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Deere Wind Bids Come In Low

The auction of John Deere Renewables could end without a buyer as final bids came in below the desired amount.

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Accounting Changes Raise Lease Concerns

Proposed modifications to accounting regulations could limit the front-loading of earnings of leveraged leases.

See story, page 2

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BRIGHTSOURCE SCOUTS IPO, FINANCING

Solar thermal developer **BrightSource Energy** is considering an initial public offering as it talks to banks about its financing options. It's looking to build out a multi-billion dollar 2.6 GW contracted project pipeline.

The shop has been in talks with **Morgan Stanley**, an investor in the company, **Credit Suisse** and **UBS**, bankers and analysts in New York say. An IPO, even if filed early this quarter, will likely come to market some time next year, one banker says, noting that it's a good time to start sounding out investor appetite. A message left for **John Woolard**, CEO of BrightSource, was not returned.

Tesla Motors' IPO last month demonstrates that clean tech companies have some cachet

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NOBLE, INVENERGY EYE OFFTAKE HEDGES

Wind developers **Noble Environmental Power** and **Invenergy** are scoping offtake hedges to protect against movements in spot prices and generation risk when the wind isn't blowing.

There is currently a dearth of offtake agreements as utilities are wary of locking in long-term contracts in the face of depleted power demand and low natural gas prices. Without fully contracted plants, developers struggle to land debt financing for projects.

Noble is considering hedging a chunk of its proposed \$200 million, 99 MW Granite Reliable Power Windpark in Coos County, N.H. **Central Vermont Public Service** approved a 20-year PPA, starting in 2012, for 30% of Granite Reliable's power, while **Green Mountain Power** will take 25%, also for 20 years (PFR, 3/18). **Christopher Lowe**, CFO in Essex, Conn., couldn't be reached for comment at press time. A Noble spokeswoman

(continued on page 8)

Breaking The Barrier

LOAN FEES APPROACH 2%

Upfront fees in the \$580 million deal backing **Northland Power's** 265 MW combined-cycle plant in North Battleford, Saskatchewan, are being pitched as low as 2%. The breach of the established 3% norm is being taken by financiers as a signal that competition is being revived among lenders as they edge away from the club deal format.

On offer for Northland are tickets of \$30 million and \$45 million which carry upfront fees of 2% and 2.25%, respectively. The package, led by **BMO Capital Markets**, **CIBC** and **Union Bank**, has a tenor of construction plus seven years and includes a \$542 million construction/term loan and \$38 million letter of credit. Pricing starts at LIBOR plus 250 basis points.

Upfront fees hovered in the high 3%-range after the financial crisis as banks, wary of

(continued on page 8)

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At Press Time

Hunt Off?

Deere May Nix Sale After Lackluster Bids

John Deere Renewables is considering shelving its wind portfolio after the two final bids didn't hit the desired amount, deal observers say. **Exelon** and **NextEra Energy Resources**, working with **Barclays** and **Marathon Capital**, respectively, each submitted offers that were below the \$1 billion price parent **Deere & Co.** wanted, bankers say. **Goldman Sachs** is running the auction and took final bids July 16.

"I don't think Deere has to sell so I won't be surprised if there's no deal," says a deal watcher in New York. Another deal watcher adds that if an announcement is not made soon, then Deere will likely hold onto the portfolio.

Past problems with **Suzlon** turbines and performance at some of the operating farms have concerned companies looking at the portfolio, deal watchers say. Initial bids were high but second round offers came in much lower, one banker says, noting that companies didn't want to overvalue the portfolio.

Two other auctions were canned this year after final offers came in below the desired amount. **Infigen Energy** shelved the sale of its 1.1 GW portfolio in April and **LS Power** decided to refinance its 572 MW Arlington Valley natural gas plant in Arlington, Ariz (PFR, 4/27& 5/7).

Officials at the banks declined to comment. A call to **Ken Golden**, spokesman for Deere in Moline, Ill., was not returned. A spokesman at NextEra didn't respond to a request for comment; an Exelon spokesman declined to comment on M&A rumors.

Accounting Proposal May Hit Lease Financing

A proposed revision to accounting rules that would limit the front-loading of earnings in leveraged leases is drawing concern from tax equity investors and wind developers.

Under the current U.S. **Financial Accounting Standards Board** regime, lessors are allowed to book the majority of tax benefits associated with a lease in the early years of the deal—appealing to tax equity investors keen on demonstrating immediate earnings.

The revision would require earnings from leveraged leases to spread out more evenly throughout the leasing period, delaying the immediate accrual of most of the tax relief in the beginning of the project lease, according **Eli Katz**, a partner at **Chadbourne & Parke** in New York. A draft of the revised rule is expected this quarter, with a potential effective date in 2012, an FASB spokeswoman says in Norwalk, Conn. She declined to comment on the reasons behind the board's proposed revision.

Escondido, Calif.-based **enXco** recently snagged the first leveraged lease in the U.S. wind space with **Union Bank** (PFR, 7/2) and a number of enXco's peers are also pursuing that structure. A banker who structures leveraged leases anticipates the potential revised rule will reduce the number of leveraged lease transactions. Under a leveraged lease, investors buy projects upon operation and lease them back to sponsors (PFR, 6/22).

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**Institutional
Investor NEWS**
INTELLIGENCE FIRST

New England NatGas Pair Hits Market

Brick Power Holding has put for sale signs on its two natural gas-fired plants in New England: the 265 MW Tiverton facility in Rhode Island and the 265 MW Rumford facility in Maine.

Deutsche Bank is running the auction. Teasers went out earlier this week, says a banker, and first round bids will be due in the next few weeks.

The facilities were developed by **Calpine** and sell power into the ISO-New England Power pool. **Caithness Energy**, a minority owner, maintains the plants. Brick Power is owned by a consortium including **Plainfield Asset Management**, **Sandell Asset Management** and **D.E. Shaw**.

Brick Power picked up the plants during the Calpine bankruptcy proceedings (PFR, 2/1/08). The percentage of ownership could not be learned. An official at Caithness declined comment and officials at Plainfield, Sandell and D.E. Shaw could not be reached. A Deutsche Bank spokesman did not reply to an inquiry before press time.

Solar Co. Fields Potential Foreign Partners

Redavia Solar, a French solar shop, is in talks with several utility-affiliated power generation units and financial investors from Europe and the U.S. about partnering on its 100 MW development pipeline in France. Redavia hopes to ink more than one partner by year-end, says **Erwin Spolders**, president in Lyon, France. He declined to identify potential partners.

Redavia would develop the plants, secure permitting and offtake agreements and participate in the financial close but does not plan to own operational solar installations. The company would likely stay on as the operator of the projects, which range between 8–12 MW, if its partner doesn't have a local presence, Spolders notes.

Foreign development interest has increased in the French solar industry as equipment prices have fallen and competition from the German solar industry has slowed as its government has cut back on feed-in tariffs, says Spolders. "There's been a significant increase of interest in the last two to two-and-a-half years, going from France not being on the radar to being a place of interest," he says.

In addition to project development, Redavia is also talking to potential clients about serving as an advisory shop to recommend investment and acquisition opportunities in France, Spolders notes. It has a similar arrangement with **Hudson Clean Energy Partners**-owned **Recurrent Energy** (see story, page 5). Spolders declined to comment on the number of parties interested in advisory agreements or the Recurrent partnership.

Avalon Scopes Calif. Cogen Trio

Avalon EcoPower is in talks to buy three natural gas cogeneration facilities in California. The shop—founded by **Calpine** alum **Pete Cartwright** (PFR, 7/19)—is aiming to retrofit the plants with solar installations developed by **GlassPoint Solar**.

The acquisitions will be finalized after the company completes an initial round of equity financing, says **Ann Curtis**, partner at Avalon in San Jose, Calif. The company aims to complete the financing before year-end. Avalon may also look for a strategic partner to help finance the purchase if the round of financing falls through. Curtis declined to identify the sellers, potential partners, or plants or specify the price of the acquisitions.

Avalon and GlassPoint have signed a letter of commitment to retrofit other facilities. Officials at GlassPoint in Fremont, Calif., could not be reached for comment and details of the additional facilities could not be learned.

Avalon has not retained a financial advisor although Cartwright and **Alan Rosenberg**, managing partner, have been in touch with contacts at banks, Curtis says. Avalon is using law firm **Wilson Sonsini Goodrich & Rosati** to contact potential investors, which she declined to identify.

Developer Eyes Another Sale-Leaseback

Project Resources Corporation has initiated discussions with bankers about financing its proposed \$100 million, 50 MW Lakeswind project near Fargo-Moorhead, Minn. **Paul White**, president, says a sale-leaseback with a single investor is being considered. That was a structure used last month as part of a \$51 million construction loan from **Union Bank** backing its 25.3 MW Ridgewind farm in Woodstock, Minn. The firm is looking to secure the debt by year-end.

"The single-investor financing is attractive because we work with one institution, so there's less opportunity for a mismatch or a food fight," White says. He is unsure whether a single-investor facility could back a larger project, such as Lakeswind. PRC may opt for a syndicated loan for that farm if a sale-leaseback structure falls through. The amount of debt sought on the deal could not be learned.

PRC and Union Bank found the sale-leaseback favorable, explains a source familiar with the Ridgewind deal, because the parties didn't need another bank to take advantage of depreciation. On that deal, PRC will sell the majority of project assets to the Union Bank affiliate and will have the option to buy out the lease upon repayment of the loan. Union Bank, as the owner when the farm is operational, will receive the U.S. **Department of Treasury** cash grant. White declined to give

details on the Ridgewind loan, including pricing and tenor, deferring to a Union Bank official who declined comment.

“Union Bank is good to work with—they’re straightforward,” White says, noting he worked with **Lance Markowitz**, a senior v.p. and manager of leasing and asset finance. “There aren’t many other folks working on [sale-leasebacks] that we know of.” PRC will also consider working with other lenders on Lakeswind. White intends to speak with lenders across the project finance spectrum. He declined to identify other relationship banks. Markowitz couldn’t be reached for comment.

Construction on Lakeswind should be underway by year-end, qualifying the project for the DOT cash grant. The project is slated for operation by early next year.

Fishermen’s Targets 70:30 Offshore Debt

Financial advisor **Fieldstone Capital Group** will angle for at least a 70:30 debt-to-equity split for **Fishermen’s Energy’s** initial \$120 million, 20 MW phase of its 370 MW offshore wind farm. Fieldstone aims to open negotiations with lenders later this year.

“We want as much leverage as possible,” says **Anastasia Pozdniakova**, managing director of Fieldstone in New York. “[Offshore] projects in Europe are getting 70:30 or even 80:20. I don’t see a reason why it can’t be replicated here.” Fieldstone has discussed the project off the coast of Atlantic City, N.J., with European banks, including **Dexia Crédit Local** and **Rabobank** (PFR 6/3). Pozdniakova anticipates reaching out to U.S. lenders and expects Fishermen’s to wrap financing of the initial phase next year.

The company is also looking to garner a cash grant from the U.S. **Department of Treasury** before the program expires at year-end. Fishermen’s hopes to initiate construction on the first phase in 2011 or 2012, an official says.

Officials at Dexia and Rabobank could not be reached by press time.

ArcLight Peaker Deal Set To Wrap

Crédit Agricole and **WestLB** expect to finalize commitments for a \$370 million loan backing **ArcLight Capital Partners** and **Hess Corp.’s** 512 MW gas-fired peaker in Bayonne, N.J., by month-end. The deal is set to close next month.

Despite a lukewarm reaction to the proposed pricing—325 basis points over LIBOR—for a project with some merchant risk, many lenders are willing to take pieces of the deal as they look to put capital to work in the face of sluggish deal flow. “The whole market has shifted [in developers’ favor]: you either adapt or sit on the sidelines,” says a banker familiar with the deal.

Pricing isn’t likely to budge, he adds, pointing to the strength of

the sponsors, including ArcLight-backed **Pure Energy Resources**, which are funding 40% of the project’s \$650 million cost via equity. A dozen bankers are interested in \$50-75 million tickets on the facility, which has a tenor of six years plus construction (PFR, 7/7). The identity of potential lenders could not be learned.

Hess set up a 15-year offtake agreement for a portion of the power from the peaker to move the project forward. A **Crédit Agricole** banker didn’t return a call seeking comment. A **WestLB** official declined comment.

A call to **Dan Revers**, managing director of ArcLight in Boston, was directed to a spokeswoman who did not respond by press time. **Paul Barnett**, managing director at Pure Energy in Burlington, Mass., didn’t return a call.

DuPont Snares ConocoPhillips Plant

DuPont has agreed to buy a natural gas facility owned and operated by **ConocoPhillips** inside the fence of a DuPont factory in Orange, Texas. DuPont is the current offtaker for the 425 MW Sabine River Works combined-cycle facility and will continue to sell excess power to the wholesale market, says **Bobby Laughlin**, Sabine River Works site manager. He declined to disclose the purchase price or whether DuPont is using an advisor.

The transaction is expected to be completed before the end of September, according to documents filed with the U.S. **Federal Energy Regulatory Commission**. A call to a ConocoPhillips spokesman in Houston was not returned.

ConocoPhillips runs trading, marketing and supply business out of Texas. It owns four generation facilities in Texas, Louisiana and the U.K. The oil giant considered divesting its 440 MW Ingleside Cogeneration facility in Ingleside, Texas, several years ago (PFR, 3/7/04). Why divestiture plans were shelved could not be learned.

DuPont owns a 78 MW natural gas-fired facility in Orange, Texas, and is planning a renewable project in Pompton Lakes, N.J., to power its pump treatment systems (PFR, 3/12).

Permitting Snag Threatens Pristine Closing

A permitting issue threatens to delay financial close of **Pristine Power’s** roughly \$365 million, 393 MW gas-fired York Energy Centre in King, Ontario, a banker familiar with the deal says.

Closing depends, in part, on the Ontario **Ministry of Municipal Affairs and Housing** completing a public review, says a spokesman for offtaker **Ontario Power Authority**. The ministry can make recommendations to alter the facility based on comments it has received from the public during the review period, which ended July 12. A call to **Larry Clay**, regional director of the ministry in Toronto, was forwarded to an official

who did not respond by press time. The timeline for the ministry's review couldn't be learned. Calgary-based Pristine had aimed to wrap a club deal by month-end.

The loan is a mini-perm with an option to refinance after construction. **Crédit Agricole**, **ING**, **Royal Bank of Canada** and **Union Bank** are leads. Financiers at those banks have reached out to other lenders to gauge participant interest. Pricing and tenor couldn't be learned. Officials at **Crédit Agricole** and **Union Bank**, as well as spokespeople at **ING** and **RBC**, didn't return calls at press time. How the banks would proceed with financing if plans for the facility are altered could not be learned.

Pristine and partner **Harbert Power** of Birmingham, Ala., intend to provide 20% equity for the project (PFR, 11/19/07). **Geoff Krause**, cfo of Pristine in Calgary, didn't return a call. **Charlie Miller**, cfo of Harbert in Birmingham, was unavailable for comment.

Pristine has a 20-year offtake agreement with the OPA.

Longview Amendment To Wrap This Week

First Reserve expects amendments to the \$1.1 billion financing package backing its 695 MW supercritical pulverized coal project in Maidsville, W. Va., to be finalized this week. The modified amendments will allow First Reserve to issue bonds to partially refinance the **Longview Power** credit package, says an official at First Reserve in Greenwich, Conn. Bond issuances are precluded under the current amendments.

"We're doing [the amendment] now because it's as good a time as any. We want to take advantage of the partial refinancings as soon as possible," the official notes. First Reserve will look to relationship banks to advise on timing the bonds when there are attractive windows. Details such as the size and timeline for each issuance could not be learned.

The modifications will allow First Reserve and its affiliate **GenPower** to refinance the debt incrementally instead of in one fell swoop closer to maturity in 2014. The changes will also allow greater flexibility on the types of collateral for hedges and the duration of hedges, the official says.

There is no re-pricing on the loan package, which is priced at 250 basis points over LIBOR. First Reserve is offering a 50 bps consent fee for the changes. The package includes a \$300 million term loan B, a \$350 million delayed-draw term loan, a \$250 million construction loan, a \$100 million letter of credit and a \$100 million working capital facility (PFR, 7/19).

Goldman Sachs and **WestLB** are lead arrangers on the financing package; **Natixis**, **Union Bank** and **CIT Group** participated (PFR, 2/12/07).

Recurrent Targets Global Push

Recurrent Energy has inked agreements with two international solar developers that will bolster its global reach as its parent **Hudson Clean Energy Partners** looks to sell the company. Filling out its pipeline via acquisitions or greenfield development would be attractive to potential buyers, bankers in New York say.

Teasers for the company went out about two weeks ago.

Morgan Stanley is advising.

Under the new partnerships, **Redavia Solar** will work to identify acquisition opportunities for Recurrent in France while **Greensol Alternative Energy** will be the on-the-ground development team in Israel, according to the companies. Recurrent plans to develop 50 MW of rooftop and ground-mounted installations between 1–5 MW each in three years in Israel with Greensol. Recurrent plans to open an office in Ontario within two months and is looking at new markets including Asia, says **Karl Knight**, managing director of international development at Recurrent.

The joint development agreements allow the company to "quickly deploy into a new region or country" and take advantage of incentives in other markets, Knight says. He declined to comment on the process with Morgan Stanley, noting that these deals have been in the works for months. Greensol executives could not be reached and **Erwin Spolders**, president of Redavia, declined to comment.

"They're trying to add value quickly where they can," says a banker, noting that acquiring development projects abroad would complement the North American pipeline. Recurrent could garner bid prices between \$150-\$200 million, industry officials say.

First Solar is likely looking at Recurrent, says a banker. First Solar bought **NextLight Renewable Energy**, planning to develop and sell the projects and has indicated its interest in additional acquisitions (PFR, 4/29). Other panel manufacturers tipped to be looking at the photovoltaic developer are **Yingli Solar** and **Suntech** (PFR, 7/9).

Corporate Strategies

Calpine Upsizes Notes To \$1.1B

Calpine Corp. has upsized a private placement of \$1.1 billion in senior secured notes from \$750 million, reflecting greater market demand than anticipated, according to a filing with the U.S. **Securities and Exchange Commission**. The Houston-based company priced and closed the issue of 10-year notes last week.

Calpine sought to issue debt at no more than 8% and found a market Tuesday for 10-year notes carrying a coupon of

7.875%, says **A.J. Sabatelle**, senior v.p. at **Moody's Investors Service's** corporate finance group in New York. Moody's rates the issuance B, with a stable outlook, partly due to anticipated earnings from the **Conectiv Energy** assets Calpine bought from **Pepco Holdings** earlier this month (PFR, 7/2). S&P rates the notes B+.

Proceeds will go toward refinancing roughly \$4.4 billion in term loans maturing in 2014 which remain from Calpine's bankruptcy financing, says **Swami Venkataraman**, director of U.S. utilities and infrastructure for **Standard & Poor's** in San Francisco. This is at least the third issuance that the company has done since last fall as it looks to term out its debt. Calpine sold \$400 million in nine-year 144A notes to a **Goldman Sachs** fund in May (PFR, 5/18) and \$1.2 billion in eight-year 144A notes in October (PFR, 10/19). Calpine emerged from bankruptcy in February 2008.

Citigroup, **Credit Suisse**, **Deutsche Bank**, **Goldman** and **Morgan Stanley** served as joint bookrunners and priced the notes at roughly 500 basis points over U.S. Treasuries. The notes were sold to a broad syndication of investors, Sabatelle says. **Zamir Rauf**, Calpine cfo in Houston, and bank officials didn't return calls seeking comment. A Calpine spokeswoman declined comment. The identities of the investors couldn't be learned at press time.

People & Firms

Dexia Swaps In Canada M.D.

Alban de La Selle, head of project and public finance in Montreal, will take over the responsibilities of **Guy Cirincione**, former head of project finance at **Dexia Crédit Local**. De La Selle heads up the public and wholesale banking group, a new entity that includes the real estate, public and project finance activities in the bank. He has relocated to New York and started in the position earlier this month.

Grouping the activities together under the public and wholesale banking umbrella will allow for more collaboration, says de La Selle, adding that many project finance transactions require expertise from bankers in other areas such as real estate finance. De La Selle reports to **Guy Cool**, general manager of Dexia in North America, and also works with **Patrick Blanchard**, global head of project finance in Paris.

De La Selle has been spearheading the bank's project and public finance efforts in Canada since 2005. Prior to that stint, he had been v.p. and co-head of project finance in New York since 2001, after relocating from the bank's Paris headquarters where he was v.p. of project finance.

Stéphane Carrière, director of project finance in Montreal, is taking over de La Selle's responsibilities at the branch.

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

- California Gov. **Arnold Schwarzenegger** has asked the California **Air Resources Board** to delay a proposed 33% renewable portfolio standard, giving state legislators more time to pass a related bill. California has a 20% renewable portfolio standard (*Greenwire*, 7/22).
- A San Francisco consumers group is questioning **San Diego Gas & Electric's** plan to invest roughly \$600 million in a Montana wind farm that would count toward California's renewables portfolio standard but whose power would be delivered to Canada. SDG&E would acquire renewable energy credits under the utility's plan (*San Diego Union-Tribune*, 7/22).
- Renewables should be a niche energy source if they're not affordable or reliable, contends **Jim Turner**, a **Duke Energy** executive, at a meeting of the **National Association of Regulatory Utility Commissioners**. The U.S., he added, still needs power from nuclear, natural gas and coal (*Triangle Business Journal*, 7/22).

- **Vestas Wind Systems** won a turbines contract to supply 190, 3 MW turbines for **Terra-Gen's** Alta Wind Energy Center—expected to be the largest farm in the U.S.—prompting its stock to rise as much as 5.7% in Copenhagen trading (*Bloomberg*, 7/22).
- **Solar Park Initiatives** of Ponte Vedra Beach, Fla., will develop utility-scale solar projects, after its merger with **Critical Digital Data**. Solar Park was spun off from **Solar Energy Initiatives**, also of Ponte Vedra Beach (*Florida Times-Union*, 7/22).
- **Google Energy** has signed a 20-year power purchase agreement to buy 114 MW from **NextEra Energy Resources' 150 MW Story II** wind farm in Iowa. The farm went online in December and the PPA starts at the end of the month (*MarketWatch*, 7/21).
- **Invenergy** is planning a 200 MW wind project in Antelope and Boone counties in Nebraska. The project will go before local and state committees this year and is one of the first privately planned projects proposed following legislation that paved the way for wind development in the state (*Wind Power Monthly*, 7/19).

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
ArcLight Capital Partners, SGR Holdings	Southern Pines Energy Center (Gas Storage)	Greene County, Miss.	TBA	TBA	TBA	TBA	Developers seeking up to upsize existing loan for new cavern (PFR, 7/12).
Axio Power	Various (90 MW Solar PV)	Ontario	TBA	TBA	\$288-320M	TBA	Developer seeking \$360-400 package for portfolio of solar PV (PFR, 7/12).
BP, Ridgeline	Goshen II (90 MW Wind)	Bonneville County, Idaho	BTMU, Caja Madrid, Mizuho and Sumitomo	TBA	\$260M	15-yr	Sumitomo joins group of lenders after financial close (PFR, 7/12).
enXco	Lakefield (201 MW Wind)	Minnesota	Union Bank	TBA	TBA	TBA	Sponsor snags a leveraged lease (PFR, 7/5).
Falcon Gas Storage	MoBay (50Bcf Gas Storage)	Mobile County, Ala.	BNP, ING	Construction/	\$400M	7-yr	Financial close on hold as sponsor works to secure equity (PFR, 7/19).
First Wind	Milford II (100 MW Wind)	Milford, Utah	TBA	TBA	\$220M	TBA	LA DWP has yet to approve PPA, holding up financing (PFR, 7/19).
Fishermen's Energy	Various (20 MW Offshore Wind)	Atlantic City, N.J.	TBA	TBA	TBA	TBA	Sponsor seeking at least a 70:30 debt-to-equity split (see story, page 4).
GE Energy Financial Services	Various (183 MW Wind)	Idaho	TBD	TBA	\$350M	TBA	GE, majority equity owner, still working on debt part (PFR, 7/5).
Hudson Transmission Partners	Hudson Transmission	Ridgefield, N.J.-New York	RBS, SocGen	TBA	TBA	TBA	Competing project Cavallo Energy challenges worthiness of project (PFR, 6/28).
Invenergy	Beech Ridge (100.5 MW Wind)	Greenbrier County, W. Va.	TBA	TBA	TBA	TBA	Deal wrapped in June (PFR, 7/19).
Longview Power	Maidsville (695 MW Coal)	Maidsville, W.Va	Goldman, WestLB	TBA	\$1.1B	7-yr	Lenders resitting proposed amendment to wrapped loan (see story, page 5).
Northland Power	Saskatchewan (265 MW Combined Cycle)	North Battleford, Saskatchewan	CIBC, BMO, Union Bank	Mini-Perm	\$500-600M	TBA	Deal launched (see story, page 1).
Pristine Power	York Energy Centre (393 MW Gas)	King, Ontario	ING, Crédit Agricole, Union Bank, RBC	Mini-Perm	\$365M	TBA	Leads hope to close project by month-end but permitting issues remain (see story, page 4).
Project Resources Corporation	Lakeswind (100 MW Wind)	Fargo-Moorhead, Minn.	TBA	TBA	\$200M	TBA	PRC hunts for financing, sale-leaseback structure (see story, page 3).
Pure Energy	Bayonne Energy Center (512 MW Gas)	Bayonne, N.J.	Crédit Agricole, WestLB	Mini-Perm	\$370M	TBA	Financial close expected in August (see story, page 4).
Solar Trust of America	Various (485 MW Solar Thermal)	Blythe, Calif.	Citigroup, Deutsche Bank	TBA	\$2B	TBA	Citi, Deutsche Bank talking to lenders about two solar thermal plants (PFR, 7/19).
Terra-Gen Power	Alta Phases 2-4 (570 MW Wind)	Tehachapi, Calif.	Crédit Agricole, Natixis	TBA	TBA	TBA	Financial close approaching for the second through fourth phases (PFR, 6/21).

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BRIGHTSOURCE

(continued from page 1)

with investors, bankers say, noting that BrightSource straddles the developer-clean tech divide because of its hybrid solar technology. "It could be a compelling story with a big dollar amount to it," says one banker in the solar space, adding "we'd all like to get that mandate."

The company may be looking to ride the wave of success from its last \$150 million equity infusion, observers add (PFR, 5/21). Investors include **Alstom Power** and **California State Teachers Retirement System**. **Deutsche Bank** was the advisor on the deal. Also buoying BrightSource's financing efforts is the sanction of the federal government in the form of a \$1.37 billion loan under

the U.S. Department of Energy's Section 1705 loan guarantee program (PFR, 6/18).

There are 14 projects that need to be financed in the next seven years and BrightSource is actively engaging with banks about lining up financing, says a spokesman in Oakland, Calif. He declined to comment on a potential IPO and any of the related details.

The company has offtake agreements with **Pacific Gas & Electric** and **Southern California Edison** for its development pipeline. Construction on BrightSource's 400 MW Ivanpah project in Ivanpah, Calif., is expected to start this fall and is scheduled to be online in 2012.

Calls to Credit Suisse officials in San Francisco and New York were not returned. A UBS official declined to comment

and calls to Morgan Stanley bankers and a spokeswoman were not returned. Neither a timeline for lining up financing or scheduling an IPO nor the amount of capital sought could be learned.

—Holly Fletcher

LOAN FEES

(continued from page 1)

what lurked on peers' balance sheets, sought to do club deals where all lenders are equals and pricing is transparent. Lower pricing on the Northland deal, while still a club at the top tier, indicates that lenders are willing to begin competing with each other in a broader syndication, instead of negotiating and agreeing on the fees among themselves in a club, the deal watcher says. While the margins are slimmer, lenders much prefer the syndication format to club deal which are lengthier and more complicated as a group of banks all try and negotiate with each other and the sponsor.

The downward trend in fees is marked to continue, a dealwatcher notes, as lenders begin to recover from the effects of the European debt crisis. The market will likely see upfront fees below 2% before the end of the year. The project's long-term offtake contract with **SaskPower** and its straightforward logistics, also contributed to the tighter fees, a banker says.

A dozen lenders, including **BNP Paribas** and **Société Générale** were invited to a meeting to launch the deal last week in New York. Lead banks on Northland sent out teasers to banks to gauge appetite for the deal and pricing in May. The deal is expected to be oversubscribed and commitments are due on Aug. 18. The plant is slated for operation in 2013.

A.F. Anderson, cfo in Toronto, directed calls to a Union Bank official who declined to comment. A BNP official also declined comment. Officials at SocGen, CIBC and BMO could not be reached by press time.

—Sarah Rosner

NOBLE, INVENERGY

(continued from page 1)

declined to comment. Details such as the identity of potential lenders, structure, timeline and pricing could not be learned.

Power hedges have been used in thermal merchant projects, such as the 1.4 GW Topaz repowering in Laredo and Webb County, Texas (PFR, 3/27/09). Their potential emergence in wind reflects the maturation of the sector, observers say.

Invenergy is considering a hedge structure that would guarantee a certain level of revenue despite the intermittency of wind generation. **Swiss RE** has talked to banks and sponsors about devising hedges with multiple-year tenors that would install revenue floors by guaranteeing a specific payout at a locked-in price, explains **Robert Drelich**, director in insurance and specialty in New York. **Michael Polsky**, ceo of Invenergy in Chicago, didn't return a call seeking comment. Details, such as which projects the company is considering for a hedge structure and timelines for financing, couldn't be learned.

In a basic hedge structure, the insurer would pay a fixed amount to the sponsor for each megawatt not generated. The structure could also consist of a potentially less expensive quanto derivative, whereby the insurer would pay out within a range of generation capacity not produced; the hedge would be set in such a way that the likelihood of missing the output floor in the range would occur only in a worst-case scenario.

Credit committees are increasingly sensitive to weather conditions after proposed Northeast farms experienced wind droughts, bankers say, making such a structure attractive. However, credit committees may not have an appetite for derivative-backed projects with spotty wind regimes.

—Brian Eckhouse

Quote Of The Week

"The single-investor financing is attractive because we work with one institution, so there's less opportunity for a mismatch or a food fight."—**Paul White**, president of **Project Resources**

Corporation in Minneapolis, on securing a sale-leaseback facility as part of a \$51 million financing from **Union Bank** backing its 25.3 MW Ridgewind farm in Woodstock, Minn. (see story, page 3).

One Year Ago In Power Finance & Risk

Wind Energy Transmission Texas, a joint venture of Toronto-based **Brookfield Asset Management** and Spanish company **Isolux Corsan**, sought a financial adviser for its \$400 million greenfield transmission line in west Texas. [The partners recently pledged 40% equity in the project (PFR, 6/28). WETT has yet to select an adviser and hasn't set a timeline to do so, says a Brookfield spokeswoman in Toronto.]

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