power finance & risk

The exclusive source for power financing and trading news

www.iipower.com

A PUBLICATION OF INSTITUTIONAL INVESTOR, INC.

OCTOBER 20, 2008
VOL. XI, NO. 42

Westar Plots Transmission Debt

Westar Energy is looking to finance half of a planned $600 million transmission line with debt.

see story, page 2

At Press Time

In The News

Corporate Strategies

Departments

SEA BREEZE SEEKS INVESTORS FOR $2.3B

Vancouver-based **Sea Breeze Power** is seeking strategic partners to invest $2.3 billion into wind, hydro and transmission projects. "We have been favoring the idea of a strategic partner whose expertise could pull us through the construction side… If it's a financial partner then we would put a turn key contract out for tender [for construction]," says **Paul Manson**, president and ceo.

First up are the $259 million, 100-120 MW Knob Hill wind farm in Vancouver, B.C. and the $75 million, 27 MW Cascade Heritage hydro project on the Kettle River near Christina Lake, B.C. Manson says the partner will determine the method of financing for the projects and the proportion of debt to equity. "It will be either off the balance sheet or project financed… These days that's an open question with the way the markets are and obviously that's a subject of negotiation at this point."

(continued on page 7)

SDG&E TO ISSUE DEBT FOR $1.5B TRANSMISSION LINE

San Diego Gas & Electric is planning to finance half of its $1.5 billion Sunrise PowerLink transmission project with debt issuances. "We'll probably use debentures or first mortgage bonds; it will depend on the timing of capital outlays and the conditions of the markets," says **Dennis Arriola**, cfo of the **Sempra** subsidiary. The utility will likely finance the balance with equity to maintain a 50:50 debt-to-equity capital structure.

The 150-mile, 500 kV line will run between San Diego and

(continued on page 8)

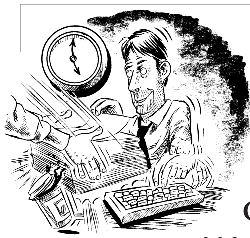
CHERMAC TO SELL MEGA WIND PORTFOLIO

Chermac Energy Corp. is planning to sell a portfolio of 1 GW in wind projects in various stages of development in Oklahoma and Texas, with a ball park valuation of $2.5 billion. **NorthWinds Advisors** is running the sale and targeting mainly strategic buyers.

The Edmond, Okla.-based E&P and wind player first tapped NorthWinds in 2005 and has sold about 1 GW of wind generation thus far for Chermac, says **Garth Klimchuk**, managing director in Harrison, N.Y. But, now the company is selling an entirely new portfolio on an asset-by-asset basis as development projects. Klimchuk declined to discuss why the projects are up for sale or details of the individual projects. Officials at Chermac did not return calls. The sale of the first project will likely occur in the first quarter of next year, he says, but no hard deadline has been set.

Klimchuk notes that that wind generation is typically valued between $2,500-2,700 per

(continued on page 8)



At Press Time

Caithness Affiliate Seeks Buyer For Ore. Wind

Caithness Energy affiliate **DCE** is looking to sell its 909 MW Shepherd's Flat wind project in development in Gilliam and Morrow Counties, Ore. **Citigroup** is auctioneer. Teasers have been dispatched. **Southern California Edison** signed a 20-year PPA with DCE in August for the project, which will be the largest wind farm in the U.S. Construction is expected to begin 2011. Calls to **Les Gelber**, president and coo, at Caithness, were not returned. Officials at Citi declined comment or did not return calls.

Danish Co. Seeks EIB Loan

Denmark's **DONG Energy** is seeking a EUR250 million ($336.76 million) loan from the **European Investment Bank** for its EUR515 million, 172 MW Gunfleet Sands Offshore Windfarm about four miles southeast of Clacton-on-Sea, Essex in the U.K.

An EIB spokeswoman in Luxembourg declined to say how the financing would be structured, but the bank is appraising the project and targeting approval in about six months. **Carsten Blennow**, funding manager at DONG, says the EIB board of directors is likely to make its decision in December or late February. DONG is funding at least EUR275 million from its corporate balance sheet, says Blennow. If EIB does not approve the financing, DONG will finance the entire project on balance sheet. Construction started last week and the project is expected online in 2010.

Westar To Issue Debt For Transmission Line

Westar Energy is planning to finance half of its $600 million 745 kV Prairie Wind transmission line with first mortgage bonds or debentures. "We'll look for a revolving credit facility or some kind of term loan for the construction. Once the construction is complete we would look to securing that with something a little more long term," notes **Bruce Burns**, director of investor relations in Topeka. The line is slated for operation in 2013.

Electric Transmission America, a joint venture between a **MidAmerican** subsidiary and **American Electric Power**, is the 50% JV partner on the 230-mile line which will run between Wichita and the Oklahoma border.

Burns notes that Westar will seek debt financing at the opco level when it receives the necessary rate-increase approval from state and federal regulators sometime in 2009. The partners will cover the balance of the project costs with equity. Westar will sell stock to provide equity for the line, though the timing has not been determined. **John Stough**, v.p. of ETA did not return calls and ETA spokeswoman **Melissa Henry** declined to comment.

Westar will look to relationship banks for placement agents and bookrunners. They include **Banc of America**, **Bank of New York**, **Barclays**, **BNP Paribas**, **Citigroup**, **Credit Suisse**, **Deutsche Bank**, **JPMorgan**, **Union Bank of California**, and **Wachovia** among others.

power finance & risk
The exclusive source for power financing and trading news

3i-Backed IPP Hunts For Investor

Advanced Power has kicked off a competitive process seeking a majority investor in the company to provide capital for its pipeline. The Zug, Switzerland-based IPP, backed by private equity firm **3i**, has tapped **Greenhill & Co.** as financial advisor, says a spokeswoman for Advanced Power in London. She declined to comment on the amount of the investment being sought.

Teasers were sent out last week to undisclosed targeted parties, including strategics and infrastructure funds. The process is expected to be complete by year-end or the first quarter of next year.

The company focuses on developing power generation in North America and Europe and its board members include the former ceos of **Scottish Power** and **InterGen**. While it has generally exited developments pre-construction, it has decided to shift strategy and sees value in operating plants. But the company is not in a position to fund that capital investment, says a spokesman. It is planning to start construction on 1.2 GW CCGT Eemsmond Energie in Eemshaven, the Netherlands and 1.1 GW CCGT Mérida Power in Valverde de Mérida, Extremadura, Spain in 2010.

It is also developing a 350 MW CCGT and 400 MW CCGT in North-Rhine Westphalia, Germany with affiliates of **Siemens Financial Services** (PFR, 5/2). Separately, it is planning to sell its stake in a EUR446 ($601.89 million) 420 MW CCGT in Limburg, Belgium (PFR, 7/18), which is expected to come online in 2011. Further details of the sale could not be learned.

Officials at Greenhill in London did not return calls.

Tenaska To Fund Plant Acquisition With Equity


Dan Lonergan

Tenaska Capital Management will fund its agreed upon acquisition of **MACH Gen**'s **New Covert Generating Co.**—owner of 1.1 GW gas-fired Covert Generating in South Haven, Mich.—entirely with equity. A purchase price was not disclosed. **Credit Suisse** ran the sale of the plant, and Tenaska did not use an advisor because of in-house capabilities, says **Dan Lonergan**, senior managing director at Tenaska in Omaha, Neb.

MACH Gen put Covert on the block last year along with 360 MW Millennium in Charlton, Mass., 1,080 MW Athens in Athens, N.Y., and 1,092 MW Harquahala in Tonopah, Ariz. (PFR, 12/11). "We actually looked at the Covert plant for some time," says Lonergan. "We've always liked the location," he says, also noting facility's newer technology was attractive. The plant came online in 2004 and sells power into the **Midwest Independent System Operator**.

TCM will acquire the company through a special purpose vehicle, says Lonergan, and does not plan on purchasing any of the remaining plants. The deal is expected to close by year-end, pending Hart-Scott-Rodino review and **Federal Energy Regulatory Commission** approval.

Calls to CEO **Ned Kleinschmidt** and **Chip Cummins**, managing director at **Capstone Advisory Group** in Saddle Brook, N.J., were not returned.

South Africa's Standard Bank Taps HSBC Banker

Standard Bank has hired **Paul Eardley-Taylor**, senior v.p. of debt and infrastructure at HSBC in Johannesburg, as head of energy and infrastructure for South Africa and Africa. "I'm in charge of sector coverage, so it's a huge step up," says Eardley-Taylor. "They haven't been able to capture top-tier transactions as they would have liked," he says, noting with his hire the bank hopes to change that. The energy and infrastructure team will be expanded under Eardley-Taylor, but exact positions are unknown at this time.

Eardley-Taylor's last day at HSBC was Friday. He will start in the newly-created position toward year-end based in Johannesburg, reporting to **Alex Otto**, head of client coverage for South Africa and Africa. Otto did not immediately return a call.

Eardley-Taylor has been at HSBC for over 10 years and before transferring to South Africa (PFR, 3/7) he was director of power and utility project finance in London.

Oil-Backed Wind Developer Seeks Investors

Whirlwind, a subsidiary of the Casper, Wyo.-based oil company **Wold**, is looking for investors to develop its maiden 150 MW Lonesome Bronco wind farm in Rock Springs, Wyo. "There's a decent amount of money out there…We're open minded and we've considered a number of different structures," says **Brian Reilly**, development manager from the company's Denver office, adding that Whirlwind would like to nail down financing by the end of next year.

Whirlwind will evaluate a range of options from financing from strategic investors to partnering with larger developers or selling the project outright when it's cleared for development, in the beginning of 2010. The project is slated for operation later that year. Reilly declined to specify the amount of investment sought or to identify potential investors.

Wold opened Whirlwind in 2006 to take advantage of what Reilly notes are the substantial winds in Wyoming. "It was kind of a natural progression as wind gained notoriety and financials became more realistic. It was another thing to consider in the energy perspective." He declined to specify Wold's contribution or confirm any tax equity benefits the parent company may receive from the endeavor.

Whirlwind also has a 1.2-1.3 GW portfolio of five projects in development in Wyoming scheduled to go online in 2012. Reilly says that financing for the subsequent farms may differ from the selected structure chosen for Lonesome Bronco due to location and other factors and that their development depends on increasing the state's transmission infrastructure. The company is also evaluating several sites in Montana, New Mexico and Colorado.

Eskom Set To Release Generation RFP

Eskom was planning to release a request for proposals last week to build, own and operate plants for the first development of generation through the private sector in South Africa. It received 31 requests for qualification from undisclosed parties for the tender last month. **HSBC** is financial advisor to the state-owned utility on the tender (PFR, 5/23).

Eskom is seeking IPPs to build, own and operate a total of 2.1-4.5 GW of baseload capacity. Plants must be 200 MW or greater and selected parties will have a 25-year PPA with the utility (PFR, 8/28). It could not be learned when final bids are due, since the tender timeline has already been pushed back, but a preferred bidder is expected to be chosen in the second quarter of next year. The first project expected to come online in 2013.

Officials at Eskom did not immediately reply for a request for comment and an official at HSBC declined to comment.

BP, Dominion Wind Leads Mull A Club Deal

The three lead banks arranging debt for **BP Alternative Energy** and **Dominion**'s 750 MW Fowler Ridge financing are reportedly considering restructuring the deal as a club. The change comes due to the meltdown of the credit markets, says a deal tracker familiar with the project.

BP and Dominion selected **Bank of Tokyo Mitsubishi**, **BBVA** and **Société Générale** to arrange $425-430 million for the 301 MW phase roughly 90 miles northwest of Indianapolis (PFR, 9/16). At the time, the structure and terms had not been finalized, but syndication was scheduled to launch in early this month with an eye to closing the deal by next month. Calls to officials at the banks were not returned, nor were calls to the sponsors.

Lone Star Wind Developer Seeks Partner, Offtaker

Brittany Kindle

Heartland Renewable Energy is looking for a joint venture partner and an offtaker for its first wind project. The first near 20 MW phase of the early stage development in Hutchinson and Moore Counties, Texas, is expected to cost around $40 million, says **Brittany Kindle**, co-founder of parent **Kindled Energy**.

Heartland—a joint venture of Borger, Texas-based **Heartland Natural Gas** and Austin, Texas-based Kindled Energy—has been talking to a number of companies. "We actually have talked with **OwnEnergy** pretty extensively. That is an option that has been on the table now for some time," says Kindle of a potential partnership with the Brooklyn, N.Y.-based wind developer.

Kindled Energy, which was formed by Kindle and her husband **Jeramy Kindle** provides the development knowledge and day-to-day project management while his stepfather's business, Heartland Natural Gas, is the owner of the 7,000 acres in which the project is on and has thus far provided project capital. The land could support around 60-80 MW, she says, but the company wants to focus on getting the first phase in the ground, which is planned to come online at the end of next year. "One thing we have in this business is patience. We're not in a really big hurry," she says.

Separately, Heartland Natural Gas and Kindled Energy signed a 45-year lease last year with **WKN Windkraft Nord** for land in Moore County, Texas. Windkraft is developing a 100-200 MW wind farm on the land, says Kindle, and is looking to acquire more property from other landowners to increase the project size.

Officials at Heartland Natural Gas and Windkraft could not be reached and **Jacob Susman**, ceo of OwnEnergy, did not immediately return a call.

Tenn. Nonprofit Looks To Up TVA Generation Stake

Jack Simmons

Seven States Power Corp., a nonprofit consisting of 159 distributors, is aiming to increase the size of its ownership in **Tennessee Valley Authority**'s roughly 30 GW generation portfolio. Currently capped at 5%, the Chattanooga, Tenn., organization is hoping to boost that if a pilot ownership in TVA's 810 MW Southaven combined-cycle gas plant in Southaven, Miss., is successful. "This is the first time in 75 years…distributors have been able to own anything in the Valley," says **Jack Simmons**, president and ceo of Seven States.

"We've wanted some kind of choice in asset planning.

The Southhaven deal sees Seven States take a nominal 70% stake acquisition. Neither party used a financial advisor for the $325 million transaction which closed Sept. 30.

Seven States is looking to increase its share in Southaven to 90% after Jan.1 and also wants to be involved in TVA's $10-15 billion spending plan for the next 10 years, says Simmons. Under their agreement, Seven States can now purchase up to about 1.5 GW in capacity from the government entity, leaving about 770 MW of capacity expansion left after its stake increase in Southaven. Officials at TVA declined to comment but **Ken Breeden**, executive v.p. of customer resources at TVA, said in a statement, "This agreement is an important first step toward long-term shared ownership that could help reduce TVA's costs and keep TVA's wholesale electric rates as low as possible."

JPMorgan was lead arranger for temporary acquisition financing on the acquisition, providing a $125 million loan. **CoBank** and **BB&T** each provided a $50 million loan. One other undisclosed bank was set to provide $95 million so Seven States could originally purchase a 90% stake, but could not arrange the financing by the closing date, says Simmons. Seven States plans to put permanent financing in place next year consisting of 70% tax-exempt financing and 30% traditional financing.

Corporate Strategies

Yankee Gas Swoops On Small Turmoil Window

Yankee Gas has tapped the private placement market for $100 million in 6.9%, first-mortgage bonds, taking advantage of a brief respite from recent turmoil. "Our expectations six months ago would have been for something lower [in terms of coupon] but given the markets, we're just very pleased to consummate the bond issue at something below seven percent," says **Jeffrey Kotkin**, v.p. of investor relations at parent company **Northeast Utilities** Berlin, Conn. The bonds priced Oct. 6 and closed Oct. 8.

Proceeds from the privately placed 10-year notes will repay short-term debt that Yankee used to finance its $108 million, 1.2 billion cubic feet liquid natural gas storage facility in Waterbury, Conn., which went online last year. Kotkin points out that debt issuance for Yankee has been privately placed since NU acquired the company in 2000 and that NU has chosen to continue using private placement to avoid the expense of filing with the **Securities and Exchange Commission**.

Banc of America Securities is the bookrunner and **Wells Fargo** is the co-agent. "They're two banks that we've done a lot of business with and they've done a good job for us in the past," notes Kotkin, adding that the banks also have substantial private placement experience and are on NU's $400 million revolving credit facility along with several other institutions that Kotkin declined to identify.

The deal concludes $760 million of debt issuances that NU has made on behalf of Yankee and subsidiaries **Connecticut Light and Power**, **Public Service of New Hampshire** and the **Western Massachusetts Electric Company** this year. Kotkin notes that proceeds will be used to refinance maturing debt, replace distribution and transmission infrastructure and expand networks, citing a possible increase in demand for gas heating due to higher oil prices. Yankee serves 205,000 customers in 71 Connecticut cities and towns. The company's debt-to-equity ratio could not be learned.

SoCal Edison Issues $500M Bonds For Capex

Southern California Edison has issued $500 million in 5.75% first and refundable mortgage bonds as it gears up for a five-year $20 billion capex plan. **Phil Smith**, an analyst at **Fitch Ratings Services**, notes that the majority of the capex, about 77% or $15.4 billion, will be devoted to transmission and distribution projects. The **Edison International** subsidiary will use proceeds from the issue of six-year notes to refinance $150 million of short-term debt maturing in February, 2009 and toward general corporate purposes. The issue priced Oct. 7 and closed last Wednesday. Calls to **Jim Scallaci**, cfo, **Thomas Calabros**, director of finance, and an SCE spokeswoman in Rosemead, Calif., were not returned.

SCE's transmission projects include the $5 billion, 56.2 mile Tehachapi line, which is composed of three 500 kV segments. The line would bring 4.5 GW of wind and solar in remote parts of Los Angeles and Kern Counties, Calif., online between 2009 and 2013. The utility also has 6 GW in the development pipeline including an $875 million, 250 MW solar project in Fontana, Calif., and 34 wind projects with a combined 5 GW capacity throughout the Golden state.

Banc of America, **Citigroup**, **Deutsche Bank** and **JPMorgan** are bookrunners each with a $110 million tranche and **UBS**, **Cabrera Capital Markets** and **SL Hare Capital** are co-managers with $35 million, $15 million and $10 million tranches, respectively. Smith notes that SCE has $400 million of debt maturing in the next two years. The utility, the largest in California with over 13 million customers, has roughly $5 billion of outstanding long term debt as of last year.

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@iinews.com.*

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
AES	Warrior Run	Cumberland, Md.	205	Coal	Goldman Sachs	Shopping PJM assets (PFR, 5/21).
	Red Oak	Sayreville, N.J.	832	Gas		
	Ironwood	South Lebanon Township, Pa.	720	Gas		
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	Polk County, Fla.	155 (70%)	Gas, Oil	McManus & Miles	Atlantic Power Corp. has agreed to purchase for $134.5M.
	Hobbs Generating	near Hobbs, N.M.	600	Gas	Credit Suisse	Selling newly commerical asset (PFR, 10/3).
	Juniper Generating	near Bakersfield, Calif.	298	Gas	Barclays Capital	Indicative bids taken mid-Sept. for portfolio of nine assets (PFR, 10/3).
Babcock & Brown	Noble Thumb Windpark	Thumb, Mich.	69	Wind	N/A	John Deere Renewables planning to buy (PFR, 10/10).
British Petroleum	N/A	Port Talbot, Wales	870 development	Gas	N/A	Shopping 100% interest in development (PFR, 9/12).
BTEC Turbines	Southaven Energy	Miss.	340	Gas	JPMorgan	Assets or just the equipment for sale. Teasers dispatched (PFR, 4/3).
	New Albany Power	Miss.	390	Gas		
Caithness Energy (DCE)	Shepherd's Flat	Gilliam and Morrow Counties, Ore.	909 development	Wind	Citigroup	Teasers dispatched (PFR, 10/20).
Calpine	Texas City	Texas City, Texas	425	Gas	Miller Buckfire	Second-round bids taken 5/5. Unsolicited bid for Calpine from NRG Energy said to be delaying the process.
	Clear Lake	Clear Lake, Texas	375	Gas		
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 taken early Oct. with sponsor evaluating bids.
Conectiv Energy	Various	PJM Interconnection	3,700	Various	Credit Suisse	Status unclear.
Con Ed Development	Genor	Puerto Barrios, Guatemala	42 (49.5%)	Oil		Industry Funds Management did not acquire.
	Ada Cogeneration	Ada, Mich.	29 (48%)	29 (48%)		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	McKittrick, Calif.	1,022	Gas	JPMorgan	Has agreed to merge with GSC Acquisition Co. in $1.3B deal (PFR, 5/16). Pending shareholder vote.
	Batesville	Batesville, Miss.	837	Gas		
Corona Power	Sunbury Generating	Shamokin Dam, PA	432	Coal, oil, diesel	Merrill Lynch	Soliticing equity to complete $250M of upgrades (PFR, 12/24).
CP Power Investments (Starwood Energy Investors II and Tyr Capital)	Panoche	Firebaugh, Calif.	49	Gas	N/A	Looking for new offtakers or buyers for facilities (PFR, 7/28).
	Vaca-Dixon	Vacaville, Calif.	49	Gas		
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.
EISSL	Various	Catalonia, Spain	630	Wind, Hydro	JPMorgan	Company weighing sale (PFR, 12/24).
Energy Capital Partners (FirstLight Power Enterprises)	Mt. Tom	Holyoke, Mass.	146	Coal	Credit Suisse	SUEZ Energy North America agreed to acquire (PFR, 9/8).
	Various	Conn. and Housatonic Rivers	216	Hydro		
	Empire Generating	Rensselaer, N.Y.	635	Gas		
	Waterbury	Waterbury, Conn.	96	Gas		
	Turners Falls	Turners Falls, Mass.	6	Hydro		
	Cabot, Mass.	Montague, Mass.	62	Hydro		
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;
	RS Cogen	Lake Charles, La.	212	Gas		two infrastructure (PFR, 6/18/07).
	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.

For a complete listing of the Generation Auction & Sale Calendar, please go to iipower.com

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

• The **Ontario Municipal Employees Retirement System** is teaming with other investors to purchase an undisclosed U.S. energy company worth more than C$10 billion ($8.6 billion), according to CEO **Michael Nobrega** (*Bloomberg*, 10/14).

• **Constellation Energy** and **MidAmerican Energy Holdings Co**. filed jointly with the **Federal Energy Regulatory Commission** for approval of Constellation's $4.7 billion proposed sale to the **Warren Buffet**-backed company (*Washington Business Journal*, 10/15).

• **Unitil Corp**.'s proposed acquisition of **Northern Utilities** from **NiSource** has been approved by the public utilities commissions in New Hampshire and Maine, with the transaction scheduled to close by year-end (*MarketWatch.com*, 10/15).

• **Entergy**'s plans to spin off five nuclear plants into **Enexus Energy** are threatened by the financial crisis (*Associated Press*, 10/13).

• **PPL Corp**. has filed with the **Nuclear Regulatory Commission** to build the $15 billion Bell Bend nuclear generation project next to its Susquehanna plant near Berwick, Pa. (*Reuters*, 10/10).

Europe

• **EDF** is evaluating a possible buyout of its partner in the **Unistar** joint venture as it looks at options to guarantee its access to the U.S. nuclear market (*Financial Times*, 10/10).

• Belgian officials are scoping alternatives for increasing competition in the country's power industry, which is dominated by **Electrabel**, a subsidiary of **GDF Suez** (*Reuters*, 10/14).

• **Helius Energy**, a U.K. renewable energy developer, has signed an option to lease land in the Bristol Channel in southwest England for the development of a 100 MW biomass plant (*Bloomberg*, 10/13).

• Italian company **ERG Renew** has bought a 50% stake in a French wind farm and five projects from French **GSEF** as it moves to expand into France (*Reuters*, 10/10).

• Poland's **KGHM** will spend $917 million on a copper mill and two gas-fired generation units (*Reuters*, 10/10).

Asia

• **Osaka Gas Co.**, Japan's second-largest gas distributor, may sell an equity stake of less than 10% in subsidiary **Senboku Natural Gas Generation Co.** to Oman in order to secure supplies of LNG (*Bloomberg*, 10/15).

• **Abraaj Capital**, a private equity firm, has bought a 50% stake in **KES Power**, the parent company of **Karachi Electric Supply Co.**, to boost generating capacity in Pakistan's largest city (*Bloomberg*, 10/15).

• China's **Guangdong Nuclear Power** has set up a joint venture with **Shenergy Group**, **Anhui Wenergy** and **Shanghai Electric Power** for a proposed 4 GW nuclear project in Anhui, China (*Reuters*, 10/14).

SEA BREEZE

(continued from page 1)

Manson notes that the developer is in talks with separate groups of interested parties for each project and that partners will be chosen within the next few weeks. Sea Breeze will bid both projects into **BC Hydro**'s Clean Power Call request for proposal for up to 5,000 gigawatt hours of renewable energy. The submission deadline is Nov. 25 and BC Hydro will award 15-40 year power purchase agreements in June of 2009. Knob Hill and Cascade Heritage are slated for operation in 2011. Manson declined to name potential partners or the types of firms being targeted.

Next up is the $2 billion, 1.6-GW capacity submarine West Coast Cable which would stretch 650 miles from Portland, Ore., to San Francisco, Calif. "This is just a very graceful and elegant way of letting San Francisco tap into the wind and hydro power of the Pacific Northwest," explains Manson, adding that Sea Breeze is entertaining interests from various candidates and will seriously pursue partners and offtake agreements for the project sometime in 2011. The project is slated for operation in 2013. He declined to identify parties interested in partnership or offtake agreements.

Sea Breeze has joined with **Energy Investors Fund** and **Boundless Energy** to develop the $450 million, 550 MW capacity Juan de Fuca bi-directional cable that would connect Vancouver, B.C., to Port Angeles, Wash. (PFR, 07/03). Manson says Sea Breeze is in talks with potential offtakers and aims to finalize agreements within the next several months, though he declined to identify interested parties. EIF is the sole financial backer of the 31-mile submarine cable, which is the first independently initiated and financed international power line and is set to go online sometime next year. *—Sara Rosner*

CHERMAC TO

(continued from page 1)

kilowatt, translating to a value of about $2.5-2.7 billion for the entire portfolio. However, one deal watcher says a discount price of at least 5-15% is generally expected for development projects. A portfolio of this size rarely comes to market, says the deal watcher, noting only companies like **Airtricity**, **Horizon** and **Iberdrola** have executed deals of similar size. "One gigawatt is a very sizeable package." ***—Katie Hale***

SDG&E TO

(continued from page 1)

Imperial Valley and give San Diego access to up to 1 GW of solar from **Stirling Energy** and **MMR Power Solutions** —3-4 GW of wind and 60 MW of geothermal. "There's a lot of power out there. We just need a highway to bring it in," Arriola says. The line is slated for operation in 2010.

SDG&E will use commercial paper in the interim. "You won't talk to a cfo today who isn't a little bit nervous about what's going on, but we've found that commercial paper from SDG&E and [sister company] **Southern California Gas** is still in demand," says Arriola.

The first phase of CP will be issued at the start of construction, which could be as early as the beginning of next year. SDG&E will issue bonds in installments of $250 million or larger when the CP reaches a critical amount.

The utility will look to relationship banks for placement agents and bookrunners. SDG&E and SoCal Gas entered into a three-year $800 million revolving credit facility with a syndicate of lenders lead by **JPMorgan** and including **Banc of America**, **Citigroup** and **Royal Bank of Scotland**. ***—S.R.***

Conference Calendar

- **Euromoney** will host its Renewable Energy Finance Forum-West Oct. 27-28 at The Grand Hyatt in Seattle. To register, visit www.reffwest.com or call 212.224.3789.
- The **Latin American Wind Energy Association** will host the first WIND EXPO LAWEA GUADALAJARA 2008 Nov. 4-7 at Expo Guadalajara in Guadalajara, México. To register, visit www.windexpo.org.
- **Edison Electric Institute** will host its 43rd Financial Conference Nov. 9-12 at the JW Marriott Desert Ridge Resort & Spa in Phoenix, Ariz. To register, visit https://it.eei.org/register/nf/ev005998late.html or call 202-508-5496.
- **First Conferences** will host the Second Annual Tidal Energy Summit '08 Nov. 11-12 at the Regents Park Marriott Hotel in London. To register, visit http://www.tidaltoday.com/tidal08/index.shtml.

Alternating Current

Canadian Candidate Gains Offsets, Loses Election

Stephane Dion, liberal prime ministerial candidate for Canada, has lost his re-election race despite his "carbon negative" campaign. Under Dion, the former environment minister, the Liberal Party lost 19 seats and garnered only 26% of the popular vote, its lowest support since 1984.

Dion did, however, blaze a trail on the carbon front. He purchased carbon credits to offset campaign emissions, after critics accused him of hypocrisy for supporting emissions cap legislation while leaving a carbon footprint in the wake of his extensive campaign trail. **CarbonZero**, a carbon offset retailer, bought the credits for Dion from **L2i Financial Solutions**. L2i sold the credits on behalf of a Montreal developer, who acquired them from a project that renovated low-income residences with energy-efficient boilers and solar panels.

Dion

"You need to practice what you preach so buying these offsets shows he was cognizant of the emission he was generating on his campaign trail," says **Adam Raphaly**, an environmental products broker at **TFS Energy**, which helped organize the deal between L2i and CarbonZero. Raphaly declined to specify the amount or cost of the credits and calls to officials at the Liberal Party of Canada were not returned.

Quote Of The Week

"You won't talk to a cfo today who isn't a little bit nervous about what's going on."—**Dennis Arriola**, *cfo at* ***San Diego Gas & Electric****, on plans to use commercial paper for construction financing and the freeze in credit markets (see story, page 1).*

One Year Ago In Power Finance & Risk

Energy Investors Fund was taking bids to lead financing for its 400 MW gas-fired Panoche plant in Fresno, Calif. [**BNP Paribas** won the tender and underwrote $321 million in 6.885% senior secured bonds (PFR, 1/29). The plant has a 20-year PPA with **Pacific Gas & Electric** and is set to come online in July next year].