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The exclusive source for power financing and M&A news

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## Markit Carbon Indices Launched

**Markit** expects its new indices to be used as hedging tools.

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## GE, CAITHNESS PLOT MAMMOTH WIND FINANCING

GE Energy and Caithness Energy will seek to borrow \$1 billion for their 909 MW Shepherds Flat wind farm in north central Oregon. The sheer size of the deal has some bankers questioning whether it can be pulled off, but others say the strength of the sponsors and signs of an improving market are working in its favor.

Wind development costs average \$2 million per MW, bringing the facility's price tag to roughly \$1.8 billion. Caithness and GE are reportedly going to fund remaining project costs with equity.

Southern California Edison has a 20-year PPA with the project,



*(continued on page 12)*

## CITI FUND SCOPES UTILITY ACQUISITIONS

Citi Infrastructure Investors is aiming to invest up to 25% of its \$3.4 billion in assets in a regulated utility, transmission network or associated natural gas assets. "We're interested in mature assets in mature jurisdictions," says **Felicity Gates**, head of the fund in New York. "We don't want merchant power. We want stable revenues with a decent return." Merchant plants are not an option since the fund's investors do not want exposure to commodity risk.

Gates is looking at acquisitions such as a local distribution company or a transmission network, and is also considering natural gas pipeline networks and gas storage in the U.S., U.K., Western Europe, Canada or Australia. It will look to take full ownership of each business.

An example of the type of company the fund would be interested in is **ITC Holdings**, the

*(continued on page 11)*

## Do Over?

## SUEZ, OTHERS RE-SURFACE FOR EX-EDF MEXICAN ASSETS

Suez Energy International, Marubeni and infrastructure funds run by Credit Suisse and Goldman Sachs, who bid on Mexican generating assets flogged by EDF more than two years ago, are sniffing around again. This time, however, the seller is **Gas Natural**, which bought the assets from EDF for roughly for \$1.448 billion. Also on the block are 4 GW of assets in Mexico acquired through Gas Natural's \$22.95 billion takeover of **Union Fenosa**.

InterGen has also been looking at assets in the portfolio – three combined cycle gas projects in Chihuahua, Sonora and Tamaulipa, according to another project financier (PFR, 9/14). Company spokesmen and bank officials did not immediately return calls and the status of InterGen's interest in the asset sale could not be learned.

*(continued on page 12)*

Check [www.iipower.com](http://www.iipower.com) during the week for breaking news and updates.

## Markit Indices To Aid Carbon Risk Management

Markit expects its recently launched family of indices tracking the performance of global emissions reductions projects to be used to manage carbon trading risk.

"Eventually the indices might be used by an investment manager or trader to mitigate trading risks," says **Niall Cameron**, executive v.p. of commodities, indices, equities and risk management at the financial data and index provider in London. "The risk manager or trader can use this data as a hedging tool."

The Certified Emissions Reduction Success Rate indices, which launched last Tuesday, track some 1,300 projects under six categories including renewable energy, methane capture, industrial processes, land use, decentralized downstream and industrial gasses. The data is pulled from the projects listed on the **United Nations Framework Convention on Climate Change**. The projects are all classified as "clean development mechanism" (CDM) projects, designed to reduce carbon emissions in developing countries, under the Kyoto Protocol.

**Greg Arnold**, managing partner of **CE2 Capital Partners** which trades in the European certified emissions reductions market, says the indices could prove to be a useful measurement tool, especially in the developing U.S. market.

"I guess it could help as a hedge," says Arnold in Solana Beach, Calif. "You don't know at the end of the day how much reduction [these projects] will produce. [Carbon] is a physical product with a fair amount of production risk."

In the meantime, Markit expects project managers to use the indices to compare one project against a wider sector. For example, a wind farm project manager can look at what the expected success ratio of that type of project is and compare it, Cameron says. "We wanted to get something that we felt reflected trends in the CDM projects' performance. If a project is supposed to produce one million credits by June 2011, what is the likelihood of reaching that target and the target date?"

## FERC Pushes Back MISO Hearing

The U.S. Federal Energy Regulatory Commission's hearing on the **Midwest Independent Systems Operator** request to tag wind developers with the entire cost of transmission upgrades has been pushed back to late November.

The delay has occurred because FERC has asked MISO to clarify its schedule for coming up with a permanent transmission cost allocation system by June of next year. MISO responded last week, outlining plans to meet certain milestones.

However, many developers remain skeptical of the plans because transmission owners and MISO members will have no binding incentive to implement a system while an interim arrangement has developers footing the entire bill for interconnection costs.

"Transmission owners have no incentive to go back and negotiate something less advantageous," says **Gene Grace**, senior counsel at the **American Wind Energy Association** in Washington, D.C. **Eric Laverly**, the senior manager of transmission access planning at MISO in Indianapolis, did not return a call by press time, and **Michael McLaughlin**, the director of the office of energy market regulation at FERC, was not available to comment.

MISO made the proposal to have wind developers pay for 100% of transmission interconnection costs, up from 50%, after MISO members **Otter Tail Power** and **Montana Dakota Utilities** threatened to pull out of MISO as they face wind project connection costs that would increase customer rates by 30% (PFR, 8/21).

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**Institutional Investor NEWS**  
INTELLIGENCE FIRST

## Portuguese Lender Hunts For Director

Banco Espirito Santos is looking to fill a director-level position as soon as possible. "There are a lot of people out there who are too senior. It wouldn't work for a small shop," says a project financier in New York familiar with the search. The director would report to **Carl Adams**, head of structured finance in New York. Adams declined to comment.

U.S. government funding for renewables has enticed some European banks with project finance experience to increase their presence in the U.S. market. BES has been active in renewables, particularly since the passage of the U.S. **Department of Treasury's** cash grant program. The bank is reportedly working with Portuguese developer **Martifer Renewables** and its U.S. partner **Spinnaker Energy** to provide financing backing some wind projects in Texas. They also participated in the \$376 million deal backing **First Wind's** Milford wind project in Utah (PFR, 7/24).

## E.ON, Enel, Iberdrola Land U.S. Cash Grants

Subsidiaries of European companies E.ON, Enel and Iberdrola have come away with \$433 million, the lion's share of the latest \$550 million round in cash grants issued by the U.S.

**Department of Treasury** last Tuesday.

Iberdrola scored \$251 million in cash grants for three projects, giving the company more than half of the \$1.052 billion in cash grants awarded since the program's inception this summer. **E.ON Climate & Renewables** came away with largest grant in this round, at \$121 million for a phase of its 780 MW project in Roscoe, Texas and Enel's U.S. branch has come away with \$61 million for two geothermal facilities.

Iberdrola won \$294 million in grants in the first \$502 million round under the moniker **PPM Energy** (PFR, 9/1). It plans to seek cash grants for at least four more projects under construction with a combined 403 MW capacity this year, says a spokeswoman in Portland, Ore., adding the company will invest \$6 billion in renewables in the U.S. in the next four years. The

grants fund up to 30% of the projects costs. Enel and E.ON spokesmen and officials did not return calls.

## Terra-Gen Relaunches Bridge Refi

**Terra-Gen Power** is back in the market with a term loan after pulling a planned B loan in July. The deal will refinance an 18 month-old acquisition bridge loan used to buy 831 MWs of renewable assets (PFR, 6/26).

**Citibank** and **BNP Paribas** are joint leads on the club deal for the **Arclight Capital Partners** affiliate. There is a \$200 million, two-and-a-half year term loan, and \$25 million letter of credit for asset maintenance and general corporate purposes. The deal was reduced by \$50 million from the original B loan and pricing is LIBOR plus 500 basis points with a 3% floor. Depending on ticket size, lenders can collect an upfront fee of 225 to 300 bps.

The deal is two-thirds subscribed so far, says a person familiar with it. "The company pulled the B loan, shrunk it down to size and pulled in the tenor to shop it to relationship banks," this person says. The original loan was staring at potential pricing of 750 bps when pulled. "Market conditions have improved and more people are coming back into the market. It's not surprising that prices have dropped," says a market watcher.

**John O'Connor**, cfo of Terra-Gen, did not return a call for comment.

## Bio Venture Plans Wood Plants

Biomass developers **Homeland Renewable Energy** and **Laidlaw Energy Group** will partner to accelerate development of several wood-burning projects in the next few months.

Both companies will make equity investments in the joint venture known as **Homeland Laidlaw Energy**, to be located in New York, and capital investments in the projects. **Rupert Fraser**, ceo of Langhorne, Penn.-based Homeland, declined to disclose how much they would invest in the projects, which will be located in the Northeast. **Michael Bartoszek**, ceo of Laidlaw and of the new joint venture, did not return calls for comment.

Homeland has developed projects primarily in the southeast, where its core poultry manure-burning plants benefit from poultry farms. As part of the joint venture it will pursue some 50 to 60 MW wood-burning projects, which has been Laidlaw's specialty. Transferring the existing technology from one plant type to another will not be problematic since both feedstocks burn cleanly, says Fraser. "The key thing we have in common is that we have to understand and be part of the agriculture marketplace," he adds.

The venture will eventually seek project financing to complete the plants, and plans to apply for federal stimulus money before

**Largest Recipients Of U.S. Treasury Cash Grants**

Sponsor	Project	Location	Capacity	Cash Grant
E.ON	Roscoe	Roscoe, Texas	780 MW	\$121M
Iberdrola	Barton Kinsett,	Iowa	160 MW	\$93.4M
Eurus Energy	Bull Creek	O'Donnell, Texas	180 MW	\$91.4M
Iberdrola	Farmers City	Tarkio, Mo.	146 MW	\$85M
Iberdrola	Barton Chapel	Jacksboro, Texas	120 MW	\$72.5M
Enel	Stillwater	Fallon, Nev.	N/A	\$40.3M
Enel	Salt Wells	Fallon, Nev.	N/A	\$21M

the August 2010 deadline.

Homeland owns and operates a 55 MW plant in Minnesota, which required roughly \$200 million in financing by **John Hancock Financial Services**, **Prudential Capital** and **MetLife**. Laidlaw converts fossil fuel and idle paper mills into biomass plants and announced a pending acquisition of a 10 MW biomass plant in Massachusetts last Monday.

## HK's CLP Talks Indian Wind Financing

Hong Kong's **CLP Group** is in discussions with potential lenders for an undisclosed amount of debt to finance its 99 MW Theni wind farm in southern India, its sixth project in the country. The project will cost \$120 million to develop, says a spokesman via e-mail. He declined to name the banks involved. The company plans to sign a long-term PPA with a local utility in the southern state of Tamil Nadu.

CLP has an agreement with **Vestas Wind Technology India** to develop the project. Construction on 60 wind turbines is planned to begin in the fourth quarter and is expected to be completed during the first quarter of 2010. The project is expected to qualify as a Clean Development Mechanism project under the Kyoto Protocol.

## GE, Partner Close In On Dokie Purchase

**GE Energy Financial Services** and **Plutonic Power** are set to wrap the acquisition of **EarthFirst Canada's** 144 MW Dokie 1 wind project in early November. The deal entered a 45-day closing period Sept. 18 and is awaiting the **British Columbia Utilities Commission** to approve a renegotiated PPA with **BC Hydro**, says **Andy Katell**, spokesman for GE EFS in Stamford, Conn. The project is being built about 680 miles northeast of Vancouver, in the foothills of the Rocky Mountains.

GE EFS and Plutonic are working with **Manulife Financial** in Toronto to secure the C\$225 million (\$210 million) needed to complete the project (PFR, 6/12). Developers on wind projects like Dokie, which could expand up to 300 MW, often want long-term fixed rate terms, and want lenders who will offer construction plus 20 years on a loan, says a deal watcher. An official at Manulife declined to comment on the deal or say how many banks are involved in negotiations.

Since July, GE EFS and Plutonic have renegotiated contracts with **Vestas**, who is providing the turbines for the initial 144 MW, **BC Hydro** and the First Nations over land rights and usage, says Katell. He declined to provide details on the contract. The project is also awaiting final approval from the **ecoEnergy**

grant program, a Canadian government initiative that provides renewable energy incentives.

Construction, which was halted for the duration of the sale proceedings, will resume as soon as the deal is finalized and weather permits. Five turbines have already been installed, and the project is set to be online in 2011.

## Terra-Gen Finance Exec Jumps To Noble

**John Carson** joined **Noble Environmental Power** in Essex, Conn., last month as senior v.p. of finance after leaving **Terra-Gen Power** in New York.

A person who answered his phone at Terra-Gen says Carson left the company a couple of months ago, declining further comment. A secretary at Noble confirmed that Carson works there, but said he was unavailable for comment.

## Citi Infrastructure Hunts For Co-Head

**Citi Infrastructure Investors** is still looking to fill the spot vacated by **Juan Bejar**, co-head of the fund, who left his London post in June.

**Felicity Gates**, head of the fund in New York, says she is interviewing candidates but has not yet replaced Bejar. He left to take a job as chairman of **Global Via Infraestructuras**, a highway joint venture, in Madrid. He had previously worked for infrastructure company **Grupo Ferrovial** in Spain.

Gates says apart from seeking a new co-head, she will look to selectively expand the team as new investment opportunities arise. The fund is currently seeking investments in the utility sector (see story, page 1).

## Ex-BNP Banker Lands At RBS

**Roland DaCosta**, former director of loan syndications at **BNP Paribas**, has joined the **Royal Bank of Scotland** as director of syndicate. "He's somebody I would have loved to grab for here. To me he was one of BNP's top guys," says a managing director at a European bank in New York of the hire.

DaCosta started in RBS' Stamford, Conn., office last month and reports to **David Nadelman**, managing director of loan and high-yield markets. He works on syndications including project finance, another banker notes. Nadelman and DaCosta did not return calls.

DaCosta left BNP along with **Jerome Guttieres**, v.p. of project finance in Latin America origination, and **Kyle Hoffman**, v.p. of loan syndications, as the bank looked to trim 5% of its staff in London and New York to cut costs amid the financial crisis (PFR, 2/6).

## Spinnaker Energy Founder Passes Away

Douglas Wert, ceo and founder of Spinnaker Energy, has died. Officials of the San Diego-based company did not return calls and further details could not be learned.

Prior to his death, Wert had been spearheading Spinnaker's effort to finance 174 MW of wind in Southern Texas along with Portuguese development partner Martifer Renewables. The company is planning to approach banks in the next several weeks for a club financing of a \$350 million construction loan and a \$180 million term loan. The partners will look to close the deal by year-end, a deal watcher notes.

## Japanese Plant Sale Stymied

Thin funding options are deterring the sale of two power plants in Japan. The plants went up for sale in February and the partners leading the sale have garnered substantial interest but have failed to close a deal. "The story I get is, 'I'm meeting the money guys,' but then something gets stymied at the money level," says Roark Edwards, president of Edwards Industrial Corp. in Minneapolis, Minn., who is brokering the deal. "The climate for people cutting cash loose is slow." The plant's owner could not be reached by press time for comment.

One plant is a Siemens 69 MW dual-fueled valued at \$10 million, which has been dismantled and is sitting in storage; the other is an Alstom 160 MW gas-fired plant valued at \$14 million. The two 15-year-old plants are being offered together for \$22 million.

One interested party is the South Vietnamese government, who would use the plants to provide electricity for an oil refinery, Edwards says, but the party leading that deal has not gotten back to him with financing options.

## Stroock Hires Dewey Duo

Dewey & LeBoeuf partners Jeffrey Meyers and John Mostel have joined Stroock & Stroock & Lavan's energy and project finance practice group as group chair and partner, respectively. "What I see in the next few years is a continued emphasis in North America and greater emphasis in Latin America," Meyers says from Houston on business. "There's a great demand for all aspects of the energy industry down there."

Meyers, who had been with Dewey for 30 years, and Mostel are based out of New York though Meyers will be spending a considerable amount of time in Houston. "I have nothing but praise for [Dewey & Leboeuf]. But this opportunity came to me and I was deeply impressed with the vision of the leaders of

the firm and their desire to enhance the practice," Meyers says of his decision to join Stroock. The two began in the new slots on Sept. 14.

## NY Offshore Wind Call Draws Interest

Thirty entities have shown interest in developing 350-700 MW of wind off the coast of Rockaway Peninsula in Long Island, N.Y., according to a spokesman from ConEdison in New York. He declined to elaborate on the identity of interested entities.

Manufacturers, developers, law firms and other types of companies have responded to the projects says Michael Deering, v.p. of environmental affairs at the Long Island Power Authority in Uniondale, N.Y.

The interest comes in response to a request for information that will serve as a precursor to a request for proposals for the project set to launch by year-end. The project is slated for operation in 2020.

ConEd and LIPA prepared the RFI and the consortium holding the RFP will also include the New York Power Authority, the New York State Energy Research and Development Authority, the New York City Economic Development Corp., the Metropolitan Transportation Authority and the Port Authority of New York and New Jersey.

The project would include 3.5 to 5 MW turbines and a 13-mile underwater transmission line connecting to a point between the ConEd and LIPA territories in Suffolk and Nassau Counties. The installation of the turbines, which would be anchored in 80-100 feet of water would account for roughly 40% of the project's cost, which has not been disclosed (PFR, 4/24).

## EDP Unit Wraps \$1.1B Deal

Energias de Portugal subsidiary Energias do Brasil wrapped a \$1.2 billion financing for a 720 MW coal-fired project in Ceara, Brazil over the summer. EDB is developing the project with Brazilian generator and distributor MPX Energia. An EDB spokeswoman in Sao Paulo did not return calls and an MPX spokeswoman said that Rudolph Ihns, cfo, was not immediately available for comment.

Calyon and Portuguese lenders Caixa-Banco de Investimento and Millennium BCP will provide a 13-year, \$180 million B loan and Banco Nacional de Desenvolvimento Econômico e Social will supply a \$774 million loan for the project, according to a spokesman at the Inter-American Development Bank in Washington D.C. The IDB will round out the financing with a 17-year, \$147 million A loan (PFR, 3/13). Other bank officials and spokesmen did not return calls

and details and pricing on the loans could not be learned. The project is slated for operation in 2011.

## Quartet Wraps GE Benton Deal

Dexia Cr dit Local, Helaba, Lloyds TSB and NordLB wrapped roughly \$100 million in financing backing **GE Energy Financial Services** and **Orion Energy Group's** 130 MW wind farm in Benton County, Ind. last Wednesday.

The deal is a recapitalization of the project, which went online in May. A GE EFS spokesman and bank officials did not return calls and details such as pricing and tenor could not be learned.

**BP Alternative Energy** acquired **Orion Energy** in 2006, though the details of the company's participation in the deal could not be learned. A BP spokesman did not return a call. The farm consists of 87 **General Electric** turbines and has PPAs with **Duke Energy Indiana** and **Vectren Power**.

## Corporate Strategies

### NiMo Privately Places Bonds

**Niagara Mohawk Power Corp.**, a unit of **National Grid**, issued \$500 million in 144A bonds last Monday. The five-year, unsecured notes had a coupon of 3.553%. The spread was 110 bps over U.S. Treasuries.

The money is likely slated for general corporate purposes, with at least part of it allocated for a corporate-wide money pool that subsidiaries can lend money to or borrow from.

"Through the years [NiMo has] been borrowing funds extensively under the money pool... that's probably appropriate to factor that into it. They would broadly categorize it as general corporate purposes," says **Kevin Rose**, an analyst at **Moody's Investors Service**. He added that NiMo has several outstanding obligations that could be paid down with the funds. A spokesman declined to comment on the use of the proceeds and officials could not be reached.

NiMo distributes power and natural gas to residents in upstate New York. **Deutsche Bank**, **JP Morgan** and **Mitsubishi-UFJ** were joint bookrunners on the deal. The bonds were rated A3 by Moody's and A- by **Standard & Poor's**. Calls to the bank were not returned.

The Syracuse, N.Y.-based subsidiary of the British power company issued \$750 million in bonds, upsized from \$500 million, for general corporate purposes and infrastructure investment in early August. **Bank of America-Merrill Lynch**, **Morgan Stanley** and **Barclays Capital** were joint bookrunners. **National Grid** plans to spend \$5 billion a year over the next three years on an investment program (PFR, 8/7).

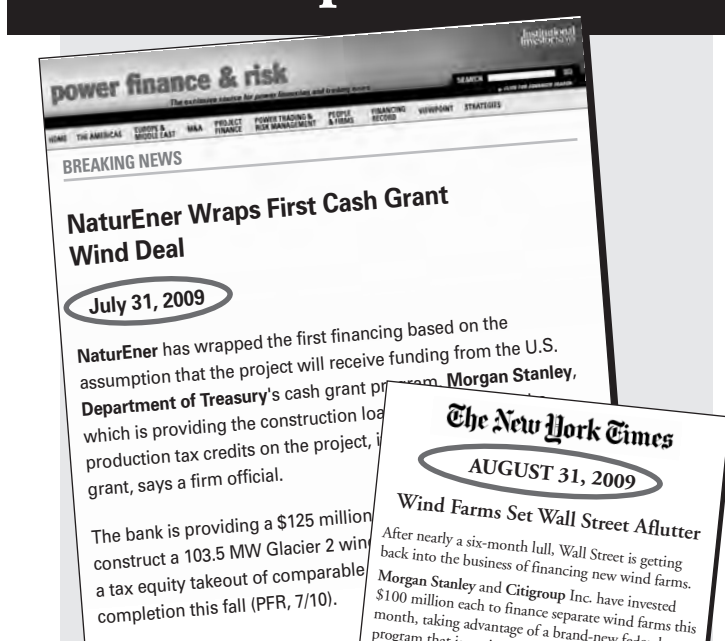
## Exelon Unit Saves On \$1.5B Issue

**Exelon Corp.** unit **Exelon Generating** has secured lower financing by refinancing \$1.2 billion of debt coming due in 2011 with a \$1.5 billion senior notes issue. The Chicago-based company priced \$900 million of 6.25%, 30-year notes and \$600 million of 5.25% 10-year notes on Sept. 14 and completed the deal on Sept. 17. The proceeds will take out \$700 million in 6.95% senior notes and \$500 million in 6.75% senior notes coming due in 2011.

"It's also an issue of staying ahead of the markets because companies have a lot of maturities coming up in 2011," says **Aneesh Prabhu**, director at **Standard & Poor's** in New York. The remaining \$300 million in proceeds will take out the same amount of tax-exempt notes that matured this year. The tenor is likely a reflection of the life of underlying assets and market appetite. A spokesman in Chicago did not immediately return a call.

**Barclays Capital**, **Credit Suisse**, **Goldman Sachs**, **JPMorgan**, **Morgan Stanley** and **UBS Investment** are joint bookrunning managers on the deal. **Loop Capital Markets** and the **Williams Capital Group** also participated. S&P is expected to rate the notes BBB.

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## 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 Jeanine Prezioso at (212) 224-3226 or e-mail [jprezioso@iinews.com](mailto:jprezioso@iinews.com).*

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
AES	Warrior Run	Cumberland, Md.	205	Coal	Goldman Sachs	Shopping PJM assets (PFR, 5/21).
	Red Oak	Sayreville, N.J.	832	Gas		
	Ironwood	South Lebanon Township, Pa.	720	Gas		
	Amman East	Jordan	370	Gas	Citi, HSBC	Quietly marketing Middle East portfolio along with a few one-off assets (PFR, 2/23).
	Barka	Muscat, Oman	456 (35%)	Gas		Bids submitted by around 10 parties for portfolio (PFR, 6/15).
	Ras Laffan	Qatar	756 (55%)	Gas		
	Lal Pir	Punjab, Pakistan	362 (55%)	Oil		
	Pak-Gen	Punjab, Pakistan	365 (55%)	Oil		
	Cartagena	Cartagena, Spain	1,200	Gas		
	Kilroot	near Carrickfergus, Northern Ireland	560	Coal and Oil		
	Various	U.S.	1,174	Wind	N/A	Looking for joint venture partner for wind business (PFR, 3/16).
	Hulunbeier	Inner Mongolia, China	50 (49%)	Wind		
	InnoVent	France	30 (40%)	Wind		
	Hargicourt	Hargicourt, France	12 (40%)	Wind		
	Hescamps	Hescamps, France	5 (40%)	Wind		
	Pléchâtel	Pléchâtel, France	4 (40%)	Wind		
	Various	Bulgaria, China, France and Scotland	410 development	Wind		
	Various	Latin America	TBA	Various	TBA	Tipped that assets are for sale (PFR, 5/18).
AIG Financial Products	Bruce Mansfield	Shippingport, Pa.	830 (80%)	Coal	Commonwealth Capital Advisors	Shopping interest in Unit 1 with sale likely to close before year-end (PFR, 12/1).
Allco Finance Group	Various	New Zealand	538	Wind	N/A	Prepped to sell by end of third quarter (PFR, 6/23).
Allied Waste Industries	Trinity Oaks	Trinity Oaks, Texas	3.2	Landfill	N/A	Fortistar to acquire with financing to be provided by Catepillar. Financial Services (PFR, 11/24)
American Shoreline	N/A	Texas, Mexico	3,000 development	Wind	N/A	Spinnaker Energy planning to purchase (PFR, 2/9).
Arclight Capital Partners	Hobbs Generating	near Hobbs, N.M.	600	Gas	Credit Suisse	Selling newly commercial asset (PFR, 10/3).
	Juniper Generating	near Bakersfield, Calif.	298	Gas	Barclays Capital	Indicative bids taken mid-Sept. for portfolio of nine assets (PFR, 10/3).
	Various	Maine	24	Hydro	N/A	Filed with FERC approval (PFR, 8/10).
Astoria Project Partners	Astoria	Astoria, N.Y.	575	Gas	Merrill Lynch	Buyers looking to sell undetermined amount of equity in plants (PFR, 7/20).
	Astoria II	Astoria, N.Y.	500 development	Gas		
Babcock & Brown	South Trent	Nolan and Taylor Counties, Texas	101	Wind	Marathon Capital	FPL and others expected to close on generating assets (PFR 9/14).
	Majestic I	near Panhandle, Texas	80	Wind		
	Majestic II	near Panhandle, Texas	unknown	Wind		Riverstone bought 4 GW of development assets.
	Butler Ridge	Wisconsin	54	Wind		
	Wessington Springs	South Dakota	50	Wind		
	Gulf Winds	Kenedy County, Texas	238	Wind		
BARD Engineering	BARD Offshore 1	off coast of northwest Germany	400 development	Wind	UniCredit HVB	Looking to sell offshore farm in development (PFR, 2/9).
British Petroleum	N/A	Port Talbot, Wales	870 development	Gas	N/A	Shopping 100% interest in development (PFR, 9/12).
Caithness Energy (DCE)	Shepherd's Flat	Gilliam and Morrow Counties, Ore.	909 development	Wind	Citigroup	Teasers dispatched (PFR, 10/20).
Centrica	Lynn and Inner Dowsing	off Lincolnshire coast, U.K.	194	Wind	N/A	Looking to sell once portfolio refinanced (PFR, 6/1).
Chermac Energy	Various	Texas, N.M., Okla., Kan.	675 development	Wind	NorthWinds Advisors	Looking for buyers (PFR, 5/4).
City of Victorville	Victorville 2	Southern California Logistics Airport, Calif.	570 development	Gas/Solar	Goldman Sachs	Teasers dispatched (PFR, 6/30).
						Took infomal bids June 26 (PFR, 7/13).
Cobisa Corp.	Cobisa-Greenville	Dallas-Fort Worth, Texas	1,750	Gas	Pace Global Energy Services	Company facing financing troubles (PFR, 6/22).
Colmac Energy	N/A	near Mecca, Calif.	47	Biomass	Bodington & Co.	Sale iced due to financial markets (PFR, 1/19).
Conectiv Energy	Various	PJM Interconnection	3,700	Various	Credit Suisse	Status unclear.
Con Ed Development	Genor	Puerto Barrios, Guatemala	42 (49.5%)	Oil		Industry Funds Management did not acquire.
	Ada Cogeneration	Ada, Mich.	29 (48%)	Gas		Partner is Olympus Power.
Constellation Energy	West Valley	West Valley, Utah	200	Gas	N/A	Planning to sell to MidAmerican Energy Holdings Co. (PFR, 12/8) even though merger has been canceled.
Complete Energy Holdings	La Paloma	McKittrick, Calif.	1,022	Gas	JPMorgan	Has agreed to merge with GSC Acquisition Co. in \$1.3B deal (PFR, 5/16). Pending shareholder vote.
	Batesville	Batesville, Miss.	837	Gas		
Coram Energy	N/A	Tehachapi, Calif.	15 repowering	Wind	Marathon Capital	Seeking buyers for portfolio (PFR, 3/9).
	N/A	Tehachapi, Calif.	93	Wind		
	T	Tehachapi, Calif.	102	Wind	Marathon Capital	Partnering with Brookfield Renewable Power on the \$235 million project (PFR, 9/7).
	N/A	Knob Hill, Vancouver Island, B.C.	393	Wind		
	N/A	Banks Island, B.C.	525	Wind		
	N/A	Porcher Island, B.C.	198	Wind		
	N/A	McCauley Island, B.C.	233	Wind		

## Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
CP Power Investments (Starwood Energy Investors II and Tyr Capital)	Panoche	Firebaugh, Calif.	49	Gas	N/A	Looking for new offtakers or buyers for facilities (PFR, 7/28).
	Vaca-Dixon	Vacaville, Calif.	49	Gas		
DKRW Wind	Various	U.S.	6 GW development	Wind	Marathon Capital	Looking for strategic partner (PFR, 12/29).
DTE Energy	East China	East China, Mich.	320	Gas	N/A	Seller exploring options, including outright sale.
Dynergy	Sandy Creek	Riesel, Texas	900 (32%)	Coal	Goldman Sachs	LS Power talking to relationship banks to fund purchase (PFR, 8/17).
	Riverside	Lawrence County, Ky.	500	Gas		
	Bluegrass	Oldham County, Ky.	500	Gas		
	Rocky Road	Chicago	364	Gas		
	N/A	Tilton, Ill	176	Gas		
	Renaissane	Carson City, Mich.	680	Gas		
	Arlington Valley	Arlington, Ariz.	585	Gas		
	Griffith	Golden Valley, Ariz.	558	Gas		
EarthFirst Canada	N/A	Bridgeport, Conn.	527	Gas	N/A	GE EFS and Plutonic Power are set to wrap acquisition in early November (see story, page 4).
	Dokie Ridge	Chetwynd, B.C.	300 constuction	Wind		
Edwards Industrial Corp	N/A	Japan	69	Dual	Edwards Industrail Corp	Financing troubles halt sale (see story, page 5).
			160	Gas		
Electrabel	Langerlo	Langerlo, Belgium	556	Coal	N/A	E.ON agreed to acquire plants in asset swap deal (PFR, 12/22).
	Vilvoorde	Vilvoorde, Belgium	385	Gas		
Energy Future Holdings (Luminant)	Sandow 4	Milam Co., Texas	545 (50%)	Coal	Credit Suisse	Reportedly planning to sell stakes to Perennial Power Holdings (PFR, 2/18).
	Sandow 5		581 (50%)	Coal		
Energy Investors Funds	Crockett Cogeneration	Crockett, Calif.	240	Gas	N/A	Assets draw full bids (PFR, 9/14).
	Hamakua	Hawaii	60	Biomass		
	Glen Park	near Watertown, Conn.	32	Hydro		
	Mustang Station	Denver City, Texas	490	Gas		
	Black Hawk	Borger, Texas	230	Gas		
Energy Investors Funds and Power Development Corp.	Waterside Power	Stamford, Conn.	72	Oil	Barclays Capital	ArcLight Capital Partners planning to buy (PFR, 2/23).
Entergy Corp.	50% stake in Top	Worth County, Iowa	40	Wind	New Harbor	Seller wants about \$520M for the assets. Bidders shortlisted to four players: two financial, two infrastructure (PFR, 6/18/07).
	Deer Wind Ventures	Carsen County, Texas	40			
	RS Cogen	Lake Charles, La.	212	Gas		
	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		
E.ON	Lippendorf	Nukieritzsch, Germany	446	Coal	N/A	Signed MOU with EnBW to purchase to increase competition in sector (PFR, 12/22).
	Bexback	Bexback, Germany	79	Coal		
	Farge	Bremen, Germany	350	Coal		
	Zolling	Zolling, Germany	449	Coal		
	Unknown	Zolling, Germany	20 (50%)	Biomass	N/A	Agreed to sell 300 MW of hydro to Verbund.
	Trausnitz	Trausnitz, Germany	2	Hydro		
	Tanzmühle	Tanzmühle, Germany	3	Hydro		
	Various	Bavaria, Germany	300	Hydro		
Exergy Development Group	Various	Upper Midwest, Northwest	3,600	Wind	Marathon Capital	Sale process has been reignited.
First Wind	Stetson	Danforth, Maine	57	Wind	Credit Suisse	Newly operational asset on the block (PFR, 3/2).
	Sheffield	Vermont	40 development	Wind	JPMorgan, Credit Suisse, Goldman Sachs	Hunting buyers (PFR, 3/9).
	Various	North America	3,000 pipeline	Wind		Company filed S-1 to IPO as UPC Wind.
Fishermen's Energy	N/A	off coast of Atlantic City, N.J.	350 development	Wind	N/A	Consortium planning to add institutional partner to project (PFR, 7/20).
FPC Development	Shady Oaks	Lee County, Ill.	120 development	Wind	N/A	Mainstream Renewable Power purchased (PFR, 6/22).
	Green River	Lee County, Ill.	467 development	Wind		
	Boone County	Boone County, Ill.	200 development	Wind		
FPL Energy	Posdef	Stockton, Calif.	44	Coal/Petcoke	New Harbor	DTE is buying through a subsidiary (PFR, 2/2).
	Tesla	Tracy, Calif.	1,120	Gas/Steam	Credit Suisse	Development site. Status unclear.
Gas Natural	Hermosillo	Sonora, Mexico	250 MW	Gas/Steam	TBA	InterGen scoping assets (PFR, 8/17).
	Naco Nogales	Sonora, Mexico	300 MW	Gas/Steam	TBA	
	Tuxpan III and IV	Veracruz, Mexico	1 GW	Gas/Steam	TBA	
	Unknown	Norte-Durango, Mexico	450 MW	Gas/Steam	TBA	
	Central Saltillo	Coahuila, Mexico	248 MW	Gas/Steam	TBA	
	Central Anáhuac/Rio Bravo II	Tamaulipas, Mexico	495 MW	Gas/Steam	TBA	
	Central Lomas de Real/Rio Bravo III	Tamaulipas, Mexico	495 MW	Gas/Steam	TBA	
	Central Valle Hermoso/rio Bravo IV	Tamaulipas, Mexico	500 MW	Gas/Steam	TBA	

## Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
Gas Natural, Mitsubishi Corp.	Electricidad Aguila	Altamira, Mexico	495 MW	Gas/Steam	TBA	Gas Natural looking to sell its 51% stake in the JV project (PFR, 5/25).
General Electric	Baglan Bay	Port Talbot, Wales	510	Gas	Lexicon Partners	Process to be re-ignited in October.
	Panther Creek	Nesquehoning, Pa.	94	Waste Coal	N/A	Looking for buyers (PFR, 2/26).
	Colton Power	Colton, Calif.	80	Gas	N/A	Sale shelved.
Gregory Power Partners	Gregory	Gregory, Texas	400	Gas	N/A	Sale iced due to credit crisis (PFR, 1/26).
Iberdrola	Russell Station	Greece, N.Y.	275	Coal	N/A	Will mandate advisor once auction schedule finalized by NYPSC (PFR, 12/29).
	Allegany Station	Hume, N.Y.	62	Gas		
	Unknown	New York	18	Gas		
	Unknown	New York	18	Gas		
Irving Oil	Bayside Power	St. John, New Brunswick	260	Gas	N/A	Emera agreed to purchase.
Kelson Cananda (Harbinger Capital Partners)	Island Generation	Duncan Bay, B.C.	230	Gas	UBS	First round bids taken 4/30 (PFR, 4/30) and second round bids
	King City Cogeneration	King City, Calif.	120	Gas	taken in Aug.	
	Whitby Cogeneration	Whitby, Ontario	50	Gas		Asset taken off the block for unknown reasons.
Kelson Holdings	Dogwood	Pleasant Hill, Mo.	620	Gas	Goldman Sachs	Weighing strategic options, including sale/merger (PFR, 10/9/07).
	Cottonwood	Deweyville, Texas	1,200	Gas		
	Magnolia	Benton County, Miss.	922	Gas		
KGen Power	Murray I	Murray Co., Ga.	630	Gas	Credit Suisse	Sale put on hold until credit markets thaw (PFR, 10/24).
	Murray II	Murray Co., Ga.	620	Gas		
	Hot Spring	Hot Spring Co., Ark.	620	Gas		
	Hinds	Jackson, Miss.	520	Gas		
	Sandersville	Washington Co., Ga.	640	Gas		
Infigen Energy	Various	U.S. and Europe	1.1 GW	Wind	Marathon Capital, UBS	Teasers dispatched (PFR 9/21).
International Power	Opatovice	Czech Republic	360	Coal	Citi, ING	Sale to J&T expected to close in November (PFR, 9/7).
	Prahaská teplárenská	Czech Republic	64 (49%)	Coal/Gas		
	ET	Czech Republic	160 (49%)	Coal		
Los Angeles Department of Water and Power	N/A	Calif., Ariz., Utah	up to 5,600	Coal, Gas	Goldman Sachs, JPMorgan	Exploring options for divestment of fossil fuel portfolio (PFR, 8/8).
MACH Gen	Millennium	Carlton, Mass.	360	Gas/Oil	Credit Suisse	Pair of Northeast assets set to fetch \$1B (PFR, 5/21).
	Athens	Athens, N.Y.	1,000	Gas/Oil		Strategic Venture Partners seeking to buy 40% stake in company (PFR, 2/9)
	Harquahala	Tonopah, Ariz.	1,090	Gas		
Macquarie Cook Power	Avenal Power Center	Avenal, Calif.	600	Gas	N/A	Owner considering partners (PFR, 4/20).
Macquarie Power and Infrastructure Income Fund	N/A	Cardinal, Ontario	156	Gas	N/A	Assets possibly on the block to bolster fund share price (PFR, 5/25).
	Erie Shores	Port Burwell, Ontario	99	Wind		
	N/A	Ontario and British Columbia	27.5	Hydro		
	N/A	Quebec and Alberta	59	Biomass		
MMC Energy	Chula Vista	Chula Vista, Calif.	44	Gas	Bodington & Co.	Agreed to sell assets to Wellhead Electric Co. for \$4.865M (PFR, 6/1). Sold equipment at MidSun facility.
	Escondido	Escondido, Calif.	44	Gas		
	MidSun	Bakersfield, Calif.	23	Gas		
National Wind (30-40%)	High Country Energy	Olmsted and Mower Counties, Minn.	300 (14%)	Wind	Delphi Financial Corp.	Marketing to state-based residents and businesses (PFR, 6/23).
	Various	Midwest U.S.	4GW	Wind	Marathon Capital	Looking for partner for development pipeline (PFR, 3/30).
Navasota Energy Partners, Montgomery Energy Partners	Colorado Bend	Wharton, Texas	825	Gas	JPMorgan	Auction expanded to include Montgomery Energy assets outside Texas (PFR, 10/27).
	Quail Run	Odesa, Texas	825	Gas		
	Madison Bell	Madisonville, Texas	550	Gas		
	L'Energia	Lowell, Mass.	80	Gas		
	Billerica	Billerica, Mass.	240	Gas		
	Great Falls	Great Falls, Mass.	400	Gas		
New Green Technologies	Hartland	North Dakota	16W	Wind		
	N/A	N/A	12—16	Waste-to-energy	N/A	Seeking buyers and/or partners for four-plant packages (PFR, 7/14).
Noble Environmental Power	Various	N.Y., Mich.	385	Wind	Goldman Sachs	Company filed S-1 to IPO (PFR, 5/16).
North American	Rio Bravo Fresno	Fresno, Calif.	25	Biomass	N/A	In discussion with potential buyers (PFR, 8/31/07).
Northwest Wind Partners, subsidiary of enXco	Linden Wind Farm	Klickitat County, Wash.	50	wind	N/A	Southern California Public Power Authority is set to buy the \$139 million farm (PFR, 8/31).
Power Group	Rio Bravo Rocklin	Roseville, Calif.	25	Biomass		Holds interests alongside Constellation Energy Group.
NRG Energy	Indian River	Millsboro, Del.	784	Coal	N/A	Seller soliciting offers on plant (PFR, 11/8/07).
Perrenial Power Holdings	Unknown	Kathleen, Ga.	308	Gas	N/A	Co-owner Atlantic Power Corp., to receive \$50M in the sale (PFR, 8/24).
PPL Corp.	PPL Edgewood Energy	Brentwood, N.Y.	80	Gas	RBS Securities	Has agreed to sell Long Island generation business to J-Power USA Development for about \$135M.
	PPL Shoreham Energy	Brookhaven, N.Y.	80	Oil		
PSEG Global	Turboven Cagua	Venezuela	60 (60%)	Gas	N/A	Assets remaining to be sold as part of an international divestiture program outlined in 2002.
	Turboven Maracay	Venezuela	60 (60%)	Gas	N/A	
	Pillaiperumalnallur	India	330 (20%)	Gas	N/A	

## Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
RPL Holdings	Massena	Massena, N.Y.	85	Gas	Fieldstone	Morris Energy Group agreed to purchase plants (PFR, 7/8).
	Elmwood Park	Elmwood Park, N.J.	65	Gas		Deal set to wrap by end of July (PFR, 7/20).
Reykjavik Holdings	HS Orka	Iceland	N/A	N/A	N/A	Magma Energy submit's highest bid for the geo co. (PFR, 8/24).
RES Americas	Lower Snake River	Garfield and Columbia Counties, Wash.	1,250 development (50%)	Wind	N/A	Looking to sell after sale of entire company scratched last year (PFR, 3/2).
	Talbot	Chatham Kent, Ontario	99	Wind		
	Greenwich	Dorion, Ontario	99	Wind		
Ridgewood Renewable Power	Various	Maine, Va., N.Y., Calif.	26	Hydro	Ewing Bemiss	Set to sell to undisclosed buyer in one month (PFR, 8/24). On the block (PFR, 1/19).
	Brea Project	Brea, Calif.	5	Landfill		
	Providence	Providence, R.I.	20	Landfill		
Sempra Generation	Catoctin	Frederick Co, Md.	600 development	Gas	N/A	Development project reportedly for sale.
SkyPower Corp.	N/A	Canada	11,000 development	Wind, Solar	Marathon Capital	Undergoing strategic review of company (PFR, 11/17).
Sierra Geothermal Power	Reese River	Lander Co., Nev.	26-58 (50%)	Geothermal	Jacob & Co.	In discussions with strategic partners (PFR, 9/21).
	Silver Peak	Esmeralda Co., Nev.	15-40 (50%)			
Sierra Pacific Industries	Loyalton	Loyalton, Calif.	20	Biomass	N/A	Renegy agreed to purchase 4/11 for \$13M (PFR, 4/16).
Signal Hill Power	Wichita Falls	Wichita Falls, Texas	77	Gas	Miller Buckfire	Sale cancelled, but may be restarted at later date (PFR, 1/26).
Sithe Global Power	River Hill	Karthus Township, Pa.	290	Coal	Credit Suisse	Status unclear (PFR 2/16/07).
Summit Power Group	Texas Clean Energy Project	Odessa, Texas	345 development	IGCC	N/A	Looking for partner (PFR, 4/27).
Temasek Holdings	PowerSeraya	Singapore	3,100	Gas	Credit Suisse, Morgan Stanley	YTL Power International to buy for SGD\$3.6 billion (\$2.4 billion).
T G Power	Hot Sulphur Springs	Elko County, Nev.	12-14 development	Geothermal	N/A	Owner seeking buyer for debt investment or entire project (PFR, 9/30).
Third Planet Windpower	Various, U.S.	Various, U.S.	3,000 pipeline	Wind	Marathon Capital	Developer looking for joint venture partner.
Town of Scotia Co.	Scotia Biomass Power	Scotia, Calif.	32.5 MW	Biomass	Bodington & Co.	In final stages of choosing a buyer (PFR, 8/24).
TransAlta	Binghamton	Binghamton, N.Y.	50	Gas	N/A	Standard General set to acquire (PFR, 3/12/08).
TransAlta Cogeneration	Mississauga	Mississauga, Ontario	108 (50%)	Gas	N/A	Quietly shopping portfolio (PFR, 4/2).
	Ottawa	Ottawa, Ontario	68 (50%)	Gas		
	Sarnia	Sarnia, Ontario	575	Gas		
	Windsor-Essex	Windsor, Ontario	68	Gas		
Tyche Power Partners	Brooklyn Navy Yard	Brooklyn, N.Y.	286	Gas Cogen	Credit Suisse	Temporarily iced due to credit crunch.
WindRiver Power	N/A	Alberta	120 development	Wind	FirstEnergy Capital	Seeking joint venture partner for pipeline (PFR, 3/9).
	Various	British Columbia	13 development	Hydro		
WindRosePower	Childress County I	Childress County, Texas	250 development	Wind	N/A	Company in discussions with buyers (PFR, 9/21).
Wind Revolutions	Chalk Mountain	Casper, Wyo.	500	Wind	N/A	Looking to sell entire or portion of projects (PFR, 7/25).
	Beaver Divide	Riverton, Wyo.	300	Wind		
	Cowboy Mesa	near Corona, N.M.	600	Wind		

## Project Finance Deal Book

*Deal Book is a matrix of energy project finance deals that PFR is tracking in the energy sector. The entries below are of new deals or deals where there has been change in their parameters or status. To report updates or provide additional information on the status of financings, please call Jeanine Prezioso at (212) 224-3226 or e-mail [jprezioso@iineews.com](mailto:jprezioso@iineews.com).*

### Live Deals: North America

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
Abengoa Mexico	Unknown (300 MW CoGen)	Tabasco, Mexico	TBA	TBA	\$450M	TBA	Talking to banks for a club deal (PFR, 9/21).
Calpine Steamboat Holdings	Unknown (250 MW CoGen)	Freeport, Texas	Calyon, CoBank, WestLB	Refinancing	\$465M	8-yr	Leads looking for more banks to join (PFR, 9/21).
	Unknown (365 MW Comb. Cyc.)	Mankato, Minn.					
Martifer Renewables, Spinnaker	Randado & Oilton (174 MW Wind)	Southern Texas	TBA	TBA	TBA	TBA	Looking to approach banks for club deal (See story, page 5).
Sithe Global	Southdown (800 MW)	Mississauga, Ontario	TBA	TBA	TBA	TBA	OPA contract to be awarded by month-end (PFR, 9/21).
Terra-Gen Power	Various (831 MW Renewables)	Various	BNP Paribas, Citibank	Refi/Term Loan	\$200M	2.5-yr	Deal is two-thirds subscribed (See story, page 3).
				Letter of Credit	\$25M	TBA	

For a complete listing of the Project Finance Deal Book, please go to [iipower.com](http://iipower.com).

## News In Brief

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

### Americas

- Residents of California's Capay Valley want to meet all their power needs through renewable energy and sell excess power to **Pacific Gas & Electric** (*Sacramento Bee*, 9/24).
- **Mitsubishi Heavy Industries** will build a gas turbine manufacturing plant near Savannah, Ga., as it seeks to boost global output (*NASDAQ*, 9/24).
- Calpine's top shareholder, hedge fund **Harbinger Capital Partners** will sell 20 million shares, or 4.5% of shares outstanding, to free up its portfolio (*Wall Street Journal*, 9/23).
- An 85-mile transmission line proposed to bring green power into Los Angeles is drawing ire from environmental activists because the line would run through two wildlife preserves and a national forest (*Reuters*, 9/23).
- Fossil fuel subsidies could be on the chopping block if President **Barack Obama** can convince G20 members to forgo incentives for coal, oil and natural gas as a way to combat greenhouse gas emissions (*Bloomberg*, 9/23).
- **Centrais Eletricas Brasileiras** (Electrobras) is planning to build at least seven new power plants in Peru, Argentina, Guyana and possibly Bolivia, over the next decade as the continent's largest utility aims to diversify generation supply (*Bloomberg*, 9/23).
- To power electronic devices in households, the **International Energy Agency** reports that 560 coal-fired or 230 nuclear plants will need to be built worldwide over the next two decades (*New York Times*, 9/20).

### Europe

- **AEI Utilities**, a subsidiary of Spanish company **AEI Energy**, will acquire a 24.96% stake in Argentine power distributor

**Empresa Distribuidora Regional** for roughly \$40 million (*Wall Street Journal*, 9/23).

- **Areva** received three separate bids of less than EUR4 billion (\$5.9 billion) for its transmission and distribution unit, which analysts estimated to be worth EUR4.25 billion (*Bloomberg*, 9/23).
- German utilities will benefit if current Chancellor **Angela Merkel** is re-elected because the government is likely to extend the lifespan of several of the country's 17 nuclear plants (*Reuters*, 9/23).
- **EDF** is considering selling more of its majority stake in nuclear company **British Energy**; U.K. utility **Centrica** has already bought 20% of EDF's stake (*Wall Street Journal*, 9/22).
- An **Iberdrola**, **GDF Suez** and **Scottish and Southern Energy** consortium has filed an expression of interest in purchasing land for nuclear plant development in northwest England (*Wall Street Journal*, 9/22).
- **China Investment Corp.**, the country's sovereign wealth fund, is considering investing in French utilities **GDF Suez** and **Suez Environment**, which is expecting a capital injection from the \$200 billion fund (*TradingMarkets*, 9/22).

### Asia

- China is considering a policy that would allow government officials to raise hydroelectric prices to match those of coal-fired plants as a way to boost profits from dams, which generate about one-fifth of the country's power (*Bloomberg*, 9/21).
- The Chinese New-Energy Development Plan that would increase renewable generation is awaiting final approval and might be publicly announced as a way forward before the Copenhagen summit (*Bloomberg*, 9/21).

## CITI FUND

(continued from page 1)

private equity owned transmission company, though Gates says that particular company trades at too high a multiple. Other private equity shops have carved out utility assets for their portfolios: **Kohlberg Kravis Roberts** and **Trimaran Capital Partners** bought **DTE Energy's ITC Transmission** (now a subsidiary of ITC Holdings) for \$610 million.

"There is a precedent out there for private equity coming and acquiring smaller utilities," says **Scott Solomon**, a utilities analyst with **Moody's Investors Service** in New York.

Citi started the fund in 2007 as part of **Citi Alternative Investments** with \$500 million of the firm's own money. The rest comes from pension funds, insurance companies and sovereign wealth funds.

The fund closed in December 2008 and has a 15-year investment period. So far, it has invested in airports, a water utility in the U.K. and toll roads in Spain. The fund has had its eye on utility investments for some time and Gates says it would be the last investment it would make because of the length of time required to get regulatory approval. It has through 2012 to invest all the money.

—Jeanine Prezioso

## SUEZ, OTHERS

(continued from page 1)

Gas Natural had been interviewing banks for an advisor mandate to sell 4 GW of combined assets in Mexico. A spokeswoman in Barcelona did not respond to an e-mail and the status of the mandate could not be learned.

—Sara Rosner

## GE, CAITHNESS

(continued from page 1)

which is expected to go online between 2011 and 2012. Calls to Caithness and GE were not returned by press time and the source of the equity from the companies could not be learned.

The sponsors aim to pick a lead for the deal this year and plan to launch early next year. **Barclays Capital**, **BNP Paribas**, **Citibank**, **Royal Bank of Scotland**, **Union Bank** and **WestLB** are reportedly looking at the project. Bank officials either declined to comment or did not return calls.

Bankers say it would be the largest wind deal to hit the market in recent memory and comparable only to **Noble Environmental Wind Power's** \$740.8 million financing that wrapped just before **Lehman Brothers'** collapse (PFR, 8/15). "A billion dollars is a lot of [lending] capacity for this market, but Astoria did it and people have the appetite to get this done," says a project financier in New York, referring to **Astoria Energy's** \$1.2 billion financing backing the construction of a second power plant, which closed earlier this year.

The strength and experience of the sponsors, the investment grade quality of the offtaker, the existence of adequate transmission capacity, and improving credit markets may also help to get the deal done, bankers explain.

Other bankers say the size will benefit the project as it will attract the attention of larger lenders. "With the size comes a fear but the good news is that there's a lot of interest from larger shops," another project financier explains.

Another option may be to tap insurers in a 144A private placement that would provide longer term financing than a traditional bank financing, another banker says. **Neptune Regional Transmission** opted for this route (PFR, 6/24/05).

—S.R.

## Conference Calendar

- The **American Wind Energy Association** will host the AWEA Wind Resource & Project Energy Assessment Workshop Sept. 30-Oct. 1 at the Hilton Minneapolis in Minneapolis. To register, visit [www.awea.org](http://www.awea.org) or call 202.383.2500.

## Alternating Current



### Faux Trees Next Trend In Carbon Capture

Scientists are improving on Mother Nature's natural carbon capture system by inventing their own trees. The carbon capture tree is capable of removing one ton of carbon dioxide per day, the amount produced by 20 average automobiles in the U.S., at a rate 1,000 times faster than a natural tree, according to a CNN article.

The synthetic tree collects carbon as wind blows through special plastic leaves. The carbon is then trapped in a chamber and compressed before being pumped into porous rock below the tree where it is stored as liquid carbon dioxide. **Klaus Lackner**, a professor of geophysics at **Columbia University**, is developing the technology with his company **Global Research Technologies**. Lackner was not available for comment.

The synthetic tree is designed to capture carbon from small sources, such as automobiles or jet planes, which make up half of all carbon emissions. "In nature, nothing is perfect and everything is perfect. Trees can be contorted, bent in weird ways, and they're still beautiful," American author **Alice Walker** wrote. One has to wonder if this applies to the man-made variety too.



A rendering of synthetic trees.

Source: Green Upgrader

## Quote Of The Week

"We don't want merchant power. We want stable revenues with a decent return." —**Felicity Gates**, head of **Citi Infrastructure Investors** in New York, on what kinds of assets the fund is seeking (see story, page 1).

## One Year Ago In Power Finance & Risk

Icelandic bank and geothermal financing specialist **Glitnir Capital Corp.**, was looking to branch out into U.S. solar deals. [The senior management team in New York bought the bank's office there after the Icelandic government acquired a 75% stake in the lender (PFR 11/26). The newly minted entity, **Glacier Partners**, advised **Magma Energy** on its acquisition of a stake in Icelandic geothermal company **HS Orka** and is working with two or three major players to tap private equity to develop geothermal projects in the U.S. (PFR, 7/31).]