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Entergy Sub Preps Securitization

Entergy Louisiana is looking to recoup losses on a canceled plant via securitization.

See story, page 2

NYC Residential Solar Co. Scouts Cash

Private equity and strategics are eyeing an investment in **Ad Energy**.

See story, page 2

 ISSN# 1529-6652

DEVELOPER PLOTS $1B+ IN FINANCINGS, ACQUISITIONS

Zachary Steele

Enova Energy Group is planning to spend more than $1 billion in the next two years as it looks to add 2 GW of gas-fired and biomass generation. It anticipates financing roughly 1 GW of new gas-fired and biomass projects and acquiring 1 GW of such operating plants over that period, says **Zachary Steele**, ceo in Orlando.

Enova plans to buy late-stage projects, preferably permitted, in the U.S. and then finance their development. It expects to finance about five projects in the next two years that it has bought or is buying from undisclosed sellers, including two that are large combined-cycle projects. "We don't have a geographic focus," says **Bill Brunstad**, president in Atlanta. "It's opportunistically driven."

(continued on page 11)

RBC BOOSTS PUBLIC POWER WITH JPM, CITI TRIO

Harris Kretsge

RBC Capital Markets has netted three new managing directors from **JPMorgan** and **Citigroup** for its public power group, in a move that will increase its investment banking offerings for U.S. municipal utilities and co-operatives. The bulk of transactions are expected to be financings for regional and city-owned utilities undergoing upgrades and increasingly buying generation.

Harris Kretsge has joined in New York as managing director and head of the U.S. municipal finance public power group from **JPMorgan**, where he led its public power group. He is joined by JPMorgan colleague **Paul Neuhedel**, who is in New York, and Citigroup's **Todd Holder**, who will be working out of the RBC Dallas office. Both are managing directors.

(continued on page 12)

TORTOISE READIES REIT POWER FORAY

Business development company **Tortoise Capital Resources Corp.** is looking to make $100-150 million investments in U.S. power and energy assets from a fund it is looking to turn into a real estate investment trust.

"We believe a REIT structure is an innovative opportunity for TTO to expand its investment pool to include real physical assets, which is not possible in TTO's current BDC structure," says **David Shulte**, ceo of TTO and managing director of parent **Tortoise Capital Advisors** in Leawood, Kan., adding that roughly $10 billion per year is needed to build out the U.S. grid. TTO is working with consultant **Corridor Energy**, also in Leawood, to find investments in transmission and midstream oil and gas, substations and oil and liquid pipelines. Long-term assets with experienced sponsors hit the company's sweet spot.

"If we're going to enter into a 20-year partnership with a company and an asset, we want

(continued on page 12)

At Press Time

Entergy Deal To Stoke Stranded Asset Mart

Entergy Louisiana is preparing a deal to recoup losses on a canceled plan to convert a 538 MW steam-powered plant to petroleum coke and coal. The $206.1 million securitization figures to be the benchmark for how the asset class will fare going forward.

"This is the first trial for this type of transaction and how it gets executed will prove or disprove the concept," a structurer at an investment bank told sister publication *Total Securitization*. Securitizations of sunk—or stranded—assets from losses due to industry restructuring and natural disasters have occurred in the past, but this deal is the first of its kind to attempt to defray costs of a failed venture through securitization.

The Entergy ABS structure is still being hammered out, but sunk cost transactions typically involve adding a line-item charge to customers' power bills, according to **Ronald Borod**, a partner in **DLA Piper**'s corporate and finance group. The fees are then pooled into a special purpose entity, securitized and sold to investors.

For more on this story, visit www.iipower.com.

NYC Residential Solar Co. Scouts Investment

Ad Energy, a New York City-based residential solar developer, has attracted interest from private equity and utility investors as it works with **Fieldstone Private Capital Group** to raise funds. The company is looking for about $10 million to fund its expansion programs in Massachusetts, Maryland, Delaware and Pennsylvania, according a teaser.

Andy Wall

The company is exploring the possibility of capital investments at the corporate as well as the project level, says **Andy Wall**, founder. Ad has also signed a letter of intent with a tax equity investor that would provide financing for future projects. He declined to comment on specifics of the talks or potential transactions citing confidentiality agreements.

Ad Energy has several residential systems online and several under construction. It has tapped undisclosed private equity sources for start-up capital and to fund a New Jersey pilot program, which has expanded into Massachusetts. Ad anticipates having 1,000 systems online by the end of next year and 10,000 in 2015. The developer either leases an installation to a homeowner or does a prepaid installation.

The company is targeting strategics and PE shops because the residential solar market—headlined by **SunRun** and **SolarCity**—has matured beyond the scope of most venture capital funds, industry officials say. Investments from companies including **NRG Energy**, **Constellation Energy Group** and **Google**, which recently invested $280 million in SolarCity, have opened the investor universe interested in residential solar companies. It's easy to scale residential solar up to commercial, expanding the business strategy, says a lawyer with experience in the area.

Manfred Ernst, **Morris Shinderman** and **Anastasia Pozdniakova**, all Fieldstone managing directors in New York, are leading the capital raise, according to the teaser.

Project Finance

BayernLB, NordLB Eye Wind Capital Financing

St. Louis-based **Wind Capital Group** is talking with BayernLB and NordLB about participating in a financing supporting a 150 MW wind farm in Osage County, Okla. **JPMorgan** is expected to provide tax equity investment in the project, according to a deal watcher.

The banks are two of Wind Capital Group's relationship lenders. BayernLB and NordLB participated in a more than $240 million refinancing backing the developer's 150 MW Lost Creek wind farm in Dekalb County, Mo. (PFR, 4/11).

The size of the financing, deal terms, including pricing and tenor, and whether the developer has landed a power purchase agreement for the project, couldn't be learned. A call to **Tom Carnahan**, Wind Capital founder and chairman of the board in St. Louis, was forwarded to a spokeswoman who declined to comment. Officials at BayernLB and NordLB declined to comment. A JPM spokesman didn't immediately address an inquiry.

Virgin Islands Utility Seeks PV Generation

The **Virgin Islands Water and Power Authority** is seeking 10 MW of solar photovoltaic generation from independent power producers. The utility has issued a request for proposals for generation to serve the districts of St. Thomas-St. John and St. Croix. Proposals are due Sept. 27.

Winning bidders will garner 20-year power purchase agreements, with an option to renew for an additional five years. The utility favors proposals from experienced sponsors that demonstrate cost-effective product pricing and financial strength. Selected projects must be operational 18 months after the utility's governing board and the **Virgin Islands Public Services Commission** approves contracts.

***fast* fact**

▶ Winning bidders will garner 20-year power purchase agreements, with an option to renew for an additional five years.

Alpine Energy Group subsidiary **AEG Anguilla Power** is among the sponsors that have previously landed offtake agreements with the utility. Alpine is planning a $205 million, 16 MW waste-to-energy plant in St. Croix (PFR, 12/15). Whether Alpine is planning to bid for the solar RFP couldn't be learned. **James Beach**, Alpine president in Denver, didn't return a call by press time. A utility spokeswoman didn't return a call seeking comment.

Oakley Gas Pricing Emerges

A club of banks has priced a roughly $800 million loan backing **Radback Energy**'s 624 MW Oakley combined-cycle plant at less than 225 basis points over LIBOR. Financial close is possible this summer, but is more likely in the fourth quarter, says a deal watcher.

Bank of Tokyo-Mitsubishi UFJ, **Crédit Agricole**, **ING**, **Royal Bank of Scotland** and **Scotia Capital** are participating in the club deal (PFR, 2/28). The length of the tenor couldn't be learned. **Bryan Bertacchi**, Radback president and ceo in Danville, Calif., couldn't be reached by press time. Bank officials declined to comment or didn't return calls.

Offtaker **Pacific Gas & Electric** has a purchase and sale agreement for Oakley (PFR, 1/26). Ownership of the plant ultimately will transfer to the utility after the plant goes in to operation in 2016. **General Electric** is supplying the equipment for the project.

Bertacchi is the former coo of the **Calpine Power Income Fund** and has also worked for GE and PG&E, according to Radback's Web site. **Greg Lamberg**, senior v.p., has also held positions in GE, Calpine, **Marathon Capital** and PG&E.

Geo Developer Revisits Financing Split

Developer **Gradient Resources** is reconsidering splitting a $600 million financing backing its 132 MW Patua geothermal project into two phases. **BNP Paribas**, **Dexia Crédit Local** and **Scotia Capital** are leading the Gradient financing (PFR, 5/27). **Marathon Capital** is the financial advisor to the **Denham Capital**-backed sponsor, formerly known as **Vulcan Energy**.

Financiers are satisfied that the roughly 60 MW first phase has an abundant resource and could wrap that piece of the financing in the next two months, if they opt for two separate deals, says a deal watcher. But lenders are waiting for final resource verification documents for the second phase before finalizing plans for the deal. Reno, Nev.-based Gradient initially planned to finance the project in phases last year (PFR, 10/1).

Pricing and tenor have yet to be solidified, deal watchers say. The first phase, if financed alone, could be priced at roughly LIBOR plus 200 basis points, says one observer, citing lender interest. But if financed in one swoop, the project may be priced north of 225 bps depending on the results of a drilling report of phase two. "Banks want to see the resource more quantified," the observer says, adding: "Geothermal is probably the best renewable segment because it's baseload. But talking it through construction is not a trivial thing."

Richard Atkinson, Gradient cfo in Reno, and **Scott Mackin**, Denham partner in Short Hills, N.J., didn't return calls seeking comment. Bank officials declined to comment or didn't return calls.

The **Sacramento Municipal Utilities District** has a 21-year offtake agreement for 132 MW of generation at Patua, located almost 40 miles east of Reno.

Mergers & Acquisitions

CVPS To Join Green Mountain

Central Vermont Public Service has opted to merge with **Green Mountain Power**, terminating its agreement with **Fortis**. The board decided July 11 to deal with **Gaz Métro**, Green Mountain's parent, and take an all cash offer of about $703 million, or $35.25 per share

Under the Fortis agreement, CVPS will pay a $19.5 million break-up fee that will be reimbursed by Gaz Métro. Fortis had the initial $700 million bid and was topped by $0.15, or about $3 million (PFR, 6/24).

The companies expect the deal to be complete within six to 12 months, pending regulatory approval, according to **Larry Riley**, president and ceo of CVPS in Rutland, on a conference call this morning.

A new name for the company has not been selected although both entities expect "Green Mountain" to be in the name, according to Riley. **Lazard** is advising CVPS and **BMO Capital Markets** is advising Gaz Métro. The identity of Fortis' advisor could not be learned.

Astoria II Equity Stake Up For Sale

A group of high net worth individuals are looking to sell stakes in the 550 MW Astoria Energy II combined cycle plant. Prospective investors would be bidding for a portion of **AE Investor II**, which has a 7.425% slice of Astoria. The sale amounts to a 4.2%, or 23.3 MW stake in the plant in Queens, N.Y., according to a teaser released by boutique advisory shop **Whitehall & Co**.

***fast* fact**

▶ The sale amounts to a 4.2%, or 23.3 MW stake in the plant in Queens, N.Y.

The equity stake is in the B class of the facility, which has no capital call exposure, according to the teaser. New York-based **Jonathan Cody** and **Timothy Page**, both managing directors, are running the sale at Whitehall. Neither the due date for indicative bids nor the identity of the individual sellers could be learned.

Astoria has a 20-year tolling and power purchase agreement with the **New York Power Authority**. The facility came online July 1. The facility was financed with a roughly $1.02 billion credit package that includes a $915 million mini-perm and $110 million in letters of credit (PFR, 7/10/09). The loan has a tenor of 20 years, according to the teaser.

Astoria Energy II is owned by **Energy Investors Funds** (32.9%), **GDF Suez** (27.4%), **SNC-Lavalin** (18.3%), **JEMB Realty** (12.8%), AE Investor II (7.425%) and the senior management with 1%. JEMB is the other investor in AE Investor II, according to a filing with the U.S. **Federal Energy Regulatory Commission**.

Officials and spokespeople at the other owners and Whitehall either declined to comment or did not respond to inquiries.

TVA Hooks Kelson Plant

The **Tennessee Valley Authority** has agreed to purchase a 968 MW combined cycle plant in Mississippi from **Kelson Energy**. The Knoxville, Tenn.-based authority expects the acquisition of the Magnolia plant to be finalized by the end of August, pending approval from its board of directors. The purchase price will be disclosed upon approval.

After the transaction is completed, the TVA has the option of selling a stake of the facility to Chattanooga, Tenn.-based cooperative **Seven States Power Corp.**, according to a filing with the **Federal Energy Regulatory Commission**. The TVA will still operate the plant if that transaction, which will require federal approval, takes place. The co-op is comprised of several small local power companies that distribute TVA power.

Magnolia Plant

The TVA has had power purchase agreements intermittently with Magnolia since it came online in 2003. It currently has a summer contract for a portion of the power in June and July and for the full amount in August, says the spokesman. The PPA is set to end at the end of next month.

Kelson Energy is a Baltimore, Md.-based affiliate of **Harbinger Capital Partners**, which has been selling off gas-fired plants in its fleet over the last 18 months (PFR, 8/30).

The TVA did not use a financial advisor. Whether Harbinger used an advisor couldn't be learned. A Harbinger spokeswoman didn't immediately reply to an inquiry.

EIG Makes Gas-fired Ontario Loan

EIG Global Partners has loaned about $250 million to **Eastern Power**'s 293 MW **Greenfield South Power** natural gas-fired project in Ontario. The loan comes with a number of warrants, guaranteeing an equity stake that gets adjusted to a larger amount if the project misses its target date to come online, deal watchers say. EIG is the spinoff of the former energy and infrastructure group of **Trust Company of the West** (PFR, 1/7).

The project had been plagued with lender concerns over construction risk and the sponsor's level of experience when **Credit Suisse** and **Morgan Stanley** went to market with a $335 million term loan B last year (PFR, 7/30 & 8/13). The term loan B process was eventually shelved—investors balked even at the LIBOR +500 basis points pricing— and CS began talking with different investors about alternative financing, says a deal watcher.

CS reportedly loaned some money to the project although details on any debt and the EIG investment could not be immediately learned.

The project went into construction in late May when the EIG financing was finalized and so far looks to be on track, notes another observer. It is anticipated to be online within 24 months. Greenfield South Power has a 20-year power purchase agreement with the **Ontario Power Authority**.

Hubert Vogt, v.p. of finance at Eastern in Toronto, declined to comment citing confidentiality agreements, while **Gerald Stalun**, managing director at EIG, and a CS spokeswoman could not immediately comment.

INDUSTRY CURRENT

A U.S. National Infrastructure Bank


Douglas Fried

*This week's Industry Current is written by **Douglas M. Fried**, partner and **William P. Nicholson**, associate at **Chadbourne & Parke** in New York.*


William Nicholson

Four competing proposals for a national infrastructure bank—one from the **Obama** administration and three others in the House and Senate—are starting to take shape in Washington.

Under each proposal, the U.S. government would provide loans and loan guarantees to qualifying projects. The bills are not expected to move through Congress before 2012 at the earliest. The bank would be authorized to fund transportation infrastructure projects under all four proposals. It would also have authority under the House and Senate proposals to fund energy, water and other infrastructure projects.

The goal of each proposal is to use government loans and loan guarantees to stimulate private infrastructure investment. An example of the potential multiplier effect is the experience with the Transportation Infrastructure Finance and Innovation Act or TIFIA program, which for every federal dollar invested in the program according to the U.S. **Department of Transportation** has been able to generate up to $10 in TIFIA financing, and up to $30 in total infrastructure investment. There has also been a multiplier of 13 private dollars for every dollar of federal loan guarantee under the loan guarantee program for renewable energy, nuclear and transmission projects run by the U.S. **Department of Energy**, according to a recent letter by Senator **Maria Cantwell** (D-Washington) to Senate leaders in support of the program.

The infrastructure banks have bipartisan backing. Both Republicans and Democrats are listed as cosponsors in the Senate. The concept also has the support of the **AFL-CIO** union movement and the U.S. **Chamber of Commerce**.

The U.S. government is struggling with huge budget deficits. The bank is seen by some as a way to stretch scarce federal dollars farther by using them as a carrot to get the private sector to build needed public infrastructure.

Senate

Four Senators — **John Kerry** (D-Massachusetts), **Kay Bailey Hutchison** (R-Texas), **Lindsay Graham** (R-South Carolina) and **Mark Warner** (D-Virginia) — introduced a bill March 17 to create the **American Infrastructure Financing Authority**, or AIFA. The bill, S. 652, was referred to the **Senate Finance Committee** on March 17.

According to the bill, AIFA would be an independent agency funded with an upfront federal appropriation of up to $10 billion. In its first two years of operation, AIFA would be authorized to make in the aggregate loans and loan guarantees of up to $10 billion per year. In years three through nine, AIFA would be authorized to make in the aggregate loans and loan guarantees of up to $20 billion per year. Thereafter, AIFA would be permitted to make in the aggregate loans and loan guarantees of up to $50 billion per year.

AIFA could finance transportation, water and energy infrastructure projects. To qualify for credit assistance, projects would need to involve at least $100 million in "eligible infrastructure project costs," meet specified "economic, financial, technical, environmental and public benefits standards" and have a "dedicated revenue source" (either from tolls, user fees, availability payments or the like). AIFA would give priority to projects that "contribute to regional or national economic growth, offer value for money to taxpayers, demonstrate clear public benefits, lead to job creation and mitigate environmental concerns." Additional consideration would be given to the ability to maximize private investment, among other factors. AIFA credit support would not be available to refinance existing infrastructure projects.

AIFA would provide loans and loan guarantees of up to 50% of a project's "reasonably anticipated eligible infrastructure project costs." Loans would have no more than a 35-year tenor, and would bear interest at rates not less than U.S. **Department of Treasury** securities of similar maturity. For direct loans, scheduled loan repayments would begin no later than five years after substantial completion of the project.

Prospective projects would be subject to a risk assessment, to be conducted by AIFA in conjunction with the federal **Office of Management and Budget** and a rating agency. At a minimum, the senior debt would need to have an investment-grade rating. A credit fee to cover AIFA loan assistance would apply to all AIFA-financed loans and loan guarantees. For AIFA-financed loans, the credit fee would be in addition to the base interest rate charged on the loan. Other credit and security terms typical of project financings—including similar security requirements—would be included as part of AIFA loan and loan guarantee credit documentation.

Five percent of AIFA funding would be set aside for rural projects. Rural infrastructure projects would only need to demonstrate $25 million in "eligible infrastructure project costs" to qualify for assistance.

Two Democrats—**John Rockefeller** (D-West Virginia) and **Frank Lautenberg** (D-New Jersey)—introduced a competing proposal in the Senate to create an American Infrastructure Investment Fund or AIIF. Their bill, S. 936, went to the Senate Commerce Committee. The AIIF would be housed in the U.S. Department of Transportation and be authorized to spend up to $5 billion in each of its first two years of operation. Its initial focus would be transportation projects. However, the sponsors said the intention is to broaden the scope to cover telecommunications, energy and water infrastructure project after the first couple of years.

White House Proposal

President Obama called in February for creation of a national infrastructure bank—called the **I-Bank**—to be capitalized with $30 billion in public money over a six-year period and with a mandate to finance transportation infrastructure projects only. The I-Bank would be housed within the U.S. Department of Transportation.

The I-Bank would provide loans, loan guarantees and grants for qualifying transportation projects. Qualifying projects would be chosen based, among other factors, on how large a return they are likely to provide on taxpayer investment.

The existing TIFIA program would be folded into the I-Bank, according to *InfraAmericas.com*. The TIFIA program provides credit assistance in the form of loans, loan guarantees and standby letters of credit for transportation projects of regional or national economic importance. It has been in operation since 1998. The goal of the TIFIA program is to draw private investment to supplement federal transportation dollars. Demand for TIFIA funding has outpaced supply since 2008.

Funding for the TIFIA program is used to offset subsidy costs associated with the provision of federal credit assistance for infrastructure projects. The Obama administration wants an increase in funding for the TIFIA program to $450 million per year from the current $122 million. According to the U.S. Department of Transportation, the current levels of TIFIA funding can support more than $2 billion of federal credit assistance. According to the Obama administration, the proposed increase in TIFIA funding could stimulate up to $13.5 billion in infrastructure investment, inclusive of federal credit assistance. To put the funding levels into perspective, TIFIA received 34 letters of interest for more than $14 billion in credit assistance for the 2011 fiscal year.

House

Rep. **Rosa DeLauro** (D-Connecticut) and 44 other Democrats introduced a proposal in the House on Jan. 24 for the establishment of a **National Infrastructure Development Bank** or "NIDB." The bill is H.R. 402.

The NIDB would be an independent, wholly-owned government corporation with a 15-year charter. The bill would authorize the government to inject up to $5 billion a year from 2012 through 2016 for what is supposed to be 10% of the total share capital of the NIDB.

The NIDB would be authorized to fund transportation, environmental, energy and telecommunications infrastructure projects. Projects would be chosen based upon an analysis of project costs against a project's "economic, environmental and social benefits." Priority would be given to projects that "contribute to economic growth, lead to job creation and are of regional or national significance." Other factors that would be considered by the NIDB include a project's ability to maximize private investment and public benefits.

Outlook

The politics of an infrastructure bank are complicated. Developers and financiers in the transportation sector are concerned that a national infrastructure bank could compete with TIFIA for funding. Some industry executives, including those who took part in a recent roundtable discussion about toll roads hosted by *InfraAmericas* and Chadbourne, would like to see the TIFIA program expanded, arguing that Congress could do more to advance infrastructure investment by expanding the proven and successful TIFIA program, rather than initiating a new, albeit modest, infrastructure investment model.

The huge budget deficits at the federal level make it hard to fund any new initiatives. Members of Congress on the appropriations committees may see such a bank as ceding control to an outside agency over how federal dollars are spent.

A historical antecedent for the bank is the **Reconstruction Finance Corporation** during the Great Depression. However, proposals to create technology or energy banks have been introduced in Congress for a number of years. None has made much progress. There was a push in the last Congress to create a clean energy bank, called **CEDA**, but the effort lost steam, and the November 2010 elections that brought a large incoming class of new members of Congress determined to scale back government did not improve the bank's prospects.

Some analysts suggest Congress is more likely to expand existing federal aid programs than to create new ones. Three key members of Congress—**John Mica** (R-Florida), chairman of the **House Transportation and Infrastructure Committee**, **Barbara Boxer** (D-California), chairman of the Senate **Environment and Public Works Committee**, and **James Inhofe** (R-Oklahoma), the senior Republican on Boxer's committee—have said they favor putting more money into the TIFIA program.

There are important lessons to be learned from recent experience with other federal infrastructure aid programs. It took six years from 2005 to 2011 before the loan guarantee program in the DOE was working effectively. Many thought during the wait that an independent agency, perhaps modeled on the **Overseas Private Investment Corporation**, would have been able to move more quickly. In this respect, the AIFA and NIDB proposals, which offer specialized, independent infrastructure banks, are attractive models for a national infrastructure bank. In a similar vein, a national infrastructure bank should not be developed at the expense of other successful and established programs, like TIFIA.

Congress should also be concerned not to let a national infrastructure bank serve as a vehicle for funding pet projects and other politically popular, but economically dubious, projects. Some argue that an independent agency is better able to deflect political pressure.

Finally, the lessons of the TIFIA program demonstrate that, for a federal credit assistance program to reach its full potential, supply must keep pace with demand. Modest investments and unrealistic funding projections will do little to address the infrastructure funding gap. Regardless of the outcome, the federal government will have no choice, given budget pressures, to look to the private sector to fill the infrastructure funding gap.

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

Generation Call Calendar

*The Generation Call Calendar is a feature that PFR runs on a quarterly basis that tracks ongoing calls for generation in the North American power sector. The entries below are of new calls since Jan. 1, 2011 or calls that have been changed in their parameter or status. To report updates or new request for proposals or to provide additional information, please contact Senior Reporter **Brian Eckhouse** at (212) 224-3624 or beckhouse@iinews.com.*

Caller	Capacity	Contracts	Deadlines	Requirements	Notes
Arizona Public Service Co.	71,000 MWh	20 to 30-year contracts	Bids were due May 17. Shortlist expected July 15. Winners selected Oct. 17.	Projects must be 2-15 MW and bids costing more than $130 MWh will be eliminated. Applicants must complete FERC impact studies by Oct. 7.	Looking for the best price from sponsors who can complete projects (PFR, 3/18).
Empresa Electrica de Guatemala	480 MW (Renewables)	15-year contracts	Bids are due Oct. 28. Winners announced by year-end.	N/A	PPAs start in 2015, Empresa is open to foreign and domestic bidders (PFR, 4/13).
	320 MW (Gas- or coal-fired)				
Georgia Power	700-1,900 MW (Baseload)	5, 10, 15-year contracts	Deadlines for bids was June 2010. Utility executed initial contracts for 1,562 MW in June, but has yet to announce winners.	Projects must be online by 2015.	The utility is looking to replace coal-fired generation that it may have to retire due to new emissions regulations (PFR, 5/6).
Ontario Energy Board	248.5 Miles (Transmission)	N/A	Process expected to be initiated in August. Deadline expected six months after RFP is issued.	Developers will compete to build the East-West Tie in Northern Ontario.	The $500-700M line will be awarded via regulatory hearings. At least 20 companies are interested in the process (PFR, 1/21).
Ontario Power Authority	300 MW (Combined heat and power)	20-yr	Bids for 200 MW call are due Aug. 26. Additional 100 MW call expected this year.	Targeting projects bigger than 20 MW.	OPA prefers experienced CHP sponsors and projects with favorable costs and EPC contracts (PFR, 6/9).
Portland General Electric	550 MW (Gas-fired)	10 to 20-year contracts for 200 MW of year-round peaking resources. Five-year contracts for 200 MW of winter and summer peaking resources. Five-year contracts for 200 MW of winter peaking resources.	Final RFP set for late July or August.	Existing generation or new projects slated for operatin between 2013 and 2015. 25-200 MW plants preferred.	The Oregon Public Utilities Commission will decide whether and when to issue the RFP at its meeting on July 26.
	120 MW (Renewables)	N/A	N/A	N/A	Planning to issue RFP later this year (PFR, 4/28).
	300-500 MW (Baseload)	N/A	N/A	N/A	Planning to issue RFP later this year (PFR, 4/28).
Pacific Gas & Electric	N/A (Renewables)	Long-term	Bids due June 22. PG&E scheduled to notify shortlisted bidders Aug. 22.	Projects must be operational within 18 months of approval by the California Public Utilities Commission. PG&E favors projects within its coverage area, from Bakersfield to Eureka, Calif.	Solar photovoltaic, solar thermal and wind will be eligible (PFR, 4/14).
	50 MW (New Solar PV)	20-year contracts	Bids due March 2. Final PPAs will be executed June 17.	Projects must be 1-20 MW and located within PG&E's coverage area.	RFP is part of five-year process to add 250 MW of renewables to the portfolio (PFR, 4/14).
	50 MW (New Solar PV)	20-year contracts	Targeting RFP for February 2012.	Projects must be 1-20 MW and located within PG&E's coverage area.	RFP is part of five-year process to add 250 MW of renewables to the portfolio (PFR, 4/14).
Public Service Co. of New Mexico	120-140 MW (Renewables)	Asset purchases, PPAs and joint-ownership agreements available.	Notice of intent to bid due April 22. Formal bids due June 10. Applicants will be short-listed July 1.	Projects must be operational by 2014.	New projects may be located beyond state lines (PFR, 4/14).
	N/A (Renewable Energy Credits)	N/A		Projects looking to sell RECs must be in operation since 2008 and be located in the state.	
San Diego Gas & Electric	N/A	Up to 30 years.	Offers must be submitted by July 11. Utility will notify shortlisted bidders on Aug. 19.	N/A	Potential generators include peaking and baseload facilities.
Southern California Edison	Renewables	10- to 20-year contracts	Bids were due June 22. Utility will notify shortlisted bidders Aug. 19.	Projects must have at least 1.5 MW of capacity and some types must be within the state.	Standard bundled energy products are eligible, including wind, solar and geothermal. No maximum generation stipulated.
Virgin Islands Water and Power Authority	10 MW (New Solar PV)	20-year contracts	Proposals are due Sept. 27.	The districts of St. Thomas-St.John and St. Croix must both get new generation through the RFP process. Selected projects must be operational 18 months after contracts are approved.	Utility favors experienced sponsors and demonstrated cost-effective product pricing (see story, page 3).

Generation Auction & Sale Calendar

Generation Sale DATABASE

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

Seller	Assets	Location	Advisor	Status/Comments
AE Investor II	Stake (4%, or 23.3 MW in Astoria Energy II)	Queens, N.Y.	Whitehall & Co.	A group of high network individuals is exiting their B-class stake in the facility (see story, page 4).
AES	Cayuga (306 MW Coal) Greenidge (105 MW Coal) Somerset (675 MW Coal) Westover (83 MW Coal)	Lansing, N.Y. Dresden, N.Y. Barker, N.Y. Binghamton, N.Y.	Barclays Capital	Two bidders emerge as frontrunners (PFR, 4/11).
	Huntington (904 MW Huntington CCGT)	Huntington, Calif.	TBA	AES will lease two of the units from Edison Mission Energy under a new sale leaseback agreement so EME can transfer the permit allowances upon the plant's retirement (PFR, 3/25).
Brookfield Infrastructure Partners	Cross Sound Cable (24-mile Transmission)	N.Y., Conn.	Rothschild	Potential buyers are receiving CIMs right now (PFR, 5/2).
Calpine	Mankato (375 MW CCGT) Broad River (847 MW Simple cycle)	Mankato, Minn Gaffney, S.C.	Barclays Capital	First round bids are due mid-July (PFR, 7/4).
City Water & Light	Stake (550 MW Nelson coal-fired steam)	Westlake, La.	TBA	A unit of Entergy is buying the portion it has a PPA with (PFR, 5/23).
Compass Wind	Spion Kop (40 MW Wind)	Judith Basin County, Mont.	TBA	NorthWestern Energy is planning to put the project into its ratebase (PFR, 6/13).
Duke Energy Ohio	Vermillion (640 MW Simple Cycle)	Cayuga, Ind.	TBA	Wabash Valley Power Association and Duke Energy Indiana are buying out DEO's 75% stake (PFR, 7/4)).
Entegra Power Group	Gila River (340 MW unit in 2.2 GW CCGT)	Phoenix, Ariz.	Barclays Capital	Wayzata emergies from go-shop as buyer (PFR, 6/13).
First Wind	Various (Wind)	Maine, New York	Credit Suisse Macquarie Capital	Emera and Algonquin are teaming up on a joint venture (PFR, 5/9).
Gamesa Energy USA	Chestnut Flats (38 MW Wind)	Cambria County, Pa.	None	Has lined up a buyer that will bring a PPA for the merchant project (PFR, 5/2).
GDF Suez Energy North America	Hot Spring (746 MW CCGT) Choctaw (746 MW CCGT)	Malvern, Ark. Ackerman, Miss.	UBS	UBS is releasing CIMs to interested parties (PFR, 5/15).
Greengate Power Corp.	Halkirk (150 MW Wind)	Alberta, Canada	No advisor	Capital Power has bought it for $33 million (PFR, 6.27).
Kelson Energy	Magnolia (968 MW CCGT)	Mississippi	TBA	Tennessee Valley Authority is buying the facility and considering selling a portion to an affliated cooperative (see story, page 4).
Navasota Energy Partners	L'Energia (80 MW CCGT)	Lowell, Mass.	TBA	EDF Trading North America has agreed to buy the plant (PFR, 5/30).
NextEra Energy Resources	Blythe (507 MW Combined-cycle) Calhoun (668 MW Peaker) Doswell (708 MW CCGT & 171 MW Peaker) Cherokee, (98 MW CCGT) Risec (550 MW CCGT)	Blythe, Calif. Eastaboga, Ala. Ashland, Va. Gaffney, S.C. Johnston, R.I.	Credit Suisse, Citigroup	Teasers went out this week (PFR, 5/9).
NRG Solar	Various (stake in 881 MW solar pipeline)	Various	Credit Suisse	NRG is looking for a minority owner for its solar subsidiary (PFR, 5/9).
PSEG Power, PNM Resources	Odessa (1 GW CCGT) Stake in Optim Energy	Odessa, Texas Texas	Goldman Sachs Morgan Stanley	Energy Capital Partners has agreed to purchase it for $335 million (PFR, 7/4). Teasers are out as Cascade Investments considers exiting (PFR, 5/23).
Cascade Investment	Altura (600 MW Cogen) Twin Oaks (305 MW lignite-fired) Cedar Bayou 4 (275 MW natural gas-fired)	Channelview, Texas Bremond, Texas Chambers County, Texas	Evercore Partners	Cascade is considering its options, including restructuring and a sale of its stake (PFR, 7/11).
Raser Technologies	Thermo 1 (14 MW Geothermal) Lightning Dock (15 MW Geothermal development)	Thermo, Utah Hidalgo County, N.M.	Bodington & Co.	A pair of investors have come forward as stalking horse bidders in a Ch. 11 bankruptcy (PFR, 5/23).
Recurrent Energy	Bagdad (15 MW PV) Ajo 1 (5 MW PV) Sunset Reservior (5 MW PV) Cranbury (7.5 MW Distributed PV) Kaiser Permanente (15 MW Distributed PV)	Bagdad, Ariz. Ajo, Ariz. San Francisco, Calif. Cranbury, N.J. California	Credit Suisse	Indicative bids came in April 6 (PFR, 4/11)
Sea Breeze Power Corp.	Knob Hill (99 MW Wind)	Vancouver, B.C.	TBA	IPR - GDF Suez is buying out Sea Breeze's remaining stake (PFR, 7/11).
Strategic Value Partners, JPMorgan, Cargill	Liberty Electric Power (586 MW CCGT)	Eddystone, Pa.	JPMorgan	Teasers have gone out and buyers are receiving CIMs (PFR, 5/2).
Synergics	Roth Rock (40 MW Wind)	Oakland, Md.	TBA	Gestamp Wind North America has agreed to buy the project and has lined up a tax equity investor (PFR, 5/2).

Shaded items indicate latest entries.

Project Finance Deal Book

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

Live Deals: North America

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
Abengoa Solar	Mojave (250 MW Solar Thermal)	San Bernardino County, Calif.	FFB	TBA	$1.2B	TBA	DOE offers conditional FFB loan (PFR, 6/20).
American Renewables	Gainesville (100 MW Biomass)	Gainesville, Fla.	BoTM, Crédit Agricole, ING, Natixis, Rabo, SocGen	TBA	$500M	TBA	Deal wraps (PFR, 7/11).
Boralex, Gaz Métro	Unidentified (272 MW Wind)	Seigneurie de Beaupré, Quebec	BoTM, DB, KfW	TBA	$500-600M	18-20-yr	BoTM, DB and KfW join financing (PFR, 7/11).
Brookfield Renewable Power	Granite Reliable (99 MW Wind)	Coos County, N.H.	WestLB, Citi	TBA	TBA	TBA	DOE offers conditional loan guarantee (PFR, 7/4).
Calpine Corp.	Russell City (600 MW Combined-Cycle)	Hayward, Calif.	ING, Union Bank	TBA	$844.5M	10-yr	Deal closes (PFR, 7/4).
Cheniere Energy	Unidentified (Export LNH Facility)	Sabine Pass, La.	TBA	TBA	$2.24B	TBA	Sponsor eyes $2.4B financing by year-end (PFR, 6/13).
Competitive Power Ventures	Sentinel (850 MW Gas)	Riverside County, Calif.	BoTM	TBA	$800M	10-yr	Deal wraps oversubscribed (PFR, 6/6).
DKRW Advanced Fuels	Unidentified (Coal Liquefaction)	Medicine Bow, Wyo.	TBA	TBA	TBA	TBA	Sponsor taps Citi to advise on the $1B+ financing (PFR, 6/13).
Edison Mission Energy	Walnut Creek (500 MW Gas)	City of Industry, Calif.	MUFG, Santander	TBA	TBA	TBA	Intesa, SocGen and WestLB mull participation (PFR, 7/11).
Enova Energy Group, NuPower	Plainfield (37.5 MW Biomass)	Plainfield, Conn.	SocGen	TBA	TBA	TBA	SocGen wins mandate to lead syndicated financing (see story, page 1).
Fotowatio Renewable Ventures	Unidentified (20 MW PV)	Southern Nevada	John Hancock	TBA	TBA	TBA	Fotowatio snags conditional DOE loan guarantee (PFR, 6/13).
EverPower	Allegheny (72.5 MW Wind)	Cattaraugus County, N.Y.	TBA	TBA	TBA	TBA	EverPower hunts 20% debt for merchant farm (PFR, 6/27).
Gradient Resources	Patua (132 MW)	Reno, Nev.	BNP, Dexia, Scotia	TBA	$600M	TBA	Sponsor retains Marathon Capital as financial advisor (PFR, 7/13).
First Solar	Desert Sunlight) (550 MW Solar PV	Desert Center, Calif.	Goldman Sachs	TBA	TBA	TBA	Goldman Sachs as lender-applicant for DOE loan guarantee (PFR, 7/4).
LS Power	Cross Texas (230 Miles Transmission)	Texas	BNP, Citi, Crédit Agricole and MUFG	TBA	TBA	TBA	LS Power prices loan at roughly 200 bps over LIBOR (PFR, 6/6).
NextEra Energy Resources	Genesis (250 MW Solar Thermal)	Blythe, Calif.	Credit Suisse	TBA	$1B+	TBA	DOE offers conditional loan guarantee (PFR, 6/20).
NRG	El Segundo (550 MW Gas)	El Segundo, Calif.	Crédit Agricole, Mizuho, RBS	TBA	$683M	TBA	NRG tags three to lead deal (PFR, 6/13).
	Roadrunner (20 MW Solar PV)	Santa Teresa, N.M.	MUFG	TBA	TBA	TBA	Sponsor lands financing (PFR, 6/6).
Ormat Technologies (PFR, 6/20).	Various (121 MW Geothermal)	Nevada	John Hancock	TBA	$350M	TBA	DOE offers conditional $280M loan guarantee
Radback Energy	Oakley (624 MW Gas)	Contra Costa County, Calif.	BoTM, Crédit Agricole, ING, RBS, Scotia	TBA	TBA	TBA	Loan priced south of 225 bps (see story, page 3).
Recurrent Energy	Unidentified (60 MW Solar PV)	Calif.	TBA	TBA	TBA	TBA	Recurrent hunts financing supporting at least 60 MW of solar PV (PFR, 6/20).
Sempra Pipelines, Pemex	Various (Gas Pipeline)	Mexico	TBA	Refi	$400M	TBA	Sponsors seek to lever existing pipelines for new development (PFR, 7/11).
Sempra Generation	Mesquite I (150 MW Solar PV)	Maricopa County, Ariz.	FFB	TBA	$359.1M	TBA	DOE offers conditional loan guarantee, to be funded by FFB (PFR, 6/27).
Sharyland Utilities	CREZ (300 Miles Transmission)	West Texas	RBC, RBS, SocGen	TBA	TBA	TBA	Deal wraps (PFR, 7/4).
Starwood Energy	Unidentified (10 MW Solar)	Sault Ste. Marie, Ontario	NordLB	TBA	$40M	TBA	Starwood wraps financing (PFR, 6/27).
Terra-Gen Power	Alta Phases 6 and 8 (300 MW Wind)	Tehachapi, Calif.	Crédit Agricole,	Mini-Perm MUFG	$631M	C+ 7-yr	Deal wraps (PFR, 6/6).
Wind Capital Group	Unidentified (150 MW Wind)	Osage County, Okla.	TBA	TBA	TBA	TBA	Sponsor discussing deal with BayernLB and NordLB (see story, page 3).

Shaded items indicate latest entries.

News In Brief

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

Americas

- **enXco**'s proposed 150 MW Merricourt wind farm in North Dakota will be connected to the grid after the **North Dakota Public Service Commission** approved **Montana-Dakota Utilities**' $21 million transmission line in the state. **David L. Goodin**, president and CEO of Montana-Dakota Utilities, says the transmission development will foster growth of wind projects (*Renew Grid*, 7/14).
- Nuclear industry officials are concerned over costly upgrades recommended by the U.S. **Nuclear Regulatory Commission** in its latest report. The commission also proposed disregarding a rule that has protected the industry from expensive upgrades (*The Wall Street Journal*, 7/14).
- **Entergy Arkansas** has agreed to buy **KGen Power**'s 620 MW Hot Spring Energy combined-cycle facility in Malvern, Ark. for $253 million (*Energy Business Review*, 7/13).
- The U.S. **Department of Interior** is aiming to trim two years off the development phase of offshore wind projects by creating an environmental assessment that would enable companies to lease areas off the coasts of New Jersey, Delaware, Maryland and Virginia. New Jersey has received the most interest in offshore wind, with 11 companies looking at developing projects off its coast (*NJ Spotlight*, 7/13).
- **Entergy Mississippi** will purchase the 450 MW Hinds combined-cycle facility in Jackson, Miss., from **KGen Power Corp.** for $206 million. State and federal regulators must approve the deal (*Clarion Ledger*, 7/13).
- **PNM Resources** subsidiary **Public Service Company of New Mexico** is challenging the decision of the state **Public Regulation Commission** that prohibits PNM from buying $6 million of wind energy annually through renewable energy certificates (*Bloomberg Businessweek*, 7/11).

DEVELOPER PLOTS

(continued from page 1)

Bill Brunstad

Enova is aiming for debt-to-equity ratios of 70:30 for funding development of the projects. While some of the projects have power purchase agreements, the sponsor is in negotiations to nail down PPAs on others, says **Richard McLean**, coo and cfo in Houston and a former **KGen Power** ceo. Enova anticipates finalizing the unresolved PPAs within a year.

Richard McLean

Potential acquisition targets include merchant projects. "We are looking at developing and acquiring challenged assets," Steele says. "We have the technical expertise to assess them and value them—and create value." Enova will make at least one acquisition by year-end; it is buying a majority stake of a 37.5 MW biomass project in Plainfield, Conn.

Enova's team of nearly 10 employees has previously raised roughly $9 billion in the energy and power sectors, Steele says. The team will be based in New York starting next quarter, with offices in Atlanta and Houston. Steele launched the company in 2009, after co-founding Orlando-based **Solar Blue**, an energy efficiency and solar company. Brunstad is former senior partner at law firm **Seyfarth Shaw** and former operating partner at **Dominion Capital Management**, which originated mezzanine debt. Enova has at least one financial backer, which Steele declined to identify.

Enova has mandated **Société Générale** to help lead its first project finance deal, a $142.5 million deal supporting the $247 million Plainfield biomass project. The financing comprises a roughly $117 million mini-perm and about $25 million in letters of credit. **Brett Murphy**, a SocGen director in New York, is helping to lead the deal. Financial close is targeted for mid-August. The mini-perm is priced at 325 basis points over LIBOR and has a tenor of construction plus five years.

Enova will buy an 80% stake in **Plainfield Renewable Energy LLC**, which holds the project, from PREC owner **Decker Energy** at financial close for an undisclosed price. **NuPower** of Norwalk, Conn., is retaining a 20% stake in Plainfield Renewable Energy LLC. Enova, NuPower and **SAIC**, the EPC contractor of the project, will provide equity to fund remaining project costs.

Connecticut Light & Power and **United Illuminated** inked 15-year PPAs with the Decker-NuPower JV in 2008 to buy 80% and 20% of the Plainfield plant's generation, respectively. The plant will go online in 2013 and is expected to qualify for the U.S. **Department of Treasury** cash grant.

A Decker official in declined to comment. Murphy, **Dan Donovan**, co-founder of Plainfield and a founder and managing director of NuPower in Norwalk, Conn., and an SAIC spokeswoman in McLean, Va., didn't return calls.

—Brian Eckhouse

RBC BOOSTS

(continued from page 1)

Paul Neuhedel

The hires more than double the public power team's leadership. The public power group already had managing directors **Garth Salisbury** and **Scott Perlman** in San Francisco and Cincinnati, respectively.

There has been an increase in municipals looking to buy generation from the private sector, Kretsge notes. "There had been a view in M&A a few years ago that co-ops and munis, although recognized as potential buyers, weren't seen as top tier asset acquisition participants because they often have to go through a lengthy approval process. That view is changing," says Kretsge, noting that the companies are becoming more nimble. So far this year, **Oglethorpe Power** and **American Municipal Power**—two of the most prominent public power entities—have emerged as the buyers of natural gas-fired generation (PFR, 2/2 & 3/16).

The team will focus on bonds and bank loans as well as M&A strategic advisory as it comes up, says **Chris Hamel**, head of RBC's municipal finance group. The offerings will complement RBC's position as a top five underwriter of municipal debt, he adds.

Right now the priority for the team is getting in touch with prospective clients, says Hamel. The group will be looking to make some near-term hires to fill out the roster.

While at JPMorgan, Kretsge advised **New York Power Authority** on the sale of its two nuclear plants to **Entergy** in 2000. Holder worked with public power entities and government authorities in Florida and Texas. Neuhedel will lead the bank's relationship with clients from New York. ***—Holly Fletcher***

TORTOISE READIES

(continued from page 1)

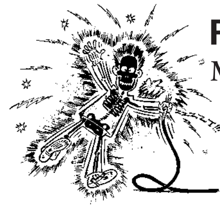
to make sure the management keeps the asset high quality going forward," Schulte says. TTO bought a 40% interest in **Public Service Company of New Mexico**'s 216-mile Eastern Interconnect Project for $16.1 million, marking its first real asset investment. The dependability of transmission revenue, which is often derived from the rate base, and the need for the infrastructure hits TTO's sweet spot, says **Rick Green**, managing director of Corridor. The 345 kV line spans from Clovis, N.M. to Albuquerque and went online in 1984. It is expected to have another 20 years of operating life.

Qualifying as a REIT with the U.S. **Internal Revenue Service** allows the company to forego federal income tax on income that it distributes to stockholders. TTO must have at least 75% of its gross income come from investments related to real property, mortgages on real property or from certain types of temporary investments in order to garner REIT status.

TTO has about 4,400 shareholders and $96.7 million in investments, including EIP. Pending shareholder approval of the company no longer being treated as a BDC, the company will look to file with IRS to be taxed as a REIT in 2013. The identity of stockholders or a timeline for the vote could not be immediately learned. TTO's remaining investments are currently in publicly traded securities with companies such as **Energy Transfer Partners** and **El Paso Pipeline Partners**. It will look to fund investments with a mix of its balance sheet, leverage and proceeds from equity issuances.

Tortoise Capital Advisors has $6 billion under management across six subsidiaries. It was established in 2002. ***—Sara Rosner***

Alternating Current



Powering All-Stars, Not Homeruns

Major League Baseball has long been attracted to power, albeit of the muscle variety, with many players admitting to steroid use. However, MLB took a less controversial approach to its power initiatives last week as the **Arizona Diamondbacks** purchased 775,000 KWh of renewables generation from **Arizona Public Service Co.** for the All-Star Game and five days of festivities at Chase Field and the Phoenix Convention Center.

The generation was derived from a mix of geothermal, solar and wind plants, says a utility spokeswoman in Phoenix. The reduction in greenhouse gas emissions represents more than 710,000 pounds, or the same as removing roughly 3,000 cars off local roads for a week.

As for Monday night's homerun derby, where a few participants blasted homers nearly 475 feet from home plate, we must assume that those are also naturally generated.

Quote Of The Week

"We are looking at developing and acquiring challenged assets. We have the technical expertise to assess them and value them—and create value."—***Zachary Steele****, ceo of* ***Enova Energy Group*** *in Orlando on his company's plan to buy 1 GW of operating gas-fired and biomass projects (see story, page 1).*

One Year Ago In Power Finance & Risk

Trust Company of the West began fundraising for a roughly $3 billion fund to acquire power and energy projects and companies. [TCW spun off **EIG Global Energy Partners**, its former energy and infrastructure group, which is hunting investments in gas-fired and geothermal assets this year (PFR, 1/7).]