

# Power Finance & Risk

Exclusive Insight on Power M&A and Project Financing

## ● MERGERS & ACQUISITIONS

### Engie to sell stake in 2.3 GW renewables portfolio

Engie is selling a 49% stake in a 2.3 GW portfolio of US wind and solar projects to **Hannon Armstrong**.

Page 6

## ● PROJECT FINANCE

### Pine Gate seals financing for NC solar project

**Pine Gate Renewables** has reached financial close on a 78.7 MW contracted solar project in North Carolina.

Page 16

## ● LATIN AMERICA

### Petrobras asset sales kick into high gear

Petrobras is charging ahead with the sale of stakes in its NTS gas pipeline network and five gas-fired plants.

Page 17

## 17th Annual PFR Deal of the Year short lists revealed

*Power Finance & Risk* is pleased to announce the short lists for its 17th Annual Deal of the Year Awards. This year, transactions have been shortlisted in eight separate categories, including Renewable Energy Deal of the Year and Conventional Power Deal of the Year. There are also categories for specific financing products, such as project bonds and term loan Bs.

Voting to select the final winners in each category has already begun. PFR has carefully select-

ed a panel of judges to determine the most outstanding transactions of 2019. The panel includes senior infrastructure fund managers, finance officials at project sponsors, project finance bankers and private equity officials. The judges were hand-picked to avoid conflicts of interest.

If you have been invited to vote, please do not delay! You have until Friday, July 17th.

Check out all of the shortlisted deals on pages 8 to 15 of this issue.

POWER FINANCE AND RISK  
— 17TH ANNUAL —  
DEALS AND FIRMS OF THE YEAR 2019 / 20



Recognizing excellence in power and renewable energy finance and investment since 2003

## NextEra auctions solar assets

Taryana Odayar

**NextEra Energy Resources** has launched separate sale processes for a pair of solar projects in Texas and Alabama that are expected to be online by the end of this year and next year, respectively.

The developer is selling the 115 MW Texas project in a process

codenamed Project Gila and the 150 MW Alabama project in an auction under the code name Project Rocket City.

**Marathon Capital** is acting as financial adviser on both sale processes. They were launched in June.

The projects themselves are not identified in marketing materials seen [PAGE 5 »](#)

## Kayne Anderson debuts as solar sponsor

Taryana Odayar

**Kayne Anderson Capital Advisors** has reached financial close on its first solar project as sponsor – the 112 MW Harts Mill project in Edgecombe County, North Carolina.

**CIT Bank** led on the \$118.5 million debt package, with **City National Bank** and **CoBank** participating as lenders.

“We are very pleased to have closed the Harts [PAGE 7 »](#)

## EDF suspends wind financing in Mexico

Juliana Ennes

**EDF Renewables** has suspended the financing process of a wind project in Mexico amid economic and regulatory challenges and a dispute with local indigenous groups.

The developer had already received term sheets from banks interested in funding the construction of the 252 MW Gunaa Sicarú wind farm, but recently contacted the [PAGE 18 »](#)



## ● IN THIS ISSUE

### MERGERS & ACQUISITIONS

- 5 | Sunrun to buy Vivint
- 6 | Hannon buys 2.3 GW portfolio stake
- 6 | Starwood sells district energy system
- 6 | Cordelio buys Illinois wind duo

### PROJECT FINANCE

- 7 | Texas PUC rejects build-transfer
- 7 | CapDyn finances Coronal acquisition
- 16 | Pine Gate finances NC solar
- 16 | Pattern closes wind financing
- 16 | Terra-Gen lands portfolio refi
- 16 | PPA Pulse: PacifiCorp goes large

### DEPARTMENTS

- 3 | Generation Auction & Sale Calendar
- 4 | Project Finance Deal Book

### LATIN AMERICA

- 17 | Petrobras power asset sales
- 17 | Engie tweaks Chilean duo ownership
- 17 | Eneva eyes AES Tietê
- 18 | Mexico resi solar financing
- 18 | BNDES to fund wind complex
- 18 | Chile developers secure sites

### PEOPLE & FIRMS

- 19 | Quinbrook grows origination team
- 19 | Ex-Sunrun prez snags PE partner
- 19 | Ørsted adds power trader
- 19 | Kayne Anderson renewables team
- 20 | New CFO at ConnectGen
- 20 | Alternating Current

## ● THE BUZZ

# New normal... or same old crazy?

Since the novel coronavirus crashed into the US economy in March, the project finance market seems, for now at least, to have settled into a new groove. But while loan margins have widened versus the exuberant pre-pandemic days, some officials still suspect that the market—especially for renewable energy—may be overheated.

Take construction loans, for instance. In 2019, margins had been squeezed to well inside 100 bp over Libor. But the sudden eruption of a mysterious flu-like illness in China, where many solar panels are manufactured, reminded everyone that construction risk really does exist (PFR, 3/5).

“The world of under-1% margins is over for now,” said a syndicate banker who is trying to figure out where pricing will land for the most competitive, large deals in the coming weeks and months. “It could be 125, which is low, a little bit crazy. But we’ve also seen deals closing above 200.”

In the past week, 125 bp turned out to be the

magic number on a construction loan for **Kayne Anderson Capital Advisors’** debut as a solar project sponsor (see story, page 1).

But that \$118.5 million deal was a manageable size. It may be tougher to circle a 125 bp margin on a larger deal requiring many hands on deck.

One sponsor likely to test that thesis soon is **Invenenergy**, which is aiming to close financing this year for its almost 1.5 GW North Central wind complex in Oklahoma (see story, page 7).

And it’s not just on pricing that some market participants say the renewable energy market is as crazy as ever. Despite the surging popularity in some quarters of hedged solar in Texas, others remain skeptical, pointing to soaring basis risk.

“You’re like the greyhound chasing the plastic rabbit,” says one official at a renewable energy investor, referring to the \$9,000/MWh price cap in **Ercot**. “They’re always about to have too-low reserve margins but then it turns out to be fine.” ■

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## TELL US WHAT YOU THINK!

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](mailto:richard.metcalf@powerfinancerisk.com)

## GENERATION AUCTION &amp; 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
Apex Clean Energy	Angelo (195 MW Solar)	Texas	Fifth Third	Auction launched in June (PFR, 6/22).
	Rivanna (12.5 MW Solar)	Virginia		Investors contacted in March (PFR, 6/22).
BNDES	AES Tietê (25.89%)	Brazil	BR Partners	Eneva has expressed an interest (see story, page 17).
BP	Whiting (525 MW Cogen, 80%)	Indiana		Bids were due June 15 (PFR, 6/22).
Castleton Power	Portfolio (400 MW Gas)	Texas	Cantor Fitzgerald	An equity raise is in the works (PFR, 6/1).
Constellation	C&I Solar platform	US	BofA Securities	Auction launched in June (PFR, 7/6)
Community Energy	St Martin (100 MW Solar)	St Martin Parish, Louisiana		The sponsor put out marketing materials in June (PFR, 7/6).
Copenhagen Infrastructure Partners	Greasewood (255 MW Solar)	Pecos County, Texas	CohnReznick	Auction relaunched this month (PFR, 6/15).
Cypress Creek Renewables	Portfolio (35 MW Solar)	North Carolina		The sale was launched this month (PFR, 6/29).
Ecoplexus	Sage (150 MW Solar)	North Carolina	CCA Group	Second round bids due late July (PFR, 6/22).
Enel	Enel Chile	Chile		Enel has increased its stake in the subsidiary (see story online)
Engie	Portfolio (82.4 MW Wind, Hydro)	Chile		Engie Energia Chile acquired the assets from Engie Latam (see story, page 17).
	Portfolio (2.3 GW Solar, Wind)	US		Hannon Armstrong is buying Engie's 49% stake (see story, page 6).
GenOn	Heritage (2.4 GW Gas)	PJM Interconnection	Jefferies	Auction launched this month (PFR, 6/15).
Grasshopper Solar	Green Light (150 MW [DC] Solar)	Canada, US	Onpeak	Auction launched in May (PFR, 6/8).
HPS Investment Partners	Spruce Finance (Solar)	US	Onpeak	Auction launched in May (PFR, 6/1).
Invenery	Titan 1 (800 MW Solar)	Texas	Marathon Capital	Bids due July/August (PFR, 6/22).
Johnson Development Associates	Pinson (20 MW Solar)	South Carolina	EOS Capital Advisors	Marketing materials distributed this month (PFR, 6/29).
NextEra Energy Resources	Project Gila (115 MW Solar)	Texas	Marathon Capital	The sale processes were launched in June (see story, page 1).
	Project Rocket City (150 MW Solar)	Alabama		
Petrobras	Portfolio (578 MW Oil)	Brazil	Goldman Sachs	Teasers issued by May (PFR, 5/18).
	Portfolio (172 MW Gas, Oil, Hydro)	Brazil	Crédit Agricole	Teasers issued this month (PFR, 6/15).
	NTS (Pipeline, 10%)	Brazil	Santander	Petrobras is seeking binding offers (see story, page 17).
Petrobras, Wobben	Mangue Seco III & IV (52 MW Wind)	Brazil	Crédit Agricole, DNB Markets	Sale process in binding phase (PFR, 6/22).
PNE USE	Chilocco (167 MW Wind)	Kay County, Oklahoma	Marathon Capital	Auction launched in May (PFR, 6/8).
RWE Renewables	Portfolio (861 MW Wind)	US	Marathon Capital	Auction in second round (PFR, 6/8).
Shell New Energies	Silicon Ranch (Solar)	US	Morgan Stanley	Auction launched in May (PFR, 6/1).
SunEast Renewables	Portfolio (275 MW Solar)	New York	Nomura Greentech	The developer has launched the sale (PFR, 7/6).
Starwood Energy	Morgantown Energy Associates	West Virginia		Vicinity Energy has acquire the asset (see story, page 6).
	Stephens Ranch (376 MW Wind)	Texas	Marathon Capital	Auction launched in April (PFR, 5/18).
Swift Current	Portfolio (350 MW Wind)	Illinois	KeyBanc	Cordelio Power has acquired the projects (see story, page 6).
	Castle Gap (196 MW Wind)	Texas	Lazard	Auction was launched in May (PFR, 6/8).
Vivint Solar		US	Morgan Stanley, BofA Securities	SunRun is the buyer (see story, page 5).
Xcel Energy	Mankato Energy Center (760 MW Gas)	Minnesota		Southwest Generation is financing the acquisition through a private placement (PFR, 7/6).

## ● 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 Taryana Odayar at (212) 224 3258 or e-mail [taryana.odayar@powerfinancerisk.com](mailto:taryana.odayar@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
Arroyo Energy	El Arrayán (115 MW Wind)	Chile	SMBC, Crédit Agricole	Debt	\$140M	7-yr	Closing delayed until August (PFR, 6/8).
Atlas Renewable Energy	Pimienta (400 MW (DC) Solar)	Campeche, Mexico	DNB, IDB Invest, Bancomext	Private Placement	\$200M		Closing was expected by early June (PFR, 5/18).
	Juazeiro (187 MW Solar)	Brazil	IDB Invest	Debt	\$90M		Negotiations are underway (PFR, 5/26).
Bright	Portfolio (8 MW Resi Solar)	Mexico	IDB Invest	Term loan	\$15M	13-yr	The first disbursement took place on May 21 (see story, page 18).
Capital Dynamics	Portfolio (350 MW Solar)	US	MUFG, SMBC, Commonwealth Bank of Australia	Term loan	\$365M	3-yr	The loan closed on June 25 (see story, page 7).
			Ancillary Facilities		\$33M		
	Ventura (100 MW/400MWh Storage)	California		Debt			Korean investors are working on a deal (PFR, 6/1).
Casa dos Ventos	Ventos Santa Martina 14 (63 MW Wind)	Brazil	BNDES, BNB	Term loan	\$38.3M		BNDES has approved the loan (see story, page 18).
Competitive Power Ventures	Three Rivers (1,250 MW Gas)	Grundy County, Illinois	MUFG, BNP Paribas	Construction debt	\$750M	7-yr	Deal relaunched on June 16 (PFR, 6/22).
				Ancillary Facilities	\$50M		
EDF Renewables	Gunaa Sicarú (252 MW Wind)	Oaxaca, Mexico		Term loan			The developer has received term sheets from banks (see story, page 1).
EnfraGen	Portfolio (200 MW Distributed Solar)	Chile					The financing is expected to close before the end of the summer (PFR, 4/13).
Fisterra Energy	Tierra Mojada (875 MW Gas)	Jalisco, Mexico		Bond refinancing			Morgan Stanley is understood to be pursuing the mandate (PFR, 5/4).
GenOn Energy	Portfolio (1,570 MW Gas)	California		Refinancing			The sponsor has approached the market (PFR, 7/6).
Grupo Iberoólica, GPG	Cabo Leones 2 (204 MW Wind)	Chile	Crédit Agricole	Construction Debt			Cred Ag has won the mandate (PFR, 5/26).
IEnova, Saavi Energia	Sierra Juárez II (108 MW Wind)	Baja California, Mexico	NADB	Term loan	\$170M	21.5-yr	The sponsors are nearing financial close (PFR, 6/29).
			SMBC, Mizuho	Term loan		18-yr	
Key Capture Energy	Portfolio (1.5 GW Storage)	US		Capital Raise	\$400M-\$600M		The sponsor is in talks with investment banks (PFR, 5/4).
MSU Energy	Portfolio (600 MW Thermal)	Argentina	JP Morgan	Private placement	\$250M	4-yr	The refinancing closed on May 7 (see story online).
OPDEnergy	Portfolio (150 MW Wind, Solar)	Chile	SMBC	Debt			Close was expected in June (PFR, 6/8).
Pattern Energy	Portfolio (302 MW Wind)	US	HSBC, BMO, RBC	Term loan	\$260M		The deal closed on May 15 (see story, page 16).
Pine Gate Renewables	Trent River (78.7 MW Solar)	Pollocksville, North Carolina	CIT Bank, Zions Bank	Term loan	\$58M	6-yr	The financing closed on June 30 (see story, page 16).
				Second out Term Loan	\$2.8M		
				Tax equity	\$53.7M		
				Ancillary Facilities	\$11.8M		
Recurrent Energy	Maplewood (250 MW Solar)	Pecos County, California	NordLB	Construction debt			The sponsor is preparing to close the deal (PFR, 7/6).
	Pflugerville (144 MW Solar)	Travis County, Texas		Debt, Tax Equity			The deal is in the market (PFR, 6/1).
Standard Solar	Portfolio (Distributed Generation)	US	Fifth Third Bank, IberiaBank	Tax equity	\$105M		The sponsor has closed the financing (PFR, 7/6).
Stonepeak, MPLX, Whitewater	Whistler (Gas Pipeline)	Texas	MUFG, SMBC	Private placement	\$424M	11-yr	Global Infrastructure Partners has emerged as one of the investors (PFR, 7/6).
					\$400M	10-yr	
Sunenergy1	Portfolio (100 MW Solar)	US	CIT, ING Capital	Construction Debt			Financing close is months away (PFR, 5/26).
Sunrun	Portfolio (Resi Solar)	US	SVB, Investec	Debt	\$270M	7-yr	Deal launched June 16 (PFR, 6/22).
Terra-Gen	Portfolio (Wind)	California	MUFG, Citi, CoBank	Construction debt	\$285M		The loan closed on June 30 (see story, page 16).

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## NORTH AMERICA MERGERS &amp; ACQUISITIONS ●

## Sunrun to buy Vivint Solar

Residential solar company Sunrun has signed a \$3.2 billion all-stock deal to acquire its rival Vivint Solar.

Sunrun will give Vivint investors 0.55 of a Sunrun share for each Vivint share they hold under the terms of the deal, which was announced late on July 6.

Existing Sunrun investors are expected to own about 64% and existing Vivint investors 36% of the combined company, which will have a total enterprise value of \$9.2 billion, based on Sunrun's closing share price on July 6.

The purchase price represents a 10% premium over Vivint's closing price on that day.

"This transaction will increase our scale and grow our energy services network to help replace centralized, polluting power plants and accelerate the transition to a

100% clean energy future," said **Lynn Jurich**, co-founder and CEO of Sunrun. "We admire Vivint Solar and its employees, and look forward to working together as we integrate the two companies."

"Joining forces with Sunrun will allow us to reach a broader set of customers and accelerate the pace of clean energy adoption and grid modernization," added **David Bywater**, CEO of Vivint. "We believe this transaction will create value for our customers, our shareholders, and our partners."

The advisers on the deal include:

- ◆ **Credit Suisse** – financial to Sunrun
- ◆ **Morgan Stanley** – lead financial adviser to Vivint
- ◆ **BofA Securities** – financial to Vivint
- ◆ **Cooley** – legal to Sunrun
- ◆ **Axinn, Veltrop & Harkrider** –

legal to Sunrun

- ◆ **Simpson Thacher & Bartlett** – legal to Vivint

- ◆ **Wilson Sonsini Goodrich & Rosati** – legal to Vivint

Axinn is a boutique law firm specializing in antitrust and intellectual property cases.

The companies pointed to the scale of the proposed combination and potential synergies as the main rationale for the transaction.

"We expect to deliver meaningful cost synergies, estimated at \$90 million on an annual basis," reads the announcement of the deal. "We see opportunities across the entire cost base, including consolidating and optimizing our branch footprint, reducing redundant spending on technology systems, scaling our proprietary racking technology, as well as

improving sourcing capabilities within our supply chains. There are also opportunities to realize scale benefits from shared corporate functions including accounting, human resources, legal, and policy."

The boards of both companies have voted in favor of the merger and the management teams have obtained support agreements from their main owners – **313 Acquisition**, a **Blackstone** affiliate, in the case of Vivint, and **Tiger Global Management** in the case of Sunrun.

Tiger Global, a hedge fund run by **Chase Coleman** and **Scott Schleifer**, disclosed that it held a 25% activist stake in Sunrun in October 2019.

Sunrun will add two directors to its board as part of the acquisition, one of whom is expected to be David Bywater. The transaction is expected to close by the end of the year. ■

FASTFACT SPECIAL EDITION: SUNRUN - VIVINT MERGER

### 3,425 MW

Total cumulative solar installations across the combined company, pro forma for the first quarter of 2020.

### \$4.5 billion

Combined market capitalization, of which \$2.8 billion is Sunrun's existing market cap, and \$1.5 billion from Vivint.

### \$90 million

Expected annual cost savings as a result of synergies, one of the key rationales for the combination.

## NextEra auctions solar assets in Texas and Alabama

◀ FROM PAGE 1

by PFR, but they match the descriptions of the Bluebell II solar project in Sterling County, Texas, and the Bellefonte Solar Energy Center in Hollywood, Alabama.

NextEra had already launched a sale process for Bluebell II, as part of a two-project portfolio, toward the end of last year. The second asset in that package was the 100 MW Wilmot Energy Center in Tucson, Arizona, which includes a 30 MW/120 MWh battery storage system (PFR, 10/2).

"Don't see how now is a better time to price than last year, but who am I to question the Sages of Juno Beach?" remarked a deal

watcher.

NextEra is said to be looking for tax-efficient buyers to optimize the assets. Buyers can acquire the assets either at notice to proceed or after construction is complete – either at the commercial operations date or prior to the project being placed in service – in order to receive their allocation of the investment tax credit.

The company is open to selling the two projects in their entirety, or selling a partial 49% stake in the Texas project and a 50% or greater stake for the Alabama project, according to the teasers.

The Bluebell II project is contracted with

the **City of Denton** under a 15-year PPA for 100 MW, with the remaining 15 MW being sold spot into **Ercot** West.

It is an expansion of the 30 MW Bluebell I project, which NextEra financed with a debt package arranged by **Crédit Agricole** and **Mizuho** (PFR, 8/29).

The Bellefonte project is expected to be the largest solar project in Alabama when it is online.

It is located near the abandoned Bellefonte nuclear plant, and will power a \$600 million **Google** data center in Jackson County under the terms of a 20-year busbar contract with the **Tennessee Valley Authority**. ■



## ● NORTH AMERICA MERGERS & ACQUISITIONS

### Engie to sell stake in 2.3 GW portfolio to Hannon

Engie has signed a deal to sell a 49% stake in a 2.3 GW portfolio of US wind and solar projects to **Hannon Armstrong**.

Engie will retain a controlling stake in the operational and under-construction portfolio and will continue to manage it.

The deal covers nine wind projects totaling 1.8 GW and four solar projects totaling 500 MW.

The assets are located in Ercot, MISO, PJM Interconnection, and the Southwest Power Pool.

Hannon will take immediate ownership of its 49% stake in four operating wind projects, which have a combined capacity of 663 MW.

The remaining projects will be transferred into the partnership

upon commissioning.

The projects' offtakers include:

- ◆ **Amazon**
- ◆ **Allianz**
- ◆ **Ingersoll Rand**
- ◆ **Microsoft**
- ◆ **T Mobile**
- ◆ **Target**
- ◆ **Walmart**
- ◆ **Xcel Energy**

The contracts have a weighted average life of 13 years.

Engie recently secured \$1.6 billion in tax equity commitments from **Bank of America** and **HSBC** for 11 of the projects, in what has been described as one of the largest single tax equity deals ever signed (*PFR*, 4/13).

The largest single tax equity deal previously reported by *PFR* was a

\$1.2 billion transaction between **Southern Power** and four banks to finance a 1.5 GW wind portfolio in 2018 (*PFR*, 11/9/18).

Additional tax equity commitments that Engie has secured for the remaining two assets bring the total tax equity financing for the whole portfolio to \$2 billion.

"The U.S. is a key growth market for our renewables business, where we are accelerating fast, from 0 MW in 2018 to 2 GW that should be commissioned in 2020," said **Gwenaëlle Avicé-Huet**, CEO of ENGIE North America. "We have a strong pipeline of opportunities and a solid development and operational platform to grow from." ■

### Cordelio Power buys Illinois wind duo

**Cordelio Power** has bought two development-stage wind projects in central Illinois.

The projects changing hands are **Swift Current Energy's** Glacier Sands and Moraine Sands projects, totaling over 350 MW and due online in 2021 and 2022, respectively.

Boston-based Swift Current hired **KeyBanc Capital Markets** to market the 202.5 MW Glacier Sands project in Mason County earlier this year, along with a solar project, the 195 MW Tres Bahias facility Calhoun County, Texas, in a process codenamed Project Bering, as previously reported (*PFR*, 6/2).

Glacier Sands has 15-year renewable energy certificate contracts with **Commonwealth Edison Co**, **Ameren** and **MidAmerican Energy**. The remainder of its RECs are to be sold to a financial institution for 15 years on a unit-contingent basis.

Swift Current, will work with Cordelio to advance Glacier Sands and Moraine Sands under a development services agreement.

"We are pleased to start the next phase of our growth, and to be working with the Swift Current team," said **Nick Karambelas**, Cordelio's chief commercial officer. "These projects represent our opportunity to help Illinois meet its clean power goals while making a positive impact on Mason County and its local communities."

Swift Current is also running an auction for its 196 MW Castle Gap wind project in central Texas, in a process codenamed Project Edinburgh, as reported by *PFR* (*PFR*, 6/2). **Lazard Frères & Co** is running the process as auctioneer. ■

### Vicinity grows portfolio with acquisition from Starwood

US district energy company **Vicinity Energy** has begun executing its growth strategy with the purchase of an asset in West Virginia from **Starwood Energy Group Global**.

The asset is **Morgantown Energy Associates**, which provides steam to West Virginia University's more than 60 buildings across five campuses in the city of Morgantown.

Vicinity is the name given by **Antin Infrastructure Partners** to the district energy business it acquired from **Veolia** for \$1.25 billion at the end of last year.

Antin financed the deal with a \$770 million debt package combining elements of corporate and project financing to provide the business with flexibility to grow (*PFR*, 6/4).

Vicinity now touts itself as North America's largest provider of district energy solutions. The recent acquisition makes Morgantown the twelfth city to be served by the company, which owns a portfolio of 19 assets.

"The acquisition of Morgantown broadens Vicinity's presence in an important market segment, expands the company's operations into West Virginia and is part of our growth strategy in the United States," said **Brian Mueller**, chief development officer of Vicinity Energy.

#### ZEAL OF A CONVERT

Situated on the banks of the Monongahela River, the Morgantown district energy system came online in 1992, originally burning coal as its primary fuel and distributing steam through a 2.25 mile underground distribution system.

Since acquiring the system, Vicinity has already ceased coal operations, switching the plant's primary fuel supply to natural gas by implementing a plan developed by previous owner Starwood.

"During our period of ownership, Starwood Energy developed a plan to stop burning coal and repurpose the asset to burn clean natural gas to supply steam to WVU," said **Himanshu Saxena**, CEO of Starwood Energy. "This initiative was implemented by Vicinity Energy and is a great success story for our investors, WVU and Vicinity Energy. We are pleased that Vicinity, as a trusted new owner, will continue to serve WVU in an environmentally sustainable fashion for years to come."

Over the rest of this year, Vicinity plans to further improve the system's resiliency by converting its existing gas-fired infrastructure to dual-fuel capabilities, with ultra-low sulfur diesel as backup, and will install two additional dual-fuel boilers to the plant. ■

## NORTH AMERICA PROJECT FINANCE

## CapDyn completes debt -financed acquisition from Coronal

**Capital Dynamics** financed its acquisition of **Coronal Energy's** 350 MW operating solar portfolio with a term loan from a club of banks.

**MUFG, SMBC and Commonwealth Bank of Australia** acted as coordinating lead arrangers on the \$398 million debt package, which closed on June 25.

Deal watchers had previously expected the transaction to close in April (PFR, 4/6).

"This was a complex transac-

tion that involved the coordination and outstanding efforts from a wide range of stakeholders," said CapDyn managing director **Tim Short** on June 30.

"We appreciate the efforts from our partners and counterparties to execute a major transaction in the North American renewable energy market during times of unprecedented challenges," he added.

The acquisition financing comprised a \$365 million three-year

term loan and two letters of credit totaling \$33 million.

Besides the CLAs, the other lenders were:

- ◆ **Caixabank**
- ◆ **Crédit Agricole**
- ◆ **CoBank**
- ◆ **Mizuho**
- ◆ **Sabadell**
- ◆ **Santander**
- ◆ **Silicon Valley Bank**

CapDyn worked with its longstanding external legal counsel **Amis, Patel & Brewer** on the

deal.

The acquisition stems from an auction launched for Coronal by financial advisers **BofA Securities** and **Scotia** fully two years ago (PFR, 7/19/18).

The portfolio comprises 16 assets that are spread across Arizona, California, Florida, Virginia, Tennessee, and Ontario in Canada.

Capdyn acquired them through its Clean Energy Infrastructure VII fund (PFR, 2/12). ■

## Kayne Anderson debuts as solar sponsor

◀ FROM PAGE 1

Mill financing, and greatly appreciate CIT's expertise and agility in successfully leading this important financing," said **Jon Levinson**, managing partner and recently appointed co-head of renewables at Kayne.

The sponsor is partnering with **Birch Creek Development** and **Pine Gate Renewables** to construct the facility. **SunEnergy1** originally developed the project before selling it to Kayne last year.

The acquisition is one of several recent investments in solar across the capital stack by Kayne's new renewable opportunities team, which is led by Levinson and **JC Frey** (see story, page 20).

The firm was also the lead investor on a convertible bond issuance by distributed solar developer **Sunnova** in May (PFR, 5/19) and one of the lenders in a project finance package for a solar project in North Carolina developed by Pine Gate Renewables (see story, page 16).

The debt for Kayne's own Harts Mill project is split between:

- ◆ \$57 million tax equity bridge loan
- ◆ \$55 million construction-plus-seven-year mini-perm
- ◆ \$6.5 million letter of credit facility

The tax equity investor is **Churchill Stateside Group**, via an inverted lease structure, PFR has learned.

Legal advisers were:

- ◆ **Latham & Watkins** - borrower's counsel
- ◆ **McDermott Will & Emery** - lenders' counsel

### PRICE DISCOVERY

The construction loan was priced at 125 bp over Libor, which project finance bankers and M&A and finance officials at project sponsors say is at the tight end of the range available in the post-Covid-19 environment.

**"The world of under-1% margins is over for now. Pricing is all over the place."**

The economic fall-out of the pandemic has caused banks' funding costs to rise and reduced the depth of the loan market, causing spreads to widen and ushering in a period of price discovery (PFR, 4/2).

Elsewhere, bankers say they have seen construction loans priced wider than 200 bp.

"The world of under-1% margins is over for now," says a syndicate banker. "Pricing is all over the place."

A range of 125 bp to 150 bp "sounds right," adds a senior M&A official at a developer.

However, the wider spreads are somewhat offset by a fall in underlying base rates. ■

## Texas PUC rejects Invenergy build-transfer

The **Public Utility Commission of Texas** has rejected a portion of Invenergy's 1,485 MW North Central wind complex in Oklahoma, though the portfolio is set to move ahead anyway thanks to a contingency plan.

**Southwestern Electric Power Co** (SWEP-CO), an **American Electric Power** subsidiary, had requested PUC permission to purchase an 810 MW chunk of the three-project fleet to serve its customers in Texas, but the regulator denied the utility its approval on July 2.

The project will go forward nevertheless, with the power that was earmarked for Texan customers going instead to serve load in Arkansas and Louisiana (PFR, 5/28).

**Arkansas Public Service Commission** and **Louisiana Public Service Commission** approvals for the project included provisions to increase the power allocated to them if one state did not approve the proposal.

**Public Service Company of Oklahoma** is also buying 675 MW to serve customers in Oklahoma.

North Central is a reworked version of Invenergy's previously proposed 2 GW Wind Catcher project, which included a 350-mile transmission line and which was canceled in 2018 (PFR, 7/26/18). **Citi, CoBank, MUFG, Raboank and Santander** had been lined up to provide a tightly-priced \$2.5 billion construction loan for Wind Catcher. ■

## ● DEALS & FIRMS OF THE YEAR 2019: SHORT LISTS

# POWER FINANCE AND RISK — 17TH ANNUAL — DEALS AND FIRMS OF THE YEAR 2019 / 20

After sifting through more than 100 nominations, Power Finance & Risk is pleased to announce the short lists for its 17th Annual Deal of the Year Awards.

Twenty-nine transactions have made it to the next round, divided into eight separate categories. There will be awards for Renewable Energy Deal of the Year and Conventional Power Deal of the Year as well as categories for specific financing products, such as project bonds and term loan Bs.

We would like to thank everyone who took the time to complete a nomination form.

PFR has carefully selected a panel of judges to determine the final winners. The panel includes senior infrastructure fund managers, finance officials at project sponsors, project finance bankers and private equity officials. If you have been invited to vote, please do not delay! You have until Friday, July 17th.

## District energy deal of 2019

### INNOVATE ENERGY

When the Canadian government put the modernization of Ottawa's district energy system out to tender, it placed restrictions on the use of long-term private capital, which required the winning consortium, **Innovate Energy**, to structure the project in a way not done before in the Canadian PPP market. The district energy system heats 80 buildings and cools 67, including parliament buildings. The deal closed on May 29.

**Consortium:** Engie Services Canada, PCL Constructors Canada, PCL Investments Canada, Black & McDonald, WSP Canada  
**Architect:** BBB Architects Ottawa  
**Contract value:** C\$2.6 billion  
**Concession term:** 35 years  
**Nominal equity:** C\$100 million  
**Revolving credit facility:** C\$500 million  
**Lenders:** ATB Financial, Bank of Nova Scotia, Desjardins, HSBC, SMBC, TD Bank  
**Financial adviser to government:** PwC

**Financial adviser to consortium:** TD Securities  
**Government's counsel:** Norton Rose Fulbright  
**Consortium's counsel:** Davies  
**Lenders' counsel:** Fasken  
**Independent oversight:** EY  
**Technical and design consultant to government:** Stantec  
**Lenders' technical adviser:** BTY  
**Insurance consultant:** Marsh  
**Fairness monitor:** Knowles Consultancy

### DISTRICT ENERGY NETWORKS/VICINITY ENERGY

**Antin Infrastructure Partners** made good on its commitment to grow its US presence with the \$1.25 billion acquisition of **Veolia's** District Energy Networks business in December and rebranding it as **Vicinity Energy**. Antin funded the purchase with a \$770 million debt package that innovatively combined elements of corporate and project financing. The deal built on Antin's debut US deal the year before and its previous investment in district energy in France. It closed on December 30. Coverage [here](#).

**Seller:** Veolia  
**Buyer:** Antin Infrastructure Partners  
**Cogeneration capacity:** 413 MW  
**Total value:** \$1.25 billion  
**Total senior secured debt:** \$770 million  
**Tenor:** Seven years  
**Coordinating lead arrangers:** BNP Paribas (left), Crédit Agricole, Bank of Montréal, MUFG, Natixis  
**Joint lead arrangers:** Société Générale, SMBC

**Sell-side financial adviser:** BofA Securities  
**Buy-side financial advisers:** RBC Capital Markets, Messier Maris & Associés, PH Villin Conseil  
**Seller's counsel:** Orrick  
**Buyer's/borrower's counsel:** White & Case  
**Lenders' counsel:** Latham & Watkins  
**Market consultant:** PA Consulting  
**Independent engineer:** Advician



## DEALS &amp; FIRMS OF THE YEAR 2019: SHORT LISTS ●

## Gas-fired power deal of 2019

## GUERNSEY POWER STATION

The largest financing of a greenfield gas-fired project in PJM Interconnection in 2019, with a total value of \$1.6 billion across its multi-layered capital stack, plus a \$125 million revolving credit facility. The 1,875 MW project – which will be the largest gas-fired plant in Ohio – is supported by a unique commodity hedge combination of revenue put and gas netback. The deal closed on August 29. Coverage [here](#).

**Sponsors:** Caithness Energy, Apex Power Group  
**Senior Term Debt:** \$950 million  
**Tenor:** Construction plus five years  
**Revolving credit facility:** \$125 million  
**Preferred equity investor:** BlackRock  
**Mezzanine lender:** AMP Capital  
**Financial adviser:** Morgan Stanley  
**Underwriter and sole bookrunner:** Investec

**Coordinating lead arrangers:** Crédit Agricole, NH Investment & Securities, KEB Hana Bank, Nomura, ICBC  
**Joint lead arrangers:** China Merchants Bank, KB Kookmin Bank  
**Borrower's counsel:** Morgan Lewis  
**Lenders' counsel:** Kirkland & Ellis  
**Counsel to AMP Capital:** Latham & Watkins  
**Counsel to BlackRock:** Simpson Thacher

## HILL TOP ENERGY CENTER

**Ares Management Corp** eschewed the bank market for the financing of its 620 MW Hill Top project in Pennsylvania, opting instead for a project bond. The structure was made possible by the project's 8.5-year gas netback hedge, which allowed **Kroll Bond Rating Agency** to award the senior bonds a BBB- credit rating. Ares also obtained mezzanine debt from Investec to fund the issuance of a letter of credit to backstop the sponsor's equity obligations. The deal closed on March 27. Coverage [here](#).

**Sponsors:** Ares Management Corp, Abatis  
**Total enterprise value:** \$726 million  
**Senior term debt:** \$375 million  
**Tenor:** 10 years  
**Ancillary facilities:** \$45 million  
**Mezzanine debt:** \$156 million  
**Placement agent:** Morgan Stanley  
**Financial adviser:** PJ Solomon

**Borrower's counsel:** Morgan Lewis  
**Placement agent/investors' counsel:** White & Case  
**Sponsor's local counsel:** Ballard Spahr  
**Investors' local counsel:** Buchanan, Ingersoll & Rooney  
**Credit rating agency:** Kroll Bond Rating Agency  
**EPC:** Kiewit

## LONG RIDGE ENERGY TERMINAL

The first financing of 2019 for a new gas-fired project in PJM Interconnection was a very unusual one. The transaction financed the 485 MW Long Ridge Energy Generation project – also known as Hannibal Port Power – as well as an interest in a gas production field under development in Ohio. Because of this and the project's unusual commodity hedge structure, developer Fortress Transportation and Infrastructure had to put together a unique non-bank debt deal, which closed on February 15. Coverage [here](#) and [here](#).

**Sponsors:** Fortress Transportation and Infrastructure, GCM Grosvenor  
**Total debt:** \$742 million  
**First lien loan:** \$445 million  
**Second lien loan:** \$143 million  
**Letter of credit:** \$154 million  
**Lead arranger:** AMP Capital  
**Co-arrangers:** ING Capital, Mirae Asset Daewoo, Elsdon Investment  
**LC issuer:** ING Capital  
**Borrower's counsel:** Cravath, Swaine & Moore  
**Arranger's counsel:** Latham & Watkins  
**Project counsel:** Morgan Lewis

**Local counsel:** Porter Wright Morris & Arthur  
**Commodity hedge adviser:** Powder Day Capital  
**Independent engineer:** Black & Veatch  
**Insurance consultant:** Aon Risk Services  
**Admin agent:** Cortland Capital Market Services  
**EPC:** Kiewit  
**Sell-side financial adviser:** Citi  
**Buy-side financial adviser:** TD Securities  
**GCM Grosvenor's counsel:** Baker Botts

## NILES ENERGY CENTER

Indeck Energy Services raised more than \$1 billion to finance the 1,085 MW Niles Energy Center in Michigan, with South Korean investors participating notably in both the equity and debt. The latter was split between fixed and floating rate loans and letters of credit. The project has a five year revenue put with Citi. The deal closed on April 25. Coverage [here](#).

**Sponsors:** Indeck Energy Services, Korean Southern Power Corp, Daelim  
**Total debt:** \$635 million  
**Senior floating-rate debt:** \$437 million  
**Senior fixed-rate debt:** \$150 million  
**Tenor:** Construction plus five years  
**Ancillary facilities:** \$47 million  
**Coordinating lead arranger (left lead):** BNP Paribas  
**Coordinating lead arrangers (floating-rate):** Crédit Agricole, Nomura, NH Bank

**Coordinating lead arranger (fixed-rate):** Hana Financial  
**Financial adviser:** Whitehall & Co  
**Borrower's counsel:** Morgan Lewis  
**Lenders' counsel:** Norton Rose Fulbright  
**Counsel to Korean Southern Power Corp and Daelim:** Latham & Watkins  
**Independent engineer and market consultant:** Leidos  
**Insurance consultant:** Moore McNeil  
**EPC:** Kiewit

## ● DEALS & FIRMS OF THE YEAR 2019: SHORT LISTS

# Term loan B deal of 2019

### GRANITE GENERATION

**LS Power** refinanced its 4.8 GW Granite Generation portfolio of gas-fired generation assets in PJM Interconnection with a \$1.4 billion seven-year term loan B and \$100 million five-year revolving credit facility, rated Ba3/BB-. The assets had previously been financed in the bank market. LS Power marketed the leveraged loan as corporate rather than project finance debt and intends to operate the business as an independent power producer with scope for growth. The deal was priced on November 4. Coverage [here](#).

**Sponsor:** LS Power  
**Term loan B:** \$1.4 billion  
**Revolving credit facility:** \$100 million  
**Ratings:** Ba3/BB-  
**Spread:** 375 bp

**Index floor:** 1%  
**OID:** 99  
**Left lead:** Morgan Stanley  
**Bookrunners:** BMO Capital Markets, Credit Suisse, Goldman Sachs, MUFG, RBC

### HERITAGE POWER

Having exited Chapter 11, **GenOn Holdings** set about creating a more efficient capital structure in 2019, refinancing a portfolio of 16 legacy generation assets known as Heritage Power with a \$620 million term loan B package. The aging gas-fired plants were unlike other assets that had been in the leveraged loan market recently, meaning that the transaction was an exercise in price discovery. It was originally floated in June but was then reworked before reemerging in mid-July in its final form. It was priced on August 5. Coverage [here](#).

**Sponsor:** GenOn Holdings  
**Term loan B:** \$520 million  
**LCs:** \$54 million  
**Revolving credit facility:** \$45 million  
**Ratings:** B1/B+  
**Spread:** 600 bp

**OID:** 98  
**Left lead:** Jefferies  
**Bookrunner:** Morgan Stanley  
**Lenders' counsel:** Latham & Watkins

### OREGON CLEAN ENERGY

**Ares Management** and **I Squared Capital** had been planning to refinance their 869 MW Oregon Clean Energy Center gas-fired project in Ohio in the term loan B market in late 2018, but postponed the deal amid deteriorating credit market conditions. They brought the transaction back to investors after the market rebounded in February 2019 and were even able to increase the size of the deal. It was priced at 375 bp over Libor, 25 bp inside initial price thoughts, and closed on March 1.

**Sponsors:** Ares Management, I Squared Capital  
**Term loan B:** \$530 million  
**Revolving credit facility:** \$50 million  
**Ratings:** Ba3/BB-  
**Spread:** 375 bp  
**Index floor:** 1%  
**OID:** 99  
**Left lead:** Credit Suisse

**Bookrunners:** Barclays, ICBC  
**Co-lead arranger:** Kookmin Bank  
**Lenders' counsel:** Milbank  
**Independent engineer:** E3 Consulting Services  
**Market consultant:** PA Consulting  
**Environmental consultant:** Civil & Environmental Consultants  
**Insurance consultant:** McGriff Seibels & Williams

### WEST DEPTFORD

**LS Power** refinanced the previously bank-financed 744 MW West Deptford gas-fired project in the term loan B market while retaining the existing, complicated collateral structure, despite concerns of overbuild in PJM Interconnection. The project itself is somewhat historic, having been the first merchant gas-fired plant to reach financial close after the financial crisis. The term loan B refinancing was priced at 375 bp over Libor on July 30. Coverage [here](#).

**Sponsor:** LS Power  
**Term loan B:** \$445 million  
**Revolving credit facility:** \$55 million  
**Ratings:** Ba3/BB  
**Spread:** 375 bp  
**Index floor:** 0%  
**OID:** 99.5

**Left lead:** Credit Suisse  
**Bookrunners:** Morgan Stanley, BNP Paribas, SunTrust Robinson Humphrey, Kookmin Bank  
**Borrower's counsel:** Latham & Watkins  
**Lenders' counsel:** Shearman & Sterling

## DEALS &amp; FIRMS OF THE YEAR 2019: SHORT LISTS ●

## M&amp;A deal of 2019

## PROJECT ARCADIA

**TerraForm Power** became one of the largest distributed generation businesses in the US when it acquired the Arcadia portfolio from **AltaGas**. Besides a 291 MW distributed solar portfolio, the deal included 10 MW of fuel cells and 21 MW of residential solar. TerraForm took out a non-recourse holdco bridge loan to finance the deal, which closed on September 25. Coverage [here](#) and [here](#).

**Sellers:** AltaGas, WGL Holdings  
**Buyer:** TerraForm Power (Brookfield Asset Management)  
**Enterprise value:** \$720 million  
**Total debt:** \$475 million  
**Joint lead arrangers:** HSBC, Natixis, Royal Bank of Canada, Sumitomo Mitsui Banking Corp

**Sell-side financial advisers:** Scotiabank, Greentech Capital Advisors (now Greentech Nomura)  
**Borrower's counsel:** Skadden  
**Lenders' counsel:** Milbank  
**Independent engineer:** AWS Truepower (UL)

## PROJECT ATHENA

**Harbert Management Corp** almost doubled its renewable energy holdings when it acquired a stake in an 812 MW wind portfolio, a deal it ultimately opted to finance in the bank market through a holding company called Gulf Plains Wind. The seller was **EGPNA Renewable Energy Partners**, a joint venture between **Enel Green Power North America** and **GE Energy Financial Services**. The deal with Harbert was one of two that resulted from a larger sale process codenamed Project Athena. The deal closed on December 6. Coverage [here](#).

**Seller:** EGPNA Renewable Energy Partners (Enel Green Power NA, GE Energy Financial Services)  
**Buyer:** Gulf Pacific Power (Harbert Management Corp, CalPERS)  
**Total debt:** \$278 million  
**Lead arranger:** MUFG  
**Sell-side financial advisers:** CCA Group (Enel), BofA Securities (GE EFS)

**Buy-side financial adviser:** CohnReznick Capital  
**Counsel to Enel:** Skadden  
**Counsel to GE EFS:** Norton Rose Fulbright  
**Counsel to Gulf Pacific Power:** Hogan Lovells  
**Lenders' counsel:** Latham & Watkins  
**Technical adviser:** Black & Veatch

## SALE OF FIRST SOLAR PORTFOLIO TO EDPR AND CONNECTGEN

**ConnectGen**, a business that was set up by a group of former **EDP Renewables** officials in 2018, teamed up with their former employer to acquire a 278 MW solar portfolio from **First Solar**. The portfolio comprises three projects in Arizona, California and Nevada that have 15-year power purchase agreements with **Southern California Edison**. The deal closed on October 29. Coverage [here](#).

**Seller:** First Solar  
**Buyers:** ConnectGen (Quantum Energy Partners), EDP Renewables  
**Financial adviser:** CohnReznick Capital  
**Buyer's counsel:** Orrick  
**Seller's counsel:** Skadden

## GREENSKIES RENEWABLE ENERGY

**JLC Infrastructure** was established in 2015 as a minority-owned and -controlled joint venture between **Loop Capital** and **Magic Johnson Enterprises** to invest in US infrastructure. In 2019 the firm made its first major investment in renewable energy, buying solar developer **Greenskies Renewable Energy** and its more-than-600 MW project pipeline. The target appealed to JLC not only because of its clear ESG attributes but also because the distributed solar model aligns with the firm's focus on grassroots community improvement. The deal closed on December 19. Coverage [here](#).

**Sellers:** Greenskies Renewable Energy, Greenskies Development Company  
**Buyer:** Johnson Loop Capital Infrastructure  
**Total value:** \$40 million  
**Financial adviser:** KeyBanc Capital Markets

**Buyer's counsel:** Winston & Strawn  
**Seller's counsel:** Troutman Sanders  
**Independent Engineer:** E3 Consulting  
**Financial and tax consultant:** EY  
**Market consultant:** Black & Veatch  
**Insurance consultant:** Willis Towers Watson

## ● DEALS & FIRMS OF THE YEAR 2019: SHORT LISTS

# Project bond deal of 2019

### CED CALIFORNIA HOLDINGS IV

The project bond refinancing of recently commissioned solar assets with investment grade utility power purchase agreements would not normally constitute a standout transaction, but executing the first such deal in California after **Pacific Gas & Electric's** momentous bankruptcy filing was not for the faint of heart. **Consolidated Edison Development** pulled it off with a deal for its Wistaria and Panoche projects, totaling 247 MW, both of which have power purchase agreements with **Southern California Edison**. The deal was 3.5 times oversubscribed and closed on October 17.

**Sponsor:** Consolidated Edison Development  
**Total debt:** \$303 million  
**Order book:** >\$1 billion  
**Tenor:** 19.2 years  
**Weighted average life:** 11.4 years  
**Rating:** NAIC-2 (no agency rating)  
**Coupon:** 3.82%  
**Joint lead placement agents:** Mizuho, MUFG

**Issuer's counsel:** Greenberg Traurig  
**Investors' counsel:** Shearman & Sterling  
**Independent engineer:** Black & Veatch  
**Insurance consultant:** Moore-McNeil

### MPT FINCO (MISSISAGI POWER TRUST)

**Evolugen** (formerly **Brookfield Renewable Canada**) tested the limits of Canadian investors' appetite for delayed-draw private placements when it issued a dual-tranche project bond to refinance a 488 MW hydro portfolio in Ontario. Not wanting to miss out on low rates, the sponsor raised enough debt to almost double the portfolio's leverage, but applied a one-year delayed-draw feature to about half of the issuance, to avoid being subject to prepayment penalties on the existing debt. The deal reached first close on December 2. Coverage [here](#).

**Sponsor:** Evolgen  
**Total debt:** C\$628.3 million  
**Tenor:** 10 years  
**Placement agents:** Scotiabank, National Bank Financial  
**Rating:** BBB  
**Rating agency:** DBRS Morningstar  
**Green rating:** E1 (S&P Global Ratings)

**Issuer's counsel:** Torsys  
**Investors' counsel:** McCarthy Tétrault  
**Independent engineer:** Hatch  
**Market consultant:** London Economics International

### GRIDFLEX GENERATION

Gas-fired peakers in PJM Interconnection are not the traditional fodder for the US private placement market, but sponsor **Rockland Capital** was able to present an appetizing deal to investors last year with the refinancing of its 1.5 GW GridFlex portfolio. Structuring innovations including a capacity reserve account helped to sweeten the deal, to which the buy-side responded with a twice oversubscribed book. The deal closed on September 26. Coverage [here](#).

**Sponsor:** Rockland Capital  
**Total enterprise value:** \$629.5 million  
**Total debt:** \$377.7 million  
**Tenor:** 11.3 years  
**Weighted average life:** 7.4 years  
**Ancillary facilities:** \$46 million  
**Placement agents:** Cantor Fitzgerald, Crédit Agricole

**Issuer's counsel:** Sidley Austin  
**Investors' counsel:** Milbank  
**Technical adviser:** Black & Veatch  
**Market consultant:** ICF  
**Credit rating agency:** Kroll Bond Rating Agency

### GSRP PORTFOLIO I

Distributed solar is a relatively new asset class in the private placement market and this **Goldman Sachs Renewable Power** portfolio, clocking in at around 600 MW across 379 sites, is among the largest that bond buyers have seen so far. It was also the first to obtain a BBB rating, one notch higher than most other transactions in the subsector. The deal closed on December 10. Coverage [here](#).

**Sponsor:** Goldman Sachs Renewable Power  
**Total debt:** \$500 million  
**Tenor:** 25 years  
**Weighted average life:** 21.1 years  
**Spread:** T+190 bp  
**Coupon:** 3.77%  
**Ancillary facilities:** \$65 million  
**Placement agents:** Goldman Sachs (left), MUFG, HSBC (green structuring adviser)  
**Deal manager:** Citi  
**Rating:** BBB  
**Rating agency:** Kroll Bond Rating Agency

**Issuer's counsel:** Skadden, Fried Frank  
**Investors' counsel:** Latham & Watkins  
**Independent engineer:** Enertis Solar  
**Market consultant:** Lelidos  
**Insurance consultant:** Moore-McNeil  
**Climate bond certification:** Sustainalytics

### HILL TOP ENERGY CENTER

**Ares Management Corp** eschewed the bank market for the financing of its 620 MW Hill Top project in Pennsylvania, opting instead for a project bond. The structure was made possible by the project's 8.5-year gas netback hedge, which allowed **Kroll Bond Rating Agency** to award the senior bonds a BBB- credit rating. Ares also obtained mezzanine debt from Investec to fund the issuance of a letter of credit to backstop the sponsor's equity obligations. The deal closed on March 27. Coverage [here](#).

**Sponsors:** Ares Management Corp, Abatis  
**Total enterprise value:** \$726 million  
**Senior term debt:** \$375 million  
**Tenor:** 10 years  
**Ancillary facilities:** \$45 million  
**Mezzanine debt:** \$156 million  
**Placement agent:** Morgan Stanley  
**Financial adviser:** PJ Solomon  
**Borrower's counsel:** Morgan Lewis  
**Placement agent/investors' counsel:** White & Case

**Sponsor's local counsel:** Ballard Spahr  
**Investors' local counsel:** Buchanan, Ingersoll & Rooney  
**Credit rating agency:** Kroll Bond Rating Agency  
**EPC:** Kiewit

## DEALS &amp; FIRMS OF THE YEAR 2019: SHORT LISTS ●

## Renewable energy deal of 2019

## NITROGEN

After pioneering so-called convertible equity financing in 2018, NextEra returned with an even more complex version of the dynamic, levered partnership structure in 2019 to fund a 1,192 MW portfolio of utility-scale wind and solar projects. In the reboot, NextEra has the option to buy KKR out of the partnership in multiple chunks, requiring real-time resizing of the debt used by KKR to lever up its interest in the assets. Adding to the fun, the portfolio included assets with Southern California Edison PPAs and the bargain was struck against the backdrop of the PG&E bankruptcy case. The deal closed on June 11. Coverage [here](#).

**Sponsors:** NextEra Energy partners, KKR & Co  
**Total value:** \$1.092 billion  
**Convertible equity financing:** \$900 million  
**Debt:** \$600 million

**Lenders:** Citi, MUFG  
**Counsel to NextEra:** Skadden  
**Counsel to KKR:** Kirkland & Ellis  
**Lenders' counsel:** Latham & Watkins

## AVIATOR WIND

The Aviator Wind financing is impressive not only because of its size – the 525 MW project will be the largest single-phase, single-site wind farm in the US – but also because of the range of expertise demonstrated by sponsor **Ares Management Corp.** From identifying the project and negotiating the acquisition from original developer **Apex Clean Energy**, to scoring off-take contracts with **Facebook** and first-timer **McDonald's**, to financing the project with construction and back-levered debt and tax equity ahead of closing on the acquisition, every aspect was deftly executed. The deal closed on August 30. Coverage [here](#) and [here](#).

**Sponsor:** Ares Management Corp  
**Deal value:** \$456 million  
**Pricing:** L+87.5 bp  
**Lead arranger:** Santander  
**Tax equity:** Berkshire Hathaway  
**Financial adviser:** CCA Group

**Sponsor's counsel:** Latham & Watkins  
**Lenders' counsel:** Winston & Strawn  
**Local counsel:** Husch Blackwell  
**Independent engineer:** Sargent and Lundy

## PROSPERO

After closing Phoebe – the first ever broadly syndicated quasi-merchant US solar deal – in 2018, developer **Longroad Energy** went back to the lab to concoct an even bigger deal to attract new lenders to this type of asset. The 300 MW Prospero project was also **Facebook's** debut tax equity investment – an audacious move for a first-timer. Under pressure to get the project built by summer 2020 in Ercot, the parties closed the deal on May 16. Coverage [here](#).

**Sponsor:** Longroad Energy  
**Total debt:** \$418 million  
**Term debt:** \$88 million  
**Tenor:** C+7 years  
**Tax equity bridge:** \$225 million  
**Ancillary facilities:** \$105 million  
**Coordinating lead arranger:** CIT Bank  
**Lenders:** Silicon Valley Bank (JLA), Zions Bank (JLA), Helaba (Interconnection LC issuer), Rabobank (DSR LC issuer), Commerzbank (term debt lender), NAB (Hedge LC issuer)

**Tax equity investor:** Facebook  
**Hedge provider:** Shell Energy North America  
**Borrower's counsel:** Norton Rose Fulbright  
**Lenders' counsel:** Winston & Strawn  
**Independent engineer, market consultant and transmission consultant:** ICF Resources

## RECURRENT ENERGY SAFE HARBOR LOAN

Solar safe harbor loans were a major theme of 2019 as several developers raced to qualify equipment for the 30% investment tax credit ahead of a step-down at the end of the year. **Recurrent Energy's** version of the product is understood to have been the first of its kind to cross the finish line and also featured an unusual dual-tranche structure with a mezzanine component to replace equity capital. The senior loan closed on September 6 and the mezzanine loan on October 10. Coverage [here](#).

**Sponsor:** Recurrent Energy (Canadian Solar)  
**Total senior debt:** \$124 million  
**Total mezzanine capital:** \$60 million  
**Portfolio size:** 2.5 GW  
**Mandated lead arrangers:** Rabobank, NordLB

**Joint lead arrangers:** ING, Silicon Valley Bank  
**Sole lead arranger (mezzanine loan) and lender (senior loan):** Nomura  
**Admin agent (mezzanine loan):** Wilmington Trust

## HOLSTEIN 1 SOLAR

Even as hedged solar projects in Texas become more common, this transaction stood out because of the complex intercreditor interactions between the senior lenders, tax equity investor and hedge provider **J. Aron**, ahead of a simultaneous financial close and under time pressure to ensure the project would be online by summer 2020. The 200 MW project was under-hedged to capture merchant upside while also reducing shape and basis risk. The deal closed on July 19. Coverage [here](#).

**Developer:** 8minute Solar Energy  
**Equity sponsor:** Duke Energy Renewables Solar  
**Coordinating lead arranger:** CIT Bank  
**Joint lead arrangers:** Zions Bank, Rabobank  
**Tax equity:** SunTrust  
**Financial adviser:** CCA Group  
**Hedge provider:** J. Aron (Goldman Sachs)  
**Counsel to 8minute:** Norton Rose Fulbright

**Counsel to Duke:** Troutman Sanders  
**Lenders' counsel:** Winston & Strawn  
**Counsel to SunTrust (tax equity):** Akin Gump  
**Counsel to J. Aron:** Hunton Andrews Kurth  
**Independent engineer and market consultant:** ICF Resources  
**Hedge adviser:** Snapper Creek  
**EPC:** Blattner

## LĀWA'I SOLAR AND ENERGY STORAGE

With 28 MW of solar generation capacity and 100 MWh of five-hour storage, the Lāwa'i Solar and Energy Storage project in Hawaii has been hailed as the first solar peaking plant in the world. It provides 11% of Kaua'i Island's power. As the cost of combined solar and battery storage continues to fall, it will not remain the largest of its kind for long. The financing closed around the same time as commercial operations, on January 7.

**Sponsor:** AES Distributed Energy  
**Lead arranger:** Société Générale  
**Tax equity investor:** Republic Services  
**Borrower's counsel:** Akin Gump  
**Lenders' counsel:** Norton Rose Fulbright  
**Counsel to Republic Services (tax equity):** Mayer Brown

**Offtaker:** Kaua'i Island Utility Cooperative  
**PPA length:** 25 years  
**PPA price:** \$0.11/kWh



## ● DEALS & FIRMS OF THE YEAR 2019: SHORT LISTS

# Transmission deal of 2019

### GRIDLIANCE WEST

Transmission assets are among the toughest to develop in the US, but **Blackstone** portfolio company **GridLiance** is pioneering a new approach, collaborating with electric cooperatives, municipalities and others to invest in grid improvements to facilitate renewable energy development while keeping upfront costs low. To finance its assets in Caiso, the company obtained revolving credit facilities in a holdco-opco structure with investment grade ratings. The deal closed on or around August 2. Coverage [here](#).

**Sponsor:** GridLiance (Blackstone)  
**Total debt:** \$185 million  
**Lead arranger and rating agency adviser:** KeyBanc Capital Markets  
**Lenders:** CoBank, National Cooperative Services Corp  
**Rating agencies:** Fitch Ratings, Kroll Bond Rating Agency

**Borrower's counsel:** Eversheds Sutherland (financing), Holland & Hart (local), Paul Hastings (regulatory), Childs, Watson & Gallagher (real estate)  
**Lenders' counsel:** Norton Rose Fulbright

### TRANS BAY CABLE

At \$1.09 billion, the Trans Bay Cable was one of the most valuable single power sector assets to change hands in 2019. The underwater cable also provides as much as 40% of San Francisco's peak demand and is federally designated as a critical asset. It is **NextEra Energy Resources'** second major operational rate-regulated transmission asset after the Lone Star project in Central Texas. NextEra bought it from **Steelriver Infrastructure Partners** in three stages, the last of which closed on July 16. Coverage [here](#).

**Seller:** Steelriver Infrastructure Partners  
**Buyer:** NextEra Energy Transmission (NextEra Energy Resources)  
**Enterprise value:** \$1.09 billion  
**Assumed debt:** \$422 million  
**Sell-side financial adviser:**

Wells Fargo Securities  
**Buy-side financial adviser:** RBC Capital Markets  
**Seller's counsel:** Winston & Strawn  
**Buyer's counsel:** Pillsbury Winthrop (transaction), Ellison Schneider Harris & Donlan (regulatory)

### WATAYNIKANEYAP POWER

The C\$1.9 billion Wataynikaneyap transmission project is the first of its kind to be majority-owned by First Nations, the largest indigenous-led infrastructure project in Canada, and will be the most far-reaching First Nations grid connection in Ontario when it is completed. Its socio-economic value has been placed at \$900 million. The project obtained a C\$1.34 billion loan from Ontario's energy ministry and a C\$680 million loan from Canadian banks on October 29. The First Nations limited partner holdco meanwhile obtained a C\$220 million equity loan, guaranteed by the province under the Aboriginal Loan Guarantee Program, from two life insurance companies. Coverage [here](#).

**Sponsors:** First Nations LP (24 First Nations), FortisOntario (Fortis)  
**Minority investor:** Liberty Utilities (Algonquin Power)  
**Total value:** C\$1.9 billion  
**Project debt:** C\$2.02 billion  
**LP equity loan:** C\$220 million  
**Lenders:** Government of Ontario, RBC, CIBC, National Bank of Canada, Scotiabank, TD Bank  
**LP equity lenders:** Manulife, Sunlife  
**Project counsel:** Torys  
**Counsel to First Nations LP:** Stikeman Elliott  
**Counsel to Fortis:** Davies

**Lenders' counsel (banks):** Osler Hoskin & Harcourt  
**Lenders' counsel (equity loan):** McCarthy Tétrault  
**Counsel to the Government of Ontario:** Fasken  
**Counsel to Ministry of Finance:** Blaney McMurtry  
**Counsel to the Government of Canada:** McMillan  
**Counsel to Algonquin:** Fogler  
**EPC:** Valard Construction  
**Counsel to Valard:** McLean & Armstrong



POWER FINANCE AND RISK  
 — 17TH ANNUAL —  
 DEALS AND FIRMS OF THE YEAR 2019 / 20

## DEALS &amp; FIRMS OF THE YEAR 2019: SHORT LISTS ●

## Canada deal of 2019

## HEARTLAND GENERATION

Following a strategic review that was announced in September 2018, ATCO subsidiary Canadian Utilities Ltd sold most of its conventional power fleet to Energy Capital Partners, which financed the 1.25 GW acquisition with a C\$323 million term loan and \$145 million in ancillary facilities. MUFG arranged the debt, which was oversubscribed, attracting interest not only from Canadian banks but also South Korea's Kookmin Bank. The deal closed on September 30. Coverage [here](#).

**Seller:** Canadian Utilities Ltd (ATCO)

**Buyer/sponsor:** Energy

Capital Partners

**Enterprise value:** C\$835 million

**Debt:** C\$468 million

**Coordinating lead**

**arranger:** MUFG

**Lenders:** Kookmin Bank, ATB Financial, CIBC, National Bank of Canada, Canadian Western Bank, Siemens

**Seller's counsel:** Bennett Jones

**Buyer/borrowers' counsel:**

Latham & Watkins, Blake

Cassels & Graydon

**Lenders' counsel:**

McCarthy Tétrault

## NORTHWEST HYDRO

**Axiom Infrastructure** and **Manulife Financial Corp** issued a dual-tranche private placement to finance their joint acquisition of a stake in a portfolio of run-of-river hydro facilities from **AltaGas Canada**, building on a similar deal the previous year. The two investors now own a 90% stake in the 277 MW portfolio, which has 60-year fully indexed power purchase agreements with triple-A-rated **BC Hydro**. The remaining 10% of the portfolio is held by TriSummit Utilities (formerly AltaGas Canada). The acquisition and project bonds closed on March 13. Coverage [here](#).

**Seller:** AltaGas Canada (now TriSummit Utilities)

**Buyers/sponsors:** Axiom Infrastructure, Manulife Financial Corp

**Total value:** C\$1.39 billion

**Total debt:** \$1.084 billion

**Placement agent:** RBC Capital Markets

**Sell-side financial advisers:**

TD Securities, JP Morgan

**Issuer's counsel:** Davies

**Investors' counsel:**

McCarthy Tétrault

**Rating agency:** DBRS Morningstar

**Independent engineer:** WSP

**Insurance consultant:**

Moore-McNeill

**Model auditor:** BDO

## WATAYNIKANEYAP POWER

The C\$1.9 billion Wataynikaneyap transmission project is the first of its kind to be majority-owned by First Nations, the largest indigenous-led infrastructure project in Canada, and will be the most far-reaching First Nations grid connection in Ontario when it is completed. Its socio-economic value has been placed at \$900 million. The project obtained a C\$1.34 billion loan from Ontario's energy ministry and a C\$680 million loan from Canadian banks on October 29. The First Nations limited partner holdco meanwhile obtained a C\$220 million equity loan, guaranteed by the province under the Aboriginal Loan Guarantee Program, from two life insurance companies. Coverage [here](#).

**Sponsors:** First Nations LP (24 First Nations), FortisOntario (Fortis)

**Minority investor:** Liberty Utilities (Algonquin Power)

**Total value:** C\$1.9 billion

**Project debt:** C\$2.02 billion

**LP equity loan:** C\$220 million

**Lenders:** Government of Ontario, RBC, CIBC, National Bank of Canada, Scotiabank, TD Bank

**LP equity lenders:** Manulife, Sunlife

**Project counsel:** Torsys

**Counsel to First Nations**

**LP:** Stikeman Elliott

**Counsel to Fortis:** Davies

**Lenders' counsel (banks):**

Osler Hoskin & Harcourt

**Lenders' counsel (equity**

**loan):** McCarthy Tétrault

**Counsel to the Government**

**of Ontario:** Fasken

**Counsel to Ministry of**

**Finance:** Blaney McMurtry

**Counsel to the Government**

**of Canada:** McMillan

**Counsel to Algonquin:** Fogler

**EPC:** Valard Construction

**Counsel to Valard:**

McLean & Armstrong

## MPT FINCO (MISSISAGI POWER TRUST)

**Evolugen** (formerly **Brookfield Renewable Canada**) tested the limits of Canadian investors' appetite for delayed-draw private placements when it issued a dual-tranche project bond to refinance a 488 MW hydro portfolio in Ontario. Not wanting to miss out on low rates, the sponsor raised enough debt to almost double the portfolio's leverage, but applied a one-year delayed-draw feature to about half of the issuance, to avoid being subject to prepayment penalties on the existing debt. The deal reached first close on December 2. Coverage [here](#).

**Sponsor:** Evolgen

**Total debt:** C\$628.3 million

**Tenor:** 10 years

**Placement agents:** Scotiabank, National Bank Financial

**Rating:** BBB

**Rating agency:** DBRS Morningstar

**Green rating:** E1 (S&P

Global Ratings)

**Issuer's counsel:** Torsys

**Investors' counsel:**

McCarthy Tétrault

**Independent engineer:** Hatch

**Market consultant:** London

Economics International

## ● NORTH AMERICA PROJECT FINANCE

### Pine Gate seals financing for NC solar project

**Pine Gate Renewables** has reached financial close on a 78.7 MW contracted solar project in North Carolina.

**CIT Bank** led on the \$126.3 million deal for the Trent River Solar project, which is located in Pollocksville. The financing closed on June 30.

**Zions Bank** also took part in the deal as joint lead arranger, while a company called **Irradiant Financial Services** is said to have participated as lender. Irradiant is understood to

be related to **Kayne Anderson Capital Advisors**, which recently announced a series of investments in solar across the capital stack, from equity to senior secured debt (see story, page 20).

The debt package for Trent River Solar comprises:

- ◆ \$58 million construction-plus-six-year term loan
- ◆ \$53.7 million tax equity bridge loan
- ◆ \$2.8 million second out term loan

- ◆ \$11.8 million letter of credit facility

The term loan was priced at 150 bp over Libor.

**US Bank**, meanwhile, is providing the tax equity.

Legal advisers on the deal include:

- ◆ **Stoel Rives** – borrower's counsel
- ◆ **Winston & Strawn** – lenders' counsel

The Trent River Solar project has a power purchase agreement with **Duke Energy Progress**. ■

### Terra-Gen lands portfolio refi

Terra-Gen raised almost \$300 million in debt in June for a California wind portfolio repowering.

**MUFG**, **Citi** and **CoBank** closed the \$285 million debt package for the sponsor on June 30. The funds will go toward repowering four assets.

The package comprises a construction loan, a bridge facility and letter of credit.

**Skadden** was borrower's counsel.

Terra-Gen has previously signed a power purchase agreement for its 100 MW Coachella Hills repowering project in Palm Springs, California, with **Shell Energy North America** (PFR, 12/7/18).

Coachella Hills is a combined repowering of the Coachella Flats and Painted Hills wind farms. Coachella Flat's 363 turbines will be replaced with 20 new ones, while Painted Hills' 291 machines will be replaced with 14, according to local permitting paperwork.

Terra-Gen itself had been put up for sale by its owner **Energy Capital Partners** earlier this year (PFR, 3/5, 1/16). ■

### Pattern closes wind financing

**Pattern Energy** has financed two US wind farms with debt from a trio of banks.

**HSBC**, **BMO Capital Markets** and **RBC Capital Markets** provided the \$260 million loan for the 150 MW Lost Creek facility in Dekalb County, Missouri, and the 152 MW Spring Valley project in White Pine County, Nevada.

The deal closed on May 15.

Lost Creek came online in 2010 under a 20-year power purchase agreement with **Asso-**

**ciated Electric Cooperative Incorporated**.

It has been refinanced numerous times since its original 2009 construction loan – most recently by **MUFG**, **NordLB** and **Rabobank** in 2015, shortly after Pattern acquired it from **Wind Capital Group** (PFR, 5/19/15).

Spring Valley, meanwhile, began operations in 2012 under a 20-year PPA with **NV Energy**. **MUFG**, **Crédit Agricole** and **Siemens Financial Services** provided Spring Valley's construction financing in August 2011. ■

## ● PPA PULSE

### PacifiCorp issues mega RFP

PacifiCorp has issued the largest request for renewable resource proposals in the company's history.

The 2020 RFP stems from PacifiCorp's 2019 integrated resource plan and calls for:

- ◆ 1,823 MW of solar, co-located with 595 MW of energy storage
- ◆ 1,920 MW of wind

The utility has drafted a list of preferred resources in Oregon, Wyoming and Utah, but is open to proposals for any resources that can deliver to its 10-state transmission network, subject to locational

capacity limits.

The RFP was issued on July 7 with notices of intent due July 20.

#### **CIP CLINCHES PPA FOR ILLINOIS WIND FARM**

**Copenhagen Infrastructure Partners** has signed a power purchase agreement for a 400 MW wind farm it is developing in Illinois.

**AEP Energy** will purchase the output of the Panther Grove Wind Energy Facility in Woodford County under the contract.

#### **GO FISH**

Independent power producer **Colbún** has signed a seven-year power purchase agreement with Chilean fishing company **Camanchaca**.

The IPP will supply all of Camanchaca's operations with 50 GWh per year from renewable energy sources. The contract came into force on July 2, the day it was announced.

#### **APPALACHIAN TRAIL**

**Appalachian Power** has issued a request for proposals for up to 50 MW of solar in West Virginia.

The **American Electric Power** subsidiary issued the solicitation

on June 26 and proposals are due August 6.

#### **SPURR OF THE MOMENT**

**ForeFront Power**, a distributed generation developer owned by **Mistui & Co**, has received **Fresno City Council** approval for a 25 MW solar-plus-storage project in California.

The 20-year power purchase agreement has a five-year renewal option and no price escalator. The offtaker is **SPURR (School Project for Utility Rate Reduction)**, a buying consortium of over 250 public agencies that put out a request for proposals in 2017. ■

## LATIN AMERICA MERGERS &amp; ACQUISITIONS ●

## Petrobras seeks binding offers for pipeline stake

Petrobras has begun the binding phase of the sale of its remaining stake in the Nova Transportadora do Sudeste (NTS) natural gas pipeline network and the non-binding phase of the sale of its stake in five power plants totaling 682 MW.

**Santander** is acting as exclusive financial adviser to Petrobras on the sale of NTS, while **Crédit Agricole** is advising on the sale of the generation assets.

The NTS process is the furthest along, having already reached the non-binding phase in May (PFR, 5/19).

Petrobras holds a 10% stake in

the business, which operates a pipeline system of about 2,000 km with capacity to transport 158.2 million cubic meters of natural gas a day.

The state-owned company sold the other 90% stake to a fund managed by **Brookfield Asset Management** in 2017 and Brookfield sold down 7.65% to **Investimentos Itaú** for \$292.3 million.

NTS comprises the following lines:

- ◆ Malha SE II – 404 km
- ◆ Malha SE – 1,275 km
- ◆ Gasduc III – 178 km
- ◆ Gastau – 98 km

◆ Paulínia-Jacutinga – 93 km

The pipelines are located in the states of Rio de Janeiro, Minas Gerais and São Paulo, which are responsible for about 50% of the natural gas consumption in Brazil.

NTS is connected to the Brazil-Bolivia pipeline (known as Gasbol), to the TAG transportation network, to the Guanabara Bay LNG regasification terminal and to the processing plants of natural gas produced in the Campos Basin and the pre-salt region.

The sale of the generation portfolio, which includes gas-fired,

oil-fired and hydro assets, was announced in June (PFR, 6/9). Petrobras' shares in the assets represent a net capacity of 172 MW.

Potential investors selected to participate in this phase will receive instructions to make offers. ■

## FAST FACT

# \$292.3 million

The sum **Investimentos Itaú** paid **Brookfield** for a 7.65% stake in the NTS gas pipeline.

## Engie tweaks ownership of Chilean duo

France's **Engie** has transferred a hydro and a wind project owned by **Engie Latam** to its local subsidiary **Engie Energía Chile** (EECL).

EECL has announced the purchase of the special purpose vehicle Eólica Monte Redondo, which owns the duo:

- ◆ 48 MW – Monte Redondo wind park in the Coquimbo region
- ◆ 34.4 MW – Laja hydro project in the Biobio region

EECL was already operating both assets. The Monte Redondo unit was brought online in 2010 and is fitted with 24 **Vestas** wind turbines, while the Laja facility started commercial operations in 2015.

The acquisition is part of EECL's strategy to diversify its portfolio and move away

from coal-fired power. The company shut down several coal plants last year and expects to retire two more by January 2022 (PFR, 5/29).

"The operation is part of our energy transition process that includes a plan of asset rotation mainly focused on the development of solar and wind projects," said EECL's general manager **Axel Levêque** in a statement on July 2.

These two projects will grow EECL's renewable capacity in the country to supply power purchase agreements signed this past year. The firm inked a 15-year PPA with steel company **CAP Acero** in June and another five-year contract with fishing company **Corpesca** in March (PFR, 6/25, 3/12).

Engie is developing other renewable assets

in Chile:

- ◆ 97 MW – Capricornio solar park in Antofagasta
- ◆ 120 MW (DC) – Tamaya solar project in Antofagasta
- ◆ 54 MW – Los Loros solar park in the province of Copiapó
- ◆ 1.3 MW – Andacollo solar facility in Copiapó.
- ◆ 151.2 MW – Calama wind farm in Antofagasta

**IDB Invest** is structuring a \$125 million debt package for the Calama unit (PFR, 4/27).

Parent company Engie controls EECL through a 52.76% stake in the company. The remaining interest is traded on the stock market. ■

## Eneva still interested in AES Tietê merger

Brazilian power generator **Eneva** has admitted its renewed interest in making a merger offer to **AES Tietê Energia**.

The company said that it resumed studying the potential merger after development bank

**BNDES** hired independent investment bank **BR Partners** to explore the sale of its stake in AES Tietê (PFR, 6/17).

"The company has been analyzing the possibility of formulating a new offer to merge with AES Tietê," reads a filing with

Brazil's B3 stock exchange. The company is said to be exploring the possibility of making an offer to acquire the whole company, but this was not confirmed.

Eneva reiterated its management's view that merging the

two businesses would create "an efficient, complementary platform of power generation assets with great competitive advantages."

Prior merger talks between the two companies collapsed in early June (PFR, 5/20). ■



## ● LATIN AMERICA PROJECT FINANCE

### Details emerge on Mexico resi solar financing

Further details have emerged on a \$15 million debt package provided by **IDB Invest** for a portfolio of residential solar projects in Mexico.

The 13-year Mexican peso-denominated financing closed on March 19, with the first disbursement taking place on May 21.

The loan will fund the development of the 8 MW Bright Mexico Solar Holdings II portfolio, which comprises 2,500 systems originated by Mexico City start-up **Bright** (PFR, 6/29).

Legal advisers included:

- ◆ **Hunton Andrews Kurth** – lender's counsel (international)
- ◆ **Creel, García-Cuellar, Aiza y Enríquez** – lenders' counsel (local)
- ◆ **Blohm Law** – sponsor's counsel (international)
- ◆ **Greenberg Traurig** – sponsor's counsel (local)

IDB will provide the equivalent of \$10 million from its own funds, with the remaining \$5 million coming from its Canadian Climate Fund for the Private Sector of the Americas.

Latin-American focused private equity group **MGM Innova Capital** provided a subordinated loan through MGM Sustainable Energy, a fund which it manages for the **Japan International Cooperation Agency**.

**World Bank's** Clean Technology Fund will provide technical support to the sponsor. ■

### BNDES to fund Casa dos Ventos wind complex

Brazilian development bank **BNDES** has approved a loan for a 63 MW wind farm developed by **Casa dos Ventos** in the state of Rio Grande do Norte.

The R\$208 million (\$38.3 million) loan will fund the construction of the Ventos Santa Martina 14 project through a special purpose vehicle called Ventos de Santa Sofia Energias Renováveis. The project is located between the municipalities of Caiçara do Rio do Vento and Riachuelo.

Ventos Santa Martina 14 is one of eight projects that make up Casa dos Ventos' 504 MW Rio do Vento wind complex.

**Itau BBA** is acting as financial adviser to Casa dos Ventos on the financing.

In addition to BNDES, regional development bank **BNB** is also participating as a lender.

Casa dos Ventos has put bilateral contracts in place for a majority of the wind complex's output with companies such as mining company **Anglo American**, technology firm **Tivit**, and shoemaker **Vulcabras Azaleia** (PFR, 6/26). ■

### Developers secure sites for renewable energy development in Chile

Chile's **Ministry of National Assets** has awarded concessions for territory in the country to eight renewable companies to develop a total of 2,614 MW across eleven projects.

**EDF, Engie, Solar Century, Enel, Solarpack, Sonnedix, Caldera Solar** and **Copiapo Energia Solar** were the winners of the concessions. Copiapo is a subsidiary of **Solar Reserve**.

The ministry awarded the sites as a result of a tender process that took place in April. The government will receive \$3.4 million annually for the use of the sites, with the concession lasting 40 years.

The renewable energy assets are expected to require a total investment of \$2.536 billion.

The firms will develop their renewable facilities in the regions of:

- ◆ Tarapacá – two projects totaling 296.1 MW
- ◆ Antofagasta – six projects totaling 2,042 MW
- ◆ Atacama – three projects totaling 275.9 MW

The procurement process was launched in an effort to reactivate the country's economy, which has been weakened by the Covid-19 pandemic.

"Our tender plan will contribute to reactivating the economy and generating employment in our regions, in energy projects, industrial infrastructure, or construction projects, all of which have been severely affected and need a big push," said **Julio Isamit**, the national assets minister, in a statement on July 1. ■

### EDF suspends wind financing in Mexico

◀ FROM PAGE 1

institutions to let them know that the financing was being put on hold, according to a person familiar with the situation.

Banks understood to have received the request for proposals are:

- ◆ **Santander**
- ◆ **HSBC**
- ◆ **Société Générale**
- ◆ **Crédit Agricole**
- ◆ **Banorte**
- ◆ **Sabadell**

Whether all of the banks provided term sheets could not be

established. Three or four lenders were expected to participate in the final deal, though EDF cancelled it before selecting them.

The sponsor's communication to the banks regarding the cancellation of the financing cited the economic slowdown due to the Covid-19 pandemic as well as the recent regulatory turmoil in Mexico. The government has been accused of prioritizing conventional generation over renewables and favoring the state-owned utility, **Comisión Federal de Electricidad**, over

private investors (PFR, 6/30).

However, market participants say these were not the only challenges the \$300 million project was facing.

Located near the Unión Hidalgo indigenous community in Oaxaca, the Gunaa Sicarú project had been embroiled in a dispute with indigenous groups and human rights organizations.

Local community leaders said that the social impact and environmental evaluations did not identify or propose effective actions to prevent and mitigate

the project's impact. In February, a judge had determined that EDF should hold a public consultation – something that had been granted and suspended in 2018.

The project was already delayed by several months at that point. EDF won a power purchase agreement and clean energy certificate deal for the project in Mexico's 2016 power auction, and it was contractually obliged to begin generation in June 2019.

EDF did not respond to a request to comment. ■



## PEOPLE &amp; FIRMS ●

## New hires start in Quinbrook origination team

**Quinbrook Infrastructure Partners** has added two senior officials with experience in power marketing and origination.

**Val Angelkov** and **Shalini Ramanathan** both started at the company on July 1 and report to managing director **Hank Jones**, who himself joined less than a year ago (PFR, 9/17/19).

Jones, who was previously responsible for energy market-facing activities at **Dynegy** as the independent power producer's chief commercial officer,

heads the origination team at Quinbrook.

Angelkov joins the team as senior director, after two years as managing director at developer **Scout Clean Energy**. He has previously held positions in energy sales and origination at **sPower**, **EDP Renewables** and **Constellation Energy**.

Ramanathan, meanwhile, previously worked at **RES Americas**, where she was vice president of origination (PFR, 6/5). ■

## Ørsted adds power trader

Former **JP Morgan** power trader **Paula Torres** has joined Ørsted's US onshore division as a director in the power marketing and origination team.

She started in the new role in June and reports **Melissa Peterson**, vice president, origination

and power marketing.

Torres spent the last four years with **Riverstone**-backed commodities trading company **Trailstone Group**.

Since 2008, she has also worked at **Endicott Biofuels**, **JP Morgan**, **Engie** and consulting firm **Slalom**. ■

## Ex-Sunrun prez snags PE partner

New York-based private equity firm **CI Capital Partners** is backing **Paul Winnowski**, former president and chief operating officer of Sunrun, as he pursues corporate investments in the residential solar sector.

Winnowski and CI will target companies in the residential solar and commercial security sectors that can act as "consolidators in two fragmented and fast-growing industries," according to a July 7 announcement.

"Adoption of solar remains in the early stages nationwide, and more than ever, homeowners are seeking to minimize their carbon footprint, reduce

their reliance on traditional power distribution, and lower their energy costs," said Winnowski.

"I believe that now is an attractive time to build a platform company in each of the residential solar and commercial security sectors," he added.

Winnowski was at Sunrun from 2014 to 2018. He joined the company following its acquisition of **Mainstream Energy**, where he had been president and CEO since 2012. He has held prior positions at **United Technologies** and **General Electric**.

CI Capital has \$1.3 billion of assets under management and has been investing in middle-market companies since 1993. ■

## Kayne Anderson unveils renewable opportunities team

◀ FROM PAGE 20

investments in renewable energy and we have established a strong pipeline of opportunities, particularly in U.S. solar," said Levinson, a managing partner at Kayne who previously oversaw the firm's opportunistic credit fund, **Kayne Solutions Fund**.

The firm has already acquired a solar project in North Carolina, participated as a lender in the financing of solar projects in North and South Carolina, and acted as lead investor in a convertible bond offering by distributed solar company **Sunnova**.

"We are very pleased to execute these initial transactions, particularly in light of the challenges presented by the ongoing COVID-19 pandemic," Levinson added. "These transactions are each different in nature, but they all required the agility, creativity, and deep market knowledge that is emblematic of Kayne's approach to renewables. We look forward to

continuing to provide such creative solutions to renewable energy developers as we grow our efforts in this market."

**"These transactions are each different in nature, but they all required the agility, creativity, and deep market knowledge that is emblematic of Kayne's approach"**

Kayne super-charged its renewable energy investment team in April 2019 with the addition of **GE Energy Financial Services** stalwart **Alta Yen** (PFR, 4/15/19). Yen is a managing director in Kayne's private renewable opportunities team.

**Megan Neligan** is also a recent addition with renewable energy experience, having previously worked as a project finance associate at **Cypress Creek Renewables**.

The company's first solar project acquisition was the 112 MW Harts Mill project in Edgecombe County, North Carolina. The firm acquired the asset in December 2019 and reached financial close very recently (see story, page 1).

The firm also led the construction loan financing of **North Carolina Renewable Energy's** 75 MW Centerfield Cooper solar project in Chesterfield County, South Carolina, and participated as a lender in the financing of **Pine Gate Renewables'** 78.7 MW Trent River Solar project in Pollocksville, North Carolina (see story, page 16).

Kayne is understood to be conducting its solar construction financing activities through an affiliate called **Irradiant Financial Services**. ■

## ● PEOPLE &amp; FIRMS

## Kayne Anderson unveils renewable opportunities team

Fund manager **Kayne Anderson Capital Advisors** has gone public with its renewable energy investment strategy, having made a range of investments in solar assets in the second quarter of the year.

The firm has named **Jon Levinson** and **JC Frey** as co-heads of the

renewables platform, with Levinson overseeing private investments, including private equity and project finance debt, while Frey manages a portfolio of public market investments.

"We have spent multiple years exploring ways to structure attrac-

CONTINUED PAGE 19 »

## New CFO at ConnectGEN

Renewables developer ConnectGEN has hired **NextEra Energy** veteran **Andrew Kushner** as its new CFO, after the previous holder of the position left the company.

Kushner started in his new role on June 15, overseeing the developer's finance functions, including capital raising, investment analysis, M&A, accounting, compliance, tax, and financial reporting. He reports to ConnectGEN CEO **Caton Fenz**.

An auditor by training, Kushner joined NextEra 23 years ago and has held a number of corporate finance, treasury and business development positions. His most recent title was executive director, business development. He began

his career with accounting firm **RSM**.

He replaces **Dave Berry**, who left ConnectGEN in mid-May. Berry had been CFO and head of strategy since co-founding the group two years ago (PFR, 7/27/18).

He is not the only co-founder to have left the group. **Jayshree Desai**, who was the company's president, left for infrastructure services company **Quanta Services** at the end of last year. Her new job at Quanta is chief corporate development officer.

Houston-based ConnectGEN was founded by a group of former **EDP Renewables North America** staff and is backed by private equity firm **Quantum Energy Partners** (PFR, 5/19). ■

## Power marketer departs Seminole

**Jason Peters**, former director of commercial operations at **Seminole Electric Cooperative**, has left the Florida generation and transmission co-op.

Peters is looking for a new role after exiting the company last month. He had been with Seminole for 20 years and most recently led a team of seven professionals with a \$500 million annual budget.

In February, Seminole

announced power purchase agreements with four new **NextEra Energy** solar projects totaling 298 MW across Gilchrist, Columbia, Putnam, and Gadsden counties in northern Florida. The assets are due to be online in 2023, when they will serve nine Seminole member co-operatives.

Peters began his career as a banker with **Barnett Bank** before joining **Florida Power Corp** as a trader in 1997. ■

## ● IN BRIEF

## ● MERGERS &amp; ACQUISITIONS

### CAPDYN, TENASKA TEAM UP AGAIN

**Capital Dynamics** has signed the latest of several strategic partnerships with **Tenaska**, acquiring a portfolio of 24 solar projects totaling 4.8 GW in the MISO and SERC power markets. Tenaska will continue to provide development services for the portfolio through **Tenaska Solar Ventures**.

### DOMINION ASSET SALE TO BHE

**Dominion Energy** has struck a deal to sell its gas transmission and storage assets – including more than 7,700 miles of storage and transmission pipelines and about 900 billion cubic feet of storage – to **Berkshire Hathaway Energy**, in a transaction valued at nearly \$10 billion.

### DSD MAKES FIRST ACQUISITION

**Distributed Solar Development (DSD)**, the solar and storage joint venture between **BlackRock Real Assets** and **GE Renewable Energy**, has made its first acquisition – a 7.9 MW portfolio of four community solar projects in Colorado that was developed by Denver-based **Oak Leaf Energy Partners**.

### NAUTILUS BUYS COMMUNITY SOLAR IN MARYLAND

**Nautilus Solar Energy** has bought a 15.1 MW community solar development portfolio in Maryland from **SGC Power**. Most of the projects in the six-project portfolio are expected to be online by the fourth quarter. They bring the size of Nautilus's community solar fleet in Maryland to 32.8 MW.

## ● CAPITAL MARKETS

### COX LATAM SUBSIDIARY GOES PUBLIC

**Cox Energy America**, a subsidiary of Spanish renewable energy developer **Cox Energy**, has debuted on Mexico's **Bolsa Institucional de Valores** stock market. The sponsor raised Ps756 million (\$33.9 million) with the IPO, slightly less than its initial target of Ps1 billion (\$45 million). The shares were priced at Ps31.41 (\$1.38).

### GREEN BOND FIRST FOR FORTIS

**FortisBC Energy** is entering the green bond market, in what is expected to be the first green bond for a natural gas provider in Canada. The debt will allow the company to finance or refinance new or existing renewable energy and renewable natural gas projects, as well as energy efficiency, pollution prevention and control and clean transportation projects.

### EPM PREPS BOND ISSUANCE

Colombian utility **Empresa Pública de Medellín (EPM)** is preparing a dollar-denominated corporate bond issuance – its first in 2020 and its sixth in international markets. The sponsor is expected to issue between \$500 million and \$750 million of bonds with a 10-year tenor while also reopening its 8.375% Colombian peso-denominated notes due in 2027, according to a report by **Fitch Ratings**.

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