

# Power Finance & Risk

Exclusive Insight on Power M&amp;A and Project Financing

By the publisher of GlobalCapital

## ● PROJECT FINANCE

## ● MERGERS &amp; ACQUISITIONS

## ● PEOPLE &amp; FIRMS

## Korean Bank Sets Sights on Coal-fired Lending

At least one South Korean lender is eager to take part in acquisition finance for U.S. coal-fired projects.

Page 5

## China Three Gorges Swoops on Peru Hydro Project

China Three Gorges has emerged as the winning bidder for Odebrecht's 456 MW Chaglla project.

Page 7

## Ex-Macquarie Banker Lands at IFM

A banker who was a managing director at Macquarie Capital until recently has joined IFM Investors.

Page 8

## Sponsors Eye Hedges as PPA Alternative for Texas Solar

Richard Metcalf

Solar project sponsors working in Texas are looking to replicate the hedged financing structure that has already been successfully applied to wind projects, deal watchers tell *PFR*.

Sponsors are approaching commodities traders to discuss hedge contracts for solar projects as the cost of generation comes down amid scarce offtake opportunities. "There are definitely conversations going on," says a solar project developer.

"We're definitely seeing that," adds a project finance banker. "The reason is that you can't do a deal in Texas otherwise," because of the lack of availability of utility power purchase agreements, he explains.

Potential hedge counterparties include the commodities trading arms of investment banks like Morgan Stanley and Citigroup as well as strategic players such as Royal Dutch Shell.

Hedge contracts are already well established as the basis of project finance transactions for wind projects, but this approach is as yet untested for solar generation.

The reason for this is that wind capacity has long been cheaper than solar, says a renewables-focused investment banker in New York, who adds however that those economics could soon be reversed.

"A wind project with a 55% net capacity factor with the full [production tax credit] can probably pencil at \$20/MWh," he says. "We probably won't see that in the next five years out of solar, but as the PTC steps down and we still have full [investment tax credit], barring any unforeseen consequences, solar should dominate wind in two to three years."

### TRADE CASE

Among the potential unforeseen consequences is the outcome of the pending Sec-

PAGE 2 »

## Ex-LNG Execs Establish Investment Shop

Olivia Feld

Three former executives at Venture Global LNG have founded a U.S.-based international investment firm with a focus on power and other energy infrastructure.

Based in Washington D.C., Gen X Energy Partners has been founded by Scott Kicker, Harsh Ahluwalia and Kris Karafa. The three founding members and managing partners plan to

develop, acquire and invest in power and energy assets internationally.

The firm is planning to make long-term investments in generation assets, rather than flipping them like others in the market.

"The power sector holds tremendous value for the right assets but it takes a very disciplined investor to pursue and harvest those assets or develop them," Kicker tells *PFR*. "We

PAGE 8 »

## GE EFS Seeks Buyer for PJM Gas-fired Stake

Richard Metcalf

GE Energy Financial Services has hired an investment bank to sell its stake in a combined-cycle gas-fired project in PJM Interconnection.

The sale process, for the company's 25% stake in the 1,050 MW Fairview project in Jackson County, Pa., was launched two weeks ago, a deal watcher tells *PFR*.

Citigroup is advising GE EFS on the sale of the

PAGE 5 »

## ArcLight Lines Up Wind Acquisition

Fotios Tsarouhis

ArcLight Capital Partners is acquiring equity interests in two operational wind projects in Idaho that were originally financed in 2010 and 2011.

The Boston-based private equity firm is buying a 37.5% stake in the 124.5 MW Goshen II project in Bonneville County and a 50% stake in the 79.2 MW Rockland project in Power County from Diamond

PAGE 6 »



## ● IN THIS ISSUE

### PROJECT FINANCE

- 5 | Brazil Kills Renewables Contracts
- 5 | Extra Capital Sought for Chile Solar Project
- 5 | Korean Bank Targets Coal-fired Deals

### MERGERS & ACQUISITIONS

- 6 | Utility Seeks to Buy, Close Turkey Litter-fired Plant
- 6 | Great Plains, Westar Revise Terms of Merger
- 6 | Starwood Offloads Wind Project Stakes
- 7 | Buyer Emerges for Chaglla Hydro

### STRATEGIES

- 7 | Xcel to Request Proposals for 2.4 GW
- 7 | Enel Plots Chile Asset Consolidation

### PEOPLE & FIRMS

- 8 | Former Macquarie Banker Heads to IFM
- 8 | Non-profit Hires Procurement Maven

### DEPARTMENTS

- 3 | Generation Auction & Sale Calendar
- 4 | Project Finance Deal Book

## ● PROJECT FINANCE

# Sponsors Eye Hedges as PPA Alternative for Texas Solar

◀ FROM PAGE 1

tion 201 trade case brought by bankrupt solar panel manufacturer **Suniva**, which is causing jitters in the U.S. solar industry. Depending on how the case goes, it could have a major impact on the cost of solar panels in the country.

"The tariffs requested by Suniva would more than double the price of solar panels in the U.S., undercutting the cost-competitiveness of solar and reversing its high growth trajectory," wrote a group of 27 solar equipment manufacturers and suppliers in an open letter to the **U.S. International Trade Commission** on Aug. 22.

Suniva filed its petition on May 17 and the commission must make an initial ruling on whether its claim holds merit by Sept. 22.

Deal watchers are wary of prejudging the outcome of the case, especially given the unpredictable nature of the administration of President **Donald Trump**.

"What's the president going to tweet on any given day?" asks the investment banker. "Is this another way to poke and aggravate the Chinese? Yes. Could Trump do that? Sure. It's really hard to tell."

### BASIS RISK

Hedged solar projects will also have to overcome a challenge they share with hedged wind

projects—basis differential risk, often known simply as basis risk.

This is the risk that power prices at the node in the grid where a project injects its generation differ from the prices at the hub where the hedge contract is settled, which can have a major impact on a project's revenues.

"That needs to be addressed in the structuring," says the project finance banker. "The hedge provider wants [the contract to be settled at] a liquid trading hub and the project is often not located at that location."

Among the structural features that can mitigate basis risk are tracking and reserve accounts, adds the banker.

The difficulty of managing basis risk in Texas is such that at least one project sponsor last year decided to finance a wind project on a fully merchant basis rather than using a hedge.

**Falvez Energy**, with **Marathon Capital** as adviser, secured tax equity investments from **GE Energy Financial Services** and **BNP Paribas** for the 163 MW Falvez Astra project in Randall, Castro and Deaf Smith counties in Texas, last fall (PFR, 9/27/16).

The sponsor had been in talks with BNP Paribas to provide a hedge for the project, but low power prices, basis risk and potential curtailment issues were said to be behind the decision to go merchant. ■

## PFR Power Finance & Risk

**EDITORIAL**  
**Richard Metcalf**  
Editor  
(212) 224-3259

**Olivia Feld**  
Managing Editor  
(212) 224-3260

**Fotios Tsarouhis**  
Reporter  
(212) 224 3294

**Stuart Wise**  
Data Associate

**Kieron Black**  
Sketch Artist

**PRODUCTION**  
**Gerald Hayes**  
Manager

**Kaela Bleho**  
Designer  
**Sam Medway**  
Associate

**ADVERTISING**  
**Kevin Dougherty**  
U.S. Publisher,  
Capital Markets Group  
(212) 224-3288

**PUBLISHING**  
**Laura Spencer**  
Senior Marketing  
Manager

**Adam Scott-Brown**  
Director of Fulfillment

**Nina Bonny**  
Customer Service  
Manager  
(212) 224-3433

**SUBSCRIPTIONS/  
ELECTRONIC LICENSES**  
One Year \$3,670  
**Katherine Clack**  
Senior Account Manager  
(212) 224-3253

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

**CORPORATE**  
**Andrew Rashbass**  
Chief Executive Officer

**John Orchard**  
Managing Director,  
Capital Markets Group

Directors:  
**John Botts**  
(Chairman),  
**Andrew Rashbass**  
(CEO),  
**Sir Patrick Sergeant**,  
**The Viscount Rothermere**,  
**Colin Jones**,  
**Martin Morgan**,  
**David Pritchard**,  
**Andrew Ballingal**,  
**Tristan Hillgarth**

**Customer Service**  
PO Box 4009, Chesterfield, MO 63006-4009, USA  
Tel: 1-800-715-9195  
Overseas dial: 1-212-224-3451  
Fax: 212-224-3886  
UK: 44 20 7779 8704 Hong Kong: 852 2842 8011  
E-Mail: customerservice@iintelligence.com

**Institutional Investor Hotline**  
(212) 224-3570 and (1-800) 437-9997 or Hotline@iintelligence.com

**Editorial Offices**  
1120 Avenue of the Americas, 6th Floor, New York, NY 10036  
Power Finance & Risk is a general circulation newsweekly.  
No statement in this issue is to be construed as a recommendation to buy or sell securities or to provide investment advice.  
Power Finance & Risk ©2016  
Institutional Investor, LLC ISSN# 1529-6652  
Copying prohibited without the permission of the publisher.

**COPYRIGHT NOTICE:** All materials contained in this publication are protected by United States copyright law and may not be reproduced, distributed, transmitted, displayed, published, broadcast, photocopied or duplicated in any way without the prior written consent of Institutional Investor. Copying or distributing this publication is in violation of the Federal Copyright Act (17 USC 101 et seq). Infringing Institutional Investor's copyright in this publication may result in criminal penalties as well as civil liability for substantial money damages. ISSN# 1529-6652

**Postmaster**  
Please send all undeliverable Mail and changes of addresses to:  
PO Box 4009 Chesterfield, MO 63006-4009 USA

## GlobalCapital

### 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 **Richard Metcalf**, editor, at (212) 224-3259 or richard.metcalf@powerfinancerisk.com

## GENERATION AUCTION &amp; SALE CALENDAR ●

These are the current live generation asset sales and auctions, according to Power Finance and Risk's database.  
A full listing of completed sales for the last 10 years is available at <http://www.powerfinancerisk.com/AuctionSalesData.html>

## Generation Sale ■ DATABASE

Seller	Assets	Location	Adviser	Status/Comment
Alten Renewable Energy Developments	Solem (290 MW Solar, 20%)	Aguascalientes, Mexico		Sojitz Corp. has acquired a 20% stake in the project (PFR, 8/21).
Ares-EIF	Newark (705 MW Gas)	Newark, N.J.	Citi	Indications of interest were expected this summer (PFR, 7/3).
	Plum Point (670 MW Coal)	Osceola, Ark.	Citi	Bids for the portfolio were due the first week of June (PFR, 5/30).
	Carneys Point (262 MW Coal)	Carneys Point, N.J.		
	Logan (219 MW Coal)	Logan Township, N.J.		
	Morgantown (62 MW Waste coal)	Morgantown, W.Va.		
Ares-EIF, I Squared Capital	Oregon Clean Energy Center (869 MW Gas)	Lucas County, Ohio	Barclays, Credit Suisse	A sale process for the project is underway (PFR, 5/15).
Apex Clean Energy	Portfolio (12 GW, Wind, Solar)	U.S., Canada	CohnReznick Capial	A sale process for the developer has moved into a second round (PFR, 8/14).
	Patriot (180 MW Wind)	Nueces County, Texas		NRG Energy has acquired the development-stage project from Apex (PFR, 8/14).
Calpine	Entire portfolio (26 GW)	U.S.	Lazard (seller), Barclays (buyer)	A consortium led by Energy Capital Partners has agreed to acquire the company (PFR, 8/28).
Canadian Solar	Portfolio (703 MW DC Solar)	U.S.	BAML, Scotiabank	Canadian Solar is in talks with a potential buyer for its U.S. portfolio (PFR, 8/21).
Constellation	Albany Green Energy (46 MW Biomass)	Albany, Ga.		DCO Energy is acquiring a 49% stake in the project from the Exelon subsidiary (PFR, 8/28).
Competitive Power Ventures	Benson (62.3 MW Biomass)	Swift County, Minn.		Xcel Energy's Northern States Power Co. is acquiring the project (see story, page 6).
Diamond Generating Corp.	Goshen II (124.5 MW Wind, 37.5%)	Bonneville County, Idaho		ArcLight Capital Partners is acquiring equity stakes in the projects (see story, page 1).
	Rockland (79.2 MW Wind, 50%)	Power County, Idaho		
Edison International	SoCore Energy (160 MW DC Distributed Solar)	U.S.	Marathon Capital	Edison International has launched a formal sale process for the subsidiary (PFR, 8/28).
Energy Capital Partners	Wheelabrator Technologies (1.2 GW Biomass)	U.S., U.K.		ECP has put the company up for sale (PFR, 8/21).
Eversource Energy	Portfolio (1.2 GW Biomass, Coal, Hydro, Oil)	New Hampshire	JP Morgan	The auction for the assets is in a second round and final bids are due in August (PFR, 7/3).
First Solar	Cuyama (40 MW Solar)	Santa Barbara County, Calif.		D. E. Shaw has agreed to purchase the project (PFR, 8/21).
	California Flats (280 MW Solar)	Monterey County, Calif.		Capital Dynamics acquired the project on Aug. 21 (PFR, 8/28).
GE Energy Financial Services	Fairview (1,050 MW Gas, 25%)	Jackson County, Pa.	Citi	GE EFS is marketing its stake in the project (see story page 1).
Green States Energy	Portfolio (18.7 MW Solar)	Massachusetts, New Mexico and North Carolina		BlueNGY has signed a letter of intent to acquire the company (PFR, 8/28).
Heelstone Energy	Portfolio (148 MW Solar)	North Carolina	Marathon Capital (seller)	Sammons Renewable Energy has acquired the portfolio (PFR, 8/21).
Infinity Renewables	(6.6 GW Wind, Solar)	U.S.	CIBC	The company is for sale (PFR, 6/5).
Kenon Holdings	IC Power (3,894 MW Gas, Hydro, Oil, Wind)	Latin America, Caribbean, Israel		Kenon has entered negotiations to sell the subsidiary (PFR, 7/31).
LS Power	Carville (501 MW Gas)	St. Gabriel, La.	RBC Capital Markets	LS Power has hired RBC to sell the merchant facilities (PFR, 8/14).
	Hog Bayou (237 MW Gas)	Mobile, Ala.		
Morgan Stanley	NaturEner USA (399 MW Wind)	Montana	Morgan Stanley	Morgan Stanley is selling NaturEner, which owns development wind assets in Alberta as well as the 399 MW operational wind portfolio in Montana (PFR, 5/15).
Odebrecht	Chaglla (456 MW Hydro)	Huánuco Region, Peru	Itaú, Scotiabank, SMBC Nikko Securities	China Three Gorges has agreed to acquire the project (see story, page 7).
Pluspetrol	Generadora Eléctrica de Tucumán (245 MW Gas)	Tucumán, Argentina		Genneia has acquired the project (PFR, 8/21).
ReneSola	Portfolio (13.3 MW Solar)	Minnesota		Nautilus Solar has agreed to acquire the portfolio (PFR, 8/21).
Starwood Energy Group Global	Electra (230 MW Wind, 49%)	Willbarger County, Texas	Whitehall (seller)	Munich Re Group has acquired a 49% stake in each asset (see story, page 6).
	Horse Creek (230 MW Wind, 49%)	Haskell County, Texas	Whitehall (seller)	
Terra Firma	EverPower Wind (752.25 MW Wind)	U.S.	Barclays, KeyBanc	Terra Firma is marketing the U.S. wind shop, whose assets also include an up-to-1,759 MW development pipeline (PFR, 3/6).
Westar Energy	Portfolio (6.7 GW Coal, Gas, Wind)	Kansas, Missouri, Oklahoma	Guggenheim (seller), Goldman Sachs, Barclays, Lazard (buyer)	Westar and Great Plains have begun the process of refiling for their renegotiated merger (see story, page 6).

## ● 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 Fotios Tsarouhis at (212) 224-3294 or e-mail [fotios.tsarouhis@powerfinancerisk.com](mailto:fotios.tsarouhis@powerfinancerisk.com)

## PROJECT FINANCE

Deal Book is a matrix of energy project finance deals that Power Finance & Risk is tracking in the energy sector. A full listing of deals for the last several years is available at <http://www.powerfinancerisk.com/Data.html>

## Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Deal Type	Loan	Tenor	Notes
Acciona	Puerto Libertad (270 MW Solar)	Sonora, Mexico	TBA	TBA	TBA		Acciona plans to expand the project by 90 MW (PFR, 7/17).
Advanced Power	South Field (1.1 GW Gas)	Columbiana County, Ohio	GE EFS	Debt	TBA	TBA	GE EFS is left lead on the debt raise. Other joint lead arrangers will be selected later this year (PFR, 5/1).
Aela Energía	Sarco (170 MW Wind)	Freirina, Atacama, Chile	SMBC, MUFG	Term Loan	\$450M	18-yr	The financing, which will fund construction of Sarco and Aurora, closed on Aug. 8 (PFR, 8/14).
	Aurora (129 MW Wind)	Llanquihue, Los Lagos, Chile					
	Cuel (33 MW Wind)	Los Angeles, Biobío, Chile					
American Power Ventures	Renaissance (1 GW Gas)	Greene County, Pa.	Fieldstone (adviser)	Debt, Equity	\$900M		Fieldstone Private Capital Group is raising debt and equity for the project (PFR, 4/17).
Canadian Solar, EDF	Pirapora I (150 MW Solar)	Minas Gerais, Brazil	BNDES	Debt	R\$529M (\$163M)		The financing represented the development bank's first loan to a solar project (PFR, 8/14).
Capital Dynamics	California Flats (280 MW)	Monterey County, Calif.	Allianz GI, Hana, IFM	Debt	\$270M	20-yr	Capital Dynamics acquired the project from First Solar and closed financing for it on the same day, Aug. 21 (PFR, 8/28).
			NordLB, Rabobank	Bridge Loan	\$450M	Construction	
			Goldman Sachs, US Bank	Tax Equity	\$450M		
	Mount Signal 3 (328 MW)	Calexico, Calif.	Allianz GI, Samsung	Debt	\$250M	20-yr	Capital Dynamics closed financing for the project, which it acquired from SunEdison earlier this year, on Aug. 21 (PFR, 8/28).
			NordLB, Santander	Bridge Loan	\$250M	Construction	
			Wells Fargo	Tax Equity	\$250M		
D.E. Shaw	Cuyama (40 MW Solar)	Santa Barbara County, Calif.	Goldman Sachs	Tax Equity	TBA		Goldman Sachs is acquiring all of the tax equity interests in the project, which D.E. Shaw recently acquired from First Solar (PFR, 8/28).
EDP Renewables North America	Hog Creek (66 MW Wind)	Hardin County, Ohio	BNY	Tax Equity	TBA		Bank of New York Mellon, a relationship investor of EDP's, will invest tax equity in the project (PFR, 8/21).
	Waverly (199 MW Wind)	Coffey County, Kan.	JPM (50%), New York Life (50%)	Tax Equity	TBA		JP Morgan and New York Life are acquiring Google's tax equity interest in the project (PFR, 8/14).
EDF Renewable Energy	Nicolas-Riou (224.25 MW Wind)	Bas Saint Laurent, Québec	TBA	Debt	≤\$500M		EDF and its co-owners, groups representing several municipalities and a First Nation, are seeking debt financing for the project (PFR, 7/10).
EIG Global Energy Partners	Cerro Dominador, (210 MW Solar)	Antofagasta, Chile	TBA	Debt	TBA		The sponsor is aiming to close a second round of financing for the project by the end of the year (see story, page 5).
Enel Green Power North America	Red Dirt (300 MW Wind)	Kingfisher and Logan counties, Okla.	Allianz, MUFG	Tax Equity	\$340M		Allianz and MUFG are investing tax equity in the project, which has offtakes with T-Mobile and the Grand River Dam Authority (PFR, 8/28).
Invenergy	Campo Palomas (70 MW Wind)	Salto, Uruguay	DNB, IIC	Private Placement	\$135.8M	19.5-yr	The private placement refinances a construction loan from DNB and the Inter-American Investment Corp. (PFR, 8/14).
	Wind Catcher (2 GW Wind)	Cimarron and Texas counties, Okla.	TBA	Debt	\$2B		Invenergy is preparing to raise financing for the project (PFR, 7/31).
Onyx Renewable Partners	Portfolio (60 MW Solar)	U.S.	RBC	Tax Equity	TBA		The deal backs a portfolio of solar projects in six states (PFR, 8/21).
Pattern Development	Henvey Inlet (300 MW Wind)	Ontario	TBA	Debt	TBA		Pattern is seeking debt for the project (PFR, 6/19).
Quantum Utility Generation	Moundsville (643 MW Gas)	Marshall County, W.Va.		Debt	TBA		Quantum could launch a debt financing for the project this year (PFR, 2/6).
			BNP Paribas	Equity			
Sojitz Corp., Shikoku Electric Power Co., Sojitz Corp. of America, Eiffage	Huatacondo (98 MW Solar)	Huatacondo, Tarapacá, Chile	SMBC, Mizuho, Iyo Bank	Debt	\$73.31M	18-yr	Nippon Export and Investment Insurance is insuring \$47.2 million of the debt (PFR, 7/3).
Swift Current Energy	HillTopper (175 MW-200 MW Solar)	Logan County, Ill.		Debt, Tax Equity	TBA		The sponsor plans to finance the project with debt and tax equity (PFR, 2/13).
Tyr Energy	Hickory Run (1 GW Gas)	Lawrence County, Pa.	BNP, BAML, Crédit Agricole	Debt	TBA		MUFG, Development Bank of Japan, SMBC, ABN Amro, National Australia Bank and Shinhan Bank participated in the loan (PFR, 8/28).
			Kansai Electric Power Co., Siemens Financial Services	Equity	TBA		Kansai and Siemens have acquired equity stakes in the project (PFR, 8/21).

### 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 Managing Editor Olivia Feld at (212) 224-3260 or e-mail [olivia.feld@powerfinancerisk.com](mailto:olivia.feld@powerfinancerisk.com)



## PROJECT FINANCE ●

## Brazil Nixes 25 Renewable Projects

Brazil's **National Electric Energy Agency** (ANEEL) has canceled 557.4 MW of wind and solar contracts after the companies sponsoring the projects withdrew.

In total, 25 projects have been scrapped, including 16 wind farms that were due to

generate 307.7 MW and nine solar projects with a projected 249.7 MW of capacity.

"It's likely the recession that has caused this," said a project finance banker in New York. "A lot of companies in Brazil are still suffering."

Brazil has only just emerged from a two-year-long recession—the longest in its history—that saw more the economy shrink by more than 7.5%. The country posted 1% growth for the first quarter of this year.

Sponsors that wished to have their contracts canceled were required to participate in a reserve energy decontracting mechanism run for ANEEL by the Brazilian **Chamber for the Commercialization of Electric Energy**.

The identities of the sponsors and projects were not disclosed in statements issued by ANEEL and the Brazilian **Ministry for Mines and Energy** to announce the results of the decontracting process.

The companies that have withdrawn from the projects will not be eligible to participate in the next two tenders for Brazilian projects, ANEEL said in a statement. The companies will pay a combined total of R\$105.9 million (\$33 million) to have the contracts terminated. ■

## Chile Solar Facility Powers Up Ahead of Second Financing

Part of the \$1.4 billion Cerro Dominador solar project in Chile's Atacama Desert came online this week, providing its first 62 MW to the national grid, as the project's owner prepares to close a second round of financing.

The **EIG Global Energy Partners**-owned facility, which will comprise a 100 MW solar photovoltaic project alongside a 110 MW solar thermal plant, is under construction.

**Inter-American Development Bank, KfW, the Clean Technology Fund** and the **Canada Fund for Local Initiatives** provided project

finance loans for part the project in 2014.

Financial close is expected for the rest of the project before the end of this year.

The project's developer and previous owner, **Abengoa**, is providing turnkey construction services for both components of the project. The photovoltaic part is expected to be completely operational by the end of this year.

The solar thermal plant is slated to be completed sometime next year, according to Abengoa. ■

## South Korean Bank Eyes Coal-fired Loans

A South Korean financial institution is looking to provide acquisition financing for coal-fired generation in the U.S., a banker in Seoul tells *PFR*.

The bank, which is among a number of South Korean lenders who have flocked to participate in project finance deals for U.S. gas-fired and renewable assets in the last two years, is hoping to provide acquisition financing for a portfolio of coal-fired assets that **Ares-EIF** is seeking to sell.

"We are working with U.S. banks and have showed them that we are very interested... we think it's an interesting market," says the banker at the institution, who declined to be identified.

"Some European banks cannot lend to or invest in coal-related power plants, but we are okay with coal and that can be a very inter-

esting market," he said.

Ares-EIF hired **Citigroup** to sell a portfolio of contracted coal-fired assets earlier this year.

The portfolio comprises the 262 MW Carneys Point project in Carneys Point, N.J., the 219 MW Logan project in Logan Township, N.J., the 670 MW Plum Point facil-

ity in Osceola, Ark., and the 62 MW Morgantown waste coal-fired plant in Morgantown, W. Va.

An auction for the assets has entered a second round with final bids due after Labor Day, a deal watcher tells *PFR*. Citi began marketing the portfolio in late April and first round bids were due in

the first week of June (*PFR*, 5/22).

The identities and number of bidders participating in the auction could not immediately be established. Calls to officials at Ares-EIF in New York were not returned by press time. An official at Citi in New York declined to comment. ■

## MERGERS &amp; ACQUISITIONS ●

## GE EFS Seeks Buyer for PJM Gas-fired Project Stake

◀ FROM PAGE 1

under-construction project, for which debt financing closed earlier this year (*PFR*, 3/31).

A timeline for the sale process could not immediately be established. Representatives of Citi in New York and GE EFS in Stamford, Conn., declined to comment.

GE EFS co-owns the project

with **Osaka Gas USA**, which has a 50% stake. The project's original sponsor, **Competitive Power Ventures**, holds the remaining 25% interest.

The \$700 million senior debt financing for the quasi-merchant project, led by **Crédit Agricole, MUFG, BNP Paribas, CIT Bank, National Australia Bank** and

**ICBC** as initial coordinating lead arrangers, closed in March.

The deal tapped a wide range of different pools of capital, including commercial banks, South Korean lenders and private placement investors, deal watchers said at the time.

The project is slated to be online in 2020. ■

## ● MERGERS & ACQUISITIONS

# Xcel Subsid. to Terminate Biomass PPA Through Project Acquisition

**Northern States Power Co.**, a subsidiary of **Xcel Energy**, is acquiring a biomass plant with which it has a power purchase agreement with a view to retiring it.

The Minneapolis-based utility has agreed to pay **Competitive Power Ventures** \$95 million for the 62.3 MW Benson project in Swift County, Minn.

"The energy generated from these facilities is the most expensive energy on our system and is more expensive than other cleaner renewable sources," a spokesperson for Xcel in Minneapolis tells *PFR* via email.

New wind generation costs between \$15/MWh and \$25/MWh on average, whereas the utility is paying \$150/MWh for biomass generation, the spokesperson adds.

Northern States signed a PPA for the project in 2000 and it has been online since 2007. The PPA is due to expire in 2028 but the utility plans to void the contract following the acquisition.

Northern States expects to close the Benson plant by early 2020, once the remaining fuel supply is exhausted. Retiring the project will require the permission of the **Minnesota Pub-**

## lic Utilities Commission.

Originally known as Powerminn, it was the first operational poultry litter-fired project in the U.S. (*PFR*, 5/25/07).

Located in the **Midcontinent Independent System Operator** market the turkey litter-fired project was developed by **Fibrowatt**, which financed the project with a \$202 million non-recourse private placement underwritten by six insurance companies—**John Hancock Financial Services**, **Prudential Capital Group**, **The Hartford**, **Nationwide Life Insurance Co.**, **Beneficial Life Insurance Co.** and **CRT Capital**—in 2004 (*PFR*, 10/1/04).

**ContourGlobal** purchased the project from the developer in 2006, before selling it to CPV in 2015 (*PFR*, 8/31/15). ■

# ArcLight to Take Stakes in Two Vintage Wind Projects

« FROM PAGE 1

**Generating Corp.**, according to a filing with the U.S. **Federal Energy Regulatory Commission**.

The purchase price could not immediately be learned. Representatives of ArcLight in Boston and **Mitsubishi Group** subsidiary **Diamond** in Los Angeles did not immediately respond to inquiries.

Following the transaction, ArcLight will co-own Goshen II

with **BP**, which has a 50% stake, and funds controlled by Dutch asset manager **DIF**, which hold 12.5%. The same DIF funds also own the remaining 50% interest in Rockland.

BP and Diamond were Goshen II's co-sponsors, alongside **Ridgeline Energy**, when the project was financed with a \$300 million construction and term loan package in 2010 (*PFR*, 7/6/10).

Diamond and Ridgeline also co-sponsored the Rockland project, which obtained \$175 million of non-recourse debt the following year (*PFR*, 4/4/11).

**Atlantic Power Corp.** came to own stakes in the two projects when it acquired Ridgeline in 2012 (*PFR*, 11/21/12). It sold them on to **SunEdison** in 2015 (*PFR*, 4/1/15).

SunEdison had initially intended to drop the stakes down into

its yield company, **TerraForm Power** but instead, mired in bankruptcy proceedings, it sold them to Amsterdam-based DIF in July (*PFR*, 1/9, 7/26).

Both of the projects are contracted with utilities under long-term power purchase agreements. Goshen II has a 20-year PPA with **Southern California Edison**, while Rockland has a 25-year contract with **Idaho Power**. ■

# Great Plains and Westar File for Revised Deal

**Great Plains Energy** and **Westar Energy** have taken the first steps in their second attempt at a merger, filing for approval of the renegotiated deal with the **Kansas Corporation Commission**.

Under the terms of the deal, the merged company will be 52.5% percent owned by the existing shareholders of Westar and 47.5% by those of Great Plains (*PFR*, 7/13). If the all-stock, tax-free share exchange goes through, the new company will own 13 GW of generation capacity.

Westar added 280 MW of wind generation when its Western Plains project in Ford County, Kan., came online in March.

The project was partially financed with the proceeds of a \$350 million green bond (*PFR*, 6/14/16).

The Kansas regulator rejected Great Plains' initial attempt to acquire Westar on April 19, deeming the \$12.2 billion purchase price too high and the debt to be incurred too burdensome. The same body denied a petition for reconsideration the following month (*PFR*, 5/26).

The companies plan to file with other regulatory bodies this quarter. Shareholders are due to vote before year-end, according to paperwork filed with the U.S. **Securities and Exchange Commission**. ■

# Starwood Sells Minority Stakes in Texas Wind Assets

**MEAG**, the asset management arm of **Munich Re Group**, has acquired minority stakes in two 230 MW Texas wind projects developed by **Starwood Energy Group Global**.

Starwood will retain a 51% stake in the Horse Creek and Electra projects, located in Haskell County and Willbarger County, respectively. The firm had been marketing the projects, with **Whitehall & Co.** acting as financial adviser, as early as 2016 (*PFR*, 12/8).

Whether the private equity firm aims to sell its remaining 50% interests in the projects could not immediately be learned. Officials at Starwood in Greenwich, Conn., and Munich Re in New York did not respond to inquiries.

The projects, which both came online last year, have 13-year fixed-price hedge agreements with **Merrill Lynch Commodities**. ■

## MERGERS &amp; ACQUISITIONS ●

## Odebrecht Finds Buyer for Chaglla Hydro Project

**Odebrecht Latinvest** has lined up a buyer for its 456 MW Chaglla hydro project in Peru.

A consortium led by **China Three Gorges** has agreed to purchase the facility, which is situated on the Huallaga River in the Chaglla district of Peru's Huánuco Region, for \$1.39 billion, *PFR* has learned.

The sale agreement is the result of an auction which moved into a second round earlier this year (*PFR*, 6/2).

**Itaú**, **Scotiabank** and **SMBC Nikko Securities** are advising Odebrecht on the sale and **Bank of America Merrill Lynch** is advising Three Gorges.

**White & Case** is acting as the seller's legal counsel, while **Sullivan & Cromwell** is advising the buyer.

The sale process, launched last year, marks the company's second attempt to offload the project. **JP Morgan** advised Odebrecht on its initial, unsuccessful auction last

year (*PFR*, 4/6).

A spokesperson for Odebrecht in São Paulo declined to comment. Officials at Three Gorges did not respond to inquiries.

Odebrecht financed the Chaglla project in 2013 with a \$774 million senior secured debt package, for which **BNP Paribas** served as financial adviser (*PFR*, 7/26/13).

The project came online three years later and sells its output to **Electroperu** under a 15-year

power purchase agreement.

Salvador, Brazil-based Odebrecht has been embroiled in a political firestorm in its home country throughout its attempts to sell the facility.

**Marcelo Odebrecht**, the company's ceo, was implicated in a bribery scandal and sentenced to 19 years in prison last year, the result of a widespread investigation that had begun with a money laundering inquest at oil giant **Petrobras**. ■

## STRATEGIES ●

## Enel Maps Out Chilean Asset Merger

Italy's Enel is considering a corporate reorganization of its assets in Chile that could involve the merger of its renewables business in the country into its conventional generation arm.

The partly state-owned utility has approved the plan and is considering launching the merger in two phases, each of which will be conditional on the other's completion.

The reorganization would be accomplished through the merger of the Chilean renewable assets of **Enel Green Power Latin America** with **Enel Chile**, and Enel Chile's launch of a public tender and exchange offer for all of the shares in **Enel Generación Chile** (EGC) that are held by minority shareholders.

Enel hopes its Chilean business will be able to increase its 60% holding in EGC to more than 75% as a result of the tender and exchange offer.

"In this way, all of the generation operations that Enel has in Chile, be they conventional or non-conventional renewable, would be run by Enel Chile through its subsidiaries," said Enel Chile in a statement.

The tender will be financed partly with cash and partly with Enel Chile shares through a capital increase. Enel did not say how much the process will cost.

For the tender offer to pass, EGC's shareholders will need to amend an existing share

ownership limit that prevents any single shareholder owning more than 65% of EGC. An Enel spokesperson declined to disclose when the shareholders would meet to approve this change.

Enel Green Power Chile operates 1.2 GW of installed capacity in the country, of which 564 MW is from wind, 492 MW from solar and 92 MW from hydro sources.

Its most recent asset to come online is the \$320 million 48 MW Cerro Pabellón geothermal plant—the first of its kind in South America.

EGC meanwhile has 6,351 MW of operational capacity, of which more than half is hydro generation. ■

## Xcel to Issue 2.4 GW RFP for Wind, Solar and Gas-fired Generation

**Xcel Energy** plans to issue a request for proposals for up to 2.4 GW of generation from gas-fired, wind and solar projects as part of its wider plans in Colorado.

Minneapolis-based Xcel is also proposing building a new switching station in southern Colorado to encourage renewables development. The company plans to procure up to 1 GW of wind, up to 700 MW of solar and

up to 700 MW of gas-fired generation and storage. It says that its combined plans could lead to \$2.5 billion in clean energy investments in rural Colorado.

Xcel is also aiming to retire two coal-fired projects, the 325 MW Comanche 1 and the 335 MW Comanche 2 facilities in Pueblo, no later than the end of 2022 and 2025, respectively. The utility plans to accelerate depreciation for the retirement of the

two coal-fired units. A third 750 MW Comanche coal-fired unit will remain active.

The amount of new generation exceeds the coal-fired capacity coming offline because of intermittency issues with renewables, says a spokesperson for Xcel.

The company will source the new projects through a competitive process, which it will launch in the coming days, targeting a

mix of utility- and independent power producer-owned facilities.

Xcel, along with 14 supporting groups, filed a stipulation with the **Colorado Public Utilities Commission** to approve its plans on Aug. 29.

The company intends to put the plans before the PUC in the first quarter of next year. A final decision on the plans is expected from the PUC in the summer. ■

## ● PEOPLE &amp; FIRMS

## Banker Departs Macquarie, Joins IFM

A banker has left **Macquarie Capital**, where he was a managing director, to take up a position at **IFM Investors**.

**Jim Wierstra** began work at IFM as an investment director in New York last month, according to his **LinkedIn** profile.

At Macquarie, he focused on financial advisory work and mergers and acquisitions in the U.S. and Canadian infrastructure, utilities and renewables sectors, splitting his time between New York and Toronto.

Further details on Wierstra's role at IFM and who he will report to could not immediately be learned. A spokesperson for IFM in Fairfield, Conn., did not respond to inquiries and Wierstra could not be reached.

Wierstra joined Macquarie Capital in 2010 and was head of the bank's North American public-private partnership business and its Canadian power and utilities sponsor coverage when he left.

Before moving to Macquarie

Capital, Wierstra worked at **Macquarie Infrastructure and Real Assets** from 2005 to 2010.

Whether the bank plans to hire someone to replace him could not immediately be learned. Spokespeople for Macquarie Capital in New York did not respond to inquiries.

When **Michael Allison**, who was senior m.d. in the infrastructure group, departed Macquarie Capital for an m.d. role at **Stonepeak Infrastructure Partners** in 2016 (PFR, 6/10, PFR, 6/14), the



Jim Wierstra

Australian bank opted not to replace him and his responsibilities were taken on by other officials on the team, *PFR* understands. ■

## Rocky Mountain Institute Hires Renewable Business Head

The Rocky Mountain Institute has hired a former assistant secretary for energy of the **U.S. Air Force** as a managing director to run its corporate renewable procurement group.

The non-profit has hired **Miranda Ballentine** to head its Business Renewables Center, which runs a platform to assist member corporations in purchasing off-site large-scale wind and solar generation.

Ballentine starts in her new job this week and will be based in RMI's Washington D.C., office, she tells *PFR*.

BRC members have signed over 8 GW of renewables contracts and more than 95% of corporate renewables deals to date have included a BRC member, according to the Colorado-

based institute, which aims to help corporations procure 60 GW of renewable capacity by 2025.

Prior to joining Rocky Mountain Institute, Ballentine served President **Barack Obama** as assistant secretary of the Air Force for installations, environment, and energy, a role in which she was responsible for a \$9 billion energy budget, according to an announcement issued by the institute on Aug. 24.

Ballentine was previously director of sustainability for global renewable energy and sustainable facilities at **Walmart**. In this role, Ballentine was part of the discussions in 2004, facilitated by **World Wide Fund for Nature** and **World Resources Institute**, which led to

the creation of the corporate renewable energy buyers' principles. The guidelines outline six criteria to help corporations reach their renewable energy goals.

Highly regulated markets, monopolies and utilities are the biggest barriers faced by the consumer and industrial sector, says Ballentine. However, the opposite can be said of the military, she adds.

"The regulated markets were some of the easiest to work in," she says of her time spent working in the Air Force, because in those markets it was possible to negotiate bilateral deals between the military and utilities, without needing to participate in competitive processes. ■

## Ex-LNG Execs Establish Investment Shop

◀ FROM PAGE 1

believe that good assets are worth holding for the long term and will deliver good returns to prudent investors," he adds in an interview with all three founding partners.

Gen X intends to be generation-type agnostic and will look to invest in any number of projects, including coal-fired and gas-fired assets.

Before founding Gen X, Kicker,

Ahluwalia and Karafa all most recently worked at Venture Global LNG, a liquefied natural gas provider with two export terminals under development in Louisiana—Calsasieu Pass and Plaquemines.

A vast number of LNG export terminals are under development in the U.S., but how many of them will be completed remains to be seen.

"In the U.S. market for exporters it's a bit of a crapshoot on how many projects will continue to go forward," says Karafa, who was a vice president at Venture Global LNG and has prior experience as a director of corporate development at **South Louisiana Methanol** and before that at **Bechtel**.

"There's a lot of projects in the pipeline. We don't think all of them will get done but we think

enough of them will get done," adds Kicker.

Ahluwalia and Kicker, who both joined Venture Global LNG in 2016, are both alumni of **AES Corp.**

Kicker was vice president at AES and president of **AES Asia** when he left the company to join Venture Global LNG.

Ahluwalia worked at AES for 15 years in various leadership roles, before joining transmission tower manufacturer **Jyoti Americas** in Houston as cfo and commercial officer in 2013. ■