

power finance & risk

The exclusive source for power financing and M&A news

www.iipower.com

A PUBLICATION OF INSTITUTIONAL INVESTOR, INC.

JULY 11, 2011

VOL. XIV, NO. 27

Project Finance Quarterly Recap

Be sure to check out *PFR*'s debut Quarterly Recap of project finance deals that have closed. It's exclusive data compiled from our Project Finance Deal Book.

See story, page 1

AIB To Offload U.S. PF Portfolio

Allied Irish Bank has retained a former HSH Nordbank financier to offload its U.S. portfolio.

See story, page 2

Project Finance

Fla. Biomass Deal Wraps	4
Lenders Mull EME Gas Deal	4
Quebec Wind Sponsors Tap Trio	4

Mergers & Acquisitions

GDF, Int'l Power Duo Lands B.C. Wind	4
Quantum Buys Noble Maine Wind	5
Cascade Weighs Optim Stake	5

People & Firms

Lloyds Scouts Senior Syndicator	5
---------------------------------	---

Corporate Strategies

S&P Forecasts Consolidation For PV	5
------------------------------------	---

Departments

Industry Current	6
Generation Sales Database	8
Project Finance Deal Chart	9

COPYRIGHT NOTICE: All materials contained in this publication are protected by United States copyright law and may not be reproduced, distributed, transmitted, displayed, published, broadcast, photocopied or duplicated in any way without the prior written consent of Institutional Investor. Copying or distributing this publication is in violation of the Federal Copyright Act (17 USC 101 et seq). Infringing Institutional Investor's copyright in this publication may result in criminal penalties as well as civil liability for substantial money damages. ISSN# 1529-6652

Project Finance Quarterly Recap

SECOND QUARTER DEAL VOLUME SURGES

Sixteen project finance deals closed in the second quarter, more than three times the number that closed in the first quarter, according to data compiled from *PFR*'s Project Finance Deal Book. More than \$6.7 billion in deals closed last quarter, compared to \$745 million in the first three months of this year.

The amount of debt raised in the second quarter alone represents roughly half of the \$13-14 billion raised in 2010, across almost 40 financings (*PFR*, 1/11).

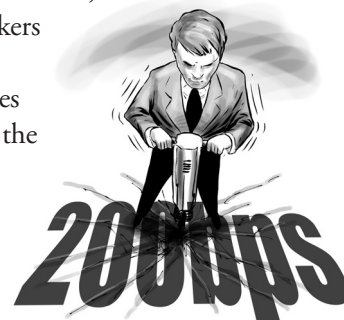
Financiers had anticipated a slightly heavier first quarter, given sponsor-imposed deadlines for several deals. But the glacial nature of project finance pushed several closings into the second quarter—and thereby has delayed other deals into the second

(continued on page 11)

SEMPRA, PEMEX SCOPE \$400M PIPELINE REFI

Sempra Energy affiliate Sempra Pipelines & Storage and Pemex, the Mexican state-owned oil company, are talking to bankers about a roughly \$400 million deal that will take out an existing credit supporting roughly 70 miles of gas pipelines in Tamaulipas, Mexico. The sponsors are aiming to wrap the deal in the fourth quarter.

The sponsors' pull among lenders and the absence of construction risk is buoying interest, bankers say, and pricing could break through the recent market low of 200 basis points over LIBOR. Pemex and Sempra "are



(continued on page 12)

ARES TARGETS BIG POWER DEBT INVESTMENTS



Paul Colatrella

The newly established power desk at Ares Management is looking to invest several hundred million a year across the debt spectrum in power assets, officials told *PFR* in an exclusive interview. The New York-based \$40 billion investment firm is aiming to complete its first transaction—a refinancing of a financial shop-owned thermal plant—by the end of the summer.

Ares has a \$15 billion private debt capital team that was active in areas outside of power before it hired Paul Colatrella from of EIG Global Energy Partners in June to build the power practice (*PFR*, 6/6). The new power crew is interested in senior to mezzanine debt and can lend at the project or corporate level. Ares is comfortable with partnering with other lenders or investing bilaterally.

(continued on page 12)

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

At Press Time

NextEra Snags Lion's Share Of Ontario Wind FITs

Subsidiaries of **NextEra Energy Resources** have garnered feed-in tariff contracts for 465 MW of wind across six projects in Ontario. The **Ontario Power Authority** awarded a little more than 1 GW of FIT contracts to a total of 25 wind and photovoltaic projects in the province on Monday.

The 20-year contracts with the OPA pay C\$13.5 cents (\$0.136) per kWh or C\$135 per MWh for wind generation. The 25 projects that won FIT contracts are required to be in operation in the next three years.

An official at **NextEra Energy Canada** in Burlington, Ontario, and a spokesman at NextEra's headquarters in Juno Beach, Fla., did not return calls. Plans for financing the projects, could not be learned.

Other sponsors that have garnered contracts include **International Power** and **Suncor Energy**. The projects will interconnect to the planned 111-mile, 500 kV Bruce-to-Milton transmission line in southeastern Ontario. The line is slated for operation in 2011.

AIB Taps Former HSH Banker To Offload Assets

Allied Irish Bank has reportedly tapped **Rohan Singh**, a former senior v.p. at **HSH Nordbank**, to help offload its more than \$100 million U.S. project finance portfolio.

The bank has decided to focus on domestic Irish efforts, with its government pumping in billions to help bail it out, says a person familiar with AIB's plans. AIB had been a small player in U.S. project finance, though it had been trying to ramp up investments last year (PFR, 9/24).

Whether AIB plans to keep participating in U.S. project finance deals via its New York office and the specific size and contents of its U.S. portfolio couldn't be learned. An AIB official in New York didn't return a call seeking comment, while a spokesman in Dublin declined to comment. Singh could not be reached.

AIB is among a host of European lenders including **Banco Espirito Santo**, **WestLB** and **Bank of Ireland**, that are looking to sell off assets in the wake of the 2008 financial collapse and the 2010 European debt crisis.

Singh, who headed HSH's energy investment banking in North America, joined alternative asset manager **Nereus Capital** as managing director in late 2009 (PFR, 12/8/09). He left Nereus last year, an official in Mumbai says, adding that shop is not involved in the portfolio sale.

10 Largest FIT Project Winners

Sponsor	Project	MW	Location
Boulevard Associates Canada (NextEra)	Jericho	150	Thedford
	Goshen	102	Dashwood
Grand Bend Wind	Grand Bend	100	Zurich
Suncor Energy Products	Cedar Point	100	Forest
International Power	Erieau	99	Chatham-Kent
	East Lake St. Clair	99	Wallaceburg
Bornish Wind (NextEra)	Bornish	73.5	Keyser
Boulevard Associates Canada (NextEra)	Bluewater	60	Zurich
Summerhaven (NextEra)	Adelaide	60	Kerwood
Grand Valley	Grand Valley	40	Grand Valley

Source: **Ontario Power Authority**

power finance & risk

The exclusive source for power financing and M&A news

EDITORIAL

STEVE MURRAY
Editor

TOM LAMONT
General Editor

PETER THOMPSON
Executive Editor [Chicago]
(773) 439-1090

SARA ROSNER
Managing Editor
(212) 224-3165

BRIAN ECKHOUSE
Senior Reporter
(212) 224-3624

HOLLY FLETCHER
Senior Reporter
(212) 224-3293

STANLEY WILSON
Washington Bureau Chief
(202) 393-0728

ANN O'DOWD
Intern

KIERON BLACK
Sketch Artist

PRODUCTION

DANY PEÑA
Director

DEBORAH ZAKEN
Manager

MELISSA ENSMINGER,
JAMES BAMBARA, DOUGLAS LEE
Associates

JENNY LO
Web Production & Design Director

ADVERTISING

PAT BERTUCCI
Associate Publisher
(212) 224-3890

ADRIENNE BILLS
Associate Publisher
(212) 224-3214

PUBLISHING

ALLISON ADAMS
Group Publisher

GAURI GOYAL
Business Director
(212) 224-3504

ANNA LEE
Marketing Director
(212) 224-3175

ISMAELA BEST
Senior Marketing Manager
(212) 224-3609

VINCENT YESENOSKY
Head of US Fulfillment
(212) 224-3057

DAVID SILVA
Senior Fulfillment Manager
(212) 224-3573

SUBSCRIPTIONS/ ELECTRONIC LICENSES

One year \$2,995 (in Canada add \$30 postage, others outside US add \$75)

KEN LERNER
Account Executive
(212) 224-3043

REPRINTS

DEWEY PALMIERI
Reprint & Permission Manager
(212) 224-3675
dpalmieri@institutionalinvestor.com

CORPORATE

JANE WILKINSON
Chief Executive Officer

STEVE KURTZ
Chief Operating Officer

Customer Service: PO Box 5016,
Brentwood, TN 37024-5016.
Tel: 1-800-715-9195. Fax: 1-615-377-0525
UK: 44 20 7779 8704
Hong Kong: 852 2842 6910
E-mail: customerservice@iinvestor.com

Editorial Offices: 225 Park Avenue
South, New York, NY 10003.
Tel: (773) 439-1090
Email: pthompson@iinvestor.com













Institutional Investor Hotline:
(212) 224-3570 and (1-800) 437-9997 or
hotline@institutionalinvestor.com

Power Finance & Risk is a general circulation newsweekly. No statement in this issue is to be construed as a recommendation to buy or sell securities or to provide investment advice.

Power Finance & Risk ©2011
Institutional Investor, Inc. ISSN# 1529-8652

Copying prohibited without the permission of the Publisher.

**Institutional
Investor NEWS**
INTELLIGENCE FIRST

<p>UAE March 2011</p>  <p>Shams Power Company PJSC</p> <p>USD 612,000,000 Project Financing</p> <p>Mandated Lead Arranger WestLB</p>	<p>US February 2011</p>  <p>Viento II Funding, Inc.</p> <p>USD 255,200,000 Financing of a 360MW wind farm portfolio consisting of three projects</p> <p>Joint Lead Arranger Sole Bookrunner WestLB</p>	<p>US December 2010</p>  <p>Caithness Shepherds Flat, LLC</p> <p>USD 1,426,189,402 Project Financing</p> <p>Joint Lead Arranger Joint Bookrunner WestLB</p>	<p>Chile December 2010</p>  <p>Hidroeléctrica San Andrés Ltda. Hidroeléctrica El Paso Ltda.</p> <p>USD 120,000,000 Project Financing for two 40MW hydroelectric run-of-river power plants in Chile</p> <p>Mandated Lead Arranger Bookrunner WestLB</p>
<p>Turkey November 2010</p>  <p>EnerjiSA Enerji Üretim A.Ş.</p> <p>EUR 1,000,000,000 Senior Debt Facilities</p> <p>Bookrunner Joint Lead Arranger WestLB</p>	<p>US September 2010</p>  <p>Bayonne Energy Center</p> <p>USD 422,000,000 Senior Secured Credit Facility</p> <p>Joint Bookrunner Joint Lead Arranger Syndication Agent WestLB</p>	<p>Egypt August 2010</p>  <p>Egyptian Refining Company الشركة المصرية للتكرير</p> <p>USD 2,350,000,000 Project Financing</p> <p>Mandated Lead Arranger WestLB</p>	<p>Canada June 2010</p>  <p>Helios Solar Star A-1, L.P.</p> <p>CAD 96,2000,000 Construction financing for 20MW PV generating facilities</p> <p>Joint Bookrunner Joint Lead Arranger WestLB</p>
<p>USA May 2010</p>  <p>Hudson Ranch Power I LLC</p> <p>USD 300,184,000 Senior Secured Credit Facilities</p> <p>Bookrunner Lead Arranger Co-Syndication Agent WestLB</p>	<p>Germany/Russia May 2010</p>  <p>Nord Stream</p> <p>EUR 3,884,000,000 Term Loan Facility</p> <p>Original Facilities Lender WestLB</p>	<p>Mexico April 2010</p>  <p>Rubicon Drilling</p> <p>USD 225,000,000 Senior Secured Term Loans</p> <p>Joint Bookrunner Mandated Lead Arranger WestLB</p>	<p>Australia March 2010</p>  <p>Collgar Wind Farm Pty Ltd</p> <p>AUD 478,000,000 206MW Collgar Wind Farm Project Finance Facilities</p> <p>Mandated Lead Arranger WestLB</p>

Priority No. 1: Successful Clients. WestLB Structured Finance.

To learn more about what we can do as your financial partner please contact:

Tom Murray, Global Head of Energy: +1 212 597-1146
 Susana Vivares, Co-Head of Energy EMEA: +44 20 7020-7761
 Jürgen Franke, Co-Head of Energy EMEA: +49 211 826-5227
 David Graham, Head of Energy APAC: +852 2842-0423

For more information on how we spurred our clients' success please visit:
www.deals.westlb.com



Project Finance

Six Lenders Wrap Fla. Biomass Financing

Bank of Tokyo-Mitsubishi UFJ, Crédit Agricole, ING, Natixis, Rabobank and Société Générale have wrapped a roughly \$500 million non-recourse financing backing American Renewables' 100 MW biomass project in Gainesville, Fla. The deal closed June 30.

The seven-year mini-perm has pricing that is in the ballpark of LIBOR plus 225 basis points (PFR, 5/20).

Energy Management Inc., an affiliate of American Renewables, Tyr Energy, BayCorp Holdings and Fagen Inc., the company constructing the plant, are providing an undisclosed amount of equity to the project. Chris Smith, managing director of EMI in New York who worked on the deal, couldn't be reached by press time. Bank and investor officials declined to comment or didn't return calls.

Gainesville Regional Utilities has a 30-year offtake agreement for the American Renewables project, which will be fueled by wood waste from harvested trees, landscaping contractors, lumber mills and transmission line and roadway clearance contractors. Construction is slated to begin this year, with completion targeted for 2014.

EMI is also developing the 420 MW Cape Wind project off the coast of Massachusetts (PFR, 6/24).

Lenders Circle EME Gas Deal

Intesa Sanpaolo, Société Générale and WestLB are in discussions to join a financing backing Edison Mission Energy's \$500-600 million, 500 MW simple-cycle plant in Southern California. Mitsubishi UFJ

Financial Group and Banco Santander are leading the deal.

Pricing is expected to start at LIBOR plus 225 basis points (PFR, 5/3). Financial close is expected this summer, financiers say. Kevin Zitar, senior v.p. at MUFG in Los Angeles, is working on the deal. The size and tenor of the financing couldn't be learned. An EME spokesperson didn't return a call by press time. Bank officials declined to comment or didn't return calls.

Southern California Edison has a 10-year power purchase agreement for the Walnut Creek plant in the City of Industry.



Trio Joins Quebec Wind Financing

Bank of Tokyo-Mitsubishi UFJ, Deutsche Bank and KfW IPEX-Bank are participating in a \$500-600 million club deal backing Boralex and Gaz Métro's roughly \$750 million, 272 MW farm in Seigneurie de Beauré, Quebec. Commerzbank, Mizuho Corporate Bank and Sumitomo Mitsui Banking Corp. are also considering joining the club of seven to nine lenders. BNP Paribas is the financial advisor to the sponsors.

Boralex and Gaz Métro are targeting non-recourse debt with a tenor of 18 to 20 years (PFR, 4/29). Guy Daoust, Boralex director of finance and treasury in Montreal, and Helene St-Pierre, Gaz Métro treasurer in Montreal, are overseeing the financing alongside Karsten Schmitz, a v.p. for BNP in New York.

Pricing and tenor couldn't be learned. Daoust and St-Pierre were unavailable for comment, while bank officials declined to comment or didn't return calls.

Hydro Québec has a 20-year offtake agreement for the farm, which is under construction and expected to be operational in 2013.

Mergers & Acquisitions

GDF, Int'l Power Combo Buy B.C. Wind

IPR-GDF Suez North America has bought out the remaining stake in the 99 MW Knob Hill wind project in British Columbia from Sea Breeze Power for \$12 million, a portion of which will be paid when the project is completed.

IPR-GDF is the combination of the North American units of International Power and GDF Suez, which merged last year. Under the agreement, Sea Breeze has the option to acquire a 10% stake in the farm and will receive a portion of the revenue through the 20-year life of the project's power purchase agreement with BC Hydro. International Power Canada, a unit of International Power, had taken a majority stake in the project last year (PFR, 7/29).

The project is expected to go into construction this summer and GDF will provide all of the equity for the project, which is being renamed Cape Scott. Sea Breeze is also developing a second phase of the project and GDF will have the right of first offer for that phase.

Whether the companies used advisors could not be learned. An official at Sea Breeze could not be immediately reached and a spokeswoman for GDF did not reply to an inquiry.

fast fact

► Kevin Zitar, senior v.p. at MUFG in Los Angeles, is working on the deal.

fast fact

► IPR-GDF is the combination of the North American units of International Power and GDF Suez, which merged last year.

Kellerman Shop Hooks Noble Maine Project

Quantum Utility Generation has purchased a 37.5 MW wind project in Maine from Noble Environmental Power. The independent power producer, headed up by Larry Kellerman, president and ceo, also picked up the rights to land for potential projects.

The Passadumkeag project has a power purchase agreement with Western Massachusetts Electric Co., says Sean O'Donnell, cfo at QUG in Houston. As part of the transaction, two developers working with the project will join QUQ.

O'Donnell declined to comment on details.

Cascade Evaluates Optim Stake

Cascade Investment is working with Evercore Partners to evaluate its stake in Optim Energy. Cascade, the investment vehicle for Microsoft mogul Bill Gates, is considering its options, including a restructuring or a sale, as co-owner PNM Resources looks to sell its stake (PFR, 5/17). Morgan Stanley is advising PNM.

Optim has debt facilities totaling \$717 million as of the end of the first quarter, according to a document filed in May with the U.S. Federal Energy Regulatory Commission. PNM and Cascade have a combined \$357.8 million of equity in the company. A credit facility, including a revolver and letters of credit, matures in May 2012.

Kirkland, Wash.-based Cascade has a guarantee on Optim's financial obligations, meaning that Cascade is obligated to pay off Optim's debt if the company fails to do so, according to a banker. PNM has no commitment or guarantee, according to the filing. Cascade also has a first lien position on Optim's assets.

Optim Energy owns:

- 600 MW Altura cogeneration plant in Channelview, Texas, that has an agreement to sell steam, but not power, to Lyondell Chemical Co.;
- 305 MW Twin Oaks lignite-fired merchant plant in Bremond, Texas; and
- 275 MW Cedar Bayou 4 natural gas-fired merchant plant in Chambers County, Texas. NRG Energy owns half of this facility.

Whether Cascade decides to sell its stake or restructure the debt will likely hinge on how much of the debt a sale would feasibly cover, says a banker in New York. Transactions in ERCOT have fetched lower purchase prices than other regions recently. Energy Capital Partners agreed to pay PSEG Power \$335 per kW for the 1 GW Odessa combined cycle plant in Odessa, Texas (PFR, 6/28) while Wayzata Investment Partners paid \$352 per kW for PSEG's 1 GW CCGT Guadalupe facility (PFR, 1/18).

Calls to officials at Cascade were not returned and an Evercore spokesman declined to comment.

People & Firms

Lloyds Scouts Syndicator

Lloyds TSB Bank is looking to hire a senior syndicator.

The bank recently tapped Craig Meisner, formerly Commerzbank's head of debt capital markets, as its head of loan markets (PFR, 6/2). Whether the new syndicator will report to Meisner couldn't be learned. A Lloyds spokeswoman in London declined to comment. Meisner could not be reached.

Lloyds is participating in an \$844.5 million financing backing Calpine Corp.'s 619 MW Russell City combined-cycle plant in Hayward, Calif. (PFR, 6/27), and co-led a \$311.5 million refinancing supporting NextEra Energy Resources' 507 MW Blythe Energy Center in Blythe, Calif. (PFR, 12/21).

Corporate Strategies

S&P: PV Panel Glut, Lower Prices To Spur Consolidation



Swami
Venkataraman

Consolidation in the solar photovoltaic panel manufacturer industry is positioned to pick up over the next 18 months as a glut of panels coupled with an influx of cheaper Chinese panels puts pressure on manufacturers to further reduce panel prices, according to a Standard & Poor's report.

Companies looking for a strategic entry to the solar market—think Total's acquisition of a majority stake in SunPower—could account for a lot of the activity, says Swami Venkataraman in San Francisco, analyst at S&P and author of the report. "It will be all kinds of forces driving industry consolidation, not just one manufacturer buying another," he says. Some companies with high cost plants could shut down as other less-expensive manufacturers reach bankability.

Panel costs stabilized in the last half of 2010, but have been falling so far this year as the overcapacity of panels has grown, Venkataraman says. The industry could see another two to three years before capacity is on par with demand, meaning panel prices could keep dropping for the foreseeable future.

Panel manufacturers have been gradually shifting toward the U.S. as European policies are reduced. The U.S. had 900 MW of PV, including rooftop installations, brought online last year, a 104% increase over 2009, according to the report.

The oversupply of panels could also continue to spur downstream acquisitions as manufacturers look for ways to put panels in the ground. Chinese manufacturers GCL Solar, Trina Solar, Yingli Solar have been looking at project acquisitions as a way to grow their presences in the U.S. and get panels off the shelves (PFR, 6/28 & 4/1).



INDUSTRY CURRENT

Renewables and Clean Tech Face Challenges in Washington



Chris Groobey

This week's Industry Current is written by Chris Groobey, partner at Wilson, Sonsini, Goodrich & Rosati in Washington, D.C.

The renewable energy and clean technology industries have suffered a challenging few weeks in Washington, D.C., and the near-term outlook on the budgetary and legislative

fronts similarly does not look promising.

Renewable energy has enjoyed a long run in Washington. Aside from the occasional (and predictable) lapse in tax credits every few years, the industry has benefitted from steadily increasing streams of grant money, tax credits and benefits, demand-side support and, most recently, loan guarantees.

These trends have continued generally without regard to which party was in the White House or controlled Congress and even through previous periods of split power. It is hard to remember a State of the Union address where some aspect of renewable energy and clean technology has not had a prominent mention. Campaign events and photo-ops are frequently held at clean technology manufacturing facilities, with supportive politicians taking credit for new jobs and broad economic benefits.

Indeed, it might even be said that the industry has become complacent about its place in the hearts and minds of politicians.

This year is different. Critical programs are ending, budgets are being slashed and long-time subsidies and supports are being challenged. Efforts to drive "national" energy policies and "green" banks are struggling at best. And yet, it seems as though few people in our industries are noticing and taking action—and many of those that are taking action are relying on methods and strategies that have worked in the past but are not recalibrated to the present.

Following are a few examples of what has been happening over the past few weeks:

There has been increasing negative press coverage of the U.S. **Department Of Energy** loan guarantee program, based largely on old news. This at a time when the program is supporting literally billions of dollars of transactions each week in an effort to spend wisely its Stimulus Act funds before they expire on Sept. 30. Despite a small amount of additional funding awarded to the program earlier this year, Congress has turned increasingly hostile to the program. President **Obama's** more than \$1 billion budget request for FY12 has been reduced by 90% in the latest drafts of legislation being negotiated in Congress. While some

may argue that more established renewable energy technologies are once again able to source financing from the private markets, new technologies continue to rely on federally guaranteed loans. The loss of the loan guaranty program will be a blow to the clean technology community—but little is being heard in Washington that counteracts the negative storylines currently being circulated.

Similarly, various U.S. **Department of Agriculture** grant and guarantee programs for energy projects, previously sacrosanct, are also in danger of termination or radical defunding. The USDA has a long history of supporting energy projects, is eager to do more and has the programs already in place to do so. But, as with DOE, requested budget amounts are being slashed, leaving the renewable energy industry with no federal entity with significant resources to support projects with guaranteed debt.

Corn-based ethanol tax credits are under attack even as Congress recently rejected curbs on subsidies to the oil and gas industries. Regardless of how one feels about corn-based ethanol, this is a stark example of how traditional energy sources are well-organized and well-funded in Washington, whereas the renewable energy industry lacks a clear, unified message around which the entire industry can rally and demonstrate its true overall economic benefit to the country.

The renewable energy and clean technology industries are increasingly being politicized in connection with current election cycle. The industries are seen as pet projects of the Democratic White House, which motivates Republican appropriators in the House to target them for political reasons. This indicates two failings by the industries. First, we have failed to wrap our industries in the bi-partisan messages of energy security, economic growth and job creation. Second, we have failed to bring that message directly to Republican legislators, many of whom express willingness to support our industries but have not been approached by us.

What, then, are our industries to do to ensure continued support and survival?

First, we need to recalibrate our message and coalesce around a common set of talking points. Why can't we all say off the top of our heads the number of jobs created by our industries over the past few years? Why can't we compare the relative support of our industries to the support received by traditional energy sources, so that the audience realizes that (a) all energy sources are subsidized and (b) our industries are a relative bargain? Why aren't we all more familiar with the fascinating new energy technologies being developed that, when you first hear of them, no matter what your political persuasion, you know they are going to change the country and world for the better? In the end,

our industries are too fragmented and diffuse and it's time to pool resources and define a communications strategy that, finally, gets the message across and counteracts misinformation.

Second, we need to think more broadly as to with whom to engage in discussions about the importance of our industries to the economic health and recovery of our country. We need to continue to support our long-time friends while expending additional time and resources to make new friends. This means becoming wiser to the ways of Washington and recognizing that new people need to be added to the overall team due to their relationships and expertise. Many of the new guard in Washington are eager to learn about our industry and how best to support it, but few people in our industry have made the effort to reach out and start the education process. In the end we need to disassociate our industries from politics and hot-button issues and instead focus on the core issues of jobs, innovation, restoration of the manufacturing base and economic recovery.

Third, we need to understand that money talks and that business concerns can trump political preferences. Campaign donations need to be made, fundraisers attended and coalitions started. Each of us must stop waiting for the other guy to engage with Washington so that we can ride their coattails; this will require time, money and perseverance from all of us, working together. Most importantly, it will require time spent in Washington, meeting in-person with elected representatives from both sides of the aisle.

Fourth, we need to narrow our legislative wish list, be realistic and be guided by current political and fiscal reality.

Do we still need the investment tax credit grant if the tax equity market has rebounded, even if not to previous levels? If the DOE loan guarantee program sunsets, is there a private-sector alternative that preserves the benefits of the guaranty but utilizes private money and decision processes? Is it time generally to shift more support to newer technologies as established technologies mature to the point where they can compete on their own without subsidies? Our industries would benefit from some creative thinking about how best to structure what is available to us in the new reality, rather than just continuing to ask for the same old programs for which support has been waning for some time.

Fifth, and most importantly, all of this needs to be done *now*. Legislation is being negotiated and decisions are being made currently and over the next few weeks that will affect our industries for years to come. At the risk of sounding trite, the saying "if you are not at the table, you are on the menu" is likely more true now than it ever has been for our industries. It is truly time to engage, to educate, to cajole and, if needed, to fight.

In the end, the renewable energy and clean technology industries have become increasingly dependent on Washington for their health and survival. Many of us have ignored that fact for years and enjoyed the past few years of largesse without thinking ahead to what comes next. But 2011 will be remembered as the year that the ground shifted beneath us and the question for us is whether we will keep our balance and rebuild in an even stronger foundation on the new landscape.

Industry Current is a feature written by industry professionals that highlights and clarifies key issues in the power sector. *Power Finance & Risk* runs the feature periodically and is now accepting submissions from industry professionals for the Industry Current section. For details and guidelines on writing an Industry Current, please call **Sara Rosner** at (212) 224-3165 or email srosner@iinews.com.

TRIAL ORDER FORM

www.iipower.com

☐ **YES!** Please begin my no-risk free trial to **Power Finance & Risk** today!

NAME B400101

TITLE FIRM

ADDRESS

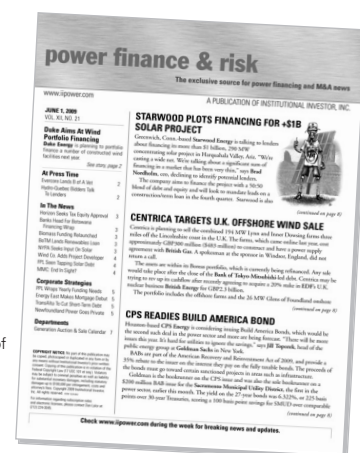
CITY/STATE POSTAL CODE/ZIP COUNTRY

TEL FAX E-MAIL

The information you provide will be safeguarded by the Euromoney Institutional Investor PLC group, whose subsidiaries may use it to keep you informed of relevant products and services. We occasionally allow reputable companies outside the Euromoney Group to mail details of products which may be of interest to you. As an international group, we may transfer your data on a global basis for the purposes indicated above.

- () Please tick if you object to contact by telephone.
() Please tick if you object to contact by fax.

- () Please tick if you object to contact by email.
() Please tick if you do not want us to share your information with other reputable businesses.



Tel: 1-212-224-3043
Fax: 1-615-377-0525
Email: customerservice@iinews.com

Mail: Institutional Investor News
P.O. Box 5016, Brentwood
TN 37024-5016

**Institutional
Investor NEWS**
INTELLIGENCE FIRST

Generation Auction & Sale Calendar

Generation Sale ■ DATABASE

Following is a directory of ongoing generation asset sales. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report new auctions or changes in the status of a sale, please call **Holly Fletcher** at (212) 224-3293 or e-mail hfletcher@iinews.com.

Seller	Assets	Location	Advisor	Status/Comments
AES	Cayuga (306 MW Coal) Greenidge (105 MW Coal) Somerset (675 MW Coal) Westover (83 MW Coal) Huntington (904 MW) Huntington CCGT	Lansing, N.Y. Dresden, N.Y. Barker, N.Y. Binghamton, N.Y. Huntington, Calif.	Barclays Capital TBA	Two bidders emerge as frontrunners (PFR, 4/11). AES will lease two of the units from Edison Mission Energy under a new sale leaseback agreement so EME can transfer the permit allowances upon the plant's retirement (PFR, 3/25).
Brookfield Infrastructure Partners	Cross Sound Cable (24-mile Transmission)	N.Y., Conn.	Rothschild	Potential buyers are receiving CIMs right now (PFR, 5/2).
Calpine	Mankato (375 MW CCGT) Broad River (847 MW Simple cycle)	Mankato, Minn Gaffney, S.C.	Barclays Capital	First round bids are due mid-July (PFR, 7/4).
City Water & Light	Stake (550 MW Nelson coal-fired steam)	Westlake, La.	TBA	A unit of Entergy is buying the portion it has a PPA with (PFR, 5/23).
Compass Wind	Spion Kop (40 MW Wind)	Judith Basin County, Mont.	TBA	NorthWestern Energy is planning to put the project into its ratebase (PFR, 6/13).
Duke Energy Ohio	Vermillion (640 MW Simple Cycle)	Cayuga, Ind.	TBA	Wabash Valley Power Association and Duke Energy Indiana are buying out DEO's 75% stake (PFR, 7/4).
Entegra Power Group	Gila River (340 MW unit in 2.2 GW CCGT)	Phoenix, Ariz.	Barclays Capital	Wayzata emerges from go-shop as buyer (PFR, 6/13).
First Wind	Various (Wind)	Maine, New York	Credit Suisse Macquarie Capital	Emera and Algonquin are teaming up on a joint venture (PFR, 5/9).
Gamesa Energy USA	Chestnut Flats (38 MW Wind)	Cambria County, Pa.	None	Has lined up a buyer that will bring a PPA for the merchant project (PFR, 5/2).
GDF Suez Energy North America	Hot Spring (746 MW CCGT) Choctaw (746 MW CCGT)	Malvern, Ark. Ackerman, Miss.	UBS	UBS is releasing CIMs to interested parties (PFR, 5/15).
Greengate Power Corp.	Halkirk (150 MW Wind)	Alberta, Canada	No advisor	Capital Power has bought it for \$33 million (PFR, 6.27).
Navasota Energy Partners	L'Energia (80 MW CCGT)	Lowell, Mass.	TBA	EDF Trading North America has agreed to buy the plant (PFR, 5/30).
NextEra Energy Resources	Blythe (507 MW Combined-cycle) Calhoun (668 MW Peaker) Doswell (708 MW CCGT & 171 MW Peaker) Cherokee, (98 MW CCGT) RiseC (550 MW CCGT)	Blythe, Calif. Eastaboga, Ala. Ashland, Va. Gaffney, S.C. Johnston, R.I.	Credit Suisse, Citigroup	Teasers went out this week (PFR, 5/9).
NRG Solar	Various (stake in 881 MW solar pipeline)	Various	Credit Suisse	NRG is looking for a minority owner for its solar subsidiary (PFR, 5/9).
PSEG Power	Odessa (1 GW CCGT)	Odessa, Texas	Goldman Sachs	Energy Capital Partners has agreed to purchase it for \$335 million (PFR, 7/4).
PNM Resources Cascade Investment	Stake in Optim Energy Altura (600 MW Cogen) Twin Oaks (305 MW lignite-fired) Cedar Bayou 4 (275 MW natural gas-fired)	Texas Channelview, Texas Bremond, Texas Chambers County, Texas	Morgan Stanley Evercore Partners	Teasers are out as Cascade Investments considers exiting (PFR, 5/23). Cascade is considering its options, including restructuring and a sale of its stake (see story, page 5).
Raser Technologies	Thermo 1 (14 MW Geothermal) Lightning Dock (15 MW Geothermal development)	Thermo, Utah Hidalgo County, N.M.	Bodington & Co.	A pair of investors have come forward as stalking horse (PFR, 5/20).
Recurrent Energy	Bagdad (15 MW PV) Ajo 1 (5 MW PV) Sunset Reservoir (5 MW PV) Cranbury (7.5 MW Distributed PV) Kaiser Permanente (15 MW Distributed PV)	Bagdad, Ariz. Ajo, Ariz. San Francisco, Calif. Cranbury, N.J. California	Credit Suisse	Indicative bids came in April 6 (PFR, 4/11)
Sea Breeze Power Corp.	Knob Hill (99 MW Wind)	Vancouver, B.C.	TBA	IPR - GDF Suez is buying out Sea Breeze's remaining stake (see story, page 4).
Strategic Value Partners, JPMorgan, Cargill	Liberty Electric Power (586 MW CCGT)	Eddystone, Pa.	JPMorgan	Teasers have gone out and buyers are receiving CIMs (PFR, 5/2).
Synergics	Roth Rock (40 MW Wind)	Oakland, Md.	TBA	Gestamp Wind North America has agreed to buy the project and has lined up a tax equity investor (PFR, 5/2).

Shaded items indicate latest entries.

Project Finance Deal Book

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

Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
Abengoa Solar	Mojave (250 MW Solar Thermal)	San Bernardino County, Calif.	FFB	TBA	\$1.2B	TBA	DOE offers conditional FFB loan (PFR, 6/20).
American Renewables	Gainesville (100 MW Biomass)	Gainesville, Fla.	BoTM, Crédit Agricole, ING, Natixis, Rabo, SocGen	TBA	\$500M	TBA	Deal wraps (see story, page 4).
Boralex, Gaz Métro	Unidentified (272 MW Wind)	Seigneurie de Beupré, Quebec	BoTM, DB, KfW	TBA	\$500-600M	18-20-yr	BoTM, DB and KfW join financing (see story, page 4).
Brookfield Renewable Power	Granite Reliable (99 MW Wind)	Coos County, N.H.	WestLB, Citi	TBA	TBA	TBA	DOE offers conditional loan guarantee (PFR, 7/4).
Brookfield Renewable Power, Coram Energy	Unknown (102 MW Wind)	Tehachapi, Calif.	BoTM, Mizuho, SMBC	TBA	TBA	TBA	Deal wraps (PFR, 6/20).
Calpine Corp.	Russell City (600 MW Combined-Cycle)	Hayward, Calif.	ING, Union Bank	TBA	\$844.5M	10-yr	Deal closes (PFR, 7/4).
Cheniere Energy	Unidentified (Export LNH Facility)	Sabine Pass, La.	TBA	TBA	\$2.24B	TBA	Sponsor eyes \$2.4B financing by year-end (PFR, 6/13).
Competitive Power Ventures	Sentinel (850 MW Gas)	Riverside County, Calif.	BoTM	TBA	\$800M	10-yr	Deal wraps oversubscribed (PFR, 6/6).
DKRW Advanced Fuels	Unidentified (Coal Liquefaction)	Medicine Bow, Wyo.	TBA	TBA	TBA	TBA	Sponsor taps Citi to advise on the \$1B+ financing (PFR, 6/13).
Edison Mission Energy	Walnut Creek (500 MW Gas)	City of Industry, Calif.	MUFG, Santander	TBA	TBA	TBA	Intesa, SocGen and WestLB mull participation (see story, page 4).
Enova Energy Group	Plainfield (37.5 MW Biomass) Unidentified (20 MW PV)	Plainfield, Conn. Southern Nevada	TBA John Hancock	TBA TBA	TBA TBA	TBA TBA	Sponsor scouts financing (PFR, 6/20). Fotowatio snags conditional DOE loan guarantee (PFR, 6/13).
EverPower	Allegheny (72.5 MW Wind) Twin Ridges (150 MW Wind)	Cattaraugus County, N.Y. Somerset County, Pa.	TBA TBA	TBA TBA	TBA TBA	TBA TBA	EverPower hunts 20% debt for merchant farm (PFR, 6/27). EverPower hunts 20% debt for merchant farm (PFR, 6/27).
First Solar	Desert Sunlight (550 MW Solar PV)	Desert Center, Calif.	Goldman Sachs	TBA	TBA	TBA	Goldman Sachs as lender-applicant for DOE loan guarantee (PFR, 7/4).
LS Power	Cross Texas (230 Miles Transmission)	Texas	BNP, Citi, Crédit Agricole and MUFG	TBA	TBA	TBA	LS Power prices loan at roughly 200 bps over LIBOR (PFR, 6/6).
NextEra Energy Resources	Genesis (250 MW Solar Thermal)	Blythe, Calif.	Credit Suisse	TBA	\$1B+	TBA	DOE offers conditional loan guarantee (PFR, 6/20).
NRG	El Segundo (550 MW Gas) Roadrunner (20 MW Solar PV)	El Segundo, Calif. Santa Teresa, N.M.	Crédit Agricole, Mizuho, RBS MUFG	TBA TBA	\$683M TBA	TBA TBA	NRG tags three to lead deal (PFR, 6/13). Sponsor lands financing (PFR, 6/6).
Ormat Technologies	Various (121 MW Geothermal)	Nevada	John Hancock	TBA	\$350M	TBA	DOE offers conditional \$280M loan guarantee (PFR, 6/20).
Recurrent Energy	Unidentified (60 MW Solar PV)	Calif.	TBA	TBA	TBA	TBA	Recurrent hunts financing supporting at least 60 MW of solar PV (PFR, 6/20).
Sempra Pipelines, Pemex	Various (Gas Pipeline)	Mexico	TBA	Refi	\$400M	TBA	Sponsors seek to lever existing pipelines for new development (see story, page 1).
Sempra Generation	Mesquite I (150 MW Solar PV)	Maricopa County, Ariz	FFB	TBA	\$359.1M	TBA	DOE offers conditional loan guarantee, to be funded by FFB (PFR, 6/27).
Sharyland Utilities	CREZ (300 Miles Transmission)	West Texas	RBC, RBS, SocGen	TBA	TBA	TBA	Deal wraps (PFR, 7/4).
Starwood Energy	Unidentified (10 MW Solar)	Sault Ste. Marie, Ontario	NordLB	TBA	\$40M	TBA	Starwood wraps financing (PFR, 6/27).
Terra-Gen Power	Alta Phases 6 and 8 (300 MW Wind)	Tehachapi, Calif.	Crédit Agricole, MUFG	Mini-Perm	\$631M	C+ 7-yr	Deal wraps (PFR, 6/6).

Shaded items indicate latest entries.

News In Brief

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

Americas

- **AEP Ohio**, a subsidiary of **American Electric Power**, and **Turning Point Solar** are developing a 49.9 MW solar facility in Noble County, Ohio. **Isofoton** of Spain will supply the equipment for the plant (*Energy Business Review*, 7/7).
- Renewable energy investment increased 32% to \$211 billion during 2010, according to a report released by the U.N. Environment Program. Developing nations developed the majority of renewable projects for the first time (*ABC News*, 7/7).
- **ENN Mojave**, a subsidiary of **ENN Group**, is looking to construct a 720 MW solar photovoltaic project that will be built in two 360 MW stages in Clark County, Nevada. **Richard Bryan**, a former U.S. Senator and Nevada governor, is representing ENN on the project (*Recharge*, 7/6).
- **Duke Energy Corp.** has purchased the 131 MW Cimarron II wind project in Gray County, Kan. from **CPV Renewable Energy**. The 20-year power purchase agreement is in place with **Kansas City Power & Light** and the utility also plans to buy all renewable energy credits generated by the project (*Reuters*, 7/6).
- **BP Wind Energy** has inked two power purchase agreements for its 105 MW Mehoopany wind farm in Wyoming County, Pa. with **Old Dominion Electric Cooperative** and **Southern Maryland Electric Cooperative** for 75 MW and 30 MW, respectively. Construction will begin in late 2011 and operation is slated for next year (*reNews America*, 7/6).
- **Entergy** has engaged **Areva DZ** to upgrade its 11 nuclear units in the U.S. under a five-year agreement. **Cliff Eubanks**, Entergy vice president of project management, says the upgrades are part of ensuring safe and reliable operations (*World Nuclear News*, 7/4).
- **Xcel Energy** has inked a 20-year power purchase agreement for **Geronimo Wind Energy's** 200 MW, Prairie Rose Wind Farm near Luverne, Minn. The agreement is part of Xcel's efforts to meet the state requirement of 25% of its generation coming from wind by 2020 (*Star Tribune*, 7/1).
- The U.S. **Federal Register** will extend a two-year claim that leaves 677,000 acres of land across the U.S. open for possible solar development while shielding it from mining attempts. The

U.S. Bureau of Land Management will evaluate which areas are best for solar projects (*Brighter Energy News*, 6/30).

- **First Wind** has signed a 30-year power purchase agreement with **Avista** to provide up to 100 MW from its proposed Palouse wind farm in Whitman County, Wash. The 30-year PPA will meet the state's criteria for Avista's renewable energy requirements (*North American Wind Power*, 6/30).

Europe

- **Siemens** is hunting financing for two planned 50 MW, \$434 million solar thermal projects in Spain (*Bloomberg*, 7/6).
- The U.K. parliament has voted against a scheme to tighten carbon emission levels another 10% to 30% by 2020. The vote is non-binding and legislators will continue to debate the scheme (*The Guardian*, 7/5).
- **Siemens** will supply equipment to **UTE Termosolar Olivenza's** 50 MW solar project in Olivenza, Spain. The project is slated for operation by 2012 and will power around 50,000 homes (*PV Magazine*, 7/4).
- **Siemens Energy** has inked an equipment contract with **Statkraft SCA Vind** to supply up to 253 turbines for its onshore wind farms in Sweden. The total generating capacity of the project is more than 580 MW (*Energy Business Review*, 7/1).
- Russia has announced it may supply nuclear generation to Germany, the Baltic States and Poland in the wake of Germany's plan to phase out the resource. Russia is developing at least 28 nuclear plants in the next 20 years (*Reuters*, 7/1).

Asia

- Japan will conduct safety tests, modeled after the U.K.'s procedures, on its nuclear plants in an effort to pacify fears of opening inactive reactors. Only 19 plants out of 54 are operating, exposing the country to potential power shortages (*The New York Times*, 7/6).
- **Alstom**, in a consortium with the **Hindustan Construction Co.**, has bagged a \$412 million contract from **Tehri Hydro Development Corp.** to create a 1 GW hydro pumped-storage facility in Uttarakhand, India (*Industrial Fuels and Power*, 7/1).

SECOND QUARTER

(continued from page 1)

half of 2011. A bevy of financings supporting gas-fired and solar projects in California and the first of several transmission deals in Texas propelled deal flow in the second quarter.

Multiple deals inked in the second quarter also drew huge

bank groups, pointing to larger annual lender budgets and a lessening fear of risk.

—*Brian Eckhouse*

The Project Finance Quarterly Recap is a new feature. Please direct comments and feedback to Senior Reporter Brian Eckhouse via phone at (212) 224-3624 or e-mail at beckhouse@iinews.com.

Project Finance Deals Wrap Sheet

*The following power project finance deals closed between Jan 1 and June 30. The accuracy and completeness of our data, which are derived from many sources, are deemed reliable but cannot be guaranteed. To report updates or provide additional information on closed deals, please call Senior Reporter **Brian Eckhouse** at (212) 224-3624 or e-mail beckhouse@iinews.com.*

Q1 2011

Sponsor	Project	Location	Lead(s)	Loan	Amount	Tenor
AES	Mountain View IV (149 MW Wind)	Palm Springs, Calif.	MUFG	TBA	\$82M	17-yr
Edison Mission Energy	Various (362 MW Wind)	Neb., N.M., Texas	WestLB	Refi	\$260M	10-yr
GE EFS, Exergy Development Group	Various (183 MW Wind)	Idaho	BoTM	TBA	\$60M	15-18-yr
LS Power, NV Energy	One Nevada Transmission Line	Nevada	Federal Financing Bank	Federal	\$343M	TBA
NextEra Energy Resources	Baldwin (102.4 MW Wind)	Burleigh County, N.D.	Barclays	Private Placement	TBA	TBA

Q2 2011

Sponsor	Project	Location	Lead(s)	Loan	Amount	Tenor
American Renewables	Gainesville (100 MW Biomass)	Gainesville, Fla.	BoTM, Crédit Agricole, ING, Natixis, Rabo, SocGen	Mini-Perm	\$500M	7-yr
BrightSource Energy	Various (1.3 GW Solar)	Southern California	Federal Financing Bank	Federal	\$1.6B	TBA
Brookfield Renewable Power, Coram Energy	Unknown (102 MW Wind)	Tehachapi, Calif.	BoTM, Mizuho, SMBC	TBA	\$209M	TBA
Calpine Corp.	Russell City (600 MW Combined-Cycle)	Hayward, Calif.	ING, Union Bank	TBA	\$844.5M	10-yr
Competitive Power Ventures	Sentinel (850 MW Gas)	Riverside County, Calif.	BoTM	TBA	\$800M	10-yr
enXco	Lakefield (201 MW Wind)	Jackson County, Minn.	Dexia, SocGen	TBA	\$422M	TBA
Fotowatio Renewable Ventures	Unidentified (30 MW PV)	Webberville, Texas	BayernLB	TBA	TBA	TBA
Holt Logistics	Unidentified (9 MW Rooftop Solar)	Gloucester City, N.J.	Rabo	TBA	\$42M	TBA
Hudson Transmission Partners	Hudson Transmission (8 Miles Transmission)	Ridgefield, N.J.-New York	RBS, SocGen	TBA	\$700M	TBA
Invenery	Le Plateau (138 MW Wind)	Quebec	Natixis, RBC	TBA	\$259M	TBA
LS Power	Various (Gas)	Illinois, Connecticut	GE EFS	Refi	\$73M	TBA
NRG	Roadrunner (20 MW Solar PV)	Santa Teresa, N.M.	MUFG	TBA	TBA	TBA
Sharyland Utilities	CREZ (300 Miles Transmission)	West Texas	RBC, RBS, SocGen	TBA	\$400-500M	TBA
Starwood Energy	Unidentified (10 MW Solar)	Sault Ste. Marie, Ontario	NordLB	TBA	\$40M	TBA
Terra-Gen Power	Alta Phases 6 and 8 (300 MW Wind)	Tehachapi, Calif.	Crédit Agricole, MUFG	Mini-Perm	\$631M	C+ 7-yr
Wind Capital Group	Lost Creek (150 MW Wind)	DeKalb County, Mo.	BayernLB, MUFG, NordLB, Rabo, Santander	Refi	\$240M+	TBA

PRINT IT OUT. DOWNLOAD IT. YOUR CHOICE.

Subscribers can access their copy of **Power Finance & Risk** on Friday afternoons at www.iipower.com.

To set up your subscriber password, contact customerservice@iinews.com or call (800) 715-9195 between 8:00 a.m. and 6 p.m.

ARES TARGETS

(continued from page 1)

The New York-based team is looking to work with companies ranging from entrepreneurial types to large public entities and financial shops. It will look at thermal and renewable projects across the board, including landfill gas-to-energy and geothermal. "We will do anything across the technology spectrum," says **Brian O'Connor**, managing director, noting that coal-fired isn't off the table, but the group will be mindful of the coming regulation changes. It's also willing to take some construction risk.



Brian O'Connor

Several opportunities have already come to the table in the last month since the team was formed, says Colatrella, managing director. He declined to comment on specifics of the first transaction.

The team is open to lending to companies with merchant projects or projects with merchant tails, depending on the rate of return and placement in the debt structure, says Colatrella. Ares plans to pursue other refinancings and work with private equity shops on financing new acquisitions.

O'Connor and **Michael Roth**, both previously at EIG, recently joined Ares.

—Holly Fletcher

SEMPRA, PEMEX

(continued from page 1)

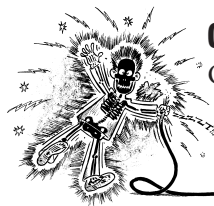
so overbanked right now that they might be able to pierce 200 bps; 175 bps is possible," a senior financier in New York says. **BBVA, Citigroup, Dexia Crédit Local, Fortis, Natixis** and **NordLB** were among the participants in a \$116 million financing inked in 2002 supporting the pipelines. It initially priced at 187.5 basis points over LIBOR but has stepped up to 262.5 bps. The financing is due to mature in 2013.

Banco Santander, BBVA, BNP Paribas, Citigroup, Crédit Agricole, Natixis and **NordLB** are among the lenders looking to lead the financing, says the senior financier, who anticipates eight lenders submitting proposals. At least one lender is planning to propose a full underwriting for the deal, as opposed to a best efforts arrangement. The financing is expected to have a tenor of 10 years; whether it will be a mini-perm or an amortizing deal has yet to be decided.

"We like doing deals in Mexico," says a senior originator at a European bank. "The country has a very stable legal framework." **Standard & Poor's** rates the nation BBB.

Pemex and Sempra are leveraging up the pipelines in an effort to boost equity to deploy in future greenfield lines developed

Alternating Current

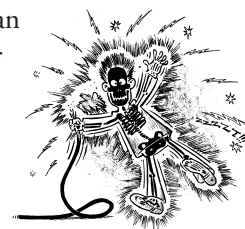


GDF Suez Goes To The Zoo

GDF Suez is going to be making some Sumatran Orangutans and lowland gorillas very happy over the next two years as the utility has agreed to supply renewable generation to the Philadelphia Zoo.

GDF will also offset 25% of the electricity consumed by America's first zoo by donating renewable energy credits. The RECs will displace roughly 3,195,990 pounds of carbon dioxide per year, which is equivalent to taking 314 cars off the road.

The zoo was established in 1859 but didn't open until 1874 because of delays stemming from the American Civil War. It houses more than 1,300 animals across 42 acres. Whether GDF-Suez, or the zoo, engaged any of the primates in negotiations for the agreement could not be learned. Spokespeople in Houston and Philadelphia did not return calls.



through their joint venture, **Gasoductos de Chihuahua**, says **Victor Dominguez Cuellar**, Pemex deputy director of pipelines in Mexico. Pemex and Sempra are looking at two prospective pipeline projects, including one in the state of Chihuahua.

The existing gas lines have transportation supply agreements for at least the next few years, the financier says. Specific terms of those agreements couldn't be learned. A Sempra spokesman didn't return a call. Bank officials declined to comment or didn't return calls.

—Brian Eckhouse

Quote Of The Week

"We will do anything across the technology spectrum." — **Brian O'Connor**, managing director of **Ares Management's** newly established power team in New York, on making several hundred millions of dollars of investment in the power sector (see story, page 1).

One Year Ago In Power Finance & Risk

Hudson Clean Energy Partners looked to sell **Recurrent Energy**, its San Francisco-based solar portfolio company. [**Sharp Corp.**, the Japanese electronics giant, bought Recurrent in September from Hudson, which was advised by **Morgan Stanley** (PFR, 9/21). More consolidation is expected for solar manufacturers (see story, page 5).]