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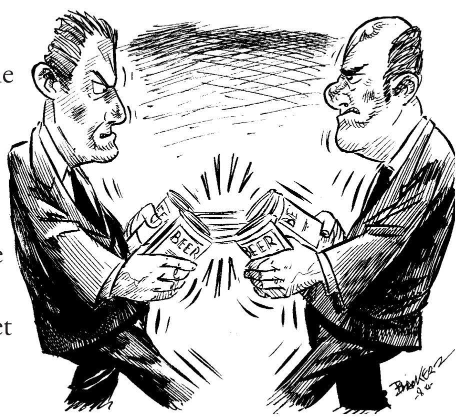
NRG Taps Dynegy Trader For New Desk

NRG Energy has hired **Tom May**, a former **Dynegy** trader, to head up its trading and marketing desk in Princeton, N.J. May's first priority will be to replace NRG staffers who don't make the transfer from NRG's current headquarters in Minnesota.

See story, page 3

The Four Pack

K ROAD EMERGES AS FRONTRUNNER TO ACQUIRE GENHOLDINGS



New York-based **K Road Power** is thought to be the last remaining bidder in the auction of GenHoldings, a 3.7 GW package of merchant power plants scattered across the U.S., but its reluctance to cover the portfolio's entire $1 billion plus debt load through its bid could yet undermine a deal, say market watchers.

K Road Power, a power plant investment firm set up and run by **Sithe Energies**' founder **William Kriegel** and partly bankrolled by **Morgan Stanley**

(continued on page 8)

CALPINE TAPS GE TO LEAD 350 MW LEVERAGED-LEASE FINANCING

Calpine is close to executing a leveraged-lease financing package with **GE Energy Financial Services**, after apparently ditching plans for **Union Bank of California** to fund a 350 MW plant in Wisconsin with a traditional non-recourse bank loan. The deal would likely be for around the $175-200 million mark, says one financier who looks at leveraged leases but didn't have knowledge of the Calpine transaction.

The rationale for Calpine ditching a bank loan in favor of a lease could not be determined. Calls to **Brian Harenza**, v.p. of finance at the San Jose, Calif.-based IPP, and **Ken Koprowski**, spokesman for GE, were not returned.

Early this year UBoC was tapped to lead a forecast $120-150 million project finance loan for the power station, located in Kaukauna, Wis., which is known as the Fox Energy Center

(continued on page 8)

INTERGEN LOOKS TO DIVEST DUTCH POWER PLANT

Burlington, Mass.-based **InterGen** has put a 790 MW power plant near Rotterdam, the Netherlands, up for sale and is looking to compile a shortlist of bidders next month. **Dorothy Thompson**, v.p. at InterGen's European headquarters in Edinburgh, says the IPP has retained **ABN AMRO** to conduct a sale of its newly minted Rijnmond gas-fired plant and is looking to ramp up the sale process after the summer lull. "There has been no shortage of potential bidders looking to make it on the shortlist," says Thompson, noting that both strategic buyers and financial players are showing a keen interest.

Market watchers have long suspected that InterGen's joint owners, **Bechtel** and **Shell**, have little appetite for owning independent power plants and would be willing to sell either individual plants or larger portfolios of generation capacity if opportunities arise. Thompson

(continued on page 8)

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

At Press Time

Xcel Launches 500 MW Colorado Wind Power RFP

Xcel Energy was set to open the bidding process for 500 MW of wind power late last week to cover its load needs in Colorado. **Mark Stutz**, Xcel spokesman, says the utility received permission from Colorado state regulators last week to acquire new wind generation and is now looking for developers to provide the power. Bids from potential generators will be due within 90 days of the start of the process, says Stutz, and the company hopes to announce winning bidders next May.

The company has not determined how many providers it hopes to split the load between. "A lot depends on finding a proper profile with adjacent transmission to move the power," says Stutz. Currently, Xcel utilizes one 25 MW wind farm, two 30 MW farms and one 162 MW farm. Stutz says he presumes wind farms equal to or on an even larger scale will comprise the bidding, as the market trend is to build ever bigger wind farms. He declined comment on which companies might make up the pool of potential bidders.

The winning bidder or bidders will have until December 2006 to get the wind farms on line in order to receive wind production tax credits, the renewal of which is still pending in Congress.

ABN AMRO Expands TransAtlantic Energy Biz

ABN AMRO has made several hires to its fast growing U.S. and London-based energy desks. **Wayne Harburn**, global co-head of commodities in London, says high energy prices has led to increased demand for energy derivatives, making it a good time to build up the area.

In New York, ABN has hired **Bruno Stanziale**, senior energy derivatives marketer at **Deutsche Bank**. Stanziale will focus on marketing U.S. crude oil and gas contracts to Canadian clients, says Harburn. **Jeffrey Baird**, head of oil and natural gas trading at **Merrill Lynch**, is also joining the firm as a senior trader focusing on oil derivatives. The firm is hunting an additional three senior staffers in both trading and marketing for the New York office.

Wayne Harburn (left) and Vincent Chevance

In London, meanwhile, ABN has lured several staffers. **Hakan Kocayusufpasaoglu**, a senior European crude and product options trader is joining from **BNP Paribas** in a senior role. Both Harburn and **Vincent Chevance**, his co-head of commodities, joined ABN AMRO from BNP last May to head up the new activity. **Dominic Harris**, head of global oil derivatives marketing at **BP Oil International**, is also joining the firm.

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Institutional Investor NEWS
INTELLIGENCE FIRST

Ex-NYMEX Prez Weighs Hedge Fund Foray

Robert "Bo" Collins, former president of the **NYMEX**, is looking to set up a fund to trade energy. "I'm thinking of it as a merchant energy company with the capital structure of a hedge fund," says Collins.

Collins hopes to have specific plans hammered out within the next month and, if he goes ahead with the venture, expects to begin trading by the fall. The fund will be run by Collins and a couple of others energy pros at the outset, he says. Additional hires would be based on the momentum of the fund. He declined comment on the target size of the fund and on whether capital is already committed to the venture.

Collins denied recent market rumors that he is set to join the energy trading joint venture being set up by **Credit Suisse First Boston** and Dallas utility **TXU** (PFR, 6/21).

Collins resigned his post at the NYMEX in June after three years. Prior to that he was senior v.p. of natural gas trading at Houston-based **El Paso Merchant Energy**.

NRG Hires Ex-Dynegy Trader To Rebuild Risk Management Operation

NRG Energy has tapped former **Dynegy** trader **Tom May** to lead the company in rebuilding its energy marketing and trading operations at its soon-to-be opened new digs in Princeton, N.J. He joined the IPP last week as v.p. of commercial operations and reports to **Ershel Redd**, executive v.p. of commercial operations.

While reorganization and financial distress had led NRG to scale back its merchant trading operations, the company is renewing its focus on managing commodity risk with a new push into marketing and trading, says May.

NRG will look to manage commodity price risk through both the inking of power-purchase agreements and by actively trading around merchant plants. It will also trade to extract the most value from the physical and financial markets, he says. "We're really looking to drive integration between all of those things," says May. NRG will actively manage all areas of exposure to fuels, power and emissions, he says.

May's first focus will be to replace those NRG marketing and trading officials that will not be relocating to New Jersey from NRG's Minnesota headquarters. He will consider hiring for new positions once the basic staff is in place, he says. "There is strong commitment from [CEO] **David Crane** and Ershel Redd to attract and maintain the right talent to execute the strategy to be a top-tier manager of a merchant portfolio," he notes.

May was with **Dynegy** for two-and-a-half years, where he managed its Northeast energy trading book and most recently managed a West Coast book jointly owned by NRG Energy and Dynegy. Previously, May worked at **Enron**, as both a trader and asset manager. He began his career at **Ontario Power**.

Pipeline Lenders Wait On El Paso Filings

Lenders lined up to finance **El Paso Corp.**'s Cheyenne Plains gas pipeline will likely have to wait until at least the end of the third quarter to find out if the loan will close. The Houston player announced last week it planned to file delayed 10-K and 10-Q reports later this year, and those filings are required before the $278 million non-recourse financing can be executed (PFR, 3/29). One industry official says it's possible the loan may not be executed at all. El Paso is expected to complete construction of the pipeline around year-end and so El Paso may decide to avoid construction financing altogether.

The deal would refinance construction of a 380-mile natural gas pipeline that will run from Cheyenne, Wyo., to Greensburg, Kan. Lenders have been renewing commitment letters on a periodic basis, conditional on satisfactory 10-K and 10-Q filings. The five-year loan carries base pricing of 222 basis points over LIBOR and a 50 basis point commitment fee.

CNG Nails Upsized Hedge-Related Loan

Consolidated Natural Gas has wrapped a $1.5 billion loan facility that backs its hedging program after drawing in $2.2 billion in commitments. The subsidiary of Richmond, Va.-based **Dominion** made it clear to lenders that the $1 billion deal, launched last month, would be upsized if the demand was there (PFR, 7/12). One lender says the borrower's strong rating and its emphasis on managing old and new banking relationships were strong factors behind the oversubscription and upsizing.

The three-year loan, which backstops letters of credit issued to support CNG's natural gas hedging program, replaced a $1 billion 364-day L/C loan facility. **Barclays Capital** and **KeyBanc Capital Markets** led the deal and **ABN AMRO**, **Scotia Capital** and **SunTrust** signed on as co-documentation agents.

The bank headcount rose to 35 from the 29 in the expiring deal.

Westar Looks To De-Lever With Cash On Hand

Westar Energy, Kansas' largest electric utility, is looking to pay down its short-term debt obligations with cash on hand as part of a long-term goal of reducing leverage. **Bruce Burns**, director of investor relations, says Westar intends to deploy spare balance sheet capital to pay down the $19 million it has drawn on a bank revolver by year-end and will also use freshly generated revenue to terminate a $65 million first-mortgage bond issue that matures next summer.

Westar executives said in an earnings call earlier this month that the utility holding company has already exceeded its debt reduction target for this year and has cut its debt by half since 2002 to just under $1.8 billion. Its debt-to-equity ratio stands at 58:42 already below its year-end target of 60:40.

Westar has no capital market forays in the works for the remainder of this year, says Burns, but he adds the company has not ruled out an opportunistic debt refinancing deal if market conditions improve. "If rates go down or opportunities present themselves, we'll definitely give those consideration," says Burns.

Investec Builds Mezzanine Financing Effort

Johannesburg-headquartered investment bank **Investec** is looking to further a recent push into mezzanine debt financing in the European renewable energy financing business with the appointment of **Société Générale**'s **Mark Henderson** as its first dedicated power sector financier. **George Rogers**, head of energy in London, says he and two other Investec bankers have for the past year or so spent almost half of their time looking at power deals, but adds it's time now to hire a power sector banker to take the push forward.

Investec is focusing on providing mezzanine debt financing to the renewable energy sector. It will also look to take equity positions through its part ownership of Melbourne-based renewable company **Viridis Energy Capital**, says Rogers. Investec's relatively expensive cost of capital means it cannot compete on price with traditional project finance lenders on senior non-recourse debt. "The margins are typically just too tight," explains one financier.

Investec's recent foray into the European power sector includes its refinancing of **Windjen Power**'s Blaen Bowi wind farm in Wales and its part financing of **Tynagh Energy**, a joint venture involving **Mountside Properties** that recently won an Irish government contract to develop a 400 MW gas-fired power plant in County Galway (PFR, 12/16). It also part owns **Icecap**, a carbon credit broker.

Lease Debt Planned For Dominion Pa. Plant

A second tranche of debt related to **Dominion**'s 1,180 MW power plant in Falls Township, Pa., is set to hit the market this month. The latest $240 million slug is the second tranche of the construction refinancing and follows on from a $560 million debt issue in April, **Scott Hetzer**, treasurer, said on a recent earnings conference call. Spokesman **Mark Lazenby** says the debt will be privately placed with investors and will be guaranteed by Dominion, rather than issued directely by the company. He declined further comment.

The Dominion plant is known as the Fairless Energy facility and consists of two natural gas-fired, combined-cycle units, each capable of generating 590 MW. The company recently announced the plant was online for summer power needs and that 42% percent of its output was contracted.

Corporate Strategies

Progress Capitalizes On 'Frothy' Lender Mart

Progress Energy has set up a new five-year, $1.13 billion revolver to replace shorter maturity revolvers that weren't set to expire until November. "The bank market has become rather frothy," says **Tom Sullivan**, treasurer, who says there is a renewed interest in the sector from financial institutions, many of whom are more willing to lend having resolved problem loans.

J.P. Morgan and **Citigroup** led the expiring $250 million, 364-day revolver and $450 million, three-year facility and reprised their roles on the new deal. Sullivan says the bank group has increased from around 12 to a 16-strong syndicate, reflecting the fact that Progress had been approached by several new banks who wanted to start lending to the Raleigh, N.C., player. Also, three of the original lenders upsized their commitments.

Sullivan says it is probably the first time in a decade that five-year revolvers have been generally on offer to the power sector. He notes 364-day facilities or combinations of 364-day debt and three-year paper has been the standard over the last few years. While it is unclear whether those maturities will stop being offered, he says the company didn't want to wait until the old facilities matured to find out.

Aside from banks having cleaner portfolios, Sullivan argues some lenders are extending credit in the belief that M&A activity could be on the rise. "Assets are going to change hands and the financial institutions are positioning themselves," he reflects.

The loan, which is primarily a backstop for commercial paper, expires Aug. 9, 2009.

Idaho Power Realizes Savings With Preferred Stock Refi

Idaho Power issued $50 million in 30-year, 5.875% bonds last week to refinance three preferred stock issues. The company weighed the preferential equity treatment that preferred stock deals receive from ratings agencies versus the interest savings it would get by refinancing the issues with debt, and determined that a debt issue was overall the more economical option, explains **Dennis Gribble**, v.p. and treasurer.

The three preferred stock issues to be refinanced carry rates of 4%, 7.07% and 7.68%, says Gribble. The bonds were priced to yield 90 basis points over comparable Treasuries. Gribble says the issue can be redeemed at any point at a yield of 15 basis points over Treasury bonds. The issue, which was underwritten by **Banc of America Securities** and **Piper Jaffray**, was two-times oversubscribed within minutes, says Gribble.

TXU Issues Bonds To Remarket Portion Of Convertibles

TXU Corp. last week issued $288 million in 4.446% notes, a deal paving the way for the retirement of existing convertible debt. **Carol Peters**, TXU spokeswoman, says the issue will be remarketed Aug. 16 to existing convertible note holders. They can choose either to take the notes or receive common stock. The new issue matures in November 2006.

TXU was happy with the pricing it received on the new deal, although combined with the returns on the stock sale it's only slightly lower than the yield on the original convertible. The combined debt and stock rate on this issue totals 8.5% versus the previous rate of 8.75%, says Peters.

The notes were issued at a 120.6 basis point spread over comparable treasuries and were underwritten by **Banc of America Securities** and **Merrill Lynch**.

Middle East & North Africa

Saudi Utility Launches IWPP Tender

Saudi Arabia's state-owned **Water & Electricity Co.** and its financial advisor **HSBC** have launched a tender to develop a 650-900 MW oil-fired power and water desalination plant in the west of the kingdom. The WEA has invited 11 pre-qualified power companies and EPC contractors to respond to an RFP sent out two weeks back. It is asking for responses by the beginning of next year. Market watchers say the project is likely to cost some $1.5 billion to build.

Under the tender the successful bidder will own 60% of the Shoaiba IWPP, with **Saudi Electric Co.** and the **Saudi Public Investment Fund** owning the remainder. Officials at HSBC declined to comment and **Walid Basoudan**, Shoaiba project manager at WEA, could not be reached over the Islamic weekend.

El Ezzel Deal Lures A Dozen Banks

HSBC and **Société Générale** have formed a 12-strong mandated lead arranger group to provide roughly $500 million in non-recourse bank loan financing for the 1 GW El Ezzel greenfield project in Bahrain.

Market watchers say the pair is being joined by **ANZ Investment Bank**, **Bayerische Landesbank**, **Calyon**, **GIB**, **ING**, **Mashreq Bank**, **Mizuho**, **National Bank of Bahrain**, **Royal Bank of Scotland** and **Standard Chartered Bank**.

A syndicate banker involved in the deal says the aim is to close financing by the end of next month, at which point a low-key retail syndication round may be launched.

The financing consists of a $380 million 20-year loan and a roughly $115 million equity-bridge loan, says the syndicate banker, declining comment on pricing ahead of financial close.

Bahrain's **Ministry of Finance & National Economy** selected a joint venture between Belgian utility **Tractebel** and regional investment fund **Gulf Investment Corp.** to develop El Ezzel, a roughly $600 million combined-cycle gas-turbine project near Manama, Bahrain (PFR, 7/18).

Standard Exec Moves To Dubai To Launch Investment Fund

Peter Eaves, former head of project finance at **Standard Bank** in London, is set to move to Dubai at the end of this month to help run a power and energy private equity fund being launched by Standard and **Gulf International Bank**. Eaves will be part of a four-strong team that will manage the fund, says a market watcher, declining to reveal the other officials. Eaves declined to comment.

Standard has raised some $125 million for the fund and is hoping to raise a further $175 million, says the market watcher.

The fund should prove a welcome fillip for the Middle East's fast growing IPP sector. There are a slew of deals in the chute, but only a limited number of international independent power producers willing to inject equity capital in the region. Within the past three years several European and U.S. IPPs, notably **CMS Energy**, **InterGen** and **EDF International**, have pulled back from bidding on new Middle East power projects.

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 **Will Ainger**, managing editor, at (44-20) 7303-1735 or e-mail wainger@euromoneyplc.com.*

Seller	Plants	Location	MW	Plant Type	Advisor	Status
AEP	El Bajio	Mexico	600 (50%)	Gas	WestLB	
AES	Wolf Hollow	Texas	730	Gas	N/A	Ongoing.
	Granite Ridge	N.H.	720	Gas		
	Termomamonal	Colombia	90	Gas		
	Ottana	Italy	140	Gas	None	Ongoing.
Allegheny Energy Supply	Armstrong	Penn.	356	Coal	J.P. Morgan	Ongoing.
	Hatfield	Penn.	1,600 (75%)	Coal	Citibank	
	Mitchell	Penn.	442	Coal	J.P. Morgan	
BP	Great Yarmouth	U.K.	400	Gas	J.P. Morgan	Intention to sell.
Black Hills Energy	Pepperell	Mass.	40	Gas	-	Intention to sell.
BNP -led bank group	Mystic River 7	Mass.	560	Oil/Gas	Lazard	Ongoing.
(Exelon developed plants)	Mystic River 8	Mass.	832	Gas		
	Mystic River 9	Mass.	832	Gas		
	Fore River	Mass.	832	Gas		
Citi & SocGen-led creditor group	Union	Ark.	2,200	Gas	Goldman	Ongoing.
(TECO Energy developed plants)	Gila River	Ariz.	2,300	Gas		
CMS Energy	Ensenada	Argentina	128	Gas	Not chosen	Announced intention to sell.
	CT Mendoza	Argentina	520	Gas	J.P. Morgan	
	El Chocon	Argentina	1,320	Hydro	J.P. Morgan	
Citi-led bank group	Lake Road	Conn.	840	Gas	Lehman Bros.	Seperate auction for each plant.
(NEG developed plants)	La Paloma	Calif.	1,121	Gas	Lehman Bros.	
ConocoPhilips	Ingleside	Texas	440 (50%)	Gas	None	Looking to sell stake by June.
Damhead Power	Damhead	U.K.	800	Gas	E&Y	Has agreed sale to ScottishPower.
Delta Power	Lowell Power	Mass.	82	Gas	None	Actively pursuing a sale.
Duke Energy North America	Lee Energy	Ill.	640	Gas	J.P. Morgan	Ongoing.
	Bridgeport Energy	Conn.	480 (67%)	Gas		
	Grays Harbor (in construction)	Wash.	650	Gas		
	Deming Energy (in construction)	N.M.	570	Gas		
	Griffith Energy (50%)	Ariz.	600	Gas		
	Maine Independence	Maine	520	Gas		
El Paso Europe	Enfield	U.K.	396 (25%)	Gas	No Advisor	Looking to exit Europe.
	EMA Power	Hungary	70	Coal		
	Kladna	Czech Rep.	350	Coal		
El Paso North America	Bayonne	N.J.	186	Gas		Final bids due.
(Merchant assets)	Berkshire	Mass.	261 (56.41%)	Gas		
	Camden	N.J.	149	Gas		
	CDECCA	Conn.	62	Gas		
	Eagle Point	N.J.	233	Gas		
	Fulton	N.Y.	45	Gas		
	Newark Bay	N.J.	147	Gas		
	Pawtucket	R.I.	67	Gas		
	Rensselaer	N.Y.	79	Gas		
	San Joaquin	Calif	48	Gas		
El Paso North America	Midland Cogen	Miss.	1,500 (44%)	Gas	Citigroup	Has sold majority of QF portfolio to ArcLight.
(Contracted assets)	Prime	N.J.	66 (50%)	Gas		
Endesa	Conatillor	Chile	172	Hydro	N/A	Ongoing.
EnCana	Cavalier	Alberta	106	Gas	HSBC	Launched sale in April. Looking to
	Balzac	Alberta	106	Gas	HSBC	exit generation business.
	Kingston	Ontario	110 (25%)	Gas	HSBC	
Energy Investors Fund	Multitrade	Va.	79.5 (60%)	Biomass	None	Intention to sell.
	Crockett	Calif.	240 (24%)	Gas	None	

Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status
Entergy Asset Management	Robert Ritchie	Ark.	544	Gas/oil		Ongoing.
	Warren Power	Miss.	314	Gas		
	Top of Iowa	Iowa	80	Wind		
	RS Cogen	La.	425 (49%)	CHP		
	Roy S. Nelson	La.	550 (20%)	Coal		
	Harrison County	Texas	550 (70%)	Gas		
	Independence	Ark.	842 (15%)	Coal		
EPRL	Glanford	U.K.	14	Poultry Litter	Rothschild	Ongoing.
	Thetford	U.K.	39	Poultry Litter		
	Ely	U.K.	13	Poultry Litter		
	Westfield	U.K.	10	Poultry Litter		
	Elean	U.K.	38	Straw		
Ernst & Young Corporate Finance (representing secured creditors)	Bear Swamp	Mass.	599	Hydro	E&Y	Exploring sale.
HSBC-led creditor group	Attala	Miss.	526	Gas	HSBC	Ongoing.
InterGen	Larkspur Energy	Calif.	90	Gas	Citi	Ongoing.
	Indigo	Calif.	135	Gas	Citi	
	El Bajio	Mexico	600 (50%)	Gas	N/A	Ongoing.
KBC-led creditor group	Milford	Conn	542	Gas	Lazard	Ongoing.
LG&E Power	Roanoke Valley	N.C.	178 (50%)	Coal	N/A	Ongoing.
	Gregory Power	Texas	550 (50%)	Gas		
	Palm Springs	Calif.	42 (50%)	Wind		
	Tyler	Minn.	27 (50%)	Wind		
	Van Horn	Texas	41 (33%)	Wind	N/A	Sent out RFP in April.
	Tarifa	Spain	30 (46%)	Wind		
Mirant	Kendall	Mass.	270	Oil	CSFB	Ongoing.
	Shady Hills	Fla.	474	Gas	BofA	
	West Georgia	Ga.	640	Gas		
	Bosque County	Texas	538	Gas		
	Wichita Falls	Texas	77	Gas		
Morrow Power	Boardman	Ore.	28	Gas	Marathon Capital	Looking to select bidder by June.
Nations Energy	Bayport	Texas	80	N/A		Considering liquiditing the company.
	Mungo Junction	Ohio	32			
	Southbridge	Mass.	7			
National Energy Gas & Transmission (USGen New England)	Salem Harbor	Mass.	745	Coal/Oil	Lazard	Ongoing.
	Brayton Point	Mass.	1,599	Coal		
	Manchester St.	R.I.	495	Gas		
	Connecticut River	N.H.	479	Hydro		
	Deerfield River	Mass.	89	Hydro		
Oman (Ministry of Housing, Electricity & Water)	Rusail	Oman	730	Gas	CSFB	-
	Ghubratt	Oman	507	CHP		
	Wad AlJazzi	Oman	350	Gas		
Reliant Energy	Carr Street	N.Y.	95	Oil	Goldman	Ongoing.
	Astoria	N.Y.	1,276	Gas		
	Gowanus	N.Y.	549	Gas		
	Narrows	N.Y.	281	Gas		
SG-led bank group (NEG developed plants)	Athens	N.Y.	1,080	Gas	Blackstone	Assessing bids.
	Covert	Mich.	1,170	Gas		
	Harquahala	Ariz.	1,092	Gas		
	Millennium	Mass.	360	Gas		
STEAG	Iskenderun	Turkey	1,320	Gas	Morgan Stanley	Ongoing.
	Termopaipa IV	Philippines	185	Gas		Set to sell Guadalupe and Odessa to PSEG.
TECO Energy	Frontera Power Station	Texas	477	Gas		
	Dell Power Station	Ark.	540	Gas		
	McAdams Power Station	La.	599	Gas		
	Commonwealth Chesapeake	Va.	315	Gas	Goldman	
Tractebel North America	Chehalis	Wash.	520	Gas	N/A	Looking to sell or swap.
United Utilities	Landfill Generation Portolio	U.K.	50 MW	Landfill	RBC Capital Markets	Set to launch sale in May.

K ROAD EMERGES

(continued from page 1)

Investment Management, has been stalking the four-plant portfolio, dubbed the four pack, for over a year, but only emerged as the frontrunner within the past month as sole rival bidder **Competitive Power Ventures,** backed by private equity firm **Warburg Pincus**, cooled on submitting an improved bid, say market watchers. "CPV/Warburg hasn't pulled out, but rather [it has] put its interest on hold," says one official close to the auction. Calls to Kriegel and Washington, D.C.-based Competitive Power Ventures were not returned.

The four pack comprises Athens (1,080 MW) in New York, Millennium (360 MW) in Massachusetts, Covert (1,170 MW) in Michigan and Harquahala (1,092 MW) in Arizona. All four plants were developed by **PG&E National Energy Group**, but are set to be transferred to their creditors, led by **Société Générale**, which funded their construction with a $1.46 billion non-recourse loan.

The creditors are leading the auction process and they have consistently said they are unwilling to take a haircut on their exposure to the plants, say officials. The creditors have appointed **North American Energy Services** to provide operations and maintenance services to GenHoldings, if they do foreclose on the plants (PFR, 9/24).

—Will Ainger

INTERGEN LOOKS

(continued from page 1)

says InterGen could sell other plants in the future, but for now is focused on divesting Rijnmond because it is less of a "clean fit" within InterGen's European portfolio than its seven other IPPs and offers a good opportunity for maximizing shareholder value. InterGen also owns three power plants in the U.K.; Rock Savage (780 MW), Coryton (795 MW) and Spalding (860 MW); Sidi Krir (685 MW) in Egypt and Gebze (1,555 MW), Izmir (1525 MW) and Adapazari (780 MW) in Turkey.

InterGen launched the sale of Rijnmond last month, but put it on ice within a matter of weeks, after it became clear that most of the market was about to head out on vacation, says Thompson. Others say the difficulty in selling a quasi-merchant plant also prompted InterGen to put the sale on hold. While Rijnmond has offtake and supply contracts with **Nuon** and **Gasunie**, respectively, it becomes exposed to gas price risk after year five, explains one banker.

InterGen part-financed the construction of Rijnmond in 2002 with a $396 project level loan. The plant is slated to come on line later this year.

—W.A.

CALPINE TAPS

(continued from page 1)

(PFR, 4/19). Calls to officials at UBoC were not returned. One banker, who has dealt with Calpine regularly, says it's sometimes difficult to read the IPP's intentions with regard to future financings. He adds that it may be a deliberate ploy of Calpine's to keep banks vying for business until the eleventh hour.

Leveraged-lease deals have been thin on the ground in the power sector for some time, says another banker. In part this reflects the lack of new construction, but he adds a few years back such deals were often driven by the economics of smaller sponsors passing on the tax benefits of a lease financing to larger more profitable lessors who were better able to use the tax breaks. Many of these smaller developers have now sold up or are not developing new projects.

The Fox facility is due on line next year and has an offtake contract with **Wisconsin Public Service**.

—Peter Thompson

Calendar

The Edison Electric Institute will hold it 39th annual Financial Conference on Oct. 24-27 at the *Sheraton San Diego Hotel and Marina*. Visit www.eei.org for further information.

Quote Of The Week

"The bank market has become rather frothy."—**Tom Sullivan**, *treasurer at* ***Progress Energy*** *in Raleigh, N.C., commenting on banks' strong appetite for lending to the power sector, which is showing itself in longer deal maturities and sizes (see story, page 4).*

One Year Ago In Power Finance & Risk

Dynegy was looking to divest some of its non-core assets including minority interests in U.S. qualifying facilities and its international generation portfolio. [Last September, Dynegy sold its minority stakes in three U.S. plants and one power station in Pakistan to **Tenaska Energy**, which was the co-owner of the facilities. In January, Dynegy sold an 18% interest in a 74 MW plant in Jamaica for $5.5 million and three months later sold a 20 MW wind park for $9 million. In July, Dynegy announced the sales of its stakes in four additional QF's in the U.S. totaling 594 MW. According to spokesman **David Byford**, Dynegy's only remaining generation asset is a power plant located in Panama. He declined comment on whether a sales process is underway and would not give details of the plant beyond saying that Dynegy only holds a minority interest.]

