

Power Finance & Risk

Exclusive Insight on Power M&A and Project Financing

By the publisher of GlobalCapital

● PROJECT FINANCE

● PPA PULSE

● MERGERS & ACQUISITIONS

Key Inks Debt for New York C&I Solar Assets

KeyBanc Capital Markets provided a mini-perm for a 33 MW distributed solar portfolio in New York state last month. [Page 5](#)

Storage Contracts Pile Up in California

As developers amass battery storage contracts, financiers ponder how to finance the projects on a standalone basis. [Page 7](#)

Goldman's GSAM Wins C&I Solar Auction

Goldman Sachs Asset Management is buying a portfolio of distributed solar assets in New England and the Mid-Atlantic. [Page 12](#)

Longroad Finances, Sells Texas Solar Project with Shell Offtake Contract

Shravan Bhat

Boston-based developer **Longroad Energy** has closed debt and tax equity financing for a 250 MW solar project in Texas that is contracted with a major energy marketer and has sold the project to **Innergex**.

CCA Group advised Longroad on the financing for the \$397 million Phoebe

project in Winkler County, deal watchers tell *PFR*.

The project has a 12-year power purchase agreement for 89% of its output with **Shell Energy North America**, while the balance will be sold spot in **ERCOT**.

The 12-year tenor of the PPA is consistent with a power hedge rather than a traditional PPA, [PAGE 5 »](#)

CapDyn Refis 8point3 Resi Solar Portfolio

Shravan Bhat

Capital Dynamics has refinanced a 38 MW portfolio of residential solar assets it acquired through its take-private of yield company **8point3 Energy Partners**, using the proceeds to repay a portion of the bridge loan that financed the acquisition.

KeyBank and **ING Capital** provided the \$67 million, seven-year loan for the resi solar assets.

The portfolio comprises 5,800 installations located at homes in Arizona, California, Colorado, Hawaii, Massachusetts, New Jersey, New York, Pennsylvania and Vermont, according to a recent 8point3 filing with the U.S. **Securities and Exchange Commission**.

One of the yieldco's two former sponsors, **SunPower**, developed the assets (*PFR*, 4/30/15), [PAGE 6 »](#)

Private Equity Firm Looks to Sell Stake in Renewables Developer

Fotios Tsarouhis

A private equity firm has tapped boutique investment bank **Evercore** to market its stake in a wind and solar project developer.

Hudson Clean Energy Partners' sale of its interest in **Element Power** follows the U.K.-based developer's decision to exit the U.S. market, deal watchers tell *PFR*.

Element Power has developed wind and solar projects in the Pacific Northwest, as well as in Texas, though whether the company still owns any U.S. [PAGE 8 »](#)



Birth of... a new era of solar project finance in Texas? With its Phoebe project, Longroad has shown that solar offtake contracts with energy marketers are financeable.



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● PROJECT FINANCE

Atlas Attracts AllianzGI into Uruguay

Atlas Renewable Energy brought **Allianz Global Investors** in as the anchor investor on the senior tranche of a roughly \$108 million refinancing of two solar projects in Uruguay, marking the investment manager's first deal in the country.

The sponsor began the process of refinancing the debt attached to its 58 MW El Naranjal and 17 MW Del Litoral plants in Salto in the northwest of Uruguay in June (PFR 06/18).

The privately placed debt comprises a senior and a junior tranche, both of which were structured as A/B transactions, with **IDB Invest** providing the A tranche. **DNB Markets** acted as sole placement agent.

As well as being AllianzGI's first Uruguayan investment, it is also the first time AllianzGI has joined an A/B structure financing with IDB Invest, which is the commercial finance arm of the **Inter-American Development Bank**.

The \$97.3 million, 24-year senior tranche, rated Baa3 by **Moody's Investors Service**, was split roughly 50:50 between the investors, **Jorge Camiña**, director of infrastructure debt at AllianzGI, tells *PFR*.

This is a much smaller ticket size than the \$300 million that AllianzGI tends to put into infrastructure deals.

"It's not necessarily big in terms of volume," Camiña said. "The ticket size was small for us, but it was an important deal. Teaming up with IDB Invest is important and the sponsor Atlas is

going to be a big renewables player in LatAm."

IDB Invest meanwhile provided \$2 million of the \$11 million, 15-year junior tranche. The other investor or investors that participated could not be learned by press time.

The two refinanced projects have 30-year power purchase agreements with **Administración Nacional de Usinas y Trasmisiones Eléctricas**, Uruguay's state owned utility.

The deal, executed as a U.S. private placement, also demonstrates the diversification of sources of funding for renewable project developers in Latin America.

"We are seeing a shift in LatAm," says Camiña. "It was a very siloed market—bank financing and then a 144A bond. We are seeing more [sponsors] use the U.S. private placement market in LatAm."

Access to various pools of capital, from commercial and development bank loans to local capital markets, international project bonds and U.S. private placements, will come in handy as developers seek to ramp up activity to meet demand.

"We anticipate LatAm renewables as an asset class will continue on a steep growth path as energy demand rises, with increasing allocation," says **Carlos Barrera**, ceo of Atlas Renewable Energy.

The developer is a portfolio company of London-based emerging markets investor **Actis**.

MORE Uruguay project finance news... PAGE 6 »

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Institutional Investor, LLC ISSN# 1529-6652
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Do you have questions, comments or criticisms about a story that appeared in **PFR**? Should we be covering more or less of a given area? The staff of **PFR** is committed as ever to evolving with the markets and we welcome your feedback.

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
Actis	Atlantic Energías Renovaveis (625 MW Wind)	Brazil		Chinese investors are among the bidders for the fully-contracted wind assets (PFR, 3/22).
AES, AIMCo	Portfolio (1.3 GW Wind, Solar)	U.S.	Barclays	The pair have mandated Barclays to sell a stake in sPower's operational portfolio less than a year after acquiring it (PFR, 6/25).
Ares-EIF, Starwood Energy	Hudson (660 MW Transmission)	New Jersey, New York	Goldman Sachs (seller), Barclays (buyer)	The sponsors are selling their majority stake in the project, which was completed in June 2013 (PFR, 4/24).
Blackstone	Frontera (526 MW Gas)	Hidalgo County, Texas	Cantor Fitzgerald, Jefferies, JP Morgan	Morgan Stanley was left lead on a \$700 million seven-year term loan B that was issued in April to refinance the project (PFR, 6/11).
Conduit Capital Partners	Santa Catarina (22 MW Wind)	Monterrey, Nuevo León, Mexico		Conduit plans to launch a sale process for the contracted, operational asset this year (PFR, 1/8).
● Covanta	Koma Kulshan (13.3 MW Hydro)	Seattle		Atlantic Power Corp. has agreed to acquire a 50% stake in the run-of-the-river project for \$11.8 million (see story, page 10).
● AK Steel, CMS Energy, Ford	Dearborn (Transmission)	Michigan		Fortis subsidiary ITC will pay the three sellers about \$36.8 million for the transmission assets (see story, page 8).
GE EFS	Debt, Equity Holdings		Citi, BAML	Citi is running the sale of the debt book for the GE Capital division, while BAML is marketing the private equity holdings (PFR, 6/11).
● Geronimo Energy	Blazing Star (200 MW Wind)	Minnesota		Xcel Energy has closed its acquisition of the project, which is set for construction in Q3 of 2018 (see story, page 10).
● Gruman Resources	Tilawind (21 MW Wind)	Costa Rica		Germany's MPC Capital and Trinidad and Tobago's largest conglomerate, ANSA McAL, bought the project (see story, page 11).
● Hudson Clean Energy Partners	Element Power	U.S.	Evercore	While the bulk of Element's assets are located in Europe, it still owns several projects in the Americas (see story, page 1).
IEnova (Sempra Energy)	Termoeléctrica de Mexicali (625 MW Gas)	Baja California, Mexico		The company intends to sell the facility by the end of the year (PFR, 5/14).
Invenery	Ector County (330 MW Gas)	Ector County, Texas	Guggenheim (seller)	Invenery has put the peaker up for sale (PFR, 2/26).
Invenery	Nelson (584 MW Gas)	Rock Falls, Ill.	Credit Suisse	A buyer has been selected following a multiple-stage auction process (PFR, 5/7).
Invenery	Badger Hollow (300 MW Solar, 50%)	Iowa County, Wis.		Wisconsin Public Service Corp. and Madison Gas and Electric will buy a combined 50% stake (PFR, 7/2).
● Invenery	Bishop Hill III (132 MW Wind, 80%)	Henry County, Ill.		WEC Energy group is buying an 80% stake in the project (see story, page 8).
LS Power	Aurora (878 MW Gas)	Aurora, Ill.	Guggenheim	LS Power took bids for the two assets in the first quarter of this year (PFR, 3/22).
	Rockford (450 MW)	Rockford, Ill.		
	Seneca (508 MW Hydro)	Warren, Pa.	Barclays, PJ Solomon	LS Power is marketing the project four years after it abandoned an initial attempt to sell it (PFR, 3/22).
● Longroad Energy	Phoebe (250 MW Solar)	Winkler County, Texas	CCA Group	Innergex is buying the \$397 million project, which was financed based on a 12-year hedge from Shell (see story, page 1).
Macquarie Infrastructure Corp.	Bayonne Energy Center (512 MW Gas)	Bayonne, N.J.		MIC is weighing a sale of the project, which powers parts of New York City (PFR, 2/26).
NextEra Energy	Two Creeks (150 MW Solar)	Manitowoc and Kewaunee counties, Wis.		Wisconsin Public Service Corp. and Madison Gas and Electric will buy a combined 50% stake (PFR, 7/2).
Noble Environmental Power	Portfolio (500 MW Wind)	New York	Greentech Capital Advisors	The auction for the five upstate projects is in its second round (PFR, 7/2).
● NRG Energy	Portfolio (3,422 MW Coal, -3.7%)	Pennsylvania		Bowfin KeyCon Power agreed to buy the interests in the 1,711 MW Conemaugh and 1,711 MW Keystone plants (see story, page 11).
Otoka Energy	Buena Vista (18 MW Biomass)	California		Maas Companies is running a sealed auction following a dispute with the Sacramento Municipal Utility District (see story, 8).
Onyx Renewable Partners	Portfolio (Small-scale Solar)	U.S.	RBC, CohnReznick	Onyx has begun marketing the portfolio (PFR, 1/29).
Peabody Energy	Navajo Generating (2,250 MW Coal)	Arizona	Lazard	Middle River Power, an Avenue Capital Partners portfolio company, has expressed interest in acquiring the project (PFR, 5/7).
Philip Morris Capital Corp.	Pasadena (781 MW Gas)	Texas	GSF Investors	The investor, a subsidiary of tobacco company Altria Group, is looking to find a buyer for its lessor position (PFR, 6/25).
Rockland Capital	Victoria (290 MW Gas)	Victoria County, Texas	PJ Solomon	Rockland is selling the CCGT, which it acquired from ArcLight in 2016 (PFR, 3/12).
Sempra Energy	Portfolio (2.6 MW Wind, Solar)	U.S.		Sempra is selling its U.S. renewable assets (PFR, 7/2).
Siemens FS, other former creditors	Temple I (758 MW Gas)	Texas	Houlihan Lokey	A creditor group that took control of the CCGT plant earlier this year has begun to explore strategic options that could result in a sale (PFR, 5/7).
Starwood Energy Group	Northwest Ohio (105 MW Wind)	Paulding County, Ohio		CMS Energy Corp. is acquiring the facility through a subsidiary called CMS Enterprises (PFR, 7/2).

● 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 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
7X Energy	Lapetus Energy Centre (35 MW Solar)	Andrews County, Texas	CohnReznick (adviser)	Debt, Tax Equity	TBA		Brazos Electric Power Cooperative will purchase the output under the terms of the 20-year deal (PFR, 5/29).
Atlas Renewable Energy (Actis)	Naranjal, Litoral (75 MW Solar)	Salto, Uruguay	IDB Invest, AllianzGI	Senior Private Placement	\$97.3M	24-yr	The two projects have 30-year PPAs with Uruguayan state-owned utility Administración Nacional de Usinas y Trasmisiones Eléctricas (see story, page 2).
			IDB Invest, Unknown	Junior Notes	\$11M	15-yr	
Carlyle Group	Rhode Island State Energy Center (583 MW Gas)	Johnston, R.I.	Investec	Term Loan A	\$360M	7-yr	The private equity sponsor is refinancing the plant's existing term loan B into the bank market (PFR, 6/4).
Capital Dynamics	8point3 Portfolio (442 MW Solar)	U.S.	Allianz Global Investors	Private Placement	\$760M	26-yr	CapDyn's acquisition of 8point3 valued its equity at about \$977 million, while the yieldco's enterprise value was given as about \$1.7 billion (see story, page 1).
	8point3 Portfolio (193 MW Solar)	U.S.	TBA	Term Loan	TBA	TBA	
	8point3 Portfolio (38 MW Resi Solar)	U.S.	KeyBank, ING	Mini-perm	\$67M	7-yr	
ConEd Development	Wistaria (107 MW Solar)	Imperial County, Calif.	TBA	Debt, Tax Equity	TBA		The project has a 20-year PPA with Southern California Edison (PFR, 6/18).
EDF Renewable Energy	Copenhagen (79.9 MW Wind)	Lewis County, N.Y.	BAML	Tax Equity	TBA		The New York project has a 15-year PPA with The Narragansett Electric Co. while the Minnesota project has a 20-year PPA with Southern Minnesota Municipal Power Agency (see story, page 6).
	Stoneray Power Partners (100 MW Wind)	Pipestone and Murray counties, Minn.					
Enel Green Power Mexico	Portfolio (992 MW Solar)	Mexico	BBVA, Caixa, MUFG, Natixis	Debt (Commercial Tranche)	\$400M	17-yr	The commercial tranche is priced at 225bp over Libor, stepping up by 25bp every five years (PFR, 6/11).
			Bancomext, EIB, IDB	Debt (Multilateral Tranche)	\$250M	20-yr	
Enercon, EAB New Energy	Cerro Grande (50 MW Wind)	Uruguay	Santander, Caixa	Term Loan	\$70M	15-yr	The project has a 20-year PPA with UTE (see story, page 6).
FGE Power	Goodnight (500 MW Wind)	Armstrong County, Texas	Karbone	Tax Equity	TBA		The sponsor has already secured a cash equity commitment for the project from Fortistar (PFR, 5/29).
GE EFS	Shady Hills (573 MW Gas)	Pasco County, Fla.	TBA	TBA	TBA	TBA	GE EFS is aiming to have all the permits in place and reach financial close in December (PFR, 5/21).
Invenergy	Wind Catcher (2 GW Wind)	Oklahoma	MUFG	Debt	\$2B	TBA	Bankers say the sponsor has appointed banks and circled pricing (PFR, 6/25).
Invenergy Clean Power (Invenergy, AMP Capital)	Invenergy Thermal Operating I (2,680 MW Gas)	U.S.	Credit Suisse (left), Goldman Sachs	Term Loan B	\$350M	7-yr	Invenergy is adding a gas-fired project to the portfolio and eliminating second-lien debt as it refreshes the capital structure (PFR, 6/18).
				Revolving Credit Facility	\$65	5-yr	
Ironclad Energy Partners	RED-Rochester (125 MW Gas)	Rochester, N.Y.	TBA	TBA	TBA	TBA	The project has been funded entirely with equity, but Ironclad will look to recapitalize the project with debt this year (PFR, 5/21).
Lightsource BP	Johnson Corner (20 MW Solar)	Stanton County, Kan.	TBA	Debt, Tax Equity	TBA		Lightsource issued a teaser for the project earlier this year (PFR, 3/5).
Longroad Energy	Phoebe (250 MW Solar)	Winkler County, Texas	CIT Bank	Construction, Term Loan	\$292M	TBA	The project has a 12-year PPA with Shell. Longroad worked with CCA Group as financial adviser and has sold the project to Canada's Innergex (see story, page 1).
			Wells Fargo	Tax Equity	TBA		
Longview Power	Longview (700 MW Coal)	Maidsville, W.Va.	Houlihan Lokey (adviser)				Longview Power has hired Houlihan Lokey for a potential refinancing (PFR, 4/9).
Nautilus Solar Energy	Portfolio (13.3 MW)	Minnesota	1st Source Bank	Debt, Tax Equity	\$57M		The financing backs a community solar portfolio (PFR, 7/2).
NRG Energy	Canal 3 (333 MW Gas)	Sandwich, Mass.	Natixis	Debt	\$200M	C+7-yr	NRG Energy is selling the project to Stonepeak Infrastructure Partners. Price talk on the debt is L+275 bp (PFR, 5/14).
Southern Power (Southern Co.)	Portfolio (1.6 GW Wind)	Texas, Oklahoma, Maine	TBA	Tax Equity	-\$1B		The sponsor aims to raise tax equity on the portfolio by the end of the year (PFR, 6/4).
sPower	Portfolio (Approx. 730 MW Wind, Solar)	U.S.	Citi	Private Placement	TBA	TBA	The project owner and operator is lining up a debt private placement along similar lines to a transaction last year (PFR, 6/25).
Stonepeak Infrastructure Partners	Canal 1 & 2 (1,112 MW Gas)	Sandwich, Mass.	MUFG	Debt	\$325M	7-yr	The deal will finance the acquisition of the 50-year old peakers from GenOn Energy. Price talk is said to be L+300 bp (PFR, 5/14).
Taaleri Energia	Truscott-Gilliland East (277 MW Wind)	Knox County, Texas	NorthRenew Energy (adviser)	Debt, Tax Equity	\$350M		The Finnish developer is seeking debt and tax equity as it enters the U.S. market (PFR, 2/12).
Tortoise Energy Infrastructure Corp.	Portfolio (33 MW Distributed Solar)	New York state	KeyBank	Mini-perm	\$67.8M	7-yr	Tortoise acquired the portfolio from Kenyon Energy last summer (see story, page 5).

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Longroad Finances, Sells Texas Solar Project with Shell Offtake Contract

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reflecting Shell's role as a power marketer instead of a utility or end user.

Shell, which manages over 10.5 GW of generation across North America, bought energy marketer **MP2 Energy** last year.

While many wind projects in Texas have been financed on the basis of offtake contracts with commodity traders and energy firms, such deals have so far eluded solar developers.

"Until this year, on a cost basis, they couldn't get done," a renewables developer told *PFR* in January. "To me, it's a really interesting development. In my mind, by definition, if you can get a hedge in ERCOT, you are at market parity, because a hedge is the price for power" (*PFR*, 1/12).

CIT Group arranged a \$292 million construction-plus-term loan for the Phoebe project. Its buyer, Innergex, will provide the remaining \$105 million in the form of equity once the debt is drawn down.

The tenor and pricing of the term debt could not immediately be learned. CIT is one of 10 banks identified in **kWh Analytics'** Solar Landscape database as being prepared to give credit to merchant tails (*PFR*, 6/28).

Wells Fargo, meanwhile, provided a tax equity commitment as part of the financing, which closed on July 2.

While the size of Wells Fargo's investment could not be determined, the bank can expect \$6.4 million in annual cash distributions as well as the associated tax

benefits, according to an Innergex press release.

The project is due to begin commercial operations in July 2019.

First Solar is the project's panel supplier and has signed a five-year operations and maintenance agreement. The project is expected to have a capacity factor of 33.7%.

The Phoebe project is part of a 3 GW portfolio of development-stage solar assets across the U.S. that Longroad acquired from Austin-based developer **7X Energy** in January 2017 (*PFR*, 1/18/17).

Other projects in Longroad's Texas pipeline include the 220 MW Vera wind farm in Knox County, the 250 MW Prospero solar project in Andrews County and the 150 MW Bestla solar facility in Winkler County. ■

Sponsor Nets C&I Solar Portfolio Debt from KeyBanc Capital Markets

A sponsor sealed project finance debt from a commercial bank for a distributed solar portfolio in upstate New York last month, as lenders continue to seek opportunities outside the crowded utility-scale market.

KeyBanc Capital Markets provided a \$67.8 million, seven-year mini-perm for the 33 MW operating portfolio, which is owned by **Tortoise Energy Infrastructure Corp.**

Law firm **McGuireWoods** advised Keybanc on the deal, which was signed on June 8, while **Mayer Brown** advised the sponsor.

FAST FACT

\$9 million

Investment tax credits received by Tortoise Capital Advisors as a result of the asset acquisitions.

Tortoise—a **New York Stock Exchange**-listed closed-end fund managed by Kansas-based **Tortoise Capital Advisors**—acquired the projects from developer **Kenyon Energy** and its affiliate, **Sun Financial**, last August (*PFR*, 9/15/17).

The commercial and industrial facilities were all placed in service in late 2017 or early 2018. There was no project financing associated with the projects prior to the KeyBanc transaction.

The assets are located in upstate New York and contracted under long-term agreements through New York State's net-metering scheme.

The offtakers are municipality, university, school and hospital (MUSH) customers like the **Town of Ontario Waste Water Treatment Plant**, which uses generation from one 2.8 MW facility to offset its monthly bills.

The portfolio also includes the 3 MW Mohawk Valley Solar

farm in Rome and the 7.5 MW Solean East and West farms in Olean.

The purchase price paid by Tortoise for the portfolio and the leverage ratio of the subsequent financing could not be learned.

As of Nov. 30, 2017, Tortoise had committed \$35 million of equity funding to **Tortoise HoldCo II**, the vehicle it used to acquire the portfolio, according to a recent earnings report. By Feb. 28, Tortoise had received \$9 million in investment tax credits as a result of the deal.

A spokesperson at Tortoise in Leawood, Kan. declined to comment and officials at Keybanc in Cleveland did not respond to an inquiry.

The Tortoise fund originally focused on oil and gas, especially investments in master limited partnerships, but made a push into renewables in 2016, hiring three executives to lead its clean energy and infrastruc-

ture team in New York.

Jerry Polacek is managing director and group lead while **Matt Ordway** is a managing director and **Prashant Prakash** serves as director.

Lenders, meanwhile, are being pushed towards the C&I solar sector not just because utility-scale solar debt is so competitive but because the C&I sector is increasingly popular among financial equity investors.

Although due diligence on such assets is difficult and time consuming, the fact that many larger MUSH customers release audited financial statements and issue bonds makes their creditworthiness easier to assess.

Many hospitals and universities are unable to monetize the tax benefits that accrue from solar investments, creating a niche for equity owners like Tortoise that can use the tax credits. ■

PROJECT FINANCE

CapDyn Refis 8point3 Resi Solar Portfolio

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the first of which came online in June 2014.

The rooftop assets have offtake agreements with residential customers who had a minimum FICO score of 680 and an average score of 765 as of Nov. 30.

Under the terms of the contracts, homeowners make fixed monthly lease payments which escalate by 1% annually.

The power purchase agreements have a roughly 14-year average remaining life, several years shorter than the 18.4-year weighted average life of the entire 710 MW 8point3 portfolio.

CapDyn used the proceeds of the resi solar refinancing to pay down a portion of its \$1.1 billion acquisition bridge loan package arranged by MUFG.

Besides the residential solar assets, 8point3 owned 14 utility-, commercial- and industrial-scale solar projects.

Allianz Global Investors provided \$760 million in 26-year debt for 10 of the assets on June 22, allowing CapDyn to pay down a large chunk of the MUFG bridge loan (PFR, 6/25).

The 10 projects financed in the Allianz deal, some of which 8point3 only partially owned, are:

- the 300 MW Stateline project in San Bernardino County, Calif.,
- the 150 MW Solar Gen 2 project in Imperial County, Calif.,

- the 102 MW Henrietta project in San Luis Valley, Calif.,
- the 50 MW Hooper project in San Luis Valley, Colo.,
- the 40 MW Kingbird project in Kern County, Calif.,
- the 32 MW Lost Hills Blackwell project in Kern County, Calif.,
- the 22 MW Kern County School District project in Kern County, Calif.,
- the 13 MW UC Davis project in Solano County, Calif.,

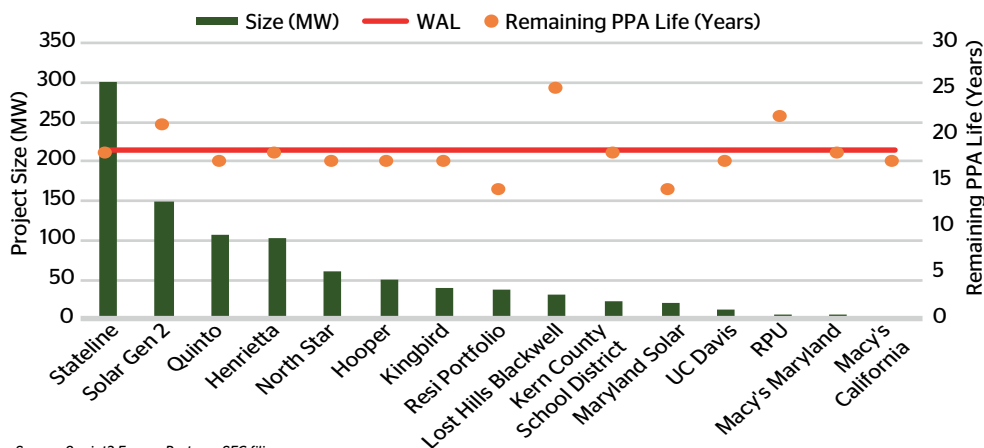
- the 7 MW RPU project in Riverside County, Calif., and
 - the 5 MW Macy's Maryland project in Maryland.
- Meanwhile, *PFR* understands that CapDyn has refinanced the other four larger-scale projects with a secured term loan. These assets are:
- the 108 MW Quinto project in Merced County, Calif.,
 - the 60 MW North Star project in Fresno County, Calif.,
 - the 20 MW Maryland Solar

project in Washington County, Md., and

- the 3 MW Macy's California project project in California.

CapDyn named **Commonwealth Bank of Australia**, KeyBank, **Natixis**, **Sabadell**, **Santander**, Rabobank, **Nomura** and **Barings** among the institutions that had provided commitments supporting the 8point3 acquisition, without specifying which loans they had participated in. ■

8point3 Energy Partners Solar Portfolio



Source: 8point3 Energy Partners SEC filings

EDF Readies Tax Equity Deal for Wind Project Pair

EDF Renewable Energy has lined up a tax equity commitment for two contracted wind projects—a 79.9 MW facility in upstate New York and a 100 MW project in Minnesota.

The New York project, called Copenhagen Wind Farm, is located near the village of Copenhagen, part of the town of Denmark, in Lewis County.

It has a 15-year power purchase agreement with **National Grid** subsidiary **The Narragansett Electric Co.**

The Minnesota project, dubbed Stoneray Power Partners, is located in Pipestone and Murray counties and has a 20-year PPA with the **Southern Minnesota Municipal Power Agency**.

Bank of America Merrill Lynch will buy the tax equity interests in the two projects through a company called **StoneHagen Holdings**, according to paperwork filed with the U.S. **Federal Energy Regulatory Commission** on June 26. ■

Sponsor Lands Commercial Bank Dollars for Uruguay Wind Farm

A subsidiary of German wind turbine maker **Enercon** has signed a \$70 million 15-year commercial bank term loan for its 50 MW Cerro Grande Wind Farm.

Ladaner, a subsidiary of the equipment manufacturer that was created specifically to develop and operate Cerro Grande, obtained the financing from **Santander** and **Caixabank**.

Joining Ladaner as project sponsor is compatriot investor **EAB New Energy**. The project is the second that Enercon and EAB have partnered on in Uruguay, the first being the 100 MW

Peralta wind project, which is split into two phases.

The Cerro Grande project has a 20-year power purchase agreement with Uruguay's national utility **Administración Nacional de Usinas y Trasmisiones Eléctricas** and is expected to come online this year.

The contract was awarded in Uruguay's 2011 wind auctions under decree 159/2011, which did not allow more than 50 MW to be allocated to any one bidder. The total investment for the project is pegged at more than \$120 million. ■

As California Charges Up Battery Storage, Bankers See Risks

As **Pacific Gas & Electric** requests regulatory approval for four battery storage projects in California and developers express interest in non-recourse debt, project finance bankers are weighing the risks.

PG&E awarded contracts to the projects, which total 576 MW, on June 29, following a request for proposals it had issued on Feb. 28.

The San Francisco-based utility received 29 offers with 100 variations, highlighting the strong interest in stand-alone storage among developers.

The four projects PG&E has selected are:

- **Dynegy Marketing and Trade's** 300 MW Vistra Moss Landing facility in Moss Landing, which will be contracted over a 20-year term;
- **esVolta's** 75 MW Hummingbird project in Morgan Hill, whose contract is for 15 years;
- **Micronoc's** 10 MW mNOC AERS project, which is an aggregation of distributed resources across the South Bay-Moss Landing sub-area, with a 10-year contract; and
- PG&E's own 182.5 MW Moss Landing project, which **Tesla** will build and operate for 20 years, in Monterey County.

All four projects will discharge over four hours.

At least one of the winning bidders, esVolta, is considering tapping the competitive bank debt market for non-recourse project finance.

"From a financing perspective, we are well capitalized by our financial partner, **Blue Sky Alternative Investments**, who has provided the bulk of capital for esVolta so far," says **Randy Mann**, president of esVolta. "Over time we may look to bring in non-recourse project finance to the optimize the capital structure—for this and other similar projects in our portfolio."

esVolta acquired a bundle of battery storage projects from **Powin Energy Corp** last year, including one in Ontario that was financed with non-recourse term debt provided by **Brookfield Asset Management** (PFR, 12/12/17).

FINANCED FOR THE VERY FIRST TIME

After **Macquarie Capital** was able to secure non-recourse debt from **CIT Bank** for a 50 MW solar-plus-storage portfolio (PFR, 3/27/17), non-recourse project finance deals for solar projects

with integrated battery storage have begun to pick up steam, but debt backing stand-alone storage assets has, so far, been rare.

Battery storage project finance deals have been likened to "sex in high school" by some market participants. "Everyone says they're doing it, but no one actually is," a deal watcher explains.

When sizing debt for solar-plus-storage projects, revenues from the storage component have often not been valued at all, although **MUFG** and **Mizuho** are said to have given "full credit" to cash flows from the 40 MWh battery component of **NextEra Energy Resources'** 20 MW Pinal solar facility in Arizona that they financed earlier this year (PFR, 5/23).

"Batteries only last 10 years, so if you have a 20-year PPA, you have to have an [operations and maintenance] contract—with a creditworthy counterparty—that will price in the replacement cost," a financier who has worked on battery storage deals tells PFR. "Tesla, for example, has had its credit downgraded multiple times, so valuing a technology guarantee from them is difficult."

Tesla's senior unsecured debt is rated Caa1 with a negative outlook by **Moody's Investors Service** and B- by **S&P Global Ratings**.

The degradation of battery performance over time is a major hurdle, while the variability in revenue structures across projects adds to the steep learning curve for bankers trying to size debt.

"There's no standard PPA—everyone is making it up as they go along," the banker says. "There's not going to be a cookie cutter model for at least a couple of years, until battery makers and sponsors realize which kinds of structures they're getting hosed by."

Despite these hurdles, experts predict that the storage market will double every year for the next several years, while the all-in system cost per kilowatt-hour of large storage facilities is decreasing by 15% year-on-year (PFR, 2/21).

"These energy storage battery projects can provide many valuable services to the grid, in some ways analogous to gas peakers or pumped-storage hydro plants," says Mann, "including reliable and very fast responding

peaking capacity, energy arbitrage and ancillary services."

TIMELINE

PG&E has requested the approval of the **California Public Utilities Commission** for the four latest projects within 90 days. **Merrimack Consulting** was the utility's independent evaluator for the RFP process.

If approved, the smallest of the projects, mNOC AERS, is expected to be online by Oct. 1 of next year, while the three larger facilities are due for delivery by Dec. 1, 2020.

Officials at **Vistra Energy** in Dallas declined to comment on its financing plans. The PG&E Moss Landing project will be rate-based.

Meanwhile, in other PPA news...

EDP Renewables North America has inked power purchase agreements with three commercial and industrial customers for 405 MW from two wind projects in **PJM Interconnection**.

Under the four 15-year contracts, the C&I off-takers will buy the output from one facility in Illinois and one in Indiana.

EDP did not disclose the identities of the off-takers and a spokesperson for the company in Houston declined even to name the projects.

However, PFR identified a pair of EDP wind projects in the PJM queue, one in Illinois and one in Indiana, with a combined capacity of about 405 MW.

EDP finalized an interconnection construction service agreement for the 205.2 MW Lexington Chenoa Wind Farm, also known as Bright Stalk, in McLean County, Ill., in October 2017.

The project is listed as "suspended" in the PJM queue, but the board of McLean County approved the project in March (Pantagraph, 3/20).

The developer's 200 MW Headwaters Wind Farm II project in Randolph County, Ind., meanwhile, has an executed ICSA that is pending acceptance for filing by the U.S. **Federal Energy Regulatory Commission**.

In response to an email asking whether the C&I contracts related to the Bright Stalk and Headwaters II projects, the EDP spokesperson declined to comment.

The contracted projects are expected to be online in 2019 and 2020, according to EDP. ■

● MERGERS & ACQUISITIONS

Auto Maker, Steel Producer, Utility Look to Sell Transmission Lines to ITC

ITC Transmission has agreed to acquire a bundle of transmission lines and related assets in Michigan that, for historical reasons, are owned by **Ford Motor Co.**, **AK Steel Corp.** and **CMS Energy Corp.**

The transmission assets are connected to the 752 MW Dearborn Industrial Generation gas-fired facility in Dearborn, Mich., which used to provide power to Ford's River Rouge factory and AK Steel's Dearborn Works, but is now owned by **CMS Enterprises**, which sells its output into **MISO**.

The gas-fired DIG facility comprises two combined cycle units and one simple cycle gas combustion unit and has been online since 2001.

Fortis subsidiary ITC will pay the three sellers about \$36.8 million for the transmission assets, according to paperwork filed with the U.S. **Federal Energy Regulatory Commission** on July 2.

The deal will eliminate the transmission

assets' peculiar ownership situation, which arises from the fact that they were behind-the-meter in 2003, when **Detroit Edison Co.** sold its transmission assets to ITC. As such, they were not owned by Detroit Edison

"The highly interconnected nature of these Assets with surrounding ITCT facilities has caused considerable confusion"

and not included in the transfer.

Since 2003, Ford and AK Steel have sold their interest in the DIG facility and are now supplied with electricity as retail customers of **DTE Energy Co.**, making their ownership of the transmission lines something of an anachronism.

"[T]he highly interconnected nature of these Assets with surrounding ITCT facilities has caused considerable confusion among the parties with respect to their respective obligations to perform maintenance on their respective facilities, as well as difficulty in coordinating physical access to perform such maintenance," reads the FERC filing. "These challenges will be resolved by placing all assets within ITCT control."

Ford and AK Steel hired valuation consultant **Duff and Phelps** to estimate the net book value of their portions of the assets ahead of the acquisition.

The purchase price represents a small portion of ITC's total transmission rate base. ITC owns, operates and maintains approximately 3,100 circuit miles of transmission line in southeast Michigan, serving a population of 5.1 million.

The transmission line transaction does not require state-level regulatory approval. ■

Private Equity Firm Looks to Sell Stake in Renewables Developer

◀ FROM PAGE 1

assets could not immediately be learned. The U.S. projects listed on its website have already been sold to third parties.

Operations at Element's U.S. office in Portland, Ore., have significantly dwindled in recent years, with no more than one employee, at most, said to be remaining.

Mentions of the Portland outpost, which in 2014 was mentioned alongside the company's London headquarters as one of its two "main offices" in press releases, have been removed from the company's website.

A spokesperson for Element Power in New York declined to comment. Representatives of Hudson in Teaneck, N.J., and

Evercore in New York did not respond to inquiries.

While the bulk of Element's assets are located in Europe, it still owns several projects in the Americas—two development-

stage wind projects in Panama totaling 300 MW, two development-stage wind projects in Chile totaling 184 MW and a 380 MW portfolio of operational Chilean solar assets.

Hudson recently called off the sale of its stake in **Eagle Creek Renewable Energy**, a hydro developer owning upwards of 200 MW throughout the U.S. (PFR, 6/22). ■

WEC Energy Snaps Up Another Invenergy Project

WEC Energy Group, on a wind buying spree, has agreed to acquire an 80% stake in a 132 MW **Invenergy** project in Illinois.

The sale of the Bishop Hill III wind project—valued at \$148 million, or \$1.40/W—comes weeks after the utility holding company sought regulatory approval for its acquisi-

tion, through an unregulated subsidiary, of 80% of Invenergy's 202.5 MW Upstream Wind Energy Center in Antelope County (PFR, 6/18).

Located in Henry County, Bishop Hill III has been online since May and has a 22-year power purchase agreement with **WPPI Energy**, a not-for-profit that provides power to

51 member utilities in Wisconsin, Michigan and Iowa.

One of Milwaukee-based WEC's regulated utilities, **Wisconsin Public Service Corp.**, has meanwhile sought regulatory approval to buy a minority stake in Invenergy's 300 MW Badger Hollow project in Iowa County, Wis. (PFR, 6/27). ■

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● MERGERS & ACQUISITIONS

Atlantic Power to Buy Stake in Seattle Hydro Project, Breaking Three-year External Growth Hiatus

Atlantic Power Corp. has agreed to acquire a 50% stake in a run-of-the-river hydro project in Washington state for \$11.8 million, becoming the project's sole owner and operator, in what will be its first external growth investment in three years.

The independent power producer signed the deal to acquire **Covanta's** stake in the Koma Kulshan hydro project, located on Mt. Baker, north of Seattle, Wash., on June 29.

Atlantic Power already held a 49.75% interest in the project through a partnership. In June, the company acquired the remaining 0.25% interest from the project's managing general partner, **Mt. Baker Corp.**, for \$1.1 million, eliminating future management fees.

Atlantic Power will also buy out Covanta's operation and maintenance (O&M) contract for \$300,000.

The transaction is expected to close in the third quarter of 2018.

The acquisition marks a significant milestone for Atlantic Power, as it is "the first external growth investment after a three-year business restructuring process," according to a statement by Atlantic Power president and ceo **James Moore Jr.**

A key component of the restructuring was the company's term loan B repricing activity last year. Market conditions were such that Atlantic Power was able to reprice the same loan twice, cutting the margin by a combined 150 basis points (PFR, 10/11).

Located on the slopes of Mt. Baker, the second most active volcano in the area after Mt. St. Helen, Koma Kulshan first came online in October 1990.

The value of the project assets is listed at

\$5.2 million and its liabilities at \$300,000 in Atlantic Power's 2017 annual report.

The project sells its output to **Puget Sound Energy** under a power purchase agreement expiring at the end of March 2037 and it has two FERC hydro licenses which expire at the same time.

The total consideration of approximately \$13.2 million, including the O&M contract buy-out and the Mt. Baker Corp. deal, represents 10 times Atlantic Power's estimate of the project's adjusted Ebitda, or roughly 11 times its estimate of pro forma cash distributions. There is no debt associated with the project.

Atlantic Power, whose portfolio comprises stakes in 23 projects across the U.S. and Canada representing 1.5 GW of capacity, intends to fund the acquisition from discretionary cash. ■

Xcel Closes Midwest Wind Project Purchase

Xcel Energy has completed its acquisition of a 200 MW wind project in Minnesota, its second wind acquisition in the Upper Midwest this year.

The project, called Blazing Star Wind, is located in Southwest Minnesota's Lincoln County, in the Buffalo Ridge region near the South Dakota border.

Xcel agreed to acquire the project along with a second 200 MW project called Blazing Star 2 from developer **Geronimo Energy** in 2016 (PFR, 10/27/16). They are Xcel's fifth and sixth wind project partnerships with the developer.

The two Blazing Star projects were among four that Xcel selected for purchase that year, along with **Invenenergy's** 200 MW Freeborn wind project in Freeborn County, Minn., and **NextEra Energy Resources'** 150 MW Foxtail wind project in Dickey County, N.D.

Xcel closed its acquisition of the

Foxtail project from NextEra in April.

The Blazing Star project's development is part of a larger trend of Midwest wind projects popping up near new and planned transmission Multi-Value Project (MVP) lines to make the most of the added transmission capacities. In the case of Blazing Star Wind, the launch of Minnesota's CapX2020 Brookings County-Hampton 345 kV transmission line in March 2015 was a significant factor that contributed towards its development.

The wind resource in the region was also a factor. "The Buffalo Ridge area boasts one of the strongest, most consistent wind resources in the world," said **Chris Clark**, president of Xcel Energy Minnesota, North Dakota, South Dakota, in a statement.

Golden Valley-based **Mortenson Construction** will begin

building the project in quarter three of this year.

Xcel already owns and operates three wind farms in Minnesota, namely Grand Meadow, Nobles and Pleasant Valley, as well as the Border and Courtenay wind farms in North Dakota, totaling 850 MW of wind capacity.

The utility currently manages over 2,600 MW of wind generation in the Upper Midwest. The addition of the Blazing Star Wind project to the company's wind portfolio will further its aim of adding 1,850 MW of wind energy in Minnesota, South Dakota, North Dakota and Iowa.

Meanwhile, Xcel Energy has also completed acquisitions of wind projects in the Texas Panhandle and New Mexico, adding to its nearly 1,600 MW of wind capacity in its Texas-New Mexico generation mix.

In May, Texas regulators approved the acquisition of the

478 MW Hale wind project, which will cost \$735 million to build, from NextEra. **Wanzek Construction** will begin building the Hale County site this month, with turbines due to be delivered in October and commercial operations starting in 2019.

As part of the deal, the utility will also enter into a 30-year power purchase agreement with NextEra's 230 MW Bonita wind project in Cochran County, Texas, which is expected to be online in 2019.

In New Mexico, regulators approved Xcel's purchase of the 552 MW Sagamore wind project in Roosevelt County, approximately 20 miles southeast of Portales, in March. Xcel acquired the project from Chicago-based Invenenergy. The wind farm is expected to be online in 2020.

The Hale and Sagamore projects will be fitted with **Vestas** turbines. ■

MERGERS & ACQUISITIONS ●

Investor Duo Swoops on Costa Rica Wind Farm

A pair of investors have bought an operational 21 MW wind project in Costa Rica from a local developer.

The consortium comprises **MPC Caribbean Clean Energy Fund**, the regional investment fund of Germany's **MPC Capital**, and Trinidad and Tobago's largest conglomerate **ANSA McAL**.

They acquired the Tilawind project for an undisclosed price from local firm **Gruman**

Resources.

Located in Guanacaste in northwest Costa Rica, it has been online since 2015 and has the potential to almost double in size to 40 MW.

The project was financed in 2014 with a \$40 million loan from the **World Bank** and did not have any further multilateral or bilateral support, according to the World Bank.

The buyers also did not reveal how the acquisition would be

financed, although **Andrew Sabga**, ceo of the **ANSA McAL** group, thanked the company's "lender **ANSA Merchant Bank Limited** for its continuous support throughout the process," in a statement.

MPC Renewable Energies, the renewables financing arm of MPC Capital, originated and structured the transaction, and will provide asset management services to both investors as part of the deal.

The Tilawind project is MPC Caribbean Clean Energy Fund's second investment, the first being a stake in the 51 MW Paradise Park solar project in Jamaica.

The Jamaican project, whose majority owner is France's **Neoen**, reached an agreement on a \$64 million financing package from French development bank **Proparco** and its Dutch counterpart **FMO** at the beginning of June. ■

NRG Tees Up Sale of Stakes in Pennsylvania Coal-fired Assets

NRG Energy has signed a deal to sell its minority stakes in two primarily coal-fired plants in Pennsylvania.

The assets NRG is selling are a 3.72% tenant-in-common stake in the 1,711 MW Conemaugh Generating Station plant in New Florence and a 3.7% tenant-in-common stake in the 1,711 MW Keystone Generating Station facility in Shelocta.

Bowfin KeyCon Power, an investment vehicle co-owned by **Olympus Power** and several private individuals, agreed to buy the interests in a deal signed on June 29, according to paperwork filed with the U.S. **Federal Energy Regulatory Commission**.

NRG's stakes in the facilities come with equivalent membership stakes in the two companies through which the plants buy

their fuels, **Conemaugh Fuels** and **Keystone Fuels**.

NRG and the buyers have asked FERC to approve the sale by Aug. 13 to allow the transaction to close "promptly thereafter", according to the filing.

Olympus already owns minority interests in the Conemaugh and Keystone plants through **Chief Conemaugh Power** and **Chief Keystone Power**.

These are subsidiaries of term loan B acquisition financing vehicle **Chief Power Finance**, which is owned by **ArcLight Capital Partners'** ArcLight Energy Partners Fund V (PFR, 12/5/14).

The portfolio performed better than expected in the fourth quarter of last year and the first quarter of this year, according to a May 8

report by **S&P Global Ratings**.

The unexpectedly robust cash flows stemmed largely from a colder-than-average winter, according to the rating agency's analysts, who noted that the company had built up a \$45 million war chest besides \$30 million available under its revolving credit facility.

Nevertheless, the projects face pressure "as a result of the overcapacity in PJM [Interconnection] and continued new entry of highly efficient combined cycle gas turbines," according to the report.

The \$351 million term loan B, due at the end of 2020, has B2 and B ratings from **Moody's Investors Service** and S&P.

S&P expects there to be about \$234 million to be outstanding under the loan by the time it needs to be refinanced. ■

POWERTWEETS ●

The New York Times @nytimes Jul 6
A \$50-a-night condo, a \$43,000 soundproof booth and a \$3.5 million security team: Scott Pruitt was facing 13 federal inquiries amid resigning from the EPA

Business N.C. @BusinessNC Jul 2
@DukeEnergy CEO Lynn Good was the highest-paid utility CEO in the U.S. last year; her total earnings of \$21.5 million were nearly \$3 million higher than her closest rival.



Robbie Orvis @robbieorvis Jul 3
In 2 business days, FERC has ruled that its role should be to mitigate state policy (PJM capacity repricing) and to support out of market compensation for gas facilities (ISO-NE Mystic filing). This is not a commission supportive of clean energy or free market principles

Edward Klump @edward_klump Jul 5
Some news for ERCOT watchers: Two small gas-fueled generating units were cleared to shift to seasonal operations. They'll still be around for summer months.

● STRATEGIES

Avangrid Adds to Green Revolver Momentum

The sustainability-linked loan pricing trend is gathering pace in the U.S., with renewables developer and utility holding company **Avangrid** becoming the latest corporation to agree to make the margin on its revolving credit facility dependent on environmental metrics.

BBVA, which has been heavily promoting the green loan product over the past 12 months, was sustainable agent and joint lead arranger on the \$2.5 billion five-year deal, which comes shortly after Michigan utility **CMS Energy** claimed the first sustainability-linked revolver in the U.S. last month (PFR, 6/11).

As with the CMS deal, the pricing on the Avangrid revolver is subject to a “sustainability adjustment” of five basis points in either direction, depending on whether the borrower exceeds or falls short of a set environmental target.

In the case of Avangrid, this target is a measurement of CO2 emissions

per kWh of energy, which will be independently verified by sustainability consultant **Vigeo Eiris**.

Adding a pricing adjuster to a revolving credit facility makes sense because the concept of calculating the margin on the basis of variables that can fluctuate, such as credit ratings, is well established.

Before the sustainability adjustment is applied to Avangrid’s revolver, the base margin is determined by its ratings from **Moody’s Investors Service** and **S&P Global Ratings**.

The company’s existing Baa1 and BBB+ ratings from the two agencies translate into a margin of 107.5 basis points over Libor. With its current credit ratings, Avangrid also pays an annual fee of 107.5 bp for the revolver.

JP Morgan (administrative agent), **MUFG** and **Santander** (co-documentation agents) and **Bank of America Merrill Lynch** (syndication agent) were joint lead arrangers on the credit facility alongside BBVA. ■

● ALTERNATING CURRENT

Greenpeace Flies Drone into French Nuke



Is it a bird? Is it a plane? No, it’s the superman-shaped drone that environmental group **Greenpeace** flew into a wall of **EDF**’s 3,580 MW Bugey nuclear facility on July 3.

The French utility said two unmanned aircraft had been flown over the facility near Lyon—one of which was intercepted by French police. The other crashed into the spent-fuel pool building.

The Greenpeace stunt was intended to highlight the vulnerability of spent-fuel buildings, which the activist group claims cannot adequately withstand external attacks or natural disasters.

It was not Greenpeace’s first attempt at exposing the alleged weakness of spent-fuel building confinement walls at a French nuclear plant. In October, eight activists broke into EDF’s 5,200 MW Cattenom plant near the border with Luxembourg.

The protesters launched fireworks over the plant before being detained, according to EDF officials.

In November, 22 Greenpeace activists were arrested by French police after breaking into EDF’s 3,824 MW Cruas-Meysses plant, near the town of Montélimar.

Spent-fuel pools were again the target. Four protesters set off flares after scaling a building containing pools used to cool highly radioactive spent fuel rods. ■

● MERGERS & ACQUISITIONS

Goldman Sachs Asset Management to Acquire C&I Solar Portfolio

Goldman Sachs Asset Management has emerged as the winning bidder in an auction for a portfolio of distributed solar projects in New England and the Mid-Atlantic.

GSAM will pay **Marina Energy**, the renewables development arm of New Jersey utility holding company **South Jersey Industries**, \$350 million in cash for the 204 MW portfolio, which comprises 76 projects spread across New Jersey, Maryland, Massachusetts and Vermont.

SJI had hired **Guggenheim Securities** earlier this year to run the sale process (PFR, 3/8). **Akin, Gump, Strauss, Hauer and Feld** is the seller’s legal adviser.

The portfolio includes 11 projects in New Jersey installed at municipal buildings, high schools, a community college, Heller Indus-

trial Park and **FexEx** and **Barry Plastics** locations.

Under the terms of the deal, Marina Energy will sell its entire portfolio of projects to GSAM but lease back some of them to preserve investment tax credits previously received.

The SJI subsidiary will also sell GSAM the solar renewable energy credits (SRECs) generated by the projects.

“SRECs will be generating a lot of the cash in the early days,” says a deal watcher who looked at the portfolio but did not participate in the auction. “We knew there would be heavy competition—Guggenheim solicited a lot of bids.”

An official at Guggenheim declined to comment and representatives of GSAM did not immediately respond to inquiries.

SJI will receive \$63 million of the purchase price next week, with the balance to be paid over several months as individual projects in the portfolio satisfy closing conditions. SJI expects that nearly all of the projects in the portfolio will meet their closing conditions by the end of the year.

“This transaction represents the latest chapter in our ongoing effort to transform our business by monetizing non-core, non-regulated businesses and increasing investments in regulated assets that provide highly-visible cash flows and earnings” said **Michael J. Renna**, president and CEO of SJI, in a statement.

Besides solar projects Marina Energy also owns a few thermal and combined-heat-and-power projects, which were not included in the sale. ■