

Power Finance & Risk

Exclusive Insight on Power M&A and Project Financing

By the publisher of GlobalCapital

● AT PRESS TIME

● MERGERS & ACQUISITIONS

● STRATEGIES

Talen Finds Buyer for C.P. Crane

Talen Energy has agreed to sell the 399 MW C.P. Crane coal-fired plant in Baltimore to **Avenue Capital Group**.

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Arclight to Sell Michigan CCGT

Arclight Capital Partners is selling the 125 MW Michigan Power project to a fund managed by **Rockland Capital** and a group of other investors.

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Resi Solar Firm Raises Capital Ahead of ABS

Sunnova is preparing for a securitization deal after raising \$300 million in debt and equity.

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Invenergy Closes Refinancing for Gas-fired Portfolio

Richard Metcalf

Invenergy has closed a \$540 million financing backed by a 2.5 GW portfolio of gas-fired generation assets in the U.S. and Canada in a deal led by **Morgan Stanley**.

The \$340 million term loan B was \$50 million smaller than it had been described in rating agency reports, and Invenergy's equity contribution was \$50 million larger.

Pricing on the term loan B tranche was in the range of 550 basis points to 600 bps over Libor, say deal watchers.

Chicago-based Invenergy had been trying to raise the debt to refinance a portfolio of six gas-fired facilities since July, but a version of the deal which was launched by Morgan Stanley and the **Industrial and Commercial Bank of China** in August failed

to make it to syndication (PFR, 9/18). ICBC was not involved in the final deal.

After adding a second lien tranche, reducing its own equity contribution, and reducing the size of the senior secured term loan, Invenergy brought the deal back to the market in September, intending to raise approximately \$660 million of debt in total, according to a **Moody's Investors Service** report dated Sept. 21 (PFR, 9/24).

At that point, the planned financing consisted of a \$390 million seven-year term loan B (reduced from \$537 million originally), a \$200 million term loan C, a \$70 million five-year revolving credit facility and a \$50 million equity contribution from Invenergy, according to the report.

The final equity contribution from Invenergy

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Texas CPP Coal Retirements to Top 4 GW, Says ERCOT

Olivia Feld

Over 4 GW of coal-fired generation in Texas, roughly one-quarter of the state's coal capacity, will be retired under the Clean Power Plan, according to a report published by the **Electric Reliability Council of Texas** on Oct. 16.

Project sponsors have until 2022 to comply with the plan, but may decide to retire their

coal-fired facilities sooner, rather than make capital investments to continue operations and comply with other incoming regulations, said **Warren Lasher**, director of system planning at ERCOT, on a conference call with reporters.

ERCOT estimates that 14 GW of utility scale solar capacity, 9 GW of wind capacity and 2.9 GW of natural gas combustion turbines need to be

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Cerberus Picks Up Renovalia for €1B

Richard Metcalf

New York-based private equity firm **Cerberus Capital Management** has acquired **Renovalia**, a Spanish renewables shop with projects in the U.S., Canada, Mexico and Chile, for €1 billion (\$1.134 billion), say deal watchers.

The deal comes five years after a planned \$205.3 million partial initial public

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Details Emerge on \$275M Texan Wind Deal

Olivia Feld

Berkshire Hathaway Energy Renewables has closed a project finance deal worth \$275 million for a 300 MW wind project in Texas.

Mizuho was left lead and **Sumitomo Mitsui Banking Corp.**, **Bank of Tokyo Mitsubishi-UFG** and **CoBank** also participated in the financing backing the Jumbo Road

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● AT PRESS TIME

Talen Finds Buyer for C.P. Crane

Talen Energy has agreed to sell the 399 MW C.P. Crane coal-fired project in Baltimore to an affiliate of **Avenue Capital Group**.

Goldman Sachs advised Talen on the sale, the proceeds of which were described as "not material" in a statement by the Talen.

Talen was ordered by the U.S. **Federal Energy Regulatory Commission** in December 2014 to sell a number of assets in PJM Interconnection as a condition of

the company's formation.

Allentown, Pa.-based Talen has submitted three possible divestiture plans, the first and second of which have been approved. The third plan, which was submitted to FERC in September and has not yet been authorized, involved the sale of C.P. Crane and three other assets, which Talen has already found buyers for (PFR, 10/8).

The sale of Crane is subject to regulatory approvals and is slated to close in the first quarter of 2016.

Spokespeople for Avenue Capital Group and Goldman Sachs in New York declined to comment. ■

● PROJECT FINANCE

Details Emerge on \$275M Texan Wind Deal

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wind project in Castro County, Texas, which closed on Sept. 23.

The deal consisted of a \$230 million 10-year term loan and \$45 million in letters of credit. The term loan, which was similar in structured similar to a mini-perm, was priced at 162.5 basis points over Libor, deal watchers tell *PFR*.

Austin Energy has an 18-year power purchase agreement with the 162-turbine project for its entire output. Jumbo Road has been operational since April.

BHE Renwables, a subsidiary of **Berkshire Hathaway Energy**, bought Jumbo Road from Chicago-based **Lincoln Clean Energy** in 2014. Earlier this year, BHE Renewables acquired a portfolio of wind and solar projects from **Geronimo Energy** (PFR, 5/26).

A spokesperson for BHE Renewables in St. Paul, Minn., did not immediately respond to inquiries. A representative for Mizuho declined to comment on the deal. ■

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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	Advisor	Status/Comment
Arclight	Michigan Power (125 MW Gas)	Ludlington, Mich.		Rockland Capital has agreed to acquire the project with a group of minority investors (see story, page 7).
Carlyle Group, Goldman Sachs	Cedar Bay (250 MW Coal)	Jacksonville, Fla.		Florida Power & Light, the offtaker, plans to retire the plant after buying it for \$520.5M (PFR, 9/7).
CarVal Investors, Merrill Lynch Credit Products, Värde Partners, other financial investors	Granite Ridge (745 MW Gas)	Londonderry, N.H.		Calpine has agreed to acquire the project for \$500M (PFR 10/19)
Competitive Power Ventures	Sentinel (800 MW Gas, 25%)	Riverside County, Calif.		A portfolio co. owned by Partners Group has acquired a 25% stake in the project (PFR, 10/5).
Dominion Resources	Portfolio (425 MW Solar, 33%)	U.S.		SunEdison is acquiring the stake with equity raised by JPMorgan (PFR, 9/14)
EDF Renewable Energy	Longhorn (200 MW Wind, 50%)	Floyd and Brisco counties, Texas		A fund managed by Blackrock Infrastructure has acquired the 50% stake (PFR, 10/5).
Entergy Corp.	Rhode Island State Energy Center (583 MW Gas)	Johnston, R.I.		The Carlyle Group has agreed to acquire the facility for \$490M (PFR 10/19)
GE Financial Services	Linden (953 MW Gas, 50%)	Linden, N.J.		Ares-EIF has acquired GE FS's 50% stake. Highstar Capital owns the remaining 50% (PFR, 10/5).
Green Gas Americas	Pioneer (8 MW Landfill Gas)	Birdsboro, Pa.	Shearman & Sterling (legal)	Fortistar has agreed to acquire the projects after closing a \$150M financing for its LFG to energy portfolio (PFR, 10/12).
	Port Charlotte (3 MW Landfill Gas)	Punta Gorda, Fla.		
IFM Investors	Portfolio (1.08MW Gas, Oil, Hydro)	U.S.	Morgan Stanley	IFM has launched the sale of its Essential Power portfolio (PFR, 8/31)
Invenergy	Morgans Corner (20 MW Solar)	Pasquotank County, N.C.		A subsidiary of Dominion will acquire the project to supply the U.S. Navy with renewable power (PFR, 9/28).
Korea Western Power Americas	Townsite (180 MW Solar)	Clark County, Nev.		Skylar Resources has acquired the project to service a 50 MW 25-year PPA with Glendale (CA) Water & Power (PFR, 10/12).
LS Power	Portfolio (4,300 MW Gas)	U.S.	Citi, Morgan Stanley	LS Power has taken second round bids (PFR, 9/28).
MACH Gen creditor group	Athens (1.08 GW Gas)	Greene County, N.Y.		Talen Energy aims to raise \$400M with a term loan B towards the \$1.175B purchase price it has agreed to pay for the portfolio (PFR 10/19)
	Millenium (360 MW Gas)	Charlton, Mass.		
	Harquahala (1.092 GW Gas)	Maricopa County, Ariz.		
Petrobras	Pipeline Network (4038-mile)	Brazil		First Reserve is mulling a bid for an interest in the assets (PFR, 8/17).
Quantum Utility Generation	Passadumkeag (40 MW Wind)	Penobscot County, Maine	BNP Paribas	A SunEdison subsidiary is set to acquire the project (PFR, 10/5).
Renovalia	Portfolio (418 MW Wind)	U.S., Canada, Mexico		Cerberus has acquired Renovalia for \$1 billion (see story, page 1).
	Portfolio (105 MW Solar)	Chile		
Talen Energy	Ironwood (778 MW, Gas)	Lebanon, Pa.	Credit Suisse, Kirkland & Ellis (legal)	TransCanada has agreed to acquire the project for \$654M following an auction (PFR, 10/12).
	Holtwood (252 MW, Hydro)	Holtwood, Pa.	RBC Capital Markets, Simpson Thacher & Bartlett (legal), Morrison & Foerster (legal, buyer)	Brookfield Renewable Energy and institutional partners have agreed to acquire the assets for \$860 million (PFR, 10/12).
	Lake Wallenpaupack (40 MW Hydro)	Hawley, Pa.		
	C.P. Crane (399 MW Coal)	Middle River, Md.		Talen has initiated a sales process for the facility (PFR 10/19)
Talen Energy	Sapphire Portfolio (655 MW Gas, Oil)	New Jersey, Pennsylvania		Talen is taking bids for the assets and may sell any, all or none of them (PFR 10/19)
TECO Energy	Portfolio (2.32 GW Gas/Oil, 2.64 GW Coal, 27 MW Solar)	Florida		Emera has acquired TECO Energy for \$10.4B (PFR, 9/14)
Tenaska Capital Management	Portfolio (4,900 MW Various)	U.S.	Barclays	Arclight has emerged as the buyer (PFR 10/19)
Sigma Engineering	Alterra (approx 50 MW)	British Columbia, Canada		Alterra is acquiring the four early stage development projects (see story, page 6).
U.S. Bancorp	Portfolio (414 MW Solar)	Illinois		SunEdison is acquiring tax equity stakes from U.S. Bancorp in two wind projects it is buying from Invenergy (PFR, 9/21).
Upstate New York Power Producers	Somerset (668 MW Coal)	Somerset, N.Y.		Riesling Power (Blackstone) is acquiring the projects in a transaction expected to close in December (PFR, 10/5).
	Cayuga (312 MW Coal)	Lansing, N.Y.		

● New or updated listing

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

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
Apex Clean Energy	Grant (151 MW Wind)	Grant County, Okla.	BayernLB, KeyBank, Siemens Financial Services	Construction	\$216M	Approx 1-yr	Southern Power has agreed to acquire the project on completion (PFR, 9/14).
Cemig	Unnamed Project (Capacity Unknown)	Minas Gerais, Brazil	TBA	Debt	TBA	TBA	The sponsor intends to seek debt for the project, which is pegged at a cost of \$1.14B (PFR, 8/17).
Competitive Power Ventures	Towantic (805 MW Gas)	Oxford, Conn.	GE EFS, ING, Natixis, MUFG, NordLB, Mizuho	Debt	TBA	TBA	The sponsor is in the market for debt and is in talks with the lenders listed here (PFR, 8/17).
	Fairview (980 MW Gas)	Cambria County, Pa.	TBA	TBA	Debt, Equity	TBA	The sponsor will be in the market for debt when the deal launches in Q3'16 (PFR, 6/15).
Conergy	Portfolio (27 MW Solar)	North Carolina	Solar Construction Lending (MMA Energy Capital, Fundamental Advisors)	Construction, Term	\$55M	TBA	A portion of the debt will convert into a term loan (PFR, 10/12).
Citizens Energy Corp, ClearGrid Energy	Portfolio (Capacity Unknown, Solar)	Massachusetts	TBA	Debt, Tax Equity	TBA	TBA	Sponsors will seek tax equity and debt financing for a number of community solar projects (see story, page 5).
EDF Energies Nouvelles, Marubeni	Laberinto Este, Laberinto Oeste (146 MW Solar)	Chile	DNB, Corpbanca, Banco BICE, Caixabank	Debt	\$187M	TBA	Debt financing has wrapped for two merchant solar projects in Chile (PFR, 9/7).
Energy Transfer Partners	Trans-Pecos (143-mile pipeline)	U.S. - Mexico	BBVA, Mizuho, MUFG, SMBC	Debt	\$1B combined	20-yr	JLAs are syndicating the deal (PFR, 10/19)
	Comanche Trail (195-mile pipeline)						
Innergex Renewable Energy	Mesgîg Uguju's'n (150 MW, Wind)	Avignon, Québec	National Bank Financial Markets, SunLife Assurance Co. of Canada	Construction, Term Loan	C\$103M C\$159.5M C\$49.2M	C+9.5-yr C+19.5-yr Construction	The C\$49.2M tranche will be repaid with the proceeds of a reimbursement by Hydro-Québec for the electrical substation. The deal also included two letter of credit facilities totalling \$38.4M (PFR, 10/5).
Invenergy	Clear River (900 MW+ Gas)	Burrillville, R.I.	TBA	TBA	TBA	TBA	The project is slated to cost \$700M to develop (PFR, 8/10).
Invenergy	Portfolio (2 GW Gas)	U.S., Canada	Morgan Stanley, ICBC	Sen. Secured Term Loan Sen. Secured RCF Second Lien Term Loan C	\$340M \$70M \$200M	7-yr 5-yr TBA	Chicago-based sponsor has closed financing for the portfolio in a deal lead by Morgan Stanley (see story, front page).
Magnolia LNG	Magnolia LNG (80 mtpa LNG)	Lake Charles District, La.	TBA	Debt	<=\$3B	TBA	Teasers are likely to be sent out in early October (PFR, 8/10).
Moxie Energy	Freedom (900 MW Gas)	Luzerne County, Pa.	BNP Paribas, Citigroup, GE EFS, MUFG Union Bank	Debt	\$600M	TBA	The deal, which is likely to be oversubscribed, is priced at 325 basis points over Libor (PFR, 9/21).
Panda Power Funds	Panda Sherman (1,200 MW Gas post expansion)	Grayson County, Texas	TBA	TBA	TBA	TBA	The 450 MW expansion project is pegged at a cost of \$200M to \$300M (PFR, 8/30).
Panda Power Funds	Hummel (1 GW CCGT)	Snyder County, Pa.	Goldman Sachs (left lead) Investec, another joint lead	Term Loan B Term Loan A	\$455M >\$445M	7-yr 6.5-yr	Rated B by S&P, the deal has launched and price talk is 375bps over Libor (PFR, 9/28). The deal has launched and price talk is 550bps to 575bps over Libor (PFR, 9/28).
Recurrent Energy (Canadian Solar)	Mustang (100 MW Solar)	Kings County, Calif.	Santander U.S. Bancorp	Construction, Term, Tax Equity Bridge Tax Equity	\$165M 101M	TBA TBA	Santander plans to syndicate the loan in the coming weeks (PFR, 9/14).
Recurrent Energy (Canadian Solar)	Tranquillity (200 MW Solar)	Fresno County, Calif.	NordLB, Rabobank, Santander, KeyBanc, CIT, CIBC	Construction, Letters of Credit, Term	\$337M	TBA	The deal has closed (PFR, 9/14).
Ares EIF	St Joseph Energy Center (700 MW CCGT)	New Carlisle, Ind.	BN P Paribas	Term	\$400M	TBA	The deal has launched and price talk is 325bp over Libor (PFR, 10/5).
sPower	Eden Solar (48 MW Solar)	Richmond County, N.C.	U.S. Bancorp	Tax Equity	\$52.6 M		U.S. Bancorp has taken federal tax equity in the project (see story, page 6).
SunEdison	Comanche (120 MW Solar)	Pueblo, Colorado	First Reserve Warehouse Wells Fargo	Warehouse facility Tax Equity	\$253 million TBA	TBA TBA	SunEdison drew on its \$1.5 billion First Reserve Warehouse facility for the construction financing (PFR, 8/30).

New or updated listing

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PROJECT FINANCE ●

Invenergy Closes Refinancing for Gas-fired Portfolio

◀ FROM PAGE 1

was \$100 million, a spokesperson for Invenergy tells *PFR*.

AMP Capital arranged the term loan. C. The Sydney, Australia-headquartered private equity firm's Infrastructure Debt Fund II provided \$150 million, while \$50 million came from funds warehoused by AMP.

"It was our second investment with Invenergy," says **Patrick Trears**, a principal at AMP in New York. "So we're building on a successful relationship."

In November 2011, AMP's Infrastructure Debt Fund extended a loan to the developer's wind subsidiary, **Invenergy Wind Power**.

AMP focuses on mezzanine debt. "That's the only market we play in," says Trears. "The

deals are hard to find because they're bilateral arrangements and the client is picking you for your expertise. We've got a strong track record in this space."

"They're very active in this area," confirms a deal watcher. "But it's very expensive money."

Moody's revised its rating for the term loan B up from B1 to Ba3 after the subordinate debt was added to the capital structure. In contrast, **Standard & Poor's** kept its rating of the deal unchanged at B+, although it did increase the recovery rating from 2 to 1 (*PFR*, 10/5).

However, the smaller than expected size of the term loan B could result in an upgrade, **Geoffrey Mrema**, the lead analyst for Invenergy at S&P, tells *PFR*.

"It's definitely something that we'll look at," he says. "There is less leverage, so that affects the debt service coverage, but what we still need to determine is whether that puts them at the high end of a B+ or pushes them

a category up."

The portfolio consists of the 584 MW St. Clair project in Ontario, the 584 MW Nelson combined-cycle plant in Illinois, the 330 MW Ector peaking facility in Texas, all of which are wholly owned by Invenergy, and the 357 MW Cannon Falls project in Minnesota, the 314 MW Spindle Hill plant in Colorado and the 370 MW Hardee facility in Florida. St. Clair, Cannon Falls, Spindle Hill and Hardee are fully contracted, Ector is merchant, and Nelson is a partially contracted asset.

Marubeni acquired a 49% interest in Cannon Falls, Spindle Hill and Hardee through a subsidiary, **Lincoln Generating**, in 2009 (*PFR*, 5/5/09).

Crowell & Moring was Invenergy's legal counsel for the refinancing, and **Latham & Watkins** represented the lenders as transaction counsel.

A spokesperson for Morgan Stanley in New York declined to comment on the deal. ■

FAST FACT

\$100m

Invenergy increased its equity contribution from \$50 million to \$100 million.

"What we still need to determine is whether that puts them at the high end of a B+ or pushes them a category up."

Community Solar Development Partnership Signed in Massachusetts

Citizens Energy Corp. has partnered with solar community start up **ClearGrid Energy** to develop community solar projects in Massachusetts.

Under the agreement, Citizens Energy will finance the construction of projects that ClearGrid originates. ClearGrid will manage the development process until the projects are construction-ready. Citizens Energy will seek tax equity and debt financing for the projects.

Founded in June, ClearGrid Energy uses algorithm-driven site acquisition software to identify locations for solar

development. The Brooklyn, N.Y.-based shop has a 20 MW pipeline of community solar projects in Massachusetts, New York and Vermont.

"Between June 1 and mid-August we found a large number of solar sites and many of them were in Massachusetts, and some were outside," says ClearGrid Energy ceo and co-founder **Michael Wyman**, who was previ-

ously development and mergers and acquisitions manager for **PSEG** in New Jersey. "We asked for bids from the market to look for co-developers and we had four term sheets that were put in front of us within a few weeks."

ClearGrid is raising equity and debt to support expansion into other U.S. states. The company plans to add 15 MW of projects to its pipeline each quarter, says Wyman. "Our financing appetite will be significant", he adds. ClearGrid has obtained grants from the U.S. **Depart-**

ment of Energy and the **State of New York**.

Citizens Energy is a non-profit founded and chaired by former U.S. Rep. **Joseph P. Kennedy II**. The Boston-based company has developed and owns over 40 MW of utility-scale solar projects in the East Coast, representing over \$100 million of projects. The shop generates profits from solar projects and re-invests them into initiatives including supplying heating oil to the poor and elderly, according to the company's website.

The number of megawatts to be constructed under the agreement and the terms of the deal have not been disclosed. A spokesperson for Citizens Energy Corp., in Boston did not immediately respond to inquiries. ■



Michael Wyman

● PROJECT FINANCE

sPower Bags Federal, State Tax Equity for N.C. Solar

sPower has secured federal tax equity from **U.S. Bancorp** and state tax equity from various investors via **State Tax Credit Exchange** for the 48 MW Eden Solar project in Richmond County, N.C. in two separate deals.

The project is slated to be online in November, and will sell all of its output to **Duke Energy Progress** under a 15-year power purchase agreement.

U.S. Bancorp, through its tax equity investment arm **Firststar Development**, is investing \$52.6 million in federal tax equity through an inverted lease structure, according to a spokesperson for U.S. Bancorp in St. Louis, Mo.

The transaction will involve **Land of the Sky**, a wholly owned subsidiary of Firststar, leasing the solar asset from the project company, **Eden Solar**, according to a filing with the U.S. **Federal Energy Regulatory Com-**

mission dated Oct. 6.

In a separate transaction, various investors will acquire passive state tax equity interests in the project indirectly through a special purpose vehicle controlled by STCE, according to a second FERC filing dated Oct. 16.

The size of the state tax equity deal could not immediately be learned.

In September, North Carolina's legislators passed a budget allowing the state's 35% solar tax credit to fade out at the end of the year, although projects that are 80% complete by Dec. 31 will still qualify.

There has been a rush of deals in North Carolina as developers and investors have sought to beat the deadline, a project finance attorney who was not involved in the Eden Solar transaction says.

"The problem has been to find enough state

tax credit," adds the lawyer. "That's where you get a lot of these retail funds [such as STCE]."

STCE invests in infrastructure projects qualifying for tax credits in various sectors and passes the tax benefits on to its clients through various investment programs.

The Atlanta-based company began investing in social housing projects in Georgia in 2005 and expanded into renewable energy about two years ago. It has already invested in several solar projects in North Carolina, **Robin Delmer**, a principal at the company in tells *PFR*.

The tax equity transactions are expected to close simultaneously with the completion of the project.

Spokespeople for sPower in Salt Lake City did not immediately respond to inquiries. ■

Highstar Subsidiary Faces Rating Downgrade

Moody's Investors Service has placed **Highstar Capital** subsidiary **Star West Generation's** credit rating under review for downgrade in the wake of the announcement that it would sell a fleet of contracted gas-fired facilities in California to **AltaGas**. The Ba3 rating applies to a \$693 million senior secured term loan B due in March 2020, and a \$100 million revolving credit facility maturing in March 2018. **Standard & Poor's** has given the debt a stable BB- rating.

The sale of the of 523 MW portfolio is not permitted under the terms of the loans.

In September, Calgary, Alberta-based **AltaGas** agreed to pay **Star West** \$642 mil-

lion for the portfolio, named **GWF Energy**, in the San Joaquin Valley in California (*PFR*, 9/23). **AltaGas** has since raised about \$300 million in a public share offering as part of its plan to fund the acquisition.

The portfolio consists of the 330 MW combined cycle Tracy facility in Stockton and two peakers in Kings County: the 97 MW Hanford facility and the 96 MW Henrietta project.

Hanford and Henrietta have 10-year power purchase agreements with **Pacific Gas and Electric Co.** that came into effect on Jan. 1, 2013, while Tracy has an agreement with the same offtaker for 10 years from its commercial operation date of Nov. 1, 2012.

Star West also owns the 570 MW Griffith gas-fired project in Kingman, Ariz., and the 577 MW gas-fired Arlington facility in Arlington, Ariz.

A call to **Star West** in Houston, Texas, was not returned by press time. ■

● MERGERS & ACQUISITIONS

Alterra Adds to B.C. Hydro Fleet

Alterra Power Corp. is acquiring four hydroelectric projects from **Sigma Engineering**. The small-scale facilities range from 10 MW to 15 MW and are located along the Toba Montrose transmission line in British Columbia.

The Chusan, Powell, Eldred North and Eldred South projects are all in early stage development and are likely to qualify for offtake agreements under **BC Hydro's** standing offer program, a spokesperson for Vancouver, Canada-based **Alterra** tells *PFR*.

The Canadian utility's standing offer program grants PPAs ranging from 20 to 40 years for renewable projects under 15 MW in British Columbia.

The four projects are located approximately 12 to 19 miles from **Alterra's** 78.4 MW Toba Montrose hydro facility and 62 MW Jimmie Creek run-of-river project.

"Typically we would try to project finance our projects," the spokesper-

son adds, when asked whether the company would seek financing for the new hydro projects.

Roughly a year ago, **Alterra** and **Fiera Axiom** closed project financing for Jimmie Creek (*PFR*, 10/24). That project is currently under construction.

Earlier this year **Alterra** and **Starwood Energy** closed a \$287 million debt financing deal for the 204 MW Shannon wind project in Clay County, Texas (*PFR*, 7/1).

The acquisition is slated to close by the end of 2015. The financial terms of the deal and how **Alterra** plans to finance the acquisition have not been disclosed.

Vancouver-based **Sigma Engineering** is a wholly owned subsidiary of **Synex International** that develops, owns and operates power projects in British Columbia. The shop focuses mainly on hydroelectric facilities. Representatives did not immediately respond to inquiries. ■

MERGERS & ACQUISITIONS ●

Cerberus Gains Americas Portfolio with Renovalia Buy

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offering for the Madrid-based developer failed to launch in the midst of the European debt crisis (PFR, 5/10/10).

It is not the first Spain-based renewables firm to have attracted a private equity buyer recently. In July, **Kohlberg Kravis Roberts** agreed to acquire **Gestamp Renewables**, in a deal which valued the Madrid-headquartered company at around \$1 billion (PFR, 7/23).

Cerberus filed the details of the Renovalia acquisition with the **Spanish National Markets and Competition Commission** on Oct. 2.

Renovalia's portfolio of projects in the Americas includes two wind projects in Unión Hidalgo in the state of Oaxaca, Mexico. A joint venture

between **First Reserve** and Renovalia acquired the 90 MW Piedra Larga I project and the 137.5 MW Piedra Larga II project in April 2013.

Through a subsidiary, **Pteragen Canada**, Renovalia is developing the 120 MW Peace Butte wind project near Medicine Hat, in Alberta, Canada (PFR, 5/8/13).

Renovalia is also developing wind projects totaling 70 MW in the U.S. and three 35 MW solar facilities in Chile.

The rest of its 1,947 MW global portfolio, which includes solar, wind and hydro assets, is located in Spain, Italy and Hungary.

Spokespeople for Cerberus in New York and Renovalia in Madrid did not immediately respond to requests for comment. ■

Rockland Fund to Acquire Michigan Gas-fired Plant

Arclight Capital Partners has agreed to sell a 125 MW gas-fired facility to a fund managed by **Rockland Capital**.

The Michigan Power combined-cycle cogeneration plant, located in Ludington, Mich., sells all of its output to **Consumers Energy Co.** under a power purchase agreement that expires in October 2030.

The project also sells steam to a chemical plant owned by **Occidental Chemical Corp.**

The parties are seeking antitrust approvals and the acquisition is slated to close by the end of the year.

The terms of the acquisition, including the purchase price, could not immediately be learned.

Rockland Power Partners II will own 76% of the membership interests in the project as a result of the transaction, according to documents filed with the **Federal Regulatory Commission** on Oct. 19.

The rest will be owned by a group

of passive investors including **University of Virginia Investment Management Co.**, **Virginia Tech Foundation**, **Gothic Corp.**, **Gothic HSP Corp.**, **Gothic ERP** and **Gothic JBD**.

The acquisition adds to Rockland's gas-fired fleet in MISO, which includes the 228 MW Gibson City simple-cycle plant in Gibson City, Ill., the 511 MW Grand Tower combined-cycle project in Grand Tower, Ill., the 87.2 MW Sabine Cogen topping-cycle facility in Orange, Texas and the 176 MW facility in Tilton, Ill.

Arclight initially invested in Michigan Power as a minority owner in 2008. In 2012, the New York-based firm bought an additional 69.6% stake from **Olympus Power** and **John Hancock Life Insurance** (PFR, 8/16).

Officials at Arclight in Boston and Rockland in Houston either were not immediately available for comment or did not respond to inquiries. ■

PFR #PowerTweets

For more news and coverage, follow @PowerFinRisk on Twitter, as well as @RichMetcalf and @OliviaFeld.

@ERCOT_ISO

Happy #BackToTheFuture Day. Did you know that 1.21 gigawatts could power 242,000 Texas homes during peak demand? pic.twitter.com/YgHateqgu1

@TVANews

@NRCgov grants operating license for Watts Bar Unit 2. First new operating license since 1996 in the US. #newnuclear pic.twitter.com/D5qighRn2j

@SunEdison

Did you hear? We're working with @advmicrogrid to add energy storage to the grid for @SCE! bit.ly/1TGP4IO pic.twitter.com/GkaZqotrKM



@UNFCCC

@google invests USD 2 billion in Africa's largest wind power project wrd.cm/1W2O5eU #COP21 #ADP2 pic.twitter.com/4oE8ZeW7Ov

@CGordon1467

Seven Power Companies Sign Obama's Climate Pledge - Including Invenergy! powermag.com/seven-power-co...

@IEABirol

Variability of #renewables is challenge to which energy systems can learn to adapt, but variability of govt policies is far greater risk

● STRATEGIES

Texas CPP Coal Retirements to Top 4 GW, Says ERCOT

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built by 2030 to comply with the CPP. New capacity build-out will cost \$29 billion, writes ERCOT in the report.

The coal plant retirements could affect grid reliability. "If ERCOT does not receive adequate notification of these retirements, and if multiple unit retirements occur within a short timeframe, there could be periods of reduced system-wide resource adequacy and localized transmission reliability issues," the report says. Project sponsors have 90-days to notify ERCOT of a plant retirement.

The independent system operator will need to build and upgrade transmission lines in order to comply with the plan, which is often a time consuming process. "New transmission lines can take more than five years to build," said Lasher on the call.

In August, the U.S. **Environmental Protection Agency** released the final version of the CPP, which sets out a 32% reduction in power plant carbon dioxide emissions by 2030 from 2005 levels (PFR, 8/3).

Previously, in November 2014, ERCOT had estimated that the proposed limits on carbon dioxide emissions would result in the retirement of between 3,300 MW and 8,700 MW of coal generation capacity.

Texas is the leading state in the U.S. for wind project development because of favorable market policies, high demand and an abundance of resource, says the **America Wind**

Energy Association. In April, AWEA calculated that there were 7.5 GW of wind projects under construction in the state, more than in all the other U.S. states combined.

Charlottesville, Va.-based sponsor **Apex Clean Energy** is currently developing five late-stage wind projects in Texas, Scott Weiss, manager for corporate development, told the audience during a panel discussion

on maximizing the Texas market at the AWEA Wind Energy Finance and Investment Seminar in New York last week.

Texas has meanwhile made significant strides in its solar capacity. In 2014, the state ranked eighth nationally, with 129 MW of installed solar capacity and \$252 million invested in solar projects, a 45% increase over the previous year, according to the **Solar**

Energy Industries Association. ■



Warren Lasher

Resi Solar Shop Raises \$300M, Plots ABS

Sunnova has raised \$300 million in debt and equity financing ahead of a planned asset backed securitization.

Credit Suisse provided a conduit facility as a precursor to an eventual securitization. The purpose of a conduit is to ready assets for a securitization and obtain interim financing, a deal watcher tells *PFR*.

"Yes we do plan to issue an ABS deal in the future. I don't know when and I don't know what structure," says **John Berger**, CEO of Sunnova. "Credit Suisse are the experts right now. We're very fortunate to team up with them; they don't just pick anybody out there. We're one of their clients now."

Credit Suisse arranged an ABS

deal for **SunRun** in June and three issuances for **SolarCity** (PFR, 7/22/14).

Palo Alto, Calif.-based **Triangle Peak Partners** led a simultaneous round of equity financing. **Franklin Square Capital Partners**, advised by Blackstone's credit investment platform **GSO Capital Partners**, also contributed equity.

The majority of the financing raised will be used to grow the company's customer base, says Berger. The Houston-based

shop, active in 23 U.S. states, works with panel installers to provide both loan- and lease-based residential solar rooftop installations.

The company does not sell tax equity to third party investors, choosing instead to use the credits itself. "We're open to do those kinds of things," says Berger of potentially bringing in tax equity investors. "But we haven't seen anything that makes true sense for us at this point in time."

The federal investment tax credit is due to step down from 30% to 10% in 2016. "We think that's a good thing. [The ITC] inhibits the industry's growth," adds Berger.

Just over a year ago, Houston-based Sunnova closed \$250 million in financing from Franklin Square Capital Partners and Triangle Peak Partners. **Barclays** was sole placement agent on the deal, which closed in November 2014.

"With this capital raise, which by itself is pretty significant, we've raised over \$900 million, which in anyone's view would be quite a lot of money, and we'll continue to raise more in the future given the capital intensive nature of the energy business," says Berger. "With the collapse of oil and gas, this is the only part of the energy business that's growing."

Sunnova did not use an advisor on the transaction. Representatives for Triangle Peak Partners in Palo Alto and Credit Suisse in New York did not respond to requests for comment by press time. ■



John Berger