

# Power Finance & Risk

Exclusive Insight on Power M&amp;A and Project Financing

By the publisher of GlobalCapital

## ● BRUSSELS BUZZ

## ● MERGERS &amp; ACQUISITIONS

## ● Q&amp;A

## E.U. Eyes Looser Capital Regs for Green Loans

Should banks be allowed to hold less capital against loans for wind projects than loans for an oil rigs?

Page 2

## Terra Firma Lines Up Buyers for EverPower Wind

U.K. private equity shop Terra Firma is selling the operational and development assets to two different buyers.

Page 7

## Gregory Hutton, Rabobank — Part I

Gregory Hutton discusses Rabobank's strategy—including community and C&I solar financing—with **Fotios Tsarouhis**.

Page 10

## ArcLight Hires Adviser to Sell Wind Portfolio

Richard Metcalf

**ArcLight Capital Partners** has hired an investment bank to run a sale process for a more-than-1.6 GW operational U.S. wind portfolio.

**Bank of America Merrill Lynch** launched an auction for the mostly-contracted portfolio, known as **Leeward Renewable Energy**, about three weeks ago, a deal watcher tells *PFR*.

The Boston-based private equity shop is looking to sell between

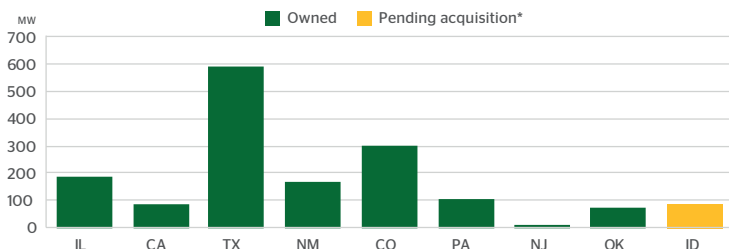
49% and 100% of the company, says a second deal watcher.

ArcLight acquired the majority of the assets from **Infigen Energy** for \$257 million in 2015 as the Australian sponsor exited the U.S. market (*PFR*, 7/16/15).

### AWARD-WINNER

Having renamed the 18-project portfolio **Leeward Renewable Energy**, ArcLight refinanced it in July 2016 with \$256 million of five-year, back-levered, senior secured debt from [PAGE 7 »](#)

### Leeward Renewable Energy Operating Wind Portfolio by State



\*The U.S. **Federal Energy Regulatory Commission** approved the acquisition by **Leeward Idaho Holdings** of a 37.5% stake in the 124.5 MW Goshen II project and a 50% stake in the 79.2 MW Rockland project in Idaho on Oct. 4.

Source: Leeward Renewable Energy, FERC, *PFR*

## LS Power Seals Debt for Acquisition from FirstEnergy

Richard Metcalf

Sept. 29

LS Power wrapped a mini-perm on Sept. 29 to finance part of its acquisition of a bundle of merchant generation assets, called **Aspen Generating**, from FirstEnergy.

The \$337.5 million seven-year term loan was priced at 325 basis points over Libor, making the deal very similar to recent

financings of new-build gas-fired projects in **PJM Interconnection**.

"That's true, except for the fact that they're not paying new-build prices for high quality assets," noted an official at a bank that participated in the deal, adding: "And they manage them extremely well".

LS Power is using the debt package to [PAGE 5 »](#)

## Utility-scale Solar Portfolio for Sale in Texas

Olivia Feld

A sponsor is looking to sell a portfolio of three development-stage, utility-scale solar projects in Texas with a combined capacity of 460 MW.

**Innovative Solar Systems** is seeking to sell the three projects, which are unnamed on marketing material seen by *PFR*. The individual project capacities are 100 MW, 160 MW and 200 MW.

All three sites [PAGE 8 »](#)

## CohnReznick Adds to Growing Advisory Group

Olivia Feld

**CohnReznick Capital** has hired a director from **Bank of America Merrill Lynch** and three junior staff to work in its renewable advisory team.

**Manish Hebbar** is joining the firm as a director, having previously been a director in BAML's renewable energy finance division for four years. Prior to this, Hebbar worked at **Citigroup** for seven years, in its [PAGE 12 »](#)



## ● IN THIS ISSUE

### PROJECT FINANCE

- 5 | NextEra Nets Tax Equity
- 5 | Allianz, BAML to Finance PJM Wind
- 6 | Alberta Solar Facility Seals Debt
- 6 | TransAlta Prices Wind Project Bond

### MERGERS & ACQUISITIONS

- 7 | Buyers Lined Up for EverPower
- 7 | John Laing Buys Into Third U.S. Wind Asset
- 8 | Texas Solar Project Goes Under the Hammer
- 8 | Statoil Takes Solar Plunge in Brazil
- 9 | Enel Scopes Bridge Loan for Brazil Hydro
- 9 | Apex Offloads MISO Wind

### STRATEGIES

- 11 | Atlantic Power to Reprice TLB
- 11 | Dividend Solar Prices Maiden ABS

### PEOPLE & FIRMS

- 12 | Canadian Investor Taps Texas Banker
- 12 | Power Banker Exits Scotia

### Q&A

- 10 | Gregory Hutton, Rabobank — Part I

### DEPARTMENTS

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

## ● BRUSSELS BUZZ

# Europe Mulls Capital Rule Changes to Favor Green Loans

Policymakers in Europe are considering tinkering with regulatory capital rules to allow banks to hold less capital against “green” assets, such as renewable project finance loans.

Any change would be months in the making, but it has the potential to make banks headquartered in Europe more competitive lenders to renewable projects.

The idea is controversial, because bank capital regulation is designed to protect the financial sector from risk, not to address climate change or advance other policy agendas, but it wouldn't be the first time the **European Union** has sought to use bank capital regulations to incentivize certain kinds of lending.

**Valdis Dombrovskis**, the **European Commission** vice president in charge of financial stability, financial services and capital markets union, recently told *PFR* sister publication *GlobalCapital* that he and his colleagues were seriously considering such a measure.

“We are looking at several issues outlined in the interim report [of the commission's High Level Expert Group on Sustainable Finance],” he said. “A green-supportive factor, or a brown-punishing factor. Incentivizing green, disincentivizing brown, in terms of our capital and other requirements. We're assessing this idea, looking what can be done.”

The **European Banking Federation**, a lob-

bying group for the banking sector, has also weighed in by proposing an amendment to the capital requirements regulation that would apply a “green supporting factor” as a multiplier to reduce risk weightings for green assets.

Project finance bankers on this side of the Atlantic seem to be mostly unaware of the proposed rule, but those working at renewables-focused institutions headquartered in Europe welcomed the idea. “That would be great,” said a New York-based banker at a German firm when he learned that the measure was under consideration.

Despite the international framework for capital requirements set out by the **Basel Committee on Banking Supervision**, the rules are interpreted and enforced unevenly by different regulators.

Financiers at European banks sometimes complain that institutions headquartered elsewhere, especially in Asia, benefit from a less stringent interpretation.

The proposed green supporting factor could help to level the playing field, says a banker at a French firm in New York.

“I think today the European banks are the ones that are more penalized by [bank capital regulations],” he said. “Some of the Asian banks are a bit more loose with the capital requirements, especially in Japan.” ■

## PFR Power Finance & Risk

**EDITORIAL**  
**Richard Metcalf**  
Editor  
(212) 224-3259

**Olivia Feld**  
Managing Editor  
(212) 224-3260

**Fotios Tsarouhis**  
Reporter  
(212) 224 3294

**Stuart Wise**  
Data Associate

**Kieron Black**  
Sketch Artist

**PRODUCTION**  
**Gerald Hayes**  
Manager

**Kaela Bleho**  
Designer

**Sam Medway**  
Associate

**ADVERTISING**  
**Kevin Dougherty**  
U.S. Publisher,  
Capital Markets Group  
(212) 224-3288

**PUBLISHING**  
**Laura Spencer**  
Senior Marketing  
Manager

**Adam Scott-Brown**  
Director of Fulfillment

**Nina Bonny**  
Customer Service  
Manager  
(212) 224-3433

**SUBSCRIPTIONS/  
ELECTRONIC LICENSES**  
One Year \$3,670  
**Jon Ljekocovic**  
Sales Executive  
(212) 224 3043

**REPRINTS**  
**Dewey Palmieri**  
Reprint & Permission  
Manager (New York)  
(212) 224-3675  
dpalmieri@institutional  
investor.com

**CORPORATE**  
**Andrew Rashbass**  
Chief Executive Officer

**John Orchard**  
Managing Director,  
Capital Markets Group

**Directors:**  
**John Botts**  
(Chairman),  
**Andrew Rashbass**  
(CEO),  
**Sir Patrick Sergeant**,  
**The Viscount Rothermere**,  
**Colin Jones**,  
**Martin Morgan**,  
**David Pritchard**,  
**Andrew Ballingal**,  
**Tristan Hillgarth**

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

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

**Editorial Offices**  
1120 Avenue of the Americas, 6th Floor, New York, NY 10036  
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 ©2016  
Institutional Investor, LLC ISSN# 1529-6652  
Copying prohibited without the permission of the publisher.

**COPYRIGHT NOTICE:** All materials contained in this publication are protected by United States copyright law and may not be reproduced, distributed, transmitted, displayed, published, broadcast, photocopied or duplicated in any way without the prior written consent of Institutional Investor. Copying or distributing this publication is in violation of the Federal Copyright Act (17 USC 101 et seq). Infringing Institutional Investor's copyright in this publication may result in criminal penalties as well as civil liability for substantial money damages. ISSN# 1529-6652

**Postmaster**  
Please send all undeliverable Mail and changes of addresses to:  
PO Box 4009 Chesterfield, MO 63006-4009 USA

## GlobalCapital

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

## GENERATION AUCTION &amp; 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
● Akuo Energy	Rocksprings (149 MW Wind)	Val Verde County, Texas		John Laing Group has acquired a majority stake in the asset (see story, page 7).
● Apex Clean Energy	Portfolio (12 GW, Wind, Solar)	U.S., Canada	CohnReznick	A sale process for the developer has moved into a second round (PFR, 8/14).
	Dakota Range I and II (300 MW)	South Dakota		Apex is selling the Dakota Range project to Xcel Energy and Upland Prairie to Interstate Power and Light Co. (see story, page 9).
	Upland Prairie (300 MW)	Iowa		
● ArcLight Capital Partners	Portfolio (1.6 GW Wind)	U.S.	BAML	ArcLight has put the portfolio, known as Leeward Renewable Energy, up for sale (see story, page 1).
Ares-EIF	Portfolio (1,918 MW Coal)	U.S.	Citi	Indications of interest were expected this summer (PFR, 7/3).
Ares-EIF, I Squared Capital	Oregon Clean Energy Center (869 MW Gas)	Lucas County, Ohio	Barclays, Credit Suisse	A sale process for the project is underway (PFR, 5/15).
● Cemig	Volta Grande (380 MW Hydro)	Rio Grande		Enel Brasil is acquiring the project and plans to put bridge financing in place with a view to a capital markets take-out (see story, page 9).
Dayton Power & Light	Portfolio (973 MW Gas)	Midwestern U.S.		DPL is seeking a buyer for the assets (PFR, 9/11).
Edison International	SoCore Energy (160 MW DC Distributed Solar)	U.S.	Marathon Capital	Edison International has launched a formal sale process for the subsidiary (PFR, 8/28).
Energy Capital Partners	Wheelabrator Technologie (1.2 GW Biomass)	U.S., U.K.		ECP has put the company up for sale (PFR, 8/21).
Eversource Energy	Portfolio (1.2 GW Biomass, Coal, Hydro, Oil)	New Hampshire	JP Morgan	Final bids were due in August (PFR, 7/3).
● First Solar	Unknown project (250 MW Solar)	Texas	HSBC	First Solar has put the project, said to have a corporate PPA, up for sale (see story, page 8).
GE Energy Financial Services	Fairview (1,050 MW Gas, 25%)	Jackson County, Pa.	Citi	GE EFS is marketing its stake in the project (PFR, 9/5).
GenOn Energy	Portfolio (15.4 GW Coal, Gas, Oil)	U.S.	Credit Suisse	GenOn's creditors have put its assets up for sale (PFR, 9/25).
Infinity Renewables	Portfolio (6.6 GW Wind, Solar)	U.S.	CIBC	The company is for sale (PFR, 6/5).
● Innovative Solar Systems	Portfolio (460 MW Solar)	Texas		The company is seeking a buyer for the three-project portfolio (see story, page 1).
Kenon Holdings	IC Power (3,894 MW Gas, Hydro, Oil, Wind)	Latin America, Caribbean, Israel		Kenon has entered negotiations to sell the subsidiary (PFR, 7/31).
LS Power	Carville (501 MW Gas)	St. Gabriel, La.	RBC Capital Markets	LS Power has hired RBC to sell the merchant facilities (PFR, 8/14).
	Hog Bayou (237 MW Gas)	Mobile, Ala.		
Morgan Stanley	NaturEner USA (399 MW Wind)	Montana	Morgan Stanley	Morgan Stanley is selling NaturEner, which owns development wind assets in Alberta as well as the 399 MW operational wind portfolio in Montana (PFR, 5/15).
NRG Energy	Portfolio (6 GW Conventional)	U.S.	Citi, Goldman Sachs, Morgan Stanley	NRG has accepted first-round bids for the assets, which it hopes will raise \$4 billion (PFR, 9/18).
	Renewables portfolio (1.2 GW Operational Wind and Solar)			
	NRG Yield, 55.1% (935 MW Solar, 2 GW Wind, 1.9 GW Gas, 190 MW Oil)			
Pacific Gas & Electric	DeSaba (26.7 MW Hydro)	Butte Creek and West Branch Feather River, California	Bodington & Co.	Bodington is running an auction for the assets (PFR, 9/25).
	Miocene (2.9 MW Hydro)			
Recurrent Energy (Canadian Solar)	Astoria, Astoria II, Barren Ridge (235 MW Solar)	Kern County, Calif.	BAML, Scotiabank	KEPCO and a South Korean private equity fund plan to jointly acquire the three projects (PFR, 10/2).
	Tranquillity, Mustang (300 MW Solar)	Fresno and Kings counties, Calif.		Canadian Solar is in talks to sell the projects to an unidentified buyer (PFR, 10/2).
● Scatec Solar	Apodi (162 MW Solar, 40%)	Quixeré, Ceará State		Statoil is acquiring a stake in the project through a joint venture with Scatec Solar (see story, page 8).
● Terra Firma	EverPower Wind (752.25 MW Wind)	U.S.	Barclays, KeyBanc	BlackRock is acquiring the company's 750 MW operational portfolio, while Innogy will acquire its 1,759 MW development pipeline (see story, page 7).

## ● 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 Fotios Tsarouhis at (212) 224 3294 or e-mail [fotios.tsarouhis@powerfinancerisk.com](mailto:fotios.tsarouhis@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
8minutenergy	Redwood 4 (26 MW Solar)	Kern County, Calif.	Zions Bank	Debt	TBA		The project is contracted with PG&E under a 20-year PPA (PFR, 9/18).
			U.S. Bank	Tax Equity	\$16.8M		
Advanced Power	South Field (1.1 GW Gas)	Columbiana County, Ohio	GE EFS	Debt	TBA	TBA	GE EFS is left lead on the debt raise. Other joint lead arrangers will be selected later this year (PFR, 5/1).
American Power Ventures	Renaissance (1 GW Gas)	Greene County, Pa.	Fieldstone (adviser)	Debt, Equity	\$900M		Fieldstone Private Capital Group is raising debt and equity for the project (PFR, 4/17).
Avangrid Renewables, Pattern Development	El Cabo (298 MW Wind)	Torrance County, N.M.	JPM, MUFG, State Street	Tax Equity	TBA		The banks have sought regulatory approval for the deal (PFR, 9/18).
Canadian Solar, EDF	Pirapora I (150 MW Solar)	Minas Gerais, Brazil	BNDES	Debt	R\$529M (\$163M)		The financing represented the development bank's first loan to a solar project (PFR, 8/14).
Clean Energy Future	Trumbull (940 MW Gas)	Trumbull County, Ohio	BNP Paribas (financial adviser)	Debt	TBA		Deal watchers have tipped the Trumbull project to reach financial close before the end of 2017 (PFR, 9/11).
				Equity	TBA		
Colbún, Abu Dhabi Investment Authority, Sigma Capital	Fenix Power Peru (570 MW Gas)	Chilca, Peru	Citigroup, Scotiabank, SMBC Nikko	Bond	\$340M	10-yr	The consortium is planning a \$340 million refinancing for the project (PFR, 9/18).
E.On	Radford's Run (305.8 MW Wind)	Macon County, Ill.	Allianz, BAML	Tax Equity	TBA		The two institutions are committing tax equity to the project, potentially alongside a third investor (see story, page 5).
EDF Renewable Energy	Nicolas-Riou (224.25 MW Wind)	Bas Saint Laurent, Québec	TBA	Debt	≤\$500M		EDF and its co-owners, groups representing several municipalities and a First Nation, are seeking debt financing for the project (PFR, 7/10).
EIG Global Energy Partners	Cerro Dominador (210 MW Solar)	Antofagasta, Chile	TBA	Debt	\$700-800M		The sponsor plans to raise between \$700 million and \$800 million in bank debt (PFR, 9/18).
Elemental Energy	Brooks Solar (17 MW)	Newell County, Alberta	National Bank of Canada	Construction Loan, Mini-perm	C\$22M		Elemental Energy has closed financing for the facility, which it says is the first utility-scale solar project in western Canada (see story, page 6).
Enel Brasil	Volta Grande (380 MW Hydro)	Rio Grande, Brazil	TBA	Bridge loan	~\$295M		Enel is seeking a bridge loan to a potential capital markets take-out (see story, page 9).
LS Power	Aspen Generating Portfolio (1,483 MW Gas, Hydro)	U.S.	ING, BNP, Citi, Morgan Stanley	Mini-perm	\$337.5M	7-yr	LS Power closed acquisition financing for the portfolio on Sept. 29 (see story, page 1).
LNG Group Panama, Gunvor, Gu Xin Group	Telfers (656 MW Gas)	Panama	Société Générale (adviser)	Mini-perm	\$661M	7-yr	The sponsors of the LNG-to-power project are aiming to close the debt financing by the end of September (PFR, 9/18).
				Letter of Credit Facility	\$75M		
Macquarie Capital, Techint	Norte III (907 MW Gas)	Ciudad Juárez, Mexico	Natixis, SMBC	Mini-perm	\$675M	5-yr	The financing closed in conjunction with Abengoa's sale of a majority stake in the project (PFR, 9/18).
				Letter of Credit Facility	\$41M		
NextEra Energy Resources	Portfolio (236 MW Wind)	Indiana, Nebraska, California	JPM, Wells Fargo	Tax Equity	TBA		The two banks are investing tax equity in the projects (see story, page 5).
Panda Power Funds	Mattawoman (990 MW Gas)	Brandywine, Md.	BNP, Investec	Debt	TBA		ICBC is no longer a co-lead arranger. NH Financial Group is said to be interested in participating in every part of the capital stack (PFR, 9/11).
			Whitehall	Equity	TBA		
Pattern Development	Henvey Inlet (300 MW Wind)	Ontario	TBA	Debt	TBA		Pattern is seeking debt for the project (PFR, 6/19).
Powersite	Powersite (370 MW Gas)	Karnes County, Texas	Star Financial	Debt	TBA		The sponsor is looking for about \$300 million in equity and senior and mezzanine debt (PFR, 10/2).
Quantum Utility Generation	Moundsville (643 MW Gas)	Marshall County, W.Va.	TBA	Debt	TBA		Quantum could launch a debt financing for the project this year (PFR, 2/6).
			BNP Paribas	Equity			
Silicon Ranch Corp.	Portfolio (200 MW Solar)	Georgia	TBA	Debt	TBA		The sponsor plans to finance and build the four projects in the portfolio over the next four years (PFR, 9/18).
			TBA	Tax Equity	TBA		
TransAlta Renewables	Kent Hills (175 MW Wind, expansion)	New Brunswick, Canada	RBC	Private Placement	C\$260M	16-yr (9.4yr av. life)	The bonds were priced to yield 4.454% (see story, page 6).

#### New or updated listing

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

To report updates or provide additional information on the status of financings, please call Managing Editor Olivia Feld at (212) 224-3260 or e-mail [olivia.feld@powerfinancerisk.com](mailto:olivia.feld@powerfinancerisk.com)

# LS Power Seals Debt for Acquisition from FirstEnergy

◀ FROM PAGE 1

finance part of its \$825 million acquisition of five gas-fired projects and a stake in a hydro project from FirstEnergy. The portfolio comprises:

- ◆ the 88 MW Chambersburg simple-cycle project near Chambersburg, Pa.,
- ◆ the 88 MW Gans simple-cycle project near Springhill, Pa.,
- ◆ the 45 MW Hunlock simple-cycle project near Hunlock Creek, Pa.,
- ◆ the 509 MW Springdale combined-cycle project near Springdale, Pa.,
- ◆ a 50% stake in the 80 MW Buchanan facility in Buchanan, Va., which runs on coal-bed methane, and

◆ a 23.75% stake in the 3,003 MW Bath County pumped-storage hydro project in Warm Springs, Va.

The New York-based private equity firm had agreed to buy four of the gas-fired facilities and the hydro stake for \$925 million in January, but subsequently renegotiated the deal, adding the fifth gas-fired project and knocking \$100 million off the purchase price (PFR, 7/6).

LS Power hired **ING**, **BNP Paribas**, **Citi-group** and **Morgan Stanley** to syndicate the financing in the first half of the year. The plan was to finance the merchant gas-fired projects with the mini-perm and raise insti-

tutional debt for the hydro project stake in the form of a private placement (PFR, 5/18).

The status of the private placement could not immediately be established.

**CoBank**, **Deutsche Bank**, **GE Energy Financial Services** and **Investec** participated in the term loan as co-lead arrangers and **CIT Bank** as mandated arranger.

Besides the mini-perm, the financing package included a \$35 million revolving credit facility.

Calls to **Joe Esteves**, cfo of LS Power in New York, were not returned by press time. Officials at the banks either declined to comment or could not be reached. ■

## NextEra Lands Tax Equity Investors for Wind Trio

Two U.S.-based banks have agreed to invest tax equity in three contracted wind projects owned by **NextEra Energy Resources**.

**JP Morgan** and **Wells Fargo** are set to acquire the tax equity interests in the 120 MW Bluff Point project in Jay and Randolph counties, Ind., the 89.66 MW Cottonwood project in Webster County, Neb., and the 46 MW Golden Hills North project in Alameda County, Calif., according to paperwork filed with the U.S. **Federal Energy Regulatory Commission** on Oct. 3.

The size and proportion of each bank's investment could not immediately be learned.

Cottonwood's full output is contracted with various municipalities and a public utility in Nebraska under five PPAs. The project has 25-year contracts with the **City of Fremont** for 40.59 MW, the **City of Wayne** for 2.38 MW, the **Northeast Nebraska Public Power District** for 15 MW and the **City of Beatrice** for 16.1 MW, and a 15-year PPA with **South Sioux City** for 15.59 MW (PFR, 9/7).

Bluff Point has a 20-year PPA with **Appalachian Power Co.** (PFR, 7/21/16),

The third project, Golden Hills North, which NextEra is in the process of repowering, has a 20-year PPA with **Sonoma Clean Power Authority** for its full output (PFR, 9/23/16).

The repowering involves the replacement of 283 turbines dating back to the 1980s with 20 **General Electric** machines, according to

the **American Wind Energy Association**. The repowering is expected to be complete by the end of the year.

The Golden Hills North project is adjacent to another facility owned by **NextEra Energy Partners**, the 85.9 MW Golden Hills project, which sells half of its output to **Google** under a 20-year PPA and half to **Kaiser Perman-**

**ente** (PFR, 7/5/16).

Whether NextEra is also putting debt in place for the portfolio could not immediately be learned.

Representatives of NextEra in Juno Beach, Fla., and JP Morgan and Wells Fargo in New York, did not immediately respond to inquiries. ■

## Allianz, BAML to Invest Tax Equity in E.On Asset

**Allianz Renewable Energy Partners of America** and **Bank of America Merrill Lynch** have requested regulatory approval to expand their tax equity collaboration through an investment in a 305.8 MW wind project in Illinois.

The investors plan to commit an undisclosed sum of tax equity to the Radford's Run project, which is being constructed by **E.On** in Macon County, Ill., according to a Sept. 28 filing with the U.S. **Federal Energy Regulatory Commission**.

How much of the project's

tax equity each investor will acquire has not yet been determined, as a third investor may also be brought in, notes the filing.

E.On began constructing the \$500 million Radford's Run project, which was previously known as Twin Forks, in 2016. It is expected to be online by the end of the year.

The project's output was entirely uncommitted as of April, when it applied for market-based rate authority with FERC. The commission approved the application in June. The project will inter-

connect with **Commonwealth Edison Co.**'s transmission system.

Whether E.On intends to put a power purchase agreement or other offtake arrangement in place could not immediately be learned. A spokesperson for E.On in Austin, Texas, declined to comment. Representatives of Allianz and BAML in New York did not immediately respond to inquiries.

Allianz partnered with BAML on its maiden tax equity investment in two **EDF Renewable Energy** assets, the 250 MW Roosevelt and 50 MW Milo wind projects in Roosevelt County, N.M., last year (PFR, 2/8/16). ■



## ● PROJECT FINANCE

# Vancouver-based Sponsor Raises Debt for Solar Project

**Elemental Energy** closed an approximately C\$22 million (\$17.62 million) debt financing for what it says is the first utility-scale solar project in western Canada.

The 17 MW Brooks Solar facility in Newell County, Alberta, is Elemental's first project in the province and is slated to be operational later this year.

**National Bank of Canada** provided construction and term debt financing in the form of a mini-perm, the tenor and pricing of which have not been disclosed. Elemental is providing the entirety of the project's equity to construct, own and operate the project, which it acquired in February from **GTE Solar**.

A publicly-traded corporation has signed its first renewable project power purchase agreement with the project, **Jamie Houssian**, principal at the developer, tells *PFR* from Vancouver, declining to name the counterparty.

**Emissions Reduction Alberta** is a contributing partner on the project, having awarded a grant following a competitive request for proposals process.

Vancouver-based Elemental develops and acquires wind, hydro and solar assets in Canada and the U.S. The privately-owned company both holds and looks to sell assets. It has developed and sold three projects in

the U.S. It also owns a portfolio of three wind facilities and one hydro asset in Canada.

Elemental has a several-hundred-megawatt project pipeline and expects to tap the market again for project-level debt financing and potentially seek equity partners in the near future.

"There's a ton of capital out there," says Houssian. "Finding

good projects is more of a challenge than finding capital."

In particular, Elemental is closely tracking renewable project development in Alberta and Saskatchewan, as Houssian notes that build-out has slowed in British Columbia and Ontario. "We're a small team and we like to be nimble and move around as opportunities come up", he adds. ■

## TransAlta Finances Wind Facility with Project Bond

**TransAlta Renewables** has priced an approximately C\$260 million (\$208 million) bond to partially finance the construction of an expansion to an existing wind project in Canada.

The private placement, which the sponsor is issuing through an indirect majority-owned subsidiary, **Kent Hills Wind LP**, was expected to close on or around Oct. 2. The amortizing bonds mature on Nov. 30, 2033 and yield 4.454%.

The issuer plans to use the proceeds a fund a portion of the construction costs for the 17.5 MW Kent Hills wind project expansion and make advances to **Canadian Hydro Developers** and to an affli-

ate of **Natural Forces Technologies**, which owns approximately 17% of Kent Hills Wind. The advances to Canadian Hydro Developers will be used to redeem outstanding debt.

The expansion will add to the 96 MW Kent Hills I and 54 MW Kent Hills II wind projects near Moncton, New Brunswick, which have been operational since December 2008 and November 2010, respectively. The 17.25 MW expansion is slated to be online in October 2018. All three phases of the project are fully contracted with **New Brunswick Power** until 2035.

A spokesperson for TransAlta in Calgary, Alberta, was not immediately available to comment. ■

## ● POWER TWEETS

**FERC @FERC Sep 27**

Happy birthday, @FERC! Current and former Chairmen and Commissioners get together to celebrate 40 years of @FERC!

**Rick Perry @SecretaryPerry Sep 29**

(1/4) Today, I formally proposed that @FERC take swift action to address threats to US electrical grid resiliency--> [energy.gov/articles/secre...](http://energy.gov/articles/secre...)

**((Alex Gilbert))) @gilbeaq Sep 29**

Secretary Perry. The grid is not at risk. This proposal is anti-free market. Big government at its worst [mobile.twitter.com/gilbeaq/status...](http://mobile.twitter.com/gilbeaq/status...)

**Richard Metcalf @richmetcalf Sep 30**

@GlobalCapNews: Should a bank have to hold less capital against a loan for a windfarm than a loan for an oil rig? [globalcapital.com/article/b14ycf...](http://globalcapital.com/article/b14ycf...)



**Tom Nelthorpe @nelthorpe**

Based on cashflow quality: YES. Based on underlying asset value: YES

**AuffretTimothee @TimotheeAuffret Oct 5**

#Renewables are closing the gap with coal thanks to cost reductions in the order of 30-40% in the last two years @IEA @WindEurope

**Norman C. Bay @NormanCBay Oct 2**

Honored to join Willkie Farr & Gallagher LLP on Sept. 5 as a partner and head of the Energy Regulatory & Enforcement Group.

## MERGERS &amp; ACQUISITIONS ●

## Terra Firma Finds Buyers for EverPower Wind

U.K. private equity shop **Terra Firma** has lined up buyers for **EverPower Wind Holdings** following an auction process, a source close to the deal tells *PFR*.

**BlackRock** is acquiring the company's 750 MW operational U.S. wind portfolio while **Innogy**, a subsidiary of German utility holding company **RWE**, is buying its development platform, says the source.

The purchase prices for the two deals could not immediately be learned.

Terra Firma has been attempting to sell the company for several years as it looks to liquidate its TFCP III fund.

The private equity firm closed the fund in 2007 and acquired EverPower from **Good Energies** for \$350 million in 2009 (*PFR*, 11/3/09).

Terra Firma hired **Bank of America Merrill Lynch** to put the company on the market in 2015 (*PFR*, 5/1/15), but the process did not result in a sale.

Earlier this year, the firm tried again, this time with **Barclays** and **KeyBanc Capital Markets** as financial advisers

(*PFR*, 3/2).

EverPower's operational portfolio comprises seven wind projects in four U.S. states:

- the 240 MW Big Sky project in Bureau and Lee counties, Ill.,
- the 150 MW Mustang Hills project in Tehachapi, Calif.,
- the 139.4 MW Twin Ridges project in Somerset County, Pa.,
- the 75 MW Highland North project in Cambria County, Pa.,
- the 62.5 MW Highland project in Cambria County, Pa.,
- the 55.35 MW Howard project in Steuben County, N.Y., and

- the 30 MW Patton project in Cambria County, Pa.

The Mustang Hills and Highland projects have power purchase agreements with **Southern California Edison** and **First Energy Services**, respectively. It could not be established whether the remaining projects have offtake agreements in place. EverPower does not mention purchase agreements for the projects on its website.

The development platform has a project pipeline totaling almost 1.9 GW of wind projects in Maine,

Montana, Ohio, Pennsylvania, New York and West Virginia.

**Kevin Sheen**, senior director of development at EverPower in Pittsburgh, referred inquiries to spokespeople for Terra Firma. Representatives of Terra Firma in New York and London did not respond to requests for comment. Officials at Innogy in Essen, Germany, BlackRock in New York and KeyBanc in Cleveland declined to comment. A call to **John Plaster**, managing director and head of alternative energy at **Barclays** in New York, was not returned by press time. ■

## ArcLight Hires Adviser to Sell Wind Portfolio

◀ FROM PAGE 1

seven banks, a deal which was voted *PFR*'s North America Renewables Project Finance Deal of 2016 (*PFR*, 5/25).

As coordinating lead arrangers, **Crédit Agricole** and **Santander** underwrote 50% each of the debt facility, which was two-times oversubscribed in syndication.

The deal was structured to provide the sponsor with the flexibility to jettison or add projects and included a \$50 million accordion feature, which was partially used later in the year as ArcLight tinkered with the portfolio.

ArcLight added **GE Energy Financial Services'**

passive stakes in the 51.66 MW merchant Mendota Hills project in West Brooklyn, Ill., and the 50 MW contracted Kumeyaay project in Boulevard, Calif., to the portfolio in December. Leeward already owned the remaining interests (*PFR*, 11/9/16).

At the same time, ArcLight also swapped a stake in the 41 MW Combine Hills project in Umatilla County, Ore., for an interest in the 54.5 MW Crescent Ridge project in Bureau County, Ill., with **Eurus Energy America**, so that they would each hold just one of the projects (*PFR*, 10/24/16).

Spokespeople for ArcLight and BAML declined to comment. ■

## John Laing Acquires Texas Wind Stake

**John Laing Group** has completed its third investment in a U.S. wind asset, acquiring a majority stake in the 149 MW Rocksprings facility in Val Verde County, Texas, from **Akuo Energy**.

The London-based asset manager acquired a stake in the project for \$84.5 million. The size of the interest purchased could not immediately be learned.

**BayernLB** and **NordLB** provided a construction loan for the project last year, with **GE Energy Financial Services**—whose parent, **General Electric**, is providing the turbines—

committing tax equity (*PFR*, 12/19, *PFR*, 12/23).

Paris-based Akuo originated Rocksprings before selling it to **SunEdison** subsidiary **Wind Holdings** in 2015. The project was sold back to Akuo during SunEdison's bankruptcy proceedings the following year (*PFR*, 10/13/16).

The project, which is under construction, is expected to be online before the end of the year.

Rocksprings has a 15-year power purchase agreement with **3M**, the Minnesota-based manufacturer of various products, including Scotch tape and Post-it notes, for two thirds of

its output. The remaining 50 MW will be sold to **Walmart** under a 12-year PPA (*PFR*, 12/23).

John Laing's investment in the project represents its second acquisition of an interest in a Texas wind asset, following its purchase of a 90.5% equity interest in the 100.5 MW Buckthorn wind project in Erath County, Texas, from **NRG Energy** in July (*PFR*, 7/10).

John Laing previously committed \$20.5 million of equity towards another Akuo project, the 30 MW Sterling Wind facility in Lea County, N.M. (*PFR*, 10/13).

Representatives of John Laing in London and New York and Akuo Energy in Paris did not immediately respond to inquiries. ■

## ● MERGERS & ACQUISITIONS

# Texas Project with Corporate PPA Hits the Market

A solar sponsor has hired a bank to run an auction for a 250 MW development-stage project in Texas with a non-utility power purchase agreement.

HSBC launched the sale process for **First Solar** about three weeks ago, says a deal watcher.

The name and precise location of the project could not immediately be learned. It is not listed in First Solar's most recent 10-Q filing with the U.S. **Securities and Exchange Commission** and spokespeople for First Solar and HSBC declined to comment.

How much of the project's output is covered by the corporate power purchase agreement and the length of the contract could also not be established.

"Corporate PPAs, [contracts for difference] are a little different than unit-contingent [utility PPA] projects," says a deal watcher at a company that is evaluating whether to bid on the project.

"When you do a CFD, you have no hard exposure, and then cor-

porate PPAs tend to be shorter duration," he explains. "There are pluses and minuses."

The fact that the project is in Texas, where barriers to entry to the market are low, is also a consideration, he added.

**D.E. Shaw Renewable Investments, Capital Dynamics** and **EDF Renewable Energy** have acquired First Solar projects in the last 12 months, as the panel manufacturer has looked to third-party sales as an alterna-

tive to dropdowns into **8point3 Energy Partners**, its joint yield company with **SunPower Corp.**

First Solar and SunPower are both working with investment banks to sell their stakes in the yieldco, and are said to be trying to find a single buyer (PFR, 4/7, PFR, 5/3).

EDF's acquisition of First Solar's 179 MW Switch Station project in Clark County, Nev., which has 20-year PPAs with utility subsidiaries of **NV Energy**,

closed in June (PFR, 5/9).

Capital Dynamics sealed its acquisition of First Solar's 280 MW California Flats project in Monterey County, which has 25-year PPAs with **Pacific Gas and Electric** and **Apple**, in August.

Also in August, D.E. Shaw emerged as the buyer of First Solar's 40 MW Cuyama project in California, which has a 25-year PPA with Pacific Gas and Electric (PFR, 8/22). ■

## Utility-scale Solar Portfolio for Sale in Texas

« FROM PAGE 1

in Texas are slated to be shovel-ready in the next 12 to 24 months, with power purchase agreements "under negotiations", according to the material, which does not name a financial adviser.

The purchase price for the portfolio is \$46 million, with a deposit of \$6.9 million, according to the information seen by *PFR*.

Asheville, N.C.-based Innovative Solar Systems develops and sells utility-scale ground-mounted solar projects, typically between 200 MW and 500 MW in size, prior to completion.

The company has sold over 630 MW of projects and has a pipeline of approximately 180 facilities totaling 10 GW across 30 states, according to its website. ISS has sold projects to buyers including **Principal Solar** and **FLS Energy**.

The company considered going public, *PFR* reported in 2015, however the plans were later seemingly put on ice (PFR, 12/7/15).

**Jeffrey Secrest**, senior accounts manager at ISS, declined to comment on the sales and the company's cfo, **Craig Sherman**, did not respond to a request for comment. ■

# Statoil Makes Debut Solar Investment in Brazil

Norway's Statoil, whose forays into renewables have previously been limited to offshore wind, has made its first move into solar by agreeing to enter into a joint venture with compatriot **Scatec Solar** to build and run solar projects in Brazil.

Statoil is paying an initial \$25 million to take a 40% stake in Scatec's 162 MW shovel-ready Apodi project in the municipality of Quixeré, Ceará State, and a 50% share in the project execution company.

Scatec Solar will retain a 40% stake in the project, while **ApodiPar**, a consortium of local investors, holds the remaining 20%.

The Apodi project has a 20-year power purchase agreement with Brazil's **National Electric Energy Agency**. The inflation-

adjusted PPA, priced at \$104/MWh, was awarded in a 2015 auction.

Construction is beginning this month and the project is expected to be online at the end of next year.

The project is expected to cost \$215 million to construct, \$140 million of which will come from project financing and \$75 million from the equity investors, in proportion to their stakes.

Statoil will fund its investment from its balance sheet, says a spokesperson for the company in Stavanger, Norway. Statoil had around \$5 billion of cash and cash equivalents on its balance sheet at the end of 2016.

"We do the project finance model because we had [an] attractive solution [presented

to us]," says the Statoil spokesperson. The attractiveness of the project financing "was one of the enablers for the partners to realize the project," the spokesperson added.

Further details of the debt financing and the banks involved could not immediately be learned.

"The potential for solar energy in Brazil is substantial and together with Statoil we are increasing our ambitions further in this market," said **Raymond Carlsen**, ceo of Scatec Solar, in a statement.

Around 3 GW of solar projects have been awarded in Brazil in the country's last three power auctions, and another 7 GW are planned to be awarded by 2024, according to Statoil. ■



## MERGERS &amp; ACQUISITIONS ●

## Apex Inks Sales of MISO Wind Projects

**Apex Clean Energy** has agreed to sell two wind projects in **Mid-continent ISO** totaling 600 MW to two utility companies.

The developer announced the sale of its 300 MW Dakota Range I and II project in South Dakota to **Xcel Energy** on Sept. 27 and the sale of its 300 MW Upland Prairie Wind project in Iowa to **Interstate Power and Light Co.** two days later.

The asset sales come during the final stage of a process the developer is going through to sell itself.

In August, a strategic and a financial investor were said to be in the last round of an auction process being run by **CohnReznick Capital** (PFR, 8/11).

"We're pleased with the process and we're happy with where it stands right now," says **Mark Goodwin**, president and ceo of Apex in Charlottesville, Va., while declining to comment on the timing or potential buyers.

"We're happy with the interest."

### UNFAZED BY PHASE-OUT

Dakota Range I and II is the first publicly announced wind project to go forward without qualifying for the full production tax credit since the phase-out of the incentive was set out in December 2015, according to Xcel.

"This project proves we can keep driving the clean energy transition of our supply mix while keeping customer bills low, even as incentives phase out," said **Ben Fowke**, chairman, president and ceo of the Minneapolis-based utility company in a statement.

Located in Grant and Codrington counties, the Dakota Range project is expected to be online in 2021, pending regulatory approval. Xcel has not yet submitted an application for the projects with the **South Dakota Public Utilities Commission**, according to an official

at the regulator in Pierre, S.D.

### UTILITY THEORY

Apex had been exploring various options with regard to the Dakota Range project, including splitting it in two and selling to different investors, says Goodwin.

**"I think there's definitely a trend toward more of the utilities buying projects to own for themselves"**

The developer had also submitted the project in a request for proposals run by a utility company and had been in talks with commodity trading firms about a power hedge.

"I think there's definitely a trend toward more of the utili-

ties buying projects to own for themselves," says Goodwin. "There certainly are [power purchase agreements] out there but you see more and more of these transactions where the utilities prefer to own them."

The Upland Prairie project that Apex is selling to **Alliant Energy** subsidiary Interstate Power and Light is located in Clay and Dickinson counties, Iowa.

The sale of the project came after several investors reached out to Apex to inquire about buying it, says Goodwin.

The purchase prices for the projects could not immediately be learned. Apex did not work with a financial adviser on the transactions, having run asset sale processes in-house for several years.

The developer is on its way to commercializing 1.5 GW of wind projects this year and is aiming to increase this figure to 2 GW a year by 2020. ■

## Enel Plans Bridge Funding For Brazil Hydro Purchase

The Brazilian subsidiary of Italy's **Enel** plans to raise bridge financing to partly fund the acquisition of a concession for a 380 MW hydro project on the Rio Grande, called Volta Grande.

**Enel Brasil**, which is acquiring the 30-year concession from previous owner **Cemig** following a public tender, will also use remaining proceeds from a 2013 equity raise to pay the \$445 million-equivalent bill.

The new owner has until Nov. 30 to pay for the purchase, and Enel plans to fund the transaction with bridge financing that will be refinanced later with long-term debt at the operating company level.

Around \$150 million is still left from an equity raise in 2013, and the purchase "will entirely exhaust all the resources [from the

raise] if there are not different and most optimal alternatives after November 30," according to an investor presentation published by Enel on Sept. 29.

This leaves around \$295 million to come from the bank market, not including fees.

A company spokesperson in Rome would not comment further on the financing plans.

The financing is expected to push **Enel Américas'** net debt to Ebitda ratio from 1.24 times to 1.47 times, keeping the company's debt metrics comfortably below the 2 times threshold that would put pressure on its investment grade ratings from **Moody's Investors Service**, **S&P Global Ratings** and **Fitch Ratings**, which are expected to remain at Baa2, BBB and BBB+, respectively.

Under the terms of the concession, 70% of

the project's capacity is contracted at a fixed price and the remaining 30% will be sold spot.

The fixed revenues under the concession comprise of a variety of payments, including government reimbursement of duties and operating and capital expenditures. Enel expects its internal rate of return to be around 18%.

Enel says that the plant, which has been online since 1970, is in "excellent" condition and the company is not planning additional capital expenditures after the purchase is complete. The hydro plant has no existing debt.

The company expects to take over the facility in January 2018, ramping up Enel's hydro capacity in Brazil from 890 MW to 1.27 GW. ■

## ● Q&A: GREGORY HUTTON, RABOBANK — PART I

# Q&A: Gregory Hutton, Rabobank — Part I

**Gregory Hutton**, managing director and head of project finance for the Americas in Rabobank's New York office, discusses the renewables landscape, project finance pricing and deal flow and the impact of the **Suniva** trade case in the first part of an exclusive interview with *PFR* reporter **Fotios Tsarouhis**.



Gregory Hutton

**PFR:** When you became head, Rabobank's 12-person team was overseeing \$2.5 billion in assets. Has the team grown or shrunk and how much is under management today?

The team is the exact same size. When I moved up into the head position there was an open spot and we hired an associate to buttress the deal teams. It's the same group of senior folks out chasing deals and executing transactions. As for the portfolio size, it's around the same amount. There are always repayments and fluctuations so it hovers around the \$2 billion mark in North American wind, solar and biomass assets now and we're hoping to add more. We're definitely in a growth mode.

**PFR:** Rabobank globally is primarily focused on food and agriculture, including a large agricultural M&A practice. Would the renewables team consider an expansion into asset M&A?

There are no plans immediately to get into renewable energy M&A. Rabobank as a whole is a Dutch cooperative focused on the food and agriculture sector globally. The project finance group is linked to the rest of the organization through the very strong, embedded sustainability mission of the bank. That dictates the team's focus here in North America. As a team in this region, we focus on two different things, broadly. One is the renewables sector—utility-scale and distributed wind, solar and biomass. Another goal is applying project finance structures for the food and agriculture clients of the bank, so it's not necessarily renewable energy, though it can mean rooftop solar for a food distribution company, for example, or other large corporate that we would finance.

**PFR:** Do any of the food and agriculture companies have generation assets onsite?

Some of them could. We see food and agricultural waste-linked energy production as an area that Rabobank is uniquely positioned to develop given the bank's focus. We see projects on the horizon in which our corporate food clients sign agreements with projects to dispose of their food waste in digesters that produce electricity or biogas to sell to a third party. On the agricultural waste side, large dairies, for example, face increasing pressures to dispose of their manure, either because of regulation or odor control. This waste can also fuel onsite or centralized anaerobic digesters. We are beginning to see adequate scale in these projects as well as more sophisticated developers, capital, and technology providers enter this sector because there is significant opportunity in North America.

**PFR:** Where is project finance pricing heading as we head toward the final quarter of 2017?

We've generally seen pricing going down and I think that's a function of a number of things. There's a lot of competition in general, a lot of stability in the bank market—not necessarily a flood of new entrants, but it's been stably growing I would say. Pricing recently has also been a function of the deal flow in the beginning of the year.

As you know, deal flow was pretty scarce in renewable energy and I think that's partially a result of the larger builds in the prior couple of years. The renewables-focused banks had very good years in 2015 and 2016 because developers pushed their pipelines forward in anticipation of a [production tax credit] or an [investment tax credit] cliff at that time. Now they are nurturing their project pipeline and getting proj-

ects ready for financing. We're starting to see a definite uptick in activity now as projects reach the construction stage and the market would like to close those deals by the end of the year so I think that drives a certain competition.

**PFR:** Is there pushback from banks in response the downward pressure on pricing?

Pricing has been going down over the last couple of years generally but this is partially offset by the fact that there aren't many standard deals now. Banks are seeing new, unique aspects, like different offtakers, different types of structures, back-leverage, for example. Not every bank can do every deal so you do have transactions where the potential bank group is limited and that highly competitive dynamic isn't as prevalent as in a straightforward deal.

**PFR:** What factors do you see contributing to deal flow?

One is the attractiveness of wind to utility buyers of projects and the positioning of sponsors in serving that demand in the market. One of broad trends in renewables is this diversification of offtakers, which has been well discussed—the corporate offtakers, community choice aggregators, energy hedges. The analysis the banks have to do with each deal is very different, it's no longer just "OK, what's the rating of the utility offtaker and here we go." These deals are much less standardized now.

**PFR:** Are people still motivated by the eventual end of the renewables tax credits?

When I think about what we're seeing in deal flow now there are multiple factors. Besides a few large utility-scale deals closed earlier this

## STRATEGIES ●

## Atlantic Power Launches Term Loan B Repricing

**Atlantic Power Corp.** is set to reprice its term loan B for the second time this year, following a recent upgrade from **Moody's Investors Service**.

**Goldman Sachs** is left lead, with **Bank of America Merrill Lynch**, **MUFG** and **Wells Fargo Securities** also acting as bookrunners.

An investor call took place on Oct. 3 and price talk was set at 350 basis points over Libor with a 1% floor. The loan was expected to be offered at par.

The transaction should not come as a surprise to investors, as the company's president and ceo, **James Moore**, floated the idea of a repricing "as early as October" on the company's second-quarter earnings call on Aug. 4 (8/7/17). The six-month call protection on the deal expires on Oct. 17.

The repricing comes shortly after Moody's

revised Atlantic Power's corporate rating from B1 to Ba3, upgraded the term loan from Ba3 to Ba2 and changed the outlook on the debt from positive to stable on Oct. 2.

"The upgrade reflects company's continued effort to improve its credit metrics through cost cutting and debt reduction," wrote analysts at the rating agency.

**S&P Global Ratings** rates Atlantic Power B+ and the term loan BB-, both with a stable outlook.

There is approximately \$562.8 million outstanding under the loan, which matures in April 2023.

The debt is secured on most of the company's generation assets and benefits from a 50% cash flow sweep. Atlantic Power's generation fleet comprises stakes in 23 projects in the U.S. and Canada representing 1.5 GW of capacity.

The independent power producer last approached the term loan B market in spring, amid a flurry of repricings as issuers responded to strong investor demand (PFR, 3/30).

Goldman was also left lead on the last repricing, which closed on April 17 at 425 bps with a 1% floor, 75 bps inside of where the deal was originally priced last year (PFR, 4/18).

**BAML**, **Royal Bank of Canada**, **MUFG** and **Wells Fargo Securities** were bookrunners on the April repricing.

Goldman and BAML were bookrunners on the term loan B when it was issued in April 2016 to refinance a loan the same banks had arranged for the IPP in 2014 (PFR, 4/13/16, PFR, 3/21/16).

Representatives of Atlantic Power in Dedham, Mass., and the bookrunners in New York did not immediately respond to inquiries. ■

## Dividend Solar Prices Inaugural ABS Deal

Dividend Solar priced its first solar ABS transaction at the end on Sept. 29, as market chatter around the asset class increases on the back of rumors of more issuance during last month's ABS East industry conference.

The \$128.95 million transaction was priced to yield 4.084% for the senior A tranche. The B class yielded 5.308% while the class

C bonds were priced to yield 7.103%. All classes were priced at par. **Credit Suisse** was the sole lead manager on the deal.

The deal is the fourth solar ABS transaction of the year and was priced tighter than previous 2017 trades. The last offering to hit the market, a \$254.75 million deal from **Sunnova** in April, was priced at a yield of 4.95% for the

senior bonds (PFR, 4/14).

The Dividend deal is backed by a pool of 5,852 loans made to mostly prime borrowers, according to presale information from **Kroll Bond Rating Agency**. The weighted average balance of the loans is \$23,195.

In addition to the Dividend transaction, talk at the annual ABS East conference last month

in Miami Beach hinted at two to three more offerings in the pipeline for 2017. That would put deal volume well ahead of what was seen in 2016, when just two deals from **SolarCity** were priced.

Still, the increased activity will fall short of some of the more bullish predictions for this year, which pegged issuance to hit \$1 billion. The Dividend deal brings total volume so far this year to \$667.65 million.

Away from the rooftop solar loan ABS segment, there have been other rumblings in renewables securitization this year. **Greenworks Lending** priced the market's first ever commercial Property Assessed Clean Energy ABS two weeks ago, while rooftop solar lender **Mosaic** inked a forward flow loan sale agreement with **Goldman Sachs** earlier in September (PFR, 7/8).

A representative for Dividend did not respond to a request for comment on the deal. ■

### ● Q&A: GREGORY HUTTON, RABOBANK — PART I ●

## Q&A: Gregory Hutton, Rabobank — Part I

year, with solar there has been a pause due to uncertainty with the [Suniva] trade case. We do see an uptick in large wind deals where you have purchasers using safe-harbored equipment to preserve that full PTC value. So not necessarily a rush at the moment, but that's most of the deal flow we're seeing.

**PFR:** How is the market reacting to the saga of the Suniva trade case?

Many developer partners report that panels have been

very hard to come by this year and that there has been postponing of construction schedules and increased costs and stockpiling of panels—all these short-term effects. But I also understand that the market is resilient and flexible. I've heard suggestions of manufacturing cells here in the U.S. and shipping them overseas for assembly and then reimporting them back in. This may only increase the price a little bit and not up to the floor that's proposed by the case.

*Check back next week for the second part of this exclusive interview.* ■

## ● PEOPLE &amp; FIRMS

## CohnReznick Adds to Growing Advisory Group

◀ FROM PAGE 1

renewable energy finance and risk management groups.

Hebbbar will be based in New York and will work on highly-structured transactions and execution for key clients of the firm, according to an announcement issued on Oct. 2.

The firm has also hired an associate and two analysts to the same

group. **Luis Iglesias** joins as an associate from **Mizuho Bank** and will be based in the New York office, **Daniel Barbeau** has been hired as an analyst from **Macquarie Capital** and will also be based in New York and **Hamilton Foster** joins as an analyst from **Level Solar** and will work in the firm's San Francisco office.

**Robert Sternthal** is president

and founder of CohnReznick Capital. **Connor McKenna** and **Nick Knapp** are principals and managing directors, both based in New York. **Nick Sangermano**, also in New York, and **Jeff Manning**, who works in Baltimore, are also managing directors at the firm.

The new hires' start dates could not be immediately established. ■



Mannish Hebbbar

## Canadian Asset Manager Hires Ex-BayernLB Banker

A Canadian private equity firm has hired a director specializing in U.S. infrastructure, who was

until recently a senior director in BayernLB's project finance team.

**Greg Calhoun** joined **Fengate Real Asset Investments** on Oct. 1 and continues to be based in Houston, where he was a senior director at BayernLB.

He reports to **George Theodoropoulos**, managing partner, infrastructure, at Fengate in Toronto.

"We are very pleased to welcome Greg to Fengate and to continue expanding our US platform with him onboard," said Theodoropoulos in a statement on Oct. 3.

Fengate entered the U.S. market in April 2016 with the acquisition of a 25% stake in the 120 MW San Juan Mesa wind project in New Mexico from **Citigroup** (PFR, 4/13/16).

"We intend to pursue further renewable and gas-fired opportunities in the U.S., but on a prudent basis given robust competition in the sector," **Andrew Cogan**, director, infrastructure investments, at Fengate in Toronto, told *PFR* at the time.

Calhoun left BayernLB about three weeks ago, and the bank is in conversation with several potential replacements, a deal watcher tells *PFR*.

The German bank is aiming to

hire two bankers in New York at the senior director level following Calhoun's departure and one other. **Jim King** was the bank's executive director and head of Americas structure finance until his departure earlier this year.

King joined **CIBC Capital Markets** as managing director and head of project finance and infrastructure in February, according to his **LinkedIn** profile.

**Andrew Kjoller** was promoted to executive director and head of Americas structured finance at BayernLB in May, in the wake of King's departure.

An official at BayernLB declined to comment on Calhoun's move. ■



Greg Calhoun

## Power Banker Departs Scotia

An infrastructure, power and utilities banker who worked at **Scotiabank** for 10 years has left the firm to take up a role in acquisition finance at a rival institution in New York.

**Vikrant Prakash** was a director in infrastructure, power and utilities at Scotia, handling project finance and M&A advisory roles.

**SunTrust Robinson Humphrey** has hired him into its acquisition finance and execu-

tion structuring group, says a person familiar with the move.

Prakash has been registered at SunTrust with the U.S. **Financial Industry Regulatory Authority** since Oct. 2. He reports to **David Yates**, managing director in acquisition and leveraged finance structuring at SunTrust in Atlanta, says the source.

Mandates Prakash worked on at Scotia include advising **Energy Investors Funds** on the sale of a 997 MW portfolio of

gas-fired facilities to **Tyr Energy**, **John Hancock** and **Prudential** (PFR, 3/5/13) and advising **GSO Capital Partners**, **Starwood Energy** and Tyr on the sale of a 378 MW portfolio of gas-fired projects in California (PFR, 7/22/13).

He also worked on the \$1.35 billion secured term loan financing for the acquisition of **Cleco Corp.** by a consortium led by **Macquarie Infrastructure and Real Assets** last year (PFR, 10/20/14, 5/13/16).

It could not immediately be established who had taken over Prakash's responsibilities at



Vikrant Prakash

Scotia or whether the firm intends to hire a replacement. A spokesperson for the bank in Toronto did not immediately respond to an inquiry. ■