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Power Finance & Risk

Exclusive Insight on Power M&A and Project Financing

By the publisher of GlobalCapital

Yieldco 'Musical Chairs' Hits PEGI Share, Convertible Pricing

Nischinta Amarnath

The timing of **Pattern Energy Group Inc.**'s underwritten public offering of shares and private placement of convertible notes on July 22, amid a flurry of capital markets activity by rival yieldcos, had an unfavorable impact on the pricing of the deals, according to deal watchers.

PEGI priced its $125 million public offering of 5.4 million Class A shares at $23 a share, while its $225 million five-year convertible senior unsecured notes were issued at a coupon of 4%.

PEGI: Share Price Over The Past 30 Days

Source: NASDAQ

The proceeds of both deals will be used to fund PEGI's $85.8 million acquisition of a 60% stake in the 286 MW Gulf Wind project in Kenedy County, Texas from **Pattern Development** and **MetLife Capital**.

The pricing on PEGI's class A shares represented a 3% discount to the closing price of $23.79 on Wednesday, July 22—which was 7.6% lower than the $25.74 the shares commanded at PAGE 6 »

JPM Spin-Off Seals Debut Power Acquisition

Olivia Feld

A private equity shop recently spun off from **JPMorgan** is looking to buy more projects after acquiring its first generation asset, a gas-fired plant in Maryland, from a subsidiary of its former parent.

Arroyo Energy Investment Partners is acquiring the 230 MW Brandywine combined-cycle gas-fired project in Prince George's County, Md. from **JPM Ventures Energy Corp**, according to paperwork filed with the US **Federal Energy Regulation Commission**.

Arroyo became independent of JPM in February of this year, according to a deal watcher.

The Brandywine project is the first acquisition by Arroyo Energy Investors Fund II GP, says the deal watcher, adding that the shop is looking for further assets to add to its portfolio. The terms of the deal could not be immediately established. PAGE 7 »

TerraForm Global Launches IPO, Announces Bond Deal

Richard Metcalf

SunEdison's emerging market yield company has launched its initial public offering and kicked off a roadshow for an $800 million green bond, both expected to be priced on July 30.

Betheshda, Md.-based TerraForm Global aims to raise $1 billion with the sale of 57,750,000 class A shares, having set its price target at between $19 and $21 a share.

Class A shareholders will jointly hold 100% of the economic interests in the yieldco's portfolio, but just 1.6% of the voting rights, after the IPO. Maryland Heights, Mo.-based developer SunEdison will retain all of the class B stock, giving it the remaining 98.4% of the voting rights.

The shares will be listed on the NASDAQ Global Select Market under the symbol GLBL.

Yieldco equities have suffered in recent trading sessions, according to one deal watcher, who noted that PAGE 10 »

POWER UP: CHECK OUT A SELECTION OF THE WEEK'S POWER AND UTILITY NEWS ON TWITTER PAGE 10

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THE BUZZ

Yieldcos Rush To Capital Markets

Last week was dominated by yieldco capital markets activity, with **TerraForm Global** announcing its hotly anticipated initial public offering and an $800 million debut bond issuance, both scheduled for pricing on July 30 (see story, page 1). Then, with preparations for those deals going on in the background, **Pattern Energy Group** puzzled some investors by announcing its own secondary offering of common stock alongside a convertible bond deal.

All this was going on in a week when analysts were trying to work out why yieldco shares were suffering. Shares in **TerraForm Power**, for example, had traded down to $32 by Thursday, having started the week at $37. "We don't know why," admitted one analyst. "It might be people taking profits."

Deal watchers said the pricing PEGI managed to get for its shares and convertible bonds suffered as a result of the share sell-off and heavy dealflow (see story, page 1). But if investors are hoping for a break in the supply of yieldco securities, they may have another thing coming. **Abengoa Yield** has obtained its first credit ratings from **Moody's Investor Service** and **Standard & Poor's** in the last two months, suggesting it might have plans of its own.

The yieldco of Spanish conglomerate **Abengoa S.A.** recently tripled its revolving credit facility to $415 million (see story, page 9).

Meanwhile, the push to expand and diversify yieldco holdings continued with the announcement that TerraForm Power would acquire a 523 MW portfolio of rooftop solar as part of its developer parent **SunEdison's** acquisition of **Vivint Solar**, (see story, page 8).

In non-yieldco news, a number of Asian banks are eying a bigger chunk of the Americas power markets this week with a slew of new hires. The **Industrial and Commercial Bank of China** continues to add to its headcount covering the Americas, hiring a new director of corporate banking this month. The Beijing-based bank has more vacancies to fill in its New York office (see story, page 12).

The **Korea Development Bank** has hired a co-head of project finance in the Americas, as it looks to grow its footprint in North and Latin America (see story, page 12). Earlier this year both ICBC and the KDB backed the third train for **Freeport LNG** and the first three trains at **Cheniere Energy**'s Corpus Christi LNG project. ■

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Do you have questions, comments or criticisms about a story that appeared in ***PFR***? Should we be covering more or less of a given area? The staff of ***PFR*** is committed as ever to evolving with the markets and we welcome your feedback.

Feel free to contact **Richard Metcalf**, editor, at (212) 224-3259 or richard.metcalf@powerfinancerisk.com

GENERATION AUCTION & SALE CALENDAR

These are the current live generation asset sales and auctions, according to Power Finance and Risk's database.
A full listing of completed sales for the last 10 years is available at http://www.powerfinancerisk.com/AuctionSalesData.html

Generation Sale DATABASE

Seller	Assets	Location	Advisor	Status/Comment
Bankers Commercial Corp.	Rising Tree I (79 MW Wind)	Kern County, Calif.		An affiliate of Slate Street is buying tax equity stakes in the projects (PFR, 6/21).
	Rising Tree II (19 MW Wind)			
● Blackstone and others	Portfolio (523 MW Rooftop Solar)	U.S.	Barclays, Citi (buyer), Morgan Stanley (Vivint)	TerraForm Power will acquire the assets for $922 million (see story, page 8).
Brookfield U.S. Renewable Power Holdings	Coram (102 MW Wind)	Kern County, Calif.		RET Capital has bought the facility (PFR, 7/13).
Campbell County Wind Farm Holdings	Campbell County Farm (95 MW Wind)	South Dakota		ConEdison is acquiring the project (PFR 7/20)
Cia Positiva de Energia	Various (1.2+ GW Gas, Biomass)	Brazil		Barclays' private equity unit will buy a stake in the company (PFR, 6/15).
Cielo Wind Power	Salt Fork (200 MW Wind)	Donley and Gray counties, Texas		EDF Renewable Energy is acquiring the project (PFR, 6/28).
Clean Energy Future	Lordstown (800 MW Gas)	Lordstown, Ohio	Whitehall & Co.	The sponsor expects to wrap the deal by September (PFR, 6/8).
● Ecoplexus	Shawboro PV1 (20 MW Solar)	Currituck County, N.C.		Duke Energy Renewables acquired the project (see story, page 6).
Genesis Power, Ares EIF Management	Keys Energy Center (755 MW Gas)	Brandywine, Md.		PSEG Power is buying the project (PFR, 6/21).
● Gestamp Renewables	Portfolio (2.5 GW Solar)	U.S., Latin America, Europe, Asia, Africa	BAML (seller)	KKR is acquiring an 80% stake in Gestamp Asetym Solar for about $1B. (see story, page 9)
Infigen Energy	Portfolio (1.1 GW Wind)	U.S.	UBS	ArcLight Capital is buying the portfolio for $272.5M (PFR 7/20)
	Portfolio (Roughly 95+ MW Solar)		Greentech Capital Advisors	The solar pipeline was sold for $37.9M. The buyer is a global solar developer, but its identity remains unknown (PFR 7/20)
Invenergy	Portfolio (930 MW Wind)	U.S., Canada		SunEdison and TerraForm Power are buying the portfolio (PFR, 7/13).
	Sandringham (13 MW Solar)	Kawartha Lakes, Ontario		TerraForm Power has agreed to buy both assets (PFR, 5/25).
	Woodville (12 MW Solar)			
● MACH Gen creditor group	Athens (1.08 GW Gas)	Greene County, N.Y.		Talen Energy is paying creditors including BAML, Deutsche Bank and Credit Suisse $1.175B for the portfolio (see story, page 7).
	Millenium (360 MW Gas)	Charlton, Mass.		
	Harquahala (1.092 GW Gas)	Maricopa County, Ariz.		
Oak Creek Renewable Energy	Tres Mesas Phase 3 (up to 240 MW,Wind)	Tamaulipas, Mexico		The Marubeni affiliate plans to sell a stake in the project (PFR, 7/6).
● Pattern Development, MetLife Capital	Gulf Wind (286 MW Wind)	Kenedy County, Texas		Pattern Energy Group is paying $85.8M for the 60% stake (see story page 1).
Petrobras	Portfolio (1.5+ GW Thermal)	Brazil		The portfolio could be in the market soon, according to a source (PFR, 6/21).
Pristine Sun	Portfolio (572 MW Solar)	U.S.	Whitehall & Co.	The sale launched on June 11. No timeline has been determined for bids (PFR, 6/15).
Renova Energia	Portfolio (830 MW Solar, Wind, Hydro)	Brazil		SunEdison is acquiring the assets and a 15.7% stake in Renova's shares (PFR, 7/13).
Soligent Holdings	Portfolio (60 MW Solar)	California		Duke Energy subsidiary REC Solar acquired the portfolio (PFR, 7/6).
Suncor Energy	Kent Breeze (20 MW Wind)	Ontario		TransAlta will have a 100% ownership of Kent Breeze (PFR 7/20)
	Wintering Hills (88 MW Wind)	Alberta		TransAlta is purchasing a 51% stake in Wintering Hills (PFR 7/20)
TransAlta Corp.	Poplar Creek (376 MW Gas)	Fort McMurray, Canada		Suncor Energy is buying the plant in exchange for two of its wind farms (PFR 7/20)

● **New or updated listing**

The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed.

PROJECT FINANCE

Deal Book is a matrix of energy project finance deals that Power Finance & Risk is tracking in the energy sector.
A full listing of deals for the last several years is available at http://www.powerfinancerisk.com/Data.html

Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
8minutenergy Renewables, D.E. Shaw Renewable Investments	Springbok (133 MW Solar)	Kern County, Calif.	A syndicate comprising KeyBanc, OneWest Bank, CoBank and Siemens Financial Services	Term Loan A	$160M	7-yr	The deal has closed since it was originally reported in June (PFR, 6/15).
			U.S. Bank	Tax Equity	TBA	TBA	The deal could be worth between $125M and $127M (PFR, 6/15).
Alterra Power, Starwood Energy	Shannon (204 MW Wind)	Clay County, Texas	Citi, Santander, RBC	Construction, Letters of Credit	$287M	TBA	The loan is backed by $219M of tax equity from Citi and Berkshire Hathaway (PFR, 7/6).
Caithness Energy	Long Island Energy Center (350 MW Gas)	Brookhaven, N.Y.	Investec	Mini-perm, holdco loan	$200M	7-yr	Caithness is in the market for debt (PFR, 7/6).
● Canadian Solar	Aria (9 MW Solar)	Springwater, Ontario	Manulife	Construction, Term	C$52.8M	TBA	Both projects will be sold to Concord Green Energy once completed (see story, page 2).
	Earth Light (10 MW Solar)	Pefferlaw, Ontario	TBA	TBA	TBA	TBA	
Clean Energy Future	Lordstown (800 MW Gas)	Lordstown, Ohio	TBA	TBA	TBA	TBA	The deal is expecetd to close in December (PFR, 6/8).
Competitive Power Ventures	Valley Energy Center (720 MW Gas)	Orange County, N.Y.	MUFG Union Bank, Crédit Agricole	Mini-perm	$985M	TBA	The deal has closed (PFR, 6/22).
	Fairview (980 MW Gas)	Cambria County, Pa.	TBA	TBA	Debt, Equity	TBA	The sponsor will be in the market for debt when the deal launches in Q3'16 (PFR, 6/15).
EDP Renewables North America	Rising Tree South (99 MW Wind)	Kern County, Calif.	MUFG, JPMorgan	Tax Equity	$117 million	TBA	MUFG unit Bankers Commercial Corp. has joined JPMorgan in the financing (PFR, 7/13).
Genesis Power, Energy Investor Funds	Keys (735 MW Gas)	Brandywine, Md.	Natixis, MUFG Union Bank	TBA	TBA	TBA	Price talk is 325bp over LIBOR (PFR, 5/25)
Innergex	Big Silver Creek (40 MW Hydro)	British Columbia, Canada	Manulife, Caisse de Dépôt et Placement du Québec	Construction/ Term	C$198M	25-yr, 40-yr	The deal has closed (PFR, 6/28).
Invenergy	Lackawanna (1.3 GW Gas)	Lackawanna County, Pa.	TBA	TBA	TBA	TBA	Invenergy is in the market for debt (PFR, 5/18).
● Invenergy	Portfolio (2 GW Gas)	U.S., Canada	Morgan Stanley, ICBC	Term Loan B, RCF	$537M, $70M	7-yr, 5-yr	Invenergy will use the proceeds to repay corporate and project-level debt (see story, page 5).
Moxie Energy	Freedom (900 MW Gas)	Luzerne County, Pa.	TBA	TBA	TBA	TBA	The project's construction costs are pegged at $900M (PFR, 6/8).
NTE Energy	Middletown (525 MW Gas)	Butler County, Ohio	BNP Paribas, Crédit Agricole	Debt	TBA	TBA	NTE Energy is in the market for debt. Each project is pegged at $400M+ (PFR, 6/1).
	Kings Mountain (475 MW)	Cleveland County, N.C.	MUFG Union Bank, ING	Debt	TBA	TBA	
Panda Power Funds	Hummel (1 GW Gas)	Snyder County, Pa.	TBA	TBA	TBA	TBA	The developer is considering a term loan B or other structure (PFR, 5/25)
Pattern Development	Meikle (180 MW Wind)	British Columbia, Canada	Crédit Agricole, National Bank of Canada, Sumitomo Mitsui, RBC Capital Markets, Siemens Financial Services, BMO Capital Markets, Société Générale	Construction Loan	$304M	7-yr	The deal has been sealed (PFR, 7/20)
Power Evolution	One project (40 MW Solar)	Utah	TBA	Term loan B, RCF	Up to $13M	10-yr	Deal expected to wrap in six months (PFR, 5/25)
	Three projects (30 MW Solar)	Louisiana, New Jersey, New York	TBA	TBA	TBA	TBA	
Sky Solar	Portfolio (70 MW Solar)	Uruguay	Inter-American Development Bank, China Co-Financing Fund, Canadian Climate Fund	Debt	$85M	TBA	The deal has wrapped (PFR, 7/20)
Soriana, GEMEX	Le Mesa (49 MW Wind)	Mexico	North American Development Bank, BANCORTE	Construction/ Term	$130M	TBA	The deal has closed (PFR, 6/15).
	Victoria (49 MW Wind)	Mexico			$130M	TBA	
SunEdison	Bingham (185 MW Wind)	Maine	KeyBanc Capital Markets, KeyBank National Association	Construction/ Permanent	$360M	10-yr	The deal has closed (PFR, 7/13).

● **New or updated listing**

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PROJECT FINANCE

Invenergy Secures $600M+ Term Loan B For 2 GW Gas Projects

Morgan Stanley and the **Industrial and Commercial Bank of China** have launched a financing deal backing **Invenergy**'s portfolio of six gas-fired facilities totaling 2 GW in the U.S., according to a deal-watcher. Invenergy announced the $607 million term loan B package at a meeting in New York on Friday morning.

The deal comprises a $537 million seven-year senior secured term loan and a $70 million five-year senior secured revolving credit facility, and has been rated B1 with a stable outlook by **Moody's Investors Service**, according to a report issued by the rating agency on Thursday.

Invenergy had previously planned to launch a $700 million deal with pricing of LIBOR plus 500 basis points, but postponed the deal because it was unable to obtain its desired 'B' credit rating at the time, a banker who is not involved in the deal tells *PFR*. How long ago the company was originally planning to launch the deal, and the pricing of the loan launched on Friday, could not be established.

The portfolio comprises:

- the 584 St. Clair project in near Sarnia in Ontario,
- the 584 MW Nelson combined-cycle facility in Lee County, Ill.,
- the 330 MW Ector peaking plant in Ector County, Texas,
- the 357 MW Cannon Falls plant in Goodhue County, Minn.,
- the 314 MW Spindle Hill facility in Weld County, Colo., and
- the 370 MW Hardee project in Bowling Green, Fla.,

Invenergy has a 100% ownership interest in St. Clair, Nelson and Ector, and holds a 51% stake in Cannon Falls, Hardee and Spindle Hill. The Ector plant is merchant and sells power directly into the ERCOT market while Nelson is partially contracted and sells into PJM. The other four projects have long-term offtake agreements.

The Chicago-based developer will use the majority of the proceeds of the loan, as well as $100 million in equity funds, to redeem roughly $380 million of corporate debt and $225 million of project-level debt. Moody's estimates that the total outstanding project debt stands at $665 million on a pro-forma basis.

The term loan B market is experiencing a combination of high levels of liquidity and a constrained deal flow, according to the deal watcher. At the same time, banks are increasingly able and willing to shoulder the risks associated with merchant projects with power hedges, he adds. Consequently, merchant and quasi-merchant gas-fired projects are finding it easier to clinch deals.

Earlier this year, **Panda Power Funds** secured a $375 million term loan B from **Goldman Sachs**, **Credit Suisse** and **Ares Management** to refinance its 758 MW Temple 1 combined-cycle gas-fired plant in Temple, Texas at 625 basis points over LIBOR (PFR, 3/9), (PFR, 2/11). **Standard & Poor's** has accorded the borrower, **Panda Power Funds Temple 1**, a preliminary B rating.

Panda Power Funds is currently talking to Ares Management , among other lenders, to raise debt for its 1 GW Hummel CCGT facility in Pennsylvania (PFR, 7/3).

Officials and spokespeople at Morgan Stanley and ICBC either declined to comment or did not respond to inquiries. A spokeswoman at Invenergy in Chicago declined to comment on

Invenergy Portfolio

Project	Capacity	Location	Invenergy stake	COD	Notes
St. Clair	584 MW	St. Clair Township, Ontario	100%	2009	Long-term offtake agreement
Nelson	584 MW	Lee County, Ill.	100%	2015 (in operation)	Partially contracted
Ector	330 MW	Ector County, Texas	100%	2015 (projected)	Merchant
Cannon Falls	357 MW	Goodhue County, Minn.	51%	2008	Long-term offtake agreement
Spindle Hill	314 MW	Weld County, Colo.	51%	2007	Long-term offtake agreement
Hardee	370 MW	Bowling Green, Fla.	62%	Phase 1: 1993 Phase 2: 2000	Long-term offtake agreement

Source: Invenergy

Manulife Backs Another Canadian Solar Project

Canadian Solar has obtained a C$52.8 million ($40.8 million) financing package from the **Manufacturers Life Insurance Company** to finance the fourth Ontario solar project in a portfolio of five the developer is selling to **Concord Green Energy**.

The construction and term loan deal will fund the construction of the 9 MW Aria project in Springwater, Ontario, one of five solar projects the developer has agreed to sell to the subsidiary of real estate investor **Concord Pacific**, according to company statements. Manulife has so far financed all of the projects in this C$290 million ($277 million) portfolio.

In March last year, the Toronto-headquartered insurance company agreed a C$48 million ($43.67 million) debt package backing the 14 MW Val Caron project in Greater Sudbury. A few weeks later, the same lender signed a C$50.5 million ($45.66 million) loan for the 10 MW Mighty Solar project in Chesterville. Then, in October, Manulife provided a C$515 million ($46 million) of construction and term loans for the 10 MW RayLight project in Wyebridge (PFR 3/10/14) (PFR 4/2/14) (PFR 10/10/14).

The sales of the Val Caron, Mighty Solar and RayLight projects to Concord Green Energy all closed in separate transactions last year.

The financing for the fifth project, the 10 MW Earth Light plant in Pefferlaw, which is slated to come online in the fourth quarter of this year according to a November 2014 Canadian Solar investor presentation, has not been announced.

The five projects all have 20 year offtake contracts with the **Ontario Power Authority**.

Details of the financing of the Aria project, such as tenor and pricing, could not immediately be learned.

Spokespeople for West Guelph, Ontario-based Canadian Solar and Vancouver-headquartered Concord Green Energy did not respond to enquiries by press time. ■

MERGERS & ACQUISITIONS

Yieldco 'Musical Chairs' Hits PEGI Share, Convertible Pricing

« FROM PAGE 1

the close of business on July 20. "That's rather unfortunate," a deal watcher tells PFR. "They [PEGI] are not getting a great price relative to where their shares have been, and that was close to $30 a month ago."

Meanwhile, the 4% coupon on PEGI's five-year convertible bonds is higher than the 3% to 3.5% market range, according to the first deal watcher, who adds that this is a reflection of market demand for convertibles as well as investor expectations of a rate hike that could occur as soon as September this year.

INVESTOR CONCERNS

In a market already faced with a glut of new yieldco securities, investors have been questioning the timing of the issuances, which were announced just days after **TerraForm Global**, **SunEdison's** emerging markets yieldco, announced the launch of its $1.1 billion initial public offering and a concurrent $800 million bond deal (PFR 7/22).

The market for solar stocks and yieldcos has been precarious over the past few weeks, with solar shares suffering a sharp pull-back particularly in the past week, another deal watcher opines. "It's a game of musical chairs," he says. "It's a race to get assets at scale. They're pushing their investors hard."

RATE HIKE EXPECTATIONS

Borrowers are scrambling to come to market ahead of the anticipated rise in the federal funds rate. **NRG Yield** priced $250 million of five-year convertible bonds alongside an $539 million rights issue last month, in part to fund its acquisition of the 550 MW Desert Sunlight solar facility in Riverside County, Calif. from **GE Energy Financial Services** and to repay outstanding debts related to a pair of wind parks in Kern County, Calif. (PFR, 6/24).

Earlier in June, several utilities, including **DTE Energy**, **Southern Co.**, **Pacific Gas & Electric**, and **Sempra Energy** affiliate **Southern California Gas**, issued notes totaling $1.9 billion (PFR, 6/9), (PFR, 6/17).

PEGI's senior unsecured notes are convertible into Class A shares at an initial rate of 35.49 Class A shares per $1000 principal amount of notes, representing an initial conversion price of about $28.175 a share, or a 22.5% conversion premium. The company has the option to settle conversions in cash, Class A shares or a combination of both.

Bank of America Merrill Lynch, **BMO Capital Markets**, and **Citigroup** are joint book-running managers on the equity offering. All three banks represent a consortium of underwriters that could include **Wells Fargo Securities**, according to another deal watcher.

BAML, BMO Capital Markets, **Morgan Stanley** and **RBC Capital Markets** are underwriters on PEGI's notes offering.

DEBT REPAYMENTS

PEGI will use the net proceeds of both offerings to repay about $154.1 million of project debt associated with Gulf Wind and outstanding debts related to three other wind projects acquired earlier this year.

The yieldco purchased the 150 MW Lost Creek project in Dekalb County, Mo., and a majority stake in the Post Rock farm in Ellsworth and Lincoln counties, Kan., from **Wind Capital Group**, as well as a minority stake in the K2 project in Ontario from Pattern Development (PFR, 5/19), (PFR, 4/8).

Pattern had raised project debt for Gulf Wind in 2010 at a fixed interest rate of 6.6% for the first eight years, and 7.1% and 7.6% for the last two years of the loan term, according to its latest 10-K filing with the U.S. **Securities and Exchange Commission**. That loan is expected to be refinanced after it matures in December 2020.

FULLY DEPRECIATED

PEGI will buy Pattern's 27% stake in Gulf Wind for $13 million in cash and MetLife Capital's 33% tax equity stake for roughly $72.8 million. MetLife Capital made the tax equity investment in Gulf Wind in 2010 (PFR, 2/1/13).

"The project is fully depreciated from a tax perspective, and tax attributes have already been realized," says a deal watcher. "That's why MetLife is looking to sell it now." According to the deal-watcher, the project follows the U.S. **Modified Accelerated Cost Recovery System**, which allows developers to depreciate wind assets over a period of up to six years.

Pattern has estimated that the cash flow available for distribution resulting from the acquisition will be in the range of $21 million to $25 million.

PEGI and Pattern Development declined to comment on the timing of the issuances and other terms of the acquisition. Officials at MetLife could not be reached for comment. ■

Duke Affiliate Adds To NC Solar Portfolio

Duke Energy Renewables has acquired a 20 MW solar project in North Carolina from San Francisco-based developer **Ecoplexus** for an undisclosed price.

The Shawboro PV1 project, in Currituck County, has been in development for two years and is expected to come online by the end of this year.

The project has a 15 year power purchase agreement with **Dominion North Carolina Power.**

According to filings with the **Federal Energy Regulatory Commission**, the **Duke Energy** subsidiary acquired all of the outstanding limited liability company interests in the project company, **Fresh Air Energy X**, from Ecoplexus on June 19.

Swinerton Renewable Energy has been hired to build the solar plant.

Ecoplexus completed the construction of 21 MW of solar projects in North Carolina in the fourth quarter of 2014, and expects a further 52 MW to be completed by the end of the year, not including the Shawboro project acquired by Duke, according to Ecoplexus's president, Erik Stuebe. The developer will begin construction of a further 24.6 MW of solar in the fourth quarter of 2015.

Duke Energy Renewables has a portfolio of 16 solar projects, either complete or under construction, in North Carolina, most of which are 5 MW or smaller. ■

MERGERS & ACQUISITIONS

Talen Scores NY Gas Co. In $1B+ Deal

Talen Energy Corp. is acquiring New York-based natural gas generator **MACH Gen** from a group of its former creditors for $1.175 billion, less than 18 months after the target company filed for bankruptcy. The deal is slated to wrap before December.

MACH Gen's current 2.5 GW gas-fired portfolio comprises three combined-cycle assets:

- the 1,080 MW Athens facility south of Albany in Greene County, N.Y.
- the 360 MW Millennium project in Charlton, Mass., and
- the 1,092 MW Harquahala merchant plant in Maricopa County, Ariz.

The Athens and Millennium facilities both have long-term off-take contracts.

Allentown, Pa.-based Talen has secured a term loan B commitment for $1.175 billion from **Citigroup** to fund the purchase. An official from Talen tells *PFR* that the company could issue senior unsecured notes in the future, allowing it to downsize the amount of the term loan.

Citigroup is also Talen's financial advisor on the deal.

Talen is also considering funding the buyout with the proceeds of roughly 1.3 GW of asset divestitures that it is aiming to make over the next 12 months to comply with a U.S. **Federal Energy Regulatory Commission** mitigation order related to the formation of Talen Energy, a company spokesman says, adding that the final financing plan will also take into account how much of MACH Gen's outstanding debt Talen will take on. A timeline for the completion of the financing plan could not be established.

FAST FACT

4x

How much Talen's debt to Ebitda ratio could increase if it finances the acquisition with new debt, according to S&P

If it chooses to finance the entire acquisition with new debt, Talen's debt to EBITDA would increase by four times over the next few years, rating agency analysts say. **Standard & Poor's** has placed Talen's BB- rating on CreditWatch with negative implications, because of uncertainty about whether the diversification offered by MACH Gen's three gas-fired plants will be worth the increased leverage.

MACH Gen currently has a 15 GW fleet of nuclear, coal-fired, gas-fired and hydro generation. A majority of its assets are located in PJM. The MACH Gen deal expands Talen's generation portfolio by 17% to 17.6 GW while diversifying its geographical spread into the NYISO, ISO-NE and WECC regions.

The value of the deal hinges in part on whether Talen will be able to access Marcellus-priced gas in those facilities from 2017 onward, reduce the costs involved in having more 501G turbines in its fleet, and refinance the transaction debt effectively, according to a report released on Monday by **Daniel Ford** and **Ross Fowler**, equity analysts at **Barclays Capital**.

Talen was formed in April this year from the unregulated generation portfolios of New York-based private equity shop **Riverstone Holdings**, and two spin-offs of Pennsylvanian utility **PPL Corp.**, **PPL Energy Supply**, a merchant power business, and **PPL EnergyPlus**, an energy marketing and trading outfit (PFR, 6/10/14). PPL Energy Supply was renamed **Talen Energy Supply** in June. Shareholders of PPL and Riverstone currently hold 65% and 35% of Talen, respectively.

MACH Gen, which filed for chapter 11 protection in March 2014, listing a debt of $1.6 billion and assets worth $750 million, won court approval for a restructuring plan that facilitated its exit from bankruptcy in 40 days. Following that development, various second-lien lenders, including **Bank of America Corp.**, **Deutsche Bank** and **Credit Suisse Group AG**, took ownership of 93.5% of the reorganized company's equity in return for assuming about $1 billion in debt (PFR, 5/13/14).

Simpson Thacher & Bartlett and **Bracewell & Giuliani** were legal advisors to Talen on the transaction. Whether MACH Gen worked with law firms could not be learned. ■

JPM Spin-Off Seals Debut Power Acquisition

« FROM PAGE 1

The Brandywine project came online in 1996 and sells its generation to PJM. The project has received permitting approval for black-start brownfield expansion to provide emergency generation in rolling blackouts, according to the Arroyo website.

JPMorgan Ventures Energy Corp became the sole owner of the Brandywine project after a sale and leaseback agreement with **Panda Energy International** terminated last year (PFR, 3/6/2014).

David Field and **Chuck Jordan** founded The Woodlands, Texas-based Arroyo in April 2003. Field joined from **Bear Sterns** and JPM, where he was co-head of the Bear Stearns energy group in Houston. Prior to this, Field was m.d. and head of mergers and acquisitions at **El Paso Corporation**, which was acquired by **Kinder Morgan** in 2012. Jordan previously advised Bear Stearns on investment opportunities in the energy space and before that was director at **Mirant Corporation**, formerly the unregulated subsidiary of **The Southern Company** and now called **GenOn Energy Holdings**, part of **NRG Energy**.

Tony Hopkins became a partner at Arroyo in April, having been executive director in principle investments in the global commodities group at JPM. **Jimmy McDonald** joined Arroyo as cfo and cco in April, from **Quintana Capital Group**, where he was m.d. and cfo.

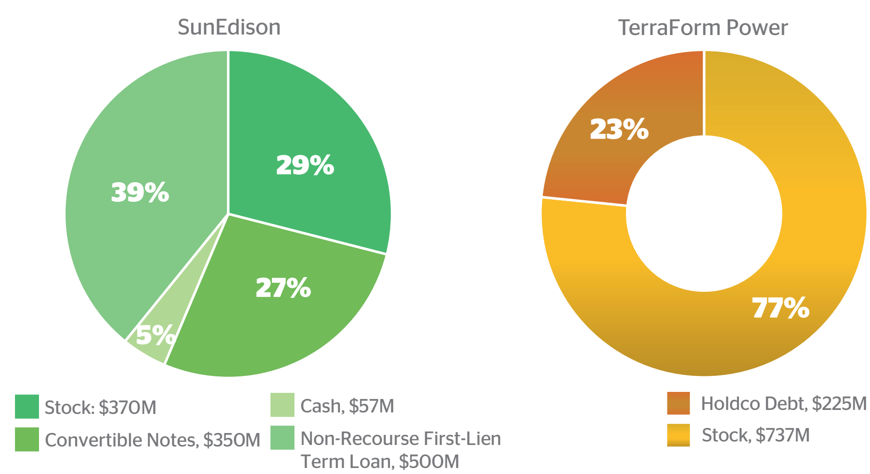
With a focus on power generation and midstream assets, Arroyo invested and managed in excess of $600 million on behalf of its previous sponsors Bear Stearns and JPM. JPMorgan acquired Bear Stearns in 2008 (PFR, 3/20/2008).

Arroyo in The Woodlands and JPM in New York did not respond to a request for comment. ■

MERGERS & ACQUISITIONS

SunEd Scoops Vivint In Deal Similar To First Wind

SunEdison/ VivintSolar Transaction Summary



Source: SunEdison Presentations

SunEdison is acquiring Lehi, Utah-based **Vivint Solar** from **Blackstone** and its other owners for $2.2 billion in a deal which will involve the dropdown of a 523 MW portfolio of rooftop solar assets into renewables yieldco **TerraForm Power**.

SunEdison will use about $1.5 billion in cash, $370 million in its own common stock and $350 million in convertible notes issued at an annual interest rate of 2.25% to purchase all of the 115 million outstanding Vivint Solar shares, repay $263 million of the acquired company's debt, and pay approximately $38 million in transaction costs.

To fund the cash part of the purchase price, SunEdison has obtained a $500 million non-recourse first lien term loan commitment from **Goldman Sachs**, and will use $57 million of cash from its balance sheet. The remaining $922 million will come from the sale of the rooftop solar portfolio to TerraForm Power.

Goldman Sachs will also provide a $960 million unsecured bridge facility to TerraForm Power in connection with the transaction.

Two deal watchers say that the pricing and tenor of the $500 million term loan will be decided closer to the date that the deal wraps. Around that time, TerraForm Power will likely put more permanent funding in place in the form of bonds, a deal-watcher observes. When exactly the acquisition is slated to close could not be learned.

The structure of the Vivint deal is similar to that of SunEdison's $2.4 billion **First Wind** acquisition, which closed earlier this year. First Wind sold a 521 MW operating wind portfolio to the yield company for $862 million. SunEdison issued $340 million in notes as part of the First Wind deal, and TerraForm Power secured a $1.55 billion bridge facility from **Barclays** (PFR, 11/28/14).

PLAY ON DISTRIBUTED SOLAR

SunEdison says that the Vivint merger will accelerate the pace of its growth in distributed solar generation. The Vivint team will be absorbed into SunEdison's executive team. Vivint's nine-member management includes **Greg Butterfield**, ceo, **Dana Russell**, cfo and executive v.p., **Thomas Plagemann**, executive v.p. of capital markets, **Swain Kinghord**, chief strategy and innovations officer, and **Paul Dickson**, v.p. of solar operations.

The assets in the 523 MW solar portfolio that TerraForm Power is acquiring have a remaining average contract life of 19 years and a 10-year levered cash-on-cash yield of 9.5%. The portfolio will be installed by year-end.

"It might come to pass that the Vivint team will develop operating assets that will be dropped into SunEd's warehouse vehicle as Vivint develops projects faster than TerraForm Power can acquire," a deal watcher tells *PFR*. The warehouse would pay SunEd cost and fixed return on investment payments, allowing the sponsor to recycle its equity, while TerraForm Power gets ready to acquire those projects from the warehouse.

Distributed generation is a burgeoning area of interest among large developers, utilities and lenders. **AES Corp.** established a distributed generation portfolio with its acquisition of Boulder, Colo.-based solar developer **Main Street Power** earlier this year (PFR, 3/16), and **Bank of America Merrill Lynch**, **Credit Suisse** and **Deutsche Bank** arranged $500 million in revolving credit facilities to refinance distributed solar assets owned by San Mateo, Calif.-based **SolarCity** (PFR, 5/8). Charlotte, N.C.-based utility **Duke Energy** bought a stake in commercial developer **REC Solar** in February (PFR, 7/1).

Bank of America Merrill Lynch is the lead financial advisor to SunEdison on the Vivint merger, while Goldman Sachs is the sponsor's co-financial advisor on the merger and lead structuring agent on the financings. **Morgan Stanley** is the financial advisor to Vivint Solar. Barclays and **Citibank N.A.** are joint financial advisors to TerraForm Power on the acquisition.

Kirkland & Ellis is legal advisor to SunEd and TerraForm Power on the acquisition, **Skadden**, **Arps**, **Slate**, **Meagher & Flom** is advising them as borrowers in the financing transactions. **Lazard** and **Cleary Gottlieb Steen & Hamilton** are financial and legal advisors to TerraForm's corporate governance and conflicts committee. **Wilson Sonini Goodrich & Rosati** is Vivint Solar's legal advisor.

Officials at SunEdison did not respond to inquiries. Officials at Vivint Solar could not be reached for comment. Spokespeople at BAML, Morgan Stanley, Barclays, Goldman Sachs and Citibank N.A. either declined to comment or did not respond to inquiries by press time. ■

MERGERS & ACQUISITIONS

KKR Grabs Emerging Market Solar With Gestamp Stake

KKR has signed an agreement to purchase an 80% stake in **Gestamp Asetym Solar** from Spanish developer **Gestamp Renewables** in a deal that values the photovoltaic developer at around $1 billion. The acquisition is expected to wrap before December.

The New York-based private equity shop will fund its acquisition through **KKR Global Infrastructure Investors II**, which closed at $3.1 billion earlier this month.

The acquisition, which gives KKR a stake in a solar portfolio spread across 18 countries, reflects a broader trend of private equity players and investors looking to diversify their project pipelines by investing in developers in emerging markets such as Latin America, Southeast Asia, Sub-Saharan Africa and Eastern Europe, according to **David John Frenkil**, managing director of **Centennial Generating Co.**, a commercial solar developer with offices in Washington, D.C. and Kigali, Rwanda.

Gestamp Solar has 300 MW of operating and under-construction projects and a further 2.2 GW in the development phase across Spain, France, Italy, Peru, Japan, California, South Africa, the Dominican Republic, Honduras and elsewhere. The developer aims to have 2.5 GW of projects in its operating portfolio by 2020.

"In all of these places, investors can currently achieve unlevered returns in the mid-teens or higher," says Frenkil. "The U.S. market is long on capital and short on deals. The competitive environment is driving down expected investor returns in the contiguous 48 [U.S.] states. This is coupled with the ability of certain solar investors to tap relatively low-cost financing from the capital markets, especially at a time when U.S. solar incentives are, at best, awkward, arcane and perverse."

Meanwhile, Gestamp Renewables is evaluating options for its wind portfolio. Further details of those options could not be learned. **Gestamp Wind** has 564 MW of small-scale operating wind farms and 109 MW of facilities under construction, spread across Europe, North America, Latin America and Africa.

Gestamp Renewables is an affiliate of Spanish engineering group **Corporación Gestamp**.

Bank of America Merrill Lynch is Gestamp Solar's financial advisor on the sale.

KKR declined to comment on the deal, and officials at Gestamp Solar in Madrid could not be reached for comment. ■

STRATEGIES

Abengoa Yield Triples Credit Facility After Share Selloff

Abengoa Yield has more than tripled its revolving credit facility, soon after its parent company reduced its stake in the entity to less than 50%.

The yield company announced on Monday that it had bolstered its existing $125 million revolver with an additional $290 million. The 2.5-year tranche B priced at 250 basis points over LIBOR. The funds will be used to finance future acquisitions and for general corporate purposes.

Bank of America Merrill Lynch was global coordinator and joint bookrunner on the deal with **HSBC**, **Banco Santander**, **Citigroup**, **Royal Bank of Canada**, **Barclays** and **UBS**.

Apart from Barclays and UBS, the same banks made up the syndicate for the initial four-year $125 million facility, which was priced at 275 bps over LIBOR in December 2014.

On July 14 the yieldco's parent company **Abengoa S.A.** announced it had sold 2 million shares in Abengoa Yield, reducing its majority stake to 49.05%. The selloff raised approximately $62 million dollars, according to a company spokesperson in Madrid.

Abengoa always intended to deconsolidate its yieldco "from an accounting point of view", the spokesperson says. "Our intention is to maintain a very strategic but minority stake in Abengoa Yield", she adds in an emailed statement.

The selloff follows a private placement of just over 20 million new shares in Abengoa Yield in May, which raised $670 million for the yieldco. Abengoa S.A. subscribed for 51% of the newly-issued shares. The proceeds were used to fund 450 MW of previously announced acquisitions from Abengoa.

In its 2014 earnings presentation, Abengoa said the deconsolidation of Abengoa Yield was motivated by a desire to strengthen the parent company's credit rating. On July 3 **Standard & Poor's** upgraded Abengoa's rating from B to B+ with a stable outlook. S&P assigned Abengoa Yield a BB+ rating on June 3.

Abengoa Yield owns a portfolio of 17 assets, made up of 1,241 MW of renewable energy generation, 300 MW of conventional power generation, 1,018 miles of transmission lines, and water assets.

Abengoa is the main source of the yieldco's portfolio. "We also intend to do third party acquisitions," the spokesperson adds, saying that the yieldco is constantly tracking opportunities especially in North and South America.

Earlier this month an **Abengoa Transmission & Infrastructure** and **Starwood Energy** joint venture was selected by California's independent system operator to finance, construct, own and operate a 114-mile transmission line running between Delaney, Calif., and Colorado River, Ariz. The project will initially be assigned to the sponsor's warehouse vehicle, **Abengoa Projects Warehouse 1**, before being dropped down into the yieldco at a later date (PFR, 7/17). Abengoa and **EIG Global Energy Partners** jointly invested $2.5 billion in the warehouse vehicle to fund Abengoa's contracted projects as they go into construction (PFR, 2/25).

A spokesperson for Bank of America Merrill Lynch did not respond to an inquiry. ■

STRATEGIES

TerraForm Global Launches IPO, Announces Bond Deal

« FROM PAGE 1

NRG Yield shares were down 4% on July 20, the day of the TerraForm Global announcement. NRG Yield's C Class shares were trading at around $19.30 on Thursday, compared to just under $20 at the beginning of last week.

Shares in SunEdison's developed market yieldco, **TerraForm Power**, had dropped from $37 to $32 over the same period, while rival yieldco **Pattern Energy Group** saw its shares slip from $26.50 at the beginning of last week to $24 by Thursday afternoon.

Barclays and **JP Morgan** are lead bookrunning managers and structuring officers on TerraForm Global's IPO. **Citigroup** and **Morgan Stanley** are active bookrunners, **Bank of America Merrill Lynch**, **Deutsche Bank** and **Goldman Sachs** are joint bookrunners, and **BTG Pactual**, **Itau BBA**, **Kotak Mahindra**, **SMBC Nikko** and **Société Générale** are co-managers.

Kirkland & Ellis is legal advisor to TerraForm Global, and **Latham & Watkins** represents the underwriters.

The yieldco is also planning to issue up to $800 million of senior seven-year non-call three bonds through an indirect subsidiary, **TerraForm Global Operating**.

TerraForm Global describes the bonds as 'green' because all of the proceeds will be used to finance renewable energy projects.

AGGRESSIVE GROWTH PROFILE

Moody's Investor Service and **Standard & Poor's** have given the proposed bonds credit ratings of B2 and B+ respectively.

Both rating agencies rate the unsecured bonds one notch below TerraForm Global's planned $440 million senior secured revolving credit facility.

The issuer will use the proceeds of the bond to repay existing debt, fund acquisitions, and for general corporate purposes, according to the S&P report.

The stable, sub-investment grade B+ rating reflects the regulatory risk associated with renewable power in emerging markets, the fact that the yieldco's management has limited experience in these countries, and the company's aggressive growth profile, according to S&P credit analyst **Nora Pickens**.

These risks are partially offset by the geographic and operational diversity of the initial portfolio, its long-term offtake contracts, and a moderate level of holding company debt.

The bookrunners on the bond deal, are BAML, Barclays, Citigroup, Deutsche Bank, Goldman Sachs, JPMorgan and Morgan Stanley, all of which are also involved in the IPO.

FOURTH AMENDMENT

The yieldco's initial portfolio has grown from 987.8 MW to 1,406 MW since it initially filed an S-1 form with the **Securities and Exchange Commission** on May 7.

According to the fourth amendment to the S-1, filed on July 20, the initial portfolio comprises 42 wind, solar and hydro projects in Brazil, India, Honduras, China, Uruguay, South Africa, Costa Rica, Peru, Nicaragua, Thailand and Malaysia. The projects all have power purchase agreements, with a weighted average life of 19 years. ■

PFR #PowerTweets

@ConsumerFeed
Pattern Energy Group upgraded by Avondale Partners to outperform. http://ift.tt/1InGoPf $PEGI #PEGI

@renewabletech
HP goes #renewables, powering five data centers with #wind through @SunEdison #yieldco, via @dianeNYT http://ow.ly/PUabl

@SunEdison
One by one, the turbines are going up at our Route 66 #wind project in Texas!

@VivintSolar
We are expanding into NEW MEXICO and NEVADA! Read more about specific office locations and job opportunities here: http://ow.ly/PlPxQ

@SEIA
ICYMI: #California sets record; surpasses UK, France, Spain in installed #solar capacity @TheUnion http://seia.us/1Jswcjb

@AWEA
Amazon calls for extension of renewable energy tax incentives http://ow.ly/PXiwF

@nrgenergy
We like our burgers with a side of solar. Little by little, we're helping power @ShakeShack. http://bit.ly/1DclwCY

@EPA
Since 1970: Common air pollutants 68%, economy tripled. #CleanPowerPlan is our next step for clean air.

@FaulkandFoster
Some Hope for US Renewable Energy Tax Credits As Extension Bill Passes Committee - http://go.shr.lc/1KmuYsw #renewables #wind #solar

@EIAgov
In 2014, #coal was used for about 39% of the 4 trillion kWh of #electricity generated in the U.S. http://go.usa.gov/3fZ4J #EnergyFacts

INDUSTRY CURRENT

New Financing Trends: Merchant Projects

There has been a spike in merchant deals coming to the market in PJM, with 18 gas-fired projects currently under development in the region according to some estimates. But with power hedges hard to come by, market participants are questioning whether all of them will get done. At the 26th annual Global Energy and Finance Conference organized by **Chadbourne & Parke** in Newport Beach, Calif., four investment bankers and one commercial banker discussed the financing options for merchant projects, and even the prospects of merchant solar projects. The discussion was moderated by **Rohit Chaudhry**, a partner in Chadbourne's Washington, D.C. office.

THE PANELISTS ARE:

Ted Brandt, ceo of **Marathon Capital**

Michael Proskin, m.d. in the power and utilities group at **Credit Suisse**

Andrew Redinger, m.d. and head of utilities, power and renewables at **KeyBanc Capital Markets**

Thomas Emmons, m.d. and head of project finance for the **Americas at Rabobank**

Jon Fouts, m.d. in the global power and utilities group at **Morgan Stanley**

CHAUDHRY: So if you are a financial advisor to one of these gas-fired projects, and Andy, you are a financial advisor on at least one prominent one, what do you advise in terms of developing a merchant gas deal in PJM? Go for it? Or the market is too frothy?

REDINGER: The project I am advising is early. It should be in commercial operation in September. The market for our project is still open. My advice is to move as fast as you can.

CHAUDHRY: Most of these projects are getting financed today in the bank market as opposed to the term loan B market, correct?

REDINGER: Yes. The bank market is offering more favorable terms at the moment. The banks have gotten more aggressive on pricing.

CHAUDHRY: Until last year, there were really no merchant deals that were getting financed in the bank market. They were all term loan Bs. Jon Fouts, when did banks start taking merchant risk again?

FOUTS: I think it goes back to the liquidity point. We have seen just a tremendous bid in the market, and so we pass it on to the investors. I can't really point to a single point in time or a catalyst that has driven it. It is just an outgrowth of the momentum in liquidity.

REDINGER: I am not sure it is the same type of merchant project that we saw 16 years ago. You have in many cases heat rate call options that provide runway for the loan. There are an awful lot megawatts of coal supposed to retire, which these assets in PJM will replace in many cases. If you compare the numbers of new capacity under development to what the coal gurus say will shut down, we are actually short on capacity.

You have a capacity market in PJM that should provide us a bit higher capacity payments than we had in the past. We will know a lot more by July or August. It is not quite as gloom and doom as that whole thing from the late 1990's of "Let's just build megawatts because megawatts equal earnings equal higher stock prices equal more megawatts."

FOUTS: There have also been some developments in the hedge side of things in terms of what are able to do as an industry. Maybe the hedges are shorter, but you can do puts. You can do future call options on hedges. That technology is not new, but I think financiers have gotten more comfortable with it. It preserves the upside for the equity. There have been some pretty creative innovations in how hedges are structured.

REDINGER: It is not a stretch to think that these new merchant plants will be dispatched first and will force other plants out of the market. It does not take a huge leap of faith to conclude they will operate 100% of the time. These are some of the factors that are causing banks to get comfortable with financing them.

CHAUDHRY: Is there enough capacity in the bank market to finance all of these projects?

REDINGER: It is a lot of projects.

CHAUDHRY: If they get hedges, is the bank market there for all of these projects?

FOUTS: I don't know if it is there for all of them. There is definitely a first-mover advantage. A lot of them will get financed under current market conditions. You do not want to be the last guy when the music stops.

CHAUDHRY: All of these projects we just talked about are in PJM. Merchant deals have been done in ERCOT. Are there other markets that are ready for merchant financings: New England, for example?

FOUTS: New England, PJM and ERCOT are all attractive for merchant. It gets pretty skinny after that.

CHAUDHRY: Has the financing closed on any merchant plant to date in New England? I get that the Footprint Salem Harbor project was quasi-merchant. Anything else?

FOUTS: Nothing that I can talk about. We are working on a couple right now.

CHAUDHRY: Tom Emmons, there have not been any merchant solar financings, correct?

EMMONS: I have not seen any.

CHAUDHRY: Is anyone considering doing merchant solar or is that just out of bounds?

EMMONS: We have not been asked to look any merchant solar projects.

REDINGER: I don't want to give my merchant speech, but I say this all the time. Our bank lends merchant all the time, but just in other industries. I get on my soap box internally every day. Listen, we lend merchant to industrial companies, to shoe companies . . . . We don't require McDonald's to pre-sell their hamburgers when we make loans to them. [Laughter.]

CHAUDHRY: I understand, but do you lend merchant to solar?

REDINGER: I'm working on it. [Laughter.]

CHAUDHRY: You will do merchant shoes, but not solar?

REDINGER: I'm working on it. [Laughter.]

BRANDT: We have a Texas merchant solar deal in the market currently and, unfortunately, with gas prices rolling down, it is about $3, maybe $4, out of the money. A little bit of a blip and it would be in the money, so we think the market is there. There is no reason that Texas wind hedge deals work and solar deals do not. Solar is correlated better with load, there is no marginal cost, and capital costs have been coming down dramatically. ■

PEOPLE & FIRMS

ICBC Deepens Americas Footprint

The **Industrial and Commercial Bank of China** has added a senior corporate finance banker to its New York office, as it continues to increase its presence in the Americas power market.

Chris McKay joined ICBC as director in corporate banking in June, and reports to **Marcia Bockol**, executive director of corporate banking in the Americas.

In his new role, McKay concentrates on the Americas, covering a board range of gas and oil companies, he tells *PFR*. His appointment is the first to Bockol's new corporate banking team covering the wider energy space, including power, natural resources, oil and gas. Bockol joined ICBC from **National Australia Bank** in March (PFR, 4/14).

The Beijing-based bank has steadily increased the headcount in its New York office, hiring **Johanna Minaya** in January as v.p. for sales and syndications in project finance across the Americas and **Namsoo Lee** as v.p. in project finance in mid-2014. The structured finance division headed by **Michael Fabisiak** recently hired an associate and is reportedly in the process of hiring for an additional vacancy.

Chris McKay

The Chinese bank, which holds roughly $3 trillion in assets, has pushed into the US and Latin American power markets in the last 18 months (PFR, 12/11). Along with **Morgan Stanley**, it recently backed a portfolio of six **Invenergy** gas-fired projects (PFR, 7/17). ICBC also participated in deals for the **Cheniere Energy** Corpus Christi LNG project in San Patricio County, Texas and the third train at **Freeport LNG** on Quintana Island near Freeport, Texas (PFR, 5/15), (PFR, 4/28).

McKay was most recently a v.p. in corporate and investment banking at **Citibank** in Melbourne, Australia. He left the bank in March after just under five-years. In his former role he covered a wide ranging portfolio including energy commodities and mining, focused on leveraged financing and M&A. McKay's primary specialties are in rating and debt advisory.

Prior to his job at Citibank, McKay was a v.p. at **BNP Paribas** in Sydney where he covered industries including mining and infrastructure. Before that he was a rating analyst in structured finance at **Standard & Poor's** in Melbourne, Australia. ■

Korea Development Bank Expands PF Team

The Korea Development Bank has hired an experienced project finance banker in its New York office as it looks to increase its presence in the Americas.

Alfredo Ramirez started as co-head of project finance in the Americas in KDB's New York office last week. Ramirez is working on originating, structuring and executing project financings in power, infrastructure, mining and oil and gas as part of a three person team formed earlier this year.

Byung Kyoo Ko is head of project finance for KDB in New York and **Sehee Hwang** is v.p., having recently moved from South Korea, where she was part of the bank's Seoul-based project finance team of more than 70 professionals. A further addition to the New York office is slated to be made later this year.

"The strategy is to grow the project finance business in the Americas, and from New York we cover the US, Canada and the major Latin American countries like Mexico, Chile, Peru, Colombia, and Brazil," Ramirez tells *PFR*. "We do not have a specific industry focus, so we're looking at everything for now, including opportunities in power, oil & gas, infrastructure and mining. In the power sector, we are looking at conventional as well as renewable energy."

As low oil prices continue to limit upstream opportunities, the bank is focusing on midstream and downstream assets, Ramirez says. "In the oil and gas sector, we see opportunities in the midstream sector, like for instance in pipelines in Mexico, while in downstream for example we've been financing LNG liquefaction in the U.S.," he adds.

KDB has taken tickets in deals backing three LNG export terminals in the U.S.: **Cheniere Energy**'s Corpus Christi LNG in San Patricio County, Texas (PFR, 5/15), and Sabine Pass LNG project in Cameron Parish, La., and **Freeport LNG** on Quintana Island near Freeport, Texas, (PFR, 4/28).

KDB became a lender to the Sabine Pass LNG project in June, when Cheniere refinanced the project debt with a package of four credit facilities. As part of that deal, KDB provided $400 million towards a $750 million senior secured credit facility under an amended **Korea Trade Insurance Corporation**-backed agreement.

Ramirez was most recently a v.p. in project finance origination at **Mizuho Bank** in New York, where he reported to **Clarence Tong**, senior v.p. and team head in natural resources. It could not be immediately established what Mizuho's plans are for replacing Ramirez.

Prior to his seven and half-years at Mizuho, Ramirez held assistant v.p. positions covering infrastructure and project finance at financial guaranty insurer **Radian Asset Assurance**, which was later acquired by **Assured Guaranty**, and **BNP Paribas** in New York. ■

QUOTE OF THE WEEK

"The U.S. market is long on capital and short on deals. The competitive environment is driving down expected investor returns."

David John Frenkil, managing director of **Centennial Generating Co.**, on a burgeoning interest among private equity players to invest in non-U.S. portfolios.