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KeyBanc To Fund Northeast Wind

EverPower Renewables has mandated **KeyBanc Capital Markets** to arrange $130 million in loans.

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Morgan Pitches Morris Energy Refinancing

Morgan Stanley launched syndication last Thursday of $440 million in debt to refinance a five-plant portfolio owned by **Morris Energy Group**.

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Top O' The Market?

TENASKA LOOKS TO CASH IN VA. PLANT

An affiliate of **Tenaska Power Fund** is looking to offload 315 MW on the Delmarva Peninsula in New Church, Va., after picking up the Commonwealth Chesapeake power station two years ago. It could not be determined why the asset is up for sale, but one observer speculated that the firm believes valuations in the PJM Interconnection are reaching their peak.

As first reported by *PFR*, **JPMorgan** has reportedly dispatched teasers on the simple-cycle

(continued on page 12)

CANADIAN IPP PLOTS FINANCING FOR 1.2GW GAS PLANT

Kim Hubick

Canadian energy distribution and supply company **ENMAX Energy** could finance 40-80% of the C$1.6 billion ($1.652 billion) cost of a planned 1,200 MW gas-fired plant near Calgary. Plans are still in the preliminary stage, says **Kim Hubick**, cfo of parent ENMAX in Calgary, but will be clarified in January. It could tap the market by the second quarter next year.

(continued on page 12)

BLACK HILLS PUTS UP SEVEN PROPERTIES

Black Hills Corp. is looking to sell seven generating plants in its **Credit Suisse**-led auction, according to teasers dispatched last Monday. The unregulated assets, which are under medium- and long-term contracts, are projected to generate at least $75 million of contracted EBITDA per year over the next five years. Credit Suisse will conduct a two-stage auction, taking preliminary bids in mid to late November and execute a transaction in mid to late January.

(continued on page 12)

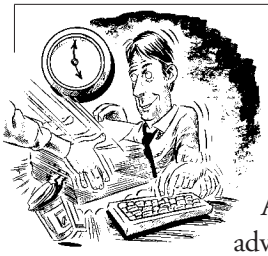
Platts Confab

LENDER-FRIENDLY FINANCING KEY IN CREDIT DOWNTURN

Slicing and dicing deals to appeal to different buyside and sellside lenders is the best way to get project and acquisition financing done cost effectively while the debt markets are in turmoil. That was the message at last week's 9th Annual Financing U.S. Power conference hosted by Platts at the Marriott Financial New York Financial Center.

With loan B and mezzanine investors in retreat, commercial banks are the main go-to for construction finance, but they are relationship driven and there has to be fairness on fees or deals will falter in retail syndication, said **Jonathan Baliff**, managing director at **Credit Suisse**.

(continued on page 6)



At Press Time

Advisor Scouts Targets For Green-Eyed Utility Buyers

Alyra Renewable Energy Finance, a boutique financial advisor, has been retained to source renewable acquisitions for a pair of large U.S. utility buyers. **Mohammed Alam**, president in Northampton, Mass., declined to disclose his clients' identities, but said one is looking to spend $100-500 million on wind and the other is looking to spend $100-250 million on solar developers using either photovoltaic or concentrating solar power, by buying the company outright or investing through a joint venture. Neither has a preference on the location of its targets.

Alam operates a one-man shop after serving as a v.p. in the power team at **Fortis Capital** until early 2004. Among the transactions he has advised on are **Duke Energy**'s acquisition of **Tierra Energy** from its majority owner, **Energy Investors Funds**. **Wouter van Kempen**, president of **Duke Energy Generation Services**, told *PFR* earlier this year the company is still looking for renewable targets (PFR, 06/01). Alyra's two new mandates are separate.

Fortis Prepped To Invest In Calif. Wind Park

Fortis Capital is being lined up as a tax equity investor in a 24 MW wind farm being built in Tehachapi, Calif., by **Alta Windpower Development**, a unit of Australia's **Allco Financial Group**, and development partner **Oak Creek Energy Systems**. The unit is being constructed on the site of what will be the largest wind facility in the U.S., a 1,500 MW complex that will be contracted for 20 years to **Southern California Edison**. Power from the smaller facility will be sold to a cement factory.

Allco is building the initial facility on balance sheet, but is in the market for financing for the initial phase of the larger project, which one observer estimated will cost $2.5-3 billion. Banks in the running could not be learned. The park will come online in phases: 80 MW in 2009, 250-300 MW in 2010 and each subsequent year until 2012. An additional $1.8 billion of transmission will also be built.

Bill Shore, an official handling the financing at Allco in New York, and **Hal Romanowitz**, president of Oak Creek in Mojave, Calif., declined to comment. Calls to Fortis were not returned.

Dexia, Nord Tee Up Invenergy Syndication

Dexia Crédit Local and **NordLB** will syndicate $197.3 million in debt financing for **Invenergy Wind**'s 99 MW Forward Energy wind farm in Dodge and Fond du Lac counties, Wis., later this year or early next, according to bankers.

The debt, which was funded Oct. 19, features a $116.4 million, 17-year construction loan converting to a term loan post construction, as well as an equity bridge loan and letter of credit, sizes of which could not be learned. Pricing has not been set, but tickets of equal sizes will be offered to relationship banks, who include **Royal Bank of Canada**, **Fortis Capital** and **Royal Bank of Scotland**.

Funding for Forward Energy will include a tax-equity investor, according to **Jim Murphy**, cfo of Invenergy, who declined to elaborate. Power from the project will be sold under long-term contracts to **Wisconsin Public Service**, **Wisconsin Power & Light**, **Madison Gas and Electric** and **Wisconsin Public Power**.

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Credit Suisse To Upsize Liberty Electric Debt

Credit Suisse was preparing to upsize the $410 million debt package recapitalizing **LEP Holdings**' 568 MW generating facility in Eddystone, Pa. last week, due to demand for the credit. Some $25 million will be added to the $300 million, seven-year first-lien opco loan, and another $25 million or more could be added to the $75 million holdco piece. Rounding out the first lien, rated Ba3 by **Moody's Investors Service**, is a $35 million revolver for working capital, which will not change. An official at Credit Suisse declined comment and a call to **Victor Simonte** at LEP was not returned.

The deal launched earlier this month (PFR, 10/05). Pricing, which may also be tweaked, was pitched at 300 basis points over LIBOR on the opco portion, with an OID of 1%, and 900 over on the holco, with 2% upfront. The opco loan has no call premium and the holdco is non-callable for two years, after which it can be repaid annually at 103, 102, 101 and par each subsequent year. The deal is stripped so institutional buyers need to play in the opco and holdco pieces (PFR, 9/28).

Developer Taps KeyBanc For $130M Wind Financing

EverPower Renewables has mandated **KeyBanc Capital Markets** on a two-year, $130 million loan supporting wind turbine purchases for 180 MW of projects that start construction next year. The developer plans to close on the funds for its **Nordex** N90 turbines by Oct. 30, says **Jim Spencer**, president in New York City. The loan will then convert into a construction facility once permits have been obtained and later be taken out by tax equity investment.

KeyBanc also is in line to finance construction of the projects: 65 MW Howard in Steuben County, N.Y., and 65 MW Highland in Cambria County, Pa., expected to cost a combined $250 million and be complete by the end of 2009. "[KeyBanc] has been very aggressive," says Spencer. "They are one of the few U.S. banks that we've seen trying to make headway into renewables and specifically wind project finance. Knowing you could execute a deal with a party is the most important thing—it doesn't always come down to basis points. I get a high degree of confidence from the team."

But the firm has not yet been mandated on the New York project because its uncertainty over the extension of production tax credits may mean it can only cover Highland, leaving funding for Howard's turbines potentially up for grabs. "Banks are lowering their advance rate until the PTC is passed," explains Spencer. Calls to **Andrew Redinger**, head of institutional banking at KeyBanc in Cleveland, Ohio, were not returned.

As well as the Northeast projects, EverPower has a 300 MW project in Ohio called Buckeye Wind under development, expected to cost $600 million. But financing for that will be put out to competitive tender because of the complexity and size of the project, says Spencer. "We will probably hire an advisor. It's a huge project and we will probably have to go really deep for that. I assume it'll be a club, underwritten deal."

Earlier this month, the developer obtained a $55 million equity commitment from renewable investor **Good Energies**, which had been interested in the business since its inception five years ago. **Michael Ware**, managing director at Good Energies in Washington, says he knew Spencer from his role as a senior executive at **Sithe Energies**, which sold to **Dynegy** in 2001; he liked the geographic dispersion of EverPower's projects; and wanted to invest alongside management rather than buy the company outright. "His investment interest and ours were compatible," Ware explains.

FORTISTAR Wins Landfill Gas Auction

FORTISTAR has won a limited-bid auction of six landfill-gas-to-energy projects totaling 18 MW in California and New Hampshire from **Algonquin Power Fund**. The purchase price was not disclosed, but as first reported by *PFR* last Monday, the company will finance the acquisition initially with cash on hand and lever up downstream. "We are writing a check, and eventually it will go into bank financing," says **Mark Comora**, president in White Plains, N.Y., noting that it will use the undrawn portion of a previously inked **HSH Nordbank**- and **Scotia Capital**-led, $100 million facility as well as its $20 million accordion feature.

The acquisition, which is slated to close within the next 30 days, will boost FORTISTAR's landfill-gas-to-energy portfolio by 25% year on year, notes **Jon Maurer**, managing director. The company owns projects across the Midwest, California and along the Eastern seaboard and about half of its 500 MW base is landfill gas generation.

Last month, it bought **TD Banknorth**'s 50% interest in **Minnesota Methane**, in which it already owned a 50% stake, and 50% of **United Gasco**, which managed Minnesota Methane's interests in fourteen landfill-gas-to-energy projects. "Our view is that all landfills that have methane should be converted into something clean and electricity is one of the major ways to do that," says Comora. "The key is managing 50 projects that are not terribly large efficiently, and now we have a platform to bring operational efficiencies."

Chris Thompson, principal at Algonquin's advisor **Beckwith Capital** in Riverside, Conn., did not return calls.

Dutch Shop Adds 44MW Wind, Looks For More

DIF Renewable Energy's acquisition of a majority shareholding interest in the 44 MW Koegorspolder wind farm in Terneuzen, the Netherlands from Dutch developer **Evelop** is part of the company's ongoing renewable energy portfolio expansion. "This purchase fits well into the portfolio that we are building of renewable energy assets," says **Jean-Pierre Sweerts**, managing director of DIF in Schiphol, the Netherlands. "Our special focus right now is on looking at more onshore wind assets in France, Germany, the Netherlands and the U.K. However, we are also looking at assets in the rest of Europe, particularly in Poland."

With the acquisition, DIF Renewable now has a 65% interest in the wind farm, with Evelop, the sustainable energy project developer of **Econcern**, holding the remainder. The cost of the transaction, which closed yesterday, was not disclosed.

Sweerts noted the attractions of the asset site. "We believe it's a good site for wind," he says. "It's a sound project with a moderate risk profile and a strong developer."

Dennis Lange, managing director of Evelop in Ultrecht, says proceeds from the sale will provide the company with additional funds for its Dutch Infrastructure Fund, targeted to close with EUR150 million ($214 million) by the year-end. The fund is dedicated to helping it grow its 4.8 GW portfolio.

NordLB Lands Costa Rica Wind Mandate

NordLB has won the mandate to arrange $125 million in loans supporting construction of the 50 MW La Gloria wind farm in Costa Rica's northwestern Guanacaste Province. The project is sponsored by a consortium led by **Econergy International**, which also includes German wind developer **juwi GmbH** and family-owned **Saret de Costa Rica**. The project has a 20-year build, own and operate contract with Costa Rican utility offtaker **Instituto Costarricense de Electricidad**.

The debt consists of a term loan and letter of credit, whose specific sizes and tenor could not be learned. The LC includes an extra $25 million above the $100 million project cost to provide comfort to turbine supplier, **ENERCON**, in whose name the LC will be funded so it can draw on it if there are payment issues associated with the sponsor's order of 55, 900 kW turbines. Despite having worked with juwi in the past, ENERCON may have requested this due to its unfamiliarity with Saret and the Costa Rican market, according to a banker.

A limited club syndication will follow financial close with the sponsors later this year, primarily targeting Econergy's relationship banks. Some 24.3 MW of La Gloria is slated to come online in 2008 and the rest by the end of 2009. Officials at NordLB and **Tom Stoner**, ceo at Econergy, declined to comment.

Garden State IPP Taps Morgan For Portfolio Refi

Morris Energy Group has appointed **Morgan Stanley** to arrange a refinancing of project debt tied to a 638 MW generating portfolio. As first reported by *PFR* last Tuesday, $110 million of funded debt over seven years, and a $30 million, five-year revolver launched into syndication last Thursday. Primarily commercial banks were invited to the bank meeting at The Westin New York in midtown Manhattan. Officials at Morgan and **David Brauer**, principal, declined to comment.

Being refinanced is debt tied to five plants, located across the Northeast: 150 MW Camden, which is contracted to **Constellation Energy**, 126 MW Pedricktown, contracted to **Conectiv**, 123 MW Newark and 171 MW Bayonne in New Jersey and 68 MW Dartmouth in Dartmouth, Mass. Debt relating to its 33% stake in 135 MW Yellow Pine, a project under development in Fort Gaines, Ga., and 42 MW York Cogeneration in York, Pa., acquired from **Caterpillar** subsidiary **Solar Turbines** earlier this year (PFR, 6/29), isn't included.

RBS Syndicate Trinergy Acquisition Financing

Royal Bank of Scotland has launched syndication of a EUR1.4 billion ($1.99 billion) debt package bankrolling **International Power**'s purchase of a 648 MW wind portfolio owned by Irish developer Trinergy. The strategy for syndication, which launched Oct. 12 via a videoconferencing link between London and Milan, is to target experienced banks in the renewable sector and relationship banks to the sponsor, according to **Alan White**, head of power at RBS in London. IP spokeswoman **Beth Akers** declined to comment.

The lead is planning to wrap syndication in December, and expects keen interest from lenders. "This is a strong portfolio and the sponsor is committed to building its renewable portfolio as part of its overall growth," adds White, noting that favorable renewable energy regimes in Italy and Germany, where the wind farms are located, will help the process. "With this kind of support, which you don't always see in the U.S., wind projects are much less difficult to finance." About 20 banks are being lined up. Their identities, as well as ticket sizes on offer and pricing terms, could not be learned.

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Tenaska Leads Wrap Ill. Plant Loans

Lehman Brothers and **Calyon** have wrapped syndication of $205 million in loans financing Omaha, Neb.-based **Tenaska Energy**'s Tenaska Power Fund II's purchase of two simple cycle gas-fired peakers in Illinois. The deal, which closed Oct. 8, "had to be done in a choppy yet recovering credit market," says one banker, adding that while the market is not as robust as it used to be, it is getting better.

Comprising the $205 million are a $165 million term loan and a $40 million revolver. The leads targeted the term loan B market, and pricing was 275 basis points over LIBOR. The plants are the 328 MW Crete Energy Venture outside Chicago, which was co-owned by **DTE Energy** and **ArcLight Capital Partners**, and 656 MW Lincoln near Manhattan, Ill., which was 90% owned by ArcLight and 10% by **Tyr Energy** (PFR, 9/21).

Pepco To Issue Equity To Fund Transmission

Pepco Holdings will launch a $200 million stock offering next year as part of the financing for its proposed $1 billion, 500 kV Mid-Atlantic Power Pathway, **Dennis Wraase**, chairman, president and ceo of Pepco, told *PFR* on the sidelines of an **Edison Electric Institute** media briefing yesterday at the Times Square Westin Hotel in New York. He said the company plans to use project financing, but declined to elaborate.

The 230-mile MAPP wire stretching from northern Virginia into New Jersey was approved last week by **PJM Interconnection**, operator of the Mid-Atlantic power grid, and will be constructed in phases over the next seven years. When finished, it will connect northern Virginia to Maryland before crossing Delaware and linking to the grid in New Jersey. **Paul Barry**, cfo of Pepco, declined to comment.

TXU OID Changed To 99 3/4

Around noon last Wednesday, lead banks moved the original issue discount on the $7 billion B2 term loan for **Energy Future Holdings Corp.**, formerly known as **TXU**, to 99 3/4. The loan launched Oct. 15 with an OID at 99 1/2 and there was talk that there was enough interest to possibly close the book at par. Pricing remains at LIBOR plus 3 1/2%, with a soft call protection of 103, 102 and 101.

Commitments were taken last Tuesday by **Citigroup**, **JPMorgan**, **Goldman Sachs**, **Morgan Stanley**, **Credit Suisse** and **Lehman Brothers**. Officials at these firms either declined to comment or could not be reached. The B loan package also includes a $3.45 billion B1 tranche, pre-payable at any time, and a $6 billion B3 tranche that is non-callable for three years. Both are also priced 3 1/2%. These are not currently being marketed.

Some $7.5 billion in bonds to back the $45 billion leveraged buyout of TXU priced separately last Wednesday. According to *PFR* sister title *Corporate Financing Week*, **Morgan Stanley** added $2.5 billion in 11.25%, 10-year toggle notes at the op co. to a planned $4.5 billion high-yield bond sale of senior notes. And **Goldman Sachs** boosted a planned sale of $2.5 billion in 10.25%, eight-year senior notes for **Texas Competitive Electric Holdings** to $3 billion. The Morgan Stanley-led $2 billion of senior notes have a 10-year maturity paying 10.875%. Both senior notes tranches sold at par. The toggle notes cleared at 97.82% of par.

Kohlberg Kravis Roberts & Co., **TPG** and **Goldman Sachs Capital Partners** completed the buyout of TXU Oct. 10.

Merrill Names Global Commodity Co-Heads

Merrill Lynch has named **David Goodman** and **Rob Jones** co-heads of the global commodities group following the promotion of **David Sobotka** to global head of fixed income, currencies and commodities.

The promotion is effective immediately, and both will report to Sobotka, who was promoted Oct.3. Goodman is based in London and Jones in Houston. The two will lead sales, trading and origination of deals in power, gas, oil, coal, emissions and other commodities, and will be responsible for asset optimization and energy management services. Goodman joined Merrill through the acquisition of **Energy-Koch Trading** in November 2004. Jones was formerly head of the global energy and power industry group within global origination at Merrill. Calls to officials at Merrill were not returned.

NRG, Partner To Propose Conn. Peakers

Princeton, N.J., IPP **NRG Energy** and New Haven, Conn.-based **United Illuminating** plan to jointly bid for peaking generation requested by the state of Connecticut. Long-term PPAs being offered would support financing for the plants, which would see 400-700 MW come online by 2010 or 2011, says **John Ragan**, executive v.p. and president for the northeastern region at NRG, noting that project financing plans will be mapped out once Connecticut defines the process more clearly.

Connecticut recently passed legislation seeking new peaking power, on the heels of an earlier RFP for new capacity that ended in August. NRG and United Illuminating bid into that RFP but lost out to **Kleen Energy**, which is building a 620 MW gas-fired baseload plant in Middletown, **Waterside Power**, with a 66 MW

oil-fired peaker in Stamford, and **Waterbury Generation**, with a 96 MW gas-fired peaker in Waterbury (PFR, 8/24). Proposals for the new RFP are due in February and winners will be announced in June. Analysts forecast that the state could need as much as 2.4 GW of new capacity by 2021 (PFR, 9/15/06).

The Connecticut Department of Public Utility Control is in the process of deciding on a contract model for the peakers. "The idea is to make the contract award so that these folks have something to take to Wall Street and the financial world and get appropriate financing," says **Don Downes**, chairman of the CPUC in New Britain. Two options are under consideration: a standard physical capacity model and a co-called contract for differences model, under which the CPUC would pay the difference between the price for power bid by the company and what it was valued in the marketplace.

The total cost of the projects will vary with the types of turbines and technology, but will amount to roughly $700-$1,300 per kW. They could be built at sites owned by either company, but there is a higher probability of using NRG sites due to existing infrastructure there, according to Ragan. NRG already operates five plants across Cos Cob, Middletown, Milford, Norwalk and Uncasville.

Financing U.S. Power Conference

*More than 150 financiers, developers and analysts gathered at the Marriott Financial Center in New York for Platts' 9th Annual Financing U.S. Power conference Oct. 22-23. Among the topics discussed were asset valuations, the impact of a carbon tax and innovative financing structures with B loan investors in hibernation. Reporter **Mark Bonamo** filed the following stories.*

LENDER-FRIENDLY

(continued from page 1)

While they are starting to accept commodity hedges in lieu of contracts, they need plenty of comfort on the project. "Banks will compromise on pricing. They may compromise on tenor, but they won't compromise on credit," said **Santino Basile**, managing director at **Barclays Capital**. "If there's lots of merchant risk, it will be less appealing."

One way to overcome a hurdle, said **Joe Esteves**, managing director at **LS Power**, is to stump up additional equity. With the $1.2 billion needed to fund Sandy Creek, LS and co-sponsor **Dynegy** planned to tap the bank and B loan market, but B loan investors were "going in kicking and screaming and with a fatter yield." It was restructured to a $1 billion package taken by commercial banks, with the sponsors self-funding a $200 million tranche at hold co. that they intend to place when conditions improve, and $446 million of true cash equity. "We had to put in more equity, but ended up with lower spreads [than on Plum Point] in a much tougher market." With Plum Point, LS managed to get the credit to BBB- from B by contracting the entire unit, allowing it to be wrapped by **Ambac Assurance** to AAA.

Mark Condon, cfo of **J-Power USA**, said his company looked at three markets for its acquisition financing of 62% of 830 MW Tenaska Frontier in Shiro, Texas: the term loan B market, the private placement/institutional market and commercial banks. He wanted the breathing room of having a 1% per year scheduled amortization and then a 65-75% cash sweep versus the traditional 100%, but was not attracted to the typical five to seven year tenor offered in the B loan market. "Our concern was that refinancing could come at a time when the market was illiquid and we would be squeezed." So J-Power came up with a bank loan/B loan hybrid that featured a $185 million mezzanine term loan subordinated to senior debt at the hold co., but with a 14-year tenor to match the PPA and a $20 million bullet. Pricing of LIBOR plus 175 also enabled it to be competitive on its acquisition.

—K.B.

Int'l Buyers Remain Bullish On U.S. Power

Despite heightened barriers to entry due to the stance taken by U.S. national security watchdog **Committee on Foreign Investment in the United States**, foreign-owned companies are proving very acquisitive when it comes to U.S. power generation. **Gabriel Alonso**, chief business officer at **Horizon Wind Energy**, pointed to **Energias De Portugal**'s recent acquisition of the developer as a prime example of how foreign-backed deals are getting done. "It comes down to a combination of good transmission capability, high energy prices and strong wind resources," he told *PFR* on the sidelines of the conference after the Strategics vs. Financials vs. International Investors panel. "We'll even invest in more transmission if need be, if that's the part that's missing under certain circumstances. European companies have been operating under that kind of long-term dynamic for years."

CFIUS is a committee chaired by the Secretary of the Treasury, which reviews the national security implications of foreign companies buying U.S. companies.

Jeff Keeler, director of business development for **Iberdrola Renewable Energies USA**, added the introduction of renewable portfolio standards is not off-putting for foreigners, especially those based in Spain where the

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government has had such guidelines in place for years. "If anything, they see an RPS as a backstop if the production tax credits ever go away," he said.

Credit Crunch May Ease Competition For Assets

Leverage-driven asset valuations have enabled a lot of new players to enter the fray, creating competitive auctions, but with the pull back in the debt markets this could begin to ease, delegates said. "One good result of the changes in the market is that not every Tom, Dick and Harry can get in," said **Joe Esteves**, managing director of **LS Power**. "We may be in a situation of overvalued assets, but eventually there will be a recovery," added **Thomas Plagemann**, managing director at **AIG Financial Products**.

Whether to build or buy remains a sticking point, however. **Igor Gonta**, co-head of U.S. commodities sales at **Barclays Capital**, said construction costs have been rising in step with asset valuations. "A lot of people don't feel rich enough yet to build, but the fundamentals are still there to move the market forward," he said. "Investing in generation is not for the faint of heart, but there is still a lot of deal flow," added **Tom Lane**, partner at **Energy Capital Partners**, which has been in development mode more recently.

Being a quality sponsor with funds on hand will enable companies to get hedges done to supporting their financing either way, said **Thomas Widener**, senior managing director and head of power and utilities at **Bear Stearns**. "The extra value that you need to hedge and finance comes from equity," he said. "It's pretty much putting your money where your mouth is."

Edison Mission Chief Rails At Carbon Standards Setters

Theodore Carver, president and ceo of **Edison Mission Group**, criticized public policy makers for establishing ground rules on how generators should correct the supply and demand imbalance in their service territories, but not helping them get there. "In this politically super-charged world, there is an overabundance of advocacy and a shortage of practical problem solving," he said. With capacity shortages that could lead to an overall threat to reliability and rising construction costs, it is difficult to see how adequate supply will be in place by 2010, he warned.

A tax on existing coal generation would only add to the squeeze, said **Thomas Hoffmann**, partner at law firm **Ballard Spahr Andrews & Ingersoll**, calling anticipated carbon legislation "the elephant in the room" on the Trends in Power Plant Finance panel. "Carbon regulation is already here," he said, pointing to **ConocoPhillips**' recent agreement to pay the state of California $10 million to offset greenhouse gas emissions from its proposed expansion at the Contra County refinery. **Roger Garratt**, director of resource acquisition at **Puget Sound Energy**, said the challenge of meeting the 15% renewable portfolio standard forces decisive action on resource adequacy. "You have to be an early mover on these projects to get maximum value," he said.

Alternative forms of power from nuclear and clean coal technology will prove vital, argued Carver, but they are not yet financeable. Nuclear comes with a host of issues surrounding the controversial nuclear waste facility at Yucca Mountain, Nevada, which is not yet finished. And uncertainty about the cost and viability of coal sequestration threaten to dampen interest in integrated gasification combined cycle units. "We have to get consumers and policymakers to understand what the relative costs and trade-offs are as we go forward."

Reporter's Notebook

- Shrimp dumplings and Cabernet proved more popular than deal chatter as staff nearly ran out of both at the cocktail party following the conference at the Marriott. Another alternative to networking was discussing the **Boston Red Sox** versus the **Colorado Rockies** in the World Series, with many picking the Sox to win in six games.
- Panelists offered self-deprecating humor about the creativity, or lack thereof, of the names of their businesses. **Pat Eilers**, managing director at **Madison Dearborn Partners**, said MDP was so named because it is located on the corner of Madison and Dearborn Streets in Chicago and quipped, "Private equity isn't always that smart." Joe Esteves, managing director of LS Power, also noted the lack of originality in the name of the firm's acquisition vehicle for six **Mirant** plants, **Broadway Gen Funding**, based on its office location.
- Of all the knick-knacks offered at the conference, **Deutsche Bank** won the prize for most popular: toy mini-replicas of the classic **Volkswagen** bus. But freebies offer little in the way of satisfaction compared with getting a deal done. "Getting **PPM Energy** when we acquired **ScottishPower** was better than a free toaster," scoffed **Jeff Keeler**, director of business development at **Iberdrola Renewable Energies USA**.

Corporate Strategies

Idaho Power Refis 30-Year Bonds

Steve Keen

Idaho Power, a subsidiary of **IDACORP**, has issued $100 million in 30-year first mortgage bonds to refinance debt with the same tenor falling due Dec. 1 and to repay short term debt. "It looked like a pretty favorable window to get out right now," says **Steve Keen**, v.p. and treasurer in Boise, referencing the company's ability to get a spread of 135 basis points over Treasuries, lower than the 160 it got last time. The new notes scored a 6.25% coupon, against the 7.38% rate on the old bonds.

Keen said the plan had always been to come to market around this time. "The biggest driver for us was that we have $80 million in existing notes coming due in December," he explains. The sale, which launched Oct. 15 and closed Oct. 18, was led by **Banc of America Securities**, **JPMorgan**, and **Wachovia Securities**. Idaho Power used the same banks in June when it sold $140 million in 30-year bonds to fund capital expenditures (PFR, 6/29). "They are significant players in our credit facility, with very strong abilities in understanding the market and issuing first mortgage bonds," says Keen about the $300 million, five-year revolver put in place last April.

LNG Concern Opts For PIK To Fuel Growth

Haroun van Hövell

Dutch LNG player **4Gas** has obtained $204 million in payment-in-kind loans to help fund construction of its LionGas project in Rotterdam and undisclosed costs associated with its acquisition of the Vista del Sol project in Corpus Christi, Texas. "It is more advantageous for us to be able to roll up interest payable so there will be accrued interest on the loan," says **Haroun van Hövell**, cfo of 4Gas in Rotterdam. With a PIK structure, he explains, 4Gas will not make quarterly or annual payments but instead will pay off the loan and interest simultaneously, freeing up more of the funds for use on its projects.

The five-year package comprises a EUR95 million ($134.4 million) tranche and a $69 million tranche. Pricing could not be learned. **Barclays Capital** was sole bookrunner and suggested the PIK structure. "It's fairly common for companies in our development stage to structure it this way," notes van Hövell, adding Barclays has a long-standing relationship with Riverstone, having worked on the 2005 privatization of European petroleum refiner **Petroplus**, from which 4Gas was formed the same year. Investors, including core shareholder **Carlyle/Riverstone**, recently contributed an additional EUR40 million ($56.6 million) in equity.

4Gas is in the final stages of construction on its Dragon LNG import, storage and regasification terminal in Milford Haven, Wales, which will have start-up capacity of six billion cubic meters per year at completion in 2008. It is also close to construction on its proposed 18 billion cubic meters per year LionGas and is expecting to acquire the 10 billion cubic meters per year Vista del Sol and the land it sits on from **ExxonMobil** and **DuPont**, respectively. It is also in the permitting process for its proposed 18 billion cubic meters per year Maple LNG project in Nova Scotia, Canada, and Pegaz LNG project in Bordeaux, France, with an ultimate capacity of 15 billion cubic meters per year.

TransCanada Trims CP Via $1B Sale

TransCanada Pipelines, a unit of Canadian energy company **TransCanada Corp.**, plans to use proceeds from a $1 billion bond issue to trim $700 million of commercial paper, using the remainder for general corporate purposes. "The company felt that the time was right to repay outstanding commercial debt," said **David Moneta**, v.p. of investor relations in Calgary.

The sale of the 6.2%, 30-year bonds, which closed Oct. 5, was led by joint book runners **HSBC Securities** and **JP Morgan**, supported by co-managers **Citigroup**, **Deutsche Bank**, **Mizuho Securities USA**, **Lazard Capital Markets** and **Société Générale**. "We chose these banks because they are a part of our overall banking syndicate," Moneta says

Projects on deck at TransCanada include the Canadian segment of its planned C$2.25 billion ($2.33 billion) Keystone Pipeline project, which received approval last month. The 2,100 mile pipe, stretching from Hardisty, Alberta to Patoka, Ill., is scheduled to be in service by 2010. It has also proposed building a polygeneration facility near Belle Plaine, Saskatchewan, which will use petroleum coke to produce hydrogen, nitrogen, steam and carbon dioxide for fertilizer production and enhanced oil recovery, as well as 300 MW of power. The project, co-owned by **GE Energy** and **Bechtel Overseas Power Corp.**, is estimated to cost C$4 billion and be online by 2013.

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Generation Auction & Sale Calendar

Following is a directory of ongoing generation asset sales. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report new auctions or changes in the status of a sale, please call ***Katy Burne****, Managing Editor, at (212) 224-3165 or e-mail kburne@iinews.com.*

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
Airtricity North America	Various	North America	6,500	Wind	Credit Suisse	E.ON agreed to buy for $1.4 billion (PFR, 10/8).
American Electric Power	Fort Phantom	Abilene, Texas	362	Gas	N/A	Took indicative bids Sept. 7 (PFR, 9/7).
	Abilene Power Station	Abilene, Texas	18			
	Lake Pauline	Quanah, Texas	35			
	Rio Pecos	Girvin, Texas	136			
	Oak Creek	Bronte, Texas	75			
	Paint Creek	Stamford, Texas	218			
	San Angelo	San Angelo, Texas	110			
Astoria Energy	Astoria plant	Queens, N.Y.	500 MW; 1 GW permitted	Gas	N/A	Owners fielding offers. Suez Energy acquiring a 30% stake (PFR 9/29).
Atlantic Power Corp.	Jamaica Private Power Corp	Kingston, Jamaica	60	Oil	N/A	Atlantic's 24.1% stake (14 MW) being sold. Buyer unknown.
Barry Bates and Michael Underwood	Thompson River Cogen	Montana	16	Coal, Waste Wood	Energy Advisory	Teasers went out late June. Plant has a 20-year PPA with Avista Utilities.
Besicorp-Empire	To be constructed	Rensselaer, N.Y.	535	Gas Cogen	Merrill Lynch	Being bought by Energy Capital Partners (PFR, 7/19). Debt to be led by Barclays and Union Bank of California.
Bicent Power	Mountain View	Palm Springs, Calif.	67	Wind	Goldman Sachs	Teasers dispatched early Sept. (PFR, 9/17).
Black Hills Corp.	Various	Various	989	Various	Credit Suisse	Reviewing strategic options, including sale of plants.
Bluff Power Partners E/S Solutions	McCommas Bluff	Dallas, Texas		Landfill Gas	CRG Partners	Cambrian Energy Development named stalking horse, replacing Montauk Energy Capital (PFR, 10/12).
Calpine	Acadia Energy Center	Eunice, La.	1,016 (50%)	Gas	Miller Buckfire	Sold to Cajun Gas Energy for $189 million (PFR, 8/6).
	Fremont Energy Center	Sandusky County, Ohio	512	Gas		Plant 70% complete.
	Hillabee Energy Center	Alexandra City, Ala.	774 MW	Gas		Teasers dispatched mid-June (PFR, 6/18).
Catamount Energy	Sweetwater	Nolan County, Teaxs	505 (50%)	Wind	Goldman Sachs	Unsolicited approaches have been made to backer Diamond Castle Holdings (PFR, 8/31).
	Ryegate Power	Vermont	20	Wood waste		
	Rumford	Rumford, Me.	85	Cogen		
CIT Group	RockGen Energy Center	Cambridge, Wis.	460	Gas	Bear Stearns	Status unclear.
Central Vermont Public Service	Various	Vermont	70 in summer, 86 in winter	Hydro	Morgan Stanley	Believed to be in advanced stages.
City of Vernon	Malburg Generating Station	Southern Calif.	134	Gas	Lehman Brothers	Beowulf Energy and Natural Gas Partners agreed to buy for $342 million. Lehman Brothers to lead debt financing (PFR, 10/22).
	Palo Verde Power	Southern Calif.	11	Nuclear		
	Hoover Uprating	Southern Calif.	22	Hydro		
CMS Enterprises	Dearborn Industrial Generation	Dearborn, Mich.	710	Gas	JPMorgan	Teasers dispatched 10/9 (PFR, 10/9).
	Kalamazoo	Comstock, Mich.	68	Gas		
	Livingston	Gaylord, Mich.	150	Gas		
Conduit Capital	Various	Latin America Caribbean	939 net ownership	Diverse	BNP Paribas	Agreed to sell 155 MW Colombian coal plant 10/5 (PFR, 10/10).
Con Ed Development	CEEMI	Springfield, Mass.	185	Gas, Oil, Hydro	Morgan Stanley	Final bids are due Oct. 31. In the running are American National Power, AllCapital, Energy Capital Partners, Marubeni Power and Tenaska Power Fund (PFR, 10/17).
	CEEMI expansion	Springfield, Mass.	96	Gas, Oil		
	Newington Energy	Newington, N.H.	525 (99.5%)	Gas		
	Ada Cogeneration	Ada, Mich.	29 (48%)	Gas		
	Lakewood	Lakewood, N.J.	246 (80%)	Gas		
	Ocean Peaking Power	Lakewood, N.J.	339	Gas		
	Rock Springs	Rising Sun, Md.	670 (50%)	Gas		
	Genor	Puerto Barrios, Guatemala	42 (49.5%)	Oil		
	Ever Power Wind	NEPOOL, NY, PJM	500 planned	Wind		
Complete Energy Holdings	La Paloma	McKittrick, Calif.	1,022	Gas	Morgan Stanley	Purchase and sale agreement with KGen Power terminated Oct. 15.
	Batesville	Batesville, Mis.	837	Gas		
Desert Power	Desert Power plant	Rowley, Utah	65 installed	Gas	Miller Buckfire	Lender of record, Morgan Stanley, to acquire.
Dominion Resources	Dresden Energy	Muskingum County, Ohio	580	Gas	N/A	American Electric Power agreed to buy for $85 million.
DONG Energy	Energi E2	Spain	265	Predominantly Wind	NM Rothschild & Sons, FIH	E.ON to buy for EUR722M ($988.7 million).
	Removables Ibericas					
DTE Energy	Crete Energy Venture	Crete, Ill.	304 (50%)	Gas	Lehman Brothers	Tenaska to acquire (see above).
	East China	East China, Mich.	320	Gas	N/A	Seller exploring options, including outright sale.
	River Rouge	Detroit, Mich.	240	Gas	N/A	On books at scrap value, decommissioned.
Dynegy	Plum Point	Osceola, Ark.	665 MW	Coal	N/A	John Hancock Life Insurance to acquire a 57% stake for $82 million.

Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
Electricite de France	Saltillo	Ramos Arizpe, Coahuila	248	Gas	JPMorgan Chase	Gas Natural to buy in a transaction worth $1.4 billion.
International unit	Anahuac (RB2)	Valle Hermoso, Tamaulipas	495	Gas		
Controladora del Golfo	Lomas de Real (RB3)	Valle Hermoso, Tamaulipas	495	Gas		
	Valle Hermoso (RB4)	Valle Hermoso, Tamaulipas	500	Gas		
	Electricidad Aguila de Altamira	Altamira	495 (51%)	Gas		
	Gasoducto del Rio	54 km pipeline	330,000M Btu/D			
Entergy Corp.	50% stake in Top Deer Wind Ventures	Worth County, Iowa Carsen County, Texas	40 40	Wind	New Harbor	Seller wants about $500 million for the assets. Bidders shortlisted to four players: two financial; two infrastructure (PFR, 6/18).
	RS Cogen	Lake Charles, La.	212	Gas		
	Roy S. Nelson	Westlake, La.	60	Gas/Oil		
	Warren Power	Vicksburg, Miss.	225	Gas		
	Harrison	Marshall, Texas	335	Gas		
	Independence	Newark, Ark.	121	Coal		
	Robert Ritchie	Helena, Ark.	544	Gas/Oil		
	Offtake Contract	Sam Rayburn Power Agency	50-80			
Fluor	Greater Gabbard	Thames Estuary, U.K.	500	Wind	RBC Capital Markets	Specs went out in late Aug. for Fluor's 40% stake (PFR, 8/20). Co-owned by Airtricity.
Foresight Wind Energy	Various	Arizona, New Mexico	2 GW pipeline	Wind	CP Energy	Delayed (PFR, 10/8).
General Electric	Baglan Bay	Port Talbot, Wales	510	Gas	Lexicon Partners	GE deferred sale until next year.
Globeleq	Emerging market portfolio	Asia, Africa, Americas	2,082	Mixed	Lehman Brothers	Americas assets to be sold to D.S. Constructions and Israel Corp. Asia and Africa assets to be sold to Tanjong Energy Holdings and Aljomaih in $1 billion deal.
Goldman Sachs (Cogentrix Energy)	Indiantown	Martin County, Fla.	355	Coal	Goldman Sachs	Energy Investors Funds agreed to buy portfolio through United States Power III affiliate (PFR, 9/19). Calyon to lead acquisition financing (PFR, 10/22).
	Logan	Logan Township, N.J.	218	Coal		
	Cottage Grove	Cottage Grove, Minn.	245 (35%)	Gas/Oil		
	Whitewater	Whitewater, Wis.	236.5 (35%)	Gas/Oil		
	Scrubgrass	Venango County, Pa.	85 (50%)	Coal/Waste		
	Selkirk	Selkirk, N.Y.	345 (47.2%)	Gas		
	Northampton	Northampton County, Pa.	112 (80%)	Coal/Waste		
	Quachita	Sterlington, La.	804 (80%)	Gas		
	Carneys Point	Carneys Point, N.J.	262 (60%)	Coal		
	Richmond	Richmond, Va.	209 (80%)	Coal		
	Rocky Mount	Rocky Mount, N.C.	118 (80%)	Coal		
	Morgantown	Morgantown, Va.	60 (15%)	Coal/Waste		
	Plains End I, II	Golden, Colo.	182 (80%)	Gas		
	Rathdrum	Rathdrum, Idaho	275	Gas		
Kelson Holdings	Dogwood	Pleasant Hill, Mo.	620	Gas	Goldman Sachs	Weighing strategic options, including sale or merger (PFR, 10/9).
	Redbud	Luther, Okla.	1,230	Gas		
	Cottonwood	Deweyville, Texas	1,230	Gas		
	Magnolia	Benton County, Miss.	922	Gas		
La Compagnie du Vent	Various	France	98 MW installed	Wind	Calyon	Preliminary bids were taken 8/10 (PFR, 8/20).
Landfill Energy Systems	Various	Various	80	Landfill gas	Ewing Bemiss	Energy Investors Funds and Enpower Corp. to acquire for around $300 million.
LS Power	Bosque	Laguna Park, Texas	805 (570)	Gas	N/A	In second round (PFR, 9/19).
	Shady Hills	Shady Hills, Fla.	477	Gas/Oil	N/A	GE Energy Financial Services acquired with a $160 million loan from WestLB. (PFR, 7/16).
	Zeeland	Zeeland, Mich.	946	Gas	N/A	To be acquired by CMS Energy for $517 million.
Mirant Corp.	Diverse U.S. assets	PJM, NEPOOL, Calif.	10,650	Various	JPMorgan	JP Morgan took first-round bids June 12 from bidders including US Power Generating Co. (PFR 4/5).
National Grid	Ravenswood Station	Queens, N.Y.	2,450	Gas	Merrill Lynch	Teasers not yet sent (PFR, 10/8).
Noble Environmental Power	Various	NY, Mich.	385	Wind	Goldman Sachs	Indicative bids reportedly taken August 13 (PFR, 8/21).
PSEG Global	Electroandes Chilquinta Energia (50%) Luz del Sur (38%)	Andean region, Peru Chile Peru	180	Hydro	JPMorgan Citigroup	Statkraft Power Invest to buy for circa $390 million.
Reliant Energy	Channelview	Lyondell, Texas	830	Gas	Houlihan Lokey	In second round.
Ridgeline Energy	Various	Idaho, Oregon, Washington	3,700 in development	Wind	Marathon Capital	Back in play after talks were nixed with a southern U.S. utility (PFR, 10/8).
Sempra Generation	Catoctin	Frederick Co, Md	development	Gas	N/A	Development site reportedly for sale.
Temasek Holdings	PowerSeraya	Singapore	3,100	Gas	Credit Suisse, Morgan Stanley	Teasers dispatched 10/15. Tuas to be sold first (PFR, 10/22).
	Senoko Power		3,300	Oil		
	Tuas Power		2,670	Steam		
TransAlta	Western Canada, Ontario	Diverse U.S.	404	Gas, Coal	BMO Capital Markets	In second round.
Trinergy	Various	Italy, Germany, Ireland, U.K. Spain	648	Wind	RBC Capital Markets	International Power agreed to buy portfolio for EUR1.8 billion ($2.5 billion).
Tyche Power Partners	Brooklyn Navy Yard	Brooklyn, N.Y.	286	Gas Cogen	Credit Suisse	Temporarily iced due to the credit crunch.
UPC Wind	Various	North America	3GW in development	Wind	JPMorgan	Market test did not lead to a sale, so company is reportedly weighing an IPO (PFR, 6/8).
Waterbury Generation	Waterbury Generation	Waterbury, Conn.	96	Gas	N/A	Energy Capital Partners in negotiations to buy development rights (PFR, 8/29)
Wheelabrator Technologies	Shasta	Anderson, Calif.	49	Biomass	ABN Amro	Seller evaluating strategic options, including a sale (PFR, 7/23)

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U.K. IPP Consolidates Assets Under Welsh HoldCo

U.K. IPP **Carron Energy** has formed a new holding company based in Cardiff, Wales, designed to put all its subsidiaries under one name and establish a company with a regional focus. "All of our assets are going to be in Wales, so it made sense for the name to reflect that," says **Alex Lambie**, ceo. "This creation of an integrated energy business, from supply to large and small generation with a Welsh identity, provides clarity for investors as we go forward."

Carron will now be known as **Welsh Power Group**. It consists of the 360 MW Uskmouth Power in Newport; **Haven Power**, which specializes in supplying electricity to small and medium-sized businesses; and **Carron Engineering & Construction**. Downstream, it will also include the GBP440 million ($902 million) 850 MW Severn Power, being built on the Uskmouth site with financing provided by **Royal Bank of Scotland**, **Bank of Tokyo Mitsubishi**, **Calyon** and **KBC Bank** (PFR, 10/12), and a GBP 70 million biomass plant under development, known as **Nevis Power**. Welsh Power has also expressed interest in 510 MW Baglan Bay, located in Port Talbot, which **GE Energy** has opted to sell.

Credit Suisse Anoints Global Commodities Co-Heads

Adam Knight and **Beau Taylor** have been named co-heads of global commodities at **Credit Suisse**. Knight will be based in London, reporting to **Gael de Boissard**, head of regional fixed income, and develop the firm's alliance with Switzerland-based commodities trading shop **Glencore International**. Taylor will be based in New York, where he will focus on building the banks' proprietary trading in commodities, reporting to **Bob Jain**, head of proprietary trading.

For all other activities, both will report to **Jonathan Hardy** on the global securities operating committee. "Building a top-tier commodities franchise is a key initiative for the bank, and Adam and Beau are both accomplished leaders," said **Mike Ryan**, head of the global securities operating committee, in an internal memo obtained by *PFR*.

Knight and Taylor joined Credit Suisse earlier this year.

Weekly Recap

The Weekly Recap 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

- **Reliant Energy** has appointed **Rick Dobson** as cfo, effective Oct. 29. He came from Canadian recycling company **Novelis** and was formerly cfo of **Aquila** (*Reuters*, 10/25).

- **Public Service Enterprise Group** said it wants to add another 400 MW of gas-fired capacity to its portfolio (*Newark Star-Ledger*, 10/25).

- **CenterPoint Energy Resources** closed a $500 million bond offering comprised of $250 million of 6.125% senior unsecured notes, due 2017, and $250 million of 6.625% senior unsecured notes, due 2037, (*CNNMoney*, 10/24).

- **Pacific Gas & Electric**, along with **Oceana Energy Company** and the City of San Francisco, is conducting a study to see if the Bay Area's strong tidal currents can be harnessed to generate power (*TheStreet.com*, 10/24).

- A proposed 1.4GW coal plant near Holcomb, Kan., to be built by **Sunflower Electric Power** was denied its operation permit by state regulators due to concerns about carbon (*AHN News*, 10/23).

- **American Electric Power** has reached an agreement to purchase nearly 27 acres adjacent to its Lakin river operations center in West Virginia for an expansion project (*Associated Press*, 10/19).

- **General Electric** won a contract valued at more than $350 million to supply **Third Planet Windpower** with 167 turbines (*Bloomberg*, 10/22).

Europe

- **Iberdrola** said it is seeking EUR3 billion ($4.3 billion) in divestments from 2008 to 2010 as part of a plan to lower debt and maintain debt ratings (*Wall Street Journal*, 10/25).

- **Endesa** named **José Manuel Entrecanales** as chairman (*Wall Street Journal*, 10/18).

- **E.ON**, **Fortum**, an undisclosed French company and **Norilsk Nickel** could bid against **Gazprom** and **Lukoil** for a stake in Russian power concern **TGK-10**, according to **Vladimir Avetisyan**, **Unified Energy System**'s managing director for asset sales. Gazprom received the board's approval to buy **TGK-1** last week (*Interfax* 10/22).

Asia/Pacific

- **Global Infrastructure Partners**, a joint venture between **Credit Suisse** and **General Electric**, is teaming up with an Indian investor to acquire a 74% stake in **East India Petroleum** (*VC Circle*, 10/23).

BLACK HILLS

(continued from page 1)

Calls to Credit Suisse and **Mark Thies**, executive v.p. and cfo in Rapid City, S.D., were not returned. But Thies indicated in an earlier interview with *PFR* that Black Hills is selling because load growth forecasts where the plants are situated had driven up their value (PFR, 10/22). The company is also in the process of buying certain natural gas utility assets in Nebraska from **Aquila** and got the green light from regulators Oct. 17 for that transaction.

For Sale

On the block is 825 MW of net capacity across three states:

- 130 MW Arapahoe, a combined-cycle gas turbine plant in Denver;
- 80 MW Valmont, a simple-cycle plant in Valmont; Colo.;
- 240 MW Fountain Valley, a simple-cycle plant in Colorado Springs;
- 53 MW Las Vegas I and
- 224 MW Las Vegas II in Nevada;
- 98 MW Harbor, a combined-cycle gas turbine plant in Long Beach, Calif.; as well as
- 149 MW Valencia near Albuquerque, N.M., which is under construction and slated to come online next June.

The remaining facilities Black Hills owns, but is not selling, are 90 MW Wygen and 40 MW Gillette, both in Gillette, Wyo., 11 MW Rupert and 11 MW Glenns Ferry in Idaho and 12 MW Ontario in Ontario, Calif. *—Mark Bonamo, K.B.*

CANADIAN IPP

(continued from page 1)

Likely frontrunners to lead the financing are **Royal Bank of Canada** and **Canadian Imperial Bank of Commerce**, with which ENMAX has existing $250 million facilities. Other relationship banks include **Bank of Tokyo-Mitsubishi**, **BNP Paribas** and **Bank of Montreal**. Hubick says debt would likely be held at the parent level.

The unnamed plant would be built in two phases with 500 MW coming online in 2010 and 2012, respectively, and a possible third phase for a 100-200 MW peaker. The peaking capacity depends on nearby generation from a separate ENMAX plan for a C$80 million ($82.65 million) 80-100 MW peaker north of Calgary scheduled to come online in 2009. ENMAX has not ruled out building the two phases of the plant in alternate locations and linking them. No PPA for offtake is in place yet.

ENMAX is negotiating the value of its first choice of location with the City of Calgary and expects to make an announcement when the deal closes by January. Additionally, ENMAX has its eye on sites southwest, southeast and north of Calgary should its first choice fall through. In Alberta, ENMAX owns PPAs on two plants and holds interests in two wind farms, including the largest in Alberta. *—Thomas Rains*

TENASKA LOOKS

(continued from page 1)

merchant peaker, which runs on low-sulfur fuel oil.

Tenaska bought Chesapeake in 2005 for $89 million from **TECO Energy**, whose **Tampa Electric** subsidiary built the plant after buying the ownership rights from original developer **NCP** for $40 million. Tenaska Power Fund, which closed with $838 million in commitments, focuses on investing in PJM generation. Calls to **Paul Smith**, senior managing director in Omaha, Neb., and to JPMorgan were not retuned by press time and **Jana Martin**, a spokeswoman, had no comment.

—Katy Burne

Quote Of The Week

"Knowing you could execute a deal with a party is the most important thing—it doesn't always come down to basis points. I get a high degree of confidence from the team."—**Jim Spencer**, *president of* ***EverPower Renewables****, on choosing* ***KeyBanc Capital Markets*** *to finance turbine supply and construction for its two northeast wind projects (see story, page 3).*

One Year Ago In Power Finance & Risk

Entegra Group requested proposals from banks on a $1.33 billion facility to refinance existing loans tied to Gila River south of Phoenix and Union Power Station in El Dorado, Ark., which generate a combined 4.5 GW. [**Credit Suisse**, **Lehman Brothers** and **Goldman Sachs** led the deal, which closed in late March (PFR, 4/5). The $450 million second-lien term loan was last seen trading in the context of 96-97 and the $850 million third-lien, payment-in-kind term loan was trading around 97.625-98.375, according to **Markit** data.]

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