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J-Power Wins GE Auction

J-Power USA Development Co. is set to buy the 795 MW gas-fired Green Country plant in Jenka, Okla., from **General Electric** and **Tyr Capital**.

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Morgan Preps KGen Acquisition Funds

Morgan Stanley will launch \$1.2 billion of credit supporting **KGen Power's** \$1.3 billion purchase of two plants from **Complete Energy** next month.

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CONSTELLATION, EIF EMERGE AS FAVORITES IN COGENTRIX AUCTION

Constellation Energy Group and Energy Investors Funds have been invited to submit binding bids next month on controlling interests in 2.6 GW of predominantly contracted cogeneration being hawked by **Cogentrix Energy**. Other parties in the running could not be learned but are believed to include a handful of infrastructure funds.

Sumitomo Corporation of America's Perennial Power and Itochu's Tyr Capital are no longer in the game, after their respective Japanese parents nixed their efforts, worried they

(continued on page 12)

CREDIT SUISSE PREPS \$1B COAL PLANT FINANCING

Credit Suisse is set to launch a \$1 billion financing package for **LS Power's** Sandy Creek facility, an 800 MW supercritical pulverized coal plant in Riesel, Texas. As *PFR* went to press, a bank meeting was targeted for Wednesday in New York, and leads on the right of the deal were being finalized after some were given an advance preview.

The debt is expected to consist of three tranches, all on the first lien. A \$225.5 million term loan and a \$225 million delayed-draw term loan will be pitched to both the bank and

(continued on page 12)

PORTUGUESE COS. PLOT FUNDING FOR MEGA WIND PARK

A Portuguese consortium is preparing to tap the loan market to support roughly 1.2 GW of wind capacity it intends to bring online near the northern city of Porto. **Eólicas de Portugal**, a consortium comprising **Energias de Portugal** affiliate **Enernova**, **Finerge**, **Generg**, **TP-Térmica Portuguesa** and its engineering partner **Enercon**, is expected to issue an RFP in September. The cost of the rollout could not be determined. **Eólicas de Portugal** won the rights to build the project last October as a result of a government tender process.

(continued on page 12)

PEACE GARDEN STATE WIND EYES EQUITY, DEBT FOR 500 MW FARM

Just Wind is mulling options for financing its planned 504 MW wind facility in Logan County, N.D., including an outright sale. **Jeffery Metzger**, chief manager in Mound, Minn., says it was originally looking at borrowing 50% of the project cost, but is also considering offloading a majority stake to an equity investor. Construction of the first 190 MW will begin by the year-end at an estimated cost of \$300 million, and groundbreaking on the next 210 MW will begin a year later.

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

At Press Time

Qatar LNG Closes On \$4B Financing

Sponsors of the **Qatargas 4** liquefied natural gas train in Ras Laffan Industrial City, Qatar, have closed on \$4 billion in loans and letters of credit needed to fund construction of the project. The exact breakdown of the debt and pricing could not be learned, but each of the facilities has a 15.5-year maturity. About 30 banks came in at varying ticket levels, and a co-financing facility was provided by a subsidiary of **Royal Dutch Shell**, which holds a 30% interest. **Qatar Petroleum** holds the remaining stake in the joint venture.

Calyon served as documentation bank, bank facility agent and inter-creditor agent. **Citigroup** was security trustee and account bank. The international bookrunners were **Royal Bank of Scotland** and **Barclays Capital**, while the regional bookrunners were **Arab Petroleum Investments Corp.** and **Qatar National Bank**. RBS also served as financial advisor to Qatargas 4. Officials at RBS and the sponsor declined to comment.

"This is the last LNG project in Qatar for a while, and consolidates Qatar's position as the world's largest producer and seller of liquefied natural gas," said a source close to the deal. Upon completion, Qatargas 4 will sell 7.8 million tons per year of LNG for export primarily to the U.S. (PFR, 12/08).

B-Loan Pressure Crimps Power Deals, LBOs

A number of power financings are stuttering, with bankers restructuring deals, adjusting covenants and changing launch dates reacting to the general loan market turmoil.

Pricing on the \$3.4 billion refinancing for **InterGen** had to be tweaked, with the revolver pared back by \$30 million and bond piece trimmed by \$100 million (see story, page 4). Meanwhile, general syndication of a \$25.9 billion debt package supporting the leveraged buyout of **TXU Corp.** has been put off to the first quarter of next year, according to deal trackers. The bulk of that was expected to be a roughly \$20 billion term loan B at **TXU Energy Co.** led by **Citigroup**, **Goldman Sachs**, **Morgan Stanley** and **JPMorgan** (PFR 6/22).

Also affected is \$3 billion of financing supporting **Calpine's** exit from bankruptcy, led by **Goldman**, **Credit Suisse**, **Deutsche Bank** and **Morgan** (PFR, 6/20). Goldman pulled the deal when existing holders of the debt deemed pricing too skinny to give the proposed amendment the go-ahead. Holders have the right to call the loans at par, but they are trading at about 99-99 1/2. The deal is now expected to come to market in about a month.

Bankers say prices have been widening for a few weeks and it is too soon to tell whether the crunch is temporary or will have a lasting effect. Some say many deals will have to wait until after the summer, when there should be more appetite from investors for high-yield paper. "It's been pretty rocky for the past month and probably will be until Labor Day," notes one banker at a bulge-bracket firm. "I don't think it will get better—the pendulum had been swung so far in favor of issuers, it's difficult to go back," adds a buy-side investor.

A number of power deals are getting backed up, says **John Anderson**, head of project finance at **John Hancock Financial Services** in Boston. The \$1.1 billion sale-leaseback debt for **FirstEnergy's** Bruce Mansfield plant, which priced at 180 basis points over Treasuries, is a prime example of a deal where spreads widened.

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INTELLIGENCE FIRST

CIT Loses Energy Staffer

Ren Plastina, a director at CIT Energy in New York, has left the firm and is set to join **BNP Paribas** in mid-August. He will serve as a director, reporting to Managing Directors **Andrew Platt** and **Dan Cozine**, who did not return calls.

Plastina's move follows a number of departures from CIT Energy in recent weeks, including **Brooks Klimley**, president, and **William Swenson**, senior managing director and head of capital markets (PFR, 7/13). On an interim basis, the group is being run by **John Sullivan**, managing director in energy capital markets, and **Peter Connolly**, head of syndications. Calls to CIT were not returned.

Plastina spent eight years at CIT and prior to that spent about a year at **CIBC World Markets'** corporate finance group in Toronto.

NY PE Shop Pockets Utility Consultancy

Enercon Global, an affiliate of New York private equity shop **Knox Lawrence International**, has bought **UtiliPoint International**, a consultancy that advises utilities and energy companies on power generation, rate regulation and pricing systems. The purchase price could not be learned and chairman of Enercon, **Nana Baffour**, declined to comment.

Knox Lawrence has acquired a number of energy services companies in recent months, among them a controlling stake in **Consonus** from **Questar Corp.**, which it is about to take public. As first reported by *PFR*, it is also in advanced talks to acquire U.K. engineering giant **Tomkins'** clean energy unit, **Dearborn Midwest Conveyor** (PFR, 6/8).

J-Power Set To Buy 800 MW Okla. Facility

J-Power USA Development Co. has signed a purchase and sale agreement to acquire the 795 MW gas-fired Green Country plant in Jenka, Okla. The sellers are **General Electric**, which owns 90%, and **Tyr Capital**, which holds 10%.

The exact sale price could not be learned, but is thought to be in the \$240 million range. Principals at J-Power and Tyr had no comment and calls to GE were not immediately returned. Green Country is expected to be folded into J-Power's joint venture with **John Hancock** (PFR, 5/25), as it did with its previous two purchases—830 MW Tenaska Frontier in Shiro, Texas (PFR, 4/10/06) and 1,350 MW Elwood Energy in Joliet, Ill., (PFR, 1/19).

GE began shopping its interest earlier this year to a handful of strategic buyers and roped Tyr in once potential buyers

voiced their preference for the full 100%. **ArcLight Capital Partners** was the runner up. Meanwhile, GE is bidding for ArcLight's interest in 656 MW gas-fired Lincoln Generating in Manhattan, Ill., being auctioned by **Lehman Brothers** (PFR, 7/06).

Morgan Stanley Tees Up \$1.2B KGen Acquisition Financing

Morgan Stanley is set to launch \$1.2 billion of credit facilities bankrolling **KGen Power's** \$1.3 billion purchase of two plants from **Complete Energy Holdings**. The package could be brought to market as early as the first week of August, but is still being actively structured.

KGen is acquiring the 837 MW Batesville Electric Generating facility in Batesville, Miss., and the 1,022 MW La Paloma Generating plant in McKittrick, Calif. The financing will also refinance \$420 million of bank debt tied to La Paloma. Some \$265.5 million of bond debt at Batesville will stay in place.

On deck will be a first-lien and second-lien tranche, supported by a mezzanine tranche that is expected to be taken out via an equity private placement or initial public offering later this year or early next (PFR, 6/22).

Morgan Stanley led a previous financing for KGen (PFR, 1/12), consisting of \$400 million in new credit to help refinance a \$325 million B loan put in place by **Credit Suisse** in 2005. **Daniel East**, v.p. of strategic planning and development at KGen in Houston, and officials at Morgan Stanley declined to comment.

Landfill Gas Generator Takes Final Bids

Investment bank **Ewing Bemiss** took second-round bids last Wednesday on **Landfill Energy Systems**, a Wixom, Mich.-based developer and operator of landfill gas-powered generation. Fewer than seven contenders are said to be in the running. Among them are **LS Power**, **Fortistar**, **First Reserve**, **Citigroup's Sustainable Development Investments** group (PFR, 6/29) and **Merrill Lynch**. **Macquarie Securities** is understood to be backing one participant, but its identity could not be determined. Bids are in the \$300 million range.

LES has 22 projects across Arizona, California, Kansas, Michigan, New Jersey, North Carolina and Virginia, processing over 60 million cubic feet of landfill gas per day, and generating more than 80 MW of power. It is owned by management and external high-net-worth individuals. An official at Ewing Bemiss declined to comment and calls to **Scott Salisbury**, president, were not returned.

Fieldstone Veep Heads To BofA

Brooks Kaufman, a v.p. at energy-focused investment bank **Fieldstone** in New York, has joined **Bank of America** as a v.p. in the power team. He reports to **Peter Kind**, head of the group. A BofA spokesman confirmed the hire.

Kaufman spent three years with **Fieldstone Private Capital Group**, and while there advised on **Tyr Capital** and **Starwood Energy Group's** acquisition of a 250 MW portfolio in California known as **CalPeak Power**, which closed in May last year. **Manfred Ernst**, executive chairman at **Fieldstone**, said there are no immediate plans to replace Kaufman.

John Hancock Bags Enel Director

John Hancock Financial Services has hired **Recep Kendircioglu**, v.p. of business development at **Enel North America**, for its power and project finance team in Boston. He joins as a director today and will report to **John Anderson**, senior managing director and head of the group. Kendircioglu could not be reached. Anderson confirmed the hire, adding that he will help fill out the team after the departure of **Phil Messina** to **ArcLight Capital Partners** earlier this year.

Kendircioglu spent three years at **Enel**, originating renewable and development opportunities in the U.S. and Canada, including its first geothermal purchase, **AMP Resources** in March (PFR, 10/27), first reported by *PFR*. Prior to that he spent four years at **InterGen**.

John Hancock's power team manages a \$10 billion portfolio of private placement debt, private equity and public bonds spread across more than 200 power companies.

Leads Launch \$3B Debt Package For Houston MLP

Lehman Brothers and **Citigroup** launched syndication of \$2.9 billion in debt for midstream concern **Enterprise GP Holdings** and its affiliate **EPCO Holdings** at a bank meeting in New York July 18.

Bryan Bulawa, treasurer for **Enterprise** in Houston, confirmed that **Enterprise's** portion consists of a \$1 billion, seven-year term loan B and \$200 million revolver. Rounding out the deal was a separate \$500 million, five-year term loan A, \$900 million, seven-year term loan B and \$300 million revolver for **EPCO**. **Enterprise** chose a B loan over a high-yield offering to have greater flexibility on its B loan debt when future capital needs arise, says Bulawa.

Pricing was pitched at 200 basis points over LIBOR on the B loans and all the other facilities were priced at 175 basis points (PFR, 7/23). Officials at the banks declined to comment or did

not return calls. Commitments are due on Wednesday. **Standard & Poor's** and **Fitch Ratings** assigned BB- and BB ratings, respectively, to the facilities.

Enterprise's B loan repays a portion of the \$1.9 billion bridge facility provided by **Lehman** and **Citi** to help fund its \$2.8 billion purchase of equity interests in fellow MLPs **TEPPCO Partners** and **Energy Transfer Equity** in May. Proceeds of \$750 million from an offering of 20.1 million units to private investors last Monday also will go toward repaying the bridge loan.

Siemens Taps Houston Oil & Gas Originator

Siemens Financial Services' energy unit has hired **Chuck Johnson**, a v.p. from **Comerica Bank**, to head up its oil and gas origination team in Houston. Johnson will start next week as a v.p. reporting to **Kirk Edelman**, senior v.p. and unit head. Johnson could not be reached for comment and Edelman declined comment.

Siemens has been building up its team this year, as it expands into providing debt finance for energy transactions, recently adding **Gary Fabris** from **Scotia Capital** (PFR, 4/27). It also plans to add a Calgary-based oil and gas executive.

Leads Hook 15 On InterGen Refi

Leads Merrill Lynch and **Lehman Brothers** and agents **Deutsche Bank** and **Barclays Capital** have brought 15 commercial banks into the \$1.52 billion corporate-level refinancing for **InterGen**. On offer were an \$800 million, seven-year equivalent term loan B priced at LIBOR plus 225 basis points and a \$720 million equivalent, five-year revolver, reduced from \$750 million, paying 150 over. Officials at the banks and **InterGen** either declined comment or did not return calls.

The limited syndication deal went out to relationship banks that each took tickets of around \$40 million, according to one banker. **Calyon** served as facility agent. A wider syndication would have been difficult in a European leveraged finance market that has seen several deals pulled or restructured in recent weeks, he adds.

A supporting 10-year senior secured bond issue also was reduced by \$100 million to \$1.875 billion. The offering comprised a 9%, \$1.2-\$1.3 billion tranche, a 9.5% GBP175-200 million (\$358-410 million) tranche, and an 8.5% EUR160-185 million (\$220-254 million) tranche.

The bulk of the proceeds will refinance existing acquisition debt at the parent level obtained by **AIG Highstar Capital**

and Ontario Teachers' Pension Plan, who bought InterGen (PFR, 3/23) and repay project debt at three U.K. facilities (PFR, 6/29).

Targa Looks For \$2.5B Debt Package

Credit Suisse, Lehman Brothers, Deutsche Bank and Merrill Lynch rolled out \$2.475 billion in debt for midstream owner and operator Targa Resources July 19. The package consists of a \$1.525 billion first-lien term loan, \$300 million revolver and \$300 million synthetic letter of credit each priced at LIBOR plus 250 basis points. There is also a \$350 million second-lien term loan pitched at 575 over. Officials at the firms declined to comment or did not return calls.

Commitments are expected this week. Proceeds will be used to refinance existing credit facilities arranged by Credit Suisse and Merrill, and take out a pricey \$250 million issue, says Howard Tate, v.p. of finance in Houston. Targa and dealer manager Credit Suisse launched a tender offer last week for all \$250 million of its outstanding 8.5% senior notes due 2013. Tate says it decided to refinance to take advantage of favorable market conditions and eliminate restrictive covenants. Standard & Poor's assigned a B+ rating to the first-lien debt and a CCC+ to the second lien.

Corporate Strategies

Tallahassee Plans Long Bond Sale For CC Plant



Gary Herndon

The City of Tallahassee, Fla., plans to sell \$210 million 30-year bonds to fund the conversion of its 250 MW unit 2 of its Arvah B. Hopkins plant to a combined-cycle facility. "With the cost of fuel being what it is, we'll save enough to offset the cost of repowering," says Gary Herndon, treasurer. The \$160 million conversion of the oil- and gas-fired plant already is under way and expected to be complete next summer. The project will boost output by 50 MW and increase fuel efficiency by 30%.

The remaining \$50 million of the proceeds will fund upgrades to the utility's growing transmission and distribution system. Herndon says Tallahassee went long to match the life of the assets. Rates have risen a little recently, he explains, but it's still a very attractive market for securing financing.

The 30-year bonds are expected to go on sale this week. Goldman Sachs will lead the offer, as one of a team selected



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through an RFP process for the next five years. The others are **Bear Stearns**, **Banc of America**, **RBC Bain Rauscher** and **Ramirez and Co.** The issue scored an AA- rating from **Standard & Poor's** and is waiting on the other agencies.

Westar Sells \$100M In Shares To Fund Capex



Tony Somma

Westar Energy sold \$100 million of common stock July 12 to help fund \$2 billion of capital expenditures and trim borrowings on its revolver. "The fees to do this now were very economical," says **Susan North**, director of corporate finance in Topeka, Kan. "We've got a large capital expenditure program for the next three years, and this sale gives us the flexibility that we need."

Placement fees on the sale were 1%. **Bank of New York's BNY Capital Markets** underwrote the deal. "Bank of New York is one of the banks in our credit facility, and they offered us a sale program that was flexible enough to let us sell sooner rather than later in the most cost-effective way," adds **Tony Somma**, treasurer. As part of a finance agreement with BNY that began April 12, Westar sold shares periodically at an average price of \$27.02. It aims to keep a 50:50 debt-to-equity capital structure.

Westar's debt stands at \$1.9 billion. Its \$500 million revolver is led by **JP Morgan** and Bank of New York, and has an accordion feature that enables it to expand the facility to \$750 million. Construction of its 600 MW Emporia Energy Center is estimated to cost \$318 million; installing scrubbers at its 2.4 GW coal-fired Jeffrey Energy Center is expected to cost nearly \$350 million; and it plans to spend a further \$80-100 million completing a 90-mile, 345 kV transmission line connecting Wichita and Salina by 2010.

Ashmore Gasification Venture Targets China, Emerging Markets

Ashmore Energy International's joint development venture with coal gasification specialist **Synthesis Energy Systems** will enable it to build competitive generation in emerging markets, such as China, where gas supplies are limited and gas and power prices are high. "We believe that there are still opportunities in the M&A space. But we also believe that greenfield development, such as power and pipeline projects, will be an integral part of AEI's future growth," explains an AEI business development official in Houston, who requested anonymity.

The projects will employ so-called U-GAS technology,

which converts low-cost hydrocarbon fuels such as coal, biomass or petroleum coke into synthesis gas, or syngas, and is used to generate electricity cheaply. "Although gasification technology has been around for a long time, due to increasing energy prices worldwide it has only recently become commercially viable," continues the official. "We believe U-GAS technology has several advantages over conventional gasification technology. U-GAS gasifiers are able to utilize a wide variety of low-quality and low-cost coals and have the flexibility to allow a project to change fuels or utilize a mix of fuels over the life of the project."

He declined to talk specifics about the funds each had earmarked for the venture or any targets for growth, as well as how AEI was introduced to SES and the U-GAS technology. It did not use an advisor. AEI already has a presence in 17 countries with about 61,000 km of gas and liquids pipelines, 134,000 km of distribution lines and installed capacity of 1,675 MW.

MLP Tax Ruling Makes Attractive Case For Williams

The Williams Companies' plan to form a master limited partnership follows a May 29 U.S. appellate court decision allowing MLPs to include anticipated taxes when negotiating cost-of-service rates. That makes the structure more attractive for midstream companies to adopt, says **Bryan Caviness**, senior director in the global power group at **Fitch Ratings** in New York.

The \$512 million pending sale of Williams' gas-fired merchant generating portfolio and related contracts to **Bear Stearns**, announced in May, is not expected to boost overall liquidity by much, but available cash flow was \$1.8 billion as of March 31. **Travis Campbell**, v.p. of finance in Tulsa, Okla., directed calls to **Julie Gentz**, spokeswoman, who declined to make an official available.

A stake of an undisclosed size in the 3,900-mile Northwest Pipeline System will be the initial asset dropped into the partnership. Gentz declined to comment on other assets being considered or on the timing of the MLP formation. There has been no timetable set for the stock repurchasing.

Gentz said Williams will consider using the money freed up by having a lower cost to capital on acquisitions or new build projects, and to raise distributions to shareholders. Fitch maintained its BB+ rating on Williams, while **Moody's Investors Service** has it on review for possible upgrade to Ba1 from Ba2. Williams' businesses produce, gather, process and transport clean-burning gas to power electric generation across the U.S.

Project Finance Deal Book

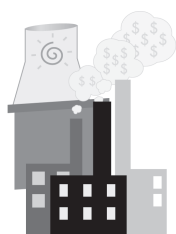
Deal Book is a matrix of energy project finance deals that PFR is tracking in the energy sector. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report updates or provide additional information on the status of financings, please call Katy Burne, Managing Editor, at (212) 224-3165 or e-mail kburne@iineews.com.

Live Deals: North America

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
Carlisle/Riverstone	Portfolio (1.5 GW Gas)	Various, Texas	TBA	TBA	\$900M		RFP sent out 7/23.
Granite Ridge	Granite Ridge (720 MW, Gas) Recap	Londonderry, N.H.	TBA	TBA	\$500-\$600M		Choosing lead banks.
AES	Termoelectrico del Golfo Termoelectrico de Penoles (460 MW Petcoke)	Tamuin, Mexico Tamuin, Mexico	BNP Paribas TBA	Term loan TBA	\$245M TBA	TBA TBA	Syndicating. Choosing lead bank.
RES	Hackberry Wind (165 MW Wind)	Shackleford Co., Texas	TBA	TBA	TBA	TBA	Looking for lead banks.
Harbinger Capital Partners	Calgary Energy Center (300 MW Gas) Refi Island Cogen (230MW Gas) Refi	Calgary, Alberta	UBoC	Term loan LC Term loan	C\$274M C\$45M C\$150M	19 yr 15 yr	Syndication launched week of 6/18.
InterGen	Portfolio refi	Various	Merrill Lynch, Lehman Bros.	Term Loan Revolver Senior notes	\$800M \$720M \$1.8B	7 yr 5 yr 10 yr	Wrapped (see story page 4.).
Borealis Infrastructure	Bruce Power (4.6 GW)	Tiverton, Ont.	Scotia, Dexia	TBA	C\$750M (\$710M)	TBA	Syndication launched 7/3.
LEP Holdings	Liberty Electric Power (568MW Gas) recap	Eddystone, Pa.	Credit Suisse, JPMorgan, Deutsche Bank	First lien Second lien	\$400M \$200M	TBA TBA	Syndication imminent.
Nacogdoches Power	Nacogdoches (100MW Biomass, 300MW Gas)	Sacul, Texas	TBA	TBA			Looking for debt/equity for \$600M project.
Calpine, Mitsui & Co.	Greenfield (1GW Gas)	Courtright, Ont.Canada	BofTM, BMO Financial	Loan	C\$650M (\$590M)	18 yr	Syndicating.
LS Power	Sandy Creek (4GW) Refi	Riesel, Texas	TBA	TBA			Looking for banks to lead debt.
J-Power USA	Pala (86.5 MW Gas)	San Diego Co., Calif.	TBA	TBA			Looking for lead bank.
MACH Gen	Portfolio (800 MW Coal)	Various	Credit Suisse	TBA	\$850M	TBA	Refinancing of \$850M second lien.
Acciona Solar Power	Nevada Solar One (64 MW)	Boulder City, Nev.	Santander, BBVA, La Caixa	Term loan	\$140M		Syndication expected in August.
Airtricity	Roscoe (209MW Wind) 2008 Turbine Supply	Abilene, Texas Various	HVB, BayernLB, NordLB HVB, Mizuho	TBA \$325M	\$300M	TBA	Syndication launched 6/21. Timeline unclear.
Shell WindEnergy, Dominion	Mt.Storm (264 MW, Wind)	Grant Co., W.Va.	TBA	Construction financing	\$288M	TBA	Choosing leads. Hedge with merchant tail expected.
Invenergy	St. Clair Power Station (570 MW Gas)	Sarnia, Ontario, Canada	RBC	Construction term loan LC facility	\$383M \$96M	5 yr	Syndication re-launched 7/2.
Terrawinds Resources	TerraWinds (201 MW Wind)	Rivier-Du-Loup, Quebec, Canada	HSH Nordbank	Senior secured construction and term debt facility	C\$300M (\$259M)	TBA	Hydro-Quebec offtake. Awaiting syndication. Timeline unclear.
Perennial Power	Hermiston (474 MW Gas)	Hermiston, Ore.	TBA	TBA	\$130M	10 yr	Status unclear.
Lodi Gas Storage	Acquisition Refi		TBA	Secured loans	\$145M	TBA	Status unclear.
Noble Environmental Power	Altona, Ellenberg, Clinton and Bliss (339 MW Wind)	Altona, Ellenberg, Clinton and Bliss, N.Y.	HSH Nordbank, Dexia	Non-recourse loan	\$445M	TBA	Closed 6/20. Awaiting syndication. Selecting sub-underwriters.

Live Deals: Europe/Middle East/Africa

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
Cobra, ACS Group	La Boga II (355 MW Wind)	Andalucia, Spain	Natixis, La Caixa	Term loan	EUR205M (\$283M)		Debt slated to close 7/20.
Abaste	El Bonillo (20 MW Solar)	El Bonillo, Spain	Deutsche Bank	Bond Offering	\$207M	24.5 yr	Iberdrola offtake.
Industrial Promotion Services, Sthe Global	Bujagali (250 MW Hydro)	Southern Uganda	International France Corp., Absa Capital, EIB, Standard Chartered	Term loan	\$630M	TBA	Uganda Electricity Transmission Co. offtake.
Spanish Egyptian Gas Co.	Damietta LNG	Damietta, Egypt	TBA	Term loan Bank Facility	\$600M \$250M	15 yr	25 year tolling agreement
Solucar Energia	SolNova (100MW, Solar)	Sanlucar La Major, Spain	Caja Madrid, SocGen, Calyon Natixis, Santander	TBA	EUR450-500M		September syndication expected.
Botswana Power Corp.	Morpule (1.2GW Coal)	Palapye, Botswana	TBA	TBA			Project Financing Solutions advising.
InterGen	Rijnmond Energie Center (820MW, Cogen)	Rotterdam, Netherlands	TBA	TBA			Refi of EUR240M (\$326M) in debt and 400MW expansion.
AES	Cartagena (1.2GW, Gas) Refi	Cartagena, Spain	Calyon, Societe Generale	TBA			Terms to be set.
Babcock & Brown, Eurowatt	Wind Portfolio (120MW)	Various, France	La Caixa, Natixis	Term loan	EU183M (\$234M)		Syndication timeline unclear.
Dhofar Power Co.	Salah (192 MW Gas Refi)	Salah, Oman	Calyon	TBA	\$340M	TBA	Timeline unclear.
Tanjong Broup	Port Said East (683 MW Gas Refi)	Port Said, Egypt	Calyon	TBA	\$500-675M	TBA	Timeline unclear.
Ras Laffan Power Co. (AES)	Ras Laffan A (750 MW IWPP)	Doha, Qatar	TBA	TBA	\$572M		Looking for lead banks.
AES Oasis, Mitsui & Co.	Almanakher (370MW Gas)	Almanakher, Jordan	Sumitomi Mitsui, Overseas Private Investment Corp., JBIC	Senior facility Equity tranche	\$255M \$75M		Near close. National Electric Power Co. offtake.
Marubeni, Qatar Electricity and Water Petroleum	Messaieed (2GW Gas)	Mesaieed Industrial	Calyon	Term Loan	\$1.2B	25 yr	Syndicating.



Generation Auction & Sale Calendar

Following is a directory of ongoing generation asset sales. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report new auctions or changes in the status of a sale, please call Katy Burne, Managing Editor, at (212) 224-3165 or e-mail kburne@iinews.com.

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
Airtricity	Various	North America	6,500	Wind	Credit Suisse	Seller weighing an outright sale or 50/50 joint venture. Final bids due in early August (PFR, 6/18).
ArcLight Capital Partners	Crete Energy Venture Lincoln Generating	Crete, Ill. Manhattan, Ill.	203 (50%) 656 (90%)	Gas Gas	Lehman Brothers	Took final bids July 2. GE said to be bidding.
Astoria Energy	Astoria plant	Queens, N.Y.	500 MW; 1 GW permitted	Gas	N/A	Owners fielding offers. Suez Energy acquiring a 30% stake (PFR 9/29).
Atlantic Power Corp.	Various	Major U.S. markets	588	Gas, Coal, Hydro, Oil	N/A	Aquila's former merchant fleet bought by ArcLight Capital Partners affiliate Teton Power.
Besicorp-Empire	To be constructed	Rensselaer, N.Y.	535	Gas Cogen	Merrill Lynch	Being bought by Energy Capital Partners (PFR, 7/19).
Boralex Power Income Fund	Kingsey Falls Senneterre Dolbeau Beauport Buckingham Forestville Rimouski Saint-Lambert Hudson South Glens	Québec Québec Québec Québec Québec Québec Québec Québec New York New York	31 34.6 28 4.5 9.9 12.7 3.6 6 45.8 13.9	Gas Cogen Biomass Biomass Hydro Hydro Hydro Hydro Hydro Hydro Hydro	Genuity Capital Markets	First round bids were due June 4. Credit Suisse is preparing a staple financing.
Calpine	Acadia Energy Center Fremont Energy Center Hillabee Energy Center	Eunice, La. Sandusky County, Ohio Alexandria City, Ala.	1,016 (50%) 512 774 MW	Gas Gas Gas	Miller Buckfire	July 30 auction. Co-owner Cleco Corp. is stalking horse. Plant 70% complete. Teasers dispatched mid-June (PFR, 6/18).
CIT Group	RockGen Energy Center	Cambridge, Wis.	460	Gas	Bear Stearns	Status unclear.
Central Vermont Public Service	Various	Vermont	70 in summer, 86 in winter	Hydro	Morgan Stanley	Believed to be in advanced stages.
City of Vernon	Malburg Generating Station Palo Verde Power Hoover Upgrading	Southern Calif. Southern Calif. Southern Calif.	134 11 22	Gas Nuclear Hydro	Lehman Brothers	Two-stage auction. Assets being offered debt-free, with promise of 15-year PPA with seller and related transmission.
Conduit Capital	Various	Latin America Caribbean	939 net ownership	Diverse	BNP Paribas	Took binding bids in May on two Mexican assets, and one Jamaican asset (PFR 6/15).
Con Ed Development	CEEMI CEEMI expansion Newington Energy Ada Cogeneration Lakewood Ocean Peaking Power Rock Springs Genor Ever Power Wind	Springfield, Mass. Springfield, Mass. Newington, N.H. Ada, Mich. Lakewood, N.J. Lakewood, N.J. Rising Sun, Md. Puerto Barrios, Guatemala NEPOOL, NY, PJM	185 96 525 (99.5%) 29 (48%) 246 (80%) 339 670 (50%) 42 (49.5%) 500 planned	Gas, Oil, Hydro Gas, Oil Gas Gas Gas Gas Gas Oil Wind	Morgan Stanley	First-round bids taken July 10. Final bids are due in late August. Seller said to be looking to fetch at least \$1.2 billion (PFR, 7/9). JPMorgan offering a rival financing.
Desert Power	Desert Power plant	Rowley, Utah	65 installed 100 planned	Gas	Miller Buckfire	Set for July 27 auction (PFR, 4/05).
Dominion Resources	Dresden Energy	Muskingum County, Ohio	580	Gas	N/A	Non-binding, indicative bids were received in late June.
DONG Energy	Energi E2 Removables Ibericas	Spain	265	Predominantly Wind	NM Rothschild & Sons, FIH	Company weighing sale.
Dynegy	Bluegrass Heard County Lyondell	Oldham County, Ky. Heard County, Ga. Channelview, Texas	573 539 600	Gas Gas Gas	JPMorgan Chase	Lyondell to be acquired by Energy Co. for \$470 million in cash.
DTE Energy	Georgetown 4 Crete Energy Venture East China River Rouge	Indianapolis, Ind. Crete, Ill. East China, Mich. Detroit, Mich.	80 304 (50%) 320 240	Gas Gas Gas Gas	N/A Lehman Brothers N/A N/A	Acquired by Indianapolis Power & Light. Took final bids July 2. Seller exploring options, including outright sale. On books at scrap value, decommissioned.
Electricite de France International unit Controladora del Golfo	Saltillo Anahuac (RB2) Lomas de Real (RB3) Valle Hermoso (RB4) Electricidad Aguila de Altamira Gasoducto del Rio	Ramos Arizpe, Coahuila Valle Hermoso, Tamaulipas Valle Hermoso, Tamaulipas Valle Hermoso, Tamaulipas Altamira 54 km pipeline	248 495 495 500 495 (51%) 330,000M Btu/D	Gas Gas Gas Gas Gas Gas	JPMorgan Chase	Final bids were due July 14 (PFR, 6/25).
Entergy Corp.	50% stake in Top Deer Wind Ventures RS Cogen Roy S. Nelson Warren Power Harrison Independence Robert Ritchie Offtake Contract	Worth County, Iowa Carsen County, Texas Lake Charles, La. Westlake, La. Vicksburg, Miss. Marshall, Texas Newark, Ark. Helena, Ark. Sam Rayburn Power Agency	40 40 212 60 225 335 121 544 50-80	Wind Gas Gas/Oil Gas Gas Coal Gas/Oil	New Harbor	Seller wants about \$500 million for the assets. Bidders shortlisted to four players: two financial; two infrastructure (PFR, 6/18).

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
Foresight Wind Energy	Various	Arizona, New Mexico	2 GW in development	Wind	CP Energy	Two bidders in the running; one domestic, one foreign (PFR, 6/25).
General Electric	Baglan Bay	Port Talbot, Wales	510	Gas	Lexicon Partners	Books dispatched early May.
GE Energy Financial Services	Green County plant	Jenka, Okla.	795	Gas	N/A	J-Power USA Development Corp. to acquire for about \$240 million (PFR, 7/23).
	Birchwood	Fredericksburg, Va.	242	Coal	N/A	Tyr said to be interested in acquiring (PFR, 2/12/07).
	Lake Benton I	Minnesota	107	Wind	N/A	To be acquired by AES.
	Storm Lake II	Iowa	80	Wind		
Globeleq	Emerging market portfolio	Asia, Africa, Americas	2,082	Mixed	Lehman Brothers	Americas assets to be sold to D.S. Constructions and Israel Corp. Asia and Africa assets to be sold to Tanjong Energy Holdings and Aljomaih in \$1 billion deal.
Goldman Sachs	Horizon	Houston, Texas		Wind	N/A	Energias de Portugal to acquire for estimated \$2.93B, of which \$2.5B will be debt led by Barclays (PFR, 3/27).
(Cogentrix Energy)	Wind Energy					
	Indiantown	Martin County, Fla.	355	Coal	Goldman Sachs	Took preliminary bids June 28. Energy Investors Funds and Constellation still in the running. Perennial Power and Tyr Capital dropped out.
	Logan	Logan Township, N.J.	218	Coal		
	Cottage Grove	Cottage Grove, Minn.	245 (35%)	Gas/Oil		
	Whitewater	Whitewater, Wis.	236.5 (35%)	Gas/Oil		
	Scrubgrass	Venango County, Pa.	85 (50%)	Coal/Waste		
	Selkirk	Selkirk, N.Y.	345 (47.2%)	Gas		
	Northampton	Northampton County, Pa.	112 (80%)	Coal/Waste		
	Quachita	Sterlington, La.	804 (80%)	Gas		
	Carneys Point	Carneys Point, N.J.	262 (60%)	Coal		
	Richmond	Richmond, Va.	209 (80%)	Coal		
	Rocky Mount	Rocky Mount, N.C.	118 (80%)	Coal		
	Morgantown	Morgantown, Va.	60 (15%)	Coal/Waste		
	Plains End I, II	Golden, Colo.	182 (80%)	Gas		
	Rathdrum	Rathdrum, Idaho	275	Gas		
Landfill Energy Systems	Various	Various	80	Landfill gas	Ewing Bemiss	Final bids were due July 25. Bidders include LS Power, Fortistar, First Reserve, Citigroup and Merrill Lynch.
LS Power	Shady Hills	Shady Hills, Fla.	477	Gas/Oil	N/A	GE Energy Financial Services closed debt financing with a \$160 million loan from WestLB. (PFR, 7/16).
	Zeeland	Zeeland, Mich.	946	Gas	N/A	To be acquired by CMS Energy for \$517 million.
MDU Resources	Brush Power (1&3)	Brush, Colo.	213	Gas	Goldman Sachs	Natural Gas Partners and industry executive
IPP unit, Centennial	Hardin Generating	Hardin, Mont.	116	Coal		Paul Prager to acquire for \$636 million. Barclays Capital
Energy Resources	Hartwell Generating	Hartwell, Ga.	310	Gas		and Goldman Sachs launched syndication of a
	Mountain View	San Geronio	66.6	Wind		\$610 million acquisition package June 12.
	Power Partners	Pass, Calif.				
	San Joaquin Cogen	Lathrop, Calif.	48	Gas		
Mirant Corp.	Diverse U.S. assets	PJM, NEPOOL, Calif.	10,650	Various	JPMorgan	JP Morgan took first-round bids June 12 from bidders including US Power Generating Co. (PFR 4/5).
Mirant	Curacao Utilities (25%)	Curacao	133	Asphalt	JPMorgan	Marubeni to acquire for \$1.082 billion, including \$350 million
	Grand Bahama	Grand Bahama Island	151	Oil		in debt, and power purchase obligations of about
	Power Co. (55%)					\$153 million. Mizuho to lead acquisition financing
	Jamaica Public	Jamaica	621	Oil/Hydro		some time in August.
	Service Co. (80%)					
	PowerGen (39%)	Trinidad & Tobago	1.2 GW	Gas		
Noble Environmental Power	Various	NY, Mich	385	Wind	Goldman Sachs	Timeline unclear.
Progress Ventures	Walton	Walton, Ga.	450	Gas	JPMorgan	Seller will fetch \$480 million in sale of generation to
	Monroe Power	Monroe, Ga.	350	Gas		Arclight Capital Partners and contract portfolio to
	Washington County	Washington County, Ga.	600	Gas		Constellation Energy Commodities Group. Lehman
	Effingham County	Effingham County, Ga.	500	Gas		Brothers and Citigroup launched acquisition financing
						May 21.
PSEG Global	Electroandes	Andean region, Peru	180	Hydro	JPMorgan	Seller has received reverse enquiries and is
			437 miles	Transmission		determining wider interest.
Reliant Energy	IndianRiver	Titusville, Fla.	587	Oil/Gas	JPMorgan	Indicative bids were taken April 10. JP Morgan is
	Osceola Generating	Holopaw, Fla.	470	Gas (peaker)		doing a staple financing, said to be in the \$1 billion range
	Bighorn Generating	Las Vegas, Nev.	598	Gas		(PFR, 2/26).
	Choctaw Generating	French Camp, Miss.	804	Gas (mothballed)		
	Channelview	Lyondell, Texas	830	Gas	Houlihan LoKey	Bids due Aug 10. Energy Co. interested
Ridgeline Energy	Various	Idaho, Oregon, Washington	3,700 in development	Wind	Marathon Capital	Believed to be in advanced stage.
Temasek Holdings	PowerSeraya	Singapore	3,100	Gas	Credit Suisse, Morgan Stanley	Teasers to go out in September (PFR, 6/25).
	Senoko Power		3,300	Oil		
	Tuas Power		2,670	Steam		
TransAlta	Western Canada, Ontario	Diverse U.S.	404	Gas, Coal	BMO Capital Markets	Teasers already out.
Trinergy	Various	Italy, Germany, Ireland, U.K. Spain	648	Wind	RBC Capital Markets	Took preliminary, non-binding bids on June 28.
Tyche Power Partners	Brooklyn Navy Yard	Brooklyn, N.Y.	286	Gas Cogen	Credit Suisse	Two-stage auction (PFR, 6/18).
UPC Wind	Various	North America	3GW in development	Wind	JPMorgan	UPC reportedly shopping itself (PFR, 6/8).
Zephyr Investments	Various	Europe	391	Wind	Lexicon Partners	Englefield Capital agreed to sell one-third interest to
						Infracapital Partners and JPMorgan Asset
						Management, for GBP 145 million (\$288.8 million).

Weekly Recap

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

North America

- **Fortis** has signed a 345MW five-year power sales agreement with **Gregory Power Partners**, a 400 MW cogeneration plant located in Corpus Christi, Texas (*Earthtimes.org*, 7/26).
- **Progress Energy Florida** said it would partner with Atlanta-based **Biomass Gas & Electric** to purchase electricity produced from waste wood (*Associated Press*, 7/26).
- U.S. federal regulators have alleged that **Energy Transfer Partners** twice attempted to manipulate the price of natural gas flowing through the Houston Ship Channel (*Houston Chronicle*, 7/26).
- **Pioneer Southwest Energy Partners** filed with U.S. regulators to raise close to \$302 million in an initial public offering of 12.5 million common units (*Reuters*, 7/26).
- **Sempra Energy's** 150-mile Sunrise Powerlink transmission project scheduled to be completed by 2010 has been delayed (*Reuters*, 7/25).
- **Suez Energy North America** signed an agreement to acquire Canadian wind power developer **Ventus Energy** for CDN\$124 million (\$118.3 million) (*Briefing.com*, 7/25).
- **Exelon's** executive v.p. **John Skolds** will retire from the company in September (*Associated Press*, 7/25).
- **Aquila** agreed to pay \$10.5 million in order to settle a class-action lawsuit involving employee retirement funds (*Associated Press*, 7/25).
- **Southern Company's Southern Power** is considering constructing a \$900 million, 1.8 GW gas plant in Cleveland County, Ohio (*Charlotte Business Journal*, 7/25).
- **TXU's John Wilder** plans to resign when the leveraged buyout by **Kohlberg Kravis Roberts** and **Texas Pacific Group** is complete. **Tom Baker**, vice chairman, plans to retire (*Dow Jones*, 7/25)...Meanwhile, **Franklin Resources**, TXU's largest shareholder, plans to vote against the buyout on September 7 (*Financial Times*, 7/25)...And opponents of TXU's proposed Robertson coal-fired facility in Central Texas have sued environmental regulators who approved an air permit for the plant (*Associated Press*, 7/24).
- The U.S. **Commodity Futures Trading Commission** charged failed hedge fund **Amaranth Advisors** and its former head trader, **Brian Hunter**, with trying to manipulate natural gas futures prices. The action comes after Hunter sued this week to block the **Federal Energy Regulatory Commission** from taking enforcement action against him (*Reuters*, 7/25).
- **Babcock & Brown Infrastructure** canceled its planned takeover of **Northwestern Energy** after Montana regulators blocked the deal (*Reuters*, 7/24).
- **SunEdison** named **Thomas Rainwater** to be its ceo, replacing founder **Jigar Shah**. Rainwater will start on Aug. 13 and joins from **TransAlta** (*Washington Business Journal*, 7/24).
- **Competitive Power Ventures** bought 77 acres of land from **American Community Properties Trust** in St. Charles, Md., to construct a \$400 million plant (*Baltimore Business Journal*, 7/24).
- **Altair Nanotechnologies** entered a joint development agreement with **AES Corp.** Terms of the deal were not revealed (*Associated Press*, 7/23).
- **Constellation Energy Group** has formed a joint venture, **UniStar Nuclear Energy**, with France's **EDF Group** to explore building nuclear power plants in the U.S. and Canada (*Associated Press*, 7/23).
- **Enterprise GP Holdings** has named **Ralph Cunningham** as president and ceo, replacing **Michael Creel**, who became president and ceo of general partner **Enterprise Products Partners**. **Randall Fowler** was named cfo (*Associated Press*, 7/23).
- Texas electric regulators voted to designate eight new **Competitive Renewable Energy Zones**, to serve more than 20,000 MW of proposed wind generation (*Reuters*, 7/20).
- **Williams Co.** will form a new publicly traded master limited partnership for its pipeline assets. The Tulsa, Okla.-based company said it will repurchase up to \$1 billion shares (*Reuters*, 7/20).
- **U.S. Energy Systems** has hired **Jeffries & Co.** to assist in evaluating its strategic options and financing (*Associated Press*, 7/20).
- **Quest Energy Partners** will sell up to 8.75 million common units in an initial public offering. **A.G. Edwards**, **Wachovia Securities**, **RBC Capital Markets**, and **Friedman Billings Ramsey** will underwrite the IPO (*Reuters*, 7/19).
- The **Nuclear Energy Institute** has hired **Chad Bradley & Associates** to lobby the federal government. **Duke Energy**, **Entergy**, and **TXU** are among the 280 members of the trade group (*Associated Press*, 7/19).
- **Stamford, Conn.** will receive an additional \$1.5 million for a unique sewage-to-electricity plant if a bill approved by the U.S. House of Representatives also passes the Senate. The project is estimated to cost around \$20 million (*Stamford Advocate*, 7/19).
- **Wadsworth** will work with **American Municipal Power-Ohio** to install hydroelectric generators at a river dam near Gallipolis, Ohio (*Akron Beacon Journal*, 7/19).

Europe

- **Royal Dutch Shell** reported an 18% rise in second-quarter earnings to GBP 4.22 billion (\$8.67 billion) (*Financial Times*, 7/26).
- **Enel** said it plans to issue close to EUR10 billion (\$13.7 billion) worth of bonds by June 30 next year in part to refinance debt, including a line of credit linked to its acquisition of **Endesa** with partner **Acciona** (*Reuters*, 7/26).
- **Endesa's** net profit for the first half of the year fell 29 percent. The company is the subject of a takeover bid by **Acciona** and **Enel** (*Associated Press*, 7/25).
- Germany's **Repower Systems** has won an order for 44 of its 2 MW wind turbines from **EDF Energies Nouvelles'** North American affiliate **EnXco** (*Bloomberg*, 7/25).
- All of Albania was left without electricity because of a defect in a transmission line importing power from neighboring Macedonia (*Associated Press*, 7/24).
- **E.ON** plans to increase its power generation in the Czech Republic, possibly increasing tension with state-owned Czech utility **CEZ** over diminishing coal supplies (*MarketWatch*, 7/23).
- **WorldWater & Star Technologies** signed a letter of intent with Spanish real estate developer **M&G Promociones de Vivienda Urbana** to build several solar farms in Lorca, Spain. (*Datamonitor*, 7/19).

Illinois Rate Settlement Is Silver Lining For Utilities

The \$1 billion rate relief package proposed by Illinois utilities **Commonwealth Edison** and **Ameren** is designed to circumvent an extended rate freeze that could have crippled both companies. "This deal eliminates the threat of further rate freeze legislation that would have been a disaster for Illinois utility companies," says **A.J. Sabatelle**, v.p. at **Moody's Investors Services**. "There is now potential for a further degree of stability for the power market place."

Under the four-year agreement, reached after extensive negotiations, **Exelon** subsidiary **ComEd** will provide \$800 million in rebates to Illinois customers, while **Ameren** will put up \$150 million. A further \$50 million will come from smaller power providers—**Edison International's Midwest Generation** and **Dynegy**. As part of the deal, the state also plans to install a public agency that will buy power for local utilities instead of

them buying at auction.

The agreement passed the Illinois House of Representatives last Thursday, with passage from the Illinois Senate and final signature by Governor **Rod Blagojevich** expected shortly. Illinois legislators faced intense political pressure after power rates rose nearly 25% for **ComEd** customers and 40-55% for **Ameren** customers when a 10-year rate freeze ended last year.

Ontario Greenfield Fills Out Syndicate

Bank of Tokyo-Mitsubishi, **BMO Capital Markets** and four sub-underwriters have signed up an additional 14 banks to fund C\$650 million (\$615 million) in debt supporting **Calpine** and **Mitsui & Co.'s** Greenfield Energy Center near Sarnia, Ontario. Among them, **Manulife Financial**, **Sumitomo Mitsui Banking Corp.** and **Allied Irish Bank** scored senior managing agent roles, taking C\$50 million tickets on the term loan, which priced at 120 basis points over LIBOR, stepping up to 200 over the 18-year tenor.

Remaining participants were allocated C\$25 million each of the deal, which was 30-40% oversubscribed. Prior to general syndication, **BayernLB**, **HSH Nordbank**, **NordLB**, and **Helaba** landed sub-underwriter roles of C\$75 million after the deal closed and funded in May (PFR, 6/22). The deal was not as oversubscribed as **Calpine's** \$377 million Otay Mesa financing (PFR, 6/29), says one market watcher, due to Greenfield's delays since banks were named in October (PFR, 10/3). Competition from **Invenenergy's** neighboring St. Clair Power, also in the market (PFR, 7/6), may have also been a factor.

The 1 GW gas-fired plant will sell output to the **Ontario Power Authority** under a 20-year agreement. It entered construction in 2005, and is scheduled to be complete next year. Officials at the leads declined to comment.

PEACE GARDEN

(continued from page 1)

Metzger declined to identify the parties that have approached Just Wind, but said they included an assortment of investment banks offering up to 80% debt financing and tax equity commitments, as well as an institution looking to form a joint venture. One proposal came from a large strategic player with excess turbines to put to work. Since this is the developer's first project, getting into bed with a heavyweight lender or partner is as important as the parameters of any deal, he says. "We've done all the legwork, but it brings credibility if someone on your side is internationally known."

The project itself is expected to boast the unusual feature of a

hydrogen storage facility. Its interconnection agreement allows for technology that uses wind-generated electricity to electrolyze water, stripping out hydrogen gas that can be used to power a 175 MW turbine and boost output. If completed, it would be the first application of the technology in a utility-scale wind farm, notes Metzger, who cautions that the timeline for incorporating the hydrogen storage capability has not been finalized. Offtake negotiations are in progress. —*B.M.*

CONSTELLATION, EIF

(continued from page 1)

couldn't get to the value, according to sources. Initial bids taken June 28 were said to have topped out at about \$1.9 billion (PFR, 6/29).

Officials at the Charlotte, N.C.-based seller, its financial advisor and owner **Goldman Sachs**, and the bidders either declined comment or did not return calls.

Goldman, which is betting valuations for contracted generation will continue to rise instead of plateau, hopes to close on a sale by November (PFR, 5/11). It is shopping eight plants outright and all but 20% in a further six, with the intent of offloading the balance later for earnings management purposes. The four properties it intends to keep are 258 MW Cedar Bay in Jacksonville, Fla.; a 120 MW cogen in Hopewell, Va.; another in Portsmouth, Va.; and an 810 MW gas-fired combined-cycle plant in Southaven, Miss., which recently suffered a blowout putting 30% of its capacity out of operation for up to a year.

—*Katy Burne*

CREDIT SUISSE

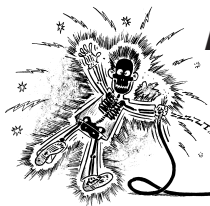
(continued from page 1)

term loan B markets. There will also be a \$500 million construction loan. Tenors are still being decided. The timing is not affected by turbulence in the credit markets, bankers say, noting the deal is expected to score a BB rating. "It's a solid project," said an official close to the deal, adding, "There's more bank debt than term loan B debt, so [market conditions] won't have that much of an impact." LS is aiming to meet financial close by Labor Day, after first issuing an RFP to lenders in May (PFR, 5/18).

Sandy Creek mirrors LS' last project financing, a \$755 million package for 665 MW coal-fired Plum Point (PFR, 3/17/06), which was arranged by Credit Suisse, **Goldman Sachs**, **Merrill Lynch**, **Morgan Stanley** and **WestLB**. Like Plum Point, Sandy will be supported by a combination of long-term contracts and commodity hedges. It could not be determined whether LS already has sold a minority stake to local municipalities or cooperatives as it did with Plum Point.

In addition to Sandy Creek, the New York-based private

Alternating Current



A Fishing Expedition

Forget Aruba. NordLB's New York project finance team took about 40 of clients fishing last Friday off Freeport, Long Island. As if the market wasn't choppy enough!

One female junior banker reeled in a summer flounder, or fluke as they are fittingly known. No-one else hooked anything inside the 20-inch legal limit, so all the spider crabs and robin fish had to be thrown back. Let's hope the guys have more success snagging deals!

equity shop has three coal plants totaling more than 3.5 GW in various stages of development. Officials there and at Credit Suisse declined to comment.

—*Ben Miller*

PORTUGUESE COS.

(continued from page 1)

A handful of banks are likely frontrunners to win arranger mandates, including **Dexia Crédit Local**, **Banco Bilbao Vizcaya Argentina**, **La Caixa** and **Caja Madrid**.

Large-scale financings for European wind have been rare and are hotly contested due to razor-thin margins seen on smaller scale wind farms.

Incentives for constructing wind in Portugal are high. In 1995, the government abolished the installed power limit for renewable energy generating facilities, and adjusted tariff rates to make them more favorable for independent power producers. Calls to EDP and the banks were not returned.—*Mark Bonamo*

Quote Of The Week

"We've done all the legwork, but it brings credibility if someone on your side is internationally known." — **Jeffery Metzger**, chief manager at new developer **Just Wind**, on why reputation is as important as terms when choosing a project financier or partner (see story, page 1).

One Year Ago In Power Finance & Risk

Constellation Energy Group's 3 GW-plus merchant portfolio raked in offers of more than \$1.5 billion, with **Complete Energy**, **Tenaska Power Fund**, **LS Power** and **Waypoint Energy** understood to have made the second round. [Tenaska won the auction, paying \$1.64 billion. **Credit Suisse** and **Deutsche Bank** provided \$1.1 billion of financing (PFR 10/7).]