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The exclusive source for power financing and M&A news

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## EIF To Flog Assets

**Energy Investors Funds** has put up stakes in five power plants and Neptune Regional Transmission System.

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## ARCLIGHT UNIT TAPS B LOANS

Terra-Gen Power, an affiliate of Arclight Capital Partners, is in the market with a \$250 million term B loan to refinance an 18 month-old acquisition bridge loan used to buy renewable assets. The loan is the second B loan for generation assets in the market's comeback. "With a re-emergence of the institutional loan market over the last two months, it makes sense to access that capital," says a banker familiar with the deal.

Citigroup is leading the deal. Terra-Gen used the original loan to finance the purchase of Caithness Energy's portfolio of solar, wind and geothermal assets. The new deal also includes

*(continued on page 12)*

## CONN. SHOP PLOTS NOVEL SOLAR INVESTMENT SCHEME

First Sustainable is talking to pension funds, insurance companies and other private investors to fund \$3 billion of solar projects in Europe through master purchase agreements and subsequent securitizations. "Insurance companies and pension funds have an appetite for long-term stable cash flows to offset liabilities," says Scott Sidell, CEO of the Westport, Conn.-based firm, which is developing projects and partners with other developers. "What's



*(continued on page 12)*

## EX-DOE OFFICIAL SAID TO READY DEVELOPER CO.

Andy Karsner, an ex-assistant secretary for energy efficiency and renewable energy at the U.S. Department of Energy, is reportedly starting a power development company.

Further details of the company could not be learned. Karsner has experience with such initiatives as CEO at power development and consulting firm Enercorp, his immediate slot before serving as assistant secretary from 2005 to Aug. 31 of last year. Previous to Enercorp, he was director and senior development manager for Wartsila Diesel. A phone number and e-mail for Karsner could not be immediately located.

—Katie Hale

## Open For Biz

## GOLDMAN MAKES PITCH FOR TAX EQUITY

Goldman Sachs is touting its interest in the tax equity arena for renewable generation. "Contrary to popular opinion, we're open for business," Michael Feldman, managing director, told attendees at the 6th Annual Renewable Energy Finance Forum Wall Street at the Waldorf Astoria Hotel in New York Tuesday.

Tax equity was never a key area for Goldman, but it did do deals occasionally including for SunEdison, Horizon Wind and U.S. Geothermal. The firm has not been visible over the

*(continued on page 4)*

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

## At Press Time

### EIF Puts Generation, Neptune On The Block

**Energy Investors Funds** is selling its stakes in five generation assets with a combined 728 MW capacity and its 66.7% stake in Neptune Regional Transmission System.

**Barclays Capital** is advising on the sale and teasers went out two weeks ago. Bids are due in mid to late July with an aim to closing by year-end, notes a deal watcher. Most of the assets are under long-term power purchase agreements. The plants are:

- The 240 MW Crockett Cogeneration plant in Crockett, Calif.
- The 60 MW low-sulfur naphtha Hamakua plant in Hawaii.
- The 32 MW Glen Park hydro plant near Watertown, N.Y.
- The 490 MW gas-fired Mustang Station in Denver City, Texas.
- The 230 MW gas-fired Black Hawk station in Borger, Texas.

The assets are part of EIF's United States Power Fund established in 2002. The sale is likely part of EIF's strategy to sell down assets after a 5-7 year investment period, the deal watcher explains. Bank officials declined to comment and **Mark Vocola**, v.p. in New York, did not return a call. The identity of potential buyers could not be learned.

### Astoria Set To Close On Oversubscription

The \$1.1 billion Astoria II financing is near closing. The deal backing **Astoria Energy's** 500 MW gas-fired plant in Queens, N.Y., is \$50-100 million over its targeted financing size, says a deal watcher, and expected to close within a few weeks.

**BNP Paribas**, **Grupo Santander** and **Helaba** and are committing \$75 million tickets apiece to the Natixis-led deal (PFR, 6/19). **Calyon**, **Export Development Canada**, **Société Générale**, **WestLB**, **Bank of Tokyo Mitsubishi UFJ** and **Union Bank of California** are also participating with tickets between \$125-135 million. Officials at the banks did not return calls. The financing consists of a \$970 million mini-perm facility with a five-year tenor and \$110 million in letters of credit (PFR, 4/17). The project has a 20-year PPA from the **New York Power Authority** and is expected to begin operation in 2011. **Astoria Project Partners** is owned by **AE Investor**, **CDP Capital Americas**, **GDF Suez** and **SNC-Lavalin**.

### Calpine Deal Upsized

The **Barclays Capital**-led term B loan refinancing for two Calpine operated plants has been upsized by \$15 million to \$290 million. The rationale for upsizing the loan was because the deal was oversubscribed by roughly three times, a bank official says.

The OID came in at 94 on the loan, tacking an equivalent of roughly 200 bps in yield onto the offer of 450 bps plus LIBOR with a 3% floor, the official says. One of the reasons for interest in the loan was because of the strength of the rating it received, says a person whose fund subscribed to the deal. Before the rating was given "it wasn't as clear how strong the credit would be and how much value there was in there." **Standard & Poor's** rated the deal BB-, higher than Calpine's corporate credit rating.

The plants, **Broad River**, an 847 MW plant in Gaffney, S.C., which has a PPA with **Progress Energy**, and **South Point**, a 520 MW merchant plant located in Bullhead City, Ariz., are leased to Calpine by **CIT**.

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**Institutional Investor NEWS**  
INTELLIGENCE FIRST

## CCX Preps Korean Carbon Trading

The **Chicago Climate Exchange** has signed an agreement with the **Korea Power Exchange** and the **Korea Energy Management Corp.** to collaborate on creating emissions trading in Korea to promote low carbon growth. "We're seeing a growing interest globally in using financial innovation and market forces to achieve social and environmental goals," says **Richard Sandor**, chairman and ceo of the Chicago Climate Exchange.

It is unclear when the scheme will be implemented, but the parties are exploring options for the system's structure. Sandor does not yet know what kinds of emissions will be traded on the possible scheme. The CCX moved into Asia last year when it established the **Tianjin Climate Exchange** in China (PFR, 11/21). Officials at the Korea Power Exchange and Korea Energy Management Corp. were unavailable for comment.

## Credit Suisse Snags Ruby Advisor Slot

Credit Suisse has beat out more than seven lenders for the advisory role on the \$3 billion financing of El Paso's Ruby pipeline. Construction is slated for next year, pending permitting, with operation set for March 2011. A timeline for the financing could not be immediately learned. **Mark Leland**, cfo in Houston, and bank officials did not return calls.

The 675-mile, 42-inch natural gas pipeline will stretch from the Opal Hub in Wyoming and traverse Utah and Nevada to Malin, Ore. (PFR, 5/15). The company has 10 to 15-year capacity agreements from nine companies, including **Pacific Gas & Electric** for a combined 1.1 billion cubic feet per day on the 1.5 bcf/d pipeline.

## Conduit Targets Jamaican Financing

**Conduit Capital Partners** is planning to finance a 60 MW diesel-fired expansion of its 125 Old Harbour Bay plant in Jamaica with a combination of debt and equity.

The private equity firm is talking to **FirstCaribbean Bank**, multilaterals such as the **International Monetary Fund** and the **International Finance Corporation** and export credit agencies ahead of finalizing a financing plan later this year, says **Juan Paez**, a partner in New York. He declined to comment on financing details such as the cost of the plant or the amount of debt and equity in the project.

The firm acquired the Old Harbour Bay and the planned expansion through its acquisition of **Jamaica Energy Partners** from **Basic Energy** this week. Conduit sold JEP and its 125 MW portfolio to Basic Energy in 2007 for \$92.5 million (PFR, 12/14/07). "The market conditions have put people in a difficult

position for financing and have also created opportunity for others. There was an opening for us with the additional value in the expansion," Paez says. **Jamaica Public Service** has a 20-year power purchase agreement with JEP's existing facility and Conduit is in discussions with the utility to contract generation from the expansion.

Conduit acquired a 55% stake in the **Pedregal Power Company** in Panama and its sole 55 MW diesel-fired facility near Panama City in the Basic Energy transaction. Paez declined to disclose the value of the deal.

The firm made the purchase through its \$393 million Latin Power Fund III, which is now 75% committed. Conduit is looking at a pipeline of projects in Brazil, Chile, Mexico and Peru to commit the rest of the fund by sometime next year, Paez explains, declining to elaborate. Basic Energy is an affiliate of Spanish company **Endesa** and the Dominican Republic company **CEPM Energy**. Endesa did not respond to an e-mail and a CEPM official did not return a call.

## Shooting For The Stars? Developer Aims To Test Solar Tech In China

**Global Power and Water Industries** is planning to test space-based solar power implementing laser technology on a mammoth scale in China. The company is targeting to build a total of 108 GW in the first phase of traditional solar photovoltaic plants and a second phase of the first-of-a-kind technology projects. It has signed PPAs with local governments in six provinces, says **Mike Iorlano**, a consultant for the company in San Diego.

Global Power is planning to go public by raising about \$5 million on the **Over the Counter Bulletin Board** this summer, he says, and will look for a follow-on listing on NASDAQ to raise at least \$200 million. "We are talking about spending billions on this," says Iorlano, who declined to disclose financing details for the projects, but noted it will be a combined effort with the Chinese government. The company is backed by private investors, says Iorlano, but notes **Jet Propulsion Laboratory** of NASA, which has exclusively licensed a dozen patents to the company, owns a 6% stake in the Global Power. A spokeswoman at JPL in Pasadena, Calif., was unable to comment.

**Howard Foote**, chairman of the company, has been working on the technology for almost two decades. He started off using microwave solar power, but hit roadblocks with communication signals, says Iorlano. Foote was unavailable for comment. The laser technology has the ability to provide about 400-500% more capacity than the average solar photovoltaic plant if successful.



## Renewable Energy Finance Forum

*More than 700 lawyers, developers, bankers and investors turned out for the 6<sup>th</sup> annual Renewable Energy Finance Forum Wall Street at the Waldorf Astoria in New York last Tuesday and Wednesday. The PFR staff filed the following stories:*

### GOLDMAN MAKES

*(continued from page 1)*

last year unlike players such as JPMorgan Capital Corp. and Union Bank of California. Recently, JPMCC has provided tax equity for wind projects developed by Horizon Wind (PFR, 5/29) and UBoC for Invenergy (PFR, 1/9).

Goldman is looking to do project finance, tax equity, private equity and leasing. It is also open to traditional flip structures or lease structures for tax equity. "We like to invest in companies that provide tax equity and developers with track records," said Feldman.

Even merchant deals are not off limits. "I think it's a very high bar, but I wouldn't say it's impossible," Feldman said. Goldman is also interested in financing the private portion of the U.S. Department of Energy loan guarantee program projects and acting as a pre-qualified lender for the program, he added.

—Katie Hale

### DOE Looks To Deploy Additional Funds

The U.S. Department of Energy is planning to rapidly deploy \$8.5 billion in additional funding allocated for renewable energy, said David Frantz, director for the DOE Title XVII Innovative Loan Guarantee Program. "We are working as rapidly as we can to get the 1705 program to the marketplace," he said referring to the new section 1705 of Title XVII of the 2005 Energy Policy Act authorized by the American Recovery and Reinvestment Act of 2009. The DOE has allotted that amount for this year, but has \$18.5 billion for renewables in total. It is expected to open solicitations next month for the next round of the loan guarantee program. The deadline is unknown at this time for those solicitations, said Frantz.

The DOE has yet to grant any funds under the 2005 or 2009 programs, but is moving toward closing Solyndra, said Frantz (see related story, above right). "We are in fact senior lenders. We are very careful in our underwriting activities," said Frantz, noting some of the delay has been caused because the Department is required to be self-sustaining. He also told *PFR* on the conference sidelines it is expected to close an additional undisclosed deal within a few weeks from the 2005 round. The DOE is continuing to hire investment

officers and other positions to aid in handling the expected flood of applications.

### Photovoltaic Co. Expects DOE Close On Funding

Photovoltaic company Solyndra expects to have a check in hand from the U.S. Department of the Treasury's Federal Finance Bank within the next two months. The Fremont, Calif.-based company was the first approved for a loan from the Department of Energy's loan guarantee program as part of the 2005 Energy Policy Act. "[The company] is hoping in the next month or two to announce that it's a done deal," says an observer.

Solyndra is currently working through the loan agreement for the \$535 million loan to expand its solar manufacturing capacity in California. The loan will cover 70% of the roughly \$733 million expansion cost, with 30% expected to come from equity put up by existing investors, the observer says. "It's primarily equity, but there could be some debt." Among the equity backers are San Francisco-based CMEA Capital, Boston-based RockPort Capital Partners and Abu Dhabi-led energy fund MASDAR Clean Tech Fund.

### SunEdison To Approach Lenders

Solar developer SunEdison is planning to approach lenders for \$10-50 million in financing backing solar projects across the U.S. "That \$50 million is our sweet spot. We figure that it's small enough to be feasible, but large enough to be noticed by the players who we should be working with," Tomakin Archambault, director of market finance, told *PFR* on the conference sidelines.

Most of the Washington, D.C.-based company's projects are in the 1-2 MW range. It is working with rural cooperatives in the Midwest to develop facilities and also signed a PPA with Duke Energy for a 16 MW project Davidson County, N.C., last year. That project is slated for operation at the end of next year.

NordLB closed on financing for SunEdison and joint venture partner Skypower's 9 MW photovoltaic First Light project in Lennox and Addington County, Ontario (PFR, 11/21). Allco Renewable Energy Limited, Applied Ventures, Black River Commodity Clean Energy Investment Fund,

## Renewable Energy Finance Forum

GreylockPartners, HSH Nordbank and MissionPoint Capital Partners also provided \$131 million in venture capital financing and \$30 million in debt to finance expansion and projects last year.

## Debt Markets Remain Tepid Toward Renewables

Lenders worried about their own capitalization continue to offer wider spreads and shorter terms on loans or straight mini-perms on some renewable energy projects. Most banks are looking to participate in club deals instead of straight underwriting. "What we would love to do is the loans for construction, then have somebody else take us out," **Tony Muoser**, senior v.p. with HSH Nordbank in New York, told audience members looking to fund renewable projects during a panel discussion.

Debt is available for projects that employ proven technologies, have competitive advantages and are tied to long-term power purchase agreements. "Story matters," said **John**

**Anderson**, head of power and project finance for **John Hancock** in Boston.

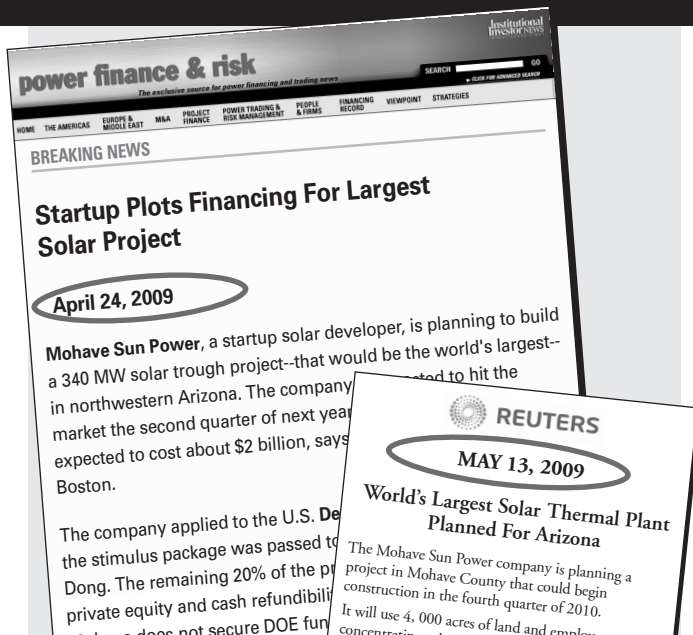
Additionally, the U.S. Department of Energy is expected to provide more funding. Some 47 renewable projects, mostly solar and biomass, are being considered for \$10 billion of stimulus money with another round of applications to be solicited for an additional \$8.5 billion in July, **David Frantz**, director of Title XVII Loan Guarantee Program for the DOE told the audience.

## Virginia Solar Start-Up Plots Funding

**Sol Sage Energy** is planning to approach banks and tax equity investors for funding a 10-20 MW pipeline of photovoltaic projects on the East Coast. The company is considering partnership flips or sale leaseback structures for the projects, **Pierce Walmsley**, cfo, told *PFR* on the conference sidelines.

The Charlottesville, Va.-based company has two pilot projects in Delaware and New Jersey that it plans to finance on balance sheet, Walmsley explained, and is also developing facilities in Florida and North Carolina. Sol Sage was started by several principals from wind developer **Greenlight Energy** after it was purchased by **BP Alternative Energy** for \$98 million (*PFR*, 10/26/07). **Nelson Teague** is the founding partner and the former director of project transaction with Greenlight and **Matthew Hantzmon** is coo and former managing director at Greenlight.

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### Reporter's Notebook:

- **Kristina Johnson**, undersecretary of energy, U.S. Department of Energy, on the need for energy efficiency in the U.S. "When I walked into my hotel room, the lights were on, the radio was on and the TV was on."
- **Andrew Safran**, vice chairman, global investment banking, Citigroup, on how banks are looking to do deals. "Serial dating is over, people are looking to establish relationships."
- **Richard Kauffman**, ceo at **Good Energies**, introduced himself on a panel of top power and energy investment bankers by saying, "I'm Richard Kauffman and I'm a recovering investment banker and I don't know what the steps are ..."

## Corporate Strategies

### CFE Issues Debt For Transmission

The **Comisión Federal de Electricidad** is planning to use proceeds from a MXP1.1 billion (\$83 million) in **certificados bursátiles**, a peso denominated bond sold in Mexico's domestic market, to pay preliminary expenses of planned transmission projects. The state backed agency responsible for power and related infrastructure will price the three-year notes in a public offering before month-end, notes **Sebastian Hofmeister**, v.p. of **Moody's de Mexico** in Mexico City.

The issue is the first in a MXP3 billion program that CFE has filed to fund "productive infrastructure with deferred expenditure impact" projects, also known as **Pidiregas**. Due to its government agency status, CFE can't reimburse **Pidiregas** projects until after project completion and has therefore created a third-party trust to fund preliminary costs of the projects to circumvent the regulation. The funds will replenish the trust. The scope of **Pidiregas** transmission projects could not be immediately learned. A call and an email to a CFE spokesman were not returned.

**Banco Ixe** is managing the sale of the notes, which **Moody's** rates **Baa1** global and **AAA** on Mexico's national scale. **BBVA** managed an MXN3.8 billion sale of **certificados bursátiles** for CFE in April. **Hofmeister** declined to specify plans for CFE to come to market again this year.

### Algonquin Power Fund To Switch Units To Shares

The **Algonquin Power Income Fund** will exchange units in the fund for shares in **Algonquin Power Company** to avoid incurring tax losses in 2011 when income tax exemption for Canadian income trusts expires. The fund's **BBB Standard & Poor's** rating is unaffected by the transaction.

The fund, managed by **Algonquin Power Management Inc.** in Oakville, Ontario, was set up around 1990 and went public in 1997. It has a market cap of C\$260 million (\$225.6 million). It owns around 70 assets across North America including hydroelectric, wind, biomass, landfill gas, co-generation and water distribution and waste water treatment plants.

The company will use the tax savings to pay down debt if it doesn't have its eye on acquisitions. "In the event that we didn't have an acquisition or a project in development, we would use it to pay down our revolving line of credit," says **Kelly Castledine**, manager of investor relations at **Algonquin Power**. The company has C\$130 million drawn down and C\$38 million in letters of credit against its C\$225 million credit revolver from a syndicate of four banks.

"They recognize that they need a fairly solid balance sheet to engage in projects and they'll want to likely control their debt

levels," says **Bato Kacarevic**, an S&P analyst in Toronto. "They're also pretty capital intensive."

The assets will be held at the income fund level. **BMO Capital Markets** is advising on the deal, which will close pending a majority shareholder approval.

### Canadian Wires Co. To Back Lever Acquisition

**FortisOntario** is planning to back lever its acquisition of **Great Lakes Power Distribution**. The utility has agreed to purchase the distribution company from **Brookfield Renewable Power** for C\$68 million (\$58.66 million). **Brookfield** decided to sell the company because it did not fit with its growth plan, says a spokesman in Toronto.

The acquisition will be funded on parent **Fortis'** balance sheet in the short-term, says **Bill Daley**, president and ceo at **FortisOntario** in Fort Erie, Ontario. The subsidiary will then hit the bond market for debt financing, he says, noting a timeline has not yet been set for the issuance. **CIBC World Markets** and **Scotiabank** are banks the utility has worked with in the past. **FortisOntario** last issued bonds in 2005.

**FortisOntario** is looking for more acquisitions in its operation areas of transmission and distribution. "We are very focused on growing the regulated business in Ontario. We are looking to become a larger player in the field," says **Daley**. But, he adds the provincial utility also has a generation arm which owns small hydro plants and the company is also assessing solar development.

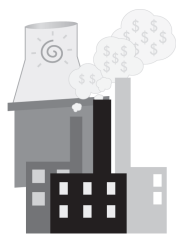
The acquisition is expected to close in the fourth quarter pending regulatory approval by the **Ontario Energy Board** and **Competition Act** approval.

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## 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 Jeanine Prezioso at (212) 224-3226 or e-mail [jprezioso@iinews.com](mailto:jprezioso@iinews.com).

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
AES	Warrior Run	Cumberland, Md.	205	Coal	Goldman Sachs	Shopping PJM assets (PFR, 5/21).
	Red Oak	Sayreville, N.J.	832	Gas		
	Ironwood	South Lebanon Township, Pa.	720	Gas		
	Amman East	Jordan	370	Gas	Citi, HSBC	Quietly marketing Middle East portfolio along with a few one-off assets (PFR, 2/23).
	Barka	Muscat, Oman	456 (35%)	Gas		Bids submitted by around 10 parties for portfolio (PFR, 6/15).
	Ras Laffan	Qatar	756 (55%)	Gas		
	Lal Pir	Punjab, Pakistan	362 (55%)	Oil		
	Pak-Gen	Punjab, Pakistan	365 (55%)	Oil		
	Cartagena	Cartagena, Spain	1,200	Gas		
	Kilroot	near Carrickfergus, Northern Ireland	560	Coal and Oil		
	Various	U.S.	1,174	Wind	N/A	Looking for joint venture partner for wind business (PFR, 3/16).
	Hulunbeier	Inner Mongolia, China	50 (49%)	Wind		
	InnoVent	France	30 (40%)	Wind		
	Hargicourt	Hargicourt, France	12 (40%)	Wind		
	Hescamps	Hescamps, France	5 (40%)	Wind		
	Pléchâtel	Pléchâtel, France	4 (40%)	Wind		
	Various	Bulgaria, China, France and Scotland	410 development	Wind		
	Various	Latin America	TBA	Various	TBA	Tipped that assets are for sale (PFR, 5/18).
AIG Financial Products	Bruce Mansfield	Shippingport, Pa.	830 (80%)	Coal	Commonwealth Capital Advisors	Shopping interest in Unit 1 with sale likely to close before year-end (PFR, 12/1).
Allco Finance Group	Various	New Zealand	538	Wind	N/A	Prepped to sell by end of third quarter (PFR, 6/23).
Allied Waste Industries	Trinity Oaks	Trinity Oaks, Texas	3.2	Landfill	N/A	Fortistar to acquire with financing to be provided by Caterpillar Financial Services (PFR, 11/24).
American Shoreline	N/A	Texas, Mexico	3,000 development	Wind	N/A	Spinnaker Energy planning to purchase (PFR, 2/9).
ArcLight Capital Partners	Hobbs Generating	near Hobbs, N.M.	600	Gas	Credit Suisse	Selling newly commercial asset (PFR, 10/3).
	Juniper Generating	near Bakersfield, Calif.	298	Gas	Barclays Capital	Indicative bids taken mid-Sept. for portfolio of nine assets (PFR, 10/3).
Babcock & Brown	South Trent	Nolan and Taylor Counties, Texas	101	Wind	Marathon Capital	First round bids taken March 6 (PFR, 3/2).
	Majestic I	near Panhandle, Texas	80	Wind		Diamond Castle Holdings in running to purchase (PFR, 4/20).
	Majestic II	near Panhandle, Texas	unknown	Wind		Carlyle/Riverstone prepped to buy development assets (PFR, 6/15).
	Butler Ridge	Wisconsin	54	Wind		
	Wessington Springs	South Dakota	50	Wind		
	Gulf Winds	Kenedy County, Texas	238	Wind		
BARD Engineering	BARD Offshore 1	off coast of northwest Germany	400 development	Wind	UniCredit HVB	Looking to sell offshore farm in development (PFR, 2/9).
British Petroleum	N/A	Port Talbot, Wales	870 development	Gas	N/A	Shopping 100% interest in development (PFR, 9/12).
Cannon Power	Windy Point	Klickitat County, Wash.	137	Wind	N/A	Agreed to sell first phase to Turlock Irrigation District (PFR, 3/30).
Caithness Energy (DCE)	Shepherd's Flat	Gilliam and Morrow Counties, Ore.	909 development	Wind	Citigroup	Teasers dispatched (PFR, 10/20).
Centrica	Lynn and Inner Dowsing	off Lincolnshire coast, U.K.	194	Wind	N/A	Looking to sell once portfolio refinanced (PFR, 6/1).
CarVal Investors et al.	Granite Ridge	Londonderry, N.H.	720	Gas	Merrill Lynch	Second round bids taken, but auction on hold (PFR, 12/1).
Chermac Energy	Various	Texas, N.M., Okla., Kan.	675 development	Wind	Advisors	Looking for buyers (PFR, 5/4).
City of Victorville	Victorville 2	Southern California	570 development	Gas/Solar	Goldman Sachs	Teasers dispatched (PFR, 6/30).
		Logistics Airport, Calif.				China Huadian Corp. and other undisclosed parties looking to buy (PFR, 4/6).
Cobisa Corp.	Cobisa-Greenville	Dallas-Fort Worth, Texas	1,750	Gas	Pace Global Energy Services	Company facing financing troubles (PFR, 6/22).
Colmac Energy	N/A	near Mecca, Calif.	47	Biomass	Bodington & Co.	Sale iced due to financial markets (PFR, 1/19).
Connect Energy	Various	PJM Interconnection	3,700	Various	Credit Suisse	Status unclear.
Con Ed Development	Genor	Puerto Barrios, Guatemala	42 (49.5%)	Oil		Industry Funds Management did not acquire.
	Ada Cogeneration	Ada, Mich.	29 (48%)	Gas		Partner is Olympus Power.
Constellation Energy	Mammoth Pacific	Mammoth Lakes	29 (50%)	Geothermal	N/A	Set to kick off auction in coming weeks. Owned with Ormat (PFR, 12/1).
	West Valley	West Valley, Utah	200	Gas	N/A	Planning to sell to MidAmerican Energy Holdings Co. (PFR, 12/8) even though merger has been canceled.
Complete Energy Holdings	La Paloma	McKittrick, Calif.	1,022	Gas	JPMorgan	Has agreed to merge with GSC Acquisition Co. in \$1.3B deal (PFR, 5/16). Pending shareholder vote.
	Batesville	Batesville, Miss.	837	Gas		
Coram Energy	N/A	Tehachapi, Calif.	15 repowering	Wind	Marathon Capital	Seeking buyers for portfolio (PFR, 3/9).
	N/A	Tehachapi, Calif.	93	Wind		
	N/A	Knob Hill, Vancouver Island, B.C.	393	Wind		
	N/A	Banks Island, B.C.	525	Wind		
	N/A	Porcher Island, B.C.	198	Wind		
	N/A	McCauley Island, B.C.	233	Wind		
Corona Power	Sunbury Generating	Shamokin Dam, PA	432	Coal, oil, diesel	Merrill Lynch	Soliciting equity to complete \$250M of upgrades (PFR, 12/24/07).





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# Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
CP Power Investments (Starwood Energy Investors II and Tyr Capital)	Panoche Vaca-Dixon	Firebaugh, Calif. Vacaville, Calif.	49 49	Gas Gas	N/A	Looking for new offtakers or buyers for facilities (PFR, 7/28).
DKRW Wind	Various	U.S.	6 GW development	Wind	Marathon Capital	Looking for strategic partner (PFR, 12/29).
DTE Energy	East China	East China, Mich.	320	Gas	N/A	Seller exploring options, including outright sale.
Dynegy	Sandy Creek Plum Point	Riesel, Texas Osceola, Ark.	900 (32%) 665 (21%)	Coal Coal	Barclays Capital	Company tapped advisor to run sale process (PFR, 3/2).
EarthFirst Canada	Dokie Ridge	Chetwynd, B.C.	300 constuction	Wind	N/A	GE EFS and Plutonic Power are considering purchasing project (PFR, 6/15).
Electrabel	Langerlo Vilvoorde	Langerlo, Belgium Vilvoorde, Belgium	556 385	Coal Gas	N/A	E.ON agreed to acquire plants in asset swap deal (PFR, 12/22).
Energy Future Holdings (Luminant)	Sandow 4 Sandow 5	Milam Co., Texas	545 (50%) 581 (50%)	Coal Coal	Credit Suisse	Reportedly planning to sell stakes to Perennial Power Holdings (PFR, 2/18).
Energy Investors Funds and Power Development Corp. Entergy Corp.	Waterside Power	Stamford, Conn.	72	Oil	Barclays Capital	ArcLight Capital Partners planning to buy (PFR, 2/23).
	50% stake in Top Deer Wind Ventures RS Cogen Roy S. Nelson Warren Power Harrison Independence Robert Ritchie	Worth County, Iowa Carsen County, Texas Lake Charles, La. Westlake, La. Vicksburg, Miss. Marshall, Texas Newark, Ark. Helena, Ark.	40 40 212 60 225 335 121 544	Wind  Gas Gas/Oil Gas Gas Coal Gas/Oil	New Harbor	Seller wants about \$520M for the assets. Bidders shortlisted to four players: two financial, two infrastructure (PFR, 6/18/07).
E.ON	Lippendorf Bexback Farge Zolling Unknown Trausnitz Tanzmühle Various	Nukieritzsch, Germany Bexback, Germany Bremen, Germany Zolling, Germany Zolling, Germany Trausnitz, Germany Tanzmühle, Germany Bavaria, Germany	446 79 350 449 20 (50%) 2 3 300	Coal Coal Coal Coal Biomass Hydro Hydro Hydro	N/A  N/A  N/A	Signed MOU with EnBW to purchase to increase competition in sector (PFR, 12/22). Electrabel will acquire through asset swap (PFR, 12/22).  Agreed to sell 300 MW of hydro to Verbund.
Exergy Development Group	Various	Upper Midwest, Northwest	3,600	Wind	Marathon Capital	Sale process has been reignited.
First Wind	Stetson Sheffield Various	Danforth, Maine Vermont North America	57 40 development 3,000 pipeline	Wind Wind Wind	Credit Suisse  JPMorgan, Credit Suisse, Goldman Sachs	Newly operational asset on the block (PFR, 3/2). Hunting buyers (PFR, 3/9). Company filed S-1 to IPO as UPC Wind.
FPC Development	Shady Oaks Green River Boone County	Lee County, Ill. Lee County, Ill. Boone County, Ill.	120 development 467 development 200 development	Wind Wind Wind	N/A	Mainstream Renewable Power purchased (PFR, 6/22).
FPL Energy	Posdef Tesla	Stockton, Calif. Tracy, Calif.	44 1,120	Coal/Petcoke Gas/Steam	New Harbor Credit Suisse	DTE is buying through a subsidiary (PFR, 2/2). Development site. Status unclear.
Gamesa Energy USA	North Allegheny	Blair and Cambria Counties, Pa.	70	Wind	N/A	Duke Energy has agreed to purchase (PFR, 6/1).
Gas Natural	Hermosillo Naco Nogales Tuxpan III and IV Unknown Central Saltillo Central Anáhuac/Rio Bravo II Central Lomas de Real/Rio Bravo III Central Valle Hermoso/rio Bravo IV	Sonora, Mexico Sonora, Mexico Veracruz, Mexico Norte-Durango, Mexico Coahuila, Mexico Tamaulipas, Mexico Tamaulipas, Mexico Tamaulipas, Mexico	250 MW 300 MW 1 GW 450 MW 248 MW 495 MW 495 MW 500 MW	Gas/Steam Gas/Steam Gas/Steam Gas/Steam Gas/Steam Gas/Steam Gas/Steam Gas/Steam	TBA TBA TBA TBA TBA TBA TBA TBA	Looking for advisor for portfolio sale (PFR, 5/25).
Gas Natural, Mitsubishi Corp.	Electricidad Aguila	Altamira, Mexico	495 MW	Gas/Steam	TBA	Gas Natural looking to sell its 51% stake in the JV project (PFR, 5/25).
General Electric	Baglan Bay Panther Creek Colton Power	Port Talbot, Wales Nesquehoning, Pa. Colton, Calif.	510 94 80	Gas Waste Coal Gas	Lexicon Partners N/A N/A	Process to be re-ignited in October. Looking for buyers (PFR, 2/26). Sale shelved.
Gregory Power Partners	Gregory	Gregory, Texas	400	Gas	N/A	Sale iced due to credit crisis (PFR, 1/26).
Iberdrola	Russell Station Allegany Station Unknown Unknown	Greece, N.Y. Hume, N.Y. New York New York	275 62 18 18	Coal Gas Gas Gas	N/A	Will mandate advisor once auction schedule finalized by NYPSC (PFR, 12/29).
Kelson Cananda (Harbinger Capital Partners)	Island Generation King City Cogeneration Whitby Cogeneration	Duncan Bay, B.C. King City, Calif. Whitby, Ontario	230 120 50	Gas Gas Gas	UBS taken in Aug.	First round bids taken 4/30 (PFR, 4/30) and second round bids Asset taken off the block for unknown reasons.
Kelson Holdings	Dogwood Cottonwood Magnolia	Pleasant Hill, Mo. Deweyville, Texas Benton County, Miss.	620 1,200 922	Gas Gas Gas	Goldman Sachs	Weighing strategic options, including sale/merger (PFR, 10/9/07).

For a complete listing of active Generation Auction & Sale Calendar, please go to [iipower.com](http://iipower.com)

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## 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 Jeanine Prezioso at (212) 224-3226 or e-mail [jprezioso@iineews.com](mailto:jprezioso@iineews.com).*

### Live Deals: North America

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
Cobisa	Unidentified (1,750 MW Gas)	Greenville, Texas	TBA	TBA	TBA	TBA	Pace Global Energy Services advising (PFR, 6/22).
Conduit Capital Partners	Kuntur Transportadora de Gas (700-mile Pipeline)	Southern Peru	TBA	TBA	TBA	TBA	Goldman Sachs, Sumitomo advising (PFR, 5/13).
	Old Harbour Bay Expansion (60 MW Diesel)	Jamaica	TBA	TBA	TBA	TBA	(Talking to banks, multilaterals and ECAs for financing (PFR, 6/22).
eSolar, NRG Energy	Unidentified (92 MW Solar)	El Paso, Texas	TBA	TBA	TBA	TBA	Applied for DOE Loan Guarantee (PFR, 6/22).

### Live Deals: Europe/Middle East

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
Stora Enso	Unknown (165 MW Cogen)	Ostroleka, Poland	European Investment Bank	Loan	TBA	TBA	EIB will provide up to half of the funding (PFR, 6/22).

## 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

- **Pacific Gas & Electric** has entered into an agreement with **NRG Energy** subsidiary **Alpine Sun Tower** to purchase 92 MW of solar from its Lancaster, Calif.-based project (*TradingMarkets*, 6/25).
- **American Electric Power** and **Southern Co.** are withdrawing from the planned 275 MW, coal-fired FutureGen plan in Mattoon, Ill. (*Tulsa World*, 6/25).
- **Riverstone Holdings** announced the acquisition of **Babcock & Brown's** wind development portfolio and will form **Pattern Energy Group** (*MarketWatch.com*, 6/25).

### Europe/Middle East

- Turkish power company **Zorlu Enerji** is increasing capital by 245% with a \$128.5 million rights issue and by selling stakes to parent company **Zorlu Holding** (*Financial Times*, 6/25).
- Czech power company **CEZ** plans to invest \$1.07 billion in an 841 MW gas-fired plant in the northwest region of the country (*Reuters*, 6/25).
- **Lars Josefsson**, ceo of German company **Vattenfall** may sell stakes in local utilities this year to foster growth abroad (*Bloomberg*, 6/25).

### Asia/Africa

- South African state-backed utility **Eskom** has garnered a 31.3% rate increase from regulators as it faces a \$3.4 billion funding shortfall (*Bloomberg*, 6/25).
- Hong Kong power plant operator **GCL-Poly Energy** has agreed to acquire solar polysilicon company **Jiangsu Zhongneng** for HKD\$26.4 billion (\$3.4 billion) (*Financial Times*, 6/24).
- Russian President **Dmitry Medvedev** is in Nigeria to sign joint ventures with the nation for natural gas, nuclear power and satellites (*Bloomberg*, 6/24).
- **Tanzania Electric Supply Co.** is planning to spend TZS1.95 trillion (\$1.48 billion) in the next five years to increase power supply in the country (*Bloomberg*, 6/24).
- The **Electricity Holding Co.** in Egypt has invited international companies to bid for a consultancy service contract for a 650 MW thermal station (*Bloomberg*, 6/24).
- **Mitsubishi Heavy Industries** and **Mitsubishi Corp.** have signed an agreement with the Australian government to study the feasibility for a A\$4.3 billion (\$3.4 billion), 530 MW cleaner-burning coal-fired plant (*Bloomberg*, 6/22).



## ARCLIGHT UNIT

(continued from page 1)

a \$25 million associated working capital letter of credit for asset maintenance and general corporate purposes, bringing the total outstanding credit facility to \$275 million.

Citi bankers would not disclose details on pricing, but say the loan and the letter of credit each have a term of five-years. The loan will go toward refinancing 831-megawatts of solar, geothermal and wind, the majority from the Caithness portfolio, along with one other renewable asset, a banker familiar with the deal says. Citi is pitching the loan to a range of hedge funds, mutual funds, private capital pools and insurance companies, the banker adds.

Moody's Investors Service assigned a Ba3 rating to the deal. The stable rating reflects portfolio diversification among the plants and technologies as well as expected solid cash flows from long-term PPAs with investment grade utilities, Moody's analysts say in a statement. The deal is expected to close during the second week of July.

—Jeanine Prezioso

## CONN. SHOP

(continued from page 1)



Scott Sidell

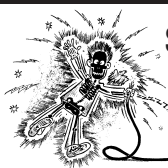
different is that renewable energy projects haven't been around long enough and prolific enough to be a viable asset class for fund managers to turn to in order to meet their needs. But, now their need for long-term investment grade cash flows can be satisfied by renewable projects," Sidell says.

Under an MPA, the investor would be obligated to provide \$100-500 million for projects that meet established criteria, such as offtaker credibility, project size, location, equipment or conditions related to the engineering and procurement construction contractor. "If you have a pension fund, [that criteria] really limits their exposures to a degree and that will make a lot of sense to people," says a banker with a European bank.

First Sustainable would later look to securitize the cash flows from the projects under the MPA once the securitization market recovers to provide investors with an exit strategy, Sidell explains. "That would give the equity a quicker return on their investment or [securitization proceeds] could also be used to scale up the portfolio, which would also scale up the returns for the equity," says Ronald Borod, a partner at DLA Piper's corporate and finance group in Boston.

The 600 MW pipeline consists of projects ranging from roughly 5-20 MW and are located in several countries including Czech Republic, Greece, Italy and Slovakia, Spain. Sidell, a former fund manager at Millenium Partners, created

## Alternating Current

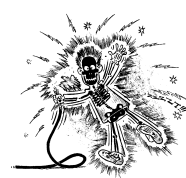


### Solar Pipe Dream?

If you think getting financing for a contracted \$1.1 billion gas-fired plant is rough, how about an EUR400 billion (\$555 billion) solar project in North Africa? The first five-year phase of the project would include a 2 GW facility in Tunisia with transmission lines to Italy. The larger portion of the project would include transmission lines to central Europe and would be completed in 2050.

The 100 GW solar project is the brainchild of think tank **Club of Rome**. In the face of climate change damage claims that could run into the billions of euros, German insurer **Munich Re** is spearheading the effort to recruit companies and banks such as **Deutsche Bank**, **E.ON**, **RWE**, **Siemens** and **Solar Millennium** to participate in the endeavor. The companies are set to meet on July 13. The project could supply power to 28 million homes in Europe.

Given the lethargy of deal flow in the market, a 40-year gestation for financing might actually be needed. Still, it would be a fun deal to get through a bank credit committee.



the company two years ago after spending several years structuring investment-grade receivables into asset-backed securities at the New York-based hedge fund. Sidell has also worked for **Société Générale**, **Greenwich Capital Markets**, **RBS**, **Barclays Investments**, **Chemical Bank** and **Chase Manhattan Bank**.

—Sara Rosner

## Quote Of The Week

"What's different is that renewable energy projects hadn't been around long enough and prolific enough to be a viable asset class for fund managers to turn to meet their needs." —**Scott Sidell**, ceo of **First Sustainable** in Westport, Conn., on why the company is going to institutional clients now to fund its \$3 billion portfolio of solar projects in Europe (see story, page 1).

## One Year Ago In Power Finance & Risk

**Morgan Stanley** was wrapping up the \$740 million retail syndication backing up **Carlyle/Riverstone's** 1.4 GW Topaz repowering in Laredo and Webb County, Texas. [The deal faced a plethora of challenges including sliding commodities prices, a substantial merchant refinancing on the back-end, technology risk, and the collapse of the term loan B market. MS and leads **Dexia Crédit Local**, **ING** and **Natixis** managed to pull in eight lenders before closing].