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Power Finance & Risk

Exclusive Insight on Power M&A and Project Financing
By the publisher of GlobalCapital

AT PRESS TIME

French IPP Closes First U.S. Wind Deal

Akuo Energy has closed a financing package including equity, tax equity and debt for its first wind project in the U.S. Page 2

MERGERS & ACQUISITIONS

First Solar Negotiates Solar Dropdown

The solar sponsor is in negotiations with its jointly-owned yield company on the potential dropdown of a 300 MW project. Page 7

STRATEGIES

SunEdison under Investigation

The bankrupt sponsor has been issued with subpoenas by two federal authorities. Page 8

NextEra Lines up Two Wind Tax Equity Deals

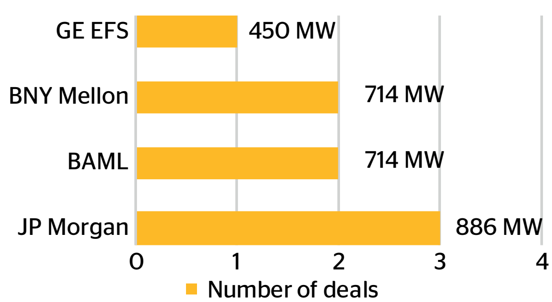
Richard Metcalf

NextEra Energy Resources has requested permission for two wind tax equity deals involving four investors.

The transactions are intended to finance five projects totaling 865 MW in Kansas, Oklahoma and Texas.

In one of the deals, **JP Morgan Capital Corp.** and a subsidiary of **GE Energy Financial Services** are acquiring tax equity stakes in NextEra's 250 MW Rush Springs project in Grady and Stephens counties, Okla., and its 200 MW Javelina Wind Energy II project in Webb County, Texas, according to paperwork filed with the U.S. **Federal Energy Regulatory Commission**. PAGE 5 »

Investors of Tax Equity in NextEra Projects in 2016



Note: The capacity figures show the total capacity of the projects or portfolios in which the investor has acquired tax equity. The numbers are not weighted to reflect the proportion of tax equity acquired by the investor.

Source: PFR data

Swap Negotiations Delay Chile Transmission Loan

Richard Metcalf

The expected closing date of a loan to finance a 379-mile transmission line in Chile has been pushed back as negotiations over interest rate swap provisions continue.

The $739 million dual-currency loan was said to be close to being signed at the beginning of August (PFR, 8/4), but the latest estimate from one banker familiar with the deal is November.

"That's Latin America", shrugged the banker, when asked why the deal had not closed within the expected time frame, before adding that in this case there is also a more specific reason.

The delay results in part from the fact that **Engie**, one of the project's two sponsors, is pushing for deal terms that it has obtained from lenders in the Middle East, but that are unconventional in Latin America. "We're resisting," says the banker.

Under the usual terms of a project finance deal, if one of the lenders exits the loan, the related interest rate swaps PAGE 6 »

Algonquin Unit to Acquire Nevada Solar Project

Richard Metcalf

A subsidiary of **Algonquin Power & Utilities** is planning to acquire a solar project in Nevada from **Invenergy**. A **U.S. Bank** subsidiary is investing tax equity in the project.

The Algonquin subsidiary, **Liberty Utilities (CalPeco Electric)**, will also sign a power purchase agreement with the project, according to plans laid out in a filing with the U.S. **Federal Energy Regulatory Commission**.

The PPA is designed to cover the roughly five-year duration of the tax equity investment, when Liberty is technically not the sole owner of the facility.

Located on federally-owned land in Mineral County, Nev., the 50 MW Luning project is expected to be online by the end of the year.

UTILITY OWNER

Liberty Utilities (CalPeco Electric) was created when Algonquin acquired **CalPeco** PAGE 7 »

POWER UP: CHECK OUT A SELECTION OF THE WEEK'S POWER AND UTILITY NEWS ON TWITTER PAGE 7

IN THIS ISSUE

AT PRESS TIME

French Sponsor Closes First U.S. Wind Project Financing

Akuo Energy has closed financing for its first wind project in the U.S. The deal includes equity from **John Laing**, a construction loan from **BayernLB** and tax equity from **GE Energy Financial Services**.

The transaction represents a first not just for Akuo, but also for John Laing.

"It is very exciting to be making our first renewable energy investment in the U.S." says **Anthony Phillips**, m.d. of primary investments North America in the London-based infrastructure investor's New York office. "We see great potential in the market for us to apply the expertise we've built up in the European and Australian markets over the last five years."

The project, called Sterling Wind, has a capacity of 30 MW and is located in Lea County, N.M. It obtained a 15-year power purchase agreement with **Western Farmers Electric Cooperative** in the first quarter of this year and construction on the facility began on Oct. 13.

John Laing is investing $20.5 million of equity in the project.

The size of the construction loan, which is a bridge to the tax equity investment, could not immediately be learned. Representatives of Akuo in Paris and GE EFS in New York declined to comment. A call to **Jim King**, head of structured finance at BayernLB in New York, was not returned.

The tax credit extension at the end of last year was a factor in John Laing's entry into the U.S. renewables sector, says **Arnon Klein**, director of primary investments North America at the firm.

"That affirmed our entry into the sector and confirmed that there was a long enough runway to pursue opportunities here in the U.S.," says Klein, who was formerly an associate director in the infrastructure investment banking group at **Macquarie**.

ROCKSPRINGS ETERNAL

Although the Sterling project is Akuo's first U.S. wind facility to achieve financial close, it is not the first originated by Akuo to enter the construction phase.

That title goes to the 150 MW Rocksprings wind project in Val Verde County, Texas, which Akuo sold to **SunEdison** affiliate **Wind Holdings** in July 2015. Construction began on the project at the end of that year.

But in April of this year, SunEdison filed for bankruptcy protection, and in June, $18.4 million of the agreed purchase price for the project had not been paid, according to a filing made by Akuo with the **U.S. Bankruptcy Court for the Southern District of New York**.

On Sept. 1, SunEdison agreed to sell the Rockspring project back to Akuo together with sixteen **General Electric** turbines for the project. The bankruptcy court approved the sale on Sept. 16.

Akuo is in the process of arranging financing for the Rocksprings project, said a spokesperson for the sponsor in Paris, who declined to provide further details.

The Rockprings project has a 12-year PPA with **Walmart** for 40 MW of its output. ■

Power Finance & Risk

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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).
CPP 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	Portfolio (2.3 GW Hydro, Gas, Oil, Coal)	Argentina, Chile, Ecuador, El Salvador, Guatemala, Peru	Credit Suisse, JP Morgan (seller), Santander (buyer)	China Three Gorges is acquiring Duke's Brazilian business. I Squared Capital is buying the remainder of Duke's Latin American assets (see story, page 6).
	Duke Energy Brazil (2.1 GW Hydro)	Brazil	Credit Suisse, JP Morgan (seller), Bank of America Merrill Lynch (buyer)	
● EDF Renewable Energy	Slate Creek (150 MW Wind, 50%)	Sumner and Cowley counties, Kan.		Axium Infrastructure and Industrial Alliance Insurance and Financial Services have closed their purchases of resepective 38.4% and 11.6% stakes in the project (PFR, 7/11).
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).
● First Solar	Desert Stateline (300 MW Solar)	San Bernardino, Calif.		First Solar is in negotiations with its jointly-owned yield company, 8Point3 Energy Partners, over the potential dropdown of Desert Stateline (see story, page 7).
● Invenergy	Luning (50 MW Solar)	Mineral County, Nev.		A subsidiary of Algonquin Power & Utilities is acquiring the project (see story, page 1).
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).
Odebrecht	Gasoducto Sur Peruano (700-mile pipeline, 55%)	Peru		A Sempra 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 (PFR, 10/10).
	Nevada Cogeneration Associates 2 (85 MW Gas)	Las Vegas		
Scatec Solar	Utah Red Hills (78.6 MW Solar)	Iron County, Utah		Macquarie Infrastructure Corp. is acquiring the project (PFR, 10/10).
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	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		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 ft³/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					
● Akuo Energy	Sterling Wind (30 MW)	Lea County, N.M.	BayernLB	Debt	TBA		The deal is the first financing Akuo has closed for a wind project in the U.S (see story, page 2).
			GE EFS	Tax Equity			
			John Laing	Equity	$20.5M		
Avenue Capital Partners	Portfolio (1,380 MW Gas)	California, Virginia, West Virginia	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).
				Revolver	$30M	5-yr	
● Deepwater Wind	Block Island (30 MW Wind)	Block Island, R.I.	Citi, GE EFS	Tax Equity	TBA		Citi and GE EFS have acquired the tax equity associated with the project (see story, page 5).
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).
● Enbridge	New Creek (103 MW Wind)	Grant County, W.Va.	Berkshire Hathaway Energy	Tax Equity	TBA		MidAmerican Wind Tax Equity Holdings, the tax equity arm of Berkshire Hathaway Energy, is investing in the project (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		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		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).
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 (PFR, 10/10).
			BAML, GE EFS	Tax Equity	TBA		
● NextEra Energy Resources	Rush Springs (250 MW Wind)	Grady and Stephen counties, Okla.	GE EFS, JP Morgan Capital Corp.	Tax Equity	TBA		GE EFS and JP Morgan are acquiring the tax equity associated with the projects (see story, page 1).
	Javelina II (200 MW Wind)	Webb County, Texas					
● NextEra Energy Resources	Ninnescah (208.3 MW Wind)	Pratt County, Kan.	BAML, BNY	Tax Equity	TBA		BAML and BNY are jointly investing tax equity in the projects (see story, page 1).
	Kingman (103.3 MW Wind)	Kingman County, Kan.					
	Kingman II (103.3 MW)						
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 has approached prospective arrangers to raise debt and has mandated BNP Paribas to sell a stake in the project (PFR, 6/6).
● sPower	Portfolio (270 MW Solar)	Lancaster, Calif.	Keybanc Capital Markets	Construction, term loan	$519M	TBA	The financing for the nine-project portfolio has closed. CohnReznick advised sPower on the tax equity deal (see story, page 5).
			Undisclosed	Tax Equity	$267M		
● Transmisora Eléctrica del Norte	TEN (379 mile Transmission)	Chile	KfW-IPEX Bank, MUFG, Mizuho, Sumitomo-Mitsui Trust Group	Term Loan (Dollar)	$739M	18-yr	The expected closing date of the financing has been pushed back due to negotiations over interest rate swap provisions (see story, page 1).
			Santander, Banco de Chile, Banco Estado de Chile, Banco BCI	Term Loan (Chilean Peso)			

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NextEra Lines up Two Wind Tax Equity Deals

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The Rush Springs project has contracts for difference , which are a type of synthetic power purchase agreement, for all of its output with two corporations, roofing manufacturer **Owens Corning** and data center business **Equinix**.

The project is expected to begin producing test generation this month.

Owens Corning and Equinix are among a growing group of non-utility companies that have supported the financing of renewable projects by participating in an offtake arrangement.

The two corporations are also the offtakers for a 257 MW wind project in Texas. They have 12-year contracts for the output of **Southern Company**'s Wake Wind project in Floyd and Crosby counties (PFR, 4/6). Southern acquired a majority stake in the Wake Wind project from **Invenergy** earlier this year (PFR, 6/15).

The Javelina Wind Energy II project will sell 85% of its output through PPAs, according to a Sept. 20 filing with the **Texas Public Utilities Commission**, which did not identify the offtakers. The remaining 15% will be sold spot.

In the second NextEra deal, frequent collaborators **Bank of America Merrill Lynch** and **BNY Mellon** are acquiring the tax equity stakes in a portfolio of three NextEra wind projects in Kansas, according to a separate FERC filing.

The portfolio comprises the 208.3 MW Ninnescah project in Pratt County, the 103.3 MW Kingman I project in Kingman County and the 103.3 NW Kingman II project, also in Kingman County.

The three projects have long-term power purchase agreements with **Westar Energy**.

BAML and BNY have jointly committed tax equity funds to a string of NextEra wind projects in recent years, most recently the 149.7 MW Brady project and the 149 MW Brady II project in Stark and Hettinger counties, N.D. (PFR, 10/5).

All three projects are expected to begin producing test generation by Nov. 9.

The sizes of the tax equity investments and whether the projects have back leverage in addition to the tax equity financing could not immediately be learned. The lengths of the CFDs and the PPAs were not disclosed in the filings.

Spokespeople for the sponsor and the four tax equity investors either declined to comment or had not responded to inquiries at press time. ■

Sponsor Wraps Back Leverage Deal for Solar Portfolio

sPower has closed a tax equity and back leverage financing for a portfolio of nine solar projects totaling 270 MW in Lancaster, California.

Keybanc Capital Markets arranged a syndicated $519 million construction loan for the projects, which will act as a bridge to the tax equity and back leverage financing.

CohnReznick Capital Markets Securities advised sPower on the tax equity investment.

"With a company that is growing so quickly, recycling capital is incredibly important," said **Ray Henger**, senior v.p. in structured finance at sPower, in a statement. "Financing a large portfolio build out with a single tax equity provider and a syndicate of banks creates substantial efficiencies."

The portfolio achieved financial close on Sept. 7.

The size of the tax equity investment is $267 million. A spokesperson for sPower in Salt Lake City declined to identify the tax equity investor, but said that it was not one of the banks involved in the loan.

Keybank, **CIT Group**, **CoBank**, **Rabobank**, **NordLB**, **Siemens Financial Services** and **Wells Fargo** participated in the loan. The tenor and pricing on the term loan component of the financing could not immediately be established. Officials at sPower and the banks either declined to comment or did not respond to inquiries.

The portfolio comprises nine projects with capacities of between 5 MW and 85 MW and power purchase agreements with various utilities ranging from 20 to 30 years in length.

Two of the projects, the 20 MW Summer Solar project and the 20 MW Antelope Big Sky Ranch Solar project, have recently begun commercial operations.

The other seven projects are under construction. They are the 40 MW Elevation C Solar project, the 20 MW Western Antelope Blue Sky Ranch B Solar project, the 20 MW North Lancaster Ranch Solar project, the 85 MW Solverde 1 Solar project, the 50 MW Antelope DSR 1 Solar project, the 5 MW Antelope DSR 2 Solar project and the 10 MW Western Antelope Dry Ranch Solar project.

Stoel Rives was sPower's legal counsel on the financing. ■

First U.S. Offshore Wind Project Seals Tax Equity

GE Energy Financial Services and **Citigroup** have invested tax equity in **Deepwater Wind**'s 30 MW Block Island wind project off the coast of Rhode Island. It is the first project of its kind in the U.S. and is expected to be online this fall.

The construction of the project is being financed with a $70 million equity commitment from **D.E. Shaw** and a $290 million project finance loan arranged by **Société Générale** and **KeyBank** (PFR, 3/4/15). The debt financing was shortlisted for *PFR*'s project finance deal of 2015 award.

The size of the tax equity investment was not disclosed. Spokespeople for Deepwater Wind, GE EFS and Citi either declined to comment or did not respond to inquiries.

The project has a power purchase agreement with **National Grid**.

The structure of a tax equity deal for an offshore wind project is probably not fundamentally different from the structure of a deal to finance an onshore wind project, says **Skip Rankin**, a partner at **Baker & McKenzie** in New York, who adds, however, that the historic nature of the Block Island project makes this deal stand out. "It's been a long time coming," he says. "Hopefully it will show the way for a lot more projects." ■

PROJECT FINANCE

Enbridge Wind Project Attracts Berkshire Hathaway Tax Equity

Berkshire Hathaway Energy is investing tax equity in **Enbridge**'s 103 MW New Creek wind project in Grant County, W.Va., according to a filing with the U.S. **Federal Energy Regulatory Commission**.

The project has a 12-year power purchase agreement with **Salesforce** for 40 MW of its output. Whether Enbridge has contracted the remaining output could not immediately be learned.

The New Creek project, which is in late-stage construction, is expected to be online in December. Enbridge acquired the project from **EverPower** in November (PFR, 12/1).

MidAmerican Wind Tax Equity Holdings, the tax equity investment arm of Berkshire Hathaway Energy, closed a tax equity investment in **First Reserve**'s 298 MW Kingfisher wind project in Canadian and Kingfisher counties, Okla., in March of this year. That deal, Berkshire Hathaway's debut in the tax equity space, was first reported in 2014 (PFR, 12/5/14). Berkshire Hathaway also holds a tax equity interest in the 230 MW Mariah North wind project in Parmer County, Texas, alongside **Citigroup** and **HSBC** (PFR, 2/16).

Spokespeople for Enbridge in Calgary, Alberta, and Berkshire Hathaway Energy in Des Moines, Iowa, did not immediately respond to inquiries. ■

Swap Negotiations Delay Chile Transmission Loan

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are automatically terminated. It is this provision that Engie would like to remove, but the banks are resistant because such a change could land them with so-called "orphaned" swaps.

"Issues with regard to the hedging have been complicated to agree on because Engie is quite aggressive," says a second banker briefed on the deal. "It's an endless back and forth."

The $900 million transmission line will connect Chile's two main grids, the Interconnected System of Norte Grande and the Central Interconnected System, and has been described as a "landmark" project.

A 50-50 joint venture between **Engie Energía de Chile** and **Red Eléctrica** called **Transmisora Eléctrica del Norte** is developing the project.

Santander is advising TEN on the financing and is also participating in the Chilean peso-denominated tranche alongside **Banco de Chile**, **Banco Estado de Chile** and **Banco BCI**.

KfW-IPEX Bank, **MUFG**, **Mizuho** and **SMBC** are the mandated lead arrangers on the dollar-denominated part of the loan.

A spokesperson for Engie in Paris did not respond to a request for comment. Representatives of Santander in Mexico City were not available to comment. ■

MERGERS & ACQUISITIONS

Duke Finds Buyers for LatAm Portfolio

Two buyers have agreed to acquire **Duke Energy**'s Latin American assets in separate transactions that will complete the North Carolina-based utility company's divestment from the region.

The portfolio, which Duke owns through its subsidiary **Duke Energy International**, comprises a nearly 2.1 GW bundle of hydro assets in Brazil and a 2.3 GW assortment of hydro, gas-fired, oil-fired and coal-fired assets spread across six other countries.

Beijing-based **China Three Gorges Corp.** has agreed to acquire **Duke Energy Brazil**, which holds the Brazilian generation assets, for $1.2 billion, while New York-based **I Squared Capital** has agreed to purchase the remainder of Duke's Latin American assets for $1.2 billion.

BRAZILIAN ASSETS

China Three Gorges will acquire the ten Duke hydro projects in Brazil through its subsidiary **CTG Brasil**. Eight of the facilities, with a combined capacity of 2,057 MW, are located along the border of the states of São Paulo and Paraná. The other two, each 16.5 MW in size, are on the Sapucai Mirim River in São Paulo State.

The deal will bring CTG Brasil's owned generation capacity in the country to 8.27 GW, according to a statement from China Three Gorges.

Bank of America Merrill Lynch is China Three Gorges' financial adviser on the deal, with **White & Case** and Brazilian law firm **TozziniFreire Advogados** serving as legal advisers.

How China Three Gorges is financing its acquisition could not immediately be learned. Officials at the company were not immediately available for comment.

SIX COUNTRIES

ISQ Global Infrastructure Fund, a fund of I Squared Capital, is purchasing the remainder of Duke's Latin American assets. The fund will obtain generation assets in Argentina, Chile, Ecuador, El Salvador, Guatemala and Peru as well as approximately 454 miles of 220 kV transmission lines and natural gas processing facilities in Peru for its $1.2 billion.

The purchase price includes the assumption of $350 million of debt. **Deutsche Bank** provided debt financing for part of I Squared's $850 million cash consideration, said the private equity firm's co-founder and partner **Adil Rahmathulla**, without disclosing the size or tenor of the debt.

Santander is advising I Squared on the deal, with **Chadbourne & Parke** serving as legal counsel, Rahmathulla added.

Duke began the process of exiting Latin America in February, mandating **Credit Suisse** and **JP Morgan** as financial advisers (PFR, 2/4). An auction of the assets moved into a second round this summer (PFR, 8/10).

Skadden, **Arps**, **Slate**, **Meagher & Flom** is serving as Duke's legal adviser.

All of the projects owned by Duke Energy Brazil and most of the assets in the other Latin American countries are contracted or receive capacity payments.

The sale of the Brazilian assets to China Three Gorges is expected to close within two to four months, while the I Squared deal is expected to close in either the first or second quarter of 2017, a spokesperson for Duke tells *PFR* from Charlotte, N.C. ■

MERGERS & ACQUISITIONS

First Solar Negotiates Solar Dropdown with Yieldco

First Solar is in negotiations with **8Point3 Energy Partners**, its joint yield company with **SunPower**, regarding a potential drop-down of its interest in the 300 MW Desert Stateline solar project in California, one of the projects on the yieldco's right of first offer list.

Tempe, Ariz.-based First Solar owns the passive Class B interests in the 300 MW Desert Stateline solar project in San Bernardino County, Calif., which represent an overall 34% ownership stake in the project.

Southern Power owns the managing Class A shares in Desert Stateline, giving the Atlanta-based company a 66% ownership stake in the project. The **Southern Company** subsidiary acquired an initial 51% stake in the project in August 2015 (PFR, 9/3/15), and then bought an additional 15% in March.

Southern Power also co-owns the 102 MW Henrietta solar project in Kings County, Calif., with 8point3. Southern Power has a 51% interest in project and 8point3 acquired the other 49% from First Solar in late September (PFR, 9/27).

First Solar and 8Point3 had not yet agreed the final terms of the Desert Stateline dropdown when they jointly filed with the U.S. **Federal Energy Regulatory Commission** seeking authorization of the deal on Oct. 5.

First Solar may drop down all of its stake in the project, according to the FERC filing. In a filing with the U.S. **Securities and Exchange Commission**, dated Oct. 3, 8Point3 said it intends to acquire at least 50% of First Solar's stake in the project.

ACQUISITION FINANCING

8Point3 intends to draw on its recently enlarged $775 million term loan to partly finance the dropdown of Desert Stateline, according to the SEC filing. The yieldco secured a $250 million increase in the size of the loan on Sept. 30.

Crédit Agricole is the administrative agent on the financing package, which includes commitments from **Bank of America Merrill Lynch**, **Citigroup**, **HSBC**, **JP Morgan**, **Mizuho** and **Wells Fargo**.

8Point3 also renegotiated the terms of the line of credit to allow it to borrow up to $50 million from First Solar, in the form of a subordinated loan, to partly finance its acquisition of Desert Sunlight.

Spokespeople for First Solar in Tempe, Ariz., and 8Point3 in San Jose, Calif., did not immediately respond to inquiries. ■

Algonquin Unit to Acquire Nevada Solar Project

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Electric in 2011. It serves about 49,000 retail customers across seven counties in the Lake Tahoe area of Nevada.

Liberty acquires generation through an energy services agreement with **NV Energy**, which was modified at the end of last year to allow the utility company to also generate its own renewable energy at a lower cost.

The Luning solar project will initially be Liberty's only generation asset apart from a diesel-fired emergency unit.

Liberty will recover approximately $10 million of capital costs related to the acquisition from ratepayers, according to paperwork filed with FERC. That figure includes 66% of the total purchase price to be paid to Invenergy, $1.5 million in annual operating expenses and five annual distributions and a one-off buyout payment to U.S. Bank.

The purchase price was not disclosed in the public version of the filing. It will be paid in installments as the project reaches certain milestones.

Representatives of Invenergy in Chicago and Algonquin Power & Utilities in Toronto did not immediately respond to inquiries. ■

POWER TWEETS

Energy Department @ENERGY
These 6 charts will make you optimistic about America's #CleanEnergy future http://1.usa.gov/1HHw3xz #ActOnClimate

Canadian Solar @Canadian_Solar
Canadian Solar secures JPY9.6 Billion syndicated loan with Sumitomo Mitsui Banking Corporation http://ow.ly/dXWE3059HC0

SunPower @SunPower
#ICYMI: @HillaryClinton '500 mill #solar panels' achievable, says our CEO Tom Werner. Read his blog. #DebateNight http://bit.ly/2dDAj9f

GE Energy Fin Svcs @GEEnergyFinServ
The #BlockIsland #Wind Farm is GE EFS' second #offshore wind investment this year, building upon our $12 B renewable investment commitments

Alicia Barton @abartontweets
A market leader in solar launches into the next frontier-energy storage! @borrego_solar to Begin Offering Storage

FirstEnergy Corp. @firstenergycorp
FirstEnergy Ohio Utilities Receive Disappointing PUCO Decision http://spr.ly/60148Br7E

STRATEGIES

Utilities Issue Renewable RFPs, Alberta Seeks Solar Advice

An assortment of requests for proposals have been issued in recent weeks for renewable generation, associated credits and advice across three states in the U.S. and a Canadian province. Here is a roundup of the recently issued requests by a trio of U.S. utilities and the government of Alberta:

OKLAHOMA WIND RFP

The **Public Service Company of Oklahoma**, a subsidiary of **American Electric Power**, has issued an RFP for wind projects in Oklahoma with a minimum capacity of 80 MW. As a result of the RFP, the PSCO says it may execute one or more 20-year renewable energy purchase agreements totaling between 100 MW and 300 MW.

In order to qualify, projects must be online by Dec. 18, 2018. The facilities must be in Oklahoma and have an interconnection with a transmission facility in **Southwest Power Pool**.

Bids are due by Oct. 27 and the winner will be announced on Dec. 16.

ALABAMA RENEWABLE RFP

Alabama Power Company has issued an RFP for renewable projects between 5 MW and 80 MW in size. Alabama Power says that it will accept proposals for both operational and development projects. Facilities must be in Alabama and be interconnected with Alabama's transmission or distribution system.

Bids are due by Nov. 15. Short-listed bidders will be notified on March 10, 2017.

OHIO SOLAR CREDITS

FirstEnergy Corp. has issued an RFP to purchase Ohio-compliant solar renewable energy credits and renewable energy credits for its three Ohio utilities, **Ohio Edison**, **Cleveland Electric Illuminating** and **Toledo Edison**.

The company is seeking 6,500 SRECs and 230,000 RECs which must be deliverable between Jan. 1, 2014, and Dec. 31 of this year, in order to be compliant with rules set by the **Public Utilities Commission of Ohio**.

Navigant Consulting is managing the RFP process. Potential bidders must submit credit applications by Oct. 31 and proposals by Nov. 7.

ALBERTA SEEKS SOLAR

In Alberta, Canada, the government has issued a request for information for advice on the potential cost and best approach for procuring solar generation to replace two existing contracts which will soon expire. The combined contracts are for 135,000 MWh a year.

"Replacing the two contracts set to expire this and next December will create the first opportunity for a solar farm in Western Canada", according to a statement issued by the government of Alberta.

The RFI opens for three weeks starting Oct. 6. ■

ALTERNATING CURRENT

A Different Kind of Apple Offtake

AC

As the leaves turn red, gold and brown this fall, many New Englanders will be sipping on seasonal, solar-powered cider.

That's because the owner of the largest cider mill in the region has had a 300kW solar array installed on the roof of its facility in Leominster, Mass.

The panels will meet about 90% of **New England Apple Products**' generation demand, reducing the company's electricity bill by about $40,000 a year.

The cider maker chose commercial and industrial-scale solar developer **Solect Energy**, which is also headquartered in Massachusetts, to develop the solar project.

"Partnering with Solect to install solar is an excellent opportunity to reduce the company's carbon footprint and generate a long-term financial gain for the business," said **Steve Rowse**, president of New England Apple, in a statement. "Our longstanding colleagues in the apple world, **JP Sullivan Packing Services** in Ayer, had recently installed an array of their own with Solect, and the quality of their experience helped ease many of our concerns."

A cider mill may not have as strong an appetite for renewable generation as an **Apple** data center—the company that makes the iPhone owns several utility-scale solar projects and has set up its own energy company (PFR, 8/4)—but for a C&I developer like Solect it's right in the sweet spot. ■

SunEdison under Investigation by SEC

SunEdison is under investigation by the U.S. **Securities and Exchange Commission**, which has issued the company with a subpoena for emails and other electronic documents sent or received by current and former heads of the company and its two yield companies, **TerraForm Global** and **TerraForm Power**.

The renewable energy company, which filed for Chapter 11 protection under the U.S. Bankruptcy Code in April, has also received subpoenas from the U.S. **Department of Justice**, which is "seeking information and documentation relating to various matters", according to an 8-K filing by SunEdison with the SEC on Oct. 12.

On Oct. 5, SunEdison received a notice that the SEC is "conducting a non-public, fact-finding investigation", the company disclosed in the SEC filing, adding that it intends to continue to cooperate fully with both agencies.

The news follows an informal inquiry by the SEC and DoJ earlier this year, the results of which have not been made public.

Rothschild is running an ongoing sales process for SunEdison's assets. A number of agreements have been reached and approved by the **U.S. Bankruptcy Court for the Southern District of New York**. The purchasers of SunEdison's development pipeline so far include **NRG Energy**, **SoCore**, which is a subsidiary of **Edison International**, and **Onyx Renewable Partners**.

Spokespeople for the SEC, the DoJ, TerraForm Global and TerraForm Power in Washington, D.C., and SunEdison in Belmont, Calif., declined to comment. ■

