

Power Finance & Risk

Exclusive Insight on Power M&A and Project Financing

By the publisher of GlobalCapital

● Mergers & Acquisitions

Ullico Snares Transmission Stakes

A unit of the labor union-owned insurance and investment firm Ullico is buying interests in the Neptune transmission line. Page 6

● Project Finance

Goldman Shops Panda B Loan

Goldman Sachs is taking commitments for a B loan package backing **Panda Power Funds'** Stonewall project. Page 6

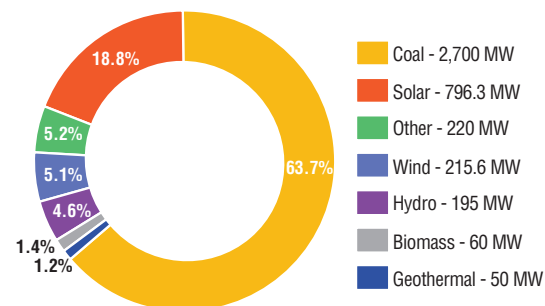
PPA Pulse: Offtakers Tap Diverse Generation Mix

Sara Rosner

Offtakers in the North America are locking in contracts for an array of fuel types, from wind and solar, to landfill gas and coal. **American Electric Power** affiliate **AEP Ohio** brought the largest power purchase agreement before Ohio regulators last month, in the form of a controversial 2,700 MW PPA expansion from coal-

fired units in the state. Solar was the second most popular resource, with parties inking PPAs for 796.3 MW of capacity, including 515 MW across 10 projects contracted by **Georgia Power**. **Summit Power Group**, which is dealing with soaring costs for its 400 MW integrated combined cycle coal gasification project in Texas, snagged a 200 MW contract from **CPS Energy**, after an original PPA with the project lapsed (PFR, 10/17).

PPA Pulse Breakdown By Resource*



*Excludes contracts that did not disclose size or resource.

Source: Various

Q&A: Jared Donald, Conergy Americas - Part 2

Sara Rosner

Partnering with regional developers and focusing on financing, O&M and EPC activities are imperative to Conergy's strategy for North America in the near-term. "We really feel that our global experience and bankability and readily available development capital provides the support that these partners need to successfully bring these projects



Jared Donald

forward," **Jared Donald**, president of Conergy tells *PFR* Editor **Sara Rosner** in the second part of this exclusive interview.

Jared Donald **PFR: Conergy also finalized a \$60M agreement this year with Deutsche Bank to develop up to 400 MW in solar assets. How has Conergy utilized this capital so far?**

Donald: This is something that we're really excited about and there have been a number of great exam-

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● AT PRESS TIME

Ares Unit Nets EIF

Sara Rosner

A unit of **Ares Management** has agreed to acquire **Energy Investors Funds** for an undisclosed sum. The deal is slated to close by year-end.

Ares will fund the purchase of the energy infrastructure asset manager with proceeds from a \$250 million private placement it closed last month and cash on hand. The move took many bankers by surprise this week, though one deal watcher notes that the transaction is timely for EIF, which will likely be raising its next fund in the near-term and will have a wider investor base to tap via Ares.

EIF wrapped its \$1.713 billion EIF

[PAGE 2 »](#)● **POWER UP: CHECK OUT A SELECTION OF THE WEEK'S POWER AND UTILITY NEWS ON TWITTER**

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AT PRESS TIME

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United States Power Fund IV, it's eighth and largest fund, in 2011 (PFR, 11/2/11) and has roughly \$4 billion in assets under management. **California Public Employees Retirement System, Howard Hughes Medical Institute, John Hancock Life Insurance, Kauffman Foundation, Massachusetts Institute of Technology, New York Life Management, Pacific Life and UnionBanCal Equities** are among investors in EIF's funds.

EIF's funds have made over 100 investments and own roughly 4 GW of facilities in operation or under construction and 6 GW of facilities in development. EIF is currently looking to sell a

stake in its Oregon combined cycle project in Ohio in parallel with a financing backing the asset (PFR, 10/31). How the acquisition could impact EIF's Oregon activities could not be learned. Spokesmen for EIF and Ares declined to comment on the deal.

Proskauer Rose was legal advisor and **Latham & Watkins** was regulatory advisor to Ares. **Morgan, Lewis & Bockius** was legal advisor to EIF. ■

FAST FACT

EIF's funds have made over 100 investments and own roughly 4 GW of facilities in operation or under construction and 6 GW of facilities in development

THE BUZZ

The Buzz: Transmission, CCGT Mark M&A

Third quarter earnings calls abounded this week. **Sempra Energy** executives told analysts they were on track to finalize the sale of its remaining stake in the 1,250 MW combined cycle Mesquite plant in Arizona (see story, page 6). Sempra, which spent most of the call fielding analysts' questions about a potential yield company or master limited partnership, expects to garner more than the stake's \$300 million book value. **Salt River Project** bought 50% of Mesquite from Sempra for \$375 million in 2012.

Transmission also popped up in asset M&A,

as **Neptune Power Ventures** owners filed with the U.S. **Federal Energy Regulatory Commission** to sell down some stakes in the line to **Ullico** (see story, page 6). The transaction marks the second power deal this year for Ullico, a labor union-owned insurance and investment firm based in Washington D.C. It joined a hydro shop in August to purchase a portfolio of assets (PFR, 8/20). Ullico also owns a stake in a **First Wind** project in Hawaii, according to the FERC filing.

In project finance, **Goldman Sachs** and **Panda Power Funds** made a splash with their term B loan backing Panda's 750 MW combined cycle Stonewall project in Virginia (see story, page 6). Commitments for the package, which include a \$150 million delayed draw facility, are due on Monday. Pricing is in the neighborhood of LIBOR plus 600 basis points, though deal watchers note that, and the size of the deal could change on investor demand. ■

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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 **Holly Fletcher**, managing editor, at (212) 224-3293 or holly.fletcher@powerfinancerisk.com

GENERATION AUCTION & SALE CALENDAR ●

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

Generation Sale DATABASE

Seller	Assets	Location	Advisor	Status/Comment
Apex Clean Energy	Hoopeston (98 MW Wind)	Vermilion County, Ill		Ikea is buying it (PFR, 11/3).
ArcLight Capital Partners, Government of Singapore Investment Corp.	Stake (Southeast PowerGen)	Various, Georgia	Citi	Carlyle has launched a B loan to finance its purchase (PFR, 11/3).
ArcLight Capital Partners	Hamakua (60 MW CCGT)	Hawaii	Energy Advisory Partners	Teasers out (PFR, 7/28).
ArcLight Capital Partners	Bayonne (512 MW CCGT)	Bayonne, N.J.	Morgan Stanley	Teasers recently out (PFR, 9/22).
Burrows Paper Corp.	Lyonsdale Associates (19 MW Hydro)	New York		Burrows in final stages of selling (PFR, 8/25)
Calpine	Osprey (550MW CCGT)	Florida	TBA	Comes after Duke recently said it wanted to build not buy plants (PFR, 9/1)
Centaurus Capital	Avalon (29 MW Solar)	California		Coronal Group is buying it (PFR, 10/6).
E.ON Climate & Renewables North America	Stake (Wind Portfolio)	Various	Bank of America Merrill Lynch	Looking to sell 80% of several projects (PFR, 9/15).
Enel Green Power North America	Stake (Wind Portfolio)	Various	Bank of America Merrill Lynch	Sale process recently started (PFR, 9/15).
Entegra Power Group	Portfolio	Arizona, Arkansas	Houlihan Lokey	Will scope tolling agreements, sales post-bankruptcy (PFR, 10/13).
Exelon Corp.	Quail Run (550 MW Gas)	Odessa, Texas	Citi	Starwood has agreed to buy it (PFR, 10/6).
Exelon Corp.	West Valley (189 MW Gas)	West Valley, Utah		Wayzata is buying it (PFR, 10/13).
Dynegy	Portfolio (2.7 GW Gas, Oil)	Various, California	Bank of America Merrill Lynch, Barclays	Teasers recently released (PFR, 10/27).
First Wind	Stakes(255 MW Wind)	Texas, Washington		Individuals affiliated with Southwest Generation are taking stakes in the project (PFR, 10/20).
Geronimo Energy	Various (Wind)	Various	Barclays	Algonquin has bought one project (PFR, 9/15).
LS Power	Portfolio (544 MW Hydro)	Various, PJM		Sale is reportedly between the first and second round (PFR, 10/20).
Neptune Power Ventures	Neptune (65 Miles Transmission)	New York, New Jersey		Several owners selling down stakes to Ullico (see story, page 6).
NRG Energy	Sabine (106.5 MW Cogen)	Orange, Texas		Rockland Power Partners agrees to buy NRG's stake (PFR, 10/20).
NTR	Portfolio (Wind)	Various	TBA	Will take pitches to sell Wind Capital Group (PFR, 9/8).
Olympus Power	Grant County Wind Farm (20 MW Wind)	Minnesota	Ewing Bemiss	The deal power price is set at \$69.10 per MWh for first ten years (PFR, 9/1) .
Pioneer Green Energy	Green Pastures (300 MW Wind)	Texas	None	Capital Dynamics, Pru are buying it (PFR, 10/13).
Riverstone Holdings	Sapphire Power (807 MW Gas)	Various	Barclays	First round bids submitted mid-October (PFR, 10/27).
Sempra U.S. Gas & Power	Mesquite (1250 MW CCGT)	Arizona		Sempra is on track to sell it's stake in the facility for more than its \$300M book value (see story, page 6).
SunShare	Portfolio (9.6 MW Solar)	Colorado	Infrastructure Finance Advisors	High interest; moved to second round (PFR, 8/18).
Tenaska	Westmoreland (950 MW Gas)	Pittsburgh, Pa.	Whitehall	Looking for development capital (PFR, 8/18).
Covanta Holdings Corp	Portfolio (113 MW Biomass)	Various, California	Ewing Bemiss	Teasers out this month (PFR, 11/3).

● 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 Holly Fletcher at (212) 224-3293 or e-mail holly.fletcher@powerfinancerisk.com

PROJECT FINANCE

Deal Book is a matrix of energy project finance deals that Power Intelligence is tracking in the energy sector. A full listing of deals for the last several years is available at <http://www.powerintelligence.com/projectfinancedeal.html>

Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
AES Gener	Angamos (544 MW Coal)	Chile	TBA	TBA	\$700M-\$1B	TBA	Banks bid to lead a refi (PFR, 10/6).
Alterra, Fierra Axiom	Jimmie Creek (62 MW Hydro)	British Columbia	Manufacturers LifeCo	Construction, Term	C167.5	C+40-yr	Five lenders participated (PFR, 10/27).
Apex Wind	Balko Wind (300 MW Wind)	Oklahoma	TBA	TBA	TBA	TBA	Sponsor takes pitches from prospective MLAs (PFR, 9/8).
Cape Wind Associates	Cape Wind (468 MW Wind)	Cape Cod, Mass.	MUFJ	TBA	\$1.95B	TBA	Contention over pricing and lengthy due diligence slowing down prospective lenders (PFR, 10/20).
Cheniere Energy	Corpus Christi (LNG Export Facility)	Corpus Christi, Texas	SocGen	TBA	\$11.5B	7-yr	SocGen is looking for the commitments to the wholesale syndication
Cobra Energia	Peru Portfolio (122 MW Wind)	Peru	U.S Ex-Im	TBA	\$65M	17-yr	The Cobra projects have 20-year offtaker contracts with Peruvian government (PFR, 8/27).
Coronado Power Ventures	La Paloma (690 MW CCGT)	Cameron County, Texas	Blackstone	TBA	TBA	TBA	Debt and capital raise has had several setbacks (PFR, 8/11).
Deepwater Wind	Block Island (30 MW Wind)	Rhode Island	TBA	TBA	TBA	TBA	Aiming to close finance in the coming months (PFR, 10/27).
Energy Investors Funds	Oregon (800 MW Gas)	Oregon, Ohio	BNP, Credit Ag	TBA	TBA	TBA	Sponsor looking to sell about half of project (PFR, 11/3).
Exmar NV	Floating Liquefaction Project	Colombia	TBA	B Loan	\$170M	TBA	Sponsor looking to land a B loan for the debt on the project (PFR, 5/5).
FGE Power	FGE Texas (726 MW Gas)	Westbrook, Texas	TBA	TBA	\$1B	TBA	Has opted for project finance loan over B loan (PFR, 7/28).
GDF Suez, Pemex	Los Ramones II Sur (178-mile Pipeline)	Mexico	Santander	TBA	TBA	TBA	BNP Paribas is also advising on the \$1B project (PFR, 8/11).
Greenwood Energy, ILIOSS	Portfolio (250 MW Solar)	Mexico	TBA	TBA	TBA	TBA	The sponsors are speaking to lenders and potential mid-size commercial and industrial offtakers (PFR, 10/6).
Korea Southern Power Corp., Samsung C&T	Kelar (517 MW Gas)	Chile	Natixis, BTMU, SMBC, Mizuho, Santander KEXIM	Gaurantee, VAT, LC, Working Capital	\$310M	TBA	Deal is set to wrap in the next month (PFR, 10/6).
NextEra Energy Partners	Palo Duro (250 MW Wind)	Randell, Texas	TBA	TBA	TBA	TBA	Sponser looking to finalize about \$250 million in tax equity investment (see story, page 5).
NextEra Energy Resources	Bluewater (60 MW Wind)	Lake Huron, Ontario	TBA	TBA	TBA	TBA	Sponsor is talking to lenders in the U.S. to finance the project (PFR, 5/19).
NTE Energy	Multiple (Gas)	Various, U.S.	Whitehall	TBA	TBA	TBA	Looking to arrange PPAs for a portion of gas-fired trio (PFR, 8/4).
Panda Power Funds	Stonewall (750 MW Gas)	Leesburg, Virginia	Goldman Sachs	B Loan	\$564M	7-yr	Commitments for the B loan package due Nov. 10 (see story, page 6).
Pattern Energy	Armow (180 MW Wind)	Kincardine, Ontario	BMO Capital Markets, CIBC, Crédit Agricole, SocGen and Sumitomo Mitsui Banking Corp	TBA	C\$580	TBA	Deal wrapped at L +162.5 (PFR, 11/3).
Samsung Renewable Energy	Kingston (100 MW Solar)	Ontario	RBC, Connor Clark & Lunn	TBA	\$500M	TBA	Lenders are beginning to circle up (PFR, 7/21).
D.E. Shaw	Red Horse 2 (51MW Wind)	Arizona	Santander, Sabadell	TBA	\$170M	20-yr	Near financial close (PFR, 8/25).
Starwood Energy Global Group	Stephens Ranch II (165 MW Wind)	Texas	Citi, Morgan, MUFJ	Construction	\$207M	TBA	Firms will also make tax equity investments in the project (PFR, 8/25).
Summit Power	Texas Clean Energy Project (400 MW Gas)	Odessa, Texas	TBA	TBA	TBA	TBA	Delays due to high labor costs and constuction reevaluation (PFR, 10/20).
Tenaska	Brownsville (800 MW CCGT)	Brownsville, Texas	TBA	TBA	TBA	TBA	Tenaska is in early stages of talks, plans to wrap by year-end (PFR, 6/30).
Tenaska	Westmoreland (950 MW CCGT)	Pittsburgh, Pa.	Whitehall	TBA	TBA	TBA	Looking for development capital (PFR, 8/18).
Transmission Developers	Champlain Hunson (Transmission)	New York	RBC	TBA	-\$1.6B	TBA	Sponsor is aiming to line up the debt by year-end (PFR, 3/3).

New or updated listing

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STRATEGIES ●

NextEra Energy Partners Circles Tax Equity

Yield company **NextEra Energy Partners** is looking to finalize about \$250 million in tax equity investment for its 250 MW Palo Duro wind farm in Randall, Texas.

The tax equity investment is set to close next month, **Moray Dewhurst**, vice chairman and cfo of **NextEra Energy Inc.**, said during the company's third quarter earnings call Oct. 31.

NEP acquired Palo Duro, and the 20 MW Shafter solar project in Kern County, Calif., from parent company **NextEra Energy Resources** for \$291 million. The purchase is slated to close in the first quarter of next year. The identity of the tax equity investor could not be learned by press time. A

spokesperson for NextEra Energy Inc. in Washington D.C. did not respond to inquiries.

NextEra Energy Resources secured tax equity investment from **BTMU Capital Leasing & Finance**, a subsidiary of **Bank of Tokyo-Mitsubishi** for the 200.6 MW Limon III wind farm in Lincoln County, Colo. (PFR, 10/24). **Bank of America Merrill Lynch** subsidiary **BAL Investment & Advisory** made tax equity investment in the 74.8 MW Steele Flats project in Jefferson and Gage Counties, Neb., and the 100.3 MW Tuscola Wind II project in Tuscola County, Michigan (PFR, 11/13/2013).

NEP will finance the acquisitions, which are not part of its right of first

offer list, with \$150 million from its initial public offering earlier this year and \$141 million from the company's revolving credit facility.

Palo Duro is slated to be online before year-end, while Shafter is due to be online in the second quarter of next year. Both projects have 20-year power purchase agreements; Palo Duro with **Southwest Gen Public Service Co.** and Shafter with **Pacific Gas and Electric**.

In other news, NEP signed contracts for approximately 445 MW of new wind and solar projects in the last quarter. It plans to secure a further 600 to 800 MW from wind and solar projects by the end of the year. ■

AMP Capital Scores \$1.1 Billion For Second Fund

AMP Capital has completed its final close on its Infrastructure Debt Fund II, raising \$1.1 billion from investors and surpassing its \$1 billion target.

More than 50 investors from eight countries are participating in the Sydney-based investment managers fund. Many of the investors that participated in AMP Capital's first infrastructure debt fund, IDF I, returned for the second fund. IDF I closed in June 2012 with \$503 million raised from 30 institutional investors (PFR 8/30/2013). Some investors to IDF II have made a pledge to invest up to another \$250 million alongside the fund when it acquires assets that match their investment profile, a spokeswoman in Sydney notes.

AMP is targeting 10% returns in the form of cash yields for the fund, which has a four-year investment period. More than \$400 million in capital has been committed from IDF II, including a \$100 million loan to **Alterra Power Corporation** for the 204 MW Shannon wind project in Clay County, Texas and the 62 MW Jimmie Creek hydro project in the Toba Valley in British Columbia (PFR, 9/8). AMP Capital also invested \$50 million from IDF I and \$50 million from IDF II into the refinancing of the 550 MW Astoria Energy combined cycle facility in Queens, N.Y., on behalf of **Astoria Project Partners** (PFR, 1/13). ■

Hawaii Wraps \$150M Novel Securitization

The state of Hawaii has wrapped a \$150 million securitization and will use proceeds to finance development of renewable infrastructure, including distributed generation.

Typically, cost recovery securitizations are used to recoup costs for activities or projects that have already been executed, such as rebuilding infrastructure after a natural disaster. "What's unique

about it is that it's set up for a future project," says **Pedro Sancholuz Ruda**, assistant vice president at **Moody's Investors Service**, of the latest securitization.

Goldman Sachs is the lead underwriter and **Citigroup** is co-manager of the issuance, which consists of a \$50 million

tranche maturing in 2022 with a 1.467% coupon and a \$100 million tranche maturing in 2031 with a 3.24% coupon. The 17-year notes priced below guidance of 80 to 85 basis points over interpolated swaps at 75 bps over swaps, while the eight-year notes priced on the lower end of their guidance at 30 bps over swaps.

"We had over 20 investors participate in the financing. The investors that were interested were a combination of asset backed security investors, municipal investors and then socially responsible investors that were interested in the green bond aspect," says **Tim Romer**, managing director of the public sector and infrastructure group at Goldman Sachs. The overall cost of the borrowing for Hawaii is 2.99%, Romer adds.

Proceeds from the issuance will fund a state program that makes loans to residential utility customers for solar installations and other green infrastructure. The state has instituted a cost-recovery charge on the electric utility bills of all customers to repay the securitization investors. "We needed other types of financing and in this case, the proceeds from this bond issuance will be used for a loan program to help underserved customers install solar PV technology on their roofs," says **Tan Yan Chen**, manager of clean energy solutions at the State Energy Office in the **Hawaii Department of Business, Economic Development & Tourism**. The department was the securitization's sponsor.

The program is part of an initiative by Hawaiian state government to use 70% clean energy by 2030.

Moody's rates both tranches Aaa. ■

FAST FACT

\$150m

The issuance consists of a \$50 million tranche maturing in 2022 with a 1.467% coupon and a \$100 million tranche maturing in 2031 with a 3.24% coupon.

● MERGERS & ACQUISITIONS

Neptune Owners Sell Down Stakes

Several owners of the Neptune transmission line are selling down portions of their stakes in the asset to an affiliate of **Ullico**, a labor union-owned insurance and investment firm.

Neptune Power Ventures will convert some of its Class A interests in the line into A-1 member interests and sell 100% of these to Ullico unit **UIF**, according to documents filed with the U.S. **Federal Energy Regulatory Commission**. **Cianbro Development Corp.**, **Standard Energy Development**, **CTSBM Investments**

and **Charles E. Hewett** will also sell 27.8% of the Class B interests in the line to Ullico.

The stable, long-term cash flows of the asset make it attractive to institutional investors, notes a deal watcher. **Northwestern Mutual Life Insurance Co.** agreed to buy **Starwood Energy's** 25% stake in the Class C interests in Neptune (PFR, 5/13). **CalPERS** owns the remaining 75% of the Class C interests in the line. The **Long Island Power Authority** buys all of the capacity through 2027 on the 65-mile, 660 MW high

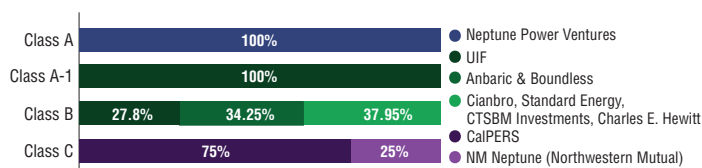
voltage line that runs from Sayreville, N.J., to Long Island, N.Y.

Anbaric and **Boundless** own 34.25% of the Class B interests in Neptune. Neptune Power Ventures, a subsidiary of **PowerBridge**, will remain the sole owner of the Class A interests in the line.

Ullico recently teamed up with **Enduring Hydro** to purchase a 19 MW portfolio of hydro assets

from **Burrows Paper Corp.** (PFR, 8/20). UIF also has a 17.85% stake in **First Wind's** 69 MW Kawaiiloa wind farm in Hawaii, according to the FERC filing. A spokesman for Ullico in Washington D.C., did not respond to a call by press time and a PowerBridge official in Fairfield, Conn., declined to comment. Details, such as the purchase price of the stakes, could not be learned. ■

Neptune Ownership Breakdown Post Sale



Source: U.S. Federal Energy Regulatory Commission

● MERGERS & ACQUISITIONS

Sempra Circles Sale Of Mesquite CCGT Stake

Sempra U.S. Gas & Power is on track to sell its stake in the 1,250 MW Mesquite combined cycle facility in Arizona by year-end, according to executives on its third quarter earnings call today.

The purchase price is greater than the \$300 million book value of the plant, **Debra Reed**,

ceo of Sempra, said during the call. **Salt River Project** purchased half of the facility for \$375 million (PFR, 11/7/12). Reed had indicated at the time of that sale that another buyer was lined up to purchase a 250 MW portion of Mesquite.

The identity of the purchaser and whether Sempra used an advisor for the latest sale, could not be learned by press time. A spokesperson for Sempra U.S. Gas & Power did not respond to an inquiry by press time. ■

● PROJECT FINANCE

Goldman Floats Panda B Loan

Panda Power Funds has tapped **Goldman Sachs** to arrange a \$546 million term loan B package backing its 750 MW Stonewall combined cycle project in Leesburg, Va. Commitments are due on the seven-year deal Nov. 10. The first lien, senior secured package includes a \$150 million delayed draw term loan, a \$325 million B loan and letters of credit. Price talk on the \$325 million portion is 600 basis points over LIBOR, with a 1% LIBOR floor and an original issue discount of 99. **Standard & Poor's** has assigned a preliminary BB- rating.

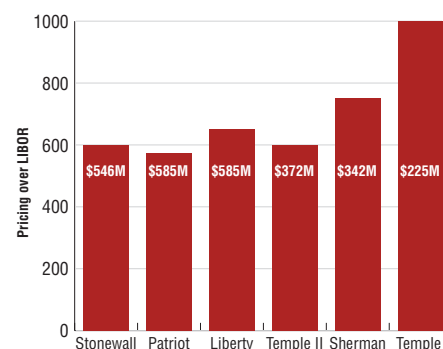
Panda had been mulling financing options for the Stonewall and took pitches from prospective lenders (PFR, 10/10).

"There's a pretty hearty market for this right

now. There's definitely an appetite for this [asset] with all of the coal retirements and the plant's location in PJM," notes a deal watcher of B loan paper for power assets. The Dallas-based sponsor could choose to upsize the deal or tighten pricing on investor demand, he adds, pointing to Panda's reverse flex of pricing on its \$585 million B loan deal backing its 800 MW Moxie Patriot project in Lycoming County, Pa. (PFR, 12/18).

Roughly 350 MW of Stonewall will have a hedge for the first four years of operation. The project is slated to go online in 2017. A spokesman for Panda did not respond to inquiries. The identity of the hedging counterparty could not be learned. ■

Panda B Loans



Source: Power Finance & Risk

PPA Pulse

The PPA Pulse is a guide to which sponsors and projects have recently garnered power purchase agreements in the Americas. To report updates or additional information please contact Data Associate Stuart Wise at stuart.wise@powerfinancerisk.com.

Wind

■ The U.S. **General Services Administration** has inked a 20-year PPA with **MG2 Tribal Energy** to buy 140 MW from its Walnut Ridge wind farm in Bureau, Ill. MG2 Tribal Energy is a joint venture between the **Mesa Grande Band of Mission Indians** and developer **Geronimo Energy**.

■ **BMR Energy** has signed a 20-year PPA with **Jamaica Public Service Co.** for a proposed 36 MW wind project in St. Elizabeth Parish, Jamaica, which is expected to go online in late 2015.

■ **Yahoo** has signed a long-term PPA with **OwnEnergy** for an undisclosed wind project to offset the company's energy usage in the Great Plains.

■ Lovington, N.M.-based **Lea County Electric Cooperative** has signed a fixed-price, 20-year PPA with **BayWa Renewable Energy** for a 15 MW wind facility in New Mexico.

■ **Hydro-Quebec Distribution** has signed a 20-year PPA with **EDF EN Canada** for its 24.6 MW La Mitis wind project, which came online last month, in Lac-à-la-Croix, Quebec.

Solar

■ **Xcel Energy** is seeking approval from the **Minnesota Public Utilities Commission** for a trio of 25-year solar PPAs. The projects, which are all slated to be online in time to qualify for the investment credit, include:

- the 100 MW North Star project near North Branch, Minn., developed by **Community Energy Resources**;
- the 62 MW Marshall project near Marshall, Minn., developed by **NextEra Energy Resources**; and
- the 25 MW MN Solar I project near Tracy, Minn., developed by **juwi solar**.

■ **Sonoma Clean Power** has signed a 20-year PPA with **Recurrent Energy** for 30 MW of solar that Recurrent is developing in Sonoma County, Calif.

■ **Georgia Power** has signed PPAs for 515 MW from 10 proposed solar facilities, slated to be online by 2016 in the state, including:

- a 30-year PPA with the 100 MW Butler project in Butler;

- a 30-year PPA with the 30 MW LS-Pawpaw project in Butler;

- a 25-year PPA with the 79.92 MW Decatur Parkway project in Bainbridge;

- a 30-year PPA with the 101.25 MW White Pine project in Butler;

- a 30-year PPA with the 76.5 MW White Oak project in Waynesboro;

- a 30-year PPA with the 51 MW Live Oak project in Metter;

- a 20-year PPA with 18.9 MW Decatur County project in Bainbridge;

- a 20-year PPA with the 20 MW Hecate Energy Old Midville Road project in Millen;

- a 20-year PPA with the 17.68 MW Solar Glynn project in Brunswick; and

- a 20-year PPA with the 20 MW Butler project in Butler.

■ The **National Aquarium of Baltimore** has signed a 25-year PPA with **Constellation Energy Group** for a 4.3 MW solar installation in Cambridge, Md. The project will meet about 40% of the aquarium's demand and is being developed with **OneEnergy Renewables**.

■ **Duke Energy Progress** has signed a PPA with **Ecoplexus** for three solar projects in North Carolina totaling 21 MW including:

- the 7 MW Langley OV1 in Elm City;
- the 7 MW Carter PVI in Fayetteville; and
- the 7 MW Pecan PVI in Cordova, N.C.

■ **Enel Green Power** has signed contracts to sell the output of its 19 MW Lalackama II solar project in the Antofagasta region of Chile to private customers. The project is an expansion of the existing 60 MW Lalackama project and is under construction.

■ State-backed **Administración Nacional de Usinas Trasmisiones Eléctricas** in Uruguay has signed a PPA with Spanish company **Solaria Energía y Medio Ambiente** for its 10 MW Yarnel and 10 MW Natelu solar projects, under construction in the Rio Negro and Soriano regions of Uruguay.

Geothermal

■ Santa Rosa, Calif.-based startup **Sonoma Clean Power** has signed a 10-year PPA with **Calpine** for a portion of the output from the Geysers geothermal facilities in Sonoma

County, Calif. SCP will buy up to 50 MW from Geysers in 2018.

Coal

■ **American Electric Power** unit **AEP Ohio** has requested approval from the **Public Utilities Commission of Ohio** to expand a PPA by an additional 2,700 MW of capacity from its share of nine coal-fired units in the state including:

- the 590 MW unit 1 at the Cardinal plant in Jefferson County;
- the 780 MW Unit 4, 405 MW Unit 5 and 405 MW Unit 6 of the Conesville plant in Coshocton County; and
- units 1-4 at the 2,340 MW Stuart plant in Brown County; and
- Zimmer Unit 1 in Clermont County.

Biomass

■ The U.S. **Defense Logistics Agency** has signed a 20-year PPA with **ReEnergy Black River** for a 60 MW biomass project that will supply Fort Drum in Jefferson County, N.Y. ReEnergy says it is the largest renewable energy project in the history of the U.S. **Army**.

Hydro

■ **BC Hydro** has signed a 60-year PPA with **AltaGas** for its 195 MW Forrest Kerr run-of-river hydro project in Vancouver, B.C.

Other

■ Roseville, Calif.-based **Roseville Electric** has signed a 10-year PPA with **Iberdrola Renewables** for output from three undisclosed renewable energy projects.

■ **CPS Energy** has signed a PPA for 200 MW from **Summit Power Group's** carbon capture and sequestration Clean Energy Project, west of Odessa, Texas, that is slated for commercial operation by 2019.

■ **Pacific Gas & Electric** has signed a PPA with **Sunshine Gas Producers** for the output from the 20 MW Sunshine Canyon landfill-gas facility in Sylmar, Calif. Sunshine is a joint venture between Ann Arbor, Mich.-based DTE Biomass Energy and **EIF Renewable Energy Holdings**.

Q&A: JARED DONALD, CONERGY AMERICAS ●

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ples of late. What we're most focused on and what we're most excited about with this, is that it shows where Conergy is today in our financial capability and our bankability. We haven't used this facility yet in detail in North America but we're really excited to do so because again it really provides the comfort and financial security that our partners are looking for in project executions.

PFR: Given all of the activity that we've seen from Conergy, what will be the focus in the next 12-18 months? Are there any specific projects or initiatives that come to mind? Developments or financings?

Donald: With the distribution transactions, our North America core business is really development, financing, EPC and O&M. We have a much stronger focus on those specific activities and especially those activities as they relate to partnering with local developers regionally across North America. As one of the world's largest downstream players, with this bank guarantee that's now in place, we're really looking to leverage all of these tools to execute and support more partners in developing projects, financings, EPC and O&M across North America in the next 12-18 months.

PFR: We've really seen the solar industry change and evolve over the last couple of years in the U.S. What do you think is the next step for the industry, or what needs to happen in order for it to continue evolving, in your opinion?

Donald: Speaking specifically about the U.S., it has a very different market dynamic than other countries, but it has some of the key themes we see elsewhere. Cost decreases on solar, increases in electricity rates and tighter environmental standards. We see really strong, long-term growth in the U.S. Our focus is going to continue be on partnering with these regional developers. We really feel that our global experience and bankability and readily available

development capital provides the support that these partners need to successfully bring these projects forward.

We see this approach growing in importance in the space as market forces continue to evolve and the key development markets move and shift. When we look forward to some of these policy changes around investment tax credit updates, the U.S. Environmental Protection Agency 111B rule, price volatility of natural gas and some of the fracking concerns that we're seeing, we really feel that having this approach in supporting these partners in all of these markets throughout the U.S. is going to bring us success in the coming years and provide the increased reactivity that we need and the support these partners will need in the coming years.

PFR: How is the company finding the financing markets in the U.S., and then in Canada? How open are they and want kind of responses are you finding from lenders?

Donald: There is a growing recognition and understanding of solar. It seems silly because the technology has been with us for so long. But the lenders are getting more and more comfortable on the debt side. There's more willingness and better understanding of the risk profiles that makes it easier to get transactions done.

We're also seeing a compression of excess equity returns over debt rates, as equity investors get a better understanding of what the risk profile is as well. This is leading to lower project returns, which is leading to lower kilowatt-hour prices because the financing costs are decreasing. With the advent of master limited partnerships, yield companies, some of these securitizations that we've seen, we expect that the financing will continue to sophisticate itself in North America which will help with the overall cost decrease.

Check www.powerfinancerisk.com for the first installment of this Q&A, when Donald discusses the company's targets in acquisitions. ■

● ALTERNATING CURRENT

Beyond Biomass: Shop Taps Solar Trees



Trees are givers of shade, fruit, allergies, cleaner air, occasional roadblocks and roof damage, depending on the weather. This particular type of flora provides paper, furniture and shelter and now they can now they can keep our electronic devices ticking too. **Sologic**, a company based in Israel, has taken a cue from our arboreal friends to develop a tree-like structure made up of solar panels.

The e-Tree, designed by artist **Yoav Ben-Dov**, is comprised of a metal trunk and branches which support a canopy of seven, 15 square foot solar panels mounted in protective glass. The e-Tree can produce up to 1.4 kW per hour, and roughly 7 kW of power generation per day, according to Israeli news website Ynet.

The e-Tree installation includes USB charging outlets for smartphones and tablets, free Wi-Fi, a drinking water fountain, a water trough for pets, nighttime lighting and informational LCD screens. The large panels also provide shade to a sitting area.

The first e-Tree was recently unveiled in Ramat Hanadiv Gardens in northern Israel. Sologic says the tree is safe and accessible and could be installed in school playgrounds, parks and hiking trails. The company plans to install the next e-Trees in cities in China and France. ■

● ONE YEAR AGO



The \$990 million financing of the 614 MW Oakley gas-fired project in Calif. was put on hold while co-developers **Radback Energy** and **Wellhead Electric** awaited a court ruling on the merits of a petition challenging the facility's power purchase agreement with **Pacific Gas & Electric**. [A California court later annulled a decision to allow Pacific Gas & Electric to acquire the project (PFR 2/7).]

● QUOTE OF THE WEEK

“There's more willingness and better understanding of the risk profiles that makes it easier to get transactions done.”

Jared Donald, president of **Conergy Americas**, on what kind of solar acquisitions the company wants to make in Canada (see Q&A, page 1).