

# Power Finance & Risk

The weekly issue from Power Intelligence [www.powerintelligence.com](http://www.powerintelligence.com)

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Brazilian state-backed **BNDES** is considering extending a more than \$250 million credit to Odebrecht's \$1.25 billion hydro project in Peru.  
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Be sure to check out *PI's* monthly podcast where we dig deeper into key stories.  
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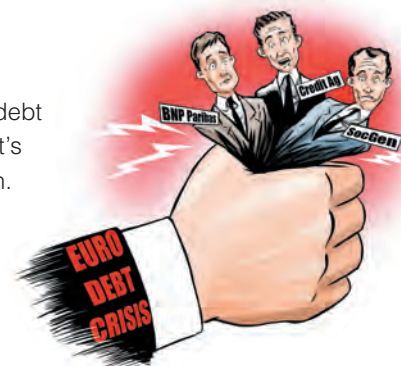
## Top Stories

### LS Looks To Lever NextEra Purchases

**LS Power** is talking to relationship banks about layering debt onto two combined-cycle plants in a larger portfolio that it's buying from **NextEra Energy Resources** for \$1.05 billion.

The New York shop is looking to assemble a team of four to five banks willing to underwrite a package with a long-term payout schedule, a merchant balloon that extends past the expirations of the assets' offtake agreements and aggressively low pricing, bankers say.

*(continued on page 12)*



### Morgan Stanley Fund Targets Chilean Sale

**Morgan Stanley Infrastructure** is looking to sell its stake in **Sociedad Austral de Electricidad**, or SAESA, a generation, transmission and distribution company in Chile that it is co-owned by **Ontario Teachers' Pension Plan**. Final round bids are reportedly due to the investment management fund in New York shortly. Ownership is 50:50; OTPP is not looking to sell, says a banker. **Banco de Chile**, **Citigroup** and **Morgan Stanley** are running the sale.

MSI and OTPP acquired SAESA from **PSEG Global** in 2008 for \$870 million, plus the assumption of \$400 million in debt (PFR, 6/18/08). SAESA is a holding company that owns four distribution companies and one transmission company that serve more than 615,000 customers. The Chilean company owns 248 MW of wind, hydro and thermal generation,

*(continued on page 12)*

## Tech Shift?

### Concentrating Solar Shops Find Tough PPA Pitch



*Photo: David Shankbone*

Concentrating solar power project developers in the U.S. are struggling to land offtake contracts. The plummeting price of photovoltaic panels is making CSP relatively more expensive and some developers are switching technology.

PV developers bidding into utilities' generation tenders this year are more likely to be short-listed than their CSP counterparts, says **Richard Homich**, ceo of

*(continued on page 11)*

## At Press Time

# BNDES Eyes Peruvian Hydro

The **Banco Nacional de Desenvolvimento Econômico e Social** is considering committing more than \$250 million to a \$650 million credit backing Brazilian infrastructure giant **Odebrecht's** \$1.25 billion Chaglla hydro project in Central Peru. The involvement of BNDES, the government-backed bank based in Rio de Janeiro that funds projects that contribute to the Brazil's development, would cut the commercial bank chunk to under \$400 million.

**BNP Paribas** is working as an advisor to Odebrecht on the financing. **BBVA** and **Société Générale** are among the lenders considering taking tickets, the deal watcher says. The **Inter-American Development Bank** is planning to finance a \$150 million tranche in addition to the \$650 million package, with Odebrecht posting 30% equity (*PFR*, 3/11). **Standard & Poor's** rates Peru's local currency BBB+.

Pricing of the commercial bank piece is slated to start at 275 basis points over LIBOR and step up to 350 bps over the life of the 17.5-year loan. Pricing of the IDB and BNDES pieces couldn't be learned. Spokeswomen at Odebrecht and BNDES didn't immediately address inquiries, while an IDB official didn't return a call seeking comment by press time. Bank officials declined to comment or didn't return calls.

Development banks often help finance projects in other countries if manufacturing is done locally to create jobs, financiers say. Why BNDES is considering participating in the Odebrecht deal couldn't be learned.

**Electroperú** is an offtaker of the 406 MW project.

# AES Eastern Certificate Holders Tap Advisor

Pass-through certificate holders in AES subsidiary **AES Eastern Energy** have retained advisory boutique **Rock Point Associates** to represent them in the next stage of restructuring talks. The AES unit has a forbearance agreement in place until Oct. 6, staving off lender-forced bankruptcy (*PFR*, 8/30). Eastern Energy has about \$557 million in debt.

AES Eastern is the holding company for a coal-fired quartet totaling 1.17 GW in upstate New York, two of which have sale leasebacks. The certificate holders hold the sale leaseback debt, which is included in the total debt amount. AES Eastern entered into a sale leaseback on the plants in 1999. Hedge funds and power-specific and distressed asset funds are among the certificate holders.

Paramus, N.J.-based Rock Point was co-founded by **Ned Kleinschmidt**, who was most recently a member at **Capstone Advisory Group**. Creditors selected the boutique from nearly two dozen shops pitching for the mandate, bankers and investors say. The shop was founded in March. The identity of the creditors could not be learned.

AES is working with **Barclays Capital** to sell the assets (*PFR*, 3/4). The certificate holders have some bearing on the sale of the assets and the bank will need to work with them to complete a sale, notes a deal watcher.

What's next in the talks or whether the forbearance agreement has been extended could not be learned. Kleinschmidt declined to comment and an AES spokesman in Arlington, Va., did not return a call.

**FAST FACT**  
AES Eastern is the holding company for a coal-fired quartet totaling 1.17 GW in upstate New York

## Tell Us What You Think!

Do you have questions, comments or criticisms about a story that appeared in *PFR*? Should we be covering more or less of a given area? The staff of *PFR* is committed as ever to evolving with the markets and we welcome your feedback. Feel free to contact **Sara Rosner**, managing editor, at (212) 224-3165 or srosner@iinews.com.

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## Project Finance

### Tenaska Solar Deal Details Emerge

**Tenaska Solar Ventures** has priced a roughly \$600 million financing backing its 130 MW Imperial Solar South photovoltaic project at 200 basis points over LIBOR. **BBVA, Bank of Tokyo-Mitsubishi UFJ, Lloyds TSB, Morgan Stanley, Mitsubishi UFJ Financial Group** affiliate **Union Bank** and **Royal Bank of Canada** are financing the project.

**Robert Olson**, Union Bank senior v.p., is among the financiers at participating banks arranging the deal. The financing features a bridge facility to the 30% equity that Tenaska plans to contribute to the project upon completion of construction (PFR, 9/9). The tenor couldn't be learned. Bank officials or spokespeople declined to comment or didn't immediately

address inquiries. **Greg Van Dyke**, Tenaska cfo in Omaha, Neb., didn't return a call by press time. A spokeswoman declined to comment.

**San Diego Gas & Electric** has a 25-year offtake agreement for the project, in Imperial Valley, Calif.

### Lenders Ink First Solar Calif. Commitments

Thirteen lenders have taken tickets in a \$417.2 million financing supporting First Solar's 550 MW Desert Sunlight photovoltaic project. Financial close was expected last week, bankers say.

**Banco Sabadell, Banco Santander, Bank of Tokyo-Mitsubishi UFJ, BayernLB, DnB NOR, DZ Bank, Helaba, Intesa Sanpaolo, Key Bank, Lloyds TSB, Société Générale, Sumitomo Mitsui Banking Corp.** and **UniCredit** are participating in the deal. The financing features an \$85 million term loan and a \$60 million bridge loan as well as \$272.2 million in letters of credit.

Ticket sizes ranged from \$8 million to \$47 million. BoTM, Lloyds and BayernLB snagged the largest tickets, while SocGen, Intesa and Key Bank took the smallest tickets, says a deal watcher. The size of the banks' respective tickets couldn't be learned. The term loan has a tenor of construction plus 11.5 years, while the bridge loan has a five-year tenor (PFR, 9/6).

The bank financing is part of a \$1.88 billion package supporting Desert Sunlight, in Desert Center, Calif. The project has a U.S.

**Department Of Energy** loan guarantee for the remaining \$1.48 billion portion of the package. **Goldman Sachs** is the lender applicant under the DOE's Financial Institution Partnership Program, with **Citigroup** as co-lead arranger.

First Solar is readying sales of equity stakes in Desert Sunlight, likely to **GE Energy Financial Services** and **NextEra Energy Resources** (PFR, 8/11). The status of the sale couldn't be learned.

A NextEra spokeswoman in Juno Beach, Fla., didn't return a call by press time, while spokesmen for GE EFS in Stamford, Conn., and First Solar in Phoenix declined to comment. Bank officials or spokespeople declined to comment or didn't return calls.

**Pacific Gas & Electric** and **Southern California Edison** have 25-year offtake agreements for 300 MW and 250 MW, respectively, of the project's generation.

### SunEdison, Wells Reach Tax Equity Deal

**Wells Fargo** has inked a sale-leaseback with SunEdison to garner tax equity credit from the developer's 53.5 MW of photovoltaic projects in New Mexico.

The bank will be the 100% owner of the five projects under the arrangement, says **Chris Bailey**, SunEdison v.p. of finance in Beltsville, Md. Under a sale-leaseback, the bank will lease the project back to SunEdison, which will operate the projects. Wells Fargo has provided more than \$200 million to finance construction of the projects in New Mexico's Lea and Eddy counties.

Bailey declined to comment on deal terms, while **Barry Neal**, head of Wells Fargo's environmental finance group in San Francisco, wasn't available for comment.

Xcel Energy subsidiary **Southwestern Public Service Co.** is the offtaker for the five projects, under a 20-year power purchase agreement. Three of the five projects are operational, with the other two expected to be online by year-end. The equity financing will commence upon completion of the final two projects.



### SolarCity Eyes Securitization

An asset-backed securities deal from solar panel installer and financier **SolarCity** is inching closer, as tax incentives and economics make this a good time for solar companies to turn to securitization, according to **Michael Mittleman**, director of project finance.

The solar panel lease-backed ABS is targeted for early 2012, Mittleman said at a recent **American Securitization Forum** panel, along with other industry representatives about the potential for publicly offered solar panel deals.

**Cory Wishengrad**, co-head of structured products at **Barclays Capital**, says that while solar panel ABS is a newcomer, its structure isn't different from other esoteric transactions. "The best way to characterize [esoteric deals] is as a spectrum between traditional and non-traditional," he says. "A pool backed by consumer cashflows ... is holistically not that different from

what we're used to."

Mittleman, a 15-year veteran of the ABS origination market with posts at **Merrill Lynch** and **Credit Suisse**, says securitization will be important to the solar sector going forward. He explains that his company, the largest rooftop solar installation firm in the U.S., now relies on tax equity investment structures as a means to finance its business.

He outlines two reasons why solar panel ABS is attractive now. State and federal tax incentives stemming from the 2009 federal stimulus package are expiring, so a new source of funding is a welcome development. Also, the costs of solar technology manufacturing are falling, meaning more people can afford to use solar. That means the customer payments are becoming a bigger percentage of SolarCity's income stream. Those customer payments can be securitized. **Solyndra**, the solar panel manufacturer that recently went bankrupt, suffered from that drop in technology production costs, but the trend is a positive for an installation company such as SolarCity, Mittleman notes.

The rating agencies present a hurdle to publicly offered solar panel ABS, because no historical data is available to allow them to rate a deal. **Mike McDermitt**, v.p. at **Moody's Investors Service**, says rating solar deals was a "chicken and the egg" scenario. "Deals may have to dip their toe in the market without ratings," he says. "Or maybe they can go with a lower, advance rate and a lower rating to get over the hump."

#### ▶ FAST FACT

**Solyndra**, the solar panel manufacturer that recently went bankrupt, suffered from a drop in technology production costs.

## Commerz Joins Quebec Wind Deal

**Commerzbank** has joined a \$735 million financing supporting **Boralex** and **Gaz Métro's** 272 MW wind project in Quebec. The deal is expected to include a \$250-300 million tranche wrapped by **Euler Hermes**, the German export agency, as well as a \$50 million letter of credit, says **Guy Daoust**, Boralex director of finance and treasury in Montreal.



Courtesy: ENERCON GMBH

The sponsors are aiming to tie up the Hermes-backed tranche in mid-October, ahead of financial close by November. **ENERCON**, the turbine supplier for the project, will manufacture some turbines in Germany, qualifying part of the financing for the Hermes wrap. The rest of the turbines will be built in Canada, says a deal watcher.

Boralex is targeting tickets of \$75-100 million, Daoust says. **Bank of Tokyo-Mitsubishi UFJ**, **Deutsche Bank**, **KfW IPEX-Bank**, **Dexia Crédit Local**, **LBBW**, **Mizuho Corporate Bank** and **Sumitomo Mitsui Banking Corp.** are participating in the club

deal. **BoTM**, **DB** and **KfW** are the documentation agents.

The financing is expected to have an 18-year tenor. The wrapped tranche could price at 150 basis points over LIBOR (*PFR*, 7/21). The pricing on the unwrapped tranche couldn't be learned. **Daoust** and **Helene St-Pierre**, **Gaz Métro** treasurer in Montreal, declined to reveal pricing. A **Hermes** spokeswoman in Hamburg didn't reply to an e-mail seeking comment by press time. Bankers declined to comment or didn't return calls.

**Hydro-Quebec** has a 20-year offtake agreement for the project, in **Seigneurie de Beaupré**, Quebec. The project is under construction and is expected to be operational in 2013.

## NYPA Shelves Erie Offshore Wind RFP

The **New York Power Authority** has cancelled a request for proposals for up to 500 MW of offshore wind projects in Lake Erie without awarding a power purchase agreement. Shortlisted entities had undergone more than a dozen rounds of questions and answers and at least two interviews, says one official at a bidding company.

The expense of offshore wind generation contributed to the cancellation of the RFP, says a NYPA spokeswoman in White Plains, N.Y. The exit of **Richard Kessel**, former president of NYPA and a proponent of offshore wind, was another factor, industry observers say. Kessel resigned in July.

There were expectations as late as the spring that a PPA would still be issued. Affiliates of **Apex Wind**, **NRG Energy's Bluewater Wind**, **Pattern Renewables**, **RES Americas** had submitted bids, along with **Great Winds**, a joint venture including **Cavallo Energy** and **Fishermen's Energy**.

The duration of the RFP due diligence—bids were submitted last year (*PFR*, 6/11/10)—had raised questions about whether an offtake agreement would surface, industry officials say.

NYPA is partnering with **Consolidated Edison** and **Long Island Power Authority** on developing an offshore wind project in the waters off Long Island. The ownership structure of that project has not yet been determined.

The NYPA spokeswoman declined further comment while officials and spokespeople with the developers either declined comment or didn't respond to inquiries.

## Mergers & Aquisitions

## ING Scoops Citi Stake In Alta Wind

**Citigroup** has sold its stake in a sale leaseback in one of **Terra-Gen Power's** Alta projects to **ING Capital**. **ING** and **Google** each now own half of the tax equity position in Alta V, the latest 168 MW phase in the aggregate 1.5 GW project in Tehachapi, Calif., according to filings with the U.S. **Federal Energy Regulatory**

**Commission** last month.

Citi sold half of its stake as lessor to Google for \$102 million in Alta V around the time the project went online (*PFR*, 6/23). Alta V has a power purchase agreement with **Southern California Edison**. The purchase price of ING's stake could not be learned.

Terra-Gen tapped Citi to become the lessor in sale leaseback agreements as part of the financing for five Alta projects and Citi has been selling down portions of its stakes (*PFR*, 7/26/10 & 5/25).

**Greg Wetstone**, v.p. of Terra-Gen in New York, didn't respond to calls, while a Citi spokesman declined to comment. An ING spokeswoman in New York couldn't immediately comment.

**Borrower Strategies****PPL Subs Issue Notes For Parent Payback**

**PPL Corp.** subsidiaries **Louisville Gas & Electric** and **KU Energy** have issued \$250 million in senior unsecured notes to pay back their parent for paying down intercompany debt. The utilities are set to wrap the 144A private placement of 10-year, 4.375% notes this week.

PPL paid down several billion dollars of debt that LG&E and KU Energy had accrued when they were owned by **E.ON US** as part of PPL's \$7.625 billion acquisition of E.ON US last year, says **Robert Hornick**, senior director at **Fitch Ratings** in New York.

PPL will likely use the proceeds of the issuance to fund its capital expenditure program, Hornick notes, adding that several utility issuers have come to market in recent weeks to take advantage of low coupons (*PFR*, 9/3). Fitch rates the issue BBB+.

**BNP Paribas**, **Royal Bank of Canada** and **US Bancorp** are the joint bookrunners on the deal. **Dan Arbough**, treasurer at LG&E and KU in Louisville, declined to comment and **Jim Abel**, senior v.p. and treasurer of the PPL in Allentown, Pa., was not available for comment. The companies' plans for issuing additional debt could not be learned.

LG&E and KU have 943,000 customers in Kentucky, Virginia and Tennessee.

**AES Floats 144A For DPL**

AES is selling bonds in two 144A senior tranches to finance a portion of its \$4.7 billion acquisition of **DPL**, the parent company of **Dayton Power & Light**. The issuances are set to close Oct. 3.

An \$800 million tranche carries a 7.25% coupon and matures in 2021. AES priced those notes at 534.8 basis points over U.S. Treasuries. A \$450 million tranche maturing in 2016 carries a 6.5% coupon. Those were priced at Treasuries plus 559.4 bps. Both sets are rated Ba1 by **Moody's Investors Service** and BB+ by both **Standard & Poor's** and **Fitch Ratings**.

**Bank of America**—the lead advisor to AES on the acquisition—along with **Barclays Capital**, **JPMorgan** and **Morgan Stanley** were bookrunners. If the acquisition of DPL is not closed by Sept. 30, 2012, the bonds can be recalled at 101%. DPL is being advised by **UBS**.

AES issued \$1 billion in senior unsecured 144A notes in June to finance a portion of its \$4.7 billion purchase of DPL. Those 10-year notes carried a 7.375% coupon and priced them at T + 442 bps (*PFR*, 7/16). The Charlottesville, Va.-based company also lined up a seven-year \$1.05 billion term loan B to fund early on in the acquisition process to fund its purchase (*PFR*, 5/27).

As part of the purchase, AES will assume \$1.2 billion in debt.

The anticipated closing date of the acquisition could not be immediately learned. Spokespeople at the banks declined to comment. An AES spokesman did not respond to inquiry.

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**SEPTEMBER 9, 2011**

**Tenaska Pings BarCap, Citi For Auction**

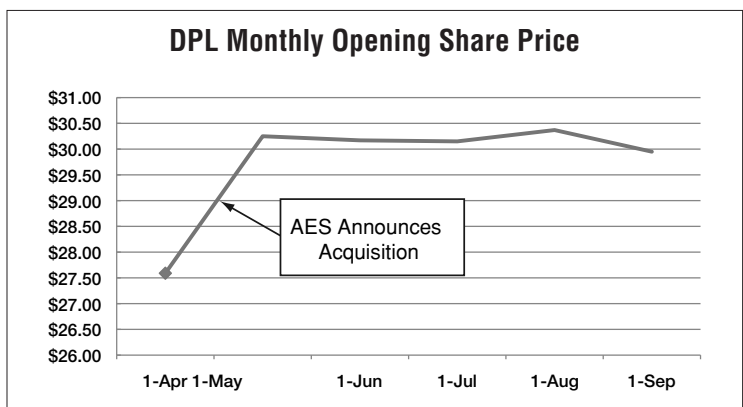
Tenaska Capital Management has mandated **Barclays Capital** and **Citigroup** to run the sale of two merchant gas-fired plants totaling 1.63 GW. One industry official estimates eight banks pitched to sell the 830 MW

**SEPTEMBER 14, 2011**

**Tenaska Appoints Advisors For Generation Auction**

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## News In Brief

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



### Americas

- **EDF Group**, the second largest shareholder in **Constellation Energy Group** and its nuclear partner, is threatening to vote against Constellation's merger with **Exelon** after talks about maintaining autonomy in the nuclear joint venture stalled. EDF owns 7.2% of Constellation, just behind **T. Rowe Price** with 7.3% (*The Baltimore Sun*, 9/28).

- **Solyndra** defaulted on covenants in its loan guarantee from the U.S. **Department of Energy** in late 2010 when it missed an internal equity payment because it was short on cash. The default prompted a restructuring and the addition of a \$75 million loan from private investors, who sit higher than the government in the debt structure (*The Wall Street Journal*, 9/28).

- A U.S. Bankruptcy court judge has approved **Solyndra's** plan for an Oct. 27 bankruptcy auction to sell the business. The judge recommends that executives go to a trade show to find prospective buyers (*Reuters*, 9/28).

- **Summit Texas Clean Energy's** 400 MW Summit coal gasification project with carbon capture and storage in Texas has received a \$450 million commitment from the U.S. **Department of Energy** (*Power Engineering*, 9/28).

- **E.ON Climate & Renewables** is cleared to apply for building permits for its Wildcat wind project in Tipton County, Ind. The company still needs to hire a construction company and to choose wind turbines (*Kokomo Tribune*, 9/28).

- **SolarCity** will scale back its planned \$1 billion distributed generation project at military residences due to new rules imposed by Congress after the collapse of solar panel maker **Solyndra**. SolarCity said the new rules prevented it from meeting the Friday deadline to qualify for a U.S. **Department of Energy** loan guarantee (*San Francisco Business Journal*, 9/27).

**National Solar Power**, a Melbourne, Fla.-based developer, is planning a \$1.5 billion, 400 MW solar array in Gadsden County, Fla. **Progress Energy** is an offtaker for the mammoth project (*Forbes*, 9/27).

- **Calpine Corp.** has hired **Bryan Kimzey**, a **Progress Energy** employee with experience in investor relations, finance and accounting, as v.p. of investor relations. Kimzey replaces **Andre Walker**, who became v.p. of asset management earlier this year (*Yahoo! News*, 9/27).

- **Ormat Technologies** has closed a 20-year, \$350 million loan

from **John Hancock Life Insurance Co.**, guaranteed by the U.S. **Department of Energy**. The loan will back three geothermal projects in Nevada totaling 113 MW (*Globes*, 9/26).

- **Direct Energy**, a unit of **Centrica**, has bought retail provider **First Choice Power** from **PNM Resources** for \$270 million in cash (*The Star-Telegram*, 9/26).

- Massachusetts regulators are pushing for the **Northeast Utilities-NStar** merger to advance the state's clean energy agenda, which could mean that the merged entity buys more power from the Cape Wind offshore wind project (*The Boston Globe*, 9/26).

- **Progress Energy Carolinas** will retire its 172 MW W.H. Weatherspoon coal-fired plant near Lumberton, N.C., by the end of the week. Progress is planning to close several more coal-fired plants by the end of 2015 (*The Robesonian*, 9/26).

- **Duke Energy Carolinas** has issued a request for proposals for generation or credits from 50-300 MW wind projects. Duke will consider five- to 20-year contracts (*Charlotte Business Journal*, 9/23).

- **BlueChip Energy** of Lake Mary, Fla., is planning to expand its 40 MW photovoltaic project in Sorrento, Fla., to 120 MW. The expansion is expected to cost \$200 million (*Orlando Business Journal*, 9/23).

- **Dynegy** bondholders have sued the independent power producer, alleging that a summer restructuring of coal-fired assets defrauds investors. Plaintiffs have asked the New York Supreme Court to force senior Dynegy executives to pay them damages (*The Wall Street Journal*, 9/23).

- **Wal-Mart** has commissioned **SolarCity** to install solar panels on up to 60 stores in California. The San Mateo, Calif.-based SolarCity will own and maintain the arrays (*BrighterEnergy.org*, 9/23).

### Africa / Asia

- **Goldman Sachs** will invest up to \$201 million in **ReNew Wind Power**, an Indian company launched by **Sumant Sinha**, a former coo at **Suzlon Energy**. ReNew plans to have 1 GW of capacity by 2015 (*Dow Jones Newswires*, 9/27).

- **Ormat Technologies** subsidiary **Ormat International** has landed a refinancing of up to \$310 million to expand its 48 MW Olkaria II geothermal project in Naivasha, Kenya. The **Overseas Private Investment Corporation** is providing the financing (*The Sacramento Bee*, 9/23).



## Project Finance Deal Book

Deal Book is a matrix of energy project finance deals that PFR is tracking in the energy sector. The entries below are of new deals or deals where there has been change in their parameters or status. To report updates or provide additional information on the status of financings, please call Senior Reporter **Brian Eckhouse** at (212) 224-3624 or e-mail [beckhouse@iineews.com](mailto:beckhouse@iineews.com).

### Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
Boralex, Gaz Métro	Unidentified (272 MW Wind)	Seigneurie de Beauré, Quebec	BoTM, DB, KfW	TBA	\$500-600M	18-20-yr	Commerz joins deal; Hermes wrap nears (see story, page 5).
Catalyst Renewables, Hannon Armstrong	Hudson Ranch II (49.5 MW Geothermal)	Salton Sea, Calif.	TBA	TBA	TBA	TBA	Sponsors initiate talks with lenders (PFR, 9/5).
Cirque Energy	Midland Biomass (35 MW Biomass)	Midland, Mich.	TBA	TBA	\$70M	TBA	Sponsor targets debt, equity (PFR, 8/29).
Competitive Power Ventures	Ashley (200 MW Wind)	McIntosh County, N.D.	TBA	TBA	TBA	TBA	Sponsor initiates talks with lenders, tax equity providers (PFR, 8/8).
	Cimarron (165 MW Wind)	Gray County, Kan.	TBA	TBA	TBA	TBA	Sponsor initiates talks with lenders, tax equity providers (PFR, 8/8).
Edison Mission Energy	Taloga (130 MW Wind)	Dewey County, Okla.	WestLB	TBA	\$200M	TBA	EME mandates WestLB to lead financing (PFR, 8/1).
Enova Energy Group, NuPower	Plainfield (37.5 MW Biomass)	Plainfield, Conn.	SocGen	TBA	TBA	TBA	SocGen wins mandate to lead syndicated financing (PFR, 7/18).
Gradient Resources	Patua (132 MW Geothermal)	Reno, Nev.	BNP, Dexia, Scotia	TBA	\$600M	TBA	Sponsor retains Marathon Capital as financial advisor (PFR, 7/18).
First Solar	Desert Sunlight (550 MW Solar PV)	Desert Center, Calif.	Goldman Sachs	TBA	TBA	TBA	Thirteen banks take tickets (see story, page 4).
First Wind	Palouse (100 MW Wind)	Whitman County, Wash.	TBA	TBA	\$180M	20+-yr	Sponsor targets tenor longer than 20 years (PFR, 8/29).
Inkia Energy	Unidentified (400 MW Hydro)	Cerro del Aguila, Peru	BBVA, Crédit Agricole, HSBC, Scotia, SocGen, SMBC, WestLB	TBA	\$525M	12-yr	Sponsor mandates lenders (PFR, 9/26).
Invenergy	Bishop Hill I (200 MW Wind)	Henry County, Ill.	BLB, Dexia, Rabo	Term/Bridge	\$415M	TBA	Financing flexed (PFR, 9/26).
	Hardin Wind (300 MW Wind)	Hardin County, Ohio	TBA	Term	\$500M	TBA	Sponsor reaches out to lenders (PFR, 9/19).
MPX	Castilla (2.1 GW Coal-Fired)	Chile	TBA	TBA	TBA	TBA	Sponsor talks to lenders about \$1 billion first phase (PFR, 9/26/11).
NextEra Energy Resources	Lone Star (300 Miles Transmission)	Texas	TBA	TBA	TBA	TBA	Sponsor targets pricing under 200 bps (PFR, 8/15).
Northland Power	Manitoulin Island (60 MW Wind)	Maitoulin Island, Ontario	Manulife	TBA	TBA	TBA	Northland taps Manulife to lead financing (PFR, 8/29).
NRG	Alpine (66 MW PV)	Lancaster, Calif.	TBA	Term	\$250M+	18-yr	At least five banks pitch for mandates (PFR, 9/26).
Odebrecht	Chaglla (406 MW Hydro)	Peru	BNP	TBA	\$650M	TBA	Brazilian Development Bank mulls contribution (see story, page 2).
Peregrine Midstream Partners	Ryckman Creek (18-35 bcf Gas Storage)	Uinta County, Wyo.	TBA	TBA	\$160M	TBA	Sponsor hunts financing (9/5).
Radback Energy	Oakley (624 MW Gas)	Contra Costa County, Calif.	BoTM, Crédit Agricole, ING, RBS, Scotia	TBA	TBA	TBA	Loan priced south of 225 bps (PFR, 7/18).
Ram Power	Orita (49.9 MW Geo)	Salton Sea, Calif.	N/A	TBA	TBA	TBA	Project on hold after sponsor terminates PPA with SoCalEd (PFR, 9/12).
Tenaska Solar Ventures	Imperial Solar Energy Center South (130 MW Solar PV)	Imperial Valley, Calif.	TBA	TBA	TBA	TBA	Loan priced at 200 bps over LIBOR (see story, page 4).
Wind Capital Group	Unidentified (150 MW Wind)	Osage County, Okla.	BLB, Rabo	TBA	TBA	TBA	Sponsor mandates BLB, Rabo (PFR, 8/15).
	Post Rock (201 MW Wind)	Lincoln and Ellsworth, Kan.	BLB, Rabo	Term/Construction	\$250M	TBA	GE EFS in talks to contribute tax equity (PFR, 9/12).
Sempra Pipelines, Pemex	Various (Gas Pipeline)	Mexico	TBA	Refi	\$400M	TBA	Sponsors seek to lever existing pipelines for new development (PFR, 7/11).
Tenaska Solar Ventures	Imperial Solar Energy Center South (130 MW Solar PV)	Imperial Valley, Calif.	TBA	TBA	TBA	TBA	Banks pitch for mandate (PFR, 8/22).
Wind Capital Group	Unidentified (150 MW Wind)	Osage County, Okla.	BLB, Rabo	TBA	TBA	TBA	Sponsor mandates BLB, Rabo (PFR, 8/15).

**Shaded items indicate latest entries.**



## Generation Auction & Sale Calendar

**Generation Sale** ■ **DATABASE**

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 **Holly Fletcher** at (212) 224-3293 or e-mail [hlfletcher@iinews.com](mailto:hlfletcher@iinews.com).

Seller Assets		Location	Advisor	Status/Comments
AES	Cayuga (306 MW Coal)	Lansing, N.Y.	Barclays Capital	Creditors mandate an advisor (See story, page 2).
	Greenidge (105 MW Coal)	Dresden, N.Y.		
	Somerset (675 MW Coal)	Barker, N.Y.		
	Westover (83 MW Coal)	Binghamton, N.Y.		
AES Solar, Riverstone Holdings	Stakes (Solar pipeline)	Variou, Europe	Morgan Stanley	Bids for a partnership stake are due the week of Sept. 19 (PFR, 9/12).
AES Thames	Thames (208 MW Coal-fired)	Montville, Conn.	Houlihan Lokey	Less than a dozen shortlisted bidders are preparing second round bids (PFR, 9/26).
AE Investor II	Astoria Energy II (4%, or 23.3 MW)	Queens, N.Y.	Whitehall & Co.	First round bids were scheduled for Fri., Sept. 16 (PFR, 9/19).
ArcLight Capital Partners	Waterside (72 MW peaker)	Stamford, Conn.	Citigroup, Barclays Capital	Final round bids flutter in (PFR, 9/5).
	Crockett (162 MW Cogen)	Crockett, Calif.		
	Hobbs (604 MW CCGT)	Hobbs, N.M.		
	Hamakua (60 MW CCGT)	Honokae, Hawaii		
	Borger (230 MW Cogen)	Borger, Texas		
	Neptune (391 MW, 65-mile transmission line)	Sayreville, N.J., to Long Island, N.Y		
Black Hills Corp.	Stake (29 MW Wind project)	Huerfano County, Colo.	None	Utility sub is looking to bring in an outside owner for 50% (PFR, 8/22).
Brookfield Asset Management	Paper Mill	Millinocket, Maine	TBA	Cate Street Capital buys mills for biomass conversion (PFR, 8/12).
	Paper Mill	Millinocket, Maine	TBA	
Brookfield Infrastructure Partners	Cross Sound Cable (24-mile Transmission)	N.Y., Conn.	Rothschild	Brookfield entered the lender-requested auction late in the game with a proposal to keep the line (PFR, 9/12).
Cascade Investment	Altura (600 MW Cogen)	Channelview, Texas	Evercore Partners	Cascade is considering its options, including restructuring and a sale of its stake (PFR, 7/11).
	Twin Oaks (305 MW lignite-fired)	Bremont, Texas		
	Cedar Bayou 4 (275 MW natural gas-fired)	Chambers County, Texas		
Cogentrix Energy	50% Stake (115 MW Portsmouth coal-fired)	Portsmouth, Va.	TBA	Quantum Utility Generation is buying half of each facility (PFR, 8/29).
	50% Stake (135 MW James River coal-fired)	Hopewell, Va.		
Conti Group, Grupo Arranz Acinas	Development pipeline (550 MW Wind)	Texas, Kansas, Minnesota	Alyra Renewable Energy Finance	Teasers went out in late July (PFR, 8/1).
Coram Energy	Stake (102 MW Wind project)	Tehachapi, Calif.	Marathon Capital	Coram is selling a 50% stake in a wind project co-owned by Brookfield Renewable Power (PFR, 8/22).
Energy Investors Funds	Mojave (55 MW gas-fired)	Boron, Calif.	None	A pair of investors have bought the facility (PFR, 8/22).
FirstEnergy	Richland (432 MW gas-, diesel-fired)	Defiance County, Ohio	TBA	A unit of Quintana Capital has agreed to buy them (PFR, 8/22).
	Stryker (18 MW gas-fired)			
First Solar	Topaz (550 MW PV)	San Luis Obispo County, Calif.	No advisor	Enbridge is in talks to buy the project (PFR, 9/26).
GDF Suez Energy North America	Hot Spring (746 MW CCGT)	Malvern, Ark.	UBS	UBS is releasing CIMs to interested parties (PFR, 5/15).
	Choctaw (746 MW CCGT)	Ackerman, Miss.		
NextEra Energy Resources	Blythe (507 MW Combined-cycle)	Blythe, Calif.	Credit Suisse, Citigroup	LS Power is looking to put debt on two of the assets (see story, page 1).
	Calhoun (668 MW Peaker)	Eastaboga, Ala.		
	Doswell (708 MW CCGT & 171 MW Peaker)	Ashland, Va.		
	Cherokee (98 MW CCGT)	Gaffney, S.C.		
	Risec (550 MW CCGT)	Johnston, R.I.		Still on the market.
Newind, WindRose Power	CCI (120 MW wind project)	Childress County, Texas	RedWind Consulting	Teasers have gone out for the project (PFR, 9/19).
NRG Solar	Various (stake in 881 MW solar pipeline)	Various	Credit Suisse	NRG is looking for a minority owner for its solar subsidiary (PFR, 5/9).
PNM Resources	Stake in Optim Energy	Texas	Morgan Stanley	Teasers are out as Cascade Investments considers exiting (PFR, 5/23).
Puget Sound Energy	Lower Snake River (1.2-1.4 GW Wind)	Columbia and Garfield Counties, Wash	TBA	The Macquarie Infrastructure Partners-owned utility is having conversations with prospective advisors (PFR, 8/22).
Recurrent Energy	Bagdad (15 MW PV)	Bagdad, Ariz.		
	Ajo 1 (5 MW PV)	Ajo, Ariz.	Credit Suisse	Indicative bids came in April 6 (PFR, 4/11)
	Sunset Reservoir (5 MW PV)	San Francisco, Calif.		
	Cranbury (7.5 MW Distributed PV)	Cranbury, N.J.		
	Kaiser Permanente (15 MW Distributed PV)	California		
Signal Hill Power, CarVal Investors	Wichita Falls (77 MW CCGT)	Wichita Falls, Texas	Scotia Capital	Teasers out in late June; first round bids said to be in (PFR, 8/8).
	Rensselaer (79 MW Peaker)	Rensselaer, N.Y.		
Strategic Value Partners, JPMorgan, Cargill	Liberty Electric Power (586 MW CCGT)	Eddystone, Pa.	JPMorgan	Energy Capital Partners is buying the facility for a price just under \$1,000/kW (PFR, 8/29).
Tenaska	High Desert (800 MW CCGT)	Victorville, Calif.	Barclays, Citi	Has tapped Barclays Capital and Citigroup for the sale (PFR, 9/12).
	Rio Nogales (800 MW CCGT)	Seguin, Texas		
U.S. Power Generating Co.	Astoria Generating (2.1 GW Gas-fired)	Queens, N.Y.	Perella Weinberg Partners	Perella Weinberg has been hired to advise on strategic alternatives (PFR, 9/26).

**Shaded items indicate latest entries.** For the full listing of the Generation Auction, go to [powerintelligence.com](http://powerintelligence.com)

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## Concentrating Solar (Continued from page 1)

**Advantage for Analysts** in San Francisco. "It's coming down to price." A glut of panels has driven PV pricing down sharply, caused in part by Chinese photovoltaic manufacturers taking advantage of government subsidies in China to flood the global PV market. Manufacturers **JA Solar**, **LDK Solar**, **Suntech**, **Trina** and **Yingli Solar** have benefited by roughly \$30 billion in loans from **China Development Bank**, according to the U.S. **Department of Energy**.

Several CSP developers have already switched projects to PV in order to become more competitive for PPAs and industry officials expect more to follow suit. **Solar Trust of America**, a **Solar Millennium** affiliate in Oakland, Calif., is considering the switch for more projects after changing its 484 MW project in

Blythe, Calif., to PV. **K Road Power Holdings** switched to PV for most of the 850 MW Calico project in Barstow, Calif., after it bought the project from **Tessera Solar** (*PFR*, 1/14). K Road has yet to announce whether it has landed a PPA for Calico. **Southern California Edison** is the offtaker for Blythe.

**Albisa**, **Inland Energy** and **Mojave Sun Power** are among sponsors developing CSP projects in the U.S. without offtakers. Roughly 7.4 GW of CSP is under development across 31 projects in the U.S., according to statistics compiled by the **Solar Energy Industries Association**. Company officials or spokespeople either declined to comment or did not respond to inquiries.

Just three years ago, CSP was a touch costlier than photovoltaic, but the economics were somewhat comparable, as CSP technologies were more efficient, especially in solar tower projects

### U.S. CSP Projects In Development

Developer	Project Name	Technology	Offtaker	Location	Capacity
Acciona Solar Power	Ft. Irwin Solar	Trough	U.S. Army/surrounding utilities	Ft. Irwin, Calif.	500 MW
Albisa	Kingman	Trough	TBA/TBD	Kingman, Ariz.	200 MW
Bell Independent Power	UA Tech Park	Trough	Tucson Electric Power	Tucson, Ariz.	5 MW
Boulevard Associates	Sonoran	Trough	TBA/TBD	Maricopa County, Ariz.	375 MW
BrightSource Energy	Coyote Springs 1	Tower	Pacific Gas & Electric	Coyote Springs, Nev.	200 MW
BrightSource Energy	Coyote Springs 2	Tower	Pacific Gas & Electric	Coyote Springs, Nev.	200 MW
BrightSource Energy	Hidden Hills	LPT	TBA/TBD	Inyo County, Calif.	500 MW
BrightSource Energy	Unidentified	Tower	Southern California Edison	Nevada	1,200 MW
Emcore/SunPeak Power	Unidentified	Lens CPV	TBA/TBD	Southwest U.S.	200 MW
eSolar	Gaskell Sun Tower I	Tower	Southern California Edison	Kern County, Calif.	105 MW
eSolar	Gaskell Sun Tower II	Tower	Southern California Edison	Kern County, Calif.	140 MW
Harper Lake	Harper Lake	Trough	TBA/TBD	California	250 MW
Inland Energy	Palmdale Hybrid Gas-Solar	Trough	TBA/TBD	Palmdale, Calif.	50 MW
Inland Energy	Victorville Hybrid Gas-Solar	Trough	TBA/TBD	Victorville, Calif.	50 MW
K Road Power Partners	Calico II	Dish-engine	TBA/TBD	California	100 MW
MMR Power Solutions	Mt. Signal Solar	Trough	San Diego Gas & Electric	Imperial Valley, Calif.	49 MW
Mojave Sun Power	Hualapai Valley	Trough	TBA/TBD	Mojave County, Ariz.	340 MW
Pacific Light & Power	Westside	Trough	Kaua'i Island Utility Cooperative	Kauai, Hawaii	10 MW
Siemens Energy	Mojave Solar Park	Trough	Pacific Gas & Electric	California	533 MW
Soitec Solar Development	Unidentified	CPV	San Diego Gas & Electric	San Diego County, Calif.	30 MW
Soitec/CSOLAR	Imperial Solar Energy Center West	CPV	San Diego Gas & Electric	Imperial County, Calif.	150 MW
Sol Orchard	Unidentified	CPV	San Diego Gas & Electric	San Diego County, Calif.	50 MW
Solar Millennium	Amargosa Farm Road 1	Trough	NV Energy	Nye County, Nev.	242 MW
Solar Millennium	Amargosa Farm Road 2	Trough	NV Energy	Nye County, Nev.	242 MW
Solar Millennium	Blythe Phase II	Trough	Southern California Edison	Blythe, Calif.	500 MW
Solar Millennium	Palen Solar	Trough	Southern California Edison	Desert Center, Calif.	500 MW
SolarReserve	Crossroads	Tower	TBA/TBD	Gila Bend, Ariz.	150 MW
SolarReserve	Quartzsite	Tower	TBA/TBD	La Paz County, Ariz.	100 MW
SolarReserve	Rice	Tower	Pacific Gas & Electric	Riverside County, Calif.	150 MW
SolarReserve	Saguache	Tower	TBA/TBD	Saguache County, Colo.	200 MW
Southwest Solar	SolarCAT Pilot	Dish-engine	TBA/TBD	Arizona	10 MW

Notes: Data compiled from Solar Energy Industries Association statistics updated Sept. 12, 2011

Projects not under construction or in DOE's loan guarantee program

with storage units, industry observers say. Now, the price to develop photovoltaic is at or below \$3 per watt, while CSP costs between \$4-4.50 per watt. A senior v.p. at a private equity shop compares two hypothetical \$1 billion projects: a 100 MW CSP project combining a solar tower and a molten salt storage unit and a standard 333 MW PV plant. The CSP project would produce a little more than 500,000 MWh annually, compared to 730,000 MWh for the PV project.

"There's no question that PV prices have dropped dramatically," says **Kevin Smith, SolarReserve** ceo in Santa Monica, Calif., a developer of CSP and PV. "The difficulty is that you're seeing low-bidding [such that] people are bidding expecting panels to go down further." The California **Public Utilities Commission** has become especially sensitive to PPA pricing, rejecting a contract that had been signed in 2010 because it was no longer competitive with 2011 pricing (*PFR*, 8/19). **Michael Peevey**, CPUC president in San Francisco, didn't return a call seeking comment.

Several CSP technologies are financeable in the commercial bank market, lenders say, attributing the technology precedents established under the DOE's loan guarantee program supporting innovative renewables. "As long as projects have contracted cash flows and sufficient equity, we're fine with PV or CSP," says a senior syndicator in New York.

—**Brian Eckhouse**

## Morgan Stanley (Continued from page 1)

according to the OTPP Web site. Pension funds typically avoid majority ownership in power assets because they don't have the expertise to manage the asset, industry officials say. OTPP is likely not going to participate in the bidding process.

Interest in investing in the region has grown in the recent years as need for power infrastructure has boomed and it increasingly opened up to foreign, private investment. Shops like **Government of Singapore Investment Corp.** and other infrastructure funds have poked around looking for opportunities as have strategics from the U.S. and Europe. Chile is attractive for its investment-grade credit rating (*PFR*, 9/23).

Earlier this year, **Sempra Energy** spent \$875 million to buy out **AEI's** stake in **Chilquinta Energia**, a Chilean electric distributor that the two jointly owned. **IPR-GDF Suez** owns a majority stake in Chilean power company **E-CL**.

The identity of bidders could not be learned. Bank spokespeople either declined to comment or didn't immediately reply to an inquiry. An OTPP spokeswoman in Toronto was not available to comment while a spokesperson for SAESA could not be reached in Santiago.

—**HF**

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## LS Looks (Continued from page 1)

The exact pricing that LS is seeking and which plants in the portfolio it is leveraging up could not be learned. The terms might be a stretch with many European lenders being squeezed by the debt crises in their home countries. The cost of self-funding for European banks has risen more than 100 basis points to at least 160-170 bps in the last year (*PFR*, 9/23).

LS is talking with a number of banks, including **BNP Paribas, Crédit Agricole, CIT Group, ING Capital**, affiliates of **Mitsubishi UFJ Financial Group** and **WestLB**. "The Europeans have pulled back. So who does that leave? A couple of Japanese banks and a few U.S. banks," says one financier, noting that European banks are going to be hard pressed to take tickets right now. The size of the financing package is still being discussed.

LS is paying for the bulk of the NextEra purchase with cash on hand and existing credit facilities. It has to wait for regulatory approval of the purchase before leveraging up the assets. How LS will use the proceeds of the debt package and a timeline for regulatory approval could not be learned.

### LS is buying:

- 507 MW Blythe CCGT in Blythe, Calif., that has a 10-year power purchase agreement with **Southern California Edison**
- 668 MW Calhoun peaker in Eastaboga, Ala., has 11 years remaining on an **Alabama Power Co.** PPA
- 98 MW Cherokee CCGT in Gaffney, S.C., has two years remaining on a PPA with **Duke Energy Carolinas**
- 708 MW Doswell CCGT in Ashland, Va., has six years remaining on a **Virginia Electric Power Co.**; there is also a 171 MW merchant peaker.

**Citigroup** and **Credit Suisse** ran the auction for NextEra.

Bank officials declined to comment or did not respond to inquiries while messages for **Joe Esteves**, cfo of LS, were not returned.

## Quote Of The Week

*"There's no question that PV prices have dropped dramatically. The difficulty is that you're seeing low-bidding [such that] people are bidding expecting panels to go down further."*—**Kevin Smith, SolarReserve** ceo in Santa Monica, Calif., on the pressure concentrating solar power projects are facing from rival photovoltaic projects (see story, page 1).

## One Year Ago In Power Finance & Risk

**Edison Mission Energy** had retained **Marathon Capital** to find an investor for its 1.062 GW operating wind fleet as a way to fund its development pipeline. [The Chicago-based advisor is working with a utility and pension funds considering making a direct investment in the assets (*PFR*, 6/22).]