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Power Finance & Risk

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

JP Morgan Preps Tax Equity for North Dakota Wind Project

Taryana Odayar

JP Morgan is looking to close a tax equity investment in a financially hedged wind farm in North Dakota by the end of the year.

The bank intends to buy all of the tax equity interests in the 99 MW Meadowlark Wind project, which **Capital Power Corp.** is building in McHenry County, by the time it is online in December, according to a U.S. **Federal Energy Regulatory Commission** filing dated Oct. 16.

The size of the tax equity check was not disclosed and inquiries to JP Morgan and Capital Power did not elicit a response by press time.

The Meadowlark project is contracted under a long-term commodity swap with **Morgan Stanley Capital Group**.

It will sell its output wholesale into the **MISO** real-time or day-ahead energy market and Morgan Stanley will swap the floating price established at a nearby market hub for a fixed price under the terms of the deal described in the FERC filing.

The hedge will cover about 87% of the project's output, but the length of the contract was not disclosed.

The Meadowlark project will be interconnected to the transmission system owned by **Great River Energy**, Minnesota's second largest electric utility. ■

FAST FACT

87%

The portion of Meadowlark's output sold to hedge provider, Morgan Stanley Capital Group.

Bond-to-Bank Refi in Works for New Jersey Gas-fired Project

Richard Metcalf

Banks have received invitations to participate in the refinancing of a New Jersey gas-fired project whose existing debt is in the form of a bond.

The $369 million debt package will recapitalize the 805 MW Red Oak combined-cycle project in Sayreville, which **Morgan Stanley Infrastructure Partners** acquired from **Carlyle Group** last year (PFR, 5/9/17).

Pricing on the $334 million term loan tranche starts at 275 basis points over Libor. The deal also includes a $35 million revolving credit facility. PAGE 5 »

European Buyer Emerges for Recurrent Portfolio

Shravan Bhat

Recurrent Energy has lined up a European institutional investor to acquire a California solar portfolio that was once meant to go to Chinese buyers.

Danish pension fund manager **PKA** is buying the three operational solar assets from Recurrent in a deal struck at the end of last month, sources tell *PFR*.

Officials at PKA in Copenhagen and spokespeople PAGE7 »

Sponsors Prep Hybrid Refi for Chile Coal-fired Plant

Richard Metcalf

The co-sponsors behind a coal-fired project that serves several copper mines in Chile under various power purchase agreements are preparing a joint loan and bond market refinancing.

The project is the 483 MW Cochrane plant in Mejillones, Antofagasta, which is 60% owned by **AES Gener** and 40% by **Mitsubishi Corp.**

AES financed PAGE 5 »

IN THIS ISSUE

PPA PULSE

Microsoft Pushes Back on Risks and Long Contracts

Microsoft Corp., an early adopter of the virtual power purchase agreement, has gone public with its efforts to simplify PPA contracts and shift risks away from corporate offtakers.

Working with partners including risk management firm **REsurety**, insurer **Allianz** and law firm **Orrick**, the company has developed what it calls the proxy generation PPA and the volume firming agreement, which could make the procurement process less daunting.

Microsoft was one of the first non-utility companies to sign PPAs with individual projects in the U.S., entering the market in 2013.

"Watching those first transactions begin to perform, we were delighted by the contribution they made to our sustainability goals but were frustrated by the financial volatility of the settlement payments and the limited ability we had to predict or manage that volatility," writes **Kenneth Davies**, director of energy portfolio management at Microsoft, in a white paper he co-authored with **Giji John**, a partner at Orrick, and **Lee Taylor**, founder of REsurety.

Meanwhile, tensions between project owners and corporate offtakers over the timing of maintenance outages have resulted in the addition of reams of tit-for-tat restrictions and exceptions to PPAs.

The solution is for PPAs to settle based on an expected amount of generation, calculated by a third party like REsurety on the basis of weather conditions and an agreed operational efficiency factor, rather than on the actual amount of generation produced.

Microsoft has so far signed 1 GW of such proxy generation PPAs, including most recently a 15-year contract with **TransAlta Renewables** for the output of the 90 MW Big Level wind project, which is under construction in Hector Township, Pa.

Once the operational uncertainties are removed in this way, banks, commodity traders and insurers are in a better position to hedge weather and price risk for the offtaker, for instance through a volume firming agreement.

Here is a round-up of the rest of last week's PPA news:

ANCHOR OFFTAKE

Southern Power has inked a 12-year power purchase agreement with **Royal Caribbean Cruises** for the output of a 200 MW wind project.

The project, called Reading wind, is located in Osage and Lyon counties, Kan.

Renewable Energy Systems Americas originally developed the project, which is slated to break ground in the second quarter of 2019 and be completed by the second quarter of 2020.

Schneider Electric Energy & Sustainability Services advised Royal Caribbean on the PPA.

SITTING PRETTY

NextEra Energy Resources has signed a 15-year virtual power purchase agreement with information management services company and serial renewable energy procurer **Iron Mountain**.

The contract will cover about 145 MW of the output of NextEra's 220 MW Pretty Prairie wind project in Reno County, Kan., which is expected to begin commercial operations by the end of next year. ■

PFR Power Finance & Risk

EDITORIAL
Richard Metcalf Editor (212) 224-3259
Shravan Bhat Reporter (212) 224 3260
Taryana Odayar Reporter (212) 224 3258
Stuart Wise Data Associate
Kieron Black Sketch Artist

PRODUCTION
Sam Medway Manager

PUBLISHING
Laura Spencer Senior Marketing Manager
Adam Scott-Brown Director of Fulfillment
Nina Bonny Customer Service Manager (212) 224-3433

SUBSCRIPTIONS
Jon Ljekocevic Sales Executive (212) 224 3043

ADVERTISING/ REPRINTS
John Weber Commercial Director (203) 458 0725

CORPORATE
Andrew Rashbass Chief Executive Officer
John Orchard Managing Director, Banking & Finance Group

Customer Service
PO Box 4009, Chesterfield, MO 63006-4009, USA
Tel: **1-800-715-9195**
Overseas dial: **1-212-224-3451**
Fax: **212-224-3886**
UK: **44 20 7779 8704** Hong Kong: **852 2842 8011**
E-Mail: customerservice@iiintelligence.com

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

Editorial Offices
1120 Avenue of the Americas, 6th Floor, New York, NY 10036
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TELL US WHAT YOU THINK!

Do you have questions, comments or criticisms about a story that appeared in ***PFR***? Should we be covering more or less of a given area? The staff of ***PFR*** is committed as ever to evolving with the markets and we welcome your feedback.

Feel free to contact **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	Adviser	Status/Comment
174 Power Global	Sweetwater (80 MW Solar)	Sweetwater County, Wyo.		Centaurus Renewable Energy has acquired the project, which is contracted with Rocky Mountain Power (PFR, 10/8).
Abengoa	A3T (220 MW Gas)	Mexico	TBA	Private equity firms are sizing up the project, which part of Abengoa's insolvency divestments (PFR, 10/8).
Blackstone	Lonestar Portfolio (1,110 MW Gas, Coal)	Texas	Citi	The sale of the portfolio, code named Project Matador, is said to be entering a second round (PFR, 10/15).
Clean Energy Partners (AltaRock Energy)	Blue Mountain (49.5 MW Geothermal)	Humboldt and Pershing counties, Nev.		Cyrq energy acquired the project on Sept. 4 (PFR, 10/8).
● Cypress Creek Renewables	Portfolio (83 MW Solar)	North Carolina	TBA	British asset-manager John Laing Group has bought the two development-stage assets (see story online).
D.E. Shaw	Deepwater Wind	U.S.	Ernst & Young (buyer)	Denmark's Ørsted is buying the offshore wind platform for $510 million (PFR, 10/15).
Duke Energy	Renewables Portfolio (2,907 MW Wind, Solar)	U.S.	Morgan Stanley	Duke is running a sale process to formalize inbound interest it has received (PFR, 10/1).
Engie N.A., Harbert Management Corp., Mitsui & Co.	Astoria I, II (1,230 MW, Gas)	Queens, N.Y.	Morgan Stanley, PJ Solomon	As the sale of the assets nears a second round of bidding, deal watchers note varying levels of interest (PFR, 10/15).
EDP Renewables	Meadow Lake VI (200 MW Wind)	Benton County, Ind.	CIBC	CIBC launched the sale of the contracted, development-stage assets in June (PFR, 8/27).
	Prairie Queen (200 MW Wind)	Allen County, Kan.		
	Sharp Hills (250 MW Wind)	Special Areas 3 & 4, Alberta		
	Nation Rise (100 MW Wind)	North Stormont, Ontario		
Enel Green Power	Mexican Portfolio (1.8 GW Solar, Wind)	Mexico	Goldman Sachs, BBVA	Equity in the portfolio has been sold to Caisse de dépôt et placement du Québec and CKD Infraestructura México (PFR, 10/15).
Energy Capital Partners	Wheelabrator Technologies (767 MW waste-to-energy)	U.S., U.K.		Macquarie Infrastructure Partners has agreed to buy the company (PFR, 10/8).
Eletrobras	Various Wind Assets (880 MW Net)	Brazil		An auction was scheduled for Sept. 27 (PFR, 8/27).
First Solar	Willow Springs (100 MW Solar)	Kern County, Calif.		D.E. Shaw Renewable Investments has acquired the project (PFR, 10/8).
● GE Energy Financial Services	Former GE EFS Portfolio	Mostly U.S.	BAML	New details of the acquisition by Apollo Global Management have emerged (see story, page 8).
	Portfolio (2.8 GW Gas)	Georgia		The Carlyle Group is buying GE EFS out of its stake in the jointly-held portfolio (PFR, 10/15).
GenOn Energy	Keystone, Conemaugh stakes (566.7 MW Coal)	Pennsylvania		Financial investors are taking the stakes in the projects as part of a pre-packaged restructuring deal (PFR, 10/15).
● Macquarie Group	Lordstown (856 MW Gas, 15.46%)	Ohio	Whitehall	Sumitomo Corp. of Americas is buying the stake and has an option to increase its holding (see story, page 6).
Mainstream Renewable Power	Andes Portfolio (1.3 MW Wind, Solar)	Chile	KPMG London	The Irish developer is seeking an equity partner to build and operate its $1.65 billion renewable portfolio in Chile (PFR, 9/17).
● National Renewable Energy Corp.	Lily (103 MW Solar)	South Carolina	EOS Capital (seller), PwC (buyer)	KKR portfolio company X-Elio has acquired the development-stage asset (see story, page 7).
Noble Environmental Power	Great Plains (114 MW Wind)	Hansford County, Texas	FTI Consulting	Geronimo has bought Noble's cash equity in the project and a stake held by MUFG's Bankers Commercical Corp (PFR, 10/15).
North American Power Group	Rio Bravo Fresno (28 MW Biomass, 50%)	Fresno, Calif.		NAPG is in talks with potential buyers of its 50% stakes in the projects (PFR, 8/27).
	Rio Bravo Rocklin (28 MW Biomass, 50%)	Lincoln, Calif.		
Pattern Development	Stillwater Wind (79.75 MW)	Stillwater County, Montana		Pattern Energy Group and Canada's Public Sector Pension Investment Board are buying stakes in the project (PFR, 10/15).
● Recurrent Energy	Portfolio (300 MW Solar)	California	TBA	Danish pension fund manager PKA has emerged as the buyer of three operational projects (see story, page 1).
Sempra Energy	Portfolio (980 MW Renewables)	U.S.	Citi, CCA Group (buyer), CS, JP Morgan, Lazard (seller)	Consolidated Edison has agreed to buy the assets for $1.54 billion (PFR, 10/1).
Spear Point Energy	PFMG Solar	U.S.		Exelon Corp.'s wholesale power supplier, Constellation, has acquired the solar developer (PFR, 10/15).
● Sumitomo Corp. of Americas	Turquoise Liberty (10 MW Solar)	Washoe County, Nev.		An Algonquin Power & Utilies Corp. subsidiary is buying the under-construction project (see story, page 7).
Heorot Power	Tanner Street Generation (82 MW Gas)	Mass.	Scotia	The sale of the project was launched in July under the code name Project Riverhawk (PFR, 10/15).

● **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 Taryana Odayar at (212) 224 3258 or e-mail taryana.odayar@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)	Deal Type	Loan Amount	Tenor	Notes
Advanced Microgrid Solutions, Macquarie Capital	Electrodes (50 MW Battery Storage)	California	Macquarie Capital	Debt	$75-100M	10-yr	Sponsors are putting together financing for the second tranche of the 50 MW portfolio (PFR, 9/24)
● AES Gener, Mitsubishi	Cochrane (483 MW Coal)	Chile	Citi, Goldman Sachs, HSBC, SMBC	Bank Loan	$180M	4-yr	As is typical with hybrid refinancings, the bond will not ammortize till the bank loan is fully repaid (see story, page 1).
				Bond	$725M	16-yr	
Apollo Global Management	Former GE EFS private equity portfolio	Mostly U.S.	RBC, Goldman Sachs, BMO	Debt	TBA	TBA	The three banks are said to have underwritten a back-levered financing for Apollo (PFR, 10/15).
Ares-EIF	Hill Top Energy Center (620 MW Gas)	Greene County, Pa.	Morgan Stanley	Private Placement	TBA	TBA	Ares has foregone a bank mini-perm for a bond to match the tenor of a gas netback under negotiations (PFR, 10/8).
Ares-EIF, Novi Energy	C4GT (1,060 MW Gas)	Charles City County, Va.	TBA	Debt, Equity	TBA	TBA	The shovel-ready project is in talks for debt and equity (PFR, 9/17).
Avangrid Renewables, Copenhagen Infrastructure Partners	Vineyard (800 MW Offshore Wind)	Massachusetts	CCA Group (adviser), Santander (adviser)	Debt, Tax Equity	$3.5B	TBA	The capital structure for the estimated $3.5 billion, two-phase project remains to be finalized (PFR, 10/8).
Balico	Chickahominy (1,650 MW Gas)	Charles City County, Va.	TBA	Debt, Equity	TBA	TBA	A development team, formerly at Cogentrix, has hired a financial advisor to begin the equity raise (PFR, 8/20).
Blackstone	Frontera (526 MW Gas)	Hidalgo County, Texas	Morgan Stanley	Term Loan B	$75M	6.5-yr	Blackstone increased the size of the incremental debt raise from $65M to $75M during execution (PFR, 10/15).
● Capital Power Corp.	Meadowlark (99 MW Wind)	McHenry County, N.D.	JP Morgan	Tax Equity	TBA		Meadowlark has a long-term commodity swap with Morgan Stanley Capital Group (see story, page 1).
Consolidated Edison	Portfolio (180 MW Wind)	Montana, South Dakota	MUFG, Keybank	Bond	$140M	10-yr	The bond refinancing closed with a 4.41% coupon (PFR, 10/1).
Copenhagen Infrastructure Partners, Terna Energy	Gopher Creek (158 MW Wind)	Scurry County, Texas	CCA Group (adviser)	Tax Equity	TBA		CIP provided $65 million in mezzanine financing for its second joint venture with the Greek developer (PFR, 10/8).
			NordLB	Construction Debt			
Copenhagen Infrastructure Partners	Misae (240 MW Solar)	Childress County, Texas	CCA Group (adviser)	Tax Equity	TBA		Sage has a 20-year PPA with Rocky Mountain Power while Misae has a hedge from a financial institution (PFR, 9/4).
	Sage (56 MW Solar)	Rich County, Utah					
	Blue Cloud (145.35 MW Wind)	Lamb and Bailey counties, Texas	Berkshire Hathaway	Tax Equity			CIP is aiming to close the tax equity deal by the end of the year (PFR, 10/15).
Dominion Energy	Cove Point (LNG Terminal)	Lusby, Md.	Mizuho, MUFG	Debt	$3B	3-yr	Pricing is said to be tight, at 137.5 bp over Libor (PFR, 9/17).
● Enel Green Power	Solar Portfolio (1.1 GW)	Mexico	BBVA, Bancomer, Caixa, MUFG, Natixis, Bancomex, EIB, IDB Invest	Debt	$605M	18-yr	The debt is part of the financing of a 1.8 GW portfolio of renewables in Mexico (PFR, 10/15).
	Delfina (219.4 MW Wind)	Brazil	TBA	TBA	TBA		Enel is adding 29.4 MW of capacity, expected to cost $40 million (see story, page 6).
Fengate	Heartland (102 MW Gas)	Alberta	MUFG	Debt	$771M	5-yr	Six banks arranged acquisition financing for Fengate's purchase of the co-gen from Inter Pipeline (PFR, 10/1).
FGE Power	Goodnight (500 MW Wind)	Armstong County, Texas	Karbone	Tax Equity	TBA		The sponsor has already secured a cash equity commitment for the project from Fortistar (PFR, 5/29).
GE EFS	Shady Hills (573 MW Gas)	Pasco County, Fla.	TBA	TBA	TBA	TBA	GE EFS is aiming to have all the permits in place and reach financial close in December (PFR, 5/21).
GridLiance	High Plains (Transmission)	U.S.	KeyBank	Revolving Credit Facility	$65M	7-yr	The Blackstone-backed company owns 430 miles of transmission lines with 55 miles more in the works (PFR, 10/15).
Leeward Renewable Energy	Mendota Hills (76 MW Wind)	Lee County, Ill.	Citi	Tax Equity	TBA		Leeward is in the process of repowering Illinois' first utility scale wind project, which came online in 2003 (PFR, 10/8).
Longview Power	Longview (700 MW Coal)	Maidsville, W.Va.	Houlihan Lokey (adviser)				Longview Power has hired Houlihan Lokey for a potential refinancing (PFR, 4/9).
Middle River Power III	Portfolio (523 MW Gas)	San Joaquin Valley, Calif.	MUFG	Debt	TBA	6-yr	The Avenue Capital Partners subsidiary is raising financing to fund its acquisition of three projects from AltaGas (PFR, 9/24)
● Morgan Stanley Infrastructure Partners	Bayonne Energy Center (644 MW Gas)	Bayonne, N.J.	Crédit Agricole, ICBC, Investec, KEB Hana, Nomura	Mini-perm	$500M	7-yr	The sale has closed and acquisition financing was more than twice oversubscribed (see story, page 5).
	Red Oak (805 MW Gas)	Sayreville, N.J.	Investec, ICBC, Nomura	Term Loan A Refinancing	$369M	7-yr	Pricing starts at 275 bp over Libor and the deal includes a $35 million revolver (see story, page 1).
NTE Energy	Reidsville (500 MW Gas)	North Carolina	Whitehall	Debt, Equity	$650M	TBA	The City of Camden, S.C., signed a 20-year PPA with Reidsville, becoming it twelfth customer (PFR, 10/1).
Southern Power (Southern Co.)	Portfolio (1.6 GW Wind)	Texas, Oklahoma, Maine	TBA	Tax Equity	~$1B		The sponsor aims to raise tax equity on the portfolio by the end of the year (PFR, 6/4).
Terra-Gen	Portfolio (225 MW Wind)	California, Texas	BAML	Tax Equity	TBA		The parties have requested FERC approval of the deal by Nov. 21 (PFR, 10/1).

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MS Seals Bayonne Purchase with Oversubscribed Debt Financing

Morgan Stanley Infrastructure has closed its acquisition of the 644 MW Bayonne Energy Center gas-fired project in New Jersey, a deal financed with an acquisition loan package that was oversubscribed in the bank market.

The firm agreed to acquire the project from **Macquarie Infrastructure Corp.** in July for $900 million, including the assumption of the project's existing debt, following an auction run by **Guggenheim Securities** (PFR, 7/30).

Morgan Stanley initially appointed **Crédit Agricole** and **Investec** as coordinating leads on a debt financing to fund the acquisition. **Industrial and Commercial Bank of China**, **KEB Hana Bank** and **Nomura** had joined the deal as coordinating leads and underwriters by the time it was launched into syndication in September (PFR, 9/13).

Initial price talk on the $500 million seven-year mini-perm was 275 basis points over Libor for years one through four, stepping up to 300 bp for years five through six and then up to 325 bp in the final year.

The deal is more than twice subscribed, says a deal watcher. The acquisition closed on Oct. 15.

The Bayonne Energy Center is partially contracted under tolling agreements with **Direct Energy Business Marketing** that are set to expire in three stages, while the rest is sold spot into **NY-ISO**'s Zone J, a high-demand area covering New York City.

In 2015, MIC said the tolling agreements had a 13-year weighted average remaining life.

The seller is using its $649 million cash proceeds of the sale to pay down debt and fund growth capital expenditures.

"We are pleased to have completed the sale of BEC in the timeframe we anticipated," said **Christopher Frost**, ceo of MIC, in a statement. "The sale significantly improves MIC's balance sheet strength and financial flexibility, one of MIC's key strategic priorities which was outlined earlier in the year." ■

Bond-to-Bank Refi in Works for New Jersey Gas-fired Project

« FROM PAGE 1

Investec is leading the deal and **Industrial and Commercial Bank of China** and **Nomura** have also been appointed as coordinating lead arrangers.

Investec reached out to other banks to invite them to participate as lenders on Oct. 12, says a project finance banker.

The project's existing debt comprises a $160 million bond that does not begin to amortize until 2020, with a final maturity in 2029.

There had previously been another series of amortizing bonds, of which about $58 million was outstanding at the time of Morgan Stanley's acquisition, but the firm repaid those shortly thereafter (PFR, 7/18/17).

HEDGE TOGGLE

Although the Red Oak project's existing tolling agreement with **TAQA Gen X** has only four years left to run, the new loan is expected to have a seven-year tenor.

Because of the potential merchant exposure after year four, the loan includes a hedge toggle feature, which bumps up the margin if the sponsor does not successfully recontract the project by a certain deadline.

The recent refinancing of the Rhode Island Energy Center (RISEC) project, which Investec also led, also included a hedge toggle.

The hedge toggle acts as a strong incentive for the sponsor to put a hedge contract in place before the deadline, but not everyone is convinced.

One project finance banker recently noted that, in the event no contract is secured, a big step-up in the pricing could even exacerbate the risk of default. "That's why I prefer to use contractual levers," she said.

Nevertheless, the RISEC loan with the hedge toggle was three-times oversubscribed, prompting project finance bankers to hail it as a "blow out".

The hedge toggle on the RISEC deal provided for a 100 bp step-up. The step-up proposed for Red Oak could not immediately be learned. ■

FAST FACT

3x

The recent $363 million refinancing of **Carlyle Group**'s Rhode Island Energy Center was three-times oversubscribed in the bank market (PFR, 7/23).

Sponsors Prep Hybrid Refi for Chile Coal-fired Plant

« FROM PAGE 1

the project in April 2013 with loans totaling $1.05 billion. **HSBC** was the financial adviser and **Japan Bank for International Cooperation**, **Bank of Tokyo-Mitsubishi UFJ** (now MUFG), **Sumitomo Mitsui Banking Corp.**, **Mizuho** and **Korea Finance Corp.** participated in the deal, with **Banco Estado** providing a letter of credit (PFR, 4/3/13).

The proposed refinancing comprises a $180 million fully amortizing four-year bank loan and a $725 million bond with a 16-year tenor to match the weighted average remaining life of the PPAs.

Citi, **Goldman Sachs**, HSBC and SMBC are the bookrunners on the deal, says a deal watcher. Officials at the banks declined to comment.

As usual with hybrid project refinancings, the bond is not scheduled to begin amortizing until after the bank loan is fully repaid.

The project's offtakers are **Sociedad Quimica y Minera de Chile** (110 MW), **Sierra Gorda** (251 MW) and the **Quebrada Blanca** expansion mine (122 MW). The longest-running PPA expires in 2037, about three years after the bond's final maturity.

Moody's Investors Service has given the bond tranche a Ba1 rating. ■

PROJECT FINANCE

Enel Ramps Up Brazil Wind Farm Capacity

Enel Green Power is adding 29.4 MW of capacity to its Delfina wind farm in Brazil, an expansion expected to cost $40 million.

The existing, operational 180 MW Delfina wind farm, located in Bahia state, is already EGP's largest wind farm in the country.

The developer is planning to bring the expansion online in 2019, four years before its 20-year contracts with regulated distribution companies, awarded by Brazil's energy regulator **Aneel**, kick in.

Before then, from 2019 to 2022, EGP plans to sell the additional output spot.

As well as the Delfina expansion, EGP was recently given the go-ahead from regulators for two more wind projects in Brazil: the 510 MW Lagoa dos Ventos farm in the state of Piauí and the 78 MW Morro do Chapéu II project in Bahia.

EGP and its Italian parent company **Enel** have a total installed renewable capacity of around 2.9 GW, of which 842 MW is wind, 819 MW solar and 1.27 GW hydro.

The contracts awarded to EGP in Brazil's 2017 energy tenders will add another 1 GW to that total. ■

Amp Solar Seals C$200M Financing

Canadian solar developer **Amp Solar Group** has closed a C$200 million financing led by the investment arm of a Denver-based family office.

ZOMA Capital, an investment vehicle of the family office of **Ben and Lucy Ana Walton**, led the financing, which will fund the development, acquisition and build-out of energy infrastructure in Amp's core markets.

The Waltons are co-founders of the investment portfolio, which has strategies in Colorado and Chile and is focused on energy, water, community development, workforce development and mental health.

New York-based boutique financial advisory firm **PLEXUS Solutions** acted as financial and structuring adviser to ZOMA on the transaction.

Amp has a portfolio of over 700 MW distributed generation and utility-scale solar projects and more than 2 GW in the pipeline in North America, Japan, Australia and India. ■

MERGERS & ACQUISITIONS

Japanese Investor Swoops In on Macquarie's Lordstown Stake

A Japanese investor is buying a slice of **Macquarie Group**'s 64.67% stake in the 856 MW gas-fired, combined cycle Lordstown Energy Center in Ohio, which Macquarie has been looking to sell down since 2016.

Sumitomo Corporation of Americas is buying a 15.46% stake in Lordstown through its holding company subsidiary **Perennial Power Holdings**, from **Macquarie Infrastructure Partners III**, an unlisted infrastructure fund managed by **Macquarie Infrastructure Partners,** according to paperwork filed with the U.S. **Federal Energy Regulatory Commission** on Oct. 11.

The applicants have requested that FERC approve the transaction by Nov. 26. It is also subject to approval from the U.S. **Committee on Foreign Investment.**

The transaction includes an option for Perennial to purchase an additional 7.73% stake in Lordstown, bringing its stake up to 23.19%. As such, PPH is currently looking for "one or more additional investors" in order to exercise the option.

"Because negotiations with potential unidentified investors are still ongoing, the identity of any additional unidentified investors cannot be fully disclosed," reads the FERC filing. Spokespeople at Macquarie and PPH either declined to comment or did not respond to inquiries by press time.

The project is expected to be online by the end of the year and is interconnected with the transmission system owned by **American Transmission Systems.** Its revenue will be generated from **PJM Interconnection** capacity payments and a five-year revenue put, says a deal watcher.

Van Ness Feldman is representing Lordstown on the regulatory process while Washington, D.C.-based **Michael Best & Friedrich** is representing Perennial.

Meanwhile, **Whitehall & Co.** has been advising Macquarie Infrastructure Partners III on the sell down of its Lordstown stake (PFR, 8/8/16).

The remaining 35.33% stake in the project is split between MIP III with a 5.12% stake, **Siemens Financial Services** with a 26.05% stake and **Clean Energy Future** with a 4.16% stake.

Manchester, Mass.-based Clean Energy Future developed the project, which is located in the Lordstown Industrial Park in Trumbull County, and financed it with equity from MIP III and Siemens Financial Services in 2016 (PFR, 4/6/16).

A recent court ruling found the consortium of owners to be in contempt of court following a drawn out legal battle over Clean Energy Future's development of another combined-cycle plant, the Trumbull Energy Center, in the same industrial park (PFR, 8/3).

Sumitomo's PPH was established in 2002 to invest in independent power plants in North America and facilitate Sumitomo's expansion into the global IPP market. It owns stakes in three other generation facilities within the **PJM Balancing Authority Area**. These include:

- A 40% stake in the 80 MW waste coal-fired American Bituminous Power Partners plant near Grant Town, W.Va.,
- A 100% stake in the 6 MW Willey Battery Utility project in Hamilton, Ohio, and
- A 10% stake in the 751 MW gas-fired, combined cycle West Deptford Power Station in West Deptford township, N.J.

PPH also owns a 50% stake in the 474 MW gas-fired Hermiston Generating Plant in northeastern Oregon, nine miles south of the Columbia River. ■

Sumitomo Signs Silver State Solar Sale

Sumitomo Corp. of Americas is selling a solar project in Washoe County, Nev., to a local utility.

Liberty Utilities (CalPeco Electric), a subsidiary of **Algonquin Power & Utilities Corp.**, is buying the 10 MW project, known as Turquoise Liberty, from Sumitomo, according to paperwork filed with the U.S. **Federal Energy Regulatory Commission** on Oct. 12.

The Turquoise project is expected to be mechanically complete by Nov. 9 and the applicants have requested that authorization for the acquisition be granted by Nov. 23. The purchase price was not disclosed.

The project will sell its electrical output to a third party under a long-term power purchase agreement, while Liberty will purchase the renewable energy credits, according to the filing, which also notes that the utility expects to bring a third-party tax equity investor into the project.

"The use of a Tax Equity Partner and Project Purchase Agreements decrease the customer's responsibility for capital investment, protect ratepayers from various construction-related risks, and allow the benefits of the ITC to be returned to ratepayers more quickly," reads a **California Public Utilities Commission** filing issued on Jan. 22, 2016, referring to another Liberty Utilities project, the Luning Solar Facility.

Liberty acquired the 50 MW Luning solar project in Mineral County, Nev., from **Invenergy** in 2016 (PFR, 10/10/16). **U.S. Bank** invested tax equity in that project. ■

European Buyer Emerges for Recurrent Portfolio

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for Recurrent in San Francisco did not immediately respond to requests for comment.

China's **Shenzhen Energy Group Co.** had originally agreed to buy the portfolio following an auction run for Recurrent's parent company, **Canadian Solar**, by **Bank of America Merrill Lynch** and **Scotiabank**. The deal collapsed, however, after the parties failed to obtain the approval of the **Committee on Foreign Investment in the U.S.** (PFR, 8/8).

Deal watchers have pointed to U.S. military bases in the vicinity of the projects as a possible explanation for why CFIUS approval was not forthcoming.

The portfolio comprises the 100 MW Mustang project in Kings County and 49% interests in the 200 MW Tranquility unit in Fresno County and the 200 MW Garland facility in Kern County (PFR, 7/10).

Through its alternative investment arm, **PKA AIP**, PKA has invested €1.9 billion ($2.19 billion) across eight generation assets in Northern and Western Europe—mostly offshore wind—according to its website.

PKA manages pensions on behalf of four independent pension funds with around 300,000 members within the social welfare and healthcare sectors in Denmark. ■

KKR's X-ELIO Acquires Palmetto State Solar Project

X-ELIO, a portfolio company of private equity firm **KKR & Co.**, has acquired a solar project in South Carolina.

The solar developer acquired the 103 MW (DC) development-stage Lily Solar project from Charlotte, N.C.-based **National Renewable Energy Corp.** (NARENCO), an engineering, procurement and construction firm specializing in utility-scale and commercial solar projects.

Upon completion, the Lily Solar project will be the largest in South Carolina, selling its output under a 20-year power purchase agreement to **South Carolina Gas & Electric**.

The transaction came about as a result of an auction process, *PFR* has learned, with **EOS Capital Advisors** steering NARENCO through the sale process and **PwC Corporate Finance** advising X-Elio on the acquisition.

Eversheds Sutherland provided legal counsel to X-ELIO.

NARENCO will provide EPC as well as operations and maintenance services for the project.

The financial terms of the transaction could not be immediately learned by press time. Inquiries pertaining to the purchase price were declined.

Madrid-based X-Elio has 140 MW worth of operating projects and over 1 GW worth of projects under construction in the U.S. and Mexico. ■

AltaGas to Sell Stake in Colorado Wind Farm

AltaGas is selling its stake in a wind project in Huerfano County, Colo., to an independent power producer affiliated with the project's utility offtaker and co-owner.

The 29.04 MW Busch Ranch I facility was Calgary-based AltaGas's first U.S. wind facility, coming online in October 2012. It is fitted with 16 **Vestas** turbines.

AltaGas is selling its 50% stake in the project to **Black Hills Electric Generation**, according to paperwork filed with the U.S. **Federal Energy Regulatory Commission** on Oct. 16.

Representatives at AltaGas and Black Hills did not respond to inquiries pertaining to the financial terms of the transaction by press time.

Black Hills Electric Generation's parent company is **Black Hills Corp.**, which also owns **Black Hills Colorado Electric**, the public utility which co-owns and is the offtaker of the Busch Ranch I project. Besides owning 50% of the project, it purchases the remaining generation under a 25-year power purchase agreement.

"[T]here will be no cross-subsidization between Black Hills Colorado Electric, the franchised public utility, and its affiliate Black Hills Electric Generation, after the Transaction," notes the filing.

Earlier this year, the utility also selected Black Hills Electric Generation as the winner of a solicitation process for wind generation in Colorado, granting its affiliate a 25-year PPA for the output of the 60 MW Busch Ranch II wind project in Huerfano and Las Animas counties. The project is expected to cost $71 million and to be online by the end of 2019 (PFR, 5/1). ■

PEOPLE & FIRMS

Prudential Capital Opens Mexico Office

Prudential Capital Group has opened an office in Mexico City to underpin its investment strategy in Latin America, including in power and energy infrastructure project finance.

The Mexico-based team will initially have a headcount of five, led by **Jason Boe**, senior vice president, with potential to grow.

"Adding a local presence in Mexico is consistent with our strategy of developing closer relationships and allows us to best address the financing needs of existing and prospective clients," said **Marie Fioramonti**, managing director and head of Prudential Capital's cross-border originations, in a statement.

In 2016, the private debt investor provided a $50 million 25-year fixed-rate tranche as part of the $823 million debt financing of **Engie** and **Red Eléctrica de España**'s Transmisora Eléctrica del Norte transmission line in Chile, which was described as a "landmark" project for the country (PFR, 12/7/16).

Prudential's Dallas-based energy finance group, which includes a unit focused on power, will "lever the local presence of the Mexico City team to identify new opportunities, assist in diligence and portfolio management," says a spokesperson for the firm in New York. "PCG sees numerous attractive investment opportunities in project financings for power and energy infrastructure." ■

MERGERS & ACQUISITIONS

Details Materialize on Apollo's GE EFS Portfolio Acquisition

Details have emerged about the approximately $1 billion portfolio of **GE Energy Financial Services** equity holdings which **Apollo Global Management** announced it would be acquiring two weeks ago (PFR, 10/8).

U.S. **Federal Energy Regulatory Commission** paperwork filed on Oct. 11. has revealed most of the portfolio's 20 investments in renewable energy, contracted gas-fired generation and midstream infrastructure.

The applicants have requested that authorization for the sale of stakes in the following assets in the portfolio be granted by Nov. 22:

- The 1,050 MW gas-fired combined-cycle CPV Fairview project in Cambria County, Penn.,
- The 813 MW gas-fired combined-cycle Caledonia Generating project in Lowndes County, Miss.,
- The 655 MW gas-fired combined-cycle Russell City Energy Company project in Hayward, Calif., and
- The 125 MW Arlington Valley Solar Energy II project in Maricopa County, Ariz.

CPV Fairview is due to be brought online by Feb. 2020. **GE Capital** owns a 25% stake in the project while **Osaka Gas Fairview** and **CPV Power Holdings** hold 50% and 25% stakes respectively.

Caledonia holds a 15-year triple net operating lease with the federally-owned **Tennessee Valley Authority** through Feb. 2022.

Russell City sells its output to **Pacific Gas & Electric Co.** under a long-term tolling agreement through Aug. 2023. GE Capital owns a 25% stake in the project while **Calpine Corp.** owns the remaining 75%.

Arlington Valley sells its entire output to **San Diego Gas & Electric Co.** under a power purchase agreement through Oct. 2038. GE Capital owns a 70% stake in the project while **LS Power** owns the remaining 30%.

The GE EFS portfolio that Apollo is acquiring also includes the following assets, which are not subject to FERC approval:

- The 150 MW Osage Wind project in Osage County, Okla.,
- The 820 kW Solar Star ATI Fountain Grove project in Santa Rosa, Calif.,
- The 465.26 kW Solar Star LC Southeast Wastewater project in Clear Lake, Calif.,
- The 930.92 kW Solar Star Northwest Wastewater project in Lakeport, Calif.,
- The 536.59 kW Solar Star Jail Site project in Lakeport, Calif.,
- The 1 MW Solar Star HP project in San Diego,
- The 850 kW Solar Star TM project in Ontario, Calif.,
- The 998.5 kW Solar Star California project in Ontario, Calif., and
- The 21 MW Pakini Nui Wind Farm project in South Point, Hawaii.

Osage Wind sells its output to the **Associated Electric Cooperative** under a long-term PPA. **Enel Green Power** owns the managing membership interests in Osage while a collection of partners, including GE, owns passive interests.

GE Capital owns a 100% tax equity stake in each of the Solar City projects while **SunPower Corp.** owns a 100% equity stake. Their output is consumed on-site and is not sold for resale.

Tawhiri Power owns the Pakini Nui wind farm, which sells its output to **Hawaii Electric** under a long-term PPA. GE Capital holds a 100% passive tax equity stake in the farm while **Apollo Energy Corp.** owns a 100% common equity stake.

GE is also selling stakes in midstream assets, namely:

- The 211-mile Crestwood **Jackalope Gas Gathering Services** pipeline and processing system in the Powder River Basin in Converse County, Wyo.,
- The **Joliet Bulk, Barge & Rail** terminal in Joliet, Ill. which stores crude oil transported via rail from Western Canada to **ExxonMobil**'s refinery in Joliet, and
- The **MOH Holdings** joint venture which owns equity in **M4 Ohio Holdings**, a wet gas gathering and processing company that in turn owns a stake in **Utica East Ohio Midstream**.

Deal watchers tell *PFR* that the portfolio also likely contains generation assets interconnected with **ERCOT** in Texas, which would not be subject to FERC approval.

Bank of America Merrill Lynch and **PJT Partners** are advising GE Capital on the portfolio sale while **Citigroup Global Markets, RBC Capital Markets** and **Goldman Sachs** are advising Apollo.

RBC Capital Markets, Goldman Sachs and **Bank of Montreal** provided financing to Apollo for the transaction. ■