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Carbon Consultant Mulls Investment Opportunities

Emergent Ventures India is considering investment opportunities in small-scale power projects that would generate revenue through the sale of carbon credits.

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Banks Mull Relaunch Of Dominion

Underwriters of $890 million in financing for **Babcock & Brown**'s purchase of two gas utilities from **Dominion** are plotting a relaunch of the syndication.

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In The News

Corporate Strategies

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Another Twist

NAVASOTA DROPS MORE ASSETS INTO AUCTION

Navasota Energy Partners has expanded the scope of its two-plant asset sale to include six other projects not yet constructed. The original two plant auction was slowed down earlier this year when an ERCOT power price pop left the owner thinking it could get more for the initial two plants—the 550 MW Colorado Bend Energy Center in Wharton and the 550 MW Quail Run in Odessa (PFR, 7/18). Officials at Navasota and auctioneer **JPMorgan** declined comment.

Four bidders are in the running to acquire the assets, says one deal tracker, declining to name them. The continuing low reserve margins leading to higher energy prices in ERCOT and the location of additional projects are behind the interest, he notes, adding that's in

(continued on page 8)

EDISON MISSION SEEKS RECAP ON SCALED-DOWN WIND PORTFOLIO

Edison Mission Energy has issued a request for proposals to lead a refinancing for a 455 MW, five-project wind portfolio—a scaled down version of a $500 million, nine-project deal it attempted to get going earlier this year.

Bankers say the company is looking to refinance debt on operating projects in the portfolio and finance construction on others. "They're looking for as much as they can get," says one banker of the amount sought, adding no precise figure is being floated. The new RFP went out to banks on Oct. 23.

BNP Paribas, **HSH Nordbank**, **Société Générale** and **Royal Bank of Scotland** are reportedly looking at the deal. **Gerard Loughman**, senior v.p. of development at EME,

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DEVELOPERS TALK FUNDING FOR $6B WIND FARM

Curt Johnson

Developers of the 2 GW Hartland Wind Farm in northwestern North Dakota are in talks with investors to finance the $6 billion farm. The financing will be a combination of equity and tax equity funding. Hartland is a joint 50/50 venture between by **Denali Energy** in Baxter, Minn., and Magnolia, Texas-based **Montgomery Energy**.

The farm will not use debt financing thanks to the extension of the federal production tax credits. Denali and Montgomery will contribute a portion of the equity and maintain control of the farm, even if they wind up owning less than 50%.

The project is the first wind development for both Denali and Montgomery, says **Curt Johnson**, principal of Denali. But, the strong wind resources and a favorable state

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

At Press Time

Carbon Trader Plots Power Investments

Carbon trader and consultant **Emergent Ventures India** is preparing for a move into investing in small-scale renewable projects across Asia to capitalize on carbon trading. "For a lot of companies putting up power projects now, it's hard to get financing… That's where we step in and provide funding to help them get off the ground," says **Aseem Chaturvedi**, consultant, in Gurgaon, near New Delhi. EVI's investments will be recouped through the sale of the projects' carbon credits—or the right to emit one ton of carbon dioxide or its equivalent (CO2e)—on the world's markets rather than relying primarily on revenue from operations.

The company will initially focus on taking quasi-equity stakes of around $1 million in biomass and wind projects averaging 5 MW and could later branch out to larger projects. "We're starting out with some of the smaller ones and we'll see how it works," Chaturvedi says. EVI has raised $40 million this year through Indian infrastructure private equity firm **IDFC** for its first investment fund. That fund does not have a limit, and it could look to raise another fund with a different focus later. The company is evaluating its first candidates—two projects in India and several in Vietnam and Indonesia—and expects to begin investing in the next several months.

EVI was founded in 2004 as a carbon advisory business and has since registered 23 renewable projects in India with the **Clean Development Mechanism**, the carbon market established by the **United Nations**' Kyoto Protocol. Registering a project guarantees its credits in the market, allowing them to be traded. The projects range from the 192 MW Allain Duhahgan hydro project in Himachal Pradesh to the 2.2. MW GCL Biomass project in Gujarat.

In the next several months, the firm will open its first office in Australia, says Chaturvedi. A London office will follow and the firm has its eye on a U.S. office once there is clarity on what type of carbon regulation will be implemented under the new president.

Bilicic Exits KKR, Rejoins Lazard

George Bilicic, managing director and head of infrastructure at **Kohlberg Kravis Roberts**, has rejoined **Lazard** after six months at the private equity firm. In his new role as chairman of the power, utilities and infrastructure sector he will report to **Ken Jacobs**, ceo of North American investment banking. He began Tuesday.

Bilicic joined KKR as it sought to raise $10-15 billion for a global infrastructure fund (PFR, 5/2). Previously, he was head of global power and energy investment banking at Lazard. That position was taken over by **Bruce Bilger**, while **Darryl Sagel** and **Jonathan Mir** are co-heads of North American power and utilities. Calls to Bilicic were not returned and a spokeswoman declined to comment.

Pace Names Exec To V.P. Role

Pace Global Energy Services has hired **Mark Eisenhower** as v.p. and managing director of energy markets, assets and regulatory strategies. “We cover the full gamut,” he says of the position, explaining that he works in an advisory role for developers of oil-, gas- and coal-fired facilities as well as gas storage assets, among other things.

Eisenhower is based at the Pace headquarters in Fairfax, Va., and reports to **Tim Sutherland**, ceo, whom he has been advising since the summer. Eisenhower officially began in the v.p./managing director role at the end of September. “I’ve got a lot of experience in natural gas, which is one of the strengths that our group has,” he says, noting he started a natural gas company in the mid-1980s affiliated with the **Eastern Group**. Eastern was acquired by Norwegian company **Statoil** in 1998.

Before joining Pace, Eisenhower ran **Xebec Ventures**, an equity company focusing on small cap companies. Prior to that, he held several roles at Statoil, including heading up the company’s power division where he was involved with asset acquisitions and greenfield developments.

Belgian Offshore Wind Developers Scope Finance

A European joint venture developing the 610 MW **Northwester** offshore wind farm plans to finance the project with 20-30% equity and the remainder with non-recourse debt. The project will be about 26 miles off the coast of Zeebrugge, Belgium in the North Sea.

Frank Coenen, managing director in Brussels for **Evelop Belgium**, a partner in the JV, says a wind farm the size of Northwester would typically cost around EUR1.5 billion ($1.9 billion), but adds, “We are working very hard to bring this [cost] down.” The precise project cost is unknown at this point because of cost-cutting technologies the developers plan to employ, he explains.

Northwester is planning to use floating wind turbines for about 60% of the farm. “It’s a much more simple system for construction,” Coenen says. It is also considering **Darwind** turbines for the project, which are manufactured specifically for offshore wind farms.

The developer has not yet begun talks with banks and doesn’t foresee doing so for at least a few years, but Coenen notes it has relationships with **Dexia Crédit Local**, the **European Investment Bank**, **KBC** and **Rabobank**.

Construction on the farm is expected to start as early as 2013 and will take at least three years to complete. The new farm will be adjacent to the 330 MW Belwind wind farm owned by **Evelop**, Evelop Belgium’s parent and a subsidiary of Dutch developer **Econcern**.

Evelop Belgium formed Northwester with consortium **Blue H TTR**.

Underwriters Plot Dominion Re-launch

The four banks underwriting $890 million in acquisition financing backing **Babcock & Brown**’s purchase of two **Dominion** natural gas utilities will re-launch syndication by the first quarter of next year and may flex up pricing. Syndication stalled due to the market lending freeze stemming from **Lehman Brothers Holdings**’ collapse, which came on the heels of the deal’s launch in mid-September.

Leads **BayernLB**, **BNP Paribas**, **Scotia Capital** and **Union Bank of California** pushed back the commitment deadline (PFR, 10/10) before taking the deal off the table. “Nobody said the pricing was bad, but everyone said, ‘Let’s let the market settle down,’” says a banker. The $690 million in opco debt was priced at 175 basis points over LIBOR, while a $200 million term loan at holdco **LDC Holdings** was priced at 250. Also included were quarterly ticking fees of 37.5 bps at the opco and 75 bps at the holdco. The potential flex could not be learned.

The tracker notes that many of the 20-25 commercial and project finance banks that attended the initial Sept. 16 bank meeting will be invited to revisit the deal. The identity of the banks at the initial meeting could not be learned. Regulatory approval is required before the deal can close and is expected in the middle of next year. Officials at BNP declined to comment and officials at the other banks directed calls to BNP. **Matt Dallas**, a Babcock & Brown spokesman, did not return calls.

Goldman, Emissions Trader Join For Carbon Sales

Greg Spencer

Greenhouse gas emissions trader **Blue Source** has teamed up with **Goldman Sachs** to expand its reach selling verified emissions reductions to buyers of carbon credits reducing their emissions. “This is not about capital at all. It’s about a strategic alliance where the core of our skill set is matched with one of the core sets of Goldman,” **Greg Spencer**, president of Blue Source in Salt Lake City, told *PFR*.

Blue Source will sell credits to Goldman, which will sell them from its commodities desk to clients looking to lower their emissions. As part of the deal, Goldman will take a minority equity stake in Blue Source, but Spencer and a Goldman spokesman declined to elaborate on financial aspects.

Blue Source works with businesses to reduce greenhouse gas emissions and sells credits in the form of verified emissions reductions (VERs) to companies reducing their carbon footprint and speculators in the nascent carbon market. The buyers—often power generators, Spencer says—are either voluntarily reducing their emissions or hedging their liability ahead of future carbon cap-and-trade legislation. "In the past, we marketed internally, and now we have the full recourse of Goldman's trading capability and investment banking capability married to our supply capability," he adds, declining to reveal specific buyers.

"The alliance with Blue Source provides us with another tool to help our clients manage their risk in pre-compliance and voluntary markets," says a Goldman spokesman, who declined to make an official available.

Kellerman Anointed Goldman Partner

Larry Kellerman, president of **Cogentrix Energy** and managing director in the commodities division of **Goldman Sachs**, is one of 94 employees who were named partners at the firm last Wednesday. The firm names new members to its partnership pool every two years.

Kellerman, known for his pioneering role in monetizing offtake contracts while an executive at **El Paso**, joined Goldman in 2002. He became president of Cogentrix in 2004 when the firm acquired the IPP (PFR, 3/4/04). Kellerman did not return calls, and a spokeswoman declined to make him available or elaborate on the partners' roles in the firm.

London Firm Launches Alt. Energy Strat

London-based hedge fund and seeding firm **VCM Fund Management** has launched a global equity long/short and derivatives fund investing in companies positively affected by climate change. The VCM K2 Alternative Energy Segregated Portfolio fund began trading with $10 million in August, according to *PFR* sister publication *Alternative Investment News*. **Karen Page**, head of marketing and investor relations, is seeking to increase assets to $250 million in the next few months. The fund is co-managed by **Nathan Barker** and **Andrew Swaine**.

VCM K2 invests in large-cap companies across the entire energy sector, including wind and solar. Around 75% of the fund's assets are in equities, 15% in commodities and 10% in equity derivatives, with the commodity and derivatives exposure allowing the fund to hedge its portfolio. The fund also invests in companies producing material technology, engineering, storage, distribution and usage for alternative energy companies. Other alternative energy funds invest solely in the companies and rarely look at the supply chain, making VCM's strategy a unique way of "looking outside the box," Page says.

Page sees many opportunities in the up-and-coming energy space and does not believe the alternative energy bubble will burst any time soon like the dot-com bubble. "It's here to stay and here to grow," she says. "We feel passionately that people have turned their attention to alternative energy, politically and socially."

Page is approaching funds of hedge funds and large institutional investors in Holland, Scandinavia, the U.K. and the U.S. **Robeco Investment Management**, part of the **Robeco Group**, seeded the fund with its initial $10 million. Fees are 1.5/20 and its investment minimum is $100,000.

Developer Taps Mid-American For Sales Role

Wind Capital Group has tapped for the new role of v.p. of power sales origination **Greg Merrigan**, director of marketing and asset optimization at **Mid-American Energy Holdings** subsidiary **CalEnergy**. "It's a position that we have wanted to add for some time, but finding the right person was critical," says **Dean Baumgardner**, executive v.p. of WCG in Madison, Wis. "He'll be a great fit with Midwest utilities and understanding their needs—particularly with rural co-ops that we work closely with." Merrigan, who began Friday, will be based in the WCG headquarters in St. Louis and report to Baumgardner.

In the new role, Merrigan will structure offtake agreements with utilities buying power generated from WCG's projects and advise the company as it considers selling power in the merchant market. "We've been handling that across a number of staff positions… Now that we are reaching out into about 16 states, we need this senior level position," Baumgardner says. Previously the company has not sold power in a merchant market, but as the company grows it is considering the move. "We will certainly consider it going forward and Greg's position will be a key element of understanding that market."

Merrigan spent 10 years with Mid-American and the last six with CalEnergy working in renewables, says Baumgardner. Previously, he was manager of power marketing at **Continental Energy** and worked at the **Department of Energy**.

WCG has a development pipeline of some 4 GW of wind projects. Next spring it will come to market to line up financing for its 150 MW Lost Creek Ridge project in Dekalb County, Mo.

IFM Bulks Up NY For Acquisitions

Alec Montgomery

Mauricio Melzi

Industry Funds Management has tapped **Royal Bank of Scotland** and **Merrill Lynch** executives to fill out its New York management team as it looks to take advantage of lower prices due to market turmoil. "There are a number of opportunities coming to market in the next 6-12 months as [other infrastructure funds] are freeing up balance sheets," says **Dunia Wright**, head of U.S. and Europe for IFM in New York. "We've got a deal list with about a dozen deals that we are looking at," she says, declining to name names.

Early last month **Alec Montgomery**, executive director for the U.S., joined from RBS and **Mauricio Melzi**, senior investment director, from Merrill began in the 10-strong New York office. Montgomery was head of infrastructure finance at RBS, while Melzi was a director in the corporate finance, energy commodities group at Merrill. In their new roles, Montgomery will build relationships with other investors, continue to raise funds and supervise the investment team while Melzi will originate and execute deals.

IFM will also look to hire two to three people at the v.p. and associate levels to complete its team before year-end.

SCPPA Renewable RFP Draws Crowd

Some 35 developers have submitted proposals into **Southern California Public Power Authority** request for proposals for renewable generation since Oct. 1. "We're picking up project proposal stuff that's already in construction, which is pretty exciting because it means the industry is already moving in that direction," says **Dave Walden**, resource planning director at the Pasadena, Calif.-based utility.

The proposals total 4 GW of wind, 8 GW of solar, 4 GW of geothermal, and 1 GW of biomass projects and range in size from 10-500 MW. Walden says that SCPPA will consider projects of any size and is not looking for a specific amount of megawatts. "We're looking for a mix," he says. "We're trying to balance the variable nature of some of these technologies with base load delivery," he explains, adding that the RFP is part of SCPPA's efforts to double its 3 GW renewable portfolio in the next five to 10 years to comply with state and municipal standards. Submissions are due Nov. 29.

The utility is evaluating proposals as they are received and will award 20-30 year power purchase agreements to winning bidders. Selected bidders will receive letters of intent within six weeks of submission. The utility and developers will then begin contract negotiations, which typically take five to six months, before signing the final PPA. Developers are responsible for hooking up to the Western Grid and will need to have project financing in place when the contract is signed.

SCPPA selected 14 winning bidders from last year's RFP for a combined 1.6 GW. Contract negotiations are underway and the utility will announce the 2007 winners between next month and the first quarter of next year.

SocGen Loses Syndications Head

Gail McDermott, head of loan syndications at **Société Générale**, is joining **New York Life Investment Management**. McDermott reported to **Arnaud Aschour**, head of U.S. capital markets and syndications, and left the bank Oct. 24.

One SocGen official notes that McDermott, who started in the bank's private placement group roughly eight years ago and was promoted to syndications last year, will likely work in private placement. Aschour, McDermott, NYL officials and a spokesman did not return calls. SocGen's plans for McDermott's replacement could not be learned.

PPL Unit Plots Nuke Financing

Project company **PPL Bell Bend** is planning to seek equity partners to join it in financing roughly 20% of its $15 billion, 1.6 GW Bell Bend nuclear project. "We would prefer a strategic investor, somebody who's got nuclear experience besides cash," notes **Mike Caverly**, v.p. of **PPL Nuclear Development Corp.**, in Allentown, Pa. The utility will begin talking to investors next year. Parent company **PPL Corp**. will round out the equity with funds from future stock sales, he adds, declining to elaborate.

Debt from private lenders guaranteed by French export agency **Compagnie Française d' Assurance pour le Commerce Extérieur** (COFACE) and debt supplied by the U.S. **Department of Energy**'s Loan Guarantee Program will cover the remaining project cost. The **Federal Financing Bank** could provide up to 80% of project costs, though the company has asked for less to make its application more competitive, Caverly says.

PPL aims to have some bridge financing in place to cover construction costs before it finalizes reactor and equipment orders with France's **Areva** next year, says Caverly. The sponsor then hopes to convert the bridge facility to a 12- to 15-year term loan when the plant goes online. Construction will begin in 2014 in Beshwick, Pa., pending permitting, and the plant is set to go online in 2018.

Corporate Strategies

Ameren Unit Funds Revolver With $400M Sale

Illinois Power, doing business as **AmerenIP**, will use proceeds from its $400 million private sale of 9.75% senior secured notes to replenish its aggregate $1 billion revolving credit facilities and money pool. "Typically companies that have greater credit uncertainties might be able to do a 144a or a private offering," notes **Robert Hornick**, senior director in New York at **Fitch Ratings**. The issue priced on Oct. 20 and closed on Oct. 23.

Hornick points to the Decatur, Ill.-based utility's transition from the regulated power market to the more competitive, unregulated market in Illinois last year as the cause of the credit and liquidity concerns. Fitch rates the company's short-term credit as F-3 and the notes are rated BBB+.

AmerenIP uses the credit facilities and the $1.15 billion money pool for short-term cash and working capital needs along with sister companies **Central Illinois Public Service Company**, **Central Illinois Light Company**, **CILCORP** and **AmerenEnergy Resources Generating Company**. The utilities had $832 million of outstanding borrowings from the credit facilities and AmerenIP has $275 million from the money pool as of last month.

Barclays, **JPMorgan** and **UBS** led the offering. Calls to **Warren Baxter**, cfo were not returned and a spokeswoman declined to comment or make an official available. The company's debt-to-cap ratio is 49%.

John Deere To Finance Thumb On Balance Sheet

John Deere Renewables is financing its acquisition of an undisclosed sum of 69 MW Noble Thumb Windpark in Huron County, Mich., from **Noble Environmental Power** on balance sheet. John Deere did not use a financial advisor for the transaction, says **Brad Johnson**, director of business development in Des Moines, Iowa, at **John Deere Wind Energy**. It could not be learned if Noble used a financial advisor. The deal closed Oct. 17.

Babcock & Brown was planning to acquire the park, but the deal fell through within a few weeks of the expected close, says Johnson. "That's when the opportunity came available to us," he says. John Deere found the park attractive because of its location. "We're very familiar with the wind resource in that area," he says, noting the company already has a farm in the state. It was also hoping Michigan would pass the renewable portfolio standard, which it passed into law while the two companies were in sale talks.

John Deere plans to have the park online by year-end and has the opportunity to add up to 90 MW to the project, says Johnson. It continues to explore other opportunities, he says, but declined to be specific. John Deere Wind Energy has 32 wind projects in seven states.

Officials at Babcock and **Chris Lowe**, cfo at Noble, did not return calls

PG&E Issues $600M For Capex

Nick Bijur

Pacific Gas & Electric will use proceeds from a $600 million, 8.25% senior unsecured note issuance to refinance commercial paper funding its $13 billion capital expenditures plan. "Given the challenging markets, we're happy to be fortunate enough to price any transaction," says **Nick Bijur**, assistant treasurer in the San Francisco-based utility. The offering of 10-year notes priced on Oct. 16 and closed on Oct. 21.

The majority of the plan that ends in 2011 focuses on $5.05 billion of distribution expansion and upgrades. Some $2.64 billion will go toward new generation including the $670 million, 657 MW Colusa plant in Maxwell, the $370 million, 530 MW Gateway plant in Antioch and a $240 million, 163 MW plant in Humboldt. Colusa is set for operation in 2010 while Gateway and Humboldt will come online next year. The remaining expenditures include $2.54 billion for electric transmission, $1.2 billion for a SmartMeter program, $940 million for existing plant upgrades and $805 million for gas transmission.

The utility opted for 10-year notes instead of 30-year notes because it expects markets and pricing to improve, Bijur says. "That seemed to be the deepest part of the market… Rates are kind of high and we didn't want lock it in for a 30 years," he says, adding that the unsecured notes allow the company more flexibility with assets.

Citigroup, **Deutsche Bank** and **Banc of America Securities** are joint book-running managers for the deal and **Bank of New York Mellon**, **Siebert Capital Markets** and **Cabrera Capital Markets** are co-managers. "We look at credit commitment; in this capital constrained world it's important for a company like ours. We also look at capabilities and relationships and coverage efforts," Bijur says. The banks are also on the utility's $2 billion revolving credit facility that expires in 2012, along with 11 other lenders. The utility's debt-to-cap ratio is 55%.

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

- **Entergy** is delaying a proposed spin-off of five nuclear plants into **Enexus** due to financial market turmoil (*Wall Street Journal*, 10/29).
- **FPL Group** will cut expenditures by 25% in 2009 and reduce wind growth by 400 MW (*Reuters*, 10/27).
- **Constellation Energy** has named **Jonathan Thayer**, v.p. and treasurer, as cfo. Thayer replaces **John Collins**, who has resigned (*Wall Street Journal*, 10/27).
- **We Energies** has filed an application to build the 207 MW Glacier Hills Wind Park in Randolph, Wis., with the state's Public Service Commission (*PRNewswire*, 10/27).
- **Exelon Generation Company** has acquired from **Constellation Energy Commodities Group** the right to purchase 198 MW of output from **Horizon Wind Energy**'s 396 MW Twin Groves Wind Farm in Bloomington, Ill. (*MarketWatch*, 10/29).
- **Invenergy** may begin construction on its $250 million White Oak Energy Center wind farm in Illinois, after reaching a settlement with landowners (*The Pantagraph*, 10/26).
- Tight credit markets have stalled **T. Boone Pickens**' plans for a $2 billion wind farm and related transmission projects in Texas (*Lubbock Avalanche-Journal*, 10/29).
- Plant operating and maintenance company **Primesouth Inc**. is moving its offices to Ridgeway, S.C., closer to where former sister company **South Carolina Electric & Gas** is building its 2.2 GW Summer Nuclear Station expansion (*Associated Press*, 10/28).
- **Progress Energy Florida** has unveiled plans for a $3 billion, 200-mile transmission line that would transport power from the utility's proposed nuclear facility in Levy County, Fla. (*Tampa Tribune*, 10/30).
- **PPL Utilities** is considering building a biomass plant in Berks County, Pa. (*Reading Eagle*, 10/28).
- **Competitive Power Ventures** has received a state official's recommendation in favor of plans for a 640 MW plant in Charles County, Md. (*PRNewswire*, 10/24).
- **Tenaska Capital Management** has raised $2.4 billion for a new fund that will invest in generation and infrastructure (*Reuters*, 10/29).
- **Jim Piro**, cfo of **Portland General Electric**, is replacing **Peggy Fowler**, ceo, who is retiring in March, 2009 (*Associated Press*, 10/30).
- **Sierra Geothermal** is exploring strategic options because it has been unable to find joint venture partners due to financial market turmoil (*Reuters*, 10/30).
- **Transalta** has decided to conserve C200 million ($164 million) in proceeds from the sale of Mexican generation assets to maintain flexibility in the financial crisis (*Reuters*, 10/30).

Europe

- **GDF Suez** has completed its GBP39.2 million ($61.5 million) acquisition of the U.K.-based **Econergy** (*Water Power Magazine*, 10/28).
- **Vattenfall Europe**, **EnBW** and **E.ON** will cooperate to balance high voltage grids and ensure smooth electricity flows in Germany *(Reuters*, 10/27).
- Italian companies **Enel Produzione** and **Societta Elettrica Altosina** have agreed to develop an EUR340 million ($425 million) hydro project in Italy (*Datamonitor*, 10/24).
- Irish company **Bord Gais** is still interested in bidding for **Viridian Group**, parent company of **Northern Ireland Electricity** (*Belfast Telegraph*, 10/28).
- The Scottish government will develop a strategic approach to facilitate huge private sector interest in developing offshore wind farms (*Reuters*, 10/19).
- **Fortum** has pledged to invest EUR2.5 billion ($3.2 billion) to increase the generation capacity of its Russian company **TGC-10** (*Reuters*, 10/30).
- Bankers say European energy companies could turn to the European carbon market to raise cash for projects. Meanwhile, bankers and investors are looking for slices of government spending to fund renewable projects (*Reuters*, 10/30).

Asia

- **Areva** and India's **Nuclear Power Corp**. have started negotiations for contracts to build plants in India (*BBC Monitoring*, 10/23).
- **Suzlon Energy** has scrapped a share-rights issue because of the stock market plunge. Proceeds would complete the Indian company's takeover of German company **REpower Systems** (*Wall Street Journal*, 10/28).
- The **Punjab State Electric Board** is looking for developers to build, own and operate a 2.4 GW thermal project in Punjab, India (*Financial Times*, 10/30).

DEVELOPERS TALK

(continued from page 1)

government make the initiative attractive.

Financing will need to be nailed down prior to construction starting in the second quarter of 2010. The developers expect to finalize permits for the facility in the fourth quarter of next year. Hartland will be built in 500 MW phases, with the first two phases including transmission lines and costing $4 billion. The second half is expected to cost around $2 billion.

—T.R.

EDISON MISSION

(continued from page 1)

declined to comment, and **Charlie Parnell**, spokesman at EME, declined to comment or make an official available. Officials at the banks either declined to comment or did not return calls.

The previous portfolio had fewer power purchase agreements and included **Suzlon** turbines, say deal trackers. News of problems with the turbines, along with the size and complexity of the original group of projects dulled appetite for the deal. **Vestas**, **Mitsubishi** and **Clipper** turbines are used in the new set of projects in Minnesota, Nebraska, New Mexico and Texas. The specific farm names and locations of the projects could not be learned.

There is no submission deadline for the RFP, a banker says. "I think it's going to be a fluid process… They're just talking to banks and getting some feedback at this point," he says, adding that the company will likely launch the deal in the first quarter of next year.

—Sara Rosner

NAVASOTA DROPS

(continued from page 1)

contrast to some other power markets. **KGen Holdings** put its auction of Southeast assets on hold (PFR, 10/30).

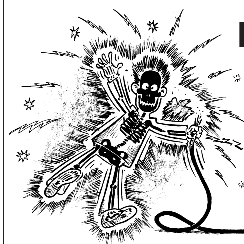
Navasota and JPMorgan dropped three bidders interested in individual assets from the auction several weeks ago with the interest in the entire deck of assets. The sale is set to close before year-end.

The additional assets are the 550 MW Madison Bell Energy Center near Madisonville, Texas. And then, five being developed by Navasota unit **Montgomery Energy**:

- the 80 MW gas-fired L'Energia in Lowell, Mass.,
- a 240 MW gas-fired project in Billerica, Mass.,
- a 400 MW gas-fired project in Great Falls, Mont.,
- the 1 GW Hartland wind farm in Burk, Mountrail and Ward Counties, N.D.,
- and the 875 MW Gold Rush combined cycle plant in Southern California.

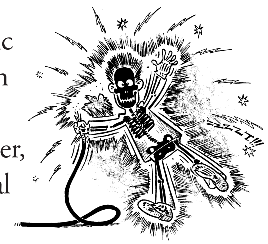
—Thomas Rains

Alternating Current



Partying Power

Get ready all you **Tony Manero**-wannabes. Revelers in Rotterdam, Netherlands, are giving a jolt to **Club Watt**, which showcases a 270-square-foot dance floor generating electricity from its gyrating patrons. Two dancers can light a bulb, according to the club's scientific consultants and a packed house creates a light show on the floor.



The generating capacity comes from utilizing materials that develop an electric charge when squeezed, a function known as the piezoelectric effect. Dancing compresses the floor about one centimeter, squeezing cells with piezoelectric material beneath the surface. Libations and amenities follow suit at the green venue that features a low-waste bar and rain-fed toilets.

A group of architects and engineers created the floor under the **Sustainable Dance Club**, in efforts to create a "greener" party place. The consortium in now looking to gyms and fitness centers as the next piezoelectric frontier.

Quote Of The Week

"Given the challenging markets, we're happy to be fortunate enough to price any transaction."— **Nick Bijur**, *assistant treasurer at* ***Pacific Gas & Electric*** *on the utility's recent bond offering (see story, page 6).*

One Year Ago

Barclays Capital and **Dresdner Kleinwort** underwrote $3.6 billion to fund the $7.4 billion acquisition of **Puget Energy** by a **Macquarie Infrastructure Partners**-led consortium [Some 25 lenders came in during wholesale and retail syndication (PFR, 6/13)].