

# Power Finance & Risk

Exclusive Insight on Power M&amp;A and Project Financing

By the publisher of GlobalCapital

## ● PROJECT FINANCE

## ● MERGERS &amp; ACQUISITIONS

## ● PEOPLE &amp; FIRMS

## Enercon Seals 18-Year Loan for Ontario Wind Project

The turbine maker has closed a term loan that is partly covered by a guarantee from export credit agency **Euler Hermes**. **Page 5**

## GE EFS to Acquire Stake in Pair of EGP Wind Facilities

**GE Energy Financial Services** will co-own two **Enel Green Power North America** wind projects in Kansas and North Dakota. **Page 8**

## Irish Sponsor Taps Ex-Banker to Lead N.Y. Financing Arm

**Mainstream Renewable Partners** has hired an ex-investment banker to spearhead a New York-based financing operation. **Page 12**

# Private Equity Duo to Acquire TransCanada U.S. Portfolio

Olivia Feld, Fotios Tsarouhis

**T**ransCanada has agreed to sell its U.S. generation assets to two private equity shops, **LS Power Equity Advisors** and **ArcLight Capital Partners**.

LS Power Equity Advisors, the investment management arm of **LS Power**, will acquire the company's gas-fired assets and a wind project for \$2.2 billion.

ArcLight Capital Partners has agreed to buy TransCanada's hydro portfolio, which comprises

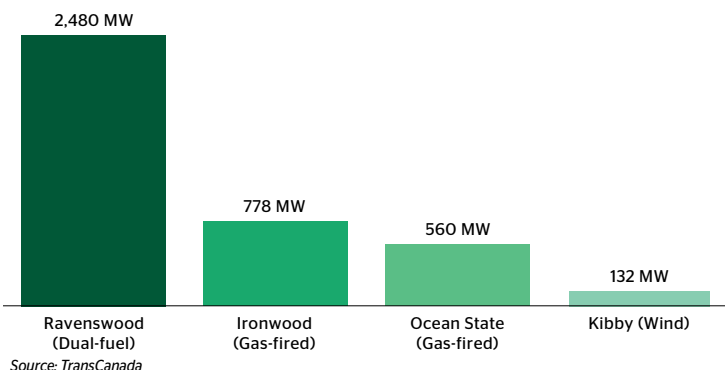
13 projects in New England, for \$1.065 billion.

TransCanada will use the proceeds to pay down debt associated with its acquisition of master limited partnership **Columbia Pipeline Group**.

### LS POWER PORTFOLIO

The four-project portfolio being acquired by LS Power includes the 778 MW gas-fired Ironwood project in Lebanon, Pa., which TransCanada acquired from **Talen Energy** for \$654 million in October **PAGE 10 »**

### Assets to be Acquired by LS Power Equity Advisors



## Macquarie Launches Acquisition Loan for Three-way Joint Venture

Richard Metcalf

**Macquarie Capital** has launched a term loan B to finance the acquisition of an approximately 1.5 GW portfolio of contracted gas-fired projects by a three-way joint venture from **First Reserve**, deal watchers tell *PFR*.

Funds managed by **Harbert Management Corp.**, **UBS Asset**

**Management** and **Northwestern Mutual Life Insurance Co.** agreed to acquire the portfolio in September following a two-stage auction run by **Goldman Sachs** (*PFR*, 9/22).

The buyers plan to finance the acquisition with the proceeds of a \$245 million seven-year senior secured term loan, a \$15 million five-year senior **PAGE 6 »**

## Pattern Eyes Debut Turbine Loan with Novel Structure

Richard Metcalf

**Pattern Development** is in talks with lenders regarding a possible turbine loan, which would be the developer's first, after deal watchers predicted that this kind of financing could make a come-back.

The deal being contemplated by Pattern would be structured in a different way to the turbine loans that were **PAGE 5 »**

## Government Reveals Bidders for N.Y. Offshore Lease

Olivia Feld

The U.S. **Bureau of Ocean Energy Management** has unveiled the list of companies that have qualified to bid in an auction for a commercial offshore wind lease off the coast of New York.

The auction, which is scheduled to take place on Dec. 15, is the sixth competitive lease sale for offshore projects in the U.S.

The 14 compa- **PAGE 2 »**



## ● IN THIS ISSUE

### PROJECT FINANCE

- 5 | Enercon Seals Debt for Niagara Wind Facility
- 6 | Moody's Downgrades Invenergy Portfolio

### MERGERS & ACQUISITIONS

- 8 | GE EFS to Acquire Stakes in Enel Projects
- 8 | NextEra to Acquire Remaining Stake in Oncor
- 9 | PSEG Unit Purchases Solar Project
- 9 | Australian Investor Buys Second U.S. Solar Stake

### PEOPLE & FIRMS

- 12 | Ex-EIC Principal Lands at Generate Capital
- 12 | Irish Sponsor Hires Former Banker to Head N.Y. Financing Arm

### DEPARTMENTS

- 3 | Generation Auction & Sale Calendar
- 4 | Project Finance Deal Book
- 9 | Power Tweets

## ● STRATEGIES

# Government Reveals Qualifying Bidders for N.Y. Offshore Wind Lease

◀ FROM PAGE 1

nies that BOEM has deemed legally, technically and financially qualified to participate in the upcoming auction are:

**Avangrid Renewables, CI-II NY, DONG Energy Wind Power (U.S.), Innogy US Renewable Projects, wpd offshore Alpha, Deepwater Wind Hudson Canyon, Energy Management, Convalt Energy, Clean Power Northeast Development, New York State Energy Research and Development Authority, Statoil Wind US, EDF Renewable Development, Fishermen's Energy and Sea Breeze Energy.**

The area to be leased, which is nearly 80,000 acres in size, is approximately 11.5 nautical miles from Jones Beach, N.Y.

The auction, which will take place next month, will keep going for as many rounds as required until there is one winning bidder, a spokesperson for BOEM tells *PFR*, adding that past auctions have taken a day to complete.

The next auction, after the one for the New York lease, will be for an area off the coast of North Carolina, adds the spokesperson. A final notice for the North Carolina auction is slated to be published in early 2017.

### TWELFTH OFFSHORE LEASE

BOEM is required by law to allocate leases competitively unless it determines that there

is no competitive interest. To date, eleven offshore wind leases have been awarded by the agency, including nine through competitive lease sale processes. The lease sales have generated more than \$16 million, says the agency.

Past leases have been awarded to **Cape Wind Associates, Bluewater Wind Delaware, Deepwater Wind New England, Virginia Electric and Power Company, US Wind and Offshore MW.**

**RES America Developments** also won two leases, which were later assigned to **Bay State Wind and Ocean Wind.**

### FIVE YEARS OF INTEREST

BOEM has received a number of expressions of interest over the last five years for the lease off the coast of New York.

In September 2011, BOEM received an unsolicited request from the **New York Power Authority, Long Island Power Authority and Consolidated Edison** for such a lease. The proposal would have involved the installation of 194 wind turbines, which would have generated 700 MW.

A year and a half later, BOEM issued a request for interest to gauge the level of interest in developing a commercial wind project in the same area. Fishermen's Energy and **Energy Management** both expressed interest at the time. ■

## PFR Power Finance & Risk

### EDITORIAL

**Richard Metcalf**  
Editor  
(212) 224-3259

**Olivia Feld**  
Managing Editor  
(212) 224-3260

**Fotios Tsarouhis**  
Reporter  
(212) 224-3294

**Stuart Wise**  
Data Associate

**Kieron Black**  
Sketch Artist

### PRODUCTION

**Gerald Hayes**  
Manager

**Kaela Bleho**  
Designer

**Sam Medway**  
Associate

### ADVERTISING

**Kevin Dougherty**  
U.S. Publisher,  
Capital Markets Group  
(212) 224-3288

### PUBLISHING

**Laura Spencer**  
Senior Marketing  
Manager

**Vincent Yesenosky**  
Head Of U.S. Fulfillment  
(212) 224-3057

**Nina Bonny**  
Customer Service  
Manager  
(212) 224-3433

### SUBSCRIPTIONS/ ELECTRONIC LICENSES

One Year \$3,666

**Alyssa Rinaldi**  
Global Account Manager  
(212) 224-3043

### REPRINTS

**Dewey Palmieri**  
Reprint & Permission  
Manager [New York]  
(212) 224-3675  
dpalmieri@institutional  
investor.com

### CORPORATE

**Andrew Rashbass**  
Chief Executive Officer

**John Orchard**  
Managing Director,  
Capital Markets Group

Directors:

**John Botts**  
(Chairman),

**Andrew Rashbass**  
(CEO),

**Sir Patrick Sergeant,**  
**The Viscount Rothermere,**

**Colin Jones,**

**Martin Morgan,**

**David Pritchard,**

**Andrew Ballingal,**

**Tristan Hillgarth**

### Customer Service

PO Box 4009, Chesterfield, MO 63006-4009, USA

Tel: 1-800-715-9195

Overseas dial: 1-212-224-3451

Fax: 212-224-3886

UK: 44 20 7779 8704 Hong Kong: 852 2842 8011

E-Mail: customerservice@iintelligence.com

### Institutional Investor Hotline

(212) 224-3570 and (1-800) 437-9997 or Hotline@iintelligence.com

### Editorial Offices

225 Park Avenue South, New York, NY 10003

Power Finance & Risk is a general circulation newsweekly.

No statement in this issue is to be construed as a recommendation

to buy or sell securities or to provide investment advice.

Power Finance & Risk ©2016

Institutional Investor, LLC ISSN# 1529-6652

Copying prohibited without the permission of the publisher.

**COPYRIGHT NOTICE:** All materials contained in this publication are protected by United States copyright law and may not be reproduced, distributed, transmitted, displayed, published, broadcast, photocopied or duplicated in any way without the prior written consent of Institutional Investor. Copying or distributing this publication is in violation of the Federal Copyright Act (17 USC 101 et seq). Infringing Institutional Investor's copyright in this publication may result in criminal penalties as well as civil liability for substantial money damages. ISSN# 1529-6652

### Postmaster

Please send all undeliverable Mail and changes of addresses to:  
PO Box 4009 Chesterfield, MO 63006-4009 USA

# GlobalCapital

### TELL US WHAT YOU THINK!

Do you have questions, comments or criticisms about a story that appeared in **PFR**? Should we be covering more or less of a given area? The staff of **PFR** is committed as ever to evolving with the markets and we welcome your feedback.

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

## GENERATION AUCTION &amp; SALE CALENDAR ●

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

## Generation Sale ■ DATABASE

Seller	Assets	Location	Advisor	Status/Comment
Abengoa	Norte III (924 MW Gas)	Ciudad Juárez, Mexico	Carl Marks	Abengoa is talks with several interested parties over a potential sale of the projects (PFR, 9/26).
ArcLight Capital Partners	New Covert (1.04 GW Gas)	Van Buren County, Mich.	BNP Paribas, Whitehall & Co.	ArcLight is preparing to launch a sale of the asset (PFR, 9/12).
ArcLight Capital Partners	Combine Hills (41 MW Wind, 50%)	Umatilla County, Ore.		Eurus Energy America is taking full ownership of the project (PFR, 10/31).
Brookfield Renewable Partners	Price (189 MW Wind), Comber (166 MW Wind), Gosfield (51 MW Wind)	Sault Ste. Marie, Lakeshore, and Kingsville, Ontario	Scotiabank, TD Securities (seller)	Brookfield Renewable is selling the three facilities, plus an expansion project, in a portfolio (PFR, 7/18).
Calpine Corp.	Mankato (375 MW Gas)	Mankato, Minn.		Southern Power has closed its acquisition of the project (PFR, 9/5).
Canadian Solar	Pirapora I (191.5 MW Solar, 80%)	Minas Gerais, Brazil		EDF EN do Brasil is acquiring an 80% stake in Pirapora I (PFR, 10/24).
Cogentrix Energy Power Management	Red Oak (823 MW Gas)	Sayreville, N.J.		The Carlyle Group's Cogentrix is selling the gas-fired project (PFR, 10/3).
Cogentrix, Quantum Utility Generation	James River Genco (115 MW Coal)	Hopewell, Va.		Cogentrix and Quantum are selling their 50-50 ownership stakes to Michigan-based Novi Energy, which will repower the project with a gas-fired turbine (PFR, 10/3).
Enel Green Power North America	Cimarron Bend (400 MW Wind)	Clark County, Kan.		GE Energy Financial Services is taking a 50% stake in each project (see story, page 8).
	Lindahl (150 MW Wind)	Williams County, N.D.		
Energy Capital Partners	Empire (635 MW Dual-fuel)	Rensselaer, N.Y.		Tyr Energy, Tokyo Gas Co. and Kansai Electric Power Co. are acquiring the merchant asset (PFR, 10/24).
Eurus Energy America	Crescent Ridge (54.5 MW Wind, 25%)	Bureau County, Ill.		An ArcLight fund is taking full ownership of the project (PFR, 10/31).
Exelon Corp.	Mystic Generating Station (1,998 MW Gas and Dual-fuel)	Charlestown, Mass.	JP Morgan	Exelon has launched a sale process for the project (PFR, 10/24).
First Energy	Bay Shore Unit 1 (136 MW Coal)	Lucas County, Ohio		FirstEnergy is soliciting offers for the plant (PFR, 8/1).
First Reserve	Portfolio (1.5 GW Gas)	U.S. (California, New Mexico, Texas) and Trinidad and Tobago	Goldman Sachs	Macquarie Capital is arranging a term loan B for Harbert Management Corp., UBS Asset Management and Northwestern Mutual Life Insurance Co., who are buying the portfolio (see story, page 1).
First Solar	Desert Stateline (300 MW Solar)	San Bernardino, Calif.		First Solar is in negotiations with its jointly-owned yield company, 8Point3 Energy Partners, over the potential dropdown of Desert Stateline (PFR, 10/17).
Geronimo Energy	Blazing Star 1 (200 MW Wind)	Lincoln County, Minn.		Xcel Energy is acquiring the projects (PFR, 10/31).
	Blazing Star 2 (200 MW Wind)			
Invenergy	Wake Wind (257 MW Wind, 90.1%)	Floyd and Crosby counties, Texas		Southern Power has closed its acquisition of a controlling stake in the project (PFR, 6/20).
Invenergy	Freeborn (200 MW Wind)	Freeborn County, Minn.		Xcel Energy is acquiring the project (PFR, 10/31).
Macquarie Infrastructure Partners III	Lordstown (940 MW Gas)	Lordstown, Ohio		The fund has hired a financial adviser and is considering bids for its 73% stake in the project (PFR, 8/15).
Mercuria	Danskammer (500 MW Dual-fuel)	Hudson Valley, N.Y.	Guggenheim Partners	The first round of a two-stage auction is underway (PFR, 10/3).
NextEra Energy Resources	Foxtail (150 MW Wind)	Dickey County, N.D.		Xcel Energy is acquiring the project (PFR, 10/31).
Obsidian Renewables	Black Cap II (10.5 MW Solar)	Lake Oswego		PSEG Solar Source has acquired the project and renamed it PSEG Lake County Solar Energy Center (see story, page 9).
Panda Power Funds	Liberty (Gas 829 MW), Stonewall (778 MW), Patriot (829 MW)	Bradford County, Pa., Loudoun County, Va., Lycoming County, Pa.	Goldman Sachs	First round bids for the 2.5 GW portfolio are due this month (PFR, 10/31).
sPower	Portfolio (6.7 GW Solar)	U.S.	Barclays (lead), Marathon Capital, CohnReznick Capital Markets Securities and Citi (co-leads)	The independent power producer is exploring a sale of its entire portfolio and development platform (PFR, 10/3).
SunEnergy1	Summit Farms (60 MW Solar)	Currituck County, N.C.		Dominion Resources has acquired the project (PFR, 10/31).
TransCanada	Portfolio (778 MW Gas, Wind)	Maine, Pennsylvania, Rhode Island, New York	JP Morgan (seller)	LS Power Equity Advisors is acquiring the portfolio (see story, page 1).
	Portfolio (560 MW Hydro)	Massachusetts, Vermont	JP Morgan (seller)	ArcLight Capital Partners is acquiring the portfolio (see story, page 1).
Veresen	Portfolio (625 MW Gas-fired, Hydro, Wind)	Canada	TD Securities	A sale of the assets has formally launched (PFR, 10/31).
VivoPower USA	NC-47 (33.8 MW Solar)	Maxton, N.C.		New Energy Solar Fund is acquiring its second U.S. solar asset stake (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.

To report updates or provide additional information on the status of financings, please call Fotios Tsarouhis at (212) 224 3294 or e-mail [fotios.tsarouhis@powerfinancerisk.com](mailto:fotios.tsarouhis@powerfinancerisk.com)

## PROJECT FINANCE

Deal Book is a matrix of energy project finance deals that Power Finance & Risk is tracking in the energy sector.

A full listing of deals for the last several years is available at <http://www.powerfinancerisk.com/Data.html>

## Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
8minutenergy Renewables	Redwood 4 (28 MW Solar)	Kern County, Calif.	TBA	Debt, Tax Equity	TBA	TBA	8minutenergy Renewables is planning to finance the projects in the coming months (PFR, 10/24).
	SpringBok 3 (100 MW+ Solar)			Debt, Tax Equity	TBA	TBA	
Advanced Power	Cricket Valley (1 GW Gas)	Dover, N.Y.	BlackRock	Equity	TBA		BlackRock is buying a minority stake in the project (PFR, 8/22).
			GE EFS, BNP Paribas, Crédit Agricole, ICBC, BAML	Debt	TBA	TBA	Arrangers of the debt financing are meeting with other financial institutions about backing the deal (PFR, 6/20).
Ares-EIF	Birdsboro (450 MW Gas)	Birdsboro, Pa.	CIT, GE EFS, Investec	Debt	\$300M	C+3	A group of three banks have been mandated as coordinating lead arrangers on a debt financing (PFR, 10/24).
Andes Mining & Energy, Cheniere Energy, EDF	Penco Lirquén (423 ft <sup>3</sup> /day LNG)	Concepción Bay, Chile	BNP Paribas (sole adviser), Crédit Agricole, DNB, MUFG, Société Générale	Mini-perm	\$850M	8-yr	The arrangers are expected to syndicate the loan at the end of September or beginning of October (PFR, 10/3).
	El Campesino Phase I (640 MW Gas)	Bulnes, Chile					
Development Partners	St. Joseph Energy Center (700 MW Gas)	New Carlisle, Indiana	TBA	TBA	TBA	TBA	Construction of the second phase of the 1.4 GW St. Joseph project is expected to begin within the next 12 to 18 months (PFR, 9/6).
Enel Green Power North America	Lindahl (150 MW Wind)	Williams County, N.D.	Goldman Sachs	Tax Equity	\$168M		EGP North America has requested regulatory approval for a tax equity investment by Goldman Sachs (PFR, 10/24).
Enel Green Power North America	Cimarron Bend (400 MW Wind)	Clark County, Kan.	BAML, JP Morgan, MetLife, Wells Fargo	Tax Equity	\$500M		The four institutions are making a joint investment in the project (PFR, 10/31).
Enercon Canada	Niagara Region Wind Farm (230 MW)	Ontario, Canada	KfW, MUFG, CaixaBank, Landesbank Baden-Wuerttemberg, ABN Amro, DZ Bank	Loan	\$592M	18-yr	Enercon Canada has closed a C\$825.5 million (\$621.4 million) project financing for the project (see story, page 5).
Exelon Corp.	Bluestem (198 MW Wind)	Beaver County, Okla.	BAML, State Street	Tax Equity	TBA		BAML and State Street have agreed to invest tax equity in the project, which has a PPA with Google (PFR, 10/31).
Falvez Energy	Falvez Astra (163 MW Wind)	Randall, Castro and Deaf Smith counties, Texas	GE EFS, Capstar Partners (BNP Paribas)	Tax Equity	\$129M		GE EFS and Capstar will commit 50% each of the tax equity for the merchant project. The remaining \$129 million project cost will be financed with sponsor equity (PFR, 10/3).
Harbert Management Corp., UBS Asset Management, Northwestern Mutual Life Insurance Co.	Portfolio (1.5 GW Gas)	U.S. (California, New Mexico, Texas) and Trinidad and Tobago	Macquarie Capital	Term Loan B	\$245M	7-yr	Macquarie Capital has launched a term loan B to finance the acquisition and refinance the debt associated with the projects (see story, page 1).
NextEra Energy Resources	Ensign (99 MW Wind)	Gray County, Kan.	MUFG, CoBank, Siemens Financial Services, Crédit Agricole	Loan	283.3M	7	The loan was priced at Libor+200-225 basis points and closed in July (PFR, 10/31).
	Endeavor I (100 MW Wind)	Osceola County, Iowa					
	Tuscola II (100.3 MW Wind)	Tuscola and Bay counties, Mich.					
Novatus Energy	Sunflower (104 MW Wind)	Stark and Morton Counties, N.D.	Goldman Sachs	Tax Equity	TBA		Novatus Energy has requested regulatory approval for a tax equity investment by Goldman Sachs (PFR, 10/24).
NTE Energy	Portfolio (2 GW Gas)	Connecticut, North Carolina, Ohio	TBA	Debt	\$2B		NTE is planning to raise \$2 billion to finance the Killingly, Reidsville and Pickaway energy centers (PFR, 4/25).
Panda Power Funds	Mattawoman (850 MW Gas)	Brandywine, Md.	TBA	TBA	TBA		Panda is considering launching financing for the project (PFR, 10/31).
Quantum Utility Generation	Moundsville (549 MW Gas)	Marshall County, W. Va.	TBA	Debt	\$500M	TBA	Quantum has approached prospective arrangers to raise debt and has mandated BNP Paribas to sell a stake in the project (PFR, 6/6).
Transmisora Eléctrica del Norte	TEN (379 mile Transmission)	Chile	KfW-IPEX Bank, MUFG, Mizuho, Sumitomo-Mitsui Trust Group	Term Loan (Dollar)	\$739M	18-yr	The expected closing date of the financing has been pushed back due to negotiations over interest rate swap provisions (PFR, 10/17).
			Santander, Banco de Chile, Banco Estado de Chile, Banco BCI	Term Loan (Chilean Peso)			
VivoPower USA	NC-47 (33.8 MW DC Solar)	Maxton, N.C.	KeyBanc Capital Markets	Loan	TBA	TBA	VivoPower is financing the project with a construction loan and tax equity (see story, page 9).
			US Bank	Tax Equity	TBA		

### New or updated listing

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

To report updates or provide additional information on the status of financings, please call Managing Editor Olivia Feld at (212) 224-3260 or e-mail [olivia.feld@powerfinancerisk.com](mailto:olivia.feld@powerfinancerisk.com)

# Pattern Eyes Debut Turbine Loan with Novel Structure

◀ FROM PAGE 1

done in the past, **Mike Garland**, ceo of Pattern, tells *PFR*.

"Historically, the way that people have hoped to be able to structure them or actually did is that they would look at the turbine value and borrow against the turbines knowing that they could be resold or put into projects," he says. "Today, the way we're looking at structuring it, we have projects that we can support that securitize the loan so that the banks know there's a project they can put the turbines in."

Garland declined to say which banks the sponsor was talking to about the potential

deal.

## TURBINE LOAN REVIVAL

Financiers predicted earlier this year that the market for turbine loans could soon be revived, after it disappeared in the wake of the financial crisis (*PFR*, 7/15).

Turbine loans allow projects to qualify for the production tax credit under safe harbor rules, by financing the purchase of a significant number of wind turbines before they are ready to be deployed.

However, the market struggled after 2008 and a number of turbine loans deals were restructured through work-outs or asset sales.

The structure Pattern is considering using would involve no more risk than a construction loan, says Garland. "I think today people are trying to do them a little more cleverly like us, where you expand on the security for the banks to allow them to have confidence that they would in the worst case have a built-in place to put the turbines, just as if it was a project financing," he says.

The number of lenders that are prepared to offer turbine loans is likely to be limited, given the experience last time around, deal watchers told *PFR* in July. Nevertheless, one banker predicted the product could grow to become a billion dollar industry. ■

## Enercon Seals Debt for Niagara Region Wind Project

**Enercon Canada** has closed a C\$825.5 million (\$621.4 million) project financing for a 230 MW wind project in Ontario.

The company, a subsidiary of German turbine manufacturer **Enercon**, co-owns the Niagara Region Wind Farm project in Lincoln, West Lincoln, Wainfleet and Haldimand counties with **Six Nations of the Grand River Development Corp.** and **Boralex**.

The Six Nations own a 50% stake in the project, Enercon owns 37.5% and Boralex 12.5%.

Boralex has said it intends to exercise its option to acquire a further 25% stake in the project from Enercon and become the project operator by the end of the year.

In June 2015, Boralex said that it would pay Enercon a C\$5 million (\$3.73 million) deposit for the option and that it expected to pay C\$60 million (\$44.79 million) if it chooses to proceed with the acquisition.

**KfW, MUFG, Caixa-Bank, Landesbank Baden-**

**Wurtemberg, ABN Amro and DZ Bank** are the arrangers and bookrunners on the project financing, which includes a tranche covered by a guarantee from German export credit agency **Euler Hermes**.

The deal comprises a C\$789.5 million (\$592.1 million) dual-tranche construction plus 18-year term loan, of which C\$252.4 million (\$189.3 million) has the Euler Hermes wrap, and a C\$39 million (\$29.3 million) letter of credit facility. The financing closed on Oct. 12, according to a person familiar with the deal.

Toronto-based law firms **Fasken Martineau and Blake, Cassels & Graydon** advised Enercon and the lenders, respectively.

## LONG-TERM DEAL

Project finance lenders have a strong preference for shorter mini-perm deals, partly in anticipation of proposed bank capitalization regulations known as Basel IV, but the pres-

ence of an export credit agency-covered tranche in this deal may have helped the sponsor obtain longer-term debt, says a deal watcher.

"The capital allocated to risks covered by ECAs is not being revised under Basel IV," he says.

"It would be useful to know how large KfW's share might have been here, as KfW is a player with more motivation to do large long-term tickets than most commercial banks," the deal watcher adds.

All six bookrunners participated in the uncovered tranche but only the German banks and ABN Amro took tickets in the covered tranche, a spokesperson for Enercon tells *PFR*. The spokesperson declined to comment on the sizes of the tickets taken by the individual banks or the pricing of the loan.

Representatives of the banks either declined to comment or could not be reached by press time.

## "HIGH" VALUATION

Wind projects are more costly in Ontario than elsewhere in North America, in part because of frequent local objections that

delay development, according to a second deal watcher, noting the large size of the deal.

But sponsors can afford to bear the high costs because of the province's high power prices, which can be above \$140/MWh, he adds.

The Niagara Region Wind Farm project obtained a 20-year power purchase agreement with the **Ontario Power Authority** in February 2011. Construction began in June 2015 and the project has been online since Oct. 30.

Enercon used its own balance sheet to fund the construction of the project until debt financing was in place, a spokesperson for the company tells *PFR* from the sidelines of the 32nd **Annual Canadian Wind Energy Association** Conference in Calgary.

Based on a purchase price of C\$60 million for a 25% stake in the project and the C\$825.5 million debt financing, the 230 MW project is valued at over C\$1 billion (\$750 million), or about C\$4.5 million (\$3.4 million) per megawatt, says the deal watcher. "It seems high, but I presume the cost of debt is really low," he adds. ■



## ● PROJECT FINANCE

# Moody's Downgrades Invenergy Gas-fired Portfolio

**Moody's Investors Service** has downgraded \$410 million of senior debt secured on a 2 GW portfolio of gas-fired projects owned by **Invenergy**, citing "substantial financial underperformance".

The rating agency has downgraded the loans, issued by holding company **Invenergy Thermal Operating I**, from Ba3 to B1 and changed the outlook from stable to negative.

The underperformance is mainly due to "lower than expected energy margins from two of [the] six generation plants in Invenergy's portfolio," wrote Moody's analysts in a report published on Oct. 28, referring to Invenergy's partially contracted 584 MW Nelson combined-cycle project west of Chicago and its merchant 330 MW Ector peaking plant in Texas.

"The Texas and northern Illinois markets are dominated by oversupply and substantial renewable generation and we believe these market dynamics will persist for the next several years," noted the analysts.

The financial performance of the portfolio was also affected by planned maintenance at the 584 MW St. Clair gas-fired project in Ontario and unplanned maintenance at the recently completed Nelson project.

Besides the wholly-owned St. Clair, Nelson and Ector projects, the portfolio contains 51% stakes in the 357 MW Cannon Falls project in Minnesota, the 314 MW Spindle Hill project in Colorado and the 370 MW Hardee project in Florida.

## "The Texas and northern Illinois markets are dominated by oversupply and substantial renewable"

Cash flows were so far below expectations in the twelve months to Sept. 30 that Invenergy had to provide an equity cure to ensure the portfolio complied with the covenants of

the loans, according to the Moody's report.

**S&P Global Ratings** has given a B+ rating to the first lien debt, which comprises a \$340 million term loan B and a \$70 million revolving credit facility.

Invenergy closed the seven-year term loan B in October 2015 at the second attempt, after a previous, larger version of the deal failed to reach syndication (PFR, 10/21/15).

**Morgan Stanley** arranged the term loan B, which was priced at between 550 basis points and 600 bps over Libor, deal watchers said at the time.

The revised structure included a larger equity commitment from Invenergy and an additional \$200 million second lien term loan C arranged by **AMP Capital**. The term loan C is not rated.

The projects also have \$408 million of unrated project-level debt, according to Moody's.

A spokesperson for Invenergy in Chicago declined to comment. ■

## ● MERGERS & ACQUISITIONS

# Macquarie Launches Acquisition Loan for Three-way Joint Venture

◀ FROM PAGE 1

secured revolving credit facility and a \$45 million letter of credit facility, according to rating reports published by **Moody's Investors Service** and **S&P Global Ratings**.

Moody's and S&P have given the loans Ba3 and BB ratings, respectively.

Macquarie announced the deal on Oct. 25, according to one of the deal watchers. Commitments are due on Nov. 8, the date of the U.S. presidential and congressional elections, he adds.

As well as financing the acquisition by the joint venture, the proceeds will be used alongside approximately \$280 million of equity to refinance an existing

term loan B associated with the portfolio and repay project-level debt at one of the facilities, the 225 MW Trinity plant in Trinidad and Tobago, according to the rating agencies.

The portfolio will have about \$342 million of operating company-level debt once the deal closes, according to the Moody's report.

Apart from the Trinity project, the portfolio is entirely located in the U.S. The other projects are:

- the 604 MW Hobbs combined-cycle project in Hobbs, N.M., which has a power purchase agreement with **Southwestern Public Service** until 2033,
- the 230 MW Borger cogeneration plant in Borger, Texas, which is contracted to SPS until

2024, with the option to extend through 2034,

- the 72 MW Waterside ultra-low sulfur diesel peaker in Stamford, Conn., which has a PPA with **Connecticut Light & Power** until 2024,
- the Five Brothers, a portfolio of peakers in Bakersfield, Calif., each 46 MW in size, called Live Oak, McKittrick, Chalk Cliff, Bear Mountain and Badger Creek,
- the Three Sisters, another peaker portfolio in Bakersfield, each 47 MW in size, called High Sierra, Double C and Kern Front, and
- a 40% ownership stake in the 47 MW Corona cogeneration project in Corona, Calif., which

has a PPA with **Southern California Edison** until 2024.

The joint venture, **WGP Acquisition**, is approximately 49% owned by Harbert Power Fund V, 33% by UBS International Infrastructure Fund II and 18% by Northwestern Mutual.

A spokesperson for Macquarie in New York declined to comment. Representatives of Harbert Management, UBS and Northwestern Mutual did not respond to inquiries. ■

### FAST FACT

## \$342 million

The amount of operating company-level debt associated with the portfolio once the deal closes, according to Moody's.

# Harness the power of ideas

From solar to conventional generation, our bold ideas fuel financial structures that rise to the challenge of increasing energy demand.

We have financed more than 16.4 GW of renewable power generation in the U.S. since 2010.

**Use the red key to learn more:**

**Utilities, Power & Renewable Energy**

**Andrew Redinger**

216-689-4085

aredinger@key.com

**Visit [key.com/energy](http://key.com/energy)**

**Investment Banking | Capital Markets**

**Syndicated Finance | Risk Management**

KeyBanc Capital Markets is a trade name under which corporate and investment banking products and services of KeyCorp and its subsidiaries, KeyBanc Capital Markets Inc., Member NYSE/FINRA/SIPC, and KeyBank National Association ("KeyBank N.A."), are marketed. Securities products and services are offered by KeyBanc Capital Markets Inc. and its licensed securities representatives, who may also be employees of KeyBank N.A. Banking products and services are offered by KeyBank N.A. Key.com is a federally registered service mark of KeyCorp.

©2016 KeyCorp. 161005-144250



**KeyBanc**  
**Capital Markets**  


## ● MERGERS & ACQUISITIONS

# GE EFS to Purchase Stakes in Enel Wind Projects

**GE Energy Financial Services** is acquiring a 59% interest in two **Enel Green Power North America** wind projects, marking the latest expansion of an established partnership between the two entities.

The 400 MW Cimarron Bend project in Clark County, Kan., and the 150 MW Lindahl wind project in Williams County, N.D., will be the latest additions to a jointly-owned, predominantly wind portfolio totaling 857 MW.

The portfolio comprises four wind assets totaling 785 MW, two geothermal projects totaling 72 MW and one 22 MW solar project (PFR, 10/20).

The Cimarron Bend and Lindahl projects both have power purchase agree-

ments and tax equity financing, are under construction and are slated to be online in December. **Tradewind Energy** is the engineering, procurement and construction contractor for the two projects.

**Google** and the **Kansas City Board of Public Utilities** will each purchase 200 MW of the output of the Cimarron Wind project under long-term PPAs, while the Lindahl project has a 25-year PPA with **Basin Electric Power Cooperative**.

**Bank of America Merrill Lynch, JP Morgan, MetLife** and **Wells Fargo** are investing \$500 million of tax equity in the Cimarron Bend project (PFR, 10/21).

**Goldman Sachs** is acquiring a \$168 million tax equity stake in the Lindahl project. The bank has not invested in wind tax

equity for several years, say deal watchers (PFR, 10/21).

The Lindahl project is expected to cost \$248.5 million to construct, according to paperwork filed with the **North Dakota Public Service Commission** last year (PFR, 12/4). The project will require "an overall investment of more than \$220 million", a spokesperson for EGP North America told *PFR* in October (PFR, 10/21).

The purchase price for GE EFS's stakes in the two projects could not be learned by press time.

Representatives of EGP North America in Andover, Mass., did not immediately respond to inquiries. A spokesperson for GE EFS in New York declined to comment. ■

# NextEra to Wholly Own Oncor

**NextEra Energy** has agreed to acquire the remaining 20% stake in **Oncor Electric Delivery Co.** after agreeing to purchase 80% of the transmission utility earlier this year.

A NextEra affiliate will merge with **Texas Transmission Holdings Corp.**, which owns a 19.75% stake in Oncor. NextEra will fund the \$2.4 billion merger consideration with a combination of debt and equity.

Texas Transmission Holdings' main owners are Singaporean sovereign wealth fund **GIC** and the **Ontario Municipal Employees Retirement System**, each of which own a 49.5% stake.

The deal requires the approval of the U.S. **Federal Energy Regulatory Commission** and the **Public Utility Commission of Texas**.

Separately, NextEra has entered into an agreement to acquire the 0.22% stake in Oncor that is held by members of Oncor's management

team. **Oncor Management Investment**, the vehicle through which they hold the shares, will sell its interest to NextEra for \$27 million.

Juno Beach, Fla.-based NextEra agreed to acquire **Energy Future Holdings'** 80% stake in Oncor in July for \$18.4 billion (PFR, 7/29).

**Vinson & Elkins** and **Jones Day** are Oncor's legal advisers on the transaction, a spokesperson for the company tells *PFR* from Dallas.

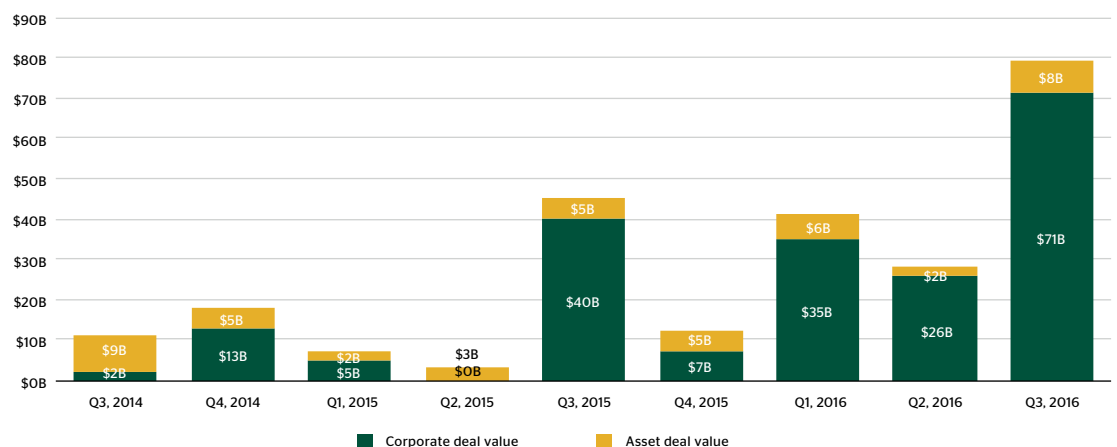
**Bank of America Merrill Lynch** and **Credit Suisse** are leading a group of six banks that are advising NextEra on the three transactions. The other four

advisers are **Deutsche Bank, JP Morgan, UBS** and **Wells Fargo**.

**Chadbourne & Parke** is NextEra's legal adviser.

Representatives of NextEra in Juno Beach and GIC in New York did not respond to inquiries. A spokesperson for OMERS in Toronto declined to comment. ■

## Corporate and Asset Power & Utilities M&A (\$B)



Note: Includes deals \$50 million or larger.

Source: Thomson Reuters, S&P Capital IQ, PwC Analysis



## MERGERS &amp; ACQUISITIONS ●

## PSEG Unit Purchases West Coast Solar Project

**PSEG Solar Source** has acquired a 10.5 MW (DC) solar project from Lake Oswego, Ore.-based developer **Obsidian Renewables**.

The Black Cap II project, which the **PSEG** subsidiary purchased for \$21 million, will be renamed the PSEG Lake County Solar Energy Center.

Located on approximately 65 acres in Lake County, Ore., the project has a 20-year power purchase agreement with **Paci-**

**fiCorp.**

**Swinerton Builders** is constructing and will operate the project, which is expected to be online before the end of the year.

Whether either company used financial advisers could not immediately be learned. Spokespeople for PSEG Solar Source in Newark, N.J., and Obsidian Renewables in Lake Oswego did not immediately reply to inquiries.

Earlier this year, PSEG Solar Source acquired two solar projects in Colorado, as well as projects in California and Utah, from German developer **juwi** (PFR, 3/21, PFR, 2/23, PFR, 1/20). In January, the company closed an acquisition of a North Carolina solar project (PFR, 2/3).

PSEG Solar source is owned by **PSEG Power**, the subsidiary of PSEG that owns and operates generation assets outside the

service territory of the group's regulated utility business, **Public Service Electric & Gas**.

PSE&G is one of several utilities with a strategy to vertically integrate solar into its business model, **Ted Brandt**, co-founder and ceo at **Marathon Capital**, said at **REFF Wall Street** in June, placing it among those that have been "very aggressive in using their tax base to be very competitive" (PFR, 6/21). ■

## Australian Investor Acquires Second U.S. Solar Stake

A renewables investment fund of an Australian asset manager is acquiring its second U.S. solar asset stake, in a deal that closely resembles its first such investment last year.

**New Energy Solar Fund**, an investment vehicle of Sydney-based **Walsh & Company**, will acquire a majority stake in the 33.8 MW NC-47 solar project in Maxton, N.C., from **VivoPower USA** when the project begins commercial operations. The project is expected to be online in the first half of 2017.

VivoPower, which is an operating company of another Sydney-based company, **Arowana International**, has invested \$6.9 million of equity in the project and will retain a minority interest.

The construction of the project will be

financed with VivoPower's equity and a construction loan from **KeyBank Capital Markets**.

**US Bank** is investing tax equity in the project, **Carl Weatherley-White**, group finance director at VivoPower in New York, tells *PFR*. Weatherley-White declined to specify the size of the tax equity investment or the stake New Energy Solar Fund is acquiring.

**CohnReznick** advised VivoPower on the tax equity deal. VivoPower did not use an external financial adviser on the sale.

**Duke Energy Progress** will purchase the full output of the facility under a 10-year power purchase agreement.

The debt financing for the NC-47 project and its acquisition by New Energy Solar Fund echo similar deals last year relating to another Vivo-

Power project, the 43.2 MW (DC) NC-31 solar project in Bladenboro, N.C.

KeyBank arranged a \$61 million debt financing for the NC-31 solar project in Bladenboro, N.C., and New Energy Solar Fund agreed to acquire a majority stake in the project, marking its first investment in a U.S. solar project.

New Energy Solar Fund plans to finance its \$47.3 million investment in NC-47 with equity and aims to achieve an initial five-year average annual yield of approximately 6.4% on the investment, according to a statement.

Whether Walsh & Company used a financial adviser could not immediately be learned. Representatives of the company in Sydney were not immediately available for comment. ■

## POWER TWEETS ●

**Hillary Clinton @HillaryClinton**

"I believe that climate change is real and that we can save our planet while creating millions of good-paying clean energy jobs." —Hillary

**Donald J. Trump @realDonaldTrump**

Obama's war on coal is killing American jobs, making us more energy dependent on our enemies & creating a great business disadvantage.

**everpower @everpowerwind**

We are excited to be working with @amazon to implement the Scioto Ridge Wind Farm! [ow.ly/ZMAY305Km5K](http://ow.ly/ZMAY305Km5K)

**Elon Musk @elonmusk**

Solar glass tiles can also incorporate heating elements, like rear defroster on a car, to clear roof of snow and keep generating energy

**Lise Trudeau @Lise\_Trudeau**

This is a big deal: MN PUC approves Xcel's plan to shut down Becker coal-fired plants <http://strib.mn/2e5FD0k>

**Jim Bacon @Jabacon**

Merchant Power Plant Proposed for Charles City County [baconsrebellion.com/merchant-power...](http://baconsrebellion.com/merchant-power...)



## ● MERGERS & ACQUISITIONS

# Private Equity Duo to Acquire TransCanada U.S. Portfolio

◀ FROM PAGE 1

2015 (PFR, 10/8/15).

The remainder of the portfolio comprises:

- the 2,480 MW Ravenswood gas-fired project in Queens, N.Y.,
- the 560 MW Ocean State Power gas-fired project in Burrillville, R.I., and
- the 132 MW Kibby wind project in Franklin County, Maine.

Whether LS Power retained an adviser for the sale could not immediately be learned, although typically the shop does not use external financial advisers on acquisitions.

### ARCLIGHT HYDRO PORTFOLIO

ArcLight Fund VI will directly acquire TransCanada's hydro portfolio. ArcLight plans to finance the acquisition of the projects with debt, the details of which could not be immediately established. The Boston-based private equity shop did not use a financial adviser.

The hydro portfolio that ArcLight is acquiring comprises eight projects in Vermont and five in Massachusetts:

- the 192 MW Moore Station in Littleton, N.H., and Waterford, Vt.,
- the 144 MW Comerford Station in Monroe, N.H., and Barnet, Vt.,
- the 49 MW Bellows Falls Station in Walpole, N.H., and Rockingham, Vt.,
- the 41 MW Wilder Station in Lebanon, N.H., and Hartford, Vt.,
- the 37 MW Vernon Station in Cheshire County, N.H. and Windham County, Vt.
- the 11 MW McIndoe Station in Monroe, N.H., and Barnet, Vt.,
- the 41 MW Harriman Station in Readsboro and Whitingham, Vt.,
- the 5 MW Searsburg Station in Searsburg, Vt.,
- the 7 MW Deerfield No. 2 Station in Conway and Shelburne, Mass.,
- the 7 MW Deerfield No. 3 Station in Buckland and Shelburne, Mass.,
- the 6 MW Deerfield No. 4 Station in Buckland and Shelburne, Mass.,
- the 14 MW Deerfield No. 5 Station in Rowe and Florida, Mass., and
- the 6 MW Sherman Station in Rowe and Monroe, Mass.

**JP Morgan** served as TransCanada's financial adviser on the asset sales. **Mayer Brown** was TransCanada's legal adviser.

Both acquisitions are slated to close in the first half of 2017.

### MEXICO ASSETS NOT FOR SALE

TransCanada has decided to not sell a minority stake the six gas pipelines it wholly owns in Mexico, as previously planned.

The company's Mexico pipeline portfolio consists of two operational pipelines, the 193-mile Guadalajara and the 224-mile Tamazunchale pipelines, as well as four others that are yet to be completed.

The development-stage pipelines are the 329-mile Topolobampo, the 261-mile Villa de Reyes, the 257-mile Mazatlan and the 155-mile Tuxpan-Tula pipelines.

The company had previously offered for sale

**“While we received credible binding bids for those assets, we have decided to maintain our full ownership interest in a growing portfolio of natural gas pipeline assets.”**

a 49% stake in the six pipelines, a TransCanada spokesperson tells *PFR* from Calgary, Alberta.

“While we received credible binding bids for those assets, we have decided to maintain our full ownership interest in a growing portfolio of natural gas pipeline assets,” said TransCanada president and ceo **Russ Girling** on a conference call for investors, analysts and the media on Nov. 1.

In addition to the six pipelines, TransCanada owns a 60% stake in the 497-mile Sur de Texas-Tuxpan pipeline, which is under construction. **IEnova** owns the remaining 40% stake.

TransCanada has said that it is investing \$3.8 billion to develop and complete the construction of the four pipelines, as well as fund its interest in the Sur de Texas project.

All of the pipelines in development are expected to be in service by the end of 2018 and have 25-year take-or-pay contracts with the **Comisión Federal de Electricidad**.

### FINANCING COLUMBIA

TransCanada also announced on Nov. 1 that it

is increasing its shareholding in Houston-based Columbia Pipeline Group to full ownership. The company closed its \$13 billion acquisition of a 96.1% interest in Columbia on July 1 (PFR, 3/17).

The decision follows TransCanada's review of strategic alternatives for its MLP assets. **Morgan Stanley** acted as financial adviser and **Vinson & Elkins** was legal adviser to TransCanada on the review.

TransCanada will purchase all remaining publicly held units of Columbia at \$17 each, or a total consideration of \$915 million.

Proceeds from the asset sales to ArcLight and LS Power will be used to partly pay down a \$6.9 billion two-year bridge loan raised in June for the initial Columbia acquisition.

Part of the bridge loan will be repaid with the proceeds from a share offering. TransCanada has mandated **TD Securities**, **BMO Capital Markets** and **RBC Capital Markets** to underwrite an approximately \$3.2 billion share offering of 54.75 million TransCanada shares at \$58.50 per common share. The capital raise is expected to close on Nov. 16.

The asset sales and the expected proceeds of the share issuance leave \$435 million to raise to pay back the bridge loan before it matures in June 2018.

TransCanada is considering selling its power marketing business in the U.S., which it values at approximately \$435 million, to fill the gap. The company will also consider paying down the debt with cash on hand, preferred shares and hybrid securities, according to the spokesperson. TransCanada may also raise the funds through a dropdown to its MLP **TC Pipelines** and equity from the company's dividend reinvestment program, he adds.

Representatives of LS Power in New York were not immediately available for comment. A spokesperson for ArcLight in Boston declined to comment. ■

### FAST FACT

# 1912

In-service date for the Deerfield No. 3 hydro project, the oldest generation asset in TransCanada's U.S. portfolio.

20th Annual

# MEXICAN ENERGY CONFERENCE

November 14–15, 2016 | St. Regis Mexico City | Mexico City, Mexico

14–15 de noviembre de 2016 | St. Regis Mexico City | México, D.F.



## OPENING UP ENERGY MARKETS IN MEXICO FOR NATURAL GAS, PETROLEUM, AND ELECTRIC POWER

- The transformation of natural gas markets—Supply, infrastructure, and demand
- Electric power transitions and new incentives for clean energy nationwide
- Vast new opportunities in exploration and production of oil and gas
- Refined products—Building new channels for distribution

## DISTINGUISHED SPEAKERS INCLUDE:

- **José Manuel Carrera**, Corporate Director of Alliances and New Business, **PEMEX**
- **Jeff Pavlovic**, Director General, Coordination of Electric Power, **SENER**
- **Kim Colburn**, Senior Vice President, **BP marketing & trading**
- **Gaspar Franco Hernández**, Commissioner, **Comisión Nacional de Hidrocarburos**
- **Carlos Morales Gil**, Director General, **Petrobal**
- **Matt McCarroll**, Chief Executive Officer, **Fieldwood Energy**
- **Luis Roca**, Managing Director, **Vitol Energy Mexico**
- And many more—See inside for a full agenda

## LEARN MORE

### MÁS INFORMACIÓN

Ron Berg  
Conference Manager  
Tel. +1 857-383-5739  
ron.berg@spglobal.com  
(Habla español)

**REGISTER NOW**  
**INSCRÍBETE**  
**AHORA**

[www.platts.com/mexicanenergy](http://www.platts.com/mexicanenergy)  
[www.platts.com/energiamexicana](http://www.platts.com/energiamexicana)  
[registration@platts.com](mailto:registration@platts.com)  
800-752-8878 (toll free)  
+1 212-904-3070 (outside USA & Canada)

## ● MERGERS & ACQUISITIONS

# Ex-EIC Principal Lands at Sustainable Finance Shop

A former principal in infrastructure lending at **Energy and Infrastructure Capital** has emerged at a West Coast-based specialty finance shop focused on sustainable infrastructure.

**John Dannan**, who departed EIC earlier this year, joined San

Francisco-based **Generate Capital** as program manager in October.

Dannan joined **Harbinger Group**-backed EIC in 2014, the year the firm was founded (PFR, 7/13). Prior to that, he was a v.p. at **Deutsche Asset & Wealth**

Management.

**Jigar Shah**, **Scott Jacobs** and **Matan Friedman** founded Generate Capital in December 2014. The firm invested over \$150 million in its first year of operation, according to a statement issued in January.

Dannan attended the **American Biogas Council's** annual conference in Orlando, Fla., last month in his new capacity, speaking on a panel focused on institutional investment in renewables.

Dannan could not be reached by press time. ■

# Irish Sponsor Hires Ex-banker to Head N.Y. Financing Arm

**Mainstream Renewable Power** has hired a former investment banker and investor to head its new financing and investment division.

The New York-based financing arm, **Mainstream Renewable Capital**, will structure debt and equity investments in the Dublin-headquartered developer's pipeline of wind and solar projects.

The pipeline includes seven contracted wind projects in Chile totaling almost 1 GW that are expected to be online by 2021.

**Jim McGinnis**, who has worked in energy and power at **Goldman Sachs**, **Morgan Stanley** and a variety of investment firms during the past 27 years, has taken the role of ceo at Mainstream Renewable Capital, reporting to Mainstream's founder and group ceo **Eddie O'Connor**.

McGinnis's team will focus on building relationships with a wide range of U.S. investors, including pension funds, mezzanine debt providers and banks, said O'Connor in an interview in New York.

The developer will need to raise about \$840 million to finance its existing pipeline, added McGinnis. This will comprise equity, senior debt, mezzanine debt and other investment products to fund development costs such as bid bonds and performance bonds.

"There's the opportunity for equity ownership as projects enter construction and for another class of investors to take equity ownership as the projects begin operations," says McGinnis.

## EX-BANKER

McGinnis worked in energy and power investment banking at Goldman Sachs in New York from 1989 until 1993, when he moved to Morgan Stanley, according to his **LinkedIn** profile. During his almost 12 years as an m.d. at

Morgan Stanley he worked in New York, Singapore and Australia.

He switched to the buy-side in 2005, taking a role as an investment executive at **AIG Financial Products Corp.**, where he stayed for three years before joining hedge fund **Harbinger Capital Partners** as an m.d. and energy and power analyst in 2008.

In January 2013, he took up his most recent role as managing principal and portfolio manager at private equity firm **Halcyon Energy Investors**.

**Chuck Watson**, a non-executive director at Mainstream who is better known as the founder of the **Natural Gas Clearinghouse**, which was later renamed **Dynegy**, introduced McGinnis and several other candidates to Mainstream's management when the developer was looking for a person to take the helm of its financing arm, said O'Connor.

## CHILE PROJECTS

Mainstream won contracts for 986 MW of wind projects in Chile in an auction that took place in August. The power purchase agreements awarded in the auction come into effect in 2021, giving winning bidders several years to finance and construct the contracted

projects (PFR, 8/18).

Separately, Mainstream is in the process of financing two contracted wind projects totaling 300 MW in Chile that it co-owns through **Aela Energía**, its joint venture with U.K. private equity firm **Actis** (PFR, 6/13).

**SMBC** and **MUFG** are arranging the roughly \$450 million loan for the two projects. The deal is expected to close this month, says O'Connor, who adds that turbine supplier **Senvion** is providing mezzanine debt as part of the financing. ■



Jim McGinnis

## ● ONE YEAR AGO



A **Google** affiliate sought to invest tax equity in **EDP Renewables North America's** 199 MW Waverly Wind Farm in Coffey County, Kan. (PFR, 11/9/15). [The \$240M deal closed earlier this year.]

## ● QUOTE OF THE WEEK

**"I think today people are trying to do them a little more cleverly like us, where you expand on the security for the banks to allow them to have confidence that they would in the worst case have a built-in place to put the turbines, just as if it was a project financing."**

**Mike Garland** on **Pattern Development's** plans to revitalize the turbine loan (see story, page 1).