

power finance & risk

The exclusive source for power financing and M&A news

www.iipower.com

A PUBLICATION OF INSTITUTIONAL INVESTOR, INC.

JULY 12, 2010

VOL. XIII, NO. 27

Bill Spells Liquidity Boost For IPPs

Power producers that hedge may be looking for more liquidity pending the passage of derivatives legislation in the financial reform bill.

See story, page 2

Solar Co.'s Back Manufacturers

Solar shops are supporting a proposed extension to manufacturing tax credits that could lead to lower project costs.

See story, page 2

In The News

Sumitomo Joins BP Club	4
Internat'l Power Snags Wind Portfolio	4
Banks Scout Decker Biomass	4
Horizon Scores Tax Equity Deal	4
Macquarie Wraps Solar Deal	4
Texas Co-Op Buys Debut Farm	5
Banks Circle ArcLight Peaker Deal	5
Deere Tipped As Portfolio Sale	5
ArcLight, SGR Pitch Low Fees	6

Corporate Strategies

Duke Sub Pays Down Debt	6
-------------------------	---

Departments

News In Brief	6
Project Finance Deal Chart	7

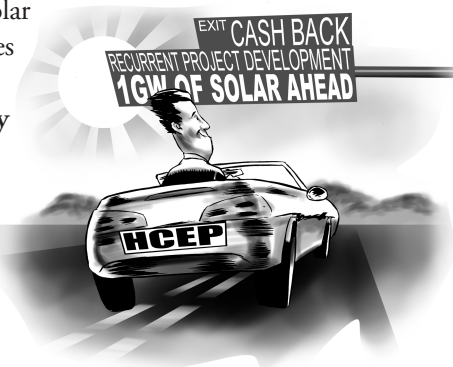
COPYRIGHT NOTICE: No part of this publication may be copied, photocopied or duplicated in any form or by any means without Institutional Investor's prior written consent. Copying of this publication is in violation of the Federal Copyright Law (17 USC 101 et seq.). Violators may be subject to criminal penalties as well as liability for substantial monetary damages, including statutory damages up to \$100,000 per infringement, costs and attorney's fees. Copyright 2010 Institutional Investor, Inc. All rights reserved. ISSN# 1529-6852

HUDSON PUTS SOLAR SHOP ON THE BLOCK

Hudson Clean Energy Partners is looking to sell its solar portfolio company Recurrent Energy. The move comes as panel manufacturers have shown an appetite for acquiring development shops. Advisor Morgan Stanley sent teasers out last week.

First Solar, MEMC Electronic Materials and SunPower have purchased development companies in the last nine months. Many manufacturers are looking to deploy a backlog of panels that had built up after the financial crisis, when project development

(continued on page 8)



SOLAR SHOPS TARGET \$800M IN PROJECT FUNDS

Solar developers Axio Power and SolarGen USA have launched separate campaigns to garner up to \$400 million each in debt and equity financing for portfolios of solar photovoltaic in California and Ontario, respectively. The moves fit with banker predictions of a wave of solar PV financings by year-end. One banker likens the anticipated explosion of utility-scale solar PV projects to the mainstreaming of wind farms three years ago.

San Juan Capistrano, Calif.-based Axio is talking to bankers about financing a \$360-400 million, 90 MW portfolio in Ontario as early as the fourth quarter. Littleton, Colo.-based SolarGen seeks about \$400 million in debt and equity financing for five, 20 MW photovoltaic projects in the Central Valley of California—five of which would be financed this year. The company aims to build about 100 MW of projects annually over four years.

Axio's portfolio of nine 10 MW projects have 20-year offtake agreements with the

(continued on page 8)

Tough Sell?

MIRANT, RRI PLOT MERGER FINANCING

Mirant and RRI Energy are planning to finance their merger into GenOn Energy through a \$1.4 billion bond offering and a \$500 million term loan, but the deal is expected to encounter resistance from investors. Uncertainty in the B loan market and pending regulation that could impact GenOn's predominantly coal, oil and gas-fired 24.7 GW fleet present a challenging landscape for the company, industry officials say.

JPMorgan is advising Mirant; Goldman Sachs and Morgan Stanley are advising RRI. The companies need to secure financing within the next few months to finalize the merger by Dec. 31. The parties can walk away from the merger if it is not finalized by then. A timeline for the bond offering and term loan could not be learned by press time.

Dealwatchers point to NRG Energy stumbling over lender pushback while trying to

(continued on page 8)

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



At Press Time

Reform Bill May Up IPP Liquidity Needs

Generators hedging power could be looking for bigger, or more, credit facilities under a proposed derivative provision in the Dodd-Frank Wall Street Reform and Consumer Protection Act. Unless there's a provision that excludes end-users or certain industries, power producers that hedge will have increased liquidity needs to meet the new required amounts of collateral, says **Swami Venkataraman**, analyst with **Standard & Poor's** in San Francisco.

Right now, the companies have the freedom to determine collateral agreements with counterparties. The possibility is that regulators will be given the authority to institute a required collateral, that could—in the worst case scenario—be a dollar-for-dollar collateral on an exchange, analysts and lawyers say. The act, which is part of the financial reform bill, is before the Senate after clearing the House of Representatives last month. The bill could be passed as early as next week.

Solar Players Push Tax Credit Extension

Abengoa Solar, **SunEdison**, **SunPower** and other developers are lobbying Congress to back President **Barack Obama's** \$5 billion request to extend a tax credit for new or expanded renewables manufacturing plants. Solar advocates argue it would boost supply, applying additional downward pressure to the cost of modules and thus projects themselves.

"It certainly does help developers bid lower prices and win more projects—and therefore have more projects," says **Fred Morse**, Abengoa's senior advisor for U.S. operations in Washington, D.C. A consulting firm hired by the **Solar Energy Industries Association** found that 10,000 MW of solar would be built in the U.S. if the tax credit and the U.S. **Department of Treasury's** cash grant are extended.

The tax credit will help mirror company **Rio Glass** build a manufacturing factory in Surprise, Ariz., that will supply glass for multiple Abengoa projects, including its 280 MW plant in Gila Bend, Ariz. The U.S. **Department of Energy** awarded the Gila Bend plant a \$1.45 billion loan guarantee in early July.

Lower supply costs generally mean better terms can be offered to offtakers, because supplies often account for much of construction costs (PFR, 6/18).

The DOE awarded 183 contracts to eligible renewables manufacturers in January, totaling about \$2.3 billion in tax credits—the amount allowed under Section 48C of the American Recovery and Reinvestment Act of 2009. The Advanced Energy Manufacturing Tax Credit was thrice oversubscribed, says **Keith Martin**, a partner with **Chadbourne & Parke** in Washington, D.C.

The SEIA has found little resistance to Obama's request, a spokeswoman notes, but like the cash grant under ARRA that's due to expire at year-end, it's unclear which Congressional bill would incorporate it—and when it would be voted on.

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

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

ISMAELA BEST
Senior Marketing Manager
(212) 224-3609

LAURA PAGLIARO
Marketing Manager
(212) 224-3896

VINCENT YESENOSKY
Senior Operations Manager
(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

GARY MUELLER
Chairman & CEO

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 ©2010
Institutional Investor, Inc. ISSN# 1529-6652

Copying prohibited without the permission of the Publisher.

**Institutional
Investor NEWS**
INTELLIGENCE FIRST



Generate true power in structured financing. Use our energy.

We accelerate your projects. Channel our award-winning passion and energy expertise into global growth opportunities.

Pioneer new ways to finance power, oil & gas, and renewable energy.

You can rely on us to energize your deal.

For more information on how WestLB can help your business, please contact:

Europe, Middle East and Africa, + 44 20 7020-7210, + 49 211 826-4296

The Americas, + 1 212 852-6120

Asia Pacific, + 65 6333-2330

www.westlb.com/energy



Sumitomo Picks Up Slack In BP Deal

Sumitomo Mitsui has joined a club deal backing BP Alternative Energy and Ridgeline Energy's \$260 million, 124.5 MW Goshen II wind farm, after Commerzbank and Helaba dropped out of the deal before financing closed in late May. Mitsubishi UFJ Financial Group assumed the two lenders' commitments and then split its contribution with Sumitomo, creating four equal partners. Caja Madrid and Mizuho are the other lenders. The bank finalized its commitment late last month.

Pricing starts at 275 basis points over LIBOR, a deal watcher says, and the loan has a tenor of 12 to 15 years. Spokesmen at Ridgeline and BP and bankers at Mitsubishi, Mizuho, Caja Madrid, Commerzbank, Helaba and Sumitomo couldn't be reached for comment at press time. The reason behind Commerzbank and Helaba's decision to drop out of the deal could not be learned.

BP and Ridgeline entered into an offtake agreement with Southern California Edison in April for the project east of Idaho Falls, Idaho (PFR, 6/15).

Internat'l Power Enters U.S. Wind Mart

London-based International Power is breaking into the U.S. wind arena with its purchase of a roughly 1 GW portfolio of wind projects in Texas and Illinois from developer Element Markets. The companies announced the deal July 6. The purchase price of the portfolio of mid-stage development projects could not be learned. Neither of the companies used a financial advisor for the transaction.

International Power has been looking to gain a foothold in the U.S. for some time, says Kelly Tomblin, v.p. of corporate strategy for IP in New York, declining to elaborate. The company broke into the Canadian wind market with its purchase of wind developer AIM PowerGen and its 1.3 GW of projects from Renewable Energy Generation (PFR, 9/30/09). Element Markets ultimately decided to sell the portfolio to IP due to its success in furthering development of those projects in Canada, says Randy Lack, founder and chief marketing officer of Element Markets in Houston.

IP will consider all avenues of financing, including debt project finance, for the portfolio, Tomblin says. She declined to comment on finance specifics. Some of the projects are expected to be construction-ready by next year.

Element Markets will transfer three of its wind development personnel to IP, Lack notes, adding that the company is considering whether it will be looking to refill the posts. He declined to identify the people moving over to IP or elaborate on their transition.

Bank Meeting Set For Decker Sub Biomass

A group of banks are meeting to discuss debt financing for a \$110 million, 55 MW waste-fired plant in Ben Hill, Ga. being developed by Decker Energy International subsidiary Fitzgerald Renewable Energy. The meeting is set to take place early this week in Atlanta, Ga., a project financier says.

Macauley Whiting, president of Decker in Winter Park, Fla., did not return a call. The identity of potential lenders and deal details such as structure, tenor and pricing could not be learned by press time.

The project has a long-term PPA with a consortium of rural electric cooperatives and will garner most of its fuel from vendors within 50 miles of the plant. Construction is expected to start this year and the plant is slated for operation in 2012.

Horizon Inks Wells Fargo Tax Equity

Horizon Wind Energy has secured a tax equity deal in which a Wells Fargo subsidiary took an equity position in a trio of wind farms with a combined capacity of 604 MW. Wells Fargo Wind Holdings now holds 28.14% of the 103 MW Arlington project in Gillam County, Ore.; 201 MW Cloud County project in Cloud County, Kan.; and the 300 MW Pioneer Prairie project in Howard and Mitchell Counties, Iowa.

The transaction wrapped June 25, according to a document filed Thursday with the U.S. Federal Energy Regulatory Commission. The amount of investment could not be learned. Calls to a Horizon Wells Fargo officials were not returned.

JPM Capital Corp., New York Life Insurance Co., New York Life Insurance and Annuity Corp., and Aircraft Services Corp., hold the remaining tax equity stakes (PFR, 5/28).

Lenders Wrap Macquarie Solar Deal

Caixanova, Dexia Crédit Local and WestLB have wrapped CAD95 million (US\$90 million) in financing backing a 20 MW photovoltaic plant in Amherstburg, Ontario. The facility is being developed by a subsidiary of Macquarie Power & Infrastructure Income Fund. The deal wrapped late last week.

The structure is a mini-perm and pricing is 312.5 basis points over LIBOR. "Pricing is slightly ahead of wind deals... but from our perspective we are just as comfortable with solar as we are with wind," says Tom Murray, managing director and global head of energy at WestLB, adding that wind deals have been pricing in the range of 275 bps over LIBOR. Macquarie will fund the remaining project costs with equity. Peter Kind, senior managing director at Macquarie Capital in New York, directed a call to a spokeswoman and officials at Caixanova and Dexia did

not return calls.

The **Ontario Power Authority** will buy all of the plant's generation at a fixed price of CAD420 (\$400) per MWh. The plant is slated for operation next year.

Texas Co-Op Lassos Debut Wind Farm

Golden Spread Electric Cooperative has agreed to buy its first wind project—a 78.2 MW project from **Cielo Wind Power**. The 16 members of Amarillo, Texas-based Golden Spread have already approved the co-op to enter into contracts for up to 80 MW of wind power so the acquisition will not have many hurdles to jump, according to documents filed Thursday with the **U.S. Federal Energy Regulatory Commission**. The transaction is expected to close in mid-August.

Golden Spread plans to balance the wind intermittency with a 170 MW Antelope Station natural gas-fired project that will be online within a few months of the Wildorado II's scheduled online date in 2011. The wind project straddles Oldham, Randall and Potter counties in Texas. There is no existing PPA in place.

Neither the purchase price nor whether either party used an advisor could be immediately learned. A call to Golden Spread officials in Amarillo and an email to Cielo officials in Austin were not returned before press time.

Banks Scope ArcLight Peaker Loan

A dozen project finance banks have expressed interest in taking \$50-75 million tickets in a \$370 million debt package backing **ArcLight Capital Partners'** 512 MW gas-fired peaker in Bayonne, N.J., a deal watcher says. **Crédit Agricole** and **WestLB** are leading the deal for the project developed by ArcLight-backed company **Pure Energy Resources**. **Hess Corp.** is a partner and also has a 15-year offtake contract with the plant.

BNP Paribas was rumored to be interested in the deal (PFR, 10/16). Other ArcLight relationship banks include **Barclays Capital**, **Citigroup**, **Credit Suisse** and **UBS**. Bank officials did not return calls by press time.

Crédit Agricole and **WestLB** sent out teasers late last month (PFR, 6/29). The facility has a tenor of six years plus construction, bankers say, with a coupon of 300-350 basis points over LIBOR. A banker at **Crédit Agricole** did not return a call and a **WestLB** official declined to comment.

A call to **Dan Revers**, managing director of ArcLight in Boston, was directed to a spokeswoman who did not respond by press time. **Paul Barnett**, managing director at **Pure Energy** in Burlington, Mass., also couldn't be reached for comment.

Deere Sale Tipped As Portfolio, Not Piecemeal

Second round bids for **John Deere Renewables** will likely encompass the whole portfolio instead of pieces, bankers say. Parent **Deere & Co.** expects offers to hit around \$1 billion, bankers say, noting final bids are due at the end of next week. **Goldman Sachs** is running the auction.

Companies who initially bid for the whole portfolio include **Energy Capital Partners**, **Exelon** and **NextEra Energy Resources**, bankers note. **Exelon** is working with **Barclays Capital** and **NextEra** is working with **Marathon Capital** (PFR, 5/28). The initial round garnered about four bids, with **Eurus Energy America** bidding only on assets and projects in the Pacific Northwest and Michigan, a deal watcher says. It's unlikely that Deere will sell the unit in pieces, industry officials say. The number of companies shortlisted from the first round and their identities could not be learned.

The John Deere Renewables portfolio is comprised of 735 MW of operational wind farms, a small development team and a 1.4 GW development pipeline, including stakes in wood-fired biomass projects. Deere put the portfolio on the block in February.

There's been a lot of chatter about the possibility that **Enbridge**, a Calgary-based energy distribution company that is increasing its renewables footprint, was in the running, industry officials note. One banker familiar with Enbridge says that its recent purchase of a \$500 million, 250 MW Cedar Point wind project from **RES Americas** "has kept it busy" and that it did not bid. An Enbridge spokeswoman says the company is interested in making additional solar and wind acquisitions in the U.S. and Canada but declined to comment on whether it bid for the John Deere portfolio.

A Goldman Sachs spokeswoman and Deere spokesman did not return a call nor did officials at **Energy Capital Partners** and **Eurus**.

iipower.com

**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.

ArcLight Storage Deal Draws Pricing Whine

Pricing on a \$365 million loan backing **SGR Holdings** and **ArcLight Capital Partners'** Southern Pines Gas Storage facility is low, according to some observers. The deal, which will fund an expansion and refinance existing debt, is being pitched with about 50 basis points in upfront fees to existing lenders and about 100 bps to new lenders, a deal watcher notes. Similar projects typically yield 2% in upfront fees for new lenders, he says.

SGR subsidiary **SG Resources Mississippi** built the gas storage facility in Greene County, Miss., in three phases of 10 billion cubic feet each (PFR, 6/24) and proceeds from the current deal will go toward building a fourth 10 bcf cavern and refinancing a \$100 million facility arranged by **SunTrust Robinson Humphrey** (PFR, 9/8/08). Pricing is pegged at roughly 300 bps over LIBOR.

Helaba also participated in the \$100 million deal. A SunTrust official declined to comment and a Helaba official did not return a call. **Tony Clark**, president of SG Resources Mississippi in Houston, and **Dan Revers**, managing director of ArcLight in Boston, did not return calls seeking comment at press time. The structure and tenor of the loan could not be learned.

Southern Pines has direct interconnections to the Southeast

Supply Header, the **Florida Gas Transmission Company**, the **Transcontinental Gas Pipe Line Corp.** and the **Destin Pipeline Company**.

Corporate Strategies

Duke Sub Takes Down Debt

Duke Energy Indiana has issued \$500 million in first mortgage bonds to pay down credit facility debt and fund its capex program. The company priced the bonds at 80 basis points over U.S. Treasuries on Tuesday.

The notes carried a 3.75% coupon, a historically attractive price for 10-year money, notes a spokesman in Charlotte, N.C. **Standard & Poor's** rated the bonds A; **Moody's Investors Service** rated them A2. A Duke official was unavailable for comment.

The subsidiary of **Duke Energy** has \$123 million outstanding on the company's \$3.14 billion master credit facility and expects repayment to be complete by the end of July, says the spokesman. Proceeds will also be used to fund ongoing work at the \$2.88 billion, 620 MW coal gasification plant in Edwardsport, Ind., under the company's capex program. The plant is expected to be online in 2012.

BNP Paribas, **Deutsche Bank**, **Goldman Sachs** and **Morgan Stanley** were the joint bookrunners. **Bank of Tokyo-Mitsubishi** was the co-manager.

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

- Maricopa County officials in Arizona approved **Abengoa Solar's** proposed 280 MW solar plant near Gila Bend, Ariz. The approval came a few days after the U.S. **Department of Energy** awarded Abengoa a \$1.45 billion loan guarantee to fund construction (*Phoenix Business Journal*, 7/8).
- A Massachusetts court ruled that construction can proceed on **Iberdrola Renewables'** proposed 30 MW, \$100 million wind farm in the towns of Florida and Monroe, ending a nearly decade-long legal battle over a state-issued wetlands permit. State officials are also backing proposed legislation that would streamline the appeals process, noting that more than a third of wind projects in Massachusetts have been stalled by litigation or permit appeals (*The Boston Globe*, 7/8).
- Natural gas prices could climb 27% to about \$4.90 per million British thermal unit as much of the U.S. is hit by a heat wave. Gains in natural gas futures are expected to be the biggest since 2005 (*Bloomberg*, 7/7).
- The **Sacramento Municipal Utility District** signed a 20-year offtake agreement with **Recurrent Energy** for a 60 MW portfolio of photovoltaic plants. The 12 five MW plants in Galt and Elk Grove, Calif., are expected to be operational by fall of 2012 (*Modesto Bee*, 7/8).
- **Atlantic Power Corp.**, a power producer, will pay about \$40 million for a 27% stake in **Idaho Wind Partners'** 11-project wind portfolio. **General Electric** acquired a majority stake in the \$500 million portfolio the week of June 28 (*Dow Jones Newswires*, 7/5).
- Massachusetts will reconsider whether wood-burning plants are eligible for green credits, after a state-commissioned study concluded that they aren't necessarily carbon-neutral (*The Boston Globe*, 7/8).
- **BP** has not responded to a request from the U.S. **Department of Justice** for advance notification of asset sales, joint ventures or corporate restructuring (*The Financial Times*, 7/7).

● New regulations for utility emissions from the U.S. **Environmental Protection Agency** are expected to close many of smaller and older plants when they are coupled with impending rules from the agency. The EPA estimates the new guidelines will cost utilities about \$2.8 billion annually (*Bloomberg*, 7/7).

Europe

Rollbacks in incentives for renewable development in countries such as Germany and Spain are making some investors jittery about future regulatory reception. Despite support from EU member-states, the cuts are coming as an effort to trim national budgets (*Reuters*, 7/7).

● A heatwave in Europe could potentially strain electricity supplies in Spain, Germany, Belgium and the Netherlands. Europe's last heatwave in 2006 caused cooling problems for power plants, while a heatwave in 2003 caused many plants to shut down as demand surged from the use of air conditioners (*Reuters*, 7/8).

● The Spanish government and the **Wind Energy Association** have agreed to reduce wind subsidies by 35% over the next three years, eliminating rampant uncertainty about the future of incentives. The decision prompting Spanish renewables shares to rise Monday. (*Dow Jones Newswires*, 7/5).

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: North America

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
AES	Mong Duong II (1,200 MW coal)	Vietnam	TBA	TBA	TBA	TBA	Bankers anticipate the project to cost at least \$2.4B (PFR, 5/24).
ArcLight Capital Partners	Various (Gas and Transmission)	Various	Barclays, BofA	Term Loan	\$220M	7-year	Loan closed ahead of drop-dead date (PFR, 6/21).
ArcLight Capital Partners, SGR Holdings	Southern Pines Energy Center (Gas Storage)	Greene County, Miss.	TBA	TBA	TBA	TBA	Developers seeking up to upsize existing loan for new cavern (see story, page 5).
Axio Power	Various (90 MW Solar PV)	Ontario	TBA	\$288-320M	TBA	TBA	Developer seeking \$360-400 package for portfolio of solar PV (see story, page 1).
BP, Ridgeline	Goshen II (90 MW Wind)	Bonneville County, Idaho	BTMU, Caja Madrid, Mizuho and Sumitomo	TBA	\$260M	15-yr	Sumitomo joins group of lenders after financial close (see story, page 4).
BrightSource Energy	Various (1.3 GW Solar)	Southern California	TBA	TBA	TBA	TBA	Financial close expected by year end (PFR, 6/21).
Brookfield Asset Management, Isolux Corsan	CREZ Transmission	Texas	TBA	TBA	\$240M	TBA	Developers plan 40% equity stake in \$400M project (PFR, 7/5).
Cannon Power Group	Aubanel Wind Farm (1 GW wind)	Mexicali, Baja California	TBA	TBA	TBA	TBA	Cannon puts out feelers to banks about 100 MW phase 1 (PFR, 6/28).
enXco	Lakefield (201 MW Wind)	Minnesota	Dexia, SocGen, Banco Santander, CoBank	TBA	TBA	TBA	enXco considering a leveraged lease for structure (PFR, 6/28).
Fishermen's Energy	Various (20 MW Offshore Wind)	Atlantic City, N.J.	Fieldstone Capital	TBA	TBA	TBA	Financing hinges on renewables credits (PFR, 6/7).
GE Energy Financial Services	Various (183 MW Wind)	Idaho	TBD	TBA	\$350M	TBA	GE, majority equity owner, still working on debt part (PFR, 7/5).
Hudson Transmission Partners	Hudson Transmission	Ridgefield, N.J.-New York	RBS, SocGen	TBA	TBA	TBA	Competing project Cavallo Energy challenges worthiness of project (PFR, 6/28).
Invenergy	Beech Ridge (100.5 MW Wind)	Greenbrier County, W. Va.	TBA	TBA	TBA	TBA	PPA rejected by Virginia over cost to ratepayers (PFR, 6/7).
Kruger Energy	Chatham (100 MW Wind)	Ontario	Deutsche Bank	Mini-Perm	\$220M	3-yr	Financial close reached, marking Deutsche Bank's reemergence into power mark (PFR, 5/31).
Northland Power	Saskatchewan (265 MW Combined Cycle)	North Battleford, Saskatchewan	CIBC, BMO, Union Bank	Mini-Perm	\$500-600M	TBA	Selected co-leading banks (PFR, 6/7).
Pure Energy	Bayonne Energy Center (512 MW gas)	Bayonne, N.J.	Calyon, WestLB	Mini-Perm	\$370M	TBA	About a dozen banks express interest in \$50-75 M tickets (see story, page 5).
Rollcast Energy	Piedmont Green Power (50MW biomass)	Barnesville, Ga.	Natixis, Union Bank	\$100M	TBA	TBA	Financial close approaching (PFR, 6/14).
Terra-Gen Power	Alta Phases 2-4 (570 MW Wind)	Tehachapi, Calif.	Calyon, Natixis	TBA	TBA	TBA	Financial close approaching for the second through fourth phases (PFR, 6/21).

For a complete listing of the Project Finance Deal Book, please go to iipower.com.

MIRANT, RRI

(continued from page 1)

arrange a \$4.4 billion refinancing as a harbinger for Mirant and RRI's deal. NRG doubled pricing on the facility after investors balked at 175 basis points over LIBOR (PFR, 6/25).

An analyst in New York notes that the NRG deal "will speak volumes" about how the lower-rated Mirant-RRI combo will be received. **Moody's Investors Service** rates both companies B1 and **Standard & Poor's** rates Mirant at B+ and RRI at B. Proceeds from the financing will go toward refinancing a combined \$1.8 billion from the two companies, according to documents filed with the U.S. **Securities and Exchange Commission**.

The bond market is not likely to provide inexpensive money either, says a banker, given the uncertain regulatory environment for emissions control and fossil fuel-fired generation. Congress and the U.S. **Environmental Protection Agency** are both mulling over legislation that could prove costly for power producers that will need to comply with climate change legislation.

A call to **William Holden**, cfo of Mirant in Atlanta, was directed to a spokesperson at media relations firm **Sard Verbinen & Co.** in New York, who did not return a call. Officials at Goldman and Morgan Stanley and RRI in Houston did not return calls while a JPMorgan official declined to comment. —*Holly Fletcher*

SOLAR SHOPS

(continued from page 1)

Ontario Power Authority. Lenders at European power finance banks find the Axio portfolio attractive, says **Tim Derrick**, ceo, because the OPA's feed-in tariff of CAD0.44 per KWh (US\$0.42) rivals similar programs in Europe. Axio is targeting an 80:20 debt-to-equity split for the portfolio.

The identity of potential equity providers and lenders could not be learned by press time. Axio hopes to begin construction on the projects by the middle of next year, meaning financing would have to be wrapped in 2011.

Lenders' interest will determine whether SolarGen seeks a single financing for its initial 100 MW portfolio in California or separate financings for each project, says **Douglas Carter**, ceo. Carter, formerly senior v.p. at **Invenergy**, has worked with **BNP Paribas**, **Citigroup**, **Credit Suisse** and **JPMorgan**. Officials at BNP, Citi and Credit Suisse, as well as a JPMorgan spokesman, did not return calls seeking comment. Carter declined to identify potential lenders. The company aims to wrap financing by year-end.

SolarGen also aims to use the U.S. **Department of Treasury's** cash grant program that pays up to 30% of project costs. Carter declined to specify the targeted debt-to-equity split for the first round of financing or elaborate on plans for equity

investment. SolarGen has been shortlisted for an offtake agreement with a major California utility, which Carter declined to identify. —*Brian Eckhouse*

HUDSON PUTS

(continued from page 1)

came to a halt. Panel manufacturers **Suntech** and **Yingli Solar** are companies that are tipped to at least look at Recurrent, says an industry official.

Private equity parents see this as a prime time to cash out. "As some of these panel manufacturers become desperate, they might pony up the money," says a banker. He adds there is a sense that window may close in six months to a year as panel demand firms up.

The bulk of Recurrent's 1.4 GW of photovoltaic pipeline—with 335 MW contracted—is in the U.S. and Canada, with a few projects scattered in Europe, the Middle East and Northern Africa, according to the teaser. The **Sacramento Municipal Utility District** announced a 20-year PPA with a dozen 5 MW Recurrent projects Wednesday. San Francisco-based Recurrent focuses on projects between 2-20 MW that have access to existing transmission networks and potential load centers.

Hudson acquired Recurrent when it bought **Helium Energy**, now renamed **Element Power**, in 2008. Element's initial investment was \$75 million (PFR, 10/10/08).

The timeline for the auction or when first round bids are due could not be determined before press time. Managing directors **Kevin Genieser**, **Todd Giardinelli** and **Paul Leggett**, v.p., are running the sale. Calls to **Arno Harris**, president of Recurrent Energy, and officials at Hudson Clean Energy Partners in Teaneck, N.J., and Morgan Stanley were not returned. —*H.F.*

Quote Of The Week

"Pricing is slightly ahead of wind deals... but from our perspective we are just as comfortable with solar as we are with wind."—**Tom Murray**, managing director and global head of energy at **WestLB** in New York, on wrapping a financing backing a **Macquarie Power Infrastructure Income Fund** subsidiary's 20 MW photovoltaic plant in Ontario (see story, page 4).

One Year Ago In Power Finance & Risk

Banks submitted bids to lead \$500 million in financing backing **Hudson Transmission Partners'** proposed eight-mile, 345 kV line connecting Ridgefield, N.J., to midtown Manhattan. [Lead banks **Royal Bank of Scotland** and **Société Générale** have yet to wrap financing and legal challenges from the developer of rival transmission line Cross Hudson threaten to delay the project further (PFR, 6/24).]