

Power Finance & Risk

The weekly issue from Power Intelligence www.powerintelligence.com

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Tenaska Capital Management has tagged **Barclays Capital** and **Citigroup** to oversee the sale of a pair of merchant gas-fired plants.



Citi

See story, page 2.

Wind Capital Group is talking to **GE Energy Financial Services** about tax equity for its Post Rock wind farm.

See story, page 2.

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Top Stories

Edison Mission Scopes Refi Options

Edison Mission Energy is reviewing refinancing options ahead of maturities totaling \$1.5 billion in the next two years. The company is looking at how to rework a \$500 million senior unsecured bond maturity in 2013 before it tackles refinancing two revolvers totaling \$1.064 billion that mature in June, industry officials say.

The executive team is considering options at different rungs in its corporate structure, say deal watchers. The options range from leveraging up its existing wind farms and selling an equity stake in its wind business to issuing secured debt. Edison Mission has had discussions with potential advisors about the options.



(continued on page 12)

Pattern Scouts Shippers For \$1B Transmission Line

Pattern Energy is looking for capacity takers on its proposed 400-mile transmission line that will connect east Texas to northeast Mississippi and cost upwards of \$1 billion. Pattern anticipates having some commitments or a big name tenant before it gets too much further in the development process of Southern Cross, says **Chris Shugart**, project developer.

Shugart says utilities in the southeast that want to link with generation in Texas as well as marketers and sponsors in Texas that want to sell to the East are the most likely candidates to reserve capacity. The line will be bi-directional so marketers looking to sell in either direction could also sign on. A formal open-season will be held next year once the U.S. **Federal Energy Regulatory Commission** approves its petitions. Shugart anticipates having FERC's

(continued on page 12)

Utilities Looking To Score Record Low Bond Rates



A slew of power utilities are looking at issuing debt before year-end. They're aiming to jump on the funding rates already bagged by a number of peers who have issued billions of dollars in bonds at historically low rates in the past few weeks. Low rates, coupled with large capital expenditure plans and expiring tax benefits, are the drivers.

"Right now is good time to be in the market. Utilities are considered a low-risk flight to safety and these deals have a

(continued on page 11)

At Press Time

Tenaska Pings BarCap, Citi For Auction

Tenaska Capital Management has mandated **Barclays Capital** and **Citigroup** to run the sale of two merchant gas-fired plants totaling 1.63 GW. One industry official estimates eight banks pitched to sell the 830 MW High Desert CCGT in Victorville, Calif., and the 800 MW Rio Nogales in Seguin, Texas.

A sale of Rio Nogales and High Desert would allow Tenaska to boost returns, providing a stronger track record for prospective investors in a new fund (PFR, 8/26).

Whether a schedule for releasing teasers has been set couldn't be learned. Bank spokesmen declined to comment as did a Tenaska spokeswoman in Omaha, Neb.



Barclays Capital

Wind Capital Circles GE EFS Tax Equity

Wind Capital Group is working with **GE Energy Financial Services** for a tax equity investment in its 201 MW Post Rock wind farm in Kansas. **NordLB**, **Mizuho**, **Union Bank** and another lender are also considering participating in \$250 million deal backing the \$350 million project, a financier notes. The deal is set to wrap by month-end.

BayernLB and **Rabobank** are leading the financing, which will be priced between 225 and 250 basis points over LIBOR. The deal will consist of a term loan and one-year construction facility. **Westar Energy** is the offtaker for Post Rock, which will be in Ellsworth and Lincoln Counties. Bayern and Rabo are also leading a \$200 million deal backing the St. Louis, Mo.-based developer's 150 MW wind project in Osage County, Okla. (PFR, 8/11).

A spokesman for GE EFS in Stamford, Conn., declined to comment on the transaction, and bank officials either declined to comment or did not return calls. **Ciaran O'Brien**, ceo, did not return a call. Details on the structure of the tax equity transaction and the tenor of the financing, could not be learned.

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Dear Readers,

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We've added new data pages, blogs and community sections. We've created content buckets; a unique tool to organize our content in just the way that you want it. You can also create your own information stream via our "My News" widget.

Have a look at www.powerintelligence.com. Please contact me with any questions or comments at srosner@iinews.com or (212) 224-3165.



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**Institutional Investor
Intelligence**

<p>Australia August 2011</p>  <p>South East Australia Gas Pty Ltd</p> <p>AUD 405,000,000 Project Finance Facility</p> <p>Mandated Lead Arranger WestLB</p>	<p>Italy August 2011</p>  <p>TotalErg SpA</p> <p>EUR 900,000,000 Long Term Financing</p> <p>Mandated Lead Arranger WestLB</p>	<p>Singapore July 2011</p>  <p>GMR Energy (Singapore) Pte Ltd</p> <p>SGD 670,000,000 Term Loan Facility 800 MW CCGT Power Plant</p> <p>Mandated Lead Arranger Technical Bank WestLB</p>	<p>Italy July 2011</p>  <p>Nuova Rete Solare S.r.l.</p> <p>USD 220,000,000 Project Financing of up to 79 MW PV plants portfolio</p> <p>Mandated Lead Arranger WestLB</p>
<p>Spain May 2011</p>  <p>Iberecoica Solar Olivenza</p> <p>EUR 286,000,000 Project Financing for a 50 MW solar thermal plant</p> <p>Mandated Lead Arranger WestLB</p>	<p>Spain/Mexico April 2011</p>  <p>Energía y Recursos Ambientales Energías Ambientales Guadalajara</p> <p>USD 148,800,000 Project Financing for a 102 MW wind farm</p> <p>Mandated Lead Arranger WestLB</p>	<p>Russia /Germany April 2011</p>  <p>Nord Stream Phase 2</p> <p>EUR 2,500,000,000 Project Financing of 1,200 km sub-sea gas pipeline</p> <p>Mandated Lead Arranger WestLB</p>	<p>UAE March 2011</p>  <p>Shams Power Company PJSC</p> <p>USD 612,000,000 Project Financing</p> <p>Mandated Lead Arranger WestLB</p>
<p>US February 2011</p>  <p>Viento II Funding, Inc.</p> <p>USD 255,200,000 Financing of a 360 MW wind farm portfolio consisting of three projects</p> <p>Joint Lead Arranger Sole Bookrunner WestLB</p>	<p>Kazakhstan January 2011</p>  <p>KC Kazakh Panama KNOC Consortium</p> <p>USD 168,000,000 Term Loan Facility Zhambyl Rig Project</p> <p>Mandated Lead Arranger Co-Financial Advisor WestLB</p>	<p>Chile December 2010</p>  <p>Hidroelectrica San Andrés Ltda. Hidroelectrica El Paso Ltda.</p> <p>USD 120,000,000 Project Financing for two 40 MW hydroelectric run-of-river power plants</p> <p>Mandated Lead Arranger Bookrunner WestLB</p>	<p>Turkey November 2010</p>  <p>EnerjiSA Enerji Üretim A.S</p> <p>EUR 1,000,000,000 Senior Debt Facilities</p> <p>Bookrunner Joint Lead Arranger WestLB</p>

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Mergers & Acquisitions

EIF To Sell Army Base Plant To Riverstone Co.

Energy Investors Funds has agreed to sell its idle coal-fired facility on the U.S. Army Fort Drum Base in New York to **Riverstone Holdings**-backed **ReEnergy Holdings**. The transaction is

► FAST FACT

The deal comes about a year after **Catalyst Renewables** had agreed to buy the 55 MW Black River facility.

expected to be complete in the fourth quarter, according to an Aug. 7 filing with the U.S. **Federal Energy Regulatory Commission**.

The deal comes about a year after **Catalyst Renewables** had agreed to buy the 55 MW Black River facility. The

Catalyst agreement was contingent upon the closing of acquisition financing (PFR, 10/18). Why that deal fell through could not be immediately learned.

ReEnergy is expected to continue with Catalyst's plans to convert the plant into a roughly 40 MW wood waste-fired plant, says a deal watcher. The plant went idle in March 2010.

ReEnergy's financing plans could be learned. An EIF spokesman declined to comment and a ReEnergy official was not immediately reached. A Catalyst official couldn't immediately comment.

Investor Hooks Brookfield Mills For Biomass

Brookfield Asset Management has agreed to sell two paper mill facilities in Maine to **Cate Street Capital**, a Portsmouth, N.H.-based investment shop that has plans to convert them to biomass-fired generation facilities. The two parties signed a purchase and sale agreement Aug. 30.

► FAST FACT

The mills in Maine have historically produced paper mostly for phone directory manufacturers.

Wrapping the transaction is contingent on finalizing the undisclosed purchase price and completing due diligence,

according to a Cate Street statement. The acquisition is expected to close in the coming weeks, according to a press release from the office of Maine Governor **Paul LePage**, which has been involved in the negotiations.

The mills in Millinocket and East Millinocket, Maine have historically produced paper mostly for phone directory manufacturers. The Millinocket mill will was shut down in April. A Cate Street spokesman confirmed the agreement to purchase, declining further comment on the transaction, including long-term plans for the mills.

Cate Street, headed up by **John Halle**, president, and **Richard Cyr**, senior v.p., is also involved with a 75 MW biomass development in Berlin, N.H. The status of the project could

not be immediately learned. A Brookfield spokesman declined to comment and a spokeswoman for LePage did not respond to an inquiry.

AES, Riverstone Scout European Partner

AES Solar Energy, the joint venture between AES and **Riverstone Holdings**, is looking for an investor to take a stake in its solar photovoltaic projects in Europe. Prospective investors are expected to submit proposals to advisor **Morgan Stanley** in New York the week of Sept. 19, says a deal watcher.

► FAST FACT

AES Solar has 20 operating projects totaling about 80 MW in Bulgaria, France, Greece, Italy and Spain.

AES Solar has 20 operating projects totaling about 80 MW in Bulgaria, France, Greece, Italy and Spain.

Proceeds from the sale will likely be used to fund project development. Turnout in the bidding process will depend on prospective buyer's outlook on the solar market in the individual countries, says the deal watcher. Details regarding the development pipeline could not be learned.

A Riverstone spokesman declined to comment while an AES spokesman in Arlington, Va., didn't return a call and a Morgan Stanley spokesman wasn't immediately available.

Brookfield To Keep Cross Sound Cable

The Cross Sound Cable will remain under Brookfield's corporate umbrella after the shop stepped into the lender-requested auction with a proposal to maintain ownership. Brookfield agreed to pay lender **Commonwealth Bank of Australia** about \$190 million for the 24-mile line, says a deal watcher. The transaction closed the last week of August.

Brookfield entered the **Rothschild**-run auction late in the game—around when final bids were due—with an offer that is said to have topped what prospective bidders had submitted. The auction launched after a \$193.5 million term loan matured in February and CBA opted not to foreclose on the asset on the condition that the line be sold (PFR, 6/17).

The transaction was initially financed with cash on hand although it's expected that Brookfield will look for long-term financing via a private placement or bank loan, the deal watcher says.

An affiliate of **Brookfield Infrastructure Partners** will own the line. Brookfield acquired the line when it acquired **Prime Infrastructure Group** (PFR, 3/18). Cross Sound is a 330 MW high voltage direct currents line that runs between Shoreham, N.Y., and New Haven, Conn., through the Long Island Sound and has a 20-year agreement with the **Long Island Power Authority**. Brookfield and Rothschild spokesmen declined to comment.

Project Finance

Ram Nixes PPA For Calif. Geo

Ram Power has terminated a power purchase agreement with **Southern California Edison** for its proposed Orita geothermal project. The developer was going to be unable to meet milestones in the 20-year PPA and canceled the contract in order to avoid a default, says a spokesman in Reno, Nev.

The company has observed 8-10 MW of the geothermal resource at the project in Salton Sea, Calif., which is short of its



Daniel Schochet

proposed nameplate capacity of 49.9 MW. The resource is also 6,000 to 7,000 feet deeper than originally estimated, making its utilization more expensive. SoCalEd could buy up to 300 MW from the Orita site under the PPA (PFR, 9/16/10).

The company will continue to pursue development of Orita after it completes development of its San Jacinto Tzicate project near Leon, Nicaragua in the beginning of next year, the spokesman adds. A spokesman for SoCalEd did not return a call. Whether the PPA will be revived could not be learned.

In other news, **Daniel Schochet**, executive v.p. of Ram, retired late last month. Schochet, who worked on financing and

business development for three years, will not be replaced, notes the spokesman. Prior to Ram, Schochet established geothermal developer **Ormat's** U.S. geothermal business. He has also served on the board of the **Geothermal Resources Council** and as chairman of the **Nevada Renewable Energy Transmission Access Advisory Committee**. Schochet will continue to do consulting work for the company.

First Solar Unit Snares U.S. Ex-Im Guarantees

The **Export Import Bank of the United States** is guaranteeing \$455.7 million in financing backing 90 MW across two photovoltaic projects being developed by **First Solar** in Ontario.

The developer has yet to mandate a lender to arrange financings that the guarantees will back, notes a spokeswoman for Ex-Im in Washington D.C. The 18-year guarantees will apply to loans that will be derived from proceeds of private placement, she adds, declining to elaborate. **Mark Widham**, cfo in Tempe, Ariz., and a spokesman did not return a call. Details, such as a timeline for mandating a lender and potential pricing on either the private placement or the loan, could not be learned.

Ex-Im will back \$236.7 million in debt for a 50 MW project in Amherstburg, Belmont and Walpole townships. That project will be split into five 10 MW systems. Another \$219 million guarantee will

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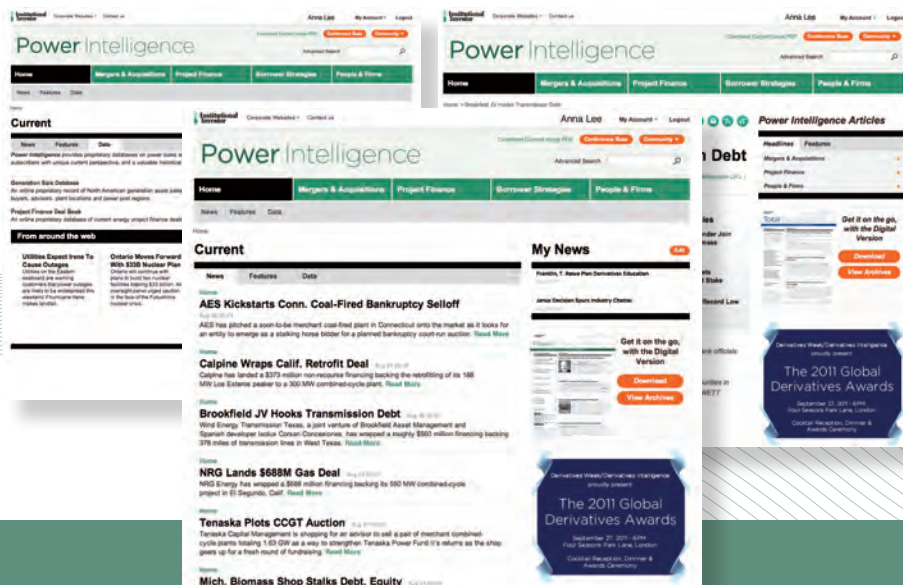
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We detail the strategies on both M&A and project finance in generation, transmission, and midstream including the financing and investment of power plants and utilities by the major investment banks, broker/dealers, hedge funds and private equity funds. We detail the rationale for utilities and IPPs financing capital expenditure programs, refunding or replacing debt - by speaking to all the parties involved.

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go toward financing supporting a 40 MW solar project in St. Clair that will be split in to two systems. Both of the projects have 20-year power purchase agreements with the **Ontario Power Authority** under its Renewable Energy Standard Offer program.

In addition to its role as developer on the projects, First Solar is the engineering, procurement and construction contractor. It is also supplying the projects with its own PV modules.

And in other news...

First Solar Targets \$50M Tickets

First Solar is offering \$50 million tickets in a \$400 million bank loan backing its 550 MW Desert Sunlight photovoltaic project.

The deadline to commit is Sept. 13, says a deal watcher. Financial close is expected by month-end.



The bank loan is priced at 225 basis points over LIBOR and comprises a term loan with a tenor of construction plus 11.5 years and a five-year bridge loan (*PFR*, 8/18). The facility is part of a \$1.88 billion package supporting the photovoltaic project in Desert Center, Calif. The

U.S. **Department of Energy** is expected to offer a loan guarantee covering the remaining \$1.48 billion of the financing (*PFR*, 7/1).

Goldman Sachs is the lender-applicant under the DOE's Financial Institution Partnership Program; **Citigroup** is the co-lead arranger.

First Solar will sell equity stakes in the project, likely to **GE**

Energy Financial Services and **NextEra Energy Resources**, the deal watcher says. GE EFS and NextEra attended the bank launch last month as co-sponsors, according to the meeting invite (*PFR*, 8/18). The status of the sale couldn't be learned.

The identity of the banks considering participating couldn't be learned. Spokesman for GE EFS in Stamford, Conn., and First Solar in Phoenix declined to comment, while a NextEra spokesman in Juno Beach, Fla., didn't return a call. Bank officials or spokespeople declined to comment or didn't return calls.

Pacific Gas & Electric and **Southern California Edison** have 25-year offtake agreements for 300 MW and 250 MW, respectively, of the photovoltaic project's generation.

Quintet Circles Tenaska Solar Financing

BBVA, **Royal Bank of Canada**, **Lloyds TSB**, **Morgan Stanley** and **Union Bank** are in the running to lead a roughly \$600 million financing backing **Tenaska Solar Ventures'** 130 MW Imperial Solar South photovoltaic projects.

Part of the package includes a bridge facility to the 30% equity that the Omaha, Neb.-based company plans to contribute upon construction completion. Proposals to lead the deal were due late last month (*PFR*, 8/19). Bank officials either declined to comment or did not return calls. **Greg Van Dyke**, cfo and treasurer, did not return a call. Pricing and tenor could not be learned.

San Diego Gas & Electric has a 25-year offtake agreement for the project in Imperial Valley, Calif. Imperial Solar South and the 150 MW Imperial Solar sister project are Tenaska's first forays into solar.

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AUGUST 23, 2011

ECP Floats \$2.3B Ill. Project

Energy Capital Partners is looking to sell its \$2.3 billion coal-to-synthetic natural gas and power project in Jefferson County, Ill. The Short Hills, N.J.-based shop sent out teasers earlier this month; it is not working with an advisor on the sale, a deal watcher notes.

ECP is looking to wrap the sale before year-end. There is no set deadline to submit bids.

Power Holdings of Illinois will produce 55 billion cubic feet of SNG and 100 MW of power. The sale of SNG will constitute up to 80% of the revenues from the facility, which is slated for operation in



AUGUST 24, 2011

Private-equity firm reportedly wants to sell downstate coal-to-gas project

The private equity firm behind a \$2.3 billion coal-to-gas plant in downstate Illinois is looking to sell the project, trade publication *Power Finance & Risk* reported Tuesday. The move comes less than a month after Gov. Pat Quinn signed legislation that paved the way to making the plant a reality.

Energy Capital Partners, which has offices in Short Hills,

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Project Finance Deal Book

Deal Book is a matrix of energy project finance deals that PFR is tracking in the energy sector. The entries below are of new deals or deals where there has been change in their parameters or status. To report updates or provide additional information on the status of financings, please call Senior Reporter **Brian Eckhouse** at (212) 224-3624 or e-mail beckhouse@iinews.com.

Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
American Renewables	Gainesville (100 MW Biomass)	Gainesville, Fla.	BoTM, Crédit Agricole, ING, Natixis, Rabo, SocGen	TBA	\$500M	TBA	CIT joins retail syndication (PFR, 8/29).
Boralex, Gaz Métro	Unidentified (272 MW Wind)	Seigneurie de Beaupré, Quebec	BoTM, DB, KfW	TBA	\$500-600M	18-20-yr	Dexia, LBBW, Mizuho and SMBC join club deal (PFR, 7/25).
Brookfield Asset Management, Isolux Corsan	CREZ (378 Miles Transmission)	West Texas	BoTM, DB, Scotia, SocGen	TBA	\$560M	TBA	Deal wraps (PFR, 8/29).
Calpine Corp.	Los Esteros (300 MW Retrofit)	San Jose, Calif.	BBVA, BLB, CA, WestLB	Term	\$373M	10-yr	Deal wraps (PFR, 8/29).
Catalyst Renewables, Hannon Armstrong	Hudson Ranch II (49.5 MW Geothermal)	Salton Sea, Calif.	TBA	TBA	TBA	TBA	Sponsors initiate talks with lenders (PFR, 9/5)).
Cirque Energy	Midland Biomass (35 MW Biomass)	Midland, Mich.	TBA	TBA	\$70M	TBA	Sponsor targets debt, equity (PFR, 8/29).
Competitive Power Ventures	Ashley (200 MW Wind)	McIntosh County, N.D.	TBA	TBA	TBA	TBA	Sponsor initiates talks with lenders, tax equity providers (PFR, 8/8).
	Cimarron (165 MW Wind)	Gray County, Kan.	TBA	TBA	TBA	TBA	Sponsor initiates talks with lenders, tax equity providers (PFR, 8/8).
Edison Mission Energy	Taloga (130 MW Wind)	Dewey County, Okla.	WestLB	TBA	\$200M	TBA	EME mandates WestLB to lead financing (PFR, 8/1).
Enova Energy Group, NuPower	Plainfield (37.5 MW Biomass)	Plainfield, Conn.	SocGen	TBA	TBA	TBA	SocGen wins mandate to lead syndicated financing (PFR, 7/18).
Gradient Resources	Patua (132 MW)	Reno, Nev.	BNP, Dexia, Scotia	TBA	\$600M	TBA	Sponsor retains Marathon Capital as financial advisor (PFR, 7/18).
First Solar	Desert Sunlight (550 MW Solar PV)	Desert Center, Calif.	Goldman Sachs	TBA	TBA	TBA	\$50M tickets available. Commitments due Sept. 13 (see story, page 8).
First Wind	Palouse (100 MW Wind)	Whitman County, Wash.	TBA	TBA	\$180M	20+-yr	Sponsor targets tenor longer than 20 years (PFR, 8/29).
Invenergy	Bishop Hill I (200 MW Wind)	Henry County, Ill.	BLB, Dexia, Rabo	Term/Bridge	\$415M	TBA	Sponsor plans to contribute 7.5-10% equity (PFR, 9/5).
NextEra Energy Resources	Lone Star (300 Miles Transmission)	Texas	TBA	TBA	TBA	TBA	Sponsor targets pricing under 200 bps (PFR, 8/15).
	White Oak (150 MW Wind)	McLean County, Ill.	Lloyds, UniCredit	TBA	\$70M	TBA	Deal wraps (PFR, 8/22).
Northland Power	Manitoulin Island (60 MW Wind)	Maitoulin Island, Ontario	Manulife	TBA	TBA	TBA	Northland taps Manulife to lead financing (PFR, 8/29).
NRG	El Segundo (550 MW Gas)	El Segundo, Calif.	Crédit Agricole, Mizuho, ING, MUFG, RBS	TBA	\$688M	10-yr	Deal wraps (PFR, 8/29).
Peregrine Midstream Partners	Ryckman Creek (18-35 bcf Gas Storage)	Uinta County, Wyo.	TBA	TBA	\$160M	TBA	Sponsor hunts financing for gas storage facility (PFR, 9/5).
Radback Energy	Oakley (624 MW Gas)	Contra Costa County, Calif.	BoTM, Crédit Agricole, ING, RBS, Scotia	TBA	TBA	TBA	Loan priced south of 225 bps (PFR, 7/18).
Ram Power	Orita (49.9 MW Geo)	Salton Sea, Calif.	N/A	TBA	TBA	TBA	Project on hold after sponsor terminates PPA with SoCalEd (see story, page xxx).
Recurrent Energy	Unidentified (40 MW Solar PV)	Near Sacramento, Calif.	BoTM, Lloyds, Mizuho, UniCredit	TBA	\$130M	C+18	Deal wraps (PFR, 9/5).
Tenaska Solar Ventures	Imperial Solar Energy Center South (130 MW Solar PV)	Imperial Valley, Calif.	TBA	TBA	TBA	TBA	BBVA, RBC, Lloyds, Morgan Stanley and Union Bank set to lead (PFR, 8/22).
Wind Capital Group	Unidentified (150 MW Wind)	Osage County, Okla.	BLB, Rabo	TBA	TBA	TBA	Sponsor mandates BLB, Rabo (PFR, 8/15).
	Post Rock (201 MW Wind)	Lincoln and Ellsworth, Kan.	BLB, Rabo	Term/Construction	\$250M	TBA	BLB, Rabo picked to lead deal (PFR, 9/5).

Shaded items indicate latest entries.

Generation Auction & Sale Calendar

Generation Sale ■ **DATABASE**

Following is a directory of ongoing generation asset sales. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report new auctions or changes in the status of a sale, please call **Holly Fletcher** at (212) 224-3293 or e-mail hlfletcher@iinews.com.

Seller Assets		Location	Advisor	Status/Comments
AES	Cayuga (306 MW Coal) Greenidge (105 MW Coal) Somerset (675 MW Coal) Westover (83 MW Coal)	Lansing, N.Y. Dresden, N.Y. Barker, N.Y. Binghamton, N.Y.	Barclays Capital	Signed a forbearance agreement with lenders that is in place until October (PFR, 9/5).
AES Solar, Riverstone Holdings	Stakes (Solar pipeline)	Variou, Europe	Morgan Stanley	Bids for a partnership stake are due the week of Sept. 19 (see story, page 4).
AES Thames	Thames (208 MW Coal-fired)	Montville, Conn.	Houlihan Lokey	AES is looking to line up a stalking horse bid in preparation for a fall bankruptcy auction (PFR, 8/29).
AE Investor II	Astoria Energy II (4%, or 23.3 MW)	Queens, N.Y.	Whitehall & Co.	A group of high network individuals is exiting their B-class stake in the facility (PFR, 7/18).
ArcLight Capital Partners	Waterside (72 MW peaker) Crockett (162 MW Cogen) Hobbs (604 MW CCGT) Hamakua (60 MW CCGT) Borger (230 MW Cogen) Neptune (391 MW, 65-mile transmission line)	Stamford, Conn. Crockett, Calif. Hobbs, N.M. Honokae, Hawaii Borger, Texas Sayreville, N.J., to Long Island, N.Y	Citigroup, Barclays Capital	First round bids were said to come in the week of Aug. 22 (PFR, 9/5).
Black Hills Corp.	Stake (29 MW Wind project)	Huerfano County, Colo.	None	Utility sub is looking to bring in an outside owner for 50% (PFR, 8/22).
Brookfield Infrastructure Partners	Cross Sound Cable (24-mile Transmission)	N.Y., Conn.	Rothschild	Brookfield entered the lender-requested auction late in the game with a proposal to keep the line (see story, page 4).
Calpine	Mankato (375 MW CCGT) Broad River (847 MW Simple cycle)	Mankato, Minn Gaffney, S.C.	Barclays Capital	Shelved the auction after bids came in low (PFR, 8/8).
Cogentrix Energy	50% Stake (115 MW Portsmouth coal-fired) 50% Stake (135 MW James River coal-fired)	Portsmouth, Va. Hopewell, Va.	TBA	Quantum Utility Generation is buying half of each facility (PFR, 8/29).
Conti Group, Grupo Arranz Acinas	Development pipeline (550 MW Wind)	Texas, Kansas, Minnesota	Alyra Renewable Energy Finance	Teasers went out in late July (PFR, 8/1).
Coram Energy	Stake (102 MW Wind project)	Tehachapi, Calif.	Marathon Capital	Coram is selling a 50% stake in a wind project co-owned by Brookfield Renewable Power (PFR, 8/22).
Energy Investors Funds	Mojave (55 MW gas-fired)	Boron, Calif.	None	A pair of investors have bought the facility (PFR, 8/22).
FirstEnergy	Richland (432 MW gas-, diesel-fired) Stryker (18 MW gas-fired)	Defiance County, Ohio	TBA	A unit of Quintana Capital has agreed to buy them (PFR, 8/22).
First Solar	Desert Sunlight (550 MW Solar)	Desert Center, Calif.	Citi, Goldman	Scouting equity investors. NextEra and GE EFS are likely contenders (PFR, 8/15).
NextEra Energy Resources	Blythe (507 MW Combined-cycle) Calhoun (668 MW Peaker) Doswell (708 MW CCGT & 171 MW Peaker) Cherokee, (98 MW CCGT) Risec (550 MW CCGT)	Blythe, Calif. Eastaboga, Ala. Ashland, Va. Gaffney, S.C. Johnston, R.I.	Credit Suisse, Citigroup	LS Power has agreed to buy all the assets except RISEC (PFR, 9/5).
Puget Sound Energy	Lower Snake River (1.2-1.4 GW Wind)	Columbia and Garfield Counties, Wash.	TBA	The Macquarie Infrastructure Partners-owned utility is having conversations with prospective advisors, including Morgan Stanley (PFR, 8/22).
Cascade Investment	Altura (600 MW Cogen) Twin Oaks (305 MW lignite-fired) Cedar Bayou 4 (275 MW natural gas-fired)	Channelview, Texas Bremond, Texas Chambers County, Texas	Evercore Partners	Cascade is considering its options, including restructuring and a sale of its stake (PFR, 7/11).
Signal Hill Power, CarVal Investors	Wichita Falls (77 MW CCGT) Rensselaer (79 MW Peaker)	Wichita Falls, Texas Rensselaer, N.Y.	Scotia Capital	Teasers out in late June; first round bids said to be in (PFR, 8/8).
Starwood Energy, Tyr Energy (CalPeak Power)	El Cajon (49.9 MW Peaker)	El Cajon, Calif.	N/A	San Diego Gas & Electric exercises option to buy the asset under a lease (PFR, 8/15).
Strategic Value Partners, JPMorgan, Cargill	Liberty Electric Power (586 MW CCGT)	Eddystone, Pa.	JPMorgan	Energy Capital Partners is buying the facility for a price just under \$1,000/kW (PFR, 8/29).
Tenaska	High Desert (800 MW CCGT) Rio Nogales (800 MW CCGT)	Victorville, Calif. Seguin, Texas	TBA	Looking to mandate an advisor (PFR, 8/29).
U.S. Power Generating Co.	Astoria Generating (2.1 GW Gas-fired)	Queens, N.Y.	TBA	After icing two sales and a restructuring the company is considering filing for bankruptcy pending the outcome of a FERC decision (PFR, 8/8).

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 U.S. **Federal Bureau of Investigation** raided **Solyndra's** offices Thursday at the request of the inspector general at the U.S. **Department of Energy**. The raid is part of an investigation into loans Solyndra received from the federal government before it filed for bankruptcy this week. (*The New York Times*, 9/9).
- **Infinity Wind Power** has received a 20-year power purchase agreement from **Sunflower Electric Power Corp.** for its 104 MW Shooting Star wind project in Kiowa County, Kan. The project is expected to come online next year (*Wichita Eagle*, 9/9).
- The U.S. **Navy** is awarding three distributed solar developers, **Photon Finance**, **Island Pacific Energy** and **Pacific Energy Solutions**, a total of \$500 million in contracts to develop solar installations at 11 naval facilities in Hawaii. Projects will have 20-year power purchase agreements and are expected to be online between now and 2016 (*PV-Tech*, 9/8).

- **Northeast Utilities** and **NStar** executives addressed analysts in New York Sept. 8 as the companies struggle to win state approval of their proposed \$4.5 billion merger. Federal regulators have already approved the deal (*The Wall Street Journal*, 9/8).
- **Dynegy** bondholders could take more of a haircut now that the company has completed a restructuring of its coal-fired plants and plans to start repurchasing outstanding debt for less than its face value. Bondholders have lost 17% this year (*Bloomberg*, 9/8).
- **Green Mountain Power Co.** and **Central Vermont Public Service** have filed a petition with Vermont regulators about the planned merger into one utility under **Gaz Métro** (*Renew Grid*, 9/7).
- **Mississippi Power** has launched a request for proposals for renewable projects, including solar, wind, hydro, biomass and landfill gas, that are larger than 500 kW. Submissions will be due Nov. 1 (*The Meridian Star*, 9/6).

Utilities Looking (Continued from page 1)

quick execution," says **Glen Grabelsky**, managing director in **Fitch Rating's** credit policy group in New York. He adds many companies are looking at pre-funding 2012 capex for savings.

"There's something of a herd mentality in this sector," says **A.J. Sabatelle**, senior v.p. at **Moody's Investors Service** in New York, of the recent flurry of utility issuances. "A lot of



Nick Bijur

bankers are probably talking to their clients and saying, 'You've got to get in while the going is good.'"

Wisconsin Electric Power Co. and **Pacific Gas & Electric** both hit record-low coupons this week on 10-year debt, at 2.95% and 3.25% respectively. "With Treasuries at 2%, this was an opportunity that we couldn't let pass," says

Nick Bijur, treasurer at PG&E in San Francisco. WEPCO, which hasn't issued debt since 2009, had a 1000% oversubscription on its latest \$300 million bond issue, highlighting investors' perception of utility debt as a safe haven, notes Fitch Analyst **Phillip Beard**. **Xcel Energy** priced \$250 million in 30-year notes the same day as WEPCO, at 4.8%.

"Both companies had funding needs this year and decided to address those needs at this time given the attractive rate environment," notes an industry observer familiar with Xcel and WEPCO's bonds. "We would expect more transactions from companies in the power and utilities sector over the next several weeks."

Proceeds from the \$250 million PG&E senior unsecured notes

will redeem \$200 million of callable pollution control bonds due 2016 with a coupon of 5.35%, saving the company more than \$3.6 million in annual interest payments.

Large capex plans stemming from the need for environmental upgrades, transmission upgrades and build-out and smart grid implementation are driving utilities to issue debt. Utilities that have a significant amount of coal-fired power in their generation mix will need to spend billions to meet recent emissions regulations under the U.S. **Environmental Protection Agency**, as well as those companies that are proposing nuclear plants. **American Electric Power**, **SCANA** and **Southern Co.** subsidiaries fall in to these categories. Industry observers also expect **ConEdison** to come to market before year-end. Company spokespeople and officials either declined to comment or did not return calls.

Sempra subsidiary **San Diego Gas & Electric** issued \$350 million in 10-year notes with a 3% coupon, its lowest to date on 10-year paper (*PFR*, 8/19). Proceeds went toward the utility's \$1.8 billion capex program that is focused on its \$1.9 billion Sunrise PowerLink transmission project.

Utilities are also looking to capture tax benefits under bonus depreciation by spending money on new equipment by year-end. Under the Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010, certain industrial and corporate companies, including utilities, can deduct 100% of the allowed depreciation of equipment that is placed in service by 2011. Prior to the act, utilities could only claim 50% of the depreciation. "Because of bonus depreciation, companies are trying to get as much done as possible this year," says Sabatelle.

—Sara Rosner

Pattern Scouts (Continued from page 1)

go-ahead by year-end.

The line is categorized as merchant by FERC because it won't recover its costs through ratebase. Instead, it will have long-term contracts with shippers. So far, Pattern has had informal conversations with prospective shippers that it either has relationships with, has met at conferences or been approached by, says Shugart. Pattern will finance development on balance sheet although it hasn't ruled out bringing in an equity partner with experience in transmission. The developer has had discussions with interested parties, says Shugart, noting that a partnership is not necessary at this point. The firm's major stakeholder is a fund managed by **Riverstone Holdings**.

Pattern submitted applications Tuesday to FERC to request approval for its pay scheme and to connect the independent **Electric Reliability Council of Texas** to the FERC-regulated southeastern power market. "If you interconnect Texas with the rest of the world you have to demonstrate there is a way to do it" that maintains ERCOT's independence, says Shugart, since ERCOT is not regulated by FERC. Another proposal to connect Texas to western regions via a transmission hub in Clovis, N.M., has been floated by **Tres Amigas** (PFR, 4/16/10).

Pattern is developing the portion in Louisiana and Mississippi as Southern Cross while **Garland Power & Light**, the municipal utility in Garland, Texas, will own the portion that originates in Russ County, Texas. Construction is scheduled to begin in 2014 with a targeted operation in 2016.

Southern Cross will transmit between 1.5-3 GW, depending on results from transmission interconnection studies. The final cost of the line will depend on its capacity. —*Holly Fletcher*



Chris Shugart

Edison Mission (Continued from page 1)

Banks could be wary about committing to a three- or five-year revolver without the assurance that the \$500 million in 7.5% unsecured notes have either been paid down or that plans are in motion to refinance, bankers say. One option is to structure a spring maturity into any new revolver, stipulating that if the notes are not refinanced by early 2013 the revolvers will hit an early maturity, says a banker.

Citigroup, **Credit Suisse** and **Union Bank** are the lead arrangers on the parent revolver, which is priced at 200 basis points over LIBOR. Citi and Union Bank are also leads on subsidiary **Midwest Generation's** revolver, priced at 115 bps over LIBOR. Each revolver had more than a dozen participating banks. The Midwest revolver has a provision that allows two, one-year extensions, says a banker, although EME may try to arrange revolvers in smaller amounts in order to reduce the overall debt. **JPMorgan** is also a relationship bank.

Edison Mission's operational wind farms, about half of which have no debt, could also be leveraged to raise funds and the wind

ALTERNATING CURRENT

Mont. State U. Installs Run-Powered Generation

What do pizza and power generation have in common? For students at **Montana State University**, it's a pair of treadmills that help them burn off those late-night snacks and generate power at the same time. Students who frequent the campus' Hosaeus Fitness Center can now hop on a treadmill to help power the gym.

The university in Bozeman, Mont., recently installed two treadmills that don't rely on power from the grid but generate it from students in sneakers. The installation required a roughly \$16,000 system that converts kinetic energy into power and sends it to the facility's grid. The two treadmills, which also use the kinetic energy for power, each come with a price tag of almost \$9,000, according to a report in *The Exponent*.

An average half hour workout generates about 50 Wh—enough to power a laptop for an hour or a T.V. for 10 minutes. Joggers won't reduce MSU's power bill; the machines are meant to raise campus hype about sustainability, **Stephen Erickson**, recreation sports director, told *The Exponent*.

Whether generating power will help turn the tide in the battle of the freshman 15 could not be learned.



unit equity stake is still on the board, say officials. The company has been engaged with **Marathon Capital** for about a year to bring in equity investors—said to be **CalPERS** and a utility—into the wind unit (PFR, 12/3 & 6/22).

Currently Edison Mission is working with **WestLB** on arranging a \$200 million debt package refinancing its 130 MW Taloga wind farm in Dewey County, Okla. (PFR, 7/27).

An Edison Mission spokeswoman declined to comment. Bank officials and spokespeople either declined to comment or didn't return calls. —*H.F.*

Quote Of The Week

"There's something of a herd mentality in this sector. A lot of bankers are probably talking to their clients and saying, 'You've got to get in while the going is good.'" —**A.J. Sabatelle**, senior v.p. at **Moody's Investors Service** in New York, on the recent flurry of utility bond issuances (see story, page 1).

One Year Ago In Power Finance & Risk

National Grid was working with **UBS** to sell **Granite State Electric Co.** and **National Grid NH**, its power utility and natural gas distributor in New Hampshire. [**Algonquin Power & Utilities Corp.** agreed to buy the two companies for \$285 million (PFR, 12/9).]

