

# power finance & risk

The exclusive source for power financing and trading news

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## LS Leads Change Direction

**Credit Suisse** and **Royal Bank of Scotland** are looking to tap the bank market for a \$1 billion financing for **LS Power**. The idea of seeking some B loan investors has been ditched.

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## AES Mexico Deal Nears A Wrap

**BNP Paribas** has brought in 12 banks and financial institutions for a \$250 million refinancing for **AES Corp.**

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## DALLAS SHOP PLOTS \$1B NEW GENERATION PUSH

**Willow Bend Capital Management**, the Dallas-based energy investment shop backed by New York hedge fund **Satellite Asset Management**, is targeting \$1 billion in investment in new generation over the next one to five years. The bulk of that sum will come from a new dedicated power and infrastructure private equity fund that Willow Bend and Satellite are raising.

**Garry Hubbard**, managing partner at Willow Bend, says the shop is focusing on 250-300 MW plants in constrained markets. The shop, which has more than 1GW in construction or operation, most recently invested in a pair of 550 MW gas plants built by **Navasota Energy** in Odessa and Wharton, Texas.

Willow Bend recently purchased four 85 MW **General Electric** gas turbines with an eye on placing them in its next investment. "Our ideal partner is a developer with a sited and

*(continued on page 8)*

## ISRAELI DEVELOPER TARGETS \$1B DEBT FOR MOJAVE PROJECT

Israeli-owned developer **Solel** is aiming to raise \$1 billion in debt financing for the 550 MW solar thermal facility it is planning for Southern California's Mojave Desert. **David Saul**, coo of the Henderson, Nev.-based subsidiary of **Solel Solar Systems**, says discussions with potential lenders and tax-equity arrangers are underway, declining to name them.

The Mojave Solar Park will be the largest solar generation unit in the world and Solel last week unveiled a PPA with **Pacific Gas & Electric**.

*(continued on page 8)*



## U.K. GAS PROJECT SEEKS CO-SPONSORS, LENDERS

**Bridestones Developments** is looking for co-sponsors and lenders for a planned GBP250 million (\$513.2 million) 380 MW gas-fired combined cycle facility near Manchester, England. **Ian Shields**, technical director at the Middlesbrough-based subsidiary of **Carlton Power**, says three to four sponsors have expressed interest and it will make a decision in September. "It all depends upon who shows interest, as well as how the offers fit in with our fundamental interests," he adds, declining to name the interested parties.

An RFP process for lenders is being targeted for the first quarter next year. According to a source close to the deal, some interested banks include the **Royal Bank of Scotland**, **Bank of Tokyo Mitsubishi** and **Halifax Bank of Scotland**. No offtake arrangements have been made, but Bridestones expects this to be tackled after co-sponsors have been selected.

Construction of the project near the site of the former Carrington coal station will begin

*(continued on page 8)*

Check [www.iipower.com](http://www.iipower.com) during the week for breaking news and updates.



## At Press Time

## LS Leads Set To Turn To Bank Mart, Away From B Investors

Credit Suisse and Royal Bank of Scotland have changed tack on a \$1 billion financing for LS Power and plan to place an eight-year single tranche entirely in the commercial bank market. The initial plan for the 800 MW Sandy Creek supercritical pulverized coal plant in Riesel, Texas, had been to target B loan investors for some of the debt (PFR, 7/30).

LS Power's last coal financing, a \$755 million package for 665 MW Plum Point (PFR, 3/17/06), was one of last year's biggest B loan power deals. As the subprime meltdown fallout affects high-yield markets, however, Sandy Creek could signal a resurgence for project finance banks, which in some ways have been sidelined over the last few years by the rampaging leveraged loan mart. "Generation still needs to be built. So there will be an opportunity for the banks as prices head back up" says a New York banker.

A handful of second-tier banks are being signed up this month for the loan with an eye toward closing before a general syndication in September. Officials at the sponsor and banks declined to comment or did not return calls.

LS Power is arranging a combination of long-term contracts and commodity hedges to support the plant, some of which have been signed.

## Cleco To Use Calpine Funds On Construction

Cleco Corp. plans to partly fund a \$1 billion, 600 MW solid-fuel generating unit with cash released as a result of Calpine's sale of its stake in a jointly owned project. A U.S. bankruptcy court has approved the sale of Calpine's 50% interest in the 1,160 MW gas-fired Acadia plant in Eunice, La., to **Cajun Gas Energy** for \$189 million. The agreement includes a distribution of \$85 million from Acadia to Cleco, which owns the other 50% of the project.

Cleco's new unit is under construction near Boyce, La., and is known as Rodemacher Power Station Unit 3. It is expected to be complete by late 2009. "We were considering a hybrid issue to help fund our capital expenditure for next year, but this means that maybe we don't have to," says **Kathleen Nolan**, Cleco treasurer.

"We are pleased with the outcome," says Cleco president and c.e.o. **Michael Madison** in Pineville, La. "We have restored all our interests related to Calpine and extracted the value we thought that we could receive from the project." Madison noted future interests Cleco might have in geothermal production, but did not name any potential specific sites. "We're not looking to solar or wind," he says. "The only significant wind we get around here comes from hurricanes."

### Tell Us What You Think!

Do you have questions, comments or criticisms about a story that appeared in *PFR*? Should we be covering more or less of a given area? The staff of *PFR* is committed as ever to evolving with the markets and we welcome your feedback. Feel free to contact **Katy Burne**, managing editor, at 212-224-3165 or [kburne@iineews.com](mailto:kburne@iineews.com).

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INTELLIGENCE FIRST

## BNP Nears AES Mexico Wrap

BNP Paribas has brought in 12 banks and financial institutions for a \$250 million refinancing for AES Corp.'s Termoeléctrica del Golfo facility in Tamuin, Mexico. Four banks came in as co-agents at levels of \$30 million and up, according to bankers. The deal was about 40% oversubscribed and had lower tiers of \$15 million and \$20 million. Pricing on the 15-year loan reportedly starts at 112.5 basis points over LIBOR. Officials at BNP and AES declined to comment.

AES bought the 230 MW petcoke-fired TDG and sister plant Termoeléctrica de Peñoles in February from subsidiaries of Exelon and Alstom for \$610 million. Lenders are buying into a "turnaround story," says one banker, as AES tries to increase plant productivity. TDG is supported by a 20-year offtake agreement with cement-maker Cemex. A mandate on a refinancing of the Peñoles facility is also expected this quarter.

## Bulgarian Co. Plots 200 MW Farm

Balkan Energy is planning to build a EUR120 million (\$164.2 million), 200 MW wind farm in northeastern Bulgaria. The Bulgarian energy company, which is co-owned by Roal Resort and local investment brokerage firm Maccap Brokers, has applied for a 35-year government permit for power production

at the 7,000-square meter site near the town of Dobrich. A response to the application is expected next week.

The project, known as the Dobrin wind park, is slated to begin construction in early 2009 and be completed in 2010. Balkan Energy will partially finance the project, with additional funding to be provided by the Sofia-based Corporate Commercial Bank. Calls to Alexander Pantaleev, head of the credit department at Corporate Commercial, and Balkan Energy were not returned by press time.

## Globeleq Asset Buyer Taps Banks

Tanjong Energy, the subsidiary of the Kuala Lumpur, Malaysia-based Tanjong Group that specializes in generation, has reportedly hired Sumitomo Mitsui Banking Corp. and Standard Chartered Bank to provide the debt financing to fund its \$493 million acquisition of Houston-based Globeleq's portfolio of seven contracted plants in North Africa and Asia.

Stephen Morisseau, v.p. at Globeleq, said the sale is expected to close by the end of September. The portfolio includes the 450 MW Meghnaghat, 360 MW Haripur, and 110 MW NEPC gas-fired plants in Bangladesh, a 157 MW gas-fired plant in Pakistan, and the 25 MW ACE Horana and 25 MW Ace Matara liquid fuel plants in Sri Lanka. The 683 MW Sidi Krir gas-fired plant in Egypt rounds out the fleet.

*This announcement appears as a matter of record only*



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## Corporate Strategies

### Pa. Co. Goes Private To Fund Asset Acquisition

Atlas Pipeline Partners' \$1.85 billion purchase of the **Anadarko Petroleum Corp.**'s Chaney Dell and Midkiff-Benedum natural gas gathering and processing systems on July 27 was largely funded through a \$1.125 billion private placement. The remainder was funded through a term loan B with a rate of LIBOR + 250 basis points that will mature in 2014. **Wachovia Securities** was the lead bank in the transactions. "We've worked with Wachovia on many deals before, and we believe that they have a good handle on the markets," says **Brian Begley**, v.p. of investor relations in Philadelphia, Pa.

For the midstream energy services provider, the acquisition of the Chaney Dell natural gas gathering and processing system, located in central Oklahoma and southern Kansas, and the similar Midkiff-Benedum system, located near Midland, Texas, begins a larger attempt to connect existing Atlas assets in Oklahoma. According to Begley, Atlas is looking to pursue a growth strategy that will focus on the completion of an approximately 100-mile pipeline that will connect its new systems with its assets in Elk City and Sweetwater, Okla. by the end of 2008 at a cost of close to \$150 million.

### Kinder Takes Out Preferreds

**Kinder Morgan G.P.** plans to sell \$100 million in cumulative preferred stock in a private sale to improve leverage after its management-led buyout. The 50-year securities, which start at a fixed rate and convert to floating, sit just below senior debt in the capital structure, but above the more common junior subordinated hybrid securities, says **Michael Messer**, analyst with **Standard & Poor's** in New York. **Peter Staples**, investor relations manager at Kinder Morgan in Houston, declined comment.

"The risk is that it's callable in 2012," Messer says to explain the BB+ rating and 0% equity credit from his agency. He says there is great incentive for Kinder to call the notes in 2012, when they expect to carry less debt. That the stock isn't likely to be a permanent part of the capital structure and pay a cumulative dividend makes them more debt-like than other MLP hybrids, says **Mihoko Manabe**, v.p. at **Moody's Investors Service** in New York, which rated the securities Ba2 and also gave no equity credit.

The timing of the sale, to be led by **Goldman Sachs**, had not been announced by press time. **Knight Inc.**, formerly **Kinder Morgan Inc.**, funded its buyout with \$4.76 billion in loans arranged by Goldman, **Citigroup** and **Deutsche Bank**, added on to about \$4.5 billion in debt. Much of its near-term spending will be related to the \$4.4 billion Rockies Express Pipeline being built with **Sempra Pipelines and Storage** and **ConocoPhillips**.

### Tenn. Agency Plans \$2.6B Sale For Gas Prepay...

**Tennergy Corp.**, an acquirer and financier of energy supply transactions for municipalities, plans to sell \$2.63 billion in 20-year fixed- and floating-rate notes to fund a prepaid gas agreement with **JPMorgan Chase Ventures Energy**. The transaction allows its more than 60 participating municipalities to save 10-12% on gas at current prices, says **Phillip Bell**, v.p. of energy supply in Jackson, Tenn. It also ensures a more secure supply.

The proceeds from the sale underwritten by **JPMorgan Chase** and expected this week will pay for a 20-year supply which JPM contracts with **BP** to deliver. Bell says the majority of the offering will be fixed-rate, with the portion offered at floating rates, if any, decided at pricing, based on which appears more economical over the agreement's life. **Standard and Poor's** rated the offering AA-.

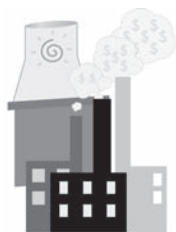
"JPMorgan offered the best discount," Bell explains, after **Tennergy** brought in seven institutions for an RFP process. He says the number of banks with expertise for this type of transaction is growing after a dry period while the **Internal Revenue Service** clarified its stand on them.

### ...While Ohio Muni Funds Power Pre-Pay

**American Municipal Power-Ohio's** \$316 million issuance of electricity purchase bonds is being used to pay part of its contract fee with **Goldman Sachs** commodities subsidiary **J Aron** upfront. **Karl Pfeil**, senior director at **Fitch Ratings**, says pre-pay transactions are becoming more attractive because of rising interest rates and fuel prices. "The main question about pre-pay transactions is whether there are enough savings in these deals to propel them forward," he says. The bond offering is expected to close by August 1, with Goldman as senior manager. **American Municipal Power-Ohio** CFO **Robert Trippe** declined comment.

One of AMP-Ohio's contracts with J Aron is for 225 MW of base-load electricity, which requires J Aron to deliver this amount through January 1, 2013. The new transaction will repay for the remaining life a 171 MW portion of this contract, and provide close to 2% saving relative to the existing fixed price contract, as well as providing the 171 MW portion of power on a 24-7 basis.

The transaction also includes a surety bond with **MBIA Insurance Corp.** guaranteeing the payment obligations of AMP-Ohio as well as the scheduled power deliveries in the event of a default. Although Fitch has rated the insurance company AAA, it has rated the bonds AA-. "Despite MBIA's guarantees, we tend to rate bonds in this scenario parallel to the lowest rating of the weakest participant, which in this case is Goldman Sachs," Pfeil explained.



## 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@iineews.com](mailto:kburne@iineews.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	Kingsley 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	Saltillo Anahuac (RB2) Lomas de Real (RB3) Valle Hermoso (RB4)	Ramos Arizpe, Coahuila Valle Hermoso, Tamaulipas Valle Hermoso, Tamaulipas Valle Hermoso, Tamaulipas	248 495 495 500	Gas Gas Gas Gas	JPMorgan Chase	Final bids were due July 14 (PFR, 6/25).
Controladora del Golfo	Electricidad Aguila de Altamira Gasoducto del Rio	Altamira 54 km pipeline	495 (51%) 330,000M Btu/D	Gas		
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).

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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. signed purchase agreement, sale thought to be close to \$240 million (PFR, 7/30).
	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 (Cogentrix Energy)	Indiantown	Martin County, Fla.	355	Coal	Goldman Sachs	Take 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 taken July 25. Bidders include LS Power, Fortistar, First Reserve, Citigroup and Merrill Lynch. (PFR, 7/30).
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.
IPP unit, Centennial Energy Resources	Hardin Generating	Hardin, Mont.	116	Coal		Paul Prager to acquire for \$636 million. Barclays Capital and Goldman Sachs launched syndication of a \$610 million acquisition package June 12.
	Hartwell Generating	Hartwell, Ga.	310	Gas		
	Mountain View	San Geronio	66.6	Wind		
	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 in debt, and power purchase obligations of about \$153 million. Mizuho to lead acquisition financing sometime in August.
	Grand Bahama Power Co. (55%)	Grand Bahama Island	151	Oil		
	Jamaica Public Service Co. (80%)	Jamaica	621	Oil/Hydro		
	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 ArcLight Capital Partners and contract portfolio to Constellation Energy Commodities Group. Lehman Brothers and Citigroup launched acquisition financing May 21.
	Monroe Power	Monroe, Ga.	350	Gas		
	Washington County	Washington County, Ga.	600	Gas		
	Effingham County	Effingham County, Ga.	500	Gas		
PSEG Global	Electroandes	Andean region, Peru	180	Hydro	JPMorgan	Seller has received reverse enquiries and is determining wider interest.
			437 miles	Transmission		
Reliant Energy	IndianRiver	Titusville, Fla.	587	Oil/Gas	JPMorgan	Indicative bids were taken April 10. JP Morgan is doing a staple financing, said to be in the \$1 billion range (PFR, 2/26).
	Osceola Generating	Holopaw, Fla.	470	Gas (peaker)		
	Bighorn Generating	Las Vegas, Nev.	598	Gas		
	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,	Teasers to go out in September (PFR, 6/25).
	Senoko Power		3,300	Oil	Morgan Stanley	
	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).



## DALLAS SHOP

(continued from page 1)

permitted project who needs us to go to the next level,” explains Hubbard, adding that having turbines can take a year off of such a project. He declined to comment about discussions with potential partners or specific markets he is targeting.

The shop was formed in 2003 by former officials at **Panda Energy**, the trailblazing, privately owned IPP. Hubbard was senior v.p. of construction at Panda, and co-managing partner **Jerry Thurmond**, was cfo. Willow Bend initially advised hedge funds making investments in the distressed power assets abounding at the time, but has since shifted its focus to partnering with developers.

—Ben Miller

## ISRAELI DEVELOPER

(continued from page 1)

Saul says Solel has been approached by several parties and hasn't decided if there will be a formal RFP process. He adds there isn't a precedent financing to use as a guide, and declined to speculate on similarities it might share with the Nevada Solar One financing being arranged for **Acciona Solar Power** by **Santander**, **BBVA** and **La Caxia** (PFR, 5/4). A banker familiar with that transaction notes it had a sponsor equity piece and several special covenants to mitigate risk during construction of the 64 MW project. A project the size of Solel's would have to provide lenders with even more assurances.

Mojave is going through local and federal permitting with an eye on starting construction in 2009 and generating power by 2011. Saul says in addition to the obvious economies of scale, Mojave can take advantage of the existing transmission links used by **Southern California Edison's** shuttered Mojave Generating Station in Laughlin, Nev. Solel, one of the largest solar equipment manufacturers, plans to produce Mojave's mirrors in the U.S.

—B.M.

## U.K. GAS

(continued from page 1)

by June next year, with completion scheduled for 2012. **Keith Clarke**, **Bridestones** managing director, says the company plans to stray from its usual pattern of selling all equity in the projects it develops. “We wish to retain a 10-25% percentage of equity in this project,” he says. “We're looking towards the benefits of long-term revenue.”

Carlton has been involved in the development of other notable U.K. power projects, including the construction of the GBP400 million (\$819.7 million) 885 MW combined cycle gas-fired Langage plant near the city of Plymouth. The project, owned by U.K. power company **Centrica** since Carlton's sale of the project in 2004, is due to be completed in 2012.

—Mark Bonamo

## Calendar

- **Institutional Investor** is holding the *US Carbon Finance Forum*, Sept. 10-11 at The Metropolitan Club in New York. Visit [www.uscarbonfinance.com](http://www.uscarbonfinance.com) to register.
- **Active Communications International** presents the *3rd Annual Energy Risk Management Symposium*, Sept. 28-29 in San Antonio. Visit [www.acius.net](http://www.acius.net) to register.
- **Platts** presents its *9th Annual Financing US Power*, Oct. 22-23 at the Marriott New York Financial Center. Visit [www.platts.com/events](http://www.platts.com/events) to register.

## Quote Of The Week

*“Despite MBIA's guarantees, we tend to rate bonds in this scenario parallel to the lowest rating of the weakest participant, which in this case is Goldman Sachs.”*—**Karl Pfeil**, senior director at **Fitch Ratings**, on why an **American Municipal Power-Ohio** pre-pay transaction landed a rating equal to the power counterparty, rather than the bond guarantor (see *Strategies*, page 4).

## One Year Ago In Power Finance & Risk

Mirant set a timetable for its auction of **Mirant Philippines'** assets, expecting to take first-round bids on the 2.43 GW portfolio at the end of August and name a winner in November. [AES Corp., Hong Kong's **CLP Group**, **International Power**, and Japanese corporates **Sumitomo Corp.**, **Mitsui & Co.** and **Marubeni** reached the second round. After a bout with power outages (PFR, 11/13), a consortium led by **Marubeni** and **Tokyo Electric Power** bagged the plants for \$3.42 billion in December.]

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