

Power Finance & Risk

Exclusive Insight on Power M&A and Project Financing

By the publisher of GlobalCapital

● MERGERS & ACQUISITIONS

● PROJECT FINANCE

● STRATEGIES

EDF to Acquire 50% Stake in Solar Developer

EDF Renewables North America

is acquiring a 50% stake in New York-based **EnterSolar**.

Page 7

ConEd Refis Wind Portfolio with Bond Offering

ConEdison Development has refinanced a contracted 180 MW portfolio with a project bond.

Page 9

Clearway Taps UBS for Carlsbad Fundraiser

The yieldco formerly known as **NRG Yield** has hired **UBS** for a capital raise as part of its Carlsbad cash drive.

Page 12

Sempra Finds Buyer for Portion of U.S. Renewables

Richard Metcalf

Consolidated Edison has agreed to buy a 980 MW collection of renewables assets from **Sempra Energy**, including operational solar projects, development stage solar and battery storage projects and a single wind farm.

Consolidated Edison has agreed to purchase the portfolio for \$1.54 billion, subject to adjustments. The projects have a combined \$576 million of existing project debt.

ConEd intends to finance the

purchase with \$715 million of equity and \$825 million of long-term non-recourse debt. **Citi** is advising the buyer and is providing bridge financing. **CCA Group** is also financial adviser to the buyer, with **Troutman Sanders** acting as legal counsel.

Credit Suisse, **JP Morgan** and **Lazard**, meanwhile, are advising Sempra on the sale, which is part of a larger effort to jettison renewables that the company is describing as a “multi-phase, portfolio-optimization initiative”. **Latham & Watkins** is the company’s legal

adviser.

Still on the block are the rest of Sempra’s U.S. wind facilities and a selection of U.S. mid-stream natural gas assets.

The sale process is partly a response to agitation by activist hedge fund investors **Elliott Management Corp.** and **Bluescape Resources Co.**, which believe that Sempra would be more attractive to investors as a pure-play utility holding company (PFR, 6/28).

ConEd and Sempra expect to close on the deal by the end of the year. ■

Starwood Property Trust Move “Opens Doors” for Ex-EFS Team

Richard Metcalf

Having completed its move from **GE Energy Financial Services** to a new home at Starwood Property Trust, **Denise Persau**’s project finance team is looking forward to having a broader mandate, potentially investing up and down the capital structure and in non-energy infrastructure.

The 20-strong debt group—whose role was to provide financing for projects incorporating **General Electric** technology when it was part of **GE Capital**—is expected to focus on deals that fall between the comfort zones of conservative commercial banks on the one hand and high-return credit funds on the other.

“Highly-contracted, low-margin renewables deals are not going to be our core,” Persau tells PFR. “We’ll be more in the quasi-merchant and structured energy deals including midstream. Our mandate has been

PAGE 11 »

Project (stake if less than 100%)	Type	Size	Net	Location	Offtaker
Mesquite Solar 1 (50%)	Solar	150 MW	75 MW	Arizona	Pacific Gas & Electric
Mesquite Solar 2	Solar	100 MW	100 MW	Arizona	Southern California Edison
Mesquite Solar 3	Solar	150 MW	150 MW	Arizona	Western Area Power Administration
Copper Mountain Solar 1	Solar	58 MW	58 MW	Nevada	Pacific Gas & Electric
Copper Mountain Solar 2 (50%)	Solar	150 MW	75 MW	Nevada	Pacific Gas & Electric
Copper Mountain Solar 3 (50%)	Solar	250 MW	125 MW	Nevada	Southern California Public Power Authority
Copper Mountain Solar 4	Solar	94 MW	94 MW	Nevada	Southern California Edison
Great Valley Solar	Solar	200 MW	200 MW	California	Southern California Edison (20 MW), Pacific Gas & Electric (20 MW), Sacramento Municipal Utility District (60 MW), Marin Clean Energy (100 MW)
Alpaugh (50%)	Solar	70 MW	35 MW	California	Pacific Gas & Electric
Corcoran I (50%)	Solar	20 MW	10 MW	California	Pacific Gas & Electric
White River 1 (50%)	Solar	20 MW	10 MW	California	Pacific Gas & Electric
Broken Bow II (50%)	Wind	75 MW	38 MW	Nebraska	Nebraska Public Power District
Development-stage Projects	Solar, Battery				



● IN THIS ISSUE

MERGERS & ACQUISITIONS

- 5 | Duke Eyes Sale of Renewables Stake
- 5 | Hedgie Snaps Up Nevada PV Assets
- 5 | Skyline Back for More Texas Wind
- 6 | Navajo Station Buyer Backs Out
- 6 | Atlantic Power Bags Biomass Pair
- 7 | EDF Snags 50% Solar Developer Stake
- 7 | Dominion Inks "Non-core" Sales
- 7 | Alabama Solar Owners Reshuffled
- 8 | sPower Draws on Bond for Idaho Buy

PROJECT FINANCE

- 8 | Seven See Fees for sPower Bond
- 8 | Fuel Cell Co. Clinches \$100 M
- 9 | ConEd Refis Wind Portfolio
- 9 | Terra-Gen Lines Up "CalTex" Deal

- 10 | PPA Pulse
- 10 | NASCAR's Habul Circles Tax Equity
- 10 | East West Leads on Solar Loan
- 11 | Fengate Finances Canada Cogen

STRATEGIES

- 12 | Clearway Taps UBS for Equity Raise

PEOPLE & FIRMS

- 12 | SocGen Adds Two
- 12 | Barings Bolsters Infra Team

DEPARTMENTS

- 3 | Generation Auction & Sale Calendar
- 4 | Project Finance Deal Book

● MERGERS & ACQUISITIONS

Korean Firms to Snap Up SunPower Project

Two Korean companies have been granted approval to acquire a solar project in Nevada from **SunPower Corp.**, through subsidiaries that focus on project development.

KOMIPO America, a subsidiary of **Korea Electric Power Corp.**, and **174 Power Global**, which is part of **Hanwha Group**, will take joint ownership of the development-stage Boulder Solar III project in Clark County in a transaction that was given the green light by the U.S. **Federal Energy Regulatory Commission** on Sept. 25.

174 Power Global will own 70% and KOMIPO 30% of the 125 MW project, which is the third and final phase in a 275 MW portfolio that KOMIPO has been involved with since 2011, when it bid successfully for the contract to develop and finance the projects and operate and maintain them for 50 years (PFR, 11/3/11).

SunPower acquired the projects from KOMIPO in 2015.

The first of the three, Boulder I, is a 100 MW facility now co-owned by **Southern Power** and **New Energy Solar**, that has been online since December 2016. The 50 MW Boulder II project, meanwhile, is owned **AEP Renewables**.

Boulder I and II both have 20-year power purchase agreements with **NV Energy**.

KOMIPO is looking to contract Boulder III with either **Southern California Edison** or

NV Energy, according to its website. Commercial operations are expected by the fourth quarter of 2020.

KOMIPO's parent, **KEPCO**, closed its purchase of a 235 MW solar portfolio in California from **Recurrent Energy** in March (PFR, 7/10).

LIQUIDITY NEEDS

Representatives of SunPower in Austin and its legal advisors, **Akin Gump**, in Washington D.C., did not respond to an inquiry about the reason for the divestiture, though the San Jose, Calif.-based company has been transitioning from project developer to equipment supplier in recent times (PFR, 5/10).

Uncertainty around tariffs on solar equipment "indicate that [SunPower] may not have the liquid funds necessary to satisfy [its] estimated liquidity needs" within the next year, according to an Aug. 1 filing with the U.S. **Securities and Exchange Commission**.

To bolster its liquidity, SunPower sold its microinverter business to **Enphase** for \$25 million in cash and 7.5 million Enphase shares on June 12.

The company then signed a \$110.5 million, 25-year mezzanine loan from **Hannon Armstrong** on Aug. 10, to be repaid with revenue from SunPower's residential lease portfolio. The loan bears interest at 12%. ■

PFR Power Finance & Risk

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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 **Richard Metcalf**, editor, at (212) 224-3259 or richard.metcalf@powerfinancerisk.com

GENERATION AUCTION & SALE CALENDAR ●

These are the current live generation asset sales and auctions, according to Power Finance and Risk's database.

A full listing of completed sales for the last 10 years is available at <http://www.powerfinancerisk.com/AuctionSalesData.html>

Generation Sale ■ DATABASE

Seller	Assets	Location	Adviser	Status/Comment
174 Power Global	Techren I & II (300 MW Solar)	Clark County, Nev.		Hedge fund Centaurus Renewable Energy acquired the development-stage projects in August (see story, page 5).
BP Wind Energy North America	Portfolio (430 MW Wind)	Texas	BAML	Phoenix Wind Repower is in exclusive talks to buy the merchant projects (PFR, 9/10).
Centaurus Renewable Energy	LaFayette (72 MW Solar)	Chambers County, Ala.		Global Atlantic Financial Group is buying out its equity partner's remaining 50% stake (see story, page 7).
Clearway Energy Group	Kawailoa (49 MW Solar)	Haleiwa, Hawaii		Clearway is dropping its stake in the projects down into its yieldco, Clearway Energy (PFR, 9/24).
	Waipio (46 MW Solar)	Waiawa, Hawaii		
	Lanikuhana (14.7 MW Solar)	Millilani, Hawaii		
Cypress Creek Renewables	Brantley Farm (50.2 MW Solar)	Nash County, N.C.	No adviser used	John Laing Group has entered the U.S. solar market with the purchase of the solar project pair (PFR, 9/24).
	Fox Creek (57.5 MW Solar)	Franklin County, N.C.		
Dominion Energy	Portfolio (1,900 MW Gas, Hydro)	Pennsylvania, Rhode Island, Louisiana	JP Morgan, Citi	Starwood Energy is buying two CCGTs while an undisclosed buyer is taking 25% of a hydro project (see story, page 7).
EDF Renewables	Portfolio (40 MW Biomass)	South Carolina		Altantic Power is buying the two contracted plants for \$13 million (see story, page 6).
EDP Renewables	Meadow Lake VI (200 MW Wind)	Benton County, Ind.	CIBC	CIBC launched the sale of the contracted, development-stage assets in June (PFR, 8/27).
	Prairie Queen (200 MW Wind)	Allen County, Kan.		
	Sharp Hills (250 MW Wind)	Special Areas 3 & 4, Alberta		
	Nation Rise (100 MW Wind)	North Stormont, Ontario		
EnterSolar	Development Platform	U.S.	Marathon Capital	EDF Renewables North America is acquiring a 50% stake in the commercial solar developer (see story, page 7).
Eletrobras	Various Wind Assets (880 MW Net)	Brazil		An auction is scheduled for Sept. 27 (PFR, 8/27).
Invenergy	Portfolio (392 MW Wind)	Québec, Canada	In-house (buyer)	Boralex closed the \$215 million acquisition of Invenergy's stakes in the portfolio (PFR, 9/24).
Kinder Morgan	Canadian business (oil pipelines, storage)	Alberta and British Columbia, Canada	TD Securities	Kinder's sale of its Canadian business could fetch up to \$1.8 billion and marks the company's Canadian exit (PFR, 9/24).
Mainstream Renewable Power	Andes Portfolio (1.3 MW Wind, Solar)	Chile	KPMG London	The Irish developer is seeking an equity partner to build and operate its \$1.65 billion renewable portfolio in Chile (PFR, 9/17).
North American Power Group	Rio Bravo Fresno (28 MW Biomass, 50%)	Fresno, Calif.		NAPG is in talks with potential buyers of its 50% stakes in the projects (PFR, 8/27).
	Rio Bravo Rocklin (28 MW Biomass, 50%)	Lincoln, Calif.		
NRG Energy	NRG Yield	U.S.	BAML, Credit Suisse (buyer), Barclays, JP Morgan (seller)	Global Infrastructure Partners has closed its acquisition of the yieldco stake and the renewables development arm (PFR, 9/10).
Olympus Power	Llano Estacado (80 MW Wind)	Carson County, Texas		Mitsubishi Heavy Industries America is buying the 17-year old wind farm, which is a candidate for repowering (PFR, 9/24).
Rene Sola	Portfolio (13.3 MW Solar)	Minn.	No adviser used	Nautilus Solar has acquired the portfolio, which will be owned by its minority shareholder Virgo Investment Group (PFR, 9/24).
Renewable Energy Systems Americas	Hackberry (166 MW Wind)	Shackelford County, Texas		Skyline Renewables is buying the vintage project, including GE EFS's tax equity holdings (see story, page 5).
Salt River Project (42.9%), Others	Navajo Generating (2,250 MW Coal)	Arizona		Middle River Power III has dropped its bid to acquire the largest coal-fired plant in the western U.S. (see story, page 8).
Sempra Energy	Portfolio (980 MW Renewables)	U.S.	Citi, CCA Group (buyer), CS, JP Morgan, Lazard (seller)	Consolidated Edison has agreed to buy the assets for \$1.54 billion (see story, page 1).
Starwood Energy Global, Ares-EIF	Hudson Transmission Partners	New York	Goldman Sachs, PJ Solomon (sellers)	Combined stakes in the joint venture formed to operate the 660 MW Hudson Transmission Line are being sold to Argo (PFR, 9/24).
SunPower Corp.	Boulder III (125 MW Solar)	Clark County, Nev.		174 Power Global and KOMIPO America are buying the development-stage project (see story, page 2).
Unknown	750 MW (Solar plus Storage)	California		Swedish wind developer Eolus Vind has acquired the project, which includes a 250 MW battery component (PFR, 9/17).
York Capital Management	Idaho Solar 1 (40 MW Solar)	Kuana County, Idaho	Barclays (buyer)	sPower made its first operational project acquisition since being acquired by AES and AIMCo (see story, page 8).

● 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 Taryana Odayar at (212) 224 3258 or e-mail taryana.odayar@powerfinancerisk.com

PROJECT FINANCE

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

Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Deal Type	Loan Amount	Tenor	Notes
174 Power Global (Hanwha Q Cells)	Torreón-HQ 100 (101 MW Solar)	Coahuila, Mexico	Bancomext, KDB	Debt	\$74M	16-yr	The Bancomext tranche is 20 years long while KDB's debt has a 16-year tenor (PFR, 9/24).
Advanced Microgrid Solutions, Macquarie Capital	Electrodes (50 MW Battery Storage)	California	Macquarie Capital	Debt	\$75-100M	10-yr	Sponsors are putting together financing for the second tranche of the 50 MW portfolio (PFR, 9/24)
Ares-EIF	Hill Top Energy Center (620 MW Gas)	Greene County, Pa.		Debt			The sponsor is targeting the bank market with the aim of reaching financial close in the fourth quarter (PFR, 8/6).
Ares-EIF, Novi Energy	C4GT (1,060 MW Gas)	Charles City County, Va.	TBA	Debt, Equity	TBA	TBA	The shovel-ready project is in talks for debt and equity (PFR, 9/17).
Balico	Chickahominy (1,650 MW Gas)	Charles City County, Va.	TBA	Debt, Equity	TBA	TBA	A development team, formerly at Cogentrix, has hired a financial advisor to begin the equity raise (PFR, 8/20).
Bloom Energy	Portfolio (10 MW - 15 MW Fuel Cell)	U.S.	KeyBank	Debt	\$100M	TBA	Key Equipment Finance will fund C&I scale fuel cell deployment (see story, page 8).
Copenhagen Infrastructure Partners	Misae (240 MW Solar)	Childress County, Texas	CCA Group	Tax Equity	TBA		Sage has a 20-year PPA with Rocky Mountain Power while Misae has a hedge from a financial institution (PFR, 9/4).
	Sage (56 MW Solar)	Rich County, Utah					
Covanta Energy	Corporate	U.S.	Citizens, Crédit Agricole, JP Morgan, BAML, MUFG, SMBC	Term Loan	\$400M	5-yr	The refinancing package extended the facilities' maturities and was priced at 200 bp over Libor (PFR, 9/10).
				Revolving Credit Facility	\$900M	5-yr	
Cypress Creek Renewables	Buckleberry (52 MW Solar)	Pitt County, N.C.	Churchill Stateside Group	Tax Equity	TBA		The project is under construction (PFR, 8/27).
Dominion Energy	Cove Point (LNG Terminal)	Lusby, Md.	Mizuho, MUFG	Debt	\$3B	3-yr	Pricing is said to be tight, at 137.5 bp over Libor (PFR, 9/17).
EVM Energia, General Electric	Energia del Valle de Mexico II (626 MW Gas)	Mexico State, Mexico	BNP Paribas, Citi, SMBC	Term Loan	\$575M	9.3-yr	The hybrid financing for the \$753 million CCGT project is expected to close in September (PFR, 8/27).
				U.S. Private Placement		22.7-yr	
Fengate	Heartland (102 MW Gas)	Alberta	MUFG	Debt	\$771M	5-yr	Six banks arranged acquisition financing for Fengate's purchase of the co-gen from Inter Pipeline (see story, page 11).
FGE Power	Goodnight (500 MW Wind)	Armstrong County, Texas	Karbone	Tax Equity	TBA		The sponsor has already secured a cash equity commitment for the project from Fortistar (PFR, 5/29).
GCL New Energy	Portfolio (38.5 MW Solar)	Oregon	PNC Bank	Debt	TBA	TBA	The four project portfolio is contracted under 10-year PPAs with PacifiCorp. (PFR, 9/4).
GE EFS	Shady Hills (573 MW Gas)	Pasco County, Fla.	TBA	TBA	TBA	TBA	GE EFS is aiming to have all the permits in place and reach financial close in December (PFR, 5/21).
Invenery	St Clair (584 MW Gas)	Ontario	BayernLB, MUFG, Natixis, SMBC	Debt	\$211M	7-yr	The deal, which closed in June, extended the loan maturity by three years (PFR, 9/24)
Longview Power	Longview (700 MW Coal)	Maidsville, W.Va.	Houlihan Lokey (adviser)				Longview Power has hired Houlihan Lokey for a potential refinancing (PFR, 4/9).
Middle River Power III	Portfolio (523 MW Gas)	San Joaquin Valley, Calif.	MUFG	Debt	TBA	6-yr	The Avenue Capital Partners subsidiary is raising financing to fund its acquisition of three projects from AltaGas (PFR, 9/24)
Morgan Stanley Infrastructure Partners	Bayonne Energy Center (644 MW Gas)	Bayonne, N.J.	Crédit Agricole, ICBC, Investec, KEB Hana, Nomura	Mini-perm	\$500M	7-yr	The deal to finance MS Infrastructure's acquisition of the plant launched last week (PFR, 9/17).
NTE Energy	Reidsville (500 MW Gas)	North Carolina	Whitehall	Debt, Equity	\$650M	TBA	The City of Camden, S.C., signed a 20-year PPA with Reidsville, becoming its twelfth customer (see story, page 10).
OMERS Infrastructure Management	Leeward Renewable Energy (1.7 GW Wind)	U.S.	Wells Fargo (left), Crédit Agricole, Keybank, MUFG, Santander	Term Loan	\$335.6M	7-yr	The deal to refinance debt on 18 operating wind projects closed on Sept. 6 (PFR, 9/17).
				Letter of Credit	\$57.9M		
				Revolving Credit Facility	\$10M		
Southern Power (Southern Co.)	Portfolio (1.6 GW Wind)	Texas, Oklahoma, Maine	TBA	Tax Equity	-\$1B		The sponsor aims to raise tax equity on the portfolio by the end of the year (PFR, 6/4).
SunEnergy1	Holloman (80 MW Solar)	Hertford County, N.C.	U.S. Bank, Progressive Insurance	Tax Equity	\$87M		The \$200 million project has a virtual PPA with Fifth Third Bancorp (see story, page 10).
Sybac Solar	Middle Island (19.6 MW Solar)	Suffolk County, N.Y.	East West Bank	Debt	\$36M	TBA	The project has a 20-year PPA for 14.65 MW with PSEG Long Island (see story, page 10).
Terra-Gen	Portfolio (225 MW Wind)	California, Texas	BAML	Tax Equity	TBA		The parties have requested FERC approval of the deal by Nov. 21 (see story, page 9).
Venture Global	Calcasieu (LNG Terminal)	Cameron Parish, La.	Goldman Sachs, Morgan Stanley	Equity	TBA		An on-site 611 MW CCGT project to power the liquefiers is also planned (PFR, 9/17).

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MERGERS & ACQUISITIONS ●

Duke Energy Eyes Sale of Renewable Portfolio Stake

Duke Energy has hired an investment bank as it weighs the sale of a minority interest in its commercial renewables portfolio, which comprises 2,907 MW of utility-scale wind and solar generation as well as storage assets across 14 U.S. states.

The company appointed **Morgan Stanley** to formalize a sale process in response to widespread interest for the assets, a spokes-

person for Duke in Charlotte, N.C., tells *PFR*.

Duke would use the proceeds of any sale to “fund growth capital plans”, the spokesperson adds.

The utility holding company is planning to add as much as 800 MW of wind and solar generation to its fleet in the coming months, adding to its existing 21 wind projects and 63 solar projects.

One of the company’s competitive generation subsidiaries, **Duke Energy Renewables Solar**, was in exclusive talks with **7X Energy** regarding the potential purchase of the developer’s 35 MW (DC) Lapetus Energy Project in Andrews County, Texas, last month. **CohnReznick Capital** is running the sale process for 7X Energy (*PFR* 8/27, 5/23). ■

Hedge Fund Picks Up Southwest Solar Projects

Centaurus Renewable Energy has acquired a pair of utility-scale solar projects in Clark County, Nev., which are contracted with one utility and one non-utility off-taker.

Centaurus bought the 100 MW Techren I and 200 MW Techren II projects from **Hanwha Q-Cells** subsidiary **174 Power Global**, on Aug. 31, according to paperwork filed with the U.S. **Federal Ener-**

gy Regulatory Commission on Sept. 10.

Representatives of 174 in Irvine, Calif., and Centaurus in Houston did not respond to requests for comment.

Techren I is due to be online in November has a 20-year power purchase agreement with **NV Energy** starting at a base price of \$33.99/MWh, while Techren II has a 25-year offtake contract with

Apple priced at \$31.15/MWh and is set to begin commercial operations in the second quarter of 2019.

“They’re low power prices but on the other hand, those are good counterparties,” said a New York-based project financier. “I’d bank that credit.”

Apple’s credit ratings, at Aa1 from **Moody’s Investors Service** and AA+ from **S&P Global Ratings**, are stronger than those of

NV Energy, which has a Baa2 and A ratings from the same two agencies and a third BBB- grade from **Fitch Ratings**.

Launched by former **Enron Corp.** star gas trader **John Arnold** (*PFR*, 5/9/04), Centaurus is also in the process of offloading its stake in the 72 MW LaFayette solar project in Chambers County, Ala., to **Global Atlantic Financial Group** (see story, page 7). ■

Skyline Loads Up on Vintage Texas Wind

Skyline Renewables, the joint venture between Paris-based investment firm **Ardian Infrastructure** and **Transatlantic Power Holdings**, has agreed to buy another seasoned Texas wind farm from **Renewable Energy Systems Americas**.

The target this time, the 166 MW Hackberry Wind Farm in Shackelford County, has been online since 2008.

As with Skyline’s first acquisition from RES, that of the smaller, 60 MW Whirlwind Energy Center project in Floyd County, Texas, this deal also entails a clean-up of the project’s capital structure.

The transaction involves buying out **GE Energy Financial Services’** tax equity interests in Hackberry and restructuring the project’s debt.

Like the Whirlwind deal, it came about as a result of a bilateral negotiation between Skyline and RES, says **Martin Mugica**, Skyline’s ceo. “We went straight to the seller,” he says.

Ernst & Young advised Skyline on financing and tax due diligence while **Hogan Lovells** provided legal counsel.

RES developed the Hackberry project and financed it in 2007 on the basis of a 15-year power purchase agreement with the **City of Austin**.

“More megawatts will mean more people... My expectation is to have by the end of the year maybe one or two more acquisitions done.”

WestLB syndicated the project’s \$316.3 million financing package, with four institutional investors and four banks joining the deal (*PFR*, 4/1/08).

The project was fitted with 72 **Siemens** turbines and brought online the following year.

Skyline’s purchase of the Whirlwind project from RES earlier this year was its first step toward its target of amassing a 3 GW renewables portfolio within five years (*PFR*, 3/5), and it is staffing up as it strives to meet that goal.

“We have an aggressive plan of hiring people,” says Mugica. “More megawatts will mean more people [...] My expectation is to have by the end of the year maybe one or two more acquisitions done.”

One recent hire is **Brad Kallenberger**, who has joined the company as vice president of asset management having left **Avangrid Renewables**, where he held a similar role.

Ardian and Transatlantic Power formed the Skyline J.V. last year under the leadership of **Stefano Mion**, managing director at Ardian, and Mugica, who is the former president and ceo of **Iberdrola Renewables** and founder of Transatlantic Power.

Last month, former **Ares-EIF** partner **Mark Voccola** joined Ardian as managing director in New York to lead the firm’s infrastructure activities alongside Mion (*PFR*, 3/28). ■

● MERGERS & ACQUISITIONS

Middle River Backs Out of Navajo Station Purchase

Middle River Power III, the portfolio company of New York private equity firm and hedge fund manager **Avenue Capital Partners**, has dropped its bid to acquire the largest coal-fired plant in the western U.S., the 2,250 MW Navajo Generating Station in northeast Arizona.

"The steps required to facilitate our ownership and operation of the plant are no longer possible within the required timeframe and therefore we are terminating our efforts," a Middle River spokesperson in St. Louis tells *PFR*.

Peabody Energy, the country's largest publicly traded coal company, hired **Lazard Frères & Co.** last June to find a buyer for the plant to keep it operational after its existing owners scheduled it to retire by the end of 2019 (*PFR*, 5/1). The plant is supplied with coal from Peabody Energy's Kayenta mine, and is the mine's only customer.

Middle River Power's decision rests on "recent developments in both California and Arizona that will create additional challenges for baseload power plants" and the failure to secure counterparty commitments to purchase "a sufficient amount of power [...] to enable a workable operating paradigm," the spokesperson adds.

On Sept. 10, California's Gov. **Jerry**

Brown (D) signed a bill making it the first state to set a goal of 100% renewable energy by 2045 and in Arizona, a vote is scheduled for November on a standard which would require regulated utilities to source at least 50% of their generation from renewables by 2030.

Delays in discussions over power purchase agreements for the project, mean-

"The steps required to facilitate our ownership and operation of the plant are no longer possible within the required timeframe."

while, made the time frame for the acquisition "virtually unworkable," given the time-consuming Environmental Impact Statement process, officials at Middle River Power and its private equity sponsor explained to members of the **Navajo Nation** in a letter on Sept. 20.

The Navajo plant sells its output to the **Central Arizona Water Conservation District**, which wants to replace it with cheaper renewable generation.

"We continue to believe a viable economic profile for the plant is possible beyond 2019," said **Joe Greco**, senior vice president at Middle River Power and **Craig Hart**, portfolio manager at Avenue Capital Group, in the letter.

If the plant were to remain operational, it could be seen as a sign of success in the **Trump** administration's efforts to sustain the coal industry. U.S. Secretary of the Interior **Ryan Zinke** has made personal appeals to keep the plant online.

The plant is partly owned by a federal agency, the **U.S. Bureau of Reclamation**, which has a 24.3% stake. It is also owned and operated by the **Salt River Project** with a 42.9% stake; the **Arizona Public Service Co.** with 14%, **Nevada Power** with 11.3%; and **Tucson Electric Power**, which owns the remaining 7.5%.

Peabody Energy called on multiple stakeholder groups to take all steps necessary to ensure the continued operation of the Navajo plant and Kayenta mine in a statement on Sept. 20.

"We urge the U.S. government to help lead efforts to ensure ongoing operation of the plant and mine for the benefit of the tribes and the people of Arizona," said **Kemal Williamson**, Peabody's Americas president. ■

Atlantic Power to Purchase Palmetto State Biomass Pair

Atlantic Power Corp. is acquiring two contracted biomass plants in South Carolina, marking its second growth investment after a three-year long business restructuring.

The independent power producer is acquiring the biomass pair from **EDF Renewables** for \$13 million.

The projects, the Allendale plant in Allendale and the Dorchester plant in Harleyville, both have a capacity of 20 MW and have been online since 2013. Their fuel comes primarily from

mill and harvesting residues.

The plants have power purchase agreements through 2043 with state-owned electric and water utility **Santee Cooper**. Atlantic Power will operate them subject to negotiation of an agreement with EDF.

The transaction, which is not subject to regulatory approvals, is expected to close in the third or fourth quarter of 2019, following a restructuring of the plants' ownership by EDF after the end of relevant tax credit recapture periods.

Representatives of EDF and Atlantic Power either declined to comment or did not respond to inquiries pertaining to the use of advisers by press time.

Atlantic Power, whose 1,447 MW portfolio comprises stakes in 22 projects across nine U.S. states and two provinces in Canada, intends to fund the acquisition from discretionary cash.

The Boston-based company already owns 196 MW of biomass generation via 100% stakes in four biomass projects in the U.S. and Canada. They are

the 40 MW Cadillac project in Cadillac, Mich., the 55 MW Piedmont project in Barnesville, Ga., the 35 MW Calstock project in Hearst, Ontario and the 66 MW Williams Lake project in Williams Lake, British Columbia.

The company ended a three-year acquisition hiatus in July when it signed a deal to purchase a 50% stake in the 13.3 MW Koma Kulshan hydro project, located on the slopes of Mt. Baker, an active volcano north of Seattle, for \$11.8 million (*PFR* 7/3). ■

MERGERS & ACQUISITIONS ●

EDF to Acquire 50% Stake in Solar Developer

EDF Renewables North America is acquiring a 50% stake in a New York-headquartered commercial solar developer.

EnterSolar, a developer of behind-the-meter solar projects, is selling half of its interest to EDF as the two companies form a strategic partnership, enabling **EDF Renewables Distributed Solutions** and EnterSolar to offer behind-the-meter services to commercial and industrial customers.

The deal emerged from a process run for EnterSolar by **Marathon Capital's Terry Grant**, says **Paul Ahern**, president of EnterSolar.

"EDF Renewables and EnterSolar both recognized the natural complement of their organizations," Ahern adds, while declining to disclose the purchase price for the 50% stake.

As part of the agreement, EDF will provide growth capital and additional project financing capabilities to EnterSolar.

Growing demand for distributed generation solutions from the C&I sector has largely been driven by falling prices. The cost of installing solar has dropped by over 70% since 2010, with prices in the second quarter of 2018 at or near their lowest historical level across all market seg-

ments, according to research published by the **Solar Energy Industries Association**.

EDF recently agreed to sell a pair of contracted biomass projects in South Carolina to **Atlantic Power Corp.**, a deal which is expected to net the company \$13 million (PFR, 9/24).

Together with co-developer **Fishermen's Energy**, EDF also recently submitted an application for an offshore wind project called Nautilus to the **New Jersey Board of Public Utilities**, in a joint bid to finance and build the first offshore wind project in the state (PFR, 9/18). ■

Dominion Signs Generation Asset Sales

Dominion Energy has reached agreements with two buyers for the sales of three generation assets located in Pennsylvania, Rhode Island and Louisiana for a combined \$1.32 billion.

The sales, in the form of two separate transactions, are expected to close by the end of the year.

In one of the deals, Dominion is selling the 1,240 MW gas-fired, combined-cycle Fairless Power Station in Fairless Hills, Pa., and the 468 MW gas-fired, combined-cycle Manchester Street Power Station in Manchester, R.I., to **Starwood Energy** for about \$1.23 billion, not including working capital.

The deal is subject to the approval of the U.S. **Federal Energy Regulatory Commission** and **Hart-Scott-Rodino** antitrust clearance.

Dominion launched the sale process for the Fairless and Manchester Street assets on June 5, *PFR* reported in July, noting that **JP Morgan** was running the auction (PFR, 7/18). **Citi** is also advising Dominion

on the transaction, according to an announcement from the seller.

In the other deal, Dominion is selling its 25% stake in a partnership that owns 192 MW Sidney A. Murray Jr. hydro project in Vidalia, La., to an undisclosed buyer for approximately \$90 million.

Brookfield Asset Management owns the other 75% stake in the partnership, known as **Catalyst Old River Hydroelectric**, according to a FERC filing dated Nov. 15, 2017.

The identity of the buyer could not be immediately learned. Inquiries to officials at Dominion in Richmond and Brookfield in Toronto were not addressed by press time.

Law firm **McGuireWoods** is advising Dominion on the divestitures and **King & Spalding** is advising Starwood.

SHRINKING DEBT PILE

Dominion will use the proceeds of the sales to reduce its debt pile. The sale prices are above the midpoint of the company's

previously issued guidance range of \$1 billion to \$1.5 billion.

"These actions demonstrate our commitment to the company's credit profile and represent the successful completion of the credit improvement initiatives that we announced in March," said **Thomas F. Farrell II**, ceo of Dominion, in a statement.

The company is still evaluating its 50% stake in the **Blue Racer Midstream** joint venture, citing strong third-party interest. Dominion co-owns the midstream energy service provider with **Caiman Energy**. ■

GAFG to Consolidate Alabama Solar Stake

Goldman Sachs-backed insurer **Global Atlantic Financial Group** is increasing its ownership in an Alabama solar farm.

The insurance company has filed for U.S. **Federal Energy Regulatory Commission** approval to buy out its equity partners' interests in the 72 MW LaFayette project in Chambers County.

In a repeat of a similar

deal from a year ago (PFR, 9/28/17), Houston-based hedge fund **Centaurus Renewable Energy** will sell all the non-tax equity interests, giving Global Atlantic full control.

Centaurus bought the \$140 million project from Miami-based **Origis Energy** last September.

U.S. Bank provided a \$68 million tax equity investment

last October and the project has a 28-year power purchase agreement with **Alabama Power**.

Walmart agreed to buy the project's renewable energy certificates in 2016 (PFR, 6/21/16).

Developer-operator **Clenora** is the operations and maintenance contractor for the facility, which came online last December. ■

● MERGERS & ACQUISITIONS

sPower Funds Acquisition with Delayed Draw on Private Placement

Utah-based renewables company **sPower** made a delayed draw on its recent privately placed project bond to finance its first operational project acquisition since it was acquired by **AES Corp.** and **Alberta Investment Management Corp.**

The developer and independent power producer acquired a 51% stake in the 40 MW Idaho Solar 1 project in Kuana County, Idaho, from **Carolina Energy Partners II**, which is held by funds managed by **York Capital Management Global Advisors**.

The project has been online since 2016 and sells its output to **Idaho Power Company** under

a 20-year power purchase agreement. It will be operated by **sPower Services**.

"The ability to finance this purchase with proceeds from a delayed draw on our recent bond issuance was a key competitive advantage," said **Brian Callaway**, sPower's director of structured finance and M&A at sPower, in a statement.

sPower closed its \$498.7 million private placement debt financing of a portfolio of projects in California and Idaho, representing about half of the renewable developer's 1.3 GW operating portfolio, at the end of July (PFR, 8/6). **Citi** was the lead placement agent on the deal.

Law firm **Stoel Rives** advised sPower on the acquisition of the Idaho Solar 1 stake, according to

"The ability to finance this purchase with proceeds from a delayed draw on our recent bond issuance was a key competitive advantage"

paperwork filed with the U.S. **Federal Energy Regulatory Com-**

mission dated Sept. 21. A spokesperson for sPower in Salt Lake City declined to comment on further transaction details.

The company intends to pursue further acquisitions of both wind and solar projects at all stages of development as well as in operation.

AES and AIMCo. acquired sPower for \$1.58 billion from private equity firm **Fir Tree Partners** a year ago (PFR, 8/3).

The two buyers mandated **Barclays** earlier this year to sell a portion of the sPower portfolio, which comprises mostly operational solar assets spread across 11 states (PFR, 6/15). ■

Seven Banks Net Fees on sPower Private Placement

Six of sPower's relationship lenders earned fees as co-placement agents on the company's recent \$498.7 million privately placed bond offering besides the lead placement agent, structuring agent and ratings adviser, **Citi**.

The fully-amortizing 23.5-year bond, which has a weighted average life of 13.8 years, was "significantly oversubscribed", according to an sPower announcement.

"Our first issuance was an achievement, but this second deal cements sPower's ability to execute consistently and at the highest level in the institutional debt markets," said **Ryan Creamer**, sPower's ceo, in a statement. "We are grateful to have financing counterparties and partners that continue to 'be there' to support sPower's growth."

Passive bookrunner roles on capital markets transactions are typically assigned to

lending banks that have previously underwritten revolving credit facilities at an attractive margin for the borrower, private placement bankers tell *PFR*.

CIBC, Crédit Agricole, KeyBank, Rabobank, Société Générale and **Wells Fargo** were the co-placement agents on the private placement. ■

For more detail, see our story online at www.powerfinancerisk.com

Fuel Cell Co. Clinches \$100 Million in Project Financing

Sunnyvale, Calif.-based fuel cell maker **Bloom Energy** has received \$100 million in project financing from the equipment finance division of a U.S. bank.

The debt, provided by **KeyBank's Key Equipment Finance**, will fund between 10 MW and 15 MW of commercial and industrial-scale fuel cell deployments across the U.S.

Bloom develops onsite energy servers for its customers that generate electricity from natural

gas or biogas using solid oxide fuel cell technology.

Some of its largest servers have been deployed at **Equinix, AT&T, The Home Depot, The Wonderful Co., Caltech, Kaiser Permanente** and **Delmarva Power** sites (PFR, 6/5/13, 6/22/12, 5/25/12).

The financing from Key is intended to make shorter-term deal structures possible for customers who may be unwilling or unable to sign long-term con-

tracts.

Headquartered outside Denver, Key Equipment Finance manages nearly \$13 billion in assets and originates nearly \$6 billion of equipment financing annually.

Bloom and KeyBank began their commercial relationship in 2014 with a \$100 million commitment for lease financing. The bank has steadily increased its investment since then, providing lease financing totaling over \$300 million for about 70 Bloom

Energy fuel cell projects, besides a \$30 million investment in Bloom's power purchase agreement program.

Most recently, Key's investment banking division, **KeyBanc Capital Markets**, was one of five bookrunners on Bloom Energy's initial public offering on the **New York Stock Exchange** in July (PFR, 7/25). **JP Morgan** and **Morgan Stanley** were joint lead bookrunners on the IPO. ■

PROJECT FINANCE ●

ConEd Refis Contracted Wind Portfolio with Bond Offering

ConEd Development refinanced a portfolio of five contracted wind projects totaling 180 MW with a project bond last week.

MUFG and **KeyBank** were co-leads on the \$140 million, 10-year bond offering for the wind assets, which are located in South Dakota and Montana.

The bond deal, priced with a 4.41% coupon, closed on Sept. 25. The yield on 10-year U.S. Treasuries was around 3.05% on Sept. 27.

Three of the wind projects are operational and two are under construction.

The operational assets are:

- the 95 MW Campbell County project in Pollock, S.D., which is contracted with **Basin Electric Power Cooperative** under a 30-year power purchase agreement,

- the 19.5 MW Oak Tree facility in Clark County, S.D., which has a 20-year PPA with **North-Western Energy**, and

- the 25 MW Big Timber project in Sweet Grass County, Mont., which has a 25-year PPA, also with NorthWestern.

ConEd acquired the Campbell County project from a consortium of developers under a deal signed in 2015 (PFR, 7/13/15) several months after it secured the NorthWestern PPA for the Oak Tree project (PFR, 1/9/15).

More recently, in 2017, ConEd purchased the Big Timber project from **BayWa r.e. Wind**. Big Timber's PPA is priced at \$45.49/MWh and the project has been online since the beginning of the year (PFR, 11/10/17).

The two construction-stage projects in the bundle, mean-

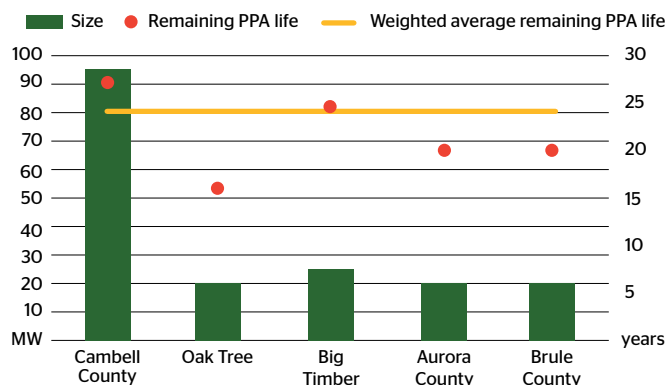
while, are the 20 MW Aurora County and 20 MW Brule County wind farms—both in South Dakota—that are due to begin service this November under 20-year NorthWestern Energy contracts.

ConEd came to own the two projects through its acquisi-

tion of Minnesota-based wind developer **Juhl Energy**'s development pipeline early last year (PFR, 1/20/17).

Spokespeople for ConEd Development, MUFG and KeyBank in New York either declined to comment or did not respond to inquiries. ■

ConEd Project Bond Wind Portfolio



Sponsor Looks to Greenlight Wind Tax Equity Deal

Terra-Gen has requested regulatory approval for the tax equity financing of a two-project wind generation portfolio.

Bank of America Merrill Lynch is the tax equity investor for the portfolio, dubbed **CalTex Holdings**, according to a filing with the U.S. **Federal Energy Regulatory Commission**.

Appropriately, CalTex comprises one project in California and one in Texas, namely the 193.5 MW Voyager II facility in Kern County, Calif., and the 32.7 MW Texas Big Spring unit in Howard County, Texas.

The parties have asked FERC to clear the transaction by Nov. 21.

The tax equity will take out, at least in part, a \$244.3 million debt package put together

by **Crédit Agricole**, **KeyBank Capital Markets** and **Commonwealth Bank of Australia**

earlier this year (PFR, 4/19).

Voyager II will sell 130 MW of its output to **Shell Energy**

North America and 42 MW to community choice aggregator **Marin Clean Energy** under 12-year power purchase agreements, with the remainder sold spot. Commercial operations for Voyager II are expected by the end of the year.

The transaction will benefit from MCE's recently awarded investment grade credit rating—Baa2 from **Moody's Investors Service**. Most CCAs are still unrated (PFR, 5/17).

Big Spring, on the other hand, is an old wind project that has been operational since 1999. It originally had a 15-year contract with **TXU Electric** (now a subsidiary of **Vistra Energy**) that included two five-year extension clauses, pushing its maturity out to 2024. ■



"We call it 'The CalTex'."

● PPA PULSE

Mississippi Solar— EDP Brazil— NTE Deal with City

Renewable Energy Systems Americas has signed a power purchase agreement for a 100 MW solar project in Mississippi.

The project, known as Delta's Edge, is located near Greenwood in Carroll County and is expected to be operational by 2022.

The offtaker is **Cooperative Energy**, which serves 11 distribution cooperatives.

Cooperative Energy is already purchasing solar generation from an **Origis Energy** project in the state—the 52 MW MS Solar 3 project near Sumrall in Lamar County.

Financed with cash equity from **Global Atlantic Financial Group** and tax equity from **Wells Fargo**, the MS Solar 3 project has been online since March (PFR, 3/2).

BRAZIL SOLAR

Following its success with two wind projects in the recent government-run power auction, **EDP Renewables** has signed a 15-year power purchase agreement for a 199 MW solar project in the country.

Through its Brazilian subsidiary, **EDP Renováveis Brasil**, the company will sell the output of its Pereira Barreto solar project in the state of São Paulo to an unidentified client starting in 2022.

"Brazil is a priority market, which is providing us with growth opportunities" said **Antônio Mexia**, chief executive officer of EDPR's parent company, **Energias de Portugal**, in a statement.

The solar PPA brings EDPR's long-term contracted capacity in the country, whether under construction or in development, up to 1 GW, with operations at the

solar project slated to begin by 2024.

In a Brazilian government-run auction earlier this month, the developer was awarded 20-year PPAs for two wind farms totaling 429 MW (PFR 09/18).

The 176 MW Jerusalem and 253 MW Monte Verde projects are expected to start commercial operations in 2024. Monte Verde is a joint venture between EDPR and **Gestamp** (PFR, 9/4).

CAROLINA CUSTOMER

A city in South Carolina has approved a 20-year power purchase agreement with **NTE Energy** that will support its gas-fired projects in the region.

The City of Camden will become the twelfth customer to sign up with NTE as a result of the deal, signed on Sept. 25.

NTE will supply the city with generation from its 475 MW Kings Mountain Energy Center gas-fired project in Cleveland County, S.C., which began operations in August, and the 500 MW Reidsville Energy Center gas-fired project that is under construction in Rockingham County, N.C., starting on Jan. 1, 2021.

The amount of capacity to be supplied under the PPA is "still to be determined based on the city's current and future energy needs," says a spokesperson for NTE in St. Augustine, Fla., via email.

Among NTE's other PPA customers are two other South Carolina municipalities—McCormick and Greenwood.

Besides Kings Mountain and Reidsville, the company is also developing the Fayetteville Solar Energy Center, a 30 MW facility in Cumberland County, N.C. ■

● PROJECT FINANCE

Insurer Teams Up with Bank for PJM Solar Tax Equity Deal

The developer of an 80 MW solar project in North Carolina has signed a tax equity commitment with a bank and a national insurance company, to be executed through a sale-leaseback structure.

The deal, with tax equity investors **U.S. Bank** and **Progressive Casualty Insurance Co.**, will finance **SunEnergy1**'s \$200 million Holloman project in Hertford County.

U.S. Bank underwrote the entire \$87 million transaction, which was signed on July 27.

Firststar Development, U.S. Bank's tax equity investing vehicle, is expected to hold 24.75% of the Holloman tax equity lessee company when the deal closes, while Progressive will hold 74.25%.

The project has a virtual power purchase agreement with Cincin-

nati-based **Fifth Third Bancorp**, which was signed shortly before the groundbreaking ceremony on March 26 (PFR, 3/7).

The project is expected to be online in December, at which point Fifth Third will buy its output and renewable energy certificates at a fixed price before selling the generation on into **PJM Interconnection** at market prices.

Rochelle Rabeler, the partner at **Holland & Hart** who represented SunEnergy1 on the VPPA negotiations, was not reachable for comment on the length of the agreement.

SunEnergy1 is owned and run from Mooresville, N.C., by Australian **NASCAR** driver **Kenny Habul**.

Habul did not respond to inquiries about the financing of the project. ■

East West Inks Loan for Long Island Solar Project

East West Bank, as sole lead arranger, has signed a construction-to-term loan for a solar project that is contracted under a **Long Island Power Authority** feed-in tariff power purchase agreement.

The 19.6 MW (DC) project, Middle Island Solar Farm, is owned by a 50:50 joint venture between a local landowner and executives of Florida-based solar developer and contractor **Sybac Solar**.

The roughly \$36 million debt package marks the first lead role for East West on a major renewables deal since **Christopher Simeone**, a former **MUFG** banker, took charge of the bank's energy project finance desk in New York.

Originally hired in October of 2017 to replace **Brett Macune**,

who had joined **Siemens Financial Services'** private equity team (PFR, 11/6/17), Simeone took the helm after his boss, **Bob Botschka**, left for **BayernLB** (PFR, 4/3).

The tenor and pricing of the term loan for the Middle Island project could not be established. Simeone declined to comment while **Jerry Rosengarten**, managing member of **Middle Island Solar Farm**, and officials at Sybac did not respond to inquiries.

Located in Mastic, in Suffolk County, the project has a 20-year PPA for 14.65 MW with **PSEG Long Island**, obtained through LIPA's feed-in-tariff program. It is under construction and expected to be online by the end of the year. ■

PROJECT FINANCE ●

Fengate Finances Canada On-site Utility Deal with Bank Loan

Fengate has signed a loan package with six banks as arrangers to finance its acquisition of a central utility project, including a gas-fired cogeneration facility, that is part of an **Inter Pipeline** plastics project in Canada.

The investor announced that it had acquired the 102 MW utility project, located on the site of Inter Pipeline's Heartland Petrochemical Complex near Edmonton, Alberta, on Sept. 25.

The acquisition of the under-construction utility project is the result of a competitive sales process run by Inter Pipeline.

MUFG (left lead), **Canadian Imperial Bank of Commerce**, **Mizuho**, **National Bank of Canada**, **Siemens Financial**

Services and **Sumitomo Mitsui Banking Corp.** arranged Fengate's \$771 million financing package, which was signed on Sept. 25.

The transaction comprises a \$749 million construction-plus-five term loan, \$12 million letter of credit and \$10 million revolving credit facility.

The \$3.5 billion Heartland project will convert propane into polypropylene pellets when it is completed in late 2021, and the on-site utility will provide it with generation, steam and other services. The length of the contract for the utility project could not be determined by press time.

Inter Pipeline will recover \$50 million of

the sale price as development capital and the fee paid to Fengate will be adjusted upward or downward once the project is online, depending on final construction costs. **Deloitte** acted as Inter Pipeline's financial adviser on the deal while **Torys** advised on the legal side.

Construction has begun on the utility block and commercial operations are scheduled for mid-2021.

Further details of the structure of the deal and the financing could not immediately be learned. Spokespeople at Inter Pipeline in Calgary, Fengate in Oakville and MUFG in New York either did not respond to inquiry or declined to comment. ■

PEOPLE & FIRMS ●

Starwood Property Trust Move "Opens Doors" for Ex-EFS Team

◀ FROM PAGE 1

expanded to include general infrastructure, which opens up more doors for us."

Renewables deals with more esoteric offtake arrangements such as financial hedges and potentially some exposure to merchant revenues may present opportunities for the lender, however, as well as mezzanine deals.

"When we look at those, we'll be focused on the risk-return analysis and whether the return is commensurate with that risk, but those are the places we'd look," says Persau.

The move of the business was the result of a competitive sale process run for GE EFS by **Citi** and the team comes with an established book of credits, including about \$470 million of unfunded loan commitments.

"We recognized very early on in the process that in addition to the asset base, this was a best-in-class team," says **Andrew Sossen**, chief operating officer at SPT. "What differentiated us is that we didn't just want to buy the assets. It was important for the GE management team to find a home for Denise and her colleagues."

The existing assets will also inform the group's investment decisions as it strives to maintain diversity among its credits. The GE EFS loan book has considerable exposure to gas-fired projects financed on the basis of hedges in **PJM Interconnection**.

"PJM as you know is one of the largest power markets," says Persau. "It's a well-functioning market, so we are comfortable with PJM, but we will continue

to focus on diversification in our portfolio."

Starwood Capital launched Starwood Property Trust in the wake of the financial crisis, when the private equity firm saw an

"From the perspective of a potential borrower it should be irrelevant. As long as the cost of capital is attractive, they will work with us."

opportunity in the commercial mortgage market after other commercial real estate lenders withdrew.

The firm floated the real estate

investment trust on the **New York Stock Exchange** in an initial public offering in 2009 and it has since built up an increasingly diversified portfolio of assets totaling more than \$12 billion.

REITs are investment vehicles that benefit from efficient tax treatment as long as they meet certain **Internal Revenue Service** requirements. Sustainability-focused investor **Hannon Armstrong** is also structured as a REIT.

"I think if our existing asset base was a quarter of the size it is today, we couldn't have done this trade," says Sossen. "Prior to this transaction, we had a \$13 billion balance sheet, which allowed us to buy an existing \$2 billion portfolio and will allow us to run a \$1 billion-a-year business without having to worry about our REIT qualification."

"From the perspective of a potential borrower it should be irrelevant," he adds. "As long as the cost of capital is attractive, they will work with us." ■

● PEOPLE & FIRMS

SocGen Bolsters Infra Team with Double Hiring

Société Générale has made two lateral hires to its infrastructure project finance team at vice president level and is looking to round out the group with two associates, *PFR* has learned.

Steven Levinson, who previously worked at **Intesa Sanpaolo**, joined SocGen as a vice president in August and **Gabriel Preto**, who previously spent eight years at **MUFG**, followed in September.

Managing director **Max Battisti**, who has led the French bank's Americas infrastructure team since January, is overseeing the hiring process. He was previously the head of the firm's Italian project finance desk in Milan.

Levinson had been with Intesa for almost five years, initially as a senior associate. He was promoted to assistant vice president in March, according to his LinkedIn profile, where he describes his domain as "structured finance with a focus on infrastructure, energy and acquisition finance."

He started his banking career in 2011 as an analyst at **ING Bank**, working for the



Credit: Can Pac Swire

Dutch institution in New York, Houston and Amsterdam over the course of three years.

Prieto's focus at MUFG was most recently on Latin American power, renewables, energy and infrastructure, according to his LinkedIn profile.

"I have recently joined the Infrastructure Finance team at Societe Generale to support origination, structuring and execution of bank and capital market financing of infrastructure projects across the Americas, with an emphasis in Latin America," reads his update on the professional networking site. ■

Infra Debt Manager Hires P.F. Banker

An insurance company-owned infrastructure debt team has added a power and infrastructure banker in its New York office.

The banker, **Megan Don**, joined **Barings** as associate director from **Investec** this month, according to her LinkedIn profile.

She had been with Investec's North American power & infrastructure team since 2015 after a brief stint as an associate with **Mizuho**, where she worked in corporate finance and advisory solutions supporting the power and utilities practice.

She began her banking career with **Royal Bank of Scotland** in 2012 as a project finance analyst.

Don joins another recent recruit, **Jennie Rose** (*PFR*, 7/24), whom Barings brought

on board from **GE Energy Financial Services** earlier in the summer. Two members of Barings' global infrastructure team left in July (*PFR*, 7/17).

Both of the recent hires report to long-time managing director **Patrick Manseau**, who heads the global infrastructure debt group (*PFR*, 7/17).

Barings was set up in 2016 as the consolidated entity that owns **Babson Capital Management** and four affiliates of **Massachusetts Mutual Life Insurance**.

In recent years, the team has played in both conventional power and renewables, taking tickets in **LS Power's** gas-fired Gridiron Generating portfolio refinancing (*PFR*, 5/24/17) and **Capital Dynamics'** acquisition financing for the **Spout3 Energy Partners** take-private (*PFR*, 7/3). ■

● STRATEGIES

Clearway Taps UBS for Equity Offering to Fund Carlsbad Purchase

Clearway Energy, the yield company formerly known as **NRG Yield**, has hired **UBS** for the latest chunk of financing for its acquisition of the Carlsbad gas-fired project in California.

The Swiss bank has underwritten an offering of some 3.9 million class C shares of Clearway, which would raise about \$75 million at the stock's closing price on Sept. 25.

The yieldco will use the proceeds to fund a portion of the \$365 million purchase price for the 527 MW Carlsbad project, which it is buying from **NRG Energy**.

The yieldco is also expected to absorb about \$601 million of project finance debt associated with the project.

Clearway had already earmarked some of the proceeds of a \$600 million corporate high yield bond offering earlier this month for the Carlsbad purchase (*PFR*, 9/17).

The high yield proceeds will first go toward the repayment of \$329 million of convertible senior notes that mature in 2019, leaving about \$346 million for other purposes, including paying transaction fees and expenses.

The Carlsbad acquisition is expected to close in December. NRG financed the project with a combination of bank and institutional debt in 2017 (*PFR*, 4/19/17).

Located on the site of NRG's 64-year-old Encina gas-fired plant in San Diego County, the Carlsbad Energy Center has a 20-year power purchase agreement with **San Diego Gas & Electric**. ■

● QUOTE OF THE WEEK

"Highly-contracted, low-margin renewables deals are not going to be our core. We'll be more in the quasi-merchant and structured energy deals including midstream. Our mandate has been expanded to include general infrastructure, which opens up more doors for us."

Denise Persau, president of **Starwood Infrastructure Finance**, on her team's new mandate as part of **Starwood Property Trust** (see story, page 1).