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Tyr Exec Exits To Form Consultancy

Chief Development Officer **Lincoln Bleveans** has left **Tyr Energy** to start his own consulting firm.

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DUTCH INFRASTRUCTURE FUND TO RAMP UP ACQUISITIONS



Allard Ruijs

DIF Renewable Energy is planning to increase renewable energy project acquisitions as it expands its scope into solar and different parts of Europe. "We intend to invest at least EUR100 million a year as our minimum," says **Allard Ruijs**, managing director in Schiphol, Netherlands. "In the coming 12 months we would like to acquire a minimum of 200 MW for which we have the funding available," he adds, noting that the firm prefers to acquire directly from developers to lower risk.

Last week, DIFRE agreed to acquire 51.9 MW across four wind farms in France from German developer **JUWI** when development is completed later this year for three and next

(continued on page 12)

LS, DYNEGY PREP FINANCING FOR \$400M PROJECT

LS Power and **Dynegy** are looking to arrange financing for their \$400 million, 400 MW Bridgeport II gas-fired plant in Bridgeport, Conn., before year-end. "This financing should be doable in the current difficult market given the contract structure," says **Joe Esteves**, cfo of **LS Power** in New York, noting that the project's 30-year PPA with **United Illuminating** will appeal to lenders. Despite recent market turmoil, deal trackers agree and note that the project still holds market appeal. "The underlying transaction is very strong... It's just a question of who has got capital between now and the end of the year and who is still willing to use it."

As first reported on *PFR's* Web site Tuesday, the sponsors took indicative bids Friday ahead of shortlisting banks for what will likely be a club financing (PFR, 9/23). Esteves declined to comment on talks with banks.

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Acquisition Summit

CASH BUYERS SET TO RULE

Cash-flush acquirers who don't need financing have a major upper hand in power asset sale situations given the current financial turmoil. That was the buzz among bankers and developers at the *Power Assets Acquisition & Divestiture Summit* in New York last week. "It can be a buyer's market as long as you don't rely on a sophisticated financing structure. You can't rely on quick fundraising with mezzanine financing," said **Lorenzo Landini**, v.p. at **Fortis**.

The types of projects most likely to be purchased are contracted ones, according to **Edward Sondey**, managing director at **Merrill Lynch**. "Capital markets are much more difficult for merchant sellers," agreed **James Metcalfe**, global head of power and utilities and

(continued on page 6)

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



At Press Time

Tyr Exec Resigns To Found Start-Up

Lincoln Bleveans, chief development officer at Tyr Energy, has resigned to start an energy consulting firm. Bleveans, who joined in May last year, says he is simply ready to move on. "I'm eager to get out on my own and be the person where the buck stops."

He will provide consulting via his new firm **Hullspeed Energy Advisors** in everything from project financing to capital raising in the renewable and fossil fuel sectors. He is finalizing agreements with undisclosed clients.

Bleveans' last day in Tyr's Stamford, Conn., office was Friday. Before joining the **ITOCHU Corp.** affiliate he was a v.p. and then corporate secretary at **CH Energy Group**. **Tom Wertz**, chief operating officer at Tyr in Overland Park, Kan., says the company will likely wait until early next year to replace him.

PF Bankers In the Dark On Structure, Price

Project finance bankers are grappling with how to price and structure new deals given the events that have roiled the U.S. financial scene. "Nobody knows what your true liquidity costs are. They're all over the map," says one originator focused on renewables. "Frankly, LIBOR is not representative of funding costs anymore," says another banker at a European bank. "The funding cost is somewhere between LIBOR plus 25 and LIBOR plus 100," he adds, noting that he could end up calling 20-30 banks to ask about their costs of funding.

James Metcalfe, global head of power and utilities at **UBS**, told developers last week at the Power Assets Acquisition Summit in New York (see complete coverage, page 6) that, "All of your projects are going to get more expensive." **Lorenzo Landini**, v.p. at **Fortis**, noted that "Project finance is a bit sick, but it's still alive. Pricing is going up because cost of funding is going up. Terms and conditions and tenor are shrinking."

Cost of funding uncertainty is leading banks to delay bringing deals to the market and others are beginning talks to restructure deals. "It's not reflective of the banks' appetite, it's just uncertainty... A banker who tells you where the market is is either lying or cocky," the European banker adds.

Other bankers say new deals before year-end will only be for strong clients and that for those there will be no flexibility on terms once loan documentation gets pre-approval from credit committees. "A few years ago you had people that were really pushing to do the business that was out there, and it's just the opposite now," explains an originator at a German bank in New York, adding that other deals will likely get pushed into 2009.

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 **Thomas Rains** at 212-224-3226 or trains@iinews.com.

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Institutional Investor NEWS
INTELLIGENCE FIRST

Costa Rican Co-op Taps Boutique Advisor For \$350M Mandate

Costa Rican regional power cooperative **Coopelesca** has tapped boutique financial advisor **BlueSky Capital Strategies** to arrange some \$350 million of project construction and feasibility studies. "Our role will be on developing the program, structuring the deal and negotiating the agreements," says **James Burns**, ceo in New York.

"Given the credit crunch, we are exploring different ways to achieve the financial goals of the company," he adds, noting discussions with the company are ongoing for the financing. "At the end of the day we may have an underwriter step in," he adds.

"The biggest funding piece is for capital investments to build out infrastructure so that they no longer have to purchase electricity from Grupo ICE," Burns says, referring to state-owned utility **Instituto Costarricense de Electricidad**. Under development are six hydro projects that range from 5-50 MW and a 50 MW wind farm project in Guanacaste province. Calls to an official at **Coopelesca** were not returned.

Developer Preps Maiden Financings

Norcross, Ga.-based **Biomass Gas & Electric** is in preliminary talks with lenders to finance its first two projects for a combined \$330-350 million. "You're looking at good debt coverage ratios and good equity opportunity. We feel that the project is strong enough in itself that it will have all the major banks interested," says **Richard Jensen**, v.p. of project development, adding that the company has already received inquiries from several interested investors, which he declined to identify.

First up is the \$130-150 million 45 MW integrated gasification combination cycle Tallahassee plant in Tallahassee, Fla., slated to come online in early 2011. Construction could start as early as the next year and Jensen notes that the company would like to have financing in place by 2009, adding that the facility has a 20-year PPA with the City of Tallahassee, Fla.

Next in line for financing are combined \$200 million Progress I and Progress II, two 75 MW woodchip-burning units in Florida which each have 20-year PPAs with **Progress Energy**. BGE will likely seek financing at the start of units' construction, which could be as early as next year. The units are slated to come online at the end of 2011 and will be located at the wood suppliers' sites, which Jensen declined to identify.

Jensen notes that the projects will be financed with a mix of debt and equity, which would come from investors and that the proportions would depend on interested parties. "It depends on the returns and what the equity player is looking for. Whether it's a straight player for ownership or tax equity involved is going to effect how this thing is written up." He adds that selection

criteria for lenders have yet to be determined and declined to identify potential leads for the deals. BGE has tapped **Pareo Capital** to privately place \$25 million of equity. The deal is set to close at the end of the month and the company will use proceeds to fund preliminary project costs.

Glenn Farris, president and ceo, founded BGE in 2001 after leaving **Future Energy Resources Corp.**, where he helped develop IGCC technology. Several other FERCO employees followed in his wake and joined the BGE including v.p. **Richard Weiss**, formerly v.p. at the FERCO. Jensen says that there are several projects in BGE's pipeline, but declined to discuss them.

Barclays Fires Up Waterside Auction

Barclays Capital dispatched teasers in the middle of this month for the sale of **Waterside Power**, owner of a 72 MW oil-fired peaker in Stamford, Conn.

First round bids are due in the middle of next month for the project being sold by **Energy Investors Funds** and partner **Power Development Corp.**, which tapped Barclays as financial advisor (PFR, 8/22). A deadline for second round bids will follow in November.

Waterside came online in 2002 and sells power into ISO New England's locational forward reserve market. Last year **Connecticut Light & Power** awarded the plant a 15-year capacity agreement beginning in June. Located on six acres of land, the project has room to expand by some 200 MW.

Carbon Cap & Trade System Tipped For Huge Potential

A cap and trade system for carbon emissions in the U.S. could create a \$200 billion per year market in addition to being the most effective means of regulations. That was the word from panelists at **Institutional Investor's 2nd U.S. Carbon Finance Forum** at the Metropolitan Club in New York last Wednesday. "Why don't we think a little bit further to 10 years down the road when [the U.S.] could be a big seller," said **Andrew Ertel**, president and ceo of **Evolutions Markets**, noting that it would be a mistake for the U.S. not to take advantage of what other parts of the world are doing.

"It's a proven application that has allowed us to do more than regional reductions," said **Sam Napolitano**, director of the clean air markets division at the **Environmental Protection Agency**, adding that the **Regional Greenhouse Gas Initiative** was scheduled to hold its first auction on Thursday.

Many panelists noted that some type of national carbon legislation—with support from Congress and both presidential candidates—is inevitable and likely to become a reality in the next 18 months. But details of have not yet been decided upon and several issues remain, said **Tim Profeta**, a former

Congressional aide and the founding director of the **Nicholas Institute for Environmental Policy Solutions**, but it will likely take form similar to an equity market.

"The downside is volatility," explained **Nikhil Chandavarkar**, chief of communications and information management for the **United Nations** department of economic and social affairs, of a market based approach. Instead, he recommends a combined tax and cap and trade system that could be more effective. "Businesses like to have some certainty over the price of carbon," he said, noting that the European Union emissions trading market has seen carbon prices plummet three times since 2005.

Leads Wrap Up New England Recap

Barclays Capital and **Goldman Sachs** have brought together a five- to six-lender syndicate in the \$200 million recapitalization of two former **Calpine** plants in New England that is set to close early next month. "The guys committed in a market that was not as bad as last week," says one deal tracker, noting that the group includes commercial banks, insurance companies and other finance companies. Specific lender names could not be learned.

Included in the deal are two 265 MW gas-fired facilities in Tiverton, R.I., and Rumford, Maine, held by **Brick Power Holdings**, which has an owner group that includes **Plainfield Asset Management**, **Sandell Asset Management**, **D.E. Shaw** and **Caithness Energy**. Calls to the sponsors were directed to the banks, where officials declined to comment.

The leads did not specify ticket sizes when they launched the deal priced at 350 basis points over LIBOR early last month (PFR, 8/8). The debt includes a \$165 million term loan and \$35 million working capital letter of credit.

Siemens Looks To Staff Toronto



Kirk Edelman

Siemens Financial Services is looking for originators and veterans with credit market experience for its Toronto office focusing on power and opening next year. "We're looking for people with a good amount of experience in this market with strong Rolodexes," says **Kirk Edelman**, v.p. and general manager of energy finance from New York.

Experience in Canada is crucial to the new posts, Edelman says, adding that recruiting in the country has been challenging as potential candidates have been less exposed to U.S. financial turmoil and are more likely to remain in current positions. "You do find good people at Canadian banks but it's hard to get them to come over. We're really looking for people that can hit the ground running." The details of each position, the number of

open positions and to whom employees will report have not been determined and Edelman declined to name any prospective candidates or specify a hiring deadline.

Siemens recently tapped **Jim Campbell**, former director of the energy at **Citigroup**, to head up its Calgary branch in oil and gas origination. Campbell will report to **Gary Fabris**, v.p. and sales manager, and open the Calgary office on Oct. 1. Siemens energy group includes roughly 13 employees and Edelman points out that the company has done over \$100 million of financing in Canada in the past year, though he declined to specify projects.

Lehman, Barclays Energy Teams Await Decision

The energy teams at **Lehman Brothers** and **Barclays Capital** are waiting for final word on who stays and who goes following this month's acquisition. Bankers note the strength of Lehman's teams handling utilities' equity offerings and M&A business, while Barclays has the upper hand in the power sector for unregulated business—particularly acquisition financing. "The benefit is that we have the balance sheet, investment banking, and there is a chance to broaden the team," says one official.

In Houston, Lehman's energy team of more than two dozen will move to Barclays and continue to be headed up by **Greg Pipkin** and **Lee Jacobe**. Last month Barclays beefed up its team there with the addition of **Russell Johnson** and **Joe Gatto** in a new managing director slots reporting to **Matthew Pendo**, head of U.S. investment banking in New York (PFR, 8/8).

Last summer the British bank tapped **Thomas Rosén**, formerly managing director on the energy and power team at **Sagent Advisors**, to a new managing director slot covering power M&A in New York (PFR, 7/25). Rosén reports to **Mike Brennan**, head of energy for the Americas, who noted at the time the team would continue to expand.

EIF Bulks Up Ahead Of Fund Launch

Energy Investors Fund has added eight employees to its roster to manage existing assets in a \$1.35 billion fund and prepare for the launch of a fourth fund sometime next year. "There's been a big G for growth. As you progress over time you have more to manage... We've been pretty successful this year in getting the people we went after," says **John Buehler**, managing partner in San Francisco. The size of United State Power Fund IV has yet to be determined. The employees will handle the assets of United States Power Fund III.

Andrew Pike, formerly v.p. of **Wells Fargo's** debt capital markets team, has filled a new v.p. slot managing financing of funds and assets under **Mike Segel**, head of asset management in

EIF's Boston office. "His knowledge agrees with our own knowledge base. It's a good fit and we have prior experience working with him," Buehler explains, noting that EIF has 105 assets in its portfolio and plans on adding three to five assets by year-end. Buehler declined to identify the assets under consideration. Pike began last month.

Other hires are analysts **Noshir Irani**, formerly an analyst in **Deutsche Bank's** natural resources group, and **Ben Pike**, formerly an analyst in **Merrill Lynch's** energy and power group. Irani reports to **Joe Torres**, v.p. and **Scott Park**, senior associate in the Mill Valley office and Pike reports to **Andrew Schroeder**, v.p. in the New York office.

Rounding out the team of new hires are **Alicia Goody**, v.p. and assistant general counsel, formerly of **BTU Ventures** and **Calpine**, **Christina Anzel**, director of fundraising, marketing and investor relations, formerly of **Latham & Watkins**, **Carl Lemke**, director of tax, formerly of **PricewaterhouseCoopers**, **Beth Buckley**, senior accountant, formerly of **Fidelity Investments** and **Jeffrey Brodeur**, director of information technology, formerly of **Integra Network Services**.

Ore. Utility Scopes \$475M Financing

NW Natural is looking for \$350 million of interim financing for a portion of the Palomar pipeline in Oregon and \$175 million for its Gill Ranch gas storage facility in Fresno, Calif. **David Anderson**, v.p. in Portland, Ore., says it would like to put a bridge facility in place next year for the pipeline and then term it out when the project comes online in 2012. The company will look to arrange financing for Gill Ranch at the start of construction sometime next year. In the meantime, NW Natural will use equity from its balance sheet and look for the right time to come to market. "We're always trying to prepare for a rainy day and were having a very rainy day right now."

The company has a 50% stake in the \$700 million, 200-mile Palomar project through a joint venture with **TransCanada**. The 1.4 bcf per day bi-directional pipeline would stretch from TransCanada's GTM system in Wasco County, Ore., across the state to Clatsop County on the Washington border and would connect proposed facilities of **Leucadia National Corp.** and **NorthernStar Natural Gas** on the Columbia River. NW Natural and **Pacific Gas & Electric** are 75/25 joint-venture partners in the 20 billion cubic feet Gill Ranch, which is set to come into operation in 2010.

The projects will be financed with equal portions of debt and equity and Anderson notes NW Natural will turn to relationship banks. "We would like to work with our relationship banks first but, obviously in this market, we're open to anyone that can help us out and find the most effective form of financing for us," he says, citing **JPMorgan Merrill Lynch**, **UBS**, **Wells Fargo**, **US**

Bank and **Wachovia** as potential players. **David Dodson**, a spokesman from **TransCanada**, says financing details for the company's stake have not been determined and officials from the company and **PG&E** did not return calls.

Icelandic Bank Eyes U.S. Solar

Glitnir Capital Corp., which specializes in the financing of geothermal projects, is looking to branch out into other kinds of renewables. "If we do something, it may be solar," says **Charles Arrigo**, director on the sustainable energy team in New York.

The bank has done a number of financings for hydro projects and even a few biomass deals. It is looking to solar because of client demand. "Why not cover the land with some kind of solar?" says Arrigo, noting the isolated location of many geothermal facilities provides space to construct solar projects as well.

Arrigo says it will likely venture into solar after next year, but exactly when it does so will depend on its clients. Some of its clients are already active in solar, including **ArcLight Capital Partners'** affiliate **Terra-Gen Power**. A call to **Jim Pagano**, ceo of Terra-Gen, was not returned.

ECP Unit Seeks Solar Financing

NextLight Renewable Power, a renewable IPP-owned by **Energy Capital Partners**, is looking to mandate a bank in the first quarter of next year to arrange financing for a 50-150 MW solar facility in an undisclosed location in California. "It would cost hundreds of millions of dollars," says **Frank De Rosa**, ceo in San Francisco.

Talks have started with banks, including **HSH Nordbank** and **Union Bank of California**. "We'll fund them with a combination of debt, tax equity and sponsor equity," says De Rosa. Although tax equity may be harder to come by, he notes that if Congress extends the PTC, utilities will qualify for the credits. "That opens up a whole new group."

ECP formed the company in January and it is focusing on developing, owning and operating solar photovoltaic and solar thermal facilities ranging from 10-20 MW to 250 MW in the Southwest U.S. "We know the Southwest region extremely well," says De Rosa. "There's a big market here," he says, noting European companies are now entering the U.S. market to expand. "Wind has been progressing for the past four to five years. The best opportunity right now is in solar. We feel solar is well positioned to meet a good chunk of the [RPS]."

NextLight plans to start construction on one or two projects next year. In three to five years, he expects the company will have hundreds of megawatts online. Down the line the company may venture out into other types of renewables, or even conventional power, says De Rosa. **Rahul Advani**, v.p. at ECP in Short Hills, N.J., did not return a call.

Power Assets Acquisition Summit

About 80 energy investment bankers, utility and IPP executives and private equity officials attended the Third Annual Power Assets Acquisition & Divestiture Summit hosted by **Infocast** at the Digital Sandbox in New York Sept. 22-24. The topics included the affects of the financial crisis on selling and purchasing power assets, financing renewable energy projects and tax equity. Reporter **Katie Hale** filed the following stories.

CASH BUYERS

(continued from page 1)

UBS.

"It sounds like a perfect time for European strategics to come in," said **Ray Wood**, managing director at **Credit Suisse**. **Metcalf** added that private equity funds that were busy raising capital a few years ago are now at the stage to invest. "Those entities need to put capital to work."

For sellers, it's a different story. "Liquidity's gone. If I'm lucky to find a buyer, it's just one buyer," lamented **Dan Foley**, v.p. at **Acciona**. **Sondey** was also skeptical. "The time of the highly regimented two-step [auction] process is probably over for awhile."

—**Katie Hale**

Hedging Counterparties Dwindle

Hedging power price risk is still key to landing project financing, but the number of counterparties offering hedges has fallen. "Over the last few weeks, you've seen six main faces in the industry change dramatically. These were main players," said **Matthew Cox**, director of commodities at **Deutsche Bank**.

Cox told attendees hedges will continue to get done and there are a lot of counterparties still willing to execute hedges, but it'll be at a price. "You're going to see transactions with appropriate risk premiums factored in. There's going to be a new kind of prudence," he said.

Floris Lyppens, director at **Fortis**, also noted long-term hedges have become more expensive. "We become more nervous," he said, noting a year ago the bank as a lender would have done a five-year hedge with a three-year merchant tail, but would not do such a deal today. "We would like a fully contracted plant."

"I think the biggest obstacle is financing and not hedging," Cox told *PFR* on the sidelines. "If it's going to sub-investment

grade, it's going to be very difficult to finance." He said financing one or two assets is doable, but a larger portfolio may be impossible in the current credit markets.

SUEZ Looks To Build Nuclear In U.S.

GDF SUEZ is looking to build nuclear generation in the U.S. **Kevin Finan**, v.p. at **SUEZ Renewable Energy**, said last Monday, "We have talked to a number of utilities in the U.S."

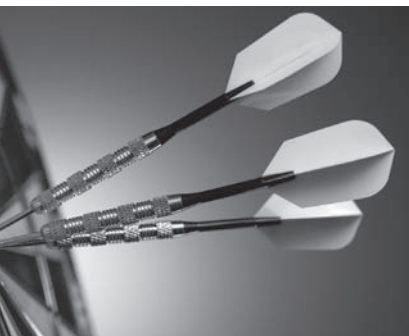
Because of U.S. laws, **SUEZ** may need a joint venture partner, Finan told *PFR* on the summit sidelines, declining to disclose potential partner names. He said it hasn't been determined when the company will enter the U.S. market. **SUEZ** has eight nuclear facilities in Belgium and has bid into a request for proposals released by the Romanian government to build nuclear, said Finan.

German Co. Looks To Build Solar On Fresh Kills

Conergy has submitted an application to build a solar facility on the Fresh Kills landfill site on Staten Island, N.Y. **Future Energy Development** submitted an application for the German solar developer Sept. 19 to the **New York City Department of Parks & Recreation**. **Linda Shaw**, principal at **FED**, told *PFR* on the sidelines Tuesday. **FED** scouts sites not normally used for power project development for clients.

The project could be up to 490 MW, said Shaw, but project cost is unknown at this time. Wind developer **BQ Energy** has already submitted an application with the City to build an estimated \$40 million, 15 MW wind farm on the site (*PFR*, 8/28).

A **Conergy** spokesman did not return a request for comment. **Eloise Hirsh**, Fresh Kills Park administrator at the Department of Parks in New York, did not know about the application, but says the City will hold a meeting in the coming weeks to review submissions.



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Reporter's Notebook

• Eight speakers were no shows for the event—but it wasn't all because of the hits taken to the Street. **Ed Metz**, group director of *SNL Financial M&A Review*, was so sick he couldn't get out of bed, one speaker broke his foot, CEO of **NaturEner Alfredo Cahuas** was MIA, two were trapped in Texas due to Hurricane Ike, two were in Europe for a board meeting and one was closing a deal (we are curious to know which one that was).

• **Doug Kimmelman** was brought back to his early career

days as he explained to conference attendees that the Digital Sandbox used to be **J. Aron's** trading floor. "And this is where fixed income was ..."

• Before beginning the Credit, The Capital Markets, and Deal Financing panel, the speakers were asked if they wanted anything. One replied "Liquor would be good," as the rest of the bankers chimed in with affirmation. But only a few took part in the evening's cocktail reception.

• The Wall Street location was not too crowded with bankers dressed in Brooks Brothers, but instead cameramen, photojournalists, tourists and picketers toting signs like "America's Chickens Have Come Home To Roost."

Corporate Strategies

North Dakota Co-op Delays \$250M Issuance

Basin Electric has postponed a \$250 million tax-exempt first mortgage bond offer due to recent market turmoil. "At this point the pricing will be subject to market conditions... They're going to try and price it as soon as the market looks supportive," says **Yvette Dennis**, a **Fitch Ratings** analyst in New York, adding that proceeds from the issue are earmarked for two generation projects. She explains that the company will likely price the bonds, rated AA- and originally scheduled to go to market on Sept. 22, before year-end. **Buzz Hudgins**, cfo, and **Steve Johnson**, manager of treasury services of the Bismarck, N.D.-based company, did not return calls.

The issue is part of the Basin Electric's projected \$5.8 billion 10-year capex plan. Proceeds would finance construction of its 93% stake in the \$1 billion, 385 MW advanced pulverized coal Dry Fork Station near Gillette, Wyo., and its \$331 million 300 MW combined cycle Deer Creek Station in White, S.D., set to go online in 2011 and 2012, respectively. This latest issue comes after a consortium of five lenders including **Goldman Sachs**, **JPMorgan** and **Cobank** placed \$550 million of commercial paper in a revolver in February, the proceeds of which were used to fund generation construction. The details of the CP deal and the pending bond issue including other participants, leads, bond tenor and rates could not be learned. Officials at Goldman and JPMorgan did not return calls.

Dennis notes that Basin Electric will look to the capital markets to fund the majority of its capex plan while roughly \$1.5 billion will come from its corporate balance sheet. In addition to Deer Creek and Dry Fork, the co-op has plans for the \$100 million, 100 MW gas-fired Culbertson Generation Station in Culbertson, Mont., the 700 MW NextGen project

near Shelby, S.D., the \$240 million 115 MW PrairieWinds ND I wind farm near Minot, N.D., and the PrairieWinds SD I farm in South Dakota.

Basin Electric has 2,599 MW portfolio and serves 2.6 million customers across nine states. The company has \$1.7 billion in outstanding debt and has a debt-to-equity ratio of 25%.

Texas MLP To Fund Midstream Purchase With Revolver, Equity

Eagle Rock Energy Partners is planning to fund its agreed upon \$236 million acquisition of **Millennium Midstream Partners** with a revolver and an equity issue. Neither party used a financial advisor for the transaction. "We have very experienced corporate development people," says **Elizabeth Wilkinson**, v.p. and treasurer at Eagle Rock, on its decision to not engage an advisor.

The Houston-based master limited partnership will fund \$181 million of the acquisition from a senior secured credit facility led by **Wachovia**, says Wilkinson. The facility will have \$176 million remaining after the company draws down on it for the acquisition, she says. The five-year revolver was taken out Dec. 13, 2007. The remaining \$55 million will be funded through the issuance of four million Eagle Rock common units with an implied value of \$13.75 apiece to Millennium on Wednesday.

It is acquiring the midstream company to strengthen its existing footprint. "It's a great complement to our existing assets. It couldn't be a better fit," says Wilkinson, noting it is always looking at acquisitions. "This had East and South Texas, which expands our presence," she says. Eagle Rock's midstream assets are in the Texas Panhandle, South and East Texas and Louisiana.

The deal is expected to close next month, pending Hart-Scott-Rodino review. An official at Millennium in Woodlands, Texas did not return a call.

Project Finance Deal Book

Deal Book is a matrix of energy project finance deals that PFR is tracking in the energy sector. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report updates or provide additional information on the status of financings, please call Thomas Rains at (212) 224-3226 or e-mail trains@iineews.com.

Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
Abengoa Solar	Solana (280 MW Solar)	Gila Bend, Ariz.	TBA	TBA	TBA	TBA	Will seek debt/tax equity (PFR, 7/7).
Acciona	Eurus (250 MW Wind)	Oaxaca, Mexico	BBVA	TBA	TBA	TBA	BBVA tipped as lead (PFR, 6/2).
	Red Hills (130 MW Wind)	Oklahoma	BayernLB	TBA	TBA	TBA	Lead mandated (PFR, 9/1).
AEI	Jaguar (275 MW Coal)	Escuintla, Guatemala	BNP, Mizuho, Scotia	TBA	TBA	TBA	Leads arranging financing (PFR, 7/23).
AES	Fonseca (250 MW Coal)	La Unión, El Salvador	ABN, HSBC, WestLB	TBA	TBA	TBA	Leads mandated (PFR, 8/4).
	Angamos (520 MW Coal)	Antofagasta Region, Chile	ABN, BNP	Term Loan	\$700M	17.5	Flexed up pricing (PFR 8/25).
				Construction Loan	\$350M		
AIMPowerGen	SOP Phase I (40 MW Wind)	Ontario	Fortis	Term Loan	\$75M	15-yr	Syndication ongoing (PFR, 7/21).
Alberta Wind Energy	Oldman River (50 MW Wind)	Pincher Creek, Canada	TBA	TBA	TBA	TBA	Seeking JV partners (PFR, 9/15).
Alliant	Nelson Dewey (300 MW Coal)	Cassville, Wis.	TBA	TBA	TBA	TBA	Looking to finance with debt and equity in 2009 (PFR, 9/22).
	Sutherland (649 MW Hybrid Coal)	Marshalltown, Iowa	TBA	TBA	TBA	TBA	Looking for equity (PFR, 9/8).
Americas Waste-to-Energy	Various (Waste)	Various	TBA	TBA	TBA	TBA	Looking for equity (PFR, 9/8).
Arclight Capital and SGR	Southern Pines (Gas Storage)	Greene County, Miss.	SunTrust	TBA	\$100M	TBA	Financing to close this month (PFR, 9/8).
Astoria Energy II	Astoria II (500 MW Gas)	Queens, N.Y.	TBA	TBA	TBA	TBA	Near mandating banks (PFR 8/18).
Babcock & Brown	2009 Turbine Supply	Various	TBA	Turbine supply	TBA	TBA	Selecting lenders.
	2008 Portfolio (638 MW Wind)	Various	TBA	TBA	TBA	TBA	Seeking tax equity (PFR, 4/4).
	2009-2010 Portfolio (Wind)	Various	TBA	TBA	TBA	TBA	Seeking project finance (PFR, 9/8).
Baha Power, Grupo Garza Ponce	Genermax (142 MW Gas)	Nuevo León, Mexico	TBA	TBA	TBA	TBA	Near close on debt, equity (PFR, 6/16).
Biomass Gas & Electric	Various (195 MW Biomass)	Florida	TBA	TBA	TBA	TBA	Will seek project financing and equity (PFR, 9/22).
Biomass Group	South Point (200 MW Biomass)	South Point, Ohio	WestLB	Construction Loan	\$265-300M	TBA	Arranging financing (PFR, 8/1).
BNB Renewable Energy	Unknown (Wind)	Ohio	TBA	TBA	TBA	TBA	Seeking JV partner (PFR, 7/7).
Borealis Infrastructure	Bruce Power (4.6 GW)	Tiverton, Ontario	Scotia, Dexia	TBA	C\$750M (\$710M)	TBA	Leads considering relaunch in U.S.
				HoldCo Loan	\$100M	TBA	
BP, Dominion	Fowler Ridge (750 MW Wind)	Indiana	Bank of Tokyo Mitsubishi, BBVA, Société Générale	TBA	\$425-430M	TBA	Mandated leads (PFR, 9/16).
Brick Power Holdings	Tiverton (265 MW Gas)	Tiverton, R.I.	Barclays, Goldman	Recapitalization	\$200M	TBA	Deal to wrap next month (PFR, 9/24).
	Rumford (265 MW Gas)	Rumford, Maine			TBA	TBA	
BrightSource Energy	Various (3.5 GW Solar)	Southwest	TBA	TBA	TBA	TBA	Will seek project financing.
Caletta Renewable Energy	Port Erie (90 MW Tires)	Erie, Pa.	BoA	TBA	TBA	TBA	BoA selected for financing (PFR, 7/16).
Cannon Power	Windy Point (500 MW Wind)	Klickitat County, Wash	HSB	Construction Loan	\$360M	TBA	In syndication (PFR, 8/25).
Central Maine Power, Maine & Maritimes	Maine Power Connection (150-200 Mile, 345 kV wire)	Maine	TBA	TBA	TBA	TBA	Beginning financing talks (PFR, 6/18).
CPV	Sentinel (800 MW Gas)	Desert Hot Springs, Calif.	TBA	TBA	TBA	TBA	Selecting lenders (PFR, 3/14).
CPV, ArcLight	Beech Hollow (300 MW Waste Coal)	Washington County, Calif.	TBA	TBA	TBA	TBA	In early lending talks (PFR, 6/23).
DeWind	Little Pringle (10 MW Wind)	Hutchinson County, Texas	ANV Partners	TBA	TBA	TBA	Seeking tax equity (PFR, 8/8).
EarthFirst Canada	Dokie I (144 MW Wind)	Peace River, British Columbia	WestLB	Term Loan	\$C200M	10-yr	Six lenders have signed up (PFR, 8/5).
				Revolver	\$C15.75M		
Econergy International	La Gloria (50 MW Wind)	Costa Rica	NordLB	Term Loan	\$125M	TBA	Timeline unclear.
EdF Energias Nouvelles	La Ventosa (67.5 MW Wind)	Oaxaca, Mexico	TBA	TBA	TBA	TBA	Near mandating leads (PFR, 6/2).
Edison Mission	Walnut Creek (500 MW Gas)	City of Industry, Calif.	TBA	TBA	TBA	TBA	Selecting lenders (PFR 5/5).
Enel	Portfolio (198.5 MW Wind/Geo)	Nevada and Salina, Kan.	TBA	TBA	TBA	TBA	Seeking tax equity (PFR, 9/11).
Emera	Brunswick (145km pipeline)	Canada	TBA	TBA	TBA	TBA	Will line up debt in Q3 (PFR, 8/4).
Energy Investors Fund	Hot Springs (48MW Geo)	Elko, Nev.	DZ Bank, Fortis Capital	TBA	\$120M	TBA	Timeline unclear.
Energy Management	Various (Biomass)	Various	TBA	TBA	TBA	TBA	Selecting lenders (PFR, 5/2).
ENMAX Energy	Calgary (1.2 GW Gas)	Calgary, Alberta	TBA	TBA	TBA	TBA	Timeline unclear.
enXco	Shiloh II (150 MW Wind)	Solano County, Calif.	NordLB	TBA	TBA	TBA	Price increased for subs (PFR, 8/25).
Eurus Energy Americas	Bull Creek (180 MW Wind)	Borden County, Texas	Mizuho	TBA	\$296.1M	TBA	In syndication (PFR, 7/8).
Everpower Renewables	2009 Turbine Supply	Midwest, Pacific N.W.	KeyBanc Capital Markets	Turbine supply	\$140M		Looking for financing (PFR, 5/23).
	Highland II (50-70 MW Wind)	Krayn, Pa.	TBA	TBA	TBA	TBA	Selecting lenders (PFR, 5/23).
	Howard (50-63 MW Wind)	Steuben County, N.Y.	TBA	TBA	TBA	TBA	Selecting lenders (PFR, 5/23).
	Buckeye (300 MW Wind)	Ohio	TBA	TBA	TBA	TBA	Selecting lenders (PFR, 5/23).
Excelsior Energy	Mesaba Energy (603 MW IGCC)	Minn.	TBA	TBA	TBA	TBA	Applying for loan guarantee (PFR, 7/11).
Falcon Gas Storage	MoBay (50Bcf Gas Storage)	Mobile County, Ala.	BNP, ING, WestLB, RBS	Construction/Term Loan	\$400M	7-yr	Syndication set for Sept. (PFR, 7/30).
Finavera Renewables	Various (300 MW Wind)	British Columbia	TBA	TBA	C\$200M	TBA	Selecting lenders (PFR, 7/11).
First Reserve, Gen Power	Longview Power (695 MW Coal)	Malden, W.Va.	Merrill Lynch	TBA	TBA	TBA	Seeking mezzanine financing (PFR, 8/25).
FORTISTAR	Various	Various	TBA	Refinancing	\$30M	TBA	Selecting lenders (PFR, 8/4).
Gilead Power Corp.	Ostrander (20 MW Wind)	Ontario	TBA	TBA	TBA	TBA	Selecting lenders.
GNL Quintero	LNG Receiving/Regasification	Quintero Bay, Chile	Banesto, BBVA, Caylor, Fortis, ING, Intesa SanPaolo, Mizuho Santander, WestLB	Term Loan	\$660	15-yr	DnB Nor, BTM, Deka joined (PFR, 8/15).
				Senior Loan	TBA	TBA	

Live Deals: Americas (cont'd)

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
Green Energy Capital Partners	PA Solar Park (10 MW PV)	Pennsylvania	TBA	TBA	TBA	TBA	Selecting lenders (PFR, 7/11).
Green Rock Energy	Ohio Solar Park (10 MW PV)	Ohio	TBA	TBA	TBA	TBA	Selecting lenders (PFR, 7/11).
Horizon Wind	Green Rock (Gasification)	St. James Parish, La.	TBA	TBA	\$1B	TBA	Selecting lenders.
Hunton Energy	Various (697 MW Wind)	Various	TBA	TBA	TBA	TBA	Seeking tax equity (PFR, 9/8).
Hydro Green Energy	Freeport (400 MW Gas, Steam)	Freeport, Texas	TBA	TBA	TBA	TBA	Selecting lenders (PFR, 4/2).
Independent Wind	Unidentified (200 kW hydro)	Hastings, Minn.	TBA	TBA	TBA	TBA	Looking for financing by Nov. (PFR, 8/25).
Infinite Energy Resources	Various (155-175 MW Wind)	Maine	TBA	TBA	TBA	TBA	Looking for lenders by 2009 (PFR, 9/8).
Innergex	Arabella (300 MW Wind)	Santa Rosa, N.M.	TBA	TBA	TBA	TBA	Selecting JV partner (PFR, 7/7).
	Carleton (109.5 MW Wind)	Quebec	TBA	TBA	TBA	TBA	Looking for financing (PFR, 8/18).
	Fitzsimmons Creek (7.5 MW Hydro)	British Columbia	TBA	TBA	TBA	TBA	Mandate expected in Nov. (PFR, 9/8).
	Kwoiek (49.9 MW Hydro)	British Columbia	TBA	TBA	TBA	TBA	Seek financing this year (PFR, 8/18).
	Matawin (15 MW Hydro)	British Columbia	TBA	TBA	TBA	TBA	Seek financing this year (PFR, 8/18).
Jefferson Renewable	Mahoning (90 MW)	Alliance, Ohio	TBA	TBA	TBA	TBA	In talks with lenders (PFR, 8/25).
Kelson Transmission	Canal-to-Deweyville (95-mile wire)	Texas	TBA	TBA	TBA	TBA	Selecting lenders, (PFR, 6/30).
L.Solé	Sustainable Energy and Power Center (523 MW Biomass)	Baytown, Texas	BBVA	TBA	TBA	TBA	Lead considering options (PFR, 8/25).
Liberty Energy	Liberty Energy Center (10 MW Biosolid)	Hamilton, Ontario	TBA	TBA	TBA	TBA	In talks with lenders (PFR, 6/30).
	Banning (15 MW Biosolid)	City of Banning, Calif.	TBA	TBA	TBA	TBA	In talks with lenders (PFR, 6/30).
LNG Development	Pipeline (117 miles)	Warrenton to Moalla, Ore.	TBA	TBA	TBA	TBA	Looking for debt and equity (PFR, 9/15)
LSPower, Dynegy	Bridgeport II (400 MW Gas)	Bridgeport, Conn.	TBA	TBA	TBA	TBA	Soliciting bids (PFR, 9/23).
LVE Energy Partners	LVE Energy Center (16 MW backup power)	Las Vegas, Nev.	Sumitomo Mitsui Banking Corp.	Term Loan LC	\$145M \$20M	TBA	Timeline unclear.
				LC	\$100M	TBA	
Martin Resources, ECP	Cardinal (Gas Storage)	Southeast	TBA	TBA	TBA	TBA	Looking for debt (PFR, 5/12).
Mesa Power	Mesa Power (4 GW Wind)	Texas	TBA	Turbine Supply Loan	TBA	TBA	Timeline unclear (PFR, 2/22).
Mitsui, Korea Gas, Samsung	Manzanillo (500 bcf LNG Regas)	Manzanillo, Mexico	Mizuho, KEXIM, Calyon	TBA	TBA	TBA	Calyon added to club financing (PFR, 6/19).
MMC Energy	Escondido (44 MW Gas), Chula Vista (44 MW Gas)	San Diego County, Calif.	GE EFS	Turbine Financing	\$25.5M	150-day	GE mandated (PFR, 7/11).
Momentum Renewable	Unknown (10 MW Solar)	Phoenix, Ariz.	TBA	TBA	TBA	TBA	Selecting lenders (PFR, 7/21).
Morris Energy	Various	Northeast	TBA	TBA	\$100M	TBA	Considering options (PFR, 5/13).
Nacogdoches Power	Nacogdoches (100 MW Biomass, 300 MW Gas)	Sacul, Texas	TBA	TBA	TBA	TBA	Near mandate (PFR, 9/8).
National Wind	Root River (250 MW Wind)	Fillmore County, Minn.	TBA	Tax Equity	TBA	TBA	Selecting investors (PFR, 7/7).
	Lake Country (250 MW)	Meeker, Kandiyohi Counties, Minn.	TBA	Tax Equity	TBA	TBA	Selecting investors (PFR, 7/7).
Nevada Wind	Various (650-950 MW Wind)	Nevada	TBA	TBA	TBA	TBA	Looking for JV partners (PFR, 9/15).
New Green Technologies	Various (Eight 12-16 MW Waste)	Various	Two TBA Banks	TBA	TBA	TBA	Looking for JV partners (PFR, 7/14).
NGS Energy Fund	Tres Palacios (36.4bcf Gas Storage)	Matagorda County, Texas	Credit Suisse	Term Loan	\$170M	7-yr	Lead ends best efforts syndication (PFR, 9/22).
				Lease Facility	\$138M	7-yr	
NRG, UI	GenConn (194 MW Gas)	Milford, Conn.	TBA	Construction Bridge	\$100M	TBA	Near mandate (PFR, 7/7).
Noble Environmental	Turbine Supply Loan	Various	HSH, KeyBanc	Turbine Supply Loan	\$460M	3-yr	Pricing flexed up (PFR, 4/8).
Power	2008 Portfolio	Upstate New York	Citibank, BBVA, Lloyds, Scotia, HSH, RBS	Construction Loan	\$625M	15-yr	Deka, EDC, Prudential joined (PFR, 8/15).
				Energy Hedge LC	\$72.5M	15-yr	
				Debt Service Reserve LC	\$72.5M	15-yr	
	Great Plains (114 MW Wind)	Texas Panhandle	UBoC, Bayern, AIG	TBA	\$265M	TBA	Leads tipped in March (PFR, 3/4).
NorthWestern Energy	Mill Creek (120-220 MW Gas)	Anaconda, Mont.	TBA	TBA	TBA	TBA	Seeking project financing for
	Transmission	Montana-Idaho	TBA	TBA	TBA	TBA	50% (PFR, 3/14).
NuCoastal	Lon C. Hill (530 MW Gas)	Corpus Christi, Texas	TBA	TBA	TBA	TBA	Seeking lenders.
Oglethorpe Power	Vogtle (2.2 GW nuclear)	Waynesboro, Ga.	TBA	TBA	TBA	TBA	Talking to lenders (PFR, 9/1).
OptiSolar Farms Canada	Various (10 MW Solar)	Ontario	TBA	TBA	TBA	TBA	Selecting lenders (PFR, 3/24).
Otter Tail Power	Big Stone II (500-580 MW Coal)	Big Stone City, S.D.	TBA	TBA	TBA	TBA	Looking to finance in 2009 (PFR, 9/22).
PacificHydro	Chacayes (106 Hydro)	Cachapoa River, Chile	TBA	TBA	TBA	TBA	Seeking financing (PFR, 9/8).
Perennial Power	Hermiston (474 MW Gas) and Bliss (339 MW Wind)	Hermiston, Ore.	TBA	TBA	\$130M	10-yr	Status unclear.
		Clinton and Bliss, N.Y.					
Pondera Capital Mngt.	Unnamed (3.5 GW Gas)	Harris County, Texas	TBA	TBA	TBA	TBA	To tap market in Q3 (PFR, 3/18).
Pristine Power	EnPower Green Energy (2.5 MW Waste Heat)	British Columbia	TBA	TBA	TBA	TBA	In talks with lenders (PFR, 6/16).
	Mackenzie (65 MW Biomass)	Mackenzie, B.C.	TBA	TBA	C\$270M	TBA	In talks with lenders (PFR, 6/16).
Restructuring, Inc.	Unidentified (250 MW coal)	Puerto Cortes, Honduras	TBA	TBA	TBA	TBA	In talks with lenders (PFR, 9/1).
Rockland Capital	B.L. England (447 MW Coal/Oil)	Cape May County, N.J.	TBA	TBA	TBA	TBA	In talks with lenders (PFR, 8/18).
Rollcast Energy	Greenway (50MW Biomass)	Heard County, Ga.	TBA	TBA	TBA	TBA	Selecting lenders.
Sea Breeze Power, Boundless Energy	Juan de Fuca (200-mile wire)	Vancouver, B.C.-Wash. State	TBA	TBA	TBA	TBA	Will need debt this year (PFR, 7/7).
Shear Wind	Various (300 MW Wind)	Alberta and Nova Scotia	TBA	TBA	TBA	TBA	Selecting lenders.
Siemens Building Tech.	Various (Renewables)	Various	TBA	TBA	TBA	TBA	Choosing lenders (PFR, 5/6).

For a complete listing of the Power Finance Deal Book, please go to 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

- **Puget Sound Energy** plans to buy the \$240 million, 310 MW gas-fired Mint Farm plant from **Wayzata Opportunites** (*Puget Sound Business Journal*, 9/25).
- **Brookfield Infrastructure Partners** is selling \$480 million of transmission assets in Brazil (*Market Wire*, 9/24).
- **AREVA** and **Duke Energy** have formed joint venture **ADAGE** to develop biomass plants in the U.S. (*CNNMoney.com*, 9/24).
- **South Carolina Gas & Electric** has received state approval to begin site work for two 1,117 MW reactors at its V.C. Summer Nuclear Station (*Associated Press*, 9/25).
- **Chris Crane**, former v.p. of **Exelon** and coo of **Exelon Generation**, has been named president and coo (*Business Wire*, 9/23).
- The **Oklahoma Corporation Commission** has approved **Oklahoma Gas & Electric Co.**'s ability to recover the \$434.52 million cost to purchase a 51% stake in the 1230 MW Redbud plant near Luther, Okla., from **Kelson Holdings** (*Associated Press*, 9/24).
- The **Long Island Power Authority** and **Consolidated Edison** are planning to study the potential for an offshore wind project to be located 10 miles off the Rockaway Peninsula in New York (*Reuters*, 9/24).
- **Constellation Energy** says market issues will not hamper regulatory approval of its acquisition by **MidAmerican Energy** (*Dow Jones*, 9/22).
- **OGE Energy** and **Energy Transfer Partners** will create joint venture **ETP Enogex Partners** to pursue midstream and interstate natural gas pipeline operations (*Associated Press*, 9/23).
- **Sierra Pacific Resources** has announced that subsidiaries **Nevada Power** and **Sierra Pacific Power** will be renamed **NV Energy** (*Business Wire*, 9/22). Meanwhile, Nevada officials are urging Nevada Power to abandon plans for its \$5 billion 1.5 GW Ely coal plant in favor of a smaller facility (*Las Vegas Business Press*, 9/22).
- **Great Plains Energy** has received approval for its \$1.7 billion merger with **Aquila** (*St. Joseph News Press*, 9/20).
- **Luminant** is seeking a \$10.2-17 billion, 3.4 GW expansion of its Comanche Peak plant (*Dallas Morning News*, 9/20).
- **Entergy** expects to spend \$500-\$600 million to repair damage from Hurricane Gustav, while damage from Hurricane Ike remains unknown (*Associated Press*, 9/19).

- **New York Power Authority** is halting plans for a \$1.5 billion, 680 MW integrated gasification combined cycle plant at **NRG's** Huntley facility in western New York, citing high production costs (*Power Engineering*, 9/19).
- The **Federal Energy Regulatory Commission** approved **NorthernStar Natural Gas'** plans for its \$650 million Bradwood Landing liquefied natural gas terminal (*Houston Chronicle*, 9/18).
- **Detroit Edison** has submitted plans for a \$10 billion, 1,560 MW Fermi 3 nuclear plant in Newport, Mich., to the **Nuclear Regulatory Commission** (*Detroit Free Press*, 9/18).

Europe

- **EDF** has agreed to takeover **British Energy** for GBP12.5 billion (\$23.1 billion) and signed a memorandum of understanding for **Centrica** to take a 25% stake in British Energy (*Financial Times*, 9/24)... Additionally, EDF remains in the market for more for overseas nuclear projects, after acquiring British Energy (*Wall Street Journal*, 9/25).
- Russia's **Atostroyexport** is the only bidder in Turkey's RFP to build the country's first nuclear plant (*BBC Monitoring*, 9/24).
- **Dubai World**, Dubai government's sovereign wealth fund, has nixed a \$5.3 billion deal to buy the controlling stake in **OGK-1** (*The Moscow Times*, 9/23).
- Lithuania is considering **Areva**, **GE**, **Westinghouse** and **Atomic Energy of Canada** to build two 1.1 GW reactors (*Reuters*, 9/22).
- **RWE** is pulling out of a deal to buy a stake of Russia's **TGK-2**, citing transaction costs and turmoil in Russian markets (*Financial Times*, 9/19). Meanwhile, the company may partner with Russia's **Gazprom** as it considers Russian power sector acquisitions (*Reuters*, 9/19).
- Swedish **Vattenfall** has agreed to purchase British **Eclipse Energy** for GBP51.5 million (\$94 million) (*Reuters*, 9/18).
- Poland's **Enea** aims to raise about \$1.3 billion the country's largest public offering this year which is scheduled for Oct. 21 (*Reuters*, 9/18).

Asia

- Pakistan has pledged to build ten nuclear plants to generate 8.8 GW over the next 22 years (*BBC Monitoring*, 9/24).

Macquarie Hunts More U.S. Acquisitions

Macquarie Capital is looking for more acquisitions in the U.S. after Macquarie Infrastructure Partners' agreed to purchase Puget Energy for \$7.4 billion. Alan James, senior managing director at Macquarie Capital, said it is looking now at the generating market and for a joint venture partner, but he declined to disclose any specific deals it is considering.

It is looking at projects ranging in size from smaller biomass deals to larger than Puget, noting alternative energy is a focus for the group. "The U.S. power market is largely undervalued. One reason is the highly fragmented nature of it," said James, comparing it to other markets around the world. "We are very bullish about the U.S. sector."

James notes that Macquarie could not execute the Puget deal today. "The equity is there. The issue is the debt," he says, noting the group is pondering funding future acquisitions with a club on a take and hold basis. "We're keen to do more acquisitions like Puget. The real question is should you jump in now."

The Macquarie Infrastructure Partners-led consortium is expected to close on the Puget transaction early next month, says James.

CFE Prepares To Launch 460 MW RFP

Mexico's Comisión Federal de Electricidad is gearing up to launch a request for proposals for its 460 MW Norte II combined cycle plant in Chihuahua, Mexico.

Octavio Alatorres, engineer in project planning at CFE in Mexico City, says generation costs will be an important factor in CFE's evaluation process and that prior RFP winners have presented rates as low as \$0.06 per KWh.

Final RFP documents will likely be issued by Oct. 13 and bids will be due on Mar. 26. CFE will choose a proposal no later than May of next year and the chosen facility will be in operation by 2013. The winning bid will be awarded a 25-year PPA.

Players that have bid into the previous RFPs will likely bid into this one. CFE chose Mitsui, Korea Gas and Samsung to build the Manzanillo regasification terminal (PFR, 6/19) and Unión Fenosa won a tender to build the 333 MW El Norte La Trinidad co-gen plant. Empresa ICA landed the 750 MW La Yesca Hydro project (PFR, 08/31/07).

CFE is preparing RFPs for seven more generation projects with a combined 3,168 MW capacity and next up is the combined cycle Noreste plant. The Noreste tender will be launched sometime next year, though Alatorres says that the plant size and operation deadlines have not been determined.

AllCapital Energy Team Forms Energy Investment Firm

The energy team formerly employed by AllCapital, a unit of Australia's Allco Financial, has founded the New York-based Abatis Capital to invest in energy in North America. "Allco had made a strategic decision to exit the power business," says Stephen Daniel, senior partner and coo of Abatis. "Having effectively built a team that was unexpectedly available, we see terrific opportunities in the North American energy sector." Last spring, Allco opted to sell its 4 GW global wind portfolio and focus on aviation, shipping, rail and real estate (PFR, 3/14).

The 19-person group, which has turned to Deutsche Bank to aid its development, will make private equity investments "as soon as prudence dictates," according to Daniel, in both renewables and traditional power as well as transmission and distribution, gas storage and processing and mid- to late-phase project development. Daniel notes the group is reviewing opportunities from several hundred million dollars to \$1 billion, but declines to elaborate.

"We need to feel as if we can make a difference, and we have the skill sets to do so," Daniel explains. The team has experience with Duke Energy, KeySpan Energy, Sigma Energy Solutions, Covanta Energy, Macquarie Bank and Dresdner Bank as well as Shearman and Sterling and Morgan Lewis. A call to Allco was not returned.

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DUTCH INFRASTRUCTURE

(continued from page 1)

year for the fourth. "We don't take development risk," Ruijs says of assets it looks to acquire. "We take the construction risk, which is very limited in our view if you work with the right partners." JUWI will serve as project manager on the farms.

The fund's assets include 176.5 MW of wind farms predominantly in Germany, France and the Netherlands, but Ruijs notes that it is preparing to expand as it sees opportunities elsewhere. "We have the intention to invest approximately EUR500 million in the solar market in Spain and Italy," he says, noting that the fund has a joint venture with **Banco Santander** and **Royal Bank of Scotland** for that reason. Additionally, he says, "We will continue to acquire more and more wind assets in our core markets but also in potentially other European regions like southern Europe and in principal we could also to the U.K." The fund is in "exclusive processes" on roughly 100 MW of undisclosed wind assets in its core markets.

German bank **SaarLB** is providing project financing for the 12 MW farm located in Raucourt in Northeastern France that will use 6 Vestas V90-2.0MW turbines. Ruijs declined to discuss details of the deal. For future farms, it will also use project financing. "We're continuously looking at acquiring more and more assets and we need project finance unless they're all done." Equity backing for the fund's acquisitions comes from European pension funds and other institutional investors. —*Thomas Rains*

LS, DYNEGY

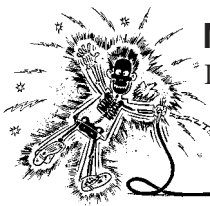
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Financing terms will likely mirror the length of the PPA. "It should attract long-term financing given the quasi-regulated nature of the power purchase agreement that includes pass-throughs of various costs," Esteves says, pointing out that it will be syndicated, as there have been discussions with several lenders. Esteves declined to comment on the details of the imminent financing, including the amounts of debt and equity in the project and potential lead banks. A Dynegy spokesman declined to comment or make an official available.

Also in line for financing is the JV partners' \$2 billion, 1.2 GW pulverized coal Longleaf plant in Early County, Ga., which froze when a judge rejected an air-pollution permit this year (PFR, 7/11). The ruling is being appealed and financing discussions will likely restart next year. LS Power and Dynegy will also gear up to finance their \$2 billion, 750 MW gas-fired Mid-Michigan Energy Station in Midland, Mich., sometime next year. **Credit Suisse** and **Royal Bank of Scotland** led a \$1 billion financing for LS Power's Sandy Creek plant (PFR, 9/07) and CS also led a \$775 million financing for the company's Plum Point plant (PFR, 2/06).

Connecticut's **Department of Public Utility Control** chose

Alternating Current



Newsflash: It's Sunny In The Desert!

In an effort to encourage the development of solar projects to aid energy-starved western Africa, physicists are pointing to a NASA confirmation of what you might already have guessed: the Sahara contains the sunniest land on Earth.

According to the data, a spot in northern Niger gets bragging rights as the world's sunniest spot on land, only outshone by an isolated location in the Pacific. Fortunately for the non-scientists, the study also makes clear that the location in the middle of the ocean would be less convenient for solar projects than the land in Africa.

"There are desert areas with good solar radiation for much of the year," explained **Gerhard Knies**, a German physicist, when proposing energy solutions to Ghanaian legislators at a meeting last week at the country's Akosombo Dam, according to news reports.

Glad that's all settled then.



NASA: Sahara Is Very Sunny

Bridgeport II plans in the 500-700 MW request for proposals held earlier this year (PFR, 3/7). Plant construction will start at the end of the year and the facility is set to come online in 2010. The other winning bids include **GenConn**'s 194 MW gas-fired Devon plant in Devon, Conn., which is a 50/50 venture between UI and **NRG** set to come online in 2010 and **PSEG**'s 130 MW gas-fired New Haven Harbor plant in New Haven, Conn., which is set to come online in 2012.

—*Sara Rosner*

Quote Of The Week

"The time of the highly regimented two-step [auction] process is probably over for a while." —**Edward Sondey**, managing director at **Merrill Lynch**, on the sea change in asset auctions (see story, page 1).

One Year Ago In Power Finance & Risk

Turkish developer **Enerjisa Power Generating Co.** was close to landing \$1.4 billion in debt from **WestLB**, the **International Finance Corp.**, and **Akbank** to develop 11 projects totaling 912 MW [The leads syndicated a portion of the debt and the company, a joint venture between **Sabancı Holding** and **Österreichische Elektrizitätswirtschafts-Aktiengesellschaft**, is looking to finance three additional portfolios (PFR, 6/18)].