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RBS Tees Up J-Power Financing

Royal Bank of Scotland will launch a \$125 million loan package tomorrow funding **J-Power USA Development Co.**'s first greenfield project.

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Looks For Backers

ENGINEERING PLAYER TO SPIN OFF WIND OUTFIT



Jack Gelman

Construction and engineering services firm **Conti Group** is courting private equity investors for new subsidiary **Alternity Wind Power**. It hopes to spin off a majority interest within the next three months. Conti has an 80% stake in the company, with the rest held by management and other high net worth individuals.

Alternity's strategy will be to partner up with developers on facilities with 50 MW of capacity or greater and help them with permitting, power purchase agreement negotiations, financing and construction to bring projects to fruition. **Jack Gelman**, ceo of Alternity Wind in New York, says, "We think there is a good entry point for us to come in, pay a fair price and keep the early-stage

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NRG PLOTS \$3B FINANCING TO FUND CALIF., TEXAS PROJECTS

NRG Energy is in talks with banks about financing options for the \$3-4.5 billion of developments it has under way in California and Texas. The Princeton, N.J., IPP is leaning towards creating a development subsidiary—or devco—to hold the assets and the debt as a way for the stronger collateral to support the projects less palatable to banks. "Some [projects] are going to be very financeable and that can help us at the devco level," explains **Robert Flexon**, cfo. "We're working with banks now to determine which would be the most profitable option."

Revenues from the recently repowered 260 MW Long Beach Generating Station in Los



Robert Flexon

(continued on page 12)

CALPINE PRO TO HEAD SOLAR START-UP



Robert Fishman

Robert Fishman, executive v.p. at **Calpine Corp.**, is to become ceo of solar start-up **Ausra**. As first reported by *PFR* last Thursday, Fishman joins the Palo Alto developer Oct. 15. "When I was still at Calpine looking at ways to expand its renewable technology portfolio, I came across Ausra," he says. The company develops solar thermal projects, which reflect the sun's rays onto mirrors that heat steam to drive turbines. "Our technology produces energy at lower cost."

Ausra was formed late last year and last week announced it has secured more than \$40 million in funding from Silicon Valley venture capital firms **Khosla Ventures** and **Kleiner, Perkins, Caufield & Byers**. Fishman says an initial public offering is the

(continued on page 12)

Check www.iipower.com during the week for breaking news and updates.



At Press Time

J-Power Peaker Financing Readied

Royal Bank of Scotland is set to launch a \$125 million loan package next week funding J-Power USA

Development Co.'s first greenfield project—95 MW of gas-fired peaking capacity across two units in Orange Grove, Calif. A bank meeting will be held at 9:30am at the W Hotel in midtown Manhattan Tuesday, according to **Mark Condon**, cfo, in Schaumburg, Ill. Officials at RBS declined to comment.

On deck is a \$30 million equity bridge loan supporting J-Power's equity commitment to the project, guaranteed by its Japanese parent **J-Power Group**, a unit of **Electric Power Development Co.** Rounding out the deal will be a \$70 million non-recourse construction loan that converts into a 25-year term loan when the plant becomes operational next summer and a \$25 million letter of credit supporting contractual obligations under its PPA with **San Diego Gas & Electric**.

RBS, which scored the mandate in July, will invite seven to 10 banks to the meeting and bring about four into the deal. Pricing is yet to be fixed, but is likely to be tight because of the sponsor's confidence in its debt coverage for the project under the long-term PPA and its proven technology, bankers say. Orange Grove is expected to be folded into J-Power USA's new joint venture with **John Hancock**, giving the insurer a 50% stake in the asset upon completion (PFR, 5/18).

Other developments in J-Power's pipeline could not be learned. It is about to close on Green Country, a 795 MW gas-fired plant in Jenka, Okla., it is acquiring from **General Electric** (90%) and **Tyr Capital** (10%) for around \$240 million (PFR, 7/27).

HSH To Take Commitments On C\$300M Canadian Wind Deal

HSH Nordbank is syndicating a C\$300 million (\$300 million) senior secured construction and term debt facility that will fund a 201 MW wind project in the Rivière-Du-Loup region of Québec being developed by **Terrawinds Resources Corp.** The bank plans to take commitments from lenders Tuesday and close syndication shortly thereafter.

Pricing reportedly starts at 125 basis points over LIBOR, steps up to 137.5 and tops out at 150 over the life of the loan. **Tom Emmons**, senior v.p. at HSH in New York, and **Kerry Adler**, president of the sponsor's parent **SkyPower Corp.**, which owns Terrawinds through a public fund it manages, **SkyPower Wind Energy Fund**, declined to comment.

Output will be sold to **Hydro-Québec** under a 21-year PPA. Terrawinds closed on a C\$130 million turbine supply loan via HSH last December (PFR, 12/15). HSH had taken a minority stake in parent **SkyPower Corp.** last August, which was followed up with a substantial but undisclosed investment by **Lehman Brothers'** private equity business in June. That gave SkyPower the investment-grade credit rating it needed to participate in a series of provincial renewable RFPs. **Marathon Capital** advised SkyPower on the transaction and **Genuity Capital Markets** advised Lehman.

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Institutional Investor NEWS
INTELLIGENCE FIRST

WestLB Lands \$350M Texas Wind Financing

WestLB has pocketed the mandate to lead financing for **Renewable Energy Systems'** 166 MW Hackberry Wind project in Shackelford County, Texas. A \$352 million loan package will be split into three tranches—a construction term loan with a tenor of up to 17 years that will cover 90% of the project cost, a working capital facility whose size will be determined after conferring with the project's independent engineers, and a six-month facility for debt service reserve. "We're utilizing both the bank and institutional fixed-rate market to put together the most cost-effective financing for our client," says **Michael Pantelogianis**, director of global energy at WestLB in New York.

RES sent an RFP seeking financing (PFR, 6/29) and drew up a shortlist of wind institutions that also included **Dexia Cr dit Local**, **HypoVereinsbank** and **Mizuho**, according to **Richard Ashby**, cfo in Austin (PFR, 6/29).

WestLB will start syndication in the second half of October. It will target relationship banks of RES as well as other banks and life insurance companies active in wind financing. Previously **HSBC**, **Manulife Financial Corp.** and **John Hancock Financial Services** worked with RES on its 60 MW Whirlwind Energy Center near Floydada, Texas (PFR, 7/13).

Hackberry has a 15-year PPA with **Austin Energy** for its full output. It also has an interconnection agreement with TXU subsidiary **Oncor**. Turbines are being supplied by **Siemens**.

EIF Seals Cogentrix Asset Deal

Energy Investors Funds has agreed to buy a portfolio of plants from **Cogentrix Energy** through its United States Power Fund III affiliate. As first reported by *PFR*, EIF emerged as one of the finalists this summer (PFR, 7/27).

The price of the 14-plant portfolio was not disclosed and spokespeople for EIF and Cogentrix parent **Goldman Sachs** declined to make officials available, but initial bids taken June 28 were said to have reached \$1.9 billion (PFR, 9/29). According to marketing materials sent to prospective buyers, Goldman is aiming to structure the transaction as an all-cash sale and close by Nov. 1, pending regulatory approvals. The firm put the portfolio on the block in May to bring it into its earnings before the year end.

EIF will acquire 80% of Cogentrix's interest in 2,336 MW of contracted generation. As well as the 20% it is keeping in those units, Cogentrix is retaining 100% of four projects—258 MW Cedar Bay in Jacksonville, Fla.; a 120 MW cogen in Hopewell, Va.; another in Portsmouth, Va.; and an 810 MW gas-fired combined-cycle plant in Southaven, Miss.

NordLB Taps Santander Staffer To Begin Syndications Team

NordLB has hired **Sergio Garcia** from **Grupo Santander** to be director of loan syndications for the Americas, a new position created as it looks to take bigger tickets and lead more project finance deals. "It's going to give us a better sense of the syndication market," says **Bruno Mejean**, senior v.p. and head of structured finance for the Americas at NordLB in New York, adding that Nord has never had the critical mass to lead syndications before. "In the past we were always in clubs," he says.

Garcia, who started Monday, will be joined by another new syndications hire within the next six months, according to Mejean. Garcia did not focus on energy at Santander, where he was an assistant v.p., but rather was responsible for syndicating the bank's loans and bonds in Latin America.

Canadian IPP Furthers Northeast Portfolio Expansion

Maxim Power USA's agreement to buy the 86 MW Forked River Power plant in Ocean County, N.J., marks its fourth purchase in the Northeast and brings its U.S. portfolio to 226 MW. **John Bobenic**, ceo of parent **MAXIM**



Forked River

Power Corp. in Calgary, Alberta, says the strategy is to acquire plants with identical gas turbine technology and add 200 MW a year across the U.S., Canada and France. "Our goal is to position ourselves in the marketplace, get scale and have a common platform to get operating efficiencies," he says.

Forked River is being sold by **Jersey Central Power & Light Co.**, which ran an auction that MAXIM came into late. "We were aware of it through one of our agents and had been watching it," explains Bobenic. Maxim will pay \$20 million in the transaction, expected to close within 60 days. State and federal approvals have been granted. **FirstEnergy Solutions**, an affiliate of JCP&L, will continue to buy 100% of the output under a tolling agreement. The deal will bring MAXIM's U.S. portfolio to about half of its overall base. It already owns 53.1 MW Basin Creek, a greenfield project in Butte, Mont.; Capitol District Energy Center, a 62 MW gas-fired combined-cycle cogeneration plant in Hartford, Conn., and a 64.6 MW gas-fired combined-cycle cogen in Pawtucket, R.I.

In Canada it has 200 MW installed in its backyard and another 700 MW in development. On deck is a 190 MW gas-

fired peaker near Edmonton called Deerland Peaking Station and a 500 MW expansion of its existing coal plant near Grande Cache, known as H.R. Milner. It is in discussions with potential offtakers for both and will determine whether to project finance the facilities when these agreements are finalized, says Bobenic. "Nothing would stop us operating [them] on a merchant basis. We have the balance sheet and the desire to preserve our options," he says, adding that BMO Financial Group is its go-to firm.

LS Kicks Off Round Two Of ERCOT Plant Auction

LS Power has started the second round of its auction for Bosque—the 570 MW gas-fired plant in Laguna Park, Texas, it bought from Mirant in May and is expanding to 805 MW. Having canvassed a wide group of strategic and financial players, a handful of bidders were told they were still in the running Sept. 10, and could conduct due diligence on the assets. Final bids are expected to be taken in mid to late October.

It is not known why LS is selling, but observers point to the fact it is already constructing a 900 MW coal plant nearby, Sandy Creek, with development partner Dynegy (PFR, 7/27) and suggest it is acting opportunistically. According to the teaser, LS began the Bosque expansion in May and is reportedly using funds woven into the JPMorgan-led acquisition financing.

The value of the plant is thought to be just shy of replacement cost, which would be \$700 million factoring in the expansion. When complete, the facility should have a heat rate of about 7,150 Btu/kWh. Calls to Darpan Kapadia, managing director of LS in New York, were not returned by press time.

European Clean Energy Brings VC Returns

Renewable and sustainable energy projects are increasingly profitable targets for European venture capital firms, with participants in a new study achieving a one-year gross return of over 50%. "The energy industry is being transformed from high carbon to low carbon, with lots of new technology required to get it done," says Michael Liebreich, chairman and ceo of New Energy Finance, the London-based firm that produced the research.

Thirty-seven participants in the study made investments in 129 early-stage companies working on renewable energy, power storage, fuel cell and low carbon technology projects. According to the analysis, the overall pooled gross internal rate of return realized was 54.9%. "These results were driven by excellent exit performance, followed by rounds with higher and higher valuations," Liebreich says. "There weren't as many

eye-catching initial public offerings because of market turbulence, but corporate entities are waking up to the renewable energy market's potential."

The study, named the European Clean Energy Venture Returns Analysis, was completed to coincide with the European Energy Venture Fair, taking place last week in Zurich, Switzerland.

WestLB Kicks Off Spanish Solar Syndication

WestLB has launched syndication of a EUR81 million (\$113.3 million) loan package supporting construction of six solar thermal projects in southern Spain by Epuron, the project development subsidiary of German solar equipment wholesaler Conergy. The projects will have an initial capacity of 8 MW by the end of next year, but Epuron plans to bring online 45 MW in the region (PFR, 3/2).

Invitations have gone out to a group of about five lenders and allocations are expected to be known in three to four weeks, according to a banker. The banks invited include Natixis, La Caixa, Banesto and BBVA. Ticket sizes on offer could not be learned. Officials at the lead declined to comment and calls to the sponsor were not returned.

Fortis To Lead \$300M Credit For Texas Newbie

Fortis has won the mandate to lead a new credit line for newly-formed energy holding company Spark Holdings. The debt will consist of a \$150 million, three-year term loan for subsidiary Marlin Midstream and a \$150 million working capital facility with an accordion feature for its deregulated utility Spark Energy. A further undetermined sum will be sought later for fellow subsidiary Tarpon Gas Storage, which has seven gas storage projects under development.

Spark was looking to hook lenders on a new \$300-\$500 million credit line that would consolidate and increase existing loans and reduce borrowing costs to 200-300 basis points over LIBOR (PFR, 7/13). "We have brought the idea of marrying our term loan facility and working capital facility," says Todd Gibson, cfo in Houston. "I described the idea without dictating it and Fortis' proposal was best suited to what I defined as my needs."

Fortis will bring five to six more banks into the deal, Gibson says. Lehman Brothers leads an existing term loan for Marlin Midstream, on which \$65-75 million is drawn. A \$125 million trade financing facility for Spark Energy is already led by Fortis and syndicated to BNP Paribas. Tudor Pickering & Co. is financial advisor to the company.

Suez Seen Sniffing Texas Peaker

SUEZ Energy is reportedly looking to buy **Wharton County Power Partners**, owner of a simple-cycle steam-powered 85 MW plant in Bowling, Texas, from Boston- and Houston-based private equity firm **Denham Capital Management**. Denham, which separated from **Sowood Capital Management** June 30, bought the facility from **American Electric Power** (PFR, 7/14/03). Observers

estimate the plant's value is about \$30 million, or roughly \$450-500 per kW. Calls to officials at Suez in Houston and **Riaz Siddiqi**, senior managing director of Denham's power team in Houston, declined to comment.

SUEZ Energy Development, a unit of **SUEZ Energy North America**, is separately in the process of acquiring a 30% stake in 500 MW Astoria Energy in Queens, N.Y. (PFR, 3/16).

Corporate Strategies

NU Sub Issues \$200M To Fuel CapEx

Connecticut Light & Power closed a \$200 million bond offering Sept. 10 to finance transmission and distribution upgrades and refinance short-term debt. CL&P receives cash from its parent **Northeast Utilities** but taps the capital markets to help keep pace with the growing load in its service territory, says **Jeff Kotkin**, v.p. of investor relations at **Northeast Utilities** in Berlin, Conn. "Our construction program ramped up a couple of years ago and the capital program is too large to be funded solely with internal cash flow," he says. "We are regularly accessing the debt markets to fund that build out and we had planned an issuance around this time."

CL&P sold the first mortgage bonds in two parts—\$100 million in 10-year notes, priced at 5.75%, a 145 spread over Treasuries, and \$100 million in 30-year notes, priced at 6.375%, a spread of 175. "The bonds are sufficiently collateralized to warrant a notch above a corporate credit rating," says **John Kennedy**, a director at **Standard & Poor's**, which rates the notes BBB+. **Moody's Investors Service** rated the issue, underwritten by **Barclays Capital** and **JPMorgan**, A3.

The company targets a debt-to-equity ratio of 45:55, according to Kotkin. At the end of June, it had \$1.8 billion in long-term debt outstanding, plus another \$157 million in short-term debt that will be taken out with proceeds from this offering.

Tenaska Fund Inks Credit To Finance Ill. Purchases

Tenaska Power Fund II, the private equity fund associated with Omaha, Neb.-based IPP **Tenaska Energy**, is lining up \$220 million in credit facilities to fund the acquisition of two simple-cycle gas-fired peakers in Illinois.

The plants are 328 MW **Crete Energy Venture** outside Chicago, co-owned by **DTE Energy** and **ArcLight Capital Partners**, and 656 MW **Lincoln** near Manhattan, Ill., which is 90% owned by **ArcLight** and 10% by **Tyr Energy**. The properties went up for sale before the summer (PFR, 4/20) and the deal is set to close later this month or early next.

Lehman Brothers, which advised on the sale, and **Calyon** launched the debt last Thursday, which consists of a seven-year,

\$180 million senior secured term loan B and a \$40 million revolver. "The revolver will provide liquidity for Tenaska as it needs it," says **Justin Martin**, an associate at **Standard & Poor's** in New York. "The loan B offering is designed to take care of the rest of the financing needed for the acquisitions."

S&P assigned a preliminary BB- rating to the facilities. Martin says Tenaska can expect higher revenues once the plants' PPAs expire in 2008 and 2011 respectively, and increased capacity payments in the PJM market thereafter when they have merchant exposure. Other positives to note, he says, are the low amount of leverage involved in the acquisition and the 100% cash sweep to repay debt. A Tenaska spokeswoman declined comment.

FPL Sub Issues \$600M Hybrids To Repay CP, Fund IPP

FPL Group Capital, a subsidiary of **FPL Group**, issued \$600 million in 60-year hybrid securities Sept. 10-11 to repay commercial paper and raise funds for independent power projects. "FPL is in the process of aggressively investing in a lot of infrastructure, including a lot of wind power projects," says **Ellen Lapson**, managing director at **Fitch Ratings** in New York.

FPL subsidiary **FPL Energy** has announced a goal to add 8-12 GW of wind capacity to its portfolio by 2012. Its capital expenditure budget for this year is \$2.2 billion, with roughly the same amount earmarked for next year. The company is attracted to hybrid offerings, adds Lapson, because the coupon payments are treated as interest for tax purposes and are tax-deductible.

An initial \$250 million series D of junior subordinated debentures will bear an interest rate of 7.3% annually for the first 10 years, and pay 334.75 basis points over three-month LIBOR thereafter. A series E tranche will have a fixed rate of 7.45% and were sold for \$25 each. **Barclays Capital**, **JPMorgan**, **RBS Greenwich Capital** and **Wachovia Securities** were joint bookrunning managers on the \$250 million sale, while **Citigroup**, **Merrill Lynch**, **Morgan Stanley**, **UBS** and **Wachovia** were joint bookrunners for the \$350 million sale. Fitch assigned the two series an A- rating.

FPL Group's total debt as of December last year was \$12.3 billion. Treasury officials at the Juno Beach, Fla., company did not return calls.

Project Finance Deal Book

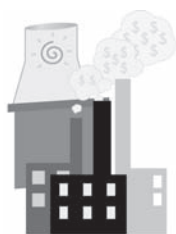
Deal Book is a matrix of energy project finance deals that PFR is tracking in the energy sector. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report updates or provide additional information on the status of financings, please call Katy Burne, Managing Editor, at (212) 224-3165 or e-mail kburne@iineews.com.

Live Deals: North America

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
Airtricity	2008 Turbine Supply	Various	HVB, Mizuho	\$325M			Timeline unclear.
	Champion (126.5 MW Wind)	Central New York	HVB, NordLB, BayernLB	Construction Loan			Financing to be arranged.
Empresas ICA	La Yesca (750 MW Hydro)	Nayarit, Mexico	WestLB	Construction Loan	\$1B	4-yr	Looking for co-underwriters.
Third Planet Windpower	Name unknown (325 MW Wind)	Loraine, Texas	TBA	TBA	TBA	TBA	Selecting lenders.
Northland Power	Thorold CoGen (265 MW, Gas)	Thorold, Ontario	BMO, Manulife, Sun Life	Construction Loan	C\$415M	20-yr	Sept. syndication expected.
SUEZ Energy International	Central Termoeléctrica	Northern Chile	TBA	TBA			Looking for banks for \$500M.
LS Power	Sandy Creek (800 MW, Coal)	Riesel, Texas	Credit Suisse, RBS	Term Loan	\$1.2B	8-yr	Retail syndication launched 9/11.
Carlyle/Riverstone	Portfolio (1.5 GW Gas)	Various, Texas	TBA	TBA	\$900M		RFP sent out 7/23.
Granite Ridge	Granite Ridge (720 MW, Gas)	Londonderry, N.H.	TBA	TBA	\$500-\$600M		Choosing lead banks.
AES	Termoeléctrico de Penoles (230 MW Petcoke)	Tamuin, Mexico	TBA	TBA	TBA	TBA	Timeline unclear.
RES	Hackberry Wind (165 MW Wind)	Shackelford Co., Texas	WestLB	Construction Loan	\$352M	17-yr	Syndication to launch next month.
Borealis Infrastructure	Bruce Power (4.6 GW)	Tiverton, Ontario	Scotia, Dexia	TBA	C\$750M (\$710M)	TBA	Syndication launched 7/3.
LEP Holdings	Liberty Electric Power (568MW Gas) recap	Eddystone, Pa.	Credit Suisse, JPMorgan, Deutsche Bank	First lien	\$400M	TBA	Timeline unclear
				Second lien	\$200M	TBA	
Nacogdoches Power	Nacogdoches (100MW Biomass, 300MW Gas)	Sacul, Texas	TBA	TBA			Looking for debt/equity for \$600M project.
J-Power USA	Pala (86.5 MW Gas)	San Diego Co., Calif.	TBA	TBA			Looking for lead bank.
MACH Gen	Portfolio (800 MW Coal)	Various	Credit Suisse	TBA	\$850M	TBA	Refinancing of \$850M second lien.
Acciona Solar Power	Nevada Solar One (64 MW)	Boulder City, Nev.	Santander, BBVA, La Caixa	Term Loan	\$140M		Syndication expected in Sept.
Shell, Dominion	Mt.Storm (264 MW, Wind)	Grant Co., W.Va.	TBA	Construction Loan	\$288M	TBA	Fortis tipped as sole lead.
Invenergy	St. Clair Power Station (570 MW Gas)	Sarnia, Ontario, Canada	RBC	Construction Loan	\$383M	5-yr	Syndication re-launched 7/2.
				LC facility	\$96M		
Perennial Power	Hermiston (474 MW Gas)	Hermiston, Ore.	TBA	TBA	\$130M	10-yr	Status unclear.
Noble Environmental Power	Altona, Ellenberg, Clinton and Bliss (339 MW Wind)	Altona, Ellenberg, Clinton and Bliss, N.Y.	HSH Nordbank, Dexia	Non-recourse loan	\$445M	10-year	Launched Syndication. Syndication launched 9/6.
Guacolda	Maitencillo (152 MW Thermo)	Maitencillo, Chile	Calyon	Construction Loan	\$260M	15-year	Chose Calyon to lead.
Energy Capital Partners	Rensselaer (535 MW Gas)	Rensselaer, N.Y.	Barclays, UBoC	Construction Loan	TBA	TBA	TBA

Live Deals: Europe/Middle East/Africa

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
EdF Energies Nouvelles	C-Power (30 MW Wind)	Zeebrugge, Belgium	Dexia, Rabobank	Construction Loan	EUR126M	15-year	Preparing retail syndication.
Eolicas de Portugal	(1.2 GW Wind)	Porto, Portugal	TBA	TBA	TBA		Selecting lenders.
Cobra, ACS Group	La Boga II (355 MW Wind)	Andalucia, Spain	Natixis, La Caixa	Term loan	EUR205M (\$283M)		Debt slated to close 7/20.
Abaste	El Bonillo (20 MW Solar)	El Bonillo, Spain	Deutsche Bank	Bond Offering	\$207M	24.5 yr	Iberdrola offtake.
Industrial Promotion Services, Sithe Global	Bujagali (250 MW Hydro)	Southern Uganda	International France Corp., Absa Capital, EIB, Standard Chartered	Term loan	\$630M	TBA	Uganda Electricity Transmission Co. offtake.
Spanish Egyptian Gas Co.	Damietta LNG	Damietta, Egypt	TBA	Term loan	\$600M	15 yr	25-year tolling agreement.
				Bank Facility	\$250M		
Solucar Energia	SolNova (100MW, Solar)	Sanlucar La Major, Spain	Caja Madrid, SocGen, Calyon	TBA	EUR450-500M		September syndication expected.
Botswana Power Corp.	Morpule (1.2GW Coal)	Palapye, Botswana	TBA	TBA			Project Financing Solutions advising.
InterGen	Rijnmond Energie Center (820MW, Cogen)	Rotterdam, Netherlands	TBA	TBA			Accepting financing options. Advizorum is advising.
AES	Cartagena (1.2GW, Gas) Refi	Cartagena, Spain	Calyon, Societe Generale	TBA			Terms to be set.
Babcock & Brown, Eurowatt	Wind Portfolio (120MW)	Various, France	La Caixa, Natixis	Term loan	EU183M (\$234M)		Syndication timeline unclear.
Dhofar Power Co.	Salalah (192 MW Gas Refi)	Salalah, Oman	Calyon	TBA	\$340M	TBA	Timeline unclear.
Tanjong Broup	Port Said East (683 MW Gas Refi)	Port Said, Egypt	Calyon	TBA	\$500-675M	TBA	Timeline unclear.
Ras Laffan Power Co. (AES)	Ras Laffan A (750 MW IWPP)	Doha, Qatar	TBA	TBA	\$572M		Looking for lead banks.
AES Oasis, Mitsui & Co.	Almanakher (370MW Gas)	Almanakher, Jordan	Sumitomi Mitsui, Overseas Private Investment Corp., JBIC	Senior facility	\$255M		Near close. National Electric Power Co. offtake.
				Equity tranche	\$75M		
Electricite de France, Delta	Sloe (820 MW Gas)	Vlissingen, Netherlands	TBA	TBA			Proposals due from banks 9/1.
Eclipse Energy	Ormonde (200 MW Wind/Gas)	Irish Sea	TBA	TBA	Apr. GBP200M		Choosing Banks.
Carron Energy	Severn Power (850 MW Gas)	South Wales	TBA	TBA			Choosing Banks. Lexicon Partners is advising.
Greentech Energy Systems	Sardinia and Sicily wind (140 MW)	Sardinia and Sicily, Italy	TBA	TBA	EUR200M		In discussion with banks.



Generation Auction & Sale Calendar

Following is a directory of ongoing generation asset sales. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report new auctions or changes in the status of a sale, please call Katy Burne, Managing Editor, at (212) 224-3165 or e-mail kburne@iinews.com.

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
Airtricity	Various	North America	6,500	Wind	Credit Suisse	Seller weighing an outright sale or 50/50 joint venture. Final bids were taken w/c 9/10.
American Electric Power	Fort Phantom Abilene Power Station Lake Pauline Rio Pecos Oak Creek Paint Creek San Angelo	Abilene, Texas Abilene, Texas Quanah, Texas Girvin, Texas Bronte, Texas Stamford, Texas San Angelo, Texas	362 18 35 136 75 218 110	Gas	N/A	Took indicative bids Sept. 7 (PFR, 9/7).
ArcLight Capital Partners	Crete Energy Venture Lincoln Generating	Crete, Ill. Manhattan, Ill.	203 (50%) 656 (90%)	Gas Gas	Lehman Brothers	Tenaska Capital Management to acquire. Debt to be led by Lehman Brothers and Calyon (see story, p5).
Astoria Energy	Astoria plant	Queens, N.Y.	500 MW; 1 GW permitted	Gas	N/A	Owners fielding offers. Suez Energy acquiring a 30% stake (PFR 9/29).
Atlantic Power Corp.	Jamaica Private Power Corp	Kingston, Jamaica	60	Oil	N/A	Atlantic's 24.1% stake (14 MW) being sold. Buyer unknown.
Barry Bates and Michael Underwood	Thompson River Cogen	Montana	16	Coal, Waste Wood	Energy Advisory	Teasers went out late June. Plant has a 20-year PPA with Avista Utilities.
Besicorp-Empire	To be constructed	Rensselaer, N.Y.	535	Gas Cogen	Merrill Lynch	Being bought by Energy Capital Partners (PFR, 7/19). Debt to be led by Barclays and Union Bank of California.
Bicent Power	Mountain View	Palm Springs, Calif.	67	Wind	Goldman Sachs	Teasers dispatched early Sept. (PFR, 9/17).
Bluff Power Partners E/S Solutions	McCommas Bluff	Dallas, Texas		Landfill Gas	CRG Partners	Federal district court approved Section 363 auction. Montauk Energy Capital named stalking horse (PFR, 8/27).
Boralex Power Income Fund	Kingsey Falls Senneterre Dolbeau Beauport Buckingham Forestville Rimouski Saint-Lambert Hudson South Glens	Québec Québec Québec Québec Québec Québec Québec New York New York	31 34.6 28 4.5 9.9 12.7 3.6 6 45.8 13.9	Biomass Biomass Biomass Hydro Hydro Hydro Hydro Hydro Hydro	Genuity Capital Markets	Sale process halted due to the credit market downturn.
Calpine	Acadia Energy Center Fremont Energy Center Hillabee Energy Center	Eunice, La. Sandusky County, Ohio Alexandra City, Ala.	1,016 (50%) 512 774 MW	Gas Gas Gas	Miller Buckfire	Sold to Cajun Gas Energy for \$189 million (PFR, 8/6). Plant 70% complete. Teasers dispatched mid-June (PFR, 6/18).
CIT Group	RockGen Energy Center	Cambridge, Wis.	460	Gas	Bear Stearns	Status unclear.
Central Vermont Public Service	Various	Vermont	70 in summer, 86 in winter	Hydro	Morgan Stanley	Believed to be in advanced stages.
City of Vernon	Malburg Generating Station Palo Verde Power Hoover Upgrading	Southern Calif. Southern Calif. Southern Calif.	134 11 22	Gas Nuclear Hydro	Lehman Brothers	Assets being offered debt-free, with promise of 15-year PPA with seller and related transmission. Status unclear.
Conduit Capital	Various	Latin America Caribbean	939 net ownership	Diverse	BNP Paribas	Took binding bids in May on two Mexican assets, and one Jamaican asset (PFR 6/15).
Con Ed Development	CEEMI CEEMI expansion Newington Energy Ada Cogeneration Lakewood Ocean Peaking Power Rock Springs Genor Ever Power Wind	Springfield, Mass. Springfield, Mass. Newington, N.H. Ada, Mich. Lakewood, N.J. Lakewood, N.J. Rising Sun, Md. Puerto Barrios, Guatemala NEPOOL, NY, PJM	185 96 525 (99.5%) 29 (48%) 246 (80%) 339 670 (50%) 42 (49.5%) 500 planned	Gas, Oil, Hydro Gas, Oil Gas Gas Gas Gas Gas Oil Wind	Morgan Stanley	First-round bids taken July 10. Final bids are due mid October. In the running are American National Power, AllCapital, Energy Capital Partners, Marubeni Power International and Tenaska Power Fund (PFR 8/20).
Complete Energy Holdings	La Paloma Batesville	McKittrick, Calif. Batesville, Mis.	1,022 837	Gas Gas	Morgan Stanley	KGen Power is buying the plants for \$1.2 billion (PFR 8/23). Financing not complete.
Desert Power	Desert Power plant	Rowley, Utah	65 installed	Gas	Miller Buckfire	Lender of record, Morgan Stanley, to acquire.
Dominion Resources	Dresden Energy	Muskingum County, Ohio	580	Gas	N/A	American Electric Power agreed to buy for \$85 million.
DONG Energy	Energi E2 Removables Ibericas	Spain	265	Predominantly Wind	NM Rothschild & Sons, FIH	E.ON to buy for EUR722M (\$988.7 million).
DTE Energy	Crete Energy Venture East China River Rouge	Crete, Ill. East China, Mich. Detroit, Mich.	304 (50%) 320 240	Gas Gas Gas	Lehman Brothers N/A N/A	Tenaska to acquire (see above). Seller exploring options, including outright sale. On books at scrap value, decommissioned.

Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
Electricite de France International unit	Saltillo	Ramos Arizpe, Coahuila	248	Gas	JPMorgan Chase	Final bids were due July 14 (PFR, 6/25).
Controladora del Golfo	Anahuac (RB2)	Valle Hermoso, Tamaulipas	495	Gas		
	Lomas de Real (RB3)	Valle Hermoso, Tamaulipas	495	Gas		
	Valle Hermoso (RB4)	Valle Hermoso, Tamaulipas	500	Gas		
	Electricidad Aguila de Altamira	Altamira	495 (51%)	Gas		
	Gasoducto del Rio	54 km pipeline	330,000M Btu/D			
Entergy Corp.	50% stake in Top	Worth County, Iowa	40	Wind	New Harbor	Seller wants about \$500 million for the assets.
	Deer Wind Ventures	Carsen County, Texas	40			Bidders shortlisted to four players: two financial;
	RS Cogen	Lake Charles, La.	212	Gas		two infrastructure (PFR, 6/18).
	Roy S. Nelson	Westlake, La.	60	Gas/Oil		
	Warren Power	Vicksburg, Miss.	225	Gas		
	Harrison	Marshall, Texas	335	Gas		
	Independence	Newark, Ark.	121	Coal		
	Robert Ritchie	Helena, Ark.	544	Gas/Oil		
	Offtake Contract	Sam Rayburn Power Agency	50-80			
Fluor	Greater Gabbard	Thames Estuary, U.K.	500	Wind	RBC Capital Markets	Specs went out in late Aug. for Fluor's 40% stake (PFR, 8/20). Co-owned by Airtricity.
Foresight Wind Energy	Various	Arizona, New Mexico	2 GW pipeline	Wind	CP Energy	Two bidders in the running (PFR, 6/25).
General Electric	Baglan Bay	Port Talbot, Wales	510	Gas	Lexicon Partners	Teasers dispatched early May. Delayed due to outage.
Globelec	Emerging market portfolio	Asia, Africa, Americas	2,082	Mixed	Lehman Brothers	Americas assets to be sold to D.S. Constructions and Israel Corp. Asia and Africa assets to be sold to Tanjong Energy Holdings and Aljomaih in \$1 billion deal.
Goldman Sachs (Cogentrix Energy)	Indiantown	Martin County, Fla.	355	Coal	Goldman Sachs	Energy Investors Funds agreed to buy portfolio through United States Power III affiliate (PFR, 9/19).
	Logan	Logan Township, N.J.	218	Coal		
	Cottage Grove	Cottage Grove, Minn.	245 (35%)	Gas/Oil		
	Whitewater	Whitewater, Wis.	236.5 (35%)	Gas/Oil		
	Scrubgrass	Venango County, Pa.	85 (50%)	Coal/Waste		
	Selkirk	Selkirk, N.Y.	345 (47.2%)	Gas		
	Northampton	Northampton County, Pa.	112 (80%)	Coal/Waste		
	Quachita	Sterlington, La.	804 (80%)	Gas		
	Carneys Point	Carneys Point, N.J.	262 (60%)	Coal		
	Richmond	Richmond, Va.	209 (80%)	Coal		
	Rocky Mount	Rocky Mount, N.C.	118 (80%)	Coal		
	Morgantown	Morgantown, Va.	60 (15%)	Coal/Waste		
	Plains End I, II	Golden, Colo.	182 (80%)	Gas		
	Rathdrum	Rathdrum, Idaho	275	Gas		
La Compagnie du Vent	Various	France	98 MW installed	Wind	Calyon	Preliminary bids were taken August 10 (PFR, 8/20).
Landfill Energy Systems	Various	Various	80	Landfill gas	Ewing Bemiss	Final bids taken July 25. Macquarie Power and Infrastructure Income Fund tipped to have won (PFR, 8/10).
LS Power	Bosque	Laguna Park, Texas	805 (570)	Gas	N/A	In second round (PFR, 9/19).
	Shady Hills	Shady Hills, Fla.	477	Gas/Oil	N/A	GE Energy Financial Services acquired with a \$160 million loan from WestLB. (PFR, 7/16).
	Zeeland	Zeeland, Mich.	946	Gas	N/A	To be acquired by CMS Energy for \$517 million.
Mirant Corp.	Diverse U.S. assets	PJM, NEPOOL, Calif.	10,650	Various	JPMorgan	JP Morgan took first-round bids June 12 from bidders including US Power Generating Co. (PFR 4/5).
National Grid	Ravenswood Station	Queens, N.Y.	2,450	Gas	N/A	Auditioning banks to run auction (PFR, 9/17).
Noble Environmental Power	Various	NY, Mich.	385	Wind	Goldman Sachs	First round bids reportedly taken August 13 (PFR, 8/21).
PSEG Global	Electroandes	Andean region, Peru	180	Hydro	JPMorgan	Statkraft Power Invest to buy for circa \$390 million.
	Chilquinta Energia (50%)	Chile			Citigroup	
	Luz del Sur (38%)	Peru				
Reliant Energy	IndianRiver	Titusville, Fla.	587	Oil/Gas	JPMorgan	Believed to be a busted auction (PFR, 8/10).
	Osceola Generating	Holopaw, Fla.	470	Gas (peaker)		
	Bighorn Generating	Las Vegas, Nev.	598	Gas		
	Choctaw Generating	French Camp, Miss.	804	Gas (mothballed)		
	Channelview	Lyondell, Texas	830	Gas	Houlihan LoKey	Filed for bankruptcy protection Aug. 21.
Ridgeline Energy	Various	Idaho, Oregon, Washington	3,700 in development	Wind	Marathon Capital	Believed to be in advanced stages.
Temasek Holdings	PowerSeraya	Singapore	3,100	Gas	Credit Suisse,	Teasers to go out in September (PFR, 6/25).
	Senoko Power		3,300	Oil	Morgan Stanley	
	Tuas Power		2,670	Steam		
TransAlta	Western Canada, Ontario	Diverse U.S.	404	Gas, Coal	BMO Capital Markets	In second round.
Trinergy	Various	Italy, Germany, Ireland, U.K. Spain	648	Wind	RBC Capital Markets	International Power agreed to buy portfolio for EUR \$1.8 billion (\$2.5 billion).
Tyche Power Partners	Brooklyn Navy Yard	Brooklyn, N.Y.	286	Gas Cogen	Credit Suisse	Status unclear.
UPC Wind	Various	North America	3GW in development	Wind	JPMorgan	UPC reportedly shopping itself (PFR, 6/8).
Waterbury Generation	Waterbury Generation	Waterbury, Conn.	96	Gas	N/A	Energy Capital Partners in negotiations to buy development rights (PFR, 8/29)
Wheelabrator Technologies	Shasta	Anderson, Calif.	49	Biomass	ABN Amro	Seller evaluating strategic options, including a sale (PFR, 7/23)

Weekly Recap

The Weekly Recap is a summary of publicly reported power news stories. The information has been obtained from sources believed to be reliable, but PFR does not guarantee its completeness or accuracy.

Americas

- More than 25 developers have submitted bids for wind farms in Canada, including **TransCanada**, **SkyPower**, and **Airtricity Canada** (*The Montreal Gazette*, 9/20).
- **American Electric Power** completed its purchase of **Dresden Energy**, the holding company for a 580 MW gas-fired plant in Muskingum County, Ohio, from **Dominion Resources** (*Zanesville Times Recorder*, 9/19).
- **PSEG Global** said it had agreed to sell its ownership of Peruvian hydroelectric generation company **Electroandes** to a subsidiary of Norwegian company **Statkraft Norfund Power Invest** for nearly \$390 million, including the assumption of \$106 million in debt. The sale is expected to close in October (*CNNMoney.com*, 9/19).
- **Boralex Power Income Fund** has nixed the strategic review it hoped would lead to a sale, citing the credit market slump (*The Canadian Press*, 9/19).
- A Wisconsin state commission gave preliminary approval to **Wisconsin Energy Corp.**'s sale of the Point Beach nuclear power plant to **FPL Energy** for nearly \$1 billion (*Associated Press*, 9/18).
- **Duke Energy** is advising its stockholders not to sell their shares in response to an unsolicited tender offer from **TRC Capital**, a Canadian investment company seeking to purchase up to four million shares of Duke's common stock (*bizjournals.com*, 9/18).
- Florida's **Decker Energy** is considering a site in Alexander County, N.C., for a proposed \$150 million waste-to-energy plant (*Charlotte Observer*, 9/18).
- **Competitive Power Ventures** has proposed a new standby power generating facility to help provide electricity during peak periods for the entire Coachella Valley of California (*The Public Record*, 9/17).
- **Ashmore Energy International** announced a series of transactions that resulted in the acquisition of an additional indirect interest in Guatemala's **Puerto Quetzal Power** and Nicaragua's **Empresa Energetica Corinto** (*Businesswire*, 9/17).
- New York Attorney General **Andrew Cuomo** has begun an investigation of five major energy companies questioning whether their plans to build coal-fired plants create undisclosed financial risks to investors. The companies include **AES Corp.**, **Dominion Resources**, **Dynegy**, **Peabody Energy** and **Xcel Energy** (*New York Times*, 9/16).
- **Consumers Energy** plans to build a new 800 MW clean coal

plant at the Karn/Weadock Generating Complex 90 miles northwest of Detroit. The plant is expected to cost \$2 billion and be operation by 2015 (*AP*, 9/14).

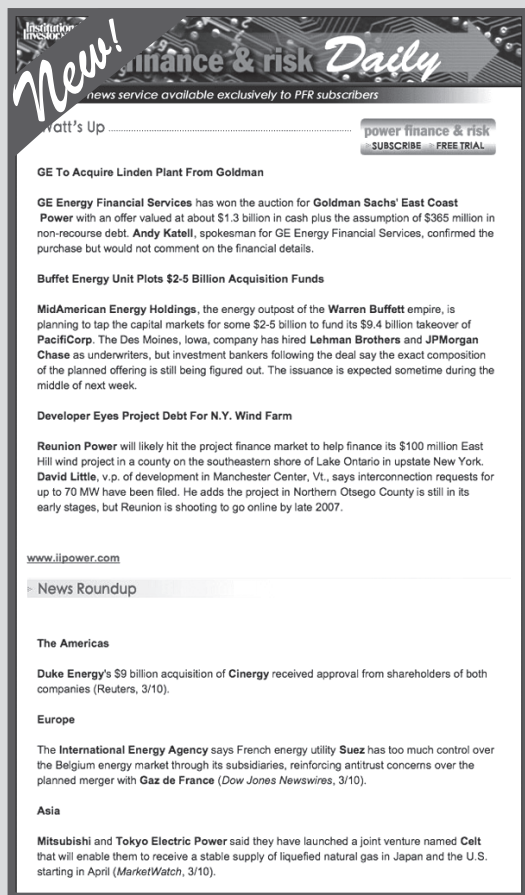
- **Calpine Corp.** filed a second amended plan of reorganization with the federal bankruptcy court this morning, saying it is on track to have the plan confirmed by the end of this year. The plan estimates the reorganized company to have a midpoint value of \$21.7 billion (*Reuters*, 9/19). Meanwhile, Calpine completed the sale of its 50% stake in **Acadia Power Partners** to **Cajun Gas Energy** for \$189 million (*AP*, 9/13).

Europe

- **Greater Gabbard Offshore Winds**, a partnership between **Airtricity** and **Fluor**, signed a reservation agreement with **Siemens** to secure 140 of 3.6 MW wind turbines for delivery in 2009 and 2010 (*CNNMoney.com* 9/20).
- **Enel's** financing for its acquisition of **Endesa** and **RAO UES'** power generating subsidiary **OGK-5** won't be affected by the credit market crisis (*Dow Jones*, 9/19). Meanwhile, **E.ON** placed the highest bid in a tender for a 60.8% stake of Russian wholesale power generator **OGK-4** (*Wall Street Journal*, 9/17).
- The U.K. government has given planning consent to a controversial wave power development site off the southwest coast of England near St. Ives, Cornwall (*Reuters*, 9/17).
- **Goldman Sachs** and a **Time Warner** executive are in late-stage talks on taking a combined 8.5% stake in Icelandic geothermal company **Geysir Green Energy** for \$30 million (*Reuters*, 9/13).

Asia/Pacific

- **SP AusNet** is expected to launch one of Australia's largest equity offerings later this year after agreeing to buy energy assets previously owned by **Alinta** for \$8.14 billion, including debt (*Financial Times*, 9/20).
- **Paiton Energy**, partly owned by **Mitsui** and **Tokyo Electric Power Co.**, is seeking a loan to support its planned bid for a \$1 billion coal power project in Indonesia (*International Herald Tribune*, 9/19).
- **PetroChina** plans to invest 10 billion yuan by 2020 to develop alternative energy including oil shale, biofuel, wind power, coal-bed methane and geothermal energy (*XFN-ASIA*, 9/17).
- The **Viet-Lao Power Joint Stock Company** will start construction of Laos' second biggest hydroelectric plant with an investment of \$400 million before the year's end (*Xinhua*, 9/17).



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Commerce Taps RBC To Advise



Steven Boss

Commerce Energy Group will use RBC Capital Markets to help it consider options including selling itself or acquiring another company. "We're the only independent publicly-traded U.S. company that does what we do and we compete against unregulated retail subsidiaries created by large companies such as Reliant [Energy], TXU and Direct

Energy," says Steven Boss, CEO of the Costa Mesa, Calif.-based electricity and natural gas marketing company. "To gain true economies of scale, we need to grow to about 1,000,000 customers." The company's retail customer base grew to 200,000 from 130,000 last year alone.

"This industry needs to consolidate to gain more market traction," explains Boss. "Either way we need to attract capital, even for organic growth. RBC has the background experience and capital knowledge we need to help figure out our strategy and promote the interests of our shareholders." At the end of the third quarter, Commerce will have about \$109 million in total assets

and a market capitalization of \$60 million. The company has no outstanding debt. Calls to RBC were not returned.

GE Defers Sale Of U.K. CCGT

GE Energy has opted to postpone the auction of its 510 MW gas-fired Baglan Bay plant in Port Talbot, Wales, until early next year. One industry source attributed the delay in the sale process, which London-based boutique Lexicon Partners kicked off in May, to friction between GE and the site's owner BP. Another said there was scheduled maintenance on the plant due after 24,000 hours of service, forcing GE to wait.

But George Krakat, a GE spokesman in Schenectady, N.Y., was unable to comment on what issues affected GE's decision-making. "We've decided that that we won't sell this year," he says. "We'll re-evaluate our decision regarding a sale next year to see if it warrants another look." A Lexicon official declined comment on whether the sale may be nixed altogether.

The plant, which came online in 2003, showcased GE Power Systems' H System single-shaft combined-cycle technology (PFR, 5/4). Its value is about GBP 500 million (\$1 billion).

power finance & risk

AUGUST 13, 2007

IS RELIANT'S 2.5 GW AUCTION ON THE ROCKS?

Radio silence out of auctioneer JP Morgan has market watchers suggesting the auction of 2,488 MW in Reliant Energy generation is off the table. Asset acquirers and investment bankers tracking

JUNE 29, 2007

KINDER LOOKS TO SELL INTERSTATE PIPE STAKE

Kinder Morgan Inc. is looking to sell an 80% interest—but not operating control—in subsidiary Natural Gas Pipeline Co. of America to pay down debt that funded its management buyout. The

MAY 4, 2007

GOLDMAN, DE SHAW ENTER GASIFICATION JOINT VENTURE

Goldman Sachs and private equity shop D.E. Shaw are in advanced stage negotiations to launch a new venture called Green Rock Energy for investing in coal

Exclusive News...

JULY 23, 2007

CARLYLE/RIVERSTONE TO SEEK \$900M FOR 1.5 GW ON TOPAZ SITES

Carlyle/Riverstone is set to solicit proposals this week on \$900 million in construction financing and

JUNE 22, 2007

CALPINE LINES UP QUARTET FOR \$3B EXIT FINANCING

Goldman Sachs, Credit Suisse, Deutsche Bank and

APRIL 20, 2007

Chicagoland Frenzy? ARCLIGHT MAY CASH-IN 950 MW ILL. STAKES

ArcLight Capital Partners is monitoring DTE Energy's sale of its 50% stake in a 304 MW gas-fired simple-cycle peaker near Chicago known as Crete Energy Venture. If the price is high

JULY 6, 2007

US POWER GEN NAMES QUARTET TO LEAD IPO

Privately held power producer US Power Generating Company has named four bookrunners to lead its initial public offering this fall. The leads are Credit Suisse and Goldman

JUNE 1, 2007

K-ROAD PLOTS \$1B ALTERNATIVE ENERGY FUND

K-Road Power is planning a \$1 billion fund to invest in alternative energy ventures. An official at the seasoned New York

APRIL 13, 2007

NAVY YARD PLANT ON THE BLOCK

Stakeholders of the 286 MW Brooklyn Navy Yard qualifying cogeneration project are reportedly shopping their stake to strategic and financial buyers.

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CALPINE PRO

(continued from page 1)

eventual goal. "To support our projected equity investment, we'll need to do [an IPO] at the appropriate time."

The company has a 1GW pipeline of solar projects to bring online over the next three years and is in negotiations with several large U.S. utilities looking to buy the output when they reach commercial operation. Hotspots of interest include Texas, New Mexico, Arizona, California, Oregon, Washington, Colorado and Florida, as well as regions in southern Europe and North Africa. Austra has a 7 MW project in development in Tavira, Portugal, and a 38 MW project expected to come online in New South Wales, Australia in 2009. It is considering non-recourse project financing, says Fishman, but he declined to identify any lenders that have approached the company.

Fishman will take over a staff of 60, and is looking to hire another 20 by the year end. There is no CFO at present. **Michael Rogers**, senior v.p. at Calpine covering the Western U.S., has assumed his old slot as interim executive v.p. for power operations.

—Mark Bonamo

ENGINEERING PLAYER

(continued from page 1)

developer in the project, so it's a win-win for both of us. **FPL, Edison Mission, Invenergy**—they're not interested in stuff under 100 MW anymore."

Alternity Wind—a separate entity from Conti subsidiary **Alternity Power**, which has focused on solar projects—is in talks with about 10 developers, but Gelman declined to name them. It plans to own at least 50% of any project it gets involved with. "Our edge is in part the fact that we have a heritage that reflects 100 years of knowledge about construction that comes from our parent," says Gelman. "We don't just manage the construction. We self-perform and put our own people on the job."

The present value of Alternity Wind Power is \$20-25 million but will be about three times that sum with the initial equity infusion. "People always underestimate their need for capital, especially from a start-up situation," continues Gelman, declining to identify the potential investors. "So we think it makes sense to put additional dollars on the balance sheet."

Alternity Wind aims to bring 180 MW online by the end of 2008, an additional 200 MW through 2009 and an eventual 2,180 MW by 2012. The projects will be financed with 40% debt and 60% tax equity investment. Gelman is already in talks with a number of banks regarding a bridge financing package so it can fund joint venture transactions with developers and buy turbines, but he declined to specify which lenders.

—Katy Burne

NRG PLOTS

(continued from page 1)

Angeles County, Calif., would be upstreamed to the devco and help finance further projects, says Flexon. Next up is the Carlsbad Energy Center, which will replace the existing 965 MW Encina Power Station in two phases. Phase one will see the retirement of 300-320 MW of steam-powered capacity with 540 MW of more efficient generation by the summer of 2010, boosting the overall output by 200 MW at a cost of \$800-900 per kW. Phase two will result in the decommissioning of the remaining 645-665 MW peaking capacity by 2014, which may be replaced later at a different site.

Using this portfolio approach, NRG hopes revenues from Long Beach and Carlsbad will help keep financing costs down for its wind projects being developed by subsidiary **Padoma Wind** and other gas- and coal-fired units. One project that could not obtain leverage as cheaply is the planned 550 MW Cedar Bayou 4 unit in Chambers County, Texas, being built in a 50/50 joint venture with **EnergyCo**. "They are all traditional field technologies coming onstream in roughly the same timeframe—some supported by power purchase agreements, some not," says Flexon, adding the blended interest rate of the projects would be lower than each facility could secure on its own.

Flexon declined to disclose which banks and potential offtakers NRG is in discussions with and said that so far no name has been identified for the potential development company. He added that the idea only recently came to the fore because NRG is still at the beginning of its 10.5 GW, \$16 billion repowering initiative and needed time to integrate the **Texas Genco** assets it acquired at the beginning of last year.

—Thomas Rains

Quote Of The Week

"It's going to give us a better sense of the syndication market. In the past we were always in clubs." —**Bruno Mejean**, senior v.p. and head of structured finance for the Americas at **NordLB** in New York, about why it hired **Sergio Garcia** from **Grupo Santander** to create a new loan syndications team for the Americas (see story, page 3).

One Year Ago In Power Finance & Risk

K-Road Power was preparing to launch the sale of a 3 GW oil- and gas-fired merchant fleet known as **Exelon Boston Generating**. [The **Lehman Brothers**-led auction was halted. Parent company **EBG Holdings** merged with **Astoria Generating Co. Holdings** in late May creating **US Power Generating**, allowing K-Road to exit its position. Investors in EBG were given an equity consideration in **USPowerGen**, which is planning an initial public offering this fall (PFR, 7/6).]