Power Finance & Risk

Exclusive Insight on Power M&A and Project Financing

By the publisher of GlobalCapital

Ares-EIF Puts PJM Interconnection Gas-fired Project on the Block

Richard Metcalf

Ares-EIF has hired an investment bank to run the sale of a gas-fired combined-cycle project in New Jersey.

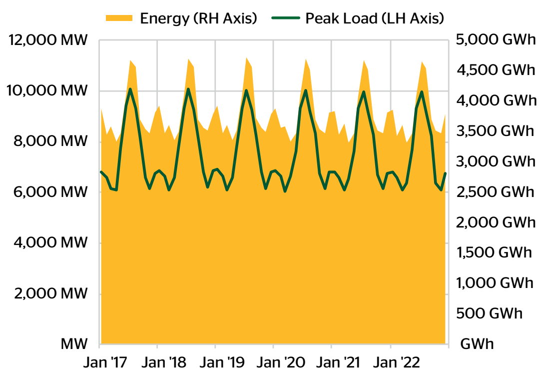
Citi is advising the private equity firm on the sale of the 705 MW Newark Energy Center project, according to a teaser seen by *PFR*.

The same bank is also advising Ares on the sale of a four-project coal-fired portfolio in **PJM Interconnection** (PFR, 5/22).

The Newark project sale will take the form of a two-round auction, with indications of interest due in late July or early August, says a deal watcher. Ares-EIF is open to a partial sale, according to the teaser.

The project is located in Essex PAGE 7 »

PJM Load Forecast, PSEG Zone



The Newark project is located in the PSEG Zone of PJM Interconnection, near New York City

Source: PJM Interconnection Load Forecast Report, January 2017

Alterra Nets Loan Expansion for Texas Wind Project

Richard Metcalf

Alterra Power has secured additional debt under an existing loan from **AMP Capital Investors** to help finance a hedged wind project in Texas.

The developer will use the roughly $20.6 million proceeds of the loan expansion as part of its sponsor equity contribution to the 200 MW Flat Top project in Comanche and Mills County.

Alterra originally obtained the loan from AMP Capital in 2014 to finance a 62 MW hydro project in British Columbia and the 204 MW Shannon wind project in Clay County, Texas.

The C$110 ($100 million) loan was secured on Alterra's stakes in the two projects and its 25.5% stake in the 73.4 MW Dokie 1 wind project in British Columbia (PFR, 9/8/14).

As part of the expansion of the loan, the cash flows from the Flat Top project have been added to the collateral package. The pricing and tenor of the loan could not be immediately established.

Alterra is also raising tax equity for the project and plans to sell a 49% stake to a PAGE 2 »

Senior Staff Depart Blackstone-backed Firm

Olivia Feld

Several senior members of staff have left a Blackstone-financed renewable shop.

Paul Whitacre and **Micheal Peist**, chief operating officer and executive v.p., respectively, have both left **Onyx Renewable Partners** in New York in recent months, sources confirm to *PFR*.

Since its launch in October 2014, Onyx has significantly expanded its headcount. **Matthew Rosenblum**, ceo, joined the company after leaving **Solops**, a solar development company he founded and ran. Several members of Solops management team joined Onyx alongside Rosenblum (PFR, 12/18/14).

The two departures follow a number of exits by other senior staff. **Leanne Bell** joined Onyx as chief financial officer in December 2014 soon after its founding, but is believed to have since left the company. **Daniel De Boer**, PAGE 6 »

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PROJECT FINANCE

Alterra Nets Loan Expansion for Texas Wind Project

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third-party cash equity investor.

Whether the company is working with a financial adviser on the proposed deals and whether tax equity and cash equity investors had been chosen could not immediately be established. A spokesperson for Alterra in Vancouver declined to comment.

The sponsor financed the Shannon project in 2015 by selling a stake in the project to **Starwood Energy Group Global** and tax equity to **Citi** and **Berkshire Hathaway Energy**. Citi also participated alongside **Santander** and **Royal Bank of Canada** in a $287 million construction loan package backing the project (PFR 7/1/15).

Citi was not only a tax equity and construction loan provider for the Shannon project, but also provided its 13-year hedge contract.

The bank is also the provider of a 13-year hedge for most of the output of the Flat Top project.

Alterra plans to close financing for Flat Top in the coming weeks. ■

Developer Lands Community Solar Project Finance

United States Solar Corp. has lined up project finance from a renewables-focused investment manager for upward of 100 MW of community solar assets in Minnesota.

The Alliance Fund II, an investment vehicle managed by **North Sky Capital** and advised by **New Energy Capital Partners**, is providing the project finance facility.

Details such as the size and tenor of the facility could not immediately be learned. Officials at US Solar and North Sky Capital in Minneapolis and New Energy Capital Partners in Hanover, N.H., did not immediately respond to inquiries.

North Sky closed the $240 million Alliance II fund, its fifth impact fund and its second renewable infrastructure fund, earlier this year, having raised capital from investors including multi-employer pension plans, foundations and family offices. Some 45% of the fund had already been deployed before the US Solar investment.

North Sky closed its sixth impact fund, the $63 million Clean Growth Fund IV, which is focused on secondary private equity transactions, in May.

US Solar, which focuses on emerging community solar markets, is planning to extend its community solar offering to residential subscribers this year. ■

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Feel free to contact **Richard Metcalf**, editor, at (212) 224-3259 or richard.metcalf@powerfinancerisk.com

GENERATION AUCTION & SALE CALENDAR

These are the current live generation asset sales and auctions, according to Power Finance and Risk's database.
A full listing of completed sales for the last 10 years is available at http://www.powerfinancerisk.com/AuctionSalesData.html

Generation Sale DATABASE

Seller	Assets	Location	Adviser	Status/Comment
● Ares-EIF	Newark (705 MW Gas)	Newark, N.J.	Citi	Indications of interest are expected by late June or early August (see story, page 1).
Ares-EIF	Plum Point (670 MW Coal)	Osceola, Ark.	Citi	Bids for the portfolio were due the first week of June (PFR, 5/30).
	Carneys Point (262 MW Coal)	Carneys Point, N.J.		
	Logan (219 MW Coal)	Logan Township, N.J.		
	Morgantown (62 MW Waste coal)	Morgantown, W.Va.		
Apex Clean Energy	Portfolio (12 GW, mostly Wind)	U.S.	CohnReznick Capial	The company is looking to sell itself to a strategic investor (PFR, 5/1).
Ares-EIF, I Squared Capital	Oregon Clean Energy Center (869 MW Gas)	Lucas County, Ohio	Barclays, Credit Suisse	The two banks are running a sale process for the project (PFR, 5/15).
BTG Pactual Infraestructura II, Pátria Investimentos, GMR Group	Latin America Power (114 MW Hydro, Wind)	Chile, Peru	BTG Pactual, Morgan Stanley	Several bidders have been shortlisted in the sale of the company, which also owns an 803.9 MW development pipeline that includes its first solar asset (PFR, 2/13).
Bolognesi Energia	Novo Tempo (1.2 GW Gas)	Pernambuco, Brazil		Prumo Logistica has revealed that it is in talks with Bolognesi to acquire the development-stage project (PFR, 6/19).
Canadian Solar	Pirapora II (90 MW Solar, 80%)	Brazil		EDF EN do Brasil has acquired an 80% stake in the project (PFR, 6/26).
Canadian Solar	Portfolio (703 MW DC Solar)	U.S.		Canadian Solar has taken second-round bids for its U.S. portfolio (PFR, 6/12).
● The Carlyle Group	Nautilus Hydro (18 MW)	Massachusetts		Private equity firm Hull Street Energy is acquiring the assets from Carlyle's Cogentrix, which acquired them from IFM early last year (see story, page 6).
EDF Renewable Energy	Great Western Wind (225 MW Wind)	Ellis and Woodward counties, Okla.		Allianz Capital Partners has acquired a 50% stake in the project (PFR, 6/26).
Enel	Portfolio (2,010 MW Wind, Solar)	Mexico	Goldman Sachs, BBVA	The Italian company is selling all of its generation assets in in Mexico and Panama, which total over 2.3 GW (PFR, 5/30).
	Portfolio (352 MW Hydro, Solar)	Panama	Morgan Stanley	
● Eversource Energy	Portfolio (1.2 GW Biomass, Coal, Hydro, Oil)	New Hampshire	JP Morgan	The auction for the assets is in a second round and final bids are due in August (see story, page 7).
	Wyman 4 (620 MW Oil, 3.14%)	Yarmouth, Maine		NextEra Energy, which already owns a majority stake in the project, is acquiring Eversource's shareholding (see story, page 7).
First Solar, SunPower	8Point3 Energy Partners (432 MW Solar)	U.S.	BAML (First Solar), Goldman Sachs (SunPower)	The yieldco's two sponsors are conducting a strategic review of their ownership interests (PFR, 5/8).
Infinity Renewables	(6.6 GW Wind, Solar)	U.S.	CIBC	The company is for sale (PFR, 6/5).
InterGen	Portfolio (2,200 MW Gas, Wind)	Mexico		InterGen is planning to launch a sales process for its Mexican portfolio (PFR, 5/30).
Morgan Stanley	NaturEner USA (399 MW Wind)	Montana		Morgan Stanley is selling NaturEner, which owns development wind assets in Alberta as well as the 399 MW operational wind portfolio in Montana (PFR, 5/15).
NRG Energy	GenOn (15.3+ GW Coal, Gas, Oil)	U.S.	Rothschild (NRG), Ducera Partners (creditors)	NRG subsidiary GenOn's creditors will assume control of the company's generation portfolio pursuant to a restructuring plan agreed to last week (PFR, 6/19).
Northland Power	Portfolio (1,754 MW Gas, Solar, Wind)	Canada, Europe	CIBC, JP Morgan	Analysts expect the company to make an announcement on a potential sale of the company this quarter (PFR, 5/15).
Odebrecht	Chaglla (406 MW Hydro)	Huánuco Region, Peru	Itaú, Scotiabank, SMBC Nikko Securities	Odebrecht is expected to select a buyer within the next two months (PFR, 6/12).
Pattern Development	Meikle (179 MW Wind)	British Columbia		PSP Investments will acquire a 49% interest in the projects and the rest will be dropped down into Pattern Energy Group (PFR, 6/26).
	Mont Sainte-Marguerite (143 MW Wind)	Québec		
Pattern Energy Group	Panhandle 2 (182 MW Wind)	Carson County, Texas		PSP Investments will acquire a 49% interest in the project from the yieldco (PFR, 6/26).
Terra Firma	EverPower Wind (752.25 MW Wind)	U.S.	Barclays, KeyBanc	Terra Firma is marketing the U.S. wind shop, whose assets also include an up-to-1,759 MW development pipeline (PFR, 3/6).
Tri Global Energy	Fiber Winds (80 MW Wind)	Carson County, Texas		NextEra Energy has acquired the development-stage project (PFR, 6/26).
● Wind Quarry	Willow Creek (103 MW Wind)	Butte County, S.D.		Pattern Development is acquiring the project, which will be its first in South Dakota (see story, page 6).
York Capital Management Global Advisors	Idaho (54.6 MW DC Solar)	Ada County, Idaho	Whitehall & Co.	York Capital has mandated Whitehall to sell the project (PFR, 4/3).

● **New or updated listing**

The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed.
To report updates or provide additional information on the status of financings, please call Fotios Tsarouhis at (212) 224 3294 or e-mail fotios.tsarouhis@powerfinancerisk.com

PROJECT FINANCE

Deal Book is a matrix of energy project finance deals that Power Finance & Risk is tracking in the energy sector.
A full listing of deals for the last several years is available at http://www.powerfinancerisk.com/Data.html

Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Deal Type	Loan Amount	Tenor	Notes
AES Corp.	AES Southland (1.4 GW Gas, Battery Storage)	Los Angeles and Orange counties, Calif.	MUFG, JP Morgan, Citi	Term Loan	$520M	C+7-yr	The banks were marketing the loan at Libor+175 bps (PFR, 5/30).
				Letter of Credit	$300M	C+7-yr	
				Private Placement	$1.5B	22-yr	The private placement was priced at T+215 bps, which includes a 25 bp premium for a delayed draw feature (PFR, 6/26).
Advanced Power	South Field (1.1 GW Gas)	Columbiana County, Ohio	GE EFS	Debt	TBA	TBA	GE EFS is left lead on the debt raise. Other joint lead arrangers will be selected later this year (PFR, 5/1).
● Alterra Power Corp.	Flat Top (200 MW Wind)	Comanche and Mills counties, Texas	AMP Capital Investors	Debt	$20.6M		Alterra has expanded an existing loan from AMP by $20.6 million to finance the project (see story, page 1).
American Power Ventures	Renaissance (1 GW Gas)	Greene County, Pa.	Fieldstone (adviser)	Debt, Equity	$900M		The sponsor has mandated boutique investment bank Fieldstone Private Capital Group to raise debt and equity for the project (PFR, 4/17).
Brookfield Renewables	White Pine (351 MW Hydro)	New England	SMBC, Scotia Capital	Private Placement	$475M	15-yr	Brookfield Renewables has closed the refinancing of the projects (PFR, 6/26).
Capital Dynamics	Moapa (250 MW Solar)	Clark County, Nev.	MUFG	Private Placement	TBA	TBA	The deal represents Allianz Global Investors' first debt investment in a U.S. solar project (PFR, 6/12).
The Carlyle Group	Elgin (484 MW Gas)	Elgin, Ill.	GE EFS, Investec (MLAs), CIT Bank, SunTrust (JLAs)	Term Loan	$265M	7-yr	The size of the acquisition financing grew in the wake of the PJM capacity auction results (PFR, 6/26).
	Rocky Road (349 MW Gas)	East Dundee, Ill.					
	Tilton (180 MW Gas)	Tilton, Ill.		Revolver	$35M	7-yr	
Cheniere Energy	Midship (199.4-mile Pipeline)	Oklahoma	EIG Global Energy Partners	Equity	$500M		EIG has committed equity to the project (PFR, 6/12).
Enel Green Power North America	Rock Creek (300 MW Wind)	Atchison County, Mo.	BAML, JPM	Tax Equity	$500M		Enel has secured a tax equity investment backing Rock Creek, its first wind project in Missouri (PFR, 6/5).
● Fisterra Energy	Tierra Mojada (875 MW Gas)	Guadalajara, Mexico	Crédit Agricole, Intesa Sanpaolo, Natixis, Mizuho, Société Générale, SMBC	Term Loan	$500M	6-yr	Blackstone-backed Fisterra has closed debt financing for the project (see story, page 1).
				Letters of Credit	$120M	TBA	
Genneia	Madryn (220 MW Wind)	Argentina	TBA	Debt, Equity	TBA		Genneia is expected to raise project finance for its investment program (PFR, 6/12).
Iberdrola	Topolobampo III (766 MW Gas)	Sinaloa state, Mexico	TBA	TBA	TBA	TBA	Iberdrola is close to mandating banks to finance the project's construction (PFR, 4/3).
● LS Power Development	Armstrong (603 MW Gas)	Shelocata, Pa.	BNP Paribas, CIT Bank, others	Debt	~$400		The debt will finance LS Power's acquisition of the projects from Dynegy (see story, page 5).
	Troy (584 MW Gas)	Luckey, Ohio					
NextDecade	Rio Grande (LNG 27 mtpa), Rio Bravo (137-mile pipeline)	Brownsville, Texas	Macquarie Capital, Société Générale	Debt, Equity	TBA	TBA	The debt-to-equity ratio is expected to be approximately 55%-45%, with some 20 to 25 banks participating (PFR, 5/30).
NRG Energy	Buckthorn (154 MW Solar)	Pecos County, Texas	Crédit Agricole, Santander, Keybanc, MUFG, SMBC	Mini-perm	$140M	C+7-yr	NRG Energy has completed project financing for the facility (PFR, 6/12).
				Tax Equity Bridge Loan	$55M	TBA	
				Letters of Credit	$35M	TBA	
Pattern Development	Henvey Inlet (300 MW Wind)	Henvey Inlet First Nation, Ontario	TBA	Debt	TBA		Pattern is seeking debt for the project (PFR, 6/19).
Quantum Utility Generation	Moundsville (643 MW Gas)	Marshall County, W.Va.		Debt	TBA		Quantum could launch a debt financing for the project this year (PFR, 2/6).
			BNP Paribas	Equity			
● Sojitz Corp., Shikoku Electric Power Co., Sojitz Corp. of America, Eiffage	Huatacondo (98 MW Solar)	Huatacondo, Tarapacá, Chile	SMBC, Mizuho, Iyo Bank	Debt	$73.31M	18-yr	Nippon Export and Investment Insurance is insuring $47.2 million of the debt (see story, page 5).
Swift Current Energy	HillTopper (175 MW-200 MW Solar)	Logan County, Ill.		Debt, Tax Equity	TBA		The sponsor plans to finance the project with debt and tax equity (PFR, 2/13).
Tyr Energy	Hickory Run (1 GW Gas)	Lawrence County, Pa.	BNP, BAML	Debt	TBA		The deal was expected to come to the market shortly after the announcement of the PJM auction results (PFR, 6/12).
● US Solar Corp.	Portfolio (100 MW Community Solar)	Minnesota	North Sky Capital	TBA	TBA		North Sky Capital is being advised by New Energy Capital Partners (see story, page 2).

● **New or updated listing**

The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed.
To report updates or provide additional information on the status of financings, please call Managing Editor Olivia Feld at (212) 224-3260 or e-mail olivia.feld@powerfinancerisk.com

Moody's Downgrades Texas Coal-fired Project Debt

Moody's Investors Service has downgraded approximately $1.05 billion of debt associated with a 945 MW partially-contracted coal-fired project in Texas from B2 to B3.

The rating agency attributed the downgrade of Sandy Creek Energy Station's loans to weak merchant power prices in ERCOT and high leverage at the project in a report published on June 26.

The move follows a downgrade of the same project from B to B- by **S&P Global Ratings** in March.

Sandy Creek Energy Associates, an **LS Power** subsidiary, owns a majority stake in the Sandy Creek Energy Station.

"SCEA has very high leverage, and the lower merchant cash flows have resulted in less excess cash flow being swept than originally contemplated, resulting in higher debt balances and greater refinancing risk at debt maturity in 2020," wrote Moody's analysts **Richard Donner** and **A.J. Sabatelle** in the rating agency's report.

The debt comprises a $1,025 million term loan—of which $874.5 million was outstanding at the end of the first quarter of the year—a $102 million letter of credit facility and a $75 million working capital facility, all issued by SCEA.

Goldman Sachs led on the oversubscribed refinancing of the debt in November 2013, seven months after the project came online (PFR 11/5/13).

Through SCEA, LS Power holds a 63.87% stake in the Sandy Creek project, which is located in Riesel, Texas. The other owners are **Brazos Sandy Creek Electric Cooperative**, with 25%, and **Lower Colorado River Authority**, with 11.13%.

Besides the capacity they own directly through their shareholding in the project, the two utility companies also buy generation from LS Power's portion of the plant through 30-year power purchase agreements. Brazos has a 115 MW PPA with the project, while LCRA's contract is for 104 MW.

Joe Esteves, cfo of LS Power in New York, declined to comment. ■

FAST FACT

72,934 MW

This year's summer peak load forecast for ERCOT, according to the grid operator's seasonal assessment of resource adequacy, published in May.

IPP Lines up Club for Peaker Acquisitions

An independent power producer has assembled a club of banks to arrange acquisition financing for a pair of gas-fired peakers it is buying in **PJM Interconnection**.

The roughly $400 million debt financing will fund **LS Power Development**'s $480 million acquisition of the 603 MW Armstrong project in Shelocata, Pa., and the 584 MW Troy project in Luckey, Ohio. The firm has named the two-plant portfolio Spruce Generation.

BNP Paribas and **CIT Bank** are among the lenders, say deal watchers.

The New York-based IPP agreed to buy the two facilities from **Dynegy** in February, shortly after Dynegy acquired them as part of a larger portfolio from **Engie** (PFR, 2/27).

Further details regarding the structure and pricing of the financing could not immediately be learned. Officials at LS Power, BNP Paribas and CIT in New York either declined to comment or did not respond to inquiries by press time. ■

Sponsors Raise ECA-Wrapped Debt for Chile Merchant Solar Project

An international consortium of sponsors has lined up a $73.31 million debt financing, partly insured by one of Japan's two export credit agencies, for a merchant solar project in Chile.

Sumitomo Mitsui Banking Corp., **Mizuho** and the **Iyo Bank** are set to provide an 18-year loan for the 98 MW Huatacondo project in the Atacama Desert, according to **Nippon Export and Investment Insurance** (NEXI), which is insuring $47.2 million of the debt.

AustrianSolar Chile Cuatro, a joint venture between four sponsors, is set to begin construction on the $196 million project this month. The project is expected to begin selling its output into the **Norte Grande Interconnected System** in August 2018.

Sojitz Corp. owns a 45% stake in the project, while **Shikoku Electric Power Co.** owns 30%, **Sojitz Corp. of America** 15% and French construction company **Eiffage** 10%.

Sojitz announced the J.V., which marks its entry into the Chilean solar market, on June 23.

While the project will initially sell its output spot, the sponsors will consider putting a long-term contract in place within three to five years after it is online, according to Sojitz's announcement.

Solar projects financed on a merchant basis in recent years in the Atacama Desert have experienced distress and had to be restructured (PFR, 3/22/16), but the Japanese ECA appears unfazed.

"Market price fluctuations reflecting power supply and demand trends might lead to smaller repayment resources than initially expected," said NEXI in its announcement of the deal. "However, given the declining solar-panel prices and Huatacondo's world-class abundance of solar radiation, NEXI has concluded that the Huatacondo photovoltaic power station will exceed the nation's thermal power station in terms of cost competitiveness." ■

FAST FACT

18 years

The tenor of the loan that NEXI is partially insuring.

PEOPLE & FIRMS

Senior Staff Depart Blackstone-backed Firm

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who joined Onyx as senior v.p. of finance in the same year, left in mid-2016.

The New York-headquartered shop was initially backed solely by **Blackstone Energy Partners**, on behalf of its private equity investors. Rhode Island-based, privately owned **Corvias Group** has also since invested in the company, according to its website.

The relationship between Blackstone and Onyx was similar to that between Blackstone and **Fisterra Energy**, which develops large-scale independent power projects, including most recently financing its 875 MW Tierra Mojada gas-fired project plant in Mexico (PFR, 6/26).

Headed by ceo Matthew Rosenblum and president **Ja Keo**, Onyx develops commercial, industrial and utility-scale projects in North America. The shop has developed over 1 GW of solar facilities across eleven states and acquired a number of **SunEdison** C&I assets following its bankruptcy.

Whitacre had been coo since December, having joined the company in mid-2015 as senior v.p., asset management.

He was previously v.p., operations at **OCI Solar Power** in San Antonio, Texas, for just under three years.

Peist, formerly executive v.p., finance, joined Onyx in early 2016, having previously been an m.d. at **Natixis** in New York for several years.

Rosenblum and Keo could not immediately be reached and a spokesperson for Blackstone in New York declined to comment. The circumstances of Peist and Whitacre's departures could not be learned by press time. ■

MERGERS & ACQUISITIONS

P.E. Shop Acquires Hydro Portfolio from Carlyle

A Bethesda, Md.-based private equity shop has completed its acquisition of a hydro portfolio from funds managed by affiliates of **The Carlyle Group**.

A recently formed affiliate of **Hull Street Energy** has acquired the Nautilus Hydro portfolio of five run-of-river hydro projects totaling 18 MW on the Chicopee and Deerfield Rivers in Massachusetts.

The portfolio comprises the Gardner Falls hydro project on the Deerfield River in Franklin County and the Dwight, Red Bridge, Putts Bridge and Indian Orchard projects on the Chicopee River in Hampden County. Each project has a capacity of less than 5 MW.

The purchase price for the assets could not immediately be established.

Carlyle acquired the projects, along with stakes in a number of gas and oil-fired facilities in **PJM Interconnection** and **ISO New England**, collectively called Essential Power, from **IFM Investors** last year (PFR, 2/2/16).

Morgan Stanley led a term loan B refinancing of the 1,840 MW fleet for Carlyle earlier this year, renaming the portfolio Nautilus Power in the process. The $575 million seven-year term loan was priced at 450 basis points over Libor (PFR, 5/1).

Hull Street Energy is building its presence in the U.S., having recently acquired five gas-fired projects from **Maxim Power**. A fund controlled by the firm paid $106 million for the 455 MW portfolio in February (PFR, 2/3).

Including the latest addition, Hull Street Energy owns 465 MW of generation in Massachusetts, Connecticut, Rhode Island, New Jersey and Montana.

Cogentrix Energy Power Management, Carlyle's affiliated independent power producer, has been responsible for the hydro plants' management, operations and maintenance.

As part of the deal, Cogentrix will support a transition to Hull Street Energy's asset management group over the next several months.

Manatt, **Phelps & Phillips** acted as legal counsel to Hull Street Energy and **Chadbourne & Parke** was legal counsel to Carlyle and Cogentrix on the deal.

A spokesperson for Hull Street Energy declined to comment. A representative of Carlyle in New York did not respond to a request for comment. ■

Pattern to Acquire South Dakota Wind Asset

Pattern Development has agreed to acquire a development-stage wind project in South Dakota.

The San Francisco-based developer will purchase the 103 MW Willow Creek project, located in Butte County, S.D., from **Wind Quarry**, a Wyoming-headquartered developer, under the terms of the deal.

Brothers **Patrick O'Meara** and **John O'Meara** founded Wind Quarry in 2007 and serve as ceo and coo of the company, respectively.

Construction on the fully-permitted project, Pattern's first in South Dakota, is expected to begin this year.

The project does not yet have an offtake arrangement in place but will interconnect with a 115 kV transmission line owned by the **Western Area Power Administration**. Wind Quarry was working to secure a long-term power purchase agreement with an offtaker inside or outside of the state as long ago as August 2015, according to a document submitted to the **South Dakota Public Utilities Commission** at the time.

The wind facility will cost $210 million to construct, according to a 2015 report in the *Rapid City Journal*.

How Pattern plans to finance the project could not immediately be learned. The O'Mearas could not be reached. A spokesperson for Pattern in New York declined to comment.

Elsewhere, Pattern is in the process of raising construction and long-term debt financing for its 300 MW Henvey Inlet project in Parry Sound County, Ontario (PFR, 6/15). ■

Ares-EIF Puts PJM Gas-fired Project on Block

« FROM PAGE 1 County in the PSEG zone of PJM Interconnection, where capacity cleared at $187.87/MW-day in the recent auction for delivery year 2020/2021. That price was at the higher end of the range in what was generally a disappointing result for project sponsors (PFR, 5/24).

The sponsor had always intended to monetize the Newark project once it was operational but held off launching the sale process until after the PJM capacity auction to give potential buyers more visibility into future revenues, says the deal watcher.

The Newark project was originally developed by a joint venture between **Hess Corp.** and **Energy Investors Funds**. EIF bought Hess Corp.'s stake in 2014, when the project was under construction.

Crédit Agricole, **GE Energy Financial Services** and **MUFG** were the leads on the original $590 million loan EIF obtained in 2014 to finance the acquisition of Hess Corp.'s 50% stake and construction costs (PFR, 6/24/14).

EIF brought the project online in September 2015 and refinanced it about six months later with a $675 million seven-year term loan B. Citi and MUFG were the leads on the refinancing, which was one of the first U.S. generation project finance loans to attract the participation of lenders from South Korea (PFR, 4/20/16).

The project is fitted with two **General Electric** 7F 5-Series turbines and a GE D11 steam turbine and has a heat rate of approximately 6,700 BTU/kWh, according to the teaser.

NAES is the project's operator, **Direct Energy** is its energy manager and **Power Plant Management Services** is its project manager.

Officials at Citi in New York declined to comment on the transaction and a spokesperson for Ares-EIF in New York did not respond to an inquiry by press time. ■

Eversource Auction Moves to Second Round

Eversource Energy's auction of its 1.2 GW generation portfolio in New Hampshire has moved into a second round.

The deadline for indicative bids for the assets was in May and binding bids are due in August, as originally planned.

The sale is "well underway", says a spokesperson for the company in Boston. **JP Morgan** is running the auction.

Eversource expects to close the sale of all the projects in the portfolio by the end of the year. Whether the company has received bids for the whole portfolio or individual assets could not immediately be learned.

The **State of New Hampshire** ordered the sale of the assets last year as part of its plan to deregulate the electricity market in the state and separate generation from distribution assets. No New Hampshire utility besides Eversource owns any generation assets.

The **New Hampshire Public Utilities Commission** selected JP Morgan to run the sale of Eversource's generation facilities last year following a request for proposals. The financial adviser launched the auction earlier this year, following a delay caused by an appeal and rehearing of the settlement between Eversource and the State of New Hampshire (PFR, 2/28).

The portfolio comprises:

- the 459 MW Merrimack coal-fired facility and two oil-fired units totaling 43 MW on the same site in Bow,
- the 100 MW Schiller coal-fired project and associated 50 MW biomass unit and 22 MW oil-fired unit in Portsmouth,
- the 416 MW Newington dual-fuel project in Newington,
- the 22.4 MW White Lake oil-fired project in Tamworth,
- the 18 MW Lost Nation oil-fired project in Groveton and
- a 68 MW portfolio of hydro projects between 1 MW and 18 MW in size.

Eversource is also in the process of selling its only generation asset outside of New Hampshire. **NextEra Energy Resources**, which owns a majority stake in the 620 MW oil-fired Wyman 4 Station in Yarmouth, Maine, has agreed to acquire Eversource's 3.14% stake *(see story, below)*. ■

NextEra to Increase Stake in Oil-fired Plant

Eversource Energy is selling a stake in a New England oil-fired plant representing 19.5 MW of generating capacity to **NextEra Energy Resources**, which already holds an approximately 84.3% interest in the project.

Eversource owns 3.14% of the 620 MW Wyman 4 Station, which is located in Yarmouth, Maine, near the southern tip of the state.

The sale comes as the company auctions off its 1.2 GW portfolio of generation assets in New Hampshire. Last year the **New Hampshire Public Utilities Commission** ordered the company to sell the generation assets it owns in the state, as well as its interest in the Wyman 4 project *(see story, above)*.

The PUC granted Eversource permission to sell the Maine project separately from its New Hampshire assets, a spokesperson for Eversource tells *PFR* from Boston.

Besides Eversource, the other minority investors in the Wyman project are **Exelon Corp.**, which owns approximately 5.9%, the **Massachusetts Municipal Wholesale Electric Co.**, with about 3.7%, **Green Mountain Power**, with 2.9%, and the electric department of Lyndonville, a village in northeastern Vermont, which owns a less-than-one-tenth percentage. The project has been online since 1978.

The consideration NextEra is paying for the 19.5 MW interest could not immediately be learned. Representatives of NextEra in Juno Beach, Fla., did not respond to inquiries. ■

REQUESTS FOR PROPOSALS

Midwest Utility Issues Wind RFP after Pre-Qualifying Turbines

A utility company has issued a request for proposals for wind generation after it pre-qualified 200 MW of wind turbines for the production tax credit last year.

Wisconsin Power and Light Co. acquired the turbines for an up-to-200 MW project last year in order to harness the full PTC, according to a statement issued by the company on June 21. Financing information for the components has not been disclosed.

Bidders in the RFP can include these turbines as the PTC qualification method, as long as they are proposing a "build-transfer" project, whereby WP&L would acquire the project once it is online.

The utility will also consider sales of existing assets, develop-transfer projects and power purchase agreements with a minimum term of 20 years, or shorter PPAs which include an option to extend the contract to 20 years or an option to acquire the project before its 20th year.

Projects that do not use the utility's pre-qualified turbines must demonstrate another method of qualifying for the PTC.

The announcement comes after an initial first quarter slowdown in wind project financing following the step-down of the PTC, according to data issued by the **American Wind Energy Association**. A fall in the number of installations at the beginning of the year has become common following historic uncertainty around extensions of the tax credit.

The number of project finance deals for U.S. greenfield wind projects also fell at the start of the year, market participants tell *PFR*, after a number of sponsors qualified projects under so-called 'turbine loans' (PFR, 1/25).

Under federal tax legislation, wind projects which begin construction this year qualify for 80% of the full PTC, falling to 60% in 2018 and 40% in 2019.

WPL is looking for projects with a preferred operational date no later than Sept. 1, 2020. Individual projects can be as small as 25 MW in size and must service **MISO**. The utility says it will consider both projects located on a single site and across multiple sites.

The winner or winners of the RFP are slated to be announced in the fourth quarter of this year. The process is being administered through **Zycus** and the deadline for bids is 5 pm CST on July 21. ■

Timeline Cut Short for Mass. Offshore Wind RFP

Regulators in Massachusetts have shortened the timeline for a proposed request for proposals for up to 800 MW of offshore wind generation.

Electric distribution companies **Fitchburg Gas and Electric Light Co.**, **National Grid, Massachusetts Electric Co.**, **Nantucket Electric Co.**, **NStar Electric Co.** and **Western Massachusetts Electric Co.** had petitioned the **Department of Public Utilities** (DPU) to approve a proposed timeline for the solicitation.

The department approved the revised RFP, which must be issued by the end of this month, in an order signed unanimously by all three DPU commissioners on June, 21.

The order moves the proposed selection of projects for negotiation forward by a month from May 22, 2018, to April 23, 2018.

The new timeline has also shortened the period for negotiation and execution of contracts, which will now take place by July 2, 2018, and with contracts submitted for approval by the DPU by July 31, 2018.

The new deadlines will allow for projects to qualify for federal tax incentives, including the investment tax credit, according to the order.

The RFP is in compliance with state law, adopted last year, that requires electric distribution companies to sign long-term power purchase agreements for 1.6 GW of offshore wind generation by June 30, 2027.

The U.S. **Bureau of Ocean Energy Management** has auctioned four leases off the coast of Massachusetts. **DONG Energy**, **Eversource Energy**, **Deepwater Wind**, **Avangrid Renewables** and **Copenhagen Infrastructure Partners** all hold equity in the proposed projects (PFR, 5/10). ■

Duke Energy Subsidiary Seeks Wind Capacity in Indiana

Duke Energy has issued a request for proposals for up to 200 MW of wind generation to be delivered in Indiana.

The utility is open to proposals for power purchase agreements of between five and 20 years or acquisitions of existing or yet-to-be-built projects. Projects must be online by the end of 2020.

Sponsors looking to participate may bid for projects with minimum capacities of 50 MW located in the **Midcontinent Independent System Operator** region. Duke will look favorably on projects located in Indiana.

The deadline for proposals to be submitted is Aug. 9 at 5pm Eastern Time.

Indiana's existing 1,897 MW of installed wind capacity produced 4.82% of the state's electricity generation in 2016, according to data provided by the **American Wind Energy Association**.

Duke Energy Indiana has so far signed PPAs for 100 MW of wind and 20 MW of solar capacity, and the the first solar project owned by the utility in the state, a 17 MW project at a **Department of the Navy** base in Crane, was completed in May.

Earlier this month, Duke Energy Indiana requested approval from the **Indiana Utility Regulatory Commission** for a 10-year PPA the utility signed in April for a 4 MW solar project in Clay County. The Staunton Solar project is owned by **Cypress Creek Renewables**. ■

