

Power Finance & Risk

Exclusive Insight on Power M&A and Project Financing

By the publisher of GlobalCapital

● MERGERS & ACQUISITIONS

● STRATEGIES

● PEOPLE & FIRMS

Japanese Consortium to Buy N.Y. Project

A consortium of Japanese-owned companies have agreed, in a bilateral deal, to acquire a New York project. Page 8

Sponsor Hires BAML for Debut Equity Raise

8minutenergy has hired a financial adviser for an approximately \$200 million corporate-level capital raise. Page 10

BNP Paribas Deputy Head Departs Bank

A project finance veteran who spent 20 years at BNP Paribas has left to join a Japanese investment bank. Page 12

Utility Seeks to Sell Eight-Unit Mass. Project

Olivia Feld

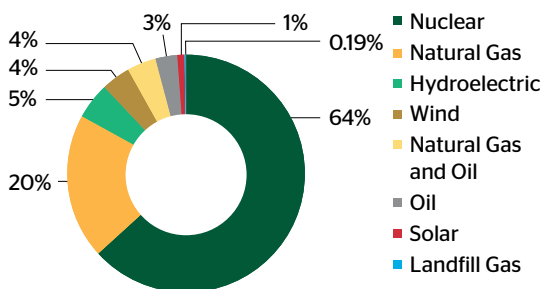
A bank has launched a sale process on behalf of a utility company for a part dual-fuel, part combined-cycle multiple-unit facility in Massachusetts.

JP Morgan is advising **Exelon Corp.** on the sale of the 1,998 MW Mystic Generating Station in Charlestown, Mass., deal watchers tell *PFR*.

The plant consists of the 576 MW Mystic 7 dual-fuel unit and the 703 MW Mystic 8 and 711 MW Mystic 9 two-on-one CCGT units. Whether the sale includes a fourth unit at the site, an 8 MW oil-fired peaker called Mystic Jet, could not be established by press time.

Located in **New England ISO**, the project was acquired by Exelon as part of the company's merger with **Constellation Energy Group** in 2011, but it is not the first time that Exelon has owned the project.

Exelon's U.S. Generation Portfolio



Source: Exelon

SECOND TIME OWNER

Exelon originally acquired the Mystic units along with the 801 MW Fore River combined-cycle project in North Weymouth, Mass., PAGE 8 »

● AT PRESS TIME

Ares-EIF Mandates Banks on Debt Raise

Olivia Feld

Ares-EIF has mandated a group of banks for a debt financing backing the 450 MW Birdsboro gas-fired combined-cycle project in Birdsboro, Pa.

CIT, GE Energy Financial Services and **Investec** are coordinating lead arrangers on a \$300 million loan for the project.

The debt package consists of a construction plus 3-year loan priced at 325 basis points over Libor, according to deal watchers, in line with similar Ares-EIF projects. The tenor reflects the length of the revenue put on the project, adds a financier.

The quasi-merchant facility will serve **PJM Interconnection**, where multiple large-scale gas-fired projects are seeking financing.

"The banks are certainly filling up [with PJM exposure] but they continue to make room for their favorite sponsors," says the financier, adding that a 50/50 debt to equity ratio on the Birdsboro project adds to the appeal of the transaction. PAGE 2 »

Goldman Returns to Wind Tax Equity Investing

Fotios Tsarouhis

Goldman Sachs is involved in tax equity deals backing two wind projects in North Dakota, which deal watchers say would be the first such investments by the bank

in several years.

Novatus Energy and **Enel Green Power North America** have each requested regulatory approval for tax equity investments by the bank in two separate filings with the U.S. **Federal Ener-**

gy Regulatory Commission.

"They had been out of the market for a while, and they've come back," says one deal watcher of Goldman's tax equity investments. "I've not seen them in a wind deal."

While Goldman has recently participated in solar tax equity deals, the bank has been slower to ink wind invest- PAGE 5 »



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● AT PRESS TIME

Ares-EIF Mandates Banks on Debt Raise for PJM Project

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TANDEM EQUITY RAISE

The project is held in EIF United States Power Fund IV. The sponsor is understood to be simultaneously working on an equity raise for the project with an unidentified financial adviser or advisers. Teasers are thought to have been distributed, says a second deal watcher.

The facility is competing with a number of projects in PJM seeking equity investments. **Lazard** won the mandate on an equity raise for the **Invenergy** 1.5 GW Lackawanna project in Jessup, Pa., and **BNP Paribas** is working on securing equity for the **Quantum Utility Generation** 549 MW Moundsville project in Marshall County, W. Va.

Ares is developing the Birdsboro project with **EmberClear Co.** after acquiring the rights to invest \$510 million in the project, according to EmberClear documentation.

EmberClear is also developing, with **Tyr Energy**, the 337 MW Good Spring project and, with **DCO Energy**, the 485 MW Archbald facility. Both projects are in Pennsylvania and the proposed Archbald project is approximately a mile and a half from the Invenergy

Lackawanna site.

The Birdsboro project has received its air quality permit from the **Pennsylvania Department of Environmental Protection** and is slated to be complete in April 2019.

ACCOMPANYING PIPELINE

DTE Energy is developing a 14-mile pipeline project in Berks County, Pa., which will transport natural gas from the Texas Eastern Transmission interstate pipeline to the Birdsboro project.

The pipeline will provide approximately 79,000 dekatherms per day of natural gas from Texas Eastern's mainline to the facility, according to a filing with the U.S. **Federal Energy Regulatory Commission**.

The Birdsboro plant is located on a 99-acre site which was previously used as a **U.S. Army** tank factory.

The estimated cost of construction of the pipeline and the Birdsboro plant could not be established by press time.

Spokespeople for Ares-EIF, CIT and Investec in New York, GE Energy Financial Services in Stamford, Conn., and DTE in Canonsburg, Pa., either declined to comment or did not respond to inquiries by press time. ■

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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.

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GENERATION AUCTION & SALE CALENDAR ●

These are the current live generation asset sales and auctions, according to Power Finance and Risk's database.

A full listing of completed sales for the last 10 years is available at <http://www.powerfinancerisk.com/AuctionSalesData.html>

Generation Sale ■ DATABASE

Seller	Assets	Location	Advisor	Status/Comment
Abengoa	Norte III (924 MW Gas)	Ciudad Juárez, Mexico	Carl Marks	Abengoa is talks with several interested parties over a potential sale of the projects (PFR, 9/26).
ArcLight Capital Partners	New Covert (1.04 GW Gas)	Van Buren County, Mich.	BNP Paribas, Whitehall & Co.	ArcLight is preparing to launch a sale of the asset (PFR, 9/12).
Brookfield Renewable Partners	Price (189 MW Wind), Comber (166 MW Wind), Gosfield (51 MW Wind)	Sault Ste. Marie, Lakeshore, and Kingsville, Ontario	Scotiabank, TD Securities (seller)	Brookfield Renewable is selling the three facilities, plus an expansion project, in a portfolio (PFR, 7/18).
Canadian Solar	Pirapora I (191.5 MW Solar, 80%)	Minas Gerais, Brazil		EDF EN do Brasil is acquiring an 80% stake in Pirapora I (see story, page 12).
Cogentrix Energy Power Management	Red Oak (823 MW Gas)	Sayreville, N.J.		The Carlyle Group's Cogentrix is selling the gas-fired project (PFR, 10/3).
Cogentrix Energy Power Management, Quantum Utility Generation	James River Genco (115 MW Coal)	Hopewell, Va.		Cogentrix and Quantum are selling their 50-50 ownership stakes to Michigan-based Novi Energy, which will repower the project with a gas-fired turbine (PFR, 10/3).
Duke Energy	Portfolio (2.3 GW Hydro, Gas, Oil, Coal)	Argentina, Chile, Ecuador, El Salvador, Guatemala, Peru	Credit Suisse, JP Morgan (seller), Santander (buyer)	China Three Gorges is acquiring Duke's Brazilian business. I Squared Capital is buying the remainder of Duke's Latin American assets (PFR, 10/17).
	Duke Energy Brazil (2.1 GW Hydro)	Brazil	Credit Suisse, JP Morgan (seller), Bank of America Merrill Lynch (buyer)	
EDF Renewable Energy	Slate Creek (150 MW Wind, 50%)	Sumner and Cowley counties, Kan.		Axiom Infrastructure and Industrial Alliance Insurance and Financial Services have closed their purchases of respective 38.4% and 11.6% stakes in the project (PFR, 10/17).
Energy Capital Partners	Empire (635 MW Dual-fuel)	Rensselaer, N.Y.		Tyr Energy, Tokyo Gas Co. and Kansai Electric Power Co. are acquiring the merchant asset (see story, page 8).
Entergy Corp. and Royal Dutch Shell	Llano Estacado (80 MW Wind)	Carson County, Texas		Olympus Power is buying the projects, both of which have power purchase agreements expiring this year PFR, 9/26).
	Northern Iowa Windpower (80 MW Wind)	Worth County, Iowa		
Exelon Corp.	Mystic Generating Station (1,998 MW Gas and Dual-fuel)	Charlestown, Mass.	JP Morgan	Exelon has launched a sale process for the project (see story, page 1).
First Energy	Bay Shore Unit 1 (136 MW Coal)	Lucas County, Ohio		FirstEnergy is soliciting offers for the plant (PFR, 8/1).
First Reserve	Portfolio (1.7 GW Gas)	U.S. (California, New Mexico, Texas) and Trinidad and Tobago	Goldman Sachs	First Reserve is selling the project to a joint venture of Harbert Power Fund V, UBS Asset Management Funds and The Northwestern Mutual Life Insurance Co. (PFR, 9/26).
First Solar	Desert Stateline (300 MW Solar)	San Bernardino, Calif.		First Solar is in negotiations with its jointly-owned yield company, 8Point3 Energy Partners, over the potential dropdown of Desert Stateline (PFR, 10/17).
Invenergy	Luning (50 MW Solar)	Mineral County, Nev.		A subsidiary of Algonquin Power & Utilities is acquiring the project (PFR, 10/17).
Macquarie Infrastructure Partners III	Lordstown (940 MW Gas)	Lordstown, Ohio		The fund has hired a financial adviser and is considering bids for its 73% stake in the project (PFR, 8/15).
Mercuria	Danskammer (500 MW Dual-fuel)	Hudson Valley, N.Y.	Guggenheim Partners	The first round of a two-stage auction is underway (PFR, 10/3).
Panda Power Funds	Liberty (Gas 829 MW), Stonewall (778 MW), Patriot (829 MW)	Bradford County, Pa., Loudoun County, Va., Lycoming County, Pa.	Goldman Sachs	Panda Power Funds is selling a 2.5 GW portfolio of assets in PJM (PFR, 5/16).
PRC Wind	Unknown (270 MW Wind)	Minnesota		Tenaska has acquired three development-stage projects totaling 470 MW in two states from PRC Wind (PFR, 10/3).
	Unknown (200 MW Wind)	North Dakota		
Quantum Utility Generation	Quantum Pasco Power (123 MW Gas, Oil)	Dade City, Fla.	Merit Capital Partners (seller)	Rockland Capital is acquiring the assets (PFR, 10/10).
	Nevada Cogeneration Associates 2 (85 MW Gas)	Las Vegas		
Renewable Energy Trust Capital	Coram (102 MW Wind)	Kern County, Calif.		Consolidated Edison is acquiring the project from RET Capital (see story, page 8).
Scatec Solar	Utah Red Hills (78.6 MW Solar)	Iron County, Utah		Macquarie Infrastructure Corp. is acquiring the project (PFR, 10/10).
sPower	Portfolio (6.7 GW Solar)	U.S.	Barclays (lead), Marathon Capital, CohnReznick Capital Markets Securities and Citi (co-leads)	The independent power producer is exploring a sale of its entire portfolio and development platform (PFR, 10/3).
SunPower	Boulder Solar II (50 MW)	Boulder City, Nev.		Iberdrola subsidiary Avangrid is acquiring the project, which has a 20-year PPA with NV Energy (PFR, 10/3).

● New or updated listing

The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed.

To report updates or provide additional information on the status of financings, please call Fotios Tsarouhis at (212) 224 3294 or e-mail fotios.tsarouhis@powerfinancerisk.com

PROJECT FINANCE

Deal Book is a matrix of energy project finance deals that Power Finance & Risk is tracking in the energy sector. A full listing of deals for the last several years is available at <http://www.powerfinancerisk.com/Data.html>

Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
8minutenergy Renewables	Redwood 4 (28 MW Solar)	Kern County, Calif.	TBA	Debt, Tax Equity	TBA	TBA	8minutenergy Renewables is planning to finance a number of projects in the coming months (see story, page 10).
	SpringBok 3 (100 MW+ Solar)			Debt, Tax Equity	TBA	TBA	
Advanced Power	Cricket Valley (1 GW Gas)	Dover, N.Y.	BlackRock	Equity	TBA		BlackRock is buying a minority stake in the project (PFR, 8/22).
			GE EFS, BNP Paribas, Crédit Agricole, ICBC, BAML	Debt	TBA	TBA	Arrangers of the debt financing are meeting with other financial institutions about backing the deal (PFR, 6/20).
Ares-EIF	Birdsboro (450 MW Gas)	Birdsboro, Pa.	CIT, GE EFS, Investec	Debt	\$300M	C+3-year	A group of three banks have been mandated as coordinating lead arrangers on a debt financing (see story, page 1).
Akuo Energy	Sterling Wind (30 MW)	Lea County, N.M.	BayernLB	Debt	TBA		The deal is the first financing Akuo has closed for a wind project in the U.S (PFR, 10/17).
			GE EFS	Tax Equity			
			John Laing	Equity	\$20.5M		
Andes Mining & Energy, Cheniere Energy, EDF	Penco Lirquén (423 ft ³ /day LNG)	Concepción Bay, Chile	BNP Paribas (sole adviser), Crédit Agricole, DNB, MUFG, Société Générale	Mini-perm	\$850M	8-yr	The arrangers are expected to syndicate the loan at the end of September or beginning of October (PFR, 10/3).
	El Campesino Phase I (640 MW Gas)	Bulnes, Chile					
Deepwater Wind	Block Island (30 MW Wind)	Block Island, R.I.	Citi, GE EFS	Tax Equity	TBA		Citi and GE EFS have acquired the tax equity associated with the project (PFR, 10/17).
Development Partners	St. Joseph Energy Center (700 MW Gas)	New Carlisle, Indiana	TBA	TBA	TBA	TBA	Construction of the second phase of the 1.4 GW St. Joseph project is expected to begin within the next 12 to 18 months (PFR, 9/6).
Enbridge	New Creek (103 MW Wind)	Grant County, W.Va.	Berkshire Hathaway Energy	Tax Equity	TBA		MidAmerican Wind Tax Equity Holdings, the tax equity arm of Berkshire Hathaway Energy, is investing in the project (PFR, 10/17).
Enel Green Power North America	Chisholm View II (64.8 MW Wind)	Garfield and Grant counties, Okla.	GE EFS	Tax Equity	TBA		GE Energy Financial Services is investing tax equity in the project (see story, page 6).
Enel Green Power North America	Lindahl (150 MW Wind)	Williams County, N.D.	Goldman Sachs	Tax Equity	\$168M		EGP North America has requested regulatory approval for a tax equity investment by Goldman Sachs (see story, page 1).
Falvez Energy	Falvez Astra (163 MW Wind)	Randall, Castro and Deaf Smith counties, Texas	GE EFS, Capstar Partners (BNP Paribas)	Tax Equity	\$129M		GE EFS and Capstar will commit 50% each of the tax equity for the merchant project. The remaining \$129 million project cost will be financed with sponsor equity (PFR, 10/3).
Lincoln Clean Energy	Amazon Wind Farm Texas (253 MW)	Scurry County, Texas	BAML, MUFG	Debt	TBA	TBA	BAML and MUFG will provide a construction loan which will be replaced with tax equity once the project goes online (PFR, 10/10).
			BAML, GE EFS	Tax Equity	TBA		
NextEra Energy Resources	Rush Springs (250 MW Wind)	Grady and Stephen counties, Okla.	GE EFS, JP Morgan Capital Corp.	Tax Equity	TBA		GE EFS and JP Morgan are acquiring the tax equity associated with the projects (PFR, 10/17).
	Javelina II (200 MW Wind)	Webb County, Texas					
NextEra Energy Resources	Portfolio (414.9 MW Wind)	Kansas	BAML, BNY	Tax Equity	TBA		BAML and BNY are jointly investing tax equity in the projects (PFR, 10/17).
Novatus Energy	Sunflower (104 MW Wind)	Stark and Morton Counties, N.D.	Goldman Sachs	Tax Equity	TBA		Novatus Energy has requested regulatory approval for a tax equity investment by Goldman Sachs (see story, page 1).
NTE Energy	Portfolio (2 GW Gas)	Connecticut, North Carolina, Ohio	TBA	Debt	\$2B		NTE is planning to raise \$2 billion to finance the Killingly, Reidsville and Pickaway energy centers (PFR, 4/25).
Quantum Utility Generation	Moundsville (549 MW Gas)	Marshall County, W. Va.	TBA	Debt	\$500M	TBA	Quantum has approached prospective arrangers to raise debt and has mandated BNP Paribas to sell a stake in the project (PFR, 6/6).
Samsung Renewable Energy, Connor, Clark & Lunn Infrastructure	Kingston Solar (100 MW Solar)	Ontario	RBC Capital Markets (lead), Desjardins, National Bank Financial, HSBC and MUFG	Bond	\$481.8 million		The project has been refinanced in the bond market (see story, 5).
sPower	Portfolio (270 MW Solar)	Lancaster, Calif.	Keybank Capital Markets	Construction, term loan	\$519M	TBA	The financing for the nine-project portfolio has closed. CohnReznick advised sPower on the tax equity deal. (PFR, 10/17).
			Undisclosed	Tax Equity	\$267M		
Transmisora Eléctrica del Norte	TEN (379 mile Transmission)	Chile	KfW-IPEX Bank, MUFG, Mizuho, Sumitomo-Mitsui Trust Group	Term Loan (Dollar)	\$739M	18-yr	The expected closing date of the financing has been pushed back due to negotiations over interest rate swap provisions (PFR, 10/17).
			Santander, Banco de Chile, Banco Estado de Chile, Banco BCI	Term Loan (Chilean Peso)			

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To report updates or provide additional information on the status of financings, please call Managing Editor Olivia Feld at (212) 224-3260 or e-mail olivia.feld@powerfinancerisk.com

Goldman Returns to Wind Tax Equity Investing

◀ FROM PAGE 1

ments, adds another deal watcher.

The only time Goldman has moved to acquire tax equity stakes in wind facilities in the last five years was in June 2014, according to *PFR* data. Unlike the investments described in the recent filings, that deal was a secondary tax equity transaction in which Goldman was set to acquire a position in a pair of operational wind farms owned by **Infigen Energy** (*PFR*, 6/18/14).

“VERY RARE”

In one of the newly proposed deals, Goldman would acquire the tax equity associated with EGP North America’s 150 MW Lindahl

wind project in North Dakota, according to a filing by the developer. The project is being constructed by **Tradewind Energy** in Williams County.

The overall cost of developing and constructing the Lindahl project is expected to be \$248.5 million, according to paperwork filed with the **North Dakota Public Service Commission** late last year. The commission greenlighted the project in December (*PFR*, 12/4).

“Construction of the Lindahl wind farm will require an overall investment of more than \$220 million,” a spokesperson for EGP North America tells *PFR* from Andover, Mass. The spokesperson

declined to comment further.

Goldman’s tax equity investment in the project will fund \$168 million of the project costs, according to marketing materials published by **Stoel Rives**, the law firm that advised Enel on the deal.

“We were also successful in negotiating an undertaking for Goldman to protect Enel against certain FERC regulatory risks inherent in the structure Goldman sought to use,” the document reads. “This is very rare.”

Goldman may also acquire the tax equity interests associated with Novatus Energy’s Sunflower project, a 104 MW wind facility under construction in Stark and

Morton counties, N.D., according to the second filing.

Novatus Project Holdings I, a portfolio company of Novatus Energy, acquired the project from **SunEdison** earlier this year, after gaining approval for the sale from the **U.S. Bankruptcy Court for the Southern District of New York** (*PFR*, 6/27).

Each of the projects, both of which are due online in December, has a 25-year power purchase agreement with **Basin Electric Power Cooperative** (*PFR*, 3/7/14).

Officials at Goldman Sachs in New York declined to comment. **Steve Doyon**, ceo at Novatus Energy, could not immediately be reached for comment. ■

Ontario Project Sponsors Tap Bond Market for Refi

The joint sponsors of a 100 MW solar facility in Ontario have refinanced the project’s debt in the bond market to take advantage of increasingly favorable pricing.

The interest rate on the 19-year bond to refinance **Connor, Clark & Lunn Infrastructure** and **Samsung Renewable Energy**’s Kingston Solar project was 3.571%, 35.5 basis points lower than a very similar bond the two sponsors priced just four months ago.

The sponsors will use the net proceeds of the C\$633 million (\$481.8 million) bond to repay approximately C\$492 million (\$374.7 million) of existing bank debt, pay related swap breakage fees and issue a distribution to the equity investors, according to a rating report by **DBRS**.

The swap breakage fees amount to \$81.9 million (\$62.4 million) and the equity distribution is \$50.6 million (\$38.5 million), according to the report.

The low cost of debt in the capital markets outweighed the high cost of the swap breakage fees, says a deal watcher.

RBC Capital Markets was the lead manager on the project bond, which was priced on Oct. 6. **Desjardins** and **National Bank Financial** were joint lead managers and **HSBC** and **MUFG** were co-managers.

The senior secured bonds mature in July 2035 and have an average weighted life of 10.4 years.

Located in the city of Kingston and Loyalist Township, the Kingston Solar facility has been online since September 2015 and has a 20-year power purchase agreement with the **Independent Electricity System Operator**.

The sponsors approached the bank market to finance the project with about \$500 million of debt in 2014, when the project was known as the Sol-Luce Kingston solar project. **CIBC**, **Desjardins**, **Natixis**, **MUFG**, **National Bank of Canada** and **Rabobank** were reportedly considering the deal (*PFR*, 7/18/14).

CC&L was the lead and financial adviser to Samsung on the financing before it acquired a stake in the project and become the primary sponsor.

TIGHTENING SPREADS

DBRS has rated the bonds BBB with a stable outlook, the same rating it gave to the two sponsors’ last project bond refinancing, which was also for a 100 MW solar project in Ontario: the Grand Renewable project in Haldiman County (*PFR*, 6/10).

Although the two bonds have the same rating and tenor, they were priced differently, reflect-

ing a fall in the cost of debt in the capital markets in the past four months, notes the deal watcher.

The Grand Renewable project bonds have a 3.926% coupon, 35.5 bps higher than the bonds for the Kingston Solar project.

The difference can be attributed in part to lower yielding Canadian government bonds and in part to tighter credit spreads, says the deal watcher. The Grand Renewable project bond was priced at 255 bps over Canadian government bond yields, while the Kingston Solar deal was priced at 237 bps, he adds.

Like the Grand Renewable bond, the offering for the Kingston project has been split into two tranches with the same tenor and coupon, both of which are denominated in Canadian dollars.

The two-part structure allows U.S. investors to buy one tranche and enter into a cross-currency swap to convert the debt in to U.S. dollars.

Canadian investors bought more of the bonds than U.S. investors did, according to the deal watcher, who notes that the overall deal was considerably oversubscribed.

The offering attracted “support from a broad base of Canadian and U.S. investors,” said **Matt O’Brien**, president of CC&L, in a statement. ■

● PROJECT FINANCE

NextEra Finds Tax Equity for Midwest Projects

NextEra Energy Resources has obtained tax equity commitments from two banks for a pair of Midwestern wind projects totaling 300 MW.

The two banks, **JP Morgan** and **Wells Fargo**, will invest in the projects through their tax equity arms, **JP Morgan Capital Corp.** and **Wells Fargo Wind Holdings**, according to a filing with the U.S. **Federal Energy Regulatory Commission**.

The 200.9 MW Osborn project in DeKalb County, Mo., and the 99.3 MW Oliver III project in Oliver County, N.D., are expected to be online before the end of the year.

The relative sizes of the investments by the two institutions could not immediately be learned. Spokespeople for NextEra in Juno Beach, Fla., and JP Morgan and Wells Fargo in New York did not respond to inquiries by press time.

The output of the Osborn project is contracted to two **Westar Energy**-owned utilities, **Kansas City Power & Light** and **KCP&L Greater Missouri Operations**, under two separate offtake agreements (PFR, 5/6). The Oliver III project

has a long-term power purchase agreement with **Minnkota Power Cooperative**.

FLURRY OF ACTIVITY

The commitment marks the latest in a spate of tax equity deals the independent power producer has inked this year with several banks, including JP Morgan. NextEra recently filed with FERC for permission for a tax equity investment by JP Morgan in its 250 MW Rush Springs wind project in Grady and Stephens counties, Okla., and its 200 MW Javelina Wind Energy II wind project in Webb County, Texas (PFR, 10/11).

Bank of America Merrill Lynch and **Bank of New York Mellon** have also committed tax equity funds to several NextEra wind projects, including a three-project portfolio in Kansas and two projects in North Dakota (PFR, 10/11, PFR, 10/5).

THE ONE THAT GOT AWAY

Not every potential deal that seeks FERC approval makes it to the finish line. A filing ear-

lier this year described a planned transaction in which JP Morgan would invest tax equity in a four-project NextEra solar portfolio (PFR, 6/27), but the proposed investment in one of the projects did not happen.

The transfer of the tax equity stakes in three of the projects—the 75 MW River Bend project in Lauderdale County, Ala., the 70 MW Chaves project in Chaves County, N.M., and the 51 MW Live Oak project in Candler County, Ga.—closed at the end of September and in early October.

In consummation notices filed with FERC, an attorney for NextEra disclosed that the fourth deal—for the 62.25 MW Marshall project in Lyon County, Minn.—would not close.

Factors in a scuttled tax equity deal can range from disagreement about what the rate of return on the investment should be to reduced eagerness to close a deal on the part of either the sponsor or the investor, says a deal watcher.

“Tax equity deals fall through, for one reason or another, on a fairly frequent basis, so I don’t think there was anything terribly remarkable about that,” he said. ■

GE EFS to Invest Tax Equity in Enel Wind Project

GE Energy Financial Services is investing tax equity in an **Enel Green Power North America** wind project in northern Oklahoma, and considering increasing its stake in a partnership with the same developer through which it co-owns a multi-state generation portfolio.

GE EFS will invest tax equity in the 64.8 MW Chisholm View II wind project, which EGP North America is developing in Grant and Garfield counties, Okla., according to a filing with the U.S. **Federal Energy Regulatory Commission**.

The project, which is expected to be online in December, has a 25-year power purchase agreement with **Arkansas Electric**

Cooperative Corp.

Chisholm View II is an expansion of EGP North America’s Chisholm View project. The first 235 MW phase was completed in December 2012 (PFR, 1/7) and has a PPA with **Alabama Power Company**.

Separately, GE EFS is considering taking a larger role in an existing partnership with Enel Green Power North America, through which it owns a 49% stake in an 857 MW portfolio of wind, geothermal and solar projects, including the first phase of the Chisholm View project.

The two companies forged the partnership, called **EGPNA Renewable Energy Partners**, in April 2015 (PFR, 4/2/15).

“Enel Green Power North Amer-

ica, Inc. (EGP-NA) and GE Energy Financial Services are considering an opportunity to further strengthen their existing partnership agreement, EGPNA REP, by transforming this partnership into a joint venture,” said a spokesperson for EGP North America in an e-mailed statement. “This in turn will support EGP-NA’s continued dynamic growth in North America. EGP-NA will continue operating all the assets included in EGPNA REP’s portfolio. At the moment no other details about this transaction, which is subject to federal regulatory approval, are available.”

GE EFS’s stake in the partnership would increase from 49% to 50% under the terms of the deal, according to paperwork filed with FERC earlier this month.

The portfolio includes the first phase of the Chisholm View project and:

- ◆ the 200 MW Prairie Rose wind project in Rock County, Minn., which has a long-term PPA with **Northern States Power Company**,
- ◆ the 200 MW Goodwell wind project in Texas County, Okla., which has a long-term PPA with the **Public Service Company of Oklahoma**,
- ◆ the 150 MW Origin wind project in Murray and Carter counties, Okla., which has a long-term PPA with the **Arkansas Electric Cooperative**,
- ◆ the 47.2 MW Stillwater geothermal project and the 22 MW Stillwater solar project near Stillwater, Nev., each of which has a long-term PPA with **NV Energy** and
- ◆ the 25 MW Cove Fort geothermal project in Cove Fort, Utah, which has a long-term PPA with the **Salt River Project**. ■



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Capital Markets

● MERGERS & ACQUISITIONS

Japanese Consortium to Acquire N.Y. Plant

A consortium of three Japanese-owned companies has announced that it has agreed to acquire a 635 MW dual-fuel combined cycle project in **New York ISO**.

Tyr Energy, Tokyo Gas Co. and **Kansai Electric Power Co.** are acquiring the merchant Empire project in Rensselaer, N.Y., from funds managed by **Energy Capital Partners**. The facility has been online since 2010.

REDUCTION OF DEBT

The deal involves a significant reduction of existing project-level debt, according to a statement issued by the buyers on Oct. 14. No financial advisers were used in the bilateral deal.

ECP refinanced the facility in 2014, after originally planning to sell the facility in an auction run by **Deutsche Bank** (PFR, 6/10/13).

Instead of selling it, ECP refinanced the plant with a \$480 million debt package including a \$430 million term loan B, which is due in 2021. Deutsche Bank was the lead left on the refinancing and **Barclays** and **Crédit Agricole** were also in the deal (PFR, 2/27/14).

Barclays and **Union Bank** originally financed the construction of the project in late 2007 with a seven-and-a-half-year \$400 million loan (PI, 11/2/07).

ECP bought the then development-stage project from **Besicorp-Empire**, a joint venture between **Besicorp Development Co.** and **Empire State Newsprint**, in 2007 (PFR, 7/19/07).

Tyr, the independent power producer that led the transaction, will manage the facility, while Tyr's affiliate, **NAES Corporation**, will provide operations and maintenance services.

NAES and Tyr are both wholly-owned subsidiaries of **ITOCHU Corp.**

Overland Park, Kan.,-based Tyr and its affiliates own interests in 17 operational and development projects, with a gross capacity of 9 GW, in the U.S.

DEBT FINANCING TO COME

The IPP is expected to raise debt financing early next year to finance two development projects in **PJM Interconnection**, the 1 GW Hickory Run gas-fired project in Lawrence County, Pa., and the 337 MW

Good Spring gas-fired project in Schuylkill County, Pa.

Tyr acquired a 50% stake in the Good Spring project through a joint venture with Calgary-based **EmberClear Corp.** (PFR, 3/24/14). Tyr acquired Hickory Run from **LS Power** earlier this year (PFR, 7/22).

A representative for Tyr in Overland Park declined to comment on the purchase price or acquisition financing and a spokesperson for Energy Capital Partners in Short Hills, N.J., did not respond to inquiries by press time. ■

Utility Seeks to Sell Eight-Unit Mass. Project

« FROM PAGE 1

from **Sithe Energies Inc.** in 2002, but handed over the keys to both plants to its creditors during the third quarter of 2004 (PFR, 5/15/05).

Of a 19-bank lender group, **BNP Paribas** held most of the distressed paper associated with the units (PFR, 5/20/05).

K Road Power bought the Mystic units from BNP Paribas, along with the Fore River project,

in 2004.

U.S. Power Generating Co. acquired the Mystic plant from K Road under the terms of a merger agreement in 2007 (PFR, 2/28/07), and **Constellation** acquired the the project from U.S. Power Generating Co. in a court-run auction during bankruptcy proceedings in 2011.

Constellation paid a combined \$1.1 billion for the Mystic facility and the Fore River project. The

deal was shortlisted for *PFR*'s Deal of the Year award (PFR, 2/24/12).

The ownership of the Mystic units and the Fore River project was split when **Calpine Corp.** acquired the Fore River project from Exelon for \$530 million in 2014 (PFR, 8/25/14).

Spokespeople for JP Morgan in New York and Exelon in Mystic, Mass., both declined to comment. ■

RET Capital Flips California Wind Facility

Renewable Energy Trust Capital is selling a wind project in California a year after acquiring it from a subsidiary of **Brookfield Renewable Energy Partners** and refinancing it with a combined loan and bond deal.

Consolidated Edison is acquiring the 102 MW Coram project, located near the city of Tehachapi, Calif., according to a filing with the U.S. **Federal Energy Regulatory Commission**.

The consideration being paid by ConEd and whether either party is working with a financial adviser could not be determined by press time. Officials either declined to comment or did not immediately respond to inquiries.

The Coram project was RET Capital's first wind asset purchase. Simultaneously with the acquisition, the firm refinanced the project with a term loan and letter of credit facility totaling \$134.7 million and a \$103.9 million investment grade project bond.

MUFG was coordinating lead arranger, bookrunner and administrative agent on the loan, which was syndicated to **Associated Bank, DZ Bank** and **Zions Bank**.

MUFG was also the placement agent and bookrunner on the project bond, which was placed with **AIG Asset Management** and **Teachers Insurance and Annuity Association of America**.

The tenors and pricing of the loan and the bond were not disclosed.

The project's original \$209 million debt financing consisted of a \$150 million construction loan and a \$59 million bridge loan, arranged by **MUFG, Sumitomo Mitsui Banking Corp.** and **Mizuho** in 2011 (PFR, 6/16/11).

The project was developed by **Brookfield Renewable Power** and **Coram Energy** and has been online since 2012. It has a power purchase agreement with **Pacific Gas & Electric** for all of its output.

Capital One owns the tax equity associated with the project (PFR, 11/18). ■

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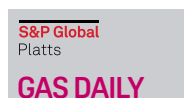
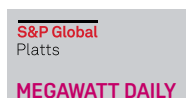
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● STRATEGIES

Developer Hires BAML for Debut Capital Raise

8minutenergy has hired **Bank of America Merrill Lynch** as its financial adviser for its first corporate-level capital raise.

The San Francisco-based solar developer is wholly owned by its founders, **Martin Hermann** and **Tom Buttgenbach**, but is looking for a financial investor to acquire a stake as it seeks to raise about \$200 million.

"It was a decision we made early on not to bring in venture capital like private equity in order to build the company and really be able to focus on our core business, which is development, and not to have to cater to the financial world," Buttgenbach tells *PFR* from San Diego, adding that the company's ability to act quickly has given it a competitive edge.

Buttgenbach declined to disclose the size of the ownership stake that is for sale, but says that the developer is seeking an investor that would also help it fund the security deposits typically required in utility-scale power purchase agreements.

The \$200 million figure includes both the equity stake and the security deposits, he adds.

Leading on the transaction for BAML are **Raymond Wood**, m.d. and head of

global power and renewables, and **Omer Farooq**, an m.d. who leads the renewable energy solutions team within the bank's cross asset solutions and strategies group.

8minutenergy has a 539 MW portfolio of long-term contracted solar projects with an enterprise value of \$1 billion, the company says. The contracted projects are part of the company's 5.5 GW pipeline in the U.S.

PROJECT FINANCING TO COME

The developer is in talks with a number of banks to arrange debt and tax equity financing for two of the contracted projects in the portfolio, the 26 MW Redwood 4 project in Kern County, Calif., and the approximately 330 MW Mount Signal 3 project in Imperial County, Calif.

The Redwood 4 project won a power purchase agreement with **Pacific Gas and Electric** earlier this year through the utility's Solar Choice program. The sponsor is scheduled to start construction on the project in 2017.

8minutenergy sold certain rights relating to the Mount Signal 3 project to a company that was later acquired by **SunEdison**, but bought them back in bankruptcy court for

\$24 million in July (PFR, 7/6). The identity of the offtaker for the Mount Signal 3 project could not be learned by press time.

The developer is discussing the financing of the two projects with what Buttgenbach described as "the usual suspects", including BAML as a potential tax equity investor. He declined to identify the other institutions. Construction is expected to commence on both projects next year.

The rest of the contracted portfolio comprises the 90 MW Lotus project in Madera County, Calif., which has a power purchase agreement with **Southern California Edison**, and the Springbok 3 project, which has a capacity of more than 100 MW and obtained a PPA with the **Southern California Public Power Authority** in April.

Previously, 8minutenergy partnered with **D.E. Shaw Renewable Investments** to develop the 137 MW Springbok 1 and 155 MW Springbok 2 projects. **U.S. Bank, Citigroup** and **State Street** invested tax equity in the projects. **Key-Banc, Santander, OneWest Bank, CoBank** and **Siemens Financial Services** arranged debt financing for Springbok 1 (PFR, 8/4). ■

Talen Prices Term Loan B for Riverstone Buy-out

Talen Energy has priced a \$600 million term loan B that will be used partly to fund its acquisition by **Riverstone Holdings**.

Allentown, Pa.-based Talen announced the pricing of the loan on Oct. 19, after the merger obtained the approval of the U.S. **Federal Energy Regulatory Commission**.

The seven-year loan is secured on all of Talen's assets except for three gas-fired projects totaling 2.5 GW it obtained when it acquired **Mach Gen** in 2015 (PFR, 10/13/15).

The loan was priced at 500 basis points over Libor with a

1% Libor floor and an original issue discount of 98.5.

Goldman Sachs was lead left on the deal. **Royal Bank of Canada, Barclays, Credit Suisse, Deutsche Bank, Morgan Stanley** and **MUFG** joined Goldman as joint lead arrangers and joint bookrunners.

The loan will close at the same time as Riverstone's acquisition of Talen, which is expected to take place before the end of the year.

About \$250 million of the proceeds of the loan will be used to finance the \$1.2 billion acquisition, according to a report by **Moody's Investors**

Service. The remaining \$350 million will be used to repay funds that the company drew under its revolving credit facility to repay unsecured debt that matured in May, according to reports by Moody's and **S&P Global Ratings**.

Moody's rates the loan Ba1, two notches higher than Talen's Ba3 corporate family rating.

The rating agency is reviewing Talen's corporate rating for downgrade to B1 in light of the Riverstone merger.

"Our view is based on our current understanding of the transaction, and considers the

resulting financial and operating prospects for Talen, which includes reduced financial flexibility as a result of increased leverage and lower liquidity," reads the Moody's report. "This reduced flexibility comes at a time when the merchant power market remains in the midst of a prolonged cyclical downturn."

S&P Global Ratings has given the loan a BB rating, whereas its issuer rating for Talen is B+.

Almost exactly a year ago, Talen pulled a proposed \$400 million term loan B that was intended to finance its acquisition of Mach Gen, citing market conditions (PFR, 10/23/15). ■

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● PEOPLE & FIRMS

BNP Paribas Veteran Departs for Japanese Investment Bank

A project finance veteran who spent 20 years working in power at BNP Paribas has left to join the recently established investment banking arm of a Japanese bank.

Andrew Platt, who was deputy head of structured debt origination for the Americas in BNP Paribas' New York office, has left the bank to join **Sumitomo Mitsui Banking Corp.** in New York, sources tell *PFR*.

SMBC Nikko Securities, an affiliate of SMBC, announced earlier this year that it was establishing an investment banking team in New York to cover a range of industries. Platt will focus on energy as part of that expansion.

Platt is understood to have left BNP Paribas within the last two to three weeks. He is expected to join the investment banking group either at the end of this year or early next year, after a period of gardening leave, sources tell *PFR*. He will report to **Randy Gelber**, who was hired from **Barclays** earlier this year to head the bank's brokerage unit.

In his 20-year career at BNP Paribas, Platt worked in a variety of managerial roles, covering both project finance and mergers and acquisitions. Most recently, since May 2015, Platt was deputy

head of structured debt origination for the Americas.

Previously, from 2012 to 2015, Platt was the head of power, infrastructure and project finance in the Americas. The name of the group was changed from project finance a few years earlier to better reflect the full scope of the department's activities, Platt told *PFR* in 2015.

Capstar Partners, the arm of the bank that invests in tax equity, and the bank's commodity derivatives capabilities were highlighted by Platt as two integrated areas that complemented the work of the project finance bankers (*PFR*, 2/17/15).

As head of the group, Platt replaced **Brian Goldstein**, who had left BNP Paribas to take up the position of president at **Greenwood Investors** in Englewood, Colo. (*PFR*, 5/12/12). Goldstein has since moved to **CoBank**, where he is head of project finance.

From 2010 to 2012, Platt was managing director and head of mergers and acquisitions in North America at BNP Paribas. The year after Platt was promoted from this position, he was replaced by **Dean Keller**.

Keller and members of his

team at BNP Paribas later left the bank to join **Guggenheim Partners** (*PFR*, 8/7). Keller was replaced at BNP Paribas by **Thomas Rosen** in November (*PFR*, 3/31).

Before 2010, Platt was a managing director and head of the Paris-based bank's North American project finance group.

Platt began his career at **Paribas** as an associate in 1996, four years before it merged with **Banque Nationale de Paris** to form BNP Paribas.

Between 1991 and 1996, Platt was an investment analyst at **Prudential Insurance** in Newark, N.J., where he worked in the private placement group and focused on asset-backed securities, leveraged buyouts and project finance.

Timothy Chin is head of project finance in North America at BNP Paribas. The bank's plans to replace Platt could not immediately be established.

A spokesperson for BNP Paribas in New York did not comment beyond confirming Platt's departure from the bank. Platt himself could not be reached for comment and his new job title at SMBC could not be confirmed by press time. ■

● ALTERNATING CURRENT

Accidental Discovery Could Bring Energy Storage Solution



Scientists have accidentally discovered a chemical catalyst that could open the door to industrial-scale energy storage.

The scientists, who work at the **Department of Energy's** Oak Ridge National Laboratory, were attempting to create a catalyst that would convert carbon dioxide into methanol, but were surprised to find that the reaction produced ethanol instead.

The process, which is essentially combustion in reverse, could be used to store power generated by intermittent renewable sources, according to **Adam Rondinone** of the laboratory's Center for Nanophase Materials Sciences.

"Because this reaction operates at room temperature, it can be turned on and off very easily with no energy penalty, and so we see this as a way that you could store extra electricity from the grid," Rondinone says in a statement.

In theory, the ethanol could be burned to convert the chemical energy back into electricity, but Rondinone thinks the main application of the ethanol would be as vehicle fuel.

However, there is still a lot of work to do before the technology can be put to use, he warns.

"There are many broad economic questions that have yet to be answered such as cost to implement, longevity of the catalyst and overall energy efficiency," he tells *PFR* via e-mail. "While we are very excited about the possibility of a carbon neutral source of ethanol, we've still got considerable work to do before it could be implemented at an industrial scale." ■

● MERGERS & ACQUISITIONS

EDF Takes Stake in Brazil Solar Project

EDF Energies Nouvelles' Brazilian subsidiary is purchasing a majority stake in a **Canadian Solar** project in the country.

EDF EN do Brasil will acquire an 80% interest in Pirapora I, a 191.5 MW (DC) solar project that is in the early stages of construction in the southeastern state

of Minas Gerais. The project is expected to be online in the third quarter of 2017.

The Pirapora I project was awarded a 20-year power purchase agreement in Brazil's second reserve energy auction last year.

EDF's other investments in

Brazil include a 51% interest in the **SINOP Energy Company's** 400 MW SINOP hydro project in the state of Mato Grosso and two wind projects that are under construction.

The purchase price for the Pirapora project has not been disclosed. ■