

# power finance & risk

The exclusive source for power financing and M&A news

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## Solar Co. Scouts Partners

**Mohave Sun Power** is targeting strategic partnerships to fund its \$2 billion project in Arizona.

*See story, page 2*

## Caithness Energy On Capital Hunt

**Caithness Energy** and JV partner **Ocean Renewable Power** aim to raise \$10 million for tidal power.

*See story, page 2*

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## CALIFORNIA RENEWABLE CREDIT MARKET HEATS UP

California utilities are actively buying renewable energy credits as they look to meet state renewable generation quotas by next year.

**Morgan Stanley** is one of a handful of players which has deals brewing to sell these credits to utilities. Developers such as **Invenergy**, **NextEra Energy Resources** and **Iberdrola Renewables** are also said to be big players in the market. Spokesmen at Invenergy and NextEra did not return requests for comment by press time. An Iberdrola spokesman says

*(continued on page 7)*

## LS POWER MAY LOOK FOR PRICE CUT ON DYNEGY FINANCING

LS Power is considering ratcheting down pricing on \$500 million in financing backing its purchase of a portfolio of contracted **Dynegy** assets after the deal was 1.5 times oversubscribed, market sources say. The practice, known as reverse-flex pricing, is occasionally seen in B loan deals. But it has not been done in the current bank market, where deals are syndicated on a quasi-club basis with lead banks round up a small group of lenders rather than going through a traditional syndication. The flex, which would shave 25

*(continued on page 8)*

## D-DAY LOOMS FOR BUFFETT IN IOWA

The **Iowa Utilities Board** is set to make a decision this month on **MidAmerican Energy Co.**'s request for an advanced ratemaking principle, which would allow it to pass the costs of 1 GW of wind generation to customers in Iowa. The request has drawn the wrath of several third party suppliers, who say they will be squeezed if the **Warren Buffett**-controlled company gets its way.

**NextEra Energy Resources** and **Iberdrola Renewables** argue an additional 1 GW of power in Iowa would take up finite transmission capacity and reduce utility interest in purchasing power. They also argue that some of the capacity will be utilized by out of state

*(continued on page 8)*

## CPV TEES UP 600MW WIND FINANCING ROSTER

**Competitive Power Ventures** is looking to finance a roughly \$1.2 billion, 600 MW development pipeline of wind projects. "We'll be in the market constantly for project financing over the next 18 months," says **Sean Finnerty**, senior v.p. of renewable development in Braintree, Mass.

First on deck is a financing for its 152 MW Keenan II wind farm in Woodward County, Okla. Finnerty declined to identify the lead lender or specify the costs.

The shop is working to round up a club and is aiming for a debt-to-equity ratio of roughly four-to-one. Equity will come from the privately held CPV via its main stakeholder

*(continued on page 7)*

Check [www.iipower.com](http://www.iipower.com) during the week for breaking news and updates.



## At Press Time

### Solar Start-Up Preps Partners

Mohave Sun Power aims to have a strategic partnership in place to provide up to 20% equity funding for its \$2 billion, 340 MW solar trough project in northwestern Arizona.

The company is talking to private equity funds and commercial banks active in the space for partnerships, says **Robert Marsh**, director of finance in Boston. He declined to identify potential partners, but adds they are "the industry's usual suspects." It plans to have the partnership in place by the start of construction at the end of next year.

Mohave is targeting 80% of the project funding from the **Federal Financing Bank** under the U.S. **Department of Energy's** innovative loan guarantee program. The company will also look to use funding from the U.S. **Department of Treasury's** cash grant program, which can fund up to 30% of the project. It will use those proceeds to repay funds borrowed from the FFB.

The company aims to be close to finalizing a PPA with a regional utility and an EPC contract for the project when it applies to the DOE program in the first quarter. Marsh declined to identify potential offtakers.

### Caithness, Partner Plan Capital Raise

Tidal power developer **Ocean Renewable Power** and joint venture partner **Caithness Energy** are preparing to raise \$10 million in funding in the first quarter. The cash will support the \$400-500 million, 80-100 MW Western Passage project near Eastport, Maine.

The duo has been in talks with strategic investors, venture capital concerns, socially conscious investors and high-net-worth individuals for this second funding round, says **Chris Sauer**, president and ceo in Ocean Renewable's Portland, Maine, headquarters. The first round of funding came from its partnership with Caithness which was finalized this summer. Sauer declined to identify potential investors.

The partners are looking to apply for the U.S. **Department of Energy's** innovative loan guarantee program to fund up to 80% of the project costs via the **Federal Financing Bank**. It will also consider further strategic partnerships for equity funding, Sauer explains.

The company has been in discussions with **Constellation Energy** to market the power from the project, Sauer explains. The project will hook up to the **New England Independent Systems Operator** through an interconnection with **Bangor Hydro** (PFR, 10/24). The first 5 MW phase of Western Passage is slated for operation by fall of next year with remaining phases coming online through 2015.

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**Institutional Investor NEWS**  
INTELLIGENCE FIRST

## CIT Advises On Fundraising For Transmission Line

CIT Group is advising Nevada Hydro on the placement of \$750 million in debt and equity to develop its 500 kV transmission line in southern California.

The bank has shortlisted a group of private and strategic equity companies to participate in the financing for the Talega-Escondido/Valley-Serrano transmission line, which will connect with Southern California Edison and San Diego Gas & Electric lines.

The company is seeking to raise \$10 million by year-end to finance permitting costs and will raise the remainder next year. The split between debt and equity has yet to be decided. "Whoever puts in the development capital will likely put equity in the project," says David Kates, project manager for the Nevada Hydro transmission line in Vista, Calif.

Developers claim that the California Independent System Operator has discriminated against the project, as per documents filed with the U.S. Federal Energy Regulatory Commission. In a letter dated Oct. 14, the company sent FERC detailed examples of "discriminatory concerns" as part of its planning documents against the project by CAISO. The matter is still pending.

## Advisory Co. Preps Fund Launch With Hire

Charles Galante, formerly of GE Energy Financial Services and ABN AMRO, has joined Castalia Capital to oversee the private equity fund launch into Latin America clean energy investments in the first quarter of next year. "He's a project finance power sector guy and that's where we see a lot of opportunity," says Manoah Koletty, analyst at parent company and Latin America energy and infrastructure advisory shop Castalia Strategic Advisors in Washington, D.C. Galante, managing director, started in the fund's New York office Oct. 16.

Galante was a managing director at Fortress Investment Group until July. Prior to that, he was a senior v.p. of commercial finance at GE EFS and a v.p. at ABN AMRO.

The fund will look at a broad range of assets, Koletty says, adding it is looking to raise capital from Castalia Strategic Advisor's clients, which includes governments and firms. "Castalia realized that it was helping our clients put together these investments throughout the value chain. We're capitalizing on our proprietary knowledge and with the introduction of a few private equity managers, we have the opportunity to make this very interesting," Koletty notes. He

declined to comment on the size of the fund or the size of investments it would look to make. Galante confirmed his appointment, but declined to elaborate on the position.

## PE Shop Seeks MACH Gen Stake

Private equity shop Värde Partners is looking to acquire up to a 20% equity interest in MACH Gen, the holding company for three generation assets with a combined 2,490 MW capacity, according to documents filed with the U.S. Federal Energy Regulatory Commission. The parties have requested that FERC authorize the transaction by Dec. 3.

Värde already holds a 9% equity interest in MACH Gen, which is owned by several hedge funds. Todd Jelen, an official with Värde in Minneapolis and Ned Kleinschmidt, ceo of MACH Gen at Capstone Advisory Group in Saddle Brook, N.J., did not return calls. The value of Värde's stake and the reasons behind its decision to increase it could not be immediately learned. The identity of MACH Gen's other owners also could not be learned.

Hedge fund and private equity manager Strategic Value Partners had been seeking to purchase up to 40% of MACH Gen (PFR, 2/6/09). Calls to SVP in Greenwich, Conn., were not returned and the status of that transaction could not be learned. The assets include the 360 MW gas-fired Millenium project in Charlton, Mass., the 1,050 MW New Harquahala combined-cycle plant in Arizona and the 1,080 New Athens combined-cycle plant in New York state.

The company first put the assets on the block in 2007 via auctioneer Credit Suisse, along with its 1.1 GW Covert plant in South Haven, Mich., plant that was later sold to Tenaska Capital Management for an undisclosed sum (PFR, 10/16/08). A Credit Suisse official did not return a call.

## Puget Plans To Pocket GE Peakers

Puget Sound Energy is planning to purchase two 54 MW gas-fired peakers from GE Capital, according to documents filed with the U.S. Federal Energy Regulatory Commission. The price of the peakers, which are part of the Fredonia facility in Skagit County, Wash., and the reasons behind PSE's decision to buy the assets could not be learned. The transaction is expected to close by January.

The utility has leased the peakers from GE since they began operation in 2001 and had an option to purchase if GE chose to terminate the lease, which GE did late last year. An official and spokeswoman at Puget in Bellevue, Wash., did not return calls by press time and a spokesman in Stamford, Conn., for GE Energy Financial Services, which handles power-related transactions for



its sister companies, also did not return a call.

A **Macquarie Infrastructure Partners**-led consortium acquired PSE for \$7.4 billion late last year. Calls to Macquarie in New York were not returned.

## Wind Co. Wraps Mo. Deal

**Wind Capital Group** has wrapped \$240 million in financing backing its 150 MW Lost Creek wind farm in Dekalb County, Mo. "It just shows that good projects with good sponsors can still get deals done in this market," says **Ciaran O'Brien**, cfo in St. Louis. **NordLB** is the administrative agent on the mini-perm, with **BayernLB**, **Rabobank**, **Banco Santander** and **Union Bank** participating.

Pricing was in the low 300 basis points over-LIBOR range, a deal watcher notes. The deal consists of a construction loan plus five years and a 17-year amortization schedule and the company is seeking funding from the U.S. **Department of Treasury's** cash grant program. Bank officials either declined to comment or did not return calls. The size of each lenders commitment could not be learned.

The **Associated Electric Cooperative** has a 20-year power purchase agreement with the facility, which is slated for operation this spring (PFR, 10/1).

## Ex-Oppenheimer Exec To Start U.S. Alt Energy Fund

**Yachtz Radcliff**, formerly of **Oppenheimer & Co.** and the **Maxim Group**, is preparing to launch a long/short hedge fund with the majority of its holdings in U.S. alternative energy and infrastructure companies. Most alternative energy funds invest primarily in Europe and Asia, but over 90% of Radcliff's fund will invest in America. He believes it is the first of its kind, according to *Alternative Investment News*, a *PFR* sister publication.

Radcliff is currently speaking with a family office and a large institution about the initial seed capital, and hopes to launch the fund with between \$50-100 million by year's end. The firm does not yet have a name as Radcliff still in negotiations with the investors.

The U.S. Infrastructure & New Energy Economy Strategy will invest in 40 companies across all sub-sectors in alternative energy and infrastructure—including wind turbine and solar panel companies, as well as energy efficient companies. While it may be more exciting to see "magnificent wind turbines" and solar panels in the deserts of California, Radcliff sees an abundance of opportunities in companies dedicated to energy efficiency including the creation of energy efficient light bulbs and air conditioners.

The fund's portfolio is targeting the following weightings:

17% to infrastructure and energy efficiency; 15% to transmission smart grid companies; 15% to battery grid companies; 10% to solar (pure exposure); 10% to wind companies; 5% each to semiconductors servicing solar, infrastructure wind, and utilities wind; 6% in geothermal; 3% in carbon trading, and the balance in other similar areas.

**Goldman Sachs** will be the prime broker.

At **Oppenheimer**, **Radcliff** co-managed a \$140 million portfolio.

## National Wind Reportedly In Talks With Int'l Partner

**National Wind** is reportedly in discussions with an undisclosed international company about a strategic partnership that could help finance its 4 GW development pipeline. The current stage of negotiations or number of interested parties could not be learned.

**Leon Steinberg**, ceo in Minneapolis, Minn., declined to comment as did officials at **Marathon Capital**, which is facilitating the partner hunt.

The community-owned wind developer retained **Marathon** in March to launch the search for a partner to speed up development of its pipeline and take advantage of the U.S. **Department of Energy** loan guarantees (PFR, 3/27). The company is also in negotiations with two undisclosed institutional investors about financing two wind projects in Minnesota and Colorado (PFR, 10/6).

## MEMC, SunEdison Deal Underscores Solar Consolidation

Silicon solar wafer manufacturer **MEMC Electronic Materials'** \$200 million planned acquisition of solar developer **SunEdison** highlights the drive to consolidate as solar financing remains tight and large scale demand is slack.

**MEMC** will gain access to **SunEdison's** roughly 23% share of the U.S. solar market while opening its balance sheet to the developer once the merger is complete, says one banker. "It's not a matter whether we could have achieved growth, it's a question of how much growth we could have achieved [without **MEMC**]," says **William Lee**, v.p. of project finance and development of **SunEdison** in Beltsville, Md. Regulatory approval is expected to allow the deal to close by year-end.

"It's an interesting play and I think it is an acknowledgment that the profits are going to be in installation and development, at least for the next couple of years," says **Nathaniel Bullard**, analyst at **New Energy Finance** in Washington, D.C.

Downstream acquisitions are increasingly common in the solar world as manufacturers try to keep products from piling

up on shelves as the economic crisis has slowed demand for solar installations. On the other hand, developers are shopping for strategic partners since financing remains tight.

Calls to MEMC officials were not returned.

## PPL Aims For DOE Loan Guarantee

PPL Corp. is working with the U.S. Department of Energy on a nuclear loan guarantee application, despite not expecting to be recipients of the initial round of funding.

The Allentown, Pa.-based utility is applying for a loan guarantee for 65% of the estimated \$15 billion cost of the 1.6 GW Bell Bend nuclear plant, says Mike Caverly, v.p. of PPL Nuclear Development Corp. The DOE is likely to announce the recipients of pieces of the \$18.5 billion loan guarantees

soon, says an analyst. Nuclear projects by Southern Co., SCANA, NRG Energy and UniStar Energy, a Constellation Energy and EDF joint venture, are widely thought to be the contenders for the initial funding. "We're either waiting for a) one of the four to drop out of the process, which we don't really think will happen, or b) for more funds to be allocated for loan guarantees," Caverly says. A spokeswoman for the DOE declined to comment on a deadline or name the top contenders.

The PPL project is tentatively scheduled for a 2014 construction start, depending on approval from the U.S. Nuclear Regulatory Commission and DOE loan guarantee timeline, says Caverly. He notes that although PPL has been in talks with undisclosed potential partners over the last year, it's still too early to pin anything down (PFR, 10/31/08).

## Corporate Strategies

### Oglethorpe Notes Pay Down Nuclear Expansion

Oglethorpe Power sold \$400 million in 144A bonds last Monday to pay off short-term debt used to finance a portion of its stake in the expansion of the Vogtle nuclear plant near Augusta, Ga. Oglethorpe has relied on operating cash, revolvers and commercial paper to pay for its share of the \$14 billion expansion. The power cooperative plans to continuously tap the bond market to raise money and pay off the short-term debt once it reaches more than several hundred million dollars at a time, says Jim O'Shaughnessy, analyst at Moody's Investors Service.

Oglethorpe expects to pay roughly \$4.2 billion for the addition of two new units that are scheduled to come online around 2017, says Joe Rick, director of capital markets in Tucker, Ga. The power cooperative is also in the process of applying for an undisclosed amount of funds from the U.S. Department of Energy loan guarantee program authorized under the 2005 Energy Policy Act, says Rick. The Vogtle nuclear plant is co-owned by Southern Co.'s subsidiary Georgia Power, Oglethorpe, Municipal Electric Authority of Georgia and the City of Dalton, each of which is contributing to the expansion.

The 30-year, first mortgage bonds carried a 5.95% coupon. The notes priced at 160 basis points over U.S. Treasuries. The bonds were rated A3 by Moody's and A by Standard & Poor's. Goldman Sachs and JP Morgan were selected as joint bookrunners for their relationship with Oglethorpe and knowledge of the electric cooperative sector, says Rick. Officials at the firms did not return calls.

### Black Hills Funds Coal With Bond Issue

Black Hills Corp. unit Black Hills Power has issued \$180 million in 6.125%, 30-year notes to fund its greenfield development of the 110 MW coal-fired Wygen III plant near Gillette, Wyo. "The markets are very receptive to utility paper. You get very good pricing and execution," says Glen Grabelsky, managing director at Fitch Ratings Service in New York, of the company's decision to come to market. The company priced the bonds on Oct. 22 and closed the deal on Oct. 27.

The 30-year tenor is likely a reflection of the company's efforts to balance its debt maturity schedule, Grabelsky says, adding it had no 30-year paper outstanding prior to the issue.

Black Hills Power has been using an intercompany money pool shared by its sister companies Black Hills Utility Holdings and Cheyenne Light, Fuel & Power Co. to fund expenditures on the \$247 million plant and proceeds from the issue will take down the \$103 million the company has outstanding on the pool. The remaining proceeds will pay down first mortgage bonds coming to maturity next year. The size of the money pool and details on how the company plans to pay for the remaining plant costs could not be immediately learned. The plant is slated for operation early next year.

RBC Capital Markets, Royal Bank of Scotland and Scotia Capital are joint bookrunning managers. BMO Capital Markets and Mitsubishi-UFJ Securities are senior managers and the Williams Capital Group and U.S. Bancorp Investments are co-managers. A spokesman for the Rapid City, S.D.-based company declined to comment on its choice in underwriters for the issue. Tony Cleberg, cfo, was not available to comment.

## News In Brief

*News In Brief is a summary of publicly reported power news stories. The information has been obtained from sources believed to be reliable, but PFR does not guarantee its completeness or accuracy.*

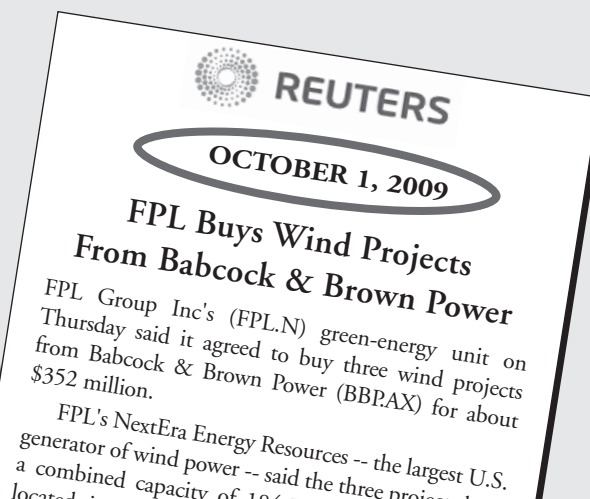
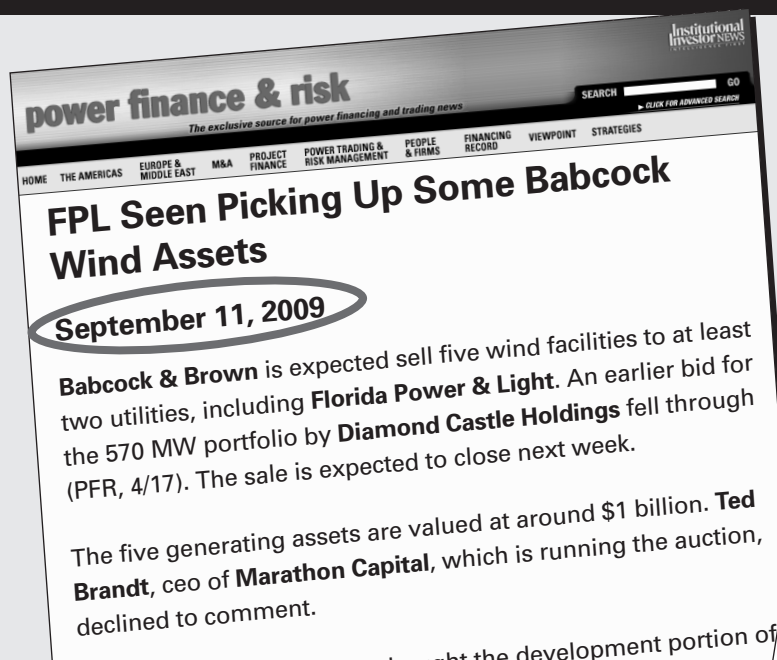
### Americas

- **Southern California Edison**, **San Diego Gas & Electric** and other utilities are asking regulators to include the rising cost of wildfire insurance in rate increases (*The Desert Sun*, 10/29).
- The **Maine Public Utilities Commission** says **Central Maine Power's** proposed \$1.5 billion transmission upgrade is larger than necessary (*WBZTV*, 10/29).
- **Hydro Quebec** has agreed to purchase state-backed **New Brunswick Power** for C\$4.75 billion (\$4.4 billion) (*The Wall Street Journal*, 10/29).
- **John Auville**, an attorney for the **West Virginia Public Service Commission**, has moved to dismiss an application for **Allegheny Energy's** Potomac-Appalachian Transmission Highline (*Charleston Daily Mail*, 10/28).
- **Pinnacle West Capital** plans to invest \$500 million in solar generation and expand its rooftop solar program (*NASDAQ*, 10/28).

### Europe

- **RWE** backed out of a partnership with **Bulgarian Energy Holding** to build a nuclear plant citing financing concerns (*Reuters*, 10/28).
- **Centrica** announced plans to start construction on a GBP725 million (\$1.2 billion), 270 MW offshore wind project off the east coast of the U.K. next year (*Bloomberg*, 10/28).
- European utilities such as Austria's **Verbund** and Sweden's **Vattenfall** are cutting profit expectations and generation investments as markets continue to decline (*Reuters*, 10/27).
- **Vattenfall** has largely completed talks for the sale of its German grid with a consortium of investors including **Allianz**, **Deutsche Bank**, infrastructure fund **RREEF** and **Goldman Sachs** (*The Wall Street Journal*, 10/26).
- **RWE** has sold roughly 90% of its generation for next year as it seeks protection from price volatility and the company received more than EUR60 (\$89.34) per MWh (*Bloomberg*, 10/27).

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## Project Finance Deal Book

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

### Live Deals: North America

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
National Wind	Various (Wind) (Transmission 500 kV)	U.S.	TBA	TBA	TBA	TBA	In discussions with internat'l co. for partnership (see story, page 4).
Nevada Hydro	Talega-Escondido/Valley-Serrano	Southern California	CIT Group	TBA	TBA	TBA	CIT shortlists equity co.'s for investing (see story, page 3).
Solar Trust of America	Various (Solar)	Southwestern U.S.	Citigroup, Deutsche Bank	TBA	TBA	TBA	Taps advisors for project financing (PFR, 10/26).
Wind Capital Group	Lost Creek (150 MW Wind)	DeKalb County, Missouri	BayernLB, Banco Santander, NordLB, Rabobank, Union Bank	Mini-perm	\$240M	5-yr	Deal wrapped (see story, page 4).

For a complete listing of the Project Finance Deal Book, please go to [iipower.com](http://iipower.com).

## CPV TEES

(continued from page 1)

**Warburg Pincus.** It aims to secure bank loans before year-end. The facility has a 20-year PPA with **Oklahoma Gas & Electric** and is slated for operation next year.

Next up for financing is the 200 MW Ashley wind project in McIntosh County, N.D. The project has a 20-year PPA with the **Tennessee Valley Authority**. "These are straight down the middle of the fairway-type projects," Finnerty notes. The firm is also working with regional utilities to secure offtake agreements for a 165 MW project in Kansas and a 100 MW project in the northern states ahead of arranging the respective financings.

Funding from the U.S. Department of Treasury's cash grant program and from the U.S. Department of Energy's loan guarantee program is also being considered. —Sara Rosner

## CALIFORNIA RENEWABLE

(continued from page 1)

the market remains robust as the state looks to mandate longer-term renewable standards. Utilities such as **Pacific Gas & Electric**, **Southern California Edison** and **San Diego Gas & Electric** are all said to be in the market for such credits. PG&E and SCE could not comment by press time.

Morgan Stanley did such a deal nine months ago, but the market softened. It has now sparked back as prices for California renewable energy credits have spiked because next year marks the deadline when investor-owned utilities have to produce 20% of their power via clean energy to meet renewable portfolio standards. The credit crisis put a freeze on wind project development, and coupled with the time crunch, it has sent the California industry scrambling to meet standards, says **Jon Fouts**, managing director in the firm's wind group. Fouts would not disclose the specific amount of power or renewable energy credits

sold in its most recent deal, nor would he comment on the handful of other deals it is working on.

San Diego Gas & Electric confirmed that it has bought green power, which is a combination of physical power and a renewable energy credit, as one example, from each of **NaturEnerUSA's** three wind projects in Montana. Morgan Stanley financed construction loans on two of the projects so far and has taken tax equity stakes in each of them.

The way it works is a utility like SDG&E buys the bundled power, which includes a renewable energy credit from the project, then sells the power back to the project and keeps the REC and uses it to meet its green energy quota. Morgan Stanley is the offtaker of the power sold back to the project, which it then resells

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into another market. As long as the power is generated by a renewable source in the Western Electricity Coordinating Council and eventually makes its way into the California grid in any form, it counts towards the utility's power generation mix.

Renewable energy credits are pricing somewhere around \$30 per MWh, Fouts says. —*Jeanine Prezioso*

## D-DAY LOOMS

(continued from page 1)

consumers and that there are more economical options to generate wind power in the state.

**Ann Thelen**, director of communications at MidAmerican in Des Moines, Iowa, declined to comment.

**Rob Hillesland**, spokesman for the IUB, says the three-person panel is looking at how the utility's proposal would impact transmission in addition to weighing whether the generated power would be used primarily for Iowa residents or would be sold wholesale.

As more states pass renewable portfolio standards because of pending carbon legislation, utilities will want to own more wind generation instead of contracting to buy green power from third party suppliers, market watchers say. "This plan as put forth by MidAmerican would have a chilling effect on third party developers doing business in the state," says **Steve Stengel**, spokesman for NextEra, a unit of **FPL Group**, in Juno Beach, Fla.

"Multiple developers are ready and willing to build in Iowa and we feel the customers in Iowa would benefit from evaluating all options," says **Paul Copleman**, spokesman for Iberdrola Renewables, which operates 304 MW of wind power in Iowa and is scouting for new developments. —*Holly Fletcher*

## LS POWER

(continued from page 1)

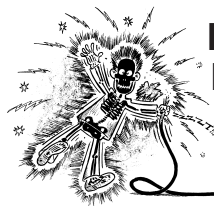
basis points off the pricing, is in the discussion phase and nothing has formally been sent to banks.

"It's surprising that they're flexing a club deal because in clubs banks are supposed to be equals at the table. It's unheard of," says a project financier familiar with the transaction. He added that some lenders may opt to drop out of the deal. Another banker notes that the company will nix the plans if it appears that too many lenders will drop out of the deal, but added that a high rate of dropout is unlikely given the oversubscription.

If the adjustment goes through, pricing on the five-year credit will drop from 325 basis points to 300 bps over LIBOR for the first and second year, to 350 for the third and fourth year, and 375 in the fifth year. "To come back to your credit committee and say the pricing is now X, that's going to be really hard on the bank market," says the deal watcher. The exact structure of the deal could not be determined.

Leads **BNP Paribas** and **WestLB** stand to suffer the most

## Alternating Current



### New York Hilton Cleans Up Energy Act

Luxury and comfort may be synonymous with **Hilton Hotels** but by paring down in some key areas, the global hotel chain is striving to cultivate a new image for its brand—environmental steward. The company is trying to collectively reduce its power consumption, greenhouse gas emissions and waste by 20% by 2014. The New York Hilton on 6th Avenue is a guinea pig of sorts for several initiatives.

High above the Avenue of the Americas in Manhattan, on the rooftop of the New York outpost, sits a power generator that passers-by can't see. For two years, 6% of the hotel's power needs flowed from the roof to the electrical wires. Hilton installed a fuel cell clean power generator made by **UTC Power** in 2007 so the hotel had to shell out less money for its monthly power bill.

The New York hotel is also contributing to the efficiency effort by introducing environmentally friendly guestroom key cards, which start to break down after nine months in a landfill, and having the kitchen and wait staff reroute the equivalent of 400 bags of trash a day. Table scraps from about 5,000 meals a day are dumped into a stainless steel, freezer-chest-sized unit that uses microorganisms to turn leftovers into liquid, which is dumped down the drain.

from the adjustment, some say, as the holders of the largest tickets. Official there did not return calls.

LS Power, known for its aggressive negotiating style, will likely retain most of the commitments in the arrangement due to its strong relationships with lenders, a banker says **Joe Esteves**, cfo in New York, declined to comment on the matter. —*S.R.*

## Quote Of The Week

*"This plan as put forth by MidAmerican would have a chilling effect on third party developers doing business in the state."*—

**Steve Stengel**, spokesman for NextEra Energy Resources, in Juno Beach, Fla., on MidAmerican Energy's request to Iowa regulators (see story, page 1).

## One Year Ago In Power Finance & Risk

A subsidiary of **PPL Corp.** was on the hunt for a strategic partner for its plans to build a 1.6 GW nuclear plant slated for construction in 2014 in Berwick, Pa. [PPL slowed the search because the nuclear project was not one of the four proposals likely to be selected by the U.S. **Department of Energy** for the initial round of loan guarantees. PPL is still planning to begin project construction in 2014 (see story, page 5)].