Institutional Investor

VOL. XV, NO. 38 / September 24, 2012

Exclusive Insight on Power M&A and Project Financing

Power Finance & Risk

The weekly issue from **Power Intelligence**

www.powerintelligence.com

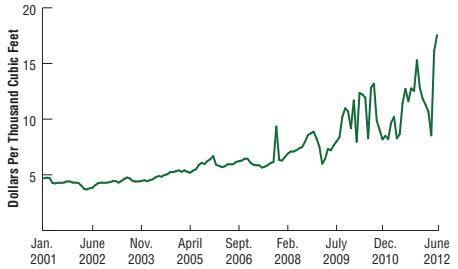
LNG Deal Pipeline Swells

A huge pipeline of projects to export liquefied natural gas from the U.S. is in the works with a combined development price tag of more than $50 billion.

Houston-based **Freeport LNG** has tapped **Macquarie Capital** as financial advisor for a $4 billion LNG expansion to its already operational Quintana Island receiving and regasification terminal facilities in Texas. The first train of the 1.4 bcf expansion is 100% contracted to **Osaka Gas**. **Chubu Electric** in Japan has a contract for 100% of the first of three trains of the Quintana Island LNG facility.

Meanwhile, **Royal Bank of Scotland** is financial advisor to **Sempra Energy** affiliate **Cameron LNG** on its $6 billion export LNG project in Hackberry, La. **Mitsubishi Corp.**, **Mitsui & Co**. and **GDF Suez** have signed commercial development agreements with Cameron LNG to fund development and negotiate 20-year tolling agreements for the 1.7 bcf facility.

Price of Liquefied U.S. Natural Gas Exports



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

(continued on page 11)

THE BUZZ

Cool crisp mornings and a pickup in deal flow are the traditional signs of summer's end and this year is no exception. Roughly $800 million in financing cleared the market this week, via **LS Power** and **Panda Power Funds** and the two deals underscore emerging trends.

LS tapped a bank and bond combo for its $450 million financing backing its 170 MW Centinela solar project in California. That's a pairing many financiers and developers say will become more and more prevalent as players hunt options outside of the constrained bank market (*PI, 9/11*). **Prudential Financial** led the bond and **Banco Santander** sealed the loan. Prudential and Santander were hardly re-inventing the wheel: the two executed the same deal structure for LS' Arlington Valley

For PFR's take on this story and the rest of the market, see page 2.

Western Wind Faces Proxy Vote Over Sale Effort

Western Wind Energy Corp. shareholders will vote this week in a proxy battle between the company and **Savitr Capital**, a hedge fund and investor, which is trying to halt the sale of the Vancouver-based wind developer.

Western Wind, headed by **Jeff Ciachurski**, retained **Rothschild** to sell up after initial investors wanted to exit and the company fended off an unsolicited bid of C$2.50 per share from **Algonquin Power & Utilities** (*PI, 7/30*).

Now, Savitr, a San Francisco-based fund, is trying to gain all five seats on the board of directors and halt the sale process of the company, contending that Western Wind is not running a transparent or broad process to maximize shareholder returns. The deadline to vote in the proxy was Sept. 21 and the annual general meeting will be held Sept. 25 in Vancouver. Savitr

(continued on page 12)

The Latin America Rush

Rohit Chaudhry, partner at **Chadbourne & Parke**, sits down with developers and financiers to talk about LatAm project development and finance.

See Industry Current, page 9

New Project Finance Loans

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

See Deal Book, page 4

Generation Sale DATABASE

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

See calendar, page 3

Unauthorized reproduction, uploading or electronic distribution of this issue, or any part of its content is illegal without the Publisher's written permission. Contact us at (800) 437-9997.

IN THIS ISSUE

PROJECT FINANCE

6 | LS Seals Centinela Financing
6 | Brookfield Hunts Prince Refi
6 | Ky. Utilities Issue RFP; Drop LS Purchase
7 | Panda Upsizes, Tightens Financing
7 | Alterra In Market For $1B For Projects

MERGERS & ACQUISITIONS

8 | Calif. Solar Co. To Raise Capital
8 | Duke Cancels Midwest Evaluation
8 | Rockland Taps Barclays For Sale

STRATEGIES

11 | Xcel Issues Bonds To Tap Pricing

DEPARTMENTS

3 | Generation Auction & Sale Calendar
4 | Project Finance Deal Book
9 | Industry Current

THE BUZZ

(continued from page 1)

Solar Ranch project (*PI, 2/10*) and for **Invenergy**'s financing backing its 200 MW Californian Ridge wind project in Illinois (*PI, 5/1*).

PPF, meanwhile, wrapped a $342 million term loan B backing its 758 MW Sherman combined cycle project in Texas (see story, page 7). The deal is the second for the sponsor in the space of about a month backing a merchant plant. The sponsor and leads **Credit Suisse** and **Goldman Sachs** shaved a solid 250 basis points off the Sherman B loan compared to a B loan floated by **Morgan Stanley** for PPF's Temple project.

In M&A, commercial and distributed generation solar projects have become more attractive recently as developers turn to smaller projects that are easier to integrate into the grid and pitch to offtakers. The smaller projects, almost always under 10 MW, are cropping up on rooftops belonging to chains like **Wal-Mart**, **BJ's Wholesale Club** and **Prologis**. Developers are wading into the sector to find opportunities such as school districts that want to reduce reliance on emission-producing generation and, often in the West, shade some parking lots from the steaming sun.

NRG Solar bought **Solar Power Partners** in the last year to augment its burgeoning small-scale solar business, while **Constellation Energy** continues to work with agencies and companies across the country on projects (PI, *10/13* & *4/21/11*). Now a venture capital-backed player in the space, **Tioga Energy**, is looking to find a new home that provides growth channels (see story, page 8). One aspect that companies are interested in with these projects is the ability to amass distributed solar generation in different municipalities and regions of the country as a way to unlock new paths to capital from solar securitizations.

Distributed generation and smaller projects offer more than just easier to permit-and-interconnect projects. Companies that are putting down roots in this sector are betting on the fruition of an asset-backed securitization that is then sold to raise capital (*PI, 4/15/11*).

TELL US WHAT YOU THINK!

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

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

Power Intelligence

EDITORIAL

Steve Murray
Editor

Tom Lamont
General Editor

Peter Thompson
Executive Editor (Chicago)
(773) 439-1090

Sara Rosner
Managing Editor
(212) 224-3165

Nicholas Stone
Senior Reporter
(212) 224-3260

Holly Fletcher
Senior Reporter
(212) 224-3293

Katie Segreti
Data Editor

Kieron Black
Sketch Artist

PRODUCTION

Dany Peña
Director

Deborah Zaken
Manager

Melissa Figueroa, James Bambara, Douglas Lee
Associates

Jenny Lo
Web Production & Design Director

ADVERTISING

David Blide
Associate Director
(212) 224-3187

Patricia Bertucci
Associate Publisher
(212) 224-3890

Adrienne Bills
Associate Publisher
(212) 224-3214

PUBLISHING

Allison Adams
Group Publisher

Anna Lee
Marketing Director
(212) 224-3175

Laura Pagliaro
Senior Marketing Manager
(212) 224-3896

Vincent Yesenosky
Head Of US Fulfillment
(212) 224-3057

Nina Bonny
Customer Service Manager
(212) 224-3433

SUBSCRIPTIONS/ ELECTRONIC LICENSES

One Year $2,995
(In Canada Add $30 Postage, Others Outside U.S. Add $75)

Ken Lerner
Account Executive
(212) 224-3043

REPRINTS

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

CORPORATE

Jane Wilkinson
Chief Executive Officer

Steve Kurtz
Chief Operating Officer

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

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

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 ©2012

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

Institutional Investor Intelligence

Generation Sale DATABASE

GENERATION AUCTION & SALE CALENDAR

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

Seller	Assets	Location	Advisor	Status/Comments
Agile Energy	Silverleaf (160 MW Solar PV)	Imperial County, Calif	None	Tenaska Solar Ventures has bought the project (PI, 9/3).
ArcLight, Olympus Power, John Hancock, Atlantic Power Corp.	Delta Person (140 MW Peaker)	Albuquerque, N.M.	Fieldstone Private Capital Group	Shortlist to emerge by October (PI, 9/10).
Dominion	Brayton (1,536 MW Coal, Oil, Gas) Kincaid (1,158 MW Coal) 50% Stake (1,424 MW Elwood Peaker)	Somerset, Mass. Kincaid, Ill. Chicago, Ill.	Citigroup, Morgan Stanley	Teasers are expected soon (PI, 9/17).
▶ Duke Energy	Various (7.5 GW Coal, Gas, Oil)	Ill., Ohio, Pa.	Citigroup, Morgan Stanley	Sale on hold as Duke seeks a regulatory fee increase (see story, page 8).
EQT Infrastructure Fund, Fortistar	Midland (1.56 GW Gas Cogen)	Midland, Mich.	Credit Suisse, Royal Bank of Canada	Binding bids due for Sept. 21 (PI, 9/3).
Energy Investors Funds	Rathdrum (275 MW Gas) Plains End I & 2 (228.6 MW Gas) Stakes (245 MW Cottage Grove Gas) Stakes (249 MW Whitewater Gas)	Rathdrum, Idaho Arvada, Colo. Cottage Grove, Minn. Whitewater, Wis.	Scotiabank	Initial bids due by Sept. 12 (PI, 9/10).
Exelon	Brandon Shores (1,273 MW Coal) H.A. Wagner (976 MW Coal) C.P. Crane (399 MW Coal)	Anne Arundel Co., Md. Anne Arundel Co., Md. Baltimore Co., Md.	Citigroup, Goldman Sachs	Riverstone is buying the plants for $400M, will look to finance (PI, 8/20).
GSO Capital, Starwood Energy, Tyr Energy	Vaca Dixon (49 MW Peaker) Panoche (49 MW Peaker) Border (49 MW Peaker) Enterprise (49 MW Peaker)	Vacaville, Calif. Firebaugh, Calif. San Diego, Calif. Escondido	Scotiabank	Teasers are out (PI,7/3).
GSO Capital, Strategic Value Partners	San Joaquin (48 MW Peaker)	Lathrop, Calif.		San Joaquin, from Bicent, is part of the CalPeak sale (PI, 7/3).
Harbert Power	Hanford (95 MW Gas) Henrietta (97 MW Gas) Tracy (314 MW Gas)	Kings County, Calif. Kings County, Calif. Stockton, Calif.	Morgan Stanley, Merit Capital Advisors	July 13 pegged for first round bids (PI, 7/3).
IPR-GDF Suez Energy North America	Various (287 MW Wind)	Various, Canada	CIBC	The sale has entered the second round (PI, 9/3).
Iberdrola Renewables	Various (Wind, Solar)	Various	JPMorgan, Blackstone	The Spain-based parent is driving the sale of 700 MW of spinning wind plus wind, solar development assets (PI, 7/16).
Kelson Holdings	17% Stake (620 MW Dogwood CCGT)	Pleasant Hill, Mo.	TBA	Kansas City Board of Public Utilities is buying the stake for about $65 million (PI, 9/17).
Luminus Management, CarVal Investors, Fortress Investment Group	Bosque (507 MW Gas)	Laguna Park, Texas	Bank of America	Auction is extended to accommodate latecomer Calpine (PI, 9/3).
MACH Gen	Harquahala (1 GW Gas)	Maricopa County, Ariz.	Goldman Sachs	The facility has drawn utility eyes (PI, 7/16).
Olympus Power, John Hancock	Stakes (123 MW Michigan Power Cogen)	Ludington, Mich.	TBA	ArcLight is buying out what it doesn't already own in the facility (PI, 8/20).
Olympus Power, Metalmark Capital	Brooklyn Navy Yard (Stake, 286 MW Gas)	Brooklyn, N.Y.	Credit Suisse	High competition for the facility as management presentations get underway (PI, 7/27).
Perennial Power	Mid-Georgia (300 MW Cogen)	Kathleen, Ga.	Fieldstone Private Capital Group	Consortium is set to ink the deal soon; Georgia Power declined first right of refusal (PI, 8/20).
▶ Rockland Capital, John Hancock Life Insurance and Atlantic Power Corp.	Gregory Power Partners (400 MW CCGT Cogen)	Gregory, Texas	TBA	Tagged Barclays for the sale (see story, page 8).
Sempra Energy	50% Stake (156 MW Wind development)	Baja California Norte, Mexico	TBA	BP Wind taking an equal stake as Sempra looks to finance the project (PI, 8/27).
Starwood Energy	Neptune (65-mile Transmission)	Sayreville, N.J. to. Long Island, N.Y	Barclays	Recently hired Barclays to run the sale (PI, 6/11).
SunPower	AVSP 1 (325 MW Solar PV) AVSP 2 (276 MW Solar PV)	Rosamond, Calif.	Morgan Stanley	Teasers were recently released (PI, 9/17).
Tenaska Solar Ventures	Imperial Solar Energy Center South (130 MW Solar PV)	Imperial County, Calif	Royal Bank of Canada	Tenaska is looking to bring in a minority owner that has tax appetite (PI, 6/4).
▶ Western Wind Energy Corp.	Windstar (120 MW Wind) Windridge (4.5 MW Wind) Mesa (30 MW Wind) Kingman (10.5 MW Wind, Solar PV) Yabucoa (30 MW Solar PV)	Rothschild, PI Financial California California Arizona Puerto Rico		Company is in a proxy battle with a hedge fund investor that wants to halt the sale process (see story, page 1).

▶ **New or updated listing**

The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report updates or provide additional information on the status of financings, please call Senior Reporter ***Holly Fletcher*** *at (212) 224-3293 or e-mail hfletcher@iiintelligence.com.*

PROJECT FINANCE DEAL BOOK

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

Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
AES Gener	Cochrane (532 MW Coal)	Chile	TBA	TBA	$1B+	TBA	Sponsor taps HSBC as financial advisor ahead of deal and eyes equity (PI, 6/11).
	Alta Maipo (531 MW Hydro)	Chile	TBA	TBA	~$1B	TBA	IFC, IDB and OPIC are participating in multilateral tranche. Sponsor also talking to commercial lenders (PI, 7/2).
AES Solar, 8minutenergy Renewables	Mount Signal (200 MW Solar PV)	Imperial Valley, Calif.	TBA	TBA	$700M	TBA	Mandates expected soon (PI, 5/21).
▶ Alterra	Dokie II (156 MW Wind)	Fort St. John, B.C.	TBA	Expansion	$300M	TBA	The sponsor is hoping to close the financing in the next few months (see story, page 7).
	Upper Toba (124 MW Hydro)	Toba Valley, B.C.	TBA	Expansion	$40M	TBA	Sponsor is looking for project equity (PI, 9/10).
BP, Sempra	Flat Ridge 2 (419 MW Wind)	Wichita, Kan.	Banco Santander, Bank of Tokyo-Mitsubishi, Prudential Financial	TBA	$500-600M	TBA	The deal will hit the market next month. Structure will include bonds (PI, 8/10)
BrightSource	Rio Mesa (500 MW Solar)	Riverside County, Calif.	TBA	TBA	TBA	TBA	Sponsor is tapping banks in New York and hopes to close by end of Q2 next year (PI, 9/3).
	Hidden Hills (500 MW Solar)	Hidden Hills, Calif.	TBA	TBA	TBA	TBA	Sponsor has an offtake agreement with Southern California Edison for both projects.
Cape Wind Associates	Cape Wind (420 MW Wind)	Nantucket Sound,	Barclays	TBA	TBA	TBA	Financing to be re-ignited (PI, 4/16).
Cogentrix	Portsmouth (110 MW Coal)	Portsmouth, Va.	RBC, Scotia	Refi	$120M	5-yr	Sponsor tags RBC to lead refi, with Scotia as co-lead (PI, 5/7).
Competitive Power Ventures	St. Charles (660 MW Gas)	Charles County, Md.	TBA	TBA	$500M	TBA	Sponsor talking with banks for a club deal and may consider a bond component (PI, 9/17).
Diamond Generating Corp.	Mariposa (200 MW Gas)	Alameda County, Calif.	SMBC, DZ, CoBank, Sumitomo Trust	TBA	$150M	10-yr	Sponsor mandates four lenders (PI, 5/14).
Duke Energy Renewables	Los Vientos (402 MW Wind)	Willacy County, Texas	BBVA, Citigroup	TBA	$600-$800M	7-yr	BBVA and Citi tapped as leads (PI, 9/3). Sponsor looking for pricing below 250 bps over LIBOR. (PI, 8/17).
Energy Investors Funds	Pio Pico (300MW Gas)	San Diego County, Calif.	TBA	TBA	$300M	TBA	Sponsor has a favorable reputation with lenders (PI, 7/23)
GCL Solar	Various (77 MW PV)	Puerto Rico	Union Bank, WestLB	TBA	$200M	TBA	Deal to wrap this week (PI, 5/28).
Greengate	Blackspring Ridge I (300 MW Wind)	Lethbridge, Alberta.	Citigroup	TBA	~$600M	TBA	Sponsor may be looking for financing or to sell (PI, 9/10).
Innergex Renewable Energy	Wildmare (77 MW Wind)	Peace River, B.C.	TBA	TBA	$160M	TBA	Sponsor targets financing, likely from life insurance companies (PI, 4/2). Innergex buys project from Finavera Wind Energy (PI, 8/6).
InterGen	Unidentified (Gas Pipeline)	Zacatecas, Mexico	TBA	TBA	$200M	TBA	Sponsor considering club deal (PI, 6/11).
Kruger Energy	Various (202 MW Wind)	Ontario, Canada	CIBC, Scotia Capital	Refi	$400M	TBA	Both projects have long-term PPAs (PI, 9/3).
▶ LS Power	Centinela (100 MW Solar)	Calexico, Calif.	Banco Santander, Prudential Financial Services	TBA	$400M	TBA	Deal wraps (see story, page 6).
OCI Solar Power, CPS Energy	Alamos I - V (400 MW Solar)	Texas	TBA	Term	~$500M	TBA	Sponsor is likely to decide on an Asian bank to lead the financing (PI, 9/17).
Odebrecht	Chaglia (406 MW Hydro)	Peru	BNP Paribas	Term	$650M	17.5-yr, 20-yr	Pricing set at roughly 350 over LIBOR (PI, 7/9).
Ocean Renewable Power Company	Maine Tidal Power (5 MW Tidal)	Eastport, Maine	TBA	TBA	$25M	TBA	The company is looking for equity financing to complete its maiden project (PI, 9/3).
▶ Panda Power Funds	Sherman (500 MW Gas)	Sherman, Texas	Goldman Sachs, Credit Suisse	Construction	$520M	Const. + 4-yrs	Deal wraps (see story, page 7).
Pattern Energy	Ocotillo (315 MW Wind)	Imperial Valley, Calif.	TBA	Mini-Perm	$400M	C+ 7-yr	Project faces litigation as it aims for PTC and IPO (PI, 8/31)
Ridgeline Energy	Meadow Creek (120 MW Wind)	Bonneville County, Idaho	TBA	TBA	$180-200M	TBA	Sponsor discusses financing with lenders, equity with Diamond Generating Corp. (PI, 5/28).
Termotesajara	Norte de Santander (180 MW Coal)	Norte de Santander, Colombia	TBA	Expansion	$330M	TBA	Bankers say that the plant's arrangement for the generation are attractive to investors (PI, 9/10).

▶ **New or updated listing**

The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report updates or provide additional information on the status of financings, please call Senior Reporter Nicholas Stone at (212) 224-3260 or e-mail nicholas.stone@iiintelligence.com.

© Institutional Investor, LLC 2012

Attend the Edison Electric Institute Financial Conferences

The EEI Financial Conferences are the premier venues for utility executives and the financial community to discuss how business strategies and market and regulatory issues will impact financial performance and shareholder value. Mark your calendar today to join analysts, investors, and utility representatives in Phoenix and London.

47th EEI Financial Conference

November 11-14, 2012
JW Marriott Desert Ridge & Spa • Phoenix, AZ

EEI International Utility Conference

March 10-12, 2013
London Hilton on Park Lane • London, UK

For more information, visit www.eei.org

Edison Electric Institute
Power by Association℠

© 2012 by the Edison Electric Institute (EEI).

PROJECT FINANCE

LS Snags Centinela Funds

LS Power has completed the $450 million financing of its 170 MW Centinela photovoltaic plant in Calexico, Calif. Pricing on the bank loan closed a little tighter than LIBOR plus 300 basis points, which was described as aggressive by a deal watcher, but more or less in line with the market.

The deal was a near carbon copy of the 127 MW Arlington Valley solar deal from earlier this year (*PI, 2/10*). LS Power opted for an institutional bond tranche again led by **Prudential Capital Group**, with a shorter term bank financing led by **Banco Santander**. The deal was split about 40:60 bonds to loan, says a deal watcher. The tenors were 22 years and 12 years for the bond tranche and bank tranche, respectively.

Union Bank, **Rabobank**, **CIBC** and **NordLB** are joint lead arrangers for the loan, which was initially slated to close in the fourth quarter, but LS Power's relationship with the involved parties meant that it was able to close the deal earlier. Banks may also have wanted to get the financing onto their third quarter reports, says one banker.

John King, executive v.p. at LS Power in New York, did not respond to calls by press time.

San Diego Gas & Electric has a 20-year power purchase agreement for Centinela, which will begin operating in 2014. **Fluor Corporation** has been engaged to engineer and construct the project and will provide operation and maintenance services once it is complete.

Brookfield Hunts Prince Refi

Brookfield Renewable Power is looking for a refinancing backing its 189 MW Prince wind farm in Sault Ste. Marie, Ontario. The Gatineau, Quebec-based company is looking to work with lenders that refinanced the wind farm in 2007 (*PI, 12/7/2007*).

Bank of Nova Scotia and **Dexia Crèdit Local** led that five-year, roughly $287 million deal, with **Royal Bank of Scotland** (then **ABN Amro**), **Bank of Tokyo-Mitsuibishi, Fortis Capital** and **Sumitomo Mitsui Banking Corp**. participating.

FAST FACT

Bank of Nova Scotia and **Dexia Crèdit Local** led a five-year, roughly $287 million refi of the project in 2007.

That bank roster is emblematic of the change in the project finance landscape since the 2008 financial crisis. Dexia has largely ducked out of project finance in North America since Belgium bought the Franco-Belgian bank's operations in Belgium for EUR4 billion ($5.24 billion) in October of last year. Meanwhile, Fortis' project finance operations were absorbed by **BNP Paribas** in 2009, with some bankers heading to **BBVA** (*PI, 3/20/2009*).

Scotiabank has reportedly been looking to retrench its New York project finance business to Toronto (*PI, 5/25*). The bank and **CIBC** participated in a $125 million refinancing in May of Brookfield and joint venture partner **Emera**'s 660 MW Bear Swamp and 10 MW Fife Brook hydro projects on the Deerfield River in Massachusetts.

The Prince project has a 20-year power purchase agreement with **Ontario Power Authority**.

Utilities Issue RFP After Dropping LS Purchase

Kentucky Utilities and affiliate **Louisville Gas & Electric** have issued a request for proposals for 700 MW of generation after a plan to purchase plants from **LS Power** fell through due to regulatory issues. The generation will replace three retiring coal-fired plants.

KU and LG&E were looking to acquire three gas-fired plants totaling 495 MW from **LS Power** (*PI, 6/25*). It nixed the plans due to various "market power issues," says a spokesman in Louisville, Ky. At the time of the proposed purchase, the U.S. **Federal Energy Regulatory Commission** asked that the entities re-address questions regarding how the acquisition would impact the state's wholesale power market, which KU and LG&E chose not to do.

Green River

The utilities are open to either owning assets or negotiating a power purchase agreement for a merchant facility. The companies may acquire more or less than 700 MW and may consider combining the capacity and energy from multiple sources. All types of generation technology will be considered, says the spokesman adding that the focus is on securing the lowest reasonable cost for the project.

The capacity and energy delivery for the current RFP would begin after Jan. 1, 2015, and later start dates will be considered. All proposals must be submitted by Nov. 2 by 4 p.m. and the evaluations will be completed by an in-house team by March 15 of next year.

There is no preference for renewable generation. However, Kentucky has one of the highest percentages of fossil fuel uses in the U.S., with 93% of its net generation in 2011 coming from coal. LG&E and KU did cite "stricter environmental requirements" as the reason they will retire the coal-fired generation at three older plants—Cane Run, Green River and Tyrone—by the end of 2015.

KU and LG&E are converting Cane Run to a 640 MW gas-fired facility after that project won their most recent 2010 RFP. They awarded the contract to **Bluegrass Power Constructors**, a joint venture between **PLC Industrial Construction** and **Black & Veatch**, to design and build the new $583 million unit. The affiliated utilities will have to spend billions of dollars to reach new standards issued by the U.S. **Environmental Protection Agency**.

© Institutional Investor, LLC 2012

Panda Tightens, Upsizes Sherman Package

Panda Power Funds has finalized pricing on an upsized financing package for its 758 MW Sherman combined cycle project in Texas. Panda opted to increase the amount of debt and reduce the amount of equity when investor interest piled in, says a deal watcher, noting that investors did not shy away from the equity reduction.

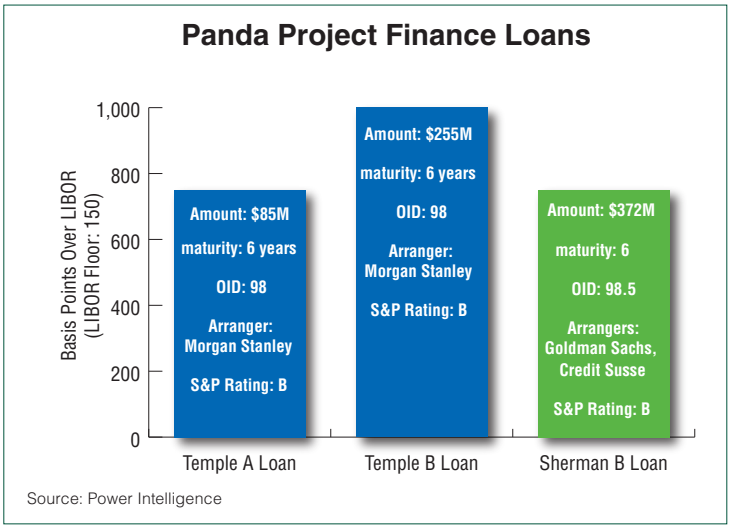
Panda reduced equity from $395 million when the package launched to $360 million when it closed, according to analyst reports. The change bumped the **Standard & Poor's** debt rating from B+ to B.

The term loan B, floated at $323 million and upsized to $342 million, saw a flex down in its pricing to 750 basis points over LIBOR. The original issue discount went from 98 to 98.5. **Credit Suisse** and **Goldman Sachs** were lead arrangers, with Goldman on lead left. **Ares Management** was documentation agent. The package includes a $30.3 million synthetic letter of credit.

Pricing on the B loan came in 250 bps tighter than a $225 million term loan it secured for its Temple project earlier this summer, which priced at L plus, 1000 bps (*PI, 7/23*). **Morgan Stanley** was lead arranger on that package.

Pricing for Sherman had hit the street before Labor Day with the package pitched at L plus 800 bps and a 150 bps floor (*PI, 8/21*).

A Panda spokesman declined to comment on the pricing as did bank spokesmen.



Alterra Stalks B.C. Wind Funds

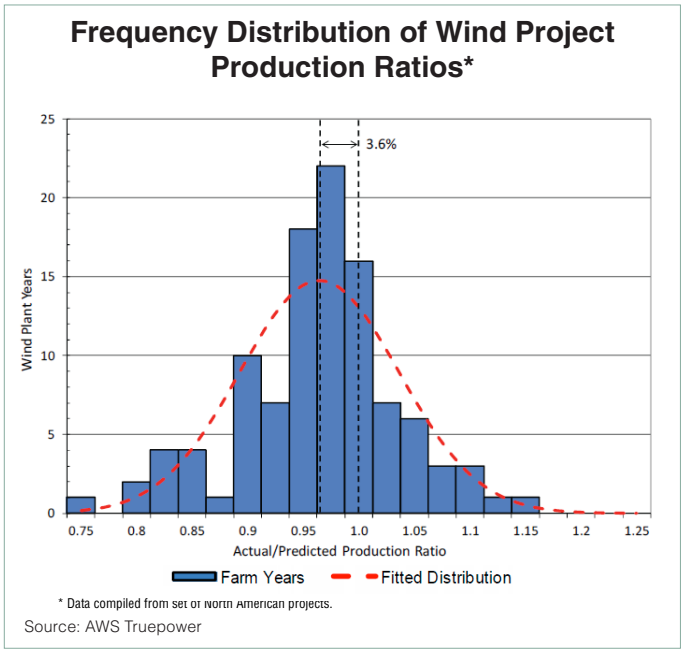
Alterra Power Corp. is looking for financing for an up to 156 MW expansion at its Dokie wind farm in British Columbia. The Vancouver, B.C.-based developer will need approximately $300 million.

Along with the Reykjanes geothermal projects in Iceland and the Upper Toba hydro expansion in B.C. (*PI, 9/4*), the company is looking to raise about $1 billion in total in the coming months.

The financing will probably include a similar structure and be done with similar parties as previous financings, says a senior Alterra official. Alterra has a partnership arrangement with **GE Energy Financial Services**. The Stamford, Conn.-based player owns 49% of the Dokie project, which it acquired with Alterra parent company **Plutonic Power** in 2009 (*PI, 12/11/09*). A spokesman for **GE** in Connecticut declined to comment.

The original 144 MW project cost about $228 million. **Manulife Financial** led the C$175 million ($166.6 million) syndicate that underwrote 25-year, fixed-rate non-recourse project debt for Dokie I (*PI, 12/11/09*). **Sun Life Assurance Co. of Canada**, **Canada Life Assurance Co.** and **Industrial Alliance Insurance and Financial Services** also participated. Officials and spokespeople from these companies did not respond to inquiries by press time.

Alterra and GE finalized the purchase of the original Dokie wind project from the now-bankrupt **EarthFirst Canada** for C$52.5 million ($49.7 million) in December 2009.



The Dokie farm is the largest operating wind farm in B.C. and has performed at 106% of its projected annual forecasted production capacity. The mean performance to forecast ratio for wind farms is 96.4%, according to a recent study by **AWS Truepower**. As of July this year, Dokie has earned over $48.1 million in revenue since it began commercial operations in February 2011.

The expansion project does not have a power purchase agreement, but the developer has a right to negotiate with local utility **BC Hydro** for a PPA as part of the original Dokie's offtake contract. The utility penned a 25-year PPA for Dokie I.

MERGERS & ACQUISITIONS

Commercial, Muni Solar Co. Sale Scopes Capital Raise

Tioga Energy, a San Francisco-based solar developer that works on municipal, government and commercial projects, has retained **Marathon Capital** for a strategic evaluation. The company is considering a variety of outcomes such as a capital raise although a sale is likely to be the end result, say deal watchers.

The process kicked off recently. **Ted Brandt**, ceo of Marathon in Bannockburn, Ill., referred all inquiries to **Paul Detering**, ceo of Tioga, who did not respond to a message.

The company has five backers: solar wafer manufacturer **MEMC** and venture capitalists **Draper Fisher Jurveston**, **NGEN Partners**, **Nth Power** and **RockPort Capital Partners**. The VCs have been investors for several years and are looking to exit the company, says one banker in New York. NGEN, Draper and RockPort have been investors in the company since its inception in 2007.

Tioga operates and owns more than 100 solar sites across the country that have power purchase agreements with the host and customer. It has systems at the Wildwoods Convention Center in Wildwood, N.J., as well as five systems on **BJ's Wholesale Club** stores on the east coast. Tioga has systems in Hawaii, Connecticut and California.

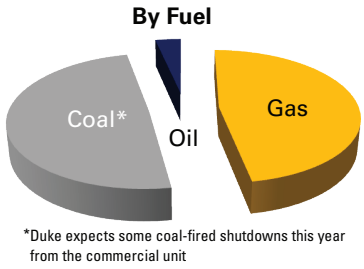
It signed a master financing agreement in July with **De Lage Landen**, a unit of **Rabobank** focused on asset-based financing programs for equipment manufacturers, dealers and distributors, to finance a string of solar installments. **Wells Fargo** also participated. A 17-structure project totaling 4.4 MW—that will also provide shade structures—for the **Hemet County Unified School District** in Hemet, Calif., was the first project to be financed under the agreement.

Smaller solar projects are gaining popularity because of the ease of interconnecting them to the grid. There are also a host of potential offtakers that want to invest in renewables, such as chain stores and government agencies. This time last year **NRG Energy** was circling a deal to buy **Solar Power Partners**, a Larkspur, Calif.-based solar developer that had an emphasis on municipal and commercial projects that was partially owned by **Energy Investors Funds** (*PI, 10/13*). The deal closed later in the fall.

Duke Ices Midwest Gen Process

Duke Energy has shelved the strategic evaluation of its Midwest generating fleet. It is now targeting an increase in the capacity charges associated with its competitive power business, deal watchers say. Duke has opted to hold the generating fleet, roughly 7.5 GW with the lion's share in Ohio, until it goes through a rate increase request with the Ohio **Public Utilities Commission**, says a banker.

Duke Energy Wholesale Portfolio



Source: Power Intelligence via Duke Energy

Duke has filed with the PUC to increase the maintenance fees it charges its competitive power customers, potentially changing the financials of a bulk of the fleet. An **American Electric Power** subsidiary received permission for the same type of increase last month.

Co-advisors **Citigroup** and **Morgan Stanley** had already sent confidential information memorandums, or CIMs, to a small group of selected buyers for the roughly 7.5 GW, says one deal watcher. The notes that there was no need to saturate the market with teasers given the size and scope of the portfolio. The evaluation was widely expected to end with a sale of the coal-, oil- and gas-fired plants.

The **Commercial Power** fleet is comprised of coal-, oil- and gas-fired plants in Illinois and Pennsylvania, with the lion's share of facilities in Ohio (*PI, 7/6*). The Charlotte, N.C.-based company iced an evaluation of the unit once before in 2010 when merger talks with **Progress Energy** heated up. The sale has been seen as an opportunistic move as the company focuses on its regulated units rather than a necessary divestiture (*PI, 7/25*).

Bank spokesmen declined to comment while a Duke spokesman says the company has shifted its focus in Ohio to the regulatory proceedings. He declined to comment specifically on the evaluation.

Rockland Hires Barclays For Gregory Sale

Rockland Capital has tapped **Barclays** to run the sale of **Gregory Power**, which owns a combined cycle cogeneration facility in Texas. Teasers are expected to be sent out soon, industry officials say.

The 400 MW Gregory facility near Corpus Christi has a five-year power purchase agreement maturing in 2013 with **Fortis Energy** for about 345 MW. **Sherwin Alumina** takes the facility's steam and also buys up to 33 MW under an agreement that extends until 2020, according to co-owner **Atlantic Power**'s web site.

Rockland, Atlantic and fellow co-owners **John Hancock Life Insurance** took pitches in the late summer (*PI, 8/8*).

A timeline for the teasers could not be learned. A Barclays spokesman declined to comment while Rockland officials were not available for comment.

© Institutional Investor, LLC 2012

INDUSTRY CURRENT

The Latin America Rush: Are Developers Making Money South Of The Border? (Part I)

A slowing market in the U.S. has sent developers scurrying into Mexico, Brazil, Chile, Peru and Puerto Rico, among other locations. In the first installment of this Industry Current, investors and developers share experiences in Latin America and discuss the economics, potential and challenges of the market. ***Rohit Chaudhry****, partner at with* ***Chadbourne & Parke*** *in Washington, D.C., moderated the panel*:

Rohit Chaudhry

Lachlan Creswell*, a managing director of* ***Macquarie Capital Mexico****,* ***Kim Oster****, director of Latin American development for* ***First Solar****,* ***Lars Peter****, a director with* ***T-Solar Global****, and* ***Alok Garg****, a director with* ***Scotia Capital****.*

Chaudhry: Kim Oster, First Solar has been one of the most active solar developers in the U.S. However, First Solar now seems increasingly focused on opportunities outside the U.S., including Latin America. What is driving this increased interest in Latin America?

Kim Oster

Oster: We are really focused on markets that are sustainable and electricity prices and demand for electricity are high in a number of countries in Latin America. These are ideal places for solar photovoltaic projects. Solar panel prices have fallen dramatically over the past few years, and this has been a game changer. We are starting to see places where we can compete head to head with other sources of electricity.

Chaudhry: Lars Peter, is the interest of T-Solar in Latin America driven by attraction to the Latin American markets or are the head winds in the U.S. renewables market driving some of that interest?

Peter: The move into Latin America is not that closely related to the difficulties in the U.S. market. We are a Spanish company; language and culture are not barriers to working in Latin America. The main reason for the move is the availability of the resources. If you look at Peru and the north of Mexico, there are really interesting spots where you have a lot of solar and wind resources. Some of those countries like Peru, Mexico and Chile came up with some really interesting regulations that create an opportunity to invest in solar PV. There are not many good markets left in the world. We are being driven out of the markets in Europe; if you look at a world map, you see that the U.S. is still a viable market and what comes next is a move into Latin America.

> "There are really interesting spots where you have a lot of solar and wind resources."
> **—Lars Peter**

Chaudhry: Lachlan Creswell, Latin America lacks the potential scale of the markets in the U.S., Europe and Asia. Am I wrong? Do you see a big boom in renewables coming soon in Latin America? Has it already started?

Creswell: In the case of Mexico and Brazil, it is well and truly underway. Brazil has just passed 1,000 MW of installed capacity, which is nothing compared to the U.S. The total installed capacity in Mexico is significantly smaller. There is certainly lots of space to move into for the renewable sector. There are great solar and wind resources, and the early projects are taking advantage of these very high-quality resources. Resource mapping is still at a relatively early stage. Good maps will create further opportunities as the sector matures.

Chaudhry: Alok Garg, as a lender, do you find yourself shifting focus to Latin America? Do you see the boom now or is it premature?

Garg: We see a tremendous number of opportunities in Latin America. Scotia Bank has an extensive presence in Latin America; we have significant local banking networks. As our clients exhaust the opportunities in the U.S. and the returns are driven down, they start to look at opportunities where there is more country risk and more regulation risk, and that tends to give you higher returns. They are going south of the border, and we are following them.

Specific Markets

Chaudhry: Lachlan Creswell, getting into more specific markets as opposed to Latin America as a whole, which countries in Latin America do you find more interesting and why? You are based in Mexico City, so Mexico is an obvious example.

Creswell: Mexico is interesting because of its scale within Latin America. The regulatory regime for independent power projects makes it an attractive spot to continue to focus. There are interesting opportunities in Chile with similar dynamics in that you have a very well understood regulatory regime; you have U.S. dollar-based contracts and a high cost of power because of structural elements within that market. The country depends on imported fuels. If you can get a good resource, be it solar or wind, you will be competitive, particularly given some of the other pricing dynamics in the Chilean market.

Brazil certainly has lots of potential; it is a huge market and has lots of great natural resources. However, the local content requirements and the auction-driven approach to issuing power purchase agreements for renewables make that market a little more challenging for us.

Chaudhry: Kim Oster, which markets in Latin America is First Solar focused on, and why?

Oster: We are focused on Chile where you have strong solar and wind resources, no internal source of fuel, high electricity costs, access to low cost financing, PPAs that are dollar denominated, offtakers with great credit and clear environmental laws. We are also focused on Mexico because of the high price that we see from the industrials and a high solar resource in some areas. There are lots of opportunities in theory in Brazil. It is a large and growing market and there are areas in the northeast that have a high solar resource, but the utility-scale market barely has yet to open up and there have been no federal options.

Wholesale Electricity Prices

Chaudhry: Lars Peter, I am eager to hear about the kinds of wholesale prices you see on offer to renewable energy developers in the four markets to the extent you can share it: Chile, Peru, Mexico and Puerto Rico.

Peter: Puerto Rico is amazing. Retail electricity prices are very high, making solar cost competitive. Mexico is on the verge of bringing out a new energy regulation; the first prices we have seen are around $200 a MWh.

We have installations in Peru where we get $180 to $220 a MWh, but it is just the first round, and they have already had the second round bids and awarded some contracts at a lower price around $120 a MWh. It is getting tougher to be competitive there.

We had a look at Chile. You can get private contracts from the mining companies that are coming in with prices around $200 a MWh. You need to be one of the first movers; otherwise you lose out as we saw in Peru. Prices have tended to decrease dramatically over time.

> "Puerto Rico is a U.S. territory, so you still get all the tax incentives that you get on the U.S. mainland. It is a dollar-denominated country. You are not dealing with significant regulatory risk."
>
> **—Alok Garg**

Chaudhry: In Peru, you mentioned in this second round the price is down to $120 a MWh. At those prices, does Peru remain an interesting market for you?

Peter: Yes, absolutely, because if you look at the irradiation map, there is 50% more irradiation than in southern California.

Lars Peter

Chaudhry: Puerto Rico is another strong market for renewables. The number of wind deals and solar deals that people seem to be doing there is disproportionately higher than what one would expect given the population. Is it purely prices, or are there other factors driving interest in Puerto Rico?

Garg: The retail price for electricity is about $0.20 per MWh. Puerto Rico is a U.S. territory, so you still get all the tax incentives that you get on the U.S. mainland. It is a dollar-denominated country. You are not dealing with significant regulatory risk. The local distribution company has learned how to do these projects, and interconnections have been more forthcoming.

Alok Garg

Check back for next week's intsallment of this Industry Current, when the participants discuss rates of return and experiences with, project financing in Latin America.

ACCESS MONDAY'S ISSUE ON FRIDAY

Access the most recent issue of *Power Finance & Risk* as a PDF the Friday before it's available in print. Log onto www.PowerIntelligence.com and click on "Download Current Issue PDF" at the top of the page.

To obtain access please contact the subscription hotline at 1 (800) 437 9997 / 1 (212) 224 3570 or hotline@iiintelligence.com

 © Institutional Investor, LLC 2012

STRATEGIES

Second Helpings: Xcel Comes Back For More Bonds

The **Public Service Company of Colorado** has closed a $800 million offering of first mortgage bonds to take advantage of low rates. The issuance marks the second time an **Xcel Energy** subsidiary has tapped the bond market after **Northern States Power** scored a 2.15% coupon for $300 million in 10-year notes and 3.4% for $500 million for 30-year notes, record lows for an electric utility (*PI, 8/14*).

"We did have the issuances scheduled for a while with old debts maturing, but we added an extra $200 million to the Northern States issuance because of the attractive rates," says **Paul Johnson**, the v.p. of investor relations at Xcel in Minneapolis, Minn., adding that the timing Public Service Co. of Colorado's issuance was due to debt maturing on Oct. 1. Public Service Co. of Colorado's issuance is comprised of a 10-year, $300 million offering with a coupon of 2.25% and an issue price of 99.902 and a 30-year, $500 million offering with a 3.60% coupon and an issue price of 99.654. "The [**Federal Reserve**'s] and **Ben Bernanke**'s recent statements indicate that the low coupons and interest rates will remain until 2015, so it looks like the market will be good until then," adds Johnson, pointing to the Fed decision to keep interest as low as possible. A debt-capital markets banker also says these low rates for utility bonds can be expected for a little while to come.

Utilities tend to benefit from a flight to safety and overall market volatility, due to a steadier more predictable revenue streams, say utility company officials and bankers (*PI, 8/20*).

BNP Paribas, **Credit Suisse**, **Goldman Sachs**, **Bank of America Merrill Lynch**, **Royal Bank of Scotland** and **US Bancorp** were joint book-running managers for this offering. **Mizuho** and **Scotia Capital** were co-managers. Officials and spokespeople from those banks declined to comment.

Bonds from the most recent issuance are redeemable at any time subject to certain make whole provisions prior to March 15, 2022 and March 15, 2042, respectively. On or after these dates, the bonds are callable at par. The funds from the notes will pay off debt, be used for capital expansions and general corporate purposes, Johnson says.

The bonds were rated A2 by **Moody's Investors Service**, A by **Standard & Poor's** and A by **Fitch Ratings**. Details regarding the debt maturing Oct. 1 could not be learned.

LNG Deal *(Continued from page 1)*

Freeport and Cameron, along with eight other entities, have applied for LNG export authorization from the U.S. **Department of Energy**. Exports of LNG from the U.S. require prior authorization from the DOE and the U.S. **Federal Energy Regulatory Commission** under the Natural Gas Act of 1938.

"The big thing on those deals is the contracts. If the offtaker is strong and creditworthy, it becomes really attractive," says a banker of LNG projects. He also points to opportunities for a lender's commodity operations and the chance to cement relationships with sterling companies on both the developer and offtake sides. "You're doing it for the relationship," he says, adding that such large deals, and thus commitments, can lead to letters of credit or other facilities down the road for projects or corporate purposes.

Roughly 20 lenders made commitments ranging from $30 million-$150 million to a $3.4 billion term loan A backing **Cheniere Energy**'s Sabine Pass LNG facility (*PI, 7/19*), which was a trailblazer for LNG. Cheniere garnered the first approval to export LNG from the U.S. via Sabine on Aug. 7.

Challenges exist for financing LNG. The construction risk on such capital intensive projects is enormous, a financier notes, adding that solid equity backing and a wrap from an experienced EPC contractor will allay some credit committee concerns. Cheniere and its leads nixed a B loan tranche for Sabine due to institutional investors' aversion to construction risk. However, many bankers weren't surprised at the lack of institutional investor appetite for construction risk. "[Cheniere was] just fishing and obviously it didn't happen," a financier notes. **Blackstone** contributed roughly $2 billion in equity to Sabine Pass.

In addition to construction, LNG projects face largely uncharted

LNG Export Applications Under DOE Consideration:

Company	Quantity (billion cubic feet per day)	Location
Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC	1.4 Bcf/d	Quintana Island, Texas.
Lake Charles Exports, LLC	2.0 Bcf/d	Lake Charles, La.
Carib Energy (USA) LLC	0.03 Bcf/d: FTA 0.01 Bcf/d: non-FTA	Various locations in the Southeast U.S.
Dominion Cove Point LNG, LP	1.0 Bcf/d	Lusby, Md.
Jordan Cove Energy Project, L.P.	1.2 Bcf/d: FTA 0.8 Bcf/d: non-FTA	Coos Bay, Ore.
Cameron LNG, LLC	1.7 Bcf/d	Hackberry, La.
Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC (h)	1.4 Bcf/d	Quintana Island, Texas.
Gulf Coast LNG Export, LLC (i)	2.8 Bcf/d	Brownsville, Texas.
Gulf LNG Liquefaction Company, LLC	1.5 Bcf/d	Pascagoula, Miss.
LNG Development Company, LLC (d/b/a Oregon LNG)	1.25 Bcf/d	Warrenton, Ore.
Southern LNG Company, L.L.C.	0.5 Bcf/d	Elba Island, Ga.
Cheniere Marketing, LLC	2.1 Bcf/d	Corpus Christi, Texas

Source: Office of Fossil Energy, U.S. Department of Energy

regulatory waters, with the DOE hurdle. FERC authorizes the construction and operation of LNG export facilities upon a finding that the construction and operation of such facilities are not inconsistent with the public interest.

The Nikiski LNG facility in the Kenai Peninsula of Alaska was the only authorized export LNG facility in the U.S., before Sabine Pass. The facility, owned by **ConocoPhillips**, began operations in 1969 and was granted authorization because of lack of pipeline access to the lower 48 states, according to the **Center for Liquefied Natural Gas**.

Due to the rush of applications in 2010 for LNG export and the larger macroeconomic and environmental ramifications of these projects, the DOE commissioned two studies on the U.S. LNG sector. The projects under the DOE's consideration have the potential to export a combined 16.46 billion cubic feet of gas per day from the U.S., which could affect trade balances with other countries and domestic gas prices. The first report was issued by the U.S. **Energy Information Administration** in January and suggests that greater exports will likely increase domestic gas prices.

The DOE had initially promised that the second report, from an undisclosed third party, would be out this summer. However, it now says the report won't be ready until later this year. A senior DOE official indicates it won't take any action on the applications until the results of the second study are in. According to the DOE web site, the most likely action, if the second report concurs that U.S. domestic natural gas supplies are endangered, would be to deny or limit additional LNG export authorizations.

In a statement sent to *PI*, Freeport says it will continue to pursue its project notwithstanding any potential delay with the DOE report, but the company remained concerned that additional delays could affect the international market's view of the country's potential to handle the exports. The majority of Cameron LNG will be project financed and the balance will be provided by the project partners in a joint-venture arrangement, according to a spokeswoman for affiliate **Sempra International**. Construction for Cameron and Freeport is expected to begin next year, pending regulatory approval.

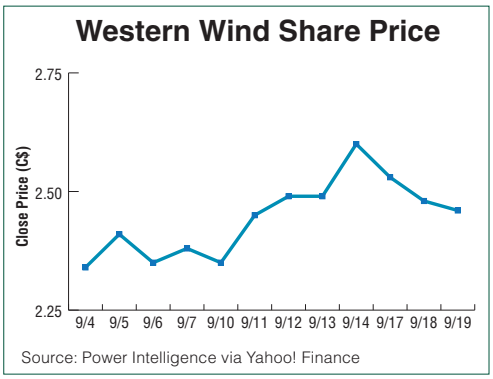
Larine Moore, an official that works in the **Office of Fossil Energy** at the DOE, directed inquiries to a spokeswoman, who did not respond by press time. Officials at RBS and Macquarie either declined to comment or did not return calls.

—Nicholas Stone & Sara Rosner

Western Wind *(Continued from page 1)*

owned 4.78% of Western Wind as of Sept. 17.

Since the sale process was announced, investment manager **GCIC** has sold its roughly 16% stake of the company to **Brookfield Renewable Energy Partners** for C$2.25 a share plus what is essentially an earn-out, or additional payment if the company is sold for more in the next year. Brookfield did not use an advisor to buy the stakes from GCIC, which was a direct transaction.



If Savitr succeeds with getting itself on the board, it told Western Wind investors in a letter that it will retain **CIBC World Markets** and **Cormark Securities** to run a strategic review of the company aimed at maximizing shareholder returns. An official at Savitr in San Francisco did not return a call.

Brookfield has left the door open to acquiring a larger stake in the company, deal watchers say, and has not come down on a particular side in the proxy battle. A spokesman declined to comment on how it would vote or whether it is participating in the sale process.

Western Wind has said that 16 companies were involved in first round sale talks through Rothschild and co-advisor **PI Financial**, including three utilities as well as developers (*PI, 8/15*). It's likely that the buyer—if a sale goes through without a change of executive control—will be an entity with tax equity appetite, deal watchers say. Brookfield is among the 16 vying for the company although Algonquin is not, deal watchers say. A deadline for second round bids could not be learned.

Western Wind has several operating assets and near-term solar and wind projects that make it attractive to companies looking to bulk out their fleet. The 12-year-old company owns three operating wind farms in California: the 120 MW Windstar, 4.5 MW Windridge and the 30 MW Mesa. It also owns the 10.5 MW Kingman solar and wind facility in Arizona. The farms in Tehachapi, Calif., are adjacent to existing Brookfield assets.

Western Wind financed last year its $120 million, 30 MW solar project in Yabucoa, Puerto Rico, that is under construction (*PI, 2/8/11*).

QUOTE OF THE WEEK

"Mexico is interesting because of its scale within Latin America. The regulatory regime for independent power projects makes it an attractive spot to continue to focus."—**Lachlan Creswell**, managing director of **Macquarie Capital Mexico**, on the appeal of developing power projects in Mexico (see Industry Current, page 9).

ONE YEAR AGO

The European debt crisis was the big concern for project finance lenders at the North American Energy and Infrastructure Finance Forum, with many banks re-pricing, or withdrawing, their participation in the market. [This year at the event, figuring out new structures for deals was the big topic of conversation, as bond options for large solar projects and master limited partnerships for new wind projects were explored (PI, 9/17).]

 © Institutional Investor, LLC 2012