

power finance & risk

The exclusive source for power financing and trading news

www.iipower.com

A PUBLICATION OF INSTITUTIONAL INVESTOR, INC.

OCTOBER 4, 2004

VOL. VII, NO. 40

Web Exclusives

Goldman Sachs has lost a pair senior power traders and originators from its London-based energy trading operation.

Bank debt levels for U.K. coal plants are soaring as investors bet on electricity prices rising faster than coal prices.

For the full stories go to *PFR's* Web site (www.iipower.com)

FortisAlberta Readies \$300M Bond Offering

FortisAlberta is planning to issue about \$300 million of senior unsecured bonds to repay short-term debt incurred as part of **Fortis Inc.'s** acquisition of **Calpine's** Canadian operations in May.

See story, page 3

At Press Time

Biomass Developers Inks Financing 2

In The News

Nevada Power Seeks Revolver 3

Banks Launch Irish Plant Syndication 4

Xcel Lands \$600M Revolver 4

Corporate Strategies

Calpine Rolls Out \$1.5B Refi 5

Middle East & North Africa

UAE Operator Extends Financing 5

Departments

Generation Auction & Sale Calendar 6

COPYRIGHT NOTICE: No part of this publication may be copied, photocopied or duplicated in any form or by any means without Institutional Investor's prior written consent. Copying of this publication is in violation of the Federal Copyright Law (17 USC 101 et seq.). Violators may be subject to criminal penalties as well as liability for substantial monetary damages, including statutory damages up to \$100,000 per infringement, costs and attorney's fees. Copyright 2004 Institutional Investor, Inc. All rights reserved.

For information regarding subscription rates and electronic licenses, please contact Dan Lalor at (212) 224-3045.

RELIANT READIES \$4B DEBT REFINANCING

Roughly a year and a half after clinching a make-or-break \$5.9 billion debt refinancing that saved it from almost certain bankruptcy, **Reliant Energy** is gearing up for another mammoth debt restructuring. The Houston power company intends to refinance about \$4 billion of debt, comprised of \$1.1 billion of high-yield bonds and \$2.9 billion of bank paper, says a banker close to the situation. The terms of the deal have yet to be determined, but **Banc of America Securities**, **Barclays Capital** and **Deutsche Bank** have been tapped to lead the refinancing, and **Goldman Sachs** may also join the syndicate, according to the banker.

"Our next focus is to free up the cash traps at our **Orion MidWest** [debt] facility, and we are looking at a number of different options to do that," says **Stephanie Slavin**, a spokeswoman for Reliant. CFO **Mark Jacobs** told analysts on a conference call in February

(continued on page 2)

WIND FARM DEVELOPERS SCRAMBLE TO BEAT FEDERAL SUBSIDY DEADLINE...

The reinstatement late last month of a federal tax break on wind farm output will have developers scrambling to complete a slew of wind farm projects by the end of next year when the subsidy expires. "There are two or three billion dollars worth of projects lined up and ready to move forward," says **Randall Swisher**, executive director of the **American Wind Energy Association**. "Once they get the green light, it's an intense period."

On Sept. 23 Congress approved a one-year reinstatement of a \$0.018 per KWh production tax credit



(continued on page 8)

...AS WIND INDUSTRY CALLS FOR RADICAL CHANGE TO TAX BREAK SYSTEM

Having waited the better part of a year for Capitol Hill to finally enact new legislation supporting the wind farm industry, many green energy lobbyists complain that Congress is doing too little and has acted too late. "Congress has totally mishandled the whole situation," argues **Jan Paulin**, president and chief executive of wind farm developer **Padoma Wind Power**, of the new law passed late last month.

Paulin argues that Congress' decision to reactivate the use production tax credits (PTCs) until the end of 2005 offers both a flawed incentive to developers and also affords them too small a window of opportunity to develop new projects. The continual adoption of short-term tax break windows creates a vicious development cycle of boom years followed by fallow periods when developers lie idle waiting for the PTC system to be re-enacted, he

(continued on page 8)

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

Fibrominn Taps Insurers For Biomass Funding

Biomass plant developer **Fibrominn**, an affiliate of renewable energy outfit **Fibrowatt LLC**, is set to tap the private placement bond market to finance the construction of the first poultry litter-fired power plant in the U.S.



Rupert Fraser

A consortium of six widely known insurance companies will underwrite the \$200 million, 20-year deal, says **Rupert Fraser**, chief executive of Fibrominn. He declined to offer details on the pricing of the deal or reveal the insurance companies involved until the final contracts are signed, which is expected to happen imminently. About \$165 million of the bond will be used for construction costs, with the remainder earmarked to cover interest payments during the plant's two-year construction period.

The fixed-rate bonds will be secured by the 50 MW plant, which will be located in Benson, Minn., about 125 miles west of Minneapolis.

U.K. biomass outfit **Fibrowatt** decided to expand into the U.S. generation market to take advantage of its extensive supply of poultry litter, which far outweighs that available in the U.K., according to Fraser.

Fibrominn is 70% owned by Boston-based **Homeland Renewable Energy** and 30% owned by **Fibrowatt**, itself an affiliate of **Energy Power Resources Ltd.**

RELIANT READIES

(continued from page 1)

that Reliant was looking to simplify its capital structure, including flipping floating-rate debt into fixed-rate notes and moving Orion-related debt up to the holding company (PFR, 2/22). A financier at Barclays declined to comment and senior bankers at BofA, Deutsche Bank and Goldman did not return calls.

Reliant is looking to refinance its debt load in order to free up cash and give the company more financial flexibility. "A huge portion of its revenues is going toward paying off debt," says the banker. The company is also looking to reduce its secured non-recourse debt level's in the long term, he adds. The refinancing will be launched before year-end.

The refinancing should prove a positive flip for Reliant, especially if it can use the proceeds to pay down debt associated with its 2002 \$5.3 billion acquisition of merchant power producer **Orion Power**, which it most likely will do, says **Hugh Welton**, senior director at **Fitch Ratings**. "In 2003, they had to deal with the overhang of a very large bridge loan that was coming due," Welton says. "Obviously, they're trying to avoid having that situation [occur] again."

Reliant told lenders last month that it intends to pay down the \$350 million balance in its Orion Power New York project loan and also aims to pay off a \$900 million cross-collateralized Orion Power MidWest loan (PFR, 9/3). The \$900 million proceeds of Reliant's recently completed sale of a portfolio of upstate New York hydroelectric plants will go toward paying down the loans, which mature in November 2005.

Reliant nearly filed for bankruptcy in March 2003 when a 24-strong syndicate of lenders struggled to agree on the terms of a \$5.9 billion debt refinancing package (PFR, 3/27/03).

—Christine Buurma

power finance & risk

The exclusive source for power financing and trading news

EDITORIAL

TOM LAMONT
Editor

STEVE MURRAY
Deputy Editor

PETER THOMPSON
Executive Editor [Chicago]
(773) 525-6978

CHRISTINE IDZELIS
Reporter [New York]
(212) 224-3226

CHRISTINE BUURMA
Reporter [New York]
(212) 224-3116

CHRIS GAUDIO
Development Editor
(212) 224-3278

WILL AINGER
Managing Editor,
London Bureau Chief
(44 20) 7303-1735

ARADHNA DAYAL
Hong Kong Bureau Chief
(852) 2912-8009

STANLEY WILSON
Washington Bureau Chief
(202) 393-0728

JANA BRENNING, KIERON BLACK
Sketch Artists

PRODUCTION

DANY PEÑA
Director

LYNETTE STOCK, DEBORAH ZAKEN
Managers

MICHELLE TOM, ILIJA MILADINOV,
MELISSA ENSMINGER,
BRIAN STONE
Associates

JENNY LO
Web Production & Design Manager

MARIA JODICE
Advertising Production Manager
(212) 224-3267

MIKE McCAFFERY
Online Publisher
(212) 224-3534
mmccaffery@iinews.com

PAT BERTUCCI, MAGGIE DIAZ,
TAMARA WARD
Associate Publishers

JENNIFER FIGUEROA
Media Kits
(212) 224-3895

PUBLISHING

ELAYNE GLICK
Publisher
(212) 224-3069

BRIAN McTIGUE
Marketing Manager
(212) 224-3522

JON BENTLEY
European Marketing Manager [London]
(44-20) 7779-8023

VINCENT YESENOSKY
Senior Fulfillment Manager
(212) 224-3096

SUBSCRIPTIONS/ ELECTRONIC LICENSES

One year - \$2,545 (in Canada add \$30 postage, others outside U.S. add \$75).

DAN LALOR
Director of Sales
(212) 224-3045

THOMAS GANNAGE-STEWART
Account Executive [London]
(44-20) 7779-8998

ADI HELLER
Account Executive [Hong Kong]
(852) 2842-6929

GEORGE WITTMAN
Client Development Manager
(212) 224-3019

REPRINTS

AJANI MALIK
Reprint Manager (212) 224-3205
amalik@iinvestor.net

CORPORATE

CHRISTOPHER BROWN
Chief Executive Officer

DAVID E. ANTIN
Director of Finance and Operations

ROBERT TONCHUK
Director of Central Fulfillment

Customer Service: PO Box 5016,
Brentwood, TN 37024-5016.
Tel: 1-800-715-9195. Fax: 1-615-377-0525
UK: 44 20 7779 8704
Hong Kong: 852 2842 6950
E-mail: customerservice@iinews.com

Editorial Offices: Nestor House,
Playhouse Yard, London, EC4V 5EX,
England. Tel: (44 20) 7303-1735
Email: wainger@euromoneyplc.com

Power Finance & Risk is a general circulation newsweekly. No statement in this issue is to be construed as a recommendation to buy or sell securities or to provide investment advice.

Power Finance & Risk ©2004
Institutional Investor, Inc.

Copying prohibited without the permission of the Publisher.

**Institutional
Investor NEWS**
INTELLIGENCE FIRST

UBS Loses Western Trading Exec

Mike Grigsby, managing director and head of western power and gas trading at UBS in Stamford, Conn., has resigned from the bank. The former-**Enron** power trader is the second managing director to leave UBS's energy group this month. Several weeks back **Robin Eaves**, head of oil trading, also departed (PFR, 9/20). At the time, Grigsby was appointed interim head of oil trading.

Market watchers says Grigsby left UBS Sept. 24 and is looking to head back to Houston. **Kris Kagle**, UBS spokesman, confirmed Grigsby's departure, declining further comment.

Grigsby joined UBS in 2002 as part of the bank's purchase of Enron's Houston energy trading business.

FortisAlberta Readies \$300M Bond Offering

FortisAlberta is planning to issue about \$300 million of senior unsecured bonds to repay short-term debt incurred as part of the wire company's acquisition by **Fortis Inc.** last May.

D. James Harbilas, cfo and v.p. of finance for FortisAlberta, which was formerly a division of **Aquila Networks Canada**, says the debentures will most likely be issued in two tranches of 10 and 20 years. The pricing of the issue will be determined after a road show, which will target institutional investors in Canada. "The offering isn't so big that we would need to tap the United States markets," Harbilas says.

Scotia Capital is leading a syndicate of Canadian banks that includes **BMO Nesbitt Burns**, **CIBC World Markets**, **RBC Dominion Securities**, **National Bank Financial** and **TD Securities**. FortisAlberta expects to launch the sale by the end of the year.

Fortis acquired Aquila Networks Canada for \$1.476 billion. The business consists of two utilities in British Columbia and Alberta. The latter owns a 70,000 mile power grid serving some 385,000 customers.

Nevada Power Seeks \$325M Revolver

Nevada Power and parent **Sierra Pacific Resources** are looking to arrange a \$325 million bank revolver to finance the acquisition of a partly completed 1,200 MW power station near Las Vegas. Proceeds will be used to fund the purchase of the Moapa Valley natural gas-fired combined-cycle power plant from **Duke Energy** (PFR, 6/28).

Union Bank of California, which is leading the financing, held a bank meeting in New York last week to launch syndication of the loan and is expected to close syndication on Oct. 20, says an official who attended the meeting. Calls to a

Union Bank of California official were not returned and pricing details could not be determined by press time.

On Sept. 17 Nevada Power announced that it received approval from the state's public utilities commission to proceed with the acquisition and financing of the power plant. The utility expects it will cost \$558 million to seal the purchase and complete construction, it said in a release.

Prospect Expands Investment Team

Prospect Energy has expanded its New York-based investment team in an effort to broaden the scope of transactions on the private investment boutique's radar screen. **John Hopley**, former managing principal for **Greenwich Energy Capital Management**, and **Bart de Bie**, former director with **Cenatar Advisory Group**, have joined the team. Also joining Prospect is **Eric Klaussman**, who previously served as a principal at **MMC Energy** specializing in origination, evaluation and the structuring of energy investments.

Prospect decided to make the hires to "address the scope of the opportunities we've been looking at," says **Grier Eliasek**, president and coo. "We're very excited by the breadth of opportunities available in the energy marketplace." The firm is evaluating upstream, midstream and downstream power assets, as well as products and services that are interrelated with the power industry. "We were looking for people with multiple skill sets and the flexibility to do different types of deals," explains Eliasek of the hires. Prospect is looking at several acquisitions after completing a \$105 million IPO last month (PFR, 9/17).

Power Trader Expands Into Midwest

ACES Power Marketing, a power trading and risk management outfit launched five years back by a group of utility cooperatives, is looking to hire five physical electricity traders. The appointments will swell its ranks to 25 hourly power traders.

ACES currently trades power in ERCOT and on the East Coast and the recruitment drive will allow it enter the Midwest's power markets, explains **Mike Steffes**, senior v.p. and coo. Alongside the appointments ACES intends to relocate its PJM trading desk to Indianapolis from Cary, N.C.

ACES' development of a Midwest presence partly mirrors the western expansion of the PJM's independent system operator, explains Steffes, adding that Midwest utility operators **Dominion Resources** and **AEP** are moving their wires networks into PJM this fall, while **Commonwealth Edison** joined in May.

The creation of a new desk also leaves ACES well positioned for the creation of the Midwest Independent System Operator (MISO), which should emerge in Indianapolis in 2005, Steffes says.

Banks Launch Syndication Of Irish Plant Financing

Mandated lead arrangers and co-underwriters **KBC Bank** and **Royal Bank of Scotland** were set to launch syndication late last week of a EUR300 million (\$365 million) 15-year non-recourse loan package that's funding the construction of a 400 MW gas-fired power plant in County Galway. Market watchers say the two lenders were set to hold several conference calls at the tail end of last week to pitch the deal to potential sub-lenders.

One financier says the MLAs are seeking eight banks to join the syndicate and are offering EUR30 million loan tickets. The financing is split between a EUR260 million term loan and a EUR40 million letter-of-credit facility. **Niall Murray**, head of power at KBC in Dublin, declined to reveal the syndication strategy or pricing of the loan prior to the launch of syndication.

Project sponsors **Mountside Properties** and Turkish construction outfit **Gamma Construction** have inked a gas supply agreement with **RWE Trading**. RWE will also take 10% of the power. The remainder is being sold to Ireland's state-owned **Electricity Supply Board** under a long-term offtake contract (PFR, 9/3).

The project is being built on a 80:20 debt-to-equity basis, with Gamma providing 80% of the equity. Earlier this year Gamma doubled its stake after buying out Tynagh's third partner **Investec**.

PTC Extension Revives Empire State Wind Project

Capitol Hill's recent approval of an extension of the production tax credit (PTC) system has revived the prospects of the 300 MW Flat Rock Wind Power Project in upstate New York. "Now we're good to go," says **Bill Moore**, project manager and principal at **Atlantic Renewable Energy**, adding that the project had been put on ice because of a nine-month delay in enacting the legislation. "There's no way a facility this size could have gotten financed in the absence of the PTC."

With all of its permits in place, the \$350 million wind farm project is looking to seal construction financing this fall, Moore says. "So far a good number of [equity providers] have looked at the project," he adds, declining to name them. Moore hopes to have the farm operational by the end of next year. ARE will only begin looking to lever the project with debt financing once the farm is operational and hooked up to the New York electricity grid, he notes.

New York State recently announced the imposition of a

renewable portfolio standard that requires Empire State utilities to source some 25% of their power needs from renewable generation by 2013. That ruling was as important as the reenactment of PTC legislation in ARE's decision to go ahead with the Flat Rock project, Moore notes.

New York has the largest wind potential east of the Mississippi, say Moore, noting that the state's proximity to the Great Lakes as well as its elevated farmland leaves it nicely exposed to wind currents.

ArcLight To Finance Ill. Purchase With Debt/Equity Combo

ArcLight Capital Partners will finance its \$173 million acquisition of an Illinois power plant from **Allegheny Energy** through a combination of debt and equity, says **Robb Turner**, senior partner at ArcLight in New York. The energy investment firm hopes to secure financing by the end of the year, Turner says. He declined to comment further on the financing. The 672 MW natural gas-fired facility is located in Manhattan, Ill.

ArcLight decided to acquire the plant because the firm was looking for a medium-term contract and liked the power market where the facility is located, Turner says. He declined to say whether ArcLight would bid on Allegheny's two remaining gas-fired peaking facilities in the Midwest – a 512 MW plant in Wheatland, Ind., and a 526 MW plant in Gleason, Tenn. – that are also on the block.

Allegheny announced last week that it has retained **Banc of America Securities** to advise on the sales of the Midwest peakers. The energy company, which has been selling assets over the past year in an effort to reduce debt, recorded a loss of about \$210 million on the Illinois plant sale.

Xcel Energy Launches \$600M Revolver

Midwest utility **Xcel Energy** is looking to arrange a \$600 million senior unsecured revolver, which among other things is earmarked to back the issuance of commercial paper. The five-year loan is being led by **Barclays Capital** and **J.P. Morgan**, says a banker close to the deal. Syndication was launched last week and commitments are due on Oct. 18.

The revolving credit facility carries an undrawn fee of 15 basis points and pricing of 87.5 basis points if fully drawn, says the banker. The new facility replaces Xcel's existing \$400 million revolver, which was set to mature next year. The company is taking advantage of vibrant market conditions by refinancing the deal early, the banker notes.

Corporate Strategies

Ameren Inks \$300M Refinancing

AmerenUE, a utility subsidiary of **Ameren Corp.** that provides power to eastern Missouri, last week issued \$300 million of senior secured notes to refinance old debt. The notes, which are due 2019, carry a 5.1% coupon and were priced at 99.75, according to **Susan Gallagher**, spokeswoman. AmerenUE will use the proceeds of the issue to pay down outstanding short-term debt, including \$188 million of mortgage bonds that came due Aug. 1 and carried a 6.875% coupon.

BNP Paribas, **BNY Capital Markets** and **Lehman Brothers** underwrote the deal. Gallagher declined to reveal how the banks were selected, but says the banks targeted the offering at institutional investors.

MidAmerican Lands Wind Farm Deal

MidAmerican Energy issued \$350 million in unsecured notes last week, in part to help finance the construction of two large wind farms in Iowa. **Karen Anderson**, director at **Fitch Ratings**, explains the bond offering came fast on the heels of Congress ratifying a bill that extends tax breaks for wind farm operators. She notes the A-rated 10-year notes carry a coupon of 4.65% and adds **ABN AMRO**, **J.P. Morgan** and **BNP Paribas** underwrote the offering.

Allan Urlis, a MidAmerican Energy spokesman, says that the utility expects to spend some \$323 million building two wind farms in north-central and northwestern Iowa (see story, page 4).

Calpine Rolls Out \$1.5 Billion Balance Sheet Refinancing

Calpine issued a total of \$1.5 billion in secured and unsecured bonds and convertible notes last week, with \$725 going toward the repurchase of preferred equity and unsecured debt. The power generation behemoth issued \$725 million of unsecured convertible notes due 2014, priced well below par at 83.9% of face value. The notes will pay an annual interest rate of 6%, except in years 3-5, when the notes will bear a coupon of 6% of the principal amount but interest payments will be deferred. "It's a benefit to Calpine," says **Katherine Potter**, Calpine spokeswoman, of the three-year respite from interest rates. Potter declined to say how Calpine and the deal's underwriters arrived at the unusual cashflow profile of the debt offering.

The notes are convertible into cash and shares of Calpine common stock at \$3.85 per share. The stock was trading at \$2.95 last Wednesday, with a 12-month range of \$2.87-6.42. Calpine will use the proceeds from the deal to redeem

convertible preferred stock and unsecured convertible notes.

Separately, Calpine issued \$785 million of 9.63% first-priority senior secured notes in a private placement. The notes mature in 2014 and were priced at 99.2. Proceeds from the sale will be used to redeem or repurchase existing indebtedness through open-market purchases. Potter declined to comment further on the issue or reveal what debt is likely to be redeemed. Both the secured and unsecured issues were expected to close Sept. 30.



Middle East & North Africa UAE Developer Inks Loan

The **UAE Offsets Group (UOG)**, an Abu Dhabi-based state-development agency, has reportedly inked a \$1 billion three-year bank

loan that refinances the construction costs of **Fujairah**, a 620 MW power plant in Abu Dhabi. Market watchers say **National Bank of Abu Dhabi** has underwritten the financing and add the state-owned bank is presently syndicating the transaction among international and regional lenders. Tight pricing is likely to keep all but a few international banks outside the syndicate, says one official evaluating the deal.

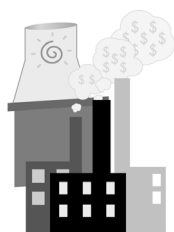
The new bank loan replaces a two-year state guaranteed bridge loan arranged by UOG two years back when it began constructing **Fujairah (PFR, 2/12/02)**. At the time UOG awarded South Korea's **Doosan Heavy Industries & Construction Co.** a contract to develop the plant and a pipeline linking it westwards to **Al Ain**.

Tractebel Retains BNP For Saudi Bid

Belgian utility **Tractebel** is evaluating bidding for **Marafiq**, a \$2.5 billion power and water desalination project in Saudi Arabia, and has retained **BNP Paribas** to advise on the process.

Saudi Arabia's **Power and Water Utility Company for Jubail and Yanbu** launched a request for proposals this summer for a plant developer to construct a 2.4 GW and 300,000 cubic meters of water per day power and desalination plant in the port city of Jubail. The utility has received 17 expressions of interest and recently shortlisted 10 bidders. A banker close to the matter says final bids are due by mid December.

BNP has a long track record of advising Tractebel in the Middle East. It recently advised Tractebel on its bid to develop the **Sohar** power and water desalination project in the Oman, and is presently syndicating a \$400 million loan tied to the project (PFR, 9/18).



Generation Auction & Sale Calendar

Following is a directory of ongoing generation asset sales. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report new auctions or changes in the status of a sale, please call Will Ainger, managing editor, at (44-20) 7303-1735 or e-mail wainger@euromoneyplc.com.

Seller	Plants	Location	MW	Plant Type	Advisor	Status
AEP	El Bajio	Mexico	600 (50%)	Gas	WestLB	
AES	Wolf Hollow	Texas	730	Gas	N/A	Ongoing.
	Granite Ridge	N.H.	720	Gas		
	Termomamonal	Colombia	90	Gas		
	Ottana	Italy	140	Gas	None	Ongoing.
Allegheny Energy Supply	Armstrong	Penn.	356	Coal	J.P. Morgan	Ongoing.
	Hatfield	Penn.	1,600 (75%)	Coal	Citibank	
	Mitchell	Penn.	442	Coal	J.P. Morgan	
Aquila	Raccoon Creek	Ill.	340	Gas	Not chosen	Intention to sell.
	Goose Creek	Ill.	340	Gas		
	Crossroads	Miss.	340	Gas		
BP	Great Yarmouth	U.K.	400	Gas	J.P. Morgan	Intention to sell.
Black Hills Energy	Pepperell	Mass.	40	Gas	-	Intention to sell.
BNP -led bank group (Exelon developed plants)	Mystic River 7	Mass.	560	Oil/Gas	Lazard	Ongoing.
	Mystic River 8	Mass.	832	Gas		
	Mystic River 9	Mass.	832	Gas		
	Fore River	Mass.	832	Gas		
Citi & SocGen-led creditor group (TECO Energy developed plants)	Union	Ark.	2,200	Gas	Goldman	Ongoing.
	Gila River	Ariz.	2,300	Gas		
CMS Energy	Ensenada	Argentina	128	Gas	Not chosen	Announced intention to sell.
	CT Mendoza	Argentina	520	Gas	J.P. Morgan	
	El Chocon	Argentina	1,320	Hydro	J.P. Morgan	
Citi-led bank group (NEG developed plants)	Lake Road	Conn.	840	Gas	Lehman Bros.	Seperate auction for each plant.
	La Paloma	Calif.	1,121	Gas	Lehman Bros.	
ConocoPhillips	Ingleside	Texas	440 (50%)	Gas	None	Looking to sell stake by June.
Damhead Power	Damhead	U.K.	800	Gas	E&Y	Has agreed sale to ScottishPower.
Delta Power	Lowell Power	Mass.	82	Gas	None	Actively pursuing a sale.
Duke Energy North America	Lee Energy	Ill.	640	Gas	J.P. Morgan	Ongoing.
	Bridgeport Energy	Conn.	480 (67%)	Gas		
	Grays Harbor (in construction)	Wash.	650	Gas		
	Deming Energy (in construction)	N.M.	570	Gas		
	Griffith Energy (50%)	Ariz.	600	Gas		
	Maine Independence	Maine	520	Gas		
El Paso Europe	Enfield	U.K.	396 (25%)	Gas	No Advisor	Looking to exit Europe.
	EMA Power	Hungary	70	Coal		
	Kladna	Czech Rep.	350	Coal		
El Paso North America (Merchant assets)	Berkshire	Mass.	261 (56.41%)	Gas		Final bids due.
	CDECCA	Conn.	62	Gas		
	Eagle Point	N.J.	233	Gas		
	Fulton	N.Y.	45	Gas		
	Pawtucket	R.I.	67	Gas		
	Rensselaer	N.Y.	79	Gas		
	San Joaquin	Calif.	48	Gas		
El Paso North America (Contracted assets)	Midland Cogen	Miss.	1,500 (44%)	Gas	Citigroup	Has sold majority of QF portfolio to ArcLight.
	Prime	N.J.	66 (50%)	Gas		
Endesa	Conatillor	Chile	172	Hydro	N/A	Ongoing.
EnCana	Cavalier	Alberta	106	Gas	HSBC	Launched sale in April. Looking to exit generation business.
	Balzac	Alberta	106	Gas	HSBC	
	Kingston	Ontario	110 (25%)	Gas	HSBC	
Energy Investors Fund	Multitrade	Va.	79.5 (60%)	Biomass	None	Intention to sell.
	Crockett	Calif.	240 (24%)	Gas	None	

Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status
Entergy Asset Management	Robert Ritchie	Ark.	544	Gas/oil		Ongoing.
	Warren Power	Miss.	314	Gas		
	Top of Iowa	Iowa	80	Wind		
	RS Cogen	La.	425 (49%)	CHP		
	Roy S. Nelson	La.	550 (20%)	Coal		
	Harrison County	Texas	550 (70%)	Gas		
	Independence	Ark.	842 (15%)	Coal		
EPRL	Glanford	U.K.	14	Poultry Litter	Rothschild	Ongoing.
	Thetford	U.K.	39	Poultry Litter		
	Ely	U.K.	13	Poultry Litter		
	Westfield	U.K.	10	Poultry Litter		
	Elean	U.K.	38	Straw		
Ernst & Young Corporate Finance (representing secured creditors)	Bear Swamp	Mass.	599	Hydro	E&Y	Exploring sale.
HSBC-led creditor group	Attala	Miss.	526	Gas	HSBC	Ongoing.
InterGen	Larkspur Energy	Calif.	90	Gas	Citi	Ongoing.
	Indigo	Calif.	135	Gas	Citi	
	El Bajio	Mexico	600 (50%)	Gas	N/A	Ongoing.
KBC-led creditor group	Milford	Conn	542	Gas	Lazard	Ongoing.
LG&E Power	Roanoke Valley	N.C.	178 (50%)	Coal	N/A	Ongoing.
	Gregory Power	Texas	550 (50%)	Gas		
	Palm Springs	Calif.	42 (50%)	Wind		
	Tyler	Minn.	27 (50%)	Wind	N/A	Sent out RFP in April.
	Van Horn	Texas	41 (33%)	Wind		
	Tarifa	Spain	30 (46%)	Wind		
Mirant	Kendall	Mass.	270	Oil	CSFB BofA	Ongoing.
	Shady Hills	Fla.	474	Gas		
	West Georgia	Ga.	640	Gas		
	Bosque County	Texas	538	Gas		
	Wichita Falls	Texas	77	Gas		
Morrow Power	Boardman	Ore.	28	Gas	Marathon Capital	Is evaluating bids.
Nations Energy	Bayport	Texas	80	N/A		Considering liquidating the company.
	Mungo Junction	Ohio	32			
	Southbridge	Mass.	7			
National Energy Gas & Transmission (USGen New England)	Salem Harbor	Mass.	745	Coal/Oil	Lazard	Ongoing.
	Brayton Point	Mass.	1,599	Coal		
	Manchester St.	R.I.	495	Gas		
	Connecticut River	N.H.	479	Hydro		
	Deerfield River	Mass.	89	Hydro		
Oman (Ministry of Housing, Electricity & Water)	Rusail	Oman	730	Gas	CSFB	-
	Ghubratt	Oman	507	CHP		
	Wad AlJazzi	Oman	350	Gas		
Reliant Energy	Carr Street	N.Y.	95	Oil	Goldman	Ongoing.
	Astoria	N.Y.	1,276	Gas		
	Gowanus	N.Y.	549	Gas		
	Narrows	N.Y.	281	Gas		
SG-led bank group (NEG developed plants)	Athens	N.Y.	1,080	Gas	Blackstone	Assessing bids.
	Covert	Mich.	1,170	Gas		
	Harquahala	Ariz.	1,092	Gas		
	Millennium	Mass.	360	Gas		
STEAG	Iskenderun	Turkey	1,320	Gas	Morgan Stanley	Ongoing. Set to sell Guadalupe and Odessa to PSEG.
	Termopaipa IV	Philippines	185	Gas		
TECO Energy	Frontera Power Station	Texas	477	Gas	Goldman	
	Dell Power Station	Ark.	540	Gas		
	McAdams Power Station	La.	599	Gas		
	Commonwealth Chesapeake	Va.	315	Gas		
Tractebel North America	Chehalis	Wash.	520	Gas	N/A	Looking to sell or swap.
United Utilities	Landfill Generation Portfolio	U.K.	50 MW	Landfill	RBC Capital Markets	Set to launch sale in May.

WIND FARM

(continued from page 1)

(PTC) for wind farms. The successful vote came nine months after the previous federal subsidy expired.

The delay in extending the PTC has created a backlog of projects, most fully permitted and ready to break ground. **Sam Enfield**, v.p. of development at **Atlantic Renewable Energy Corporation**, says that of the 2 GW of wind farm projects originally slated to go ahead this year, only 200-300 MW have reached fruition so far because of the PTC delay. These projects can now forge ahead. Enfield calculates that pent up demand could easily lead to a record number of renewable megawatts coming on stream in 2005. He declined to give a figure, but says it should easily surpass 2003's record year, when 1.7 GW of wind energy were hooked up to the grid.

There is a lot of pressure on developers to break ground on their projects by the end of 2005 so they can be eligible for the tax break, says **Jan Paulin**, chief executive of wind farm developer **Padoma Wind Power**. "There's going to be a mad rush to get projects done."

Among those looking to move quickest is **MidAmerican Energy**. Last week the **Warren Buffett**-controlled utility

announced the siting of two Iowa wind projects with a combined 310 MW of capacity and tapped the bond market to fund their construction. **Allan Urlis**, spokesman, says the Midwest utility plans to spend some \$323 million building the projects in the north central and northwestern regions of Ohio. Each will involve the erection of 100 **GE Wind Energy** 1.5 MW turbines, he adds. The infrastructure near Storm Lake is essentially complete, he notes, saying it has only to set up towers and turbines. "That's a good indication that we were confident that the tax credit issue was simply a delay."

Padoma Wind Power is also accelerating some of its wind projects to ensure it can meet next year's deadline, says CEO **Paulin**, adding that it is currently working on four wind farms with its partner, **US Wind Force**. The joint venture is in advanced negotiations with three undisclosed parties to provide equity for a 300 MW project in Maryland and another 70 MW in West Virginia, **Paulin** says, adding the J.V. expects to choose an investor in the next six to eight weeks. It is also working on several smaller projects in Maryland, West Virginia and New Mexico.

Atlantic Renewable has several projects it expects to complete by 2005, including a 280 MW farm in upstate New York, says **Enfield**. The developer has already begun negotiations to finance the project, he says. —*Christine Idzelis*

...AS WIND

(continued from page 1)

argues. "[Industry players] are sick and tired of being in this situation where it's stop and go, stop and go," says **Paulin**. Short-term tax breaks also make strategic planning and the early ordering of plant equipment nearly impossible, he adds.

Randall Swisher, executive director of **American Wind Energy Association**, notes that PTC legislation has expired three times in the last five years, each time creating unwelcome periods of limbo for wind farm developers. "That is not optimal. There is no question about that," he says.

While the new law will offer the tax break retroactively from last January—when the previous PTC law expired—**Paulin** says this extra window offers little benefit to most developers as "virtually no projects were going to ground earlier this year because of the [tax break] delay."

Paulin argues that another flaw of the PTC legislation is that it unduly benefits large wind farm developers, such as **FPL Energy**, **PacifiCorp** or **Shell Wind Energy**, over small players. This is because only established wind farm developers tend to generate the profits and associated tax liabilities necessary to reap the benefit of tax credits. Smaller developers are thus forced to bring in profitable partners that can take advantage of the tax breaks, explains **Swisher**.

As an alternative, the **AWEA** is advocating the adoption of a

federal renewable portfolio standard (RPS) that would require utilities to source a fixed percentage of their power from renewable generation. "That would create a market for wind power," says **Paulin**.

Such a system has twice been approved by the Senate, only to be turned down by the House of Representatives. The White House also has not been supportive of an RPS, argues **Paulin**, though ironically, President **Bush** signed an RPS into law in Texas when governor of the Lone Star State.

Maryland also has enacted an RPS requirement and New York announced Sept. 24 that it has adopted a ruling that 25% of its electricity must come from renewable energy by 2013.

Calls to Sen. **Charles Grassley** (R-Iowa), chairman of the Committee on Finance, were not returned. A deputy press secretary for Rep. **Bill Thomas** (R-Calif.), chairman of the Ways and Means Committee, declined to comment. Both Congressmen were active in getting the tax extension passed, according to the **AWEA**. —*C.I.*

Quote Of The Week

"There's going to be a mad rush to get projects done." —**Jan Paulin**, chief executive of **Padoma Wind Power**, commenting on the 15-month timeframe wind farm developers have to utilize the recently reinstated federal tax break (see story, page 1).