

power finance & risk

The exclusive source for power financing and M&A news

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JPMorgan Hunts BostonGen Bidders

JPMorgan is re-tapping potential bidders for **Boston Generating Co.** ahead of a bankruptcy court auction.

See story, page 2

BP, Semptra Land Fowler II Deal

BP Alternative Energy and **Semptra Generation** have closed a financing backing their Fowler Ridge II wind project.

See story, page 2

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FIRST WIND FIRES UP ROAD SHOW FOR IPO

First Wind kicked off a road show Thursday for an initial public offering pegged to raise \$288-312 million. The company is the first pure play renewables developer that investors have had the opportunity to buy into in several years, one banker notes. "I'm cheering these guys on... It would be the first time in the U.S. market—well since [Ormat Technologies went public] in 2004—that shows a public exit is possible," says a renewable banker.

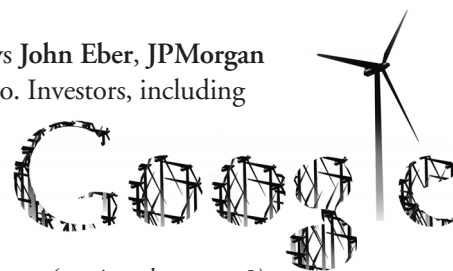
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RENEWABLE PLAYERS SPY POSSIBLE FUNDING FALLOFF

The bumper year of renewable project financing doesn't appear likely to be repeated as the expiration of the U.S. Department of Treasury cash grant program at year-end will leave a funding gap tough to fill.

The grant has spurred tax equity investment, says **John Eber**, JPMorgan managing director of energy investments in Chicago. Investors, including **Google**, have taken roughly \$3.9 billion in tax equity stakes this year through September, up from \$1.1 billion in 2009 when the cash grant program first fired up. The grant gives an



(continued on page 8)

EDF TAPS LAZARD FOR CONSTELLATION NUKE STAKE

EDF has mandated Lazard to advise on the potential sale of its 49.99% stake in a nuclear partnership with **Constellation Energy**. French government-owned EDF is evaluating its relationship after Baltimore-based Constellation tried to exercise a clause in the original joint venture agreement that would require EDF to purchase a portfolio of generation assets, bankers in New York say.

EDF bought just under half of **Constellation Energy Nuclear Group**, the nuclear unit of Constellation, for \$4.5 billion in 2008, in a move that allowed Constellation to avoid a buyout by **MidAmerican Energy Holdings Co.** EDF was already the largest shareholder of the parent company, owning 8.4% of its common stock. That 2008 agreement gives

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



At Press Time

BP, Sempra Wrap Fowler II Deal

BP Alternative Energy and Sempra Generation have wrapped a financing backing their \$300-350 million, 199.5 MW Fowler Ridge II wind farm in Benton County,

Ind. The club deal closed last month.

Bank of Tokyo-Mitsubishi is among the banks participating in the financing (PFR, 10/7). Whether BP relationship banks BBVA, Banco Sabadell, Commerzbank and Société Générale were involved in the deal could not be learned. The identity of the banks in the club, as well as pricing and tenor, couldn't be learned. BP and Sempra spokespeople didn't return calls. Bank officials or spokespeople couldn't be reached.

Three American Electric Power units and Vectren Energy Delivery have 20-year PPAs on the roughly \$399 million farm.

JPMorgan Looks To Lure More Boston Bids

JPMorgan is circling back to potential bidders for Boston Generating Co. as the bank looks to garner an extra 2% commission. The lowest bid that could top Constellation Energy's stalking horse bid of \$1.1 billion is \$1.145 billion, Judge Shelley Chapman of the U.S. Bankruptcy Court for the Southern District of New York ruled Oct. 9. If the purchase price tops \$1.298 billion then JPMorgan, which is advising BostonGen parent U.S. Power Generating Co., gets the 2%, according to a document filed with the court.

JPMorgan will currently earn a \$7.5 million transaction fee in addition to a \$2 million milestone fee that was paid when indicative bids were made, according to the documents.

Infrastructure funds and other financial players have been contacted in addition to strategics, industry officials say, ahead of the Nov. 15 court-run auction. Deal watchers question whether many companies will try to outbid Constellation Energy's \$1.1 billion offer. "We looked at it the first time and we saw the materials now—but we're still not interested," says an official at one recently contacted shop.

The auction will be at the New York offices of law firm Latham & Watkins, which is representing U.S. PowerGen. Potential bidders must submit their binding offers to U.S. PowerGen and its advisors by noon on Nov. 13.

Chapman reduced the proposed bidding increment from \$20 million to \$10 million in the ruling. "The hope is to attract more buyers, but no one really knows until the auction," says an observer, referring to a component of the decision that requires bidders to bid at least \$10 million more than the prevailing bid. U.S. PowerGen did not object to the change, the observer notes.

Officials at Constellation, Latham & Watkins and U.S. PowerGen declined to comment. Officials at JPMorgan didn't return calls.

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EDITORIAL

STEVE MURRAY
Editor

TOM LAMONT
General Editor

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

SARA ROSNER
Managing Editor
(212) 224-3165

BRIAN ECKHOUSE
Senior Reporter
(212) 224-3624

HOLLY FLETCHER
Senior Reporter
(212) 224-3293

STANLEY WILSON
Washington Bureau Chief
(202) 393-0728

KIERON BLACK
Sketch Artist

PRODUCTION

DANY PEÑA
Director

DEBORAH ZAKEN
Manager

MELISSA ENSMINGER,
JAMES BAMBARA, DOUGLAS LEE
Associates

JENNY LO
Web Production & Design Director

ADVERTISING

PAT BERTUCCI
Associate Publisher
(212) 224-3890

ADRIENNE BILLS
Associate Publisher
(212) 224-3214

PUBLISHING

ALLISON ADAMS
Group Publisher

GAURI GOYAL
Business Director
(212) 224-3504

ISMAELA BEST
Senior Marketing Manager
(212) 224-3609

LAURA PAGLIARO
Marketing Manager
(212) 224-3896

VINCENT YESENOSKY
Head of US Fulfillment
(212) 224-3057

DAVID SILVA
Senior Fulfillment Manager
(212) 224-3573

SUBSCRIPTIONS/ ELECTRONIC LICENSES

One year \$2,995 (in Canada add \$30 postage, others outside US add \$75)

KEN LERNER
Account Executive
(212) 224-3043

REPRINTS

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

CORPORATE

JANE WILKINSON
Chief Executive Officer

STEVE KURTZ
Chief Operating Officer

Customer Service: PO Box 5016,
Brentwood, TN 37024-5016.
Tel: 1-800-715-9195. Fax: 1-615-377-0525
UK: 44 20 7778 8704
Hong Kong: 852 2842 6910
E-mail: customerservice@iinvestor.com

Editorial Offices: 225 Park Avenue
South, New York, NY 10003.
Tel: (773) 439-1090
Email: pthompson@iinvestor.com

Institutional Investor Hotline:
(212) 224-3570 and (1-800) 437-9997 or
hotline@institutionalinvestor.com

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**Institutional
Investor NEWS**
INTELLIGENCE FIRST

Project Finance

Natixis, RBC Weigh Invenergy Wind

Natixis and **Royal Bank of Canada** are considering participating in a club deal backing Invenergy's \$326.4 million, 138 MW Le Plateau wind farm in southeastern Quebec. The sponsor is targeting a tenor matching the 20-year offtake agreement it has with **Hydro-Québec**.

A half-dozen lenders are expected to comprise the club. Deal details, including the loan size and pricing, the identity of other lenders and the financing timeline, couldn't be learned by press time. **Frits De Kiewit**, Invenergy director of business development in Montreal, directed inquiries to **Andrew Flanagan**, v.p. of business development in Chicago. Flanagan did not return calls. A Natixis official declined to comment, while an RBC official and spokesman didn't return calls.

Invenergy is targeting operation to commence at Le Plateau in December 2011 (PFR, 7/30). The project will utilize 60 **Enercon** turbines.

SolarReserve Scouts DOE Backing

SolarReserve is looking to finance the more than \$500 million, 150 MW Rice Solar Energy Project with help from the U.S. **Department of Energy**. Under the DOE's loan guarantee program, the Santa Monica, Calif.-based company hopes to garner a loan from the **Federal Financing Bank** to fund up to 80% of the concentrating solar project's costs by next September.

The company has discussed Rice, situated northwest of Blythe, Calif., with lenders and potential equity investors, says **Michael Whalen**, cfo, in case the DOE funding falls through. Whalen, **HSBC's** former head of project finance in the Americas, and **Kevin Smith**, ceo, declined to identify the parties, the financial adviser for Rice or discuss project costs or deal details. A DOE loan would likely have a 25-year tenor.

Smith says lenders are sufficiently liquid to finance Rice if the DOE rejects SolarReserve's loan request. Spanish banks have financed solar thermal project in Spain, a syndicator for a European bank notes, adding the experience will be inevitably applied in the U.S. **Acciona's** 64MW Nevada Solar One project near Boulder City, Nev., is among the few solar thermal plants to garner financing in the U.S. (PFR, 1/4/08).

Gary Burner, FFB cfo in Washington, D.C., and a DOE spokeswoman did not return calls. **Pacific Gas & Electric** has a 25-year offtake agreement for Rice, which the California **Public Utilities Commission** recently approved. Smith hopes to initiate construction on Rice next year, with operation expected by 2014. The company is also developing the 100 MW Crescent Dunes solar project in Tonopah, Nev.

Trio Joins BP Wind Deal

Bank of Tokyo-Mitsubishi, **BBVA** and **Lloyds TSB** are participating in a roughly \$400 million financing backing **BP Wind Energy's** Cedar Creek II wind farm. More than eight lenders are expected to participate in the club deal. Commitments are due Thursday.

The \$500 million, 250.8 MW project is in Weld County, Colo. Pricing is expected to start at 250 basis points over LIBOR, with bump-ups of 25 bps every two to three years (PFR, 9/23). The loan has a tenor of 10-12 years. **Banco Santander**, **Caja Madrid**, **ING** and **Société Générale** previously committed to the deal. The identity of the other banks in the deal and the size of the stakes couldn't be learned. A BP spokeswoman in Houston didn't return a call. Bank officials either declined to comment or couldn't be reached.

Xcel Energy subsidiary **Public Service Company of Colorado** has a 10-year offtake agreement for Cedar Creek II.

More Scouted

GE, Exergy Snag Wind Funds

Bank of Tokyo-Mitsubishi, **ING** and **NordLB** have wrapped the first \$242 million phase of financing backing **GE Energy Financial Services** and **Exergy Development Group's** portfolio of Idaho wind farms. A second financing of \$80 million to back the \$500 million portfolio will launch soon, says a GE EFS spokesman in Stamford, Conn.

GE EFS opted to break the debt financing in two parts to allow development of some of the 11 farms to move forward, the spokesman explains, declining to elaborate. He declined to specify the timeline for the second financing or identify which farms will utilize proceeds from the first financing.

BoTM served as lead arranger on the deal, which has pricing between 250-275 basis points over LIBOR and a tenor longer than 15 years. The deal wrapped Oct. 8. The size of BoTM's, ING's and NordLB's commitments in the first deal could not be learned.

Five banks were expected to finance all of the debt, including **WestLB** and **Crédit Agricole**. The reasons behind the lenders' decisions not to participate in the first phase or whether they will participate in the second phase could not be learned (PFR, 10/6).

GE EFS is the majority stakeholder of the farms. **Exergy**, **Atlantic Power** and **Reunion Power** also have equity in the portfolio. An Exergy spokeswoman in Boise, Idaho, forwarded questions to an official at Reunion Power in Manchester Center, Vt., who didn't reply by press time. **Patrick Welch**, Atlantic cfo in Boston, didn't return a call. Officials at ING and WestLB declined to comment, and bankers at BoTM, Crédit Agricole

and NordLB didn't return calls.

Idaho Power has 20-year offtake agreements for the 11 farms in Hagerman and Burley, Idaho, totaling 183 MW.

Lenders Circle Shepherds Flat Launch

Banks leading a financing backing **GE Energy** and **Caithness Energy's** \$2 billion Shepherds Flat wind farm expect to launch the deal in the next few weeks after securing a loan guarantee from U.S. **Department of Energy** for a portion of the \$1.3 billion in debt.

Bank of Tokyo-Mitsubishi, **Citigroup**, **Royal Bank of Scotland** and **WestLB** are leading the deal, which is expected to include a private placement component. The private placement notes would be placed in, and sold from, a trust so that investors could choose between notes that are covered or uncovered by the guarantee, a deal watcher says. Citi is the lender applicant for the guarantee, which it secured under the DOE's Financial Institution Partnership Program.

The deal will also include a bank loan, with a tenor of 10 years plus a three-year construction period and a few letters of credit (PFR, 6/22). The size of bank commitments, pricing and the structure of the deal could not be learned by press time. Bank officials either declined to comment or didn't return calls. **Jeff Delgado**, Caithness director in New York, didn't return a call and a GE spokesman in Stamford, Conn., declined to comment.

The loan guarantee is the largest awarded under the FIPP since it was initiated in 2009 as part of the American Recovery and Reinvestment Act. **Southern California Edison** has a 20-year offtake agreement for the 845 MW Shepherds Flat farm in eastern Oregon. GE will supply 338 of its 2.5xl wind turbines.

Mirant Lands Gas-Fired Funds

Royal Bank of Canada, **Royal Bank of Scotland** and **WestLB** have wrapped a \$630 million loan backing Mirant's \$700 million gas-fired Marsh Landing Generation project. The funds have been dispersed to the sponsor ahead of a smaller retail round that is in progress. The deal closed Oct. 8.

Pricing on the loan is roughly 250 basis points over LIBOR, with a tenor of 10 years. **CoBank**, **ING** and **Mitsubishi UFJ Financial Group** are among the lenders taking tickets, with **Crédit Agricole**, **Dexia Crédit Local**, **GE Energy Financial Services** and **Siemens Financial Services** among the lenders that considered participating in the deal (PFR, 9/23).

The identity of the other banks taking part and details of the retail round couldn't be learned by press time. **Steve Himes**, Mirant director of investor relations in Atlanta, didn't return a call seeking comment. Bank officials or spokespeople declined to

comment or didn't return calls.

Pacific Gas & Electric has a 10-year offtake agreement on the 760 MW station near Antioch, Calif. Marsh Landing is expected to be operational by mid-2013.

Mergers & Acquisitions

ArcLight, Olympus Zero In On Biomass Buyer

ArcLight Capital Partners and **Olympus Power** are likely to select a buyer for their 38 MW Cadillac biomass facility by this week. Several strategies, including utilities, and financial players have shown interest in the asset, which is expected to fetch between \$70-100 million, observers say. **Ewing Bemiss & Co.** is running the auction. The deal is expected to close by year-end.

The facility in Cadillac, Mich., has a limited pass-through of some of its fuel costs to ratepayers under Michigan state law, which is attractive to potential acquirers as it allows ratepayers to take some of the risks associated with lining up fuel, says one observer. "It's a material benefit for the project," he says, noting the high costs associated with biomass fuel contracts.

The wood-fired facility that came online in 1993 and has a 35-year power purchase agreement with **Consumers Energy Co.** Final bids were due at the end of last month.

DZ Bank and **Union Bank of California** led a \$52.47 million, 17.5 year debt package refinancing for Cadillac in 2008 that included a roughly \$47 million term loan and a \$5 million letter of credit (PFR, 2/22/08). ArcLight and Olympus acquired the facility for an undisclosed sum from a **Decker Energy** and **NRG Energy** joint venture (PFR, 2/3/06).

The identity of bidders, bid price and whether final round offers have been submitted could not be learned. An official at ArcLight in Boston did not return calls; an Olympus official in Morristown, N.J., and an Ewing Bemiss official in Richmond, Va., declined to comment.

People & Firms

NordLB Banker Takes Head Slot

NordLB has promoted **Nicolai Dillow**, senior director of origination in New York, to head of structured finance origination in the Americas. Dillow, who will remain in New York and has worked in the bank's structured finance group for a decade, reports to **Andy Robinson**, global head of originations in London.

Dillow replaces **Bruno Mejean**, who left in May to take a post as managing director at **SunEdison** (PFR, 5/13). A banker notes that Dillow has specialized in Latin America project finance and infrastructure and has also done advisory work. When Dillow assumed his new position couldn't be learned by press time. Robinson and Dillow did not return calls seeking comment.

Corporate Strategies

UIL Funds Gas Co. Purchase With Bonds

UIL Holdings Corp. is financing its \$1.296 billion acquisition of three gas distribution companies from Iberdrola USA with \$450 million in bonds. UIL wrapped the offering of senior unsecured notes Oct. 7.

The purchase of **Southern Connecticut Gas**, **Connecticut Natural Gas** and **Berkshire Gas Co.** is slated for a Q1 close and needs to secure regulatory approval. If the acquisition is not complete by Aug. 25, UIL will redeem the notes at 101% of the aggregate principal plus accrued and unpaid interest. "Once we knew we had all components in place we just chose to move at opportunistic price points," says a spokesman in New Haven,

Conn. A finance department official was unavailable for comment.

The 10-year notes carry a 4.625% coupon. UIL priced the notes at 225 basis points over U.S. Treasuries. **Bank of America**, **JPMorgan** and **Morgan Stanley** are bookrunners. **Goldman Sachs** and **Mitsubishi UFJ Securities** are co-managers. The bonds are rated Baa3 by **Moody's Investors Service** and BBB- by **Standard & Poor's**.

The company will finance the remaining purchase costs with roughly \$520 million equity issuance of 17.7 million shares plus a 2.6 million over-allotment option. The shares sold at \$25.75 each. An assumption of \$411 million debt on the three companies will round out the purchase price.

UIL agreed to purchase the companies in May. The trio serves 366,000 customers in Connecticut and Massachusetts.

Project Finance Deal Book

*Deal Book is a matrix of energy project finance deals that PFR is tracking in the energy sector. The entries below are of new deals or deals where there has been change in their parameters or status. To report updates or provide additional information on the status of financings, please call Senior Reporter **Brian Eckhouse** at (212) 224-3624 or e-mail beckhouse@iinews.com.*

Live Deals: North America

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
Acciona Energy North America	EcoGrove (100.5 MW Wind)	Stephenson County, Ill.	Santander	Mini-Perm	\$100M	4-yr	Santander closes loan and looks to syndicate it (PFR, 10/4).
BP, Sempra	Fowler Ridge II (199.5 MW Wind)	Benton County, Ind.	TBA	TBA	TBA	TBA	BoTM among a club backing deal (see story, page 2).
BP Wind Energy	Cedar Creek II (250.8 MW Wind)	Weld County, Colo.	TBA	TBA	\$400M	10-12-yr	Commitments due Oct. 21 (see story, page 3).
Brookfield Renewable Power	Comber (166 MW)	Essex County, Ontario	Scotia	TBA	TBA	TBA	Deal wraps (PFR, 10/5).
Caithness Energy, GE Energy	Shepherds Flat (909 MW Wind)	Oregon	BoTM, WestLB, Morgan Stanley, Credit Suisse, RBS, Citi	TBA	TBA	TBA	Sponsors snag partial loan guarantee (see story, page 4).
Competitive Power Ventures	Various (7 GW Wind)	Various U.S.	TBA	TBA	TBA	TBA	Developer plans massive pipeline of wind projects (PFR, 10/4).
Eurus Energy, NRG Energy	Various (45 MW Solar)	TBA	Natixis, UniCredit, SMBC	TBA	\$200M	TBA	Deal wraps (PFR, 10/4).
Exergy Development Group	Various (183 MW Wind)	Idaho	GE EFS	TBA	\$322M	15-18-yr	BoTM wraps \$242 million, first phase of financing (see story, page 3).
Gradient Resources	Patua (60 MW Phase I Geo)	Reno, Nev.	TBA	TBA	\$200M	TBA	Year-end closing eyed (PFR, 10/4).
GWf Energy	Tracy (314 MW Combined Cycle)	Tracy, Calif.	MUFG	TBA	\$305M	TBA	Sponsor seeks roughly \$350 million loan (PFR, 10/8).
Invenergy	Le Plateau (138 MW Wind)	Quebec, Canada	TBA	TBA	TBA	TBA	Natixis and RBC mull participation (PFR, 10/8).
Lincoln Renewable Energy	Various (100 MW Solar PV)	New Jersey	TBA	TBA	\$400-500M	TBA	Sponsor targets relationship lenders of Airtricity and SunPower (PFR, 10/11).
Mirant	Marsh Landing (760 MW Gas-Fired)	Antioch, Calif.	WestLB, RBS, RBC	TBA	\$630M	10-yr	Syndication wraps as retail round launches (see story, page 4).
Nevada Geothermal	Various (60 MW Geothermal)	Nevada and Oregon	TBA	TBA	TBA	TBA	Sponsor to seek DOE loan guarantees (PFR, 9/20).
NextEra Energy Resources	Genesis Solar Energy Project (250 MW)	Blythe, Calif.	TBA	TBA	\$1B+	TBA	NextEra scouts financing for concentrating solar thermal plant (PFR, 10/11).
Northland Power	Mont Louis (100 MW Wind)	Mont Louis, Quebec	Manulife	TBA	\$102M	20-yr plus construction	Canada Life joins loan backing deal (PFR, 10/4).
Pure Energy	Bayonne Energy Center (512 MW Gas)	Bayonne, N.J.	Crédit Agricole, WestLB	Mini-Perm	\$370M	TBA	Deal wraps with eight banks participating (PFR, 10/4).
SolarReserve	Rice (150 MW Solar Thermal)	Blythe, Calif.	TBA	TBA	TBA	TBA	SolarReserve seeks loan from U.S. Federal Financing Bank (see story, page 3).
Starwood Energy	Various (60 MW Solar)	Central Calif.	TBA	TBA	TBA	TBA	Starwood seeks financing for three, 20 MW solar plants (PFR, 9/27).
	Unidentified (30 MW Solar PV)	Sault Ste. Marie, Ontario	NordLB, KfW IPEX-Bank	TBA	\$100M	TBA	Deal wraps (PFR, 10/4).

For a complete listing of the Project Finance Deal Book, please go to iipower.com.

Generation Sales Database

Following is a listing of ongoing generation asset sales from PFR's Generation Sales Database. The entries below are of new sales and auctions or of sales and auctions that have changed in their parameters or status. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report new sales and auctions or changes in the status of a sale or auction, please call Senior Reporter **Holly Fletcher** at 212.224.3293 or e-mail hletcher@iineews.com. The full database is available at <http://www.iipower.com/GenerationSalePage.aspx>

Seller	Assets	Location	Advisor	Status/Comments
Ameren	Coffeen Power Station (950 MW Coal) Electric Energy (800 MW Coal) Hutsonville Power Station (156 MW Coal) Meredosia Power Station (513 MW Coal) Newton Power Plant (1.15 GW Coal) Columbia Energy Center (140 MW Gas) Elgin Energy Center (460 MW Gas) Gibson City Power Plant (228 MW Gas) Grand Tower Power Plant (511 MW Gas) Joppa (165 MW Gas)	Coffeen, Ill. Joppa, Ill. Hutsonville, Ill. Meredosia, Ill. Newton, Ill. Columbia, Mo. Elgin, Ill. Gibson City, Ill. Grand Tower, Ill. Joppa, Ill.	JPMorgan	Ameren is quietly selling its unregulated generation facilities (PFR, 8/30).
BlackRock Subsidiary and investor group	Milford Power (559 MW CCGT)	Milford, Conn.	JPMorgan	Teasers for the facility went out late last month (PFR, 8/30).
Brick Power	Tiverton (265 MW Natural Gas)	Tiverton, R.I.	Deutsche Bank	First Reserve, Capital Power, Centrica, Energy Capital Partners and Constellation Energy submit bids (PFR, 8/16).
	Rumford (265 MW Natural Gas)	Rumford, Me.		
Cogentrix Energy	20% interest in Calypso Energy Holdings	Various in U.S.	Goldman Sachs	Wants to exit the 2.8 GW Calypso portfolio that consists of coal and gas-fired facilities (PFR, 8/2).
Invenergy	St. Clair (570 MW, CCGT) Raleigh (78 MW wind project)	Ontario Ontario		Divesting Canadian assets to focus on development in the U.S. (PFR, 9/20).
JPMorgan	Triton (550 MW NatGas)	Jackson, Mich.	JPMorgan	JPMorgan is flipping a facility that unit Arroyo Energy Investors just bought from Kinder Morgan (PFR, 10/4).
PSEG	Guadalupe (1 GW, CCGT)	Marion, Texas	Goldman Sachs	Strategics with existing operations in the area are said to be considering bids (PFR, 9/20).
	Odessa (1 GW, CCGT)	Ector County, Texas		
Raser Technologies	Thermo 1 (14 MW Geothermal, development assets)	Thermo, Utah	Bodington & Co.	The developer is selling its operational geothermal facility to redeploy the funds to other development projects (PFR, 10/4).
Renegy Holdings	Snowflake (24 MW wood fired)	Snowflake, Ariz.	Ewing Bemiss & Co.	Najafi Companies expects to close the \$4.75 million acquisition by Nov. 1; is eyeing additional purchase opportunities (PFR, 10/11).
Ridgewood Renewable Power	Brea (5 MW landfill gas-to-energy)	Brea, Calif.	Ewing Bemiss & Co.	Macquarie Infrastructure Partners is buying for \$25 million and will look to finance expansions (PFR, 9/13).
	Providence (20 MW landfill gas-to-energy)	Providence, R.I.		
Royal Dutch Shell	Shell Wind Energy (stakes in 1.1 GW) 50% Rock River (50 MW) 50% White Deer (80 MW) 50% Top of Iowa (80 MW) 50% Cabazon (41 MW) 50% Whitewater Hill (60 MW) 50% Brazos (160 MW) 50% Colorado Green (162 MW) 50% NedPower Mount Storm (264 MW) European wind (200 MW)	U.S. and Europe Wyoming Amarillo, Texas Joice, Iowa Palm Spring, Calif. Palm Spring, Calif. Lubbock, Texas Lamar, Colo. Grant County, W.Va. Various	Morgan Stanley	Selling its wind development unit; teasers out last week (PFR, 9/6).
Stark Investments	Wolf's Hollow (730 MW Gas)	Hood County, Texas	JPMorgan	The hedge fund looks to exit non-core assets (PFR, 8/16).
Tenaska	35% of 70% Alabama II (885 MW Gas)	Billingsley, Ala.	Citigroup, Morgan Stanley	Japanese investors and infrastructure funds are amongst the final bidders. Winner expected later this month (PFR, 10/11).
	35% of 70% Virginia (885 MW Gas)	Scottsville, Va.		
	35% of 20% Kiowa (1.222 GW Gas)	Kiowa, Okla.		
	22% of 32% Gateway (845 MW Gas) 35% of 70% Georgia (944 MW Peaker)	Mt. Enterprise, Texas Frankling, Ga.		
U.S. Power Generating Co.	Boston Generating	Greater Boston area	JPMorgan	JPMorgan is trying to drum up more bidders for the court-run auction on Nov. 15 (see story, page 2).
	Mystic 8 (801 MW Gas fired) Mystic 9 (801 MW Gas fired) Fore River (801 MW Gas fired) Mystic 7 (560 MW Gas fired) Astoria Generating (1.28 GW Natural Gas) Gowanus (542 MW Fuel, oil and gas-fired) Narrows (276 MW Fuel oil and gas-fired)	New York City New York City New York City	Goldman Sachs	Three bidders are in the second round (PFR, 10/11).
ArLight Capital Parnters, Olympus Power	Cadillac (38 MW wood-fired)	Cadillac, Mich.	Ewing Bemiss & Co.	The facility is expected to fetch between \$70-100 million; a buyer is expected soon (see story, page 4).

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

- **Sempra Generation** is planning a \$500 million, 150 MW solar plant roughly 40 miles west of Phoenix, Ariz. **Pacific Gas & Electric** is the offtaker (*The Arizona Republic*, 10/14).
- **Duke Energy Generation Services** has formed a partnership with **Integrus Energy Services** to sell electricity generated by mounted photovoltaic arrays to commercial, government and utility customers across the U.S. The companies anticipate investing up to \$180 million for projects in the next two years (*The Charlotte Observer*, 10/14).
- **Bank of America** has agreed to finance the final two phases of **SunEdison's** \$173 million solar farm in Davidson County, N.C. **Duke Energy Carolinas** has a 20-year offtake agreement for the farm (*Charlotte Business Journal*, 10/14).
- **Xcel Energy** unit **Public Service Company of Colorado** has agreed to buy electricity generated by a 30 MW photovoltaic plant that **Iberdrola Renewables** is developing in San Luis Valley, Colo. (*The Denver Post*, 10/14).
- The **North Carolina Utilities Commission** has ruled that **Duke Energy** can use trees for wood-burning biomass plants instead of relying solely on waste-wood. Duke is planning to mix coal with trees at its Buck and Lee facilities (*The Charlotte Observer*, 10/13).

- **Exelon** and other sponsors are pulling back from proposed nuclear reactors in the U.S. amid decreased electrical demand and falling prices of competing energy sources. The number of proposed nuclear reactors in the U.S. has dropped sharply in recent years, from 28 to seven (*The New York Times*, 10/14).

Asia/Pacific

- **BrightSource Energy** of Oakland, Calif., is eyeing expansions into Australia and South Africa to take advantage of friendly policies and abundant sun. The solar thermal developer plans to start construction on its first U.S. project, Ivanpah, in 2012 (*Reuters*, 10/13).
- **Enel** is talking with Asian and Middle Eastern sovereign wealth funds about taking 2-3% stakes in the initial public offering for subsidiary **Enel Green Power**. The Italian company wants foreign long-term investors for its renewable energy development arm (*Reuters*, 10/13).
- New South Wales has pushed the deadline for bids for three retail businesses to Nov. 15. **EnergyAustralia**, **Country Energy** and **Integral Energy** could fetch \$2.97 billion (*Bloomberg*, 10/11).

FIRST WIND

(continued from page 1)

The wind developer is on a typical road show route—out talking to pension funds, financial players and insurance companies. First Wind is planning to sell 12 million shares for \$24-26 each, according to a document filed with the **Securities and Exchange Commission** Wednesday. The developer and its underwriters have set Oct. 27 as the day to price the shares, an industry official says. A First Wind spokesman in Boston declined to comment on potential investors and road show stops or confirm the day pegged for pricing.

The IPO is expected to be met with interest by investors intrigued by “green hype” although the lack of existing investment opportunities in the renewable space means they could initially be wary of committing their money, bankers say. First Wind’s management team and strong development assets are likely to be a boon at the presentations, one banker notes. Currently, individual investors interested in renewable energy

are constrained to either clean technology companies or holding companies like **NextEra Energy** that have a development arm, he adds.

The company plans to be listed as “WIND” on **NASDAQ** and will retain 51.6%, or 23,239,140 shares. **Credit Suisse**, **Deutsche Bank**, **Goldman Sachs** and **Morgan Stanley** are leading the IPO. **Citigroup**, **Keybank**, **Macquarie Capital**, **Piper Jaffray & Co.**, **Royal Bank of Scotland** and **Société Générale** are co-managers.

There is an option for underwriters to purchase 1.8 million shares if there are over allotments.

First Wind had originally planned to raise about \$450 million when it initially filed with the SEC in 2008 (PFR, 5/16/08), but declined to pull the trigger on the deal in the face of the financial crisis. Officials at Credit Suisse, First Wind, Goldman, Macquarie and Morgan Stanley declined to comment. Officials at the other banks didn’t respond to inquiries.

—Holly Fletcher

RENEWABLE PLAYERS

(continued from page 1)

immediate payout of 30% of a project's costs.

Some banks and companies, such as **Google**, with adequate balance sheets are considering making tax equity investments in renewables projects. Their activity and numbers fall short of meeting the demand. "When you get past Google, you don't see too many new entrants," says **Darren Van't Hof**, **US Bank** director of renewable energy investments in St. Louis, Mo. "Every now and then, you see a small bank or a utility do it, but they're not big players."

Bankers are anticipating the potential sunset of the cash grant will affect the project finance landscape in the middle of next year, because projects qualifying for the grant can wrap financing after Dec. 31 if they've spent 5% at projects sites by that date. "We won't see a cliff effect," says **Eli Katz**, partner at **Chadbourn & Parke** in New York. A tax bill is the only Congressional vehicle that could save the grant by year-end (PFR, 10/5).

If saved, the program likely will be converted to a tax refund, paid a year after the project is operational. However, industry observers say the chances of such a conversion are unlikely due to

the cost of the program and political issues (PFR, 10/5).

Google, which has invested in **NextEra Energy Resources** wind farms and **Trans-Elect's** proposed \$5 billion offshore transmission line, is ramping up its renewables team under **Richard Needham**, director of green business operations in Mountain View, Calif., and anticipates further involvement in tax equity and project finance. The company is looking at financing wind, solar and geothermal projects globally. It has no specific budget or financing target in 2011, says a Google spokesman, who declined to discuss the scope of the company's ambitions in the renewables space and the size of its team. Needham was unavailable for comment.

—**Brian Eckhouse**

EDF TAPS

(continued from page 1)

Constellation the option to sell \$2 billion of non-nuclear generation assets to EDF.

EDF has said it would support the sale of Constellation, according to a *Bloomberg* report. Whether EDF is looking to sell its stake in Constellation as well as the nuclear partnership could not be learned.

Details on the nature of the clause in the original agreement could not be learned. A Lazard official, an EDF spokeswoman in Paris and a Constellation spokesman in Baltimore, Md., declined to comment.

The nuclear group has 3.8 GW of operating capacity. Constellation withdrew its application Friday to the U.S. **Department of Energy** for a \$7.5 billion loan guarantee supporting its planned Calvert Cliffs 3 expansion, citing high costs associated with the federal financing process. Whether EDF will remain involved with the project is unclear.

—**Holly Fletcher**

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Quote Of The Week

"When you get past Google, you don't see many new entrants. Every now and then, you see a small bank or a utility do it, but they're not big players."—**Darren Van't Hof**, **US Bank** director of renewable energy investments in St. Louis, Mo., on the lack of growth in the number of tax equity investors (see story, page 1).

One Year Ago In Power Finance & Risk

ArcLight Capital Partners and **Hess Corp.** were deciding which bank would lead a financing backing its 512 MW gas-fired peaker in Bayonne, N.J. [The sponsors selected **WestLB** and **Crédit Agricole**, which closed a \$370 million loan this fall (PFR, 9/30). **GE Capital**, **Intesa Sanpaolo**, **Investec**, **LBBW** and **Société Générale** were among the banks taking tickets.]