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Tenaska Midstream Unit Takes Off

Tenaska Capital Management has formed Houston-based **Voyager Midstream** to invest in midstream gas.

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Leads Kick Off Former Calpine Recap

Barclays Capital and **Goldman Sachs** have launched a \$200 million recapitalization of two 265 MW plants originally developed by **Calpine**.

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LADWP EXPLORES GENERATION, TRANSMISSION ASSET SALES

The Los Angeles Department of Water and Power is exploring merger or divestment options for its fossil fuel generation and transmission assets to meet state greenhouse gas reduction targets. As first reported by *PFR* Wednesday, the giant utility has hired **Goldman Sachs** and **JPMorgan** to advise on the potential sales.

The storied muni is trying to adhere to the California Global Warming Solutions Act of 2006, known as AB 32, which Governor **Arnold Schwarzenegger** signed in to law in 2006. That legislation calls for

(continued on page 8)



PEMEX TO FIRE UP FIRST PRIVATE SECTOR TENDER

Mexico's PEMEX will call for bids to develop, own and operate a 300 MW cogeneration plant powering a refinery in Tabasco in the southern part of the country. This will be the state-owned petroleum company's first foray into getting an IPP to build a plant and mimics previously successful tenders of Mexico's state-owned utility, **Comisión Federal de Electricidad**.

Bids to build Nuevo Pemex from developers with financial backing will be due Dec. 22 ahead of a contract being signed in February for the project set to come online in 2011. The tender launches Aug. 26.

"They've seen benefits of inviting the private sector into public market given CFE's success," says **Dino Barajas**, a project finance attorney with **Morgan Lewis** in Los Angeles. He points to **Mitsubishi** and **Kyushu Electric's** 495 MW Tuxpan V project north of

(continued on page 8)

TEXAS COGEN ON THE BLOCK

Gregory Power Partners, the owner of a 400 MW gas-fired cogeneration facility in Gregory, Texas, is up for sale.

The facility, 135 miles southeast of San Antonio near Corpus Christi, came online in 2000. **John Hancock Financial Services** owns a 68.9% interest, **Atlantic Power Corp.** a 17.1% stake and **JPMorgan** subsidiary **Arroyo Energy Investors** a 14% stake.

John Anderson, senior managing director and head of power and project finance at John Hancock in Boston, and a spokeswoman at Atlantic Power Corp. in Boston declined to comment. Officials at Arroyo in Houston did not return calls.

The facility has three-year PPA with **Constellation Energy** that expires this year and a five-year tolling agreement with **Fortis Energy Marketing & Trading** (*PFR*, 8/17) until 2013 that commences next year following the expiration of the PPA. **Standard &**

(continued on page 8)

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



At Press Time

Wind Developer Hunts Tax Equity For Inaugural Farm

Turbine manufacturer DeWind Inc. is seeking \$20 million in tax equity financing for its 10 MW Little Pringle I wind farm in Hutchinson County, Texas. "We'd like to do it as soon as possible," says **Marvin Sepe**, president in Irvine, Calif., on lining up the investment.

Construction began about a month ago and is being financed on balance sheet, explains **Dave Harrison**, managing director in Denver at boutique investment bank **ANV Partners**, lead arranger for the project. "In projects where project financing comes in [tax equity investors] are being subordinated, in this structure the tax equity investor is not being subordinated," he says.

Pringle I is being developed as a joint venture with an undisclosed company and is set to come online before year-end using the company's 2 MW turbines. It is the first half of a 20 MW project that will serve as the initial development of a 200 MW project slated for next year. "We feel it's important to move towards the development side as a company," says Sepe. "To have a development arm in the company is really a high value high return."

ANV will arrange financing for next year's project, as well. "What is unique is the relationship between the manufacturer and the developer and the vertical integration to the ground," Harrison adds. "This is an opportunity for tax equity inside of a developer with deep supply chain." DeWind is a unit of the **Composite Technology Corp.**, an OTC-traded company that develops products for the power sector. In June, **Credit Suisse**, made a \$40 million equity contribution to CTC.

Tenaska Mints Midstream Acquisition Co.

Tenaska Capital Management has formed **Voyager Midstream** via one of its private equity funds. The Houston-based company will develop, acquire and manage midstream natural gas assets in the U.S. "We think there's a continuing need for storage," says **Paul Smith**, senior managing director of Tenaska in Omaha, Neb. "Natural gas storage is a critical asset in the balance of energy supply and demand."

The concept for the company started about two years ago, says Smith, while working with partners on two gas storage projects—**Caledonia Energy Partners**, an 11.7 billion cubic feet per day storage facility in northeast Mississippi, and **Chestnut Ridge Storage**, a 17.5 bcf per day storage facility in southwestern Pennsylvania. "We talked with many people across the industry. As we worked across the business we saw people that were very strong," he says. **Tom Shaw**, a geologist, and **Ken Snyder**, owner of **Gulf Energy Development**, will lead the new venture.

The company will look at both greenfield and acquiring projects already in various development stages. "[Voyager] will be a way for us to join much earlier in development," he says. He says Voyager plans to hold any acquired assets for an undetermined amount of time, but notes, "ultimately, we would sell the projects." **Tenaska Power Fund** sold its interests in Caledonia to **Iberdrola Renewables** subsidiary **ENSTOR** earlier this year (PFR, 5/23).

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Institutional Investor NEWS
INTELLIGENCE FIRST

Commitments Roll In For Dokie Syndication

Some half dozen banks have joined **WestLB's** syndication of \$215.75 million in financing for **EarthFirstCanada's** 144 MW Dokie I wind farm in British Columbia. The bank is expected to close the deal by the middle of this month, says a deal tracker who notes other banks are in credit approval to join the deal.

The bank launched syndication July 9 and is offering tickets of up to \$25 million with an upfront fee of one basis point per million (PFR, 7/11). The 10-year debt package includes a \$200 million construction term loan and a \$15.75 million working capital facility. Pricing starts at 175 basis points over LIBOR before dropping to 162.5 bps when the farm reaches commercial operation. It then steps up 12.5 bps every four years over the life of the debt.

Dokie, located in the Peace River Region of British Columbia, has a 20-year PPA with **BC Hydro** and is set to come online in 2010. Construction began in May on the farm and the first eight **Vestas** turbines were delivered last month. The project's location next to the W.A.C. Bennett Dam makes it immediately connectable to the grid. An official at **WestLB** declined to comment, and **Derren Newell**, cfo at the sponsor, did not return calls.

Barclays, Goldman Launch New England Recap

Barclays Capital and **Goldman Sachs** launched a \$200 million recapitalization of two former **Calpine** plants in New England with a 12:30 bank meeting last Wednesday. The leads are targeting commercial banks with an eye to closing the deal early next month for the two 265 MW gas-fired facilities in Tiverton, R.I., and Rumford, Maine. The meeting was at **Barclays'** offices in New York.

The seven-year debt package consists of a \$165 million term loan and a \$35 million working capital letter of credit to be held at the operating company level. Pricing is set at 350 basis points over LIBOR and ticket sizes were not specified. The deal includes a 100% cash sweep and is rated BB- and Ba3 by **Standard and Poor's** and **Moody's Investors Service**, respectively. Power from the plants is sold into NEPOOL and the leads are pricing a three and a half year energy hedge.

Owners of the plants' holding company, **Brick Power Holdings**, include **Plainsfield Asset Management**, **Sandell Asset Management**, **D.E. Shaw** and **Caithness Energy**. The plants fell into receivership when **Calpine** rejected its lease with **Philip Morris** affiliate **PMCC Calpine New England**

Investments, which had bought the plants in a \$466 million sale and leaseback transaction (PFR, 2/1). **Credit Suisse** and **Merrill Lynch** had been selected for the recapitalization, but were subsequently dropped from the deal for reasons that could not be determined. Officials at the banks either declined to comment or did not return calls, and the firms did not return requests for comment.

Barclays Expands Energy Team

Barclays Capital has hired **Russell Johnson**, managing director of natural resources at **Deutsche Bank** in Houston, for a new position as managing director on the energy team.

Johnson started last Monday in Houston, reporting to **Mathew Pendo**, head of U.S. investment banking in New York. Before **Deutsche Bank**, Johnson was an investment banker at **JPMorgan**. **Joe Gatto** also joined in Houston, also reporting to Pendo. He arrived July 14 and was previously a managing director in the global energy investment banking group at **Merrill Lynch** in Houston.

Barclays is planning on further expanding the team, says **Brandon Ashcraft**, a spokesman in New York. It could not be learned how many additional hires the bank intends to make and it has not been determined what level those positions will be.

The firm recently hired **Thomas Rosén**, managing director on the energy and power team at boutique bank **Sagent Advisors** as managing director (PFR, 7/25).

Wind Financing Specialist Moves Into Acquisitions



Jeff Wright

Midwest Wind Finance is branching out from arranging wind financing to arrange the sales of some half dozen projects ranging from 10-50 MW across the country. "We're getting more full-spectrum out of necessity. If we can help push the projects forward in their development cycle, then we have more to finance," says **Jeff Wright**, v.p. in Minneapolis.

"Opportunistically, we can help both parties and ourselves," he adds, referring to clients for which it is arranging debt and tax equity financing and potential buyers.

The farms range from being ready to enter construction to being in initial development. Wright declined to specify the locations, but says they are all over the country. "We tend to go where the good wind, good PPAs and good support are," Wright says. Some farms have turbine supply agreements, construction permits and offtake agreements while others do not. "Some buyers prefer they not [have offtake agreements] because they

have a lot of strength in negotiating PPAs,” he explains, declining to reveal potential buyers.

The company will look for financial strength and development experience in potential acquirers, as well as access to turbines. Farms of developers committed to selling will be first up on the block, allowing those developers to focus on other projects. “Some are realizing it’s time to cash in their chips and move on,” Wright says, adding that other developers are still only considering selling. He declined to reveal the potential cost of any farms. Additionally, Midwest Wind is also raising capital for a new fund financing mid-stage develop of community wind projects (PFR, 7/3).

Swiss Firm Re-Opens Commodity Financing Fund

Geneva-based alternative investment specialist **Inoks Capital** is adding capacity to *Ancile*, its \$100 million commodity financing fund, because tightening credit and rising commodity prices have led to more lending opportunities. It will add \$10 million over the summer, and another \$30 million by year’s end, CEO **Maximilian Tomei** told *PFR* sister publication *Alternative Investment News*. The firm is targeting the “sticky side” of institutional money, such as family offices and smaller funds of funds, he adds.

Ancile grants credit to producers and consumers of energy, metals and agricultural commodities, focusing on South America, Africa, Eastern Europe, the Middle East and Asia. Financing opportunities are increasing as some local banks, such as in Brazil, are having problems refinancing their balance sheets, says Tomei. As commodity prices rise, consumers need financing to support this growth and as the industry as a whole expands, mid-size producers need working capital. The fund is managed by **Nabil Marc Abdul-Massih**. It returned 9.86% last year and is up 4.41% through June. The minimum investment is \$250,000. Fees are 2/20.

RBS Shuffles Syndications Team

David Nadelman, managing director of loan and high yield markets at **Royal Bank of Scotland**, has moved to the new position of head of leveraged loan and bond syndicate with the merging of **ABN Amro**’s syndications team with the bank.

Charlie Randolph, managing director of loan syndications at **ABN** in Chicago, has relocated to New York to take on the role of managing director in the global banking and markets group, where he will handle loan markets origination. In that role, he will focus on structured energy and project finance deals. **Dick Smith**, managing director covering high-yield deals in energy, is

now head of energy capital markets for the bank.

Nadelman will oversee syndications of leveraged finance for non-investment grade loans and bonds. He and Smith began their new roles about three weeks ago, while Randolph began in New York last Tuesday after relocating from Chicago, say industry players. In his new role, Nadelman reports to **David Bassett**, global head of syndicate in London. Randolph reports to **Jeff Stuart**, who is co-head of capital markets with **Scott Stearns** in New York. Officials at **RBS** either declined to comment or did not return calls.

South Point Owners Take Bids, Prep Financing

Biomass Group is taking offers from potential equity investors in its 200 MW South Point, Ohio project just as **WestLB** looks to line up joint lead arrangers on some \$350-400 million in debt. “We could become a minority [owner]. We may just want some contingent equity or we may sell 100%,” says **Mark Harris**, founder of the sponsor in Lexington, Ky., adding, “Right now, the model is structured around taking the whole thing to [financial] close.” He declined to reveal who has bid for the project or the sums offered.

The financing has not been fully structured but will likely include a construction loan of around \$300 million, converting to a term loan and ancillary facilities such as letters of credit, says an official at the bank. Due diligence is being conducted and syndication will launch in the fall.

Construction is set to begin in October with a view to having the project online before the end of 2010. When complete, it will connect to the **PJM** Interconnection and have a 10-year swap hedging its output (PFR, 7/11). Fuel will come from saw mills and the surrounding forestry in a 150-mile radius. Reports from independent fuel consultants hired by the bank came back positive, Harris says.

BLM Beckons Bidders For Geothermal Land

The **Bureau of Land Management** held a competitive bid for the geothermal leasing of 105,312 acres in Nevada. It was the first geothermal lease sale in which industry players and not the government have nominated the land that is up for grabs. The sale was held at the Bureau of Land Management Nevada State Office in Reno last Tuesday.

The BLM is leasing 35 parcels, with bidding starting at \$2 per acre. The last BLM lease sale, totaling about 140,000 acres in California, Idaho, Nevada and Utah in 2007 grossed \$28.8 million in bids, says **Karl Gawell**, executive director at the

Geothermal Energy Association in Washington, D.C. But that sale was under prior federal regulation in which the government was responsible for choosing sites to lease. Post-2005, industry players nominate the geothermal lease land to be bid on. “In terms of value, it’s going to be difficult to tell,” Gawell notes of the Nevada sale. “Clearly there’s a lot of pent up demand.”

The leases for the Nevada parcels are for an initial 10 years, but can be extended by the BLM. The BLM receives royalty rates of 1.75% for the first 10 years on any geothermal resources produced on the land and 3.5% after that. The lessee also must pay the BLM a 10% royalty rate for geothermal resources sold directly or by an affiliate to a purchaser who uses the resource to generate electricity.

Chris Pulliam, land law examiner at the BLM in Reno did not return calls.

EBRD To Finance First Armenian Power Deal

The **European Bank for Reconstruction and Development** is planning to approve a EUR45 million loan (\$69.4 million) for **Electric Networks of Armenia**. The financing will support infrastructure upgrades to the network for the **InterRAO**-owned company. If approved, it will be the first time the EBRD has financed a power project in Armenia.

The total project cost is EUR52 million, with InterRAO providing about EUR7 million in equity. EBRD is expected to hold a EUR30 million A loan and syndicate a EUR15 million B loan. The B loan will likely be syndicated in October to banks which are familiar with InterRAO, says one dealwatcher.

An official at EBRD declined to comment and **Evgeny Gladunchik**, general director of Electricity Networks of Armenia, could not be reached.

Solar Developer Taps Troika Of Execs

Solar developer **Ausra** has tapped industry veterans from **3M** and **Vestas American Wind Technology** for two new senior roles and named the former head of **Public Service Co. of New Mexico** to a new director slot as it continues to expand.

Jeff Melby, business director and site general manager of 3M’s precision optics unit, will take on the new role of senior v.p. of research and product development, effective Aug. 18. “**Bob Fishman**, [ceo of Ausra], has talked about making solar thermal electricity as cheap as, if not cheaper than, natural gas-delivered energy,” Melby says. “Ausra, like any business, is building a product, and I am well versed [in] that road map.” Melby will relocate from St. Paul, Minn., to Palo Alto, Calif. “We see a business that’s ready to explode,” says **John**

O’Donnell, executive v.p. “We’re building this team to be able to scale up rapidly in the market,” he adds.

Also joining are **Debra Olson**, v.p. and general counsel to **Vestas American Wind Technology** and former senior v.p. and general counsel at **Calpine**, and **Benjamin Montoya**, former chairman, president and ceo of PNM. “His experience in the American electric power industry will help us very much in improving our connection with our customers and the industry,” say O’Donnell. Montoya has joined the board of directors, while Olson has taken the title of executive v.p., general counsel and corporate secretary.

Ausra is developing its 177 MW Carrizo project in San Luis Obispo County, Calif., west of Bakersfield set to come online in 2010 (PFR, 11/9). That plant has a 20-year PPA with **Pacific Gas & Electric**. In June, it opened a solar collector manufacturing facility in Las Vegas that will be able to produce 700 MW worth of mirrors for solar plants when it ramps up to full operation in 2010.

Tech Player Plans New Build

Solar technology developer **SolFocus** is planning on building a total of 10 MW in solar concentrator photovoltaic projects after bringing the first phase of a CPV project online in Spain last month. “We’ll probably roll them now and the first quarter of next year,” says **Nancy Hartsoch**, v.p. of marketing in Mountain View, Calif., noting the 1-2 MW projects will be in undisclosed locations in the southwest U.S. and southern Europe via turnkey installations or PPAs. SolFocus plans to have the projects online by the middle of next year.

The developer has completed a 200 kW first phase of a 3 MW CSP project in Puertollano, Castilla-La Mancha. The facility is owned by the **Instituto de Sistemas Fotovoltaicos de Concentración**, which is backed by the Spanish government. According to Hartsoch, the project is the first utility-sized CPV project in the world. “It will be comparing the projects with traditional [PV plants]—the proof is in the pudding,” she says. SolFocus is completing a second 300 kW installation in Almoguera, Guadalajara, by the end of next month, bringing its total project contribution to .5 MW. The remaining 2.5 MW will be developed by six separate international developers which have already been selected.

SolFocus’ tracking system allows its panels to directly align with the solar array as the sunlight shifts throughout the day and uses 1/1000th of the solar cell material compared to traditional photovoltaic panels.

The company is also looking to expand in more nascent markets. “The Middle East is a key market for this,” she says, also noting Australia, Latin America and Africa as expansion areas.

Electronic & Algo Trading Report 2008

Issue Date: September 1, 2008

Materials Deadline: August 6, 2008

Institutional Investor News is proud to announce its second annual **Electronic & Algo Trading Report**, publishing in August 2008. Space is limited on this report, so please contact us as soon as possible to ensure your inclusion.

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Corporate Strategies

Omani Power IPO Draws Oversubscription

The initial public offering of **Sohar Power Co.**, was oversubscribed 21 times, for a total of more than OMR280 million (\$727.4 million) in subscriptions. **Zoher Karachiwala**, cfo in Muscat, says the interest was because of “the high liquidity in the Middle East due to oil prices. It’s a trend.”

The 9,730,000 shares, representing 35% of the company’s equity, were offered at OMR1.35 (\$3.51) each. The July 30 close of the listing was mostly due to the existing contract with the Omani government, says Karachiwala, noting the listing had to be made within a year following the commercial operation date of the company’s 585 MW/33 million gallons per day Sohar IWPP project. The listing on the **Muscat Securities Market** will occur within 10 days, says Karachiwala, after allocations have been made and oversubscriptions have been refunded.

SUEZ dropped its 55% stake in the company to 45% also due to an existing arrangement in the contract, which would allow for more equity to be floated. Founders **Sogex Oman Co.**, **The Sultanate of Oman Ministry of Defense Pension Fund**, **W.J. Towell & Co.** and **Zubair Corp.** together own a 20% stake and the remaining 35% is owned by institutional and individual shareholders.

Bank Muscat, **Calyon**, **DZ Bank**, **Europe Arab Bank**, **HSBC**, **National Bank of Oman**, **Oman Arab Bank**, **Oman International Bank**, **Standard Chartered** and **Sumitomo Mitsui Banking Corp.**

as mandated lead arrangers refinanced \$450 million of debt tied to the company’s Sohar IWPP project (PFR, 4/4).

Nevada Power Ups Issue To Meet Demand



Bill Rogers

Nevada Power raised an initial \$400 million bond offering of 6.5%, 10-year general refunding mortgage bonds to \$500 million due to investor demand. “Fixed-income investors really do like larger offerings,” says **Bill Rogers**, senior v.p. and treasurer of parent **Sierra Pacific Resources** in Las Vegas. “And we listen.” The deal was priced July 25 and closed July 30.

The utility is planning to use about \$270 million of proceeds to pay down its nearly \$200 million revolver led by **Wachovia**, which matures November 2010. “We usually take a hard look when it’s over \$150 million,” says Rogers on the timing of the issue. The remaining proceeds will be used for general corporate purposes such as purchasing fuel and power.

Banc of America, **Barclays Capital** and **Citigroup** were joint bookrunners and **Piper Jaffray**, **Scotia Capital**, **Wedbush Morgan Securities** and **The Williams Capital Group** were co-managers. “We had confidence in their execution abilities and they delivered. They delivered on a Friday morning in the summer,” he says.

Fitch Ratings assigned a BBB- to the issue. At quarter end, Nevada Power’s debt to equity ratio was 52:48.

News In Brief

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

North America

- **TransAtla Corp.**’s board has decided that **LS Power Equity Partners** and **Global Infrastructure Partners**’ combined takeover over bid worth about \$7.8 billion undervalued the Canadian company (*The Canadian Press*, 8/7).
 - Private equity firm **Blackstone Group** is creating a new business group to focus on clean energy investments (*Reuters*, 8/7).
 - **Atomic Energy of Canada** and partner **SNC-Lavalin** want the Canadian government to provide billions of dollars in financing for their bid to build two nuclear reactors in Ontario (*Reuters*, 8/7).
 - Two New England companies, **First Wind** based in Massachusetts, and **STR Holdings**, a solar company based in Connecticut, filed for initial public offerings with the **Securities**
- For a complete listing of News In Brief, please visit www.iipower.com

and **Exchange Commission** yesterday. Together the companies hope to raise \$750 billion—and to restore some movement to the IPO market, which has been largely stalled since the beginning of the year (*Xconomy.com*, 8/1).

- The **Environmental Protection Agency** has approved a permit for the \$3 billion, 1.5 GW Desert Rock plant in northwestern New Mexico on the Navajo Nation, which is said to set a higher standard for coal-fired plants in the U.S. (*The New York Times*, 8/1).
- Delaware state officials approved an agreement between **Delmarva Power** and **Bluewater Wind**, a wind farm developer, that could lead to the nation’s first offshore wind farm off the Delaware coast (*The Associated Press*, 8/1).

TEXAS COGEN

(continued from page 1)

Poor's has assigned a BBB+ to the Constellation PPA and an AA to the Fortis agreement.

The facility also sells up to 33 MW of capacity to Sherwin Alumina under a long-term PPA, which expires in 2020.

Gregory has a gas supply arrangement with Kinder Morgan Tejas Pipeline, which expires in 2010. The remaining power is sold on the spot market. Officials at Sherwin Alumina and Kinder Morgan declined to comment on the agreements and a spokesman at Constellation did not return a call.

The reason for the sale could not be determined but market watchers reason that with load increasing in ERCOT and transmission constraints causing price volatility, selling now might be a high point for a generation asset.

It could not be learned if an advisor has been engaged to run the sale.

—K.H.

PEMEX TO

(continued from page 1)

Veracruz that came online in 2006. That project has a 25-year PPA with CFE for the offtake of the power. "The things that CFE has done are very good for the country and I think PEMEX is going to do the same thing," says an official at a European developer in Mexico City likely to bid for the project.

Estimates of the project's cost range from \$400-600 million, of which debt will likely cover 70-80%. "PEMEX is usually a good client for people. I would be surprised if it's not well received," says one banker who is arranging financing for a potential bidder. Bidders are looking to have financing nailed down by October, says one banker.

Japanese and Spanish construction companies are the most likely bidders, say deal trackers. InterGen, Mitsubishi, Marubeni, Mitsui and Unión Fenosa have all bid into previous tenders run by CFE, and all but InterGen were said to be present at a PEMEX presentation on the tender last month.

The plant will provide power for PEMEX's refinery on location, which will feed natural gas to the plant, likely allowing PEMEX to pay an energy conversion fee to the plant's owner, says Barajas. That fee would consist of the price of power minus the cost of fuel. "The only thing that falls on plant operators is a heat rate guarantee and PEMEX gets an availability guarantee... It's likely going to end up running like a baseload plant," he says.

In the late 1990s, Brazil's oil producer Petrobras ran a similar cogen program that invited investors into a joint venture with the company. "There's a lot of precedent in the market for them

being built and used by the oil and gas monopolies in these countries," he adds.

Calls to the developers were not returned, nor were calls and e-mails to Martha Avelar, a spokeswoman with PEMEX.

—Thomas Rains

LADWP EXPLORES

(continued from page 1)

utilities to reach 1990 emissions levels by 2020, even for generation owned out of state. "We must explore a divestiture of coal assets," says David Nahai, ceo and general manager. "We're ardent supporters of AB 32 and want to see its successful implementation."

LADWP's total generating portfolio is about 7.2 GW, consisting of 46% coal-fired assets and 32% gas-fired assets in California, Utah and Arizona. Nahai declined to discuss how much asset sales could fetch.

The advisors were selected from a competitive bid process and the LADWP board has approved the firms. Goldman is the sole sell advisor for the 2,250 MW Navajo coal-fired plant near Page, Ariz. LADWP owns a 21.2% stake in the plant along with the U.S. Bureau of Reclamation (24.3%), Salt River Project (21.7%), Arizona Public Service Co. (14%), Nevada Power (11.3%) and Tucson Electric Power (7.5%).

The firms will be paid only on transactions executed, according to the board approval letter (head to www.iipower.com to see the letter). For assets sold or purchased with a value of \$500 million to \$1.5 billion, the firms will receive a transaction fee ranging from \$4-11 million.

If LADWP does sell any assets, the proceeds will be used to invest in renewable energy, he says.

Officials at Goldman and JPMorgan did not return calls.

—Katie Hale

Quote Of The Week

"We see a business that's ready to explode. We're building this team to be able to scale up rapidly in the market."—John O'Donnell, executive v.p. at solar developer Ausra in Palo Alto, Calif., on the company's addition of three team members (see story, page 5).

One Year Ago In Power Finance & Risk

Reliant Energy's portfolio sale of 2,488 MW in primarily gas-fired generation being auctioned by JPMorgan stumbled when indicative bids came in lower than the \$1 billion staple [After the sale was nixed, Nevada Power agreed to buy the 598 MW Bighorn CCGT plant near Primm, Nev., for \$500 million in an unsolicited bid (PFR, 5/2)].