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Macquarie Makes The Cut In Landfill Gas Auction

Macquarie Power and Infrastructure Income Fund has made it through to the final round of a auction of **Landfill Energy Systems**.

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'Alchemy'

ALT. GASIFICATION VENTURE TARGETS OIL-FIRED FLEET

Industrial concern Air Products and Chemicals is looking to acquire a fleet of oil-fired plants—each with a minimum of 400 MW—and reconfigure them using new technology that burns petroleum coke to generate low-cost power.

Craig Cain-Borgman, senior commercial development manager at subsidiary **Tonnage Gases Equipment and Energy** in Allentown, Pa., says he has a mandate to spend \$1-2 billion a year on acquisitions as

(continued on page 11)



IS RELIANT'S 2.5 GW AUCTION ON THE ROCKS?

Radio silence out of auctioneer **JP Morgan** has market watchers suggesting the auction of 2,488 MW in **Reliant Energy** generation is off the table. Asset acquirers and investment bankers tracking the deal were unable to point to potential acquirers still in the game and they add the credit crunch and summer slump make conditions for a sale increasingly difficult. Calls to JPMorgan and to **Brandon Blossman**, director of corporate development at Reliant in Houston, were not returned.

Indicative bids for the fleet before the summer came in a lot lower than JPM had factored into its \$1 billion staple (PFR, 4/20). Also, while Reliant wanted to offload the bundle in one piece, acquirers seemed to be chasing individual assets. Bighorn, a 590 MW CCGT included to sweeten the pot, had attracted attention from the likes of **Tenaska Power Fund**

(continued on page 12)

Tortoise & Hare?

OLD SKOOL P-FINANCE BANKS SEE THEIR CHANCE IN B LOAN SLIDE

With the leveraged loan market drying up, B loan deals getting crimped and the August hiatus adding to credit market woes, a raft of smaller, traditional project finance shops are seeing opportunities. "The conditions offer an increased opportunity for buy-and-hold investors like us," says an official at **Helaba** in New York. Rampaging appetite for B loan structures over the last few years has pushed out traditional non-recourse loans from some sponsors' radars. Project financiers are expecting a shift back, though they won't be showing the same risk appetite that B loan players displayed—as the Helaba official says the banks will prefer "well-structured, well-sponsored and good credit deals."

Richard Garcia, head of project finance at **Natixis** in New York, says syndication risk and

(continued on page 12)

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



At Press Time

Marubeni Inks \$300M Loan To Close Mirant Deal

Marubeni Caribbean Power Holdings has closed on a 364-day, \$310 million bridge facility led by Mizuho Corporate Bank to help fund parent company Marubeni's acquisition of Mirant's Caribbean fleet. The identities of the quartet Mizuho brought into the deal could not be learned by press time. A Mizuho official declined to comment and a call to Marubeni in New York was not immediately returned.

Longer term financing is expected within the year. The portfolio includes controlling interests in Jamaica Public Service Co. and Grand Bahama Power and minority stakes in Trinidad and Tobago's PowerGen and Curaçao Utilities, as well as a \$40 million convertible preferred equity interest in Aquallectra, a Curaçao water and electric company. Mirant's net proceeds from the sale, which completes its divestiture program, are \$553 million. The \$1.082 billion acquisition includes related debt of about \$350 million and power purchase obligations of about \$153 million.

Macquarie Emerges In Landfill Gas Auction

Macquarie Power and Infrastructure Income Fund has made the cut in the second round of the Ewing Bemiss-led auction of Landfill Energy Systems. A purchase and sale agreement has not yet been signed and it is not known if it is the only contender left in the race for the Wixom, Mich.-based company, which owns 80 MW of capacity. Those close to the process say Macquarie is the likely frontrunner, but two other names that have been bandied about are hedge fund Blue Wolf Capital Management and RWE's npower.

Five contenders that submitted final bids July 25—LS Power, Fortistar, First Reserve, Citigroup's Sustainable Development Investments and Merrill Lynch (PFR, 6/29, 7/27)—did not make the grade.

The successful offer was north of \$300 million, according to sources, who hear the winner has been given 15 days to finalize the conditions of its offer. They add that if the winner used a particularly aggressive leverage package, its deal may yet falter given the correction in the debt markets. Officials at the auctioneer and bidders either declined to comment or did not return calls.

Macquarie has invested in landfill gas before, having bought the landfill methane business of Ridgewood Renewable Power in the U.K. in February this year. It had a joint venture with Novera Energy, and together they bought three landfill gas assets in Norfolk, England, but sold its 50% stake to Novera last December to focus on Asian infrastructure. It is not clear what makes LES an attractive target by comparison.

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.

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**Institutional
Investor NEWS**
INTELLIGENCE FIRST

RBS Set To Lead IP Wind Acquisition Debt

International Power has tapped The Royal Bank of Scotland to arrange EUR300 million (\$413.7 million) in non-recourse debt helping fund its EUR1.839 billion (\$2.54 billion) acquisition of a 648 MW European wind portfolio from Irish developer **Trinergy**.

RBC Capital Markets advised on the sale (*PFR*, 6/29), which also drew bids from E.ON, Babcock & Brown, HgCapital and First Reserve. RBS recently underwrote a EUR1.13 billion refinancing of the portfolio (*PFR*, 11/17), and is thought to have had a few teams internally supporting bidders in the auction. Calls to RBC and RBS were not returned.

IP has made little secret of its intention to grow its renewable footprint. Last November, it acquired a 463 MW portfolio known as Levanto in France and Germany for EUR567 million. Following the Trinergy deal, it will have 1,013 MW of wind generation with a further 117 MW under construction. Spokeswoman **Beth Akers** declined to comment on the financing, but confirmed the deal is expected to close by the end of this quarter.

Trinergy's investors are connected with the London-based **Matrix Group** and **CJS Capital Partners**. It acquired an initial 303 MW, previously known as IVPC 4, in December 2005 from Netherlands based developer UPC.

NRG Looks For More Hook-Ups On Larger Projects

The \$400 million Cedar Bayou 4 project NRG Energy is planning to construct with **EnergyCo**, a joint venture between **PNM Resources** and **Bill Gates' Cascade Investment**, could be the first of several partnerships for NRG. "On the larger, more capital-intensive projects it makes sense for us to look for partners," says **Clint Freeland**, treasurer in Princeton, N.J., noting the aim in its Repowering NRG Initiative is to spend an estimated \$15-16 billion building 10 GW of clean generation. The main motivation is simply sharing expenses, he says.

NRG's net cash contribution to the 550 MW gas-fired plant to be built in Chambers County, Texas, will be about \$150 million, which will come from existing funds. "Our intent is not to have project financing," says Freeland, adding that it is exploring whether it could refinance at a later date when market conditions are right. The first project completed under the plan, a \$75 million repowering of the 260 MW Long Beach gas plant in southern California, was done on balance sheet.

A relationship with PNM was built over time, continues Freeland. He declined to speculate whether EnergyCo or any

other developer would be considered for future projects. **Padoma Wind Power**, which NRG acquired last year, will embark on three wind projects totaling 442 MW in Texas and California over the next two years. NRG will front about \$429 million of the \$682 million cost, with an unnamed financial partner stumping up the rest. Freeland said there will be project-level financing, but declined to elaborate.

Low Bids Scupper Utah Peaker Sale

Miller Buckfire has iced the auction of a Utah peaker known as Desert Power because bids came in around \$1.5-4 million, much lower than expected. The auction is now more likely to result in a sale of the turbine and transformers, rather than to an acquirer interested in continuing the upgrade of the asset begun by its owner in 2005. Final bids, originally due July 20 for a July 27 auction, are now due August 30 for a Sept. 10 auction.

Houston venture capital firm **DQ Holdings**, which owns a 58% stake, had set about converting the partially constructed, gas-fired peaker in Rowley near Salt Lake City to a 100 MW combined-cycle unit from a 65 MW simple-cycle unit. The estimated cost of that conversion alone was \$25.4 million, and was undertaken to meet a 20-year offtake agreement incepting June 1 with **PacifiCorp** that was missed. Desert Power filed for bankruptcy protection in Reno, Nev., Oct. 23 and its owners have been weighing a sale ever since (*PFR*, 4/5). **Morgan Stanley** provided about \$2 million of debtor-in-possession financing before retaining Miller Buckfire.

IPP Adds EPC To Target Renewables



Alex Lambie

U.K. IPP **Carron Energy** has acquired EPC company **NEL Power Group** to focus on renewables development, particularly biomass, and combined heat and power projects. "We want to create an integrated energy business, but without a stronger foundation in engineering, project execution and operations and management strength, it would lack

stability," says **Alex Lambie**, ceo.

NEL is working on several renewables projects, including a waste-to-energy facility with **Scarborough Power**. The new company, **Carron Engineering and Construction**, will be based in Stokesley, North Yorkshire. The existing NEL management team and staff will be retained. Lambie declined to disclose the purchase price.

Carron is backed by **Deutsche Bank** (36%), **Strategic Value Partners** (36%) and **Trafalgar Asset Managers** (16%). It is looking to build a biomass plant at a cost of close to GBP 70

million (\$141 million) in South Wales and its subsidiary **Severn Power** is planning an 850 MW plant on the brownfield site next to its existing 360 MW Uskmouth Power, also in South Wales.

Wells Looks To Lure Mid-Caps To Hedges, Renewable Credits

Wells Fargo plans to offer power price hedging and renewable energy credits to middle-market companies in a bid to capitalize on a niche it believes is not adequately served by white-shoe firms. **Anil Suri**, managing director in the financial products group in New York, says the program is aimed at clients that spend at least \$1 million annually on power and are looking to reduce their carbon footprint and greenhouse gas emissions.

"Using these credits sets up a more direct form of payment that helps reduce the risk of investing in additional renewables," Suri says. "Our program has an advantage over established commodity desks because for a smaller company that may not know what they really need when investing in renewables, the larger commodity desks may be less inclined to help them."

Suri says one selling point is stabilizing power costs. "This way, they can develop an effective strategy against electricity price exposure, instead of being subject to a lot of price volatility from year to year."

Energy Broker Launches I-Bank With Lazard Hire



Pat McCloskey

Evolution Markets has hired **Patrick McCloskey**, a managing director at **Lazard Frères**, to run a new investment bank focusing on carbon emissions and capital needs for companies investing in clean energy projects. McCloskey began his position at the helm of the venture, known as **Evolution Markets Financial Services**, last week.

"We are one of the leaders in this field and now with Pat on board we will have the leadership we need to expand our strategic focus beyond our past core of commodities brokerage and debt structuring into wider financial services," says **Andrew Ertel**, ceo in White Plains, N.Y. "Investors are looking for more capital opportunities in the green sector, and we want to be that intersection of environment, energy and finance."

McCloskey was a managing director in the investment banking division at **Lazard** for four years, focusing on private equity and mezzanine financing out of London and New York. He worked on several private placements in the clean energy sector and carbon finance. Before **Lazard**, McCloskey

worked at **Donaldson Lufkin and Jenrette**, **Credit Suisse** and **Lehman Brothers**.

Fortis Taps Barclays For U.S. Power Marketing Chief

Fortis has hired **Kellie Metcalf**, formerly a director in commodities sales at **Barclays Capital** in Houston, as head of its U.S. power marketing group. She started Monday in Houston and reports to **David Duran**, managing director and head of origination and marketing in the bank's energy trading unit.

Before a year spent at **Barclays**, Metcalf worked in sales for **Florida Power & Light** and **Enron**. She replaces **Mike Davis**, who resigned in June.

LS Wraps \$200M Revolver

LS Power has landed a five-year, \$200 million senior secured revolving credit facility, led by **Fortis Capital**, **ING Capital**, and **Union Bank of California**. **Credit Suisse**, **Natixis** and **Royal Bank of Scotland** are co-lead arrangers. Plans for use of the facility, which was set up at subsidiary **LS Power Associates**, could not be learned. Officials at the banks and **LS** declined comment or did not return calls.

LS has also tapped **RBS** and **Credit Suisse** to run a \$1 billion debt financing for its 800 MW **Sandy Creek** coal-fired plant in **Riesel, Texas**. **Fortis**, **ING**, **UBoC** and **Natixis** are said to be among the 12-15 banks aiming for second-tier spots on the deal.

KGen Rethinks La Paloma Debt

The credit market meltdown is reportedly causing **KGen Power** to consider reworking the \$1.2 billion acquisition financing funding its purchase of two plants from **Complete Energy Holdings**.

KGen had planned to refinance project loans tied to the 1,022 MW plant in **McKittrick, Calif.**, and leave \$265.5 million of bond debt at 837 MW **Batesville** in place. But sources that have spoken with **KGen** say it is evaluating whether it could tweak the structure and assume the \$420 million of debt at **La Paloma**.

KGen's commitment letters give it the option to refinance the plant's debt at better than market rates. But assuming the existing debt—a first lien priced at **LIBOR** plus 175 and second block priced at 300—instead of refinancing would mean altering the terms of the purchase and sale agreement with **Complete** at a crucial point in the transaction.

Calls to **Daniel East**, v.p. of strategic planning and development, were not returned. **Morgan Stanley** leads the financing, which was slated to come to market early this month (PFR, 7/27).

Corporate Strategies

Brookfield Power Goes Long To Fund N.Y. Hydro Purchase

Canada's Brookfield Power plans to finance its Aug. 1 purchase of a 12 MW hydro facility in Glens Falls, N.Y., via a 15-20 year bond issue. **Grace Pollock**, director of investor relations in Gatineau, Québec, declined to talk about which firms will underwrite the issue and when it will launch, but said Brookfield typically works with local banks such as **CIBC World Markets**, **Bank of Nova Scotia** and **Bank of Montréal**. In the interim, the company will use short-term funds from its parent, **Brookfield Asset Management**.

The purchase price was not disclosed and Pollack declined to make **Steve Riedel**, finance v.p. at Brookfield, available. She said the company targets a 60:40 debt-to-equity ratio on most acquisitions.

Brookfield has set aside \$5 billion for expansion over the next five years and the purchase is part of its ongoing acquisition strategy that will focus on generation in the northeast of the U.S., as well as hydro and wind in British Columbia and wind in California. "It's a question of building a critical mass in a particular region, then moving forward," Pollack says.

Glens Falls was purchased from **Finch Paper**. Close to half of Brookfield's existing 3.8 GW of capacity is in the Northeast, with 19 hydro units producing an aggregate 840 MW in New England and 78 hydro stations producing 850 MW in New York. Power produced from these facilities serves U.S. load pockets.

Wis. Energy Files For \$800M Shelf To Bankroll Wind



Jeffrey West

Wisconsin Energy's decision to sell up to \$800 million in debt over a timetable yet to be announced is tied to its intention to bring online a series of wind projects and meet provisions of a new state law mandating the use of more renewable generation.

Jeffrey West, v.p. and treasurer in Milwaukee, says proceeds from forthcoming issues will help repay \$250 million in three-year, 3.5% notes that mature Dec. 1 and fund the partially constructed 145 MW Blue Sky Green Field project in Fond du Lac County, estimated to cost \$300 million and be complete next year. "This gives us the flexibility going forward to fund what we need when we need it," he says.

Wisconsin's Act 141, signed into law last year by Governor **Jim Doyle**, calls for local utilities to produce 10% of their power

from renewables by 2015. "The shelf will help us get what we need so we can help meet the state mandate," West says. The timing, amounts and underwriters of each issue still need to be determined, but Wisconsin Energy has used **Citigroup**, **JP Morgan**, **Morgan Stanley**, **Lehman Brothers** and **Goldman Sachs** as bookrunners in the past.

In addition to wind, the company has a 575 MW gas-fired unit at its Port Washington plant, slated to come online next summer, and a 615 MW supercritical pulverized coal unit at its Oak Creek facility, slated for 2009-2010, on the drawing board (PFR, 5/18).

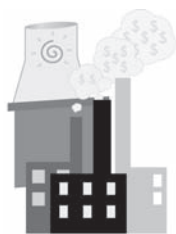
Hydro-Québec Taps Debentures Series Afresh For \$500M

Hydro-Québec has sold C\$500 million (\$474 million) in 5% debentures to fund various upgrades and construction projects in a transaction closed last Wednesday. It is the third time it has reopened the Series JM after an original offering in October. "We manage our borrowing program by reopening issues to take advantage of the market at opportunistic times," says **Jean-Hugues LaFleur**, acting corporate treasurer in Montreal.

After three previous C\$500 million offerings, there are now C\$2 billion of the securities, due 2045, outstanding. To ensure liquidity via the series, LaFleur says it may reopen two or three more times to raise C\$3-4 billion. Its previous debenture, due 2040, raised C\$3.7 billion between 1999 and 2006 (PFR, 4/21/06). He explains the company prefers longer debt to match the life of its generation and transmission assets, but can go shorter when rates are high. It has about C\$35 billion in debt outstanding and is 100% provincially owned.

Hydro-Québec plans to invest C\$4 billion this year on new build and upgrades. Its largest undertaking is the Eastmain 1-A and Rupert Diversion project in Northern Quebec, which consists of building two hydroelectric plants totaling 888 MW and diverting a portion of the Rupert River (PFR, 1/19). It is the province's largest hydro project in more than a decade, and is slated to come online in 2012.

National Bank Financial always leads Hydro-Québec's offerings, says LaFleur, declining to talk specifics about why they are preferred. The other underwriters are chosen from among the country's main go-to banks. **BMO Nesbitt Burns**, **Toronto-Dominion Bank** served as co-lead managers on this issue, with **Casgrain & Co.**, **CIBC World Markets**, **Desjardins Securities**, **Laurentian Bank Securities**, **Merrill Lynch Canada**, **RBC Dominion Securities** and **Scotia Capital** as co-managers. The debentures are rated A+ by **Standard & Poor's** and Aa2 by **Moody's Investors Service**.

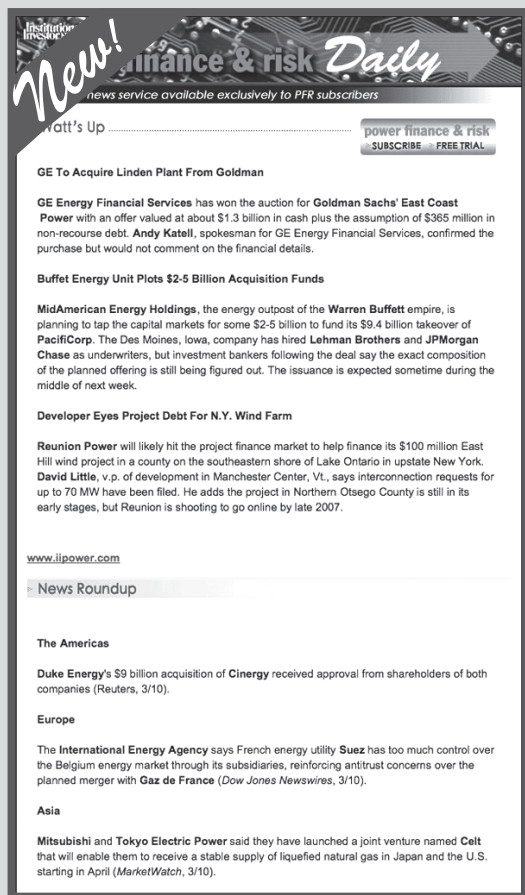


Generation Auction & Sale Calendar

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 early this month (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 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	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	Sold to Cajun Gas Energy for \$189 million (PFR, 8/6). 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. Status unclear.
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 later this month. 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 Sept. 10 auction.
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.
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	JPMorgan Chase	Final bids were due July 14 (PFR, 6/25).

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
Entergy Corp.	50% stake in Top	Worth County, Iowa	40	Wind	New Harbor	Seller wants about \$500 million for the assets. Bidders shortlisted to four players: two financial; two infrastructure (PFR, 6/18).
	Deer Wind Ventures	Carsen County, Texas	40			
	RS Cogen	Lake Charles, La.	212	Gas		
	Roy S. Nelson	Westlake, La.	60	Gas/Oil		
	Warren Power	Vicksburg, Miss.	225	Gas		
	Harrison	Marshall, Texas	335	Gas		
	Independence	Newark, Ark.	121	Coal		
	Robert Ritchie	Helena, Ark.	544	Gas/Oil		
	Offtake Contract	Sam Rayburn Power Agency	50-80			
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.
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	Took preliminary bids June 28. Energy Investors Funds, Constellation and Tyr Capital are still in the running. Perennial Power 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 included 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). To be acquired by CMS Energy for \$517 million.
	Zeeland	Zeeland, Mich.	946	Gas	N/A	
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 this month.
	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.
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	Believed to be a busted auction (see page 1).
	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. EnergyCo. interested
Ridgeline Energy	Various	Idaho, Oregon, Washington	3,700 in development	Wind	Marathon Capital	Believed to be in advanced stages.
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	In second round.
Trinergy	Various	Italy, Germany, Ireland, U.K. Spain	648	Wind	RBC Capital Markets	International Power agreed to buy portfolio for EUR \$1.8 billion (\$2.5 billion).
Tyche Power Partners	Brooklyn Navy Yard	Brooklyn, N.Y.	286	Gas Cogen	Credit Suisse	Two-stage auction (PFR, 6/18). Status unclear.
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 GBP145 million (\$288.8 million).



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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
LS Power	Sandy Creek (800MW, Coal)	Riesel, Texas	Credit Suisse, RBS	TBA	\$1B	8 yr	Choosing sub-tier banks Sept. syndication.
Carlyle/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 de Penoles (230 MW Petcoke)	Tamuin, Mexico	TBA	TBA	TBA	TBA	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	Calgary, Alberta	UBoC	Term loan LC	C\$274M C\$45M	19 yr	Syndication launched week of 6/18.
	Island Cogen (230MW Gas) Refi			Term loan	C\$150M	15 yr	
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	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	Closed 8/1.
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)	Abilene, Texas	HVB, BayernLB, NordLB	TBA	\$300M	TBA	Syndication launched 6/21.
	2008 Turbine Supply	Various	HVB, Mizuho	\$325M			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
Eolicas de Portugal	Eolicas de Portugal (1.2 GW Wind)	Porto, Portugal	TBA	TBA	TBA	-	Selecting lenders.
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, Sithe Global	Bujagali (250 MW Hydro)	Southern Uganda	International Finance 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.
			Calyon	Term Loan	\$1.2B	25 yr	Syndicating.
Marubeni, Qatar Electricity and Water Petroleum	Messaieed (2GW Gas)	Mesaieed Industrial					

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.

Americas

- The U.S. House of Representatives approved legislation that included \$16 billion in taxes on oil companies, providing billions of dollars in tax breaks and incentives for renewable energy and conservation efforts, and requiring investor-owned electric utilities to generate at least 15% of their power from renewable energy sources (*Associated Press*, 8/5).
- The **Federal Energy Regulatory Commission** has found that **El Paso Corp.**'s planned \$850 million doubling of the Elba Island liquefied natural gas import terminal near Savannah, Ga., would not do much harm to the environment. El Paso hopes to increase output by 900 million cubic feet per day to 2.1 bcf/d and add 187 miles of pipeline (*Reuters*, 8/5).
- **Southern Co.** executive **Kimberly Scheibe Greene** has been named cfo and executive v.p. of financial services at the **Tennessee Valley Authority** (*Associated Press*, 8/3).
- **NW Natural Gas Co.** and **TransCanada Corp.** are planning to build a 110-mile natural gas pipeline across Oregon designed to serve Oregon and southwest Washington. The estimated \$300-350 million project could begin service in late 2011 if approved (*Associated Press*, 8/6).
- Houston-based **Hydro Green Energy** has been issued preliminary permits by the **Federal Energy Regulatory Commission** for the first-ever water energy projects in the state of Mississippi (*Mississippi Business Journal*, 8/6).
- A proposed 250-mile extra-high voltage line designed to run across West Virginia received approval from **PJM Interconnection** (*The State Journal*, 8/6).
- **U.S. Energy Systems** said it accepted **SilverPoint Finance's** letter of intent to buy its biogas unit for \$9 million in cash (*Reuters*, 8/6).
- Venezuelan President **Hugo Chavez** said his country will invest in an Argentine plant to regasify liquified natural gas from Venezuela (*Wall Street Journal*, 8/7).
- **Xcel Energy's Public Service Co. of Colorado** plans to sell \$350 million of 30-year bonds (*Bloomberg*, 8/8).
- **Mirant** announced along with its second quarter results that it has completed the sale of its Caribbean business to **Marubeni** for net proceeds of \$553 million, finalizing its divestiture program (*Forbes*, 8/9).
- **Dominion Resources** said it would sell its Dresden Energy generation facility in Ohio to **American Electric Power** for \$85 million (*Reuters*, 8/8)...Separately, AEP said it will buy power from the Fowler Ridge Wind Farm in northwest Indiana (*Associated Press*, 8/8).

- **NorthWestern Energy** told investors that it is not planning to seek another buyer after its deal with **Babcock & Brown Infrastructure** failed (*Associated Press*, 8/8).
- The Oklahoma Supreme Court reversed an effort to stop a set of regulatory hearings on a proposed \$1.8 billion, 950 MW coal plant to be built near Red Rock (*Tulsa World*, 8/8).
- The Arkansas Public Service Commission will hear opening statements today on a bid to build a \$1.3 billion plant near Fulton (*Associated Press*, 8/8).

Europe

- **E.On** agreed to pay EUR722 million (\$988.7 million) for **Energi E2 Renovables Ibericas**, which holds the Spanish and Portuguese assets of **Dong Energy**. (*Financial Times*, 8/8)... Separately, the German utility has won EU approval to buy Spanish utility **Viesgo** from **Enel**, acquiring capacity that will make it the fourth-largest player on the Spanish power market (*Associated Press*, 8/6).
- **Norsk Hydro** Chairman **Jan Reinas** was forced to resign over the closure of the company's stock options scheme, which involved a Nkr210 million (\$36.5 million) payout to top executives (*Financial Times*, 8/7).
- Greek electricity utility **Public Power Corp.** said that **Sencap**, its joint venture with U.S.-based **Contour Global**, is appealing the decision of Former Yugoslav Republic of Macedonia (FYROM) authorities to reject its bid to buy the 200 MW Negotino oil-fired plant for EUR68 million (*Thomson Financial*, 8/7).
- Iraq's power grid is reportedly on the verge of collapse, according to the country's electricity ministry (*BBC*, 8/7).
- Czech utility **CEZ** was selected by local officials in Moscow to build three steam-gas powered units there, each with 200 MW of output (*Thomson Financial*, 8/7).
- **Mitsubishi Heavy Industries** said it has jointly won an order with **Sumitomo Corp.** for a gas-fired combined-cycle power generation unit to be installed in Hungary. The 150 MW facility is scheduled to begin operating in December 2009 (*Jiji Press*, 8/7).
- A group led by **General Electric** has won a contract from Ireland's **Bord Gais**, to build a EUR400 million (\$552 million) 440 MW gas power plant in Cork, Ireland (*Bloomberg*, 8/8).
- **UBS** revealed it has joined the APX Power U.K. and APX Gas U.K. exchanges (*Bloomberg*, 8/8).
- **Scottish and Southern Energy** has applied for electricity and gas licenses to operate in Ireland's deregulated energy market (*Edinburgh Evening News*, 8/8).

Down to the Wire?

New Wires Solution Could Solve Transmission Troubles

A revolutionary type of transmission cabling could help power producers seeking to optimize their capacity and enhance service reliability in the face of soaring demand.

Benton Wilcoxon, ceo of creator **Composite Technology** in Irvine, Calif., says the wire can handle hotter temperatures, meaning it won't sag, and should help stave off rolling blackouts. "Our cable has a composite carbon/glass core wrapped in aluminum," he says. "This allows us to wrap up to 28% more aluminum around the core, which doubles the capacity of regular wire."

American Electric Power is a fan. **Eric Engdahl**, a principal engineer in the transmission department at AEP in Columbus, Ohio, says the utility has seen increases in power flow of 20-80% where the so-called Aluminum Conductor Composite Core was used in place of standing wires. "We experienced more current and less sag," he says, adding, "We've been very satisfied with it, and we are field testing it to check out its long-term durability."

Stephen Reynolds, ceo of **Puget Energy** in Bellevue, Wash., says his company does not yet use the wire, but that innovation in transmission technology is vital as a means of maximizing output while new capacity can be brought online and older units refurbished. "Any technology that leads to more efficiency in terms of current capacity is desirable," he says. "It will remain so if it proves its long-term price appeal,

reliability and constructability."

Composite Technology has \$32 million of cable on order. It developed the technology in 2001 and began producing it for commercial use in 2003.

Sempra/RBS Commodities Venture Adds FPL Vet

Sempra Commodities has hired **Peter Ford**, an executive director in **FPL Energy's** development group, as a v.p. covering power structured finance deals. He will report to **Ken Salamone**, managing director, in Stamford, Conn. Sempra Commodities is forming a joint venture with **Royal Bank of Scotland**, set to complete in the fourth quarter (PFR, 7/20). Ford is expected to work with RBS' structured financiers.

HSBC Scores Greek Wind Mandate

HSBC has refinanced EUR40 million (\$54.7 million) of **HypoundVereinsbank**-led debt tied to a roughly 40 MW project near the town of Patras, on the Peloponnese in Greece. The sponsor is **EOLIKI Panachaikou**, a company majority owned by **CESA Hellas**, a subsidiary of Spain's **Corporación Eólica**, owned by **Acciona**, and a local partner.

HSBC also has a mandate to project finance a second, smaller facility onsite. It is not known why the sponsor switched banks. Officials at HSBC and HVB declined to comment and the sponsor did not return calls by press time.

ALT. GASIFICATION

(continued from page 1)

well as related pollution control and solid fuel handling equipment. "Our five-year goal falls into \$10 billion of new investment," he notes, adding that the business plan has been dubbed "power market alchemy."

Investment bank **New Harbor** is advising **Air Products** on the project. The full list of host sites on its hit list could not be learned, but among them is the 544 MW Robert Ritchie plant in Helena, Ark., which New Harbor is selling for **Entergy**, and half a dozen others with limited fuel delivery challenges. "Our management has an appetite to go and acquire existing plants, and our intention is to be using non-recourse debt financing to lever that," explains Cain-Borgman. A handful of banks have presented to the company, so far mostly on hedging options, but he declined to say which ones. **ABN Amro** and **Goldman Sachs** are key relationship banks, he says, but roles will likely

be awarded on a competitive basis. "The reality is we work for our shareholders."

Private equity firms such as **DE Shaw** and **Carlyle/Riverstone** have also been knocking, continues Cain-Borgman, but so far the company is not engaged in a joint venture. The reason talks never progressed is because there was an inherent conflict of goals between **Air Products**, which is looking at a long-term hold, and financial players interested in a quick flip. Partnering with a strategic utility to share the risk is a desirable option, however. A previous venture with **Mitsubishi Heavy Industries**, known as **Pure Air**, was dissolved.

Air Products' patented technology, developed in concert with **Foster Wheeler**, allows for the enriched combustion of petcoke using oxygen as an enabler. The technology was tested for a month at a 30 MW facility in Illinois borrowed from an unidentified Midwestern utility, the results of which were compelling, he adds, but never published as they are proprietary.

—Katy Burne

OLD SKOOL

(continued from page 1)

pricing are still paramount, but there is an opportunity for banks to demonstrate that they are a reliable source of capital as second-lien appetite wanes. Indeed, one deal is already expected to be completed entirely in the project finance market: **LS Power's** \$1 billion construction financing for its 800 MW Sandy Creek project. A B loan component was in the cards via leads **Credit Suisse** and **Royal Bank of Scotland** (PFR, 8/3), but is now off the table.

Another tack these well capitalized banks are considering is scooping up paper in the secondary market. **Pat Kunkel**, director of project finance at **Erste Bank** in New York, says he may be inclined to do that instead of participating in primary deals.

B loans took off in the power market because the financing could be in place at a much faster clip than with non-recourse lenders. For one thing a typical B loan investor such as a hedge fund can buy into a deal with few internal approvals, but the New York outpost of a German bank, for example, can have to pitch the deal to credit committees back in the homeland. Sponsors also favored B loans because investors had more appetite for risk and less interest in the reams of project data bank lenders want.

—Ben Miller

IS RELIANT'S

(continued from page 1)

and **Nevada Power**. But their interest reportedly waned when transmission issues surfaced. **Tenaska** dropped out and **Roberto Denis**, senior v.p. of energy supply at Nevada Power, said via a spokesman the company is no longer in active discussions on Bighorn. **Choctaw**, an 822 MW CCGT, was seen as a fit for **KGen Power**, but it could not be determined if it was ever in the hunt. **LS Power** was looking at a portfolio deal, but has its pens down for now.

A different strategy for Reliant would be a leveraged recap of its 2.5 GW portfolio. But bankers say the paper could be a tough sell given the current market conditions. It might also consider a 144A placement, but appetite for that is also unclear, they add.

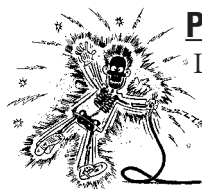
An unrelated auction under way for Reliant's 830 MW Channelview plant in Lyondell, Texas, is also drawing some skepticism. Channelview's location and size are a big pull, according to one prospective buyer, but challenges remain. These include opaque contractual terms concerning the rights of the plant's offtaker versus its steam host as well as uncertainty as to whether existing debt holders, eager to step in and realize equity value in the plant, are willing to cede control to a new buyer. Bids were due Friday as *PFR* went to press with restructuring advisor **Houlihan Lokey Howard & Zukin** (PFR, 5/10). Some \$342 million in non-recourse project debt is outstanding from a

\$475 million construction loan arranged by **Bank of America** in 2000. A \$14 million revolving working capital facility falls due Wednesday.

—K.B.

Alternating Current

Power Politics



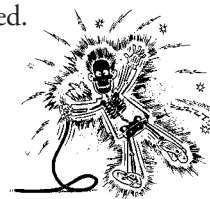
Looking for something to fill up the dog days of summer? Look no further than <http://fundrace.huffingtonpost.com>.

The popular blog reveals the inconvenient truths about who is writing checks for which presidential campaigns. And that provides for hours of endless fun, as the power industry is well represented. Here's a snapshot of what we found...

Invenergy CEO **Michael Polsky** is backing U.S. Senator **Barack Obama's** bid, perhaps not surprising considering Obama and Polsky share the same Chicago turf. New Jersey's finest **NRG Energy** CEO **David Crane** and his colleague **Bob Flexon** are keeping it relatively local as well, backing N.Y. Senator **Hillary Clinton**.

To the right of the aisle, **Constellation Energy** CEO **Mayo Shattuck III** backs Republican candidates **Mitt Romney** and **Rudy Giuliani**. **Dynegy** chief **Bruce Williamson** is showing a refreshing appetite for risk, placing \$2,300 on Senator **John McCain** to win.

Ever the consummate diplomat, **US PowerGen** maestro **Jay Worenklein** is spreading the goodwill by donating to Clinton, **John Edwards** and Senator **Joe Biden**.



Quote Of The Week

"Investors are looking for more capital opportunities in the green sector, and we want to be that intersection of environment, energy and finance."—**Andrew Ertel**, CEO of **Evolution Markets** on the rationale for its new **Evolution Markets Financial Services** clean energy investment bank.

One Year Ago In Power Finance & Risk

Morgan Stanley, **Citigroup** and **Merrill Lynch**, lead arrangers of an \$11 billion financing supporting **TXU's** planned 9 GW coal rollout, contemplated whether to complete the package in one go or piecemeal. [Plans for eight or the 11 new plants were scrapped when TXU agreed to a \$45 billion leveraged buyout. Citi, **Goldman Sachs**, **Morgan Stanley** and **JPMorgan** are arranging the debt, which was set to involve a roughly \$20 billion term loan (PFR, 6/22) but has yet to close].