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Stalled DTE Recap May Hurt JV Deal

A roughly \$650 million recap led by **Morgan Stanley** and **Barclays Capital** for a portfolio of **DTE Energy** power and industrial projects has been iced, potentially affecting a pending joint venture transaction with **GE Corporate Lending**.

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FLUOR SELLING STAKE IN OFFSHORE WIND PROJECT

Fluor, co-developer of a £1 billion (\$2 billion), 500 MW offshore wind project to be built near London, is planning to sell its 40% stake. Joint venture partner **Airtricity** is not selling and with the new investor will be seeking £700 million in debt financing for the Greater Gabbard project in the Thames Estuary.

RBC Capital Markets is advising on the capital raising. **Fintan Whelan**, corporate finance manager at Airtricity in Dublin, says the bank plans to dispatch teasers to potential

(continued on page 11)

AEP TO DIVEST IDLE ERCOT PLANTS

American Electric Power is aiming to offload three retired gas-fired plants held at its **AEP Texas** subsidiary, along with four it previously announced plans to auction. They are being marketed separately because of a buyback clause in the deeds on the properties. Specs on the four-part bundle, housed

(continued on page 11)



WIND SHOP PLOTS FUNDING FOR TEXAS FARM

Third Planet Windpower, a San Ramon, Calif.-based developer founded last year, is arranging financing for a 325 MW wind farm it plans to break ground on in Loraine, Texas, next year. **Peter Mastic**, ceo, says the amount to be sought for the \$500 million project is still in flux, but there will be a chunk of tax equity supporting it. "We are working on a couple of transactions," he said, declining to specify which lenders and investors were in the mix.

The project is Third Planet's first in a development pipeline that will see more than 4

(continued on page 12)

SUEZ MAPS NORTH AMERICAN EXPANSION STRATEGY

French energy titan **Suez** has refined its capital allocation program in the Americas to focus on markets offering the highest renewable incentives, such as ERCOT, and forward capacity payments, such as in New England. **Paul Cavicchi**, executive v.p. for business development at **SUEZ Energy North America** in Houston, says the aim is to replicate the recent CAN\$124 (\$116.9 million) purchase of Canadian developer **Ventus Energy** in the lower 48 states. It has a mandate to spend up to \$1 billion more on projects there, and EUR1 billion

(continued on page 11)

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



At Press Time

DTE Recap Stalls In Choppy B Loan Mart

Morgan Stanley and Barclays Capital are said to have iced a roughly \$650 million debt package recapitalizing a portfolio of power and industrial projects owned by DTE Energy. The planned B loan has been caught by the current credit meltdown, say observers.

DTE agreed to sell 50% of the portfolio to GE Corporate Lending in a joint venture agreement in June. The Michigan utility had hoped to take net proceeds of \$805 million from the sale and refinancing of the assets in a deal that was set to close later this month.

Deal trackers speculate without the recap deal cleaning up the portfolio's debt, GE may not want to proceed as planned. Officials at the banks, seller and GE either declined to comment or did not return calls.

The sale, on which Morgan Stanley advised, is part of a non-utility monetization plan DTE announced last fall, which most recently included the sale of its Antrim Shale upstream gas properties to Atlas Energy Resources for \$1.26 billion. With the proceeds, DTE is buying back common stock.

French Wind Shop Takes First-Round Bids

French wind developer La Compagnie du Vent has begun shopping itself and asked Calyon to take preliminary offers August 10. Parties expected to have shown an interest include European private equity firm HgCapital, and utilities Iberdrola, Endesa and Enel.

La Compagnie du Vent has 98 MW of capacity installed across nine sites in France and a 6 GW pipeline. It has also built about 60 MW for third parties in Morocco. The company is owned 50% by its founder Jean Michael Germa and 50% by Spanish titan Acciona Energia. A call to Isabelle Giudicelli, spokeswoman, and to Nicholas La Honteberrrie, a Calyon official, were not returned by press time.

Osaka Gas Beefs Up Big Apple Bench

Japan's Osaka Gas has seconded two new executives to its White Plains, N.Y.-based asset management and investment unit, Osaka Gas Energy America Corp.

Tsukamoto Tatsuro, deputy general manager, joined late last month from Chuo-Ku, Osaka, where he was in sales, and will originate power development and investment opportunities for the company. He takes over from Nobu Sakai, another deputy general manager, who will remain in New York but switch to an asset management and corporate function.

A third deputy general manager, Hiroyuki Harada, was also seconded to New York last week. He will also assume asset management responsibilities for Osaka Gas' existing generating facilities in the U.S. All three report to Shojiro Oka, v.p.

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EDITORIAL

TOM LAMONT
Editor

STEVE MURRAY
Deputy Editor

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

KATY BURNE
Managing Editor
(212) 224-3165

MARK BONAMO
Reporter
(212) 224-3293

BEN MILLER
Reporter
(212) 224-3226

STANLEY WILSON
Washington Bureau Chief
(202) 393-0728

KIERON BLACK
Sketch Artist

PRODUCTION

DANY PEÑA
Director

LYNETTE STOCK, DEBORAH ZAKEN
Managers

MICHELLE TOM, MELISSA
ENSMINGER, BRIAN STONE,
JAMES BAMBARA, JENNIFER BOYD
Associates

JENNY LO
Web Production & Design Director

MARIA JODICE
Advertising Production Manager
(212) 224-3267

ADVERTISING AND BUSINESS PUBLISHING

JONATHAN WRIGHT
Publisher
(212) 224 3566

JESSICA SOMMAR
Editor, Business Publishing
(212) 224-3272

CHRIS DEANGELIS
Online Sales Director
(212) 224-3618

PAT BERTUCCI, MAGGIE DIAZ,
LANCE KISLING, Associate Publishers

SAMUEL HARRIS WILLIAMS
Head of Legal Sales
(212) 224-3894

LESLIE NG
Advertising Coordinator
(212) 224-3212

PUBLISHING

ELAYNE GLICK
Publisher
(212) 224-3069

MIKE FERGUS
Marketing Director
(212) 224-3266

AMANDA CATERINA
Associate Marketing Manager
(212) 224-3096

VINCENT YESENOSKY
Senior Operations Manager
(212) 224-3057

DAVID SILVA
Senior Fulfillment Manager
(212) 224-3573

SUBSCRIPTIONS/ ELECTRONIC LICENSES

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DAN LALOR
Director of Sales (212) 224-3045

EMILY-JANE STAPLETON
Account Executive [London]
(44-20) 7779-8704

KEN LERNER
Account Executive
(212) 224-3043

GEORGE WITTMAN
Client Development Manager
(212) 224-3019

REPRINTS

DEWEY PALMIERI
Reprint & Permission Manager
(212) 224-3675
dpalmieri@institutionalinvestor.com

CORPORATE

GARY MUELLER
Chairman & CEO

CHRISTOPHER BROWN
President

STEVE KURTZ
Chief Operating Officer

ROBERT TONCHUK
Director/Central Operations & Fulfillment

Customer Service: PO Box 5016,
Brentwood, TN 37024-5016.
Tel: 1-800-715-9195. Fax: 1-615-377-0525
UK: 44 20 7779 8704
Hong Kong: 852 2842 6910
E-mail: customerservice@iinvestor.com

Editorial Offices: 225 Park Avenue
South, New York, NY 10003.
Tel: (773) 439-1090
Email: pthompson@iinvestor.com

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**Institutional
Investor NEWS**
INTELLIGENCE FIRST

Fortis Tipped To Land Shell, Dominion Deal With Tight Pricing

Fortis is reportedly set to win the debt financing mandate for **Shell WindEnergy** and **Dominion's** planned 264 MW Mount Storm wind project by pitching pricing rumored to start at LIBOR plus 100 basis points—pricing that knocked out the competition.

Initially, the sponsors had invited banks to pitch on a club basis for the Grant County, W.Va., project (PFR, 3/30). But as reported in *PFR Daily* last Tuesday, several banks dropped out of the bidding when the tight pricing emerged, so the sponsors have opted for a sole lead. “At that price, we’re not playing,” said one rival banker, adding that others likely pitched between 115 and 125.

Royal Bank of Scotland is in discussions with a view to taking a sub-underwriting slot.

The financing being arranged for Mt. Storm is said to be in the region of \$290 million—a \$180 million, 15-year construction loan funding 164 MW phase one, under construction, and \$110 million for 100 MW planned phase two. Underpinning the financing will be a five-year power hedge with a merchant tail.

The Allegheny Front region around Dominion's 1.6 GW Mount Storm Power Station has been identified as one of the best wind locations in the U.S. Shell acquired the owner of the project, **NedPower Mount Storm**, in October 2005. Officials at Fortis and RBS declined comment, as did **Destin Singleton**, a Shell spokeswoman in Houston.

Details Emerge In Second Round Of ConEd Sale

American National Power, a unit of the U.K.'s **International Power**, **AllCapital**, the U.S. unit of Australia's **Allco Finance Group**, **Energy Capital Partners**, **Marubeni Power International** and **Tenaska Power Fund** are among the bidders that have made it to the second round to buy **Consolidated Edison Development**. Preliminary offers on the 1,697 MW IPP bundle were taken last month (PFR, 7/6) and final bids are due mid October.

Morgan Stanley is handling the auction and has told bidders not to expect a staple financing at the moment. Before the credit market downturn, it had softly peddled a staple ranging between \$850 million and \$1 billion. If the market recovers, it may reverse that stance. **JPMorgan** and **Credit Suisse** are also looking at offering a competing package once the debt market can support it.

The absence of a staple financing would give strategic players an advantage, where often their bids are trumped by financial

players using aggressive leverage. “While third-party financing helps to facilitate, there are plenty of parties in the process with the wherewithal to go ahead without it,” explained a source close to the process. Calls to Morgan Stanley and ConEd were not returned.

Two plants drawing particular attention are 525 MW **Newington** in New Hampshire, for which Morgan Stanley is offering a hedge, and 246 MW **Lakewood** in New Jersey, which is contracted to **Jersey Central Power and Light**. Two assets—a 50% stake in **EverPower Wind** and 49.5% stake in a 42 MW diesel-fired unit in Guatemala—have been made optional to purchasers. ConEd is said to be looking for \$1.2 billion for the portfolio, which has a roughly \$1.35 billion replacement value. For the full list of assets, head to www.iipower.com.

Plum Point, Bosque Go On The Block

LS Power Equity Advisors has begun soliciting interest in **Bosque**, a 570 MW gas-fired plant in Laguna Park, Texas, at the same time as **Dynegy** is shopping its 40% interest in **Plum Point**, a partially constructed 665 MW pulverized coal plant in Osceola, Ark., developed by LS. The two recently inked a joint development venture, giving Dynegy a controlling stake in Plum Point and LS the ability to rapidly deleverage debt tied to its projects. Officials at LS in New York and at Dynegy in Houston declined comment.

LS affiliate **Broadway Generating Co.** acquired **Bosque** from **Mirant** May 1, along with 3,619 MW of gas-fired generation. It is in the process of converting one of the simple-cycle units to a combined-cycle unit, which will boost output to 805 MW and lower the heat rate to 7,150 Btu/kWh from 10,000 by March 2009. **Bosque's** combined-cycle unit is contracted under a 240 MW heat rate call option with **Lehman Brothers** through 2010 that provides a fixed, monthly capacity payment.

As reported by *PFR* last Friday, the thinking behind selling the merchant plant is that it has maxed out the value of the asset. The same thinking led it to offload two other plants acquired from **Mirant**—924 MW **Zeeland**, being sold to **Consumers Energy** for \$517 million, and 517 MW **Shady Hills**, being bought by **GE Energy Financial Services** (PFR, 3/2).

Dynegy is selling Plum Point because it believes valuations for ERCOT assets are on the up, and it is more suited to parties in the business of owning high-quality, low-risk assets with predictable cash flows. Construction is on track and is being wrapped by 2010 on a turnkey basis. The unit is fully contracted to municipal offtakers, who bought interests in the plant: **East Texas Electric Cooperative** (7.52%), **Missouri Joint Municipal Utility Commission** (22.11%) and **The Empire District Electric Co.** (7.52%).

Citi Pockets Credit Suisse Director For Utilities Coverage

Citigroup has tapped Mary Beth Mandanas, a director at Credit Suisse, as a director in its power and utilities coverage team in New York. She started last Monday and will report to **Sandip Sen**, head of power investment banking. Previous deals she worked on could not be learned. Nor could she be reached for comment by press time.

Fortis Looks To Widen Wind Hedge Coverage

Fortis Energy Marketing and Trading plans to expand its wind hedging offering beyond ERCOT. **David Duran**, managing director and head of origination and marketing in Houston, says the firm is working on transactions in the Midwest and Northeast. The key, he says, is having an environment where price risk can be managed through both physical offtake and financial agreements.

The firm last week announced a 10-year, 1.1 million MW fixed-price PPA it structured for **Enel North America's** 63 MW wind farm in Snyder County, Texas.

Fortis has also structured hedges for traditional generation in ERCOT and the Midwest, including last month's physical power sales deal with **Gregory Power Partners'** 400 MW gas plant in Corpus Christi, Texas. It provided a power hedge and debt funding **Invenergy's** 130 MW Camp Springs wind farm, which closed in January.

Fortis bought its marketing and trading business from **Duke Energy**, then known as **Cinergy Marketing and Trading**.

Romania Poised For Privatization

Romania is expected to announce detailed guidelines on the country's lignite-fired generation privatization by the end of the week, affecting three major plants. Czech utility **CEZ**, Italy's **Enel**, Germany's **RWE** and **E.ON**, and Austria's **Verbund** have already expressed an interest in acquiring the state-owned 2,310 MW Turceni, of which 1,575MW is operational, 1,320 MW Rovinari and 610 MW Craiova energy complexes, all of which are in the south west region of Oltenia. Minister of economy and finance **Varujan Vosganian** will announce the details on the bidding and sale structure.

The **European Bank for Reconstruction and Development** is expected to have a role in financing a series of upgrades on the sites. "We want to help finance the anticipated EUR300 million (\$403.5 million) modernization of two of the eight units at Turceni, as well as help with the

privatization," says **Roxana Simon**, energy analyst at the EBRD in Bucharest.

The ministry's decision will directly affect how the Romanian privatization ministry, known as **AVAS**, translated as the Authority for State Assets Recovery, will bring in outside investors. Calls to **Gabriel Dumitrescu**, director of portfolio management at AVAS, as well as **Vosganian** were not returned. Nor were calls to officials at **CEZ**, **RWE**, **Verbund** and **Enel**. An **E.ON** spokeswoman declined comment.

Banks Circle Padoma Wind Mandate

Padoma Wind Power, the La Jolla, Calif., wind shop owned by **NRG Energy**, and an unnamed partner are in discussions with banks regarding construction financing for a 150 MW project to be built in Texas. According to deal trackers, the aim is to close on the funds by the end of September, when the joint venture will be formally announced. The amount of the funds targeted could not be learned, but it will consist of a construction loan that converts into a term loan once the farm becomes operational.

Two other transactions, for a second Texas farm and a California facility to follow, are expected to be executed on the same basis. Joint ventures are likely to be sought for those projects also, to total an aggregate 290 MW. Tax-equity investment is not expected. Officials at **Padoma** and **NRG** declined to comment.

EIF To Tap Debt For Gas, Geothermal Construction



Keith Derman

Energy Investors Funds plans to seek debt financing to construct two gas-fired plants in California and a 32 MW geothermal facility in Nevada later this year. The exact amount has yet to be determined, says **Keith Derman**, v.p. in New York. He says the private-equity shop has been approached by banks, but declined to identify them.

First up will be funds supporting its 400 MW Panoche plant in Fresno, Calif. The second gas plant, the 115 MW Eastshore Energy Center in Hayward, Calif., is part of wind developer **Tierra Energy's** pipeline being kept by EIF, which backed **Tierra** before selling out in June (PFR, 6/1).

Both are expected online in 2009. **Tierra** acquired Eastshore from **Black Hills Corp.** (PFR, 6/29/06). Both facilities have 20-year PPAs with **Pacific Gas & Electric**. The 32 MW Hot Sulphur Springs geothermal project, east of Elko, Nev., has a 20-year PPA with **Nevada Power**, and is also expected to be complete in 2009.

Bayern Hires Commerz Project Financier

BayernLB has added **Andrew Kjoller**, a v.p. with **Commerzbank**, to its New York power project finance team. Kjoller started August 6 as a v.p. reporting to **Jim King**, managing director, and will be responsible for originating conventional power generation transactions. He spent 14 years at Commerz, 10 of which were spent on energy coverage. A call to King was not returned.

Corporate Strategies

Xcel Sub Goes Long To Replace Short-Term Debt



George Tyson

Public Service Co. of Colorado, a unit of **Xcel Energy**, sold \$350 million in 6.25%, 30-year bonds last Wednesday to repay short-term debt and for general corporate purposes. It had used short-term debt to repay a \$100 million, 7.1% issue that fell due in March. "We had a relatively short bond portfolio duration and wanted to

extend it," explains **George Tyson**, treasurer at Xcel in Minneapolis.

Much of the subsidiary's recent capital needs are tied to construction of a 750 MW third unit at its Comanche plant in Pueblo. Tyson says the spread of 138 basis points was the lowest available on the day, when rates on comparable Treasuries reached 5%.

BNP Paribas, **Credit Suisse** and **JPMorgan** led the offering, with **Lazard Capital Markets** and **Scotia Capital** serving as co-managers, a group that Xcel has worked with before. The notes are rated A3 by **Moody's Investors Service** and A- by **Standard & Poor's**. Public Service Co. of Colorado has about \$273 million in short-term debt outstanding and \$1.8 billion outstanding overall, according to regulatory filings.

Buckeye Preps For Acquisition

Buckeye Partners sold 2.5 million limited partnership interests to pay off its credit facility and make room for the acquisition of **Lodi Gas Storage**, expected to close by year-end. Units were offered to the public at \$48.65 each—a \$1.90 discount from the previous close—raising \$119 million.

Vance Powers, cfo in Breinigsville, Pa., says the master limited partnership will draw on the facility to help fund the \$440 million acquisition of the Lodi Gas Storage facility and nearby Kirby Hills expansion project in California from

ArcLight Capital Partners, and then refinance with a bond issue within a few weeks of closing. **Lehman Brothers** was the sole underwriter for the offering and has the option to buy an additional 375,000 units, an option that has not yet been exercised.

The deal, which first needs to receive approval from the **California Public Utilities Commission**, is anticipated to close at the end of the year or beginning of 2008. It marks Buckeye's first foray into the gas storage business, after previously focusing on refined petroleum products pipelines. "We've been in the refined products business for a long time," explains **Stephen Milbourne**, senior manager in investor relations at Buckeye. "Now that the country's dependence on these products is being called into question, we believe that there is a good future in LNG. Diversifying takes the pressure off of growth in our refined products."

The Kirby expansion project will add 12 billion cubic feet of working gas capacity to the existing 5 bcf onsite, at an expected cost of \$40 million. Together, the Lodi and Kirby Hills facilities will have 22 bcf upon completion.

Ore. City Offloads Cogen To Trim Pricey Debt

The City of Klamath Falls, Ore.'s decision to sell its 484 MW gas-fired, combined-cycle cogeneration plant to **PPM Energy** hinges on its intention to redeem \$300 million in outstanding debt accruing from the six-year-old plant. The 8.2% bonds fall due in 2025.

While a final purchase price has yet to be agreed upon, **Phyllis Shidler**, city finance director, explains why the town decided to shed the asset. "Green power is in and having a gas-fired merchant plant is not the way to go." She adds, "After what happened with **Enron**, most West Coast municipalities changed from buying power to building their own plants, so there was less of a market for us. And with the price of gas the way it is, the power was too expensive to buy. This plant just doesn't make sense for us."

The project's bonds were downgraded by **Fitch Ratings** to B- from BB+ in January last year, which contributed to the expiration last July of two power purchase agreements representing 150 MW of the plant's capacity.

PPM was seen as an obvious acquirer because it had run the plant since it became operational in 2001. "Their involvement from the beginning made them the leading candidate to buy it," notes Shidler. A PPM executive was not available for comment by press time. **Seattle-Northwest Securities** was tapped to advise on the sale—expected to be finalized by the year-end—having advised on financing for the project from its inception.

III. Muni Sells \$300M For New Build

The Northern Illinois Municipal Power Agency has sold \$319 million in power project revenue bonds to fund its share of the coal-fired 1.6 GW Prairie State Energy Campus, in an offering priced last Tuesday. "Tax-exempt bonds are the best rates we're going to get in any market," explains **Chris Rettig**, cfo of the **Indiana Municipal Power Agency** in Indianapolis, to whom NIMPA has contracted its financing work.

The deal is the first debt offering for NIMPA, formed in 2004 to own a share of Prairie State, in Lively Grove, Ill., which is being developed by **Peabody Energy** and seven Midwestern municipal agencies. NIMPA will receive 120 MW from the two 800 MW pulverized coal-fired units featuring sulfur dioxide scrubbers. Joining a large project makes sense for agencies like NIMPA, Rettig explains, as there are economies of scale and mitigation of risk. A large player like Peabody can also take advantage of tax-exempt financing. Site development is underway, with the first unit expected to come online mid 2011, and the second following three to

four months later.

Peabody is expected to own 47% of the facility. The Prairie State equity partner group also includes the **Illinois Municipal Electric Agency**, the **Indiana Municipal Power Agency**, the **Kentucky Municipal Power Agency**, the **Missouri Joint Municipal Electric Utility Commission**, **American Municipal Power-Ohio** and **Prairie Power**. Illinois Municipal Electric Agency plans to fund its portion with part of a \$674 million offering to be led by **JPMorgan** August 23.

The tax-exempt offering consists of \$303 million in 5% notes, including serial bonds maturing from 2016 to 2027 and 25-year, 30-year and 35-year maturities. About \$15 million in a 5.3-5.5% non-tax-exempt tranche of six- to nine-year bonds will cover transmission and other ancillary project expenses.

Citigroup, **Bear Stearns**, and **Goldman Sachs** are underwriting the issue, and were chosen for their experience with joint-action agencies. The bonds are rated A3 by **Moody's Investors Service** and A- by **Fitch Ratings**, and feature a **MBIA** wrap raising the rating to AAA.

power finance & risk

AUGUST 13, 2007

IS RELIANT'S 2.5 GW AUCTION ON THE ROCKS?

Radio silence out of auctioneer JP Morgan has market watchers suggesting the auction of 2,488 MW in **Reliant Energy** generation is off the table. Asset acquirers and investment bankers tracking

JUNE 29, 2007

KINDER LOOKS TO SELL INTERSTATE PIPE STAKE

Kinder Morgan Inc. is looking to sell an 80% interest—but not operating control—in subsidiary **Natural Gas Pipeline Co. of America** to pay down debt that funded its management buyout. The

MAY 4, 2007

GOLDMAN, DE SHAW ENTER GASIFICATION JOINT VENTURE

Goldman Sachs and private equity shop D.E. Shaw are in advanced stage negotiations to launch a new venture called **Green Rock Energy** for investing in coal

Exclusive News...

JULY 23, 2007

CARLYLE/RIVERSTONE TO SEEK \$900M FOR 1.5 GW ON TOPAZ SITES

Carlyle/Riverstone is set to solicit proposals this week on \$900 million in construction financing and

JUNE 22, 2007

CALPINE LINES UP QUARTET FOR \$3B EXIT FINANCING

Goldman Sachs, Credit Suisse, Deutsche Bank and

APRIL 20, 2007

Chicagoland Frenzy? ARCLIGHT MAY CASH-IN 950 MW ILL. STAKES

Arclight Capital Partners is monitoring DTE Energy's sale of its 50% stake in a 304 MW gas-fired simple-cycle peaker near Chicago known as **Crete Energy Venture**. If the price is high

JULY 6, 2007

US POWER GEN NAMES QUARTET TO LEAD IPO

Privately held power producer **US Power Generating Company** has named four bookrunners to lead its initial public offering this fall. The leads are **Credit Suisse** and **Goldman**

JUNE 1, 2007

K-ROAD PLOTS \$1B ALTERNATIVE ENERGY FUND

K-Road Power is planning a \$1 billion fund to invest in alternative energy ventures. An official at the seasoned New York

APRIL 13, 2007

NAVY YARD PLANT ON THE BLOCK

Stakeholders of the 286 MW Brooklyn Navy Yard qualifying cogeneration project are reportedly shopping their stake to strategic and financial buyers.

...You Read It Here First!

Project Finance Deal Book

Deal Book is a matrix of energy project finance deals that PFR is tracking in the energy sector. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report updates or provide additional information on the status of financings, please call Katy Burne, Managing Editor, at (212) 224-3165 or e-mail kburne@iineews.com.

Live Deals: North America

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
LS Power	Sandy Creek (800 MW, Coal)	Riesel, Texas	Credit Suisse, RBS	Term loan	\$1.2B	8 yr	Choosing sub-tier banks.
Carlyle/Riverstone	Portfolio (1.5 GW Gas)	Various, Texas	TBA	TBA	\$900M		RFP sent out 7/23.
Granite Ridge	Granite Ridge (720 MW, Gas) Recap	Londonderry, N.H.	TBA	TBA	\$500-\$600M		Choosing lead banks.
AES	Termoelectrico de Penoles (230 MW Petcoke)	Tamuin, Mexico	TBA	TBA	TBA	TBA	Choosing lead bank.
RES	Hackberry Wind (165 MW Wind)	Shackleford Co., Texas	TBA	TBA	TBA	TBA	Looking for lead banks.
Borealis Infrastructure	Bruce Power (4.6 GW)	Tiverton, Ont.	Scotia, Dexia	TBA	C\$750M (\$710M)	TBA	Syndication launched 7/3.
LEP Holdings	Liberty Electric Power (568MW Gas) recap	Eddystone, Pa.	Credit Suisse, JPMorgan, Deutsche Bank	First lien Second lien	\$400M \$200M	TBA TBA	Timeline unclear.
Nacogdoches Power	Nacogdoches (100MW Biomass, 300MW Gas)	Sacul, Texas	TBA	TBA			Looking for debt/equity for \$600M project.
J-Power USA	Pala (86.5 MW Gas)	San Diego Co., Calif.	TBA	TBA			Looking for lead bank.
MACH Gen	Portfolio (800 MW Coal)	Various	Credit Suisse	TBA	\$850M	TBA	Refinancing of \$850M second lien.
Acciona Solar Power	Nevada Solar One (64 MW)	Boulder City, Nev.	Santander, BBVA, La Caixa	Term loan	\$140M		Syndication expected in Sept.
Airtricity	Roscoe (209MW Wind) 2008 Turbine Supply	Abilene, Texas Various	HVB, BayernLB, NordLB HVB, Mizuho	TBA	\$300M \$325M	TBA	Syndication launched 6/21. Timeline unclear.
Shell WindEnergy, Dominion	Mt.Storm (264 MW, Wind)	Grant Co., W.Va.	TBA	Construction financing	\$288M	TBA	Fortis tipped as sole lead. Hedge with merchant tail expected.
Invenergy	St. Clair Power Station (570 MW Gas)	Sarnia, Ontario, Canada	RBC	Construction term loan LC facility	\$383M \$96M	5 yr	Syndication re-launched 7/2.
Terrawinds Resources	TerraWinds (201 MW Wind)	Rivier-Du-Loup, Quebec, Canada	HSH Nordbank	Senior secured construction and term debt facility	C\$300M (\$259M)	TBA	Hydro-Quebec offtake. Awaiting syndication. Timeline unclear.
Perennial Power	Hermiston (474 MW Gas)	Hermiston, Ore.	TBA	TBA	\$130M	10 yr	Status unclear.
Noble Environmental Power	Altona, Ellenberg, Clinton and Bliss (339 MW Wind)	Altona, Ellenberg, Clinton and Bliss, N.Y.	HSH Nordbank, Dexia	Non-recourse loan	\$445M	TBA	Selecting sub-underwriters. Syndication expected Sept.

Live Deals: Europe/Middle East/Africa

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
EOLIKI Panachaikou	Patras (40 MW Wind) Refi	Patras, Greece	HSBC		EUR40M (55M)		HVB led original loan.
Eolicas de Portugal	Eolicas de Portugal (1.2 GW Wind)	Porto, Portugal	TBA	TBA	TBA		Selecting lenders.
Cobra, ACS Group	La Boga II (355 MW Wind)	Andalucia, Spain	Natixis, La Caixa	Term loan	EUR205M (\$283M)		Debt slated to close 7/20.
Abaste	El Bonillo (20 MW Solar)	El Bonillo, Spain	Deutsche Bank	Bond Offering	\$207M	24.5 yr	Iberdrola offtake.
Industrial Promotion Services, Sithe Global	Bujagali (250 MW Hydro)	Southern Uganda	International France Corp., Absa Capital, EIB, Standard Chartered	Term loan	\$630M	TBA	Uganda Electricity Transmission Co. offtake.
Spanish Egyptian Gas Co.	Damietta LNG	Damietta, Egypt	TBA	Term loan Bank Facility	\$600M \$250M	15 yr	25 year tolling agreement
Solucar Energia	SolNova (100MW, Solar)	Sanlucar La Major, Spain	Caja Madrid, SocGen, Calyon Natixis, Santander	TBA	EUR450-500M		September syndication expected.
Botswana Power Corp.	Morpule (1.2GW Coal)	Palapye, Botswana	TBA	TBA			Project Financing Solutions advising.
InterGen	Rijnmond Energie Center (820MW, Cogen)	Rotterdam, Netherlands	TBA	TBA			Refi of EUR240M (\$326M) in debt and 400MW expansion. Advizorum is advising.
AES	Cartagena (1.2GW, Gas) Refi	Cartagena, Spain	Calyon, Societe Generale	TBA			Terms to be set.
Babcock & Brown, Eurowatt	Wind Portfolio (120MW)	Various, France	La Caixa, Natixis	Term loan	EU183M (\$234M)		Syndication timeline unclear.
Dhofar Power Co.	Salah (192 MW Gas Refi)	Salah, Oman	Calyon	TBA	\$340M	TBA	Timeline unclear.
Tanjong Broup	Port Said East (683 MW Gas Refi)	Port Said, Egypt	Calyon	TBA	\$500-675M	TBA	Timeline unclear.
Ras Laffan Power Co. (AES)	Ras Laffan A (750 MW IWPP)	Doha, Qatar	TBA	TBA	\$572M		Looking for lead banks.
AES Oasis, Mitsui & Co.	Almanakher (370MW Gas)	Almanakher, Jordan	Sumitomi Mitsui, Overseas Private Investment Corp., JBIC	Senior facility Equity tranche	\$255M \$75M		Near close. National Electric Power Co. offtake.
Marubeni, Qatar Electricity and Water Petroleum	Messaieed (2GW Gas)	Mesaieed Industrial	Calyon	Term Loan	\$1.2B	25 yr	Syndicating.
Electricite de France, Delta	Sloe (820 MW Gas)	Vlissingen, Netherlands	TBA	TBA			Project Finance Solutions advising.
Eclipse Energy	Ormonde (200 MW Wind/Gas)	Irish Sea	TBA	TBA	Apr. GBP200M		Choosing Banks.
Carron Energy	Uskmonth Power (850 MW Gas)	South Wales	TBA	TBA			Choosing Banks. Lexicon Partners is advising.



Generation Auction & Sale Calendar

Following is a directory of ongoing generation asset sales. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report new auctions or changes in the status of a sale, please call Katy Burne, Managing Editor, at (212) 224-3165 or e-mail kburne@iineews.com.

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
Airtricity	Various	North America	6,500	Wind	Credit Suisse	Seller weighing an outright sale or 50/50 joint venture. Final bids due early this month (PFR, 6/18).
American Electric Power	Fort Phantom Abilene Lake Pauline Rio Pecos Oak Creek Paint Creek San Angelo	Abilene, Texas Abilene, Texas Quanah, Texas Girvin, Texas Bronte, Texas Stamford, Texas San Angelo, Texas	362 18 35 136 75 218 110	Gas	N/A	Teasers sent out on the first four Aug. 2. Plants mothballed. The last three are being marketed separately because of the way their deeds are structured (PFR, 8/15).
ArcLight Capital Partners	Crete Energy Venture Lincoln Generating	Crete, Ill. Manhattan, Ill.	203 (50%) 656 (90%)	Gas Gas	Lehman Brothers	Tenaska Capital Management to acquire. Debt placement to be led by Lehman Brothers and Calyon.
Astoria Energy	Astoria plant	Queens, N.Y.	500 MW; 1 GW permitted	Gas	N/A	Owners fielding offers. Suez Energy acquiring a 30% stake (PFR 9/29).
Atlantic Power Corp.	Various	Major U.S. markets	588	Gas, Coal, Hydro, Oil	N/A	Aquila's former merchant fleet bought by ArcLight Capital Partners affiliate Teton Power.
Besicorp-Empire	To be constructed	Rensselaer, N.Y.	535	Gas Cogen	Merrill Lynch	Being bought by Energy Capital Partners (PFR, 7/19).
Boralex Power Income Fund	Kingsey Falls Senneterre Dolbeau Beauport Buckingham Forestville Rimouski Saint-Lambert Hudson South Glens	Québec Québec Québec Québec Québec Québec Québec Québec New York New York	31 34.6 28 4.5 9.9 12.7 3.6 6 45.8 13.9	Gas Cogen Biomass Biomass Hydro Hydro Hydro Hydro Hydro Hydro Hydro	Genuity Capital Markets	First round bids were due June 4. Credit Suisse is preparing a staple financing.
Calpine	Acadia Energy Center Fremont Energy Center Hillabee Energy Center	Eunice, La. Sandusky County, Ohio Alexandra City, Ala.	1,016 (50%) 512 774 MW	Gas Gas Gas	Miller Buckfire	Sold to Cajun Gas Energy for \$189 million (PFR, 8/6). Plant 70% complete. Teasers dispatched mid-June (PFR, 6/18).
CIT Group	RockGen Energy Center	Cambridge, Wis.	460	Gas	Bear Stearns	Status unclear.
Central Vermont Public Service	Various	Vermont	70 in summer, 86 in winter	Hydro	Morgan Stanley	Believed to be in advanced stages.
City of Vernon	Malburg Generating Station Palo Verde Power Hoover Upgrading	Southern Calif. Southern Calif. Southern Calif.	134 11 22	Gas Nuclear Hydro	Lehman Brothers	Two-stage auction. Assets being offered debt-free, with promise of 15-year PPA with seller and related transmission. Status unclear.
Conduit Capital	Various	Latin America Caribbean	939 net ownership	Diverse	BNP Paribas	Took binding bids in May on two Mexican assets, and one Jamaican asset (PFR 6/15).
Con Ed Development	CEEMI CEEMI expansion Newington Energy Ada Cogeneration Lakewood Ocean Peaking Power Rock Springs Genor Ever Power Wind	Springfield, Mass. Springfield, Mass. Newington, N.H. Ada, Mich. Lakewood, N.J. Lakewood, N.J. Rising Sun, Md. Puerto Barrios, Guatemala NEPOOL, NY, PJM	185 96 525 (99.5%) 29 (48%) 246 (80%) 339 670 (50%) 42 (49.5%) 500 planned	Gas, Oil, Hydro Gas, Oil Gas Gas Gas Gas Gas Oil Wind	Morgan Stanley	First-round bids taken July 10. Final bids are due mid October. In the running are American National Power, AllCapital, Energy Capital Partners, Marubeni Power International and Tenaska Power Fund (PFR 8/20).
Complete Energy Holdings	LaPaloma Batesville	McKittrick, Calif. Miss.	1,022 837	Gas Gas	Morgan Stanley	KGen Power is buying the plants for \$1.2 billion (PFR 8/23).
Desert Power	Desert Power plant	Rowley, Utah	65 installed 100 planned	Gas	Miller Buckfire	Set for Sept. 10 auction.
Dominion Resources	Dresden Energy	Muskingum County, Ohio	580	Gas	N/A	Non-binding, indicative bids were received in late June.
DONG Energy	Energi E2 Removables Ibericas	Spain	265	Predominantly Wind	NM Rothschild & Sons, FIH	E.ON to buy for EUR722M (\$988.7 million).
DTE Energy	Georgetown 4 Crete Energy Venture East China River Rouge	Indianapolis, Ind. Crete, Ill. East China, Mich. Detroit, Mich.	80 304 (50%) 320 240	Gas Gas Gas Gas	N/A Lehman Brothers N/A N/A	Acquired by Indianapolis Power & Light. Tenaska to acquire. Seller exploring options, including outright sale. On books at scrap value, decommissioned.
Electricite de France International unit	Saltillo Anahuac (RB2) Lomas de Real (RB3) Valle Hermoso (RB4) Electricidad Aguila de Altamira	Ramos Arizpe, Coahuila Valle Hermoso, Tamaulipas Valle Hermoso, Tamaulipas Valle Hermoso, Tamaulipas Altamira	248 495 495 500 495 (51%)	Gas Gas Gas Gas Gas	JPMorgan Chase	Final bids were due July 14 (PFR, 6/25).
Controladora del Golfo	Gasoducto del Rio	54 km pipeline	330,000M Btu/D			

Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
Entergy Corp.	50% stake in Top Deer Wind Ventures	Worth County, Iowa	40	Wind	New Harbor	Seller wants about \$500 million for the assets. Bidders shortlisted to four players: two financial; two infrastructure (PFR, 6/18).
	RS Cogen	Carsen County, Texas	40			
	Roy S. Nelson	Lake Charles, La.	212	Gas		
	Warren Power	Westlake, La.	60	Gas/Oil		
	Harrison	Vicksburg, Miss.	225	Gas		
	Independence	Marshall, Texas	335	Gas		
	Robert Ritchie	Newark, Ark.	121	Coal		
	Oftake Contract	Helena, Ark.	544	Gas/Oil		
		Sam Rayburn Power Agency	50-80			
Foresight Wind Energy	Various	Arizona, New Mexico	2 GW in development	Wind	CP Energy	Two bidders in the running; one domestic, one foreign (PFR, 6/25).
General Electric	Baglan Bay	Port Talbot, Wales	510	Gas	Lexicon Partners	Books dispatched early May.
Globeleq	Emerging market portfolio	Asia, Africa, Americas	2,082	Mixed	Lehman Brothers	Americas assets to be sold to D.S. Constructions and Israel Corp. Asia and Africa assets to be sold to Tanjong Energy Holdings and Aljomaih in \$1 billion deal.
Goldman Sachs (Cogentrix Energy)	Indiantown	Martin County, Fla.	355	Coal	Goldman Sachs	Took preliminary bids June 28. Energy Investors Funds, Constellation and Tyr Capital are still in the running. Perennial Power dropped out.
	Logan	Logan Township, N.J.	218	Coal		
	Cottage Grove	Cottage Grove, Minn.	245 (35%)	Gas/Oil		
	Whitewater	Whitewater, Wis.	236.5 (35%)	Gas/Oil		
	Scrubgrass	Venango County, Pa.	85 (50%)	Coal/Waste		
	Selkirk	Selkirk, N.Y.	345 (47.2%)	Gas		
	Northampton	Northampton County, Pa.	112 (80%)	Coal/Waste		
	Quachita	Sterlington, La.	804 (80%)	Gas		
	Carneys Point	Carneys Point, N.J.	262 (60%)	Coal		
	Richmond	Richmond, Va.	209 (80%)	Coal		
	Rocky Mount	Rocky Mount, N.C.	118 (80%)	Coal		
	Morgantown	Morgantown, Va.	60 (15%)	Coal/Waste		
	Plains End I, II	Golden, Colo.	182 (80%)	Gas		
	Rathdrum	Rathdrum, Idaho	275	Gas		
Landfill Energy Systems	Various	Various	80	Landfill gas	Ewing Bemiss	Final bids taken July 25. Macquarie Power and Infrastructure Income Fund tipped to have won (PFR, 8/13).
LS Power	Bosque	Laguna Park, Texas	805 (570)	Gas	N/A	Teasers sent out (PFR, 8/10). GE Energy Financial Services closed debt financing with a \$160 million loan from WestLB. (PFR, 7/16). To be acquired by CMS Energy for \$517 million.
	Shady Hills	Shady Hills, Fla.	477	Gas/Oil	N/A	
	Zeeland	Zeeland, Mich.	946	Gas	N/A	
Mirant Corp.	Diverse U.S. assets	PJM, NEPOOL, Calif.	10,650	Various	JPMorgan	JP Morgan took first-round bids June 12 from bidders including US Power Generating Co. (PFR 4/5).
Mirant	Curacao Utilities (25%)	Curacao	133	Asphalt	JPMorgan	Marubeni to acquire for \$1.082 billion, including \$350 million in debt, and power purchase obligations of about \$153 million. Mizuho to lead acquisition financing sometime this month.
	Grand Bahama Power Co. (55%)	Grand Bahama Island	151	Oil		
	Jamaica Public Service Co. (80%)	Jamaica	621	Oil/Hydro		
	PowerGen (39%)	Trinidad & Tobago	1.2 GW	Gas		
Noble Environmental Power	Various	NY, Mich	385	Wind	Goldman Sachs	Timeline unclear.
PSEG Global	Electroandes	Andean region, Peru	180	Hydro	JPMorgan	Seller has received reverse enquiries and is determining wider interest.
			437 miles	Transmission		
Reliant Energy	IndianRiver	Titusville, Fla.	587	Oil/Gas	JPMorgan	Believed to be a busted auction (PFR, 8/10).
	Osceola Generating	Holopaw, Fla.	470	Gas (peaker)		
	Bighorn Generating	Las Vegas, Nev.	598	Gas		
	Choctaw Generating	French Camp, Miss.	804	Gas (mothballed)		
	Channelview	Lyondell, Texas	830	Gas		
Ridgeline Energy	Various	Idaho, Oregon, Washington	3,700 in development	Wind	Marathon Capital	Believed to be in advanced stages.
Temasek Holdings	PowerSeraya	Singapore	3,100	Gas	Credit Suisse, Morgan Stanley	Teasers to go out in September (PFR, 6/25).
	Senoko Power		3,300	Oil		
	Tuas Power		2,670	Steam		
TransAlta	Western Canada, Ontario	Diverse U.S.	404	Gas, Coal	BMO Capital Markets	In second round.
Trinergy	Various	Italy, Germany, Ireland, U.K. Spain	648	Wind	RBC Capital Markets	International Power agreed to buy portfolio for EUR \$1.8 billion (\$2.5 billion).
Tyche Power Partners	Brooklyn Navy Yard	Brooklyn, N.Y.	286	Gas Cogen	Credit Suisse	Two-stage auction (PFR, 6/18). Status unclear.
UPC Wind	Various	North America	3GW in development	Wind	JPMorgan	UPC reportedly shopping itself (PFR, 6/8).
Wheelabrator Technologies	Shasta	Anderson, Calif.	49	Biomass	ABN Amro	Seller evaluating strategic options, including a sale (PFR, 7/23)
Zephyr Investments	Various	Europe	391	Wind	Lexicon Partners	Englefield Capital agreed to sell one-third interest to Infracapital Partners and JPMorgan Asset Management, for GBP145 million (\$288.8 million).

Weekly Recap

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

North America

- **Wisconsin Power and Light** completed a public offering of \$300 million aggregate principal amount of debentures. The senior, 6.375% notes are due 2037 (*CNNMoney.com*, 8/15).
- Austin, Texas-based **Active Power** completed a private stock placement, selling close to 10 million shares to institutional investors for nearly \$14 million (*Austin Business Journal*, 8/14).
- Delaware environmental regulators agreed to give the **NRG Energy**-run Indian River plant more time to meet tougher air emission standards (*Associated Press*, 8/14).
- **American Electric Power** expects the 528 MW Unit 3 at its coal-fired plant in Cason, Texas, to return to service by August 16, following an August 11 boiler tube leak (*Reuters*, 8/13).
- Satellite-TV provider **DirecTV Group** will announce a deal with **Current Group** to provide high-speed Internet service over electric power lines (*Wall Street Journal*, 8/15).
- **TXU** began a road show to encourage support for its \$32 billion buyout led by **Kohlberg, Kravis, Roberts** and **TPG**, ahead of the Sept. 7 shareholder meeting, where it must reach the two-thirds approval needed under Texas law to complete the transaction (*Wall Street Journal*, 8/14).
- **American Electric Power's Appalachian Power** sold \$500 million of bonds. It split the sale between senior unsecured debt due in five and 30 years (*Bloomberg*, 8/14).
- **Thomas Shaw**, coo of **Pepco Holdings**, plans to retire September 1, and will be replaced by **Joseph Rigby**, cfo. **Paul Barry**, previously senior v.p. and chief development officer at **Duke Energy**, will become Pepco's new cfo (*Reuters*, 8/14).
- An environmental group claims that **Hawaiian Electric Co.** and **BlueEarth Biofuels** are attempting to avoid a pollution study required by law concerning the biodiesel plant they are building on Maui (*Associated Press*, 8/13).
- **San Diego Gas & Electric** said it has applied for regulatory approval to purchase a Nevada power plant owned by parent company **Sempra Energy** for \$189 million. The purchase would be completed in 2011 (*San Diego Union-Tribune*, 8/10).
- **NRG Energy** hired **Toshiba Corp.** to direct a \$6-7 billion project designed to install two 1,350 MW nuclear reactors to open by 2015 at a site in Bay City, Texas (*Reuters*, 8/10).
- Chemical concern **Celanese Corp.** has sold its Pampa, Texas, plant to **Babcock & Brown Capital**, which plans to develop an up to 800 MW coal-fired facility on the site (*Reuters*, 8/15).
- **Mirant's** auction was temporarily halted about a couple of

weeks ago, but **JPMorgan** continues to review strategic alternatives for the company (*Financial Times*, 8/14).

- **Toshiba** awarded **Fluor's** power group a contract to provide engineering, procurement and construction-related services for two new nuclear reactors it is building at **NRG Energy's** South Texas Project Nuclear Generating Station in Bay City, Texas (*Associated Press*, 8/16).
- **FPL Group's Florida Power & Light** plans to add 400 MW to its existing nuclear plants in Florida by 2012, and add two new nuclear power units by 2020 (*Associated Press*, 8/15).
- **Boardwalk Pipeline Partners' Gulf South Pipeline** unit made a private offering of two sets of senior notes worth \$500 million to fund a portion of its expansion projects (*Reuters*, 8/15).

Europe

- The U.K. has little hope of reaching targets to get 20% of the country's energy from wind, solar and wave power by 2020, government officials have warned (*Evening Standard*, 8/13).
- **Royal Dutch Shell** is reportedly considering the sale of its 50% stake in German pipeline company **BEB Transport & Speicher Service** (*Wall Street Journal*, 8/15).
- **Morgan Stanley** has created a carbon bank to sell greenhouse-gas credits to factories, airlines and offices to voluntarily offset emissions blamed for global warming. The credits will be verified by Norway's **Det Norske Veritas** (*Bloomberg*, 8/14).
- U.K. utility **Centrica** is planning at least one new plant in East Anglia, with the potential for 800 MW of new capacity, to avert looming supply shortages over the next 15 years (*Reuters*, 8/13).
- **E.ON** is considering allowing Russia's **Gazprom** to take stakes in its gas-fired plants in exchange for an interest in the Yuzhno-Russkoye gas field in western Siberia (*Wall Street Journal*, 8/16).

Asia

- Indonesia's **Gunung Bayan Pratamacoal**, plans to spend \$60 million to build two 25 MW power plants. **Kariango Power** will construct the plants and may build six more (*Bloomberg*, 8/14).
- **Abu Dhabi National Energy Co.** has named **William Reynolds**, partner at **Tatum**, as interim cfo (*Bloomberg*, 8/14).
- Kazakh state nuclear fuel company **Kazatomprom** agreed to buy 10% of **Westinghouse Electric** from **Toshiba** for \$540 million, to facilitate its entrance into new export markets with its uranium fuel (*Associated Press*, 8/13).

AEP TO DIVEST

(continued from page 1)

under **AEP Texas North Co.**, were sent August 2 and indicative bids are due next month.

The three unannounced units are 75 MW Oak Creek in Bronte, 218 MW Paint Creek in Stamford and 110 MW San Angelo. At least one of these sites has a so-called reversion clause in its contract, meaning the original owner can buy it back.

The Columbus, Ohio, utility is not using an advisor because it believes an investment bank would not add any value to the sale process. "We seldom use advisors," says spokesman **Pat Hemlepp**. He declined to state how much AEP hopes to fetch for the idled plants or what the company will do with its 5 MW Fort Stockton plant.

In the four-part block are 362 MW Fort Phantom in Abilene, 18 MW Abilene Power Station in Abilene, 136 MW Rio Pecos in Girvin, and 35 MW Lake Pauline in Quanah on the border between Texas and Oklahoma. Bids will be considered for individual plants so long as all four can be sold. They were part of a 16-plant fleet AEP mothballed in 2002. Eight were sold to **Carlyle/Riverstone** and **Sempra Energy's** joint venture **Topaz Power**, which sold five to **Nu Coastal** that are now being repowered with financing led by **Calyon** (PFR, 5/18).

Carlyle/Riverstone is repowering the remaining three (PFR, 7/20).

AEP opted to offload the first four because it is not interested in repowering the facilities, or funding mandated environmental remediation since they were shut down. "We've decided the sites don't fit our needs going forward, so we might as well get them off the books," explains Hemlepp. According to one potential buyer, although the fleet is probably worth less than the expected cost of that remediation, there are ways to extract value from existing interconnection to the grid and emissions permits that are still valid, should a buyer wish to reconfigure the plants.

—K.B.

FLUOR SELLING

(continued from page 1)

acquirers of Fluor's stake by the month-end. Airtricity has pre-emption rights and is not ruling out an option to take up Fluor's 40%. "It's a theoretical possibility, but of limited practical interest," notes Whelan, adding it would do so only if it thought the correct value was not reflected in the price achieved.

Fluor is selling because the engineering company's business model is predicated on it taking a stake where it can score an EPC contract and, once it has done so, take cash off the table. A third-party investor will enter the joint venture at financial close, targeted for some time between December and January, at which time the PPA also will be finalized. Appetite is likely to come

from utilities, who may also be interested in buying the power, infrastructure funds and specialist hedge funds. Calls to Fluor were not returned.

Banks circling the debt RFP are those European project financiers already active in offshore wind, such as **Dexia Crédit Local**, **Bank of Tokyo-Mitsubishi** and **Rabobank**, as well as a subset of onshore wind banks observing developments in the space. Non-recourse financings in offshore wind are rare. Gabbard also seems more likely to go ahead than a competing deal for Thanet, a 300 MW project off the coast of Margate in Kent, which is seeing delays because its developer, **Warwick Energy**, has had difficulty securing turbines.

Siemens is providing a series of 3.6 MW turbines for Gabbard, allowing it to serve as the first utility-scale demonstration site for its technology. Construction is slated to begin in two phases, through 2009 and 2010. Airtricity has one offshore project so far, a 25 MW demonstration site in the Irish Sea, co-developed with **GE Energy**, known as Arklow Bank. A further two offshore facilities are expected to follow Gabbard—one in Germany and another in Holland. The new entrant to the joint venture will not have a role in these developments unless equity participants specifically request a portfolio deal, says Whelan. "If the appetite was for a series of projects, to accumulate into a portfolio of offshore projects, that changes the game," he says.

Katy Burne

SUEZ MAPS

(continued from page 1)

(\$1.35 billion) on power developments and acquisitions globally each year.

In traditional generation, Suez is mostly long on gas. The competition in auctions has been tough, says Cavicchi, citing rival **British Gas**, but Suez feels nimble enough to deploy its considerable resources quickly. "Other companies may set the price somewhat, but we can readily move to where the opportunities are, including the PJM market and New York," he says. Added **Herman Schopman**, ceo of **SUEZ Energy Generation North America**, "There are many power generating facilities in the [Northeast] that are aging, which leads to potential refurbishment and development opportunities."

Affiliate **SUEZ Energy Development** is in the process of acquiring a 30% stake in the 500 MW Astoria Energy generating facility in Queens, N.Y. (PFR, 3/16), and has some biomass, waste wood and hydro facilities in the region. It prefers not to leverage up to acquire assets. Risk management is also a key corporate focus, says **Sam Henry**, ceo of **Suez Energy Marketing NA**. "We've been using forward hedges to manage spark spread risk," he says. "And our diversification acts as a natural hedge."

Underpinning the pursuit of generation in New England is

Suez's aggressive LNG expansion strategy. Earlier this month it successfully attained all necessary state permits to begin construction of the underwater buoy and pipeline connection for its \$1 billion Neptune Deepwater Port facility off Gloucester, Mass. "The older domestic supply routes for gas to this area come from Canada and further inland. By building this offshore facility, we'll be able to shorten these routes and facilitate distribution," says **Clay Harris**, ceo of **Suez LNG NA**. Construction, to be funded on balance sheet, will begin shortly after federal approval is granted, with completion slated for the end of 2009. Suez is also trying to get its Calypso LNG project off the coast of Ft. Lauderdale, Fla., approved before construction can start in the fall of 2010.

—**Mark Bonamo**

WIND SHOP

(continued from page 1)

GW brought online through the western half of the U.S. Mastic, formerly a co-founder of developer **Noble Environmental Power**, says that at the moment Third Planet is interested only in organic growth. The company's v.p. and director of development is **Brian McDonald**, who did similar work at **Calpine Corp.**

Finding funding for the first few projects, Mastic adds, shouldn't be a problem despite the state of the credit markets. "When things get rough, there's a flight to quality, and for a lot of capital providers wind is quality," he says.

—**Ben Miller & K.B.**

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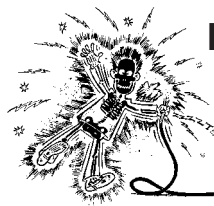
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Alternating Current

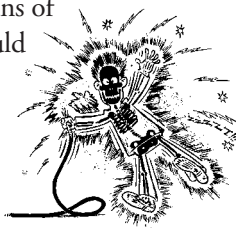
Beam Me Up, Scotty!



Star Trek fans unite. **DirecTV** is hammering out a deal with **CURRENT Group** to provide high-speed Internet service over a power line near you.

Consider the merits of being able to tackle your Cable, DSL and electricity bill in one. **ConEd** might actually get paid on time. Somewhere **Apple** CEO **Steve Jobs** is wishing he thought of it first.

And think of all the free download potential. Lines serving New Jersey's **NRG Energy** could do re-runs of *The Sopranos*. **Florida Power & Light** could serve up 80's classic *Miami Vice*. And **TXU's** next volley could be replacing CEO **John Wilder** with **J.R. Ewing**, following the first transmission of *Dallas*. After all, **TXU's** fate is proving to be even more of a cliffhanger than the famous *Who Shot J.R.* episode.



Calendar

- **Infocast** presents the *Power Assets Acquisition & Divestiture Summit*, October 1-3 at the New York Marriott Financial Center. Call 818-888-4444 to register.
- **American Wind Energy Association** presents the *AWEA Wind Power Finance & Investment Workshop*, October 10-11 in New York. Visit www.awea.org/events to register.
- **Platts** presents the *California Power Market Forum*, October 29-30 at the JW Marriott San Francisco. Visit www.platts.com/events to register.

Quote Of The Week

"When things get rough, there's a flight to quality, and for a lot of capital providers wind is quality."—**Peter Mastic**, ceo of **Third Planet Windpower**, on the lending outlook during the present credit market crunch. (See story, page 1).

One Year Ago In Power Finance & Risk

Mirant launched the sale of 3.6 GW of U.S. generating assets via JPMorgan [LS Power Equity Partners ultimately won with a \$1.4 billion bid. Since then, it has sold two of the assets—the 477 MW Shady Hills and 946 MW Zeeland facilities—and recently dispatched teasers on 570 MW Bosque (see story, page 3)].