

Power Finance & Risk

Exclusive Insight on Power M&A and Project Financing

By the publisher of GlobalCapital

● AT PRESS TIME

● REGULATIONS

● STRATEGIES

Caithness Hunts \$200M Loan for L.I. Project

Caithness Energy is looking for debt to finance the gas-fired Long Island Energy Centre, having ditched a plan to sell a portion of the plant. Page 2

MATS Ruling Could Slow Coal Retirements

A U.S. **Supreme Court** ruling on emissions regulations could push back the retirement of coal-fired plants. Page 5

Yieldco-owned Storage on the Horizon

SunEdison has partnered with a Californian storage developer, bringing the prospect of yieldco-owned storage closer to reality. Page 7

Q&A: Brian O'Connor & Paul Colatrella, Ares Management

Ares Capital Corp., which is externally managed by affiliates of **Ares Management**, is gaining momentum with its increasingly prolific role as a lender to sponsors of various renewable and gas-fired projects in the U.S. In a bid to boost its power and energy infrastructure private equity portfolio, the New York-based asset manager acquired **Energy Investor Funds** (PFR, 11/7), which had just launched its \$1.7 billion fund, **EIF United States Power Fund IV**, (PFR, 11/2). More recently, Ares Capital Corp. was a co-lead arranger in a refinancing

program backing **Panda Power Funds'** 758 MW Temple 1 gas-fired project in Texas, rubbing shoulders with **Goldman Sachs** and **Credit-Suisse** (PFR, 3/9). Ares is currently in talks with Panda to finance its 1 GW Hummel combined-cycle gas-fired plant in Pennsylvania (PFR, 5/21).

In this *PFR* exclusive, **Brian O'Connor** and **Paul Colatrella**, managing directors at Ares Management, talk to Managing Editor **Nischinta Amarnath** about strategies within the company's direct lending group, the Panda deal(s), the burgeoning market for mezzanine debt, and more.

PFR: Tell me about the direct lending group at Ares Management and more about your role there.

O'CONNOR: The direct lending group at Ares manages PAGE 8 »



Brian O'Connor



Paul Colatrella

YieldCo Sweep - July

Nischinta Amarnath

Yield companies are set to face added competition if the Master Limited Partnerships Parity Act, recently reintroduced by Delaware and Kansas senators **Chris Coons** and **Jerry Moran**, gets enacted.

An attorney who specializes in MLPs expects valuations of operating assets to reach historic

highs if the act passes, strengthening the negotiating position of renewables developers looking to offload operating projects.

The attorney notes that yieldcos that are not affiliated to a developer parent company, such as **Lightbeam Electric**, would find it especially difficult to keep pace with a growing number of master limited partnerships bidding for



Sen. Coons

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● PPA PULSE

PPA Pulse: Cities, Schools and Co-operatives Lead Demand For Wind

Wind projects dominated June's power purchasing activity in the Americas, as municipal authorities, schools and energy cooperatives across the U.S. and Canada signed agreements with wind developers in a bid to source renewable energy. PAGE 11 »

Marubeni Affiliate Circles Mexico Wind Stake Sale

Nischinta Amarnath

Oak Creek Renewable Energy is in talks with investors to secure equity investments in the third phase of its roughly 400 MW Tres Mesas wind farm in Tamaulipas, Mexico, according to a company official, who says that the Escondido, Calif.-based shop is primarily eyeing investments from renewables funds.

The wind developer has already begun construct- PAGE 6 »



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● AT PRESS TIME



The Caithness Long Island Energy Center

Photo: Caithness Long Island

Caithness Scraps M&A Deal, Seeks Loan

Caithness Energy is seeking \$200 million in debt financing for its 350 MW Long Island Energy Center combined-cycle gas-fired project in Brookhaven, N.Y., after abandoning a plan to sell a minority stake in the facility.

The New York-based independent power producer has hired **Investec** as lead arranger for the mini perm financing, which will take the form of a seven-year holding company loan, according to a deal watcher.

Caithness was previously looking for

an equity investor to acquire a 49% stake in the project, and first round bids were taken in May (PFR 6/2), but the sponsor has now opted for a debt financing instead. "This shows that the financing markets are pretty strong," the deal watcher notes.

BNP Paribas was advising Caithness on the potential equity sale.

Citigroup has previously arranged debt for the project, underwriting a \$450 million private placement in 2007 (PI 4/5/07), and leading on a roughly \$150 million holding company loan and a letter of credit in 2012 (PFR 10/11/12).

A 20-year power purchase agreement with the **Long Island Power Authority** for 286 MW of the project's output kicked in when it came online in 2009. The rest of the generation is sold spot. ■

PFR Power Finance & Risk

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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	Advisor	Status/Comment
Bankers Commercial Corp.	Rising Tree I (79 MW Wind)	Kern County, Calif.		An affiliate of Slate Street is buying tax equity stakes in the projects (PFR, 6/21).
	Rising Tree II (19 MW Wind)			
Caithness Energy	Long Island Energy Center (350 MW Gas)	Brookhaven, N.Y.	BNP Paribas	Caithness has taken first-round bids last week (PFR, 6/8).
Cia Positiva de Energia	Various (1.2+ GW Gas, Biomass)	Brazil		Barclays' private equity unit will buy a stake in the company (PFR, 6/15).
Cielo Wind Power	Salt Fork (200 MW Wind)	Donley and Gray counties, Texas		EDF Renewable Energy is acquiring the project (PFR, 6/28).
Clean Energy Future	Lordstown (800 MW Gas)	Lordstown, Ohio	Whitehall & Co.	The sponsor expects to wrap the deal by September (PFR, 6/8).
Community Energy	Butler (103 MW Solar)	Taylor County, Ga.		Southern Power has bought the facility (PFR, 6/1).
Enercon	Niagara (230 MW Wind)	Ontario		Boralex has bought a buy/sell option for a 25% stake in Niagara (PFR, 6/15).
GCL Solar, SolarReserve	Portfolio (140 MW Solar)	California		Con Ed has acquired the portfolio (PFR 5/18).
GE Capital	Saranac (251 MW Gas)	Plattsburg, N.Y.		BHE Renewables is buying a 5% partnership interest in Saranac (PFR, 6/15).
Genesis Power, Ares EIF Management	Keys Energy Center (755 MW Gas)	Brandywine, Md.		PSEG Power is buying the project (PFR, 6/21).
Geronimo Wind Energy	Grand Prairie (400 MW Wind)	Holt County, Neb.		Berkshire Hathaway Energy subsidiary BHE Renewables is acquiring the portfolio (PFR, 6/1).
	Walnut Ridge (225 MW Wind)	Bureau County, Ill.		
	Portfolio (Capacity unknown, Solar)	Minnesota		
	Courtenay (200 MW Wind)	Jamestown, N.D.		Xcel Energy is looking to buy the farm for an undisclosed price (PFR, 5/11).
Integrus Energy Group	Portfolio (23 MW Solar)	U.S.		TerraForm is acquiring the portfolio (PFR, 6/15).
Invenergy	Sandringham (13 MW Solar)	Kawartha Lakes, Ontario		TerraForm Power has agreed to buy both assets (PFR, 5/25).
	Woodville (12 MW Solar)			
Marubeni Power International	Sr. Charles Center (725 MW Gas)	Charles County, Md.		An affiliate of Osaka Gas is buying a 25% stake in the project (PFR, 5/11).
Mesoamerica Power, Actis Capital	Portfolio (650+MW Wind, Solar)	Central America		SunEdison is buying the portfolio (PFR, 6/21).
● Oak Creek Renewable Energy	Tres Mesas Phase 3 (50 MW Wind)	Tamaulipas, Mexico		The Marubeni affiliate plans to sell a stake in the project (see story, page 6).
Ormat Technologies	Portfolio (106 MW Geothermal)	U.S.	UBS Investment Bank	Northleaf Capital Partners has acquired a 36.75% stake (PFR, 5/11).
Pattern Development	Amazon Farm (150 MW Wind)	Benton County, Ind.		Pattern Energy Group bought a 77% stake in the farm (PFR, 5/11).
Petrobras	Portfolio (1.5+ GW Thermal)	Brazil		The portfolio could be in the market soon, according to a source (PFR, 6/21).
Pristine Sun	Portfolio (572 MW Solar)	U.S.	Whitehall & Co.	The sale launched on June 11. No timeline has been determined for bids (PFR, 6/15).
● Soligent Holdings	Portfolio (60 MW Solar)	California		Duke Energy subsidiary REC Solar acquired the portfolio (see story, page 6).
Wind Capital Group	Post Rock (200 MW Wind)	Kansas		Pattern Energy Group bought a 60% stake. The deal has now closed (PFR, 5/25)
	Lost Creek (150 MW Wind)	Dekalb County, Mo.		Pattern Energy Group bought a 100% stake. The deal has now closed (PFR, 5/25)

● New or updated listing

The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed.

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)	Loan	Loan Amount	Tenor	Notes
8minutenergy Renewables, D.E. Shaw Renewable Investments	Springbok (133 MW Solar)	Kern County, Calif.	A syndicate comprising KeyBank, OneWest Bank, CoBank and Siemens Financial Services	Term Loan A	\$160M	7-yr	The deal has been set to wrap the week of June 8 (PFR, 6/15).
			U.S. Bank	Tax Equity	TBA	TBA	The deal could be worth between \$125M and \$127M (PFR, 6/15).
Alterra Power, Starwood Energy	Shannon (204 MW Wind)	Clay County, Texas	Citigroup, Stantander, RBC	Construction, Letters of Credit	\$287M	TBA	The loan is backed by \$219M of tax equity from Citigroup and Berkshire Hathaway (see story, page 5).
Caithness Energy	Long Island Energy Center (350 MW Gas)	Brookhaven, N.Y.	Investec	Mini-perm, holdco loan	\$200M	7-yr	Caithness is in the market for debt (see story, page 2).
Clean Energy Future	Lordstown (800 MW Gas)	Lordstown, Ohio	TBA	TBA	TBA	TBA	The deal is expected to close in December (PFR, 6/8).
Competitive Power Ventures	Valley Energy Center (720 MW Gas)	Orange County, N.Y.	MUFG Union Bank, Crédit Agricole	Mini-perm	\$985M	TBA	The deal has closed (PFR, 6/22).
	Fairview (980 MW Gas)	Cambria County, Pa.	TBA	TBA	Debt, Equity	TBA	The sponsor will be in the market for debt when the deal launches in Q3'16 (PFR, 6/15).
Freeport LNG	Quintana Island (LNG Export Facility)	Texas	A consortium that includes Bank of America, CIBC, BBVA, Credit Agricole, Credit Suisse, Deutsche Bank, Goldman Sachs, and HSBC.	Senior debt, Mezzanine financing	\$4.56B	7-yr	The deal has wrapped (PFR, 5/4).
Gasoducto Sur Peruano	Gasoducto Sur Peruano (700-Mile Gas Pipeline)	Pipeline	Various	TBA	\$4.1B	TBA	The deal is slated to close by the end of June (PFR, 4/6).
Genesis Power, Energy Investor Funds	Keys (735 MW Gas)	Brandywine, Md.	Natixis, MUFG Union Bank	TBA	TBA	TBA	Price talk is 325bp over LIBOR (PFR, 5/25)
Innergex	Big Silver Creek (40 MW Hydro)	British Columbia, Canada	Manulife, Caisse de Dépôt et Placement du Québec	Construction/Term	C\$198M	25-yr, 40-yr	The deal has closed (PFR, 6/28).
Invenergy	Lackawanna (1.3 GW Gas)	Lackawanna County, Pa.	TBA	TBA	TBA	TBA	Invenergy is in the market for debt (PFR, 5/18).
ISA	Interchile (590 Miles Transmission)	Chile	BBVA	International Capex tranche, VAT facility	\$800M	TBA	BBVA is leading the club deal, which is expected to wrap in the next few months (PFR, 4/6).
Moxie Energy	Freedom (900 MW Gas)	Luzerne County, Pa.	TBA	TBA	TBA	TBA	The project's construction costs are pegged at \$900M (PFR, 6/8).
NTE Energy	Middletown (525 MW Gas)	Butler County, Ohio	BNP Paribas, Crédit Agricole	Debt	TBA	TBA	NTE Energy is in the market for debt. Each project is pegged at \$400M+ (PFR, 6/1).
	Kings Mountain (475 MW)	Cleveland County, N.C.	MUFG Union Bank, ING	Debt	TBA	TBA	
Panda Power Funds	Hummel (1 GW Gas)	Snyder County, Pa.	TBA	TBA	TBA	TBA	The developer is considering a term loan B or other structure (PFR, 5/25)
Power Evolution	One project (40 MW Solar)	Utah	TBA	Term loan B, RCF	Up to \$13M	10-yr	Deal expected to wrap in six months (PFR, 5/25)
	Three projects (30 MW Solar)	Louisiana, New Jersey, New York	TBA	TBA	TBA	TBA	
RPM Access	Marshall Wind (74 MW Wind)	Marshall County, Iowa	TBA	Construction /Term, Tax Equity	TBA	TBA	RPM Access is currently in talks with commercial banks (PFR, 4/27).
Soriana, GEMEX	Le Mesa (49 MW Wind)	Mexico	North American Development Bank, BANCORTE	Construction /Term	\$130M	TBA	The deal has closed (PFR, 6/15).
	Victoria (49 MW Wind)	Mexico			\$130M	TBA	
Western Energy Partners	Clean Path (750 MW Gas, Solar)	Waterflow, N.M.	TBA	TBA	TBA	TBA	The sponsor will seek debt once it secures a PPA for the project (PFR, 5/4).

New or updated listing

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Supreme Court Decision Could Push Back Coal Retirements

The U.S. **Supreme Court**'s recent ruling on emissions regulations enacted by the **Environmental Protection Authority** could delay the retirement of coal-fired plants, according to market watchers. But it remains to be seen whether this will have any knock-on effect on the development of new projects or efforts to convert coal-fired assets to burn natural gas, and consequently, on the demand for project financing.

The Supreme Court ruled on Monday, June 28th that the EPA must consider the costs associated with its regulatory decisions, which it did not do when introducing the mercury air and toxic standards (MATS) rules which came into force in April.

The court sent the case back to the **D.C. Circuit Court**, which must now decide whether to repeal the regulations or allow the EPA to submit an amended analysis, accounting for the costs of the regulation when deciding whether it is appropriate and necessary. In the meantime, the rules remain in force.

Even if the district court does not vacate the rules, market watchers think it unlikely that the EPA will enforce them while their legality remains uncertain, and that in the meantime, coal-burning plants could continue to operate for longer.

Owners of facilities that were mothballed or scheduled for retirement could delay the shutdown of the plants following the ruling, according to a report by **Standard & Poor's**. However, the report goes on to say that any benefits gained from keeping such plants open would likely be short-lived. The analysts expect the Supreme Court's invalidation of the regula-

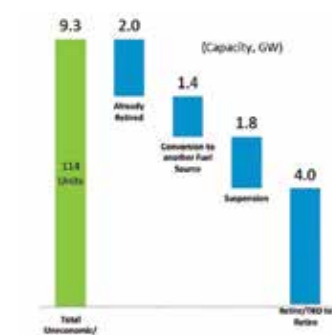
tions to be temporary, as previous judicial invalidations of EPA rules have been.

Postponed retirements could potentially delay investments in new generation assets and related financing.

"I think it could have an impact," says **Rafael Galvan**, a partner in **Orrick, Herrington and Sutcliffe's** energy and infrastructure team. "The coal-fired power plant regulations are a boon to potential development, but whether this decision will be fodder for further resistance is difficult to say so soon after the decision."

It could take up to two years for the EPA to rewrite the analysis

MISO Coal Resources Uneconomic/ Replace Breakdown



Source: MISO q1 2015 EPA Survey

backing MATS and get it approved by the courts, according to **Dot Matthews** and **Greg Jones**, analysts at **CreditSights**. But while this could allow operators to keep coal plants going longer than planned, for many facilities the reprieve has come too late.

Houston, Texas-based utility **Dynegy**, which operates 26 GW of gas, coal and oil-fired facilities in eight states, has already made the necessary changes to ensure that

its projects are fully compliant with MATS, according to a company spokesman. "For us, it's a non-story," he said, adding that the company has not retired any of its coal-fired plants as a result of the MATS rules.

American Electric Power's compliance-related activities will also be unaffected by the ruling, according to a spokeswoman at the utility's headquarters in Columbus, Ohio. AEP's compliance plan involves the retirement of a quarter of its coal-fueled assets by the end of 2016, investments in enhanced environmental controls at plants totaling 6.2 GW by 2020, and the conversion of a further 762 MW of coal-fueled generation to burn natural gas.

"Not all of these retirements and investments are solely related to the MATS rule," the AEP spokeswoman explained to *PFR* in an e-mail. "In some cases, they are due to the combination of rules from the EPA, including the Cross State Air Pollution Rule, Regional Haze, and MATS."

However, market watchers have identified some coal-fired generation which could stay switched on for longer than planned if the district court decides to vacate the rules.

In MISO's jurisdiction, a survey of operators carried out in the first quarter of this year suggested that 4 GW of coal-fired assets were due to be retired as a result of the MATS rules. Many of those could continue to operate if the rules are vacated, which could lead to oversupply, hitting merchant generators, according to a report by **Shelby Tucker**, equities analyst at **RBC Capital Markets**.

Tucker's report notes that most retrofits and retirements in PJM and ISO New England have already taken place, meaning that the uncertainty around the emissions rules will have little effect. ■

Duo Nets Debt for Texas Wind Farm

Alterra Power and **Starwood Energy** have signed a \$287 million debt financing deal for the 204 MW Shannon wind project they jointly own in Clay County, Texas.

Citigroup, **Santander** and **Royal Bank of Canada** are providing the financing package, which consists of a \$212 million loan and \$75 million in letters of credit.

Once the project is complete, the loan will be replaced with a \$219 million tax equity investment provided by Citigroup and **Berkshire Hathaway Energy**.

The close of construction financing was a condition for the disbursement of a C\$21.2 million (\$19.44 million) loan which Alterra obtained from **AMP Capital** in September last year. That loan was part of a C\$110 million (\$100 million) triple tranche debt package backing the Shannon project as well as the 62 MW Jimmie Creek hydro plant (PFR 9/8).

Vancouver, British Columbia-based Alterra completed the acquisition of Shannon from north Texas developer **Horn Wind** in February 2014, before selling a 50% stake to Greenwich, Conn.-based infrastructure investor **Starwood**.

Mortenson is constructing the wind farm, which is slated to go online in late 2015 or early 2016. The project has a 13-year power hedge contract with **Citigroup Energy** for the majority of its output. ■

● MERGERS & ACQUISITIONS

Marubeni Affiliate Circles Mexico Wind Stake Sale

◀ FROM PAGE 1

ing the 50 MW third phase of the project, which is scheduled to go online next spring. It is pegged at a cost of \$120 million, according to sources familiar with the situation. The identities of the prospective investors could not be learned.

Oak Creek, in which **Marubeni Corp. of Japan** holds a 58% stake, recently secured an equity investment from **Goldman Sachs Infrastructure Partners** and **GBM Infraestructura**, in exchange for a 50:50 equity split in the first two phases of Tres Mesas, which total 148.5 MW (PFR, 4/24). Both phases have long-term offtake contracts with **Walmart de Mexico** and **Sigma Alimentos**, a unit of Mexican industrial conglomerate, **ALFA**.

One of the sources indicated that the Marubeni affiliate, which is vying for a power purchase agreement with **Comisión Federal de Electricidad**, possibly for Tres Mesas' phase three, is positioning itself to bid for a request for proposals that the state-owned national utility is expected to launch early

next year to contract one or more renewables projects.

Oak Creek also hopes to raise loans for phase three, ideally from the **Overseas Private Investment Corp.**, **North American Development Bank**, and/or local Mexican banks, once it clinches a deal with one or more equity investors. "Local banks in Mexico are much more aggressive than before," the company official said. Oak Creek sealed roughly \$241 million in senior debt financing from OPIC and NADB for the first two phases of the wind farm. A planned fourth

and fifth phase will complete the project, according to OPIC project documents.

A timeline for when the company expects to close the equity financing for the third phase of the project could not be established.

Meanwhile, NADB, which lent \$80 million earlier this month for **Organización Soriana's** La Mesa and Ciudad Victoria wind facilities in Güemez, Tamaulipas, is currently reviewing opportunities to invest in at least four other wind projects in the area, **Carlos Carranza**, a project development

director at the bank told PFR earlier this month (PFR, 6/11).

Like those four projects, all three phases of Oak Creek's Tres Mesas facility obtained permits before recent electricity industry reforms came in to force. Thanks to a grandfathering provision, developers which already held permits and interconnection agreements before the reforms were enacted are entitled to various benefits which existed under the previous legal regime, including stamp tariffs that enable developers to avoid transmission losses, a local industry observer notes.

Market-watchers say that several investors eyeing Mexico are waiting to see how the reforms, which came into force last year, will pan out.

Having a grandfathered permit is a blessing for wind and solar developers looking to raise debt for their projects, another deal-watcher says.

Akin Gump Strauss Hauer & Feld is a legal advisor to Oak Creek. Whether Oak Creek is working with a financial advisor on the stake sale could not be learned. ■

Tres Mesas Timeline



Source: Power Finance & Risk

Duke Unit Makes Stellar Purchase

Duke Energy affiliate **REC Solar's** acquisition, for an undisclosed sum, of the Rohnert Park, Calif.-based solar developer **Stellar Energy** from **Soligent Holdings** demonstrates Duke's interest in making a big play in solar and distributed generation, **Al Bucknam**, ceo at REC Solar in San Luis Obispo, Calif., tells *PFR*.

Stellar's portfolio comprises 62 commercial, agricultural and governmental solar assets totaling 60 MW, all in California.

The deal also includes 28 MW of operations and maintenance contracts.

REC Solar has developed commercial solar projects totaling more than 140 MW across the U.S. and Puerto Rico. The Stellar acquisition will bring its total operating portfolio to 200 MW.

Neither REC Solar nor Stellar Energy worked with a financial advisor

on the transaction.

Duke took a majority stake in REC Solar in February this year. Since then, the Charlotte, N.C.-based utility has invested \$225 million in REC Solar's commercial projects. "With Duke's financing, we've been looking at optimal financing solutions for our customers. If an acquisition provides a compelling solution to our customers, that is



Al Bucknam

easy to say yes to," Bucknam says of the Stellar purchase.

When Duke bought its REC Solar stake, it agreed to own certain REC Solar projects and sell the generation under long-term power purchase agreements, a spokesman for Duke Energy in Charlotte, N.C. says.

Bucknam expects the Stellar acquisition to facilitate REC Solar's planned expansion into community solar and the budding solar storage arena.

Spokespeople at Stellar Energy did not respond to inquiries. ■

STRATEGIES ●

SunEd Partnership Brings Prospect Of YieldCo-owned Storage Closer

SunEdison has taken another step towards becoming the first sponsor to add solar storage assets to one of its renewables yield companies through its partnership with **Green Charge Networks**, according to sources at the Belmont, Calif.-based developer.

"We're stepping into the market to find solutions that TerraForm partners are happy with," one of the sources told *PFR*.

SunEdison will collaborate with the Santa Clara, Calif.-based commercial storage provider Green Charge to deliver a 400 kW solar storage system, dubbed the City of Santa Clara project, to a local municipal utility, **Silicon Valley Power**.

Construction of the behind-the-meter storage facility, which will serve commercial and municipal customers, is already complete, and sources at SunEdison say the company aims to drop the storage asset into its emerging mar-

kets yield company **TerraForm Global**.

SunEdison made its first foray into the storage business in March this year with its acquisition of four operating facilities, a pipeline of further projects and a project origination team from Philadelphia start-up **Solar Grid Storage**.

Other sponsors could follow SunEdison's lead. Deal watchers say storage assets are a natural addition to yieldco portfolios. "The only question is that storage hasn't been economic so far, but there's no more risk I see than that of acquiring other operating assets," said one.



Tim Derrick



Vic Shao



A Green Charge behind-the-meter battery

Tim Derrick, SunEdison's general manager of advanced solutions in Orange County, Calif., declined to comment on the developer's plan to pass the Santa Clara storage facility to TerraForm Global.

Meanwhile, Green Charge is in discussions to raise a debt fund, according to ceo **Vic Shao**. The Santa Clara project is currently being financed through \$56 million in equity raised by Green Charge last year. "Using corporate equity is not the best use," Shao said in San Francisco. "The think-

ing is to use debt."

Under power efficiency agreements between Green Charge and the project's customers, the storage company will install, own and operate the equipment while the reduction in demand charges will be shared.

Earlier this month, SunEdison acquired a Costa Rica-based renewables outpost, **Globeleq Mesoamerica Energy** from **Mesoamerica Power** and **Actis Capital** in a deal that heralded its debut into Central America. Deal-watchers concurred that all of GME's operating assets would likely be assigned to TerraForm Global after the buyout (*PFR*, 6/18). SunEdison also sold \$750 million in convertibles last month to garner proceeds for TerraForm Global's growth in a private placement offering led by **Barclays**, **Deutsche Bank**, **Morgan Stanley** and **Goldman Sachs** (*PFR*, 5/15).

TerraForm Global, which came to market with an initial public offering on May 7, has nearly 1 GW of contracted wind, solar and hydro assets in at least nine countries across Asia, Africa and Latin America (*PFR*, 5/12). ■

Ala. Sponsor Preps \$225M Project Bonds For Biomass

Georgia Renewable Power is planning an issuance of \$225 million in senior secured bonds to finance the development of two biomass facilities, one in Lumberton, N.C., and the other in Franklin, Ga.

The 35 MW poultry litter-fired Lumberton project has a 20-year offtake agreement with **Duke Energy Carolinas**, while the 79 MW wood-burning facility in Franklin has a 30-year agreement with **Georgia Power**. **NRG Energy Services** is expected to operate both facilities.

The Birmingham, Ala.-based

sponsor will also provide \$60 million of equity to the projects.

Moody's Investors Service has assigned the proposed notes a provisional Ba3 rating.

According to the Moody's report, the Lumberton plant is expected to account for 70% of the issuer's EBITDA, while the Franklin plant will contribute 30%.

Analysts at Moody's highlight the construction risks associated with the issuance, pointing out that the Lumberton facility, which was originally built in the 1980s to burn coal and ceased generating electricity in 2009, is expected to

be converted to biomass by the second quarter of 2017.

"The operating history of poultry litter-fuel power plants is extremely limited and of mixed operational performance and a key risk factor in the rating," the analysts note, adding that the facility's power purchase agreement does not include any fuel cost pass-through provisions, exposing the sponsor to fluctuations in the cost of the fuel.

The Franklin plant, meanwhile, is currently located in West Virginia and will need to be taken apart and transported to its planned location in Georgia, where it will

be rebuilt.

The Moody's analysts further note that several permits have not yet been obtained, including interconnection and final air permits for the Franklin project.

Georgia Renewable Power is a direct subsidiary of **GreenFuels Energy**, which is 100% owned by **Raymon Bean**.

Georgia Power Finance Corp., an unrated entity, will co-issue the bonds with the sponsor on a joint and several basis.

Whether the sponsor has mandated banks for the issuance could not be learned. ■

● Q&A: BRIAN O'CONNOR & PAUL COLATRELLA, ARES MANAGEMENT

Q&A: Brian O'Connor & Paul Colatrella, Ares Management

◀ FROM PAGE 1 approximately \$29 billion, as of March 31, 2015, primarily in the U.S. and Europe. In the U.S., the main vehicle that we invest through is **Ares Capital Corporation**, a publicly traded business development company. Paul and I are part of that direct lending effort, and we head up the project finance team. We started the project finance group four years ago and have committed more than \$1.1 billion to projects over that time, investing across the capital structure including first-lien, second-lien and mezzanine loans and preferred equity in power technologies, including gas-fired, solar and wind assets, and one LNG project. We operate a direct-origination strategy, investing in projects where we are the most dominant lender in our tranche. To a much lesser extent, we have been involved in syndicated transactions, where we are typically either an anchor investor or a joint arranger with an investment bank.

PFR: What challenges did you face in terms of market climate and competition when the direct lending group was first started?

O'CONNOR: When we started the project finance group four years ago, there was less competition than there is today. We started the group to fill a gap in sources of capital for project risk between the first-lien debt provided either by commercial banks or the term loan B market and mezzanine funds being raised in the market that targeted mid-teens to high-teens returns. We believed there would be attractive risk-adjusted returns and a substantial demand for capital in the 8% to 12% return range, and we believe we have proved out our thesis. Despite the increased competition, our group has been productive due to the flexible nature of the investment vehicles that Ares manages, and our very strong origination capabilities through long-term relationships in the sector.

PFR: One would imagine that the strategy would change to factor in the increased competition we see today. What is your approach to managing the competition

today?

O'CONNOR: We've been able to stay ahead of the market in a number of ways. We were one of the first major lenders to support gas-fired projects in Texas before that market got more competitive. We were also the first major lender investing in residential solar before banks and other competitors accepted the credit thesis. We continue to seek out opportunities where the competition hasn't gotten so intense, and then invest by taking advantage of Ares' market-leading position, underwriting and structuring capabilities, and strong balance sheet. We try to find creative solutions for borrowers in off-market opportunities that are just a little less crowded than regular financings.

PFR: I understand that Ares Capital Corp. became involved in Panda Power Funds' term loan B refinancing program as a co-lead arranger much later, joining five other investment banks, including Goldman Sachs and Credit Suisse. What was the story behind the arrangement there?

O'CONNOR: We have a great relationship with the Panda team, and have been involved in all of Panda's gas-fired financings to date, both in Texas and PJM—first-lien in most cases, and mezzanine in one case. When the financing you mention unfolded, we were able to get involved in a meaningful way in the project and we were able to provide good value to Panda and our investors. We really like their management team. We have participated in every Panda deal to date, so it wasn't much of a surprise that Ares was involved.

PFR: Panda Power Funds is currently in talks with potential lenders to tee up debt financing for its 1-GW Hummel combined-cycle gas-fired facility in Pennsylvania. I suspect the project development cost must be phenomenal. What is your perspective on this facility in terms of its construction risks, COD and general viability?

COLATRELLA: Panda has developed and

built numerous large power plants of 800 MW to more than 1,000 MW in the past. We are confident of Panda's ability to manage a project of this size. I think the market has confidence in its [Panda's] ability to manage it as well.

PFR: How is the market for mezzanine debt shaping up today, given its intrinsic risk factors? Do you see more lenders foraying into the mezzanine space?

O'CONNOR: You are correct that there are a few more players in the mezzanine space than there were a few years ago. However, I don't think the asset class has gotten as crowded as the market for senior capital, where there is a lot more capital flowing into the sector. There aren't a lot of opportunities for traditional mezzanine in the power sector. So, some of the energy players are focused on energy, more broadly defined as a space that includes exploration and production, mid-stream assets and services. In addition, the returns on contracted projects don't offer the mid-teen returns that traditional mezzanine investors require. We find gas-fired opportunities for mezzanine potentially attractive—there's just a limited number of opportunities and, for now, they are concentrated in PJM. We will continue to pursue attractive mezzanine opportunities in that space and expect to be successful in the medium term.

PFR: Issuers are scrambling to come to market ahead of an anticipated rise in the Federal fund rate that could occur as soon as September this year. What rate hike implications do you foresee?

COLATRELLA: The futures markets currently reflect that interest rate hikes in the near future are anticipated to be relatively small and we believe that's not likely to have a major effect on the project finance market, especially considering that loans in our industry tend to be long-term. They're also geared toward floating-rate debt. In the event that there is a major hike in interest rates, power purchase agreement prices will need to be adjusted to compensate for the higher cost of capital, which will translate into higher costs of projects—or there will be a limited number of equity investors who would

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Q&A: BRIAN O'CONNOR & PAUL COLATRELLA, ARES MANAGEMENT ●

« FROM PAGE 8 be willing to invest in project finance assets. However, we anticipate that rate hikes will be sufficiently small and/or gradual enough that they will not cause any sudden and/or major changes in the market.

PFR: I understand that Ares Capital is the first port of call for a large number of borrowers. What approaches do you follow to not only keep that momentum but also retain existing clients? Also, what qualities are you looking for in the borrowers that approach you?

O'CONNOR: Our goal is to provide borrowers with flexible capital solutions and one-stop financing solutions up and down the capital structure. We can invest with small developers in transactions as low as \$20 million and we have the ability to make very large commitments of \$200 million or more. We are well-known for our ability to move fast and provide execution certainty for borrowers. We take a relationship-driven approach. We're also known throughout the industry as a constructive partner in projects, if there are bumps in the road.

As far as what kinds of borrowers we look for, we seek to back quality management teams that have deep experience in the sector, especially with a focus on construction-ready or operating projects. We tend to stay away from borrowers who are taking technology risks and development risks within Ares Capital Corp.

PFR: Could that include shovel-ready solar projects?

O'CONNOR: Absolutely. A large portion of the investments we have made have been shovel-ready construction projects in the gas-fired and renewable sectors.

PFR: What is your most memorable deal, to date?

COLATRELLA: The first financing for Panda. I won't go into too much detail, but there are definitely some good stories and challenges in that deal, and we were able to generate a successful outcome for Panda and our investors.

O'CONNOR: The SunRun transaction was memorable [for me] because it was residential solar. Residential solar financing was a new frontier in the sector. It was a really interesting opportunity for us to learn a new part of the business and make a nice return by being ahead of the curve, relative to the rest of the market.

PFR: Paul, could you describe what aspects of Panda's Temple I project particularly captivated you during the course of that deal?

COLATRELLA: It was the first large merchant project that had been done in the market in a long time, and getting the structuring right and finding the market players was challenging at the time.

PFR: What sorts of project finance deals is Ares Capital Corp. looking at?

O'CONNOR: In the project sector that Paul and I focus on, we are looking at transactions across all proven technologies. We are focused on gas-fired, wind and solar primarily, however we are also looking at technologies like biomass, geothermal and other power technologies where there is lesser deal flow, but interesting opportunities. Right now, the pipeline is a pretty good mix of solar, wind and gas-fired projects.

PFR: Are merchant projects back in vogue in terms of gaining a buy-in from investors who are willing to shoulder merchant risks? Also, are merchant project power hedges sufficient in terms of compensating for the lack of offtake agreements?

COLATRELLA: We are noticing that merchant and semi-contracted deals are driving the project finance market in the energy and term loan B markets right now. While there are exceptions, we think the current market is underpricing the merchant risk in general, compared to fully-contracted deals. We believe that this trend exposes equity investors and debt financiers to a great deal of risk and volatility from a price standpoint.

PFR: What about hydro, biomass, land-fill gas or even offshore wind?

O'CONNOR: Yes, we'd be very interested in all of those opportunities; there's just less of them than the other types of transactions. We have looked at a lot of biomass projects and some hydro—which, we don't see a lot of, and we've looked at landfill gas too. Generally, we're happy to evaluate any of these technologies; there are just fewer opportunities. We anticipate that we may see more deal flow in all those types of projects in the coming years.

PFR: What is Ares' geographical focus in terms of its plans for expansion?

O'CONNOR: Right now, the project finance team is focused on the U.S., since we primarily work through Ares Capital Corp. At some point, we would like to make our investing ability broader.

PFR: What are the areas to watch out for in 2015 and 2016 in terms of lending activity and project finance trends?

COLATRELLA: One of the new trends you may see in the market is the first of a few energy storage deals that might pop up later this year and in 2016. However, we both feel that the market will continue to be driven by semi-contracted deals in PJM and other similar markets that we talked about. Lastly, we believe that there are going to be many more large renewable deals such as wind farms in the U.S. and utility-scale and commercial and industrial solar activity in the Southwest and along the East Coast.

O'CONNOR: I agree with Paul. I also think we'll see a lot of activity in yieldco-related transactions, whether it is construction financing on renewables for dropdowns into yieldcos or warehouse facility-type financings.

PFR: Do you plan to make additions to your team in the year ahead? If so, what types of roles do you see opening up in your group?

O'CONNOR: We are well-positioned at this point both in terms of deal flow and staffing. However, we are part of a growing platform. If we require more resources, we may look to grow the team, as needed. ■

● INDUSTRY CURRENT

Distributed Energy Resources—Planning for the Future

This Industry Current is written by **John Thomas**, executive vice president and cfo at **Tennessee Valley Authority** in Knoxville, Tenn. John Thomas discusses the scope for distributed generation in terms of its role in galvanizing electric utilities to transition from conventional business models to frameworks that embrace solar advancements in an evolving renewables landscape. He also sheds light on the Tennessee Valley Authority's efforts to adopt an Integrated Resource Plan that pushes for portfolio diversification, equity for ratepayers, and flexibility in the generation mix.



John Thomas

stakeholders, employees and board members with how the world is evolving and how these changes may impact the way we achieve our mission: serving the people of the Tennessee Valley and promoting economic prosperity. Our focus is on delivering low-cost, reliable power, promoting economic development, and strengthening our role as good environmental stewards. So, if distributed energy resources make economic sense for our customers across the Valley, they make sense for us too.

INTEGRATED RESOURCE PLAN

Modern society demands an extraordinary level of reliability, which the current electric grid delivers. It is important to ensure that the grid continues this delivery and reliability. Since electricity, for the most part, must be generated when it is consumed, meeting electricity demands requires careful planning well in advance of the actual need.

TVA has begun to comprehensively address the implications of long-term planning while at the same time taking into consideration a future with larger amounts of distributed resources through our 2015 Integrated Resource Plan (IRP). This process represents an opportunity for TVA to have a meaningful stakeholder dialogue about a variety of future scenarios and new approaches to supply the region's electric needs over a 20-year period.

One of these scenarios looks at the effects of heavy adoption of distributed energy resources across the TVA system, presenting a number of financial and operational challenges for TVA and our local power company partners, which include municipal and cooperative power distributors. To overcome such challenges, it is clear that we will have to work together even more closely to effectively balance grid reliability

with efforts to provide customers the most affordable rates feasible.

The IRP also taught us important lessons, including the value of:

◆ **A diverse resource portfolio.** TVA currently operates, and continues to develop, a diverse resource portfolio. We have seen the value of portfolio diversity in the current environment as well as prior studies, and we believe this will be increasingly important in an uncertain future.

◆ **Flexibility.** Our 2015 IRP includes a more flexible planning direction than prior versions, reflecting the need to navigate between natural gas, renewables and energy efficiency as the landscape evolves. The ability to implement resources in relatively smaller increments adds value, because we can better respond to a dynamic environment. Flexibility also extends to resource capabilities, with increased value from resources that can ramp up quickly to support growing levels of renewable and intermittent energy.

◆ **Equity for ratepayers.** At present, most of our distributed resources are solar-based and paid for through incentives. Any incentive paid above and beyond the value that a resource brings to the overall system represents a transfer of funds from non-participants to participants. In the case of distributed resources, higher-income households are typically the ones that can afford to make the investment, creating an equity issue with socioeconomic impacts in the process. TVA and its stakeholder groups are discussing this issue, but, ultimately, this is a rate design question. We need to be clear on what value distributed resources bring, and then design rates that recover costs equitably among all customer classes.

DETERMINING VALUE—DISTRIBUTED RESOURCES AND THE GRID

The fact that consumers are conditioned to the reality that power is available, literally, at the flick of a switch bears testimony to the remarkable resilience of the North American electric system. This conditioning may

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You probably remember watching The Jetsons at some point growing up. George, his boy Elroy, daughter Judy, Jane, his wife, and of course, their dog Astro, which talked, were dealing with life in the year 2062. A colleague of mine likes to think of The Jetsons as a metaphor for our ability to predict the future. Some things, we get right (video chat, robot vacuum cleaners), some things, we miss (Cub Scout trips to the moon, jet packs) and others unfold in ways we never imagined (none of the characters ever texted as I recall).

As much of a fool's errand as it may seem, the future utility landscape is a topic of conversation across the power and electric utilities industry, including here at the Tennessee Valley Authority. As the nation's largest public power provider, we supply more than nine million end-use customers with more than 35 GW of electric capacity at some of the lowest rates in the country. We have a keen interest in how the future marketplace plays out. Advances in solar and battery technology, as well as a higher degree of public interest in distributed energy resources, are beginning to change the utility business model of the last century.

We are actively engaging our customers,

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be tested in the coming years as distributed resources present a challenge to the traditional role of the utility and prompt questions in connection with the value the integrated grid brings to customers.

Almost universally, customers who install distributed resources remain connected to the power grid to supply electricity when their resources are not generating. This begs the question: What is a fair compensation for the grid services that back up their needs?

The industry needs to begin communicating our value stream differently. Solar-plus-the-existing-grid ought to be a much better value proposition, for instance, than to disconnect from the grid and install a solar-plus-battery system. It is up to us to message the value of our services in a way that resonates with old models as well as future possibilities.

ECONOMIES OF SCALE

Over the last century, the production of electricity has benefited enormously from economies of scale. Large, central-station power plants produce electricity at remarkably low costs considering the value they create for the economy. Many households, for instance, pay more for cell phone service than for the electricity that heats, cools, lights and helps feed their families (and, coincidentally, charges their cell phones). That's a truly remarkable achievement, due in large part to the economies of scale associated with large generators.

These economies of scale exist for renewable resources, with utility-scale solar accounting for merely a fraction of the cost of rooftop solar. Do we expect this fundamental relationship between cost and scale to change in a world with increased interest in distributed

resources? If not, to what extent should distributed resources take the place of utility-scale projects? This is a dilemma we are thinking through as we work to ensure that our rates, incentives and business structure all align to deliver the lowest costs for all customers.

A LOOK AHEAD

This is an exciting time for electric utilities. We are continuing to improve the environmental profile of our fleet while preparing for a future that may look very different from the past. Business models are evolving, and new technologies are coming to market. TVA has a long history of integrating complex systems, starting with the Tennessee River system in the 1930s. The utility is ready to embrace the challenges of the 21st century. An increasingly connected, integrated and resilient grid is a public benefit we should all be aiming for. ■

PPA PULSE ●

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Among them was the **Lower Colorado River Authority**, which signed a power purchase agreement for capacity and renewable energy credits from the 96.6 MW Buckthorn Wind Project in Texas, developed by **Infinity Wind Power**.

"LCRA has long been a leader in making renewable energy available to our customers," said Phil Wilson, general manager at the Lower Colorado River Authority. "Since its beginning in the 1930s, LCRA has offered renewable energy by using the waters of the Colorado River to generate hydroelectric power. In 1995, LCRA played a key role in developing the first wind power project in Texas, and the addition of the wind from Buckthorn reinforces the importance of renewables in our power portfolio."

LCRA was joined by the **City of Grand Island**, Neb., Westminster, Colo.-based electricity co-operative **Tri-State Generation and Transmission Association**, and several schools in Alberta, Canada.

The PPA Pulse is a guide to which sponsors and projects have recently garnered power purchase agreements in the Americas. To report updates or additional information please contact Data Associate Stuart Wise at swise@iintelligence.com

Wind

■ Texas' Lower Colorado River Authority has entered into a PPA with the 96.6 MW Buckthorn Wind Project in Erath County, Texas. Infinity Wind Power developed the project.

■ Calgary, Alberta-based **BluEarth Renewables** has signed PPAs with several Alberta schools for the output from the 29 MW Bull Creek Wind Power Project, which is currently under construction near Provost, Alberta.

■ The City of Grand Island, Neb., has entered into a long-term offtake agreement with Invenergy for roughly 36 MW of output from the Prairie Breeze III Wind Energy Center, which is being built in Antelope County, Neb.,

this year. The project is expected to be completed in 2016. The facility is the third phase of the 201 MW Prairie Breeze Wind Energy Center, located across the Antelope and Boone Counties.

■ The Tri-State Generation and Transmission Association, a wholesale electric supplier owned by 44 electric cooperatives and public power districts in Colorado, Nebraska, New Mexico and Wyoming, has entered into a 25-year PPA with **Iberdrola Renewables** for the output of the 76 MW Twin Buttes II Wind Project. The facility, near Lamar, Colo., is slated to be online in 2017.

■ Salt Lake City-based **sPower** has inked a 20-year PPA with **PacifiCorp** to buy output from the 62.1 MW wind project, which is to begin construction this summer in San Juan County, Utah. It is due to be online by the end of the year.

■ **EDF Renewable Energy** has signed a long-term contract with **Garland Power & Light** for 150

MW of the 200 MW Salt Fork Wind Project in the Donley and Gray Counties, Texas. This PPA follows an offtake agreement that Garland signed in early 2014 for part of the output from EDF's 194 MW Spinning Spur 3 Wind Project. EDF recently acquired Salt Fork from **Cielo Wind Power** (PFR, 6/29).

■ **Pattern Energy** has announced that it has long-term PPAs for several phases of a 497 MW New Mexico/California wind project, which is being built in Curry County, N.M. Terms of the PPAs were not disclosed.

Solar

■ **Southern Co.** subsidiary **Southern Power** has inked a 30-year contract with **Georgia Power** for the output of the future 30 MW Pawpaw Solar Facility, which is being built in Taylor County, Ga. On June 1, Southern Power announced it acquired the project from **Longview Solar**, a joint venture between Elemental

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YieldCo Sweep - July

« FROM PAGE 1 the same assets.

Sausalito, Calif.-based **Lightbeam Electric**, which is aiming to raise \$100 million in a planned initial public offering, will purchase its initial portfolio from several developers (PFR 4/17).

Introducing a revised version of the MLP Parity Act on June 24, Sen. Coons said that the bipartisan legislation would allow more entities to operate as MLPs by including renewables as an additional asset class that qualifies for inclusion in MLPs. MLPs benefit from the tax advantages of partnerships while their limited partnership interests can be publicly traded like a corporation.

BEST CHANCE EVER?

The attorney cautions that the Act will likely meet the same fate as former Michigan Rep. **Dave Camp's** ambitious corporate tax reform plan. Camp, who was chairman of the **House Committee on Ways and Means** until January this year, put forward the 979-page draft bill in February 2014, but it got a tepid response from **House** Republicans. "This [Camp's] bill would have scaled back MLPs altogether," the attorney says. "But Republicans in the House wanted to pay more attention to Obamacare because they

thought this issue would get more traction in the mid-term congressional elections."

But other market watchers believe the act now has a better chance of success than ever before.

Felix Mormann, an MLP specialist and a faculty fellow at **Stanford University's** Steyer-Taylor Center for Energy Policy and Finance, is one of them. "The relationship between MLPs and yieldcos is pretty complex, so it's hard to tell how things will progress if both are available to renewable developers," he says. "My sense is that not everyone has the portfolio size and diversity to structure a functioning yieldco."

A renewables market watcher says he supports the Act because it will encourage the flow of billions of dollars of capital into generation projects and lead to higher returns for renewables investors.

THE SEMPRA WAY

Swami Venkataraman, vice president and senior credit officer at **Moody's Investors Service**, notes that expanding the MLP structure to include renewables as an asset class may allow yieldcos to convert into MLPs and achieve a permanent tax-advantaged status. However, it raises the ques-

tion of whether yieldcos with non-renewable assets, like **NRG Yield** and **Abengoa Yield**, would be able to convert to an MLP.

NRG Yield's portfolio includes district heating systems, with roughly 800 MW of combined-cycle gas-fired facilities on its right of first offer list, while Abengoa Yield's non-renewables repertoire includes water desalination plants and transmission lines in addition to a 300 MW gas-fired cogeneration facility in Mexico.

"**Sempra Energy** has shown a way by which an MLP can own non-qualifying assets by placing them in a wholly owned, taxable subsidiary of the MLP. It's possible that Abengoa and NRG might adopt this approach, subject to the restriction that MLPs need to receive 90% of their income from qualifying assets," Venkataraman says, alluding to Sempra Energy's planned initial public offering of its MLP, **Sempra Partners**.

Sempra Partners' portfolio will include Sempra Energy's Cameron LNG export facility in Hackberry, La., a 21-mile Cameron Interstate pipeline in Cameron Parish, La., an interest in a U.S. entity that will deliver LNG to a facility in Mexico, as well as undisclosed solar and wind assets (PFR, 6/22).

STORAGE-ONLY YELDCO?

Against this backdrop, **SunEdi-**

son could become the first sponsor to assign a solar storage facility to its emerging markets yieldco, **TerraForm Global**, according to sources at the company. The Belmont, Calif.-based developer recently agreed to partner with **Green Charge Networks** to build a storage facility in Santa Clara, Calif. (see story, page 7).

"There is also talk of a storage-only yieldco being started up at SunEd," a deal watcher says. "But the storage industry is a wild, wild West. There are a number of difficulties that have to be surmounted before the [storage] market becomes viable, mainly because of concerns over cash flows."

BUILDING WAREHOUSES

Innovative warehouse facilities are continuing to spring up as developer-yieldco partnerships build pipelines of projects to address the need for future growth. Last week, SunEdison announced the formation of its second such entity, **TerraForm Private Warehouse**, to hold 521 MW of operating wind projects it has acquired from **Atlantic Power**. In March, Madrid's Abengoa inked an investment agreed agreement with Washington, D.C.-based **EIF Global Energy Partners** for a new warehouse vehicle aimed at funding contracted projects in Latin America as they go into construction (PFR, 2/25). ■

PPA PULSE



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Energy and TUUSO Energy.

■ **Georgia Power** has entered into two long-term solar PPAs with fellow **Southern Co.** affiliate **Southern Power**. The electricity supplier agreed to a 30-year PPA for the output of the 30 MW Pawpaw Solar Facility in Taylor County, Ga., and a 20-year PPA for the 20 MW Butler Solar Farm, also in Taylor County. Both proj-

ects are recent acquisitions by Southern Power.

■ Salt Lake City-based **sPower** has signed 20-year offtake contracts for three solar projects totaling 19.4 MW. The 11.7 MW Aspiration Solar Project in San Joaquin, Calif., the 3.7 MW Central Antelope Dry Ranch B project in Lancaster, Calif., and the 4 MW Lancaster WAD B project, also in Lancaster, are all expected to be online in 2016.

■ **NRG Energy's** Princeton, N.J.-based subsidiary, **NRG Renew**

has won a 20-year PPA with technology giant Cisco for the output from the 20 MW NRG Solar Blythe II plant, located in the Sonoran Desert, near the Arizona-California border. Output from the facility, which is scheduled to be online line by the end of 2016, will be used to power **Cisco's** headquarters in San Jose, Calif. The PPA is part of Cisco's goal of using renewable sources for at least 25% of its electricity needs by 2017.

■ **Green Power EMC** has a signed

a 25-year PPA to buy the energy produced by the 24 MW photovoltaic plant that it is developing with **Silicon Ranch Corp.** Silicon Ranch will own and operate the project, which is being built near Hazelhurst, Ga.

■ **SunPower Corp.** has inked a long-term PPA with **Pacific Gas & Electric** for the energy produced by the 102 MW Henrietta Solar facility, now under construction in Kings County, Calif. It is on track to be online by the end of 2016. ■