

power finance & risk

The exclusive source for power financing and M&A news

www.iipower.com

A PUBLICATION OF INSTITUTIONAL INVESTOR, INC.

OCTOBER 26, 2009

VOL. XII, NO. 42

Bechtel Scopes Generation Plays

Bechtel is scouting investments and partnerships in generation. The EPC is looking at a range of technologies.

See story, page 2

At Press Time

Delay Sees BC Hydro Bidders Ponder Sales

2

In The News

Tucson Electric Power Preps For Solar Bids

3

CS Pitches Alt Energy Play

3

Solon Bids For Mega Projects

3

Acciona Tracks PV Opportunities

3

Financing Conference

Guarantee Rules Confuse

4

Southeast Biomass Attracts Crowd

4

Macquarie Readies New U.S. Renewables Fund

5

Corporate Strategies

Calpine Taps 144A To Spread Debt Profile

5

Southern Issues Floaters To Take Out Revolver

5

Departments

News In Brief

7

Project Finance Deal Chart

7

COPYRIGHT NOTICE: No part of this publication may be copied, photocopied or duplicated in any form or by any means without Institutional Investor's prior written consent. Copying of this publication is in violation of the Federal Copyright Law (17 USC 101 et seq.). Violators may be subject to criminal penalties as well as liability for substantial monetary damages, including statutory damages up to \$100,000 per infringement, costs and attorney's fees. Copyright 2009 Institutional Investor, Inc. All rights reserved. ISSN# 1529-6652

For information regarding subscription rates and electronic licenses, please contact Dan Lalor at (212) 224-3045.

AMERICAN SECURITIES UNIT PLOTS ACQUISITION PUSH

Lakeside Energy is aiming to target generation acquisitions within the next several months. The energy investment unit of American Securities Capital Partners is making the push under the direction of Frank Napolitano, the ex-Lehman Brothers power M&A bigwig, who joined as president in July.

Lakeside is zeroing in on gas-fired and traditional thermal generation assets and targeting investments in the several hundred million dollar-range. "We're looking



(continued on page 8)

Long Row To Hoe?

SOLAR CO. GAUGES U.S. LENDER APPETITE

Cleveland-based Solar Trust of America and financial advisors Citigroup and Deutsche Bank are sounding out lenders on financing \$6 billion of solar projects in the Southwest. While some European lenders have been sniffing around U.S. solar, many bankers say the trio has its work cut out given the big price tags and the lack of depth and precedence for large U.S. solar financing.

Cash grants from the U.S. Department of Treasury, loan guarantees from the U.S. Department of Energy and tax equity are all under consideration for the financing mix, according to a deal watcher. The plan is to syndicate tranches of the loan guarantee portions sometime next year. Officials at Citi and Deutsche Bank declined to comment and a Solar

(continued on page 8)

Platts Conference

LONGER TENORS, TIGHTER PRICING FORECAST

Bankers expect to see a drop in debt pricing and an extension in loan tenors next year. That was the message at the 11th Platts' Financing U.S. Power conference with lenders saying competition is heating up in the non-recourse market.

"Spanish, Portuguese and European lenders are coming in from doing long-term deals in Europe and it's putting on a lot of pressure for the U.S.," Jorge Camina, head of project finance North America at Banco Santander, told PFR on the sidelines at the conference in Jersey City, N.J. "We could go out to 15 years," he adds.

"The competition is heating up," noted Beth Waters, v.p. of business development at Bank of Tokyo Mitsubishi-UFJ. The revival of the term B loan market, though tepid, is also driving pricing and tenor in the sponsor's favor. She noted BTMU started receiving

(continued on page 4)

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



At Press Time

Bechtel Targets Developer Partnerships

Engineering, construction and project manager Bechtel is looking to inject equity and enter into strategic partnerships with developers on solar, wind, biomass, nuclear and combined cycle projects across the country, according to a company official. The giant private company aims to arrange project financing and will also consider working with utilities on developing projects. Partnerships will come to fruition next year.

Bechtel is supporting small scale nuclear developer **NuScale Power** (PFR, 4/3). It also used to hold a stake in **Intergen** (PFR, 8/5/05). A spokesman in Frederick, Md., did not respond to questions by press time and the amount of money the company is looking to invest in the projects could not be immediately learned.

Some BC Hydro Bidders Scout Sales

Some developers who bid into BC Hydro's call for clean generation in November are feeling the pinch and considering selling or looking for a strategic partner to stay in the game. The 300 MW call has been snagged by a tussle over what to do with an existing large scale coal plant.

"The [developers] that are impacted are the ones with no revenue stream," says **Chris Ball**, executive v.p. with boutique investment bank **Corpfinance International** in Toronto, declining to name them. The delays have caused anxiety for developers, says **Paul Manson**, ceo of **Sea Breeze Power**, which has two proposals submitted by subsidiaries. Sea Breeze itself has no plans to partner or sell.

Mid-size developers who raised money for projects are reluctant to return to investors for more money for additional surveys and operating costs when they have little to no progress to report, says a banker. "There's a comfort zone and investors may be beginning to think it's taking too long," he notes.

The Clean Power Call fell into limbo when **British Columbia Utilities Commission** rejected BC Hydro's plan. The BCUC wanted to rely on an existing 912 MW coal-fired plant that the BC **Energy Ministry** wanted phased out. The amount of power BC Hydro needs to contract from the Clean Power Call hinges on the government's decision about the future of the coal-fired plant, says **David Austin**, lawyer at **Tupper Jonsson Yeadon** in Vancouver. The government plan is expected soon, possibly within a few weeks, although no official date is set, says Austin. BC Hydro will then decide which bids it will accept for pricing adjustments and negotiations, followed by a PPA shortlist. Calls to officials at BC Hydro and the Energy Ministry were not returned. Officials at BCUC declined to comment.

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 **Jeanine Prezioso**, managing editor, at 212-224-3226 or jprezioso@iineews.com.

power finance & risk

The exclusive source for power financing and M&A news

EDITORIAL

TOM LAMONT
Editor

STEVE MURRAY
Deputy Editor

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

JEANINE PREZIOSO
Managing Editor
(212) 224-3226

SARA ROSNER
Reporter
(212) 224-3165

HOLLY FLETCHER
Associate Reporter
(212) 224-3293

STANLEY WILSON
Washington Bureau Chief
(202) 393-0728

KIERON BLACK
Sketch Artist

PRODUCTION

DANY PEÑA
Director

LYNETTE STOCK, DEBORAH ZAKEN
Managers

MELISSA ENSMINGER,
JAMES BAMBARA, DOUGLAS LEE
Associates

JENNY LO
Web Production & Design Director

ADVERTISING AND BUSINESS PUBLISHING

JONATHAN WRIGHT
Publisher
(212) 224-3566

PAT BERTUCCI, MAGGIE DIAZ
Associate Publishers

PUBLISHING

NICK FERRIS
Publisher
(212) 224-3507

LAUREN O'DONNELL
Marketing Associate
(212) 224-3609

LAURA PAGLIARO
Renewals Manager
(212) 224-3896

VINCENT YESENOSKY
Senior Operations Manager
(212) 224-3057

DAVID SILVA
Senior Fulfillment Manager
(212) 224-3573

SUBSCRIPTIONS/ELECTRONIC LICENSES

One year \$2,975 (in Canada add \$30 postage, others outside US add \$75)

DAN LALOR
Director of Sales
(212) 224-3045

KEN LERNER
Account Executive
(212) 224-3043

REPRINTS

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

CORPORATE

GARY MUELLER
Chairman & CEO

ALLISON ADAMS
Group Publisher

STEVE KURTZ
Chief Operating Officer

ROBERT TONCHUK
Director/Central Operations & Fulfillment

Customer Service: PO Box 5016,
Brentwood, TN 37024-5016.
Tel: 1-800-715-9195. Fax: 1-615-377-0525
UK: 44 20 7779 8704
Hong Kong: 852 2842 6910
E-mail: customerservice@iineews.com

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

Power Finance & Risk is a general circulation newsweekly. No statement in this issue is to be construed as a recommendation to buy or sell securities or to provide investment advice.

Power Finance & Risk ©2009
Institutional Investor, Inc. ISSN# 1529-6652

Copying prohibited without the permission of the Publisher.

Institutional Investor NEWS
INTELLIGENCE FIRST

Tucson Electric Awaits Solar Pitches

Tucson Electric Power is gearing up to receive proposals for its call for solar projects. “We had a bidders’ phone call and there were so many people on the line we just couldn’t accommodate them. It was bedlam,” says **Paul Bonavia**, ceo of parent **UniSource Energy**. Bids are due Nov. 1 and the utility will hand out 20-year PPAs for at least 30 MW of projects before year-end.

The utility is particularly interested in photovoltaic projects, which don’t require water like concentrating solar thermal projects. “It’s a proven technology. We know it works and we can get it built,” says Bonavia, pointing to the technology’s deployment in Europe. TEP is looking for experience and financial viability in a sponsor, he adds.

Fotowatio, which developed the 14 MW PV project at Nells Air Force Base in Nevada, garnered a PPA from TEP for a 25 MW project in an undisclosed location. The identity of potential bidders into the call could not be learned and an official at Fotowatio in San Francisco did not return a call.

Alt Energy Investment Structure Pitched

Credit Suisse is pitching three-year notes linked to the performance of three in-house indices referencing alternative energy stocks.

Philipp Rüede, global head of structuring at CS in Zurich, was not available for comment. An official at a rival issuer says, “If you take note of what’s happening in the political arena right now, you can bet that there is going to be more and more investment in renewable energy over the next few years...making such a product attractive in the long term.”

Subscription is open until Dec. 14, when the starting level of the indices is taken. At that time, investor capital is allocated equally to the units of each index. CS will be issuing around 10,000 certificates, each costing \$1,000. The indices are the CS Global Alternative Energy Index, the CS Global Warming Index and the CS Water Index.

The redemption price is calculated at maturity, where the final levels of the indices will be averaged out and the investor receiving a return reflecting the average appreciation of the indices on a one-for-one basis. There is no capital protection on the downside and no knock-out barriers, but also no cap on the upside.

The product is a relatively simple one for the structured market, the rival noted, reflecting the underlying. “Not a lot of investors are in touch with renewable stocks, hence why there are not many such structures around,” he said. “Therefore, for this to work, [investors] must understand the product straight away.”

PV Shop Bids For Mega Projects

Photovoltaic module manufacturer **Solon** has bid to supply **NextLight Renewable Power** and **Pacific Gas & Electric** with modules to build projects with more than 200 MW capacities.

Roughly six other companies are in the running for both the NextLight and PG&E contracts, says **Olaf Koester**, ceo of Solon in New York, adding that the finalists were culled from pools of almost 200 bidders. NextLight, a unit of **Energy Capital Partners** will make a decision on the contract to provide modules for its 230 MW AV Solar Ranch I project in Antelope Valley, Calif., (PFR, 10/9) in the next month. PG&E will likely choose a vendor before year-end. Calls to an official at NextLight and a spokesman for PG&E, both in San Francisco, were not returned. The value of the contracts, the identity of the other bidders and the details of PG&E’s project could not be immediately learned.

Solon is the U.S. unit of German manufacturer **Solon AG** and has provided roughly 9 MW of modules to five utilities. The company, which has a manufacturing facility in Tucson that can produce up to 120 MW of modules per year, will consider expanding its facility pending the awards of the contracts.

Acciona Unit Targets Big PV

Acciona Energy North America is looking to develop utility-scale photovoltaic projects in the range of 20 MW in the U.S. next year. The move is a result of demand from utilities looking to meet state renewable portfolio standards, improvements in the technology and the company’s Spanish parent, **Acciona Energia**, putting a 46 MW PV plant online in Moura, Portugal last year, says **Susan Nickey**, cfo.

The company is talking to pension funds and tax equity investors for financing, Nickey explains, adding the long-term PPAs with investment-grade offtakers would fit with pension funds’ risk appetite. She declined to identify any potential investors or lenders to the projects. Construction on the first facilities could start as early as next year. The company is also working with the U.S. Army Corps of Engineers to develop a 500-1,000 MW concentrating solar thermal project at Fort Irwin, Calif. Nickey declined to specify future PV project details, such as size, location or number and says that financing for the Fort Irwin project have yet to be determined.

In other news, Acciona North America is also considering financing options for rolling out several wind projects in the 100 MW range next year. Financing alternatives include working with tax equity investors and using cash grants. The portfolio will include four facilities in Illinois and two in Oklahoma. She declined to specify the number of projects or the size of the company’s development portfolio.

Financial U.S. Power Conference

Roughly 200 bankers, developers, lawyers and consultants descended upon the Hyatt Regency Jersey City Oct. 19-20 for Platts 11th Annual Financing U.S. Power conference. The U.S. Department of Energy's loan guarantee program and a brightening outlook on tenors and pricing were among the hot topics. Senior Reporter Sara Rosner filed the following stories.

LONGER TENORS,

(continued from page 1)

request for proposals for financing from developers in August—a marked about-face from sponsors knocking at lenders' doors in the aftermath of the **Lehman Brothers'** collapse.

Smaller deals backing experienced sponsors with contracted assets are the transactions most likely to get tenors beyond the current market's seven- to eight-year barrier because it's easier to obtain consensus from a smaller group. "If you do a larger transaction a lot of banks are still hesitant to go out more than 7-8 years," Waters explained.

Initial pricing, which is at least in the 300 basis points over LIBOR-range, will likely start dropping toward 200 bps range next year as banks continue to vie for financing the same middle-of-the-fairway projects. The longer end of deals will be higher, though. "We need to see good step-ups [in pricing] so that we know in year 12 we're not going to be stuck with a bad loan," Camina said.

—Sara Rosner

Uncertainty Persists Over Loan Guarantees

Lenders, investors and developers are concerned about ambiguities under the U.S. Department of Energy's latest guidelines issued for the Financial Institution Partnership Program for loan guarantees, such as lenders requirement for holding capital, environmental reviews and the allocation of voting rights. "We have lots of questions on how this is going to work," said **Joe Condo**, v.p. of **Invenenergy** on a panel on Monday.

"It's really the 800 lb. gorilla hiding in the closet," said **Thomas Hoffman**, partner at **Ballard Spahr Andrews & Ingersoll** of projects having to comply with the National Environmental Policy Act. Under the guidelines, sponsors could be required to engage in an environmental assessment, which could take a few months or an environmental impact study, which could take more than a year. "It does seem something like a black hole, especially when you hear all of the horror stories of how long it takes," Condo said of the NEPA process.

Lenders are also wary of the DOE's likely inclination to look for 18-20 year tenors on guaranteed portions of debt, when banks are only just beginning to consider going beyond eight-year facilities (see story, page 1). "They're penalizing us for having

un-liquid capital on the one hand and then asking us to hold on to capital for years," said **Carl Weatherly-White**, managing director at **Barclays Capital**. "In my experience, banks like to have control of their capital."

Finally, bankers are wondering how the voting rights in deals would be arranged, which come into play in the event of default or acceleration of repayments. "We've seen what they've done with [**General Motors**] where the government does one thing that doesn't seem to make any sense and you have to go ahead and let them do what they want anyway," said a banker.

Despite these potential limitations, **Patrick Blandin**, cfo of **UniStar Nuclear**, said the DOE has been fairly open to suggestions and ideas from sponsors in the other loan guarantee solicitations. "I've found they are more willing to be more innovative. They're very flexible in their approach, but you have to help them quantify the approach," he said. The company aims to have a conditional term sheet under the \$18.5 billion nuclear loan guarantee program on the table backing its proposed Calvert Cliffs nuclear plant near Lusby, Md., before year-end.

Developers, Financiers Circle Southeast Biomass

Sponsors and financiers are zeroing in on developing wood-fired biomass in the Southeast, as the solar and wind-poor region looks for ways to meet renewable portfolio standards. "There needs to be 200, or more, 50 MW biomass plants in the Southeast and we're looking at a few of those opportunities," said **Mark Kubow**, managing director of private equity shop **Imperium Capital**, on a panel last Tuesday.

Wood is an ideal generation resource for the region. "They've certainly got a lot of wood and good wood too. With the depressed economy down there, loggers are looking to move it," said **Joseph Omowore**, director at **Duff & Phelps** on the conference sidelines. The long development life of nuclear, which is the region's cornerstone renewable resource, is also forcing utilities to look to other renewable alternatives.

Robert Place, ceo of **First Reserve** unit **GenPower**, said the company is planning to develop several biomass plants in the region in 25-100 MW range. Construction on many of the facilities will start next year, in order for the projects to qualify the U.S. Department of Treasury's cash grant program, Place

Financial U.S. Power Conference

told *PFR* on the sidelines.

Brad Nordholm, managing director of **Starwood Energy**, says the private equity shop is also looking at developing wood-fired biomass in the region. Another deal watcher notes **Bechtel Power** is interested in partnering with developers in the space (see story, page 2).

Macquarie Plots Renewables Fund

Macquarie Capital is getting ready to raise a \$1 billion fund targeting renewables in the U.S. "For us, it's more shovel ready projects. Development isn't really part of our tool kit and our [pension fund] investors don't have that kind of risk appetite for failure," said **Alan James**, senior managing director, on a panel. The fund would be Macquarie's fifth renewable fund. The shop manages \$3 billion in renewable assets.

Transmission investments and utility acquisitions similar to its \$7.4 billion purchase of **Puget Sound Energy** (*PFR*, 9/26) will be the sweet spot for Macquarie. "It's situations like that we are looking at. Companies with weaker balance sheets and big capex programs who need the capital," James said. The stable rate base cost recovery of most transmission projects also appeals to lower risk investors.

Reporter's Notebook

- Location, location, location. While some conference attendees complained about schlepping to the other side of the Hudson River for the event, more were impressed with the view. The **Hyatt's** verandah became the hotspot for networking with the Manhattan skyline, the Statue of Liberty and Ellis Island as a backdrop.

- **Al Elmy**, manager of interconnection planning for **PJM Interconnection**, discovered that Jersey City is no bastion for Phillies fans. The speaker was mildly berated by hotel staff when he expressed support of the team before Monday night's game. "There aren't a lot of Phillies fans here in this part of the world," he observed.

- News of longer tenors and lower prices weren't the only sweet news enjoyed by attendees. Consultant **R.W. Beck** sponsored a break that included several flavors of **Häagen Das** ice cream bars on Tuesday, proving that you're never too professional to enjoy a sugar fix.

Corporate Strategies

Calpine Staggers Debt

Calpine Corp. tapped a 144A notes for term loans exchange recently to spread out its debt maturities. The Houston-based IPP now has \$4.69 billion maturing in 2014 and \$1.2 billion in 2017, as opposed to \$5.89 billion in 2014, says **Swami Venkataraman**, analyst at **Standard & Poor's** in San Francisco.

Lenders exchanged term loans maturing in five years dollar-for-dollar for the bonds. "We've actually viewed this as neutral, there's no change in debt. It's all par for par," says Venkataraman. "I fully expect Calpine to do more refinancing to stagger their maturity, whether it's by bonds or another way of doing it, because \$4.7 billion [in a year] is still significant debt."

The 144A were the first senior secured bonds issued since the company emerged from bankruptcy in February 2008. They were upsized by \$450 million to \$1.2 billion. The eight-year notes have a 7.25% coupon and were rated B2 by **Moody's Investors Service** and B+ by S&P. **Norma Dunn**, Calpine spokeswoman, declined to comment or make an official available.

Goldman Sachs, **Bank of America**, **Deutsche Bank** and **Morgan Stanley** acted as arrangers. Officials at the banks either declined to comment or didn't return calls.

Southern Taps Floaters To Take Down Revolver

Southern Co. is taking down short-term debt by issuing two-year notes with a floating rate. The \$300 million issuance will pay off a revolver maturing this year, leaving the bulk of revolvers due in 2012, says **Dimitri Nikas**, analyst with **Standard & Poor's** in New York.

Floating rates are advantageous when the company thinks the aggregate yield over the short life of the bond will be lower than a fixed rate coupon, says Nikas. "A floating rate usually depends on a company's financial philosophy; companies will always have some floating rate exposure. It's an economic decision you make," says Nikas.

The Southern payments, assessed and paid every 90 days, will be a three-month average of LIBOR plus 40 basis points. The bonds, which priced and sold yesterday, are rated A3 by **Moody's Investors Service** and A- by S&P.

Calls to Southern officials were not returned by press time.

Atlanta-based Southern has worked with lead arrangers, **Deutsche Bank** and **RBS Greenwich Capital** in the past. Calls to officials at the banks were not returned.

power finance & risk Corporate Access Program



Get instant, online access to ***Power Finance and Risk*** for everyone — every associate — in your firm.

The Corporate Access Program (CAP) is the most cost effective way to disseminate our exclusive breaking news. Call now to start your firm's subscription to the new and improved www.iipower.com.

Your Corporate Access Subscription Includes:

- > The new Power Finance & Risk Daily Email available exclusively to subscribers
- > Breaking news sent to each designated person at your firm
- > Customizable daily and breaking news email alerts
- > News updated throughout the day at www.iipower.com
- > Round the clock access to www.iipower.com
- > Simplified billing
- > Mobile-friendly website and email delivery
- > Protection against copyright violations - your firm is protected

NEW > Unlimited access to the Generation Sale Database!



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

- Coal-fired plants cost the U.S. an estimated \$62 billion a year in “hidden damages,” not including the effects of climate change, according to a report by the **National Academy of Sciences**. The study examined the effects of coal power on human health, crop and timber outputs and quality of life (*Bloomberg*, 10/19).
- Using raw wood material to fuel wood-burning biomass plants could double the capacity, according to the **Biomass Power Association**. New plants are in the works, but opponents say that encouraging the use of raw materials could lead to razing forests (*The New York Times*, 10/20).
- Member utilities of the **Edison Electric Institute** have pledged to increase efforts to encourage the use of plug-in electric vehicles. The utilities will work on rate structures and charging stations to expand large-scale, commercial use (*Dow Jones*, 10/21).
- Brazilian utilities are delaying investment and long-term supply contracts as the government decides whether to renew several concessions expiring in 2015, or put the contracts out for bidding. The government is expected to make a decision in the first quarter of next year (*Dow Jones*, 10/21).
- Colorado wind generation capacity grew by 174 MW in the third quarter, the fourth largest increase in U.S. according to the **American Wind Energy Association**. Texas, Oregon and Illinois took the top three spots with 436 MW, 251 MW and 201 MW installed respectively (*Denver Business Journal*, 10/21).

Europe & Middle East

- **Saudi Electricity Co.** is planning a SAR6.9 billion (\$1.84 billion) project to convert a gas-powered plant into a combined-cycle generator and add 1,241 MW to the al-Qurayyah facility (*Bloomberg*, 10/20).
- A proposed carbon tax that would pay for nuclear plant construction in the U.K. could add GBP44 (\$72) a year to consumer power bills (*Reuters*, 10/19).
- Italian utility **Edison SpA** wants a share in the country's nuclear program. Edison is in talks with **Enel SpA** and **Electricite de France** about taking as much as a 20% stake in their joint nuclear venture (*Bloomberg*, 10/20).
- **Dominique Venet**, v.p. at EDF, says the company is interested in the planned South Stream natural gas pipeline as it looks to secure more gas. The project, being developed by Russian company **AO Gazprom**, would bypass the Ukraine to deliver gas from Russia to Europe (*Dow Jones*, 10/21).
- French utility **GDF Suez** may invest up to \$500 million in two Peruvian plants to meet demand from its **Enersur** unit. The company may expand its 545 MW gas-fired Chilca plant and its 114 MW hydro plant (*Bloomberg*, 10/20).
- Italian renewable developer **Enel Green Power** aims to develop 12 MW of wind project in the Champagne-Ardenne region of France by year-end. The company has just added 18 MW of facilities to bring capacity in the area to 56 MW (*Reuters*, 10/21).

Project Finance Deal Book

Deal Book is a matrix of energy project finance deals that PFR is tracking in the energy sector. The entries below are of new deals or deals where there has been change in their parameters or status. To report updates or provide additional information on the status of financings, please call Jeanine Prezioso at (212) 224-3226 or e-mail jprezioso@iineews.com.

Live Deals: North America

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
First Wind	Various (Wind)	Maine and Western U.S.	TBA	TBA	TBA	TBA	Talking to banks for expansion financing (PFR, 10/19).
Invenergy	Beech Ridge (186 MW Wind)	Greenbrier County, W. Va.	TBA	TBA	TBA	TBA	Talking to banks to wrap club deal (PFR, 10/19).
	Vantage (103 MW Wind)	Vantage, Wash.	TBA	TBA	TBA	TBA	Talking to banks to wrap club deal (PFR, 10/19).
Pattern Energy	Various (600-800 MW Wind)	Various	TBA	TBA	TBA	TBA	Looking to finance \$1.2-1.6B of projects in 2010 (PFR, 10/19).
Pure Energy	Bayonne Energy Center (512 MW Gas)	Bayonne, N.J.	TBA	TBA	TBA	TBA	Sponsors choosing lead (PFR, 10/19).
Tres Amigas	Substation	Clovis, N.M.	TBA	TBA	TBA	TBA	In preliminary talks with lenders (PFR, 10/19).

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

AMERICAN SECURITIES

(continued from page 1)

for more traditional as opposed to renewables. Our strengths are more peakers and combined-cycle plants and industrial cogens," says Napolitano.

He added that Lakeside is also interested in inside-the-fence generation assets linked to industrial companies. He declined to comment on specific assets, including whether the firm is looking at purchasing the gas-fired assets that **Energy Investors Funds** has on the block (PFR, 9/10).

Napolitano, who works out of New Brunswick, N.J., became familiar with the Chicago-based Lakeside when its predecessor, **Primary Energy**, hired Lehman to auction off 14 generation assets purchased by **Epcor Utilities** (PFR, 7/21/06). American Securities' endeavors in other sectors and the general malaise of the markets have kept the firm relatively quiet since the sale.

The company will look to use the project finance markets to fund a portion of any purchase, as well as equity from American Securities. "Prior relationships are important, but we have to be cognizant of who is open for business," Napolitano says, pointing to **Barclays Capital**, which took over Lehman, as a possible candidate.

—Sara Rosner

SOLAR CO. GAUGES

(continued from page 1)

Trust spokesman could not make an official available for comment by press time.

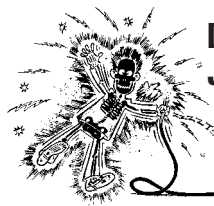
European banks with solar experience are showing more interest in funding solar in the U.S. due to government subsidies, large solar resources and the advent of renewable portfolio standards. Still, bankers doubt there is enough solar appetite to handle the large financings needed to support projects of \$500 million costs or more. Solar Trust's projects each sport more than \$1 billion price tags.

The sponsor and its advisors plan to have financing secured for one or two 242 MW solar projects in California by October of next year. The projects, which have 20-year PPAs with **Southern California Edison**, are slated for operation between 2013 and 2014. The contracts include an option to build a third 242 MW plant for SCE.

Solar Trust, which is a U.S. joint venture between German developer **Solar Millenium AG** and German engineering and procurement contractor **Man Ferrostal**, also has memoranda of understanding with **Nevada Energy** to develop at least one 242 MW plant in Amargosa Valley, Nev. The partners are also looking to tap equity from investors in Europe to fund the projects.

—S.R.

Alternating Current



Dracula Goes For The Power Jugular

The thought of vampires usually doesn't invoke images of your cell phone charger or DVD player maliciously glowing in the night, but that's exactly what **Best Buy** has in mind when it sponsors National Vampire Awareness Day on Oct. 30.

Vampire power, also known as "phantom load," is the electricity consumed by appliances when they are plugged in, but turned off or on standby mode. Computers, DVRs, game consoles, televisions, adapters and coffee pots are some of the biggest suckers of power while not in use and cost the U.S. nearly \$4 billion in vampire power, according to the **International Energy Agency**.

The cost is scary, but so is the waste. A 500-watt, 65-inch LCD TV left on continuously produces 5,873 lbs. of carbon dioxide annually. The U.S. **Department of Energy** estimates that 40% of all household consumption comes from appliances when they are turned off. That's enough to give Dracula the creeps.

Quote Of The Week

"They're penalizing us for having un-liquid capital on the one hand then asking us to hold on to capital for years. In my experience, banks like to have control of their own capital." —**Carl Weatherly-White**, managing director at **Barclays Capital**, on the U.S.

Department of Energy encouraging guaranteed loans to have 18-20 year tenors (see story, page 4).

One Year Ago In Power Finance & Risk

Karl Miller, senior power and energy industry consultant and founder of acquisition company **MMC Energy**, had pegged **Dynegy** as ripe for acquisition as power company valuations plummeted in the aftermath of the **Lehman Brothers'** collapse. [**LS Power** has tapped four lenders to back a \$750-800 million financing supporting its acquisition of nine Dynegy assets (PFR, 10/9)].

iipower.com

PRINT IT OUT. DOWNLOAD IT. YOUR CHOICE.

Subscribers can access their copy of **Power Finance & Investment** on Friday afternoons at www.iipower.com.

To set up your subscriber password, contact customerservice@iinews.com or call (800) 715-9195 between 8:00 a.m. and 6 p.m.