

power finance & risk

The exclusive source for power financing and trading news

www.iipower.com

A PUBLICATION OF INSTITUTIONAL INVESTOR, INC.

OCTOBER 13, 2008

VOL. XI, NO. 14

NRG, UI JV Seeks Bridge Loan

GenConn, a 50/50 joint venture between **NRG Energy** and **United Illuminating**, is seeking some \$400 million in bridge financing for a 200 MW Connecticut peaker.

See story, page 2

At Press Time

Developer Swims Upstream,
Hunts Tax Equity 2

In The News

N.J. Offshore Farm Seeks Financing 3
NYC Developer Looks For Partner 3
Dominion Deal Sluggish 4
Second Round Bids Due For KGen 4
CS Takes Bids For Mich. Cogen 6
EDF Launches Acquisition Loan 6
John Deere Primes Wind Farm Buy 6

AWEA Workshop

Pricing, Trust Cause Financing Woes 7
Transmission Delays Projects 7

Corporate Strategies

Alliant Issues \$500 For New Build 8
Hudson Creates New Platform Co. 8

Departments

Generation Auction & Sale Calendar 9
News In Brief 10

COPYRIGHT NOTICE: No part of this publication may be copied, photocopied or duplicated in any form or by any means without Institutional Investor's prior written consent. Copying of this publication is in violation of the Federal Copyright Law (17 USC 101 et seq.). Violators may be subject to criminal penalties as well as liability for substantial monetary damages, including statutory damages up to \$100,000 per infringement, costs and attorney's fees. Copyright 2008 Institutional Investor, Inc. All rights reserved.

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

DEVELOPER HUNTS FINANCING FOR TEXAS NUKES

Energy Future Holdings' subsidiary **Luminant**, together with **Mitsubishi Heavy Industries**, is seeking financing to back a portion of the \$15 billion cost of two new nuclear generation projects in Texas.

The partners are planning to build two 1.7 GW units on Luminant's 2.3 GW Comanche site near Glen Rose, Texas. **Concentric Energy Advisors** in Marlborough, Mass., is advising Luminant, says **John Reed**, chairman and ceo. He declined to specify the form and size of the financing being sought, but says the parties are in talks with undisclosed banks. Luminant has applied for financing under the U.S. **Department of Energy's** loan guarantee program. The DOE can provide up to 80% debt financing for a nuclear build, translating into at least \$3 billion provided from the sponsors for the Comanche projects.

Luminant has hired Concentric partly because of its experience, says Reed. "We've advised

(continued on page 12)

AWEA Conference

UNCERTAINTY OVER TAX EQUITY PLAGUES SECTOR

Developers and lenders are hunting for tax equity investors to replace the major financial institutions that have dropped out of the market because of consolidation or a lack of tax appetite. That was the buzz among conference-goers at the **American Wind Energy Association's Wind Power Finance & Investment Workshop** in New York last week. Panelists noted that it will be challenging for the industry to raise the \$60 billion in tax equity needed to support projected growth in the next several years.

"Tax capacity has been dramatically removed from the U.S. markets," said **Carl Weatherly White**, managing director of debt capital markets at **Barclays Capital**, adding that some of the institutions have disappeared along with the big profits. Among those who have exited the space in the last year are **ABN Amro**, **Fortis** and **Lehman Brothers**. **Matt Ferguson**,

(continued on page 7)

CONDUIT SEEKS FINANCING FOR \$1.4B PIPELINE



Sam Gomez

Kuntur Transportadora de Gas is preparing to begin talks with investors to line up funds for its \$1.4 billion, 700-mile pipeline in southern Peru. "Within the next few weeks we will be meeting with potential financial advisers," says **Sam Gomez**, a partner at parent **Conduit Capital Partners** and president of the Kuntur board of directors.

The company will look to finance the project 50/50 with equity and debt, says **Scott Swensen**, Conduit chairman. "The equity will come from two or three strategics," he says, noting the firm is in talks with about a dozen. Conduit's Latin Power III fund has already made a large commitment, Swensen says, declining to reveal how much. "We want significant players," he says, noting it

(continued on page 12)

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



At Press Time

Conn. Joint Venture Hunts Bridge Financing

NRG Energy and United Illuminating's joint venture, GenConn, is looking for roughly \$400 million in equity bridge financing for its 200 MW peaker in Middletown, Conn.

The structure of the financing is the same as GenConn's 194 MW peaker in Devon, Conn., for which the company was awarded a 30-year PPA in June by the Connecticut Department of Public Utility Control. Once Middletown comes online in June 2011, bridge financing will be replaced with 50% debt and 50% equity, according to a UI spokeswoman in New Haven, Conn., who declined to make an official available.

For the Devon project, the JV is looking to mandate a bank or banks this fall, and the project is scheduled to come online in June of 2010 (PFR, 7/3).

GenConn was awarded the contract for Middletown last week, but the timeline for mandating a bank or banks to handle financing could not be immediately learned. Calls to NRG were not returned.

Developer Seeks Tax Equity In Face Of Appetite Question



Jack Levi

National Wind is looking for \$1 billion in tax equity for 400 MW of wind in Colorado and is confident it can overcome the current perceived lack of tax equity appetite. "This crisis, while fairly substantial, will not be with us forever and energy requirements will be with us forever," says Jack Levi, co-founder and co-chairman of the Minneapolis-based company. "As long as we have tax credits there will always be interest from investors," he notes, adding that it may be scarce in the

short term due to recent market turmoil.

Levi says financing will come from institutional investors National Wind has worked with over the last five years, but he declined to reveal specific investors. "They're well established companies that have experience investing for tax purposes," he says. The company aims to nail down financing in the next two years for the portfolio, which it is developing in partnership with the counties' landowners under Northeast Colorado Wind.

The projects are set to come online between 2011 and 2013 and Levi says that NECO is in discussions with local utilities for power purchase agreements. Levi declined to identify the interested utilities.

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 **Thomas Rains**, managing editor, at 212-224-3226 or trains@iineews.com.

power finance & risk

The exclusive source for power financing and trading news

EDITORIAL

TOM LAMONT
Editor

STEVE MURRAY
Deputy Editor

PETER THOMPSON
Executive Editor [Chicago]
(773) 439-1090

THOMAS RAINS
Managing Editor
(212) 224-3226

KATIE HALE
Reporter
(212) 224-3293

SARA ROSNER
Associate Reporter
(212) 224-3274

STANLEY WILSON
Washington Bureau Chief
(202) 393-0728

KIERON BLACK
Sketch Artist

PRODUCTION

DANY PEÑA
Director

LYNETTE STOCK, DEBORAH ZAKEN
Managers

MELISSA ENSMINGER,
JAMES BAMBARA,
JENNIFER BOYD, DOUGLAS LEE
Associates

JENNY LO
Web Production & Design Director

ADVERTISING AND BUSINESS PUBLISHING

JONATHAN WRIGHT
Publisher
(212) 224-3566

ERIK KOLB
Editor, Business Publishing
(212) 224-3785

PAT BERTUCCI, MAGGIE DIAZ,
LANCE KISLING, ADI HALLER
Associate Publishers

BRIAN GOLDMAN
Advertising Production Manager
(212) 224-3216

LESLIE NG
Advertising Coordinator
(212) 224-3212

PUBLISHING

ELAYNE GLICK
Publisher
(212) 224-3069

MIKE FERGUS
Marketing Director
(212) 224-3266

VINCENT YESENOSKY
Senior Operations Manager
(212) 224-3057

DAVID SILVA
Senior Fulfillment Manager
(212) 224-3573

SUBSCRIPTIONS/ELECTRONIC LICENSES

One year - \$2,725 (in Canada add \$30 postage, others outside U.S. add \$75).

DAN LALOR
Director of Sales (212) 224-3045

THEODORE HEALEY
Account Executive [London]
(44-20) 7779-8704

KEN LERNER
Account Executive
(212) 224-3043

GEORGE WITTMAN
Client Development Manager
(212) 224-3019

REPRINTS

DEWEY PALMIERI
Reprint & Permission Manager
(212) 224-3675
dpalmieri@institutionalinvestor.com

CORPORATE

GARY MUELLER
Chairman & CEO

CHRISTOPHER BROWN
President

STEVE KURTZ
Chief Operating Officer

ROBERT TONCHUK
Director/Central Operations & Fulfillment

Customer Service: PO Box 5016,
Brentwood, TN 37024-5016.
Tel: 1-800-715-9195. Fax: 1-615-377-0525
UK: 44 20 7779 8704
Hong Kong: 852 2842 6910
E-mail: customerservice@iineews.com

Editorial Offices: 225 Park Avenue
South, New York, NY 10003.
Tel: (212) 224-3226
Email: trains@iineews.com

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

Power Finance & Risk ©2008
Institutional Investor, Inc.

Copying prohibited without the permission of the Publisher.

Institutional Investor NEWS
INTELLIGENCE FIRST

N.J. Offshore Wind Looks To Project Financing, Tax Equity

Project company **Garden State Offshore Energy** will look to project finance and tax equity funding to cover the more than \$1 billion cost of its planned 350 MW wind farm off the coast of New Jersey. "In terms of financing we are looking at a structure similar to what Europe has done... and in the U.S. we can access tax equity," says **Chris Brown**, president of **Deepwater Wind** in Hoboken, N.J. Deepwater has partnered with **PSEG Renewable Generation** to build the farm.

"We've been fairly conservative on where we want to be with debt/equity ratios," Brown says, declining to reveal specifics beyond saying the company will look to line up financing in 2011 following the completion of permitting. The project would come online in 2012 some 16-20 miles off the coast of Cape May and Atlantic Counties. GSOE would look to banks with experience in project financing offshore farms in Europe, Brown says. "They are certainly well aware of what they are doing. The only difference is it's in the U.S.," he adds, noting **BNP Paribas**, **Dexia Crédit Local** and **HSH Nordbank** specifically.

GSOE was recently picked as at preferred developer of the farm by the **New Jersey Board of Public Utilities** and was awarded a \$4 million dollar grant. "This is going to be done with substantially private funds, but it's the state's thumbprint on this thing to say 'These guys are the anointed people,' and that's where we want to be," says Brown.

Renewable Tax Credits Extended; Solar Gets Big Boost

Renewable generation developers landed the much called for extension of federal energy tax credits in the Financial Markets Bill signed into law Oct. 3.

Solar, in particular, received a boost with the extension of the investment tax credits for projects that come online before Jan. 1, 2017. The bill extended production tax credits for wind projects entering commercial operation before Dec. 31, 2009 and for biogas, biomass, geothermal, hydro and waste-to-energy projects coming online before Dec. 31, 2010.

In the eight-year extension, the solar industry has gotten what industry officials have said is necessary to allow the cost of solar generation to drop to a level that could allow it to compete with gas-fired generation (PFR, 6/20). "Solar is going to pick up and it's going to become much more competitive with wind than it ever was before within capital markets," says **Michael Midden**, director and manager of renewable energy with **Dexia Crédit Local** in New York.

The one-year PTC extension for wind allows for a reprieve

from expiration at year-end, but is not the ultimate answer, says **Declan Flanagan**, ceo of **E.ON Climate & Renewables North America**, formerly wind developer **Airtricity**, in Chicago. "I am glad it happened now and not retroactively in the New Year, which would have been much more painful... But, it's still essential that the new administration puts as high as possible on its list a more sustainable policy," he says. The best option would be a three-year extension of PTCs that would lead into a federal renewable portfolio standard, he says. "The last thing this industry needs is one year from now to be in the same situation... We can't go cold turkey on the tax credit."



Declan Flanagan

N.Y. Wind Developer Seeks Investor

OwnEnergy, a Brooklyn, N.Y.-based wind developer, is seeking a partner for its over \$100 million, 51 MW wind farm development in the north zone of ERCOT in Texas after securing an undisclosed amount of series A financing. The company is in term sheet discussions with potential strategic and financial parties to partner on the project, says **Jacob Susman**, founder and ceo, and is hoping to have a partner by year-end. Susman was a founding member of **Goldman Sachs'** alternative energy investing group and set up his Brooklyn shop last year.

EnerTech Capital Partners led the series A financing with **Contour Venture Partners** and **New York City Investment Fund** contributing. "We liked the management team. We think the segment of the market they are going after is interesting," says **Maria Gotsch**, president and ceo of NYCIF, noting its mid-size farms hold specific promise. The funds will be used to hire new team members, fund project expenditures and build internal systems. The financing closed Sept. 24 amidst market upheaval, notes Susman. "It was an immense challenge. One investor who had done significant work pulled out at the eleventh hour due to stock market losses in his home market, Spain," he says. Officials at EnerTech and Contour did not return calls.

OwnEnergy gives landowners a stake in the projects to allow for efficiency and less opposition when developing and constructing projects, Susman says. It invests in mid-size projects because the smaller load makes it easier to handle PPAs and transmission issues. Construction of the Texas project is scheduled to start in the middle of next year and come online by the end of next year, and the company is looking at developing wind projects in a variety of states including Ohio and Iowa. Once it has a few wind projects operating, he says the company will look to other renewable projects, including

biomass and solar thermal.

Previously, the company raised capital with angel investors contributing, including **Doug Kimmelman**, founder of **Energy Capital Partners** and **Stacy Schusterman**, ceo of **Samson Investment Co.**, an oil and gas company based in Tulsa, Okla., Susman says.

Dominion Gas Syndication Slows

Banks leading the syndication of \$890 million in acquisition financing backing the purchase of two **Dominion** natural gas utilities expect to have all commitments in by this week. The original deadline for investors was last Tuesday, but that has been pushed due to market turmoil, says a banker.

BNP Paribas, **BayernLB**, **Scotia Capital** and **Union Bank of California** lead the deal for **Babcock & Brown Infrastructure Fund North America's** purchase of **Dominion Hope** and **Dominion Peoples**. The leads are targeting commercial and project finance banks—some 20-25 of which attended the bank meeting Sept. 16 (PFR, 9/19). The five-year debt breaks down into a \$350 million term loan and \$340 million working capital facility at the opco and priced at 175 bps over LIBOR. At the holdco **LDC Holdings** is a \$200 million term loan priced at 250.

Tickets of \$50 million, \$30 million and \$20 million are on offer with upfront fees of 80, 55 and 35 basis points respectively. Due to the regulatory approval necessary for the deal to go through, quarterly ticking fees of 37.5 bps at the opco and 75 bps at the holdco will be paid. Officials at BNP, Bayern and Scotia either declined to comment or did not return calls, and UBoC officials directed calls to BNP. A spokesman for Babcock did not return calls.

Leads Set To Wrap \$1B Chilean Coal Deal

ABN Amro and **BNP Paribas** are wrapping up over \$1 billion in financing for **AES Gener's** 520 MW Angamos plant in Chile this week. "We are rushing towards the finish line," says an official at BNP. The close comes after the leads flexed up pricing in the two-tranche deal which they launched July 15.

The 17.5-year deal consists of a \$700 million tranche insured by **Korea Export Insurance Corp.** priced at 120 basis points over LIBOR and a \$350 million construction/term loan priced at 175 and stepping up to 220 over the life of the loan. The banks offered tickets of \$70 million, \$50 million, \$30 million and \$15 million with upfront fees of 55, 45, 30 and 25 bps, respectively. The joint leads had reportedly considered restructuring the deal into a club financing after flexing up prices (PFR, 8/22). However, the BNP official denies this and declined to comment

on other lenders involved.

The project includes two 260 MW units that will be used to power northern Chile's mining industry. **BHP Billiton** has signed an offtake agreement for the largest amount of power from the project, which is set to go online the third quarter of 2011. Calls to officials at ABN were not returned and AES spokeswoman **Megan Dotter** declined to comment.

Deadline Set For KGen Bids

Oct. 11 was the firm deadline for second round bids on **KGen's** portfolio of projects in the Southeast. The deadline was set by the sponsor and auctioneer, **Credit Suisse**, according to a deal tracker, who notes any subsequent deadlines have yet to be decided. Bidders could not be learned.

The auction moved into the second round after first round bids were taken in August (PFR, 9/12). Interest was said to be in single plants within the portfolio of five combined cycle facilities in Arkansas, Georgia and Mississippi ranging from 520-640 MW and originally developed by **Duke Energy North America**.

Calls to Credit Suisse, **Daniel East**, v.p. of planning and development KGen, and **Richard McLean**, ceo and cfo, were not immediately returned.

PSEG Nuclear Unit Names Head



Thomas Joyce

Public Service Enterprise Group has named **Thomas Joyce**, senior v.p. of operations, president and chief nuclear officer, as it considers building a new plant. "There is a new plant that is in the exploratory stage," says Joyce in Salem County, N.J., the site of the company's two plants—2.3 GW Salem Generating and 1 GW Hope Creek generating.

The new plant would be on the location of one of the existing units, but Joyce notes environmental and emergency studies still have to be done. He declined to comment on financing possibilities. "We are also focusing on license renewal and life extension of the two existing sites," he adds, noting the company is anticipating submitting that licensing application to the government next year.

Joyce began in the new role last Monday and takes the helm from **Bill Levis**, president of **PSEG Power**, who has held both posts. Joyce notes that he has taken the role to allow Levis, to whom Joyce will report, to focus on the duties of his other job. Previously, Joyce was v.p. of the Salem station. Before joining PSEG in 2005, he held various executive roles with **Exelon Corp.** and **Exelon Nuclear** at its sites and corporate office.

Investing in energy management and demand-side technologies

Conference highlights:

- Maximising investment opportunities in energy management technologies
- Implementing debt finance models for energy efficiency projects
- In-depth coverage of energy supply strategies, demand management, built environment and transport

Co-organisers



renewable
energy
& energy
efficiency
partnership

Platinum Sponsor

MATRIX

SAVE £150

Book by 17 October 2008

2nd
energy efficiency finance
and investment forum



1-2 December 2008 | Hyatt Regency London - The Churchill

For more information: Tel: +44 20 7779 8999

email: sbecker@euromoneyplc.com Online: www.euromoneyenergy.com/efficiency

Second Round Bids Due For 1.5 GW Cogen

Credit Suisse took second round bids last Wednesday for Midland Cogeneration Venture's 1.5 GW gas-fired cogen plant in Midland, Mich.

GSO Capital Partners, Rockland Capital, and The Dow Chemical Co. are owners in the limited partnership, says Jim Rajewski, cfo of Midland. ArcLight Capital Partners has a minority lessor interest, alongside other undisclosed parties, he adds, declining further comment. Consumers Energy Co. sold its 49% interest in Midland in 2006 to GSO and Rockland for \$60.5 million.

The facility came online in 1990 and is one of the largest cogen facilities in the country. It sells the majority of its output to Consumers under a long-term PPA that expires in 2025 and has a steam purchase agreement with Dow. A spokesman at Consumers did not have knowledge of the sale.

Officials at Credit Suisse and the other companies did not return calls.

EDF Targets Relationship Banks For British Energy Loan Syndication

Électricité de France is inviting senior relationship banks to take GBP500 million (\$868 million) tickets on a take-and-hold basis for a GBP11 billion loan backing its planned GBP12.5 billion acquisition of British Energy.

The deal is split into a GBP5.5 billion 364-day term loan with a 364-day extension priced at 100 basis points for the first six months then stepping up to 110 bps and a GBP5.5 billion three-year term loan priced at 120 basis points.

"This is a AA rated entity. It's clearly top level," says an official at a participating bank regarding the low pricing of the deal. Lead arranger fees are 10 bps and participation fees are 70 bps. The banker declined to disclose a targeted date for syndication close.

Bank of Tokyo-Mitsubishi UFJ, Barclays Capital, BNP Paribas, Calyon, HSBC, Royal Bank of Scotland and Société Générale are lead arrangers and bookrunners for the financing.

A spokeswoman at EDF in Paris confirmed the financing and an official at BoTM confirmed the bank's role, declining further comment. Officials at the other banks either did not return calls or declined to comment.

John Deere Preps Mich. Farm Purchase

John Deere Renewables is the process of buying Noble Thumb Windpark, owner of a 69 MW farm in Thumb, Mich., from Babcock & Brown. Babcock purchased the 69 MW Thumb farm in Thumb, Mich., from Noble Environmental earlier this year (PFR, 3/10).

John Deere and Noble Thumb Windpark submitted a joint filing to the Federal Energy Regulatory Commission for the authorization of the sale. A spokeswoman for John Deere in Johnston, Iowa, says FERC approval is expected by the end of next week, but declined further comment.

Chris Lowe, cfo at Noble Environmental in Essex, Conn., declined comment and officials at Babcock did not return calls.

RBS Taps ING Staffer For Project Finance Slot

Royal Bank of Scotland has hired Andrew Buglass, head of power and utilities for Europe, Middle East and Asia at ING in Amsterdam, as senior director of power project finance. He will be based in London and replaces Siobhan Smyth, who left this summer (PFR, 7/3).

Buglass starts next Thursday, reporting to Philip Roberts, head of power project finance. Roberts says the team has been rounded out with the addition of Buglass. He has left ING and did not respond to messages left on his cell.



The world's number one sales and marketing tool for investment managers

iisearches posted over \$3.5 trillion in new search leads in 2007...

...grow your business with the latest daily search leads.

AWEA Wind Power & Investment Workshop

More than 375 renewable energy bankers, private equity officials and developers gathered at the Roosevelt Hotel in New York Oct. 6-7 for the American Wind Energy Association's Wind Power Finance & Investment Workshop. Among the topics discussed were tax equity investing, transmission issues and the global economic situation. Associate Reporter Sara Rosner and Managing Editor Thomas Rains filed the following stories.

UNCERTAINTY OVER

(continued from page 1)

principal at the **Reznick Group**, said the shadow of the expiring production tax credits, which Congress extended for a year this month (PFR, 10/3), pales in comparison to the gaping absence of tax equity funding. "Even though we've got this extension, where the market is right now, it's disappointing," he said.

Utilities and life insurance companies have emerged as primary candidates for the next generation of tax equity investors. "I think the natural player in the market is the utility investor... They have capital and access to capital," says **Ted Brandt**, CEO of **Marathon Capital**. **John Eber**, managing director of energy investments at **JPMorgan Capital**, told *PFR* that life insurance companies and utilities that lack renewable resources—

like those in the Southeast—are prime candidates to make tax equity investments.

Petroleum companies, wealthy individuals and private equity funds are also being considered. But, **Tim McDonald**, president of **Meridian Clean Fuels**, said that oil and gas companies' profits are too high for them to be interested in tax equity deals. It would be cheaper for them to just pay taxes and then make more traditional investments, he said.

Some panelists expressed cautious optimism that some of the old investors would rebound from the crisis, but tax equity will likely become more expensive. "There are players today that are willing to invest in these projects... and they will be back," said White. But, he says, "The abundance of cheap capital is over."

—*Sara Rosner & T.R.*

Turmoil Roils Sector

Doubts about LIBOR, skepticism of balance sheets and an uncertain prospects for economic recovery in 2009 are freezing project finance deals. "This is a crisis that no one anticipated. There's still a lot of volatility in the U.S. markets... In the next couple of weeks, trying to obtain a credit facility is going to be quite a challenge," said **Chris Stolarski**, senior v.p. at **Mizuho Corporate Bank**.

Bankers highlighted how the unrealistic LIBOR levels are a deterrent to project financing. "LIBOR is broken," said **Thomas Emmons**, senior v.p. at **HSB Nordbank**, pointing out that loan prices have been hovering between 50-150 points over LIBOR. "The new view is the LIBOR really isn't reflective of actual lending costs," added Stolarski.

Banks are hesitant so club financing will likely develop as bankers look to relationship institutions to join in funding. "It's a club bank market right now... It's very difficult for an institution to take underwriting risk in any transaction," Stolarski said.

Such sentiments, combined with increased turmoil in the markets, have left many uncertain of what the next year holds. "We're all kind of waiting and seeing. We think the debt will stabilize relatively quickly, maybe at higher costs," said **Daniel Elkort**, director of renewables financing at **Babcock & Brown**. **Clay Coleman**, director of corporate finance at **Iberdrola Renewables**, notes lenders will return to the market. "It will happen naturally as they're attracted by higher yield."

Transmission Causes Bottleneck

Wind growth is causing interconnection congestion in queues with more than 300 GW of wind generation vying to access the aging 33 GW transmission network. "There's clearly a disparity there," noted **Randy Swisher**, president of the **American Wind Energy Association**, adding that generation has increased over 45% in the past year. Increasing transmission capacity and updating existing networks is the biggest challenge facing developers, he said.

Updating and expanding the transmission network will require a cohesive national approach along with improved forecasting and a better technical integration of wind into grids, said **Edward Zaelke**, partner at **Chadbourne & Parke** and former AWEA president. This could cost around \$2.3 trillion. "Transmission is considered to be the Achilles heel of the wind industry. It's really very simple, people don't like to live where it's windy," said Zaelke.



Reporter's Notebook

- *Um, may I help you?* Conference-goers grumbled over nametags that hung to the waist and boasted first names in big, bold type while surnames and company names were listed in small type below. Some began networking conversations after awkwardly squinting at others' belly buttons.
- **Women of Wind Energy**, or WoWE, swam against the male-dominated tide canvassing the event and picking out the females to shore up membership and make new contacts to encourage networking among women in the industry.

Corporate Strategies

CPS Energy Stalls \$319M Bond Issue



Paula Gold-Williams

San Antonio, Texas-based CPS Energy has delayed a \$319 million bond issue due to credit market turmoil. "We don't think necessarily it's the best thing to go out there right now... We feel like it's prudent to see if the volumes regain," says **Paula Gold-Williams**, cfo. The company, which is wholly owned by the city of San Antonio, would like

to see at least 3% pricing for the 10-year series 2008A electric and gas systems revenue bonds. The issue was set to price Oct. 7.

Proceeds will refund 1998A series bonds that were issued to fund an expansion of CPS' distribution system and for general corporate purposes. Gold-Williams says commercial paper will be used to refund the bonds while it monitors market conditions. "We'd just like to see more activity overall out there and see how other deals are pricing before we go out there with this."

JPMorgan is leading the deal while **Merrill Lynch** and **Banc of America Securities** are co-managers along with several other banks. "We look for performance and how they have been able to place bonds in the past... We like underwriters to advise us of what other people are doing out there," says Gold-Williams, explaining that CPS picked the banks from an underwriting pool of 19 lenders it compiled through a request for proposal process this year.

CPS has a \$4.5-\$5.2 billion capex plan over the next five years and is currently weighing options for increasing generation capacity by 1-2 GW by 2020, though she declined to specify the alternatives. The company is installing four peakers with a combined 194 MW capacity at its Braunig Power Station in San Antonio for \$160-\$180 million slated to go online next year. The utility is funding the construction from its corporate balance sheet and with debt issuances. The company's debt-to-equity ratio is 57/43.

Alliant Issues \$500M For Capex, CP Repayment

Alliant Energy is planning to use proceeds from two separate \$250 million bond offerings issued by its subsidiaries to repay commercial paper and fund capex projects. "We felt very comfortable," says **Patricia Kampling**, treasurer in Madison, Wis., noting the company was ready to come to market after investors—mostly insurance companies and pension funds—had been lined up.

Wisconsin Power and Light Co. issued \$250 million in 30-year, 7.25% senior notes and **Interstate Power and Light Co.** issued the same amount of 10-year notes, 7.6% senior notes.

"We were hoping to get a 30-year," says Kampling, noting Alliant had to shorten the targeted tenor for the IP&L issue due to the subsidiary's lower rating. The company was also not able to increase the issue amount because of the volatility in the market. "We were always keeping that as the floor as what we had wanted to issue," she says of \$250 million. Both deals priced Oct. 1 and closed last week.

Proceeds from the issue will repay short-term commercial paper, fund the construction of wind projects and fund environmental upgrades, says Kampling, declining to say exactly how much will be allocated for each area. WP&L is constructing 68 MW Cedar Ridge wind farm in Fond du Lac County, Wis., and IP&L is bringing 300 MW Whispering Willow wind farm near Hampton, Iowa, online later this year (PFR, 2/15). Later down the line, Alliant will use some proceeds to fund WP&L's \$1.3 billion, 300 MW Nelson Dewey coal plant in Cassville, Wis., and IP&L's 54%, \$513 million investment in the 649 MW Sutherland hybrid coal plant in Marshalltown, Iowa (PFR, 9/19).

Barclays, **Citigroup** and **JPMorgan** were joint book running managers with **Bank of New York Mellon**, **Greenwich Capital Markets** and **Lazard Capital Markets** joining as co-managers for both issues. Kampling says it is easier to have the banks overlapping in two issues, also noting they participate in Alliant's credit facilities. The equity range of the utilities is in the low 50s, she says. "We have a very strong balance sheet right now."

N.J. PE Firm Plots Expansion In U.S. Renewables



John Cavalier

Hudson Clean Energy Partners is looking to expand into the U.S. renewable energy market after acquiring Madrid, Spain-based **Helium Energy**. The company has been folded into newly-formed platform company **Element Power**, says **Joe Slamm**, partner at Hudson in Teaneck, N.J.

A purchase price was not disclosed, but **John Cavalier**, founder of Hudson and a former vice chairman of investment banking at **Credit Suisse**, says Element will defer payment for specific projects until they are fully developed. No advisors were used for the transaction which closed Sept. 26. Helium was formed in 2006 and has a 4.2 GW pipeline consisting mainly of wind along with 400 MW of solar projects in Europe and Latin America.

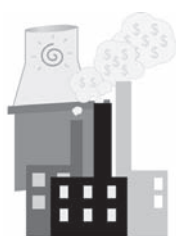
Element is seeking to acquire assets and management teams and looking for partners for joint ventures, says Slamm. "We're open to all and any ideas." It is also looking at

greenfield developments and acquisitions of 2 MW and over for solar projects and 50 MW for wind, he says. “Renewable energy still has some liquidity to it. That’s creating opportunity for the whole industry to invest—not just for us,” he says, noting private equity funds and financial institutions with distress in other parts of their portfolios are looking to renewable energy for liquidity. Element has also made a \$75 million investment in commercial solar company **Recurrent Energy** and investments of undisclosed amounts in solar-cell developer **Calisolar** and thin-film photovoltaic cell and module developer **SoloPower**, says Cavalier.

In Europe, the company is seeking to take advantage of changing subsidy regimes in mature western markets, says

Slamm. It is also exploring opportunities in more emerging markets like Poland and Bulgaria. **Pedro Barriuso**, founder of Helium and former head of **Iberdrola Renewables**, and **Mike O’Neill**, former commercial director of **Renewable Energy Systems Group**, are co-coos of non-U.S. operations at Element, based in Madrid and London, respectively. Slamm says it will expand its management team abroad.

Down the line, Element may sell portions of its portfolio. “We will not be emotionally wed to the assets,” says Cavalier, noting the firm may discreetly decide to sell individual assets in the future depending on M&A market conditions. Helium sought a buyer after its equity sponsor—Spanish construction and real estate group **Hemeritek**—ran into liquidity issues.



Generation Auction & Sale Calendar

Following is a directory of ongoing generation asset sales. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report new auctions or changes in the status of a sale, please call Thomas Rains at (212) 224-3226 or e-mail trains@iineews.com.

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
AES	Warrior Run Red Oak Ironwood	Cumberland, Md. Sayreville, N.J. South Lebanon Township, Pa.	205 832 720	Coal Gas Gas	Goldman Sachs	Shopping PJM assets (PFR, 5/21).
Allco Finance Group	Various	Australia, New Zealand	1,600		N/A	Prepped to sell by end of next quarter (PFR, 6/23). AGL Energy to buy Australian wind farms for AUD\$12.5M.
ArcLight Capital Partners	Auburndale Hobbs Generating Juniper Generating	Polk County, Fla. near Hobbs, N.M. near Bakersfield, Calif.	155 (70%) 600 298	Gas, Oil Gas Gas	McManus & Miles Credit Suisse Barclays Capital	Atlantic Power Corp. has agreed to purchase for \$134.5M. Selling newly commercial asset (PFR, 10/3). Indicative bids taken mid-Sept. for portfolio of nine assets (PFR, 10/3).
British Petroleum	N/A	Port Talbot, Wales	870 development	Gas	N/A	Shopping 100% interest in development (PFR, 9/12).
BTEC Turbines	Southaven Energy New Albany Power	Miss. Miss.	340 390	Gas Gas	JPMorgan	Assets or just the equipment for sale. Teasers dispatched (PFR, 4/3).
Calpine	Texas City Clear Lake	Texas City, Texas Clear Lake, Texas	425 375	Gas Gas	Miller Buckfire	Second-round bids taken 5/5. Unsolicited bid for Calpine from NRG Energy said to be delaying the process.
CarVal Investors et al.	Granite Ridge	Londonderry, N.H.	720	Gas	Merrill Lynch	First round bids due Aug. 19 (PFR, 8/12).
Central Vermont	Various	Vermont	70 in summer	Hydro	Morgan Stanley	Status unknown (PFR, 5/18).
City of Victorville	Victorville 2	Southern California Logistics Airport, Calif.	570 development	Gas/Solar	Goldman Sachs	Teasers dispatched (PFR, 6/30).
Cobisa Corp.	Cobisa-Greenville	Dallas-Fort Worth, Texas	1,750	Gas	Pace Global Energy Services	Auctioneer running a targeted auction (PFR, 5/30). Shortlist drawn up with close pushed back to year-end or first quarter of next year.
Colmac Energy	N/A	near Mecca, Calif.	47	Biomass	Bodington & Co.	First round bids in two-stage auction due early Oct. (PFR, 9/3).
Conectiv Energy	Various	PJM Interconnection	3,700	Various	Credit Suisse	Status unclear.
Con Ed Development	Genor Ada Cogeneration	Puerto Barrios, Guatemala Ada, Mich.	42 (49.5%) 29 (48%)	Oil 29 (48%)		Industry Funds Management did not acquire. Partner is Olympus Power.
ConocoPhillips	Immingham	Lincolnshire, U.K.	730	Gas	Citigroup	Looking at strategic options on the plant (PFR, 1/18).
Complete Energy Holdings	La Paloma Batesville	McKittrick, Calif. Batesville, Miss.	1,022 837	Gas Gas	JPMorgan	Has agreed to merge with GSC Acquisition Co. in \$1.3B deal (PFR, 5/16). Pending shareholder vote.
Corona Power	Sunbury Generating	Shamokin Dam, PA	432	Coal, oil, diesel	Merrill Lynch	Soliciting equity to complete \$250M of upgrades (PFR, 12/24).
CP Power Investments (Starwood Energy Investors II and Tyr Capital)	Panoche Vaca-Dixon	Firebaugh, Calif. Vacaville, Calif.	49 49	Gas Gas	N/A	Looking for new offtakers or buyers for facilities (PFR, 7/28).
DONG Energy	Evia, Karistos and Tourla	Greece	19	Wind	HSBC	Agreed to sell portfolio to Mytilineos Holdings for EUR28M.
DTE Energy	East China	East China, Mich.	320	Gas	N/A	Seller exploring options, including outright sale.
EISL	Various	Catalonia, Spain	630	Wind, Hydro	JPMorgan	Company weighing sale (PFR, 12/24).
Energy Capital Partners (FirstLight Power Enterprises)	Mt. Tom Various Empire Generating Waterbury Turners Falls Cabot, Mass.	Holyoke, Mass. Conn. and Housatonic Rivers Rensselaer, N.Y. Waterbury, Conn. Turners Falls, Mass. Montague, Mass.	146 216 635 96 6 62	Coal Hydro Gas Gas Hydro Hydro	Credit Suisse	SUEZ Energy North America agreed to acquire (PFR, 9/8).

Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
Energy Future Holdings (Luminant)	Sandow 4	Milam Co., Texas	545 (50%)	Coal	Credit Suisse	Reportedly planning to sell stakes to Perennial Power Holdings (PFR, 2/18).
	Sandow 5		581 (50%)	Coal		
Energy Investors Funds and Power Development Corp.	Waterside Power	Stamford, Conn.	72	Oil	Barclays Capital	First round bids due middle Oct., with second-round bids due in Nov. (PFR, 9/26).
Entegra	Gila	Phoenix, Ariz.	2,300	Gas	N/A	Merger talks with KGen stalled (PFR, 1/17).
	Union	El Dorado, Ark.	3,000	Gas		
Entergy Corp.	50% stake in Top	Worth County, Iowa	40	Wind	New Harbor	Seller wants about \$520M for the assets.
	Deer Wind Ventures	Carsen County, Texas	40			Bidders shortlisted to four players: two financial; two infrastructure (PFR, 6/18).
	RS Cogen	Lake Charles, La.	212	Gas		
	Roy S. Nelson	Westlake, La.	60	Gas/Oil		
	Warren Power	Vicksburg, Miss.	225	Gas		
	Harrison	Marshall, Texas	335	Gas		
	Independence	Newark, Ark.	121	Coal		
	Robert Ritchie	Helena, Ark.	544	Gas/Oil		
EPCOR	Castleton-on-Hudson	Albany, N.Y.	64	Gas	N/A	Quietly shopping asset (PFR, 4/18).
ESB International	Marina	Cork City, Ireland	115	Gas	Merrill Lynch	Endesa to purchase for EUR450M.
	Great Island	Wexford Co., Ireland	240	Oil		
	Tarbert	County Kerry, Ireland	640	Oil		
Exergy Development Group	Various	Upper Midwest, Northwest	3,600	Wind	Marathon Capital	Weighing partnership, joint venture, recap or sale (PFR, 12/17).
FPL Energy	Posdef	Stockton, Calif.	44	Coal/Petcoke	New Harbor	Indicative bids due April 11 (PFR, 3/11).
	Tesla	Tracy, Calif.	1,120	Gas/Steam	Credit Suisse	Development site. Status unclear.
General Electric	Baglan Bay	Port Talbot, Wales	510	Gas	Lexicon Partners	Process to be re-ignited in October. Welsh Power interested.
	Panther Creek	Nesquehoning, Pa.	94	Waste Coal	N/A	Looking for buyers (PFR, 2/26).
	Colton Power	Colton, Calif.	80	Gas	N/A	Selling with help of asset manager PUREENERGY (PFR, 4/8).
InterGen (AIG Highstar Capital II, 50%)	Rocksavage	Runcorn, U.K.	748	Gas	Lehman Brothers	GMR Group to acquire stake for \$1.1B (PFR, 6/25).
	Coryton	Essex., U.K.	732	Gas		
	Spalding	Lincolnshire, U.K.	860	Gas		
	Rijnmond I, II	Rotterdam, the Netherlands	820, 400	Gas		
	Bajio	San Luis de la Paz, Mexico	600 (306 stake)	Gas		
	La Rosita	Mexicali, Mexico	1,100	Gas		
	Quezon	Philippines	460 (211 stake)	Coal		
	Millmerran	near Brisbane, Australia	880 (228 stake)	Coal		
	Callide	Queensland, Australia	920 (230 stake)	Coal		
Gregory Power Partners	Gregory	Gregory, Texas	400 MW	Gas	N/A	Quietly on the block (PFR, 8/11).
K&M International Power	Termovalle	Cali, Colombia	220	Gas	JPMorgan	First round bids due 7/1 (PFR, 6/12). Second round bids due 9/18 (PFR, 8/18).
Kelson Cananda (Harbinger Capital Partners)	Calgary Energy Center	Calgary, Alberta	300	Gas	UBS	First round bids taken 4/30 (PFR, 4/30) and second round bids taken Aug.
	Island Generation	Duncan Bay, B.C.	230	Gas		Asset taken off the block for unknown reasons.
	King City Cogeneration	King City, Calif.	120	Gas		
	Whitby Cogeneration	Whitby, Ontario	50	Gas		

News In Brief

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

Americas

- **LS Power Equity Partners** has withdrawn its proposal to buy TransAlta Corp. with Global Infrastructure Partners for C\$7.8 billion (\$7 billion) (*Reuters*, 10/9) Meanwhile, TransAlta has completed the sale of its Mexican assets to InterGen for \$303.5 million (*MarketWatch.com*, 10/8).
- **National Wind** has partnered with landowners to form **Northeast Colorado Wind**, which plans to build 400 MW of wind (*MarketWatch.com*, 10/8).
- **GennConn Energy** has won an additional contract to build a 200 MW peaker in Middletown, Conn., by the state's Public Utility Commission (*Business Wire*, 10/8).

- **Allegheny Energy** subsidiary **Trans-Allegheny Interstate Line Company** has received authorization to build the Trans-Allegheny Interstate Line (*Business Wire*, 10/7).
- **Seven States Power Corp.**, a group of municipal distributors and cooperatives, will buy a 70% stake in **Tennessee Valley Authority's** 800 MW Southaven plant in Southaven Miss., for \$325 million (*Forbes.com*, 10/7).
- **Reliant Energy** is exploring "strategic alternatives" after it cut its profit forecast and raised \$1 billion for business support (*Reuters*, 10/6).
- **Royal Bank of Scotland** and **UBS** are syndicating a \$2 billion liquidity facility for **Constellation Energy Group** (*Reuters*, 10/3).

Congress has included \$1.5 billion in tax incentives for the coal industry as part of energy legislation passed Friday (*Wall Street Journal*, 10/6).

● **Suntech Power Holdings Co.** and **MMA Renewable Ventures** have formed joint venture **Gemini Solar Development Co.** to finance, own and operate solar projects 10 MW and larger (*TheStreet.com*, 10/3).

Europe

● **CEZ**, the Czech power utility, has purchased a 37.4% stake in Turkey's **Akenerji** for \$302.6 million (*Reuters*, 10/8).

● **E.ON** has placed an order with **Siemens** for 90 wind turbines valued at EUR275 million (\$374 million) for the **Rodsand II** project—a 207 MW offshore wind project to be located off Danish island **Lolland** in the **Baltic Sea** (*International Herald Tribune*, 10/8).

● U.K.-based **National Grid** will spend an additional GBP2 billion (\$3.46 billion) to renovate and expand its power and gas grids by 2012 (*Dow Jones*, 10/7).

● Swedish power company **Vattenfall** has acquired British wind developer **Amec** for GBP126 million (\$220.4 million) (*Financial Times*, 10/6).

● Germany's **RWE Power** will acquire a 49% stake in Bulgaria's EUR1.275 billion (\$1.73 billion) nuclear **Belene** plant (*BBC Monitoring Europe*, 10/3).

● U.K. Prime Minister **Gordon Brown** has announced the formation of a department of energy and climate change to be headed by a close ally **Ed Miliband** (*BBC News*, 10/3).

● German utilities **E.ON**, **Vattenfall**, **RWE** and **EnBW** are pushing to bundle their grids into a holding company (*Financial Times*, 10/3).

Asia

● **Mitsubishi Corp.** and **CLP Holdings'** joint venture **OneEnergy** will partner with state-controlled **Electricity of Vietnam** to build a 2 GW coal-fired plant near **Ho Chi Minh City**, Vietnam (*Bloomberg*, 10/9).

● Singapore's **Temasek Holdings** has begun the process to sell its combined 3.1 GW **PowerSeraya** and potential bidders have expressed interest (*Wall Street Journal*, 10/8).

Africa

● Kenya plans to set up a second state-run power company to tap its vast geothermal resources (*Reuters*, 10/7).

SUBSCRIPTION ORDER FORM

www.iipower.com

☐ **YES!** Please send me 1 year of **Power Finance & Risk** at the special price of \$2,245*. Once I have subscribed I can select a permanent User ID and Password to www.iipower.com at no extra charge.

NAME B400101

TITLE FIRM

ADDRESS

CITY/STATE POSTAL CODE/ZIP COUNTRY

TEL FAX E-MAIL

Options for payment:

☐ Bill me ☐ Check enclosed (please make check payable to Institutional Investor News)
☐ I am paying by credit card: ☐ Visa ☐ Amex ☐ Mastercard

CREDIT CARD NUMBER EXPIRATION DATE SIGNATURE

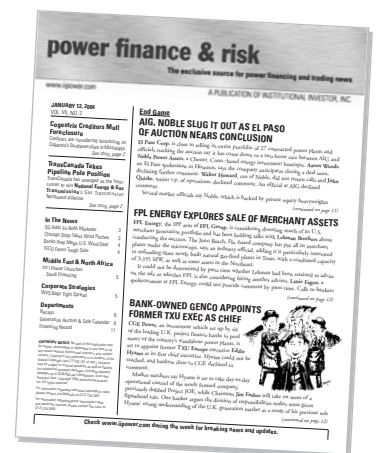
The information you provide will be safeguarded by the Euromoney Institutional Investor PLC group, whose subsidiaries may use it to keep you informed of relevant products and services. We occasionally allow reputable companies outside the Euromoney Group to mail details of products which may be of interest to you. As an international group, we may transfer your data on a global basis for the purposes indicated above.

() Please tick if you object to contact by telephone.
 () Please tick if you object to contact by fax.

() Please tick if you object to contact by email.

() Please tick if you do not want us to share your information with other reputable businesses.

* In Canada, please add US\$30 for postage. Other non-U.S., please add US\$75.



Institutional Investor NEWS
 INTELLIGENCE FIRST

UNITED STATES
 Tel: 1-212-224-3570
 Fax: 1-615-377-0525
 Email: customerservice@iinvestor.com
 Mail: Institutional Investor News
 P.O. Box 5016
 Brentwood, TN 37024-5016

UNITED KINGDOM
 Tel: 44 207 779 8929
 Fax: 44 207 779 8619
 Email: jdavies@euromoneyplc.com
 Mail: Julian Davies
 Institutional Investor News
 Nestor House, Playhouse Yard
 London, EC4V 5EX, England

HONG KONG
 Tel: 852 2842 6910
 Fax: 852 2543 7617
 Email: enquiries@euromoneyasia.com
 Mail: Edealia Cheung
 Institutional Investor News
 17/F, Printing House, 6 Duddell Street
 Central, Hong Kong

CONDUIT SEEKS

(continued from page 1)



Scott Swensen

is not looking for investments of 1-5%.

On the debt side, Conduit has had discussions with banks and multilaterals and will look to nail down financing in eight to 12 months. Both officials declined to reveal specifics. Among multilaterals, the company has been in contact with **Inter-American**

Development Bank, the **International Finance Corp.**, and the **Corporación Andina de Fomento**.

Kuntur will also look to local Peruvian banks.

The pipeline will stretch from the Camisea gas fields to the southern Peru port of Ilo, which is nearing a power shortage. "The demand for electricity has grown at a rate of 10% [annually] in the South. They desperately need the gas to arrive," says Gomez. Kuntur has signed a memorandum of understanding with Brazilian construction company **Odebrecht** for 2010, ahead of coming online by 2012. —*Thomas Rains*

DEVELOPER HUNTS

(continued from page 1)

on a lot of nuclear and a lot of fossil," Reed says, noting the firm has worked on a number of nuclear transactions in the U.S.

Citigroup is advising Mitsubishi on the joint venture, he adds.

Reed says other Japanese companies are looking to finance nuclear plants. "We have all of the major Japanese players mounting offenses," he says. Several are looking for financing for U.S. nuclear projects. For instance, **Marubeni**—another client of Concentric. Calls to Marubeni were not returned. The **Japanese Bank for International Cooperation** also recently redefined its policy to include loans in the nuclear sector so it can now invest in the space. An official at JBIC declined to elaborate.

Reed expects the first U.S. nuclear project will come online around 2016. Officials at the other companies and banks declined to comment or did not return calls. —*Katie Hale*

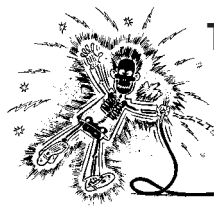
For More Benefits Visit Our Web Site

As a **Power Finance & Risk** subscriber, you're entitled to access the **Power Finance & Risk** Web site — absolutely free. Go to www.iipower.com to discover the added value to your subscription, including:

- Access the Issue on Friday
- A Virtual Library of Past Issues
- Mid-week Breaking News Stories
- Web Links
- Daily Email Alert Service
- Global Access

To access the **Subscribers Only** area of the site, you'll need a **User ID and Password**. To obtain these, please contact us at customerservice@iinews.com or at 1-800-715-9195 between 8 a.m. and 6 p.m. DST.

Alternating Current



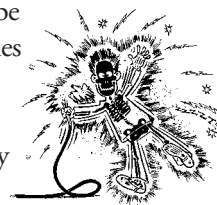
Turbulent Times

American Wind Energy Association conference goers may have been feeling ill due to market conditions, but perhaps there is more to it than sinking stock prices and flat lining economies.

Wind turbines may be environmentally friendly, but some people who live near them are finding that they are anything but friendly to their well-being. Canadian residents are complaining of dizziness, headaches, nose bleeds, a constant ringing in the ears and heart complications. They're pointing at the windmills as the cause.

Dr. **Nina Pierpont**, a pediatrician in upstate New York, is releasing a book *Wind Turbine Syndrome* after interviewing dozens of people living near turbines in the U.S., Canada and Europe.

On her Web site she says older citizens may be more susceptible to the syndrome and outlines the symptoms. Concrete research still needs to be done on the subject, but one thing is certain ...with all the farms going up we may all need a few Aspirin soon.



Conference Calendar

- **Financial Research Associates** will host its 3rd Annual Investing in Solar Oct. 20-21 at the Arizona Grand Resort in Phoenix. To register, visit www.frallc.com or call 800.280.8440.
- **Infocast** will host Carbon Capture Status & Outlook Oct. 20-21 at the Crowne Plaza in Houston. To register, visit www.infocastinc.com/capture or call **Erin Dolleris** at 818.888.4445.

Quote Of The Week

"The abundance of cheap capital is over." —**Carl Weatherly White**, managing director of debt capital markets at **Barclays Capital** in New York, on the rising cost of tax equity in U.S. markets (see story, page 1).

One Year Ago In Power Finance & Risk

CMS Energy was kicking off its auction for more than 900 MW of gas-fired generation from its unregulated subsidiary **CMS Enterprises** [**JPMorgan** took preliminary bids Nov. 6, but **CMS Enterprises** nixed the sale after restructuring the offtake contract on the portfolio's principal asset (PFR, 1/4).]