77 MW **Wildmare**, are expected to be complete in 2012. Another two, the 117 MW **Meikle** and 60 MW **Bullmoose**, are slated to be online in 2014. The projects all have 25-year PPAs. The company has already invested about \$5 million in the projects.

The public company sold a minority stake in its 100 MW **Cloosh Valley** project in Ireland to a global renewable energy

developer in January to raise working capital, according to the report. Neither the identity of the buyer nor the price of the stake could be learned.

ArcLight, Partner Target \$365M Cavern Package

SGR Holdings and ArcLight Capital Partners are speaking to bankers about borrowing up to \$365 million to build a fourth 10 billion cubic feet cavern at their 30 bcf Southern Pines Energy Center gas storage facility in Greene County, Miss. A portion of the funds will also go toward refinancing maturing debt, deal watchers say.

SG Resources Mississippi built the existing energy center in three equal phases of 10 bcf and SunTrust Robinson Humphrey arranged close to \$100 million in financing for the third cavern, with Helaba as a participant (PFR, 9/8/08). The potential structure, tenor and pricing of the loan for the fourth cavern could not be learned by press time.

Mark Cook, v.p. of commercial operations at SG Resources Mississippi in Spring, Texas, declined comment, as did Mark Huffstetler, a banker at SunTrust in Atlanta. John O'Connor, cfo of Terra-Gen, an ArcLight affiliate, did not return a call seeking comment nor did bankers at Helaba.

Southern Pines has direct interconnections to the Southeast Supply Header, the Florida Gas Transmission Company, the Transcontinental Gas Pipe Line Corp., and the Destin Pipeline Company.

NAPG In Talks On Biomass Sale

North American Power Group is in talks to sell two biomass plants in California to a financial investor. Boutique investment bank New Harbor is running the auction. Neither the identity of the potential buyer, the price nor the timeline for completing the transaction could be determined.

NAPG is selling its 50% stake in the 29 MW Rio Bravo Fresno facility near Fresno and the 29 MW Rocklin facility near Roseville. Constellation Energy is co-owner of the biomass facilities, which could complicate the talks, says a banker. Constellation would reportedly be interested in buying the stakes depending on the price, says a deal watcher. In 2008, Constellation and NAPG completed a \$14 million refurbishment to the Rocklin plant, which has a PPA with Pacific Gas & Electric Co. It could not be learned whether Constellation has a right of refusal on the plants.

The potential buyer is not looking at the coal-fired plants in the portfolio, which include the 39 MW Rio Bravo Jasmin and 39 MW Rio Bravo Poso coal plants near Bakersfield, Calif.

The portfolio hit the market in October (PFR, 4/9).

Michael Ruffatto, president of NAPG in Greenwood Village, Colo., did not return a call. A Constellation spokesman in Baltimore, Md., did not return a call and a New Harbor official declined to comment.

Alliant Puts Unit On Market

Alliant Energy has put its subsidiary Industrial Energy Applications on the auction block. IEA, based in Cedar Rapids, Iowa, is an asset manager and provides power and steam to industrial and commercial customers. IEA operates 59 natural gas and diesel generators, with an aggregate installed capacity of 80 MW, in Iowa and South Dakota.

Boutique investment bank Ewing Bemiss in Richmond, Va., is running the auction, which launched last week. Details regarding when bids are due, potential bidders or why Alliant is selling the unit could not be learned. Calls to an official at Ewing Bemiss and an Alliant spokesman in Iowa were not returned before press time.

Corporate Strategy

El Paso Unit Funds Capex, Ruby With Notes

El Paso Pipeline Partners Operating Co. has issued \$110 million in senior unsecured notes to fund affiliate El Paso Corp.'s capital expenditure program, which is largely devoted to its \$3 billion Ruby Express Pipeline. The company priced the 10-year notes at 6.5% and wrapped the deal this week. RBS Securities is the sole bookrunning manager for the deal.

El Paso Pipeline Partners is an entity created by El Paso Corp., as an avenue for cheaper funding, explains Bill Ferara, director at Standard & Poor's in New York. The entity only buys stakes in El Paso Corp.'s contracted pipelines and therefore has a more steady revenue stream and a better credit profile than El Paso Corp., which has more debt in its capital structure and also engages in riskier businesses such as oil and gas production and exploration. S&P rates the notes BB.

Proceeds from the deal will be used to finance El Paso Pipeline Partners purchase of a 16% interest from El Paso Corp.'s Southern Natural Gas Co. El Paso Corp. will, in turn, use the proceeds from the sale to finance its capex program, pay down debt and for other general corporate purposes. A spokesman at El Paso Corp. in Houston, declined to comment or make an official available. Details such as the reasons behind the company's choice in underwriters, the amount of its capital expenditure program and the price of the stake in Southern Natural Gas could not be learned.

News In Brief

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

Americas

- Wind developers in the Midwest will not have to foot any of the costs of building new high voltage transmission lines, according to a plan announced by the **Midwest Independent Transmission System Operator** this week. The costs will be spread out to all the utilities that get power from the grid (*Pioneer Press*, 6/24).
- Canada's energy minister has announced that coal-fired plants will have to meet greenhouse gas reduction targets or be shutdown when power purchase agreements expire. Power producers will not be allowed to use offsets or trading under the policy that is expected to be in place by 2015 (*The Calgary Herald*, 6/24).
- **Macquarie Power & Infrastructure Income Fund** has agreed to buy a \$130 million, 20 MW photovoltaic project in Ontario from **SunPower**. Macquarie will contribute about \$33 million in equity to the project when it's complete in 2011 (*MarketWatch*, 6/24).
- Some solar analysts perceive **Solyndra's** decision to withdraw its planned \$300 million initial public offering as a reflection of a struggling industry. Others attribute the withdrawal to a company whose production costs exceed those of rivals—and one that has lost \$558 million from its inception (*San Jose Mercury News*, 6/23).
- Senators **Maria Cantwell** and **Susan Collins** have introduced a bipartisan energy bill dubbed "cap and dividend" that would steer less than one-quarter of money from federal auctions of emissions allowances to a new trust fund for clean energy (*The Hill*, 6/23).
- Officials in Upper Pittsgrove Township, N.J., rejected a proposed 90 MW solar field across 422 acres developed by **Atlantic Green Power**. Town leaders instead gave preliminary approval to a scaled-down, 14.4 MW field (*Philadelphia Inquirer*, 6/23).
- **PPL** is planning to sell north of 90 million shares and \$1 billion of equity unit securities to fund a portion of its \$6.7 billion acquisition of **E.ON U.S.** PPL will also sell some non-core assets to raise funds (*Dow Jones Newswires*, 6/22).
- **Dow Jones & Co.** has partnered with **SunPower** to install a 4.1 MW solar project at Dow Jones' corporate offices in New Jersey. The installation will be partially financed by **PSE&G's** Solar Loan Program (*Energy Central*, 6/22).
- **NRG Energy** and **Arclight Capital Partners** have bought nine solar development projects in California and Arizona, ranging from 20 MW to 99 MW. The projects could be operational

between 2011 and 2013 (*Dow Jones Newswires*, 6/21).

- **PG&E** subsidiary **Pacific Energy Capital II** has created the largest single solar leasing pool—a \$100 million tax equity fund—to finance solar installations by **SunRun**, a San Francisco-based start-up (*The New York Times*, 6/21).
- **Transmission Developers**, a Toronto-based firm, is planning a \$3.8 billion, 420-mile transmission line between Lake Champlain and Connecticut. The line, which would run below parts of the Long Island Sound, the Hudson and East Rivers, would be paid for by power companies. It's scheduled to be online in 2015 (*The New Haven Register*, 6/18).
- The U.S. **Federal Energy Regulatory Commission** has approved the **Southwest Power Pool's** proposed highway/byway cost allocation plan for new transmission projects. Under the plan, utilities that have a historically greater use in an area will foot higher costs of high voltage lines while lower voltage lines will be billed to the utility of that region (*Energy Central*, 6/18).
- **International Power** and **South Texas Electric Cooperative** are planning to start construction on the \$1.4 billion, 650 MW **Coletto Creek II** coal-fired project late next year (*Kansas City Business Journal*, 6/18).

Europe/Africa/Asia

- Italy is expected to cut its solar incentives 18% next year under a plan that would introduce 6% reductions every four months (*Reuters*, 6/24).
- **Albatros Energy**, a U.S. power producer, will build a 230 MW thermal plant in Uganda (*Dow Jones Newswires*, 6/24).
- Australia's climate change minister says the government will maintain its target of 20% of the nation's energy from renewables sources by 2020, about two months after former Prime Minister **Kevin Rudd** scrapped a carbon-trading plan (*Bloomberg*, 6/23).
- Europe intends to import solar generation from the Sahara within five years. The move would help the European Union meet its goal of 20% energy derived from renewables by 2020 (*Reuters*, 6/21).
- Norway's **Statkraft** is retooling its investment strategy to maintain its credit rating, including selling its solar unit and reducing its wind pipeline. The state-owned utility entered into an agreement with **Siemens** to build 40 MW of solar this year (*Bloomberg*, 6/18).

Project Finance Deal Book

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

Live Deals: North America

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
AES	Mong Duong II (1,200 MW coal)	Vietnam	TBA	TBA	TBA	TBA	Bankers anticipate the project to cost at least \$2.4B (PFR, 5/24).
ArcLight Capital Partners	Various (Gas and Transmission)	Various	Barclays, BofA	Term Loan	\$220M	7-year	Loan closed ahead of drop-dead date (PFR, 6/21).
ArcLight Capital Partners, SGR Holdings	Southern Pines Energy Center (Gas Storage)	Greene County, Miss.	TBA	TBA	TBA	TBA	Developers seeking up to \$365 million for new cavern and refinance maturing debt (see story, page 5).
BP, Ridgeline	Goshen II (90 MW Wind)	Bonneville County, Idaho	BTMU, Caja Madrid, Commerzbank and Mizuho	Roughly \$260M	TBA	15-yr	Financial close reached on Idaho wind farm (PFR, 6/21).
BrightSource Energy	Various (1.3 GW Solar)	Southern California	TBA	TBA	TBA	TBA	Financial close expected by year end (PFR, 6/21).
Brookfield Asset Management, Isolux Corsan	CREZ Transmission	Texas	TBA	TBA	TBA	TBA	Contacting European banks for financing (PFR, 6/7).
Catalyst Renewables, Hannon Armstrong	50 MW Hudson Ranch I (geo)	Salton Sea, Calif.	WestLB, ING, SocGen	Mini-Perm	\$297M	7-yr	Financial close reached on \$401 million deal (PFR, 5/24).
Cannon Power Group	Aubanel Wind Farm (1 GW wind)	Mexicali, Baja California	TBA	TBA	TBA	TBA	Cannon puts out feelers to banks about 100 MW phase 1 (see story, page 1).
El Paso	Ruby Pipeline (675-mile Natural Gas Pipeline)	Wyoming to Oregon	Credit Suisse, Calyon, BMO, Scotia, SocGen, Banco Santander, RBS	TBA	\$1.5B	7-yr	Financial close reached (PFR, 5/17).
enXco	Lakefield (201 MW Wind)	Minnesota	Dexia, SocGen, Banco Santander, CoBank	TBA	TBA	TBA	enXco considering a leveraged lease for structure (see story, page 1).
Fishermen's Energy	Various (20 MW Offshore Wind)	Atlantic City, N.J.	Fieldstone Capital	TBA	TBA	TBA	Financing hinges on renewables credits (PFR, 6/7).
Hudson Transmission Partners	Hudson Transmission	Ridgefield, N.J.-New York	RBS, SocGen	TBA	TBA	TBA	Competing project Cavallo Energy challenges worthiness of project (see story, page 3).
Invenergy	Beech Ridge (100.5 MW Wind)	Greenbrier County, W. Va.	TBA	TBA	TBA	TBA	PPA rejected by Virginia over cost to ratepayers (PFR, 6/7).
Kruger Energy	Chatham (100 MW Wind)	Ontario	Deutsche Bank	Mini-Perm	\$220M	3-yr	Financial close reached, marking Deutsche Bank's reemergence into power mark (PFR, 5/31).
Northland Power	Saskatchewan (265 MW Combined Cycle)	North Battleford, Saskatchewan	CIBC, BMO, Union Bank	Mini-Perm	\$500-600M	TBA	Selected co-leading banks (PFR, 6/7).
Pure Energy	Bayonne Energy Center (512 MW gas)	Bayonne, N.J.	Calyon, WestLB	Mini-Perm	\$300-400M	TBA	Bankers reluctant to support merchant generation (PFR, 6/14).
Rollcast Energy	Piedmont Green Power (50MW biomass)	Barnesville, Ga.	Natixis, Union Bank	\$100M	TBA	TBA	Financial close approaching (PFR, 6/14).
Terra-Gen Power	Alta Phases 2-4 (570 MW Wind)	Tehachapi, Calif.	Calyon, Natixis	TBA	TBA	TBA	Financial close approaching for the second through fourth phases (PFR, 6/21).

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

CANNON PUTS

(continued from page 1)

HSH Nordbank to finance phases of its 500-600 MW Windy Point/Windy Flats project in Klickitat County, Wash. (PFR, 10/9). Cannon will own a stake in Aubanel, Hardke says. The parties haven't decided whether Gamesa, which is providing the turbines for the project, will also take a stake. **Kirk Edelman**, president of Siemens in North America, and **Michael Pepe**, senior v.p. and head of energy at HSH, couldn't be reached for comment.

The company is negotiating offtake agreements with commercial and industrial customers in Mexico and will also

look to large California utilities such as **Southern California Edison**. Aubanel will be Cannon's second Mexican wind farm; a 240 MW farm built on the California border was sold to **Sempra Energy** in 2007 for an undisclosed amount.

Separately, Cannon has approached Siemens as it seeks more than \$100 million in financing for the 100 MW third phase of its Windy Point/Windy Flats project. The U.S. **Department of Treasury** has granted a total of about \$220 million in cash grants for the 262 MW second phase of the project, which has a pre-pay offtake agreement with the **Southern California Public Power Authority**. The company will also seek a cash grant for the third phase of the project, says **Tom Trimble**, co-head of **Hunton & Williams'** renewable energy practice group, who helped secure

the \$220 million in cash grants for the project.

Cannon also is pursuing a farm in Oregon that could generate 250-400 MW and recently signed a lease with **Colorado State University** for a potential 250 MW farm. —*Brian Eckhouse*

NRG FLOATS

(continued from page 1)

and a \$1.3 billion LOC, priced at 185 bps over LIBOR. Components of the original package expire between 2011 and 2013. A Citi official declined to comment and the tenor of the refinancing package could not be learned.

NRG is the latest in a string of deals in the term B loan market that are seeing price jumps, as many institutional investors have already put a bulk of capital to work in the first half of the year and are also recoiling from the European credit crisis, deal watchers note. **Calpine's** \$1.4 billion B loan financing backing its purchase of several power plant assets from **Pepco Holdings** subsidiary **Conectiv Energy** saw a 200 bps price increase to 550 bps over LIBOR after original pricing drew soft demand (PFR, 6/11).

There are roughly 15 to 20 banks and institutions involved in the refinancing and many of them are repeat participants, says a banker. **Morgan Stanley** was a co-arranger with Citi on the existing agreement and **Credit Suisse**, **GE Capital** and **Lehman Brothers** were participants on the original \$1 billion revolver. Bankers at Barclays, CS, GE and Morgan Stanley either declined comment or did not return calls. An NRG spokeswoman in Princeton, N.J., said **Christian Schade**, cfo, was not available for comment before press time. —*Holly Fletcher & Sara Rosner*

WIND DEVELOPERS

(continued from page 1)

American Recovery and Reinvestment Act, because leases were ineligible for a production tax credit, one adviser says. The stimulus bill introduced a cash grant—30-cents on the dollar—that doesn't have such restrictions.

Under a leveraged lease facility, investors taking advantage of the cash grant can buy projects and lease them back to developers (PFR, 1/8). Financial advisers say leveraged leases are also cheaper and anticipate that they'd be quicker to devise than traditional partnership flips. With a flip, tax equity investors own 99% of a project until it procures all tax credits, then the developer assumes all but 5% of ownership.

One New York-based syndicator says he's still trying to figure out how a leveraged lease would be structured. Lenders worry that its novelty and the scope of an expensive farm could scare off credit committees. Leveraged leases wouldn't necessarily be a deal breaker, a different syndicator says, but "the sponsor may struggle

to get commitments." A financial adviser predicts more leveraged leases in the solar space, where deals tend to be smaller.

enXco hopes to land a leveraged lease for its revived 201 MW Lakefield farm in southwestern Minnesota, bankers say, though one lender says the Escondido, Calif.-based developer hasn't finalized a structure. That decision could come as soon as this month. enXco has approached several banks about financing, including **Banco Santander**, **CoBank**, **Dexia Crédit Local**, **Helaba** and **Société Générale**, a deal watcher says. "It's the beginning of the process," the deal watcher says. "We haven't seen details yet or term sheets." The identity of a potential tax equity investor for the enXco farm could not be learned.

Jim Peters, enXco's v.p. of project finance, did not return a call seeking comment. Bankers at Banco Santander and Société Générale couldn't be reached at press time. Bankers at CoBank, Dexia and Helaba declined comment. —*B.E.*

Quote Of The Week

"We have a very real project about to begin construction. They have a concept." —**Ed Stern**, ceo of **Hudson Transmission Partners** in Fairfield, Conn., on his view of competing transmission line **Cross Hudson**, whose developer **Cavallo Energy** filed a legal challenge last week against HTP with the New York State **Public Service Commission** (see story, page 3).

One Year Ago In Power Finance & Risk

Energy Investors Funds put out teasers for its stakes in five generation assets and the Neptune Regional Transmission System. [Lenders backing **ArcLight Capital Partners'** purchase of the assets closed on a \$220 million B loan earlier this month, held up by a lengthy approval process by the U.S. **Federal Energy Regulatory Commission** and a dispute between EIF and an offtaker (PFR, 6/21).]

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