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Financiers Ponder Pricing, Merchant Post-Downgrade

Lenders are uncertain whether the downgrade of U.S. sovereign debt by **Standard & Poor's** will affect the pricing merchant.

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Wind Capital Tags Lender Duo

BayernLB and **Rabobank** will lead a financing for **Wind Capital's** 150 MW project in Oklahoma.

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FIRST SOLAR READIES LOAN LAUNCH, STAKE SALE

First Solar is looking to sell equity in its 550 MW Desert Sunlight photovoltaic project as it seeks \$1.88 billion in financing for the project.

Lead arranger **Goldman Sachs** and co-lead arranger **Citigroup** launched the deal at a bank meeting in New York on Aug. 12.

NextEra Energy Resources and **GE Energy Financial Services** attended the meeting—they are listed as sponsors of the project on the meeting invite—leading to speculation that they are buying into it. Spokesmen for First Solar in Phoenix and GE EFS in Stamford, Conn., declined to comment. A NextEra spokesman in Juno Beach, Fla., didn't return a call seeking comment. First



(continued on page 8)

CITI, CS AND GOLDMAN OFFER NEXTERA STAPLE

Citigroup, **Credit Suisse** and **Goldman Sachs** are offering a staple financing in the neighborhood of \$1 billion to prospective buyers of **NextEra Energy Resources** 2.7 GW gas-fired portfolio.

The package includes a term loan B and working capital facility and is expected to carry a high single B or low BB rating. The exact structure of the credit could not be determined. Bankers note that it might be difficult to launch a high-yield loan in markets that are swinging after the downgrade in the U.S. credit rating. Citi and CS are also advising on the sale.

The staple financing has a six-year cash flow sweep so prospective buyers would have to wait before seeing a steady return. Even with \$1 billion in debt a buyer will still need to cut a hefty equity check, deal watchers say. The sheer size of the portfolio means the purchase price

(continued on page 8)

MIDLAND COGEN PLOTS \$660M REFI

Midland Cogeneration Venture, owned by **EQT Infrastructure Fund** and **Fortistar**, is plotting a \$660 million refinancing via a \$560 million issuance of senior secured notes and roughly \$100 million in bank facilities, including letters of credit.

The issuance was set to launch as early as last Thursday and the package will refinance debt on the 1.56 MW cogeneration plant in Midland, Mich. The timeline for the financing and whether the downgrade of U.S. sovereign debt by **Standard & Poor's** is playing a role in the launch could not be learned. S&P rates the planned issuance BBB-.

Credit Suisse is leading the bond component, while **Mitsubishi UFJ Financial Group** affiliate **Union Bank** is co-leading the bank piece, deal watchers say. **Nadeem Nisar**, **Fortistar** managing director in White Plains, N.Y., and a former director at **Deutsche Bank** and **Credit Suisse**, is quarterbacking the financing on behalf of MCV. **Royal Bank of Canada** is said to be

(continued on page 7)

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

At Press Time

Financiers See Pricing, Merchant Question Post-Downgrade

Financiers are grappling with the potential impact that **Standard & Poor's** downgrade of U.S. sovereign debt may have on deal pricing and merchant asset sales.

There is a potential for a rise in pricing on power project financings as uncertainty in the market causes banks' cost of self-funding, or LIBOR, to increase. Pricing, which has been hovering in the range of 175-200 basis points over LIBOR for plain vanilla financings, and LIBOR skyrocketed in 2008 due to uncertainty that plagued lenders after the financial collapse (PFR, 10/10/08). In power mergers and acquisitions, bankers point to a possible decrease in appetite for merchant assets, as the downgrade may lead to a worsening overall U.S. economy which could translate to less power demand and lower prices.

As of last week, three-month LIBOR stood at 0.27%, according to **Bloomberg**. The same indicator stood at 4.05% at its height in October 2008. Bankers declined to quantify specifics on possible pricing jumps.

Not all think that a pricing jump is likely. Several financiers say they expect the downgrade to have little impact on power project finance, due to the overwhelming majority of European and Japanese lenders in the arena that may not be as directly affected as their U.S. peers by the downgrade.

Europe

Another financier, however, says European lenders may not be immune. Europe's own debt crisis could worsen if the U.S. downgrade is perceived as an example of things to come, he notes. Share prices of French banks **Société Générale** and **BNP Paribas** fell 21% and 14.7%, respectively, on Wednesday after fears spread that France could lose its AAA rating. The banks are among the most active players in U.S. project finance.

Offtakes

One banker points to the relative safety of U.S. offtakers as a reason why project finance will come out unscathed. "Are we going to view U.S. offtakers as weaker? I doubt it," says a syndicator. "The more immediate impact of the downgrade is on the public power side," says **Swami Venkataraman**, an analyst in the utilities, infrastructure and ratings group of S&P in San Francisco, pointing to municipal utilities that essentially have government-backed debt.

The **Tennessee Valley Authority** was downgraded to AA+ from AAA by S&P last Monday. The downgrade will not immediately affect the ratings or stable outlooks on the six highest-rated nonfinancial corporate issuers based in the U.S., including **General Electric**, according to a report from S&P issued last week. S&P assigns an AA+ to GE with a stable outlook.



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**Institutional
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INTELLIGENCE FIRST

Project Finance

LS Wraps CREZ Financing

LS Power has snagged \$433 million in debt backing its 234 miles of transmission lines in West Texas. The financing wrapped late last month.

The financing comprises a \$159 million term loan and \$19 million in letters of credit to project holding company **Texas Nevada Transmission**, plus a \$264 million term loan and a \$10 million revolver to the operating subsidiary **Cross Texas Transmission**. Cross Texas is a development company devoted to the project. The pricing of the term loans start at 200 basis points over LIBOR (PFR, 6/2).

BNP Paribas, Citigroup, Crédit Agricole and Mitsubishi UFJ Financial Group affiliate **Union Bank** led the deal (PFR, 6/2). The leads took pieces of TNT and Cross Texas' portions of the deal. **Siemens Financial Services** took a piece of the Texas Nevada loan, while **BayernLB**, **CIT Group**, **Dexia Crédit Local**, **Scotia Capital** and **Sovereign Bank** have tickets in the subsidiary loan.

The tenor of the term loans and terms of the LCs and revolver couldn't be learned. **Joe Esteves**, LS cfo in New York, didn't

return a call, while bank officials declined to comment or didn't return calls.

LS' Cross Texas lines feature three 345 kV double-circuit, alternating current lines in the Competitive Renewable Energy Zones, including a 109-mile line connecting Gray to Tesla.

NextEra Wraps Syndication For Calif. Solar

NextEra Energy Resources has wrapped a syndication backing its 250 MW Genesis solar project in Blythe, Calif. **Credit Suisse**, a lender-applicant for the project under the U.S. Department of Energy's Financial Institution Partnership Program, led the deal that closed earlier this week.

The DOE had offered a \$681.6 million conditional guarantee to the project (PFR, 6/16). Details of the deal, such as pricing, structure, tenor and

fast fact

► Credit Suisse is a lender-applicant for the project under the U.S. Department of Energy's Financial Institution Partnership Program.

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the identity of participating banks, could not be learned. A call to **Jonathan Silver**, executive director of the loan programs office in Washington, D.C., was directed to a spokeswoman who declined to comment. Bank and sponsor officials and spokespeople did not return calls. The status of the guarantee could not be learned.

Pacific Gas & Electric has a 25-year offtake agreement for Genesis.

Wind Capital Tags Duo For Okla. Deal

Wind Capital Group of St. Louis has tapped **BayernLB** and **Rabobank** as bookrunners in a more than \$200 million financing backing a 150 MW wind project in Osage County, Okla. The loan will fully amortize over 10 years, says a deal watcher. Pricing is expected to start in the range of 200-225 basis points over LIBOR.

NordLB, a relationship lender to Wind Capital, is also looking at participating, while **JPMorgan** is expected to provide tax equity investment (PFR, 7/14). The **Associated Electric Cooperative** of Springfield, Mo., is the offtaker for the Osage project. Wind Capital expects to initiate construction this fall, with operation targeted for June 2012.

The size of the loan and the financing timeline couldn't be learned. **Ciaran O'Brien**, Wind Capital ceo in Chicago, didn't return a call. Bank officials and spokespeople declined to comment or didn't immediately address inquiries. A cooperative spokeswoman couldn't be reached.

NRG Scores \$967M Fed Solar Loan

NRG Energy affiliate **NRG Solar** has wrapped a \$967 million loan from the **Federal Financing Bank** backing the 290 MW Agua Caliente solar photovoltaic project in Yuma County, Ariz. The closing also finalized the sale of the project to NRG from **First Solar** for an undisclosed sum. The deal wrapped on Aug. 5.

NRG agreed to buy the project, which will cost \$1.16 billion to develop, in December contingent on the closing of the FFB loan

fast fact

► NRG agreed to buy the project, which will cost \$1.16 billion to develop, in December.

under the U.S. **Department of Energy's** loan guarantee program (PFR, 12/16). First Solar acquired the project when it acquired **NextLight Renewable Energy** from

Energy Capital Partners (PFR, 4/29/10). The Phoenix-based developer indicated it intended to develop the NextLight projects and then offload them.

Most FFB loans issued under the DOE's program have been priced at 37.5 basis points over LIBOR (PFR, 1/5). The pricing and tenor of the Agua Caliente financing couldn't be learned. A First Solar spokesman in Phoenix, Ariz., and a DOE

spokeswoman in Washington, D.C., declined to comment.

Pacific Gas & Electric has a 25-year power purchase agreement for Agua Caliente. **Skadden, Arps, Slate, Meagher & Flom** represented First Solar on the sale. NRG did not use an advisor for its purchase; whether First Solar used an advisor could not be learned. An NRG spokeswoman in Princeton, N.J. did not address an inquiry, and a Skadden official in Washington, D.C., declined to comment.

NextEra Shops For Sub-200 Bps Credit

NextEra Energy is pushing lenders for pricing under LIBOR plus 200 basis points for a \$400-500 million credit backing its Lone Star Transmission project in West Texas.

The downgrade of the U.S. sovereign debt by **Standard & Poor's** is unlikely to affect NextEra's quest, financiers say, pointing to the European and Japanese lenders that tend to serve the sponsor. These banks may not be as directly affected by the downgrades as their American peers (PFR, 8/8). **Bank of Tokyo-Mitsubishi UFJ**, **BayernLB**, **Crédit Agricole**, **Credit Suisse**, **Helaba**, **Lloyds TSB** and **Siemens Financial Services** are among NextEra's relationship lenders. Whether the sponsor will seek alternative financing for the project if it doesn't snag its target or a timeline for the deal could not be learned.

Two transmission lines also in the Competitive Renewable Energy Zones in West Texas have been priced at or above LIBOR plus 200 bps. Juno Beach, Fla.-based NextEra is one of the most aggressive sponsors in project finance and one of the few capable of snagging margins tighter than the existing market. It relies on its high investment grade credit rating, experience and status as one of the largest sponsors to lean on its large coterie of relationship lenders. Standard & Poor's rates NextEra Energy A-

A \$400-500 million deal backing lines developed by a joint venture of **Brookfield Asset Management** and **Isolux Corsan Concesiones** is priced at 225 bps over LIBOR (PFR, 5/26), while a \$433 million financing supporting **LS Power's** lines in CREZ has a margin starting at 200 bps (see story, page 3). Transmission financings are sometimes priced lower than deals backing power assets because lines generally have cost recovery through rate bases in addition to predictable revenue streams (PFR, 12/23).

A NextEra spokesman didn't return a call seeking comment. Bank officials and spokespeople declined to comment or didn't return calls. Lone Star will traverse 300 miles and cross through 17 counties. It will use double-circuit, 345 kV lines.



Mergers & Acquisitions

Capital Power Links With Samsung, Pattern On Wind

Capital Power has brought in **Samsung Renewable Energy** and **Pattern Energy Group** as co-developers on a \$750-900 million, 270 MW wind project in Ontario. The three groups will have equal equity interests in The Kingsbridge II project—now renamed K2 Wind Ontario—in the Township of Ashfield-Colborne-Wawanosh.



Capital Power anticipates that most of the project costs will be debt financed. K2 has a power purchase agreement with **Ontario Power Authority** and is scheduled to go into construction in 2013. Under the partnership, Samsung will be the engineering, procurement and construction contractor.

Pattern and Samsung have an extensive partnership to build renewables in Ontario and have been buying up development projects to expand their pipeline (PFR, 4/19). Capital Power owns and operates the existing 40 MW Kingsbridge I that is near K2.

Spokespeople didn't immediately respond to inquiries.

MEMC Snags Fotowatio For Solar Expansion

MEMC Electronic Materials has agreed to acquire Spanish developer **Fotowatio Renewable Ventures'** U.S. unit for up to \$238.5 million, including debt and earn-out. MEMC will use the purchase to expand its solar business under its **SunEdison** subsidiary.

MEMC will pay \$112 million and assume \$22.9 million in intercompany loans and capital expenditures. The up to \$103.6 million earn-out is contingent upon the completion of several projects. **Alex Alvarado**, managing director at **Credit Suisse**, led the team that advised Fotowatio on the divestiture of its U.S. subsidiary (PFR, 4/1). The acquisition is slated to close by year-end.

Fotowatio has power purchase agreements for several projects, including 100 MW of projects in California, in addition to a development pipeline totaling about 1.4 GW. Fotowatio has 42 MW in operation.

The Fotowatio team, including **Mark McLanahan**, senior v.p., will join SunEdison employees based in San Francisco.

Madrid-based Fotowatio is owned by **Qualitas Venture Capital**, **GE Energy Financial Services** and **Grupo Corporativo Landon**, which hold 33.5%, 32% and 17.5% stakes, respectively. The management team owns the remaining 17%. Qualitas and Landon are the investment vehicles for the **Timón Group**

and the **Gallardo** family, respectively.

MEMC did not use an advisor, says a deal watcher. Officials and spokespeople at SunEdison, Fotowatio and Credit Suisse either declined to comment or did not immediately return calls. MEMC acquired SunEdison for \$200 million in 2009 (PFR, 10/29/09).

SDG&E Circles Peaker Purchase

San Diego Gas & Electric is exercising an option in a lease agreement to buy a 49.9 MW simple-cycle facility from **CalPeak Power** for about \$13.7 million. The acquisition is expected to be complete Jan. 1, when the lease ends, according to on Aug. 5 filing with the U.S. **Federal Energy Regulatory Commission**.

Starwood Energy owns 80% of CalPeak while **Tyr Energy** owns 20%. The duo purchased the CalPeak fleet totaling about 300 MW from **United Technologies'** unit, **Pratt & Whitney** in 2006 (PFR, 3/3/06).

The El Cajon facility was built on SDG&E property in El Cajon, Calif., in response to the state's energy crisis in the early 2000s and the utility instituted an option to buy the facility when its land lease agreement ended. The facility has had a power purchase agreement with the **California Department of Water Resources**.

Calls to Tyr and Starwood officials were not returned. An SDG&E spokeswoman in San Diego could not immediately comment.

People & Firms

BBVA Targets Larger Mexican PF Team

BBVA is looking to hire multiple financiers in its Mexico City office as it bulks up its project finance presence in the country.

Future bankers will join **Luis Dosal Blanco**, a former v.p. at **Banco Santander**, who began his stint as a BBVA v.p. in Mexico last month. Blanco reports to **Pablo Sánchez Parra**, who heads Latin America project finance in Mexico City. The scope, motivation and timeline of BBVA's expansion efforts couldn't be learned. BBVA officials in Mexico City and New York declined to comment, while a spokesman in Mexico City didn't respond to an e-mail inquiry. A Santander official didn't return a call.

Mexico is plotting a wave of renewables projects over the next 15 years, including 7 GW of installed wind capacity by 2025 (PFR, 6/3). BBVA is one of the larger players in Latin American project finance. The bank joined a consortium of lenders, also including **La Caixa** and Santander, in an effort to lead a financing backing 250 MW of wind developed by **Acciona** (PFR, 8/11/10).

Generation Auction & Sale Calendar

Generation Sale DATABASE

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 **Holly Fletcher** at (212) 224-3293 or e-mail hfletcher@iinews.com.

Seller	Assets	Location	Advisor	Status/Comments
AES	Cayuga (306 MW Coal) Greenidge (105 MW Coal) Somerset (675 MW Coal) Westover (83 MW Coal)	Lansing, N.Y. Dresden, N.Y. Barker, N.Y. Binghamton, N.Y.	Barclays Capital	AES is looking to restructure about \$550 million in debt (PFR, 8/1).
AE Investor II	Astoria Energy II (4%, or 23.3 MW)	Queens, N.Y.	Whitehall & Co.	A group of high network individuals is exiting their B-class stake in the facility (PFR, 7/18).
ArcLight Capital Partners	Waterside (72 MW peaker) Crockett (162 MW Cogen) Hobbs (604 MW CCGT) Hamakua (60 MW CCGT) Borger (230 MW Cogen) Neptune (391 MW, 65-mile transmission line)	Stamford, Conn. Crockett, Calif. Hobbs, N.M. Honokaa, Hawaii Borger, Texas Sayreville, N.J., to Long Island, N.Y.	Citigroup, Barclays Capital	Teasers went out in late July (PFR, 7/25).
Brookfield Infrastructure Partners	Cross Sound Cable (24-mile Transmission)	N.Y., Conn.	Rothschild	Potential buyers are receiving CIMs right now (PFR, 5/2).
Calpine	Mankato (375 MW CCGT) Broad River (847 MW Simple cycle)	Mankato, Minn. Gaffney, S.C.	Barclays Capital	Shelved the auction after bids came in low (PFR, 8/8).
Conti Group, Grupo Arranz Acinas	Development pipeline (550 MW Wind)	Texas, Kansas, Minnesota	Alyra Renewable Energy Finance	Teasers went out in late July (PFR, 8/1).
EIG Global Partners	Greenfield South (293 MW Gas)	Ontario		EIG makes \$250M loan that warrants an equity stake (PFR, 7/18).
GDF Suez Energy North America	Hot Spring (746 MW CCGT) Choctaw (746 MW CCGT)	Malvern, Ark. Ackerman, Miss.	UBS	UBS is releasing CIMs to interested parties (PFR, 5/15).
Morris Energy Group	York (52 MW CCGT) Pedricktown (132 MW CCGT) Camden (152 MW CCGT) Bayonne (180 MW CCGT) Elmwood (80 MW CCGT) Newark Bay (140 MW CCGT) Dartmouth (70 MW CCGT)	York, Penn. Pedricktown, N.J. Camden, N.J. Bayonne, N.J. Elmwood Park, N.J. Newark, N.J. Dartmouth, Mass.	Barclays Capital	Riverstone Holdings agrees to buy seven plants (PFR, 7/25).
NextEra Energy Resources	Blythe (507 MW Combined-cycle) Calhoun (668 MW Peaker) Doswell (708 MW CCGT & 171 MW Peaker) Cherokee, (98 MW CCGT) Risee (550 MW CCGT)	Blythe, Calif. Eastaboga, Ala. Ashland, Va. Gaffney, S.C. Johnston, R.I.	Credit Suisse, Citigroup	Second round bids have been pushed to September given market volatility (see story, page 1).
NRG Solar	Various (stake in 881 MW solar pipeline)	Various	Credit Suisse	NRG is looking for a minority owner for its solar subsidiary (PFR, 5/9).
PNM Resources	Stake in Optim Energy	Texas	Morgan Stanley	Teasers are out as Cascade Investments considers exiting (PFR, 5/23).
Cascade Investment	Altura (600 MW Cogen) Twin Oaks (305 MW lignite-fired) Cedar Bayou 4 (275 MW natural gas-fired)	Channelview, Texas Bremont, Texas Chambers County, Texas	Evercore Partners	Cascade is considering its options, including restructuring and a sale of its stake (PFR, 7/11).
Recurrent Energy	Bagdad (15 MW PV) Ajo 1 (5 MW PV) Sunset Reservoir (5 MW PV) Cranbury (7.5 MW Distributed PV) Kaiser Permanente (15 MW Distributed PV)	Bagdad, Ariz. Ajo, Ariz. San Francisco, Calif. Cranbury, N.J. California	Credit Suisse	Indicative bids came in April 6 (PFR, 4/11)
Signal Hill Power, CarVal Investors	Wichita Falls (77 MW CCGT) Rensselaer (79 MW Peaker)	Wichita Falls, Texas Rensselaer, N.Y.	Scotia Capital	Teasers out in late June; first round bids said to be in (PFR, 8/8).
Strategic Value Partners, JPMorgan, Cargill	Liberty Electric Power (586 MW CCGT)	Eddystone, Pa.	JPMorgan	Final bids are due Aug. 1 (PFR, 8/1).
U.S. Power Generating Co.	Astoria Generating (2.1 GW Gas-fired)	Queens, N.Y.	TBA	After icing two sales and a restructuring the company is considering filing for bankruptcy pending the outcome of a FERC decision (PFR, 8/8).
Capital Power	K2 (270 MW Wind)	Township of Ashfield-Colborne-Wawanosh, Ontario		Samsung Renewables and Pattern Energy Group are joining Capital Power as developers (see story, page 5).
Cal Peak Power	El Cajon (49.9 MW Simple Cycle)	El Cajon, Calif.	TBA	San Diego Gas & Electric will buy the facility when its land lease agreement ends on Jan. 1 (see story, page 5).

Shaded items indicate latest entries.

Project Finance Deal Book

*Deal Book is a matrix of energy project finance deals that PFR is tracking in the energy sector. The entries below are of new deals or deals where there has been change in their parameters or status. To report updates or provide additional information on the status of financings, please call Senior Reporter **Brian Eckhouse** at (212) 224-3624 or e-mail beckhouse@iinews.com.*

Live Deals: North America

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
American Renewables	Gainesville (100 MW Biomass)	Gainesville, Fla.	BoTM, Crédit Agricole, ING, Natixis, Rabo, SocGen	TBA	\$500M	TBA	BoTM tapped to lead retail syndication (PFR, 8/1).
Calpine Corp.	Los Esteros (300 MW Retrofit)	San Jose, Calif.	Crédit Agricole	TBA	TBA	TBA	Deal priced at 225 bps over LIBOR (PFR, 8/8).
Competitive Power Ventures	Ashley (200 MW Wind)	McIntosh County, N.D.	TBA	TBA	TBA	TBA	Sponsor initiates talks with lenders, tax equity providers (PFR, 8/8).
	Cimarron (165 MW Wind)	Gray County, Kan.	TBA	TBA	TBA	TBA	Sponsor initiates talks with lenders, tax equity providers (PFR, 8/8).
Constellation Energy	Portfolio (30 MW Solar PV)	Sacramento, Calif.	Crédit Agricole, Deutsche Bank	TBA	\$100M	TBA	Sponsor wraps financing (PFR, 8/8).
Edison Mission Energy	Walnut Creek (500 MW Gas)	City of Industry, Calif.	MUFG, Santander	TBA	TBA	TBA	Deal wraps, with 14 lenders participating (PFR, 8/1).
	Taloga (130 MW Wind)	Dewey County, Okla.	WestLB	TBA	\$200M	TBA	EME mandates WestLB to lead financing (PFR, 8/1).
Enova Energy Group, NuPower	Plainfield (37.5 MW Biomass)	Plainfield, Conn.	SocGen	TBA	TBA	TBA	SocGen wins mandate to lead syndicated financing (PFR, 7/18).
Gradient Resources	Patua (132 MW)	Reno, Nev.	BNP, Dexia, Scotia	TBA	\$600M	TBA	Sponsor retains Marathon Capital as financial advisor (PFR, 7/18).
First Solar	Desert Sunlight (550 MW Solar PV)	Desert Center, Calif.	Goldman Sachs	TBA	TBA	TBA	Bank meeting to market financing was Friday (see story, page 1).
LS Power	Cross Texas (230 Miles Transmission)	Texas	BNP, Citi, Crédit Agricole and MUFG	TBA	\$433M	TBA	Deal wraps (see story, page 3).
NextEra Energy Resources	Genesis (250 MW Solar Thermal)	Blythe, Calif.	Credit Suisse	TBA	\$1B+	TBA	Financing wraps (see story, page 3).
	Lone Star (300 Miles Transmission)	Texas	TBA	TBA	TBA	TBA	Sponsor targets pricing under 200 bps (see story, page 4).
NRG	Agua Caliente (290 MW Solar PV)	Yuma County, Ariz.	FFB	TBA	\$967M	TBA	FFB wraps deal, finalizing sale of project to NRG from First Solar (see story, page 3).
	El Segundo (550 MW Gas)	El Segundo, Calif.	Crédit Agricole, Mizuho, RBS	TBA	\$683M	10-yr	Eleven lenders join financing (PFR, 8/8).
Radback Energy	Oakley (624 MW Gas)	Contra Costa County, Calif.	BoTM, Crédit Agricole, ING, RBS, Scotia	TBA	TBA	TBA	Loan priced south of 225 bps (PFR, 7/18).
Recurrent Energy	Unidentified (60 MW Solar PV)	Calif.	BoTM, Lloyds, Mizuho, UniCredit	TBA	TBA	TBA	Four banks mandated to lead portfolio financing (PFR, 8/1).
Sempra Pipelines, Pemex	Various (Gas Pipeline)	Mexico	TBA	Refi	\$400M	TBA	Sponsors seek to lever existing pipelines for new development (PFR, 7/11).
Wind Capital Group	Unidentified (150 MW Wind)	Osage County, Okla.	BLB, Rabo	TBA	TBA	TBA	Sponsor mandates BLB, Rabo (see story, page 4).

Shaded items indicate latest entries.

MIDLAND COGEN

(continued from page 1)

involved in the refi, though its role couldn't be determined by press time. The notes are scheduled to mature in 2025.

The terms of the refinancing are "very aggressive," says another deal watcher, declining to elaborate. "Fortistar is very smart: They're always looking for an opportunity in the market," says a financier who has worked with the company.

The deal will help refinance a \$515 million acquisition package inked in May 2009. That seven-year package is a \$275 million tranche A, \$140 million non-amortizing tranche B and a \$100 million revolver that includes letters of credit (PFR, 3/20/09). The debt was priced at LIBOR plus 350 basis points. Union Bank and WestLB led the deal, with CoBank, Credit Suisse, GE Energy Financial Services and US Bank among the

participants in the senior secured financing (PFR, 4/3/09). The project had roughly \$500 million in debt when EQT and Fortistar bought MCV from owners that included GSO Capital Partners and Rockland Capital.

The identity of the lender co-leading the bank portion of the refi couldn't be learned. The pricing of the bonds and bank deal also couldn't be immediately determined. An EQT official in New York didn't return a call by press time, while a Fortistar official in White Plains declined to comment. Bank officials or spokespeople declined to comment or didn't return calls.

EQT owns 70% of MCV, with Fortistar holding the balance. Roughly 265 MW of the plant's generation is merchant and Consumers Energy has a power purchase agreement for remaining capacity through 2025. Dow Chemical also buys steam from the plant.

—*Brian Eckhouse*

FIRST SOLAR

(continued from page 1)

Solar has retained an undisclosed advisor for the sale.

NextEra has been opportunistically buying solar and greenfield developments in the U.S. “What’s interesting is that First Solar has gotten to the point that they offer the type of returns NextEra is looking for,” says an observer of NextEra deals who is not working on the First Solar transaction.

First Solar often looks to sell completed or construction-ready projects to utilities or independent power producers (PFR, 4/29/10). The Phoenix-based developer sold the 290 MW Agua Caliente solar photovoltaic project in Yuma County, Ariz., to NRG Energy affiliate NRG Solar, a deal finalized upon the completion of a DOE loan guarantee earlier this month (see story, page 3).

The U.S. Department of Energy has conditionally agreed to partially guarantee the \$1.88 billion financing backing Desert Sunlight (PFR, 6/30). Goldman is the lender-applicant under the DOE’s Financial Institution Partnership Program. Some

financiers anticipate the Desert Sunlight loan will resemble the \$1.2 billion debt package backing Caithness Energy and GE EFS’ 845 MW Shepherds Flat wind project in eastern Oregon, also a FIPP deal. One component of the Shepherds financing comprised tickets guaranteed by the DOE and tickets uncovered by the government wrap (PFR, 4/21).

Desert Sunlight is split into a 300 MW piece and a 250 MW piece. Pacific Gas & Electric and Southern California Edison have 25-year offtake agreements for 300 MW and 250 MW, respectively, of the generation. The U.S. Department of the Interior approved the project, in Desert Center, Calif., on Wednesday.

Whether GE EFS and NextEra are buying into the entire project or one of its components couldn’t be learned. The potential Desert Sunlight sale price and terms of the financing and whether NextEra has retained an advisor also couldn’t be learned. Bank officials and spokespeople declined to comment or didn’t return calls. A DOE spokeswoman in Washington, D.C., didn’t return a call.

—Brian Eckhouse

CITI, CS

(continued from page 1)

will likely hit \$1.5 billion, which would be an average of \$700 per kW (PFR, 6/13).

The downgrade and the quiet August vacation period has also slowed the sale process. Binding bids are now penciled to come in during the middle of next month instead of this week. Prospective buyers and bankers trying to arrange financing are welcoming the delay in the absence of decision makers and in the face of uncertain institutional investor appetite, notes an M&A banker. “Every day [the stock market] is up 400, down 600. Would you really try to jam this through? Who would be there anyway?” says one banker. Teasers went out in May (PFR, 5/4).

The assets are not distressed so if bids don’t meet NextEra expectations, it could opt to shelve the auction, bankers in New York say, noting that the company has done that in the past. If the broader financial markets continue to fluctuate—thus signaling unease about the economy—then the company might ice the sale.

NextEra is trying to sell a mostly contracted fleet that is complicated for prospective buyers to model because it has outposts in Alabama, California, Rhode Island, South Carolina and Virginia. The portfolio includes:

- 550 MW RISEC combined cycle plant in Johnston, R.I., which is merchant;
- 507 MW Blythe CCGT in Blythe, Calif., that has a 10-year power purchase agreement with Southern

California Edison

- 668 MW Calhoun peaker in Eastaboga, Al. has 11 years remaining on an Alabama Power Co. PPA
- 98 MW Cherokee CCGT in Gaffney, S.C., has two years remaining on a PPA with Duke Energy Carolinas
- 708 MW Doswell CCGT in Ashland, Va., has six years remaining on a Virginia Electric Power Co.; there is also a 171 MW merchant peaker.

Officials and spokesmen for Citi and Credit Suisse declined to comment. Neither a Goldman spokesman nor a NextEra spokesman in Juno Beach, Fla., responded to inquiries.

—Holly Fletcher

Quote Of The Week

“The more immediate impact of the downgrade is on the public power side.”—**Swami Venkataraman**, an analyst in the utilities, infrastructure and ratings group at **Standard & Poor’s** in San Francisco on the effects of the downgrade on the power industry (see story, page 2).

One Year Ago In Power Finance & Risk

First Solar sought financing to back its 550 MW Desert Sunlight project in Desert Center, Calif. [The Phoenix, Ariz.-based developer is planning to sell equity in the project as it prepares a \$1.88 billion financing via lead arranger Goldman Sachs and co-lead arranger Citigroup (see story, page 1).]