

# power finance & risk

The exclusive source for power financing and trading news

www.iipower.com

A PUBLICATION OF INSTITUTIONAL INVESTOR, INC.

AUGUST 15, 2005

VOL. VIII, NO. 32

## Int'l Venture Chases Leads For 155 MW Hydro Debt

**Pacific Hydro** and **Statkraft Norfund Power Invest** are looking for \$115 million in non-recourse financing for a 155 MW hydroelectric plant in Chile.

*See story, page 2*

## Nev. Solar Outfit Hunts Non-Recourse Rays

**Stirling Energy Systems** will be heading to the non-recourse arena to fund development of a mega 500 MW solar project in the Mojave Desert.

*See story, page 7*

## In the News

WestLB Hires For New Unit	2
Buffett Energy Outfit Reworks Credit Line	3
WestLB Closes La Paloma Deal	3
Caithness Energy Bags Debt Package	3

## Corporate Strategies

Sierra Pacific Issues Senior Notes	4
Allete Retires Senior Bonds	4

## Departments

Weekly Recap	5
Financing Record	6

**COPYRIGHT NOTICE:** No part of this publication may be copied, photocopied or duplicated in any form or by any means without Institutional Investor's prior written consent. Copying of this publication is in violation of the Federal Copyright Law (17 USC 101 et seq.). Violators may be subject to criminal penalties as well as liability for substantial monetary damages, including statutory damages up to \$100,000 per infringement, costs and attorney's fees. Copyright 2005 Institutional Investor, Inc. All rights reserved.

For information regarding subscription rates and electronic licenses, please contact Dan Lalor at (212) 224-3045.

## CITADEL LURES CONSTELLATION CFO

Citadel Investment Group has hired Constellation Energy Commodities Group CFO Peter Jensen. The senior finance official in Constellation's Baltimore headquarters will be working out of Citadel's Chicago offices. Jensen's post at the hedge fund giant, which manages some \$10 billion in assets, could not be learned. Observers say Jensen had been seeking an internal shift within the organization until getting the nod from Constellation a few weeks ago. Jensen is expected to start at Citadel shortly. His contact details were not readily available and calls to **Scott Rose**, head of trading at Citadel, were not returned. A Constellation spokesman, **Larry McDonnell**, declined to comment.

Jensen's seat at Constellation will be filled by **Andrew Good**, senior v.p. at parent Constellation Energy, on an interim basis, insiders say. Messages left with Good

*(continued on page 8)*

## INTERNATIONAL POWER, MITSUI TEE UP \$569M SALTEND ACQUISITION LOAN

International Power and Mitsui & Co. Ltd of Japan are plotting a £315 million (\$569 million) eight-year acquisition loan for Saltend Power Plant in Hull, England, via **Calyon** and **Royal Bank of Scotland** in London. The non-recourse loan will bankroll the London-based IP and Mitsui's joint purchase of the 1.2 GW natural gas-fired cogeneration facility from **Calpine**. Because more than 90% of the plant remains uncontracted, debt represents just about 55% of the roughly \$900 million price tag, bankers explain, noting the pair put in more equity than is typical on its acquisition to appease lenders. IP has a 70% stake in the operation, with Mitsui holding the remainder. IP spokeswoman **Sara Richardson** in London was unavailable for comment and a call to Mitsui's offices in Tokyo went unanswered.

*(continued on page 8)*

## LS POWER FIRES UP \$1.2B GENERATION ASSAULT

LS Power Development is gearing up to make a run at generation facilities, after raising approximately \$1.2 billion for its inaugural investment fund over the past several months. The energy-focused private equity shop, originally targeted a capital raise of about \$750 million for **LS Power Equity Partners L.P.**, but appetite for plants among its pension, endowment and family office-targeted investor base has proved stronger than anticipated, says **Darpan Kapadia**, managing director in New York. He says the fund, which is closed to additional investors, will aim almost exclusively at the



*(continued on page 7)*

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



## At Press Time WestLB Bags Hire For New Advisory Unit

WestLB has formed a new unit focusing on financial sponsors investing in generation and energy and hired **Juan Kreutz**, v.p. at **AMBAC Financial**, as a director. The group, headed by **Santino Basile**, managing director in New York, was formerly within the power group but has been launched as a separate arm to gear up for increased activity in M&A and sectors including leveraged finance, power and oil and gas. It is anticipated that several additional hires will be made but the exact number and timeframe could not be determined. Basile declined to comment.

At AMBAC, Kreutz worked in the utility group in New York, doing mostly domestic finance, for about a year and a half. Before that he was at **Credit Suisse First Boston** for about five years in the energy group working on M&A deals mostly for US and Latin American utilities. A spokesman at AMBAC was unable to comment when reached.

## Int'l Venture Searches Leads For 155 MW Hydro Financing

A joint venture between **Pacific Hydro** and **Statkraft Norfund Power Invest** is looking for \$115 million in non-recourse financing for a 155 MW hydroelectric plant planned for development in the Tinguiririca Valley of Chile. Via the **International Finance Corp.**, which is providing 15-year debt of approximately \$45 million for the \$250 million construction price tag, the venture is looking for banks to take lead positions on the Chilean project underpinned by a 12.5 year PPA with **Chilectra**. Santiago-based Chilectra, the largest electric utility in the country, will take approximately half the capacity from the plant, while the remainder will be sold into the spot market.

**James Smouse**, syndication officer at the IFC in Washington, D.C., declined to comment. Officials at Chilectra in Santiago did not return calls nor did executives at Pacific Hydro in Melbourne or Statkraft in Oslo.

The IFC is hoping to obtain lead lenders by the end of the September, at which point construction of the plant, just 70 miles east of Santiago, will commence. It is believed to be talking to European and U.S. financial institutions. Lenders agreeing to provide about \$30 million tickets or more will be awarded lead spots.

Bank fees are expected to be about 1% upfront with a 50 basis point commitment fee. Details on IFC's loan could not be learned. Also prospective lenders could not be identified. The project should be up and running about two and half years after construction is launched, observers say.

### 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? As we enter our 24<sup>th</sup> year of providing breaking news to the fixed income community, the staff of *PFR* is committed as ever to evolving with the markets and we welcome your feedback. Feel free to contact **Mark DeCambre**, managing editor, at 212-224-3293 or [mdecambre@iinews.com](mailto:mdecambre@iinews.com).

## power finance & risk

The exclusive source for power financing and trading news

### EDITORIAL

**TOM LAMONT**  
Editor

**STEVE MURRAY**  
Deputy Editor

**PETER THOMPSON**  
Executive Editor [Chicago]  
(773) 439-1090

**MARK DeCambre**  
Managing Editor  
(212) 224-3293

**RAQUEL PICHARDO**  
Associate Reporter  
(212) 224-3226

**STANLEY WILSON**  
Washington Bureau Chief  
(202) 393-0728

**JANA BRENNING, KIERON BLACK**  
Sketch Artists

### PRODUCTION

**DANY PEÑA**  
Director

**LYNETTE STOCK, DEBORAH ZAKEN**  
Managers

**MICHELLE TOM, ILIJA MILADINOV,  
MELISSA ENSMINGER,  
BRIAN STONE, THEO BILL**  
Associates

**JENNY LO**  
Web Production & Design Manager

**MARIA JODICE**  
Advertising Production Manager  
(212) 224-3267

### ADVERTISING

**JONATHAN WRIGHT**  
Publisher, Advertising Sales  
(212) 224-3566  
[jwright@iinews.com](mailto:jwright@iinews.com)

**ERIK VANDERKOLK**  
Group Publisher, Advertising Sales

**PAT BERTUCCI, MAGGIE DIAZ**  
Associate Publishers

### PUBLISHING

**ELAYNE GLICK**  
Publisher  
(212) 224-3069

**BRIAN McTIGUE**  
Senior Marketing Manager  
(212) 224-3522

**DAVID HOM**  
Associate Marketing Manager  
(212) 224-3896

**VINCENT YESENOSKY**  
Senior Fulfillment Manager  
(212) 224-3096

### SUBSCRIPTIONS/ ELECTRONIC LICENSES

One year - \$2,545 (in Canada add \$30 postage, others outside U.S. add \$75).

**DAN LALOR**  
Director of Sales (212) 224-3045

**TOM GANNAGÉ-STEWART**  
Account Executive [London]  
(44-20) 7779-8998

**SABEENA NAYYAR**  
Account Executive [Hong Kong]  
(852) 2842-6929

**GEORGE WITTMAN**  
Client Development Manager  
(212) 224-3019

### REPRINTS

**AJANI MALIK**  
Reprint Manager (212) 224-3205  
[amalik@iinvestor.net](mailto:amalik@iinvestor.net)

### CORPORATE

**CHRISTOPHER BROWN**  
Chief Executive Officer

**DAVID E. ANTIN**  
Chief Operating Officer

**ROBERT TONCHUK**  
Director/Central Operations & Fulfillment

**Customer Service:** PO Box 5016,  
Brentwood, TN 37024-5016.  
Tel: 1-800-715-9195. Fax: 1-615-377-0525  
UK: 44 20 7779 8704  
Hong Kong: 852 2842 6950  
E-mail: [customerservice@iinews.com](mailto:customerservice@iinews.com)

**Editorial Offices:** 225 Park Avenue  
South, New York, NY 10003.  
Tel: 1-212-224-3293  
Email: [mdecambre@iinews.com](mailto:mdecambre@iinews.com)

**Power Finance & Risk** is a general circulation newsweekly. No statement in this issue is to be construed as a recommendation to buy or sell securities or to provide investment advice.

**Power Finance & Risk** ©2005  
Institutional Investor, Inc.

Copying prohibited without the permission of the Publisher.

**Institutional  
Investor NEWS**  
INTELLIGENCE FIRST

## InterGen Paper Gets Secondary Rise Post-Acquisition News



InterGen debt related to its North American generation facilities is seeing a boost in the secondary loan market. The plants are being acquired by **Kelson Holdings** (PFR, 8/8).

Observers say over the past few weeks, paper in the 1.1 GW natural gas-fired Redbud facility in Luther, Okla., is being quoted in the mid-70s level up from levels of 60-65. Moreover, a \$5-10 million slug of Redbud recently changed hands in the 75 context, say trading officials, unable to identify the parties involved. Debt tied to the 900 MW Magnolia plant in Benton County, Miss., has spiked to quotes also in the low 70s. "The [InterGen] paper has been seeing activity as these asset sales have played out and buyers in it for a while think they've identified an appropriate time to take cash off the table," one watcher says.

Kelson Holdings, a joint venture between management company **Kelson Energy** and hedge fund **Harbert Distressed Investment Master Fund**, inked an agreement to purchase the assets last week. Company officials declined to comment.

Meanwhile, an unspecified amount of secondary debt in InterGen's 1.2 GW Cottonwood plant in Newton County, Texas, is being auctioned by an unnamed holder. Cottonwood, considered the best of the units, has been quoted in the low 80s, which suggests a valuation for the plant of approximately 325-350 per Kw.

## Buffett Energy Arm Aims For Reworked Revolver

MidAmerican Energy Holdings, the energy outpost of the Warren Buffett empire, is refinancing a \$100 million revolving line of credit obtained last year, via **Union Bank of California** and **Royal Bank of Scotland**. Led again by the same arrangers, the entity is hoping to secure a five-year, upsized \$400 million revolver with all-in pricing of approximately 70 basis points over LIBOR, says one tracker.

The Des Moines, Iowa company, which has launched a more than \$9.4 billion plus takeover bid of **PacifiCorp**, including the assumption of \$4.3 billion in debt, is taking advantage of favorable market conditions for reworking debt, watchers say. Originally, the line was used for general corporate purposes. **Patrick Goodman**, cfo in Des Moines, Iowa, declined comment.

Pricing on MidAmerican's earlier three-year line could not be learned. Pitched pricing on the new one breaks down into a drawn fee of 47.5 basis point plus LIBOR, a 12.5 basis point application fee and a utilization fee of 10 basis points. Officials

at RBS and UBoC did not return calls for comment. Commitments are due by the end of the month.

## WestLB To Tie Up La Paloma B-Loan

WestLB is set to wrap a \$520 million two-tiered loan related to **Complete Energy's** purchase of La Paloma after strong demand. Pricing on the \$370 million first lien appears to have settled at 175 basis points over LIBOR after being five times oversubscribed, while the second lien fell to 350 basis points after being eight times oversubscribed. The tranches were initially being talked of at 225 and 500 basis points (PFR, 8/8). The loan package also includes a \$65 million revolver priced at 225 basis points. A Complete Energy spokeswoman declined to comment as did WestLB bankers.

## Caithness Wraps \$71M Wind Loan

Syndication of a club-style loan refinancing debt for a portfolio of active wind farms for **Caithness Energy** has been completed via West LB. The bank, along with co-lead arranger **CIT Group**, was getting some early resistance in the process of syndicating the \$70.5 million (PFR, 8/1), but observers say the deal wrapped last week around the arrangers' desired terms. The banks were seeking pricing of LIBOR plus 125 basis points, escalating to 150 basis points over the loan life. Participants could not be identified. Officials at WestLB declined to comment as did CIT officials. Caithness Energy officials in New York did not return a call for comment.

The debt, which consists of a 10.5 year \$65 million revolver and a five-year \$4.75 million letter of credit, supports the operation of three plants in Tehachapi: a 23 MW facility known as Oak Creek; a 6.75 MW wind farm called Victory Garden Repower; and an 18.4 MW plant dubbed 251. A 43 MW plant, San Gorgonio, is located in Palm Springs, Calif

## For More Benefits Visit Our Web Site

As a *Power Finance & Risk* subscriber, you're entitled to access the *Power Finance & Risk* Web site absolutely free! Go to [www.iipower.com](http://www.iipower.com) and discover the added value to your subscription, including:

- **Breaking News**—stories are posted as we get them. Check [www.iipower.com](http://www.iipower.com) during the week for the hottest power news.
- **Breaking News E-mail Alerts**—your advance notice of the hottest stories as they break.
- **Earlier delivery**—each issue of *Power Finance & Risk* is available in full on the Web site every Friday at 4pm EDT.
- **Generation Sale & Auction Calendar**—access a searchable archive that includes all the stories and features from past issues of *Power Finance & Risk*.

To set up your subscriber password, please contact us at [customerservice@iinews.com](mailto:customerservice@iinews.com) or at 1-800-715-9195 between 8 a.m. and 6 p.m. EDT.



## Corporate Strategies

### Sierra Pacific Pitches \$225M Notes



William Rogers

Sierra Pacific Resources plans on issuing \$225 million of senior notes and will use proceeds to shore up its balance sheet. William Rogers, cfo, says funds will be earmarked for the retirement of \$141 million in 7.93% senior bonds due 2007 and the redemption of a series of convertible notes due 2010. The remainder

will be used to pay costs associated with buybacks and for general corporate purposes, he explains. Pricing on the 12-year notes, which were expected to be set sometime last week, is anticipated to be markedly cheaper than the 7.9% bonds.

Rogers explains the Reno, Nev.-based energy company's initiative is part of a larger strategy to cut debt, extend maturities and boost liquidity at the holding company level. Sierra Pacific's total debt outstanding is about \$875 million. "So far, we are executing according to our game plan," he says.

Deutsche Bank, Merrill Lynch and Lehman Brothers were selected to underwrite the offering. Those firms also participate in Sierra Pacific's revolving credit line, notes Rogers, adding the company typically tries to rotate lead financial roles among relationship banks. Bank of New York, LaSalle Bank and Scotia Capital also took secondary positions on the issuance. The bonds are rated B2 by Moody's

### Investors Service and B- by Standard & Poor's

Sierra Pacific announced several weeks ago an offer to convert \$300 million in 7 1/4 % convertibles bonds due 2010 for \$180 in cash per \$1,000 principal amount plus accrued and unpaid interest. Each par amount is convertible into 219.1637 shares of stock. The offer expires at the end of the month and is expected to be accretive, Rogers explains

### Minn. Players Flips \$35M Mortgage Notes

Allete has privately placed approximately \$35 million in 5.28% first-mortgage bonds to redeem a similar amount of maturing notes. The new issue due Aug. 1 2020, replaces a series of 15-year bonds which carried a 7.5% coupon and were originally placed to retire a comparable amount of 20-year 8.70% bonds sold in 1976 by PaineWebber, says Laura Schauer, assistant treasurer in Duluth, Minn.

The energy outfit, which serves most of the upper Midwest, typically issues first-mortgage bonds for general corporate purposes, Schauer explains. Neither the assistant treasurer nor Jim Vizanko, cfo, would disclose the underwriter of its 5.28% privately placed notes. PaineWebber underwrote its vintage-1976 bonds, which were used at the time to help fund Allete's generation expansion plans.

As of June 30, 2005, Allete has a debt to capital ratio of 40% and a long-term debt balance, including current maturities, of \$391 million.

## NOW GET power finance & risk EVERY FRIDAY!

Paid subscribers now have access to a PDF of the upcoming Monday's newsletter on *Power Finance & Risk's* Web site every Friday afternoon before 5 p.m. EDT. That's a 64 hour jump on mail delivery, even when the post office is on time! Read the news online at your desk or print out a copy to read at your leisure over the weekend. Either way, you'll be getting our breaking news even sooner and starting your week off fully informed!



## 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.*

### The Americas

- **President Bush** signed the **Energy Policy Act of 2005** into law Monday, a day when oil and gasoline prices hit record highs. The new law encourages increased domestic oil and gas production, and the building of new nuclear power plants, while also creating incentives for alternative energy sources and requiring the modernization of the nation's electrical grid (*The New York Times*, 8/9).
- The construction of **Weaver's Cove Energy** project, a liquefied natural gas terminal proposed in nearby Fall River, Mass., is being challenged by nearby Bristol and Newport residents (*ABC6.com*, 8/10).
- **El Paso** has agreed to sell part of its midstream operations in Louisiana to **Crosstex Energy** for \$500 million. The sale includes interests in the Eunice, Pelican, Riverside, Sabine Pass and Blue Water processing and fractionation facilities, and is subject to regulatory approval and other closing conditions. El Paso expects to report a pretax gain of about \$400 million, which it expects to close in the fourth quarter, and hopes to use the proceeds to slash debt to about \$15 billion by yearend (*Associated Press*, 8/9).
- **Duke Energy Gas Transmission** has completed its acquisition of natural gas storage and pipeline assets in southwest Virginia from units of **AGL Resources** in a deal valued at \$62 million. The acquisition includes AGL's 50% stake in **Saltville Gas Storage Co.**, which has a capacity of 2 bcf (*Charlotte Business Journal*, 8/10).
- Two new coal-fired power plants have been approved for construction in southwest Kansas. The agreement between **Sunflower Electric Power Corporation**, based in Hays, Kans., and **Tri-State Generation and Transmission Association, Inc.**, of Westminster, Colo., calls for the construction of two 600 MW generating plants at **Sunflower's Holcomb Station** (*Associated Press*, 8/11).
- **Ras Laffan Liquefied Natural Gas Co.** has ordered 12 LNG carriers worth \$2.9 billion. **Daewoo Shipbuilding & Marine Engineering** will build five vessels for RasGas, **Samsung Heavy Industries** will build four and **Hyundai Heavy Industries** will build three (*OilandGasJournal.com*, 8/10).
- **Cnooc's** failed bid for **Unocal** worries many in the oil and gas industry because of the hostility displayed by lawmakers during the process, and the consequences this might have for United States oil companies worldwide as they deal with foreign

governments. The struggle surrounding the takeover bid highlights how the question of access to oil and gas reserves are one of the most sensitive and pressing faced by the industry (*The New York Times*, 8/11).

### Asia and Australia

- The Indian government decided to extend tax concessions to the **Dabhol** power plant, paving the way for the resumption of the plant one step closer after a four-year dispute. In July, the government came to a \$160 million settlement with **Bechtel** on its claims on Dabhol (*Reuters*, 8/11).
- **Itochu Corporation**, **Japan Gasoline Corporation** and **Japan External Trade Organization** have expressed interest in investing in the proposed Iran-Pakistan-India gas pipeline. (*TehranTimes.com*, 8/10).
- Operators of the \$1.6 billion **Darwin LNG** export plant in Australia, due for completion later this year, have inked a three million tons-a-year export agreement covering most of its output for the foreseeable future. Japanese utilities **Tokyo Electric Power** and **Tokyo Gas** have signed 17 years contracts for the off-take of two million and one million tons of liquefied natural gas annually. (*Theage.com*, 8/9).

### Europe and the Middle East

- Athens, Greece's **Public Power Corporation**, which provides the country with 96% of the country's power, is examining the possibility of establishing a subsidiary with the aim of operating and maintaining power plants (*Reporter.gr*, 8/9).
- **Suez** launched a buyout offer last week for Belgian power company **Electrabel**, for the remaining stakes the French energy outfit does not already own. Suez said it was offering ?11.2 billion (\$13.2 billion) in cash and shares for the 49.9% interest. Suez said the offer represented a premium of almost 15% over Electrabel's share price on July 22 (*Associated Press*, 8/9).
- **LNG Resources**, plans to build a bigger manufacturing plant to increase production capacity and efficiency. According to a report filed with **Bursa Malaysia**, the company is trying to find land for the construction of its expansion plans (*NST.com*, 8/11).
- South Korea started commercial operations of its 19<sup>th</sup> and 20<sup>th</sup> nuclear power plants last week. The two power plants can generate 15.2 billion KW of electricity per hour, and cost the government 4.47 trillion won to build over the past six years (*The Korea Times*, 8/10).

## Financing Record (AUGUST 3-AUGUST 10)

### DEBT

144A	Issue Date	Issuer	Description	Amount (\$mil)	Coupon (%)	Security	Maturity	Offer Price	YTM(%)	Spread	S&P	Moody's	Fitch
	8/8/05	Consumers Energy(CMS Energy)	Electric and gas utility	175	5.8	Fst Mtg Bonds	9/15/35	100	5.8	123	BBB-	Baa3	BBB-
	8/8/05	Kowepo(KEPCO/South Korea)	Cogeneration plant	98.4	4.71	Fxd/Straight Bd	8/8/10	100	4.71				
	8/8/05	Transportadora Urucu Manaus SA	Own,op natural gas pipelines	128.9	na	Promissory Nts	2/8/06	Market	na		NR	NR	NR
	8/8/05	Western Massachusetts Electric	Electric utility	50	5.24	Sr Unsecurd Nts	8/1/15	99.971	5.244	84	BBB	Baa2	NR
Yes	8/9/05	Potomac Edison Co	Electric and gas utility	145	5.125	Fst Mtg Bonds	8/15/15	99.06	5.247	82	BBB-	Baa2	NR
	8/10/05	Entergy Louisiana Inc	Electric utility	100	6.3	Global Notes	9/1/35	99.996	6.3	173	A-	Baa1	NR
	8/10/05	Entergy Louisiana Inc	Electric utility	100	5.56	Global Notes	9/1/15	99.982	5.562	118	A-	Baa1	NR
Yes	8/10/05	Sierra Pacific Resources Corp	Electric and gas utility	225	6.75	Senior Notes	8/15/17	100	6.75	235	B-	B2	NR

### M&A

Date Announced	Date Effective	Target Name	Target Industry Advisors	Target Sector	Acquiror Nation	Acquiror Name	Acquiror Advisors	Acquiror Nation Industry Sector	Value (\$mil)
8/3/05		Dexia Bulgaria OOD	Electric, Gas, and Water Distribution	Bulgaria	Wintershall Erdgas Handelshaus		Oil and Gas; Petroleum Refining	Germany	
8/4/05		Vattenfall Europe AG	Electric, Gas, and Water Distribution	Germany	Vattenfall AB		Electric, Gas, and Water Distribution	Sweden	
8/5/05	8/5/05	Bridgeline Holdings LP	Electric, Gas, and Water Distribution	United States	Chevron Corp		Oil and Gas; Petroleum Refining	United States	
8/5/05		Fu Ping Natural Gas Co Ltd	Electric, Gas, and Water Distribution	China	Beijing Zhong Min Gas Co Ltd		Business Services	China	0.654
8/8/05		Tianjin Water Recycling Co Ltd	Electric, Gas, and Water Distribution	China	Tianjin Capital Envi		Public Administration	China	9.878
8/8/05		El Paso Corp-Processing and	Lazard Electric, Gas, and Water Distribution	United States	Crosstex Energy LP	Lehman Brothers Banc of America Securities LLC	Oil and Gas; Petroleum Refining	United States	500
8/8/05		Great Rich Finance Ltd	Electric, Gas, and Water Distribution	Niue	New Galaxy Invest Holdings Ltd		Investment & Commodity Firms,Dealers,Exchanges	British Virgin	
8/8/05		Great Rich Finance Ltd	Electric, Gas, and Water Distribution	Niue	Asia Power Corp Ltd		Electric, Gas, and Water Distribution	Singapore	3.024
8/8/05	8/8/05	Sterling Planet Inc	Electric, Gas, and Water Distribution	United States	GreenShift Corp		Sanitary Services	United States	
8/9/05		Electrabel SA	Electric, Gas, and Water Distribution	Belgium	Suez SA	Morgan Stanley Calyon	Electric, Gas, and Water Distribution	France	13,870.95
8/9/05		Finavera Ltd	Electric, Gas, and Water Distribution	Ireland-Rep	Brownstar Ventures Inc	Rothschild	Investment & Firms,Dealers,Exchanges	Canada Commodity	
8/9/05		NRG Energy Inc	Electric, Gas, and Water Distribution	United States	NRG Energy Inc		Electric, Gas, and Water Distribution	United States	250

Source: **Thomson Financial Securities Data Company**. For more information, call **Rich Peterson** at (212) 806-3144.



The premier daily sales and marketing tool for investment managers.

*As a pension fund, take advantage of 6 months free access to iisearches' league tables, listings of firms on watch and terminated and searchable database of mandates awarded since 1995.*

Contact Gar Chung, iisearches' data editor, at +1 212 224 3936  
or at gchung@iinews.com and participate in our quarterly research efforts.

## Phoenix Solar Shop Eyes Non-Recourse For 500 MW Build

**Stirling Energy Systems** will be heading to the non-recourse arena to fund development of a mega 500 MW solar project in the Mojave Desert near Victorville, Calif. What would be the largest solar facility in the world, the plant is supported by a 20-year PPA recently awarded to Stirling by **Southern California Edison**. The PPA will cover the entire output, which could be expanded by an additional 350 MW, if needed, explains Stirling CEO **Bruce Osborn** at the development shop's Phoenix headquarters.

Although Osborn declined to provide a price tag estimate, another smaller 55 MW solar thermal project being undertaken by Raleigh, N.C., by developer **Solargenix Energy** (PFR, 4/15) suggests that Stirling's 500 MW effort will cost more than \$1 billion to construct.

More than two years from ground breaking, the CEO says Stirling has formed **SES Solar I** as a separate vehicle that will incorporate the construction project. Osborn says details about financing are still being hashed out and explains that a part of the thinking is to take into consideration the possibility of production tax credits and other renewable incentives that might mitigate costs.

Stirling will construct a 1-MW test facility in the near term and launch efforts to construct the 40,000 solar panels that will make

up its larger plant. Construction will commence in 2008 and the hope is to be completed by 2011. But as its modular dishes are completed they will be put into the electricity grid, explains Osbourne—a fact that means the company can expand or contract the size relatively easily. Calls to officials at SoCal Ed. parent **Edison International** in Rosemead, Calif., were not immediately returned.

## LS POWER

(continued from page 1)

U.S. market.

Kapadia declined to specify target acquisition prices or discuss fees and returns. "These investments are not only about purchase price, but the value we think we will be able to create," he notes, adding both merchant and contracted assets would be on the radar. "We're agnostic to regions or assets. We'll go where the value is."

LS Power, which develops, manages and invests in generation facilities via various related entities, has stakes in assets including 3.7 GW MachGen portfolio (PFR, 5/30) and it developed a 1.1-GW unit in Minooka, Ill., which it will refinance construction debt on after Labor Day (PFR, 7/25).

Kapadia explains the use of debt to help bankroll deals will vary. "Each of these projects has a different debt component," he notes. Given that fact, it is unclear how much buying power the fund will have. "We will do the deals that the others can't," Kapadia

## SUBSCRIPTION ORDER FORM

www.iipower.com

☐ **YES!** Please send me 1 year (51 issues) of **Power Finance & Risk** at the special price of \$2,195\*. Once I have subscribed I can select a permanent User ID and Password to www.iipower.com at no extra charge.

NAME B400701

TITLE FIRM

ADDRESS

CITY/STATE POSTAL CODE/ZIP COUNTRY

TEL FAX E-MAIL

### Options for payment:

- ☐ Bill me ☐ Check enclosed (please make check payable to Institutional Investor News)  
☐ I am paying by credit card: ☐ Visa ☐ Amex ☐ Mastercard

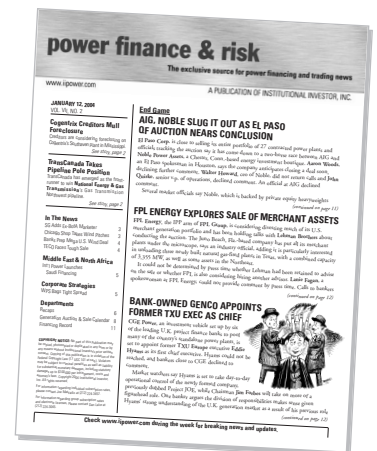
CREDIT CARD NUMBER EXPIRATION DATE SIGNATURE

The information you provide will be safeguarded by the Euromoney Institutional Investor PLC group, whose subsidiaries may use it to keep you informed of relevant products and services. We occasionally allow reputable companies outside the Euromoney Group to mail details of products which may be of interest to you. As an international group, we may transfer your data on a global basis for the purposes indicated above.

- ☐ Please tick if you object to contact by telephone.  
☐ Please tick if you object to contact by fax.

- ☐ Please tick if you object to contact by email.  
☐ Please tick if you do not want us to share your information with other reputable businesses.

\* In Canada, please add US\$30 for postage. Other non-U.S., please add US\$75.



**Institutional Investor NEWS**  
INTELLIGENCE FIRST

**UNITED STATES**  
Tel: 1-212-224-3570  
Fax: 1-615-377-0525  
Email: customerservice@iinvestments.com  
Mail: Institutional Investor News  
P.O. Box 5016  
Brentwood, TN 37024-5016

**UNITED KINGDOM**  
Tel: 44 20 7779 8998  
Fax: 44 20 7779 8619  
Email: tgstewart@euromoneyplc.com  
Mail: Thomas Gannagé-Stewart  
Institutional Investor News  
Nestor House, Playhouse Yard  
London, EC4V 5EX, England

**HONG KONG**  
Tel: 852 2842 6929  
Fax: 852 2153 5930  
Email: nayyars@iinvestments.com  
Mail: Sabeena Nayyar  
Institutional Investor News  
17/F, Printing House, 6 Duddell Street  
Central, Hong Kong



—*M.D.*

—*M.D.*

The move marks the second high-profile executive departure at Constellation in the past few months. In June, director of power trading **Michael Barham** also jumped to Citadel (PFR, 5/16).  
—*Mark DeCambre*

**Calpine** was close to executing a leveraged-lease financing package with **GE Energy Financial Services** to fund a 350 MW plant in Kaukauna, Wis., known as Fox Energy Center. Calpine had dumped their plans for **Union Bank of California** to fund the deal by way of a traditional non-recourse bank loan. The Fox facility had an offtake agreement with **Wisconsin Public Service**. [Calpine entered into a \$400 million, 25-year, non-recourse sale/leaseback transaction with affiliates of GE Commercial Finance Energy Financial Services.]