

power finance & risk

The exclusive source for power financing and M&A news

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LIPA Launches 1 GW RFP

The **Long Island Power Authority** is looking to buy 1 GW from new and existing facilities.

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EXELON, ENTERGY TALK MERGER

Exelon and Entergy are considering joining forces in a merger. The combined entity would span from Texas to Vermont and run over 60 GW of generation.

The management teams have held several meetings so far this year, although it's not clear what corporate framework or timeline for the transaction has been worked out. The talks quieted down as the summer progressed, bankers say, with one noting it could have been due to the run up to the release of Q2 earnings reports this month.

Exelon's advisory team includes **Barclays Capital**, **UBS**, **Royal Bank of Scotland**, **JPMorgan** and Chicago-based boutique investment bank **Loop Capital**. It's a reassembly of most of the financial advisors from the company's failed bid for **NRG Energy** in 2008, an M&A banker points out. Entergy is said to be working with **Morgan Stanley**; whether there are other advisors could not be learned.

(continued on page 2)

AMEREN LOOKS TO SELL GENERATION ASSETS

Ameren has put its roughly 5 GW unregulated generation portfolio up for sale. Subsidiary **Ameren Energy Resources Generating Co.** consists of 10 facilities, including five baseload coal-fired plants and five combustion turbine generators in Illinois and Missouri. **JPMorgan** is running the auction.

The portfolio could carry up to a \$2.5 billion price tag, one banker estimates. The natural gas plants alone could be worth as much as \$754 million if Ameren looks for a price similar to what it got on the recent sale of a stake in its 144 MW gas-fired Columbia Energy Center stake. **Columbia Water & Light** paid \$500 per kW, or \$17.99 million, for a quarter stake in the Columbia, Mo., facility (PFR, 4/5).

(continued on page 8)



Google This!

LENDERS LEERY OF NEXTERA PROJECT

Bankers are wary of financing a **NextEra Energy Resources** wind project backed by a PPA with Google, citing the inexperience of the offtaker and the corporate risk that sets the contract apart from utility PPAs. "A 20-year contract with a company that's only a few years old; it's hard to argue for that... Technology changes so fast," a banker says, adding that utilities provide a vital service, while Google does not.

Despite Google's investment-grade ratings and its relatively low debt, some lenders who witnessed the demise of allegedly stalwart companies such as **Lehman Brothers** and **AIG** in the financial crisis are now doubtful of any company's resilience. Google has a total

(continued on page 8)



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At Press Time

LIPA Seeks 1 GW Of Generation

The Long Island Power Authority is looking to buy up to 1 GW of power, including the development of a 100 MW-plus generating facility. LIPA is also seeking an off-island facility of at least 100 MW with a dedicated transmission cable and either a new or existing off-island project that would generate at least 250 MW.

All generation resources, including renewables, are permitted under a request for proposals issued Aug. 20. Winners of the RFP will land 20-year offtake agreements with the utility. The submission deadline is Jan. 12. LIPA intends to announce preliminary winners between fall 2011 and winter 2012. Winners would then be required to negotiate PPAs with LIPA and conduct environmental reviews. LIPA officials believe new generation is needed between 2016 and 2020 to satisfy Long Island's growing population and an improving economy.

Conectiv Energy and Horizon Wind Energy were among the companies interested in LIPA's 2007 RFP. Spokespeople at Calpine, which bought Conectiv (PFR, 5/17) and Horizon didn't return messages seeking comment about the new RFP by press time. A utility spokeswoman in Uniondale, N.Y., declined to identify potential bidders or the type of applicants LIPA expects to participate. Michael Standridge, LIPA director of procurement administration, couldn't be reached for comment. Why LIPA is looking to repower generation couldn't be learned.

Brookfield Energy Marketing and PPL Energy Plus won 10-year contracts through the 2007 RFP. Brookfield provides 300 GWh annually of hydro generation and PPL provides 25 GWh of landfill gas-fired generation. Details such as the location and sizes of Brookfield and PPL's projects could not be learned.

EXELON, ENTERGY

(continued from page 1)

Due to the size of a potential union between Chicago-based Exelon and New Orleans-based Entergy, the deal would likely be a stock swap. Exelon has a market cap of about \$26.49 billion and Entergy of \$14.48 billion, at market close Thursday. It's not clear whether a stock-for-stock offer has been put on the table yet, bankers say.

Entergy is the parent company of six utility subsidiaries that serve 2.7 million customers in Arkansas, Louisiana, Mississippi and Texas. It owns and operates about 30 GW.

Exelon has two utility subsidiaries, ComEd and PECO, in addition to Exelon Generation, which holds 33 GW, and Exelon Transmission Company.

Calls to John Lange, head of the power group at Barclays; Jim Metcalfe, managing director and global head of power & utilities at UBS; and Kyle Crowley, v.p. and chief development officer at Exelon were not returned. Officials at RBS and JPMorgan did not return calls. Loop officials declined to comment through a spokesman. An Exelon spokesman says the company doesn't comment on "rumors about specific M&A activity."

Leo Denault, executive v.p. and cfo at Entergy, did not respond to an email and a spokesman says the company doesn't comment on market rumors. Calls to Goldman and Morgan Stanley officials were not returned. —Holly Fletcher

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**Institutional
Investor NEWS**
INTELLIGENCE FIRST

Project Finance

Pristine Wraps Peaker Deal... Minus CA

Pristine Power has wrapped a \$333 million debt package backing its York Energy Centre in King, Ontario—minus **Crédit Agricole**, a planned lead arranger, which dropped out. “It’s the largest debt financing we’ve done to date and when the plant becomes operational in 2012, it will add a significant amount of cash flow to the company and put us in a good position,” says **Geoff Krause**, cfo in Calgary. The deal wrapped Wednesday.

Crédit Agricole dropped out of the deal after its credit committee nixed participation. Krause confirmed the bank’s exit, declining to comment further. A **Crédit Agricole** official declined to discuss the matter.

Leads **ING**, **Royal Bank of Canada** and **Union Bank** had \$55 million commitments in the package that includes a \$270.2 million non-recourse term loan, a \$60 million letter of credit and a \$3 million working capital facility. **Siemens Financial Services** also took a \$55 million ticket, while **Scotia Capital** and **National Bank of Canada** pledged \$45 million apiece. **Canadian Western Bank** snagged a \$30 million ticket. With the deal oversubscribed, **Pristine** will slice all commitments by the same percentage, Krause says. He declined to specify the size of the final allocations or pricing on the deal. The tenor on the loan is five years plus construction.

Bank debt represents 80% of the project’s costs, with **Pristine** and **Harbert Power** of Birmingham, Ala., funding the rest with equity (PFR, 7/27). **Pat Molony**, Harbert executive v.p. in Birmingham, Ala., didn’t return a call. Officials at **ING** and **Union Bank** official declined comment. Spokesmen at **Canadian Western** and **RBC** couldn’t be reached for comment by press time.

Five More Sign On For Northland

BayernLB, **Canadian Western Bank**, **Helaba**, **Société Générale** and **Sumitomo Mitsui** have joined the financing for **Northland Power’s** 265 MW project in Saskatchewan. The North Battleford deal has a tenor of construction plus seven years, combining a \$542 million construction/term loan and a \$38 million letter of credit (PFR, 8/16).

The deal is oversubscribed, with 12 banks making commitments totaling \$690 million and another one or two European banks expected to join the syndication by this week, says **Tony Anderson**, cfo in Toronto. He declined to identify the banks interested in joining the deal.

Anderson and leads **BMO Capital Markets**, **CIBC** and **Union Bank** have yet to decide how they will cut commitment sizes. “You don’t want to disappoint people,” says Anderson, who

is using the North Battleford deal to launch relationships for Northland’s \$1 billion pipeline of renewables projects in Ontario (PFR, 8/6). **SocGen** and **Sumitomo** have made \$45 million commitments. **Bayern**, **Canadian Western** and **Helaba** are taking \$30 million pieces.

Pricing starts at 250 basis points over **LIBOR**. **Allied Irish Bank**, **National Bank of Canada**, **Scotia Capital** and **Siemens Financial Services** previously took North Battleford tickets. **Siemens** made a \$75 million commitment, while **AIB**, **NBC** and **Scotia** took \$45 million tickets. The leads have commitments up to \$100 million. **BNP Paribas**, which had been approached about taking a ticket, declined to join the syndication.

Officials at **SocGen**, **Sumitomo** and **Union Bank** declined comment. Bankers at **Bayern**, **BMO**, **BNP**, **CIBC** and **Helaba** didn’t return calls. A **Canadian Western** spokesman didn’t make an official available by press time.

ArcLight, SGR Wrap \$365M Loan

SGR Holdings and **ArcLight Capital Partners** have wrapped a \$365 million loan backing their Southern Pines Gas Storage facility, a deal watcher says.

SunTrust Robinson Humphrey and **ING** led the deal, which will refinance existing debt and also provide funds for a fourth 10 billion cubic feet cavern at the 30 bcf gas storage facility in Greene County, Miss. Pricing is slated at roughly 300 bps over **LIBOR**. The identity of participating lenders, structure and tenor could not be learned.

Lenders initially griped at the facility’s upfront fees—50 basis points to existing lenders and about 100 bps to new lenders, which is under the typical yield of 2% in upfront fees for new lenders (PFR, 7/9). “Every deal is going to have somebody saying ‘We don’t care for this, we don’t care for that.’ But it got done,” says the deal watcher, declining to offer specifics. The final upfront fees for the deal could not be learned.

Tony Clark, president of **SGR Holdings** subsidiary **SG Resources Mississippi** in Houston, and **Dan Revers**, managing director of **ArcLight** in Boston, did not return calls seeking comment. An **ING** official declined comment and a **SunTrust** banker didn’t return a call by press time.

SunTrust led a roughly \$100 million financing backing the third phase of Southern Pines in 2008 (PFR, 9/5/08). **Helaba** participated in that deal. A **Helaba** official didn’t return a call and whether that lender participated in the latest deal could not be learned.

Southern Pines has direct interconnections to the Southeast Supply Header, the **Florida Gas Transmission Company**, the **Transcontinental Gas Pipe Line Corp.** and the **Destin Pipeline Company**.

Cavallo Targets Mid-2011 Financing

Cavallo Energy is targeting next April to begin financing its \$525 million Cross Hudson Transmission line. The sponsor will begin speaking to potential lenders in January about funding at least 70% of the costs with debt, says **Phillip Gennarelli**, president in Houston.

The company has extended a deadline to submit bids to take up capacity on the line to November from this month, Gennarelli says, citing the summer's typical lack of activity in the market. More than a half-dozen potential shippers have bid on capacity from the 700 MW line. Financial adviser **Credit Suisse** will vet bids to take up capacity on the line before launching any financing. Gennarelli declined to identify potential bidders and **John Cogan**, a managing director in Credit Suisse's investment banking department, didn't return a call seeking comment.

Gennarelli points to a new **Long Island Power Authority** request for proposals (see story, page 2) as evidence of a robust power appetite in the New York-area market that will translate into demand for the transmission line's capacity. Cross Hudson is an eight-mile, 345 kV line from a **PJM** interconnection in Ridgefield, N.J., to a **Consolidated Edison** substation in midtown Manhattan (PFR, 5/12). It is slated for operation in 2013.

Mergers & Acquisitions

Deere Goes Back To Bidders

Deere & Co. has gone back to the two companies in the home stretch of the auction of its wind business to negotiate final bids after offers came in below its roughly \$925 million expectation. **Exelon** and **NextEra Energy Resources** are both said to have submitted higher offers in an effort to get closer to Deere's sweet spot, deal watchers say. A decision regarding **John Deere Renewables** is expected within two weeks, says a banker, although he notes "that's been said before."

The companies could offer more money upfront for the portfolio that includes 735 MW of operational farms and a development portfolio, although observers say it's unlikely there will be a flat increase in the bids. An earn-out is also an option, bankers say. Officials at **Barclays Capital** and **Marathon Capital**, who are working with Exelon and NextEra respectively, declined comment. **Goldman Sachs** is running the auction.

Despite going back to bidders, Deere could still decide to put a stop to the process that's been in the works for six months if an offer doesn't appease them, a banker says, noting that Deere doesn't need to sell if the amount isn't right.

One deal watcher says that it was the small size of the farms and their wide spread among eight states that brought bid prices

down the most—not problems associated with the **Suzlon** turbines. The operational farms in Idaho, Illinois, Kansas, Michigan, Minnesota, Missouri, Oregon and Texas tend to be below 40 MW and would require additional overhead for a new owner to manage them all together, the banker notes.

Spokesmen at Deere in Moline, Ill., and NextEra in Juno Beach, Fla., did not respond to inquiries. An Exelon spokesman in Chicago declined comment. A Goldman official declined comment.

Goldman Reviews Calypso Bids

Goldman Sachs is reviewing first round bids for its 20% stake in **Calypso Energy Holdings**, a 2,331 MW portfolio of 14 domestic plants, says a Goldman spokesman in New York. He declined to specify the number of bidders, the price of the stake and the timeline for the sale. The identity of the bidders could not be learned.

Energy Investors Funds, which bought an 80% interest in the portfolio from Goldman in 2007, is a likely bidder, a banker says. An EIF spokesman in Los Angeles declined to comment on the potential purchase.

Goldman formed the Calypso portfolio with 14 plants from its **Cogentrix** company in 2007. The bank is also looking to refinance two coal-fired plants owned by Cogentrix (PFR, 8/23).

BlackRock Sub, Group Touts Conn. Plant

A consortium that includes BlackRock subsidiary **BlackRock Real Asset Equity Trust**, has put operating company **Milford Power Co.** and its combined-cycle oil- and gas-fired facility on the block. Teasers for the 559 MW merchant facility in Milford, Conn., went out Aug. 20, say bankers. **JPMorgan** is running the auction.

Milford's other owners include affiliates of **Deutsche Bank**, **Merrill Lynch Credit Products**, **Stark Investments**, **Taconic Capital Advisors**, and **TIAA-CREF Life Insurance Co.** A banker notes that combined-cycled plants are typically going for \$450-500 per kWh, bringing the potential price tag of Milford to \$252-279 million.

Merrill Lynch Credit Products increased its stake this summer in a reorganization of the ownership structure (PFR, 6/8). The current owners bought the plant from a lender group that included **KBC Bank** in 2004 (PFR, 11/12/04). The original developer was **El Paso**.

Carsten Woehrn, executive director at JPMorgan, is leading the transaction, bankers say. Woehrn did not return a call. Officials at the plant's owners declined comment.

People & Firms

Carlyle Scoops Morgan Stanley MD

David Albert, managing director of project and structured finance at Morgan Stanley, has joined **The Carlyle Group**. Albert left earlier this month. Albert will work on mezzanine investments, a Carlyle official says, declining to elaborate.

Hamish Bunn, v.p., is covering Albert's responsibilities at Morgan Stanley. An official at MS confirmed Bunn has picked up the job responsibilities but could not say whether he carries managing director title.

Rahul Culas, executive director of structured finance at

Morgan Stanley also joined Carlyle ([PFR, 8/20](#)). The duo are following colleague **Mitch Petrick**, who was named managing director and global head of credit alternatives and capital markets at Carlyle, earlier this year, says a banker.

In other departures, **Jovan Vojvodic**, managing director in Morgan Stanley's power and utilities investment group, has joined boutique investment bank **Madison Williams & Co.**'s Houston office as head of its oilfield services team.

Replacement details could not be learned.

Calls to Bunn were not returned. A call to Vojvodic at his new office was not returned. Albert could not be reached.

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@iineews.com. The full Deal Book is available at http://www.iipower.com/stub/1000/PF_Deal_Book.html.*

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	Deal wraps (see story, page 3).
Brookfield Renewable Power	Comber (166 MW)	Essex County, Ontario	Scotia	TBA	TBA	TBA	Sponsor circles September closing (PFR, 8/23).
Cavallo Energy	Cross Hudson Transmission	Ridgefield, N.J.-to-New York	TBA	TBA	\$400-\$450 million	TBA	Mid-2011 financing eyed (see story, page 4).
enXco	Lakefield (201 MW Wind)	Minnesota	Dexia, SocGen, Banco Santander, CoBank	TBA	TBA	TBA	Sponsor seeks \$400 million in debt (PFR, 8/16).
Eolia	La Ventosa (164 MW)	Mexico	TBA	TBA	TBA	TBA	Sponsor seeks financing in the next year (PFR, 8/16).
Eurus Energy, NRG Energy	Various (45 MW Solar)	TBA	TBA	TBA	TBA	TBA	Sponsors hunt PV financing (PFR, 8/20/10).
Exergy Development Group	Various (183 MW Wind)	Idaho	TBA	TBA	\$350M	TBA	GE, Exergy scope lenders (PFR, 8/23).
First Solar	Desert Sunlight (550 MW Solar PV)	Desert Center, Calif.	TBA	TBA	TBA	TBA	Sponsor hopes to begin construction in 2011 (PFR, 8/16).
First Wind	Milford II (100 MW Wind)	Milford, Utah	TBA	TBA	\$220M	TBA	October closing eyed (PFR, 8/23).
Longview Power	Maidsville (695 MW Coal)	Maidsville, W.Va	Goldman, WestLB	TBA	\$1.1B	7-yr	Amendment proposal fails (PFR, 8/16).
Northland Power	Mont Louis (100 MW Wind)	Mont Louis, Quebec	Manulife	TBA	\$102M	20-yr plus construction	Sponsor expects to close financing in September (PFR, 8/16).
	Saskatchewan (265 MW Combined Cycle)	North Battleford, Saskatchewan	CIBC, BMO, Union Bank	Mini-Perm	\$580M	TBA	Five more banks take tickets (see story, page 3).
	Various (226 Renewables)	Ontario	TBA	TBA	TBA	TBA	Sponsor seeks up to \$1B in financing for projects (PFR, 8/9).
Preneal	Vientos del Istmo (395.9 MW Wind)	Mexico	TBD	TBD	TBD	TBD	Sponsor seeks financing in the next year (PFR, 8/16).
Pristine Power	York Energy Centre (393 MW Gas)	King, Ontario	ING, Union Bank, RBC	Mini-Perm	\$330M	5-yr plus construction	Deal wraps without Crédit Agricole (see story, page 3).
Pure Energy	Bayonne Energy Center (512 MW Gas)	Bayonne, N.J.	Crédit Agricole, WestLB	Mini-Perm	\$370M	TBA	Leads finalize commitments (PFR, 8/9).
Ram Power	Iris (50 MW Geothermal)	Imperial Valley, Calif.	TBA	TBA	\$170-180M	TBA	Sponsor hopes to ink financing by mid-2011 (PFR, 8/23).
	Orita I (49.9 MW Geothermal)	Imperial Valley, Calif.	TBA	TBA	\$170-180M	TBA	Sponsor aims to close financing by year-end (PFR, 8/16).
Rollcast Energy	Piedmont Green Power (50MW Biomass)	Barnesville, Ga.	Mitsubishi Financial UFJ Group	\$100M	TBA	TBA	Deal to launch in September (PFR, 8/23).
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).

Corporate Strategies

SDG&E Grabs +20-year Low Coupon

San Diego Gas & Electric has scored its lowest rates on 30-year bonds in several decades, says **Lee Schavrien**, senior v.p. of finance, regulatory and legislative affairs in San Diego. The **Sempra Energy** subsidiary priced \$500 million in bonds at 4.5%. The issue closed on Monday.

With coupons so low, the company considered issuing more debt. "But even though it's at a cheap rate, why incur debt if we don't need it?" Schavrien says. The proceeds of the latest issuance will go toward modernizing infrastructure, including replacing wood poles for steel ones. Proceeds will also help fund its \$2 billion Sunrise Powerlink transmission line and its \$500 million smart meter installation.

Investment-grade utilities have snagged especially low coupons in recent weeks as investors flock to safe bets—especially those with household names, explains **Diane Vazza**, head of global fixed-income research at **Standard & Poor's** in New York.

S&P rates the latest issue A+.

SDG&E tapped relationship banks **Bank of America**, **BNP Paribas Securities**, **Crédit Agricole Securities** and **Morgan Stanley** as joint bookrunning managers. **Aladdin Capital** in Stamford, Conn., **Blaylock Robert Van** in New York and **Cabrera Capital Markets** in Chicago were co-managers on the issuance.

Spokespeople at BofA, Blaylock and Crédit Agricole didn't make officials available for comment by press time. Officials at Aladdin, Cabrera and Morgan Stanley officials didn't return calls and a BNP official declined comment.

Xcel Sub Snags Low Rates For Bonds

Xcel subsidiary **Northern States Power Co.-Minnesota** has snagged low rates for a recent bond issue. The company priced a \$250 million tranche maturing in August 2040 at 4.85%. Coupons for 20- and 30-year utility bonds have averaged about 5.65% in 2010, according to an analyst at **Standard & Poor's**. The company closed the \$500 million issue Aug. 4. The other \$250 million tranche matures in 2015.

"There's a pretty high demand for fixed-income, specifically high-quality fixed income," a deal watcher says, noting that investors flock to more conservative, investment-grade fair during an uncertain market. "It helps that the company is highly rated in an industry that's considered very defensive," says **Glen Grabelsky**, an analyst with **Fitch Ratings**. Fitch rates the issuances A+.

Proceeds from the issue will go toward repaying short-term debt that the company borrowed to refund \$175 million in

bonds which matured on Aug. 1 says **Paul Johnson**, Xcel managing director of investor relations in Minneapolis. The remaining proceeds will also fund Northern States capital expenditure program, which includes investments in 351 MW of wind farms in Minnesota and North Dakota it is developing with **enXco**.

The Minnesota **Public Utilities Commission** approved Xcel's investment in the 201 MW Nobles Wind Project in southwestern Minnesota and the 150 MW Merricourt Wind Project in North Dakota's McIntosh and Dickey counties last year. The company assumed ownership of Nobles in March. Nobles is slated for operation by year-end and Merricourt will be operational late next year.

BNY Mellon Capital Markets, **Citigroup Global Markets** and **RBS Securities** served as underwriters on the deal. A BNY official in Pittsburgh declined comment. An RBS official in Stamford, Conn., and a spokeswoman at Citi in New York couldn't be reached by press time. Details, such as the size of the company's capital expenditure program, and its arrangement with **enXco** could not be learned.

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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

- The **California Energy Commission** has approved a license for **NextEra Energy Resources'** 250 MW Beacon Solar Energy Project in Kern County. The commission is scheduled to consider other large solar farms next month (*The New York Times*, 8/26).
- **Apex Wind Energy** of Virginia has filed the first federal application to build a wind farm off the coast of North Carolina. The filing comes a week after **Duke Energy Carolinas** canceled a planned demonstration wind project in Pamlico Sound, N.C. (*The Daily Tar Heel*, 8/26).

- **First Solar** expects the Chinese government to set power prices high enough to proceed with its 2 GW project in Inner Mongolia. The first phase was supposed to have started construction on June 9 (*Bloomberg*, 8/25).
- An unnamed Fortune 50 company, which is considering developing a multibillion-dollar data center in Columbia, Mo., has signaled interest in building an accompanying 100 MW biomass plant. Missouri Senator **Kit Bond** is championing biomass generation, saying the state's timber and grasses make it a prime location for the fuel (*The Columbia Daily Tribune*, 8/24).

Generation Sales Database

*Following is a listing of ongoing generation asset sales from PFR's Generation Sales Database. The entries below are of new sales and auctions or of sales and auctions that have changed in their parameters or status. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report new sales and auctions or changes in the status of a sale or auction, please call Senior Reporter **Holly Fletcher** at 212.224.3293 or e-mail hffletcher@iineews.com. The full database is available at <http://www.iipower.com/GenerationSalePage.aspx>*

Seller	Assets	Location	Advisor	Status/Comments
Ameren	Coffeen Power Station (950 MW Coal) Electric Energy (800 MW Coal) Hutsonville Power Station (156 MW Coal) Meredosia Power Station (513 MW Coal) Newton Power Plant (1.15 GW Coal) Columbia Energy Center (140 MW Gas) Elgin Energy Center (460 MW Gas) Gibson City Power Plant (228 MW Gas) Grand Tower Power Plant (511 MW Gas) Joppa (165 MW Gas)	Coffeen, Ill. Joppa, Ill. Hutsonville, Ill. Meredosia, Ill. Newton, Ill. Columbia, Mo. Elgin, Ill. Gibson City, Ill. Grand Tower, Ill. Joppa, Ill.	JPMorgan	Ameren is selling unregulated generation facilities (see story, page 1).
BlackRock Subsidiary and investor group	Milford Power (559 MW CCGT)	Milford, Conn.	JPMorgan	Teasers went out Aug. 20 (see story, 4).
Brick Power	Tiverton (265 MW Natural Gas) Rumford (265 MW Natural Gas)	Tiverton, R.I. Rumford, Me.	Deutsche Bank	First Reserve, Capital Power, Centrica, Energy Capital Partners and Constellation Energy submit bids (PFR, 8/16).
Centaurus Energy	Tres Palacios (27 bcf gas storage)	Texas	Barclays Capital	The facility was developed with \$550 million in equity (PFR, 8/23).
Covanta Holding	Quezon (440 MW Coal-fired) Samalpatti (106 MW Heavy fuel oil-fired) Madurai (105 MW Heavy fuel oil-fired) Haipru (120 MW Natural gas-fired)	Philippines India India Bangladesh	Citigroup	Covanta is looking to exit its facilities in Bangladesh, India and the Philippines (PFR, 8/2).
Deere & Co.	John Deere Renewables (735 MW Wind)	Various in U.S.	Goldman Sachs	Deere & Co. has gone back to Exelon and NextEra Energy Resources after bids came in lower than expected (see story, page 4).
Goldman Sachs	20% stake in Calypso (IPP)	Various in U.S.	Goldman Sachs	Wants to exit the 2.3 GW portfolio that consists of coal, gas, hydro and solar facilities (PFR, 8/2).
Stark Investments	Wolf's Hollow (730 MW Gas)	Hood County, Texas	JPMorgan	The hedge fund looks to exit non-core assets (PFR, 8/16).
Tenaska	Selling a portion of stakes 35% of 70% Alabama II (885 MW Gas) 35% of 70% Virginia (885 MW Gas) 35% of 20% Kiowa (1.222 GW Gas) 22% of 32% Gateway (845 MW Gas) 35% of 70% Georgia (944 MW Peaker)	Various Billingsley, Ala. Scottsville, Va. Kiowa, Okla. Mt. Enterprise, Texas Frankling, Ga.	Citigroup	Tenaska wants to wrap the sale of a portion of its stakes in the portfolio by Dec. 1 (PFR, 8/9).
U.S. Power Generating Co.	Boston Generating Mystic 8 (801 MW Gas fired) Mystic 9 (801 MW Gas fired) Fore River (801 MW Gas fired) Mystic 7 (560 MW Gas fired) Astoria Generating (1.28 GW Natural Gas) Gowanus (542 MW Fuel, oil and gas-fired) Narrows (276 MW Fuel oil and gas-fired)	Greater Boston area New York City New York City New York City	JPMorgan Goldman Sachs	Constellation Energy is the stalking horse, \$1.1B bid to beat in a bankruptcy process (PFR, 8/16). The portfolio in Queens and Brooklyn, N.Y., is on the market in addition to two development projects (PFR, 8/2).

AMEREN LOOKS TO

(continued from page 1)

Prices for the coal plants are harder to call because few have changed hands recently, financiers say. Whether the plants have been upgraded will affect how much buyers are willing to offer for them, says an M&A banker. Some coal plants have been eyed as potential candidates to be retrofitted into biomass facilities but the Ameren facilities are too large for that. The 950 MW Coffeen coal-fired facility, which is included in the portfolio, has recently been retrofitted with a scrubber.

Buyers are likely to be strategics that already have interests in the regions and are likely to have existing exposure to coal, one banker says. Both the coal and natural gas plants come with their own set of advantages and disadvantages, bankers note. The coal plants are valuable now but their worth could plummet in the future if the federal government puts a price on carbon, says another deal watcher.

When bids are due or whether the portfolio will be sold as a whole or piecemeal could not be learned. An Ameren

spokeswoman in St. Louis, Mo., declined to comment. A call to a JPMorgan official and spokeswoman were not returned. The identity of the banker running the process at JPMorgan could not be learned.

Ameren has been reviewing its options regarding its unregulated assets for roughly a year and retained **Goldman Sachs** last year to run a sale. Why the process stopped could not be determined. **Columbia Water & Light**, the city-owned utility in Missouri, turned down an option to purchase another 25% block of the Columbia facility. A Goldman official did not return a call.

Ameren Energy has full ownership of all the facilities except Columbia and the 800 MW Electric Energy facility in Joppa, Ill., in which **Kentucky Utilities Co.** owns 20%.

Recent high profile acquisitions likely persuaded the St. Louis-based parent that now is the time to head back to the auction block, says a banker and lawyer. Sellers are seeing purchase prices stabilize and realize that plants aren't likely to see major shifts in value in the next six to nine months (PFR, 7/30). —H.F.

LENDERS LEERY

(continued from page 1)

capitalization of \$26 billion and only \$3 billion in debt in the form of a revolving credit facility. **Standard & Poor's** assigns Google a long-term issuer rating of AA-, while **Moody's Investors Service** assigns an Aa2.

That said, given the desire by bankers to do deals, most think financing for the project will get done. Credit committees will likely want concrete assurance that the PPA is at market price so that another offtaker would be willing to pick up the contract at the same price in case of a default. They will also want additional debt service reserves and a loan tenor in the five to 10-year range instead of a tenor that would resemble the life of the PPA.

Google has a 20-year PPA for 114 MW of power from the 150 MW Story County II wind farm in the northeast corner of Story County, Iowa. The project is included in NextEra's 249 MW Wild Prairie portfolio along with the 99 MW Day County wind farm near Groton, S.D. The Juno, Fla.-based sponsor is working on a term sheet with several lenders, a banker says, including **Bank of Tokyo-Mitsubishi UFJ**, **Helaba**, **Lloyds TSB**, **NordLB** and **UniCredit**. The sponsor aims to wrap financing by the end of the quarter.

The cost of developing wind is \$1.5-2 million per MW bringing the price tag of the portfolio to \$375-500 million. The sponsor is a subsidiary of **NextEra Energy**, formerly known as **FPL Group**. Officials at BoTM, Lloyds and Unicredit, did not return calls and officials at Helaba and NordLB declined to comment. **Mike O'Sullivan**, senior v.p. of development, was not available for comment and a NextEra spokesman did not return a

call. Details, such as the amount of debt sought on the projects, tenor and pricing could not be learned.

The city of Ames, Iowa is the offtaker for the remaining generation from Story County II. The **Western Area Power Administration** is the offtaker for the first three years of the Day County project's operation and then **Basin Electric Cooperative** will be the long-term offtaker.

NextEra typically finances construction on balance sheet and then leverages the facilities to free up more capital for development (PFR, 6/21). The Day County project has been in operation since April and Google's contract to buy generation from the Story County project began last month. The operation date of Story County II could not be learned. —Sara Rosner

Quote Of The Week

"It's the largest debt financing we've done to date and when the plant becomes operational in 2012, it will add a significant amount of cash flow to the company and put us in a good position." —**Geoff Krause**, cfo of **Pristine Power** in Calgary, on the company's wrapping a \$333 million debt package backing its York Energy Centre in King, Ontario (see story, page 3).

One Year Ago In Power Finance & Risk

Alpine Energy talked to bankers about forming a club to finance two waste-fired projects in the U.S. Virgin Islands. [Englewood, Colo.-based Alpine moved ahead with one of the projects, a 16 MW plant on St. Croix. **BNP Paribas** had been leading a roughly \$200 million financing (PFR, 3/26).]