

# power finance & risk

The exclusive source for power financing and trading news

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## Mirant Mulls Options For \$1.5B Capex

JPMorgan is advising Mirant Corp. on ways to pre-fund about \$1.5 billion in environmental liabilities off its balance sheet.

See story, page 2

## GE EFS Wraps Shady Hills Purchase

WestLB funded a \$160 million loan supporting GE Energy Financial Services' purchase of 517 MW Shady Hills from LS Power.

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## TEXAS ENERGY CO. LOOKS FOR \$300-500M

Spark Energy, an independent player in the retail market, is talking to lenders about a new \$300-500 million credit facility to reduce its cost of borrowing, now at term loan B rates, by 300-400 basis points. "We have a very good story and a lot of credit needs. I want to go to something close to LIBOR plus 200 or 300," says Todd Gibson, cfo.

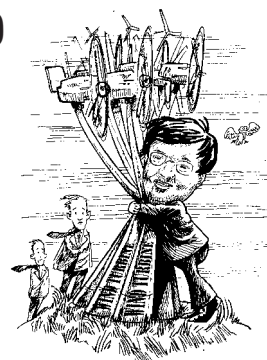
The facility will consolidate and increase debt capacity at two of its three business units—the unregulated utility Spark and Marlin Midstream, formerly URS Field Services, which has total processing capacity of 250,000 million cubic feet per day and projected

(continued on page 12)

## WIND PROJECT BUILDER SET TO HOLD ON TO FARMS

RES Americas, a unit of U.K. developer Renewable Energy Systems, has decided to change tack and keep the wind projects it constructs because it believes the returns in the U.S. on the strategic equity side, though not tax equity, are attractive compared to the returns it is seeing in Europe. Craig Mataczynski, president in Austin, Texas, says most of the facilities it intends to own over the

(continued on page 11)



## MEXICO ATTRACTS CALIFORNIA WIND PIONEERS

A handful of California renewable generation developers are heading south of the border. "The capacity factor is higher than anything left undeveloped in California," says Gary Hardke, general manager of Cannon Power in Rancho Bernardo. Cannon and Semptra Energy plan to build a 250 MW site at La Rumorosa, 70 miles east of San Diego, where steep mountains jut up from the desert creating optimal wind conditions. Spain's Union Fenosa has a similar mindset, and is planning a \$600 million, 500MW facility near

(continued on page 12)

## DEVELOPERS RAIL AT QATARI IWPP TENDER

A tender process for the latest Qatari independent power and water project—a 2.6 GW, 55 million gallons of water per day plant in Ras Laffan Industrial City—has given international developers the hump because they will not be able to handle their own financing. Unlike previous projects in the Middle East, where bidders are able to differentiate themselves on the basis of committed financing and EPC contracts, local investor Qatar Petroleum has decided it will get a better deal by making its own arrangements.

"By having a structure where the sponsors don't do the financing, the Qataris are pushing

(continued on page 11)

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## At Press Time

### Citi Infrastructure Fund To Draft Staffer

Citigroup Infrastructure Fund is expected to move Damien Mitchell, a director in its global power group, to the fund as an investment principal, reporting to co-head

Felicity Gates in New York, who declined comment. The position is a new one at the fund, which was launched by the firm's alternative investments arm in May. The team so far consists of two heads and three managing directors and Mitchell will be the first power specialist.

The fund, co-headed by Juan Bejar in London, also plans to add other senior-level staffers specializing in other areas of infrastructure via internal moves and external hires. It aims to raise about \$3 billion to spend on six to 10 large deals across the utilities, toll road, airport and railway sectors in North America and Western Europe.

During his seven-year tenure at Citi, Mitchell has specialized in mergers and acquisitions and equity transactions.

The alternative investments arm also has a separate group targeting renewable opportunities, Sustainable Development Investments.

## Mirant Looks To Tackle \$1.5B Environmental Costs

Mirant is reportedly in talks with its financial advisor JPMorgan to pre-fund some \$1.5-2 billion of planned environmental liabilities off balance sheet. The Atlanta IPP hired the firm in April to help it reviewing strategic alternatives, including an outright sale (PFR, 4/5). It believes taking on debt to bankroll scrubber installations at its dirtier plants will stop the business from being free-cash-flow accretive, potentially deterring strategic buyers like Dynegy (PFR, 6/8).

"Strategics have a valuations issue," notes a source familiar with the company's thinking. "Because they are spending a bunch of capex over the next few years, it depresses [Mirant's] free cash flow. But it is not a silver bullet because if the acquirer feels like it is financial engineering, [Mirant] will not get the credit for it."

Under discussion is project-level financing and asset-backed lending. Officials at JPMorgan declined to comment and a spokeswoman for Mirant did not return calls by press time.

### 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 **Katy Burne**, managing editor, at 212-224-3165 or kburne@iineews.com.

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## CIT Loses Two Chiefs

**Brooks Klimley**, president of **CIT Energy**, has left after 18 months and **William Swenson**, senior managing director and head of CIT's capital markets group, has also left. The reasons for the departures could not be ascertained. Klimley is replaced in the interim by **John Sullivan**, managing director in energy capital markets in New York, and Swenson by **Peter Connolly**, head of the syndicated loan group. Klimley and Swenson could not be reached and Sullivan did not return calls.

During Klimley's time at CIT, the firm served as documentation agent and underwriter on the syndication of \$1.1 billion in loans for **GenPower's Longview Power**, led by **Goldman Sachs** and **WestLB**, and led a corporate (PFR, 6/15) and turbine loan (PFR, 12/21) for **Noble Environmental Power**. In his previous position at **Citigroup**, Klimley led the global coverage group for relationship management of large-cap industrial companies.

## Olympus Bags PJM Hydro Facility

**Olympus Power** has struck a deal with **FirstEnergy's Metropolitan Edison** subsidiary to acquire its 20 MW hydroelectric facility in York Haven, Pa. The asset will be the first acquisition for the Morristown, N.J.-based IPP since its formation in February by the former management of **Delta Power**, which sold interests in 1,217 MW of generation to **Bear Stearns** unit **Arroyo Energy Investors** (PFR, 2/2).

**Richard Vicens**, president of Olympus, says York Haven builds on the company's record of acquiring assets that require significant capital expenditure. "One of our strengths has been coming into facilities that require capex and operational enhancements," he says, declining to disclose the purchase price. The facility features vintage equipment from 1905 and Olympus plans to seek approval for minor expansions and/or a complete repowering of the site, potentially doubling its output. Its **Federal Energy Regulatory Commission** license expires in 2014.

York Haven joins Olympus' six operating power projects that were kept back from the January 25 sale to Arroyo. Those are the 29 MW Ada Cogeneration in Ada, Mich.; 35 MW Cadillac Renewable Energy in Cadillac, Mich.; 123 Michigan Power in Ludington, Mich.; 140 MW Person Peaking in Albuquerque, N.M.; 286 MW Brooklyn Navy Yard in Brooklyn, N.Y.—being auctioned by **Credit Suisse** (PFR, 6/15)—and the 25 MW Berkeley in Berkeley, Calif.

Akron, Ohio-based **FirstEnergy** acquired York Haven via its merger with **GPU Energy** in 2002. "We are primarily fossil and nuclear focused, so we determined that the asset was not the right fit in our base load, load following and peaking units," says a spokeswoman.

## WestLB Banker Heads to HSBC

**Louis du Plessis**, formerly an associate director at WestLB in London, is set to join HSBC also as an associate director in September. He will report to **Charlie Seymour**, managing director of power and utilities for Europe, Middle East and Africa. Seymour confirmed the hire and added that he would be working with a focus on origination and execution of power deals. Du Plessis left WestLB two weeks ago. Specific deals he worked on during his three years there could not be learned and **Tom Murray**, global head of energy in New York, declined comment.

## EDP To Tap Corporate-Level Bonds For Horizon Pipeline

**Energias De Portugal** will use holding company revolvers and bond sales to fund the development of the more than 9 GW development pipeline it acquired along with **Horizon Wind Energy**. **Antonio Mexia**, ceo, told reporters in New York last week. It does not plan to seek debt at the Horizon level.

"Finding interested lenders will not be a problem," Mexia said, pointing to the 2x oversubscription of the acquisition financing package led by **Barclays Capital** and **Citigroup** that closed at the beginning of the month and roped in 21 banks (PFR, 7/9). There is also a heavy tax equity portion, with Citi, **JPMorgan Capital** and **ABN Amro's Lease Plan North America** in for about \$700 million (PFR, 6/8).

## GE EFS Wraps Shady Hills Purchase Via WestLB Loan

**GE Energy Financial Services** has closed on the debt financing supporting its purchase of Shady Hills, a 517 MW plant near Tampa in Florida, from **LS Power** with a roughly \$160 million loan from WestLB.

Margins on the 18-year debt, which was fully placed last month with institutional buyers, could not be learned. But officials at the bank are positioning the deal as an innovative, propriety structure. As first reported by *PFR*, **Barclays Capital** was advising the seller and had looked at offering certain would-be purchasers a monoline wrap financing via **Ambac** (PFR, 4/20). WestLB's terms were reportedly more aggressive, however.

GE EFS swept in to buy Shady Hills after the seller had drawn up a shortlist comprising **Perennial Power Holdings**, **Energy Investors Funds** and **Tyr Energy**. Shady Hills was attractive to buyers because it has a PPA with **Progress Energy** that expires in 2024 and there is potential to convert the simple-cycle unit to a combined-cycle configuration, as well as add 325 MW of peaking capacity onsite. How much GE paid could not be learned. Spokesman **Ken Koprowski** declined to comment or



make **Debra Hemsey**, managing director of origination, available. An official at LS Power also declined to comment.

## EIF To Target Gasification, Plant Rehabs

**Energy Investors Funds** plans to use the \$1.35 billion of commitments for its third U.S. power fund to invest in gasification and in older power plants that can be converted into facilities with better emission controls, says **John Buehler**, managing partner in San Francisco. The fund closed June 27 exceeding its \$1 billion target.

"We've invested in traditional coal-fired and gas-fired generation and transmission projects before, but now legislation will make it possible for us to invest in more gasification projects," Buehler says. IGCC technology is still relatively nascent, he adds, and the equity required might be as much as \$300-500 million, but the size of the project will determine the extent of EIF's interest. "We might decide to take smaller plays in two IGCC projects that afford us governance and the requisite diversity, or if one project is clearly superior and matches our investment profile, we might subscribe all the equity and seek co-investment from our limited partners."

Marketing for its next fund is not expected to begin for another three years, by which time 70-80% of the capital from the newest fund will have been invested. Buehler says the eighth will likely be bigger, judging by the step change in commitments for each fund that has gone before. EIF capped its first U.S. power fund in 2003 at \$250 million.

## Calyon Kicks Off Senior Syndication Of \$1.2B Qatari Deal

Calyon yesterday launched senior syndication of a \$1.2 billion debt package supporting the planned 2 GW facility in Mesaieed Industrial City, Qatar. **Marubeni** has a 40% stake in the plant, with the balance held by state-run **Qatar Electricity and Water Co.** and **Qatar Petroleum**.

The financing consists of a \$1.2 billion, 25-year senior-term loan (PFR, 5/11), along with a \$40 million working capital facility and \$40 million standby facility for cost overruns. About 60% of the package is commercial debt, with the remaining tranche being provided by the **Japanese Bank for International Cooperation**.

A Calyon official said the deal is being benchmarked off previous regional deals, including the United Arab Emirates' Al Shuweihat project (PFR, 6/2/03), which priced at 125 basis points over LIBOR pre-completion, falling to 115 through year seven and rising to 175. The deal has been pitched to more than 40 banks and commitments are due at the end of this month.

The official declined to discuss fees.

Participation interest should be strong, says one deal watcher, adding, "Qatar Petroleum is the top borrower in the Middle East and the political risks in Qatar are very low." Banks expected to be invited to include **Mizuho**, **Barclays**, **BayernLB**, **BNP Paribas**, **Société Générale**, **HSBC**, **Natexis Banques Populaires** and **BBVA**.

## Airtricity Mandates Duo On New Turbine Loan

Irish wind developer Airtricity's North American unit has appointed **HypoVereinsbank** and **Mizuho Corporate Bank** to lead its 2008 turbine supply loan. The amount to be funded is around \$325 million, says **Ciaran O'Brien**, cfo, in Chicago, adding the tenor and plans for syndication still need to be hammered out. Officials at the banks declined to comment.

The assignment is Mizuho's first for Airtricity. As the company's wind portfolio grows each year, it is important to forge relationships with additional lenders, explains O'Brien. HVB, along with **NordLB** and **BayernLB**, led a \$300 million construction loan for Airtricity's 209 MW Roscoe wind farm near Abilene, Texas, now in limited syndication (PFR, 6/22). That same trio bankrolled Airtricity's 2007 turbine supply loan (PFR, 8/11).

Airtricity is aiming to bring online 580 MW next year. In addition to Roscoe, projects slated to go up include neighboring 126 MW Champion and 34 MW Munnsville in central New York.

## Calif. Geothermal Project Seeks Funds

Joint venture partners **Catalyst Renewables** and **Hannon Armstrong** have begun to look for funding for the 50 MW Hudson Ranch I geothermal project in Imperial County, Calif. **David Watson**, cfo at Hannon in Annapolis, M.D., says discussions have begun with both debt and equity providers and it is mulling a formal process as it looks to nail down funds by the end of the year. It has signed a 30-year PPA with Arizona's **Salt River Project**.

Watson declined to specify the amount of debt or equity being targeted. "We're open to everything at this point," he says, noting he expects to see a broad cross section of financing options to be available, due to the growth in renewable energy capital markets products.

Initial work is being done on the facility, expected online in 2010. Other geothermal projects will be considered, explains Watson, once work is farther along on Hudson. It is the first foray into geothermal for financial services firm Hannon, which has financed and aggregated small solar projects.

## Strategies

### FirstEnergy Sale Leaseback Bonds Price

Pricing on a \$1.1 billion debt issue supporting FirstEnergy's sale leaseback of its interest in Bruce Mansfield plant landed at 180 basis points over Treasuries July 10. The 6.85% notes, which pay interest semi-annually, were privately placed via joint bookrunners **Morgan Stanley** and **Credit Suisse** and co-managers **Barclays Capital**, **Citigroup Global Markets**, **JPMorgan Securities** and **Lehman Brothers**.

The proceeds from the deal for 2.3 GW coal-fired plant in Shippingport, Pa., will help refinance a previously wrapped \$900 million share repurchase and \$300 million injection into its pension plan (PFR, 3/16). Settlement was last Friday as *PFR* went to press, with the final scheduled distribution date in 2034.

Separately, investment bank **McManus and Miles** is running a private placement of equity interests in Bruce Mansfield (PFR, 6/8). A call to **Jim Pearson**, treasurer in Akron, Ohio, was not immediately returned, but he previously told *PFR* the company went the sale leaseback route so it could capture gains from a sale, offsetting a \$785 million expiring tax loss carry forward from international assets it sold after merging with **GPU**, while keeping hold of the asset.

### Duke Consolidates Sub Loans At HoldCo



Lynn Good

**Duke Energy** has consolidated a number of credit facilities held at the subsidiary level into a new, five-year \$2.65 billion facility at the holding company level. The aim was to reduce fees and expenses and increase its liquidity for corporate purposes such as acquisitions. "It was an objective we had for 2007," says **Lynn Good**, treasurer in Charlotte, N.C., explaining

the timing was influenced by the completion of the merger **Cinergy** in April 2006 and the spin of **Spectra Energy** in January. She declined to disclose the savings as a result of the consolidation.

"Duke wants to keep its financial flexibility as vibrant as possible," says **William Hess**, managing director at **Moody's Investors Service**. "All the big players in energy are always looking for opportunities, even in renewables, and [ceo] **Jim Rogers** wants to keep his options open." In May, Duke acquired the wind development business of **Tierra Energy** from **Energy Investors Funds** for an undisclosed sum (PFR, 6/1).

The \$2.65 billion facility will take out \$1.5 billion in commercial paper and a separate \$400 million at the

corporate level, as well as \$750 million at **Duke Energy Carolinas**. The bulk of this was slated to mature in June 2011. The new credit is one year longer in tenor. "We liked the availability of a five year [facility] and the pricing was favorable," Good continues.

**Wachovia** and **National Association** are administrative agents on the new credit, with **JP Morgan**, **National Association**, **Barclays**, **Bank of America**, and **Citibank** as co-syndication agents. **Bank of Tokyo-Mitsubishi** and **Credit Suisse** are the co-documentation agents. All of these firms had a role on the existing facilities. The initial borrowing sublimits are \$850 million for **Duke Energy**, \$800 million for **Carolinas**, \$500 million for **Duke Energy Ohio**, \$400 million for **Duke Energy Indiana** and \$100 million for **Duke Energy Kentucky**.

### Santee Cooper Preps Bonds To Fund Coal Units

The **South Carolina Public Service Authority**, also known as **Santee Cooper**, plans to sell \$340 million in tax-free bonds to bankroll developments, including its planned 600 MW **Pee Dee** and 580 MW **Cross Unit 4** coal-fired facilities. About 70% of the utility's debt is tax-exempt, says **Jeff Armfield**, treasurer in Moncks Corner, S.C., which it can issue by virtue of being state-owned.

About \$196 million will go toward the **Cross Unit 4**, now under construction and expected to come online 2009 at an existing pulverized coal facility in **Berkeley County**. About \$60 million will be spent on preliminary work for **Pee Dee** near **Kingsburg**, with construction beginning sometime next year. A further \$28 million will be used for environmental studies and the remainder on general corporate purposes.

The sale will be split in two to target investors with different appetites. The retail bond piece is set for July 17 and the sale to institutional investors for July 18. **Armfield** says the notes should land coupons in the 5% range, and may be priced slightly higher on the retail side where investors are hungrier for yield. Serial maturities ranging from one to 20 years make up \$191 million of the offering. A \$50 million 25-year tranche, \$46 million 30-year tranche and \$39 million 35-year tranche round out the issue.

**Citigroup** and **Goldman Sachs** are leads managers, with co-managers **Bear Stearns**, **Merrill Lynch** and **Morgan Stanley**. **Santee Cooper** recently went through a process of evaluating existing relationship banks and potential new ones, which **Armfield** says he had wanted to do for the past few years to make sure it was using the most effective configuration. However, it ended up sticking with the same group. The notes are rated Aa by **Moody's Investors Service**.

## Fortis Sub Shops 40-Yr Bonds To Refi Debt

**FortisBC**, the British Columbia arm of Canadian utility Fortis, sold C\$105 million (\$100 million) in 40-year notes to pay off debt amassed in funding the expansion of its rapidly-growing service territory. **Ian Lorimer**, treasury manager in Kelowna, B.C., says the utility needed some headroom on its balance sheet for the C\$500 million it plans to spend expanding its transmission network over the next five years. So far, it has been drawing from its C\$400 million short-term facilities to fund projects.

"The 40-year paper best matches the life of our assets," Lorimer says, adding the yield curve at the time of the offering

made the 5.9%, 40-year notes nearly the same price as if the company had offered 30-year notes.

Underwriters on the sale were **Scotia Capital** and **CIBC World Markets**, both relationship banks who underwrote the parent company's C\$150 million equity offering in January (PFR, 1/26), and **National Bank Financial**. The debt is rated Baa2 by **Moody's Investors Service**.

In addition to transmission upgrades, FortisBC makes ongoing repairs to its 235 MW hydroelectric generating portfolio. Regulators require the utility to maintain 40% equity, which it has been able to achieve with regular capital injections from its parent and from cash flow in its service area.

## Weekly Recap

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

### North America

- A planning commission in Midland, Mich., has recommended the rezoning of two parcels of land for a coal-fired power plant. **Mid-Michigan Energy**, representing **LS Power Associates** and **Dynegy**, plan to build a 750MW coal plant costing about \$1.3 billion (*Saginaw News*, 7/12).
- **Ameren** plans to invest \$1 billion over the next three years to improve reliability, upgrade delivery systems, and enhance the environmental performance of its plants (*CNNMoney.com*, 7/12).
- **PPL** has completed the sale of its Bolivian electricity delivery business and a related construction company (*Associated Press*, 7/12).
- Florida's legislature is expected to impose strict new air-pollution standards, including milestones for electric utilities culminating in a 20% reduction in emissions from 1990 levels by 2050. Power companies would also be required to produce at least 20% from renewable sources (*Reuters*, 7/11).
- **TXU's** power-generation unit officially adopted a new name, **Luminant** (*Fort Worth Star-Telegram*, 7/10).
- **ArcLight Capital Partners** has completed its acquisition of certain trading and marketing contracts and related assets from **Progress Ventures**, a subsidiary of electricity provider **Progress Energy**, for an undisclosed amount (*Associated Press*, 7/10).
- **Dominion Resources** will book a second-quarter charge of \$390-\$420 million related to its partially completed 580 MW Dresden Electric plant in Ohio. It is also trying to sell the asset, and took non-binding bids late last month (*Forbes*, 7/9).
- A coalition of Oklahoma utilities is planning to build a

\$1.8 billion, 950 MW plant in the state (*Associated Press*, 7/9).

- **Westmoreland Coal** entered a non-binding letter of intent to sell its contracts related to four power plants owned by **Dominion Resources** to an unnamed buyer (*Reuters*, 7/9).
- Canada's **Advantage Energy Income Fund** has agreed to acquire **Sound Energy Trust** for C\$257 million (\$245 million) (*Reuters*, 7/9).
- **Boralex** has signed an agreement to acquire 90 MW of wind capacity in Windsor, Ontario (*Bloomberg*, 7/9).
- **Cleantech America** plans to build an 80 MW solar project near Fresno, Calif., slated for completion in 2011 (*Reuters*, 7/6).

### Europe

- **Gazprom** said on it had chosen **Total** as a partner in developing its vast Shtokman gas field (*Financial Times*, 7/12).
- **Siemens** has won an order to supply 25 turbines for the 90 MW Rhyl Flats project off the Welsh coast being built by **RWE's npower**. The value was not disclosed (*Reuters*, 7/10).
- **EDF Energies Nouvelles**, a subsidiary of French utility **Électricité de France**, has signed a photovoltaic supply contract with **First Solar**, which will see the Arizona-based company supply 230 MW of modules between mid-2007 and the end of 2012 (*Datamonitor*, 7/9).

### Asia

- Mumbai-India based **Reliance Energy** plans to invest nearly \$15 billion over the next five years in a bid to increase its power generation capacity by 15,000 megawatts (*Forbes*, 7/12).

# Project Finance Deal Book

*Deal Book is a matrix of energy project finance deals that PFR is tracking in the energy sector. 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 Katy Burne, Managing Editor, at (212) 224-3165 or e-mail kburne@iineews.com.*

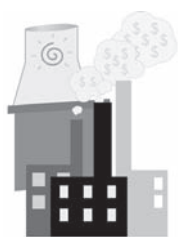
## Live Deals: North America

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
AES	Termoelectrico del Golfo	Tamuin, Mexico	BNP Paribas	Term loan	\$245M	TBA	Syndicating.
	Termoelectrico de Penoles (460 MW Petcoke)	Tamuin, Mexico	TBA	TBA	TBA	TBA	Choosing lead bank.
RES	Hackberry Wind (165 MW Wind)	Southern Texas	TBA	TBA	TBA	TBA	Looking for lead banks.
Harbinger Capital Partners	Calgary Energy Center (300MW Gas) Refi	Calgary, Alberta	UBoC	Term loan	C\$274M	19 yr	Syndication launched week of 6/18.
	Island Cogen (230MW Gas) Refi			LC	C\$45M		
				Term loan	C\$150M	15 yr	
InterGen	Generation portfolio refi	Various	Merrill Lynch, Lehman Bros.	Bond/bank deal	\$3B	TBA	Syndicating.
Borealis Infrastructure	Bruce Power (4.6 GW)	Tiverton, Ont.	Scotia, Dexia	TBA	C\$750M (\$710M)	TBA	Syndication launched 7/3.
LEP Holdings	Liberty Electric Power (568MW Gas) Refi	Eddystone, Pa.	Credit Suisse, Merrill Lynch	First lien	\$400M	TBA	Syndication expected in August.
				Second lien	\$200M	TBA	
Nacogdoches Power	Nacogdoches (100MW Biomass)	Sacul, Texas	TBA	TBA			Looking for banks to fund debt for \$330M project.
Calpine, Mitsui & Co.	Greenfield (1GW Gas)	Courtright, Ont.Canada	BofTM, BMO Financial	Loan	C\$650M (\$590M)	18 yr	Syndicating.
LS Power	Sandy Creek (4GW) Refi	Riesel, Texas	TBA	TBA			Looking for banks to lead debt.
J-Power USA	Pala (86.5 MW Gas)	San Diego Co., Calif.	TBA	TBA			Looking for lead bank.
MACH Gen	Generation Portfolio (800MW Coal)	Various	Credit Suisse	TBA	\$850M	TBA	Refinancing of \$850M second lien, or more. Structure TBA.
Acciona Solar Power	Nevada Solar One (64MW Solar)	Boulder City, Nev.	Santander, BBVA, La Caixa	Term loan	\$140M		Syndication expected in August.
Airtricity	Roscoe (209MW Wind)	Abilene, Texas	HVB, BayernLB, NordLB	TBA	\$300M	TBA	Syndication launched 6/21.
	2008 Turbine Supply	Various	HVB, Mizuho	\$325M			Timeline unclear.
Shell WindEnergy, Dominion	Mt.Storm (264 MW, Wind)	Grant Co., W.Va.	TBA	Construction financing	\$288M	TBA	Choosing Leads. Hedge with merchant tail expected.
Invenergy	St. Clair Power Station (570 MW Gas)	Sarnia, Ontario, Canada	RBC	Construction term loan	\$383M	5 yr	Syndication re-launched 7/2.
				LC facility	\$96M		
Terrawinds Resources	TerraWinds (201 MW Wind)	Rivier-Du-Loup, Quebec, Canada	HSH Nordbank	Senior secured construction and term debt facility	C\$300M (\$259M)	TBA	Hydro-Quebec offtake. Awaiting syndication.
Perennial Power	Hermiston Generation Plant (474 MW Gas)	Hermiston, Ore.	TBA	TBA	\$130M	10 yr	Status unclear.
Lodi Gas Storage	Acquisition Refi		TBA	Secured loans	\$145M	TBA	Status unclear.
Noble Environmental Power	Altona, Ellenberg, Clinton and Bliss (339 MW Wind)	Altona, Ellenberg, Clinton and Bliss, N.Y.	HSH Nordbank, Dexia	Non-recourse loan	\$445M	TBA	Closed 6/20. Awaiting syndication. Selecting sub-underwriters.

## Live Deals: Europe/Middle East/Africa

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
Abaste	El Bonillo (20 MW Solar)	El Bonillo, Spain	Deutsche Bank	Bond Offering	\$207M	24.5 yr	Iberdrola offtake.
Industrial Promotion Services, Sithe Global	Bujagali (250 MW Hydro)	Southern Uganda	International France Corp., Absa Capital, EIB, Standard Chartered	Term loan	\$630M	TBA	Uganda Electricity Transmission Co. offtake.
Spanish Egyptian Gas Co.	Damietta LNG	Damietta, Egypt	TBA	Term loan	\$600M	15 yr	25 year tolling agreement
				Bank Facility	\$250M		
Solucar Energia	SolNova (100MW, Solar)	Sanlucar La Major, Spain	Caja Madrid, SocGen, Calyon	TBA	EUR450-500M		September syndication expected.
			Natixis, Santander				
Botswana Power Corp.	Morpule (1.2GW Coal)	Palapye, Botswana	TBA	TBA			Project Financing Solutions advising.
InterGen	Rijnmond Energie Center (820MW, Cogen)	Rotterdam, Netherlands	TBA	TBA			Refi of EUR240M (\$326M) in debt and 400MW expansion.
AES	Cartagena (1.2GW, Gas) Refi	Cartagena, Spain	Calyon, Societe Generale	TBA			Terms to be set.
ACS Group	La Boga Portfolio (Wind)	Spain	Natixis, La Caixa	Term loan	EUR 350M (\$462M)		Syndication slated to wrap in June.
				Tax facility	EUR 58M		
Babcock & Brown, Eurowatt	Wind Portfolio (120MW)	Various, France	La Caixa, Natixis	Term loan	EU183M (\$234M)		Syndication timeline unclear.
Dhofar Power Co.	Salah (192 MW Gas Refi)	Salah, Oman	Calyon	TBA	\$340M	TBA	Timeline unclear.
Tanjong Broup	Port Said East (683 MW Gas Refi)	Port Said, Egypt	Calyon	TBA	\$500-675M	TBA	Timeline unclear.
Ras Laffan Power Co. (AES)	Ras Laffan A (750 MW IWPP)	Doha, Qatar	TBA	TBA	\$572M		Looking for lead banks.
AES Oasis, Mitsui & Co.	Almanakher (370MW Gas)	Almanakher, Jordan	Sumitomi Mitsui, Overseas Private Investment Corp., JBIC	Senior facility	\$255M		Near close. National Electric Power Co. offtake.
				Equity tranche	\$75M		





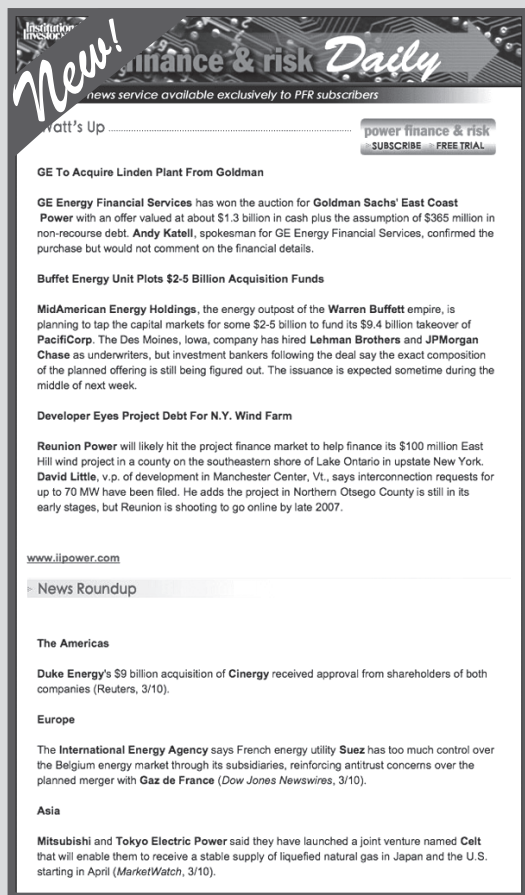
## Generation Auction & Sale Calendar

Following is a directory of ongoing generation asset sales. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report new auctions or changes in the status of a sale, please call Katy Burne, Managing Editor, at (212) 224-3165 or e-mail [kburne@iineews.com](mailto:kburne@iineews.com).

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
Airtricity	Various	North America	6,500	Wind	Credit Suisse	Seller weighing an outright sale or 50/50 joint venture. Final bids due in early August (PFR, 6/18).
ArcLight Capital Partners	Crete Energy Venture Lincoln Generating	Crete, Ill. Manhattan, Ill.	203 (50%) 656 (90%)	Gas Gas	Lehman Brothers	Took final bids July 2.
Astoria Energy	Astoria plant	Queens, N.Y.	500 MW; 1 GW permitted	Gas	N/A	Owners fielding offers. Suez Energy acquiring a 30% stake (PFR 9/29).
Atlantic Power Corp.	Various	Major U.S. markets	588	Gas, Coal, Hydro, Oil	N/A	Aquila's former merchant fleet bought by ArcLight Capital Partners affiliate Teton Power.
Boralex Power Income Fund ing a	Kingsey Falls	Québec	31	Gas Cogen	Genuity Capital	First round bids were due June 4. Credit Suisse is prepar-
	Senneterre	Québec	34.6	Biomass	Markets	staple financing.
	Dolbeau	Québec	28	Biomass		
	Beauport	Québec	4.5	Hydro		
	Buckingham	Québec	9.9	Hydro		
	Forestville	Québec	12.7	Hydro		
	Rimouski	Québec	3.6	Hydro		
	Saint-Lambert	Québec	6	Hydro		
	Hudson	New York	45.8	Hydro		
	South Glens	New York	13.9	Hydro		
Calpine	Acadia Energy Center Fremont Energy Center Hillabee Energy Center	Eunice, La. Sandusky County, Ohio Alexandria City, Ala.	1,016 (50%) 512 774 MW	Gas Gas Gas	Miller Buckfire	July 30 auction. Co-owner Cleco Corp. is stalking horse. Plant 70% complete. Teasers dispatched mid-June (PFR, 6/18).
Central Vermont Public Service	Various	Vermont	70 in summer, 86 in winter	Hydro	Morgan Stanley	Believed to be in advanced stages.
City of Vernon	Malburg Generating Station Palo Verde Power Hoover Upgrading	Southern Calif. Southern Calif. Southern Calif.	134 11 22	Gas Nuclear Hydro	Lehman Brothers	Two-stage auction. Assets being offered debt-free, with promise of 15-year PPA with seller and related transmission.
Conduit Capital	Various	Latin America Caribbean	939 net ownership	Diverse	BNP Paribas	Took binding bids in May on two Mexican assets, and one Jamaican asset (PFR 6/15).
Con Ed Development	CEEMI CEEMI expansion	Springfield, Mass. Springfield, Mass.	185 96	Gas, Oil, Hydro Gas, Oil	Morgan Stanley	First-round bids taken July 10. Final bids are due in late August. Seller said to be looking to fetch at least \$1.2 billion (PFR, 7/9).
	Newington Energy	Newington, N.H.	525 (99.5%)	Gas		
	Ada Cogeneration	Ada, Mich.	29 (48%)	Gas		
	Lakewood	Lakewood, N.J.	246 (80%)	Gas		
	Ocean Peaking Power	Lakewood, N.J.	339	Gas		
	Rock Springs	Rising Sun, Md.	670 (50%)	Gas		
	Genor	Puerto Barrios, Guatemala	42 (49.5%)	Oil		
	Ever Power Wind	NEPOOL, NY, PJM	500 planned	Wind		
Desert Power	Desert Power plant	Rowley, Utah	65 installed 100 planned	Gas	Miller Buckfire	Set for July 27 auction (PFR, 4/05).
Dominion Resources	Dresden Energy	Muskingum County, Ohio	580	Gas	N/A	Non-binding, indicative bids were received in late June.
DONG Energy	Energi E2 Removables Ibericas	Spain	265	Predominantly Wind	NM Rothschild & Sons, FIH	Company weighing sale.
Dynegy	Bluegrass Heard County Lyondell	Oldham County, Ky. Heard County, Ga. Channelview, Texas	573 539 600	Gas Gas Gas	JPMorgan Chase	Lyondell to be acquired by Energy Co for . \$470 million in cash.
DTE Energy	Georgetown 4 Crete Energy Venture East China River Rouge	Indianapolis, Ind. Crete, Ill. East China, Mich. Detroit, Mich.	80 304 (50%) 320 240	Gas Gas Gas Gas	N/A Lehman Brothers N/A N/A	Acquired by Indianapolis Power & Light. Took final bids July 2. Seller exploring options, including outright sale. On books at scrap value, decommissioned.
Electricite de France International unit Controladora del Golfo	Saltillo Anahuac (RB2) Lomas de Real (RB3) Valle Hermoso (RB4) Electricidad Aguila de Altamira Gasoducto del Rio	Ramos Arizpe, Coahuila Valle Hermoso, Tamaulipas Valle Hermoso, Tamaulipas Valle Hermoso, Tamaulipas Altamira 54 km pipeline	248 495 495 500 495 (51%) 330,000M Btu/D	Gas Gas Gas Gas Gas Gas	JPMorgan Chase	Second round bids are due July 14 (PFR, 6/25).
Entergy Corp.	50% stake in Top Deer Wind Ventures RS Cogen Roy S. Nelson Warren Power Harrison Independence	Worth County, Iowa Carsen County, Texas Lake Charles, La. Westlake, La. Vicksburg, Miss. Marshall, Texas Newark, Ark.	40 40 212 60 225 335 121	Wind Gas Gas/Oil Gas Gas Coal	New Harbor	Seller wants about \$500 million for the assets. Bidders shortlisted to four players: two financial; two infrastructure (PFR, 6/18).



Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
	Robert Ritchie Offtake Contract	Helena, Ark. Sam Rayburn Power Agency	544 50-80	Gas/Oil		
Foresight Wind Energy	Various	Arizona, New Mexico	2 GW in development	Wind	CP Energy	Two bidders in the running; one domestic, one foreign (PFR, 6/25).
General Electric	Baglan Bay	Port Talbot, Wales	510	Gas	Lexicon Partners	Books dispatched early May.
GE Energy Financial Services	Green County plant	Jenka, Okla.	795	Gas	N/A	Bids due May 2.
	Birchwood	Fredericksburg, Va.	242	Coal	N/A	Tyr said to be interested in acquiring (PFR, 2/12/07).
	Lake Benton I	Minnesota	107	Wind	N/A	To be acquired by AES.
	Storm Lake II	Iowa	80	Wind		
Globelecq	Emerging market portfolio	Asia, Africa, Americas	2,082	Mixed	Lehman Brothers	Americas assets to be sold to D.S. Constructions and Israel Corp. Asia and Africa assets to be sold to Tanjong Energy Holdings and Aljomaih in \$1 billion deal.
Goldman Sachs	Horizon Wind Energy	Houston, Texas		Wind	N/A	Energias de Portugal to acquire for estimated \$2.93B, of which \$2.5B will be debt led by Barclays (PFR, 3/27).
(Cogentrix Energy)	Indiantown	Martin County, Fla.	355	Coal	Goldman Sachs	Took preliminary bids June 28. Energy Investors Funds and Perennial Power among the shortlisted bidders.
	Logan	Logan Township, N.J.	218	Coal		
	Cottage Grove	Cottage Grove, Minn.	245 (35%)	Gas/Oil		
	Whitewater	Whitewater, Wis.	236.5 (35%)	Gas/Oil		
	Scrubgrass	Venango County, Pa.	85 (50%)	Coal/Waste		
	Selkirk	Selkirk, N.Y.	345 (47.2%)	Gas		
	Northampton	Northampton County, Pa.	112 (80%)	Coal/Waste		
	Quachita	Sterlington, La.	804 (80%)	Gas		
	Carneys Point	Carneys Point, N.J.	262 (60%)	Coal		
	Richmond	Richmond, Va.	209 (80%)	Coal		
	Rocky Mount	Rocky Mount, N.C.	118 (80%)	Coal		
	Morgantown	Morgantown, Va.	60 (15%)	Coal/Waste		
	Plains End I, II	Golden, Colo.	182 (80%)	Gas		
	Rathdrum	Rathdrum, Idaho	275	Gas		
Landfill Energy Systems	Various	Various	80	Landfill gas	Ewing Bemiss	Second-round bids due by end of July. Bidders include LS Power, Fortistar, First Reserve, and Citigroup's Sustainable Development Investments.
LS Power	Shady Hills	Shady Hills, Fla.	477	Gas/Oil	N/A	GE Energy Financial Services to acquire.
	Zeeland	Zeeland, Mich.	946	Gas	N/A	To be acquired by CMS Energy for \$517 million.
MDU Resources	Brush Power (1&3)	Brush, Colo.	213	Gas	Goldman Sachs	Natural Gas Partners and industry executive
IPP unit, Centennial Energy Resources	Hardin Generating	Hardin, Mont.	116	Coal		Paul Prager to acquire for \$636 million. Barclays Capital and Goldman Sachs launched syndication of a \$610 million acquisition package June 12.
	Hartwell Generating	Hartwell, Ga.	310	Gas		
	Mountain View	San Geronio	66.6	Wind		
	Power Partners	Pass, Calif.				
	San Joaquin Cogen	Lathrop, Calif.	48	Gas		
Mirant Corp.	Diverse U.S. assets	PJM, NEPOOL, Calif.	10,650	Various	JPMorgan	JP Morgan took first-round bids June 12 from bidders including US Power Generating Co. (PFR 4/5).
Mirant	Curacao Utilities (25%)	Curacao	133	Asphalt	JPMorgan	Marubeni to acquire for \$1.082 billion, including \$350 million in debt, and power purchase obligations of about \$153 million. Mizuho to lead acquisition financing.
	Grand Bahama Power Co. (55%)	Grand Bahama Island	151	Oil		
	Jamaica Public Service Co. (80%)	Jamaica	621	Oil/Hydro		
	PowerGen (39%)	Trinidad & Tobago	1.2 GW	Gas		
Noble Environmental Power	Various	NY, Mich	385	Wind	Goldman Sachs	Timeline unclear.
Progress Ventures	Walton	Walton, Ga.	450	Gas	JPMorgan	Seller will fetch \$480 million in sale of generation to ArcLight Capital Partners and contract portfolio to Constellation Energy Commodities Group. Lehman Brothers and Citigroup launched acquisition financing May 21.
	Monroe Power	Monroe, Ga.	350	Gas		
	Washington County	Washington County, Ga.	600	Gas		
	Effingham County	Effingham County, Ga.	500	Gas		
PSEG Global	Electroandes	Andean region, Peru	180	Hydro	JPMorgan	Seller has received reverse enquiries and is determining wider interest.
			437 miles	Transmission		
Reliant Energy	IndianRiver	Titusville, Fla.	587	Oil/Gas	JPMorgan	Indicative bids were taken April 10. JP Morgan is doing a staple financing, said to be in the \$1 billion range (PFR, 2/26).
	Osceola Generating Station	Holopaw, Fla.	470	Gas (peaker)		
	Bighorn Generating Station	Las Vegas, Nev.	598	Gas		
	Choctaw Generating Station	French Camp, Miss.	804	Gas (mothballed)		
	Channelview	Lyondell, Texas	830	Gas	Houlihan LoKey	Bids due early next month.
Ridgeline Energy	Various	Idaho, Oregon, Washington	3,700 in development	Wind	Marathon Capital	Believed to be in advanced stage.
Temasek Holdings	PowerSeraya	Singapore	3,100	Gas	Credit Suisse, Morgan Stanley	Teasers to go out in September (PFR, 6/25).
	Senoko Power		3,300	Oil		
	Tuas Power		2,670	Steam		
TransAlta	Western Canada, Ontario	Diverse U.S.	404	Gas, Coal	BMO Capital Markets	Teasers already out.
Trinergy	Various	Italy, Germany, Ireland, U.K. Spain	648	Wind	RBC Capital Markets	Took preliminary, non-binding bids on June 28.
Tyche Power Partners	Brooklyn Navy Yard	Brooklyn, N.Y.	286	Gas Cogen	Credit Suisse	Two-stage auction (PFR, 6/18).
UPC Wind	Various	North America	3GW in development	Wind	JPMorgan	UPC reportedly shopping itself (PFR, 6/8).
Zephyr Investments	Various	Europe	391	Wind	Lexicon Partners	Englefield Capital agreed to sell one-third interest to



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## DEVELOPERS RAIL

(continued from page 1)

us, when their core competency is not necessarily their ability to do financing," says an official at one of pre-qualified bidders. "It is a huge disadvantage to players with the best and most creative financing. But they are the customer and the customer is always king."

Proposals are due July 31 from four consortia: **International Power, Marubeni Corp.** and **AES**, each bidding separately, and from **Suez Energy International**, which is partnering up with **Mitsubishi Corp.** The winning party will take a 40% stake in the Ras Laffan C project, estimated to cost \$2.5-3.5 billion, with the remainder split between a joint venture owned by QP and the **Qatar Water & Electricity Co.**, also known as **Kahramaa**.

QP, which is being advised by the **Royal Bank of Scotland**, has set about a preliminary road show and is keeping banks warm while it explores different financing arrangements, likely to involve a bond piece and an export credit agency tranche. **Philip Roberts**, senior director at RBS in London, declined to comment. **HSBC** is advising Kahramaa and officials there declined comment.

Spokeswomen for Suez and International Power confirmed the companies are pre-qualifiers and calls to Marubeni and AES were not returned by press time.

—K.B. and Mark Bonamo

## WIND PROJECT

(continued from page 1)

near term will be project financed via banks, adding, "There is probably a point where we would look at the bond market. I can also see a potential point where we take the assets we have accumulated and do something creative from a portfolio standpoint."

RES is known for turnkey construction because it is a subsidiary of the **Sir Robert McAlpine Construction Group**. It entered the U.S. in 1998 and since then has constructed about 12% of all the installed wind capacity, including the 278 MW King Mountain project in Upton County, Texas, for **FPL Energy**. It also developed 400 MW for **Horizon Wind Energy**, selling it in two 200 MW phases, one of which was the 229 MW Wild Horse farm in Ellensburg, Wash.

So far it owns one farm, Whirlwind Energy Center, a 60 MW project near Floydada in Texas. Financing was provided by **HSBC** via a \$100 million loan, which will be converted to a \$45.7 million term loan provided by **Manulife Financial Corp.** subsidiary **John Hancock Financial Services**. Tax equity was auctioned off to **JPMorgan Partners**.

Next on its roster is Hackberry, a 165.6 MW project in Shackleford County, Texas. RES is looking for \$360 million in construction debt, a \$50 million turbine supply loan as well as

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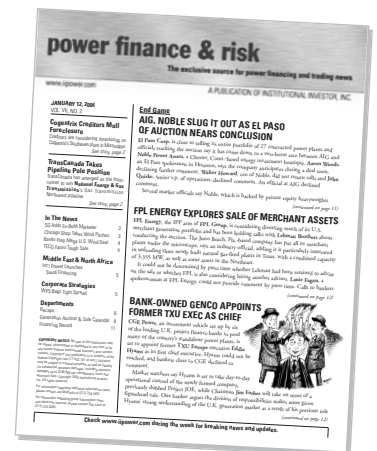
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term debt and tax equity, notes **Richard Ashby**, cfo, who recently moved across from **Perennial Power** (PFR 6/29). “We are evaluating a long-term PPA and a commodities hedge,” he says. Financing proposals were due earlier this month and a decision will be made shortly (PFR, 6/29).

RES Americas has a 10 GW pipeline in various stages of development, of which it plans to retain ownership of 2 GW over the next four years across the U.S. and Canada. But it will continue to develop for others. This year it has about 980 MW under construction, including 140 MW Marengo in Dayton, Wash., for **PacifiCorp**, slated to come online next month; 204 MW White Creek Wind in Klickitat County, Wash. (PFR 5/18) and 186 MW of additional capacity at 91.5 MW Sweetwater in Texas for **Babcock & Brown** and **Catamount Energy**. Other projects in Ontario and Quebec also are in the works. —K.B.

## MEXICO ATTRACTS

(continued from page 1)

La Rumorosa, for which it is negotiating a PPA.

**Mike Allman**, president of **Sempra Generation**, says the capacity and tax treatment make the \$400 million project work. There are no production tax credits for capacity outside the U.S., but money spent in Mexico on wind projects is tax deductible immediately under Mexican tax laws, rather than over time. The savings approximate the value of U.S. PTCs. Developers also need a large local tax bill to make it work, he says, as Sempra has through its generation assets, natural gas pipelines and Costa Azul LNG project.

Now is a particularly useful time, Allman adds, given the crunch California utilities are facing a requirement to have 20% of power generation by renewable energy by 2010 under California's Renewable Portfolio Standard, or RPS. At the moment, Sempra is focused on La Rumorosa, capable of supporting 1 GW, but would consider other Mexican projects where resources are adequate. He anticipates building less than 50 miles of transmission linking to its Southwest Power Link. **Francisco Campos**, head of renewables for Mexico at **Union Fenosa**, says legislation for exporting power has been in place for 15 years, but only now are prices right to make wind projects work. He adds the windy border region in Baja California lacks a tie to the rest of Mexico's grid, offering little incentive to send power south and east.

**Stuart Hemphill**, director of renewable and alternative power at **Southern California Edison**, which signed a 20-year PPA with Sempra's project, says many good sites in California lack transmission, a problem that won't be alleviated until after 2010. He would not be surprised if more offers come his way.

“People have been talking about it for a long time, and when power prices rose a few years back, that spurred it on again,” says a New York banker with renewable experience in Mexico. Not

all developers are convinced. “It's not the lowest hanging fruit.” for bringing renewable power to California, says **Jan Paulin**, ceo of **Padoma Wind Power** in La Jolla, Calif. He explains the lengthy time spent on research and permitting in Mexico make wind projects in neighboring states more attractive to deal with California's impending RPS. —Ben Miller

## TEXAS ENERGY CO.

(continued from page 1)

revenues of \$100 million for next year. The third unit is **Tarpin**, which has seven gas storage projects in development.

An information memorandum was sent out to eight banks at the start of this month via **Ed Guay**, partner at advisory boutique **Tudor Pickering & Co.** Firms invited were **Fortis**, **Barclays Capital**, **JPMorgan Chase**, **Bank of America**, **WestLB**, **UBS**, **Wachovia** and **Citigroup**. But Gibson says others are welcome to pitch for a role. One or two banks will lead, with three to six expected to round out the group.

The Houston-based company is wholly owned by **Keith Maxwell**, ceo, and its businesses—all named after game fish—were built from scratch. Gibson contemplated raising capital via small initial public offerings in its **Spark** and **Marlin** units, but on the advice of Tudor Pickering decided to leverage the business for 18-24 months until it can grow its assets to the point where it can realize a higher value at the time of its IPO.

**Spark** projects revenues of \$750 million for this year. It has no generation but plans to build a 300-500 MW coal plant in southern Texas, which it will fund either via construction debt or an equity arrangement with an undisclosed investor it is already in talks with. A \$125 million trade financing facility for the operation is led by **Fortis**, syndicated to **BNP Paribas**, and is soon to be upsized to \$150 million via **Natixis**. The business has power and gas customers across 14 states. —Katy Burne

## Calendar

- **ALM** presents the 3<sup>rd</sup> **Annual Global C02 Cap-and-Trade Forum**, September 17-18 at the Crystal Gateway Marriott in Arlington, Va. Visit [www.almevents.com](http://www.almevents.com) to register.
- The **American Wind Energy Association** presets the *AWEA Wind Resource & Project Energy Assessment Workshop* September 18-19 at the Portland Marriott Downtown Waterfront Hotel in Portland, Ore. Visit [www.awea.org/events](http://www.awea.org/events) to register.

## Quote Of The Week

“Finding interested lenders will not be a problem.” —**Antonio Mexia**, ceo of **Energias De Portugal**, on securing financing for **Horizon Wind Energy's** development pipeline, after the acquisition financing was two times oversubscribed (see story, page 7).