

Power Finance & Risk

Exclusive Insight on Power M&A and Project Financing

By the publisher of GlobalCapital

● MERGERS & ACQUISITIONS

Buyer Emerges for Quantum Peakers

Quantum Utility Generation has agreed to sell two peakers totaling 206 MW following an auction.

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● STRATEGIES

Ex-First Wind Colleagues Raise Funds

Four former employees of First Wind and **SunEdison** have raised equity and credit for a new renewables company.

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● PEOPLE & FIRMS

BNP Paribas's Return to Tax Equity

The Paris-based bank has begun deploying its own capital in tax equity transactions after a pause of at least 18 months.

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● AWEA FINANCE & INVESTMENT 2016

Basis Risk Emerges as Key Challenge for Tax Equity

Richard Metcalf

Tax equity investors are paying close attention to a growing risk for wind projects with non-traditional offtake agreements. At issue is the difference between the price of power at the point of injection and the price where the offtake contract is settled.

Known as 'basis differential risk' or simply

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Attendees discuss trends and deals over drinks at the Westin New York at Times Square Photo: AWEA

Sponsor Lines up Financing for Amazon Wind Project

Richard Metcalf

Lincoln Clean Energy has secured bank loans and tax equity commitments for a 253 MW wind project in Scurry County, Texas, that has a power purchase agreement with Amazon.

MUFG is the coordinating lead arranger and **Bank of America Merrill Lynch** is mandated lead arranger on a construction loan for the Amazon Wind Farm Texas.

BAML and **GE Energy Financial Services** have committed long-term tax equity to the project.

The construction loan will be replaced with the tax equity investment once the project begins commercial operations, and there will not be any back leverage, says **Declan Flanagan**, Lincoln Clean Energy's president and ceo in Chicago.

BayernLB will provide letter of credit facilities once the project is complete. The project is slated to be online in October 2017.

Lincoln Clean Energy, a portfolio company of

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Low Prices in Second Mexico Auction Mean "Lower Leverage"

Richard Metcalf

The average price of power purchase agreements awarded in Mexico's second power auction was 30% lower than in the first auction, with one PPA coming in at just \$26.99/MWh. The low prices will translate into lower leverage on projects, say deal watchers.

The average PPA price in the auction, which attracted bids from 57 companies, was \$33.47/MWh. With such low prices, sponsors can expect to raise between 60% and 70% of the required capital in debt, compared with up to 80% in previous deals, says a Latin American project finance banker.

At the same time, the increased

cost of funds for banks, especially those headquartered in Europe, could limit the tenors available for project finance loans and lead to more mini-perm financings.

Although some project finance deals that are closing soon have tenors of up to 18-years, sponsors cannot expect to obtain the same long-term financing in the commercial bank market today, says the banker. "We agreed to those deals two years ago," he says of the longer tenor loans.

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● THE BUZZ

How Low Can You Go?

Power purchase agreement prices for renewable projects are plummeting across the Americas, and it's changing the way deals are done.

In the U.S., *PFR* has heard of wind PPAs as low as \$18/MWh. In Chile, which historically has had very high power prices, the average in an August power auction was \$44.60/MWh. And now in Mexico, where there is no investment or production tax credit, one bidder has just walked away with a PPA for a solar project priced at \$26.99/MWh (see story, page 1).

This is a testament to improvements and efficiencies in turbine and photovoltaic technology that have taken place over recent years, and the belief that more gains are just around the corner.

But it is also forcing financiers and sponsors to work hard figuring out how to structure deals.

"If you look at what the PPA prices have been dropping down to, that is as alarming to a sponsor as a decline in the PTC," said **Daniel Elkort**, executive v.p. and general counsel at **Pattern Energy Group**, in response to a question about the phase out of the tax credit for wind projects at the **AWEA Wind Energy Finance & Investment Conference** last week.

At **REFF Wall Street** in June, **John Eber**, m.d. in energy investments at **JP Morgan**, pointed out that the decline in PPA prices was increasing the pressure on tax equity deal structures (*PFR*, 6/21).

Prices are so low, in fact, that at least one sponsor—**Falvez Energy**—has opted to do away with contracted offtakes altogether and structure a deal on a merchant basis, in the hope that prices will head back north in the future (see story, page 1).

In Mexico, meanwhile, the level of bids in both power auctions that have taken place this year has left some market participants scratching their heads trying to work out how the sponsors can make money out of them. Some deal watchers have even questioned whether some of the projects with rock bottom PPAs will ever be built (*PFR*, 6/30).

In a less extreme scenario, several bankers have said that the projects are financeable but only with a lower ratio of debt to equity. In response, sponsors are considering more exotic options such as mezzanine debt, or even contemplating financing construction with their own balance sheet cash.

Welcome to the world of super low PPAs. It's not for the faint-hearted. ■

Power Finance & Risk

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225 Park Avenue South, New York, NY 10003
Power Finance & Risk is a general circulation newsweekly.
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Institutional Investor, LLC ISSN# 1529-6652
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Feel free to contact **Richard Metcalf**, editor, at (212) 224-3259 or richard.metcalf@powerfinancerisk.com

GENERATION AUCTION & SALE CALENDAR ●

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

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

Generation Sale ■ DATABASE

Seller	Assets	Location	Advisor	Status/Comment
Abengoa	Norte III (924 MW Gas)	Ciudad Juárez, Mexico	Carl Marks	Abengoa is talks with several interested parties over a potential sale of the projects (PFR, 9/26).
ArcLight Capital Partners	New Covert (1.04 GW Gas)	Van Buren County, Mich.	BNP Paribas, Whitehall & Co.	ArcLight is preparing to launch a sale of the asset (PFR, 9/12).
Brookfield Renewable Partners	Price (189 MW Wind), Comber (166 MW Wind), Gosfield (51 MW Wind)	Sault Ste. Marie, Lakeshore, and Kingsville, Ontario	Scotiabank, TD Securities (seller)	Brookfield Renewable is selling the three facilities, plus an expansion project, in a portfolio (PFR, 7/18).
Canada Pension Plan Investment Board, JP Morgan, individual investors	Portfolio (726 MW Wind)	New York, Texas		MSD Capital, the majority stakeholder in Noble Environmental Power, is buying the entities' minority shares in the company as part of a restructuring (PFR, 9/26).
Cogentrix Energy Power Management	Red Oak (823 MW Gas)	Sayreville, N.J.		The Carlyle Group's Cogentrix is selling the gas-fired project (PFR, 10/3).
Cogentrix Energy Power Management, Quantum Utility Generation	James River Genco (115 MW Coal)	Hopewell, Va.		Cogentrix and Quantum are selling their 50-50 ownership stakes to Michigan-based Novi Energy, which will repower the project with a gas-fired turbine (PFR, 10/3).
Duke Energy	Latin America portfolio (4.4 GW Hydro, Gas, Oil)	Brazil, Argentina, Chile, Ecuador, El Salvador, Guatemala, Peru	Credit Suisse, JP Morgan	Duke has moved into a second round of bidding (PFR, 8/15).
Entergy Corp. and Royal Dutch Shell	Llano Estacado (80 MW Wind)	Carson County, Texas		Olympus Power is buying the projects, both of which have power purchase agreements expiring this year PFR, 9/26).
	Northern Iowa Windpower (80 MW Wind)	Worth County, Iowa		
First Energy	Bay Shore Unit 1 (136 MW Coal)	Lucas County, Ohio		FirstEnergy is soliciting offers for the plant (PFR, 8/1).
First Reserve	Portfolio (1.7 GW Gas)	U.S. (California, New Mexico, Texas) and Trinidad and Tobago	Goldman Sachs	First Reserve is selling the project to a joint venture of Harbert Power Fund V, UBS Asset Management Funds and The Northwestern Mutual Life Insurance Co. (PFR, 9/26).
Macquarie Infrastructure Partners III	Lordstown (940 MW Gas)	Lordstown, Ohio		The fund has hired a financial adviser and is considering bids for its 73% stake in the project (PFR, 8/15).
Mercuria	Danskammer (500 MW Dual-fuel)	Hudson Valley, N.Y.	Guggenheim Partners	The first round of a two-stage auction is underway (PFR, 10/3).
● Novus Windpower	Novus IV (≤ 360 MW Wind)	Hansford and Sherman counties, Texas		Apex Clean Energy has acquired the project (see story, page 7).
NRG Energy	California Valley Solar Ranch (250 MW Solar, 51.05%)	San Luis Obispo County, Calif.		NRG has dropped the asset down into yield company NRG Yield (PFR, 9/19).
Odebrecht	Gasoducto Sur Peruano (700-mile pipeline, 55%)	Peru		A Semptra International-led consortium has entered into exclusive negotiations to acquire Odebrecht's 55% stake in the pipeline (PFR, 9/6).
Panda Power Funds	Liberty (Gas 829 MW), Stonewall (778 MW), Patriot (829 MW)	Bradford County, Pa., Loudoun County, Va., Lycoming County, Pa.	Goldman Sachs	Panda Power Funds is selling a 2.5 GW portfolio of assets in PJM (PFR, 5/16).
Petrobras	Nova Transportadora do Sudeste (1,150 mile pipeline)	São Paulo, Rio de Janeiro, and Minas Gerais states, Brazil		A Brookfield-led consortium that includes China Investment Corp., GIC and First Reserve is close to acquiring the pipeline network, say Brookfield officials (PFR, 8/8).
PRC Wind	Unknown (270 MW Wind)	Minnesota		Tenaska has acquired three development-stage projects totaling 470 MW in two states from PRC Wind (PFR, 10/3).
	Unknown (200 MW Wind)	North Dakota		
● Quantum Utility Generation	Quantum Pasco Power (123 MW Gas, Oil)	Dade City, Fla.	Merit Capital Partners (seller)	Rockland Capital is acquiring the assets (see story, page 7).
	Nevada Cogeneration Associates 2 (85 MW Gas)	Las Vegas		
● Riverstone Holdings	Sterling (30 MW Waste tire, biomass)	Windham County, Conn.		Empire Tire of Edgewater II, a local tire dealership, has closed its acquisition of the project from Riverstone's portfolio company, ReEnergy Holdings (PFR, 1/11).
● Scatec Solar	Utah Red Hills (78.6 MW Solar)	Iron County, Utah		Macquarie Infrastructure Corp. is acquiring the project (see story, page 7).
sPower	Portfolio (6.7 GW Solar)	U.S.	Barclays (lead), Marathon Capital, CohnReznick Capital Markets Securities and Citi (co-leads)	The independent power producer is exploring a sale of its entire portfolio and development platform (PFR, 10/3).
SunEdison	C&I Portfolio (136 MW Solar)	Various, Minn.	Rothschild (seller)	SoCore Energy, a subsidiary of Edison International, is the stalking horse bidder for the SunEdison assets (PFR, 8/29).
SunPower	Henrietta (102 MW Solar, 49%)	Kings County, Calif.		8point3 is acquiring its sponsor's 49% interest in the project in a transaction financed primarily with a public share offering (PFR, 10/3).
SunPower	Boulder Solar II (50 MW)	Boulder City, Nev.		Iberdrola subsidiary Avangrid is acquiring the project, which has a 20-year PPA with NV Energy (PFR, 10/3).

● 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

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)	Loan	Loan Amount	Tenor	Notes
8minutenergy Renewables	Redwood 4 (28 MW Solar)	Kern County, Calif.	TBA	Debt, Tax Equity	\$45M	TBA	8minutenergy Renewables is planning to finance a number of projects in the coming months (PFR, 8/8).
	SpringBok 3 (100 MW+ Solar)			TBA	TBA	TBA	
Advanced Power	Cricket Valley (1 GW Gas)	Dover, N.Y.	BlackRock	Equity	TBA	NA	BlackRock is buying a minority stake in the project (PFR, 8/22).
			GE EFS, BNP Paribas, Crédit Agricole, ICBC, BAML	Debt	TBA	TBA	Arrangers of the debt financing are meeting with other financial institutions about backing the deal (PFR, 6/20).
Andes Mining & Energy, Cheniere Energy, EDF	Penco Lirquén (423 ft ³ /day LNG)	Concepción Bay, Chile	BNP Paribas (sole adviser), Crédit Agricole, DNB, MUFG, Société Générale	Mini-perm	\$850M	8-yr	The arrangers are expected to syndicate the loan at the end of September or beginning of October (PFR, 10/3).
	El Campesino Phase I (640 MW Gas)	Bulnes, Chile					
Avenue Capital Partners	Desert Power (830 MW Gas)	Victorville, Calif.	Goldman Sachs	Term Loan B	\$310M	6-yr	Avenue Capital is refinancing the portfolio, which it acquired from Tenaska earlier this year (PFR, 8/8).
	Big Sandy (300 MW Gas)	Kenova, W.Va.					
	Wolf Hills (250 MW Gas)	Bristol, Va.		Revolver	\$30M	5-yr	
Development Partners	St. Joseph Energy Center (700 MW Gas)	New Carlisle, Indiana	TBA	TBA	TBA	TBA	Construction of the second phase of the 1.4 GW St. Joseph project is expected to begin within the next 12 to 18 months (PFR, 9/6).
EDF Energies Nouvelles, Andes Mining & Energy	Santiago Solar (100 MW)	Til Til, Chile	SMBC, Crédit Agricole, DNB	Term Loan	TBA	15-yr	The loan, the tenor of which matches the duration of the project's PPA with CNE, closed on Sept. 23 (PFR, 10/3).
EDP Renewables North America	Amazon Wind Farm US Central (100.8 MW)	Paulding County, Ohio	MUFG, State Street	Tax Equity	TBA	NA	MUFG and State Street are taking tax equity in the project, which has an offtake agreement with Amazon (see story, page 6).
Enel Green Power North America, GE EFS	Drift Sand (108.8 MW Wind)	Grady, Okla.	Bankers Commercial Corp. (MUFG), unidentified investors	Tax Equity	TBA	NA	The project has a 25-year PPA with Arkansas Electric Cooperative Corp. (PFR, 10/3).
Falvez Energy	Falvez Astra (163 MW Wind)	Randall, Castro and Deaf Smith counties, Texas	GE EFS, Capstar Partners (BNP Paribas)	Tax Equity	\$129M	TBA	GE EFS and Capstar will commit 50% each of the tax equity for the merchant project. The remaining \$129 million project cost will be financed with sponsor equity (PFR, 10/3).
Invenergy	Lackawanna (1.5 GW Gas)	Jessup, Pa.	BNP Paribas, GE EFS, MUFG	Commercial bank debt	\$800M-900M	TBA	Invenergy has selected arrangers for a debt package for the project, which could include an institutional tranche (PFR, 9/19).
				Institutional debt	\$200M	TBA	
			Lazard	Equity	TBA	TBA	
Lincoln Clean Energy	Amazon Wind Farm Texas (253 MW)	Scurry County, Texas	BAML, MUFG	Debt	TBA	TBA	BAML and MUFG will provide a construction loan which will be replaced with tax equity once the project goes online (see story, page 1).
			BAML, GE EFS	Tax Equity	TBA	NA	
Mainstream Renewable Power	Sarco (170 MW Wind), Aurora (129 MW Wind)	Atacama region, Chile; Los Lagos region, Chile	SMBC, MUFG	Debt	\$450M	17-yr	The sponsor is in the late stages of negotiations with a group of banks (PFR, 6/20).
NextEra Energy Resources	Brady I (149.7 MW Wind)	Stark County, N.D.	BAML, BNY	Tax Equity	TBA	NA	The banks are jointly investing tax equity in the projects (see story, page 6).
	Brady II (149 MW Wind)	Stark and Hettinger counties, N.D.					
Northern Star Generation	Portfolio (795 Dual-fuel)	Florida	MUFG	Term Loan	\$200M	9-yr	Northern Star Generation is refinancing the projects with a term loan (PFR, 8/8).
	Portfolio (256.5 MW Gas)	Florida, Nevada					
NTE Energy	Portfolio (2 GW Gas)	Connecticut, North Carolina, Ohio	TBA	Debt	\$2B		NTE is planning to raise \$2 billion to finance the Killingly, Reidsville and Pickaway energy centers (PFR, 4/25).
Quantum Utility Generation	Moundsville (549 MW Gas)	Marshall County, W. Va.	TBA	Debt	\$500M	TBA	Quantum, which has approached prospective arrangers to finance the project, has mandated BNP Paribas to sell a stake in the project (PFR, 6/6).
Terra Nova Renewable Partners	Hancock (51 MW Wind)	Hancock County, Maine	Firstar Development (U.S. Bank)	Tax Equity	TBA	NA	Terra Nova is 99% owned by Novatus Energy and 1% by SunEdison (PFR, 10/3).

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Low Prices in Second Mexico Auction Mean “Lower Leverage”

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The PPAs guarantee a fixed price for the output of the projects for 15 years and *certificados de energía limpia* (the equivalent of renewable energy credits) for 20 years.

Consorcio Fotowatio, a joint venture between **Fotowatio Renewable Ventures** and a subsidiary of **FSL Solar**, which is backed by **Qualitas Equity Partners**, was one of the lowest bidders, winning a PPA priced at \$26.99/MWh for a 300 MW solar project.

Subsidiaries of **Acciona**, **EDF Energies Nouvelles**, **Enel Green Power Mexico**, **Engie**, **IEnova**, **Hanwha Q Cells**, **OPDE** and **SoW-iTec** were also among the winners.

Generadora Fenix, which was founded by Mexican labor union **Sindicato Mexicano de Electricistas** and Portuguese conglomerate **Mota-Engil** to operate disused hydro facilities, also won contracts.

SECOND TIME LUCKY

Three companies that the Mexican **National Center for Energy Control** mistakenly announced as

winners in the first Mexico power auction in March before revising the results hours later (PFR, 3/30), were successful in the second auction.

Zuma Energía, which is owned by **Actis** and **Mesoamerica**, was one of them, winning a contract totaling 725 MW through special purpose vehicle **Parque Eólico Reynosa III**.

Another was **KKR**-backed **X-Elio**, which was formerly known as **Gestamp Solar**, and the third was **Alten Energías Renovables**, which won PPAs for two phases of a solar project totaling 290 MW in the municipality of El Llano, Aguascalientes.

Alten's PPAs are priced at about \$40/MWh, making them among the highest-priced contracts to be awarded in the auction, says **Juan Laso**, the company's deputy president in Madrid.

MEZZANINE DEBT

Alten's two projects represent a total combined investment of around \$350 million, and the sponsor expects the financing to consist

of between 20% and 25% equity and between 75% and 80% debt, says Laso, adding that the company is considering raising subordinated or mezzanine debt as part of the capital structure.

The mezzanine debt would be provided by “specialists” looking for a better return in the low interest rate environment, he says.

Alten is aiming to obtain debt with a tenor of about 18 years. In response to the suggestion that such long tenors may not be available given market conditions, Laso said that many banks were active in the area, including Japanese, American and European commercial banks and development banks, and that the market was “very competitive.”

Alten is majority-owned by **Cubico Sustainable Investments**, which in turn is owned by **Santander**, **PSP Investments** and the **Ontario Teachers' Pension Plan**.

CAPACITY CONTRACTS

Besides PPAs, capacity contracts totaling 1,187 MW were also award-

ed in the auction, 850 MW of which went to gas-fired combined-cycle plants.

The state-owned utility **Comisión Federal de Electricidad** won capacity contracts for new CCGT projects, which the banker said represented an opportunity for project finance deals.

Frontera México Generación, a subsidiary of **Blackstone**-backed **Fisterra Energy**, also won capacity. A representative of **Fisterra** declined to identify the project that had won the contract or provide any other details.

The names, locations and sizes of all of the projects that won PPAs and capacity contracts in the auction could not immediately be established. **CENACE** has so far only provided the names of the special purpose vehicles that won contracts and not their parent companies.

Unless there are any successful challenges to the auction process carried out by **CENACE**, the PPAs are expected to be signed on Oct. 31. The regulator is planning to carry out a third auction in April. ■

Sponsor Lines up Financing for Amazon Wind Project

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infrastructure fund manager **I Squared Capital**, will provide 100% of the sponsor equity.

The construction cost of the project is pegged at \$360 million. Flanagan declined to reveal the size of the construction loan and tax equity investment. Spokespeople for **MUFG** and **BAML** either declined to comment or did not respond to inquiries.

“SLICING AND DICING”

Amazon will purchase 90% of the project's output under the terms of a contract announced last month (PFR, 9/22).

The project has a second corporate offtaker

for the remaining 10% of generation, says Flanagan, who declined to identify the company but said that an announcement would be made later. The exact length of the long-term power purchase agreements was also not disclosed.

Lincoln Clean Energy is the fifth sponsor to have obtained a PPA from Amazon for a renewable project in the U.S.

The sponsor has been spending a lot of time talking to potential commercial and industrial offtakers over the past year or two, as non-utility buyers have moved increasingly into the space. “This contract with Amazon is a product of that process and hopefully the first of several,” said Flanagan.

Commercial and industrial offtakers have a more limited appetite for generation than utility companies and therefore, the rise in the number of corporate PPAs has led to an increase in projects having multiple offtakers, especially the large, utility-scale projects that **Lincoln Clean Energy** specializes in.

“Over the past few years, 200 MW to 300 MW of wind has really been our sweet spot and that's a lot of energy over a long-term contract, so it's no surprise that you need to slice it and dice it a bit,” said Flanagan. “We're fortunate to have a customer as good as Amazon that can step up for a large slice.”

However, Flanagan adds that from a financing point of view, it is easier to handle the incremental complexity of having a second or third offtaker if the project—and therefore the amount of financing required—is larger. ■

● PROJECT FINANCE

EDP Wind Project with Amazon Offtake Seals Tax Equity

Two financial institutions are investing tax equity in an **EDP Renewables North America** wind project that will supply Amazon data centers.

MUFG and **State Street** are jointly investing in the project through their respective tax equity arms, **Bankers Commercial Corp.** and **Antrim Corp.**

The relative size of each entity's investment could not immediately be established. Spokespeople for EDP Renewables in Houston, MUFG in New York and State Street in Boston did not immediately respond to inquiries.

The Amazon Wind Farm US Central, which will have a capacity of 100.8 MW, is under construction in Paulding County, Ohio.

The project is expected to be online in November, according to a filing with the U.S. **Federal Energy Regulatory Commission** requesting approval of the deal. That would be six months earlier than the schedule reported in December last year (PFR, 12/22).

EDP Renewables entered into a 12-year power purchase agreement with **Amazon Web Services** for the Paulding County

project's full output late last year (PFR, 12/22).

The filing for the tax equity deal comes days after the announcement of a tax equity transaction involving two other investors in a separate Amazon wind project.

Bank of America Merrill Lynch and **GE Energy Financial Services** have committed tax equity to the 253 MW Amazon Wind Farm, which is being developed by **Lincoln Clean**

Energy in Scurry County, Texas (see story, page 1).

Power purchase agreements between developers and large corporate offtakers have inspired confidence in the growth corporate offtake market. "[W]hen you look at companies like Amazon and Walmart, who are signing PPAs and being followed by many of their peers, I am very bullish that it can be a large market," **KeyBanc Capital Mar-**

kets' Daniel Brown told *PFR* in March (PFR, 3/31).

EDP Renewables, a subsidiary of **Energias de Portugal**, recently closed a combined \$342 million tax equity investment from BAML and **Bank of New York Mellon** in two other wind projects, the 250 MW Hidalgo project in Hidalgo and Starr counties, Texas, and the 77.7 MW Jericho Rise project in Franklin County, N.Y. (PFR, 9/14). ■

BAML, BNY Extend Partnership with North Dakota Wind Investment

Bank of America Merrill Lynch and **Bank of New York Mellon** are investing tax equity in a pair of wind projects in late-stage construction in North Dakota, according to a filing with the U.S. **Federal Energy Regulatory Commission**.

NextEra Energy Resources owns the 149.7 MW Brady project in Stark County, in the southwestern part of the state, and the adjacent 149 MW Brady II project, in Stark and Hettinger counties.

Brady I and Brady II could be operational as early as late Octo-

ber and mid-November, respectively, according to the filing. Both projects have long-term power purchase agreements with **Basin Electric Power Cooperative**.

BAML and BNY have a history of working together on tax equity deals, including investments in several of the **NextEra** subsidiary's wind projects.

In 2014, the two banks invested tax equity in the 200 MW Seiling Wind I and 100 MW Seiling Wind II projects in Dewey and Woodward Counties, Okla., and

the 250 MW Palo Duro wind project in Randall, Texas (PFR, 12/10/14, PFR, 12/2/14).

Last year, the banks struck a deal to buy the tax equity associated with the company's 250 MW Golden West project in El Paso County, Colo. (PFR, 12/10).

Most recently, BAML and BNY invested tax equity in two wind projects owned by **EDP Renewables North America**, the 250 MW Hidalgo project in Hidalgo and Starr counties, Texas, and the 77.7 MW Jericho Rise project in Franklin County, N.Y. (PFR, 9/14).

Spokespeople for BAML and BNY in New York and NextEra in Juno Beach were not immediately available for comment. ■

● PEOPLE & FIRMS

BNP Paribas Returns to Tax Equity Investing

« FROM PAGE 12

commitment to financing renewables that it made in the wake of the **United Nations** climate change conference in Paris in 2015. BNP Paribas has said it will allocate \$15 billion to renewables globally by 2020.

The amount that BNP Paribas will invest in U.S. renewables through tax equity is yet to be determined but will represent a relatively small contribution to

the global commitment. The bank does not expect to close another such transaction this year.

But following the extension of the production and investment tax credits for renewable projects at the end of last year, Mintun says there will be ample demand for the tax capacity that Capstar Partners is able to deploy.

He acknowledges the slowdown in the market in the immediate

aftermath of the tax credit extensions, which may have disappointed some tax equity investors in the short term, but adds: "With the longer term extension and the potential for a lot of projects to qualify, that supply demand imbalance may shift a bit to not seeing enough tax equity investors in the marketplace for the next several years."

Mintun also hopes that the grow-

ing interest of non-utility, non-financial corporates in renewable generation, which has manifested itself in a wave of corporate power purchase agreements, will translate into an influx of tax equity investors in the coming years.

"Our hope and expectation is that as more corporates understand the dynamics of the marketplace, they will also find investing in the space as potential tax equity investors to be compelling as well," he says. ■

MERGERS & ACQUISITIONS ●

Macquarie to Acquire Utah Solar Project

Macquarie Infrastructure Corp. is acquiring a solar project in Iron County, Utah, from Oslo-based **Scatec Solar**, as the Norwegian developer plots its exit from the U.S. market.

The Utah Red Hills project has a capacity of 78.6 MW, according to a Sept. 30 filing with the **U.S. Federal Energy Regulatory Commission** requesting approval of the sale.

The project, which was completed in December 2015, has a 20-year power purchase agreement with **PacifiCorp** subsidiary **Rocky Mountain Power** (PFR, 12/22).

MIC, which is financing the acquisition with cash on hand, is not using a financial adviser, a spokesperson in New York tells *PFR*. The spokesperson did not disclose the purchase price for the project.

GOOGLE TAX EQUITY

The construction of the Utah Red Hills project was financed with debt from **Prudential Capital Group** and a tax equity investment from **Google**. The debt and tax equity totaled \$157 million, according to a statement issued in January 2015. The relative amounts of tax equity and debt were not disclosed. Scatec provided \$31 million of sponsor equity.

MIC's acquisition of the facility is expected to close before the end of the year, pending FERC approval.

The project will be MIC's eighth solar asset, bringing its renewables portfolio to nearly 350 MW of owned capacity, the **Macquarie Group** subsidiary's ceo **James Hooke** said in a statement on Monday. MIC's renewables portfolio is about evenly split between wind and solar, according to the spokesperson.

Last year, MIC acquired two Scatec solar projects in Hawaii totaling 6.5 MW (PFR, 10/6/15).

Scatec, which has committed to selling off its U.S. assets, has recently invested in Latin America, purchasing a 53 MW solar project in Honduras and taking a 70% stake in two Brazilian solar projects totaling 60 MW within the past year (PFR, 10/28/15, PFR, 2/2).

Officials at Scatec in Oslo were not immediately available for comment. ■

FAST FACT

350 MW

Approximate capacity of MIC's renewables portfolio across the Americas.

Apex Buys Development-stage Texas Wind Project

Apex Clean Energy has acquired an up-to-360 MW wind project in Texas from **Novus Windpower**.

The project, called Novus IV, is located in Hansford and Sherman counties, in the Texas Panhandle.

The project is in the technical study phase and does not yet have an offtake arrangement in

place, says a spokesperson for Apex in Charlottesville, Va., via e-mail.

Construction on the project could begin in 2017, according to a statement issued by Apex. The project is intended to supply the **Southwest Power Pool** market.

The purchase price for the project was not disclosed. The Apex spokesperson declined to comment on the terms of the deal and representatives at Guymon, Okla.-headquartered **Novus Windpower** did not immediately respond to an inquiry.

Earlier this year, Apex closed debt and tax equity financing for

a portfolio of three wind projects totaling 217 MW in Texas (PFR, 7/18).

One of those projects, the 151.2 MW Old Settler project in Floyd County, has a 10-year proxy revenue swap with **Allianz Risk Transfer**. The other two, the 50.4 MW Cotton Plains project, also in Floyd County, and the 15.4 MW Phantom solar project in Killeen, have 28-year power purchase agreements with the U.S. **Defense Logistics Agency**. **Deutsche Bank** underwrote the \$300 million debt financing for the portfolio, while **JP Morgan**, **ITOCHU Corp.** and **U.S. Bank** have committed to invest tax equity. ■

Quantum Finds Buyer for Peaker Pair

A buyer has emerged for a pair of peaker plants that **Quantum Utility Generation** put up for sale earlier this year.

Merit Capital Advisors advised Quantum on the sale, which launched in the spring (PFR, 6/2).

Rockland Capital has agreed to acquire the 121 MW Quantum Pasco Power dual-fuel facility in Dade City, Fla., and the 85 MW Nevada Cogeneration Associates 2 gas-fired facility in Las Vegas.

The Pasco facility has a tolling agreement with the **Tampa Electric Company** that expires in 2018. The Nevada project sells its output to **Nevada Power**, a subsidiary of **Berkshire Hathaway Energy's NV Energy**.

Bracewell and Arnold & Porter are Rockland's legal counsel on the deal, with A&P's advice focusing on regulatory matters. **Andrews Kurth** is advising Quantum.

Quantum Utility Generation's private equity sponsor, **Quantum Energy Partners**, owns the two projects through a fund called **Quantum Utility Investment**. The **Canadian Pension Plan Investment Board** is a minority investor in the fund.

An official at Rockland declined to comment. Officials at Quantum did not immediately reply to inquiries. ■

FAST FACT

206 MW

Total capacity of the projects acquired by Rockland Capital.

FAST FACT

3,243 MW

Apex's combined operational, under construction and development-stage wind portfolio in Texas, including its latest purchase.

● STRATEGIES

Dynegy Unit Seeks Restructuring Deal with Bondholders

A Dynegy subsidiary which owns almost 3 GW of coal-fired generation in Illinois has tentatively agreed to a restructuring deal with a group of bondholders.

The precise terms of the deal are still being finalized, but according to details made public by Dynegy on Oct. 3, the company is seeking an agreement with holders of **Illinois Power Generating Co.** bonds to exchange \$825 million of the notes for \$210 million of new seven-year unsecured bonds to be issued by the parent compa-

ny, \$139 million in cash and 10 million Dynegy warrants with a seven-year tenor and a strike price of \$35 a share.

The debtor is soliciting bondholders to effectuate either an out-of-court restructuring or a pre-packaged Chapter 11 plan in early November.

"Given that definitive documentation has yet to be finalized and executed, there is no assurance that a restructuring of the Genco [Illinois Power Generation] Notes is ultimately consummated," reads a presentation published by Dynegy on

Oct. 3 to provide its shareholders with an update on the process.

If 97% of the bondholders accept the exchange offer, the

"There is no assurance that a restructuring of the Genco Notes is ultimately consummated."

restructuring will be completed out of court. If between 66.7% and 97% of the bondholders accept the deal, IPG will file for a prepackaged Chapter 11 restruc-

turing.

Dynegy, IPG and a group of investors that own 63.7% of the bonds have reached a non-binding agreement on the terms of the deal in principle.

Moody's Investors Service downgraded IPG's bonds from B3 to Caa3 in March. The Dynegy subsidiary owned about 2,947 MW of coal-fired generation in Illinois at the time, according to the Moody's report, which described the entity's liquidity position as "precarious".

Moody's and **S&P Global Ratings** rate Houston-based Dynegy B2 and B+ respectively, both with a stable outlook. ■

Ex-SunEdison and First Wind Execs Raise Funds for Renewable Developer

A renewable developer founded by three former senior executives and a vice president at SunEdison and First Wind has closed an equity investment and a credit commitment.

The developer, **Longroad Energy Holdings**, has obtained an equity investment from **Infratil Limited**, a publicly traded infrastructure investor, and a credit commitment from the **New Zealand Superannuation Fund**, a sovereign wealth fund. The sizes of the investments have not been disclosed.

Longroad, which is focused on investing in the development of renewable projects in North America, was founded by **Paul Gaynor**, **Michael Alvarez**, **Pete Keel** and **Charles Spiliotis**. Gaynor was ceo, Alvarez was cfo and president, Keel was senior v.p., finance, and treasurer and Spiliotis was a v.p. at First Wind before it was acquired by SunEdison almost two years ago (PFR, 11/18/14).

Boston and San Francisco-based Longroad's strategy is to capitalize on what it calls the "substantial growth" of direct ownership of renewable assets by large institutional investors and pension funds.

The developer's new equity backer, Infratil, owns and operates mainly renewable assets in Australia and New Zealand. The company is listed on the New Zealand and Australian stock exchanges.

The New Zealand Superannuation Fund, the provider of the credit commitment, is a NZ\$30 billion (\$21.5 billion) fund established by the New Zealand Government.

The investments will be managed by **H.R.L. Morrison & Co.**, a specialist infrastructure investment manager with offices in New Zealand, Australia and Hong Kong.

A representative of Longroad Energy Holdings could not immediately be reached. ■

C&I Solar Investor Raises \$200M

Altus Power America, a private investor with a 60 MW portfolio of commercial and industrial-scale solar projects in the U.S., has obtained a \$200 million equity investment from **Goldman Sachs** and two other investors.

Goldman's alternative energy investing group co-invested in the developer alongside insurance company **Global Atlantic Financial Group** and **FS Investment Corp.**, a publicly traded business development company which is advised by **Blackstone Group's** credit arm, **GSO Capital Partners**.

Altus acquires C&I solar projects at various stages of development, mostly before the commercial operation date, says **Tom Athan**, co-founder and managing partner of the company in Greenwich, Conn.

The company's 60 MW portfolio comprises about 45 operating

or late construction-stage projects, mostly in the northeastern U.S.

Altus expects to deploy the \$200 million it has just raised over the next 18 months. The capital will translate into about 150 MW of capacity, says Athan.

Altus arranges third party debt and tax equity financing for its projects and either builds them itself with its in-house engineering, procurement and construction contractor or works with external EPC firms.

A lot of new players have entered the tax equity market since the extension of the investment tax credit at the end of last year, notes Athan. "It's probably the best it's been since we started the business in 2009," he says.

The new players include insurance companies and non-financial corporations, he adds. "It's not just the big financial players, the banks that used to do it." ■

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Darren J. Olagues
President, Chief Executive Officer
Cleco Corporate Holdings LLC

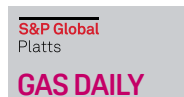
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● STRATEGIES

Cheniere Energy Makes Bid for Partnership Holdco

Cheniere Energy is seeking to acquire the remaining shares in **Cheniere Energy Partners LP Holdings** that it does not already own. The holding company has an indirect stake in the Sabine Pass LNG terminal in Louisiana.

The proposed transaction, which values the company that owns the Sabine Pass project and the associated Creole Trail pipeline at about \$5.1 billion, would simplify the ownership structure of the assets.

Houston-based Cheniere Energy owns 80.1% of Cheniere Energy Partners LP Holdings (Cheniere Partners Holdings), which in turn has a 55.9% limited partner stake in **Cheniere Energy Partners**, the entity that owns the Sabine Pass project and the Creole Trail pipeline.

Cheniere also owns a 2% general partner and incentive distri-

bution right interest directly in Cheniere Energy Partners, which it would retain under the terms of the proposed merger.

The sponsor is offering to buy the remaining limited partner stake in Cheniere Partners Holdings for 0.5049 of its own shares per share of the holdco, a consideration equivalent to \$21.90 per Cheniere Partners Holdings share. The transaction would involve Cheniere issuing about 23.3 million shares.

"We believe the proposed transaction is attractive to investors in Cheniere Partners Holdings who, as new LNG shareholders, would have the opportunity to participate in the future success of the entire Cheniere complex," said Cheniere president and ceo **Jack Fusco** in a statement, referring to the sponsor by its stock exchange ticker, LNG.

The offer represents a premi-

um of about 3% over Cheniere Partners Holdings' share price on Sept. 29, the day before the announcement of the proposed merger.

The largest holders of Cheniere Partners Holdings stock are **Zimmer Partners**, **Jennison Associates** and **Anchorage Capital Group**, according to the most recent regulatory filings collated by **Nasdaq**.

Cheniere Partners Holdings' 55.9% limited partner stake in Cheniere Energy Partners is its only asset. The **Blackstone Group**, **ALPS Advisors** and **Harvest Fund Advisors** are the three largest holders of the remaining 44.1%, according to Nasdaq.

Cheniere's stock price initially fell from about \$43.40 to about \$43.20 a share in the morning of Sept. 30, before rallying to around \$43.80. Shares in Cheniere Partners Holdings had

traded up 6.5% to about \$22.60 by mid-afternoon, while the price of Cheniere Energy Partners stock rose more modestly, by about 4.1%, to \$29.40.

The transaction must obtain a recommendation from Cheniere Partners Holding's conflicts committee and approval from its shareholders. A vote of Cheniere Energy shareholders is not required. The deal also requires the clearance of the U.S. **Securities and Exchange Commission**. The merger is expected to close by the first quarter of 2017.

The Sabine Pass LNG terminal in Cameron Parish, La., is in the process of being converted from an import to an export facility.

Cheniere has refinanced \$3 billion of the terminal's bank loans in the high yield bond market this year as it made progress on the development and construction of five liquefaction trains for the

● AWEA FINANCE & INVESTMENT 2016

Surprising Amount of Wind Deals Despite PTC Slowdown

Despite a slowdown immediately following the production tax credit extension, this year has so far been a busy one for wind project financing at a number of the leading banks in the space, said panelists at the **AWEA Finance & Investment Conference** in New York on Oct. 6.

"Just yesterday I was tallying up our commitments for this year and I was surprised, to some degree, to see that actually 80% of our commitments from this year were in the wind space", said **Tony Muoser**, managing director at **Rabobank**, adding that low interest rates have continued to fuel liquidity in the market.

"Once we saw what would happen with the tax credits we had a very good spring," said Muoser. "Summer slowed down a little bit and it's picking up right now pretty

significantly," he added during panel on developments in the debt markets.

"In regards to volume it started out slow, but I was surprised when we were tallying up recently that we put out as much as last year, about \$2 billion," said **Andrew Redinger**, managing director and group head at **KeyBanc**. However, the mixture of generation types is changing, he added. "Looking forward, we think that next year will be better than this year, if we choose to do more of the distributed type of business that we see coming down the pipeline."

Acquisition financing has also contributed to this year's deal flow for banks. The yield company "meltdown" has led to more minority interests in projects, said **Nuno Dias Andrade**, head of project and acquisition finance at **Santander**,

adding that he is expecting to see more M&A activity in the wind space.

Refinancings and the potential return of turbine loans were marked as key areas to watch in the coming months. Turbine loans allow a sponsor to stockpile turbines which qualify for the PTC. In the past, they have led to work-outs or asset sales (PFR, 7/15).

"Part of the reason the industry got in trouble last time was because of the [turbine] loans", said Redinger. "But the industry has got a lot smarter," responded **Jeff Chester**, partner and head of renewables at **Morrison & Foerster**, adding "they always have some place to put the turbines". Redinger agreed before warning, "it's just that credit departments have really long memories." ■

Basis Risk Emerges as Key Challenge for Tax Equity

◀ FROM PAGE 1

‘basis risk’, this element has become more important for tax equity investors as the corporate power purchase agreement has evolved over time and the risk has shifted from the offtaker to the sponsor.

In some cases it represents a bigger challenge than the creditworthiness of the corporate offtaker, said **John Eber**, m.d., energy investments, at **JP Morgan**, during a panel discussion at the **AWEA Wind Energy Finance & Investment Conference** at the Westin New York on Oct. 5.

“It significantly impacts the cash that might be available,” said Eber. “The reason we all want PPAs is so that we can fix the price for our power and worry more about whether the power will be produced, versus what it will be sold for. With basis differential risk you have to worry about whether the net value of the power is going to be what you first thought it was going to be.”

The challenge is particularly acute in parts of the U.S. with large concentrations of installed wind capacity, such as Texas,

because the differential between node and hub prices is more marked.

“When the wind is blowing in Texas, all the wind is being delivered and you’re starting to get a greater and greater basis differential just at the time when you want to be selling your power,” said Eber.

“With basis differential risk you have to worry about whether the net value of the power is going to be what you first thought it was going to be.”

SHIFTING RISK

In traditional PPAs, the utility company absorbs the basis risk. In the first corporate PPAs, the non-utility offtaker did the same, a deal watcher told *PFR* on the sidelines of the conference. But as corporations have become more experienced at negotiating the con-

tracts, the risk has shifted to the sponsor, the deal watcher added.

Basis risk applies not only to corporate PPAs but also to the derivatives provided by financial institutions to hedge power price risk. One recent example shows that in some cases the risk can be such that the participants in the deal decide to go fully merchant instead.

BNP Paribas was initially going to provide a hedge for **Falvez Energy**’s 163 MW Falvez Astra wind project in Randall, Castro and Deaf Smith counties, Texas, but the sponsor and the tax equity investors, **GE Energy Financial Services** and **BNP Paribas Capstar Partners U.S.**, ultimately decided that it would be better to structure the project on a merchant basis, according to a person familiar with the deal.

“It became clear that the basis risk that is inherent in these hedge transactions for this particular project was such that we felt that we could get a better risk-reward relationship by restructuring the transaction as a fully merchant deal,” said the source. ■

Panelists Weigh Future for Utility-owned Wind

Panelists discussed the increasing ownership of wind projects directly by utility companies at the **AWEA Wind Energy Finance and Investment Conference** at the Westin New York at Times Square on Oct. 5.

Moderator **Edward Zaelke**, a partner at **Akin Gump**, questioned panelists on the growing trend of utilities foregoing procurement through power purchase agreements in favor of acquiring and developing generation assets. Approximately 15% of operational U.S. wind assets are owned by utilities, up from less than 10% in 2013.

Doug Benevento, director of energy policy at **Xcel Energy**, said the fact that utilities are contemplating purchas-

ing wind is a testament to how mainstream the technology has become and called wind a resource “that utilities can rely upon”.

The longevity of wind projects is inspiring more confidence in the technology, said **Joel Schmidt**, v.p. for regulatory affairs at **Alliant Energy**, citing projects that have expected lifespans of some 40 years.

John Maniawski, senior director of power generation and transmission at **Enbridge**, said that market trends will determine to what degree utilities will compete with independent power producers to develop and acquire wind assets.

“Utilities are a real poten-

tial competitor, but that’s just part of the normal, evolving competitive landscape,” said Maniawski. “Will utilities be a competitive threat through

“Utilities are a real potential competitor, but that’s just part of the normal, evolving competitive landscape.”

some strategic advantages? The answer is, it really depends on a number of factors,” he added. Individual strategies, utilities’ balance sheets and tax-

able income and the allocation of funds toward investing in transmission and distribution versus generation are among the factors, he said.

The location of the utility also has an impact on its ability to grow wind capacity.

“Not all utilities are created equal,” said Maniawski, a sentiment shared by **David Owens**, executive v.p. for the business operations group and regulatory affairs at **Edison Electric Institute**, the trade association for U.S. electric companies. A priority for utilities in organized markets, which place prohibitions on utility ownership of generation assets, should be pushing for reform, said Owens. ■

● PEOPLE & FIRMS

Ex-RBC Project Finance Official Lands at IFM

IFM Investors has appointed a former banker as executive director of debt investments for North America.

Matthew Wade, who has joined the investment manager's New York office, will be tasked with growing IFM's debt origination capabilities in the region.

In his new role, Wade will "serve our existing investment partners and attract new similarly aligned investors in the region", IFM said in a statement.

He was previously director of project finance at **Royal Bank of Canada** in New York.

Wade reports to **Richard Randall**, who was

promoted to the position of global head of debt investments at IFM earlier this year. Randall joined IFM from **Royal Bank of Scotland** in 2013, where he was head of the project finance group.

Like Randall, Wade previously worked for RBS. Before joining RBC in 2013, he had focused on energy and infrastructure during stints in RBS's New York and London offices.

Wade is not the only recent hire bolstering IFM's North American debt team. In July, the firm hired **Joseph Braun**, formerly of **Hastings Funds Management** and **RBC Capital Markets**, as associate director on the North American infrastructure team (PFR, 7/14). ■

Former NRG Financier Lands at Start-Up

A former vice president in structured finance at **NRG Energy** and veteran of the energy industry with over 24 years of experience has landed at a solar start-up as its chief financial officer.

Scott Healy recently joined **Brightmark Energy** as its cfo and senior v.p. in the San Francisco Bay Area. Healy worked for NRG in San Francisco from 2014 to June, according to his **LinkedIn** profile.

Brightmark is an independent power producer headquartered in San Francisco. **Jackson Investment Group** is the shop's biggest investor, ceo **Robert Powell** tells *PFR*. Brightmark, which is hiring, will originate customers before acquiring and developing co-generation and renewable generation assets.

Powell was previously president, North America, at **SunEdison**, from 2013 to 2015. Powell is also president and ceo of **Blue Earth** and chair-

man of **Correlate**. Blue Earth, which was a predecessor entity to Brightmark, filed for Chapter 11 bankruptcy protection in March.

Zeina El-Azzi, based in Austin, Texas, is Brightmark's chief development officer. El-Azzi is a former v.p. at SunEdison, where she worked with Powell on project and pipeline acquisitions, joint ventures and joint development agreements.

Prior to joining NRG, Healy spent a year at **SolarCity** working as a v.p. in structured finance. Before that, between 2006 and 2013, he held positions at **Element Power**, **LS Power** and **Orion Energy Group**.

From 2001 to 2006 he was a principal at **PPM Energy**, which is now part of **Iberdrola Renewables**. Healy worked at Calpine from 1996 to 1998 and **Enron North America** from 1998 to 2001.

Healy could not be reached by press time. A spokesperson for NRG did not respond to a request for comment on whether it has plans to replace Healy. ■

Reporter's Notebook

The wind industry is a close-knit group and the **AWEA Wind Energy Finance & Investment Conference** is generally a friendly affair, so there were plenty of lighter moments amid the serious discussions and dealmaking at the Westin New York at Times Square.

◆ **Chadbourn & Parke's Keith Martin** couldn't resist plugging his upcoming webinar, "Countdown to Start Construction", while quizzing tax equity investors on their thresholds for what qualified as beginning construction on a wind project. The webinar is being publicized with a picture of two dogs digging a hole, he noted. "10% [of the foundations] is a good rule of thumb, and we also like all of the work to be done by humans," quipped **Jack Cargas** of **Bank of America Merrill Lynch**.

◆ During the same discussion, Martin asked **John Eber** of **JP Morgan** to speak up so that everyone could hear him. "I'm gonna try Jack's mic. There's something wrong with mine," said the tax equity investor. "Oh, you're like **Donald Trump**," Martin shot back.

◆ Talk of the impending presidential election permeated the conference. During one such conversation, an AWEA official diplomatically demurred, "we don't endorse candidates".

◆ Not everyone was in the mood for small talk, however. "I just want to find someone who knows about deals", one exasperated financier was overheard telling a colleague during an open bar post-conference event the second night. ■

BNP Paribas Returns to Tax Equity Investing

BNP Paribas Capstar Partners U.S. has begun to deploy its own capital in renewable tax equity transactions, following a corporate restructuring of its parent company's U.S. operations.

Through Capstar Partners, **BNP Paribas** has remained an active adviser in the renewables tax equity space during the time it was not investing its own funds.

But a corporate restructuring, effective July 1, has made it easier for the Paris-headquar-

tered bank to use the tax capacity generated by its U.S. operations to make renewable tax equity investments.

Capstar Partners made its first such investment in more than 18 months when it acquired 50% of the tax equity in **Falvez Energy's** 164 MW Falvez Astra solar project in Texas (PFR, 9/27).

"This is a relatively new, stable tax capacity that we can utilize in the space that we haven't been able to do in the past," says **Phillip Min-**

tun, managing director and head of Capstar Partners.

"We expect to continue to be a relatively small player in the space but one that is committed to providing solutions for our clients that can include corporate finance, securitization, commodity derivatives, project finance lending and placement as well, so what we hope to do is bring this limited capacity to bear on behalf of clients to engage in those kinds of activities," he adds.

The move back into tax equity investing will also help the bank to meet a **PAGE 6 »**