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Power Finance & Risk

Exclusive Insight on Power M&A and Project Financing

By the publisher of GlobalCapital

● CONFERENCE COVERAGE

Talk of New Builds Dominates Conferences
Financiers at **Platts**' and **AWEA**'s fall conferences in New York assess the financing landscape for the year ahead. Pages 7 & 8

● Q&A

Matt Odette and Frederick Echeverria, MUFG — Part II
Odette and Echeverria discuss project bonds, debt structuring and the increasing prevalence of private placements. Page 10

● PEOPLE & FIRMS

Deutsche Bank Revs Up Origination Efforts
The German bank is in the market with a more-than-$1 billion deal as it ramps up its origination efforts. Page 12

Brookfield Provides Loan for Canada Battery Project

Richard Metcalf

A battery storage developer has obtained a construction-to-term loan from a **Brookfield Asset Management** subsidiary for a project in Ontario.

The C$5.5 million ($4.3 million) transaction is among the first non-recourse financings for standalone battery storage assets and represents a significant milestone in the maturity of the market, according to the developer, **Powin Energy**.

The developer also discussed financing options with more traditional project finance lenders, including banks, and expects more bank financings to follow in due course, says **Geoffrey Brown**, president of Powin in Portland, Ore.

"There's a real hunger, a real appetite for investing in this space and there's PAGE 5 »

As Powin Energy reveals the latest innovation in battery storage project finance, market participants will be taking notes.

SolarCity Preps Lease, PPA Securitization

Fotios Tsarouhis, Max Adams

SolarCity is readying its second solar ABS transaction of 2017, a $340 million deal backed by residential rooftop solar leases and power purchase agreements.

Credit Suisse is underwriting the deal, TES 2017-1, which will securitize contracts on a multi-state portfolio of rooftop solar systems in the U.S. The offering will be split into a $265 million Class 'A' and $75 million Class 'B' tranche.

Kroll Bond Rating Agency has given the 'A' tranche an A- rating. The 'B' is tranche is unrated.

Leases make up 59% of the portfolio, with PPAs comprising the remaining 41%. The counterparties have a PAGE 11 »

Panda Mattawoman Bank Group Grows

Richard Metcalf

Panda Power Funds has brought another bank on as a coordinating lead arranger for the debt financing for its Mattawoman gas-fired project in Maryland.

Bank of America Merrill Lynch joined the CLA group in the last couple of months, bringing the number of banks arranging the deal for the 990 MW project to four, says a PAGE 6 »

ArcLight Poised for Quick Sale of New Covert Project

Richard Metcalf

ArcLight Capital Partners has retained advisers for a potential sale of its 1,040 MW New Covert gas-fired project in Michigan, after an auction last year did not result in a transaction.

The private equity firm is open to offers on the plant but not actively marketing it, and has **BNP Paribas** and **Whitehall & Co.** waiting in the wings to facilitate a quick sale should an PAGE 9 »

● **POWER UP:** CHECK OUT A SELECTION OF THE WEEK'S POWER AND UTILITY NEWS ON TWITTER @POWERFINRISK

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PROJECT FINANCE

Developers Score Loans for Resi Solar Assets

Two developers recently signed loans totaling more than $350 million to finance U.S. residential solar portfolios.

Sunrun inked $303 million of seven-year, secured, non-recourse loans on Oct. 20, while **SunPower** obtained more than $53 million of financing around the same time.

The Sunrun deal, which comprises a $235 million senior tranche, a $59 million junior tranche and a $10 million debt service reserve letter of credit for the senior loan, features higher advance rates and lower margins than the company's previous loans, according to a presentation on its website.

Seven lenders participated in the oversubscribed senior tranche, three of which have not previously lent to Sunrun. The identities of the lenders could not immediately be learned.

The back-leveraged debt is secured on cash flows from power purchase agreements and leases and incorporates delayed-draw features.

The margin on the senior loan is 275 basis points over Libor, with a 25 bp step-up in year five, and the maximum advance rate is 68% of the value of the portfolio.

The pricing on the company's previous senior facility was the same, but the step-up was in year four and the advance rate was 65%.

The junior loan, referred to in Sunrun's materials as a term loan B, has a partly fixed-rate and partly floating-rate pricing structure.

The $41.3 million fixed-rate portion has a 7% coupon, while the $17.7 million floating-rate loan is priced at 500 bps over Libor with no step-up and an advance rate of 85%. Sunrun's previous subordinated loan, also priced at 500 bps, had a 150 bp step-up in year four and an advance rate of 75%.

Investec arranged the more-than-$53 million loan for SunPower, a spokesperson for the company in San Francisco confirmed, without providing further details. ■

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Feel free to contact **Richard Metcalf**, editor, at (212) 224-3259 or richard.metcalf@powerfinancerisk.com

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GENERATION AUCTION & SALE CALENDAR

These are the current live generation asset sales and auctions, according to Power Finance and Risk's database.
A full listing of completed sales for the last 10 years is available at http://www.powerfinancerisk.com/AuctionSalesData.html

Generation Sale DATABASE

Seller	Assets	Location	Adviser	Status/Comment
Apex Clean Energy	Portfolio (12 GW, Wind, Solar)	U.S., Canada	CohnReznick	A sale process for the developer has moved into a second round (PFR, 8/14).
ArcLight Capital Partners	Portfolio (1.6 GW Wind)	U.S.	BAML	ArcLight has put the portfolio, known as Leeward Renewable Energy, up for sale (PFR, 10/9).
● ArcLight Capital Partners	New Covert (1,040 MW Gas)	Van Buren County, Mich.	BNP, Whitehall	ArcLight has mandated banks to execute a potential sale of the asset (see story, page 1).
Ares-EIF	Portfolio (1,918 MW Coal)	U.S.	Citi	Indications of interest were expected this summer (PFR, 7/3).
Ares-EIF, I Squared Capital	Oregon Clean Energy Center (869 MW Gas)	Lucas County, Ohio	Barclays, Credit Suisse	A sale process for the project is underway (PFR, 5/15).
Beal Bank	Gila River Units 1 and 2 (1.1 GW Gas)	Maricopa County, Ariz.		Salt River Project will acquire the units for $330 million (PFR, 10/23).
Dayton Power & Light	Portfolio (973 MW Gas)	Midwestern U.S.		DPL is seeking a buyer for the assets (PFR, 9/11).
● Edison International	SoCore Energy (160 MW DC Distributed Solar)	U.S.	Marathon Capital	The auction for the company is entering a second round (see story, page 9).
Energy Capital Partners	Wheelabrator Technologies (1.2 GW Biomass)	U.S., U.K.		ECP has put the company up for sale (PFR, 8/21).
Eversource Energy	Portfolio (1.13 GW Gas, Coal, Oil, Biomass)	New Hampshire	JP Morgan (seller)	Atlas Holdings and Castleton Commodities have agreed to buy the fossil fuel-fired portfolio through a j.v. called Granite Shore (PFR, 10/23).
	Portfolio (68 MW Hydro)			Hull Street Energy is acquiring the hydro portfolio (PFR, 10/23).
First Solar	Unknown project (250 MW Solar)	Texas	HSBC	First Solar has put the project, said to have a corporate PPA, up for sale (PFR, 10/9).
GE Energy Financial Services	Fairview (1,050 MW Gas, 25%)	Jackson County, Pa.	Citi	GE EFS is marketing its stake in the project (PFR, 9/5).
Georgia Renewable Power	Franklin (65 MW Biomass)	Franklin, Ga.		Korean Electric Power Co. is considering a purchase of the assets (PFR, 10/23).
	Madison (65 MW Biomass)	Colbert, Ga.		
Infinity Renewables	Portfolio (6.6 GW Wind, Solar)	U.S.	CIBC	The company is for sale (PFR, 6/5).
Innovative Solar Systems	Portfolio (460 MW Solar)	Texas		The company is seeking a buyer for the three-project portfolio (PFR, 10/9).
Kenon Holdings	IC Power (3,894 MW Gas, Hydro, Oil, Wind)	Latin America, Caribbean, Israel		Kenon has entered negotiations to sell the subsidiary (PFR, 7/31).
LS Power	Carville (501 MW Gas)	St. Gabriel, La.	RBC Capital Markets	LS Power has hired RBC to sell the merchant facilities (PFR, 8/14).
	Hog Bayou (237 MW Gas)	Mobile, Ala.		
Morgan Stanley	NaturEner USA (399 MW Wind)	Montana	Morgan Stanley	Morgan Stanley is selling NaturEner, which owns development wind assets in Alberta as well as the 399 MW operational wind portfolio in Montana (PFR, 5/15).
Pacific Gas & Electric	DeSabla (26.7 MW Hydro)	Butte Creek and West Branch Feather River, California	Bodington & Co.	Bodington is running an auction for the assets (PFR, 9/25).
	Miocene (2.9 MW Hydro)			
Recurrent Energy (Canadian Solar)	Astoria, Astoria II, Barren Ridge (235 MW Solar)	Kern County, Calif.	BAML, Scotiabank (seller)	KEPCO and a South Korean private equity fund plan to jointly acquire the three projects (PFR, 10/2).
	Tranquillity (200 MW Solar, 49%)	Fresno County, Calif.		Shenzhen Energy Group Co. has agreed to acquire the projects (PFR, 10/23).
	Garland (200 MW Solar, 49%)	Kern County, Calif.		
	Mustang (100 MW Solar)	Kings County, Calif.		
Renova Energia	Portfolio	Latin America		A period of exclusive negotiations with Brookfield Asset Management has expired (PFR, 10/23).
TerraForm Power, 51%	Portfolio (2.6 GW Solar, Wind)	U.S.	Morgan Stanley, Centerview Partners (seller)	Brookfield Asset Management has closed its acquisition of SunEdison's stake in the yield company (PFR, 10/23).
● TransCanada Corp.	Portfolio (76 MW Solar)	Ontario	Scotiabank (seller)	Axium Infrastructure is acquiring the assets (see story, page 9).

● **New or updated listing**

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

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

Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Deal Type	Loan Amount	Tenor	Notes
Advanced Power	South Field (1.1 GW Gas)	Columbiana County, Ohio	GE EFS	Debt	TBA	TBA	GE EFS is left lead on the debt raise. Other joint lead arrangers will be selected later this year (PFR, 5/1).
American Power Ventures	Renaissance (1 GW Gas)	Greene County, Pa.	Fieldstone (adviser)	Debt, Equity	$900M		Fieldstone Private Capital Group is raising debt and equity for the project (PFR, 4/17).
Brookfield Renewable	Erie Boulevard (872 MW Hydro)	New York, Pennsylvania, Maryland, West Virginia	Citi, Scotia	Private Placement	$305M	13-yr	Bids from investors were due on Oct. 16 for the deal, which refinances a 12-year note issued in 2005 (PFR, 10/16).
Centrais Eléctricas de Sergipe	Porto de Sergipe (1.5 GW LNG-to-power)	Brazil	IFC	Debt	$200M		The International Finance Corp. is considering financing the project (PFR, 10/23).
Clean Energy Future	Trumbull (940 MW Gas)	Trumbull County, Ohio	BNP Paribas (financial adviser)	Debt	TBA		Deal watchers have tipped the Trumbull project to reach financial close before the end of 2017 (PFR, 9/11).
				Equity	TBA		
Greenwind	Corti (100 MW Wind)	Buenos Aires Province, Argentina	Santander, ICBC	Debt	$72.5M	9-yr	The projects have the longest tenors of any financing to emerge from Argentina's Renovar program. (see story, page 6).
			Inter-American Investment Corp.	Debt	$31.5M	9-yr	
EIG Global Energy Partners	Cerro Dominador (210 MW Solar)	Antofagasta, Chile	TBA	Debt	$700-800M		The sponsor plans to raise between $700 million and $800 million in bank debt (PFR, 9/18).
Enel Brasil	Volta Grande (380 MW Hydro)	Rio Grande, Brazil	TBA	Bridge loan	~$295M		Enel is seeking a bridge loan to a potential capital markets take-out (PFR, 10/9).
LNG Group Panama, Gunvor, Gu Xin Group	Telfers (656 MW Gas)	Panama	Société Générale (adviser)	Mini-perm	$661M	7-yr	The sponsors of the LNG-to-power project were aiming to close the debt financing by the end of September (PFR, 9/18).
				Letter of Credit Facility	$75M		
New Energy Solar (Walsh & Co.)	Golden Fields I (54 MW Solar)	Kern County, Calif.	KeyBanc Capital Markets	Private Placement	$62.5M	24-yr	The projects are contracted under PPAs expiring in 2036 and 2041, and the notes have an average life of 13.2 years (PFR, 10/16).
	Stanford (54 MW Solar)			Letter of Credit Facility	$21.5M		
NTE Energy	Reidsville (500 MW Gas)	Rockingham County, N.C.	TBA	Debt	$595M		The sponsor took proposals from banks on Oct. 6 (PFR, 10/16).
Panda Power Funds	Mattawoman (990 MW Gas)	Prince George's County, Md.	BAML, BNP Paribas, Investec, NH Financial Group	Debt, Equity	$500M		Bank of America Merrill Lynch has joined the lender group (see story, page 1).
Pattern Development	Henvey Inlet (300 MW Wind)	Ontario	TBA	Debt	TBA		Pattern has mandated banks to raise debt for the project (see story, page 5).
Phoenix Energy	Portfolio (15 MW Biomass)	California	Karbone (adviser)	Equity	$100M		Karbone is working with Phoenix to find an equity investor (see story, page 9).
Powin Energy	Stratford ESS (8.8 MW/ 40.8 MWh Battery)	Ontario	Brookfield	Debt	C$5.5M ($4.3M)	C+3-yr	Brookfield Asset Management is financing the project's construction (see story, page 1).
Quantum Utility Generation	Moundsville (643 MW Gas)	Marshall County, W.Va.	TBA	Debt	TBA		Quantum could launch a debt financing for the project this year (PFR, 2/6).
			BNP Paribas	Equity			
Silicon Ranch Corp.	Portfolio (200 MW Solar)	Georgia	TBA	Debt	TBA		The sponsor plans to finance and build the four projects in the portfolio over the next four years (PFR, 9/18).
			TBA	Tax Equity	TBA		
SunPower	Portfolio (Resi)	U.S.	Investec	Debt	$53M	TBA	Investec arranged the loan (see story, page 2).
Sunrun	Portfolio (Resi)	U.S.	TBA	Debt	$303M	7-yr	The back-leveraged debt is secured on cash flows from leases and PPAs (see story, page 2).
True Green Capital Management	Portfolio (Distributed Solar)	U.S.	TBA	Debt	$700M		True Green plans to raise $700 million of tax equity and debt (PFR, 10/23).
			TBA	Tax Equity			
UKA Group	Portfolio (400 MW Wind)	U.S.	TBA	Debt, tax equity	TBA	TBA	The Germany-based developer is seeking debt and tax equity for its first U.S. assets (see story, page 7).
X-Elio	Xoxocotla (70 MW Solar), Guanajuato (60 MW Solar)	Xoxocotla and Los Rodriguez, Mexico	TBA	Development Bank Debt	$87.35M	20-yr	X-Elio has requested proposals for debt financings for $128.6 million worth of projects, including Xoxocotla and Guanajuato (PFR, 10/23).
			TBA	Commercial Debt		16-yr	

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Brookfield Provides Loan for Canada Battery Project

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an eagerness to do some of the first deals," he said of his conversations with lenders, adding that the lack of announced deals so far has "less to do with trepidation on the financing side and more to do with the fact that deals are taking a few years to pull together."

Battery storage has already been included in several project finance deals alongside solar and wind generation, but standalone battery storage has been more of a challenge.

Macquarie Capital closed what it claimed was the "first non-recourse project financing of battery-based energy storage systems", a construction-plus-term loan provided by **CIT Bank**, in March (PFR, 3/27).

Among the advantages of initially inking a loan with Brookfield were the fact that the company was willing to come in during the construction period, the terms it was able to provide, the speed of execution and its reputation in the industry, Brown adds.

EVOLVING STRUCTURES

Powin inked the construction-plus-three-year loan for the 8.8 MW/40.8 MWh Stratford ESS project with **Brookfield BRP Holdings** (Canada) on Sept. 26, according to a filing with the U.S. **Securities and Exchange Commission**.

The loan bears interest at 8.75%, according to a term sheet appended to the filing.

The project must maintain a minimum debt service coverage ratio of 1.05:1 and Powin was required to establish a C$125,257 (about $99,000) debt service reserve, according to the term sheet.

The total cost of the project was not disclosed.

While the deal could serve as a blueprint for further battery storage project finance deals, structures are likely to evolve as the revenue contracts that form the basis of such deals are refined.

> **"There's a real hunger, a real appetite for investing in this space and there's an eagerness to do some of the first deals"**

The 50 MW storage project financed by Macquarie earlier this year had a 10-year power purchase agreement with **Southern California Edison**, and the tenor of the debt provided by CIT was said to match.

> **"All the contracts are fairly unique and each vintage of contract is taking something from the previous vintage and evolving"**

"That's the interesting thing about energy storage at this point," says **Mike Wietecki**, general counsel at Powin. "All the contracts are fairly unique and each vintage of contract is taking something from the previous vintage and evolving."

The Stratford ESS project has a three-year reactive support and voltage control contract with Ontario's **Independent Electricity System Operator**.

The project's previous owner, **Hecate Energy**, was among five companies to win contracts for energy storage projects in a solicitation process run by IESO in 2014. **Canadian Solar Solutions, Convergent Energy and Power, Dimplex North America** and **Hydrogenics Corp.** were the other winners of the ancillary services contracts.

TECHNOLOGY

Powin acquired the project from Hecate in June and construction contractor **Ellis Don** began building it in July. The installation of 300 of Powin's lithium ion phosphate battery systems, which will use the developer's own patented battery management software, commenced in late August, and commissioning is expected to take place in November. The project will be integrated with two types of inverter provided by **Eaton** and **EPC Power Corp.**, respectively.

The financing was supported by an independent engineering report on the project and equipment by **DMV GL**. Powin expects its technology to have a useful life of 20 years.

In addition to the IESO-contracted projects in Ontario, Powin secured a storage contract earlier this year from **San Diego Gas & Electric** for a 6.5 MW/26 MWh project. Financing is not yet in place for the SDG&E-contracted project, says Brown.

Brown joined Powin in April 2016, having previously worked at **NRG Energy** as director, microgrids, according to his **LinkedIn** profile.

A spokesperson for Brookfield in Toronto did not respond to a request for comment. ■

Pattern Aims to Close Debt for Henvey By Year End

Pattern Development has mandated a group of banks to raise debt for the 300 MW Henvey Inlet wind project in Canada and plans to seal the financing by the end of the year.

The company is developing the project, which is located in Parry Sound County, Ontario, alongside **Nigig Power Corp.**, a project company established by the **Henvey Inlet First Nation**. Nigig Power and Pattern each own a 50% stake in the project.

Seven banks, including some Canadian institutions, will provide non-recourse debt to the project, Pattern ceo **Mike Garland** tells *PFR*, declining to identify the lenders or size of the deal.

Pattern Development is aiming to close the financing by the end of the year, when construction on the project is expected to commence (PFR, 6/15).

The company acquired its 50% interest in the project, which has a 20-year power purchase agreement with the **Ontario Power Authority**, in 2014 from Nigig Power Corp.

Yield company **Pattern Energy Group** has a right-of-first-offer to the project.

Pattern closed a C$263 million ($196 million) financing for its 147 MW Mont Sainte-Marguerite wind project in Saint-Séverin, Québec, in the first quarter of this year. **Manulife**, **Caisse de Dépôt et Placement du Québec** and **BayernLB** provided the financing (PFR, 3/7). ■

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PROJECT FINANCE

Panda Mattawoman Bank Group Grows

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person familiar with the deal.

BAML was also one of the three coordinating leads on **Tyr Energy**'s debt raise for its 1 GW Hickory Run project in Lawrence County, Pa., which closed in August (PFR, 8/22).

The other CLAs on the Mattawoman deal are **BNP Paribas**, **Investec** and **NH Financial Group**, which is brokering an investment by South Korean institutions, including debt, mezzanine capital and equity, said to total around $500 million.

Whitehall & Co. is Panda's financial adviser on the project.

ICBC was one of three commercial banks that Panda originally mandated for the deal about a year ago, but backed out earlier this year (PFR, 9/7).

The bank group rejig follows a **PJM Interconnection** capacity auction print in summer that was disappointing for some (PFR, 5/24).

The Mattawoman project is located about 12 miles southeast of Washington, D.C., in Prince George's County, Md., and will interconnect with **Potomac Electric Power Co.**

Capacity cleared the base residual auction for delivery year 2020/2021 at $86.04/MW-day in PEPCO's territory, down from $100/MW-day for 2019/2020.

Representatives of Whitehall and the arrangers in New York either declined to comment or did not respond to inquiries. ■

Development Bank Funds 482 MW of Brazil Renewables

Brazilian regional development lender **Banco do Nordest** has agreed to finance 482 MW of renewable projects in the country, at a time when asset managers are once again bullish on real-denominated assets.

Headquartered in Fortaleza, Ceará, Banco do Nordest will provide R$1.325 billion ($348 million) across three deals for **Enel Green Power Brasil Participações**, **CPFL Renováveis** and **Apodi Energia**, respectively.

ENEL TRIO

In one of the deals, the bank will provide a R$678.7 million 18-year financing via its infrastructure financing platform **FNE Infrastrutura** to Enel's Brazilian subsidiary to build three solar projects totaling 350 MW.

The projects are located in the municipalities of Bom Jesus da Lapa, Tabocas do Brejo Velho and Ribeira do Piauí.

Enel will invest R$795.7 million of "its own resources" into the portfolio, according to Banco do Nordest.

The projects have 20-year power purchase agreements with the **Brazilian Chamber of Commercialisation of Electric Energy**.

APODI

Apodi, a joint venture between Norway's **Scatec Solar** and **Statoil** and Brazil's **Kroma Energia**, has meanwhile obtained a R$477.4 million 20-year loan from the bank for a 132 MW project. The Apodi project's sponsors will invest R$187.4 million.

The Apodi project was awarded a 20-year PPA in 2015's second energy auction.

SMALL WIND

At a combined capacity of 48.3 MW, CPFL Renováveis' Pedra Cheirosa I and II wind farms are the smallest projects to get the bank's funding in the latest round of loans. Banco do Nordest is providing a R$170.1 million 20-year loan, while CPFL Renováveis is investing R$76.1 million.

CPFL Renováveis won contracts for the projects in Brazil's 2013 power auctions.

The loans come as emerging market investors shift their attention to Brazil, especially local currency debt.

NN Investment Partners, which has €195 billion of assets under management and invests in both renewable infrastructure and Brazil, has been banging the drum for the country in recent weeks. The asset manager labelled Brazil's local currency market "attractive" in a note to investors in early October, even in the face of tightening monetary policy at the world's biggest central banks.

"All in all, the EM growth picture should be strong enough to sustain the positive bias that investors currently have to EM assets," said **Maarten-Jan Bakkum**, senior emerging markets strategist at the asset manager, on Oct. 24, "even in times when Fed expectations change moderately." ■

Corti Wind Project Claims Two Argentina Financing Firsts

Greenwind has signed $104 million in debt for its 100 MW Corti Wind Farm in Argentina, which the lenders say has the longest tenor of any project finance deal to emerge from the country's RenovAr program and is the first to involve international banks.

The transaction is split into a $31.5 million A loan provided by the **Inter-American Investment Corp.** and a $72.5 million B loan from **Santander** and **ICBC**.

Both tranches have tenors of nine years, door-to-door, which the IIC said was "a term unprecedented in Argentina" and the longest maturity seen for projects under the RenovAr banner.

Power purchase agreements awarded in the first round of the Renovar program have a 20-year life.

Law firm **Clifford Chance**, which advised the lenders, described the deal as "a significant positive development for the Argentine loan market".

The proceeds will be used for the construction, operation and maintenance of the wind project, which is located near Bahía Blanca in the province of Buenos Aires.

The sponsor, Greenwind, has been jointly-owned by Argentina's **Pampa Energía** and U.S. private equity firm **Castlelake** since Pampa sold a 50% stake in the company to the investor in March.

Pampa said in October 2016 that the project would have a total cost of $150 million and that construction would take 14 months. ■

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PROJECT FINANCE

German Developer Scopes Financing for U.S. Wind Portfolio

A German developer has begun talks with several financial institutions as it prepares to raise capital for its first wind projects in the U.S.

UKA Group, which is based in Meissen, Saxony, plans to line up a construction loan, tax equity bridge loan and tax equity for a 400 MW portfolio located in **PJM Interconnection**, deal watchers tell *PFR* on the sidelines of the **AWEA** Wind Energy Finance & Investment Conference 2017 at the Roosevelt Hotel in New York.

The developer expects to secure financing for the projects in 2018 and bring them online in 2019 and 2020. The total cost of the portfolio is pegged at $600 million.

Chicago-based **Marathon Capital** is in talks with UKA to advise the sponsor on the financing, add the deal watchers.

UKA, which opened an office in Stuart, Fla., earlier this year, under the name **UKA North America**, is also seeking to acquire wind assets in the U.S. The company is aiming to close the purchase of two mid-stage development assets in PJM before the end of 2017.

The identity of projects and the seller could not immediately be learned. UKA is not working with an external adviser on the acquisition.

An official at UKA declined to comment. Officials at Marathon Capital could not immediately be reached. ■

FAST FACT

700 MW

Size of UKA's U.S. development pipeline

CONFERENCE COVERAGE

AWEA 2017: Bankers Eye Development After Year Dedicated to Construction

Cheap debt and the ticking clock strapped to federal tax credits could well bolster wind project development over the next year, said financiers at the **American Wind Energy Association**'s Wind Energy Finance & Investment Conference 2017 on Oct. 25 and 26.

As much as 29,634 MW of wind generation was either under construction or in late-stage development in the U.S. at the start of this month—27% more than in the third quarter of 2016 when the ink was still wet on many of these projects' financing agreements, according to AWEA's third quarter 2017 market report, which was released on the second day of the conference.

The intense construction activity contributed to a slump in wind financings earlier this year. Sponsors signed just $1.7 billion of deals backing U.S. wind projects in the first half of 2017, as opposed to $5.5 billion in the first six months of 2016.

Nevertheless, a number of wind refinancings have kept bankers busy in the meantime, said **Jim King**, who joined **CIBC Capital Markets** as managing director and head of project finance and infrastructure earlier this year, adding that he foresees increased deal flow in 2018.

> **"We have all seen that spreads have come down and it's probably a good time to be seeking capital"**

"We see things ramping up," agreed **Nuno Andrade**, m.d. and head of project and acquisition finance at **Santander**, crediting the upswing at least in part to the low cost of capital.

"I won't ask what this means for pricing, because I know I probably won't get an answer," said **Meghan Schultz**, senior v.p., finance, at **Invenergy**, who was moderating the panel, adding however that "we have all seen that spreads have come down and it's probably a good time to be seeking capital".

For long-term contracted assets, bank loan pricing has been seen as low as 162.5 basis points over Libor, bankers tell *PFR*, though the tax equity market is more opaque. "We never answer the yield question," said **JP Morgan**'s **Yale Henderson** on a previous panel.

While concern and speculation over potential tax reform and the eventual step-down of tax credits fueled much discussion at the conference, one panelist urged market participants to concentrate on the here-and-now.

"There are so many moving parts—political, technological," said **Declan Flanagan**, ceo of **Lincoln Clean Energy**, encouraging conference-goers to focus on wrapping deals in the present.

Meanwhile retirements of coal-fired assets remain an important factor in opening up opportunities for wind developers, as **Dan Shreve**, partner at **MAKE Consulting**, pointed out on the conference's second day. ■

FAST FACT

29,634 MW

Total wind generation under construction or in late-stage development in the U.S. as of Q3 2017, according to AWEA's market report

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CONFERENCE COVERAGE

Platts N.Y.: Texas Dealt Wildcard in the Shape of Coal-fired Retirements

Mergers and acquisitions, refinancing activity and even new-build financings could be on the cards in Texas in the wake of recently announced coal-fired plant retirements, according to speakers at the 19th Annual **Platts** Financing U.S. Power Conference in New York.

Adil Sener, vice president in power, utilities and renewables at **Jefferies**, had expected the conversation to follow a well-worn path when he signed up to moderate the **ERCOT** panel discussion, but that was before **Vistra Energy Corp.** revealed plans to retire three coal-fired plants totaling 4.2 GW in the state.

Instead, the conversation revolved around ERCOT's reserve margin, which could drop as low as 11.3% by 2019, according to one analysis, and the possibility that struggling generators in the Lone Star state could finally see some much-needed scarcity pricing.

"We've always known that these coal plants would retire, whether it was environmental rules or gas prices," said **Patrick Verdonck**, principal at **Starwood Energy**. "The emergence of Vistra from bankruptcy was certainly a catalyst but it's always been somewhat of a wildcard."

Assuming all of the pending retirements actually happen, **Potomac Economics**, the independent market monitor for ERCOT, predicts that the reserve margin in the market will be 11.6% in 2018 and 11.3% in 2019. In May, before Vistra's retirement announcements, the forecasts were 18.9% and 18.5%.

"We're a market that reacts very quickly and effectively to changes in demand and supply," said **Beth Garza**, v.p. at Potomac, taking exception to a description of ERCOT as a "distressed market" and pointing out that the bulk of the states' coal-fired fleet is 35 to 40 years old. "It's not unreasonable to think that this is the end of their economic life," she said.

> **"Texas has certainly become one of the most interesting markets in the last few weeks"**

The plants that Vistra intends to retire—the 1.8 GW Monticello facility in Titus County, the 1.2 GW Sandow plant in Milan County and the 1.2 GW Big Brown project in Freestone County—were commissioned in 1974, 1981 and 1972, respectively.

EXGEN TEXAS HOLD 'EM

One company that stands to benefit from the vanishing coal-fired capacity is **Exelon Corp.**, which hired **PJT Partners** to lead restructuring negotiations for its **ExGen Texas Power** gas-fired portfolio in the state earlier this year before putting the assets up for sale (PFR, 5/4).

The independent power producer is now looking to hold onto its newest combined-cycle projects in the state, Wolf Hollow and Colorado Bend, while offloading the rest of the portfolio.

"Texas has certainly become one of the most interesting markets in the last few weeks," said **Bill Berg**, v.p. of wholesale market development at Exelon, warning however that if ERCOT determines that the Vistra plants are needed and enters reliability-must-run agreements to keep them online, that could mute the ability of other generators to recover.

Assuming the plants do retire as planned, peak power prices could exceed $250/MWh according to analysis presented by **Steve Piper**, director of energy research at **S&P Global Market Intelligence**.

The changing situation may create opportunities for refinancing and M&A activity and even project finance deals for new build plants in the coming years.

The levels at which power project debt is trading in the secondary market suggests that some existing loans may be refinanceable, said **Kevin Phillips**, m.d. and joint global head of power and utilities at Jefferies, who was standing in on the panel for **Craig Gordon**, vice president of regulatory affairs at **Invenergy**.

> **"We're now starting to see in our modelling that peakers with low fixed O&M costs are potentially bankable and financeable"**

For instance, a loan issued by **LS Power** subsidiary **Sandy Creek Energy Associates**, which holds the firm's 63.87% stake in the 945 MW partially-contracted Sandy Creek coal-fired plant in Riesel, has rallied recently to the mid-to-high 80s, which "could possibly reflect the fact that it's now refinanceable," said Phillips.

The $1.05 billion Sandy Creek loan, which **Moody's Investors Service** and **S&P Global Ratings** downgraded in the first half of the year, is due to mature in 2020 (PFR, 6/27).

ALL IN

Load-serving entities and financial investors are looking to build positions in ERCOT, while "several assets on the thermal side... could be on the market in the coming years," Phillips added, hinting at a potential wave of M&A.

The Exelon asset sale will offer an interesting price point when it is announced, noted **Patrick Verdonck**, principal at **Starwood Energy**.

The most recent public comparable is Vistra's $350 million acquisition of the 1,054 MW Odessa merchant gas-fired plant from **Koch Industries**, announced in July (PFR, 7/11). "I don't know if that plant would trade at the same number now," said Verdonck.

The sudden 5% to 6% drop in the reserve margin forecast for ERCOT could even open the door to financings of new merchant gas-fired projects, something that had been inconceivable until recently.

"We're now starting to see in our modelling that peakers with low fixed O&M costs are potentially bankable and financeable," said Phillips. "You might see some new successful peaker projects get third-part equity or even debt financing over the coming year. ■

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ArcLight Poised for Quick Sale of New Covert Project

« FROM PAGE 1

acceptable bid come in, says a person familiar with the firm's strategy.

Officials at ArcLight in Boston and BNP Paribas and Whitehall in New York declined to comment.

Whitehall was also ArcLight's financial adviser when the firm attempted to auction the combined-cycle plant last year (PFR, 8/24/16).

Located in Van Buren County, the 13-year-old facility is able to serve both the **Midwest Independent System Operator** and **PJM Interconnection**, allowing it the flexibility to adapt to conditions in the two markets.

ArcLight acquired the project from **Tenaska Capital Management** as part of the 4.9 GW TPF II portfolio in 2015 (PFR, 10/12). ■

Biomass Shop in Talks with Equity Investors

A Californian biomass developer is narrowing down a field of potential buyers of a majority stake in a portfolio of development-stage assets in its home state.

San Francisco-based **Phoenix Energy** is working with New York investment boutique **Karbone** on the stake sale, deal watchers tell *PFR*.

The company and its adviser are marketing an 85%-90% stake in the portfolio, which comprises at least five assets and will cost $100 million to construct.

The process could result in the sale of a project company that holds five or six of the projects or a stake in Phoenix itself, says one deal watcher.

Phoenix owns a 3 MW biomass project that is under construction in North Fork and a six-project development pipeline totaling 16 MW.

The company initially reached out to approximately 20 potential investors and is in talks with fewer than ten. Teasers were distributed at least four months ago, according to an investor who is not considering a bid.

Interest in the portfolio has come primarily from small infrastructure funds, say the deal watchers.

The pre-construction projects are at various stages of development and permitting. Five of them have received conditional use permits and four of those have also received air permits.

The projects are in the queue to obtain power purchase agreements with utility companies under California's Bioenergy Market Adjusting Tariff (BioMAT) program. Most of them are expected to win contracts with **Pacific Gas & Electric**, while the remainder will likely sell their output to either **San Diego Gas & Electric** or **Southern California Edison**.

Phoenix was established in 2007 and brought its first project, a 500 kW biomass facility in California, online in 2011. The company financed 25% of the $3.5 million project with debt provided by the **California Integrated Waste Management Board**.

Southern California-based **Farmers & Merchants Bank** provided debt for Phoenix's second project, a 1 MW facility also located in the Golden State, which cost $7 million to construct. ■

Distributed Solar Business to Take Second Round Bids

A sale process for a U.S. distributed solar platform and a portfolio of operational assets is about to enter a second round.

Edison International put the company, **SoCore Energy**, up for sale earlier this year as part of a strategic review of its wider competitive generation business (PFR, 8/18).

Interest in the Chicago-based D.G. solar developer, including its 160 MW (DC) operational and under-construction portfolio, has come from financial and strategic investors and overseas bidders, including European firms, a deal watcher tells *PFR*.

The interest is such that the seller will probably look to sell the entire company to a single buyer, rather than carving out the operational assets and the devco, says the deal watcher.

Pete Kadens founded Socore in 2008 and established a customer base including retailers **Walgreens** and **Ikea** and real estate investment trust **Simon Property Group** before selling the company to Edison in August 2013 (PFR, 8/6/13).

Kadens left Socore in 2015 and is now partner, director and ceo at **Green Thumb Industries**, a private equity firm focused on the cannabis industry.

Socore appointed its cfo, **Robert Scheuerman**, to replace Kadens as president and ceo in January 2016.

The company's 219-project operational portfolio has offtake agreements with schools, municipalities, electric co-operatives and corporations with an average remaining contract life of 21 years, according to a teaser distributed earlier this year.

Marathon Capital is advising on the sale. ■

Infrastructure Fund to Purchase TransCanada Solar Portfolio

TransCanada Corp. is selling its solar assets in Ontario to a fund managed by **Axium Infrastructure**.

The asset manager's Axium Infrastructure Canada II fund will purchase the 76 MW eight-project portfolio for approximately $540 million through a vehicle called **Axium Infinity Solar**.

Scotiabank advised TransCanada on the sale.

Axium did not retain an external financial adviser on the deal. **Davies Ward Phillips & Vineberg** acted as the buyer's legal counsel.

"The proceeds from this sale will help fund our $24 billion near term capital program while maximizing value for our shareholders," TransCanada's president and ceo **Russ Girling** said in a statement issued on Oct. 25.

Sales of non-core assets "are a capital efficient way of financing growth capex," wrote **RBC Dominion Securities** analysts in a research note the same day, adding that the deal with Axium was a "slight positive" for the seller.

The deal is expected to close by the end of the year.

All eight projects in the portfolio have 20-year feed-in-tariffs with Ontario's **Independent Electricity System Operator**.

TransCanada acquired the facilities from **Canadian Solar** for C$470 million ($454 million) in a series of transactions that closed in 2013 and 2014. ■

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Q&A: Matt Odette and Frederick Echeverria, MUFG — Part II

MUFG's **Matt Odette**, director in project finance, and **Frederick Echeverria**, executive director on the private placement desk, address the relative merits of the 4(a)(2) and 144A project bond products, structuring considerations and the potential application of capital market debt to projects with merchant exposure and small-scale solar, in the second part of this exclusive interview.

Matt Odette Frederick Echeverria

PFR: We've been talking about the 4(a)(2) private placement market. Project finance issuers also have the option of going out to the 144A project bond market. Are all of the deals for construction financing in the 4(a)(2) market? How is the 144A product involved?

ECHEVERRIA: I view it as a single market. If you do 144A documentation, that opens up a much broader universe of investors, call it 1,000 investors versus 100, but 900 of those 1,000 investors are not that savvy in project finance, so you're really still probably focused on 100 investors. But it does provide you that backdrop of a $1 trillion public market if you need the liquidity. The way that those deals are structured, with banks acting as initial purchasers/underwriters, and the settlement period, there's no scope for efficiency on the delayed draw. You're going to take all your proceeds up front, and then you're going to have that negative arbitrage of capital sitting in a low-interest-earning account while you're paying interest to the bondholders. We wouldn't have been able to achieve the delayed funding that we did for AES on the bond tranche if we did it as a 144A. They were able to get aggressive execution on their bond pricing and also take advantage of almost two years of delayed draws on the bond piece, with the bank commitments behind it that then funded the remainder of the construction.

PFR: Talking about the efficiencies of these various different markets, if you have a transaction that's large enough to tap multiple markets at the same time, we've seen transactions structured where there will be a bank tranche that amortizes first and the institutional investor tranche does not begin amortizing until the bank tranche is gone, is that right?

ECHEVERRIA: That's correct. By delaying the amortization on the bond tranche, your average life on the bond is synthetically greater than if the whole transaction was just a bond out of the gate, so you're able to appeal to the deepest, most aggressive parts of each market.

PFR: We've talked about tenor and pricing and the delayed draw feature and the depth of these markets. Is there anything else that borrowers and even bankers should think about when structuring these kinds of deals?

ODETTE: From a basic terms and covenants standpoint, the two markets are similar, with one big exception, which is the repayment flexibility. Banks can be repaid at par but in the bond market investors can only be repaid with a make-whole premium, which, depending on where interest rates are, can be pretty expensive. That's somewhat sacred to bondholders—it's very difficult, if not impossible, to get a deal done without it in there. So that is what we see as a key consideration that sponsors look at. If there is more desired flexibility around the capital structure, then the bank product might be more appropriate. If it's more permanent financing, and you like the price you get on it and you intend to leave it in place throughout the duration of the contract, then you're happy with the make-whole being there because you never intend to refinance it.

PFR: Do you see project bond or private placement investors looking at financing merchant projects at all in the U.S.?

ECHEVERRIA: Define merchant.

PFR: Projects with some element of merchant cash flows?

ECHEVERRIA: Primarily, the investors that are drawn to these assets are investment grade investors. It's very difficult to have something with volatility or uncertainty in the cash flows to receive an investment grade rating. That being said, given the lack of contracted paper, we have seen a subset of investors willing to entertain looking at what I'll call quasi-merchant projects. They're not fully merchant—there's some form of hedge or revenue put that gives you a floor on cash flows—but you still have a lot of uncertainty. We've seen investors look at that. I wouldn't say it's a huge part of the market currently. I wouldn't say we've gotten a lot of calls from investors to show them more merchant transactions.

ODETTE: I think that's right and clearly those sub-investment grade profile-type projects price very differently from what we were saying earlier in terms of spreads for a long-term contracted project. So I think, more so than banks, there is a preference among institutional investors for contracted projects. But, just like banks, contracted projects are getting more and more difficult to find and these institutions still have large amounts of money to put to work, so we are seeing interest and in a few cases actually executed transactions that are outside of that traditional senior secured investment grade box. Quasi-merchant is one of them, although still a very small proportion of the market compared to the commercial bank market.

PFR: That's really interesting, especially with several sponsors still trying to finance greenfield gas-fired projects in the PJM Interconnection region. What do you think are the prospects for sponsors still looking to finance projects in that region?

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Q&A: MATT ODETTE AND FREDERICK ECHEVERRIA, MUFG — PART II

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ODETTE: There is a financing availability element to it but there is clearly also a limit, from an equity standpoint, to what the market can bear as far as new greenfield projects go. Certainly, we have clients, sponsors, who are interested in continuing to develop projects, and we have other sponsors who would not like to see more development because they own projects in PJM and are concerned the continued development will flatten or even potentially push down the economics of the plants they already have. So it's hard to handicap how many of these projects in the queue will go forward. It will be some, certainly, but it probably won't be the full pipeline that you hear sponsors talking about, just because of the limited ability of the power markets to continue to absorb these assets.

PFR: Are you working on any of those at the moment?

ODETTE: I'm probably not best placed to comment on that.

PFR: I guess we'll have to wait and see how many and on what terms they get financed. Speaking of different kinds of offtake or contract, some portfolios of distributed generation or residential solar have apparently been financed with private placements and project bonds, but that must present its own challenges.

ECHEVERRIA: I think that residential and C&I solar's been around for a while, but trying to aggregate and bundle that up into something financeable is rather novel, and I think a lot of it hinges on the specifics of the nature of the contract or contracts and the nature of the customers. A contract which is homogeneous among the customers would be ideal, but what I've heard on other deals is that you've got a mismatch of different contracts with different terms. If it's all residential, then you're almost doing an ABS, like a credit card receivables transaction, where the credit quality of each consumer on the hook is part of your collateral pool, which is a little different than analyzing a utility-scale solar project with an investment grade investor-owned utility as the single offtaker with a single contract. We have heard of some of these transactions—and I'd say they're all pretty unique and bespoke—getting placed in the private placement market, and I think we're still in the early innings of seeing that grow.

ODETTE: I think they face the same challenges that they face getting financed in the bank market, which is that you have a very heterogeneous set of contracts that are still chunky enough that you have to analyze each one from a diligence standpoint. My personal view is that these types of projects make sense economically and as the market grows and the contracts can be standardized to a greater extent, that's really when we'll see growth take off. It'll probably be similar to what we've seen in utility-scale markets, where a lot of things are constructed under bank facilities, with more flexibility around the draw schedule. Then, if these contracts are very long-term and high quality, they can be taken out in the bond market, but I don't think we've seen that happen yet on a large scale. A lot of people are looking at it but we haven't seen that really blossom.

ECHEVERRIA: MUFG is well placed to play a role in this. We've been a leader on the bank side and we're now also a leader on the capital markets side. ■

STRATEGIES

SolarCity Preps Lease, PPA Securitization

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weighted average FICO score of 733, with 69.4% of the customers' FICO scores at or above 700.

All of the solar systems have 20-year leases and PPAs and obtained permission to operate in either 2016 or 2017.

In January, SolarCity priced its seventh ABS offering, which was its first since its acquisition by **Tesla** in November of last year (PFR, 1/23).

The latest deal is only the second solar ABS this year to be backed by leases and PPAs.

Despite the relatively low number of lease-backed deals in 2017, **Cecil Smart**, senior director at Kroll, does not see the dominance of loan-backed ABS offerings as representative of a long-term trend.

"It's specific to the issuer and I think that PPA and lease originators may be financing themselves through other means," he says. "It's hard to say that one is preferable to the other."

The deal is the sixth solar securitization to be launched this year. **Mosaic** priced a $307.5 million four tranche offering on Oct. 18 (PFR, 10/18). According to data and analytics firm **PeerIQ**, the Mosaic offering was heavily oversubscribed, garnering $1.7 billion of orders for the $307.5 million offered. ■

Brookfield Yieldco Preps Term Loan B

RBC Capital Markets is arranging a $300 million term loan B for **TerraForm Power**.

The former SunEdison yield company, which was acquired by **Brookfield Asset Management** earlier this month (PFR, 10/17), will use the proceeds to pay down a non-recourse term loan signed in December 2015.

Price talk for the new loan, which is expected to have a tenor of five years, is at 325 basis points over Libor with an issue price of 99.5.

A lender meeting took place on Oct. 26.

Representatives of TerraForm Power in Bethesda, Md., Brookfield in Toronto and RBC in New York did not immediately respond to inquiries.

S&P Global Ratings upgraded TerraForm Power's debt by three notches, from B- to BB-, on Oct. 17, following the closing of Brookfield's acquisition of its majority stake in the yieldco (PFR, 10/17). **Moody's Investors Service** followed suit a week later, upgrading the loan from B3 to B1 on Oct. 24.

The TerraForm Power deal is the latest in what has been a busy period for power-related borrowers in the term loan B market.

Most recently, **The Blackstone Group** issued a $1.25 billion term loan B to finance its equity investment in **Energy Transfer Partners**' 715-mile Rover natural gas pipeline and **Atlantic Power Corp.** repriced its term loan B, which has a balance of $562.8 million, for the second time this year (PFR, 9/21, PFR, 10/4). ■

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PEOPLE & FIRMS

Deutsche Ramps Up Origination

Deutsche Bank is looking to make a big push in lending, says its head of originations for U.S. infrastructure and energy.

The German bank appointed **Brent Canada** to the role last year, bringing him on from the structured product sales team.

"We're building out an extensive platform on the lending side," said Canada, speaking at the **Platts** Financing U.S. Power Conference in New York on Oct. 24. "We're refocusing the business and acting like a bank again."

Canada reports to **Alex Giannou**, head of structured solutions at Deutsche Bank in New York.

"My mandate is to grow the balance sheet as quickly as possible," Canada told attendees at the conference, noting that the bank is readying syndication of a more-than-$1 billion underwritten loan.

Further details of the deal could not immediately be learned, although the bank is understood to be targeting deals yielding between 3% and 8%.

Deutsche is seeking to position itself between the more conservative commercial banks and the infrastructure credit funds that provide mezzanine financing, in terms of risk and return, said Canada.

REBUILDING

Deutsche's infrastructure and energy finance team experienced a wave of senior departures in the last two years.

The firm's former head of Americas energy and infrastructure, **Bhaswar Chatterjee**, who is also known as Joy, left at the end of 2015, and a director in the department, **Vanessa Lamort de Gail**, left in March of 2016 (PFR, 7/7, 6/29).

Matthew Cox, who worked in commodities and infrastructure finance, departed in August of the same year, while energy infrastructure fiance head **Vinod Mukani** left in April of this year (PFR, 4/25).

Gregory Leveto now co-heads Deutsche's global transportation, infrastructure and energy structured credit group along with **Richard Moody**, who is based in London. Leveto declined to comment. ■

EDP Renewables North America CEO Steps Down

Gabriel Alonso, who has been ceo of **EDP Renewables North America** for nine years, departed from the company on Oct. 27.

Miguel Angel Prado, who has been acting chief operating officer for the North American arm of the Portuguese energy company since September, is understood to be taking over from Alonso.

EDP has financed several renewable projects in the U.S. this year, securing tax equity for a wind trio in Indiana, Wisconsin and Oklahoma in one deal and for another wind project in Ohio in a separate transaction (PFR, 7/20, 8/11). ■

Ex-SunEd Asset Manager Joins Battery Start-up

The former president of global asset management at **SunEdison** has joined a California-based battery start-up.

John Barton joined **Gridtential Energy** as ceo on Oct. 11 and is based in the company's San Jose office. Barton was president of global asset management at SunEdison from 2015.

Santa Clara-based Gridtential, which recently secured $11 million in a Series B financing round, manufactures stacked-cell batteries that incorporate silicon wafer technology into traditional lead chemistry for use in in storage projects and electric-hybrid vehicles. ■

REPORTER'S NOTEBOOK

Reporter's Notebook: Platts N.Y.

M&Ms, **Harvey Weinstein** and millennials all somehow made it into the reporter's notebook at this year's **Platts** Financing U.S. Power Conference in New York.

- Whether by design or by accident, the M&Ms World electronic billboard across the street from the Crowne Plaza Hotel on Times Square where Platts Financing U.S. Power took place was on message—it was hyping **Mars**'s 'Sustainable in a Generation' initiative with images of wind turbines interspersed with anthropomorphic candy characters.
- **Pat Eilers**, managing director at **BlackRock**, soldiered admirably through an entire keynote on the opening day of the conference without visual support, due to technical difficulties. He also apparently made $100 in the first minute by mentioning **Donald Trump**, Weinstein and **Bill O'Reilly**, something **Starwood Energy**'s **Himanshu Saxena** had wagered he would not do.
- **Patrick Worrall**, senior vice president at **Riverstone Holdings** vehicle **Extol Energy** (formerly **Topaz Power Management**), drew an interesting comparison in a brief recap of the listing and subsequent take-private of **Talen Energy Corp.** (PFR, 6/10/14, 6/3/16): "In 2014 along came a transaction opportunity to merge our 5.5 GW with the spin out of the **PPL** assets. We did that and they took over and I referred to that as 'sending our kids off to college'," he said, before adding: "Apparently we raised millennials, because they came back." ■

QUOTE OF THE WEEK

"We're now starting to see in our modelling that peakers with low fixed O&M costs are potentially bankable and financeable."

Kevin Phillips, joint global head of power and utilities at **Jefferies**, raises the specter of new-build gas-fired plants in Texas at the **Platts** Financing U.S. Power conference in New York (see story, page 8).

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