

power finance & risk

The exclusive source for power financing and M&A news

www.iipower.com

A PUBLICATION OF INSTITUTIONAL INVESTOR, INC.

JULY 25, 2011

VOL. XIV, NO. 29

CA Snags Calpine Mandate

Calpine Corp. has selected **Crédit Agricole** as lead left in a financing backing the retrofitting of the Los Esteros gas-fired project in San Jose, Calif.

See story, page 2

ECP Joins PE Shop For Renewables JV

Energy Capital Partners has set up a joint venture with **Renova Capital** that will commit up to \$250M in equity in renewables project.

See story, page 2

Project Finance

Eight More Join NRG Gas Deal	4
Four Enlist In Quebec Wind	4
enXco To Tap EDF Financing	4

Mergers & Acquisitions

Riverstone To Land Morris Assets	5
Pricing on Liberty Bids Emerges	5
Detroit Edison Scoops Invenergy Wind	5

People & Firms

Rabo Hires HSH, UniCredit V.P.'s	5
Union Bank Eyes V.P.	6

Departments

Project Finance Deal Chart	6
Generation Sales Database	7

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

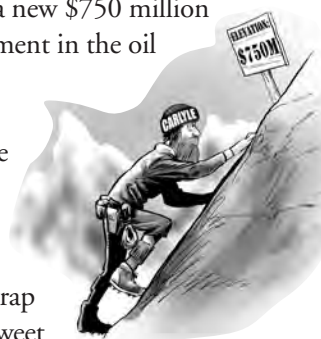
CARLYLE READIES FIRST MEZZ ENERGY FUND DEAL

The **Carlyle Group** is close to finalizing its first transaction via a new \$750 million mezzanine fund focused on energy. It is a corporate-level investment in the oil and gas sector.

David Albert and **Rahul Culas**, co-heads of the energy mezzanine opportunities group in New York, are heading up the effort. Details couldn't be learned and officials at Carlyle declined to comment.

Carlyle began approaching potential fund investors late last year and hit roughly half of the target amount. It is aiming to wrap the fundraising early next year, says a deal watcher. The fund's sweet spot is \$25-75 million investments at either the corporate or project level. There is demand

(continued on page 8)



ARCLIGHT FIRES UP 1.5 GW AUCTION

ArcLight Capital Partners has put six contracted assets, including 1.12 GW gas-fired facilities and its equity stake in the Neptune transmission line, on the block. The private equity shop anticipates selling the portfolio, which dots the country's perimeter, as a whole.

The gas-fired assets include cogeneration and combined cycle facilities in California, Connecticut, Hawaii, New Mexico and Texas. ArcLight expects the assets will have an aggregate \$891 million in net project debt at year-end, according to a teaser sent out by co-advisors **Citigroup** and **Barclays Capital** earlier this month.

ArcLight fully owns four of the plants and has a 67.5% stake in the 162 MW **Crockett** facility in **Crockett, Calif.** The assets for sale are currently owned by either **ArcLight Energy Partners Fund III** or **ArcLight Energy Partners Fund IV**.

The shop owns 59% of the 391 MW, 65-mile **Neptune** transmission line that connects

(continued on page 8)

Just As The Finish Line Looms

DOE: WE WERE SLOW BUT WE HIT OUR STRIDE



Jonathan Silver

The U.S. Department of Energy's loan guarantee program had a slow start but has hit its stride in backing new renewable generation technologies, according to **Jonathan Silver**, executive director of the loan programs office. "There's an old adage: every bank wants to be the first bank to finance your second project. We're the bank financing the first project," he told *PFR*.

The Sect. 1705 initiative will close Sept. 30, though the program sponsors other areas that will continue beyond the third quarter.

Highlights of the interview follow. To hear the full chat head to our podcast at www.iipower.com.

What will we see between now and Sept. 30?

(continued on page 7)

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



At Press Time

Calpine Mandates Crédit Agricole For Calif. Gas

Calpine Corp. has tapped Crédit Agricole as lead left in a financing backing the expected \$400 million retrofit of the Los Esteros plant from a 188 MW simple-cycle plant to a 300 MW combined-cycle facility.

Calpine is also considering tapping Royal Bank of Scotland and WestLB as co-leads, says a deal watcher. The Houston-based sponsor is expected to tap three leads for the deal (PFR, 4/8).

The size of the financing as well as deal details, including pricing and tenor, couldn't be learned. A Calpine spokeswoman in Houston did not respond to inquiries by press time. Bank officials declined to comment or didn't return calls.

Pacific Gas & Electric has a 10-year offtake agreement for Los Esteros, in San Jose, Calif. The PPA will commence upon the project's completion, which is expected in 2013.

ECP Links With Denver Shop On Renewable JV

Energy Capital Partners has set up a joint venture with Renova Capital, a Denver-based private investment shop, to focus on renewable projects. ECP will commit up to \$250 million in equity over the next three years to Centennial Renewable Power, which will look to acquire development projects and operating assets across the renewable spectrum, including geothermal, biomass, waste-to-energy and solar.

Initially, the joint venture will develop some solar photovoltaic projects started by Renova's solar affiliate Main Street Power, based in Boulder, Colo.

Centennial is a subsidiary of Energy Capital Partners II and will work with Renova on building the greenfield and acquisition pipeline. Centennial is also open to partnering with developers on existing projects that need capital.

The number of megawatts sought and the timeline for financing the first project could not be immediately learned. Phil Caplan, founding partner at Renova, could not immediately comment and a spokesman for ECP in Short Hills, N.J., did not respond to inquiries.

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 **Sara Rosner**, managing editor, at (212) 224-3165 or srosner@iineews.com.

power finance & risk

The exclusive source for power financing and M&A news

EDITORIAL

STEVE MURRAY
Editor

TOM LAMONT
General Editor

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

SARA ROSNER
Managing Editor
(212) 224-3165

BRIAN ECKHOUSE
Senior Reporter
(212) 224-3624

HOLLY FLETCHER
Senior Reporter
(212) 224-3293

STANLEY WILSON
Washington Bureau Chief
(202) 393-0728

ANN O'DOWD
Intern

KIERON BLACK
Sketch Artist

PRODUCTION

DANY PEÑA
Director

DEBORAH ZAKEN
Manager

MELISSA FIGUEROA,
JAMES BAMBARA, DOUGLAS LEE
Associates

JENNY LO
Web Production & Design Director

ADVERTISING

PAT BERTUCCI
Associate Publisher
(212) 224-3890

ADRIENNE BILLS
Associate Publisher
(212) 224-3214

PUBLISHING

ALLISON ADAMS
Group Publisher

GAURI GOYAL
Business Director
(212) 224-3504

ANNA LEE
Marketing Director
(212) 224-3175

ISMAELA BEST
Senior Marketing Manager
(212) 224-3609

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

DAVID SILVA
Senior Fulfillment Manager
(212) 224-3573

SUBSCRIPTIONS/ ELECTRONIC LICENSES

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

KEN LERNER
Account Executive
(212) 224-3043

REPRINTS

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

CORPORATE

JANE WILKINSON
Chief Executive Officer

STEVE KURTZ
Chief Operating Officer

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

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













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

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

Power Finance & Risk ©2011
Institutional Investor, Inc. ISSN# 1529-6652

Copying prohibited without the permission of the Publisher.

**Institutional
Investor NEWS**
INTELLIGENCE FIRST

<p>Russia /Germany April 2011</p>  <p>Nord Stream Phase 2</p> <p>EUR 2,500,000,000 2nd 1,200 km sub-sea gas pipeline to link Russia and Germany</p> <p>Mandated Lead Arranger WestLB</p>	<p>UAE March 2011</p>  <p>Shams Power Company PJSC</p> <p>USD 612,000,000 Project Financing</p> <p>Mandated Lead Arranger WestLB</p>	<p>US February 2011</p>  <p>Viento II Funding, Inc.</p> <p>USD 255,200,000 Financing of a 360MW wind farm portfolio consisting of three projects</p> <p>Joint Lead Arranger Sole Bookrunner WestLB</p>	<p>US December 2010</p>  <p>Caithness Shepherds Flat, LLC</p> <p>USD 1,426,189,402 Project Financing</p> <p>Joint Lead Arranger Joint Bookrunner WestLB</p>
<p>Chile December 2010</p>  <p>Hidroelectrica San Andrés Ltda. Hidroelectrica El Paso Ltda.</p> <p>USD 120,000,000 Project Financing for two 40MW hydroelectric run-of-river power plants in Chile</p> <p>Mandated Lead Arranger Bookrunner WestLB</p>	<p>Turkey November 2010</p>  <p>EnerjiSA Enerji Üretim A.Ş.</p> <p>EUR 1,000,000,000 Senior Debt Facilities</p> <p>Bookrunner Joint Lead Arranger WestLB</p>	<p>US September 2010</p>  <p>Bayonne Energy Center</p> <p>USD 422,000,000 Senior Secured Credit Facility</p> <p>Joint Bookrunner Joint Lead Arranger Syndication Agent WestLB</p>	<p>Egypt August 2010</p>  <p>Egyptian Refining Company الشركة المصرية للتكرير</p> <p>USD 2,350,000,000 Project Financing</p> <p>Mandated Lead Arranger WestLB</p>
<p>Canada June 2010</p>  <p>Helios Solar Star A-1, L.P.</p> <p>CAD 96,200,000 Construction financing for 20MW PV generating facilities</p> <p>Joint Bookrunner Joint Lead Arranger WestLB</p>	<p>USA May 2010</p>  <p>Hudson Ranch Power I LLC</p> <p>USD 300,184,000 Senior Secured Credit Facilities</p> <p>Bookrunner Lead Arranger Co-Syndication Agent WestLB</p>	<p>Mexico April 2010</p>  <p>Rubicon Drilling</p> <p>USD 225,000,000 Senior Secured Term Loans</p> <p>Joint Bookrunner Mandated Lead Arranger WestLB</p>	<p>Australia March 2010</p>  <p>Collgar Wind Farm Pty Ltd</p> <p>AUD 478,000,000 206MW Collgar Wind Farm Project Finance Facilities</p> <p>Mandated Lead Arranger WestLB</p>

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

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

Tom Murray, Global Head of Energy: +1 212 597-1146

Susana Vivares, Co-Head of Energy EMEA: +44 20 7020-7761

Jürgen Franke, Co-Head of Energy EMEA: +49 211 826-5227

David Graham, Head of Energy APAC: +852 2842-0423

For more information on how we spurred our clients' success please visit:

www.deals.westlb.com



Project Finance

Eight Lenders Enter NRG Gas Deal

CoBank, DnB NOR, Helaba, ING, LBBW, Scotia Capital, Siemens Financial Services and Sumitomo Mitsui Banking Corp. have committed to a \$683 million financing backing NRG Energy's 550 MW combined-cycle plant in El Segundo, Calif. Financial close is expected by early August.

Crédit Agricole, Mizuho Corporate Bank and Royal Bank of Scotland are leading the deal (PFR, 6/8). They are expected to take \$45-55 million tickets.

The financing has a tenor of 10 years. Pricing will start at 225 basis points over LIBOR, with step-ups every two or three years. NRG and financiers are tinkering with the specific pricing schedule and the size of the step-ups, says a deal watcher. An NRG spokeswoman in Princeton, N.J., didn't immediately address an inquiry. Bank officials declined to comment or didn't return calls.

Southern California Edison has a 10-year power purchase agreement for the El Segundo plant.

Tokyo Electric Power Company had planned to take an equity stake in the project, but backed out after the tsunami in Fukushima (PFR, 5/19).

Quartet Join Quebec Wind Deal

Dexia Crédit Local, LBBW, Mizuho Corporate Bank and Sumitomo Mitsui Banking Corp. are participating in a nearly \$600 million club deal supporting Boralex and Gaz Métro's \$750 million wind project in Quebec. Financial close is expected by September.

Bank of Tokyo-Mitsubishi UFJ, Deutsche Bank and KfW IPEX-Bank are leading the club deal and are also the documentation agents. Karsten Schmitz, BNP Paribas v.p. in New York, is the financial advisor to the sponsors.

The sponsors and lead lenders are targeting a structure with two tranches of roughly \$300 million, one of which would be wrapped by Euler Hermes, the German export agency. The wrapped tranche could potentially price at 150 basis points over LIBOR. Lenders would take pieces of both tranches, under the proposed structure. A spokeswoman for Hermes in Hamburg, Germany, confirmed that the agency was finalizing an arrangement for the deal.

Specific requirements for inking a Hermes wrap and the nature of the negotiations couldn't be learned. Whether the parties have considered other financing structures also couldn't be learned. Bank officials and spokespeople declined to comment or didn't reply to messages. Guy Daoust, Boralex director of finance and treasury in Montreal, Helene St-Pierre, Gaz Métro treasurer in Montreal, and Schmitz didn't return calls by press time.

At least two more banks are expected to join the club deal.

Commerzbank is among the lenders looking at the financing (PFR, 7/5). The sponsors are targeting non-recourse debt with a tenor of 18-20 years.

Hydro-Québec has a 20-year offtake agreement for the 272 MW farm in Seigneurie de Beaupré, Quebec. The project is under construction and is expected to be operational in 2013.

enXco Opts For EDF Financing

enXco has decided to finance at least two of its upcoming projects—and likely more—via the balance sheet

of owner EDF Energies Nouvelles, though it will still hunt tax equity investment. Bank debt is more expensive than tapping a corporate balance sheet,

explains a senior originator in New York who is familiar with enXco's plans. "EDF is a big

company with a lot of cash [without] a compelling need for project finance," says another senior financier. EDF has taken this approach to financing projects in the past. In May, it nixed a prospective credit backing its roughly \$700 million, 300 MW Lac-Alfred wind project in Quebec in favor of balance sheet funding (PFR, 5/5). KfW IPEX-Bank, NordLB, Société Générale and Sumitomo Mitsui Banking Corp. had expected to finance Lac-Alfred until EDF changed course.

enXco is known in the U.S. project finance market for pushing hard on financing terms and taking time on closings. Leads Dexia Crédit Local and SocGen wrapped a \$422 million financing backing its 201 MW Lakefield wind farm in Jackson County, Minn. in May (PFR, 5/16) after launching the deal 15 months earlier.

Other companies, including NextEra Energy Resources, tend to fund projects on balance sheet to avoid premiums for construction risk but leverage them after initiating operation. Whether enXco and EDF plan to tap the bank market for refinancings couldn't be learned. The identity of projects that enXco will finance on EDF's balance sheet also couldn't be learned.

EDF is developing the 12 MW St. Isidore B solar project in Nation, Ontario (PFR, 3/25), while enXco is planning to install 16.6 MW of rooftop solar in Suffolk County, N.Y. Whether those projects are being funded on balance sheet couldn't be learned. Tristan Grimbert, enXco ceo in San Diego, and Jim Peters, director of project finance in Burlington, Vt., didn't return calls seeking comment. Bank officials and spokespeople declined to comment or didn't immediately reply to messages.



Mergers & Acquisitions

Riverstone To Net Morris Assets

Riverstone Holdings has agreed to buy a portion of **Morris Energy Group's** combined cycle portfolio in the Northeast. Riverstone will buy seven facilities totaling 806 MW, according to a filing on July 18 with the U.S. **Federal Energy Regulatory Commission**. The transaction is slated to close around Sept. 1, according to the filing. Riverstone is purchasing:

- 52 MW York CCGT in York, Penn.
- 132 MW Pedricktown CCGT in Pedricktown, N.J.
- 152 MW Camden CCGT in Camden, N.J.
- 180 MW Bayonne CCGT in Bayonne, N.J.
- 80 MW Elmwood CCGT in Elmwood Park, N.J.
- 140 MW Newark Bay CCGT in Newark, N.J.
- 70 MW Dartmouth CCGT in Dartmouth, Mass.

Two facilities included in the original auction—the 85 MW Massena CCGT in Massena, N.Y., and the 28

MW CCGT in Lowell, Mass.—will remain with Morris, says **David Hughes**, managing principal of Morris in Eatontown, N.J., noting that it's too early to say whether the company will still look to sell those. The 945 MW portfolio hit the market in the first quarter (PFR, 2/11). Morris has been working with **Barclays Capital**.

Hughes declined to comment further on the transaction with Riverstone, citing confidentiality agreements. A purchase price and financing details could not be immediately learned. Spokesmen declined to comment.

fast fact

► The original 945 MW portfolio hit the market in Q1.

Prices Emerges On Liberty Bids

Shops that made it into the second round of bids for **Strategic Value Partner's** 586 MW combined cycle merchant plant in eastern Pennsylvania are said to have submitted bids in the neighborhood, or north, of \$1,000 per kW. **JPMorgan** is running the sale.

SVP, which has nixed auctions in the past, is looking for a robust value for the plant, deal watchers say. The plant has about \$600 of debt per kW (PFR, 4/29).

A variety of strategic and financial shops submitted bids for Liberty despite wariness about whether the owners would pull the sale and the amount of debt on the plant, deal watchers say (PFR, 6/14). Usual suspects, including recent acquirers **Capital Power**, **Energy Capital Partners** and **Highstar Capital**, looked at the facility. The identity of the bidders that made it into the second round and a timeline for wrapping the sale could not be learned.

The plant is owned by a consortium of investors including **Harbert Venture Partners**, **CarVal Investors**—formerly **Cargill**

Value Investments—and affiliates of **JPMorgan**

The SVP-led consortium completed a \$460 million recapitalization of the plant in 2007 that consisted of a \$360 million revolver and \$100 million in mezzanine debt, which is a payment-in-kind term loan. Officials and spokespeople at **JPMorgan** and SVP didn't immediately return calls. Spokesmen at ECP, Capital Power and Highstar declined to comment or didn't immediately respond.

Detroit Edison To Pocket Invenenergy Wind Project

The **Detroit Edison Co.** has agreed to buy a 102.4 MW portion of a wind project near Breckenridge, Mich., from **Invenenergy** after construction is completed in the first quarter. The acquisition will mark the first wind farm in which DTE is an owner.

The utility, which is a subsidiary of **DTE Energy**, initially had a power purchase agreement with the 200 MW Gratiot project with an option to acquire up to 89 MW of the project. The project was later upsized to 212.8 MW, according to a filing with the U.S. **Federal Energy Regulatory Commission**. The utility will now own 102 MW and have a PPA for 110.4 MW, says a DTE spokesman, adding that the purchase is a way of adding more renewables to its portfolio.

Invenenergy is developing the project and had been talking to **Dexia Crédit Local**, **Natixis**, **Rabobank** and **UniCredit** about a more than \$200 million financing backing the project (PFR, 2/11).

The purchase price could not be learned. An **Invenenergy** spokeswoman declined further comment.

People & Firms

Rabo Taps HSH, UniCredit Bankers

Rabobank has hired **Hee Soo Yoon**, v.p. at **HSH Nordbank**, and **Hemani Jadhav**, v.p. at **UniCredit**, as v.p.'s in its renewable energy and infrastructure finance group. Yoon joined last Monday, while Jadhav is scheduled to start Aug. 15 in New York.

Yoon is tasked with providing credit risk support for Rabo's renewables group in the Americas. She reports to **Ray Gagne**, head of the credit risk management team that backs the bank's renewables business, says a Rabo spokeswoman in New York. Jadhav has focused on project and commodity finance at **UniCredit**. She will report to **Tom Emmons**, who heads Rabo's renewables team.

Whether HSH and **UniCredit** plan to replace Yoon and Jadhav, respectively, couldn't be learned. HSH and **UniCredit** officials didn't return calls by press time. The Rabo spokeswoman

didn't make Emmons, Gagne or Yoon available for comment. Jadhav couldn't be reached.

Yoon joins several former HSH financiers at Rabo. Emmons and Tony Muoser, Rabo managing director, also formerly worked at HSH (PFR, 7/10/09 and 8/31).

Anderson Moves Up In Hancock Shuffle

John Hancock Financial Services has promoted John Anderson, head of power and infrastructure investing, to head of corporate finance origination across all of the insurance company's industry teams. Jerry Hanrahan, managing director, will replace Anderson, who moves to his new position Aug. 1. He will continue to work out of the Boston office.



Jerry Hanrahan

Anderson is replacing Ken Hines, senior m.d. of the bond and corporate finance group at Hancock. Before joining Hancock in 2000, Anderson was a v.p. at JPMorgan. Hanrahan joined Hancock in 2001 and helped grow the power and infrastructure portfolio from \$10 billion to \$17 billion today. He previously worked at InterGen and helped finance power assets at Bank of Tokyo-Mitsubishi UFJ.

Hines' plans couldn't be learned. Anderson and Hanrahan declined to comment. A spokesman in Boston didn't return a call by press time.

Hancock's power and infrastructure portfolio spans utility lending, project finance and private equity investing. Hancock took an equity stake in LS Power's transmission projects in Texas and Nevada last month (PFR, 6/21). The insurance company is also helping finance three of Ormat Technologies' geothermal

projects in Nevada, under the U.S. Department of Energy's Financial Institution Partnership Program (PFR, 6/14).

Union Bank Seeks V.P.

Mitsubishi UFJ Financial Group affiliate Union Bank is seeking at least one v.p. for its portfolio management team in its power and utilities group. The new employee would replace Hideyuki Okamoto, v.p., who departed the Los Angeles-based bank for Bank of Tokyo-Mitsubishi UFJ in New York.

Union Bank is considering replacing Okamoto with a BoTM employee from Japan as well as a new hire. BoTM and Union Bank are under the umbrella of

fast fact

► The new employee would replace **Hideyuki Okamoto**, v.p.

Mitsubishi UFJ Financial Group.

Okamoto's rotation within MUFG was long expected, says a person familiar with his transfer, noting that he originally planned a three- to four-year stint at Union Bank in L.A. Staffers from BoTM's home office in Japan, including Okamoto, typically serve three-year terms in one department or agency within the MUFG umbrella before switching to another. At Union Bank, Okamoto reported to Ken Bowman, senior v.p., who helps oversee portfolio management under John Edmonston, executive v.p. of the power and utilities group.

Specific details of Union Bank's plans couldn't be learned. BoTM and Union Bank officials declined to comment or didn't return calls. A Union Bank spokeswoman didn't address an inquiry by press time.

BoTM and Union Bank aligned their project finance operations under MUFG early last year (PFR, 2/18/10).

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@iineews.com.

Live Deals: North America

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
Boralex, Gaz Métro	Unidentified (272 MW Wind)	Seigneurie de Beaupré, Quebec	BoTM, DB, KfW	TBA	\$500-600M	18-20-yr	Dexia, LBBW, Mizuho and SMBC join club deal (see story, page 4).
Enova Energy Group, NuPower	Plainfield (37.5 MW Biomass)	Plainfield, Conn.	SocGen	TBA	TBA	TBA	SocGen wins mandate to lead syndicated financing (PFR, 7/18).
Gradient Resources	Patua (132 MW)	Reno, Nev.	BNP, Dexia, Scotia	TBA	\$600M	TBA	Sponsor retains Marathon Capital as financial advisor (PFR, 7/18).
NRG	El Segundo (550 MW Gas) Roadrunner (20 MW Solar PV)	El Segundo, Calif. Santa Teresa, N.M.	Crédit Agricole, Mizuho, RBS MUFG	TBA TBA	\$683M TBA	10-yr TBA	Eight lenders join deal (see story, page 4). Sponsor lands financing (PFR, 6/6).
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 (PFR, 7/18).
Wind Capital Group	Unidentified (150 MW Wind)	Osage County, Okla.	TBA	TBA	TBA	TBA	Sponsor discussing deal with BayernLB and NordLB (PFR, 7/18).

Shaded items indicate latest entries.

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

Generation Sales Database

Generation Sales DATABASE

Following is a listing of ongoing generation asset sales from PFR's Generation Sales Database. The entries below are of new sales and auctions or of sales and auctions that have changed in their parameters or status. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report new sales and auctions or changes in the status of a sale or auction, please call Senior Reporter **Holly Fletcher** at 212.224.3293 or e-mail hlfletcher@iineews.com. The full database is available at <http://www.iipower.com/GenerationSalePage.aspx>

Seller	Assets	Location	Advisor	Status/Comments
AE Investor II	Astoria Energy II (4%, or 23.3 MW)	Queens, N.Y.	Whitehall & Co.	A group of high net worth individuals is exiting their B-class stake in the facility (PFR, 7/18).
Invernergy	Gratiot (212.8 MW Wind)	Breckenridge, Mich.		Detroit Edison Co. has agreed to buy a 102.4 MW stake (see story, page 5).
Kelson Energy	Magnolia (968 MW CCGT)	Mississippi	TBA	Tennessee Valley Authority is buying the facility and considering selling a portion to an affiliated cooperative (PFR, 7/18).
Morris Energy Group	York (52 MW CCGT) Pedricktown (132 MW CCGT) Camden (152 MW CCGT) Bayonne (180 MW CCGT) Elmwood (80 MW CCGT) Newark Bay (140 MW CCGT) Dartmouth (70 MW CCGT)	York, Penn. Pedricktown, N.J. Camden, N.J. Bayonne, N.J. Elmwood Park, N.J. Newark, N.J. Dartmouth, Mass.	Barclays Capital	Riverstone Holdings agrees to buy seven plants (see story, page 5).
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) Risecc (550 MW CCGT)	Blythe, Calif. Eastaboga, Ala. Ashland, Va. Gaffney, S.C. Johnston, R.I.	Credit Suisse, Citigroup	Teasers went out this week (PFR, 5/9).
NRG Solar	Various (stake in 881 MW solar pipeline)	Various	Credit Suisse	NRG is looking for a minority owner for its solar subsidiary (PFR, 5/9).
PSEG Power	Odessa (1 GW CCGT)	Odessa, Texas	Goldman Sachs	Energy Capital Partners has agreed to purchase it for \$335 million (PFR, 7/4).
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).
Recurrent Energy	Bagdad (15 MW PV) Ajo 1 (5 MW PV) Sunset Reservoir (5 MW PV) Cranbury (7.5 MW Distributed PV) Kaiser Permanente (15 MW Distributed PV)	Bagdad, Ariz. Ajo, Ariz. San Francisco, Calif. Cranbury, N.J. California	Credit Suisse	Indicative bids came in April 6 (PFR, 4/11)
Sea Breeze Power Corp.	Knob Hill (99 MW Wind)	Vancouver, B.C.	TBA	IPR - GDF Suez is buying out Sea Breeze's remaining stake (PFR, 7/11).
Strategic Value Partners, JPMorgan, Cargill	Liberty Electric Power (586 MW CCGT)	Eddystone, Pa.	JPMorgan	Second round bidders submit proposals around \$1,000 per kW (see story, page 5).
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.

DOE: WE WERE

(continued from page 1)

We may offer a conditional commitment to maybe one more 1705 project, but currently, there are 21 1705 projects eligible to close by Sept. 30, and about three-quarters of the projects are solar manufacturing and generation.

Your program is essentially a shadow bank.

We need to be in sectors where the capital markets have not reached critical mass. When they do, we need to exit.

Has the DOE loan program changed the renewables financing marketplace?

Look at the 733 MW Amp Project, which will install solar panels on industrial buildings in up to 28 states. We've created a new competitor to ground-mount solar—and with no environmental impact issues—and the first opportunity to create a secondary

market in clean energy projects, which is important because of the amount of potential capital available through secondary markets as compared to tax equity. And the financing mechanism (introducing term debt financing to grid-connected commercial rooftop solar) can be duplicated many times over—and without public sector involvement.

How do you measure the program's efficacy?

The technologies that we've underwritten have contributed to a dramatic cost reduction in a watt of power and the cost of solar panels. Deploying that technology helps make that happen—you have to play at scale to drive down costs. Commercial deployment at scale drives demand, which drives down unit costs, which builds out supply chains—and there's a virtuous circle here. The DOE as a whole is trying to get down to \$1 a watt.

Every project that we've done has involved private capital markets in one fashion or another. In fact, most of these projects have very substantial private components.

Critics say the DOE programs have advanced the renewables industry incrementally, where they could have transformed that market.

Commercial banks are not interested in providing financing to first-of-its kind technologies. We're doing multi-billion dollar projects regularly—and we are financing them with 15- to 30-year tenors. There's an old adage: every bank wants to be the first bank to finance your second project. We're the bank financing the first project. And the intent is to do exactly that: to demonstrate these technologies to incentivize private capital off the sidelines, which we've done. More than \$40 billion in loans and loan guarantees have generated project costs of nearly \$65 billion; the delta is all private capital.

What negative perceptions of the program are fair in your opinion?

It took an exceedingly long time to get deals done. When the Obama Administration took office in January 2009, there were

about 15 program staffers. You cannot move billions of dollars quickly and prudently with staffing like that. Now, we have 175 people with deep experience in project finance.

In certain areas, we received applications before we had a programmatic structure in place. After I joined in November 2009, I turned the organization into what it would look like in the private sector: we developed origination, credit, technical, legal and environmental and regulatory teams. Someone from each of those teams was assigned to each transaction.

What lessons did you learn from the Sect. 1705 program that you intend to address as the loan program shifts its focus to other renewables initiatives?

We issued solicitations early on that were too broad in nature. Many of the projects that came in weren't ready for project financing. I hope that as we go forward (and have sufficient resources) that we will more finely tailor our solicitations—target them, if you will.

—*Brian Eckhouse*

CARLYLE READIES

(continued from page 1)

at this level because it is below the threshold amounts for traditional bank and capital markets deals.

Albert and Culas joined Carlyle last summer from **Morgan Stanley** with the mandate to build up the energy mezzanine group (PFR, 8/20 and 8/23). They work with **Daniel East**, v.p., and **Sun-Young Chung**, associate.

Mezzanine debt is attractive to riskier borrowers that need complicated portfolio financings—such as a single facility involving multiple offtakers, as is common with solar distributed generation deals. Mezzanine lenders typically embrace alternative structures that put off traditional lenders, say industry officials. “That’s the beauty of mezzanine debt: investors are willing to take more risk,” one banker says.

—*Holly Fletcher & Brian Eckhouse*

ARCLIGHT FIRES

(continued from page 1)

Sayreville, N.J., to Long Island, N.Y., and sells all of its capacity to the **Long Island Power Authority** under a contract until 2027, with an option to extend it until 2047.

This is the largest portfolio to hit the market after **NextEra Energy Resources’** sale of 2.6 GW of gas-fired plants launched last quarter (PFR, 5/4). The portfolio will be attractive to companies shopping for a contracted, geographically diverse portfolio, bankers say. Entities that take a serious look at the auction will need to be comfortable arranging a large financing package and cutting a sizeable

equity check, says one banker in New York. The identities of shops that received teasers or are contemplating submitting indicative bids could not be learned.

The Boston-based private equity shop is selling the plants to return capital to existing investors as it continues to work on fundraising for a new \$2-3 billion fund. (PFR, 3/11).

Citi Managing Directors **Jack Paris** and **Sara Schwerin** are leading the deal for that bank. **John Plaster** and **Peter Ying**, managing directors at Barclays, are heading up its team.

Spokesmen for Citi and Barclays declined to comment while an ArcLight spokeswoman in Boston did not respond to an inquiry. *For the full list of assets, visit iipower.com*

—*Holly Fletcher*

Quote Of The Week

“Every bank wants to be the first bank to finance your second project. We’re the bank financing the first project.”—**Jonathan Silver**, executive director of the U.S. **Department of Energy’s** loan guarantee program in Washington, D.C., on the program’s efforts to finance innovative renewables technologies (see story, page 1).

One Year Ago In Power Finance & Risk

BrightSource Energy considered an initial public offering as a potential funding source for its multi-billion dollar, 2.6 GW contracted project pipeline. [The Oakland, Calif.-based developer tapped **Citigroup**, **Deutsche Bank** and **Goldman Sachs** as underwriters for a \$250 million IPO that has yet to materialize (PFR, 4/26)].