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## WAPA Dispersing Money For Infrastructure Projects

The **Western Area Power Administration** is in discussions with transmission and renewable developers as it looks to give loans to new projects.

*See story, page 2*

## NaturEner USA Files To Maintain Transmission

NaturEner USA asks the U.S. **Federal Energy Regulatory Commission** to ensure access to the **Montana Alberta Tie Ltd.** transmission line.

*See story, page 2*

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## OFFTAKERS LOOK TO CAPTURE CARBON IN PPAS

Utilities are beginning to ask for long-term power purchase agreements stipulating that they get the extra carbon credits from fossil fuel generators that don't use them all to sell in the event that a national carbon market is established.

The request is a recent switch from a couple of years ago when generators began passing through the cost of carbon emissions to utilities via PPAs, project financiers and lawyers say. Utilities were willing to accept those costs, but now that they have the upper hand, they are asking for more.

*(continued on page 12)*

## BORROWERS FACE REVOLVER REFINANCING TSUNAMI

Utilities, generation and midstream companies are looking to refinance more than \$50 billion dollars of revolving credit facilities coming due in the next three years, facing steeper pricing, shorter tenors and less market capacity. "These companies got into these very cheap credit agreements years ago and now they're looking at half the commitment for twice the price," says **Sharon Bonelli**, managing director of utilities, power



*(continued on page 11)*

## ALPINE ENERGY SEEKS CARIBBEAN CLUB

**Alpine Energy Group** is in discussions with banks to form a club of five to seven banks to finance the construction of two waste-to-energy projects in the U.S. Virgin Islands.

The Englewood, Colo.-based company estimates that \$440 million will be needed to finance construction of a 33 MW plant on St. Thomas and a 16 MW plant on St. Croix and is looking to borrow \$350 million. **Energy Investors Funds** is providing the equity.

**James Beach**, ceo, says the deal will have wide appeal to lenders. "It won't be that far out of the box for commercial banks to take an interest in these projects and put a team

*(continued on page 12)*

## CANADIAN DEVELOPER TO SELL SHARES PRIVATELY

**Trillium Wind Power** is readying a private placement of common stock to seed initial work on its planned C\$8 billion (\$7.4 billion) offshore wind development plans.

**Royal Bank of Canada** is leading the placement and is targeting long-term return investors such as pension funds and insurance companies, says **John Kourtoff**, president and ceo in Toronto. A timeline for raising the capital has yet to be determined, he says, declining to identify specific investors. **Rob Nicholson**, director of global energy at RBC in Toronto,

*(continued on page 11)*

Check [www.iipower.com](http://www.iipower.com) during the week for breaking news and updates.

## At Press Time

## WAPA Scouts Transmission Partnerships

The **Western Area Power Administration** is talking with transmission and renewable developers for partnerships as it aims to disperse \$3.25 billion in loans to transmission and power infrastructure projects. The transmission funds are specifically allocated to WAPA through the American Recovery and Reinvestment Act. Proceeds from the projects will be used to repay the loans, which will be made by the U.S. **Department of Treasury** through WAPA.

The administration is part of the U.S. **Department of Energy** and markets and delivers power from 57 plants with a 10,395 MW combined capacity to 15 states in the Western U.S. WAPA is working with developer **Flying Foresight M** to interconnect its proposed 200-500 MW wind farm in Flagstaff, Ariz. The particulars of that project and WAPA's history of partnerships could not be immediately learned.

The administration received more than 200 responses for a request for expressions of interest for the funds this spring, says a spokesman in Denver. It is nearing its first partnership with **Tonbridge Power** for its proposed Montana Alberta Tie Line. The administration is set to take a one-twelfth stake and 50 MWs of northbound capacity in the 214-mile project, according to documents filed with the U.S. **Federal Energy Regulatory Commission**. **Bob Williams**, v.p. of regulatory at MATL in Calgary, Canada, did not return a call and **Robert McFarlane**, managing director at Tonbridge in Toronto, declined to comment.

## NaturEner Files With FERC On Grid Concerns

**NaturEner USA** filed a complaint with the U.S. **Federal Energy Regulatory Commission** Tuesday asking the commission to ensure it would be linked into the **Montana Alberta Tie Ltd.**'s transmission line in the event that the project could not get financing and ownership changed hands.

In the filing NaturEner states "MATL's proforma financial statements and debt service coverage calculations contained in its application are not sufficiently complete or supported to permit an evaluation of MATL's financial viability and its debt service coverage."

NaturEner is looking to borrow \$500-550 million for its 309 MW Rim Rock wind farm in Montana and the project is reliant on being connected to these transmission lines, which will run from Lethbridge County in Alberta to outside Great Falls, Mont. (PFR, 6/12).

The filing stems from the company's lack of understanding of how MATL would fund the line, says **Robert McFarlane**, managing director with **Tonbridge Power**, which owns MATL, in Toronto. The project is taking federal money, and certain financing details, per the U.S. government, are not allowed to be disclosed, McFarlane says, adding that it is in discussions with NaturEner to quell its concerns.

MATL will take some of the \$3.25 billion funding allocated to the **Western Area Power Administration** for distribution for transmission and power infrastructure projects through the American Recovery and Reinvestment Act (see story, above).

"This filing is an effort to understand the scope and risk to them of undertaking a WAPA financing," McFarlane told PFR.

NaturEner did not return calls for comment, and the company's lawyer declined comment.

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**Institutional Investor NEWS**  
INTELLIGENCE FIRST

## FirstEnergy Bond Lands First-In-A-Year Boost

FirstEnergy Solutions' \$1.5 billion bond was the first issue from a generation subsidiary of a utility holding company for a year and as such landed a large oversubscription. "The overall market has improved substantially," says **Anthony Ianno**, managing director at **Morgan Stanley** in New York, which was left lead. "There's been pent-up demand for high quality generation companies. There was significant demand for this transaction."

The last deal was in July 2008 and it was for **PPL Energy Supply**, subsidiary of Pennsylvania-based power generator **PPL Corporation**.

The deal was oversubscribed by \$6.5 billion, Ianno says. He declined to name the buyers, but said they were all "high quality, long-term investors." The notes were issued in three tranches: \$400 million five and a half year notes at 212.5 bps over Treasuries, \$600 million 12-year notes and \$500 million 30-year notes, each at 237.5 basis points over Treasuries.

The joint bookrunners were **Credit Suisse**, **Barclays Capital** and **Royal Bank of Scotland**. **Moody's Investors Service** rated the deal in line with the subsidiary's corporate credit rating Baa2. The resolution of some regulatory issues in Ohio and the parent company's low-cost nuclear assets were a couple of reasons for the stable outlook, says **Scott Solomon**, senior analyst in global infrastructure finance for **Moody's** in New York.

FES is the unregulated retail generation arm of Ohio-based utility FirstEnergy. It will use the notes to pay down an outstanding \$1 billion on its parent company's \$2.5 billion revolving credit facility and for general corporate purposes (PFR, 8/7).

## Calif. Munis Set To Buy enXco Wind Farm

The Southern California Public Power Authority is set to purchase enXco's \$139 million, 50 MW Linden wind farm in Klickitat County, Wash. enXco subsidiary **Northwest Wind Partners** filed with the U.S. **Federal Energy Regulatory Commission** to approve the sale Aug. 19.

SCPPA will make milestone payments based on the progress of construction and operation of the project starting in September, according to notes from a SCPPA board of directors meeting last month. The authority has the ability to finance the purchase by issuing short-term bond anticipation notes, ahead of a larger, long-term bond issue along with other long-term financing. **Dave Walden**, energy systems manager in Pasadena, Calif. was not immediately available for comment. SCPPA's other long-term financing options for the purchase and the timeline for payment for the purchase could not be immediately learned.

The farm, which utilizes 25 **REpower** turbines, includes a 150

MW second phase. The first phase of the project is set for operation by year-end. **Jim Peters**, director of project finance for enXco in Burlington, Vt., and a spokeswoman in Escondido, Calif., did not return calls.

## New York State To Seek Clean Energy Bids

The New York State Energy Research and Development Authority is planning to kick off a fourth solicitation for its Renewable Portfolio Standard in the coming weeks. The program is part of the initiative to derive 25% of the state's power from renewable sources by 2013. The winning applicants will compete for a pool of \$95 million in grants and selected proposals could qualify for federal grants under the American Recovery and Reinvestment Act of 2009. Developers will seek private financing for the remainder.

The grant money comes from a ratepayer surcharge paid to the **New York State Public Service Commission**, who in turn funds this program through NYSEDA.

Wind projects for the western part of the state near the Great Lakes are expected to form a large percentage of the proposals, says **Kevin Hale**, a senior project manager for NYSEDA, but the challenge is getting the energy to areas like New York City where it's needed.

Developers are not required to be in-state and if the power facilities are located outside state borders then operators need to ensure the contracted MW hours are delivered to New York.

The last solicitation garnered 21 contracts out of 34 proposals for a total of 880 MW. Projects included upgrades to existing hydroelectric facilities, nine wind projects and two biomass facilities, 19 of which will be in operation by the end of 2009.

## Corporate Strategies

### PSEG Offloads Debt With Exchange Offer

**Public Service Enterprise Group** is holding a \$495 million exchange offer to get rid of debt associated with international assets that subsidiary **PSEG Energy Holdings** has been selling off since 2004. The Newark, N.J.-based company has exchanged roughly \$333 million in notes since the offer's inception earlier this month and the offer will close on Sept. 4.

Each \$1,000, 8.5% note issued in 2001 and due in 2011 can be exchanged for \$825 in 5.32% notes due 2016, along with a cash payment of \$275. The company will fund the exchange of the notes, which yield a \$100 bonus to the bondholder, with cash on hand from the asset sales, says **Morton Plawner**, treasurer. The company is satisfied with the pricing and the results of the offering thus far, Plawner says, adding it chose a



## Corporate Strategies (cont'd)

seven-year tenor on the new notes to fit with the company's debt maturity schedule.

Barclays Capital and Citigroup are the agents on the deal, which includes the exchange and the new notes. PSEG chose Barclays because Lehman Brothers, which was acquired by Barclays last year, was the original issuer of the 2001 notes, Plawner explains. The former Lehman bankers, including James Penrose, managing director at Barclays are the most familiar with the investors of the issue. Citi was chosen because of its expertise and experience in the field, he says.

The international assets of PSEG Energy Holdings were comprised of generation, transmission and distribution facilities largely in South America, India and Poland. The company decided to sell because they did not generate the expected returns, Plawner says. The number of assets sold and the amount of proceeds generated from the sales could not be immediately learned.

## Sierra Pacific Reopens Bond Issue

Sierra Pacific Power Co. reopened an existing bond issue last week adding \$150 million to refinance short-term debt and cover transmission and distribution costs, says Bill Rogers, cfo of parent company NV Energy in Las Vegas.

Reno, Nev.- based Sierra decided against issuing a new note because \$150 million was such a small amount that investors would find the existing bonds more attractive, says Rogers. "It was a matter of when, not if, with refinancing – 3 weeks or a few months – so we decided to do this now," Rogers says. Barclays Capital and Bank of New York Mellon led the deal.

The new debt, bought by institutional investors, will be tacked onto the existing \$300 million line of 10 year notes issued in 2006. The bonds have a 6% coupon.

The bonds were rated Baa3 by Moody's Investors Service and BBB by Standard & Poor's.

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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 **Sierra Club** and the **National Audubon Society** have asked Arkansas state regulators to deny a permit for **Southwestern Electric Power's** proposed \$1.6 billion coal-fired plant in Hempstead County (*Houston Chronicle*, 8/26).
- **Entergy's** proposed spin-off of its non-utility nuclear business into **Enexus** has been moved to next year after the recent **New York Public Service Commission** ruling stated its apprehension regarding the new company's financial viability (*Zack's Equity Research*, 8/26).
- The federal government and the state of Illinois are suing **Edison International** unit **Midwest Generation** for alleged Clean Air Act Violations at six Illinois plants (*Dow Jones*, 8/27).
- The U.S. **Nuclear Regulatory Commission** has approved safety-related construction at the site of **Southern Co.'s** proposed 2.2 GW facility in Burke County, Ga. (*Forbes*, 8/26).
- **Xcel Energy** has named current cfo **Benjamin Fowke** as president and coo; **David Sparby**, former ceo of subsidiary **Northern State Power**, will replace Fowke (*Forbes*, 8/26).
- **Terra Firma**, a London-based private equity firm, bought a minority stake in **EverPower Wind Holdings** from **Good Energies** for about \$350 million (*Reuters*, 8/26).

### Europe

- The German environment ministry says merging the country's four grids into an entity in which the government has a significant stake would make an efficient, nationally standardized structure (*Wall Street Journal*, 8/27).
- Creditors of the 2 GW coal-fired Eggborough plant in Yorkshire in the U.K. have exercised an option to take control of the facility owned by **EDF**, which acquired the plant in its purchase of **British Energy** for GBP12.5 billion (\$20.3 billion) in January (*Financial Times*, 8/26).
- **GDF-Suez** was forced to report results one day early after unions leaked net profit amounts in their fight for pay raises; the group reported a 6.3% decline in net profits to EUR3.3 billion (\$4.7 billion) (*Financial Times*, 8/26).
- A tidal energy project between **Scottish Power** and **Diageo** will produce 10 MW off the coast of the island Islay in Scotland, enough power for 3,500 residents and eight distilleries on the island (*Bloomberg*, 8/26).

### Middle East

- Kuwait's **Ministry of Electricity and Water** announced that **General Electric Co.** will build a 2 GW power plant in Subbiya, a city in the north (*Bloomberg*, 8/26).
- Sweltering summer weather is forcing many Syrians to go without power for several hours a day as the country's power grid falls 1 GW short each day; shortages are expected until at least 2012 (*France24*, 8/25).

### Asia/Pacific

- The Australian federal government has granted environmental approval of the \$42 billion Gorgon liquefied natural gas project that is owned by **Chevron**, **ExxonMobil** and **Royal Dutch Shell** (*Financial Times*, 8/26).
- A new bill passed by the Australian upper house requires that 20% of the nation's electricity be produced by renewables by 2020, which will require at least \$10.5 billion dollars in investments (*Renewable Energy World*, 8/25).
- **Meridian Energy**, New Zealand's state-owned generator, purchased San Francisco-based solar company **Cleantech America** for \$5.4 million to get a foothold in the solar world (*CleanTechBrief*, 8/24).
- **China Resources Power Holdings** says its first-half net profit has more than doubled to \$291 million due to increased power prices and decreased coal costs (*Dow Jones*, 8/24).
- India is considering building a \$10 billion, 6 GW gas-fired plant and supporting transmission lines (*Reuters*, 8/24).

### Africa

- **Kenya Power and Lighting Co.** is planning to scale back the scheduled power cuts that have been in place since early August once the seasonal rains arrive at the end of September (*Bloomberg*, 8/26).
- The \$774 billion Desertec solar project in the Sahara is gaining support despite high risks associated with deploying relatively new technology into countries with weak rules of law (*Reuters*, 8/23).
- South African state-backed utility **Eskom** has been unable to raise funds for new generation, threatening the economic recovery of the country. Meanwhile, Eskom has also delayed \$895 million of planned spending on projects this year (*Bloomberg*, 8/24).

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## 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 Jeanine Prezioso at (212) 224-3226 or e-mail [jprezioso@iinews.com](mailto:jprezioso@iinews.com).

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
AES	Warrior Run	Cumberland, Md.	205	Coal	Goldman Sachs	Shopping PJM assets (PFR, 5/21).
	Red Oak	Sayreville, N.J.	832	Gas		
	Ironwood	South Lebanon Township, Pa.	720	Gas		
	Amman East	Jordan	370	Gas	Citi, HSBC	Quietly marketing Middle East portfolio along with a few one-off assets (PFR, 2/23).
	Barka	Muscat, Oman	456 (35%)	Gas		Bids submitted by around 10 parties for portfolio (PFR, 6/15).
	Ras Laffan	Qatar	756 (55%)	Gas		
	Lal Pir	Punjab, Pakistan	362 (55%)	Oil		
	Pak-Gen	Punjab, Pakistan	365 (55%)	Oil		
	Cartagena	Cartagena, Spain	1,200	Gas		
	Kilroot	near Carrickfergus, Northern Ireland	560	Coal and Oil		
	Various	U.S.	1,174	Wind	N/A	Looking for joint venture partner for wind business (PFR, 3/16).
	Hulunbeier	Inner Mongolia, China	50 (49%)	Wind		
	InnoVent	France	30 (40%)	Wind		
	Hargicourt	Hargicourt, France	12 (40%)	Wind		
	Hescamps	Hescamps, France	5 (40%)	Wind		
	Pléchâtel	Pléchâtel, France	4 (40%)	Wind		
	Various	Bulgaria, China, France and Scotland	410 development	Wind		
	Various	Latin America	TBA	Various	TBA	Tipped that assets are for sale (PFR, 5/18).
AIG Financial Products	Bruce Mansfield	Shippingport, Pa.	830 (80%)	Coal	Commonwealth Capital Advisors	Shopping interest in Unit 1 with sale likely to close before year-end (PFR, 12/1).
Allco Finance Group	Various	New Zealand	538	Wind	N/A	Prepped to sell by end of third quarter (PFR, 6/23).
Allied Waste Industries	Trinity Oaks	Trinity Oaks, Texas	3.2	Landfill	N/A	Fortistar to acquire with financing to be provided by Catepillar Financial Services (PFR, 11/24).
American Shoreline	N/A	Texas, Mexico	3,000 development	Wind	N/A	Spinnaker Energy planning to purchase (PFR, 2/9).
ArcLight Capital Partners	Hobbs Generating	near Hobbs, N.M.	600	Gas	Credit Suisse	Selling newly commercial asset (PFR, 10/3).
	Juniper Generating	near Bakersfield, Calif.	298	Gas	Barclays Capital	Indicative bids taken mid-Sept. for portfolio of nine assets (PFR, 10/3).
	Various	Maine	24	Hydro	N/A	Filed with FERC approval (PFR, 8/10).
Astoria Project Partners	Astoria	Astoria, N.Y.	575	Gas	Merrill Lynch	Buyers looking to sell undetermined amount of equity in plants (PFR, 7/20).
	Astoria II	Astoria, N.Y.	500 development	Gas		
Babcock & Brown	South Trent	Nolan and Taylor Counties, Texas	101	Wind	Marathon Capital	First round bids taken March 6 (PFR, 3/2).
	Majestic I	near Panhandle, Texas	80	Wind		Diamond Castle Holdings in running to purchase (PFR, 4/20).
	Majestic II	near Panhandle, Texas	unknown	Wind		Riverstone bought 4 GW of development assets.
	Butler Ridge	Wisconsin	54	Wind		
	Wessington Springs	South Dakota	50	Wind		
	Gulf Winds	Kenedy County, Texas	238	Wind		
BARD Engineering	BARD Offshore 1	off coast of northwest Germany	400 development	Wind	UniCredit HVB	Looking to sell offshore farm in development (PFR, 2/9).
British Petroleum	N/A	Port Talbot, Wales	870 development	Gas	N/A	Shopping 100% interest in development (PFR, 9/12).
Caithness Energy (DCE)	Shepherd's Flat	Gilliam and Morrow Counties, Ore.	909 development	Wind	Citigroup	Teasers dispatched (PFR, 10/20).
Centrica	Lynn and Inner Dowsing	off Lincolnshire coast, U.K.	194	Wind	N/A	Looking to sell once portfolio refinanced (PFR, 6/1).
Chermac Energy	Various	Texas, N.M., Okla., Kan.	675 development	Wind	NorthWinds Advisors	Looking for buyers (PFR, 5/4).
City of Victorville	Victorville 2	Southern California Logistics Airport, Calif.	570 development	Gas/Solar	Goldman Sachs	Teasers dispatched (PFR, 6/30). Close to finalizing bidders (PFR, 8/24).
Cobisa Corp.	Cobisa-Greenville	Dallas-Fort Worth, Texas	1,750	Gas	Pace Global Energy Services	Company facing financing troubles (PFR, 6/22).
Colmac Energy	N/A	near Mecca, Calif.	47	Biomass	Bodington & Co.	Sale iced due to financial markets (PFR, 1/19).
Conectiv Energy	Various	PJM Interconnection	3,700	Various	Credit Suisse	Status unclear.
Con Ed Development	Genor	Puerto Barrios, Guatemala	42 (49.5%)	Oil		Industry Funds Management did not acquire.
	Ada Cogeneration	Ada, Mich.	29 (48%)	Gas		Partner is Olympus Power.
Constellation Energy	West Valley	West Valley, Utah	200	Gas	N/A	Planning to sell to MidAmerican Energy Holdings Co. (PFR, 12/8) even though merger has been canceled.
Complete Energy Holdings	La Paloma	McKittrick, Calif.	1,022	Gas	JPMorgan	Has agreed to merge with GSC Acquisition Co. in \$1.3B deal (PFR, 5/16). Pending shareholder vote.
	Batesville	Batesville, Miss.	837	Gas		
Coram Energy	N/A	Tehachapi, Calif.	15 repowering	Wind	Marathon Capital	Seeking buyers for portfolio (PFR, 3/9).
	N/A	Tehachapi, Calif.	93	Wind		
	N/A	Knob Hill, Vancouver Island, B.C.	393	Wind		
	N/A	Banks Island, B.C.	525	Wind		
	N/A	Porcher Island, B.C.	198	Wind		
	N/A	McCauley Island, B.C.	233	Wind		

## Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
CP Power Investments (Starwood Energy)	Panoche Vaca-Dixon	Firebaugh, Calif. Vacaville, Calif.	49 49	Gas Gas	N/A	Looking for new offtakers or buyers for facilities (PFR, 7/28).
Investors II and Tyr Capital)						
DKRW Wind	Various	U.S.	6 GW development	Wind	Marathon Capital	Looking for strategic partner (PFR, 12/29).
DTE Energy	East China	East China, Mich.	320	Gas	N/A	Seller exploring options, including outright sale.
Dynergy	Sandy Creek	Riesel, Texas	900 (32%)	Coal	Goldman Sachs	LS Power talking to relationship banks to fund purchase (PFR, 8/17).
	Riverside	Lawrence County, Ky.	500	Gas		
	Bluegrass	Oldham County, Ky.	500	Gas		
	Rocky Road	Chicago	364	Gas		
	N/A	Tilton, Ill	176	Gas		
	Renaissane	Carson City, Mich.	680	Gas		
	Arlington Valley	Arlington, Ariz.	585	Gas		
	Griffith	Golden Valley, Ariz.	558	Gas		
	N/A	Bridgeport, Conn.	527	Gas		
EarthFirst Canada	Dokie Ridge	Chetwynd, B.C.	300 constuction	Wind	N/A	GE EFS and Plutonic Power are considering purchasing project (PFR, 6/15).
Electrabel	Langerlo	Langerlo, Belgium	556	Coal	N/A	E.ON agreed to acquire plants in asset swap deal (PFR, 12/22).
	Vilvoorde	Vilvoorde, Belgium	385	Gas		
Energy Future Holdings (Luminant)	Sandow 4	Milam Co., Texas	545 (50%)	Coal	Credit Suisse	Reportedly planning to sell stakes to Perennial Power Holdings (PFR, 2/18).
	Sandow 5		581 (50%)	Coal		
Energy Investors Funds	Crockett Cogeneration	Crockett, Calif.	240	Gas	N/A	First round bids due (PFR, 8/10).
	Hamakua	Hawaii	60	Biomass		
	Glen Park	near Watertown, Conn.	32	Hyrdo		
	Mustang Station	Denver City, Texas	490	Gas		
	Black Hawk	Borger, Texas	230	Gas		
Energy Investors Funds and Power Development Corp. Entergy Corp.	Waterside Power	Stamford, Conn.	72	Oil	Barclays Capital	ArcLight Capital Partners planning to buy (PFR, 2/23).
	50% stake in Top	Worth County, Iowa	40	Wind	New Harbor	Seller wants about \$520M for the assets. Bidders shortlisted to four players: two financial, two infrastructure (PFR, 6/18/07).
	Deer Wind Ventures	Carsen County, Texas	40			
	RS Cogen	Lake Charles, La.	212	Gas		
	Roy S. Nelson	Westlake, La.	60	Gas/Oil		
	Warren Power	Vicksburg, Miss.	225	Gas		
	Harrison	Marshall, Texas	335	Gas		
	Independence	Newark, Ark.	121	Coal		
	Robert Ritchie	Helena, Ark.	544	Gas/Oil		
	E.ON	Lippendorf	Nukieritzsch, Germany	446	Coal	N/A
Bexback		Bexback, Germany	79	Coal	N/A	
Farge		Bremen, Germany	350	Coal		
Zolling		Zolling, Germany	449	Coal		
Unknown		Zolling, Germany	20 (50%)	Biomass		
Trausnitz		Trausnitz, Germany	2	Hydro		
Tanzmühle		Tanzmühle, Germany	3	Hyrdo		
Various		Bavaria, Germany	300	Hydro	N/A	Agreed to sell 300 MW of hydro to Verbund.
Exergy Development Group First Wind	Various	Upper Midwest, Northwest	3,600	Wind	Marathon Capital	Sale process has been reignited.
	Stetson	Danforth, Maine	57	Wind	Credit Suisse	Newly operational asset on the block (PFR, 3/2).
	Sheffield	Vermont	40 development	Wind		Hunting buyers (PFR, 3/9).
	Various	North America	3,000 pipeline	Wind	JPMorgan, Credit Suisse, Goldman Sachs	Company filed S-1 to IPO as UPC Wind.
Fishermen's Energy	N/A	off coast of Atlantic City, N.J.	350 development	Wind	N/A	Consortium planning to add institutional partner to project (PFR, 7/20).
FPC Development	Shady Oaks	Lee County, Ill.	120 development	Wind	N/A	Mainstream Renewable Power purchased (PFR, 6/22).
	Green River	Lee County, Ill.	467 development	Wind		
	Boone County	Boone County, Ill.	200 development	Wind		
FPL Energy	Posdef	Stockton, Calif.	44	Coal/Petcoke	New Harbor Credit Suisse	DTE is buying through a subsidiary (PFR, 2/2). Development site. Status unclear.
	Tesla	Tracy, Calif.	1,120	Gas/Steam		
Gas Natural	Hermosillo	Sonora, Mexico	250 MW	Gas/Steam	TBA	InterGen scoping assets (PFR, 8/17).
	Naco Nogales	Sonora, Mexico	300 MW	Gas/Steam	TBA	
	Tuxpan III and IV	Veracruz, Mexico	1 GW	Gas/Steam	TBA	
	Unknown	Norte-Durango, Mexico	450 MW	Gas/Steam	TBA	
	Central Saltillo	Coahuila, Mexico	248 MW	Gas/Steam	TBA	
	Central Anáhuac/Rio Bravo II	Tamaulipas, Mexico	495 MW	Gas/Steam	TBA	
	Central Lomas de Real/Rio Bravo III	Tamaulipas, Mexico	495 MW	Gas/Steam	TBA	
	Central Valle Hermoso/rio Bravo IV	Tamaulipas, Mexico	500 MW	Gas/Steam	TBA	



# Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
Gas Natural, Mitsubishi Corp. General Electric	Electricidad Aguila	Altamira, Mexico	495 MW	Gas/Steam	TBA	Gas Natural looking to sell its 51% stake in the JV project (PFR, 5/25).
	Baglan Bay	Port Talbot, Wales	510	Gas	Lexicon Partners	Process to be re-ignited in October.
	Panther Creek	Nesquehoning, Pa.	94	Waste Coal	N/A	Looking for buyers (PFR, 2/26).
	Colton Power	Colton, Calif.	80	Gas	N/A	Sale shelved.
Gregory Power Partners Iberdrola	Gregory	Gregory, Texas	400	Gas	N/A	Sale iced due to credit crisis (PFR, 1/26).
	Russell Station	Greece, N.Y.	275	Coal	N/A	Will mandate advisor once auction schedule finalized by NYPSC (PFR, 12/29).
	Allegheny Station	Hume, N.Y.	62	Gas		
	Unknown	New York	18	Gas		
	Unknown	New York	18	Gas		
Irving Oil	Bayside Power	St. John, New Brunswick	260	Gas	N/A	Emera agreed to purchase.
Kelson Canada (Harbinger Capital Partners)	Island Generation	Duncan Bay, B.C.	230	Gas	UBS	First round bids taken 4/30 (PFR, 4/30) and second round bids.
	King City Cogeneration	King City, Calif.	120	Gas	taken in Aug.	
	Whitby Cogeneration	Whitby, Ontario	50	Gas		Asset taken off the block for unknown reasons.
Kelson Holdings	Dogwood	Pleasant Hill, Mo.	620	Gas	Goldman Sachs	Weighing strategic options, including sale/merger (PFR, 10/9/07).
	Cottonwood	Deweyville, Texas	1,200	Gas		
	Magnolia	Benton County, Miss.	922	Gas		
KGen Power	Murray I	Murray Co., Ga.	630	Gas	Credit Suisse	Sale put on hold until credit markets thaw (PFR, 10/24).
	Murray II	Murray Co., Ga.	620	Gas		
	Hot Spring	Hot Spring Co., Ark.	620	Gas		
	Hinds	Jackson, Miss.	520	Gas		
	Sandersville	Washington Co., Ga.	640	Gas		
International Power	Opatovice	Czech Republic	360	Coal	Citi, ING	Reportedly looking to sell Czech facilities (PFR, 5/18).
	Prálská teplárenská	Czech Republic	64 (49%)	Coal/Gas		CEZ, J&T, Czech Coal, E.ON, EnBW and RWE chasing assets (PFR, 6/15).
	ET	Czech Republic	160 (49%)	Coal		
Los Angeles Department of Water and Power	N/A	Calif., Ariz., Utah	up to 5,600	Coal, Gas	Goldman Sachs, JPMorgan	Exploring options for divestment of fossil fuel portfolio (PFR, 8/8).
MACH Gen	Millennium	Carlton, Mass.	360	Gas/Oil	Credit Suisse	Pair of Northeast assets set to fetch \$1B (PFR, 5/21).
	Athens	Athens, N.Y.	1,000	Gas/Oil		Strategic Venture Partners seeking to buy 40% stake in company (PFR, 2/9).
	Harquahala	Tonopah, Ariz.	1,090	Gas		
Macquarie Cook Power	Avenal Power Center	Avenal, Calif.	600	Gas	N/A	Owner considering partners (PFR, 4/20).
Macquarie Power and Infrastructure Income Fund	N/A	Cardinal, Ontario	156	Gas	N/A	Assets possibly on the block to bolster fund share price (PFR, 5/25).
	Erie Shores	Port Burwell, Ontario	99	Wind		
	N/A	Ontario and British Columbia	27.5	Hydro		
	N/A	Quebec and Alberta	59	Biomass		
MMC Energy	Chula Vista	Chula Vista, Calif.	44	Gas	Bodington & Co.	Agreed to sell assets to Wellhead Electric Co. for \$4.865M (PFR, 6/1). Sold equipment at MidSun facility.
	Escondido	Escondido, Calif.	44	Gas		
	MidSun	Bakersfield, Calif.	23	Gas		
National Wind (30-40%)	High Country Energy	Olmsted and Mower Counties, Minn.	300 (14%)	Wind	Delphi Financial Corp.	Marketing to state-based residents and businesses (PFR, 6/23).
	Various	Midwest U.S.	4GW	Wind	Marathon Capital	Looking for partner for development pipeline (PFR, 3/30).
Navasota Energy Partners, Montgomery Energy Partners	Colorado Bend	Wharton, Texas	825	Gas	JPMorgan	Auction expanded to include Montgomery Energy assets outside Texas (PFR, 10/27).
	Quail Run	Odessa, Texas	825	Gas		
	Madison Bell	Madisonville, Texas	550	Gas		
	L'Energia	Lowell, Mass.	80	Gas		
	Billerica	Billerica, Mass.	240	Gas		
	Great Falls	Great Falls, Mass.	400	Gas		
	Hartland	North Dakota	1GW	Wind		
New Green Technologies	N/A	N/A	12—16	Waste-to-energy	N/A	Seeking buyers and/or partners for four-plant packages (PFR, 7/14).
Noble Environmental Power	Various	N.Y., Mich.	385	Wind	Goldman Sachs	Company filed S-1 to IPO (PFR, 5/16).
North American Power Group	Rio Bravo Fresno	Fresno, Calif.	25	Biomass	N/A	In discussion with potential buyers (PFR, 8/31/07).
	Rio Bravo Rocklin	Roseville, Calif.	25	Biomass		Holds interests alongside Constellation Energy Group.
NRG Energy	Indian River	Millsboro, Del.	784	Coal	N/A	Seller soliciting offers on plant (PFR, 11/8/07).
Perennial Power Holdings	Unknown	Kathleen, Ga.	308	Gas	N/A	Co-owner Atlantic Power Corp. to receive \$29M in the sale (PFR, 8/24.)
PPL Corp.	PPL Edgewood Energy	Brentwood, N.Y.	80	Gas	RBS Securities	Has agreed to sell Long Island generation business to J-Power USA Development for about \$135M.
	PPL Shoreham Energy	Brookhaven, N.Y.	80	Oil		
PSEG Global	Turboven Cagua	Venezuela	60 (60%)	Gas	N/A	Assets remaining to be sold as part of an international divestiture program outlined in 2002.
	Turboven Maracay	Venezuela	60 (60%)	Gas	N/A	
	Pillaiperumalnallur	India	330 (20%)	Gas	N/A	
RPL Holdings	Massena	Massena, N.Y.	85	Gas	Fieldstone	Morris Energy Group agreed to purchase plants (PFR, 7/8).
	Elmwood Park	Elmwood Park, N.J.	65	Gas		Deal set to wrap by end of July (PFR, 7/20).
Reykjavik Holdings	HS Orka	Iceland	N/A	N/A	N/A	Magma Energy submit its highest bid for the geo co. (PFR, 8/24).

## Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
RES Americas	Lower Snake River	Garfield and Columbia Counties, Wash.	1,250 development (50%)	Wind	N/A	Looking to sell after sale of entire company scratched last year (PFR, 3/2).
	Talbot	Chatham Kent, Ontario	99	Wind		
	Greenwich	Dorion, Ontario	99	Wind		
Ridgewood Renewable Power	Various	Maine, Va., N.Y., Calif.	26	Hydro	Ewing Bemiss	Set to sell to undisclosed buyer in one month (PFR, 8/24). On the block (PFR, 1/19).
	Brea Project	Brea, Calif.	5	Landfill		
	Providence	Providence, R.I.	20	Landfill		
Sempra Generation	Catoctin	Frederick Co, Md.	600 development	Gas	N/A	Development project reportedly for sale.
SkyPower Corp.	N/A	Canada	11,000 development	Wind, Solar	Marathon Capital	Undergoing strategic review of company (PFR, 11/17).
Sierra Geothermal Power	Reese River Silver Peak	Lander Co., Nev.	26-58 (50%)	Geothermal	Jacob & Co.	Looking to sell 50% of first five projects (PFR, 7/14).
		Esmeralda Co., Nev.	15-40 (50%)			
Sierra Pacific Industries	Loyalton	Loyalton, Calif.	20	Biomass	N/A	Renegy agreed to purchase 4/11 for \$13M (PFR, 4/16).
Signal Hill Power	Wichita Falls	Wichita Falls, Texas	77	Gas	Miller Buckfire	Sale cancelled, but may be restarted at later date (PFR, 1/26).
Sithe Global Power	River Hill	Karthus Township, Pa.	290	Coal	Credit Suisse	Status unclear (PFR 2/16/07).
Summit Power Group	Texas Clean Energy Project	Odessa, Texas	345 development	IGCC	N/A	Looking for partner (PFR, 4/27).
Temasek Holdings	PowerSeraya	Singapore	3,100	Gas	Credit Suisse, Morgan Stanley	YTL Power International to buy for SGD\$3.6 billion (\$2.4 billion).
T G Power	Hot Sulphur Springs	Elko County, Nev.	12-14 development	Geothermal	N/A	Owner seeking buyer for debt investment or entire project (PFR, 9./30).
Third Planet Windpower	Various, U.S.	Various, U.S.	3,000 pipeline	Wind	Marathon Capital	Developer looking for joint venture partner.
Town of Scotia Co.	Scotia Biomass Power	Scotia, Calif.	32.5 MW	Biomass	Bodington & Co.	In final stages of choosing a buyer (PFR, 8/24).
TransAlta	Binghamton	Binghamton, N.Y.	50	Gas	N/A	Standard General set to acquire (PFR, 3/12/08).
TransAlta Cogeneration	Mississauga	Mississauga, Ontario	108 (50%)	Gas	N/A	Quietly shopping portfolio (PFR, 4/2).
	Ottawa	Ottawa, Ontario	68 (50%)	Gas		
	Sarnia	Sarnia, Ontario	575	Gas		
	Windsor-Essex	Windsor, Ontario	68	Gas		
Tyche Power Partners	Brooklyn Navy Yard	Brooklyn, N.Y.	286	Gas Cogen	Credit Suisse	Temporarily iced due to credit crunch.
WindRiver Power	N/A	Alberta	120 development	Wind	FirstEnergy Capital	Seeking joint venture partner for pipeline (PFR, 3/9).
	Various	British Columbia	13 development	Hydro		
WindRosePower	Childress County I	Childress County, Texas	250 development	Wind	N/A	Company looking for JV partner or buyer (PFR, 9/19).
Wind Revolutions	Chalk Mountain	Casper, Wyo.	500	Wind	N/A	Looking to sell entire or portion of projects (PFR, 7/25).
	Beaver Divide	Riverton, Wyo.	300	Wind		
	Cowboy Mesa	near Corona, N.M.	600	Wind		

## 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 Jeanine Prezioso at (212) 224-3226 or e-mail [jprezioso@iineews.com](mailto:jprezioso@iineews.com).*

### Live Deals: North America

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
American Renewables	Nacogdoches (100 MW Biomass)	Sacul, Texas	BoTM/Union Bank, WestLB	TBA	TBA	TBA	Talking to private equity funds for equity (PFR, 8/24).
BP, Dominion	Fowler Ridge (750 MW Wind)	Indiana	Banco Sabadell, Banco Santander, Bank of Tokyo Mitsubishi, BBVA, Société Générale	TBA	\$287M	TBA	Tipped to wrap over subscribed (PFR, 8/24).
Edison Mission Energy	Taloga (130 MW Wind)	Dewey County, Okla.	TBA	TBA	TBA	TBA	Taking bids to lead financing (PFR, 8/24).
Everpower Renewables	Highland I (62.5 MW Wind)	Cambria County, Pa.	TBA	TBA	\$65M	TBA	Looking to take out turbine loan (PFR, 8/24).
Renewable Ventures	Unidentified (26 MW Solar)	Apex, Nev.	TBA	TBA	TBA	TBA	Looking to secure some p.f. next year (PFR, 8/24)
Trillium Power Wind	Trillium Power I (700 MW Wind)	Lake Ontario, Canada	RBC	TBA	TBA	TBA	RBC to launch private equity placement (see story, page 1).

For a complete listing of the Project Finance Deal Book, please go to [iipower.com](http://iipower.com).

## BORROWERS FACING

(continued from page 1)

and gas at **Fitch Ratings** in New York.

Pricing on new revolvers is starting at 300-350 basis points

over LIBOR, up from 50-100 bps, notes a banker familiar with the transactions, adding that lenders are only going out to two years on these deals instead of three to five years. Many companies will likely look to refinance the revolvers 18 months to two years before they expire.

The recent merger of several banks and the demise of others means fewer available lenders and roughly half the lending capacity at merged entities, pushing companies to look for new relationships to take up capacity on the revolvers. "There is concern that there's not enough market capacity... We're out there trying to expand our rolodex with banks, it would be foolish not too," says **Nick Bijur**, treasurer of **Pacific Gas & Electric** in San Francisco, which has a

\$2 billion revolver expiring in 2012.

The higher pricing and the investment-grade quality of most utilities makes the facilities attractive to lenders, the banker notes, adding there is incentive for new players to enter the market to

take up the capacity. **US Bank** is reportedly looking to bulk up on the facilities. **Jim Stuart**, head of capital markets in New York, and a spokesman did not return calls.

Alternatives for reducing the revolver size include offloading businesses such as retail arms, which require large amounts of short-term collateral, adds **Ellen Lapson**, another managing director at **Fitch**, pointing to **NRG**

**Energy's** purchase of **Reliant Energy's** retail business for \$287.5 million (PFR, 6/5). Companies could also bulk up on commercial paper programs and look to issue more long-term debt, though that could alter their debt profiles and affect their credit.

—Sara Rosner

### Outstanding Revolvers

Borrower	Amount	Expiration	Borrower	Amount	Expiration
Entergy	\$3.5B	2012	Westar	\$730M	2012
Duke Energy	\$3.2B	2012	Great Plains Energy	\$600M	2011
PPL Energy Supply	\$3.2B	2012	Kansas City Power & Light	\$600M	2011
FirstEnergy Corp	\$2.75B	2012	KCP&L Greater Missouri	\$600M	2011
Southern California Edison	\$2.5B	2013	Nevada Power	\$589M	2010
FPL Group	\$2.473	2013	Edison Mission Energy	\$564M	2012
Energy Transfer Partners	\$2B	2012	Duke Power	\$500M	2011
Oncor Electric Delivery	\$2B	2013	Midwest Generation	\$500M	2012
Kinder Morgan Energy Partners	\$1.787B	2010	Southern California Edison	\$500M	2010
NiSource	\$1.5B	2011	Arizona Public Service	\$489M	2011
Peppo Holdings	\$1.5B	2012	Northeast Utilities	\$482M	2010
Edison International	\$1.43B	2013	Progress Energy	\$450M	2011
Enbridge Energy Partners	\$1.25B	2013	Southern Co.	\$400M	2012
Ameren	\$1.15B	2010	Arizona Public Service	\$377M	2010
Georgia Power	\$1.12B	2012	Connecticut Light & Power	\$361M	2010
National Rural	\$1B	2010	Sierra Pacific Power	\$332M	2010
Utilities Cooperative			Duke Energy Indiana	\$330M	2011
Sempra Generation	\$1B	2011	PPL Energy Supply	\$300M	2011
Ameren	\$800M	2011	Pinnacle West Capital	\$283M	2010
San Diego Gas & Electric	\$800M	2011	Entergy Louisiana	\$200M	2012
Alabama Power	\$765M	2012	Entergy Gulf States	\$100M	2012

Sources: PFR and Bloomberg

## CANADIAN DEVELOPER

(continued from page 1)

did not return a call. Trillium was created in 2002 by Kourtoff and other principals who worked on the initial development of **Canadian Hydro's** 197.8 MW Wolfe Island wind farm in Lake Ontario.

The majority of the funds will go toward initial permitting and regulatory work for the development of the C\$2 billion, 700 MW Trillium Power I wind farm, 11 miles off the coast of Kingston in Lake Ontario. The company will look to raise C\$400-500 million in equity from the same pool of investors and C\$1-1.5 billion in project finance debt for the project late next year, pending permitting. Construction on Trillium I, which would be the company's first wind project, will begin in 2011 and full operation is slated for 2013.

The projects qualify for the C\$0.19 per KWh feed-in tariff approved by the Ontario government this year in its Green Energy Act and are guaranteed 20-year offtake with the **Ontario**

**Power Authority**. Lenders say that OPA power purchase agreements are attractive to banks, given the investment-grade security of the offtaker.

RBC is also advising on the financing and has a Chinese wall between its advisory and lending teams that would allow it to lead financing for the deal. However, the developer is open to choosing a different firm to lead the financing, Kourtoff says. Details of the debt portion of the project funding, such as timing and structure, will be determined late next year. Kourtoff declined to comment on qualities the company is looking for in potential project finance lenders.

The remaining funds from the stock placement will go toward initial development costs of the 740 MW Trillium Power II project, which is next to Trillium I in Lake Ontario. The development pipeline also includes the 1.6 GW Great Lakes Array in Lake Erie, the largest proposed offshore wind farm in the world, and the 650 MW Superior Array wind farm in Lake Superior. The timeline for the development and financing of these projects is unclear.

—S.R.

## OFFTAKERS LOOK

(continued from page 1)

"It's no longer just about capacity and energy anymore. It's utilities saying, 'I want to buy all the attributes of the plants if I'm making you a capacity payment,'" says **Bill Bice**, a partner in **Milbank, Tweed, Hadley & McCloy's** project finance group in New York. "It is tough for independent fossil fuel generators to get long-term contracts these days. It's all about leverage—more plants are willing to sell [power] than there are utilities willing to buy."

Bice says he is drawing up a contract with that language in it now for a utility he wouldn't name.

One project financier in New York says that from a financing perspective, he is more concerned about a generator passing through the cost of carbon in a PPA to a utility than the utility asking for the excess credits. "What if the carbon tax is so big that it cuts into my ability to repay my debt?" says the banker of why the cost of carbon has been passed through.

As for the utility taking excess credits, "That's less important to us," the banker adds. "It's kind of gravy [for utilities]. It makes perfect sense that they're looking to offset that cost."

—*Jeanine Prezioso*

## ALPINE ENERGY

(continued from page 1)

together." Although some may equate Caribbean projects with increased risk of damage from hurricanes, the plants will be similar to mainland U.S. projects, and the offtaker, the U.S. **Virgin Islands Water and Power Authority**, follows U.S. guidelines for energy transmission.

The company is talking with **DZ Bank**, **Société Générale**, **Calyon**, **WestLB**, and **Natixis** and wants to ramp up its search for lead arrangers in the next three to four weeks, says Beach, who is looking for a financial close by the end of the first quarter.

Alpine is in discussions with a handful of unnamed engineering, procurement and construction contractors, says Beach, declining to name any firms. Construction on both plants is expected to begin in May with completion slated by the end of 2012.

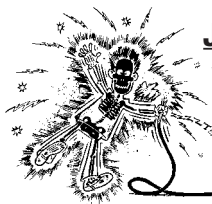
The V.I. power authority awarded Alpine the contract to build two power plants and signed two 20-year PPAs. The **Virgin Islands Waste Management Authority** signed two 20-year agreements to provide solid waste for the plants.

—*Holly Fletcher*

## Conference Calendar

The **Latin American Wind Energy Association** will host the Latin American Wind Power Conference and Exhibition Sept. 2-4 at the ATLAPA Convention Center in Panama City, Panama. To register, visit [www.lawea.org](http://www.lawea.org).

## Alternating Current



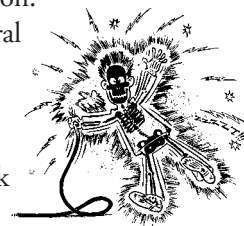
### Juicing It Up

## Watermelon Pegged For Biofuel Industry

U.S. Department of Agriculture researchers have found that watermelon, a signature summertime fruit, is more than just a delicious treat. Every year, 800 million pounds of the fruit is left in fields due to weird shapes, bad spots and other flaws. Scientists have found that the waste crop is an excellent source of biofuel.

"It's not a replacement for corn or sugar cane. It's the utilization of a niche of something that's being wasted," says **Wayne Fish**, a research chemist at the USDA's South Central Agricultural Research Laboratory in Lane, Okla. Every ten tons of watermelon yield 85 gallons of ethanol through a fermentation process. Each gallon of ethanol can produce 24.8 KWh of generation. If the entire wasted crop was utilized, it could provide 84,320 MWh of generation.

The department is in talks with several companies to create a portable device that could ferment and distill the ethanol from the watermelons in the field, Fish notes, and possibly sell it back to farmers. Mid-size farmers are also interested in the process as they could use ethanol to power equipment and cut back on fuel costs.



## Quote Of The Week

"These companies got into these very cheap credit agreements years ago and now they're looking at half the commitment for twice the price." —**Sharon Bonelli**, managing director of utilities, power and gas at **Fitch Ratings** in New York, on companies looking to refinance more than \$50 billion of revolving credit facilities in the next three years as they face fewer lenders at half the lending capacity (see story, page 1).

## One Year Ago In Power Finance & Risk

**Enel North America** was looking for \$300-400 million in tax equity for a portfolio of renewables, including its 148.5 MW Smoky Hills wind farm in Ellsworth and Lincoln Counties, Kan. [**JPM Capital Corp.**, **New York Life Insurance** and **Union Bank of California** unit **Bankers Commercial Corp.** took tax equity stakes in the project and the company is partnering with a solar developer as it looks for a foothold in the U.S. solar market (PFR, 8/7).]