

Power Finance & Risk

Exclusive Insight on Power M&A and Project Financing

By the publisher of GlobalCapital

● Project Finance

● Strategies

CPV Back Levers St. Charles Stake

Competitive Power Ventures tapped Ares Management to back-lever its stake in the St. Charles gas-fired project.

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Vivint Preps For IPO

Residential solar developer Vivint is aiming to raise up to \$370 million in a public offering.

Page 7

TVA Snags \$1B In Bonds As Prelude To 2015

Holly Fletcher

The **Tennessee Valley Authority** issued \$1 billion in 10-year global power bonds this week and will be looking to issue up to \$1 billion in its coming fiscal year.

Relationship lenders **Barclays, Bank of America Merrill Lynch, Morgan Stanley** and **Royal Bank of Canada** led the most recent deal. "We try to rotate and reward them equally. We try not to stick to any one bank," says Wilson, explaining that the decision about which banks to select includes considerations about other areas of the authority's financing portfolio.

The TVA will have a \$3.5 billion capex program in 2015 including about \$2 billion ear-marked for new generation and



Tammy Wilson

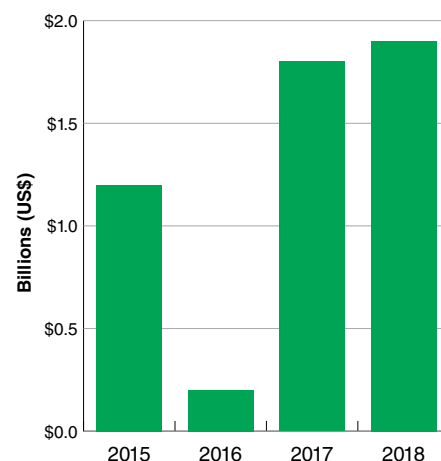
upgrade projects. This week's issuance will be used in part to pre-fund a \$1 billion maturity in June.

The Knoxville-based authority will still need up to \$1 billion to meet its 2015 needs, **Tammy Wilson**, treasurer told *PF*. The TVA does not have a fixed timeline for issuing the notes and will be watching the market for an opportunity, she says.

The global power notes—backed by the TVA's power revenues—were an opportunistic deal that was partly

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TVA Debt Maturity Horizon



Source: Tennessee Valley Authority

Sponsors Circle \$2B Of Mexico Gas Pipelines

Sara Rosner

Developers are preparing to submit bids in the next few weeks for roughly \$2 billion of gas pipelines in Texas and Mexico in tenders hosted by the **Comisión Federal de Electricidad**.

The projects on offer include:

- the \$500 million, 225-mile Waha to San Elizario pipeline in Texas with 1,475 million cubic feet per day of capacity;
- the \$400 million, 145-mile Waha to Presidio pipeline in Texas with a 1,350 mmcf capacity;
- the \$400 million, 158-mile Ojinaga to El Encino pipeline in Chihuahua with a 38.2 million mmcf capacity; and
- the \$650 million, 263-mile El Encino to La Laguna pipeline in Durango, Mexico, with a 1.5 billion cubic feet per day capacity.

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● PPA PULSE

Utilities Load Up On Renewables

Wind and solar developers have clinched a bevy of power purchase agreements in recent weeks as some requests for proposals, such as **Duke Energy's** hunt for solar generation in North Carolina, come to a close. **NextEra Energy Resources** has landed offtakers for 442.5 MW of wind and solar projects while **Duke Energy Renewables** roped PPAs for 140 MW of wind projects in Texas.

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● THE BUZZ

Power, Utilities Hit Up DCM

The debt capital markets were flooded with power and utility paper this week, as issuers sent \$1.85 billion in notes to bond buyers. The **Tennessee Valley Authority** clocked in the largest issuance—a \$1 billion offering that will be used to pay down short-term debt and pre-fund a maturity in June. The TVA plans to be back in the market in its 2015 fiscal year, which starts on Wednesday, as it looks to finance a \$3.5 billion capital expenditure program (see story, page 1).

Dominion Resources snagged 40-year notes in a \$685 million hybrid issuance that will have a fixed-rate until 2024, at which point the notes will be pegged to

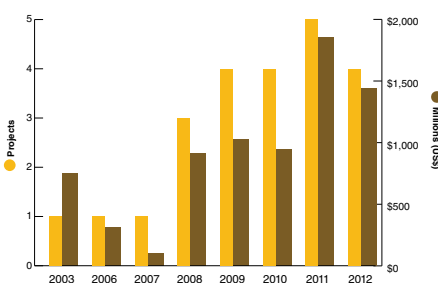
three-month LIBOR (see story, page 6). Meanwhile, **DPL Inc.**, tapped \$200 million in a private placement due 2019. The affiliate of **DPL Energy** will use proceeds to fund a tender offer and shave down overall consolidated debt by \$80 million.

Tenaska Capital Management had a successful trip to the B loan market with its bid to refinance 5 GW of quasi-merchant generation that spans Michigan to New York. The Omaha, Neb.-based private equity fund upsized its \$1.5 billion term loan B to \$1.6 billion on strong investor demand (see story, page 6).

Morgan Stanley is sweeping up the deck, taking top slots in the four DCM deals, and also snagging the bookrunner title on an imminent initial public offering from **Vivint Solar** (see story, page 7). **Bank of America Merrill Lynch** has also had a busy week, taking leading roles in Vivint and all of the DCM deals except for the Dominion issuance. BAML is also the dealer manager on the tender offer for DPL Inc.

South of the border, **Abengoa Yield** made headlines by adding a 50 MW wind project in Uruguay to its portfolio (see story, page 5). The purchase from its parent company also included two solar projects in Spain. In other Latin America news, bankers are eagerly watching the outcomes of several pipeline tenders in Mexico under the **Comision Federal de Electricidad** (see story, page 1). ■

Foreign Direct Investment in Mexico Renewable Projects



Source: FDI Markets via U.S. Embassy - Mexico

PFR Power Finance & Risk

EDITORIAL
Holly Fletcher
Managing Editor
(212) 224-3293

Sara Rosner
Editor
(212) 224-3165

Stuart Wise
Data Associate

Andrea Innis
Data Associate

Kieron Black
Sketch Artist

PRODUCTION
Gerald Hayes
Manager
Dariusz Hessami
Designer
Andy Bunyan
Associate

ADVERTISING
James Barfield
U.S. Publisher,
Capital Markets Group
(212) 224-3445

PUBLISHING
Emmanuelle Rathouis
Marketing Director

Vincent Yesenosky
Head Of U.S. Fulfillment
(212) 224-3057

Nina Bonny
Customer Service Manager
(212) 224-3433

**SUBSCRIPTIONS/
ELECTRONIC LICENSES**
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postage, others outside U.S. add \$75)

Ken Lerner
Account Executive
(212) 224-3043

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

CORPORATE
Richard Ensor
Chairman

John Orchard
Managing Director,
Capital Markets Group

Customer Service
PO Box 4009, Chesterfield, MO 63006-4009, USA
Tel: 1-800-715-9195
Overseas dial: 1-212-224-3451
Fax: 212-224-3886
UK: 44 20 7779 8704 Hong Kong: 852 2842 8011
E-Mail: customerservice@iintelligence.com

Institutional Investor Hotline
(212) 224-3570 and (1-800) 437-9997 or Hotline@iintelligence.com

Editorial Offices
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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 **Holly Fletcher**, managing editor, at (212) 224-3293 or holly.fletcher@powerfinancerisk.com

GENERATION AUCTION & SALE CALENDAR ●

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

Generation Sale ■ DATABASE

| Seller | Assets | Location | Advisor | Status/Comment |
|-----------------------------------------|--------------------------------------|----------------------------|---------------------------------|---------------------------------------------------------------------------------|
| ● Abengoa | Various (181 MW Wind, Solar) | Spain, Uruguay | | These will be Abengoa Yield's first acquisitions (see story, page 5). |
| ArcLight Capital Partners | Juniper Generation (Cogen portfolio) | Various, California | McManus & Miles | Sale relaunched after several PPAs were extended (PFR, 3/17). |
| ArcLight Capital Partners | Peakers (2 GW Gas) | Various, Georgia | Citi | Carved peakers out of Southeast PowerGen to sell (PFR, 3/24). |
| ArcLight Capital Partners | Victoria (330 MW CCGT) | Victoria, Texas | UBS | Sale is near launch (PFR, 4/7). |
| ArcLight Capital Partners | Sun Peak (222 MW Gas) | Las Vegas, Nev. | | Nevada Power is buying them (PFR, 5/12). |
| ArcLight Capital Partners | Hamakua (60 MW CCGT) | Hawaii | Energy Advisory Partners | Teasers out (PFR, 7/28). |
| ArcLight Capital Partners | Bayonne (512 MW CCGT) | Bayonne, N.J. | Morgan Stanley | Teasers recently out (PFR, 9/22). |
| Atlantic Power Corp. | Fleet (2.1 GW) | Various | Goldman Sachs, Greenhill | First round bids are in (PFR, 6/30). |
| Burrows Paper Corp. | Lyonsdale Associates (19 MW Hydro) | New York | | Burrows in final stages of selling (PFR, 8/25) |
| Calpine | Osprey (550MW CCGT) | Florida | TBA | Comes after Duke recently said it wanted to build not buy plants (PFR, 9/1) |
| ● Centaurus Capital | Avalon (29 MW Solar) | California | | Coronal Group is buying it (see story, page 5). |
| Coronado Power Ventures | La Paloma (690 MW CCGT) | Harlingen, Texas | Blackstone | Looking for equity and debt (PFR, 8/11). |
| Duke Energy | Portfolio (6.6 GW Coal, Gas, Oil) | Various | Citi, Morgan Stanley | Dynegy is buying it (PFR, 9/1). |
| E.ON Climate & Renewables North America | Stake (Wind Portfolio) | Various | Bank of America Merrill Lynch | Looking to sell 80% of several projects (PFR, 9/15). |
| ● EDF EN Canada | Stakes (Wind) | Quebec | | Enbridge is upping its stakes in two farms (see story, page 5). |
| EDF Renewable Energy | Portfolio (57 MW Solar) | California | | Dominion is buying (PFR, 9/22). |
| Enel Green Power North America | Stake (Wind Portfolio) | Various | Bank of America Merrill Lynch | Sale process recently started (PFR, 9/15). |
| Entegra Power Group | Portfolio | Arizona, Arkansas | Houlihan Lokey | Filed for Ch. 11 bankruptcy (PFR, 8/11). |
| Exelon Corp. | Quail Run (488 MW Gas-Fired) | Odessa, Texas | Morgan Stanley | In second round. |
| Exelon Corp. | Fore River (809MW Gas-Fired) | Massachusetts | Citi | Calpine is buying it (PFR, 9/1). |
| FGE Power | Portfolio (1.5 GW CCGT) | Texas | Fieldstone | Starwood has taken equity in two projects (PFR, 7/28). |
| First Solar | Imperial Valley (150 MW Solar) | Imperial County, Calif. | TBA | First Solar is considering retaining a passive stake (PFR, 9/8). |
| Geronimo Energy | Various (Wind) | Various | Barclays | Algonquin has bought one project (PFR, 9/15). |
| NTR | Portfolio (Wind) | Various | TBA | Will take pitches to sell Wind Capital Group (PFR, 9/8). |
| NaturEner USA | Portfolio (399 MW Wind) | Montana | | Morgan Stanley fund is taking over the assets (PFR, 8/25) |
| Olympus Power | Grant County Wind Farm (20MW Wind) | Minnesota | Ewing Bemiss | The deal power price is set at \$69.10 per MWh for first ten years (PFR, 9/1) . |
| Riverstone Holdings | Sapphire Power (807 MW Gas) | Various | Barclays | On the market recently (PFR, 8/25). |
| Stark Investments | Grays Harbor (723 MW Gas) | Grays Harbor County, Wash. | TBA | Invenergy is buying out Stark's stake (PFR, 8/18). |
| Stonepeak Infrastructure | Stone Mills (11 MW Solar) | Napanee, Ontario | | DIF Infrastructure is buying it (PFR, 9/18). |
| SunShare | Portfolio (9.6 MW Solar) | Colorado | Infrastructure Finance Advisors | High interest; moved to second round (PFR, 8/18). |
| Tenaska | Westmoreland (950 MW Gas) | Pittsburgh, Pa. | Whitehall | Looking for development capital (PFR, 8/18). |
| Traxys | White Pine (40MW Gas-Fired) | Michigan | TBA | Biotech shop bought as backup generation for underground garden (PFR, 9/1). |
| Upstate New York Power Producers | Cayuga (306 MW Coal) | Lansing, N.Y. | Blackstone | Teasers recently went out (PFR, 6/23). |

● New or updated listing

The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed.

To report updates or provide additional information on the status of financings, please call Managing Editor Holly Fletcher at (212) 224-3293 or e-mail holly.fletcher@powerfinancerisk.com

● PROJECT FINANCE

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

Live Deals: Americas

| Sponsor | Project | Location | Lead(s) | Loan | Loan Amount | Tenor | Notes |
|----------------------------------------------|----------------------------------------|---------------------------|--------------------------|-------------------------------|-------------|-------|--------------------------------------------------------------------------------------------------------------------|
| Apex Wind | Balko Wind (30 OMW Wind) | Oklahoma | TBA | TBA | TBA | TBA | Sponsor takes pitches from prospective MLAs (PFR, 9/8). |
| BluEarth Renewables | Bow Lake (58.23 MW Wind) | Sault Ste. Marie, Ontario | BMO Capital | Term | C\$203M | 7-yr | Four banks participated (PFR, 8/4). |
| Cape Wind Associates | Cape Wind (468 MW Wind) | Cape Cod, Mass. | MUFJ, Natixis, Rabobank | TBA | \$150M | TBA | Conditional loan guarantee came from the Department of Energy (PFR, 7/1). |
| Cobra Energia | Peru Portfolio (122 MW Wind) | Peru | U.S Ex-Im | TBA | \$65M | 17-yr | The Cobra projects have 20-year offtaker contracts with Peruvian government (PFR, 8/27). |
| Coronado Power Ventures | La Paloma (690 MW CCGT) | Cameron County, Texas | Blackstone | TBA | TBA | TBA | Debt and capital raise has had several setbacks (PFR, 8/11). |
| Competitive Power Ventures | St. Charles (725 MW Gas) | Maryland | Ares | Back Leverage | \$45M | TBA | The debt is reportedly in the price range of LIBOR + 845-900 bps (see story, page 7). |
| Dominion Energy | Cove Point (LNG Export) | Calvert County, Md. | Barclays, Citi, JPM | TBA | TBA | TBA | Dominion plans to IPO an MLP to partially fundy (PFR, 8/4). |
| Enel Green Power N.A. | Goodwell (200 MW Wind) | Texas | TBA | TBA | TBA | TBA | Secures tax equity from JPMCC, MetLife and BNY Mellon (PFR, 9/23). |
| Enel Green Power N.A. | Origin (150 MW Wind) | Oklahoma | TBA | TBA | TBA | TBA | Secures tax equity from JPMCC, MetLife and BNY Mellon (PFR, 9/23). |
| Energy Investors Funds | Newark (705 MW Gas) | Newark, N.J. | Credit Ag, GE EFS, MUFJ | TBA | \$590M | TBA | Deal closed on strong interest (PFR, 6/30). |
| Energy Investors Funds | Oregon (800 MW Gas) | Oregon, Ohio | BNP, Credit Ag | TBA | TBA | TBA | Deal is about to launch at L+325 (PFR, 8/18). |
| Exmar NV | Floating Liquefaction Project | Colombia | TBA | B Loan | \$170M | TBA | Sponsor looking to land a B loan for the debt on the project (PFR, 5/5). |
| FGE Power | FGE Texas (726 MW Gas) | Westbrook, Texas | TBA | TBA | \$1B | TBA | Has opted for project finance loan over B loan (PFR, 7/28). |
| Firelight Infrastructure Partners, SunEdison | Bruining (18 MW Solar) | Ontario | NordLB | Construction, Term | C\$113.5M | TBA | NordLB has also agreed to a C\$63 million loan that will set at the project level once it's operating (PFR, 8/11). |
| GDF Suez, Pemex | Los Ramones II Sur (178-mile Pipeline) | Mexico | Santander | TBA | TBA | TBA | BNP Paribas is also advising on the \$1B project (PFR, 8/11). |
| Invenergy | Le Plateau 2 (21.5 MW Wind) | Quebec | BayernLB | TBA | TBA | TBA | Deal wraps (PFR, 9/8). |
| Invenergy | Spring Canyon (60 MW Wind) | Spring Canyon, Colo. | Rabobank | TBA | TBA | TBA | Deal wraps (PFR, 9/8). |
| NextEra Energy Resources | Bluewater (60 MW Wind) | Lake Huron, Ontario | TBA | TBA | TBA | TBA | Sponsor is talking to lenders in the U.S. to finance the project (PFR, 5/19). |
| New Generation Power | NGP Texas (400 MW Wind) | Haskell County, Texas | TBA | Construction/ Term/Tax Equity | ~\$700M | TBA | This is the sponsor's largest deal to date (PFR, 4/14). |
| NTE Energy | Multiple (Gas) | Various, U.S. | Whitehall | TBA | TBA | TBA | Looking to arrange PPAs for a portion of gas-fired trio (PFR, 8/4). |
| Pattern Energy | Armow (180 MW Wind) | Kincardine, Ontario | TBA | TBA | TBA | TBA | Sponsor is looking for tighter pricing than its K2 financing (PFR, 5/26). |
| Samsung Renewable Energy | Kingston (100 MW Solar) | Ontario | RBC, Connor Clark & Lunn | TBA | \$500M | TBA | Lenders are beginning to circle up (PFR, 7/21). |
| D.E. Shaw | Red Horse 2 (51MW Wind) | Arizona | Santander, Sabadell | TBA | \$170M | 20-yr | Near financial close (PFR, 8/25). |
| Starwood Energy Global Group | Stephens Ranch II (165 MW Wind) | Texas | Citi, Morgan, MUFJ | Construction | \$207M | TBA | Firms will also make tax equity investments in the project (PFR, 8/25). |
| Sempra U.S. Gas & Power | Energia Sierra Juárez (156 MW Wind) | Baja California, Mexico | MUFJ | TBA | ~\$250M | TBA | On track to close within two weeks (PFR, 6/2). |
| Tenaska | Brownsville (800 MW CCGT) | Brownsville, Texas | TBA | TBA | TBA | TBA | Tenaska is in early stages of talks, plans to wrap by year-end (PFR, 6/30). |
| Tenaska | Westmoreland (950 MW CCGT) | Pittsburgh, Pa. | Whitehall | TBA | TBA | TBA | Looking for development capital (PFR, 8/18). |
| Transmission Developers | Champlain Hunson (Transmission) | New York | RBC | TBA | ~\$1.6B | TBA | Sponsor is aiming to line up the debt by year-end (PFR, 3/3). |

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MERGERS & ACQUISITIONS ●

ConEd Unit Chases Nebraska Wind Stake

ConEdison Development has agreed to buy a stake in a wind project that **Sempra U.S. Gas & Power** is building in Nebraska, deepening its renewables partnership with the sponsor.

ConEd Development will own half of the 75 MW Broken Bow II wind project in Custer County, Neb., according to a recent filing with the U.S. **Federal Energy Regulatory Commission**. The project is on track to be completed by Oct. 1. The deal between Sempra and ConEd Development is expected to be complete next quarter, according to the filing.

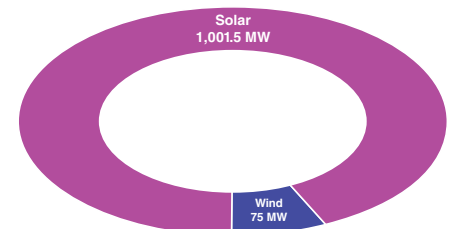
Broken Bow II has a power purchase agreement with the **Nebraska Public Power Dis-**

trict. Sempra bought the project last year from **Midwest Energy** (PFR, 9/30/13).

ConEd Development, an unregulated subsidiary of **Consolidated Edison**, and Sempra are co-owners of seven solar assets in the West (PFR, 4/4). This is ConEd Development's first wind asset, according to its website. The company prefers wind assets that are late stage construction or in operation, **Mark Noyes**, v.p. at ConEd Development in New York, told *PFR* in June 2013 (PFR, 6/10/13).

ConEd initially planned to have a \$243 million capex associated with renewable investments at its unregulated subsidiaries but nearly doubled its estimate at the end of the second quarter to \$470 million, according to

ConEd Renewable Portfolio*



*Includes joint venture with Sempra Energy

Source: ConEdison Development, FERC

its second quarter financial filing.

A ConEd Development spokeswoman in New York declined to comment further on the acquisition. ■

Centaurus Looks To Sell Ariz. Solar Project

Coronal Management, a solar developer and financier, has agreed to buy a 29 MW solar project from a subsidiary of hedge fund **Centaurus Capital**.

Coronal is out to purchase the Avalon solar project in Sahuarita, Ariz., from **Centaurus Renewable Energy** according to a filing with the U.S. **Federal Energy Regulatory Commission**.

In conjunction with the acquisition talks, Coronal is talking with **Sumitomo Mitsui Banking Corp.** about a 20-year sale leaseback financing for the

project, according to the filing. The talks are preliminary but Coronal would be the lessee of Avalon, which is expected to go online in December. It has a 20-year power purchase agreement with **Tucson Electric**.

Coronal develops, finances and operates solar assets for a variety of shops that include institutions, corporations and non-profits in the U.S., Canada and Puerto Rico. It currently owns a series of nine 1.4 MW solar assets in California.

London-based Centaurus

owns about 187 MW of solar assets in California, Indiana and Texas. The portfolio consists of the 18 MW Westlands facility in Huron, Calif., 9 MW in Indianapolis, Ind., and 160 MW of distributed generation in Texas that is called Texas Power Depot.

Details about the sale leaseback, such as pricing and amount, could not be immediately learned. Officials for the firms either declined to comment or did not immediately respond to inquiries. ■

Abengoa Yield Makes First Acquisitions

Abengoa Yield is acquiring 181 MW of renewables assets in Uruguay and Spain from Spanish parent **Abengoa**. The yield company is exercising its right of first offer for the three assets, which it's purchasing for \$327 million.

The assets are the 100 MW Solarcor and the 31 MW PS concentrating solar projects in operation Spain and the 50 MW Cadonal wind farm in Uruguay. Abengoa Yield is also assuming \$521 million of project level debt as part of the transaction. It's planning to fund the purchase by issuing corporate debt and using cash on hand.

Solarcor is in El Capiro and PS is in Sevilla. Each asset has a 25-year power purchase agreement. The contracts pay the projects roughly EUR0.27/kWh (\$0.35/kWh). The identities of the offtakers in Spain and details surrounding Cadonal, could not be learned by press time.

Two of the three assets in the purchase were set to be dropped down into the yieldco by next year, according to one analyst. The 100 MW Shams CSP project in the United Arab Emirates and the Honaine water treatment facility in Algeria are the other projects in Abengoa Yield's right of first offer queue for 2015. ■

Enbridge Ups Quebec Wind Ownership

Enbridge has agreed to buy additional stakes in a pair of Quebec wind farms from **EDF EN Canada**.

Enbridge will pay C\$225 million (\$203 million) for an additional 17.5% stake in the 300 MW Lac Alfred wind farm and an additional 30% stake in the 150 MW Massif du Sud wind farm.

Enbridge will be the majority owner of the two farms, holding 67.5% of Lac Alfred and 80% in in Massif du Sud. EDF will own 20% of each farm while the municipalities of La Matapédia and La Mitis own the remaining 12.5% interest in Lac Alfred. The deal is expected to close the middle of October.

Enbridge is looking to double its renewable generation ownership by 2017, according to **Vern Yu**, senior v.p. of corporate development at Enbridge. Enbridge owns 1,280 MW in a portfolio of wind, solar and geothermal assets that generate 1,835 MW at the end of 2013, according to its annual report. ■

● STRATEGIES

Tenaska Upsizes \$1.59B Deal

Tenaska Capital Management has clinched an upsizing of \$100 million to its \$1.5 billion term loan B on strong investor demand.

The deal—\$1.69 billion, including a \$90 million revolver—fared better than **Exelon Corp.**'s recent \$700 million B loan that was backed by merchant plants in Texas. Tenaska priced its seven-year B loan at the tight end of its guidance, at LIBOR plus 450 basis points. Exelon, however, reverse flexed above its price guidance to LIBOR + 475 bps and ratcheted down the B loan principal by \$25 million.

Investors were comforted by the geographic diversity of Tenaska's portfolio, which ranges from Michigan to New York, says one financier, who went on to note that the B loan market was a touch rockier during Exelon's pricing than when Tenaska entered.

"Pricing of transactions like this one depend in large part on current market conditions, which can change quickly. We are



pleased with the outcome of this financing, which will help us maximize our return on existing assets and raise capital for future investment opportunities," an Exelon spokesman said in a statement to *PFR*.

Tenaska came in with a 99.25 original issue discount and 1% floor. **Morgan Stanley** was lead arranger alongside co-leads **Goldman Sachs**, **Bank of Tokyo Mitsubishi-UFJ** and **Bank of America Merrill Lynch**. The borrowers are TPF II Power and TPF II Covert Midco.

Exelon's **ExGen Texas Power** portfolio consists of five quasi-merchant gas-fired assets totaling 3,476 MW in ERCOT. BAML was the sole lead arranger on the package (*PFR*, 9/16).

Bank spokespeople either declined to comment or did not immediately respond to inquiries while a Tenaska spokeswoman in Omaha, Neb., declined to comment. ■

DPL Floats Private Placement To Shave Debt

DPL Inc. is out to issue \$200 million of senior unsecured notes in a private placement this week as it looks to reduce debt. **Bank of America Merrill Lynch** and **Morgan Stanley** are the book runners on the deal.

"The problem with DPL is that they had this substantial amount of leverage because of the acquisition. They have this huge amount of debt that they need to get right-sized," notes an analyst, pointing to **AES Corp.**'s \$4.7 billion purchase of DPL in 2011.

Proceeds of the issuance will fund a tender offer for up to \$280 million of its outstanding \$450 million

in 6.5% notes due 2016 that were issued to fund AES' acquisition of DPL (*PFR*, 9/29/2011). The tender offer and the latest issuance will reduce consolidated debt by \$80 million, according to a report from **Standard & Poor's**, which rates the private placement notes BB.

BAML is the dealer on the tender offer. It was also the

lead advisor to AES on the DPL acquisition and a book runner on the 2016 notes. BAML has received more than \$280 million in offers for the 2016 notes, but has extended the offer to Oct. 3, the analyst notes.

Details, such as pricing on the deal and why BAML has extended the offer, could not be learned by press time. Spokespeople for DPL and of BAML did not respond to inquiries.

AES Corp. shelved a sale of 2.8 GW of gas- and coal-fired generation in Ohio that now sit at DPL Inc. affiliate **DPL Energy**, after it saw increased value due to PJM Power prices (*PFR*, 7/14). ■

FAST FACT

\$80m

The tender offer and the latest issuance will reduce consolidated debt by \$80 million

Dominion Angles For Jr. Bonds

Dominion Resources is in the market to issue \$685 million in hybrid junior subordinated notes.

The 40-year issuance carries a 5.75% coupon. The notes will be fixed rate until Oct. 1, 2024 when the notes will be priced against three-month LIBOR, according to a deal watcher.

Barclays, **Morgan Stanley**, **UBS** and **Wells Fargo** are the bookrunners. The notes are rated Baa3 by **Moody's Investors Service**, BBB by **Standard & Poor's**, and BBB- by **Fitch Ratings**.

Proceeds from the notes will take down \$625 million of 55-year junior subordinated notes that were issued in 2009 with a 2064 maturity. The existing notes carry an 8.375% coupon and are rated BBB by Fitch.

A Dominion spokesman did not immediately respond to an inquiry. Spokespeople for the bookrunners either declined to comment or did not immediately respond to an inquiry. ■

STRATEGIES ●

Vivint Gears Up For Listing

Vivint is teeing up its initial public offering that is targeted to raise up to \$370.8 million.

The Park City, Utah-based solar shop is aiming to sell 20.6 million shares in the range of \$16-18 per share, according to its most recent S-1 filing with the U.S. **Securities and Exchange Commission** on Sept. 26. The shop is tentatively scheduled to list on the New York Stock Exchange as VSLR on Oct. 1.

Vivint is owned by the Blackstone Group and an affiliate of Blackstone called **313 Acquisitions LLC** will be the majority stockholder, according to the filing.

Goldman Sachs, Bank of America Merrill Lynch and **Credit Suisse** are the bookrunners. **Citigroup, Deutsche Bank, Morgan Stanley, Barclays** and **Blackstone** are co-managers. Spokespeople for the bookrunners did not immediately respond to inquiries

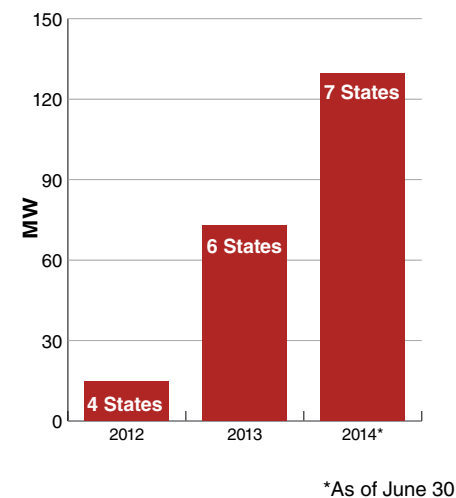
on timing. A Vivint spokeswoman was not immediately available for comment.

Vivint was a home security company prior to transitioning to a residential solar developer. It had 129.7 MW installed on 21,900 homes in seven states and 850,000 security customers at the end of the second quarter. The company installed its first solar project in 2011.

A portion of the proceeds will be used to repay a \$58.8 million revolver, of which \$57.3 million was outstanding at the end of June, according to its S-1. The company arranged a \$350 million term loan this month.

Vivint has raised 10 funds that have an aggregate of \$543 million in tax equity, which will finance about \$1.3 billion in solar projects. Vivint has installed about \$913 million in solar projects. ■

Vivint's Installed Solar Capacity



Source: Vivint

PROJECT FINANCE ●

Ares Levers Up CPV's St. Charles Stake

Ares Management has back-levered **Competitive Power Ventures'** stake in the 725 MW St. Charles project in Waldorf, Md.

The financing is reportedly about \$45 million, according to observers, who note that several lenders bid for the deal. The Ares debt is reportedly priced in the neighborhood of LIBOR plus 845-900 basis points, observers say. CPV owns 25% of St. Charles while **Marubeni Corp.** owns 50% and **Toyota Tsusho** owns 25%.

The pricing on the debt is cheaper than some mezzanine deals from a couple of years ago because competition to lend is more fierce, say financiers. Other pitches to CPV came in around 10-11%, say financiers.

A spokesman for Ares did not respond to inquiries about the size or pricing of the deal. A CPV spokesman did not immediately respond to an inquiry.

St. Charles is a \$775 million combined cycle project that was financed this quarter with a \$585 million debt package led by **GE Energy Financial Services** (PFR, 8/11). ■

Mexican Regulator Sees Solar Boost

Permitting applications for about 7.8 GW of solar projects are before the **Comisión Reguladora de Energía** in Mexico, representing just more than half of the 15 GW of applications before the Mexican regulator.

The 15 GW are spread across roughly 570 applications, a huge boost over the 40 to 60 applications CRE normally processes each year, notes **Raquel Bierzwinsky**, counsel at **Chadbourne & Parke** at a panel on Mexico's energy market in New York last week. The rise is spurred by recent energy reforms that will privatize Mexico's state-controlled power industry.

"The market is going to function like PJM or ERCOT... The government didn't want to reinvent the wheel, they wanted to create a scheme that is familiar and encourage investment in the country," Bierzwinsky said, adding that the Mexican power sector could see upwards of \$50 billion of invest-

ment through 2018.

Despite the rush, many project financiers and attorneys doing work in Mexico are skeptical of whether these solar projects will actually come to fruition. The latest energy reforms don't provide subsidies or special support for renewables, which will be competing on the open market with conventional thermal generation. The Mexican Congress is reportedly considering creating provisions for renewables to make the more competitive, Bierzwinsky said.

The application process will likely take several months, though CRE may decide to issue temporary permits in the interim. All projects that applied for permitting before recent energy reform legislation was finalized this summer (PFR, 7/25) are grandfathered in under the old regime. However, these projects will have a five-year window to decide if they want to adopt the new schemes under the reform. ■

● INDUSTRY CURRENT

New Financing Trends — Part 2

This week's Industry Current is an excerpt from a discussion between a group of seasoned investment bankers at **Chadbourne & Parke's** 25th Annual Global Energy and Finance conference in Washington, D.C. The selection focuses yield companies—and whether the craze has peaked—and distributed renewables portfolios. **Rohit Chaudhry**, partner at Chadbourne & Parke, moderated the panel.

The panelists are:

Michael Eckhart, managing director and global head of environmental finance at **Citigroup Capital Markets**,
Thomas Emmons, managing director and head of renewable energy financing at **Rabobank**,
Steven Greenwald, managing director for global project finance at **Credit Suisse**,
Michael Kumar, managing director and head of project finance for **Morgan Stanley**, and
Andy Redinger, managing director and group head of utilities and power at **Keybank Capital Markets**.



Rohit Chaudhry

YIELDCOS

Chaudhry: Moving on to the next topic, which is yieldcos, three have closed to date. Michael Kumar, how many more yieldcos do you see closing before the end of the year?

Kumar: At least another three significant ones. After that, I suspect that this is a tapering phenomenon. This year might be the peak year for yieldcos.

Chaudhry: And what is the reason for the tapering?

Redinger: I am not sure I share the view that it is going to taper.

Chaudhry: Then how many do you foresee this year?

Redinger: Three or four is probably an accurate number for this year.

Chaudhry: And you do not see it tapering because...?

Redinger: Ultimately, we believe the yieldcos focused solely on the US will

end up expanding their footprints and buying international assets. The investor base will understand the need to go international because North America may not be the best place to deploy capital. It may be better to put capital to work in Brazil or Mexico, and having the flexibility to move capital around to countries where it can earn a higher return should be attractive to investors. There is also a need to expand beyond North America because yieldcos will need to grow in order to continue to trade the way they do. Although very large, the US market is finite. Yieldcos will need to find other ways to feed the beast.



Thomas Emmons

“It is better to focus on total return than yield. An equity investor looking at yieldcos and master limited partnerships is probably looking for a 12% to 15% total return.”

Michael Kumar



Michael Eckhart



Andy Redinger

Eckhart: Didn't we try that about 10 years ago?

Chaudhry: Michael Kumar, coming back to you in terms of yields. What yields are investors earning on the existing yieldcos, and where do you see yields headed as more yieldcos come to market?

Kumar: It is better to focus on total return than yield. An equity investor looking at yieldcos and master limited partnerships is probably looking for a 12% to 15% total return. His return is the sum of his yield and capital gain. If the investor expects more assets to be dropped in on an ongoing basis, then there will be a low yield. If the investor does not believe there will be future growth, then he will demand a higher yield. That's why I expect there to

INDUSTRY CURRENT ●

be a tapering effect because the number of assets that are available to be put into yieldcos in North America is limited.

Eckhart: There are three kinds of yieldcos. There is the NRG-style yield co where a 30% ownership interest is sold to investors and the projects do not really move. The original sponsor still manages them and retains majority control. There is a big inventory of projects still to be moved into the yield co. Another type is the Pattern Energy model where both assets and the team that manages them are moved into a new yield co. The third type is a roll up of assets acquired from third parties, like some people are trying to do with solar projects, and then take the company public. It is still a young market in my view, and the final pattern or method has not been settled.

Chaudhry: Keith Martin calls yieldcos vacuum cleaners sucking up assets. Michael Kumar, what impact are yieldcos having on strategics and infrastructure funds as they bid for assets? Are strategics and infrastructure funds changing strategies because of what yieldcos are doing?

Kumar: Absolutely. Yieldcos are winning the bidding in asset auctions because they have the lowest cost of capital. It is very hard for an infrastructure fund to compete with a yield co. You see the same phenomenon in the mid-stream space where it is very hard for a private equity shop to compete with a mid-stream MLP. Yieldcos are the most competitive and most aggressive buyers because they need to grow. Let's see if that continues.

DISTRIBUTED PORTFOLIOS

Chaudhry: I am going to go to the last topic before we run out of time. Andy Redinger, you said one of the trends you see is debt at a holding company level to finance portfolios of residential solar systems and other forms of distributed generating assets. How are lenders getting comfortable with the risks associated with so many small assets? How are they structuring the deals?

“It is prohibitively expensive to do a full analysis on every small project going into a construction revolver. We have done a couple.”

Thomas Emmons

Do the deals involve blind pools of assets?

Redinger: We look at the company. We focus on how the company chooses its customers. We do not try to look at every single customer during diligence, but rather we zero in on the process and procedures the company has in place to acquire that customer.

Chaudhry: Tom Emmons, do corporate revolvers of blind pools of assets, where you do not know what you are financing, truly work or do lenders end up having to do continuous diligence as additional assets are added to the pool?

Emmons: There are not many examples. Construction revolvers have been used to finance pools of assets with pre-determined criteria so that each project does not have to be analyzed fully. It is prohibitively expensive to do a full analysis on every small project going into a construction revolver. We have done a couple. We use preset criteria, and then we look more closely at anything falling outside the box. Distributed generation is becoming a very, very deep market. We are basically doing project financing of portfolios. A developer will come to us with 10 or 50 projects of relatively small size, but with at least \$40 million in capital cost so that there is enough scale to make the financing economic. We do diligence on a sampling basis. We work with an engineer to come up with a diligence method that will give us comfort in the whole portfolio, but without looking at each individual project in the same depth that we do large projects, and then the debt is drawn down over six to 10 months. The loan becomes a project finance term loan, but with many

projects rather than a single project.

OTHER TRENDS

Chaudhry: My last is question for each of you is what other trends do you see beyond what we have already discussed?

Greenwald: This is a great market for borrowers, and it will remain so as long as the Federal Reserve keeps interest rates low.

Eckhart: Next year will be global. Don't think US. Don't think Europe. Don't think London, because the action is shifting to Asia. Those of us in this business have to think globally.

Emmons: We are in the middle of a cycle. The current cycle started in 2009 when credit was very tight. We are not yet into the over-aggressive phase, but we know these things go in cycles. There is no such thing as stasis or equilibrium. We are trending toward greater liquidity and greater risk taking. The current cycle probably has at least another couple years to run.

Chaudhry: How far away is the next crisis, Michael Kumar?

Kumar: When the Fed raises interest rates. As long as interest rates stay put, this will remain a very favorable market for borrowers. We expect a lot of activity in North America in the next two years — probably more in mid-stream oil and gas and LNG than in power and renewables, but both will be healthy — and there should be a lot of activity in the next 18 to 24 months.

Chaudhry: Andy Redinger, the final word?

Redinger: Lots of assets changing hands. Check back next week for the second installment that looks at new sources of liquidity, yield companies and distributed portfolios. ■

Check www.powerfinancerisk.com for the first installment that focuses on the emergence of green bonds and green banks in the project finance market.

● PPA PULSE

Utilities Load Up On Renewables

● NextEra, Duke Bring Home Contracts

The PPA Pulse is a guide to which sponsors and projects have recently garnered power purchase agreements in the Americas. To report updates or additional information please contact Data Associate **Stuart Wise** at stuart.wise@powerfinancerisk.com.

Solar

■ **Duke Energy** has signed PPAs with five solar projects in North Carolina totaling 150 MW:

- a 48 MW project in Bladen County being developed by **Innovative Solar Systems**;
- a 48 MW project in Richmond County being developed by **FLS Energy**;
- a 20 MW project in Scotland County developed by **Birdseye Renewable Energy**;
- a 19 MW solar project in Cleveland County developed by Birdseye; and
- a 15 MW farm in Beaufort County developed by **Element Power US**.

■ **SunEdison** has signed a 20-year PPA with **Southern California Edison** for the output of its 82 MW Regulus solar project in Kern County, Calif. **Google** has provided \$145 million in equity financing to SunEdison for the project.

■ **Usinas & Transmisiones Electricas**, Uruguay's state-owned power company, has signed a 30-year PPA with **Raditon** and **Sky Energy** for an 8 MW and 1.8 MW solar projects in the country's western state of Paysandu.

■ The **Idaho Public Utilities Commission** is seeking comment on Idaho Power Co.'s request to sign 20-year PPAs with two solar projects totaling 120 MW and expected to go online in 2016:

- the 80 MW Grand View II project near Mountain Home, Idaho, which is being developed by **Robert Paul** of Boise; and
- the proposed 40 MW Boise City Solar project being developed by **Sunergy World**.

■ The **University of California** has signed two 25-year PPAs with **Frontier Renewables** to supply 206,000 MWh per year of solar gen-

eration.

■ **Southern California Edison** has signed a long-term PPA with First Solar for all the power from the 250 MW Silver State South PV solar project in Primm, Nev., which will be owned and operated by **NextEra Energy Resources**.

■ **First Solar** is offering power from the first phase of its 18 MW Barilla solar project near Ft. Stockton in Pecos County, Ariz., on an open-contract basis.

■ Chile's **Antofagasta Minerals** has signed a 20-year PPA with the 69.5 MW Javiera solar project to operate its **Los Pelambres** mine.

■ **HelioSage Energy** has signed PPAs with **Duke Energy** for 12 ground-mounted solar projects in eastern North Carolina, all of which are expected to be in service this year.

■ The school board of Coatesville, Penn., has approved a 25-year PPA between the local high school and **Coatesville Solar Initiative** for 6 MW of the 9.1 MW CSI solar project.

■ The town of Clarkstown, N.Y., has a 20-year PPA with **OnForce Solar** for a 2.3 MW solar project on capped landfill in West Nyack, N.Y.

■ **Southern California Edison** has entered into a 20-year PPA for PV2 Energy's 247 MW Panoche Valley solar project in San Benito County, Calif.

■ The **Ontario Power Authority** has signed a 20-year feed-in-tariff contract with **Canadian Solar Solutions**' 10 MW Goldlight solar project in Georgina, Ontario.

■ **Dominion North Carolina** has entered into a 15-year PPA for 20-30 MW solar project in Halifax County, N.C., that **Duke Energy Renewables** has plans to buy from developers **Geenex** and **ET Capital**.

■ **BC Hydro** has signed a power purchase

agreement for the output of SunMine, a solar project that will be developed on the old Sullivan Mine in Kimberley, B.C., and owned by the municipality of Kimberley.

■ The City Council of San Rafael, Calif., has approved a PPA between the city and a solar project being developed by San Rafael's **Strategic Energy Innovations and Sustainable Energy and Economic Development**.

Wind

■ **Garland Power & Light, Greenville Electric Utility System** and **Bryan Texas Utilities** have signed 25-year PPAs with **Duke Energy Renewables** for the output of the 110 MW Los Vientos V wind project in Starr County, Texas.

■ **DTE Energy** has signed a PPA with **Heritage Sustainable Energy**'s 20 MW Big Turtle wind project, in Huron County, Mich., which is expected to go online this year.

■ **Montana-Dakota Utilities Co.** has executed a PPA with **Wind Works Power** for 105 MW of its 150 MW Thunder Spirit wind project in Adams County, N.D. The company is currently pursuing an additional PPA.

■ The **Nebraska Power Review Board** has conditionally approved the 89.5 MW Cottonwood wind project near Blue Hill, Neb., to move forward as long as it signs a PPA, which **NextEra Energy Resources** expects to arrange with on **Nebraska Public Power District** by the end of 2014.

■ The **City of Bryan, Texas**, has signed a 25-year PPA with **Duke Energy Renewables** for 30 MW of wind generation from the Los Vientos V plant in Starr County, Texas, which is expected to be completed in late 2015.

■ The board of directors of **Marin Clean Energy** has approved a three-year PPA with **EDP Renewables North America** for 810,000 MWh from the 100 MW Rising Tree wind project that is currently under construction in Kern County, Calif.

■ A subsidiary of **Xcel Energy** has entered into

PPA PULSE ●

a 20-year PPA with the 200 MW Odel wind project in Cottonwood, Jackson, Martin, and Watonwan Counties in Minnesota that has been acquired by **Algonquin Power & Utilities Corp.**

■ **NorthWestern Energy** has agreed to purchase the output of **BayWa r.e.**'s 80 MW Beethoven, nee B&H, wind project in South Dakota.

■ **Grand River Dam Authority**, Oklahoma's state-owned utility has entered into a PPA with **Apex Clean Energy's** 100 MW Kay wind project in Kay County, Okla., that is expected to be completed in 2015.

■ **Platte River Power Authority** has entered into a 25-year PPA with **Invenegy Wind's** Spring Canyon II and III wind projects in Peetz, Colo.

■ **Geronimo Wind Energy** seeking approval from Minnesota regulators for a PPA between an undisclosed offtaker and its 42 MW Black Oak and 40 MW Getty wind projects in Stearns County, Minn.

■ **Suncor Energy** has a 20-year PPA with the **Ontario Power Authority** for the 100 MW Cedar Point wind project near Lake Huron

in Ontario.

■ **Golden Spread Electric Cooperative** has agreed to purchase 100.3 MW of the proposed 198.9 MW Seiling 1 wind project that **NextEra Energy Resources** is developing in being constructed in Dewey County, Texas. NextEra is planning to develop three wind projects, including Seiling 1, totaling 500 MW in Dewey and surrounding counties.

Hydro

■ **BC Hydro** has entered into a 40-year PPA with **Elemental Energy** for the 16 MW Box Canyon hydro project in Squamish Nation territory on the west shore of Howe Sound near Vancouver.

■ **Alaska Power Co.** has signed a long-term PPA with **Upper Tanana Energy** for the 1.5 MW Yerrick Creek run-of-the-river project.

■ **Idaho Power Co.** has signed a 20-year PPA with **North Side Energy** for three small hydro projects in Idaho:

- the Eightmile Hydro project near Leadore, scheduled to go into operation at the end of August;
- the Head of U Canal project, near Jerome, which is

set to go online in 2015; and

- the Little Wood River Ranch II project near Shoshone, which is set to go online in 2015.

Coal, Gas and Nuclear

■ **FirstEnergy** has petitioned the **Public Utilities Commission of Ohio** to approve 15-year PPAs with coal-fired and nuclear generation totaling 3.2 GW that is owned by its regulated distribution utilities in the state and **FirstEnergy Solutions**, its unregulated generation affiliate:

- the W.H. Sammis coal plant in Stratton, Ohio;
- the Davis-Besse Nuclear Plant in Oak Harbor, Ohio; and
- two coal-fired plants owned by **Ohio Valley Electric Corp.**

■ **San Diego Gas & Electric** is seeking regulatory approval of a PPA with **NRG Energy's** 60 MW Carlsbad energy center conventional peaker project.

■ **Blue Earth** has signed a PPA and land lease agreement with **JBS Food Canada** to develop, own and operate a CAD\$29 million (\$29 million) cogeneration project. ■

PFR #PowerTweets

For more news and coverage, follow @PowerFinRisk on Twitter, as well as Managing Editor @HollyFletcher and Editor @SaraReports.

@RandyLeonard

Whatcha going to tax me? Homeowner asks IRS to weigh in on solar tariffs. <http://blogs.roll-call.com/energy-xtra/homeowner-asks-irs-to-weigh-in-on-solar-tariffs/> ... @cqenergy @cqnow

@bradplumer

France is currently mulling over a bill to close some reactors and reduce its reliance on nuclear power: <http://bloom.bg/1r6p0nQ>

@FrenkilEnergy

Part 1 in our new series on #solar #securitizations. @eliashinckley @hollyfletcher @SullivanLaw <http://www.energyfinancereport.com/2014/09/securitization1/> ...

@EPA

Environment + economy = new #jobs. @BLS_gov estimates we'll need 24% more wind turbine technicians in the next 10 years. #ActOnClimate

@iSamBrooks

Let's please not forget: a "green bank" is only as big as the demand for its capital. \$ will sit on sidelines w/out project demand.

@ACORE

The new Buffalo: @SolarCity set to invest \$5 billion in the city over the next decade, creating thousands of jobs. <http://bit.ly/Yc9uvv>

@GreenNewsDaily

Brookfield Renewable Energy Partners Research Coverage Started at Macquarie (BEP) #green <http://bit.ly/1x08EAE>

@Edison_Electric

Read: Utilities are investing billions of dollars in the nation's transmission system <http://bit.ly/XpBeMt>

TVA Snags \$1B In Bonds As Prelude To 2015 Issuance

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carried out to catch a window in the bond market and because the TVA is facing a blackout for a few weeks following the end of its fiscal year on Sep. 30, Wilson says.

The equity markets were choppy on Monday and Tuesday of this week, which is a great window for debt for the TVA because “investors buy our name,” says Wilson. The authority is an infrequent issuer, Wilson adds, so it attracts attention when it comes to market. The global power notes are rated Aaa by **Moody’s Investors Service**, AA+ by **Standard & Poor’s** and AAA by **Fitch Ratings**.

The global power notes carry a 2.875% coupon and are priced at 45 basis points over U.S. Treasuries. The 10-year global power bond was a good value for the TVA, Wilson said, adding that it was the second lowest coupon on a 10-year note in the TVA’s history.

The issuance was one-and-a-half times oversubscribed with over 65

investors, of which 85% were domestic investors. The high volume of response was in part due to TVA’s recent meetings with investors in New York, says Wilson. The deal went on-screen about 8:30 a.m. and was priced by 2 p.m.

The four co-managers, **BNP Paribas**, **CastleOak Securities**, **TD Securities** and **Wells Fargo**, were also selected for participation in this issuance because of their role in the TVA’s overall financing strategy. CastleOak is a New York-based, minority-owned boutique bank that plays a big role in the TVA’s short-term debt program, says Wilson.

Proceeds of the global power bonds will also be used to pay down short-term debt.

The TVA selected this type of notes because they are backed power revenues, which is a steady stream of cash, providing investors an alternative to bonds that are backed by “brick-and-mortar” assets, says Wilson. Global power bonds are not required to be registered with the U.S. **Securities and Exchange Commission**. The bond documentation will be downloadable from the TVA website once the deal settles, says **Josh Carlon**, a member of the TVA’s investor relations team. ■

Sponsors Circle \$2B Of Mexico Gas Pipelines

« FROM PAGE 1

The winner of the Ojinaga to El Encino tender will garner a 25-year contract to develop and operate the pipeline. Technical bids were due last week, while the bids regarding cost are due Oct. 1. CFE is aiming to sign the contract by Oct. 19 and the project must be in operation in 2017.

Technical bids for the El Encino to La Laguna pipeline are due Oct. 13, while cost bids are due Oct. 27. CFE aims to sign a contract with the winner for that project by Nov. 14.

CFE hosted a pre-bidders conference for the two Waha pipelines in Houston earlier this month. Bidders must submit proposals by Nov. 14 and CFE is slated

to announce winners on Dec. 5. Winners will garner 25-year contracts and enter into joint ventures with CFE, which will own 49% of the projects at the end of the 25-year contracts.

The projects are garnering interest from entities in the Americas and Europe. **TransCanada**, **IENova**, **GDF Suez**, **ATCO Pipelines**, **Spectra Energy**, **Abengoa** and **Enagás** are among the North America and Europe-based players that have done site visits for some of the projects. While Colombian shops **TGI** and **Promigas** and Mexican companies **Fermaca**, **IDEAL**, **Arendal** and **Grupo Mexico** have also participated.

Prospective bidders have been talking to lenders to feel out potential financing for the projects, bankers note.

CFE officials did not respond to email inquiries by press time. The identities of potential lenders could not be learned. ■

● ALTERNATING CURRENT

What Would John D. Do?



Rockefellers To Divest Fossil Fuel Stakes

The Rockefeller family’s philanthropic organization **The Rockefeller Brothers Fund** is planning to sell off its fossil fuel investments. Members of the family, which made its fortune in petroleum, made the announcement earlier this week. “We are quite convinced that if he were alive today, as an astute businessman looking out to the future, he would be moving out of fossil fuels and investing in clean, renewable energy,” **Stephen Heintz**, director at the Pocantico Hills, N.Y.-based fund, said of the **John D. Rockefeller Sr.**, the grandfather of the co-founders of the fund and the co-founder of **Standard Oil**, in a statement to the **BBC**.

The fund, which has \$860 million of investments



Photo: Eric Kounce TexasRaiser

as of July 31, is joining the divestment movement that started on U.S. college campuses several years ago. Roughly 800 institutions and high net worth individuals have vowed to divest interests in fossil fuel to-date.

The Rockefeller Brothers Fund’s plan will initially excise investments in coal and the Canadian oil sands. However, this move could also be viewed as just business savvy, as these assets have been weak performers anyway, according to **Forbes**.

The fund’s announcement was made ahead of the **United Nations’** Climate Change Summit in New York. While the impact—and in some corners, even the existence of—climate change are still topics of debate, some argue that operations such as Standard Oil are among the great contributors to the phenomena.

Observers can only speculate on John D. Sr.’s outlook on the future of fossil fuels. However, he did once say: “If you want to succeed you should strike out on new paths, rather than travel the worn paths of accepted success.”