Institutional Investor

VOL. XV, NO. 35 / September 3, 2012

Exclusive Insight on Power M&A and Project Financing

# Power Finance & Risk

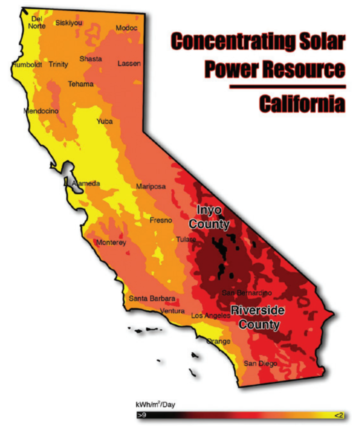
The weekly issue from **Power Intelligence**

www.powerintelligence.com

## BrightSource Talks $1B Solar Financing

**BrightSource Energy** officials are looking to round up funding for its more than $1 billion dollar, 500 MW Rio Mesa concentrating solar thermal tower project in California. They were set to meet with bankers in New York last week as part of the effort.

The Oakland, Calif.-based company aims to complete the financing by the end of the second quarter next year. Rio Mesa stands out because of its size, the uniqueness of the technology and the fact it will not use federal incentives. The company's previous solar thermal project was the 392 MW Ivanpah plant in the Mojave Desert, Calif. It secured a $1.6 billion loan guarantee from the U.S. **Department Of Energy** through the Section 1705 program, with **NRG Solar**, **Google** and BrightSource as equity investors. It is slated for completion in 2013.



Source: Power Intelligence via The National Renewables Energy Laboratory

Officials and spokespeople at NRG and Google did not return calls or e-mails by press time. A BrightSource spokeswoman declined to comment on terms sought for the financing. The identity of banks involved in the meetings this week could not be learned.

A BrightSource financier told *PI* in March that the company would probably need to tap different sources of funding in addition to bank loans, such

*(continued on page 12)*

## THE BUZZ

Refinancing has been in vogue in the last three months with **LS Power**, **Energy Capital Partners** and **Industry Funds Management** doing deals for portfolios of operating assets. **Tenaska Capital Management** and **Kruger Energy** are the latest shops to tap the trend. The Omaha, Neb.-based TCM wrapped a $107 million refi of two Illinois plants via lead **GE Capital Markets**. The facilities faced downward pressure on revenues due to low pricing in recent PJM capacity auctions and the firm chose the refi instead of putting in more equity. **Crédit Agricole**, **Helaba Landesbank** and **Union Bank** also participated in the deal.

*For PFR's take on these stories and the rest of the market, see page 2.*

*IPO Hurdle*

## Pattern Pushes To Get Ocotillo Online

**Pattern Energy** is aiming to bring its $600 million, 315 MW Ocotillo wind project in Imperial Valley, Calif., online by year-end. But bankers see it as a tough timetable to meet and a potential issue that may delay the prospective initial public offering in Canada.

The Ocotillo project encountered legal setbacks in May when a local Native American tribe sued the federal government to block construction because parts of the project fall on burial grounds. There is also a California court date set for Sept. 7, in a suit brought by local environmental activists that contend Pattern's speedy construction schedule is harming lands. The cases are challenging its permits and petitioning for temporary

*(continued on page 11)*

### Industry Current: Outlook For Institutional Investors

**Ben Davidson** and **Christopher Gladbach**, associates at **Orrick**, examine the roles of institutional investors in renewable financings.

*See story, page 8*

### New Project Finance Loans

We've added updates to our weekly round-up of the latest project finance deals in the Americas, with details on projects, sponsors and debt.

*See Deal Book, page 4*

### Generation Sale DATABASE

Get the rundown on the latest asset trades in *PI*'s weekly calendar, compiled from our exclusive Generation Sale Database.

*See calendar, page 3*

## IN THIS ISSUE

### PROJECT FINANCE


### MERGERS & ACQUISITIONS


### DEPARTMENTS


## THE BUZZ

Montreal-based Kruger is looking for a $400 million refinancing, via leads **CIBC** and **Scotia Capital**, backing its Port Alma and Chatham Kent wind projects in Ontario. While the debt on Chatham-Kent does not expire until next year, the sponsor is taking advantage of a healthy lender appetite to put money to work in the face of scant deal flow, a Canadian banker says. The catalysts for Kruger and TCM are starkly different, but the executions are similar in that they exemplify the significance of sponsor-lender relationships. Crédit Agricole, then known as **Calyon**, led the acquisition financing backing Tenaska's purchase of Crete and Lincoln and GE Capital Markets participated (*PI, 9/21/2007*). Scotia led the financing of Port Alma (*PI, 5/16/2008*).

In M&A, the **GDF Suez North America** sale of stakes in a contracted 300 MW wind portfolio is luring Asian investors that are interested in adding renewables to their portfolio while not taking the risk of full ownership. The sale is said to be attracting a variety of players including potential newcomers **Cheung Kong Infrastructure Holdings** and **China Investment Corp**. (see story, page 7).

In the last year there have been a handful of transactions in Canada that led to Asian players—**Mitsubishi Corp**. and **Osaka Gas Co**. teaming up for the majority stakes in a **Recurrent Energy** solar portfolio in Ontario, for example—taking ownership slices of generation. The firms are generally well-funded and take a conservative approach to investments, preferring generation with long-term contracts and often, passive, minority stakes. They like to work with companies that have solid development and operational track records and typically shy away from development or construction risk.

In the U.S., **ITOCHU**, **Marubeni Corp.** and **Sumitomo Corp**. are frequent players in auctions of gas-fired plants. Just recently, **IHI Corp**., an engineering firm based in Tokyo, debuted in the North America market by buying out **Exelon**'s stakes in a biomass and coal-fired portfolio in California (*PI, 8/23*).

## TELL US WHAT YOU THINK!

Do you have questions, comments or criticisms about a story that appeared in ***PFR***? Should we be covering more or less of a given area? The staff of ***PFR*** is committed as ever to evolving with the markets and we welcome your feedback.

Feel free to contact **Sara Rosner**, managing editor, at (212) 224-3165 or srosner@iiintelligence.com.


Power Intelligence

**EDITORIAL**
**Steve Murray** *Editor*
**Tom Lamont** *General Editor*
**Peter Thompson** *Executive Editor (Chicago)* (773) 439-1090
**Sara Rosner** *Managing Editor* (212) 224-3165
**Nicholas Stone** *Senior Reporter* (212) 224-3260
**Holly Fletcher** *Senior Reporter* (212) 224-3293
**Katie Segreti** *Data Editor*
**Kieron Black** *Sketch Artist*

**PRODUCTION**
**Dany Peña** *Director*
**Deborah Zaken** *Manager*
**Melissa Figueroa, James Bambara, Douglas Lee** *Associates*
**Jenny Lo** *Web Production & Design Director*

**ADVERTISING**
**David Blide** *Associate Director* (212) 224-3187
**Patricia Bertucci** *Associate Publisher* (212) 224-3890
**Adrienne Bills** *Associate Publisher* (212) 224-3214

**PUBLISHING**
**Allison Adams** *Group Publisher*
**Anna Lee** *Marketing Director* (212) 224-3175
**Laura Pagliaro** *Senior Marketing Manager* (212) 224-3896
**Vincent Yesenosky** *Head Of US Fulfillment* (212) 224-3057
**Nina Bonny** *Customer Service Manager* (212) 224-3433

**SUBSCRIPTIONS/ ELECTRONIC LICENSES**
One Year $2,995 (In Canada Add $30 Postage, Others Outside U.S. Add $75)
**Ken Lerner** *Account Executive* (212) 224-3043

**REPRINTS**
**Dewey Palmieri** *Reprint & Permission Manager [New York]* (212) 224-3675 dpalmieri@Institutionalinvestor.com

**CORPORATE**
**Jane Wilkinson** *Chief Executive Officer*
**Steve Kurtz** *Chief Operating Officer*

**Customer Service**
PO Box 4009, Chesterfield, MO 63006-4009, USA
Tel: **1-800-715-9195**
Fax: **212-224-3886**
UK: **44 20 7779 8704**
Hong Kong: **852 2842 8011**
E-Mail: customerservice@iiintelligence.com
**Institutional Investor Hotline**
(212) 224-3570 and (1-800) 437-9997 or Hotline@iiintelligence.com

**Editorial Offices**
225 Park Avenue South, New York, NY 10003




Institutional Investor Intelligence

Generation Sale DATABASE

## GENERATION AUCTION & SALE CALENDAR

These are the current live generation asset sales and auctions, according to *Power Intelligence*'s database. A full listing of completed sales for the last 10 years is available at www.powerintelligence.com/AuctionSalesData.html

| Seller | Assets | Location | Advisor | Status/Comments |
|---|---|---|---|---|
| ▶ Agile Energy | Silverleaf (160 MW Solar PV) | Imperial County, Calif | None | Tenaska Solar Ventures has bought the project (see story, page 6). |
| ArcLight, Olympus Power, John Hancock, Atlantic Power Corp. | Delta Person (140 MW Gas Peaker) | Albuquerque, N.M. | Fieldstone Private Capital Group | The sale launched in the last 10 days (PI, 8/20). |
| Bicent Power | BIV Generation (147 MW CCGT)<br>Colorado Power Partners (90 MW CCGT) | Brush, Colo.<br>Brush, Colo. | | A unit of Xcel is buying the facilities (PI, 8/13). |
| Duke Energy | Various (7.5 GW Coal, Gas, Oil) | Ill., Ohio, Pa. | Citigroup, Morgan Stanley | Tagged Citi, Morgan Stanley to run the sale. |
| ▶ EQT Infrastructure Fund, Fortistar | Midland (1.56 GW Gas Cogen) | Midland, Mich. | Credit Suisse, Royal Bank of Canada | Indicative bids set for early September (see story, page 7). |
| Energy Investors Funds | Rathdrum (275 MW Gas-fired)<br>Plains End I & 2 (228.6 MW Gas-fired)<br>Stakes (245 MW Cottage Grove Gas-fired)<br>Stakes (249 MW Whitewater Gas-fired) | Rathdrum, Idaho<br>Arvada, Colo.<br>Cottage Grove, Minn.<br>Whitewater, Wis. | Scotiabank | Teasers went out late in the week of 7/31 (PI, 8/6). |
| Exelon | Stakes (140 MW Biomass, Coal) | California | No advisor | Japanese engineering firm IHI Corp. is buying Exelon's stakes totaling 70 MW in five plants (PI, 8/27). |
| Exelon | Brandon Shores (1,273 MW Coal)<br>H.A. Wagner (976 MW Coal)<br>C.P. Crane (399 MW Coal) | Anne Arundel Co., Md.<br>Anne Arundel Co., Md.<br>Baltimore Co., Md. | Citigroup, Goldman Sachs | Riverstone is buying the plants for $400M, will look to finance (PI, 8/20) |
| GSO Capital, Starwood Energy, Tyr Energy | Vaca Dixon (49 MW Peaker)<br>Panoche (49 MW Peaker)<br>Border (49 MW)<br>Enterprise (49 MW) | Vacaville, Calif.<br>Firebaugh, Calif.<br>San Diego, Calif.<br>Escondido | Scotiabank | Teasers are out (PI,7/3). |
| GSO Capital, Strategic Value Partners | San Joaquin (48 MW) | Lathrop, Calif. | | San Joaquin, from Bicent, is part of the CalPeak sale (PI, 7/3). |
| Harbert Power | Hanford (95 MW Gas-fired)<br>Henrietta (97 MW Gas-fired)<br>Tracy (314 MW Gas-fired) | Kings County, Calif.<br>Kings County, Calif.<br>Stockton, Calif. | Morgan Stanley, Merit Capital Advisors | July 13 pegged for first round bids (PI, 7/3). |
| ▶ IPR-GDF Suez Energy North America | Various (287 MW Wind) | Various, Canada | CIBC | The sale has entered the second round (see story, page 7). |
| Iberdrola Renewables | Various (wind, solar) | Various | JPMorgan, Blackstone | The Spain-based parent is driving the sale of 700 MW of spinning wind plus wind, solar development assets (PI, 7/16). |
| Iberdrola Renewables | Klamath (636 MW CoGen) | Klamath Falls, Ore. | Royal Bank of Canada | First round bids are in (PI, 6/4). |
| LS Power | Blythe (507 MW CCGT) | Blythe, Calif. | Credit Suisse | LS is looking to flip the plant it bought in a portfolio in the fall (PI, 4/16). |
| ▶ Luminus Management, CarVal Investors, Fortress Investment Group | Bosque (507 MW Gas) | Laguna Park, Texas | Bank of America | Auction is extended to accommodate latecomer Calpine (see story, page 6). |
| MACH Gen | Harquahala (1 GW Gas) | Maricopa County, Ariz. | Goldman Sachs | The facility has drawn utility eyes (PI, 7/16)). |
| NRG Solar | CVSR (250 MW Solar PV) | San Luis Obispo County, Calif. | Credit Suisse, Morgan Stanley | NRG is out talking to potential investors (PI, 3/5). |
| Olympus Power, John Hancock | Stakes (123 MW Michigan Power Cogen) | Ludington, Mich. | TBA | ArcLight is buying out what it doesn't already own in the facility (PI, 8/20). |
| Olympus Power, Metalmark Capital | Brooklyn Navy Yard<br>(Stake, 286 MW Gas-fired) | Brooklyn, N.Y. | Credit Suisse | High competition for the facility as management presentations get underway (PI, 7/27). |
| Perennial Power | Mid-Georgia (300 MW Cogen) | Kathleen, Ga. | Fieldstone Private Capital Group | Consortium is set to ink the deal soon; Georgia Power declined first right of refusal (PI, 8/20). |
| Rockland Capital, John Hancock Life Insurance and Atlantic Power Corp. | Gregory Power Partners<br>(400 MW CCGT Cogen) | Gregory, Texas | TBA | Rockland has been listening to pitches from prospective advisors (PI, 8/13). |
| Sempra Energy | 50% Stake (156 MW Wind development) | Baja California Norte, Mexico | TBA | BP Wind taking an equal stake as Sempra looks to finance the project (PI, 8/27). |
| Starwood Energy | Neptune (65-mile Transmission) | Sayreville, N.J. to Long Island, N.Y. | Barclays | Recently hired Barclays to run the sale (PI, 6/11). |
| Tenaska Solar Ventures | Imperial Solar Energy Center South<br>(130 MW Solar PV) | Imperial County, Calif | Royal Bank of Canada | Tenaska is looking to bring in a minority owner that has tax appetite (PI, 6/4). |
| Western Wind Energy Corp. | Windstar (120 MW Wind)<br>Windridge (4.5 MW Wind)<br>Mesa (30 MW Wind)<br>Kingman (10.5 MW Wind, Solar)<br>Yabucoa (30 MW Solar) | <br>California<br>California<br>Arizona<br>Puerto Rico | Rothschild, PI Financial | Recently mandated co-advisors to sell itself (PI, 8/20). |
| Wind Capital Group | Various (1.3 GW Wind development) | Various | Energy Advisory Partners | Put the pipeline on the block as a way to raise capital (PI, 5/7). |

▶ **New or updated listing**

*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 Senior Reporter* ***Holly Fletcher*** *at (212) 224-3293 or e-mail hfletcher@iiintelligence.com.*

## PROJECT FINANCE DEAL BOOK

Deal Book is a matrix of energy project finance deals that Power Intelligence is tracking in the energy sector. A full listing of deals for the last several years is available at http://www.powerintelligence.com/projectfinancedeal.html

## Live Deals: Americas

| Sponsor | Project | Location | Lead(s) | Loan | Loan Amount | Tenor | Notes |
|---|---|---|---|---|---|---|---|
| AES Solar | Imperial Valley (709 MW Solar PV) | Plaster City, Calif. | TBA | TBA | $1.3B | TBA | Sponsor scouts bank debt and bonds for phase one (PI, 1/16). |
| AES Gener | Cochrane (532 MW Coal) | Chile | TBA | TBA | $1B | TBA | Sponsor taps HSBC as financial advisor ahead of deal and eyes equity (PI, 6/11). |
| | Alta Maipo (531 MW Hydro) | Chile | TBA | TBA | TBA | TBA | IFC, IDB and OPIC are participating in multilateral tranche. Sponsor also talking to commercial lenders (PI, 7/2). |
| AES Solar, 8minutenergy Renewables | Mount Signal (200 MW Solar PV) | Imperial Valley, Calif. | TBA | TBA | $700M | TBA | Mandates expected soon (PI, 5/21). |
| BP, Sempra | Flat Ridge 2 (419 MW Wind) | Wichita, Kan. | Banco Santander, Bank of Tokyo-Mitsubishi, Prudential Financial | TBA | $500-600M | TBA | The deal will hit the market next month. Structure will include bonds (PI, 8/10) |
| | Mehoopany (141 MW Wind) | Wyoming County, Penn. | BTMU, CoBank, Mizuho | TBA | $200M | 18-yr | Project wraps in Q2. |
| ▶ BrightSource | Rio Mesa (500 MW Solar) | Riverside County, Calif. | TBA | TBA | TBA | TBA | Sponsor is tapping banks in New York and hopes to close by end of Q2 next year (see story, page 1). |
| | Hidden Hills (500 MW Solar) | Hidden Hills, Calif. | TBA | TBA | TBA | TBA | Sponsor has an offtake agreement with Southern California Edison for both projects. |
| Cape Wind Associates | Cape Wind (420 MW Wind) | Nantucket Sound, | Barclays | TBA | TBA | TBA | Financing to be re-ignited (PI, 4/16). |
| Cogentrix | Portsmouth (110 MW Coal) | Portsmouth, Va. | RBC, Scotia | Refi | $120M | 5-yr | Sponsor tags RBC to lead refi, with Scotia as co-lead (PI, 5/7). |
| Competitive Power Ventures | St. Charles (650 MW Gas) | Charles County, Md. | TBA | TBA | $500M | | Sponsor talking with banks for a club deal (PI, 7/9). |
| Dalkia Canada, Fengate Capital | Ft. St. James (33 MW Biomass) | Ft. St. James, B.C. | TBA | TBA | TBA | TBA | Sponsors seek roughly $175 million financing for project (PI, 3/26). |
| | Merritt (33 MW Biomass) | Merritt, B.C. | TBA | TBA | TBA | TBA | Sponsors seek roughly $175 million financing for project (PI, 3/26). |
| Diamond Generating Corp. | Mariposa (200 MW Gas) | Alameda County, Calif. | SMBC, DZ, CoBank, Sumitomo Trust | TBA | $150M | 10-yr | Sponsor mandates four lenders (PI, 5/14). |
| ▶ Duke Energy Renewables | Los Vientos (402 MW Wind) | Willacy County, Texas | BBVA, Citigroup | TBA | $600-$800M | 7-yr | BBVA and Citi tapped as leads (see story, page 5). Sponsor looking for pricing below 250 bps over LIBOR. (PI, 8/17). |
| Energy Investors Funds | Pio Pico (300MW Gas) | San Diego County, Calif. | TBA | TBA | $300M | TBA | Sponsor has a favorable reputation with lenders (PI, 7/23) |
| Finavera Wind Energy | Wildmare (77 MW Wind) | Peace River, B.C. | TBA | TBA | $160M | TBA | Sponsor targets financing, likely from life insurance companies (PI, 4/2). |
| GCL Solar | Various (77 MW PV) | Puerto Rico | Union Bank, WestLB | TBA | $200M | TBA | Deal to wrap this week (PI, 5/28). |
| InterGen | Unidentified (Gas Pipeline) | Zacatecas, Mexico | TBA | TBA | $200M | TBA | Sponsor considering club deal (PI, 6/11). |
| LS Power | Unidentified (100 MW Solar) | California | TBA | TBA | $100M | TBA | Sponsor seeking funding (PI 7/23). |
| Odebrecht | Chaglia (406 MW Hydro) | Peru | BNP Paribas | Term | $650M | 17.5-yr, 20-yr | Pricing set at roughly 350 over LIBOR (PI, 7/9). |
| ▶ Ocean Renewable Power Company | Maine Tidal Power (5 MW Tidal) | Eastport, Maine | TBA | TBA | $25M | TBA | The company is looking for equity financing to complete its maiden project (See story, page 5). |
| Panda Power Funds | Sherman (500 MW Gas) | Sherman, Texas | Goldman Sachs, Credit Suisse | Construction | $520M | Const. + 4-yrs | The package is being floated at LIBOR + 800 bps with a floor of 150. (PI, 8/21). |
| Pattern Energy | Ocotillo (315 MW Wind) | Imperial Valley, Calif. | TBA | Mini-Perm | $400M | C+ 7-yr | Sponsor targets $400 million financing; 10 lenders eye deal (PI, 5/14). |
| Ridgeline Energy | Meadow Creek (120 MW Wind) | Bonneville County, Idaho | TBA | TBA | $180-200M | TBA | Sponsor discusses financing with lenders, equity with Diamond Generating Corp. (PI, 5/28). |
| Rockland Capital, Broadway Electric Co. | Mass Solar (Solar PV) | Massachusetts | TBA | TBA | $200M | TBA | Sponsors talking to four lenders about financing (PI, 5/14). |
| Sempra U.S. Gas & Power | Copper Mountain 2 (92 MW PV) | Boulder City, Nev. | TBA | TBA | $130M | 18-yr | Deal wraps, priced at LIBOR + 250 bps (PI, 7/2). |
| Solarpack | Various (22 MW Solar PV) | Tacna and Moquega, Peru | TBA | TBA | $120M | 20-yr | Sponsor is talking to lenders for funds for two projects (PI, 4/30). |
| Standardkessel, Green Energy Team | Unidentified (6.7 MW Biomass) | Koloa, Hawaii | TBA | TBA | TBA | TBA | WestLB exits deal; sponsor tap another bank as lead (PI, 5/21). |

▶ **New or updated listing**

*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 Senior Reporter Nicholas Stone at (212) 224-3260 or e-mail nicholas.stone@iiintelligence.com.*

## PROJECT FINANCE

# Tidal Power Player Hunts Equity

**Ocean Renewable Power Company**, the developer behind the first tidal power project to go online in the U.S., is looking for $25 million in equity investment to complete its maiden facility. The project off the coast of Eastport, Maine, will produce around 5 MW by 2016.

"We're looking for strategic investors and partners at the company level," says **Christopher Sauer**, president and ceo in Portland, Maine. It aims to have the investment in place by year-end.

Financing for the project has so far come from a $10 million grant from the U.S. **Department of Energy** and $1 million bond issuance by the state of Maine.

ORPC has tapped groups like **Fundy Tidal Inc.**, **Comprehensive Power** and **Scientific Solutions** as strategic partners. Small boutique funds are the most likely to come on board with equity, a banker and Sauer say.

The Maine project utilizes the 50 foot tides in the Bay of Fundy to spin an underwater turbine. Two more turbines will be added to the project in the next year, before a further 17 more.


*ORPC TidGen Power System*

The project has long-term power purchase agreements with **Bangor Hydro**, **CMP** and **Maine Public Service**, as per an order from the Maine **Public Utility Commission**. The rate set by the PUC for the generation is 21.5 cents/kWh for the first year — about 8 cents higher than the average rate in the state.

# Kruger Hunts $400M Wind Refi

**Kruger Energy** is looking for a $400 million refinancing backing two wind projects in Ontario. **CIBC** and **Scotia Capital** are leading the effort, which the Montreal-based sponsor aims to close next month.

The deal will likely have a five-year tenor, says a banker, adding that the leads are looking for other banks to participate. The refi will back the Chatham-Kent and Port Alma projects in Chatham-Kent, Ontario.

**FAST FACT**

The refi will back the Chatham-Kent and Port Alma projects in Chatham-Kent, Ontario.

Each project has 101.2 MW of capacity. Scotia led a financing backing Port Alma and **Deutsche Bank** wrapped a $220 million three-year loan backing Chatham-Kent (PI, 5/16/2008 & PI, 5/28/2010).

Bank officials declined to comment or did not return calls. Details such as pricing on the refi could not be learned by press time. **Jean Roy**, v.p. and general manager, and a spokeswoman at Kruger did not return calls.

The projects both have long-term power purchase agreements with the **Ontario Power Authority**.

# Tenaska Wraps Refi

**Tenaska Capital Management** has secured a $107 million senior secured credit facility to refinance a pair of merchant gas-fired facilities in Illinois.

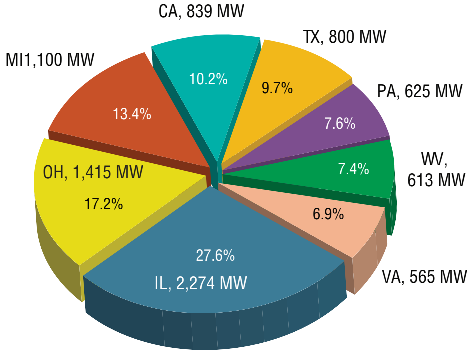
**GE Capital Markets** was the sole lead arranger for the facilities, which included a four-year term loan and a revolver. **Crédit Agricole**, **Helaba Landesbank** and **Union Bank** also participated. Bank officials and spokespeople and **Ryan Schroer**, cfo of TCM in Omaha, Neb., did not respond to calls by press time. Pricing on the deal could not be learned.

**Matt O'Connor**, managing director at **GE Capital Markets** affiliate **GE Energy Financial Services**, says GE approached Tenaska late last year with the refinancing idea. Tenaska's original credit facility was due to expire in 2014 and the PJM capacity auctions led to a downtrend in capacity market pricing, which pressured revenues. The facilities provide power during peak demand in the PJM **ComEd** service territory and take their prices from the auction. The original $205 million loan comprised a $165 million term loan and a $40 million revolver, with pricing at 275 basis points over LIBOR (*PI, 10/29/2007*).

"The 2012 and 2011 auction saw abnormally low prices and as a result the plants were facing a revenue shortfall," says O'Connor. "This meant the sponsor was faced with putting equity in, but we offered them the refinancing deal to get them through the liquidity crunch."

It could not be learned by press time whether any other projects would require similar refinancings. An affiliate of **Tenaska**, TCM owns the 328 MW facility in Crete, and 656 MW Lincoln facility in Manhattan through a private equity investment vehicle.

**Tenaska Capital Management Portfolio By State**




Source: Power Intelligence via TCM

Stamford, Conn.-based GE Capital Markets participated in the acquisition financing for Tenaska's purchase of the Lincoln and Crete power plants from affiliates of **ArcLight Capital Partners**, **DTE Energy Services** and **Tyr Capital** in 2007 (*PI, 9/21/2007*).

# Duke Taps Citi, BBVA For Wind

**Duke Energy Renewables** has mandated **Citigroup** and **BBVA** to lead financing for its 402 MW Los Vientos wind projects in Willacy County, Texas.

The choice of Citi surprised some observers because it doesn't typically do construction loans and normally gravitates to larger transactions with a bond component. Citi's involvement is likely a reflection of Duke's pull with relationship lenders, says one banker. The **Duke Energy** subsidiary is seeking pricing of less than 250 basis points over LIBOR on the debt with a tenor of seven years (*PI, 8/13*).

A spokeswoman in Charlotte, N.C., declined to comment on the financing. Representatives from BBVA and Citi also either declined to comment or did not respond to inquiries by press time.

Duke has been looking for financing backing the project since earlier this year and the project is expected to have a development price tag of $600-800 million (*PI, 2/16*). The **North American Development Bank** is slated to provide $220 million to the project. **Geronimo Gutierrez**, managing director at the NADB in San Antonio, also did not respond to calls by press time.

**CPS Energy** has a 25-year power purchase agreement for the 200 MW Los Vientos I, while **Austin Energy** has a 25-year offtake agreement for the 202 MW Los Vientos II. Both are expected to be operational by year-end.

## MERGERS & ACQUISITIONS

# Tenaska Unit Adds Third Imperial Solar Project

**Tenaska Solar Ventures**, the solar development unit of Tenaska, has bought a 160 MW solar photovoltaic project in Imperial County, Calif., from **Agile Energy**.

The Silverleaf project near El Centro, Calif., is slated for construction in 2014. Tenaska Solar Ventures will line up a power purchase agreement for the project. The acquisition closed August 1.

Tenaska did not use a financial advisor for the acquisition, according to **Steve Johnson**, v.p. of development for Tenaska. He noted in an email that the company also acquired two other projects in Imperial County when they were in early stages of development. He declined to comment on financing plans for Silverleaf.

Tenaska has other projects in the vicinity of Silverleaf, including its 130 MW Imperial Solar Energy Center South project and the 150 MW Imperial Solar Energy Center West project. The South project was financed earlier this year with a $500 million deal led by **Mitsubishi UFJ Financial Group** affiliates **Bank of Tokyo-Mitsubishi UFJ** and **Union Bank**. Tenaska has been working with **Royal Bank of Canada** to find an equity investor for the West project (*PI, 6/1*).

Agile is a San Bruno, Calif.-based portfolio company of **Bregal Energy**, the New York-based private equity shop formerly known as **Good Energies**. It is not formally selling any of its projects but it is open to unsolicited offers, says CEO **Glen Davis**. The company did not use a financial advisor.

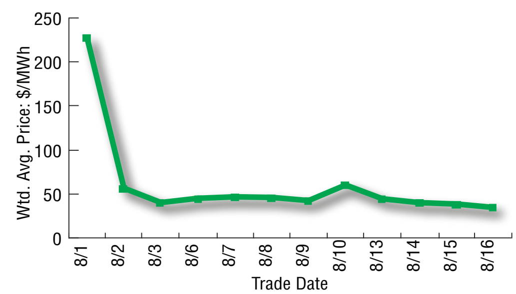
# Bosque Owners Push Out Sale Timeline

**Luminus Management**, **CarVal Investors** and **Fortress Investment Group** have extended the timeline for selling their Bosque gas-fired plant in Texas to accommodate **Calpine**, which entered the auction late. Calpine is doing due diligence on the plant while other bidders submitted final offers in July, says a deal watcher. The owners are not expected to make a decision on the bids until Calpine finishes due diligence. **Bank of America** is running the sale (PI, 4/24).

**Energy Capital Partners**, **NextEra Energy Resources** and **Quantum Utility Generation** are also said to be circling the plant. Market chatter had tagged Calpine as being in an exclusivity period that was likely to result in an purchase and sale agreement, although one banker says that's not the case. An outcome for the sale of the merchant 507 MW plant in Laguna Park has not been decided.

Industry officials familiar with the plant indicate that while the facility is operational, it is plagued by short, forced outages likely caused by dated systems software. Whether a software upgrade will fix the problems will only be clear after implementation, which would cost millions of dollars, says one official, who notes that it's a big undertaking.

**Wholesale Power Prices in ERCOT Houston**




Source: Power Intelligence via U.S. Energy Information Administration

Financial shops have been angling for pieces of Texas generation after last summer's heat wave. The mild summer this year, however, has kept power prices much lower than last thus capping profits on some of the plants, say officials (PI, 6/11).

The timeline for Calpine finishing its due diligence could not be learned. Bank of America officials declined to comment through a spokeswoman. Calls to officials or spokespeople at the current owners or prospective buyers were not immediately returned.

# GDF Shortlists Bidders For Wind Stakes

The auction to sell stakes in **GDF Suez North America**'s wind fleet in Canada has entered the second round.

The auction, run by **CIBC**, is aiming to bring in a pair or group of minority owners into the roughly 300 MW of contracted, operational wind farms and allow GDF to remain in control, says a banker. The hunt for passive owners brought out more conservative players, including Asian investors angling to take slices in contracted assets.

Initially, GDF Suez wanted to remain the 40% owner while selling two 30% stakes to a pair of minority owners. First round bidders weren't keen on the 40-30-30 split, says one deal watcher, adding that the final structure is likely to keep GDF in the ownership structure although the stake sizes will depend on the individual binding offers.

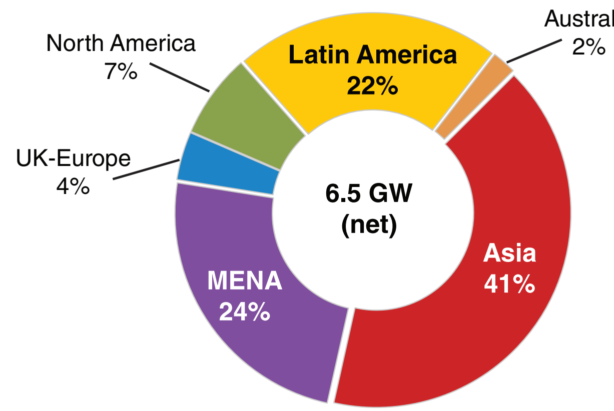
A variety of shops including **Toyota Tsusho Corp**., **Mitsubishi Corp**. **Osaka Gas Corp**., and **Chubu Electric Power Corp**., have taken generation stakes in Canada and are actively prowling for more, say officials (PI, 3/7/11 & 6/18). Both **Cheung Kong Infrastructure Holdings**, or CKI, and **China Investment Corp**. have also been involved in talks for asset stakes in Canada, say officials.

**FAST FACT**

Initially, GDF Suez wanted to remain the 40% owner while selling two 30% stakes to a pair of minority owners, but first round bidders weren't keen on the 40-30-30 split.

GDF, through its affiliation with **International Power**, owns five wind farms totaling 287 MW of operational wind assets in Canada, including the 99 MW Cape Scott wind project, which has a 20-year power purchase agreement with **BC Hydro**; the 40 MW Harrow near Essex, Ontario, which is contracted to the **Ontario Power Authority**; and the 99 MW Caribou farm near Bathurst, New Brunswick, that has a 20-year PPA with **New Brunswick**.

**IPR-GDF Development Assets By Region**



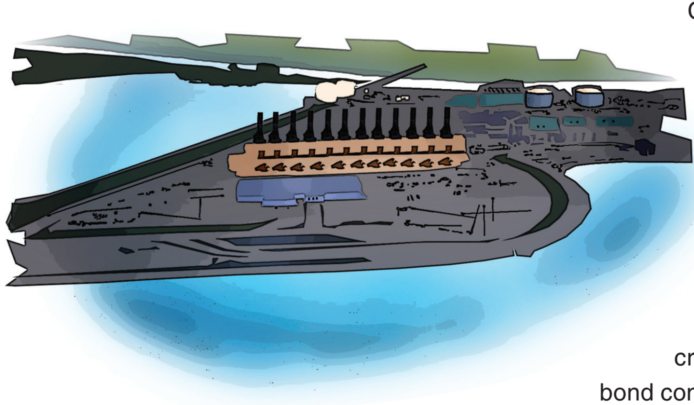

Source: Power Intelligence via Power GDF Suez

The sale launched earlier this summer (PI, 6/21).

The identity of bidders on the shortlist couldn't be confirmed nor how some of the second round bids are structured. A GDF spokeswoman in Houston didn't immediately respond to a call while a CIBC official was not reached. Spokespeople for CKI and CIC couldn't immediately comment.

# Midland Final Round Set For September

Prospective buyers are in the second round of due diligence for **EQT Infrastructure Fund** and **Fortistar**'s Midland Cogeneration facility with offers expected in late September. Co-advisors **Credit Suisse** and **Royal Bank of Canada** have set Sept. 21 as the deadline for binding bids.



The contracted gas-fired facility in Midland, Mich., has generated buzz among a number of shops, say officials. Some regular players in the contracted space were priced out of the first round for the Brooklyn Navy Yard facility which could be reflected in the competition for Midland.

The facility's steam contract with **The Dow Chemical Corp**. and **Dow Corning Corp**. will mature before the power purchase agreement matures in 2025. The early maturity caused some concern for shops that don't want to be left with an uncontracted asset (PI, 7/23). However, it's quite likely the steam contract will be renewed since there are few other facilities to which the Dow companies could turn for that amount of steam, says one industry official.

**Consumers Energy** buys 1.24 GW of the power while Dow Chemical buys the rest.

EQT and Fortistar inked a $660 million package last summer to refinance the existing $515 million of acquisition debt on facility. The package included a $560 million tranche of senior secured notes that mature in 2025 and about $100 million in bank facilities, including letters of credit (PI, 8/12). Credit Suisse led the bond component.

The identity or size of the shortlist could not be learned. A Credit Suisse spokesman as well as an EQT official declined to comment while an RBC spokesman did not respond to a call.

**INDUSTRY CURRENT**

# Outlook For Institutional Investors In Renewables

THIS WEEK'S INDUSTRY CURRENT *is written by* ***Ben Davidson*** *and* ***Christopher Gladbach****, managing associates of energy infrastructure for* ***Orrick, Herrington & Sutcliffe*** *in Washington, D.C.*

*Ben Davidson*

*Christopher Gladbach*

Participation in renewable energy projects by institutional investors has been increasing over the last few years, particularly in Europe. In a low interest rate environment like the U.S., the return profiles of these projects are becoming increasingly attractive to these types of investors reaching for additional yield. Institutional investors should be interested in a few trends that are emerging in the renewable energy finance sector.

## Renewables & The Bond Market

Despite general economic uncertainty, the renewable energy sector has continued to make strides in recent years. Last year renewable energy facilities (excluding large hydro-power) made up 44% of all new generation added worldwide, up from 34% in 2010 and only 10.3% in 2004. But in the U.S. and elsewhere, the industry is confronting a few substantial headwinds and uncertainties, including policy uncertainty in the U.S.

One of the key financing components for U.S. wind projects, the U.S. production tax credit, currently is scheduled to expire for projects not placed in service by the end of 2012. Sponsors are hurrying to install wind projects before year-end, and industry forecasts are calling for a dramatic drop-off in wind installations in 2013 if the production tax credit is not extended. The U.S. **Department of Treasury** cash grant in lieu of investment tax credits only remains available for projects that met fairly liberal "start of construction" criteria by the end of last year. Although the investment tax credit is available for solar projects placed in service by 2016, the recent expiration of the Treasury cash grant is leading some in the field to forecast a "tax equity gap" between tax equity financing demand and actual investor tax appetite for financing.

Continuing global macro-economic difficulties and the near-term prospect of heightened capital requirements under Basel III are also beginning to constrain the lending capacities of large financial institutions, the traditional sources of financing for U.S. renewable energy projects. As a result, several European banks have recently exited the project finance debt market, and other bank participants in that market are increasingly inclined to lend on mini-perm tenors with shorter average lives. The notable exception to this general trend are the Japanese banks, which have recently increased their lending activity in the renewable sector, and have shown some preference to lend for longer terms.

Given these constraints in the tax equity and lending markets for renewable energy projects, sponsors may be seeking alternative sources of both debt and equity capital at more attractive yields. At the same time, the hard costs of developing and constructing renewable energy projects continue to decline—**Bloomberg New Energy Finance** reports that in 2011 solar photovoltaic module pricing declined over 50%t and onshore wind technology declined between 5-10%. And sponsors are focusing on the cost of debt and equity capital for these projects as another lever in reducing the overall installed costs of renewable energy facilities. This confluence of factors is leading sponsors and developers to begin to explore non-bank institutional investments from pension funds and insurance companies through project bond offerings and direct equity participation.

A couple of large project bond issuances in 2011 and 2012 have shown that for certain types of renewable projects, capital markets bond offerings under Rule 144A or the debt private placement market may present attractive alternatives to bank financing. These bonds usually have longer tenors that more closely match the terms of a project's power purchase agreements, the interest rates are usually fixed, and the covenants regarding the day-to-day operation of the project are often less restrictive than covenants in bank financings.

On the downside, project bonds typically include a prepayment penalty or make-whole premium. Because all the funds are drawn at closing rather than as needed (with some availability for delayed draws in the private placement market), for projects that have long construction timelines, they also may impose significant negative arbitrage costs. And the transaction costs for project bond deals are also generally higher than bank financings, particularly for Rule 144A transactions which require ratings and the additional disclosure that customarily accompanies those offerings.

The U.S. **Department of Energy** loan guarantee program catalyzed the resurgence of the 144A and private placement market in the last few years, although much of the program's capacity to guarantee new loans expired in September of 2011. These transactions often employed hybrid financing structures that relied on capital markets components, bank financing and sponsor equity. The financing of the 845 MW Shepherds Flat wind facility is a good example of a hybrid structure that combined a shorter tenor $675 million floating-rate bank financing facility, $231 million in letter of credit facilities, and a $525 million private placement of debt that were each partially guaranteed by the DOE. Another is the 550 MW Desert Sunlight solar facility that included approximately $600 million in private placement bonds partially guaranteed by DOE with over 20 institutional investors participating.

Proponents of capital markets and private placement financing are now able to cite a more recent deal that did not rely on DOE guarantees as additional evidence of increasing possibilities: the $850 million 144A offering to finance the 550 MW Topaz solar facility located 190 miles northwest of Los Angeles. This transaction was heavily oversubscribed and was upsized from an initial offering of $700 million—the spreads were very tight for renewable project finance debt at a 380 basis point spread over the corresponding U.S. Treasury security.

Each of these transactions benefitted from being well structured projects by well known, experienced sponsors. Many other sponsors are increasingly looking at this deal as a potential model for accessing the more liquid and deeper 144A and private placement markets typically inhabited by pension funds and insurance companies. As wind and solar become more mature technologies and investors and rating agencies become more comfortable with renewable energy projects, we expect to see more activity in the 144A and private placement markets for well structured, utility scale deals with strong offtakers and experienced, well-known sponsors.

### Direct Equity Investments

In addition to the recent successful capital and debt markets renewable energy issuances, institutional investors, particularly pension funds and insurance companies, may also have a greater role to play in direct equity investments in renewable energy projects in the future.

> "At present global pension funds hold less than one percent of their assets in infrastructure investments, and renewable projects are only a percentage of those holdings."

Although a few major insurance companies in the U.S. have been notable participants in the U.S. renewable market for several years and have made sizable direct equity investments in renewable generation, much of the recent growth of institutional investing in renewable energy has been in Europe by European pension funds and insurance companies. The vanguard of this trend is **PensionDemark**, one of Denmark's largest pension funds, which has said that it aims to hold more than 10% of its assets in renewable energy investments. European insurance companies have shown interest as well; **Munich Re** and **Allianz** both recently announced plans to invest over €2.5 billion and €1 billion in renewables, respectively. And Canadian pension funds have also been looking to make direct investment in U.S. renewable energy projects. Whether this recent growth in European and Canadian insurance company and pension fund renewable participation will gain traction in the U.S. is an open question.

At present global pension funds hold less than one percent of their assets in infrastructure investments, and renewable projects are only a percentage of those holdings. With U.S., German, Japanese and U.K. 10-year yields at around or below 2%, institutional investors are seeking higher yielding products out on the risk curve with low correlation to the returns of other assets. With the recent global focus on sustainability, an added benefit of these investments is that they allow institutional investors to burnish their green credentials.

Because renewable energy investments have low operating costs and often zero fuel costs, the return profiles of direct investments can be more or less predictable and can resemble the return profiles of other infrastructure investments such as toll roads. The risk profile of renewables can also be attractive: institutional investors like pension funds or insurance companies may choose not to participate in the development or construction financing but could look to invest in completed projects that may have some operating history.

Significant barriers to entry exist for institutional investors that have not been major participants to date. Some types of highly structured renewable investments—especially tax equity investments—can be complex, and the ability to execute successful investments in this area requires a strong understanding of the energy industry and specialized legal and accounting structuring or working with experienced advisors familiar with these types of transactions.

For pension funds, which are not taxable and thus would be looking to take cash equity positions, co-investment in projects employing tax equity also poses some problems. For example, these investments are usually structured to provide tax equity investors a preferred return until a predetermined internal rate of return is achieved. This structure defers cash distributions to cash equity investors for some period, which can extend to 7-10 years depending on the success of the project. Transfer limitations imposed by tax laws and typical project partnership agreements also make these investments less liquid than institutional investors may prefer. These problems may be mitigated through transaction structuring or delaying investments in projects until the tax credits are exhausted.

Some organizations such as private equity funds and fund arms of some development banks are tailoring unique investment products designed for pension funds to overcome these hurdles. This development may go a long way to resolving the "learning curve" problem associated with renewables. For pension funds, the essence of the "learning curve" problem is that examining project specific risks is really very different than analyzing a publically traded stock, or for that matter, the management team and track record of a private equity or hedge fund. Analysis of renewable project investments requires a dedicated team that is specifically trained to spot values in the industry. Pension funds may be reluctant to invest in-house teams, but may be comfortable in relying on outside expertise (including the kind of expertise of a private equity fund specializing in renewables) with a proven management team or track record.

These trends highlight a growing need to address the liquidity constraints that are prevalent in the bank debt and tax equity markets, which have historically been the principal source of funding for renewable energy projects. Sponsors and their advisors are beginning to look to new, cheaper sources of financing and transaction structures for their renewable energy projects. These include sources like the project bond markets and non-bank institutional investors. Other sources of funding also receiving consideration include master-limited partnerships, real estate investment trusts and securitization of cash flows through asset backed financing. As the industry matures, we expect that non-bank institutional investors will play a substantial role in financing new renewable generation through participation in the project bond market and direct equity investments.

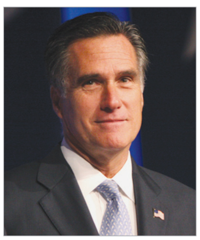

## NEWS IN BRIEF

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.

• The newly formed **Georgia Solar Utilities** is planning to build a $320 million solar plant on 2,200 acres near Milledgeville, Ga. With a generating capacity of 90 MW. The new plant would almost double **Georgia Power Co.**'s 50 MW solar program (*The Atlanta Business Chronicle*, 8/30).

• Customers of the new 1,600 MW Prairie State coal-fired plant in Illinois will pay much more for the electricity than they expected, according to a *report* released Wednesday by the Massachusetts-based **Institute For Energy Economics And Financial Analysis**. Customers have been paying $60/MWh, instead of the expected $41/MWh, the report says (*The Daily Herald*, 8/30).

• The word "oil" is used 154 times in **Mitt Romney**'s 21 page *energy plan*, while "solar" and "wind" combined occur 80% less than that. The latest Romney energy plan replaces his energy policy paper from September (*The Huffington Post*, 8/29).


*Mitt Romney*

• Athens-based **GEK Terna** says that giving in to demands from utilities like **Idaho Power Co.** will hurt efforts to finance its 138 MW Mountain Air wind facility, which is slated to begin operating near Mountain Home, Idaho, in October. Boise-based **Exergy Development Group** has already suspended $323 million worth of projects amid what's become a crisis for the renewables industry in the state (*Businessweek*, 8/29).

• Hurricane Isaac has left hundreds of thousands of people without power along the Gulf Coast, with the worst hit areas in Louisiana. The U.S. **Department of Energy** says that customers in Mississippi and Florida were also left without power, after the Category 1 hurricane made landfall for the second time early Wednesday, packing winds as fast as 75 miles per hour. About 85% of **Entergy**'s New Orleans customers have also lost electricity (*The Wall Street Journal*, 8/29).

• **Mid-Kansas Electric Co.**, an affiliate of **Sunflower Electric Power Corp.**, will start construction on a $130 million, 110 MW gas-fired project next year in Grant County, Kan. (*Hutch News*, 8/29).

• Exelon has notified the U.S. **Nuclear Regulatory Commission** of its plans to shelve a nuclear development project near Victoria, Texas, due to economic and market conditions, including low natural gas prices (*Reuters*, 8/28).

• The New York **Public Service Commission** is expected in the coming weeks to make a decision on the 330-mile Champlain-Hudson Power Express transmission project. The project stretches from Quebec to New York and is opposed by some state legislators (*CBS News*, 8/28).

• **Panasonic** is doing a joint venture with **Coronal Management** to develop and finance commercial scale and distributed generation solar projects in North America. Coronal will provide the equity for projects developed by **Panasonic Eco Solutions North America** (*PV Magazine*, 8/28).

• **Canadian Solar** has announced that its subsidiary, **Canadian Solar Solutions**, has closed an 18.7 MW turnkey engineering, procurement and construction contract with **Penn Energy Renewables** that will have projects fully online in the summer of 2013 (*The Business Journals*, 8/28).

• Investment per year in electricity storage is set to grow from current levels of $2.6 billion to $25 billion in the next decade as technology companies make improvements in storage technique (*Bloomberg*, 8/27).

• **Northeast Utilities** has appointed long-time utility executive **William P. Herdegen III** as the new president of **Connecticut Light & Power**. The hire comes nine months after his predecessor resigned in the wake of back-to-back storms that cut power to hundreds of thousands of customers (*Businessweek*, 8/27).


*William Herdegen*

• The **Tennessee Valley Authority** is planning to spend up to $1 billion on pollution controls at its Gallatin coal-fired plant near Nashville, Tenn., to meet U.S. **Environmental Protection Agency** regulations (*The Tennessean*, 8/27).

## Pattern Pushes *(Continued from page 1)*

restraining order; lender appetite will be diminished until the issues are resolved, says one financier.

Pattern was initially seeking about $400 million in debt to back the project at a tenor of construction plus seven years at LIBOR plus 250 basis points (*PI, 5/9*). The project has a 20-year power purchase agreement with **San Diego Gas & Electric**.

Now, the company is trying to quickly get the turbines in the ground and the project online by year-end to ensure it lands production tax credits before the PTC program expires Dec. 31. Getting the turbines in the ground is feasible as long as there are no setbacks, says one official. Pattern is confident that it will resolve the legal issues and meet the year-end deadline, says another banker. If the December deadline is not met the project will not be able to support a tax equity investor, which would hurt the project's economics.

Any hold up in the financing process threatens to derail the timeline, financiers say. Pattern had considered taking a **NextEra Energy Resources**-like approach by self-funding construction and refinancing with debt later. But that would require a roughly $600 million check, say bankers.

A host of lenders have taken a look at Ocotillo and some found the timeframe and legal issues to be insurmountable. The active bank list is said to include **Royal Bank Scotland**, **Key Bank** and **Société Générale**. At one point the New York-based **Royal Bank of Canada** team and **Deutsche Bank** were leading the deal with participants including **Banco Santander**, RBS, Key Bank, and **NordLB**. Whether RBC and Deutsche Bank are still leading the deal could not be learned.

**Mike Garland**, Pattern ceo in San Francisco, says that lenders are aware of the legal disputes and that the financing continues. He declined to comment on the suits and details or timeline of the Ocotillo financing, citing confidentiality concerns.

The financing process is grabbing attention from bankers and corporate officials around the industry for how it will affect Pattern's plans to list on the **Toronto Stock Exchange**. The larger renewable community, specifically wind, is watching to see how Pattern fares in the IPO process, says one renewables banker, noting that if it goes public, it would be a "seismic" event for a market that has few public market options. A TSX listing has emerged as a potential home for renewable companies with operating assets because the exchange, and its investors, are more amenable to renewable companies.

Pattern and its private equity parent **Riverstone Holdings** retained the Toronto-based RBC, **BMO Capital Markets** and **Morgan Stanley** early this summer to advise on a capital raise and possible IPO (*PI, 6/14*). Morgan Stanley is leading a recapitalization

*(continued on page 12)*

for the company that includes a private placement.

Garland says that the process with the banks in Canada is part of the company's evaluation of its equity and debt structure and that no decision has been made about how to proceed. He adds that the company is looking for avenues to position itself for growth in the future.

RBC and BMO are the lead underwriters on the planned initial public offering and they want to see material progress on Ocotillo, including a financing close, before filing the prospectus or heading out on a road show, bankers say. Ocotillo's size would boost the amount of operational assets and as well as boost Pattern's value in the eyes of investors. Pattern is not yet being followed by equity analysts although word has traveled around about its plans to go public.

Bank representatives in Canada and the U.S. either declined to comment or didn't respond to messages.

*—Holly Fletcher*

## BrightSource *(Continued from page 1)*

as bonds (*PI, 3/9*). Concentrated solar projects have traditionally had a harder time securing financing than photovoltaic projects, due to higher costs and the more novel technology (*PI, 9/30*). **Solar Trust of America** decided to convert several concentrated solar projects to photovoltaic technology and had to seek extra financing in order to prevent bankruptcy earlier this year (*PI, 4/20*).

Ivanpah had a $56 million increase in project costs due to provisions added to protect endangered species (*PI, 4/5*).

Despite detractors, there should still be plenty of investor appetite, a deal watcher says. He points to the reputation of BrightSource in the marketplace, pent up stores of capital and a guarantee by EPC contractor **Bechtel Power Corp.** for the project's construction. "A lack of projects in the marketplace will open the door for banks to take on this type of new project," a banker says, adding that the government's backing of the technology in Ivanpah will give confidence to investors and lenders in Rio Mesa.

Rio Mesa in Riverside County and BrightSource's 500 MW Hidden Hills project in Inyo County both have long-term offtake agreements with **Southern California Edison**.

*—Nicholas Stone*



## ALTERNATING CURRENT

### September: The Month To Prep For Election Fall Out

It's probable that no matter the outcome of the presidential elections on Nov. 6, about half the country will think there's something to the world-ending, fringe prophecy focused on the end of the Mayan calendar in December. Hair-pulling and nail-biting will commence as generally grounded folks begin watching the skies for plagues of locusts and thunderous storms—all because their guy lost the race for leader of the free world.

This is why it's probably best to heed advice from the U.S. **Department of Homeland Security** and get a jump on stockpiling non-perishable supplies and various sundries in September—the ninth annual National Preparedness Month.

Start with a two-week supply of water and food per person, cash, duct tape and sleeping bags plus all the identifying documents, according to the U.S. **Center for Disease Control and Prevention**, as well as the batteries and optionally, an alternative power source. Try the SUNRNR, a portable solar generation and battery back-up system on wheels developed by **SUNRNR** of Virginia, based in Port Republic, Va., to be sure that if the lights go out you'll be able to keep the smart phone charged and the coffee brewing. This way, you can sit back and wait until the neighbors realize it's a nor'easter while feeling bad for the guy who does inherit the new world order.

*—Holly Fletcher*

## QUOTE OF THE WEEK

*"The 2012 and 2011 auctions saw abnormally low prices and as a result the plants were facing a revenue shortfall. This meant the sponsor was faced with putting equity in, but we offered them the refinancing deal to get them through the liquidity crunch."*—**Matt O'Connor**, managing director at **GE Energy Financial Services** in Stamford, Conn., on leading a refinancing of two **Tenaska** plants in Illinois (see story, page 5).

## ONE YEAR AGO

**Ray Wood**, former co-head of the power and renewable energy group at **Credit Suisse**, started running the global renewable group as **Scott DeGhetto**, former managing director and co-head, left the bank. [Wood and **Gavin Wolfe**, vice chairman of investment banking and co-chairman of power and renewables, jumped to **Bank of America** (*PI, 5/16*) while Deghetto landed at **Moelis & Co**. as managing director of power, utilities and renewable energy in October.]