

power finance & risk

The exclusive source for power financing and M&A news

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CS, MS Shelve Greenfield Loan

Credit Suisse and Morgan Stanley have shelved a \$335 million B loan backing Greenfield South Power's project in Ontario.

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Hedge Fund Touts Former AES Plant

Hedge fund Stark Investments aims to sell a former AES gas-fired plant in Texas.

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SPANISH DEVELOPERS SCOUT MEXICO WIND FUNDS

Spanish developers Acciona, Perneal and Eolia are talking to lenders to bankroll more than 800 MW of wind farms in Oaxaca, Mexico, in the next year. "It's a diversification play... They're taking a lesson learned from the financial crisis: don't put all of your eggs in one basket," says a market observer. Developing wind carries a price tag of \$1.5-2 million per MW, bringing the combined costs of the projects to \$1.2-1.6 billion.

Bolstering sponsor efforts to pursue renewables projects in Mexico is a transparent regulatory system and the country's renewable energy standard, which mandates the

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FIRST SOLAR TARGETS \$3B PV PROJECT

First Solar is looking for financing to back its \$3 billion, 550 MW Desert Sunlight project in Desert Center, Calif. The company has selected an advisor, but the identity of the bank could not be learned. "It's the mother of all solar deals," says a deal watcher. A First Solar spokesman declined to make an official available for comment or discuss financing details, such as the identity of the mandated bank, the amount of debt sought for the project and a financing timeline. Jens Meyerhoff, cfo in Tempe, Ariz., did not return a call.

Financiers in New York anticipate that the sponsor will need to tap a variety of sources for debt financing, including bonds, institutional investors and lenders, due to the size of the deal. Buoying appetite for the project are lenders looking to put capital to work in the face of sluggish deal flow and the project's long-term power purchase agreements with investment-grade offtakers. Pacific Gas & Electric and Southern California Edison have 25-year PPAs

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GMR LOOKS TO UNLOAD INTERGEN STAKE

GMR Infrastructure Ltd. is selling its 50% stake in InterGen. Bank of America is running the sale process, according to several bankers familiar with the deal.

The Indian investment entity picked up the stake in InterGen two years ago from AIG Highstar Capital II for \$1.1 billion, and is likely look to recoup its investment plus some amount of returns, bankers say. Potential buyers for its stake are expected to be some of the same entities that bid two years ago, market observers say. Bidders interested in the stake at that time included financial sponsors Arcapita, Borealis Infrastructure, Industry Funds Management and Macquarie Infrastructure Partners in addition to international energy companies such as Malaysia's Tanjong, India's Tata Power and International Power/Mitsui (PFR, 3/28/08).

There has been chatter in the industry that co-owner Ontario Teachers Pension Plan

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



At Press Time

Hedge Fund To Offload Former AES Plant

Hedge fund **Stark Investments** is looking to sell its 730 MW gas-fired Wolf's Hollow plant. Stark bought the plant in Hood County, Texas from AES in 2005 for roughly \$250-300 million. **JPMorgan** is running the sale.

Stark is looking to liquidate non-core assets after suffering significant losses during the financial crisis, a banker notes. It is also looking to sell its real estate holdings. Stark had \$4 billion in assets last month, down from \$13.6 billion in 2007.

A call to **Brian Stark**, founder in St. Francis, Wis., was forwarded to a spokeswoman, who did not respond to the inquiry. **Paul Dabbar**, head of power and gas mergers & acquisitions at JPM in New York, was not available to comment and another JPM official did not return a call. The timeline for bids and identity of potential bidders could not be learned.

Exelon is seven years into a 20-year PPA for a portion of the capacity of the project (PFR, 12/16/2005). **Goldman Sachs** subsidiary **J. Aron & Co.** also had a contract to buy some of the plant's capacity. The status of that offtake agreement could not be learned.

Greenfield B Loan Said To Be Shelved

Credit Suisse and **Morgan Stanley** have reportedly shelved the \$335 million B loan backing a natural gas-fired project in Ontario. Investors balked at risk attached to **Greenfield South Power's** maiden project, say a banker and market observer. Commitments were due Aug. 5.

Even if investors had wanted extra sweeteners on top of the original issue discount of 94 and an early repayment penalty fee, higher margins would have put strains on the company's debt coverage, which was already nearing 1x, says an analyst. "I'm not sure the structure can support a higher spread," says an observer, noting that the company could be at an impasse if investors couldn't get comfortable with the loan. The five-year facility carried a 500 basis point over LIBOR spread.

The developer, an affiliate of **Eastern Power**, has little equity to inject in the project and is committing services in lieu of cash for a portion of the equity (PFR, 7/30). Eastern Power has two landfill gas-to-energy facilities totaling 53 MW, but they were not included as collateral in the loan.

Greenfield South Power had been seeking the loan to build its 293 MW natural gas-fired project that garnered a 20-year PPA with the **Ontario Power Authority**. Neither a banker nor a spokesman at Credit Suisse returned calls. Calls to **Hubert Vogt**, v.p. of financing in Toronto, at Greenfield and an official at Morgan Stanley were not returned.

Tell Us What You Think!

Do you have questions, comments or criticisms about a story that appeared in *PFR*? Should we be covering more or less of a given area? The staff of *PFR* is committed as ever to evolving with the markets and we welcome your feedback. Feel free to contact **Sara Rosner**, managing editor, at (212) 224-3165 or srosner@iineews.com.

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**Institutional
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INTELLIGENCE FIRST

Project Finance

DOE Guarantee Program Sliced

The U.S. **Department of Energy's** loan guarantee program for renewable projects using commercially proven technology has been reduced to \$2.465 billion from \$4 billion as per a fiscal aid bill signed into law by President **Obama** on Tuesday. The House of Representatives approved the fiscal aid bill earlier that day.

The DOE has issued 10 conditional loan guarantees for renewables projects that would represent at most \$1.481 billion of the proposed \$2.465 billion in guarantees, leaving roughly \$1 billion in guarantees available, says **Ken Hansen**, partner at **Chadbourne & Parke** in Washington, D.C.

Developers and renewables manufacturing companies considering applying for loan guarantees are the most likely to be affected by the reduction, observers say, since they will now be competing for a smaller pool of funds and thus have less chances of securing a guarantee. The DOE has extended the deadline for applications from sponsors to Oct. 5 from Aug. 24. The program was more than double oversubscribed in April (PFR, 4/16).

Established by the 2009 American Recovery and Reinvestment Act, the Sect. 1705 DOE program provides loan guarantees to projects with commercially proven technology. Once the government funds under Sect. 1705 are committed, the program will close, Hansen says. A deadline for committing the funds could not be learned.

Manulife Preps Northland Wrap

Manulife Financial is targeting a September close for a \$102 million loan backing **Northland Power's** 100 MW wind farm in Mont-Louis, Quebec, says **Tony Anderson**, Northland cfo in Toronto.

Another Canadian insurance company will also participate in the deal, says **Bill Sutherland**, senior managing director at Manulife in Toronto. The tenor is construction plus 20 years, a term which matches the length of the project's offtake agreement with **Hydro-Québec**. The utility will reimburse Northland for \$29 million of project costs for building a substation and a collector system for the farm.

The province of Québec also agreed to loan Northland \$14.48 million for the project because it will provide turbine manufacturing and construction jobs. Northland is financing the rest through equity, Anderson says. Sutherland declined to identify the insurance company expected to participate in the deal or the pricing of the loans.

Northland financed initial construction of the farm in early July, after securing \$150 million in equity investment via a sale of shares on the **Toronto Stock Exchange** (PFR, 8/6),

Anderson says. Mont-Louis is slated to be operational next year, after Hydro-Québec completes a high-voltage line to the farm. The line will be finished by fall 2011, a Hydro-Québec spokesman in Montreal says.

N.Y. Biomass Co. Snags Loan Guarantee

Taylor Biomass Energy has received initial approval for a \$104 million loan guarantee from the U.S. **Department of Energy** for a 24 MW solid and wood waste-fired project in New York. The Montgomery, N.Y.-based developer also expects to ink an equity partnership within the next two months to raise about \$28 million, says **Bryan Urban**, managing partner at boutique investment bank **Silveron Capital Partners**.

Urban expects the investor to be a private equity shop or strategic, declining to identify names or specify the number of potential investors. The developer expects to receive final approval on its Section 1705 loan guarantee early this fall after the documentation stage is complete; Silveron advised the developer on the second part of the DOE application.

Construction will start by year-end on the \$135 million waste processing and biomass facility, in order to qualify for the U.S. **Department of Treasury's** cash grant, says Urban.

The shovel-ready project hit financing snags when the sponsor approached lenders, which were skittish about the technology (PFR, 9/4). The biomass facility will be fired by solid waste collected by an Orange County, N.Y., agency and by wood waste. The developer is in the final stages of negotiating a 20-year PPA with a regional power authority.

Jim Taylor, president and ceo of Taylor Biomass Energy, was not immediately available for comment.

Union Bank, MetLife Circle enXco Wind Close

Union Bank and MetLife aim to close roughly \$400 million in debt backing a leveraged lease transaction for enXco's 201 MW Lakefield wind farm this quarter, a deal watcher says.

Under the leveraged lease structure, Union Bank and MetLife wrapped a purchase of the project in southwestern Minnesota last month and will lease it back to enXco once it becomes operational at year-end. The sponsor will, in turn, make rent payments to Union Bank and MetLife from project revenues.

San Diego, Calif.-based enXco had selected **Dexia Crédit Local** and **Société Générale** as co-bookrunners to arrange debt

financing before it snagged the leveraged lease (PFR, 7/2). Dexia, SocGen and **Helaba** are among five or six lenders expected to participate in the latest incarnation of financing.

The tenor on the loan is expected to be 15-18 years, the deal watcher says, and pricing is under 300 basis points over LIBOR. Officials at Dexia and Union Bank declined comment and a MetLife spokeswoman didn't make an official available by press time. Officials at Helaba and SocGen didn't return calls. **Jim Peters**, enXco director of project finance in Burlington, Vt., did not return a call seeking comment. Commitment sizes and the identity of other lenders could not be learned by press time.

The project has an offtake agreement with **Indianapolis Power & Light Co.** (PFR, 2/19).

First Reserve Longview Amendment Fails

First Reserve has failed to land amendments for its \$1.1 billion **Longview Power** debt. The reworking on the proposed changes was expected by July 23, if it was going to happen (PFR, 7/22). A First Reserve official confirmed the amendment changes failed but declined to elaborate.

The company wanted the freedom to issue bonds to incrementally refinance the debt, but it did not want to budge on the package's pricing of 250 basis points over LIBOR. Investors, which include hedge funds and collateralized loan obligation vehicles, wanted to see at least 300 bps for the proposed changes, a banker says.

First Reserve could go back to investors with a richer offer or hold tight, observers say. "It's kind of simple: they can do nothing and bear the consequences or come back with something closer to what investors wanted," says a banker. The company hasn't decided how to proceed, says the deal watcher.

The package financed its \$1.8 billion 695 MW supercritical pulverized coal-fired project in Maidsville, W. Va. First Reserve is looking to pay off some debt now to increase the chances of refinancing at attractive terms before the bulk of the debt comes due in 2014, market officials say.

The package includes a \$300 million term loan B, a \$350 million delayed-draw term loan, a \$250 million construction loan, a \$100 million letter of credit and a \$100 million working capital facility **Goldman Sachs** and **WestLB** are lead arrangers on the financing package; **Natixis**, **Union Bank** and **CIT Group** participated.

Officials at Goldman, which is leading the amendment changes, did not return calls. Officials at Natixis, CIT and WestLB declined to comment, deferring to bankers at Goldman.

Ram Targets Calif. Financing By Year-End

Ram Power aims to wrap financing of its \$250 million, 49.9 MW Orita geothermal plant in Imperial Valley, Calif., by year-end.

It is in talks with insurance companies about a \$170-180 million package backing the first phase of Orita, says **Daniel Schochet**, executive v.p. in Reno, Nev. The company is seeking up to \$80 million from equity investors. Ram also is considering applying for the U.S. **Department of Energy's** Section 1705 loan guarantee program.

The developer is hoping to land equity investors and lenders that signal interest in helping finance other projects in its pipeline, Schochet says. Schochet declined to identify potential investors and lenders.

Before securing financing on Orita's first phase, Ram intends to complete pre-construction drilling to demonstrate its geothermal resources to potential lenders and equity investors. Ram has a 20-year offtake agreement with **Southern California Edison** for up to 300 MW capacity at the Orita site (PFR, 1/29). Phase one is slated to be operational by late 2013.

Mergers & Acquisitions

Constellation Inks Boston Stalker Bid

Constellation Energy has agreed to acquire **U.S. Power Generating Co.'s** Boston gas-fired generation facilities for about \$1.1 billion through a bankruptcy process. The parent could file for a **Boston Generating 363** sale—an asset auction designed to pay creditors as opposed to a restructuring plan under a prepack—in as little as two weeks, deal watchers say. BostonGen has \$1.7 billion in debt (PFR, 4/9). Constellation's would be the bid to beat as the stalking horse.

Constellation has agreed to pay an aggregate \$372 per kW for the 2.95 GW portfolio and assigned a higher value—\$465 per kW—to the combined-cycle facilities, says a deal watcher. A banker notes that the CCGT facilities—**Mystic 8** and **9** and **Fore River**—are trading at the higher end of the \$400-\$500 per kW range.

A U.S. PowerGen official and spokeswoman in New York declined to elaborate on the timeline for filing.

The assets are the 801 MW combined-cycle **Fore River** and the 560 MW **Mystic 7**, both gas- and oil-fired, and the 1,602 MW, natural gas-fired, **Mystic 8** and **9**, in the greater Boston area. Constellation will use cash on hand along with debt to finance the purchase; a spokesman declined to

comment on the timeline of closing the transaction and financing details.

JPMorgan and boutique investment bank **Perella Weinberg Partners** in New York advised U.S. PowerGen; Constellation worked with UBS and **Credit Suisse**.

A Credit Suisse official and spokesman declined to comment. Calls to officials at JPMorgan and UBS were not returned before press time.

Juhl To Sell Farm To Pay Down Debt

Juhl Wind is putting a 20 MW wind farm in Grant County, Minn., on the block to repay debt holders. Due to financing constraints last year in the run-up to construction, turbine manufacturer **Suzlon** and EPC contractor **Fagen Inc.** provided roughly \$40 million in construction financing and deferred billing on the farm.

Marathon Capital is expected to run a two-step auction for the project unless a best offer comes along first, says the observer. The sale will launch next week. The price sought for the project could not be learned.

Dan Juhl, chairman and ceo, in Woodstock, Minn., and an official at Fagen in Granite Falls, Minn., did not return calls. An official at Marathon and a spokesman at Suzlon did not respond to inquiries.

Suzlon and Fagen—the first and second lien holders, respectively—were to be repaid once the project came online

and Juhl lined up a combination of long-term debt and equity. The project came online this spring. Details on financing could not be learned.

The project has a long-term power purchase agreement with **Northern States Power**.

Brick Power Draws Financial, Strategic Bids

A mix of strategics and financial investors have submitted first round offers for **Brick Power's** pair of natural gas-fired peakers in New England. Companies tipped as bidders include **Capital Power**, **Centrica** unit **Direct Energy**, **Constellation Energy**, **Energy Capital Partners** and **First Reserve**, bankers say. **Deutsche Bank** is running the auction.

The 265 MW Tiverton facility in Rhode Island and the 265 MW Rumford facility in Maine sell power into the ISO-New England Power pool. **Caithness Energy**, a minority owner, maintains the plants. Brick Power, a holding company is owned by a consortium including **Plainfield Asset Management**, **Sandell Asset Management** and **D.E. Shaw**.

The total number of bids and offer price could not be determined. A Capital Power spokesman and First Reserve official declined to comment. Officials and media representatives at Deutsche Bank, potential bidders and owners did not return calls and emails.

People & Firms

Sumitomo Expands Big Apple Team

Sumitomo Mitsui has added two officials to its power project finance team in New York as it looks to boost investment in the renewables space in the U.S., says an observer familiar with the hires.

Sumitomo has relocated **Federico Leo**, who specialized in European and Middle Eastern infrastructure project finance for the bank in London, to New York as v.p. of energy project finance. The bank also has hired **Michael Awad** from **NordLB**, where he was an associate specializing in wind financing. Awad started Monday as an assistant v.p. Leo arrived last month. Both report to **Charlie Sommerville**, head of North American energy project finance in New York.

The team is intent “on turning it up a notch” in terms of meeting increased deal flow, the observer says. A NordLB official says the bank intends to replace Awad. The official declined to specify a timeline or identify potential candidates.

Awad and Leo were not made available for comment. A Sumitomo official declined to discuss the hires and potential deals.

NordLB Decides Against NY Replacements

NordLB will not look to fill positions in New York vacated by **Bruno Mejean**, former head of structured finance, and **Vinod Mukani**, director of structure finance. Bank executives decided a smaller staff given reduced deal flow, says a project financier, adding the lender may look to fill the positions when it reassesses staffing needs next year.

Andrew Robinson, head of structured finance origination, is filling in for Mejean and overseeing American operations from London. **Bulent Osm**, a NordLB senior director of energy and advisory services in New York, will continue managing Mukani's responsibilities. Robinson couldn't be reached for comment by press time.

Mejean departed to take up a post as **SunEdison's** managing director for project finance outside North America (PFR, 5/13). Mukani left to become a senior v.p. in **Deutsche Bank's** project and capital advisory group (PFR, 6/9).

News In Brief

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

Americas

- **NextEra Energy Resources** expects the California **Public Utilities Commission** to approve its offtake agreement with **Pacific Gas & Electric Co.** for its 250 MW solar project in Riverside County. **Southern California Edison's** 117 MW PPA with **BrightSource Energy's** Ivanpah project is also expected to get the green light (*Bloomberg*, 8/12).
- German solar developer **Solar Millenium** is in talks with coal-fired plant operators in the southwestern U.S. about installing solar panels atop the plants to decrease the amount of coal-fired generation (*Bloomberg*, 8/12).
- The Rhode Island attorney general is planning to appeal the state's **Public Utilities Commission** decision to approve **National Grid's** PPA with **Deepwater Wind's** Block Island wind project. The PUC approved the contract Wednesday at a maximum rate of 24.4 cents per kW (*The Providence Journal*, 8/12).
- Farmers and the **Westlands Water District** are setting aside 30,000 acres of former farmland in California's San Joaquin Valley for the 600-1,000 MW Westlands Solar Park. Developers, regulators and environmentalists increasingly favor using polluted land parcels for renewables projects (*The New York Times*, 8/11).
- The Vermont **Department of Public Service** has asked the state Attorney General's office to investigate whether its feed-in tariff program violates federal law. The U.S. **Federal Energy Regulatory Commission** recently ruled that California's similar feed-in tariff program—requiring utilities to buy renewable energy above market rates for all electricity—isn't permitted under federal law (*Times Argus*, 8/11).
- **Cape Wind Associates** has snagged the endorsement of Massachusetts Attorney General **Martha Coakley** as it continues its regulatory push to build 130 turbines in the Nantucket Sound. Coakley had first convinced Cape Wind and offtaker **National Grid** to lower the price of electricity from 20.7 cents per KW to 18.7 cents per KW (*Cape Cod Times*, 8/11).
- **Oklahoma Gas & Electric** has finalized its acquisition of **RES Americas'** 227 MW Crossroads wind project in Oklahoma. RES will construct the \$451 million project for OG&E (*Energy Central*, 8/10).

- **Goldman Sachs'** **Stuart Bernstein** is taking over the bank's clean technology and renewable energy investment banking group. **Michael Wise**, chairman of the **Morgan Stanley's** equity capital-markets division and co-head of equity capital markets in the Americas, is taking Bernstein's current role running the financial institutions group within Goldman's equity capital markets group (*The Wall Street Journal*, 8/10).

- Western Canadian provinces British Columbia, Alberta, Yukon and Northwest Territories have the resources to generate at least 5 GW of geothermal power. Canadian developers like **Magma Energy**, **Ram Power**, **Nevada Geothermal Power** and **Sierra Geothermal Power** are currently most active in the U.S. (*Reuters*, 8/10).

- The **Bonneville Power Administration** has developed an animated map that depicts wind speed and direction measured at 14 stations across the Pacific Northwest. The stations will bring greater predictability to wind generation levels flowing into the grid (*The News Tribune*, 8/9).

- A newly launched Massachusetts-based citizens group, **Protect Our Islands Now for Tomorrow**, has signaled it will oppose all wind farms off Martha's Vineyard—not just **Cape Wind's** proposed offshore farm. Roughly 330 turbines would stand in the waters off Martha's Vineyard if three proposed farms, including Cape Wind, are built (*Boston Herald*, 8/9).

Europe / Middle East

- **AES** has acquired the 1.246 GW Ballylumford natural gas-fired facility in Northern Ireland from PPL in a GBP102 million (\$160 million) all-cash transaction (*Reuters*, 8/12).
- **GDF Suez** expects its takeover of **International Power** to be complete by early 2011. **International Power** was advised by **Nomura Holdings**, **Morgan Stanley** and **JPMorgan Cazenove**; GDF worked with **Goldman Sachs**, **Rothschild** and **BNP Paribas** (*Bloomberg*, 8/10).
- German Prime Minister **Angela Merkel** is struggling to craft a new energy policy amid diminishing resistance to nuclear generation, a changing economic landscape and global pushback on the **European Union's** zeal to reduce greenhouse gas (*The New York Times*, 8/11).

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
ArcLight Capital Partners, SGR Holdings	Southern Pines Energy Center (Gas Storage)	Greene County, Miss.	TBA	TBA	TBA	TBA	Developers seeking up to upsize loan for new cavern (PFR, 7/12).
Falcon Gas Storage	MoBay (50Bcf Gas Storage)	Mobile County, Ala.	BNP, ING	Construction/	\$400M	7-yr	Financial close on hold as sponsor works to secure equity (PFR, 7/19).
Fishermen's Energy	Various (20 MW Offshore Wind)	Atlantic City, N.J.	TBA	TBA	TBA	TBA	Sponsor seeking at least a 70:30 debt-to-equity split (PFR, 7/26).
enXco	Lakefield (201 MW Wind)	Minnesota	Dexia, SocGen, Banco Santander, CoBank	TBA	TBA	TBA	Sponsor seeks \$400 million in debt (see story, page 3).
Exergy Development Group	Various (183 MW Wind)	Idaho	TBA	TBA	\$350M	TBA	Exergy plots 70% debt (PFR, 8/2).
First Solar	Desert Sunlight (550 MW Solar PV)	Desert Center, Calif.	TBA	TBA	TBA	TBA	Sponsor hopes to begin construction in 2011 (see story, page 1).
Geopeak Energy	Unidentified (40 MW Solar)	Central New Jersey	TBA	TBA	TBA	TBA	Sponsor talking to a bank and PE firm about financing \$160M plant (PFR, 8/9).
Greenfield South Power	Unidentified (293 MW Gas)	Ontario	Credit Suisse	B Loan	\$335M	TBA	Credit Suisse offering sweeteners to close deal (PFR, 8/2).
Invenergy	Le Plateau (138 MW Wind)	Quebec, Canada	TBA	TBA	TBA	TBA	Sponsor seeks financing matching its 20-year PPA (PFR, 8/2).
Longview Power	Maidsville (695 MW Coal)	Maidsville, W.Va	Goldman, WestLB	TBA	\$1.1B	7-yr	Amendment proposal fails (see story, page 4).
Northland Power	Mont Louis (100 MW Wind)	Mont Louis, Quebec	Manulife	TBA	\$102M	20-yr plus construction	Sponsor expects to close financing in September (see story, page 3).
	Saskatchewan (265 MW Combined Cycle)	North Battleford, Saskatchewan	CIBC, BMO, Union Bank	Mini-Perm	\$580M	TBA	National Bank Canada takes a \$45M ticket (PFR, 8/9).
	Various (226 Renewables)	Ontario	TBA	TBA	TBA	TBA	Sponsor seeks up to \$1B in financing for projects (PFR, 8/9).
Pristine Power	York Energy Centre (393 MW Gas)	King, Ontario	ING, Crédit Agricole, Union Bank, RBC	Mini-Perm	\$330M	5-yr plus construction	Deal oversubscribed; closing expected in August (PFR, 8/2).
Project Resources Corporation	Lakeswind (100 MW Wind)	Fargo-Moorhead, Minn.	TBA	TBA	\$200M	TBA	PRC hunts for financing, sale-leaseback structure (PFR, 7/26).
Pure Energy	Bayonne Energy Center (512 MW Gas)	Bayonne, N.J.	Crédit Agricole, WestLB	Mini-Perm	\$370M	TBA	Financial close expected in August (PFR, 7/26).
Ram Power	Orita I (49.9 MW Geothermal)	Imperial Valley, Calif.	TBA	TBA	\$170-180M	TBA	Sponsor aims to close financing by year-end (see story, page 4).
Recurrent Energy	Sunset Reservoir (5 MW Solar)	San Francisco, Calif.	Prudential Capital Group	TBA	\$18M	TBA	24-year deal closes (PFR, 8/9).
Reliance Power	Sasan (3,960 MW Coal)	Madhya Pradesh, India	TBA	TBA	\$3B	TBA	Sponsor hunts international banks to refinance debt (PFR, 8/2).
Solar Power Partners	Various (600 MW Solar)	TBA	TBA	TBA	TBA	TBA	Early 2011 targeted for closing of first chunk of debt financing (PFR, 8/2).

For a complete listing of the Project Finance Deal Book, please go to iipower.com.

SPANISH DEVELOPERS

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development of up to 4.5 GW of renewables by 2012, from the 1.9 GW that existed when the standard was enacted in 2008. Roughly half of that is expected to come from wind, a banker notes, adding the strength of the wind regime in Oaxaca is also making lenders more comfortable with projects. "Oaxaca is a fantastic wind site," he says. Some foreign exchange risk associated with offtake contracts would also give lenders a wider pricing margin than comparable projects in the U.S., another project financier notes.

Acciona is building 304.2 MW across three projects, after

garnering a long-term offtake contract from Mexican state-backed utility **Comisión Federal de Electricidad** in a request for proposal process (PFR, 2/20/09). The experience of the sponsor, which has developed two operating wind farms in the country with a combined 250 MW of capacity, has lenders eager to get in on the deal. "Everyone wants to finance that," a banker notes.

Banco Santander, **BBVA** and **La Caixa** had formed a consortium to make a bid to lead financing for the first 250 MW of those projects this spring, while a consortium including **Calyon** and **WestLB** also made bids to lead the deal. A Calyon official declined to comment, while officials at Santander, BBVA and La Caixa did not return calls. **Joseph Baker**, ceo of Acciona North America in Chicago, and a spokesman did not return calls

and the status of the financing could not be learned. The projects are slated for operation between next year and 2012.

Preneal and Eolia have offtake contracts with private companies and may have more difficulty securing funding due to the long lead time in such deals, a banker notes. "Those corporates take forever to close. They want those megawatts this year, but a green mandate is only a good faith contract," he says, pointing to EDF **Energies Nouvelles'** 67.5 MW La Ventosa project. The financing backing that project took almost 10 years to close, due to issues with finalizing the offtake agreement with a **Wal-Mart de Mexico** (PFR, 7/10/09).

Preneal is developing the 395.9 MW Vientos del Istmo wind farm, which is slated to come on line in phases starting next year through 2014. Eolia is developing the 164 MW Bii Stinú project, coming online between 2011 and 2013 and the 160 MW Santo Domingo project, coming online between 2011 and 2014. The projects would mark the companies' debut facilities in Mexico. **Sergio Garza Wolleinsten**, general director for Preneal in Mexico City, did not respond to an email, and **Cristóbal Rodríguez Aguirre**, cfo of Eolia in Madrid, did not return a call. The identity of the offtakers or potential lenders could not be learned.

—*Sara Rosner*

FIRST SOLAR

(continued from page 1)

for 300 MW and 250 MW, respectively, of the project's capacity.

The sponsor could secure up to a \$1 billion of debt in the syndicated loan market, says a banker. Institutional investors could finance the rest of project debt, due to the investment grade offtake contracts, says another financier in New York. He notes a robust bond market that enabled **Terra-Gen** to snag \$580.2 million in a private placement for a 570 MW chunk of its Alta wind farm last month (PFR, 7/26). The sponsor is also applying for a U.S. **Department of Energy** loan guarantee, a person close to the deal says. A DOE spokesman in Washington, D.C., declined to say whether First Solar had filed its application for a loan guarantee.

First Solar typically finances projects during the permitting process, which is under way with the U.S. **Bureau of Land Management**, says the First Solar spokesman. The company is targeting early 2011 to snag a right-of-way for Desert Sunlight from the BLM. First Solar also needs to finalize an environmental impact study, says a BLM spokesman in Washington, D.C.

NordLB helped close a \$208.27 million financing backing First Solar and **juwi solar's** 53 MW solar PV project in Brandenburg, Germany (PFR, 4/24/09). A NordLB official in New York says he is unaware of the Desert Sunlight project, roughly 60 miles east of Palm Springs, Calif. First Solar completed its \$297 million purchase of **NextLight Renewable**

Energy last month and is reportedly considering buying **Recurrent Power** (PFR, 7/21). The First Solar spokesman declined to identify the advisor it used on the NextLight deal. Whether the company is using an advisor on the Recurrent deal could not be learned.

—*Brian Eckhouse*

GMR LOOKS

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would buy out GMR, but one market observer says full ownership doesn't fit OTPP's co-investment strategy. A spokeswoman declined to comment.

GMR's parent, **GMR International**, has set its sights on power and aerospace investments in the Middle East, North Africa, southeast Asia and emerging parts of Europe, according to holding company **GMR Group's** yearly financing report in March. InterGen's 8.1 GW in assets are located in Mexico, the U.K., the Netherlands, the Philippines and Australia—outside of GMR International's core focus, says a banker in New York.

GMR subsidiaries are also developing 7.6 GW of power projects, including coal, natural-gas fired and hydropower, in its native India and may need the funds to capitalize the development pipeline, says another financier.

Edward Sondey, managing director at B of A, did not return calls. A spokeswoman at InterGen offices in Burlington, Mass., did not respond to inquiries. Officials at Arcapita, Borealis and IFM did not return calls. A spokeswoman at Tanjong did not respond to an email and a spokesman at Tata Power forwarded an email to an official, who did not respond to the inquiry. An official at International Power declined to comment.

—*Holly Fletcher*

One Year Ago In Power Finance & Risk

Banco Sabadell joined a \$287 million financing backing **BP Alternative Energy** and **Dominion's** 400 MW Fowler Ridge wind farm in Benton County, Ind. [**Bank of Tokyo Mitsubishi-UFJ**, **BBVA** and **Société Générale** joined to wrap the oversubscribed deal, with **Banco Santander** and **Commerzbank** also participating (PFR, 8/24/09).]

Five Years Ago In Power Finance & Risk

WestLB tapped **Juan Kreutz**, formerly v.p. at **AMBAC Financial**, as director of a unit headed by **Santino Basile** that helped financial sponsors invest in generation and energy. [Basile and Kreutz moved to a **Barclays Capital** unit focused on providing financing for independent power producers, developers and sponsors (PFR, 10/13/06). WestLB recently lost **Mark Smith**, a syndicator, to work in **Union Bank's** New York office (PFR, 6/18).]