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Power Finance & Risk

Exclusive Insight on Power M&A and Project Financing

IEnova closes solar deal amid Mexican standstill

Carmen Arroyo

Amid a generalized slowdown in project financing in Mexico and a political environment hostile to renewable energy projects, **Sempra Energy**'s Mexican subsidiary **IEnova** managed to reach financial close on a 376 MW four-project portfolio of solar assets in the country with financing from a club of development finance institutions.

Since May, the Mexican government has put measures in place to limit the development of renewable energy projects and halt the interconnection of those assets to the grid. Although developers have since been able to obtain temporary suspensions of the policies (PFR, 6/30), the legal uncertainty, coupled with the Covid-19 pandemic, has almost completely halted Mexican project PAGE 12»

IEnova Mexico solar portfolio

Project	State	Size	Status	Contract
Prima Solar	Sonora	110 MW	Operational	Contracted with steelmaker Deacero for 20 years.
Rumorosa Solar	Baja California	41 MW	Operational	Contracted in 2016 CENACE auction for 15 years.
Tepezalá Solar	Aguascalientes	100 MW	Operational	Contracted in 2016 CENACE auction for 15 years.
Don Diego Solar	Sonora	125 MW	Under construction	Contracted for half of the output with El Puerto de Liverpool for 15 years.

Source: Power Finance & Risk

Auction underway for Calpine cogen

Taryana Odayar

Calpine Corp has taken first round bids in the auction of a combined-heat-and-power plant, after the sale process was initiated earlier this year.

The asset for sale is the 260 MW Freeport Energy Center, located about 60 miles south of Houston in Freeport, Texas.

The plant is situated within and serves **Dow Chemical Co**'s Freeport industrial complex, which is the largest integrated chemical manufacturing complex in the Western Hemisphere.

BofA Securities and **Guggenheim Securities** are the financial advisers on the auction, which is codenamed Project Watt, according to a confiden- PAGE 5»

Financing closes for largest solar asset in PJM

Shravan Bhat

Developer **sPower** has completed construction financing for its 485 MW Spotsylvania solar project in Virginia – which will be the biggest US solar plant yet developed east of the Rocky Mountains.

HSBC led on the $705 million debt package, which closed on July 14 and was funded on July 15.

The deal comprises:

- $318 million construction-plus-four-year term PAGE 6»

Offshore wind tenders move forward

Taryana Odayar, Richard Metcalf

The states of New York and New Jersey both made multiple-gigawatt offshore wind procurement announcements in the past week, as the sponsors behind previously awarded projects press on through a rough regulatory environment.

The state of New York has announced a 2.5 GW offshore wind tender alongside a simultaneous 1.5 GW onshore renewable energy procurement effort PAGE 8»

IN THIS ISSUE

THE BUZZ

Quid pro coal

Developers of gas-fired and wind projects were united in their fury and dismay last year when Ohio's **House of Representatives** passed House Bill 6 – the state's nuclear and coal bail-out bill. The recent bribery allegations only add fuel to the sense of righteous indignation.

At the center of the criminal case is House Speaker **Larry Householder**, whose non-profit **Generation Now Ohio** allegedly received $60 million in unregulated and unreported donations from **FirstEnergy Solutions** (now **Energy Harbor**) to support the bill, which also weakened renewable energy goals.

Deal watchers have commented privately on the situation in terms that could not possibly be published while the case is still unfolding. **FirstEnergy Corp**, the former parent company of FirstEnergy Solutions, has said it is "reviewing the details of the investigation and [intends] to fully cooperate."

Meanwhile, market participants are attempting to assess the implications. "I'd be shocked if there was not a huge cry for repeal [of the bill], but I suspect the headlines may be oversimplifying the situation," says a project finance banker.

HB6 had a major impact on the prospects for development in Ohio. **LS Power** said it would have to ditch plans for an expansion of its Troy gas-fired project in Luckey, while **sPower** abandoned a 200 MW wind farm in Seneca County earlier this year, saying "wind energy development has become increasingly difficult in the state" (PFR, 7/24/19, 1/22/20).

By coincidence, the Ohio bribery accusations emerged just days after **Commonwealth Edison Co** agreed to pay $200 million to settle separate bribery charges in Illinois.

The most surprising thing – if the accusations are well-founded – is that the big utilities feel the need to go through illicit channels to secure favorable legislation. Why run the risk, when they can achieve much the same effect through massive, legal, publicly disclosed donations and lobbying? ■

PFR Power Finance & Risk

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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	Adviser	Status/Comment
● AltaGas	Pomona (20 MW/80 MWh Storage)	California		Ormat paid $47 million (see story, page 5).
Apex Clean Energy	Angelo (195 MW Solar)	Texas	Fifth Third	Auction launched in June (PFR, 6/22).
	Rivanna (12.5 MW Solar)	Virginia		Investors contacted in March (PFR, 6/22).
Ares Management Corp	Aviator (525 MW Wind)	Texas		Kansai Electric Power Co has agreed to acquire the stake in the asset (PFR, 7/20).
● Blue Light Energy	Portfolio (200 MW Solar)	Chile		Marketing process has not launched (see story, page 11).
BP	Whiting (525 MW Cogen, 80%)	Indiana		Bids were due June 15 (PFR, 6/22).
● Calpine	Freeport (260 MW CHP)	Freeport, Texas	BofA, Guggenheim	Sale process initiated earlier this year (see story, page 1).
Constellation	C&I Solar platform	US	BofA Securities	Auction launched in June (PFR, 7/6)
Community Energy	St Martin (100 MW Solar)	St Martin Parish, Louisiana		The sponsor put out marketing materials in June (PFR, 7/6).
Copenhagen Infrastructure Partners	Greasewood (255 MW Solar)	Pecos County, Texas	CohnReznick	Auction relaunched in June (PFR, 6/15).
Cypress Creek Renewables	Portfolio (35 MW Solar)	North Carolina		The sale was launched in June (PFR, 6/29).
Dominion Energy	Fowler Ridge I (301.3 MW Wind)	Indiana		BP has agreed to buy a 50% stake in the asset (PFR, 7/20).
Ecoplexus	Sage (150 MW Solar)	North Carolina	CCA Group	Second round bids due late July (PFR, 6/22).
First Solar	American Kings (123 MW Solar)	California		Goldman Sachs Renewable Power acquired the asset on June 30 (PFR, 7/20).
GenOn	Heritage (2.4 GW Gas)	PJM Interconnection	Jefferies	Auction launched in June (PFR, 6/15).
Grasshopper Solar	Green Light (150 MW [DC] Solar)	Canada, US	Onpeak	Auction launched in May (PFR, 6/8).
Hecate Energy	Hecate Energy	US	Guggenheim	Teasers were circulated in June (PFR, 7/20).
HPS Investment Partners	Spruce Finance (Solar)	US	Onpeak	Auction launched in May (PFR, 6/1).
Invenergy	Titan 1 (800 MW Solar)	Texas	Marathon Capital	Bids due July/August (PFR, 6/22).
Johnson Development Associates	Pinson (20 MW Solar)	South Carolina	EOS Capital Advisors	Marketing materials distributed in June (PFR, 6/29).
Longroad Energy	Muscle Shoals (227 MW Solar)	Alabama	Fifth Third	The sale to Ørsted closed on July 8 (PFR, 7/20).
Macquarie Capital	Candela Renewables	US	Nomura Greentech	The sponsor has launched the sale process (PFR, 7/20).
NextEra Energy Resources	Project Gila (115 MW Solar)	Texas	Marathon Capital	The sale processes were launched in June (PFR, 7/13).
	Project Rocket City (150 MW Solar)	Alabama		
● Petrobras	Portfolio (578 MW Oil)	Brazil	Goldman Sachs	Teasers issued in May (PFR, 5/18).
	TAG (Pipeline, 10%)	Brazil	Santander	Engie and CDPQ acquired the project (see story, page 11).
	Portfolio (172 MW Gas, Oil, Hydro)	Brazil	Crédit Agricole	Teasers issued in June (PFR, 6/15).
	NTS (Pipeline, 10%)	Brazil	Santander	Petrobras is seeking binding offers (PFR, 7/13).
PNE USE	Chilocco (167 MW Wind)	Kay County, Oklahoma	Marathon Capital	Auction launched in May (PFR, 6/8).
RWE Renewables	Portfolio (861 MW Wind)	US	Marathon Capital	Auction in second round (PFR, 6/8).
SunEast Renewables	Portfolio (275 MW Solar)	New York	Nomura Greentech	The developer has launched the sale (PFR, 7/6).
Terna Energy	Portfolio (138 MW Wind)	Idaho	CCA Group	Innergex Renewable Energy is the buyer (PFR, 7/20).
● Unknown	Unknown (1.2 GW Solar)	Brazil		Brookfield is the buyer (see story, page 11).
● Vision Ridge Partners	Key Capture Energy (Storage)	US	Onpeak	Auction penciled for August (see story, page 5).

● **New or updated listing**

The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed.
To report updates or provide additional information on the status of financings, please call Taryana Odayar at (212) 224 3258 or e-mail taryana.odayar@powerfinancerisk.com

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)	Deal Type	Loan Amount	Tenor	Notes
	Aristos Real Estate	American Industrial Park (8 MW Solar)	El Salvador	IDB Invest	Term loan	$8M	11-yr	The financing has closed (PFR, 7/20).
	Arroyo Energy	El Arrayán (115 MW Wind)	Chile	SMBC, Crédit Agricole	Debt	$140M	7-yr	Closing delayed until August (PFR, 6/8).
	Atlas Renewable Energy	Pimienta (400 MW (DC) Solar)	Campeche, Mexico	DNB, IDB Invest, Bancomext	Private Placement	$200M		Closing is expected by early June (PFR, 5/18).
		Juazeiro (187 MW Solar)	Brazil	IDB Invest	Debt	$90M		Negotiations are underway (PFR, 5/26).
●	Capital Dynamics	Ventura (100 MW/400 MWh Storage)	California	Hana Financial	Debt	$167M	5-yr	Senior debt bears interest at 6.5% (see story, page 6).
	Casa dos Ventos	Ventos Santa Martina 14 (63 MW Wind)	Brazil	BNDES, BNB	Term loan	$38.3M		BNDES has approved the loan (PFR, 7/13).
	Competitive Power Ventures	Three Rivers (1,250 MW Gas)	Grundy County, Illinois	MUFG, BNP Paribas	Construction debt	$750M	7-yr	Deal relaunched on June 16 (PFR, 6/22).
					Ancillary Facilities	$50M		
	Copenhagen Infrastructure Partners	Greasewood (255 MW Solar)	Pecos County, Texas	Bank of America	Tax equity			The financing has closed (PFR, 7/20).
	EDF Renewables	Gunaa Sicarú (252 MW Wind)	Oaxaca, Mexico		Term loan			The developer has received term sheets from banks (PFR, 7/13).
●	Enel Green Power	Lily (146 MW Solar, storage)	Texas	CCA Group (adviser)	Tax equity			Project under construction (see story, page 7).
	EnfraGen	Portfolio (200 MW Distributed Solar)	Chile					The financing is expected to close before the end of the summer (PFR, 4/13).
	Fisterra Energy	Tierra Mojada (875 MW Gas)	Jalisco, Mexico		Bond refinancing			Morgan Stanley is understood to be pursuing the mandate (PFR, 5/4).
	GenOn Energy	Bowline (1,142 MW Gas)	Haverstraw, New York	Jeffereis, Sequoia Investment Management	Term Loan	$105M		The facility closed on June 25 (PFR, 7/20).
					Ancillary Facilities	$4.5M		
		Portfolio (1,570 MW Gas)	California		Refinancing			The sponsor has approached the market (PFR, 7/6).
	Georgia Renewable Power	Portfolio (120 MW Biomass)	Georgia	AMP Capital	Refinancing	$525M	7-yr	The deal closed on June 30 (PFR, 7/20).
	Grupo Ibereólica, GPG	Cabo Leones 2 (204 MW Wind)	Chile	Crédit Agricole	Construction Debt			Cred Ag has won the mandate (PFR, 5/26).
	IEnova, Saavi Energia	Sierra Juárez II (108 MW Wind)	Baja California, Mexico	NADB	Term loan	$170M	21.5-yr	The sponsors are nearing financial close (PFR, 6/29).
				SMBC, Mizuho	Term loan		18-yr	
	Korea Electric Power Co, Sprott Korea	Portfolio (199 MW Solar)	Mexico	SMBC	Term loan	$140M		The deal is expected to close in September (PFR, 7/20).
	Key Capture Energy	Portfolio (1.5 GW Storage)	US		Capital Raise	$400M-$600M		The sponsor is in talks with investment banks (PFR, 5/4).
	Kineticor Resource	Cascade (900 MW Gas)	Yellowhead County, Alberta	ATB, Crédit Agricole, NBC, Nomura,	Capital Raise	$915M		The sponsor has reached out to banks for financing (PFR, 7/20).
	Longroad Energy	Muscle Shoals (227 MW Solar)	Colbert County, Alabama	Wells Fargo	Tax equity			The financing closed on July 8 (PFR, 7/20).
	OPDEnergy	Portfolio (150 MW Wind, Solar)	Chile	SMBC	Debt			Close was expected in June (PFR, 6/8).
●	Recurrent Energy	Maplewood (250 MW Solar)	Pecos County, California	NordLB	Construction debt	$280M		The financing closed on July 8 (PFR, 7/20).
		Pflugerville (144 MW Solar)	Travis County, Texas		Debt, Tax Equity			Deal is expected to close in the next week or two (see story, page 6).
●	Sempra (IEnova)	Portfolio (376 MW Solar)	Mexico	NADB, IFC, DFC, JICA	Debt	$541M	15-yr	Deal closed June 10 (see story, page 1).
●	sPower	Spotsylvania (485 MW Solar)	Spotsylvania County, Virginia	HSBC (lead), Caixa, CIBC, Citi, Cred Ag, Helaba, NBC, Sabadell, SocGen	Construction debt	$318M	C+4-yr	$705M deal closed on July 14 and was funded on July 15 (see story, page 1).
					Letter of Credit	$62M		
					Tax equity bridge	$325M		
	Sunenergy1	Portfolio (100 MW Solar)	US	CIT, ING Capital	Construction Debt			Financing close is months away (PFR, 5/26).
	Sunrun	Portfolio (Resi Solar)	US	Investec, Silicon Valley Bank	Term loan	$270M	7-yr	Commitments were due the week of July 13 (PFR, 7/20).

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Advisers appointed in storage platform sale

Battery storage developer and independent power producer **Key Capture Energy** has appointed advisers as it explores a formal sale process.

The company has been in discussions with investment banks since April to run what deal watchers had previously hailed "the biggest storage deal of the year" (PFR, 4/27).

OnPeak Capital has since won the financial advisory mandate, while **Sidley Austin** has been retained as transaction counsel.

The formal sale process is slated to launch by the end of August.

Likely buyers include large infrastructure funds, says a source. Strategic investors like utilities may also be interested in the company as they seek to bridge the transition from thermal to renewable energy.

Key Capture's existing investors include Boulder, Colorado-based venture capital firm **Vision Ridge Partners**.

The company expects to have capital expenditure requirements of between $800 million and $1 billion over the next three years.

In May, it brought online two standalone 9.9 MW battery projects in Texas: KCE TX 2 on the Gulf Coast and KCE TX 8 in West Texas.

A third 9.9 MW unit called KCE TX 7 is currently under construction in West Texas. ■

Ormat acquires operational battery

Ormat Technologies has completed its acquisition of a battery energy storage project with a four-year operational history in California from **AltaGas**.

Ormat paid $47 million for the 20 MW/80 MWh Pomona facility, which is almost four years into a 10-year resource adequacy contract with **Southern California Edison**. The project sells its energy into the Caiso wholesale market.

AltaGas and Ormat signed the deal in the first quarter of the year (PFR, 3/17).

Ormat, which started life as a geothermal developer, already owns energy storage projects in New Jersey, New England and Texas.

"Ormat continues to expand its presence and capabilities in the energy storage market, one of the most rapidly growing parts of the energy sector," said **Doron Blachar**, CEO of Ormat. "This acquisition is an important addition to our energy storage segment, and it strengthens our activity in the California market, which is the largest and most attractive market in the US for renewables in general and for energy storage in particular." ■

Auction underway for Calpine cogen

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tial information memorandum seen by *PFR*.

Running point for BofA are managing director and co-head of global natural resources **Ray Wood** and managing director **Michael Dunne**, and for Guggenheim senior managing director **Gary Rygh** and managing director **Allen Otto**.

CONTRACTS

Dow takes the project's power and steam under a 'hell or high water' fixed payment capacity contract, which is due to expire in 2042 but comes with two five-year extension options. The contract provides Calpine with 50 MW of reserved capacity to sell into Ercot at a contractual heat rate of 5,400 Btu/kWh.

The monthly capacity payment from Dow is about $2.1 million until the first possible renewal date, and the project is expected to receive more than $9 million in other contracted cost reimbursements from Dow annually through April 2032.

The capacity payments step down for each of the renewal periods, increasing the likelihood that Dow will exercise the extension options.

The contract also provides Dow with the option of buying the asset outright, and includes a put option should Dow default or in the case of a *force majeure* event.

Dow operates the plant, supplies its natural gas and oversees day-to-day operations and maintenance, while Calpine performs major maintenance.

The plant has a "deep-in-the-money position" given its position on the Ercot supply curve, with a highly competitive marginal cost, according to the CIM.

Grid operator **Ercot** projects that more than 25 GW of renewable resources will be added to the market between 2020 and 2022, potentially driving up the reserve margin from 8.6% in 2019 to 19.7% by 2022 and reducing opportunities to benefit from scarcity pricing. However, the CIM for the Freeport Energy Center notes that market commentators expect lower reserve margins compared to these estimates, citing a market report published by **Leidos**.

FINANCING

The Freeport plant was originally financed together with Calpine's 375 MW Mankato gas-fired project in Minnesota in a 2005 deal known as Steamboat Holdings, which picked up a *PFR* Deal of the Year Award (PFR, 5/19/06).

The Steamboat portfolio has been refinanced several times since then. The biggest change came with the most recent refinancing, in 2016. Calpine had sold the Mankato asset to **Southern Power** (PFR, 7/1/16), triggering the repayment of $243 million of the debt.

However, the independent power producer replaced the project in the collateral package with another cogeneration plant, the 720 MW Morgan Energy Center, which it had recently recontracted. As a result, Calpine was able to add $20 million to its Steamboat financing vehicle overall, net of the repayment it had made because of the sale of Mankato.

This refinancing also extended the maturity of the debt to November 2025. There was $351 million outstanding under the Steamboat loan at the end of 2019, according to Calpine's last 10-K report.

The Freeport plant is fitted with a **Siemens** combustion turbine, a **Nooter/ Erikson** heat recovery steam generator, a **Toshiba** steam turbine and **Rentech** auxiliary boilers. ■

● NORTH AMERICA PROJECT FINANCE

Financing takes shape for Recurrent's next Texas solar project

The debt financing for **Recurrent Energy**'s next solar project in Texas is expected to close in the following week or two.

The 144 MW Pflugerville project, in Travis County, will be financed with a construction-plus-five-year bank loan alongside tax equity, says a person familiar with the deal.

The project has a 15-year power purchase agreement with **Austin Energy** and is due to be online by the end of the year. The PPA was signed in 2018 (PFR, 11/15/18).

Recurrent was previously in talks to sell the project to Italy's **Falck Renewables**, but decided to go ahead with the financing itself after failing to reach a binding sale agreement (PFR, 5/27).

Pflugerville will be the second Texas solar project to be financed by Recurrent in quick succession.

The **Canadian Solar** subsidiary announced the financing of its Maplewood 1 and 2 projects on July 21. The deal closed on July 8, as reported by *PFR* on July 14 (PFR, 7/14). ■

CapDyn structures storage financing

Capital Dynamics has put together a debt package to fund construction of its 100 MW/400MWh Ventura standalone battery storage facility in Oxnard, California.

Hana Financial has provided $167 million in debt, spread across $117 million in five-year senior notes and a $50 million holdco loan.

The senior debt bears interest at 6.5%, according to deal watchers.

Legal advisers were:
- ◆ **Norton Rose** – lender's counsel
- ◆ **Amis, Patel & Brewer** – borrower's counsel

PFR had reported that CapDyn were in talks with South Korean investors earlier this summer (PFR, 5/28).

Strata Solar developed the Ventura asset before agreeing to sell it to CapDyn in May (PFR, 5/15).

Southern California Edison awarded Ventura a 20-year capacity contract in April 2019 (PFR, 5/12). ■

Financing closes for largest solar asset in PJM

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loan
- ◆ $62 million letter of credit
- ◆ $325 million tax equity bridge loan

Wells Fargo provided the tax equity commitment in the spring (PFR, 4/17).

Legal advisers were:
- ◆ **Sheppard Mullins** – borrower's counsel
- ◆ **Milbank** – lenders' counsel
- ◆ **Wilson Sonsini** – tax equity counsel

ROLLING WITH THE PUNCHES

The Spotsylvania project, located in the county of the same name, comprises four phases, all of which are due to be online by next summer.

The developer and its financial adviser, **CohnReznick Capital**, have been plotting the financing for around three years.

HSBC had initially been tapped as sole underwriter, but as the Covid-19 pandemic threw global financial markets into turmoil, sponsor and arranger had to adapt quickly to get the deal done.

They reached out to 15 banks, around 10 of which were interested in the transaction. Ultimately, eight lenders were brought on board over the course of the following eight weeks, most of them taking $75 million tickets.

The lenders are:
- ◆ **CaixaBank**
- ◆ **CIBC**
- ◆ **Citi**
- ◆ **Crédit Agricole**
- ◆ **Helaba**
- ◆ **National Bank of Canada**
- ◆ **Société Générale**
- ◆ **Banco Sabadell**

In order to persuade the lenders to size the debt to include substantial merchant cash flows amid an already uncertain PJM Interconnection capacity market, the term loan includes several cash sweeps pegged to production and capacity price levels, says a person familiar with the deal.

The pricing is 50 bp to 70 bp inside comparable deals in PJM, which have been closing at between 237.5 bp and 275 bp, says another deal watcher.

SERVER SUPPLIER

Spotsylvania is sPower's largest project to date and the largest single-asset financing in the company's history. The solar complex's four sub-projects each have their own offtake arrangements, all with 15-year terms, the largest of which supports a **Microsoft Corp** data center.

The four sub-projects are:
- ◆ Pleinmont 1 & 2 – 300 MW
- ◆ Highlander – 165 MW
- ◆ Richmond Spider – 20 MW

The two Pleinmont phases are contracted with Microsoft under an innovative virtual power purchase agreement, structured as a proxy revenue swap backed by an undisclosed reinsurance company (PFR, 3/22/18). The contract was masterminded by **Kenneth Davies**, Microsoft's former director of energy portfolio management, who left the company last year (PFR, 7/8/19).

Apple, **Akamai** and **Etsy**, meanwhile, will purchase the output of the Highlander phase under a more traditional virtual PPA (PFR, 8/7/18).

University of Richmond is the offtaker for the Richmond Spider portion of the project.

NIMBYS

Notably, two of the project's offtakers, Apple and Microsoft, are competitors of each other. This was just one of the hurdles sPower had to navigate.

The complex is spread across some 6,350 acres of logging land, and affluent local residents had opposed it, citing a supposed threat to the value of their property. The project's special use permit was hanging in the balance toward the end of 2018 and early 2019, but was finally granted in April 2019.

"It has been a long road to get here, but we are excited to be under construction and look forward to continued growth and partnership in Virginia," sPower's CFO **David Shipley** said in an announcement on April 17. ■

NORTH AMERICA PROJECT FINANCE

NV Energy unveils transmission line plan

NV Energy has revealed plans to develop a 586 mile two-phase transmission line project in Nevada between Ely and Las Vegas by 2031.

The transmission line is designed to encourage the development of renewable energy resources in the state, improve electric reliability and support economic growth in the area, including at Innovation Park, a smart city development proposed by cryptocurrency millionaire **Jeffrey Berns**.

It is also expected to help NV Energy meet Nevada's new 50% renewable portfolio standard, which was introduced last year.

Dubbed Greenlink Nevada, the transmission line project is split into two main sections:

- Greenlink North – a 235 mile line stretching from Ely to Yerington
- Greenlink West – a 351 mile line from Las Vegas to Yerington

Both of these major transmission lines will be 525 kV.

The plan also involves three smaller 345 kV lines emanating from Yerington to connect the project to the Reno and Innovation Park areas.

"Greenlink Nevada is essential to unlocking Nevada's clean energy potential and meeting Nevada's renewable and de-carbonization goals by providing access to new in-state solar and geothermal resources and creating opportunities to maximize renewable resource opportunities across the west," said **Doug Cannon**, president and CEO of NV Energy.

Construction is expected to begin this year. ■

Enel hunts tax equity for solar-plus-storage

Enel Green Power North America has appointed a financial adviser to source tax equity for its first US solar-plus-storage project.

The Italian energy conglomerate has retained longtime adviser **CCA Group** to secure the financing for its 146 MW Lily project in Kaufman County, Texas, which will include a 50 MW/75 MWh battery storage component.

Enel acquired the project from **Red River Renewable Energy**, a joint venture between **Sun Chase Power** and **MAP Energy**. Construction has already begun and the project is expected to be online next summer.

Enel plans to install around 1 GW of battery storage capacity across its new and existing wind and solar projects in the US over the next two years, according to a July 21 announcement. ■

"What are the odds?"

PPA PULSE

PPA Pulse: EDF, Koreans hit jackpot in Nevada

EDF Renewables and a joint venture between **174 Power Global** and **KOMIPO America** have each won a power purchase agreement from **NV Energy** for a solar-plus-storage project in Clark County, Nevada.

EDF won a 22-year PPA for its 200 MW Chuckwalla project in the Moapa River Indian Reservation. It comes with a 180 MW four-hour battery system.

174 Power and KOMIPO, meanwhile, won a 12-year PPA for the 128 MW Boulder Solar III project, which they acquired from **SunPower Corp** in 2018 (PFR, 9/26/18). Boulder Solar III includes a 58 MW four-hour battery system.

INDIANA MILESTONES

NiSource's **Northern Indiana Public Service Co** has signed 20-year PPAs with a pair of solar projects totaling 300 MW being developed by **NextEra Energy Resources** in central Indiana.

The projects are the 200 MW Brickyard project in Boone County and the 100 MW Greensboro project in Henry County.

SUNSHINE RATE

Origis Energy USA has secured a PPA for its 50 MW FL Solar 6 projcet in Alachua County, Florida.

Gainesville Regional Utilities will purchase the output of the project, which comes with a 12 MW/24 MWh battery storage component, for around $32/MWh over 20 years, with two five-year extension options.

SOLAR-POWERED SEMICONDUCTORS

Apex Clean Energy has unveiled **Applied Materials** as the latest offtaker for its 500 MW White Mesa wind farm in Crockett County, Texas.

The semiconductor company has agreed to buy 50 MW from the project, whose other offtakers are **Apple**, **eBay**, **Sprint**, **Samsung Austin Semiconductor** and **Baker Hughes**.

OREGON TALE

Avangrid Renewables has inked a PPA with **Puget Sound Energy** for the 201 MW first phase of its 400 MW Golden Hills project in Sherman County, Oregon.

More PPA news online. ■

● PPA PULSE

Offshore wind tenders move forward amid regulatory headwinds

« FROM PAGE 1

by two state agencies, which together represent the largest ever combined solicitations for renewable energy in the US.

The offshore wind procurement is the second by the **New York State Research and Development Authority** (Nyserda), and was authorized by a Public Service Commission order issued on April 23.

Meanwhile, the **New Jersey Board of Public Utilities** has issued draft guidance for its second offshore wind solicitaiton, through which it intends to procure up to 2.4 GW.

HEADWINDS

Initiatives led by states such as Massachusetts, New Jersey and New York have supported the growth of a troop of US offshore wind investors in recent years, most of which are joint ventures between two companies.

However, surprising regulatory developments last year have stretched the development timelines of projects that have already been awarded contracts, dampening enthusiasm for the sector in some quarters.

Vineyard Wind, a joint venture between **Copenhagen Infrastructure Partners** and **Avangrid Renewables**, found success in an earlier offshore wind tender held by the state of Massachusetts.

Its 800 MW project was ready to be financed with debt and tax equity last summer (PFR, 8/21/19) but was delayed by an unexpected supplemental environmental study.

BOEM completed this study on June 12 and a final environmental impact statement is expected in November, with approval due to follow in December, according to Avangrid's July 22 earnings results presentation.

During a call with analysts to disucss the results, **Bank of America** analyst **Julien Dumoulin-Smith** suggested that Avangrid might be considering increasing its stake in the project.

"We have put a lot of energy into it, and we think that it will be a very successful project," responded **Alejandro de Hoz**, president and CEO of Avangrid. "We cannot comment on the reasons why CIP might have opportunities of divesting in the project. Actually, these kind of discussions on ownership are really not unusual in the offshore wind industry."

A source close to the Vineyard project said that, as a fund manager, CIP would always consider whether it made sense to sell down its interests, adding: "I don't think there is any current intention of doing so."

JOIN THE CLUB

Despite additional regulatory hurdles cropping up, the group of investors considering US offshore wind continues to expand.

One newly formed joint venture that could participate in the forthcoming New York and New Jersey tenders is **Ocean Winds**, a 50:50 partnership between France's **Engie** and **EDP Renováveis**, the Madrid-based development subsidiary of Portugal's **EDP**.

Ocean Winds will focus primarily on Europe, the US and "selected geographies in Asia," according to a statement announcing the agreement. The two companies had signed a memorandum of understanding back in May 2019 (PFR, 5/21/19).

PORT PARTNERSHIPS

Projects submitted in the recently launched New York tender can range in size between 400 MW to the full 2.5 GW and – in a novel move – must also include plans to support port development.

Under this requirement, developers of winning projects must partner with any of 11 prequalified New York ports, which are located across the state from Long Island in the south to the Port of Albany on the Hudson River in the upstate capital region.

Funds for the port investments will include $200 million in public funds and $200 million from private investors.

The timeline for the solicitation includes an online conference for bidders on August 12 followed by a September 23 deadline for notices of intent to propose and an October 20 deadline for the submission of proposals.

Proposals will be evaluated based on:

- price considerations (70% weighting)
- economic benefits to New Yorkers (20%)
- viability (10%)

Nyserda plans to notify award winners and execute contracts in the fourth quarter.

"During one of the most challenging years New York has ever faced, we remain laser-focused on implementing our nation-leading climate plan and growing our clean energy economy, not only to bring significant economic benefits and jobs to the state, but to quickly attack climate change at its source by reducing our emissions," said Governor **Andrew Cuomo** (D), in a statement. The solicitation advances Cuomo's target of developing 9 GW of offshore wind by 2035 and builds on last year's procurement, which saw nearly 1.7 GW awarded.

The contracts were awarded to the 816 MW Empire Wind project being developed by Norway's **Equinor**, and the 880 MW Sunrise Wind project, which is a joint venture between Denmark's **Ørsted** and New England utility holding company **Eversource Energy** (PFR, 7/18/19).

Other sponsors that participated in the tender were **EDF Renewables North America** and **Shell New Energies US** with their jointly-proposed Atlantic Shores project; and Vineyard Wind.

GARDEN STATE

New Jersey's first offshore wind solicitation took place in 2019 and resulted in a contract for **Ørsted US Offshore Wind**'s 1.1 GW Ocean Wind project, 15 miles off the coast of Atlantic City. **PSEG** is expected to own a 25% stake in this project, pending joint venture negotiations.

The BPU intends to accept applications for its second process in December 2020 with a final decision on projects totaling between 1.2 GW and 2.4 GW due in June 2021.

New Jersey, however, appears to be keeping efforts to develop its port infrastructure separate, having announced a potential P3 project to develop a New Jersey Wind Port on an artificial island on the eastern shores of the Delaware River, south west of the City of Salem, in June.

JOINT TENDER

Back in New York, meanwhile, Nyserda and the **New York Power Authority** (NYPA) have also launched the largest coordinated solicitation for onshore renewable projects in the country, calling for over 1.5 GW of renewable energy.

For the first time, the Nyserda solicitation will allow proposers to utilize the Index REC contract structure, providing them with more flexibility to adapt to their financing and operational needs. Winning developers will be notified in early 2021. ■

PPA PULSE

Hawaii PUC nixes HELCO biomass PPA

The **Hawaii Public Utilities Commission** has nixed **Hawaii Electric Co**'s (HELCO) amended power purchase agreement for the output of **Honua Ola**'s under-construction 21.5 MW Hu Honua biomass plant.

Located in Pepeekeo, on Hawai'i Island, the wood-burning Hu Honua plant is meant to come online later this year.

However, the Hawaii PUC's July 9 order denies a request from HELCO to allow the project to skip a competitive bidding process and contract with HELCO directly, under the terms of an amended PPA it signed with the project in May 2017.

The decision essentially negates the PUC's previous approvals of the HELCO PPA, throwing the future of the project into serious doubt.

"The Commission observes that this is the third time it has addressed the issue of whether to grant HELCO's request for waiver from the Framework for the Hu Honua Project," wrote the Commission in its order. "HELCO's recent competitive solicitations have been successful in procuring multiple large-scale renewable energy projects cost-effectively, such that HELCO's requested waiver is not in the public interest."

"At $0.08-0.09/kWh, the approved AES Waikoloa Solar and Hale Kuawehi projects are less than half of the Hu Honua Project's effective levelized price estimate of $0.221/kWh"

HELCO recently selected 16 solar-plus-storage and standalone storage projects after receiving more than 75 bids in response to a 900 MW request for proposals launched last August (PFR, 6/3, 5/12). The projects total 460 MW and have a storage capacity of 3 GWh and are located on O'ahu, Maui and Hawai'i Island.

Hu Honua, however, has sought to skirt the bidding process, which the PUC says does not serve the public interest, since Hu Honua's PPA is more expensive than those secured for other renewable plants.

"At $0.08-0.09/kWh, the approved **AES** Waikoloa Solar and Hale Kuawehi projects are less than half of the Hu Honua Project's effective levelized price estimate of $0.221/kWh," said the Commission.

Honua Ola's president, **Warren Lee**, who is also a former president of HELCO, took issue with the Commission's comparison of energy prices between solar and biomass plants.

"Energy pricing is energy pricing," said Lee on July 10 (Hawaii Tribune-Herald, 7/10). "But what I think they didn't say fully is that we are firm power, 24/7. [Solar power] is not 24/7. So it's apples and oranges, or Fuji apples and Washington apples."

The Commission also pointed out that since the project has missed its 2018 in-service target to qualify for the federal ITC, it is unlikely that it will be able to recover the credits on the basis of continuous construction or other circumstances, making a waiver request on the basis of claiming the credits also unjustified.

Honua Ola said it was "disappointed" by the PUC's decision, having already invested $350 million in building the facility. A notice posted to the company's website claims that 64 Hu Honua employees and contractors are at risk of imminent layoffs due to the decision to terminate its PPA, along with an additional 145 positions that were expected to be filled. ■

RESTRUCTURING

California CCGT, carbon capture project caught up in restructuring

Fluor was recently awarded a front-end engineering and design contract for a carbon capture project at the Elk Hills combined-cycle gas-fired plant in California, which is embroiled in oil and gas exploration company **California Resources Corp**'s (CRC) Chapter 11 restructuring process.

CRC filed for Chapter 11 bankruptcy protection in Texas on July 15. Law firms **Vinson & Elkins** and **Sullivan & Cromwell** are advising the company.

As part of the restructuring, **Ares Management** has agreed to exchange its investments in the 500 MW Elk Hills CCGT for equity in the reorganized CRC as well as new notes. Ares invested $750 million in the CCGT as well as a cryogenic gas facility and related assets through a combination of common and preferred stock in 2018.

Located in Bakersfield, the Elk Hills project has been online since 2003. CRC – then part of **Occidental Petroleum** – agreed to take full ownership of the plant in 2010 (PFR, 11/29/10).

The location of the project on CRC's Elk Hills oil field makes it especially suitable for carbon capture and sequestration with enhanced oil recovery.

One third of the power project's output supplies CRC's oil field operations, while the remainder is sold to a local utility through December 2023.

Elk Hills was one of a handful of gas-fired plants for which the US **Department of Energy** (DOE) invested in FEED studies for carbon capture toward the end of last year (PFR, 7/2). The DOE funds are being provided in collaboration with the **Electric Power Research Institute**. **OGCI Climate Investments** is also investing in the project, which is known as Cal Capture.

The scope of Fluor's work is to provide engineering services as licensor for the plant's process unit and utility systems, which will use its proprietary Econamine FG Plus carbon capture technology, which removes carbon dioxide from flue gas streams.

Cal Capture is being touted as California's first carbon capture and sequestration system. ■

CASE STUDY

Case Study: Cabo Leones I refinancing, Chile

EDF Renewables and **Grupo Ibereólica** overcame obstacles and delays caused by the Covid-19 pandemic to reach financial close on the refinancing and expansion of a jointly-owned operational wind project in Chile in June – albeit not in the form the deal was initially expected to take.

The 492.25 MW three-project Cabo Leones wind complex in the Atacama region has been in the works since 2015, when original developer Ibereólica won power purchase agreements for the first phase, Cabo Leones I, in a government-run renewable energy auction.

Since then, the assets – two of which have already been financed – have faced a string of hurdles, such as infraction notices from Chile's environmental regulator, the **SuperIntendencia del Medio Ambiente** (SMA); instability caused by widespread protests in October 2019; and bank liquidity issues due to the pandemic.

The 115 MW first phase was originally financed in 2016 and is so far the only operational part of the complex. The 204 MW second phase is in the process of being financed, while the 175.25 MW third portion has already been financed and is expected to begin operations this year.

REFI AND EXPANSION

The Cabo Leones I wind farm was brought online in the Freirina commune in 2017, after being financed by a club of banks the previous year. By 2019, the sponsors were ready to reach out to banks for proposals to refinance the project and raise funds for an expansion.

The proceeds would be used not only to pay back the original loan but also to fund the addition of 60 MW at a cost of around $50 million, bringing Cabo Leones I's total capacity to 175 MW – and that of the entire Cabo Leones complex to 552.25 MW (PFR, 7/1).

While the existing portion of the project serves 25 distribution companies (discos) under the government-awarded PPA from 2015, the additional capacity will serve a separate, privately negotiated PPA with a single utility.

Projects selling their output to the discos have had problems in the past, as they supply a variable output at a fixed price. If demand from the discos falls, contracted projects must sell surplus energy into the spot market.

On top of that, a power price freeze implemented in response to protests in October 2019 directly impacted the PPA contracts. As a result of the policy, which will be in place until December, revenues under PPAs with discos will be deferred for two years (PFR, 11/06/19).

Against this backdrop, **DNB** won the mandate to structure the debt package to refinance Cabo Leones I in January 2020.

The Norwegian bank had also participated in the initial financing for the project four years ago, alongside **Crédit Agricole** and **Sumitomo Mitsui Banking Corp**. The three institutions provided a $140 million loan for the roughly $200 million project in a deal that closed in November 2016 (PFR, 11/22/16).

The refinancing process began in late February 2020, at a time when the project finance landscape looked very different.

Initially, DNB had planned to underwrite the loan before syndicating it out, but the pandemic threw these plans into turmoil. The crisis restricted the amount of debt that the bank was willing to commit to the project, so in May, DNB brought in two other banks – Spain's **Caixabank** and **Instituto de Crédito Oficial** (ICO) – to arrange the financing as a club deal.

The refinancing comprised a $210 million 18-year term loan and $19 million letter of credit with the same tenor. DNB provided the largest ticket, followed by ICO.

Even after the club was assembled, the COVID-19 crisis caused further delays, says **Frank McCabe**, an associate at **Linklaters** in New York, which advised the sponsors on the deal. "It delayed the transaction with respect to underwriting the loan and the lenders' credit committees approving the final deal," he explains.

Meanwhile, construction of the expansion began, slightly ahead of financial close, in June, says a source close to the deal. The project is being fitted with an additional 12 **Siemens Gamesa** wind turbines, matching the existing Gamesa equipment.

Having undergone a prolonged period of scrutiny, the refinancing closed successfully on June 25, with the disbursement of funds taking place in the same week.

"This financing contributes to consolidate the Cabo Leones I wind farm as one of the largest wind projects in Chile," said **Gregorio Álvarez**, president at Grupo Ibereólica Renovables, in a statement on July 20.

The advisers included:

- Linklaters – sponsors' counsel (international)
- **Philippi Prietocarrizosa Ferrero DU & Uria** – sponsors' counsel (local)
- **Milbank** – lenders' counsel (international)
- **Morales y Besa** – lenders' counsel (local)

PHASES II AND III

The other two phases of the Cabo Leones portfolio have also had a bumpy ride. Given the large size of the overall complex, Chile's environmental regulator, the SMA, took action against the whole project on January 2, 2019, alleging the sponsors had broken it up into five portions to improperly speed up the permitting process.

The allegation brought the financing process for Cabo Leones III (chronologically the second to be financed) to a pause for a few months until Ibereólica managed to lift the sanctions with the assistance of Chilean law firm **Moreno, Sáez & Avilés Abogados**.

The financing for the 173.25 MW Cabo Leones III project – which is solely owned by Ibereólica – moved forward in the spring of 2019 and came to a close on June 6 of that year.

This time, SMBC and **Santander** arranged the $110.8 million financing, which comprised a $93.7 million senior term loan, $4.4 million in letters of credit, and a $12.7 million VAT facility (PFR, 6/27).

Linklaters and Morales & Besa advised the lenders on that deal, with **Squire Patton Boggs** and Philippi Prietocarrizosa Ferrero DU & Uria assisting the sponsor.

This project was expected to start operations in mid-2020, but it has not yet been brought online.

For the final phase of the complex, the 204 MW Cabo Leones II wind farm, Ibereólica has partnered with **Global Power Generation** (GPG), a 75:25 joint venture between **Naturgy Energy Group** and **Kuwait Investment Authority**. GPG owns a 51% stake in the project, with Ibereólica holding the remaining interest.

The $363 million project is in the process of being financed, with Crédit Agricole acting as financial adviser to the sponsors on the debt package.

The Cabo Leones II project has a 20-year power purchase agreement won during the 2016 renewable auction, with a 24-hour supply clause. ■

Chilean developer to market solar portfolio

Chilean developer **Blue Light Energy** is working on 13 small-scale solar assets in Chile, which it expects to sell once the projects are ready to build.

The assets will qualify under the PMGD (*Pequeños Medios de Generación Distribuida*) distributed generation scheme and will have capacities of between 3 MW and 9 MW each. In total, the PMGD portfolio will have a size of 200 MW.

The assets will be ready to build between December of this year and early 2021. Once the sponsor secures the permits needed, it will start marketing the assets to potential investors.

At the moment, the projects are at different stages of development, says the company's founder **Victor Bravo** in Santiago.

Two of the units are:

- 9 MW – Las Piedras in Coquimbo
- 9 MW – El Triunfo in Valparaiso (PFR, 7/2)

Chile's PMGD distributed generation scheme is limited to projects up to 9 MW in size and confers benefits, including stabilized prices and avoidance of trunk transmission tolls (PFR, 1/26/18).

However, the program is expected to face regulatory changes shortly that will change how the prices are calculated (PFR, 3/23).

The portfolio is part of the sponsor's solar pipeline, which also includes two utility-scale assets. ■

Petrobras sells TAG to Engie and CDPQ

Petrobras has sold its remaining 10% stake in the Transportadora Associada de Gás (TAG) pipeline network to **Engie** and **Caisse de dépôt et placement du Québec** – the same consortium that already owns the other 90%.

As a result, the final shareholder composition of the pipeline asset will be:

- **Engie Brasil Energia** (32.5%)
- **GDF International** (32.5%)
- CDPQ (35%)

GDF International is a wholly-owned subsidiary of Engie.

The 10% stake was valued at a little over R$1 billion ($187.57 million).

The consortium acquired its prior 90% stake in the pipeline system in 2019 for around R$31.5 billion ($8.6 billion at the time). Since then, TAG's debt has increased from R$2 billion to R$23 billion.

Signing, closing and disbursement of the payment occurred simultaneously on July 20.

Advisers were:

- **Stocche & Forbes** – counsel to the buyers
- **Tauil & Chequer** – counsel to CDPQ
- **Mayer Brown** – counsel to CDPQ
- **Machado Meyer** – seller's counsel
- **Santander** – sell-side financial adviser ■

Castlelake to invest in Brazilian renewables

US-based asset manager **Castlelake** plans to invest up to R$5 billion ($926.8 million) in renewables in Brazil over the next five years through newly founded Brazilian subsidiary **Ibitu Energia**.

Ibitu will control assets bought through the acquisition of the power generation unit of Brazilian construction company **Queiroz Galvão**.

With the acquisition, Ibitu's portfolio spans 832 MW of installed capacity.

The business' expansion plans include both greenfield and brownfield project acquisitions.

Queiroz Galvão's business had been implicated in the corruption scandal related to the Lava Jato investigations.

This is not the first time Castlelake has invested in Brazil's renewable sector. Through **Vientos Energy** it has acquired two solar projects (PFR, 3/25).

Castlelake, which is owned by private equity fund manager **Lone Star**, is also involved in **Odebrecht**'s judicial restructuring. ■

Brookfield buys 1.2 GW of solar in Brazil

Brookfield Renewable Partners has entered into a binding agreement to acquire a 1,200 MW solar project that is in "advanced development."

Brookfield announced that the unidentified project is targeted for completion in early 2023.

The total equity required to complete the project is expected to be $200 million. Roughly 75% of the power is already contracted under long-term inflation-linked power purchase agreements, and Brookfield intends to contract the remaining capacity.

"This acquisition represents a unique opportunity to invest in one of the largest solar development projects globally"

"This acquisition represents a unique opportunity to invest in one of the largest solar development projects globally," said **Sachin Shah**, chief executive of Brookfield Renewable. "This investment aligns with our ongoing strategy of acquiring late-stage development projects at attractive valuations and leveraging our construction and energy marketing capabilities and longstanding experience to achieve attractive returns."

The company did not disclose additional details on the project or the seller. The transaction is expected to close in Q4 2020.

This is the second acquisition of solar projects by Brookfield in Brazil. The company bought a 278 MW development-stage solar portfolio in January from a subsidiary of engineering company **Steelcons** (PFR, 1/28). ■

LATIN AMERICA PROJECT FINANCE

IEnova closes solar deal amid Mexican standstill

« FROM PAGE 1 finance activity, according to financiers in New York.

"No one is looking at new projects, they are evaluating what they already have," says one, adding that M&A processes are also scarce. "It is impossible to finance anything in this environment."

Even the prospects for short-term construction loans to support combined-cycle gas-fired projects to be developed under Mexico's *Obra Pública Financiada* scheme have evaporated, after the state-owned utility **Comisión Federal de Electricidad** canceled the tenders on July 15 (see story, page 13).

In their place, CFE has announced new contracts to buy coal from local producers to increase generation from its coal-fired fleet (see story, below).

Despite the bleak environment, IEnova was able to close the $541 million 15-year debt package for its solar portfolio on June 10. The deal was divided into four tranches as follows:

- $100 million – **North American Development Bank**
- $100 million – **International Finance Corp**
- $241 million – **U.S. International Development Finance Corporation** (DFC)
- $100 million – **Japan International Cooperation Agency** (JICA)

The proceeds have already been disbursed, says an IEnova spokesperson in Mexico City.

The financing has been in the works since April of last year, when the sponsor attempted to raise $395 million from development banks for the portfolio (PFR, 4/18).

> **"No one is looking at new projects, they are evaluating what they already have. It is impossible to finance anything in this environment."**

The IFC and NADB agreed to provide a combined $200 million in November, though NADB's $100 million portion was earmarked for just one of the projects – the 125 MW Don Diego solar asset in Sonora (PFR, 11/20/19).

JICA and DFC joined the financing in March of this year. JICA's portion, representing its first-ever green loan, was inked on March 2, while DFC's debt package was approved on March 13.

Legal advisers included:

- **Allen & Overy**
- **Latham & Watkins**
- **Gonzalo Calvillo**
- **Ritch Mueller**

Besides the Don Diego project, the portfolio comprises the 119 MW Prima project in Sonora, the 41 MW Rumorosa project in Baja California and the 100 MW Tepezalá project in Aguascalientes.

The projects have a range of offtakers, including non-utilities and CFE (see table, page 1).

The sponsor also signed several PPAs last fall for a 150 MW fifth project called Border Solar in Juárez, Chihuahua. The three offtakers for Border Solar are packaging company **Envases Universales de México** and retailers **Comercializadora Círculo CCK** and **El Puerto de Liverpool**. The $160 million Border Solar project is expected to be brought online by late 2020 (PFR, 10/10/19).

Another IEnova-owned project, the 108 MW Sierra Juárez II wind farm in Baja California, is also said to be nearing financial close. The project is a joint venture with **Saavi Energia** and is being financed by NADB, **Mizuho** and **Sumitomo Mitsui Banking Corp** (PFR, 6/24).

Industry insiders wary of Mexico's coal plans

Mexico's **Comisión Federal de Electricidad** (CFE) is set to acquire Ps2 billion ($90 million) worth of coal to operate two coal-fired plants in the country – an effort that deal watchers see as a part of the administration's strategy to maintain state-owned CFE's dominance in the power sector.

The 2 million tons of coal CFE is acquiring will supply the 1.4 GW Rio Escondido plant and the 1.2 GW Carbon II facility both in the state of Coahuila de Zaragoza. Both plants are owned by CFE.

The coal will be purchased from 75 small and medium-sized coal producers in the region through directly awarded 18-month contracts that will run until December 2021.

Mexico's coal-fired plants produced 9.46% of the country's power in 2019. But this year, they are yielding 7.3%, in part due to the drop in demand caused by the Covid pandemic.

The coal-fired facilities will not inject more power to the grid for now but will help stabilize it, said CFE representative **Miguel Alejandro López** in a press conference on July 14. CFE has argued in the past that the grid's stability was at risk as a result of the pandemic and the intermittency of renewables.

An official at a developer in Mexico City, however, is skeptical. "The long-term idea is to increase [coal-fired] generation," he says, arguing that CFE would benefit from it.

A second deal watcher in Mexico City views the move as a further step in the long battle against the private sector in the country – a private sector that dominates in renewables – and the economic nationalism that President **Andrés Manuel López Obrador** has advocated for since he took office.

The announcement comes after the country's courts suspended the administration's reforms against renewables – both grid operator's **Cenace** policy to halt the interconnection of wind and solar assets and the **Secretariat of Energy**'s measure to limit the development of such projects (PFR, 6/30).

FAST FACT

9.46%

The proportion of Mexico's power generation that came from coal-fired plants in 2019 – a figure that has fallen to 7.3% during Covid.

LATIN AMERICA PROJECT FINANCE

Mexico cancels CCGT tenders

Mexico's state-owned **Comisión Federal de Electricidad** (CFE) has canceled the procurement processes for four power projects in the country that had been in the works since October of last year.

The tenders were for three combined-cycle gas-fired power plants and a geothermal asset:
- 836.79 MW – Salamanca CCGT in Guanajuato
- 804.8 MW – San Luis Potosi CCGT in San Luis Potosí
- 42 MW – Baja California Sur VI CCGT in Baja California Sur
- 25 MW – Los Humeros III Fase B geothermal unit in Puebla

The cancellation of the processes comes as a result of the government's non-indebtedness policy amid the crisis caused by the Covid pandemic.

Interested bidders for the construction contracts had included **Grupo ACS**, **Siemens** and **Techint**.

CFE had initially announced six CCGT tenders last October under the *Obra Pública Financiada* scheme (OPF), ensuring the state's ownership of the assets. CFE was to award concession contracts to design, build and finance the projects, paying the developer once the assets were ready to be brought online (PFR, 10/11/19).

Once the tenders were launched for the Salamanca, San Luis Potosí and Baja California Sur Vi facilities between November and December, bankers in New York had begun reaching out to prospective bidders to design construction loans (PFR, 1/9).

Tenders for the three other CCGTs were never launched. They were:
- 600 MW – CCGT unit in Mexico state
- 500 MW – CCGT plant in Guanajuato
- 500 MW – an expansion of the 529 MW Merida IV CCGT facility in Yucatan

The Los Humeros III Fase B geothermal tender was announced just two months ago (PFR, 5/29). Bid submissions for the contract were then delayed until January 2021 (PFR, 7/13).

CFE's announcement comes shortly after the state-owned firm agreed to invest in coal for its coal-fired plants in the north of the country. ■

Colombia plans transmission projects

Colombia's **Ministry of Mines and Energy** has approved two transmission projects that will be put out to tender shortly, while the procurement of another transmission project has been delayed for a sixth time this year.

The newly approved projects are:
- the 500 kV Carreto substation in the Bolivar department and the adjacent Chinú-Sabanalarga transmission line's modification to connect it with the new substation.
- the 230 kV Carrieles substation, previously known as Hispania, in Antioquia, which will also include changes in the Ancon Sur ISA-Esmeralda transmission line.

The Carreto facility is expected to begin operations by September 2024 and the Carrieles project has a penciled commercial operations date of January 2025.

The delayed tender, meanwhile, is for the 220 kV, 18.6-mile (30 km) Río Córdoba-Bonda (Termocol) transmission line, in the department of Magdalena.

After last month pushing the tender back to the last week of July (PFR, 6/18), UPME has delayed the process again, this time to August. Under the new schedule, published on July 17, bids are due by August 5, while the results will be released on August 30.

UPME expects the asset to be online by November 2023 (PFR, 1/3).

Colombia awarded contracts for two other assets in mid-March to **Celsia** and **Interconexión Eléctrica** (PFR, 5/22). ■

Chile's distributed solar pipeline grows

Two developers have added to the growing backlog of small-scale solar projects being proposed in Chile ahead of changes to the country's distributed generation incentive.

One of them, local developer **Biwo Renewables**, is plotting a 12 MW (DC) project called Cabildo Sunlight in the region of Valparaiso.

The other, a subsidiary of Canada's **Distributed Power Partners**, has begun the permitting process for a 12.5 MW (DC) project called Don Esteban in the Antofagasta region.

The Cabildo Sunlight project will require an investment of $10 million, while the Don Esteban project will cost $9.5 million, according to filings with **Chile's Environmental Evaluation Service**. Construction on both projects is expected to begin in March 2021.

Interest in small-scale solar projects has increased in Chile in the past few months ahead of a regulatory reform that will change how the stabilized price is calculated (PFR, 3/23). Other developers such as **Saggitar**, **oEnergy** and **Blue Light Energy** are also working on such projects (PFR, 7/13, 7/2, 6/29). ■

MORE ONLINE

Repsol enters Chilean renewables market

Spanish oil and gas company **Repsol** has acquired a 50% stake in a portfolio of Chilean wind and solar assets through a joint venture with **Grupo Ibereólica Renovables**.

Bravos pushes back Mexican power auction

Bravos Energía has paused its private power auction in Mexico while it attempts to guage the interest of prospective bidders in the wake of the coronavirus pandemic.

Colombian LNG terminal moves forward

Colombia has scheduled the auction to award the concession contract for its Pacific LNG Import Terminal, which is expected to cost up to $700 million, for 2021.

PEOPLE & FIRMS

New representatives in Colombia's government energy bodies

Colombia's **Ministry of Mines and Energy** and **Mines and Energy Planning Unit** (UPME) have appointed new officials, who assumed their positions on July 21.

Miguel Lotero has been promoted to deputy minister of mines and energy after the incumbent, **Diego Mesa**, was appointed minister.

Lotero has been with the ministry since 2018, when President **Iván Duque** took office, working as an adviser to the then-deputy minister Mesa and the then-minister **Maria Fernández Suárez**. Mesa replaced Fernández on June 25 after she stepped down from her position due to personal reasons (PFR, 6/26).

A lawyer by training, Lotero worked at state-owned generation company **Gestión Energética** (GENSA) and power distribution firm **Electrificadora del Meta** (EMSA) before joining the government.

Meanwhile at UPME, **Christian Jaramillo** is replacing the interim director **Juan Luis Zuluaga**. Zuluaga took over leadership of the government body on March 4 when the incumbent **Ricardo Rámirez** resigned to reportedly switch to a career in academia (PFR, 4/24).

Jaramillo joins UPME from the country's **Energy and Gas Regulatory Commission** (CREG), where he has worked since 2015.

The new appointees will continue with the energy diversification strategy that began with the renewable energy auction and the reliability charge tenders in 2019 (PFR, 10/24/19). As a result, 14 renewable energy projects – nine wind farms and five solar parks – are expected to be brought online by 2022.

With these assets, Colombia will have 2,500 MW of solar and wind energy in 2022, said Lotero, in a statement on July 21, adding that the country has only 50 MW of operational wind and solar assets.

Among those operational projects is **Empresas Públicas de Medellín**'s 19.5 MW Jepirachi wind farm – the only operational wind asset in the country. ■

LatAm people-move wrap

Aside from new appointments in the Colombian government (see story above), there were new faces in energy ministries in Peru and Ecuador.

Rafael Belaunde is Peru's new minister of mines and energy, the third representative to be appointed to the position since the beginning of the year.

Belaunde assumed the position on July 15, after working for a variety of government agencies, such as the **Ombudsman Office** and the **Commission for the Formalization of Informal Properties**.

Belaunde replaces **Susana Vilca**, who had joined the ministry in February of this year after the previous minister, **Juan Carlos Lui**, stepped down because of ties to the Brazilian company **Odebrecht**.

During Vilca's time as minister, state agency **Proinversión** launched transmission tenders for a pair of substations and transmission lines to strengthen the country's infrastructure (PFR, 4/20). At the same time, **Sempra Energy** managed to close the sale of its assets in the country to a subsidiary of **China Three Gorges Corp** (PFR, 4/24). **Solarpack** also sold a stake in two Peruvian solar projects to fund manager **Ardian** in April (PFR, 4/22).

MERCHÁN TAKES OFFICE IN ECUADOR

Ecuador's **Ministry of Energy and Non-renewable Natural Resources**, led by the minister **René Ortiz**, has appointed a new deputy minister of power and renewable energy to replace the incumbent who had been at the position for just four months.

Hernando Merchán assumed his position as the new deputy minister on June 21, after **Luis Vintimilla** stepped down on July 10.

Vintimilla had joined the ministry on March 17, after a long career in the country's public power sector.

Merchán also spent his career working for institutions in the country's public power sector, such as the **National Institute of Energy Efficiency and Renewable Energy** and the **National Power Corporation**.

Merchán will be in charge of taking to term the country's renewable tenders – one for a wind and solar pair, the other for a solar asset on the Galapagos islands (PFR, 7/13, 6/17).

DUO MAKE PARTNER IN CHILE

Chilean law firm **Barros & Errázuriz** has promoted two senior associates to partner, boosting its financing, infrastructure and M&A practices.

With the elections of **Enrique Barros** and **Vicente Cordero**, the firm now has 25 partners and more than 100 lawyers.

Barros & Errázuriz has been active in the power M&A space in the past year. The firm acted as legal counsel to **Sociedad Austral de Electricidad** (SAESA) on the sale of its 50% stake in **Eletrans** to **Chilquinta Energia**, which was then transferred to a **State Grid Corp of China** subsidiary (PFR, 6/24).

The firm also worked with **Total Eren** on its acquisition of a 50% stake in a 158.8 MW solar asset from **SunPower Corp** in October of last year (PFR, 10/17/19).

BRAZIL NEARS AIIB MEMBERSHIP

Brazil is set to join the **Asian Infrastructure Investment Bank** (AIIB) as a founding member after the country's House of Representatives approved the agreement to join the multilateral institution, which now will be voted on by the Senate.

The country agreed to join the institution when it was founded in 2015 but because of budgetary restrictions it could not approve the necessary investment to join the group, and the deadline for Brazil to officially join was extended to 2022.

AIIB is headquartered in Beijing and has 74 effective members and 26 potential members, the latter figure including Brazil. Despite the name, the bank can invest in regions outside of Asia. ■

PEOPLE & FIRMS

New Algonquin CEO steps up to the plate

Algonquin Power & Utilities Corp has appointed a new CEO to succeed **Ian Robertson**, who is retiring after dedicating over 30 years to the company, having co-founded it in 1988.

The incoming chief executive, **Arun Banskota**, joined the company in February as president before taking over as CEO as of July 17.

Banskota previously led the global planning, engineering, and execution of data center capacity for **Amazon Web Services** as a vice president in its data center global services and energy team.

He is also the former president and CEO of electric vehicle services at **NRG Energy**, having previously served as president and CEO of the same company's Petra Nova carbon capture and enhanced oil recovery project at the W.A. Parish coal-fired plant near Houston.

Before that, he had been managing director, global power, at **El Paso Corp**, where he had profit and loss responsibility for a 6.5 GW global portfolio of 32 power plants, project development and about 10,000 employees. He has also been a vice president, project development at **First Solar**.

The leadership transition is the result of a multi-year initiative by APUC's board of directors.

> **"Ian's passion and dedication has resulted in APUC becoming a blue chip TSX60 company delivering essential utility services"**

"Ian has been a pioneer in the renewable energy business and brought to the Company an entrepreneurial spirit that will endure," said APUC chairman **Ken Moore**. "As a driving force behind the Company's extraordinary growth, the Company's performance is a direct result of Ian's passion and dedication which has resulted in APUC becoming a blue chip TSX60 company delivering essential utility services while also being a global leader in renewable energy."

Robertson recently updated his LinkedIn profile to reflect his new position as the CEO of a company called **InfraStar Investments** in Toronto.

When Robertson founded Algonquin in the '80s, it was initially focused on developing hydro projects, later expanding into wind and solar. He led the company's transformation into a large North American regulated utility, delivering water and natural gas as well as electric services.

Today, Algonquin has assets totaling about $11 billion, including over 2 GW of installed renewable generation capacity and over 800,000 regulated utility customers. ■

North America people-moves in brief

A former member of **Rubicon Capital Advisors**' New York investment banking team has emerged in a new role at a project sponsor.

Stephanie Annerose joined **Engie North America** last month as senior advisor. She will work in Engie's acquisitions, investments and financial advisory (AIFA) team, focusing on utility-scale renewables.

Annerose had been an associate director at Rubicon for a little over a year. Her departure follows that of several senior members of the boutique investment bank's US team in recent months (PFR, 4/23, 5/11, 5/27).

She had previously spent six years at the **Inter-American Development Bank** and, before that, held positions with **WestLB**, **Centrica**, **JP Morgan** and **Natixis**.

SAVION BOOSTS ORIGINATION TEAM

Macquarie Capital-backed solar and energy storage developer Savion has strengthened its origination team with a hire from **EDF Renewable Energy**.

Laura Wente joined the company on June 1 as vice president, origination, after three years with EDF.

Her last position at EDF was senior director, power marketing. She has also previously held roles at **Energy GPS**, **Portland General Electric**, **Hewlett-Packard** and **Enron** – before its energy trading division was renamed **UBS Warburg Energy** – in a career spanning over 20 years.

Savion – formerly the solar development platform of **Tradewind Energy** (PFR, 11/25/19) – has been in growth-mode of late.

The developer hired **Avangrid Renewables' Diana Scholtes** as chief commercial officer in May (PFR, 5/4), while **Richard Tomlinson**, senior M&A manager, arrived in April from **Invenergy**, where he had most recently been manager, commercial transactions. ■

CORPORATE FINANCE

EIG commits $100m to Modern Energy

EIG Global Energy Partners has provided **Modern Energy** with a $100 million debt commitment to fund the development of clean energy assets.

Modern Energy is a B-Corp that invests in energy efficiency, distributed generation and energy storage mainly through two subsidiaries, **American Efficient** and **Faro Energy**. It was co-founded in 2016 by CEO **Mark Laabs** and executive chairman and head of investments **Benjamin Abram**.

American Efficient develops and operates portfolios of distributed generation and storage, demand response and energy efficiency across 23 US states.

Faro, meanwhile, is a London-based developer that builds and operates distributed solar projects in Latin America. It has 30.5 MW under construction and 15.2 MW in operation. ■

PEOPLE & FIRMS

Sustainable investment chief departs CalPERS

Beth Richtman, who was the head of the sustainable investment program at the **California Public Employees' Retirement System** (CalPERS), recently left the institutional investor.

Her position of managing investment director of the sustainable investment program will not be filled. Instead, it has been rolled into another position called managing investment director, board governance and sustainability.

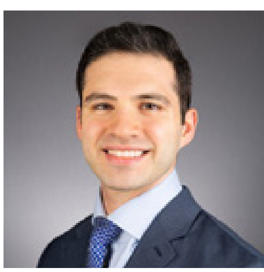
A permanent occupant for the new position has not yet been selected but **Anne Simpson** is serving there in the interim. Simpson was previously director of board governance and strategy.

Richtman joined CalPERS in 2012 as an investment manager and took up her most recent title and the rank of managing investment director in April 2018. She managed more than $7 billion in domestic infrastructure and real estate assets, including a 3 GW portfolio of gas-fired, solar and transmission assets.

Before her time at CalPERS, she had spent six years with **Enel Green Power North America**, where she rose to the position of director, business development. ■

Deutsche VP heads to Macquarie

A **Deutsche Bank** vice president has joined the infrastructure and energy team at **Macquarie Capital**'s **Green Investment Group**.


Josh Presner

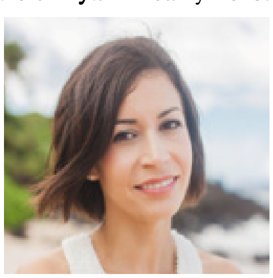
Josh Presner joined the Australian bank last month, and will be responsible for the origination, structuring and execution of Macquarie Capital's principal equity investments in North America.

Prior to joining, he had been a VP at Deutsche Bank for five years, focusing on private credit for transportation, infrastructure and energy investments in the Americas.

He has also served in associate roles at **KPMG Corporate Finance**, **PwC** and **Kurt Salmon**, which is part of **Accenture Strategy**. ■

New head of investor relations at Talen

Independent power producer **Talen Energy** has lined up a new head of investor relations after the departure of **Ryan Koren**.


Olivia Sigo

Olivia Sigo, senior finance manager at Talen, will assume the role on August 3, ahead of the release of the company's second quarter earnings report for debt investors.

Talen issued $400 million in 7.625% eight-year senior secured bonds two months ago (PFR, 5/19).

Sigo has been with Talen since early 2018. She has previously worked with commodity trading house **Noble Group**, **Deutsche Bank** and **Merrill Lynch**.

The former investor relations head, Koren, had been at Talen for six years. He took up a new role at staffing company **People 2.0** this month. ■

ALTERNATING CURRENT

Developers avail of PPP loans

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Several renewable energy and thermal power project developers made use of federal Paycheck Protection Program (PPP) funding earlier this year, according to data released by the US **Department of the Treasury** on July 6.

Sponsors large and small received loans guaranteed by the **Small Business Administration**, as did other companies in the power project supply chain.

The loans are designed to help businesses meet their payroll costs and will be forgiven by the government if the proceeds are used for eligible expenses and other criteria are met.

Among the best-known names to appear in the list were large utility-scale renewables developers such as **Apex Clean Energy**, **8minute Solar Energy** and **Silicon Ranch**.

Many of the most prominent companies in distributed solar were also approved for the economic stimulus loans, including **Soltage**, **Sol Systems** and **C2 Energy Capital**.

Early-stage wind-focused development firms **Swift Current Energy** and **Tri Global Energy** were also among the companies named, while thermal power developers making use of the program included **NTE Energy Services** and **Indeck Energy Services**.

Battery storage sponsors were represented too, with **Plus Power** and **esVolta** both participating.

Besides project sponsors, trade associations **ACORE** and **SEIA** as well as technology manufacturers **Longi Solar** and **GameChange Solar** were listed on the mammoth spreadsheet.

The SBA will pay lenders fees for processing the PPP loans on a sliding scale ranging from 5% for the smallest loans to 1% for the largest.

A wide range of lenders provided PPP loans to renewable energy and power sector companies, from international firms like **Citibank** to regional firms and community banks like **Happy State Bank**, which serves the Texas Panhandle and the Fort Worth area, and which provided a PPP loan to Tri Global. ■

ONE YEAR AGO

Developers and financiers working on gas-fired projects in Ohio were grappling with "increased uncertainty" as a result of House Bill 6, a law signed by Republican Governor **Mike DeWine**, which would help Ohioan nuclear and coal-fired plants stay afloat (PFR, 7/29/19). ■

