

# power finance & risk

The exclusive source for power financing and trading news

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A PUBLICATION OF INSTITUTIONAL INVESTOR, INC.

OCTOBER 1, 2007

VOL. X, NO. 39

## Canadian Insurers Back B.C. Hydro

Five Canadian insurers are providing loans for **Plutonic Power** and **GE Energy Financial Services'** planned 196 MW run-of-river hydro project in British Columbia.

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## CROSS HUDSON CABLE SEEKS ADVISOR, LENDERS

Cavallo Energy and AllCapital, the U.S. unit of Australia's Allco Finance Group, are looking to retain a financial advisor and line up lenders for their proposed Cross Hudson underground transmission line. When finished, the eight-mile, 345 kV generator lead will be capable of delivering 550 MW from Bergen Unit 2 in Ridgefield, N.J., along the Hudson River bed to Consolidated Edison's West 49th Street substation in Manhattan, where it will be dispatched by the New York Independent Systems Operator.

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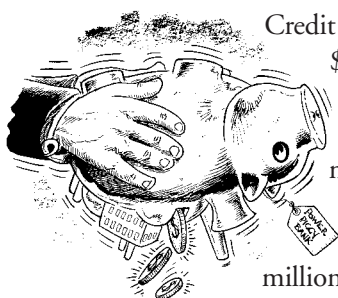
## ORMAT OFFICIAL TO HEAD ALT. ENERGY START-UP

Hezy Ram, the executive v.p. of business development at Reno, Nev.-based geothermal developer Ormat Technologies, is set to launch his own alternative energy venture next year. Ram Energy will focus initially on biomass and solar thermal projects mostly on the West Coast of the U.S., because Ram, who is leaving voluntarily, has a non-compete clause with Ormat on geothermal developments.

As first reported by *PFR* last Wednesday, boutique investment bank Marathon Capital has been retained to raise funds for the venture, after serving as the investment bank to Ormat for several years. "We are giving [Ram] his core capital, including the capital for what

(continued on page 12)

## CREDIT SUISSE READIES RECAP FOR LIBERTY



Credit Suisse will hold a bank meeting Tuesday to launch a \$410 million leveraged recapitalization of LEP Holdings, the entity that owns the 568 MW Liberty Electric Power project in Eddystone, Pa. The meeting will be held at the W Hotel in midtown Manhattan at 2pm.

The deal will comprise a seven-year, first-lien tranche consisting of a \$300 million operating company loan and \$35 million revolver, and a \$75 million holding company loan. Pricing will

(continued on page 12)

## DEVELOPER NEARS \$1.4B FINANCING FOR TURKISH HYDRO-FLAVORED BUILD OUT

Enerjisa Power Generating Co., a joint venture between Turkish energy conglomerate Sabanci Group and Austria's Verbund, is about to close on construction financing worth \$1.4 billion for 10 greenfield hydro plants and one coal plant in Turkey. The aggregate 912 MW portfolio is estimated to cost \$2 billion.

The debt is led by WestLB, the International Finance Corp. and Turkey's Akbank, with a syndication expected later this year or early next. Calls to Ahmet Dördüncü, Sabanci ceo in

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## At Press Time

# J-Power Closes On Green Country Via Mizuho

Mizuho Corporate Bank closed and funded a \$110 million loan to J-Power USA on Thursday supporting its acquisition of **Green Country Holding**. The target owns a 795 MW gas-fired plant in Jenks, Okla., and is being sold by **GE Energy Financial Services** and **Tyr Energy** (PFR, 7/27). "This move expands J-Power's presence in the U.S.," says **Hiro Nakamura**, v.p. in Mizuho's power and infrastructure team in New York. "It increases its U.S. power portfolio to over 2,000 MW." The deal will launch into syndication later this year and close within six months.

Mizuho has acted as sole lead arranger and bookrunner for all three of J-Power USA's acquisitions, including the \$185 million financing backing its purchase of a 62.5% stake in 830 MW **Tenaska Frontier** near Shiro, Texas, from **Tenaska** (PFR, 4/10/06) and a \$104 million financing for its 49.9% stake in 1,350 MW **Elwood Energy** near Joliet, Ill., from **Peoples Energy** (PFR, 1/19). **Green Country** will be folded into J-Power's newly minted joint venture with **John Hancock Life Insurance Co.** Calls to **John Salyer**, president and ceo of J-Power USA Development Co. in Schaumburg, Ill., were not returned.

## MMC Energy Seeks Funding for Calif. Plants

MMC Energy is weighing funding options for the expansion of two California plants set for completion in the summer of 2009. **Denis Gagnon**, cfo in New York, estimates financing roughly \$90 million of the aggregate \$126.7 million capital cost of expanding its 44 MW **Chula Vista** plant to 93

MW and repowering the 44 MW **Escondido** plant in San Diego County to 46.5 MW. "Given there is still some time down the road, we are keeping all options on the table," he says.

During the course of next year, MMC expects to be in discussions with interested parties with a view to determining the optimum financing

mix, says Gagnon, declining to disclose the names of any banks that have already approached the company. Construction is slated to begin next year or in early 2009. "Obviously we would not want to wait until the last minute to start talking to folks," he says.

Selling the power will play a key role in the financing for MMC, which does not yet have a PPA in place. In June, the New York IPP teamed up with **Morgan Stanley Capital Group** and pitched into a **San Diego Gas & Electric** RFP, which would have seen it jointly own and operate up to three facilities—one a greenfield project—that would have led to a contract (PFR, 6/8). But that deal fell through, so the collaboration with Morgan Stanley was terminated. "These remain our projects that we own and control," says Gagnon.



Escondido

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### EDITORIAL

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Editor

**STEVE MURRAY**  
Deputy Editor

**PETER THOMPSON**  
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(773) 439-1090

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(212) 224-3165

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**THOMAS RAINS**  
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Hong Kong: 852 2842 6910  
E-mail: customerservice@iinvestor.com

**Editorial Offices:** 225 Park Avenue  
South, New York, NY 10003.  
Tel: (773) 439-1090  
Email: pthompson@iinvestor.com

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**Institutional Investor NEWS**  
INTELLIGENCE FIRST

## HgCapital Ramps Up For Next Renewable Fund

European private equity investor HgCapital is boosting its bench strength in anticipation of launching its next renewable energy fund, after raising EUR300 million (\$424.2 million) for its first fund—Hg Renewable Power Partners—last December. “We have the biggest dedicated renewable energy fund in Europe,” says **Tom Murley**, head of the renewable energy team in London. “We have another four years to utilize the [funds] we have, but I don’t think it will take that long.”

Two new staffers recently came on board as associate directors. **Jean Perarnaud** joined from ING Bank in Amsterdam, where he was a v.p. in the project finance team, and **Jens Thomassen** came from GE Energy Financial Services in London. Each reports to Murley. “These solid additions to our team allow us to increase our coverage and deploy our skills in advance of future funds,” he says. Separately, two staffers have been promoted—**Emma Tinker**, one of the founding members of the team, to director, and **Rob deLaszlo**, an associate, to associate director.

HgCapital invests in wind, biomass, landfill gas to energy, hydro, geothermal and solar generation. Last December, it acquired a portfolio of four wind farms in northern France from German developer ENERTRAG for EUR66 million (\$93.3 million).

## Canadian Insurers Finance Hydro

Canadian developer **Plutonic Power** and **GE Energy Financial Services** are lining up loan financing from five life insurance companies for a 196 MW run-of-river hydro project in British Columbia. **Standard Life**, **Canada Life**, **Industrial Alliance Insurance and Financial Services**, **Sun Life Financial** and **Manulife Financial** each took slugs of between C\$25 million and C\$125 million (\$25-\$124.4 million), according to **Donald McInnes**, president of Plutonic Power in Vancouver, noting that Manulife took the largest share.

The insurer tranches cover the C\$500 million EPC contract and GE Energy Financial has invested C\$112 million in equity and a couple of letters of credit, according to McInnes. The financing’s maturity of 38 years matches the length of the PPA with **BC Hydro** for the combined Toba and Montrose projects, expected online by late 2010. “Usually in the debt market getting a term longer than 20-25 years is almost unheard of,” says McInnes. Pricing is yet to be determined, but will amortize over the last 35 years because there are no payments due during the plant’s construction, he says. McInnes hopes the deal will close and fund by mid to late October.

Toba Montrose is Plutonic Power’s flagship project and it has another 32 development projects in the works in British Columbia. “Depending on what the call for tender looks like,

Plutonic expects to be a very aggressive bidder of 1GW-1.2GW of generating capacity in the next call [from BC Hydro],” McInnes says. Calls to GE EFS were not returned.

## Calyon Taps Natixis Staffer

Calyon has hired former Natixis director **Nathalie Lemarcis** to join its project finance team in London. She joined last Monday as an assistant director reporting to **Jamie Mabilat**, head of project finance in London. “She has a great background in renewables and infrastructure, particularly in Europe and the Middle East,” says Mabilat.

Lemarcis could not be reached. At Natixis, she advised on several power and energy project deals, including a GBP92 million (\$185.6 million) debt financing for **Falck Renewables** to support the construction of two wind farms in Scotland.

## Pricing Emerges on Orange Grove

Pricing on a **Royal Bank of Scotland**-led, \$70 million construction loan funding **J-Power USA Development Co.’s** 95 MW greenfield project in Orange Grove, Calif., was pitched at 125 basis points over LIBOR at a bank meeting last Tuesday. Post construction, the loan converts to a 25-year term loan priced at 87.5 over.

Rounding out the deal is a \$30 million equity bridge loan guaranteed by the Japanese **J-Power Group**, a unit of **Electric Power Development**, and a \$25 million letter of credit supporting contractual obligations under J-Power’s PPA with **San Diego Gas & Electric** (PFR, 9/21). Officials at RBS and **Mark Condon**, cfo of J-Power USA, declined to comment.

## Former BoS Pro Resurfaces With Deal News

**Vivek Mittal**, the former head of energy and utilities at **Bank of Scotland**, provided an insight into his activities since leaving the bank last September at the *9th Annual Renewable Energy Finance Forum* at the Park Plaza Riverbank Hotel in London last Tuesday. Through **Millennium Resource Strategies**, the venture he founded, he has advised on a number of renewable energy initiatives in Central and Eastern Europe and India. “I take non-executive roles in companies and help them on debt and equity financings,” he told *PFR*.

One such company is **Ygrene Energy Partners**, a Prague-based company looking to acquire hydro, wind and solar facilities primarily in Czech Republic, Poland and Greece. Another is **Indian Energy**, which is building a 25 MW wind farm in Karnataka, southern India and recently raised £10 million (\$20.2 million) in the London market, which served as a



prelude to its planned initial public offering next year.

Separately, he is advising **BP Alternative Energy** and **Renewable Energy Systems** on planned developments in India, and India's **Spice Energy** on a EUR120 million (\$169.5 million) financing for its integrated bio-ethanol and biomass project in the Czech Republic. "We are in the market now [for debt]," he says, adding, "Information memoranda started going out last week but we have not yet appointed lenders."

## Leads Take Commitments On Big Apple Wind

Commitments were due last Thursday on a \$561.5 million, 10-year loan package funding wind developer **Noble Environmental Power's** three projects in upstate New York. A number of banks had already signed up, according to deal trackers. Leads **Dexia Crédit Local** and **HSH Nordbank** pitched tickets of roughly \$45 million to 10-15 banks earlier this month (PFR, 9/7). **Peter Capitelli**, v.p. of finance at Noble in Essex, Conn., referred calls to the banks, who did not return requests for comment.

**Royal Bank of Scotland** and **Scotia Capital**, committed \$70 million apiece in July and **GE Energy Financial Services** has committed \$209 million in tax equity to the portfolio, which consists of 100.5 MW Bliss in Wyoming County, and 100.5 MW Clinton and 81 MW Ellenburg in Clinton County. Power from the facilities will be sold spot, but lenders will have no merchant exposure thanks to a financial hedge structured by **Credit Suisse** in August.

## Citi Green Investment Unit May Branch Out



Andrew de Pass

**Citigroup's Sustainable Development Investments** is exploring alternatives for creating a product for third-party investors around its existing investment platform, says **Andrew de Pass**, managing director and head of SDI, who heads a team of five based in New York.

SDI, a standalone private equity investment unit of **Citi Alternative Investments** that invests the firm's proprietary capital but is separate to **Citi Infrastructure Investors**, has committed to spending \$2 billion on renewable and alternative energy over the next 10 years as part of the \$50 billion Citi has committed overall to addressing global warming and environmental issues.

"We have a very robust pipeline and are about to close on another two to three deals by the end of this year," says de Pass, adding, "We have a flexible pool of capital and can do small deals

according to our risk profile and much larger deals in a buyout format." SDI's investment strategy includes late-stage private equity transactions—buyouts and expansion capital infusions—project development and a limited number of late-stage venture capital transactions with new but proven technologies requiring equity for commercialization.

The group just closed its first deal—a \$100 million equity commitment to Cambridge, Mass.-based coal gasification company **GreenPoint Energy** alongside co-lead **The Dow Chemical Co.**, **AES**, **Suncor Energy** and existing investors **Kleiner Perkins Caufield & Byers**, **Khosla Ventures**, **Advanced Technology Ventures** and **Draper Fisher Jurvetson**. **GreenPoint** plans to use the money to build a large demonstration plant and construct a manufacturing facility. On Sept. 25, it also committed an undisclosed amount to **HydroPoint Data Systems**, a provider of smart irrigation solutions to reduce water usage. Separately, SDI was reportedly one of the contenders in the running to buy **Landfill Energy Systems**, a developer and operator of landfill gas-powered generation (PFR, 7/27).

## Calif. Move On QFs Seen As Boon For Investors

The **California Public Utility Commission's** decision to reverse its stance on how qualifying facilities are paid for their power sends an encouraging signal to the investment community, says **Jerry Bloom**, general counsel for the **California Cogen Council**. An administrative law judge had ruled in April that the prices in the NP15 and SP15 markets equals utilities' so-called short-run avoided cost—the energy cost they avoid by not producing or procuring the power elsewhere—and should therefore determine payments for QF energy in the state. But the CPUC rejected that argument at a Sept. 20 hearing, saying only part of the pricing should be based on those markets.

"We felt very strongly that [those markets] did not reflect utilities' avoided costs—in fact our position is they only reflect 5% of the power in the state," explains Bloom, noting that utilities have significant resources to buy power under contract, and produce themselves. Part of the problem, he adds, is that NP15 and SP15 are the only active markets in California until the independent systems operator establishes a second market in March, known as the Market Redesign Technology Update.

Until the MRTU is robust enough to accurately reflect utilities' avoided cost, the CPUC has ruled that QF energy payments be based 50% on NP15 and SP15, and 50% on an existing formula called the administrative heat rate. In addition, it provided for five- and 10-year power purchase agreements to be available for QFs whose PPAs are expiring and for new

facilities being built.

Bloom says the ruling will help prevent investors pulling out of the state, but could have achieved much more. "We respect the commission has drafted a compromise with 50/50 between the existing and the new formula. The fact they did not take a radical position is a very important signal," says Bloom. "But we would have preferred two thirds [administrative heat rate], one third [NP15 and SP15]." Adds **Beth Vaughan**, executive director of the California Cogen Council: "This has been going on since April 2004, so at least now we have some something tangible we can move forward with."

## WestLB Taps BofA For Asia/Pacific Syndications Head

WestLB has hired **Kevin Salerno**, former regional head of syndications for the Asia/Pacific region at **Bank of America**, as head of loan syndications for Asia/Pacific amid a restructuring of its global loan syndications group. "He has 20-plus years of local market knowledge, which is going to be very beneficial to what we are doing," says **Manish Taneja**, global head of syndications at WestLB in New York.

Salerno, who will work across all sectors the firm is involved in, including energy, started Sept. 17 and is based in Sydney. During his 10-year stint at BofA he worked out of Hong Kong. With his hire, the Asia/Pacific division comes into its own and will now report directly to Taneja. Formerly, the position reported to **Richard Hill**, head of loan syndications for Europe, but as the eastern hemisphere emerges as a more important part of WestLB's business, Taneja realized it needed room to grow.

Among the shifts will also be WestLB's Latin American loan syndication division, which will now report directly to the global syndication team. "Latin America [syndication] was not officially part of anything on a global basis that we did before," says Taneja. "Now we're truly global."

## Corporate Strategies

### Midstream MLP Issues To Take Down Short-Term Debt

**Enbridge Energy Partners** sold \$400 million in 60-year junior subordinated debt to repay short-term debt incurred during its four-year, \$5 billion capital expenditure program. "We want to fully tap into the oil sands market in western Canada. Demand for oil and gas continues to grow in the U.S., and we want to meet that demand using a reliable and secure supply source," says **Mark Maki**, v.p. of finance at **Enbridge Inc.**, which has a 15.7% stake in the Houston master limited partnership via its **Enbridge Energy Co.** subsidiary. The rest is held by **Enbridge Energy**

**Management** and unitholders.

The notes were pitched Sept. 24 and pay 8.05% for the first 10 years and 3.79 basis points over three-month LIBOR thereafter, after which they are callable at par. **Merrill Lynch**, **Lehman Brothers** and **Wachovia Capital Markets** were joint bookrunners on the sale, which closed last Thursday, while **Bank of America Securities**, **Citigroup Global Markets**, **Credit Suisse Securities**, **Deutsche Bank Securities** and **Morgan Stanley** were co-managers. "We have a very long, established relationship with these banks, and they have consistently been very supportive of our financings," says Maki.

**Enbridge Energy Partners** expects to complete its \$635 million Project Clarity natural gas pipeline, which stretches between Bethel and Orange in Texas, by next year. It is also constructing the \$1.8 billion, 454-mile Southern Access crude oil pipeline, expected to be complete in April 2009, and the \$1 billion U.S. section of its Alberta Clipper crude oil pipeline between Gretna, N.D., and Superior, Wis., with completion expected in 2010.

"They have a robust slate of development projects right now, and this offering is meant to help pay for it," says **Allan McLean**, v.p. and senior analyst for **Moody's Investors Service** in Toronto, which rated the notes Baa3.

## Sempra Sub Funds Meter Upgrades

**San Diego Gas & Electric**, a subsidiary of **Sempra Energy**, sold \$250 million in first-mortgage bonds to help finance the initial stages of a five-year plan to replace and retrofit 2.3 million gas and electric meters, according to **Marilyn Burke**, director of finance at Sempra.

The meters, now being field-tested in select spots in the San Diego area, will be installed across all of SDG&E's service territory between 2008 and 2011 at a cost of about \$572 million. The aim is to allow for two-way communication between the utility and its customers to reduce overheads and eventually eliminate manual meter reading. Infrastructure additions and improvements are expected to cost SDG&E \$600 million this year.

The bonds, which mature Sept. 15, 2037, landed a 6.125% coupon. **Deutsche Bank Securities**, **Calyon** and **Wachovia Securities** led the deal with **Merrill Lynch**, **Morgan Stanley**, **Blaylock & Company**, **Guzman & Company**, **Loop Capital Markets** and **Utendahl Capital Partners** as co-managers. "SDG&E selected a team of underwriters that was expected to provide the best execution for its transaction," says Burke. **Moody's Investors Service** rated the bonds A1, **Standard & Poor's** rated them A+ and **Fitch Ratings** assigned them an AAA.

As of June 30, SDG&E's debt-to-equity ratio was 74%,

excluding \$33 million of rate reduction bonds and its debt-to-capitalization ratio was 42%. The utility maintains a small preferred stock component within its capital structure.

## Great Plains Funds Subsidiary Debt Repayments

Great Plains Energy sold \$100 million in 10-year, 6.875% notes to help subsidiary **Kansas City Power & Light** repay short-term debt while it continues a five-year, \$1.6 billion capital expenditure program. "This is a capital infusion to help our subsidiary repay short-term debt," explains **Michael Cline**, Great Plains Energy treasurer and chief risk officer in Kansas City, Mo. "That is where the liquidity need is right now."

**JPMorgan Securities** was sole book-running manager on Sept. 20 deal, supported by **UMB Financial Services** as co-manager. "JPMorgan has a long and strong historical relationship with us and UMB is a long-standing local member of our banking group," Cline says. "This is the first time they've been involved in a bond transaction with us and we wanted to give them an opportunity." **Wachovia Securities** co-underwrote its first offer for KCP&L in June alongside **Banc of America Securities** (PFR, 6/15).

KCP&L's capital expenditure goal, or Comprehensive Energy Plan, includes the construction of the 850 MW coal-fired Iatan 2 plant in Weston, Mo. The plant, in which KCP&L holds a 54.7% interest, is scheduled to come online in 2010. **Aquila** and **Empire District Electric**, respectively, hold 18% and 12% stakes in the \$850-900 million facility.

At the end of June 30, Great Plains Energy's total short-term debt stood at \$353.6 million, including \$109.8 million in letters of credit. KCP&L's was \$317.6 million, including \$6.8 million in letters of credit.

## Exelon Generation Upsizes \$500M To Term Out CP

**Exelon Generation**, a subsidiary of **Exelon Corp.**, sold \$700 million in 10-year, 6.20% senior bonds last Tuesday to refinance commercial paper debt and for general corporate purposes. The offer was the issuer's first since Dec. 2003, when it issued \$500 million in 5.35% notes to trim borrowings on its unsecured credit agreements used to purchase **Sithe Energies**. "[Exelon] Generation is indeed an infrequent issuer," says **Tom Miller**, assistant treasurer of Exelon Generation in Chicago. "It has very strong cash flows."

**Barclays Capital**, **Citigroup Global Markets** and **JPMorgan Securities** led the sale, which was upsized from the targeted \$500 million. As first reported by *PFR*, it priced at 165 basis points over comparable Treasuries—the tight end of the 165-170 guidance. "It was very well received. Five hundred million is what we decided we absolutely needed, and if the market decided it was

strong we would capitalize on it, so we did upsize," says Miller.

**BNP Paribas Securities**, **Deutsche Bank Securities**, **Goldman Sachs**, **Scotia Capital**, **UBS Securities**, **Cabrera Capital Markets** and **Loop Capital Markets** were co-managers. Miller declined to comment on why these banks were selected, saying, "They are all qualified underwriters." The notes were expected to be rated A3 by **Moody's Investors Service**, and BBB+ by **Standard & Poor's** and **Fitch Ratings**.

## Pipeline Co. Refis CP Via \$600M Sale



David Kinder

**Rockies Express Pipeline** will refinance commercial paper debt using proceeds from its \$600 million private placement of two-year floating-rate notes, according to **David Kinder**, v.p. of corporate development and treasurer at **Kinder Morgan Energy Partners** in Houston. Kinder, along with **Sempra Energy** subsidiary **Sempra Pipelines & Storage** and **ConocoPhillips**, will own the \$4.4 billion, 1,679-mile natural gas pipeline system when complete. The other partners did not return calls.

The 1.8 cubic feet per day pipe, which will stretch from the Cheyenne Hub in Weld County, Colo., to Clarrington in Monroe County, Ohio, is being constructed in two phases. The Rockies Express West portion is scheduled to come online in January, while Rockies Express East is due to be finished in June 2009, according to **Michael Messer**, a director at **Standard & Poor's** in New York. Its economic value is driven by this eastern portion, adds Messer, because it will transport natural gas to high population centers like Chicago and Ohio. "It's that piece that's getting to the markets that they are hoping to service with the pipeline," he says.

**Citigroup Global Markets** and **Lehman Brothers** underwrote the Sept. 17 offering. The two banks, along with **Merrill Lynch**, also managed a \$500 million issue by Kinder in August, which also will help fund the Rockies Express Pipeline (PFR, 8/31). The notes will pay 85 basis points over three-month LIBOR. S&P rated them BBB, the same as the issuer's corporate credit rating.

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# Project Finance Deal Book

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

## Live Deals: North America

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
Airtricity	2008 Turbine Supply	Various	HVB, Mizuho	\$325M			Timeline unclear.
	Champion (126.5 MW Wind)	Central New York	HVB, NordLB, BayernLB	Construction Loan			Financing to be arranged.
Empresas ICA	La Yesca (750 MW Hydro)	Nayarit, Mexico	WestLB	Construction Loan	\$1B	4-yr	Looking for co-underwriters.
Third Planet Windpower	Name unknown (325 MW Wind)	Loraine, Texas	TBA	TBA	TBA	TBA	Selecting lenders.
Northland Power	Thorold CoGen (265 MW, Gas)	Thorold, Ontario	BMO, Manulife, Sun Life	Construction Loan	C\$415M	20-yr	Sept. syndication expected.
SUEZ Energy International	Central Termoeléctrica	Northern Chile	TBA	TBA			Looking for banks for \$500M.
LS Power	Sandy Creek (800 MW, Coal)	Riesel, Texas	Credit Suisse, RBS	Term Loan	\$1.2B	8-yr	Retail syndication launched 9/11.
Carlyle/Riverstone	Portfolio (1.5 GW Gas)	Various, Texas	TBA	TBA	\$900M		RFP sent out 7/23.
Granite Ridge	Granite Ridge (720 MW, Gas)	Londonderry, N.H.	TBA	TBA	\$500-\$600M		Choosing lead banks.
AES	Termoeléctrico de Penoles (230 MW Petcoke)	Tamuin, Mexico	TBA	TBA	TBA	TBA	Timeline unclear.
RES	Hackberry Wind (165 MW Wind)	Shackelford Co., Texas	WestLB	Construction Loan	\$352M	17-yr	Syndication launched 9/19.
Borealis Infrastructure	Bruce Power (4.6 GW)	Tiverton, Ontario	Scotia, Dexia	TBA	C\$750M (\$710M)	TBA	Syndication launched 7/3.
LEP Holdings	Liberty Electric Power (568MW Gas) recap	Eddystone, Pa.	Credit Suisse, JPMorgan, Deutsche Bank	OpCo loan Relvolver HoldCo Loan	\$300M \$35M \$75M	7-yr	Syndication to launch 10/2.
Nacogdoches Power	Nacogdoches (100MW Biomass, 300MW Gas)	Sacul, Texas	TBA	TBA			Looking for debt/equity for \$600M project.
J-Power USA	Pala (86.5 MW Gas) Orange Grove (95 MN Gas)	San Diego Co., Calif. Orange Grove, Calif.	TBA Royal Bank of Scotland	TBA Construction Loan Letter of Credit Equity Bridge Loan	\$70M \$25M \$30M	25-yr	Looking for lead bank. Syndication launched 9/25.
MACH Gen	Portfolio (800 MW Coal)	Various	Credit Suisse	TBA	\$850M	TBA	Refinancing of \$850M second lien.
Acciona Solar Power	Nevada Solar One (64 MW)	Boulder City, Nev.	Santander, BBVA, La Caixa	Term Loan	\$140M		Syndication expected in Sept.
Shell, Dominion	Mt.Storm (264 MW, Wind)	Grant Co., W.Va.	TBA	Construction Loan	\$288M	TBA	Fortis tipped as sole lead.
Invenergy	St. Clair Power Station (570 MW Gas)	Sarnia, Ontario, Canada	RBC	Construction Loan LC facility	\$383M \$96M	5-yr	Syndication re-launched 7/2.
Perennial Power	Hermiston (474 MW Gas)	Hermiston, Ore.	TBA	TBA	\$130M	10-yr	Status unclear.
Noble Environmental Power	Altona, Ellenberg, Clinton and Bliss (339 MW Wind)	Altona, Ellenberg, Clinton and Bliss, N.Y.	HSH Nordbank, Dexia	Non-recourse loan	\$445M	10-year	Syndication launched 9/6.
Guacolda	Maitencillo (152 MW Thermo)	Maitencillo, Chile	Calyon	Construction Loan	\$260M	15-year	Chose Calyon to lead.
Energy Capital Partners	Rensselaer (535 MW Gas)	Rensselaer, N.Y.	Barclays, UBoC	Construction Loan	TBA	TBA	TBA
Terrawinds Resources	Riviere-Du-loop (201 MW Wind)	Riviere-Du-loop, Quebec	HSH Nordbank	Construction and term loan	c\$300M (\$300M)		Syndication Launched 9/18.
Plutonic Power, GE Energy Financial	Toba Montrose (196 MW Hydro)	British Columbia	Manulife, Standard Life, Canada Life, SunLife, Industrial Alliance	Construction Loan	\$500M		Financing to close mid-October

## Live Deals: Europe/Middle East/Africa

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
EdF Energies Nouvelles	C-Power (30 MW Wind)	Zeebrugge, Belgium	Dexia, Rabobank	Construction Loan	EUR126M	15-year	Preparing retail syndication.
Eolicas de Portugal	(1.2 GW Wind)	Porto, Portugal	TBA	TBA	TBA		Selecting lenders.
Cobra, ACS Group	La Boga II (355 MW Wind)	Andalucia, Spain	Natixis, La Caixa	Term loan	EUR205M (\$283M)		Debt slated to close 7/20.
Abaste	El Bonillo (20 MW Solar)	El Bonillo, Spain	Deutsche Bank	Bond Offering	\$207M	24.5 yr	Iberdrola offtake.
Industrial Promotion Services, Sithe Global	Bujagali (250 MW Hydro)	Southern Uganda	International France Corp., Absa Capital, EIB, Standard Chartered	Term loan	\$630M	TBA	Uganda Electricity Transmission Co. offtake.
Spanish Egyptian Gas Co.	Damietta LNG	Damietta, Egypt	TBA	Term loan Bank Facility	\$600M \$250M	15 yr	25-year tolling agreement.
Solucar Energia	SolNova (100MW, Solar)	Sanlucar La Major, Spain	Caja Madrid, SocGen, Calyon Natixis, Santander	TBA	EUR450-500M		September syndication expected.
Botswana Power Corp.	Morpule (1.2GW Coal)	Palapye, Botswana	TBA	TBA			Project Financing Solutions advising.
InterGen	Rijnmond Energie Center (820MW, Cogen)	Rotterdam, Netherlands	TBA	TBA			Accepting financing options. Advizorum is advising.
AES	Cartagena (1.2GW, Gas) Refi	Cartagena, Spain	Calyon, Societe Generale	TBA			Terms to be set.
Babcock & Brown, Eurowatt	Wind Portfolio (120MW)	Various, France	La Caixa, Natixis	Term loan	EU183M (\$234M)		Syndication timeline unclear.
Dhofar Power Co.	Salalah (192 MW Gas Refi)	Salalah, Oman	Calyon	TBA	\$340M	TBA	Timeline unclear.
Tanjong Broup	Port Said East (683 MW Gas Refi)	Port Said, Egypt	Calyon	TBA	\$500-675M	TBA	Timeline unclear.
Ras Laffan Power Co. (AES)	Ras Laffan A (750 MW IWPP)	Doha, Qatar	TBA	TBA	\$572M		Looking for lead banks.

## Project Finance Deal Book (cont'd)

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
AES Oasis, Mitsui & Co.	Almanakher (370MW Gas)	Almanakher, Jordan	Sumitomi Mitsui, Overseas Private Investment Corp., JBIC	Senior facility Equity tranche	\$255M \$75M		Near close. National Electric Power Co. offtake.
Electricite de France, Delta	Sloe (820 MW Gas)	Vlissingen, Netherlands	TBA	TBA			Proposals due from banks 9/1.
Eclipse Energy	Ormonde (200 MW Wind/Gas)	Irish Sea	TBA	TBA	Apr. GBP200M		Choosing Banks.
Carron Energy	Severn Power (850 MW Gas)	South Wales	TBA	TBA			Choosing Banks. Lexicon Partners is advising.
Greentech Energy Systems Conergy	Sardinia and Sicily wind (140 MW) Epuron (8 MW Solar Thermal)	Sardinia and Sicily, Italy Southern Spain	TBA WestLB	TBA	EUR200M \$113.3M		In discussion with banks. Syndication launched 9/21.



## Generation Auction & Sale Calendar

*Following is a directory of ongoing generation asset sales. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report new auctions or changes in the status of a sale, please call*

*Katy Burne, Managing Editor, at (212) 224-3165 or e-mail [kburne@iineews.com](mailto:kburne@iineews.com).*

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
Airtricity	Various	North America	6,500	Wind	Credit Suisse	Seller weighing an outright sale or 50/50 joint venture. Final bids were taken w/c 9/10.
American Electric Power	Fort Phantom Abilene Power Station Lake Pauline Rio Pecos Oak Creek Paint Creek San Angelo	Abilene, Texas Abilene, Texas Quanah, Texas Girvin, Texas Bronte, Texas Stamford, Texas San Angelo, Texas	362 18 35 136 75 218 110	Gas	N/A	Took indicative bids Sept. 7 (PFR, 9/7).
ArcLight Capital Partners	Crete Energy Venture Lincoln Generating	Crete, Ill. Manhattan, Ill.	203 (50%) 656 (90%)	Gas Gas	Lehman Brothers	Tenaska Capital Management to acquire. Debt to be led by Lehman Brothers and Calyon (PFR, 9/26).
Astoria Energy	Astoria plant	Queens, N.Y.	500 MW; 1 GW permitted	Gas	N/A	Owners fielding offers. Suez Energy acquiring a 30% stake (PFR 9/29).
Atlantic Power Corp.	Jamaica Private Power Corp	Kingston, Jamaica	60	Oil	N/A	Atlantic's 24.1% stake (14 MW) being sold. Buyer unknown.
Barry Bates and Michael Underwood	Thompson River Cogen	Montana	16	Coal, Waste Wood	Energy Advisory	Teasers went out late June. Plant has a 20-year PPA with Avista Utilities.
Besicorp-Empire	To be constructed	Rensselaer, N.Y.	535	Gas Cogen	Merrill Lynch	Being bought by Energy Capital Partners (PFR, 7/19). Debt to be led by Barclays and Union Bank of California.
Bicent Power	Mountain View	Palm Springs, Calif.	67	Wind	Goldman Sachs	Teasers dispatched early Sept. (PFR, 9/17).
Bluff Power Partners E/S Solutions	McCommas Bluff	Dallas, Texas		Landfill Gas	CRG Partners	Federal district court approved Section 363 auction. Montauk Energy Capital named stalking horse (PFR, 8/27).
Calpine	Acadia Energy Center Fremont Energy Center Hillabee Energy Center	Eunice, La. Sandusky County, Ohio Alexandria City, Ala.	1,016 (50%) 512 774 MW	Gas Gas Gas	Miller Buckfire	Sold to Cajun Gas Energy for \$189 million (PFR, 8/6). Plant 70% complete. Teasers dispatched mid-June (PFR, 6/18).
CIT Group	RockGen Energy Center	Cambridge, Wis.	460	Gas	Bear Stearns	Status unclear.
Central Vermont Public Service	Various	Vermont	70 in summer, 86 in winter	Hydro	Morgan Stanley	Believed to be in advanced stages.
City of Vernon	Malburg Generating Station Palo Verde Power Hoover Upgrading	Southern Calif. Southern Calif. Southern Calif.	134 11 22	Gas Nuclear Hydro	Lehman Brothers	Assets being offered debt-free, with promise of 15-year PPA with seller and related transmission. Status unclear.
Conduit Capital	Various	Latin America Caribbean	939 net ownership	Diverse	BNP Paribas	Took binding bids in May on two Mexican assets, and one Jamaican asset (PFR 6/15).
Con Ed Development	CEEMI CEEMI expansion Newington Energy Ada Cogeneration Lakewood Ocean Peaking Power Rock Springs Genor Ever Power Wind	Springfield, Mass. Springfield, Mass. Newington, N.H. Ada, Mich. Lakewood, N.J. Lakewood, N.J. Rising Sun, Md. Puerto Barrios, Guatemala NEPOOL, NY, PJM	185 96 525 (99.5%) 29 (48%) 246 (80%) 339 670 (50%) 42 (49.5%) 500 planned	Gas, Oil, Hydro Gas, Oil Gas Gas Gas Gas Gas Oil Wind	Morgan Stanley	First-round bids taken July 10. Final bids are due mid October. In the running are American National Power, AllCapital, Energy Capital Partners, Marubeni Power International and Tenaska Power Fund (PFR 8/20).
Complete Energy Holdings	La Paloma Batesville	McKittrick, Calif. Batesville, Mis.	1,022 837	Gas Gas	Morgan Stanley	KGen Power is buying the plants for \$1.2 billion (PFR 8/23). Financing not complete.
Desert Power	Desert Power plant	Rowley, Utah	65 installed	Gas	Miller Buckfire	Lender of record, Morgan Stanley, to acquire.
Dominion Resources	Dresden Energy	Muskingum County, Ohio	580	Gas	N/A	American Electric Power agreed to buy for \$85 million.
DONG Energy	Energi E2 Removables Ibericas	Spain	265	Predominantly Wind	NM Rothschild & Sons, FIH	E.ON to buy for EUR722M (\$988.7 million).



# Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
DTE Energy	Crete Energy Venture	Crete, Ill.	304 (50%)	Gas	Lehman Brothers	Tenaska to acquire (see above).
	East China	East China, Mich.	320	Gas	N/A	Seller exploring options, including outright sale.
	River Rouge	Detroit, Mich.	240	Gas	N/A	On books at scrap value, decommissioned.
Electricite de France International unit Controladora del Golfo	Saltillo	Ramos Arizpe, Coahuila	248	Gas	JPMorgan Chase	Final bids were due July 14 (PFR, 6/25).
	Anahuac (RB2)	Valle Hermoso, Tamaulipas	495	Gas		
	Lomas de Real (RB3)	Valle Hermoso, Tamaulipas	495	Gas		
	Valle Hermoso (RB4)	Valle Hermoso, Tamaulipas	500	Gas		
	Electricidad Aguila de Altamira	Altamira	495 (51%)	Gas		
Entergy Corp.	Gasoducto del Rio	54 km pipeline	330,000M Btu/D			
	50% stake in Top	Worth County, Iowa	40	Wind	New Harbor	Seller wants about \$500 million for the assets. Bidders shortlisted to four players: two financial; two infrastructure (PFR, 6/18).
	Deer Wind Ventures	Carsen County, Texas	40			
	RS Cogen	Lake Charles, La.	212	Gas		
	Roy S. Nelson	Westlake, La.	60	Gas/Oil		
	Warren Power	Vicksburg, Miss.	225	Gas		
	Harrison	Marshall, Texas	335	Gas		
	Independence	Newark, Ark.	121	Coal		
	Robert Ritchie	Helena, Ark.	544	Gas/Oil		
	Offtake Contract	Sam Rayburn Power Agency	50-80			
Fluor	Greater Gabbard	Thames Estuary, U.K.	500	Wind	RBC Capital Markets	Specs went out in late Aug. for Fluor's 40% stake (PFR, 8/20). Co-owned by Airtricity.
Foresight Wind Energy	Various	Arizona, New Mexico	2 GW pipeline	Wind	CP Energy	Two bidders in the running (PFR, 6/25).
General Electric	Baglan Bay	Port Talbot, Wales	510	Gas	Lexicon Partners	GE deferred sale until next year.
Globeleq	Emerging market portfolio	Asia, Africa, Americas	2,082	Mixed	Lehman Brothers	Americas assets to be sold to D.S. Constructions and Israel Corp. Asia and Africa assets to be sold to Tanjong Energy Holdings and Aljomaih in \$1 billion deal.
Goldman Sachs (Cogentrix Energy)	Indiantown	Martin County, Fla.	355	Coal	Goldman Sachs	Energy Investors Funds agreed to buy portfolio through United States Power III affiliate (PFR, 9/19).
	Logan	Logan Township, N.J.	218	Coal		
	Cottage Grove	Cottage Grove, Minn.	245 (35%)	Gas/Oil		
	Whitewater	Whitewater, Wis.	236.5 (35%)	Gas/Oil		
	Scrubgrass	Venango County, Pa.	85 (50%)	Coal/Waste		
	Selkirk	Selkirk, N.Y.	345 (47.2%)	Gas		
	Northampton	Northampton County, Pa.	112 (80%)	Coal/Waste		
	Quachita	Sterlington, La.	804 (80%)	Gas		
	Carneys Point	Carneys Point, N.J.	262 (60%)	Coal		
	Richmond	Richmond, Va.	209 (80%)	Coal		
	Rocky Mount	Rocky Mount, N.C.	118 (80%)	Coal		
	Morgantown	Morgantown, Va.	60 (15%)	Coal/Waste		
	Plains End I, II	Golden, Colo.	182 (80%)	Gas		
	Rathdrum	Rathdrum, Idaho	275	Gas		
La Compagnie du Vent	Various	France	98 MW installed	Wind	Calyon	Preliminary bids were taken August 10 (PFR, 8/20).
Landfill Energy Systems	Various	Various	80	Landfill gas	Ewing Bemiss	Final bids taken July 25. Macquarie Power and Infrastructure Income Fund tipped to have won (PFR, 8/10).
LS Power	Bosque	Laguna Park, Texas	805 (570)	Gas	N/A	In second round (PFR, 9/19). GE Energy Financial Services acquired with a \$160 million loan from WestLB. (PFR, 7/16). To be acquired by CMS Energy for \$517 million.
	Shady Hills	Shady Hills, Fla.	477	Gas/Oil	N/A	
Mirant Corp.	Zeeland	Zeeland, Mich.	946	Gas	N/A	JP Morgan took first-round bids June 12 from bidders including US Power Generating Co. (PFR 4/5).
	Diverse U.S. assets	PJM, NEPOOL, Calif.	10,650	Various	JPMorgan	
National Grid	Ravenswood Station	Queens, N.Y.	2,450	Gas	N/A	Auditioning banks to run auction (PFR, 9/17).
Noble Environmental Power	Various	NY, Mich.	385	Wind	Goldman Sachs	First round bids reportedly taken August 13 (PFR, 8/21).
PSEG Global	Electroandes	Andean region, Peru	180	Hydro	JPMorgan Citigroup	Statkraft Power Invest to buy for circa \$390 million.
	Chilquinta Energia (50%)	Chile				
	Luz del Sur (38%)	Peru				
Reliant Energy	Channelview	Lyondell, Texas	830	Gas	Houlihan LoKey	Filed for bankruptcy protection Aug. 21.
Ridgeline Energy	Various	Idaho, Oregon, Washington	3,700 in development	Wind	Marathon Capital	Believed to be in advanced stages.
Temasek Holdings	PowerSeraya	Singapore	3,100	Gas	Credit Suisse, Morgan Stanley	Teasers to go out in September (PFR, 6/25).
	Senoko Power		3,300	Oil		
	Tuas Power		2,670	Steam		
TransAlta	Western Canada, Ontario	Diverse U.S.	404	Gas, Coal	BMO Capital Markets	In second round.
Trinergy	Various	Italy, Germany, Ireland, U.K. Spain	648	Wind	RBC Capital Markets	International Power agreed to buy portfolio for EUR \$1.8 billion (\$2.5 billion).
Tyche Power Partners	Brooklyn Navy Yard	Brooklyn, N.Y.	286	Gas Cogen	Credit Suisse	Status unclear.
UPC Wind	Various	North America	3GW in development	Wind	JPMorgan	UPC reportedly shopping itself (PFR, 6/8).
Waterbury Generation	Waterbury Generation	Waterbury, Conn.	96	Gas	N/A	Energy Capital Partners in negotiations to buy development rights (PFR, 8/29)
Wheelabrator Technologies	Shasta	Anderson, Calif.	49	Biomass	ABN Amro	Seller evaluating strategic options, including a sale (PFR, 7/23)

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## PSEG Backs Garden State Bid To Promote Solar

**Public Service Enterprise Group** sponsored a series of public hearings last week in Newark and Burlington, N.J., in an effort to gain support for a move to set aside \$100 million over two years to fund the installation of solar systems on private, professional and government buildings.

The utility is seeking approval of the proposal, spurred by a state Board of Public Utilities Sept. 12 vote to change the current system of giving government rebates to solar investors to one that offers solar renewable energy certificates. "We will provide backing for the [Solar Renewable Energy Certificates]. We've set a floor price of \$475 per SREC, which will reduce the cost of expanding solar energy in New Jersey. This reduction of risk encourages entry into the market," says **Suzanna Chiu**, director of marketing for PSEG in Newark. **Michael Winka**, director of the BPU's office of clean energy in Trenton, N.J., did not return calls.

The BPU issued a state renewable portfolio standard decision in April last year requiring that 22.5% of New Jersey's electricity come from renewable sources by 2020, of which 2% would be solar. According to PSEG data, less than 0.04% is now produced

by solar power. "We hope our proposal will inject some confidence into the market and help the state meet its renewable portfolio target," says Chiu.

## Calif. Solar Developer Lands Project Financier

**Mark Fillinger** has joined Hayward, Calif., solar developer **OptiSolar** as a project finance director in the business development group. Fillinger came from **PowerLight**, a subsidiary of **SunPower**, where he was director of structured finance. Before that he was a finance specialist at the California Power Authority and director of origination at **Enron**.

OptiSolar builds, owns and operates solar photovoltaic facilities. Its subsidiary **OptiSolar Farms Canada** recently landed a deal to build a 40 MW unit in Sarnia, Ontario, which would be the nation's largest. It also has 20 MW units in the works in Petrolia and Tilbury, Ontario. OptiSolar has not announced any plans for the U.S. yet, but is in negotiations with the Kern County Planning Commission in California to build a research and design facility for solar energy on 20 acres in Willow Springs, Calif.

## CROSS HUDSON

*(continued from page 1)*

Four firms are in the running to win the advisor mandate, says **Phillip Gennarelli**, president of Cavallo in Linden, N.J. He declined to identify them, but said one will be selected this month. A formal RFP for debt has not yet gone out. "There is not a dog and pony show yet with the lenders," he says, adding that when it comes to deciding, those with experience financing similar projects will win out.

Financings have been completed for U.S. underwater lines before: **Hydro-Québec's** 24-mile **Cross Sound Cable** connecting New Haven, Conn., with Shoreham, L.I., now owned by **Babcock & Brown Infrastructure**, and the 65-mile **Neptune Regional Transmission System**, owned by **Starwood Energy Investors**, **Energy Investors Funds** and developer **Atlantic Energy Partners** (PFR, 6/24/05). Gennarelli would not disclose the estimated cost of Cross Hudson and **Christine Bowen**, director of external relations at Allco in Sydney, declined to comment.

Cross Hudson's parent, **CCH Holdings Corp.**, bought the development rights to the project last December from **PSEG Power**, a unit of **Public Service Enterprise Group**, and had planned to start construction this quarter. But a competing eight-mile line proposed by **Hudson Transmission Partners**, backed by Neptune's owners, filed a complaint with the **Federal Energy Regulatory Commission**, prompting NYISO

to remove Cross Hudson from the interconnection queue for Class Year 2006. "We don't view it as competition. Our aim was to clarify the process. NYISO had an obligation to remove it [once PSEG discontinued development] and anything that happens after that is irrelevant," says **Chris Hocker**, v.p. of planning for HTP in Fairfield, Conn., which has not yet secured permits. CCH is now seeking a reversal of that order and restoration of the project's placement, with a view to completing in late 2009. A decision from FERC is expected within the next 60 days. In a worst-case scenario, the project would be delayed by a year.

Bergen, a combined-cycle plant owned by PSEG, runs on natural gas but can switch to type-two fuel oil when the price of natural gas spikes. "Capacity doesn't come in and out of the market frequently, so bringing 550 MW in will change the price curves on the demand side," says **Tony Borden**, president of CCH. Borden was v.p. and general counsel at PSEG Power, which iced Cross Hudson when its parent entered merger discussions with **Exelon Corp.** CCH is negotiating with undisclosed counterparties for a contract and has obtained both federal permits and the Article VII Certificate granted by the New York Public Service Commission, as well as waterway approval from the U.S. **Army Corps of Engineers**. A fixed-priced EPC contract was signed with **Kiewit Corp.** Jan. 24, but may need to be revisited because of the delays.

—*Katy Burne*



## DEVELOPER NEARS

(continued from page 1)

Istanbul, and officials at WestLB and the IFC were not returned by press time. **Cern Mengi**, a spokesman from Akbank declined to comment, citing a confidentiality agreement. It could not be learned if the deal is being funded in local currency or dollars.

Separately, WestLB is leading construction financing for a 25 MW geothermal facility being built at the site of the Germencik geothermal reservoir at Aydin in Turkey, sponsored by the local **Guris Construction and Engineering Co.** Calls to **Musfik Yamanturk**, Guris general manager in Ankara, were not returned. "There is a real need for more power in Turkey, and therefore the country is pretty ripe for project financing right now," says one banker. **Moody's Investors Service's** sovereign credit rating for Turkey is Ba3. —**Mark Bonamo**

## CREDIT SUISSE

(continued from page 1)

be pitched at 300 basis points over LIBOR on the opco portion, with a 1% original issuer discount, and 900 over LIBOR on the holdco, with 2% offered upfront. The opco piece has no call premium. The holdco is non-callable for two years, after which it is pre-payable in each subsequent year at 103, 102, 101 and par.

Commercial banks are only invited to commit to the opco portion, rated Ba3 by **Moody's Investors Service**. Institutions will be able to commit to the opco and the holdco, but the deal will be sold to them as a pro-rata strip, meaning they have to play in both pieces.

The recap will fund a distribution to Liberty's owner, **Strategic Value Partners**, which sought to sell the plant late last year via **JPMorgan** before deciding the offers it received did not meet its expectations (PFR, 3/16). **Victor Semanthe**, a principal at SVP in Greenwich, Conn., could not be reached for comment, and officials at Credit Suisse declined comment. —**K.B.**

## ORMAT OFFICIAL

(continued from page 1)

will be a series of acquisitions," says **Ted Brandt**, ceo of Marathon. "Hezy has had a spectacular run at Ormat but he has clearly got to the point in his life where he wants to run his own show." Details of any existing deals and projects in the pipeline could not be learned and Ram declined to comment.

Ram grew Ormat's North American portfolio from zero to 400 MW in the last five years. During his 25-year tenure, he originated all its acquisitions, including the purchase of 72 MW Heber I and II in Imperial County, Calif., and 29 MW Mammoth in Mammoth Lakes, Calif., from **Covanta Energy** in Dec. 2003. Marathon represented Ormat in the \$214 million transaction. He

also led a series of debt and equity financings, leverage lease transactions and tax monetizations, the most recent of which closed June 7 with **Morgan Stanley** and **Lehman Brothers** for a 60 MW portfolio of facilities—10 MW Desert Peak II in Churchill County, Nev., and 10 MW Steamboat Hills and 40 MW Galena II and III in Washoe County, Nev.

Calls to **Yoram Bronicki**, who on Sept. 20 was appointed president of Ormat after previously serving as coo, were not returned. Ormat, a subsidiary of Israel's **Ormat Industries**, went public in Nov. 2004 at \$15 per share and is now trading around \$44. —**K.B.**

## Alternating Current



Pearl River Tower

Power generation would go the way of the dodo if architectural designs by **Skidmore, Owings & Merrill** catch on. The firm's 71-story, Pearl River Tower in Guangzhou, China—the future headquarters of **China National Tobacco**—will reportedly be China's first net-zero-energy skyscraper.

The building is something of a P.R. stunt for China, often lambasted for the extent of its carbon emissions. Rumor has it government officials are planning to halt power production in advance of next year's Olympics in Beijing to clear the air for athletes and tourists.

Designs for Pearl River Tower include numerous innovative features including wind turbines and photovoltaic solar panels integrated into the façade and rainwater collection facilities to save water.

## Quote Of The Week

*"We felt very strongly that [California's NP15 and SP15 markets] did not reflect utilities' avoided costs—in fact our position is they only reflect 5% of the power in the state."* —**Jerry Bloom**, general counsel at the **California Cogen Council**, about why California's Public Utility Commission decided to reverse its stance in favor of IPPs on how qualifying facilities are paid for power (see story, page 4).

## One Year Ago In Power Finance & Risk

Owners of 500 MW gas-fired Astoria Energy in Queens, N.Y., including developer **SCS Energy**, **SNC-Lavalin Generation**, **Energy Investors Funds** and **CDP Capital-Americas**, were fielding offers for the \$1 billion plant. [No formal auction is under way but **SUEZ Energy Development**, a unit of **SUEZ Energy North America**, is in the process of acquiring a 30.5% stake from SCS (PFR, 9/21).]