

# Power Finance & Risk

The weekly issue from **Power Intelligence**

[www.powerintelligence.com](http://www.powerintelligence.com)

## Blackstone Swoops For UBS Troika



Jim Schaefer

**Jim Schaefer**, global head of power and renewable at UBS, and two managing directors have left the firm for **Blackstone Group**.

Schaefer, **Dayan Abeyaratne** and **Keith Lord** left Tuesday to join an investment banking and advisory platform at Blackstone. The trio has strong relationships with utility,

power and energy clients so the jump to a Blackstone investment banking role is likely to make the firm a contender for advisory roles, bankers say. Schaefer and Lord are widely known to have deep corporate relationships, says the head of another power and utility investment banking team.

Schaefer is said to be taking on a similar global head role at Blackstone that will include energy, power and renewable, says one observer.

UBS has lost a number of senior staffers recently. **Greg Hazelton** took a job as v.p. of finance, treasurer and controller at **Hawaiian Electric Industries** and **Paul McNutt** joined **Royal Bank of Canada** (PI, [7/30](#) & [10/21](#)). **Russ Robertson**, managing director, is now the most senior power and utilities banker on the UBS team. There is talk the power team may be rolled into the larger energy team for the time being to stabilize operations, says one observer. "We remain committed to the sector," says a UBS spokeswoman, who declined to comment on who is running the team in the interim.

*(continued on page 8)*

## THE BUZZ

### Blackstone Looks To Make I-Banking Splash

The major move of the week was on the banking front, with M&A heavyweight **Jim Schaefer** exiting **UBS** to hang his hat at **Blackstone Group**. Observers see the arrival of Schaefer and his colleagues as a signal the Street giant is going to make a leap from being known primarily as a private equity and debt investor in power to the investment banking big leagues.

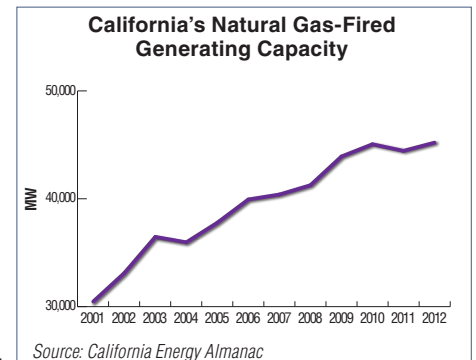
The new hires have deep utility contacts and debt financing expertise (see story, above). Until now, Blackstone's advisory mandates have been sporadic—and generally stem from relationships made through other parts of the business—and activity on B loans thin. On the deal front, solar had a breakthrough, with **SolarCity** launching

*(continued on page 2)*

## Oakley Financing Put On Hold Over Legal Challenge

The \$990 million financing of the 614 MW Oakley gas-fired project has been temporarily put on hold as co-developers **Radback Energy** and **Wellhead Electric** await a court ruling on the merits of a petition challenging the facility's power purchase agreement.

A California appellate court last week granted a review to a challenge posed by The Utility Reform Network—the group leading the challenge to Oakley—



*(continued on page 8)*

## At Press Time: ArcLight Trades Woodbridge Slice To Hancock

**ArcLight Capital Partners** is selling a portion of its stake in the Woodbridge project to **John Hancock Life Insurance Co.**

*See story, page 2*

## New Project Finance Loans

We've added updates to our weekly round-up of the latest project finance deals in the Americas, with details on projects, sponsors and debt.

*See Deal Book, page 4*

## Generation Sale DATABASE

Get the rundown on the latest asset trades in *PI's* weekly calendar, compiled from our exclusive Generation Sale Database.

*See calendar, page 3*

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## THE BUZZ

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the maiden securitization backed by residential and commercial solar installations (see story, page 7). This move for the asset class has been many years in the making and opens up a new source of capital for developers.

In other solar news, **Recurrent Energy** is said to be looking for financing backing a series of developments in California (see story, page 6). Financiers of solar projects are seeing this type of financing tactic becoming more prevalent, with developers pooling together a series of developments in order to open up the commercial bank market and a lower cost of capital. **Canadian Solar** also landed a C\$104 million (\$100 million) non-recourse construction financing backing three solar photovoltaic facilities in Ontario totaling 30 MW this week (see story, page 5).

## AT PRESS TIME

## Hancock Goes For Slice Of ArcLight's Woodbridge Stake

**John Hancock Life Insurance Co.** is taking a stake in **Competitive Power Ventures'** 725 MW Woodbridge combined cycle project from **ArcLight Capital Partners**.

John Hancock is buying 11.22% of ArcLight's 50% ownership of the project that is being built in New Jersey, according to a filing with the U.S. **Federal Energy Regulatory Commission**.

The deal will reconfigure the plant's ownership to a point where no one entity will own half of the project. ArcLight will still be largest shareholder with 38.78%. **Toyota Tsusho Corp.** will maintain its 31.25% stake and CPV will keep its 18.75% stake. John Hancock is set to own 11.22%. The deal is pegged to close by year-end.

CPV sold more than 80% of Woodbridge, formerly known as Shore, to ArcLight and Toyota Tsusho Corp. earlier this year ([PI, 6/3](#)). The co-owners have stakes in the project's holding company called **CPV Shore Holdings, LLC**.

The project is being financed with a \$585 million debt package arranged by **GE Energy Financial Services** ([PI, 9/23](#)).

A John Hancock spokesman could not immediately comment while an ArcLight spokeswoman didn't respond to an inquiry.

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## GENERATION AUCTION &amp; 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](http://www.powerintelligence.com/AuctionSalesData.html)

Seller	Assets	Location	Advisor	Status/Comment
Advanced Power Systems	Cricket Valley (1 GW CCGT)	Dutchess County, N.Y.	TBA	Looking for equity (PI, 7/15).
ArcLight Capital Partners	Juniper Generation (Cogen portfolio)	Various, California	McManus & Miles	First round bids due July 11 for Juniper and SEGS assets (PI, 6/17).
	50% Stake (SEGS VIII 80 MW Solar Thermal)	Harper Lake, Calif.	McManus & Miles	
	50% Stake (SEGS IX 80 MW Solar Thermal)	Harper Lake, Calif.	McManus & Miles	
▶ ArcLight Capital Partners	Black Bear Hydro Partners (44.5 MW)	Maine	Barclays	Brookfield is buying it (see story, page 6).
	Woodbridge (Stake, 725 MW Gas)	Woodbridge, N.J.	None	John Hancock is taking about 11% of ArcLight's stake (see story, page 2).
BP Wind Energy	Various (3.7 GW Wind)	Various	TBA	Relaunched the sale of its development assets (PI, 10/7).
Corona Power	Stake (Sunbury, 900 MW Repowering)	Shamokin Dam, Pa.	Perella Weinberg	An equity investor to precede financing of the coal-to-gas-fired project (PI, 6/24).
Direct Energy	Portfolio (1.3 GW Gas)	Texas	Barclays	Portfolio went on the market recently (PI, 10/14).
Edison Mission Energy	Various (7.5 GW Coal, Wind, Gas)	Various	JPMorgan, Perella Weinberg	NRG has emerged as stalking horse (PI, 10/28).
Energy Capital Partners	Empire Generating (635 MW Gas)	New York	Deutsche Bank	Teasers went out recently (PI, 6/10).
Entegra Power Group	Union Power Station (2.2 GW Gas)	El Dorado, Ark.	Bank of America	Tucson Electric Power wants a stake in Gila (PI, 10/7).
	Stake (50% 2.2 GW Gila River Gas)	Gila Bend Ariz.		
▶ Exelon	Malacha (15 MW Stake, Hydro)	California	None	Brookfield is buying it (see story, page 6).
FGE Power	FGE Texas (726 MW CCGT)	Westbrook, Texas	Houlihan Lokey	Equity offers to come in by Labor Day; finalizing final permits (PI, 7/8).
GE Energy Financial Services	Stake (800 MW Gas))	Riverside, Calif.	GE EFS	Details emerge on investors behind Voltage Finance (PI, 10/14).
▶	Linden (Stake, 942 MW Cogen)	Linden, N.J.	TBA	Highstar is buying half of the facility (see story, page 6).
Global Infrastructure Partners	Channelview (856 MW Cogen)	Channelview, Texas	Credit Suisse	First round bids are in (PI, 8/26).
Green Energy Partners	Stake (750 MW Gas Project)	Loudoun County, Va.	TBA	Panda Power Funds has bought a majority stake (PI, 9/30).
Hess Corp.	Stake (512 MW Gas)	Bayonne, N.J.	Goldman Sachs	Sale is said to be launching (PI, 9/9).
	Stake (655 MW Gas)	Newark, N.J.		
K Road Power	Various (Solar Development Pipeline)	Various	TBA	Looking to wind down the solar development (PI, 10/21).
LS Power	Columbia (20 MW Solar)	Pittsburg, Calif.	Marathon Capital	Process is in the second round of due diligence (PI, 7/1).
	Doswell (708 MW CCGT)	Ashland, Va.	Citigroup, Credit Suisse and Morgan Stanley	Process has slowed and LS is tipped to be mulling a B loan (PI, 11/4).
Longview Power	Longview (695 MW Supercritical Coal)	Maidensville, W.Va.	Lazard	Filed for Ch. 11 in Delaware (PI, 9/9).
Mexico Power Group	Stakes (250 MW Wind)	Various, Mexico	Marathon Capital	The shop is looking for late stage equity in the run up to construction financing (PI, 6/24).
NextEra Energy Resources	Wyman (796 MW Oil)	Maine	Marathon Capital	Indicative bids due by end of June (PI, 6/17).
	Wyoming Wind (144 MW Wind)	Uinta County, Wyo.	None	TransAlta Renewables is buying it (PI, 10/28).
Ontario Teachers Pension Plan Board	Stake (Northern Star Generation)	Various	Citigroup	OTTPB has tapped Citi to sell its 50% stake (PI, 9/30).
▶ RES Americas	Longhorn (200 MW Wind)	Floyd County, Texas	TBA	EDF Renewables is buying the project (see story, page 6).
Sempra Energy	Energias Sierra Juarez (156 MW Wind)	La Rumorosa, Mexico	TBA	Will start a process to find a JV partner replacing BP Wind (PI, 7/8).
Southern Power	Oleander (800 MW Peaker)	Cocoa, Fla.	TBA	In the second round with potential buyers (PI, 10/14).
Southwest Generation	Valencia (145 MW Gas)	Belen, N.M.	None	PNM Resources is considering buying up to 50% of the plant (PI, 10/7).
Tenaska	Stake (Imperial Solar Energy Center South 130 MW Solar)	El Centro, Calif.	Royal Bank of Canada	Prudential is taking a minority stake (PI, 11/4).
Tenaska Capital Management	Wolf Hills (250 MW Gas)	Bristol, Va.	Bank of America, Barclays	Teasers have gone out recently (PI, 9/30).
	Big Sandy (300 MW Gas)	Wayne County, W. Va.		
	High Desert (830 MW Gas)	Victorville, Calif.		
Wayzata Investment Partnes	Castleton (72 MW Cogen)	New York	Scotiabank	Teasers are out (PI, 8/19).

## ▶ 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 Senior Reporter **Holly Fletcher** at (212) 224-3293 or e-mail [hffletcher@iintelligence.com](mailto:hffletcher@iintelligence.com).

## PROJECT FINANCE DEAL BOOK

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
AME/Austalis Power	Octopus LNG (LNG Re-gas)	Concepcion Bay, Chile	BNP, Credit Ag	TBA	TBA	TBA	The developers are set to mandate the French banks this week to lead the deal (PI, 9/30).
Cameron LNG	LNG Export Facility	Hackberry, La.	TBA	TBA	~\$4B	TBA	Sponsor sells three equity stakes to offtakers (PI, 5/27).
▶ Canadian Solar	Various (30MW Solar)	Ontario, Canada	Deutsche Bank	Construction	\$100M	C	Sponsor wraps a deal with Deutsche Bank (see story, page 5).
Cape Wind Associates	Cape Wind (420 MW Wind)	Nantucket Sound, Mass.	BTMU	TBA	TBA	TBA	The sponsor was able to secure a tightly priced mezzanine tranche from PensionDanmark (PI, 7/15).
Cheniere Energy	Sabine Pass Trains 3 & 4 (Trains)	Sabine Pass, La.	TBA	TBA	\$4.4B	TBA	Sponsor ups the original bank loan to \$4.4 billion and taps Korean entities for a further \$1.5 billion (PI, 6/3).
Corona Power	Sunbury Generation Facility (900 MW Gas)	Shamokin Dam, Pa.	TBA	Term Loan A & B	TBA	TBA	The financing will be dictated by the equity investor the company is looking to secure (PI, 6/24).
Duke Energy	Los Vientos III & IV (Wind)	Starr County, Texas	TBA	TBA	~\$600M	TBA	The sponsor is slated to look for bank debt (PI, 10/7).
EDP Renewables North America	Headwaters (200 MW Wind)	Randolph County, Ind	TBA	Tax Equity	\$350-400	TBA	The sponsor is looking to secure both equity and tax equity investment (PI, 6/24).
EmberClear Corp.	Good Spring (300 MW Gas)	Schuylkill County, Pa.	CCA Capital	TBA	\$400M	TBA	Sponsor taps Boston-based CCA Capital to manage both the debt and equity sale (PI, 12/24).
First Wind	Oakfield (147 MW Wind)	Aroostook County, Maine	TBA	TBA	\$300M	TBA	The sponsor is looking to line up the debt, with tax equity (PI, 10/21).
	Route 66 (200 MW Wind)	Amarillo, Texas	TBA	TBA	TBA	TBA	The sponsor will likely follow its traditional route of securing debt and tax equity (PI, 10/28).
Freeport LNG	Freeport (LNG Export Terminal)	Freeport, Texas	Credit Suisse	TBA	~\$4B	TBA	The deal is slated to launch in mid-November (PI, 10/21).
GDF Suez/Marubeni	GNL del Plata (LNG Re-gas)	Montevideo, Uruguay	BBVA	TBA	TBA	TBA	GDF brings in Marubeni and taps BBVA to lead the financing (PI, 8/12).
ICE	Reventazón (305.5 MW Hydro)	Limon Province, Costa Rica	TBA	TBA	TBA	TBA	Sponsor is eyeing a private placement alongside an IDB loan (PI, 8/19).
Innergex	Three projects (153 MW Hydro)	B.C., Canada	TBA	TBA	\$590M	40-yr	Innergex wrapped on one of its hydro facilities, the 17.5 MW Northwest State River (PI, 6/3).
Invenergy	Nelson (584 MW Gas)	Rock Falls, Ill.	GE EFS	TBA	TBA	TBA	Sponsor is looking for a bank loan backing the merchant facility (PI, 9/2).
ISA	Cardones to Polpaico Transmission	Chile	BBVA	TBA	TBA	TBA	The sponsor has tapped BBVA as advisor for the facility (PI, 8/19).
Lake Charles Exports	Lake Charles LNG Export Facility	Lake Charles, La.	TBA	TBA	TBA	TBA	Sponsor begins preliminary financing search for the potentially \$11B project (PI, 8/26).
Moxie Energy	Patriot (800 MW Gas)	Lycoming County, Pa.	TBA	TBA	TBA	TBA	Timeline emerges on Moxie's next gas-fired facility (PI, 10/28).
Potentia Solar	Distributed Solar	Ontario, Canada	Brookfield	TBA	~\$200M	TBA	The sponsor is looking to up-lever its rooftop activity in Ontario (PI, 8/5).
▶ Radback Energy	Oakley (586 MW Gas)	Contra Costa County, Calif.	BTMU	Term	\$990M	4-yr	Deal is temporarily put on hold following an appellate court decision (see story, page 1).
▶ Recurrent Energy	Portfolio (Solar)	California	TBA	TBA	~\$350M	TBA	Sponsor is looking for financing for a series of developments in California (see story, page 6).
Sempra U.S. Gas & Power	Copper Mountain III (250 MW Solar)	Boulder City, Nev.	BTMU, SMBC	TBA	~\$400M	TBA	The sponsor has tapped BTMU and SMBC as leads on the deal (PI, 10/21).
SolarReserve	Rice (150 MW Solar Thermal)	Blythe, Calif.	Morgan Stanley	TBA	\$450M	TBA	Sponsor taps Morgan Stanley to secure debt, tax equity and equity (PI, 8/26).
Tenaska	Imperial Solar Energy Center West (150 MW CPV)	Imperial County, Calif.	TBA	TBA	TBA	TBA	The company has started talking to banks as it looks to line up debt for the facility (PI, 9/23).
True Green Capital	Northeast Solar Portfolio (39 MW Solar)	Northeast U.S.	Investec	Construction/Term/Bridge	\$64M	TBA	Sponsor mandates Investec to arrange a construction/term loan, bridge loan and LC (PI, 9/2).
▶ Vengano S.A. and Fingano S.A.	Carapé I and Carapé II (90 MW Wind)	Maldonado, Uruguay	IDB	TBA	\$132.6M	TBA	The IDB commits to a loan, giving the project a 60:40 debt to equity ratio (see story, page 5).

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**PROJECT FINANCE**

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## Canadian Solar Lands Deutsche Bank Debt

Canadian Solar has landed a C\$104 million (\$100 million) non-recourse construction financing backing three solar photovoltaic facilities in Ontario totaling 30 MW. **Deutsche Bank** is the sole lender and lead on the deal.

This is the second construction loan package Canadian Solar has signed with Deutsche Bank. The Guelph, Ontario-based shop is a turnkey developer, which typically repays loans with the proceeds of the sale of the financed projects.

The company sold two projects totaling 16 MW to **TransCanada**, the first pair in a nine-asset, C\$470 million (\$454 million) agreement the companies made in June. Earlier in October, investment giant **BlackRock** also purchased 20 MW of facilities

near Demorestville and Odessa, Ontario, from Canadian Solar.

**Canadian Solar Solutions**, a subsidiary of Canadian Solar, is also constructing **Samsung Renewable Energy's** 100 MW Grand solar project in Haldimand County, Ontario, which was financed recently ([PI, 10/31](#)).

The projects are expected to be built and connected to the grid through 2014. All of the projects have a 20-year power purchase agreement with the **Ontario Power Authority** pursuant to Ontario's feed-in-tariff program.

Inquiries made with Canadian Solar officials were not returned by press time. Deutsche Bank officials were not immediately available for comment.

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## IDB To Fund Uruguay Wind

The **Inter-American Development Bank** will provide up to \$132.6 million in debt backing Uruguayan developers' **Vengano S.A.** and **Fingano S.A.**'s Carapé I and Carapé II wind projects in the Maldonado region, Uruguay.

The IDB is providing \$88.4 million in addition to \$44.2 million from the **China Co-financing Fund for Latin America and the Caribbean**, which is a fund set up by the Chinese government to co-finance IDB projects in the region. The estimated project cost is \$221 million, according to IDB documents, which represents a 60:40 debt-to-equity ratio. Details such as pricing and tenor could not be learned by press time.

The 50 MW Carapé I and 40 MW Carapé II projects will use 31 **Vestas** turbines and sell power to Uruguayan state utility **UTE** under a 20-year power purchase agreement. The project also includes the construction of a 150-kV transmission line of 24.6 miles (39.6 kilometers), substations, access roads, and other infrastructure needed to transmit power to the grid operated by UTE.

Vengano and Fingano are jointly-owned subsidiaries of Argentinean developer **Corporación America S.A.** and Spanish construction company **Constructora San José S.A.**

Calls placed to **Gian Franco Carassale**, the project team leader at the IDB, were not returned by press time.

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## Pemex Awards Pipeline Contract To Sempra, GDF

Pemex has split the Los Ramones II pipeline project and awarded mandates to Sempra and **GDF Suez** joint ventures. The awards come after the Mexican state-backed entity voided the initial tender in October.

In the original tender, Sempra subsidiary **IEnova** declined to submit a bid, while a consortium featuring Spain's **Enagás** and France's GDF submitted a bid that Pemex declared economically and technically invalid. Financing options were part of the proposals.

As a result, Pemex split Los Ramones II into two segments. The two new phases of the pipeline will be the 274-mile Los Ramones Norte and the 178-mile Los Ramones Sur. The Norte section will be developed by Pemex and IEnova, while the Sur section will be developed by Pemex and GDF. **BNP Paribas** is advising GDF on the project ([PI, 7/12](#)).

Los Ramones Norte will cost \$1.052 billion to develop. **Debra Reed**, ceo of Sempra, said that she expects the San Diego-based company's Mexican subsidiary to own 25% of the pipeline during a recent quarterly earnings call. Los Ramones Sur will cost \$795

million. The lines are slated to be operational in 2015.

Pemex is slated to release details about how it expects to finance the 1.43 billion cubic feet per day pipeline, note observers. How the company will finance the project could not be learned by press time, but the size of the respective deals has piqued financier interest, notes an observer. Norte will run from Los Ramones, Nuevo Leon to San Luis Potosi, while Sur will run from the states of San Luis Potosi to Guanajuato.

"This decision was made based on the analysis of various alternatives to ensure compliance in the implementation of this important and great work of infrastructure and promoting competitiveness in the sector," Pemex officials said in a statement. Pemex representatives were unavailable for comment, while bank and company officials could not be immediately reached.

Exports of natural gas from the U.S. to Mexico have doubled in the past three years. Over the same period, natural gas production in Mexico has declined 11%. Natural gas exports from the U.S. into Mexico are expected to triple by 2015.



## Recurrent Looks For Portfolio Financing

**Recurrent Energy** has approached banks about securing more than \$350 million backing a portfolio utility scale solar projects in California. The request for proposals has asked banks to offer terms and conditions for the deal, such as pricing and tenor.

Recurrent tends to pool together a few utility scale projects for financing, notes an observer. The San Francisco-based company most recently wrapped a \$130 million financing backing 40 MW of solar photovoltaic projects in Northern California ([PI, 8/31/2011](#)). **Bank of Tokyo-Mitsubishi UFJ**, **Lloyds TSB**, **Mizuho Corporate Bank** and **UniCredit** participated in the club deal, which had a tenor of construction plus 18 years and pricing starting at between 200 and 225 basis points over LIBOR. Another relationship lender to the **Sharp Corp.** affiliate is **CIBC** ([PI, 6/13/2011](#)).

This deal is also indicative of a wider trend, note observers, where developers are pooling together smaller assets to secure larger amounts of debt for financing. "We aren't seeing those big 500 MW-plus projects anymore, so developers are pooling together a number of smaller utility scale facilities in order to involve the banks," says a deal watcher, saying that banks typically tend to look at large deals only. This also allows sponsors to drive down pricing, he adds.

The Recurrent portfolio has power purchase agreements with **Pacific Gas & Electric**, **Southern California Edison** and the **Southern California Public Power Authority**, says a deal watcher. Further details could not be learned by press time.

**Arno Harris**, Recurrent ceo in San Francisco, couldn't be reached for comment. Bank officials declined to comment or didn't return calls.

## MERGERS & ACQUISITIONS

### EDF Renewable Lands 2nd Texas Merchant Wind Project

**EDF Renewable Energy** has agreed to buy a merchant, 200 MW wind project in Texas from **RES Americas**.

EDF Renewable Energy has lined up a long-term, fixed-price hedge for Longhorn. The Longhorn project in Floyd and Briscoe Counties is expected to start by year-end to qualify for the production tax credit under the U.S. **Internal Revenue Service** construction framework.

Details on the counterparty could not be immediately learned.

The deal marks the second time in recent months that EDF Renewable Energy has bought a merchant project that EDF has bought in the state. It bought the Hereford project from **Lincoln Renewable Energy** and arranged a 10-year hedge with **Morgan Stanley** that has a price in the mid-\$30s per MWh ([PI, 7/25](#)).

A spokeswoman for EDF Renewable Energy in San Diego, Calif., did not respond to an inquiry.

### GE EFS, Highstar Launch Linden B Loan

**GE Energy Financial Services** and **Highstar Capital** today launched a \$925 million B loan package refinancing the 942 MW Linden cogeneration facility in New Jersey.

The **EFS Cogen Holdings I, LLC** package includes a seven-year \$825 million senior secured B loan and a five-year \$100 million revolving credit facility. The loan was launched at price talk of LIBOR plus 325-350 basis points, an original issue discount of 99-99.5 and a 1% LIBOR floor. There is a 101 soft call for the first year.

The refinancing is in tandem with Highstar buying a 50% stake in the facility from GE EFS, says a deal watcher. Linden has a power purchase agreement through April, 30, 2017, with **Consolidated Edison Company of New York** for 645 MW, according to a filing with the U.S. **Federal Energy Regulatory Commission**. The

remainder is merchant.

**Barclays**, lead left, and **Citigroup** are arranging the deal. Commitments are due Nov. 18. The package is expected to be rated Ba1 by **Moody's Investors Service** and BB+ by **Standard & Poor's**.

Bank spokesmen declined to comment as did a GE EFS spokesman. A Highstar spokesman was not immediately available to respond to an inquiry.

### Brookfield Inks Hydro Deals With ArcLight, Exelon

**Brookfield Renewable Energy Partners** has agreed to buy 85 MW of hydro facilities in Maine and California in a pair of deals with **ArcLight Capital Partners** and Exelon.

Brookfield will pick up nine hydro facilities totaling 70 MW in Maine from ArcLight, including **Black Bear Hydro Partners** subsidiary in Maine that owns five hydro facilities. The assets are 60% merchant while the rest is sold under power purchase agreements with local utilities until 2024 and 2028.

The shop is also buying out the remaining 50% stake in the 30 MW Malacha hydro facility in Nubieber, Calif., that it owns alongside **Constellation Energy**, a subsidiary of Exelon. Brookfield first bought into Malacha in 2010 ([PI, 10/29/10](#)). Malacha has a power purchase agreement with **Pacific Gas & Electric** until 2028.

Brookfield will use capital from its institutional partners in a recently raised co-investment fund for the acquisition funding. Brookfield Renewable Energy Partners typically owns 40-50% of the assets under the co-investment strategy. Brookfield expects to arrange non-recourse debt later.

Both acquisitions are expected to close by year end. **Barclays** is advising ArcLight on the sale ([PI, 10/28](#)).

The purchase prices could not be immediately learned. Spokesmen for Brookfield and Exelon declined to comment while an ArcLight spokeswoman was not available for comment.

## STRATEGIES

## SolarCity, CS Work To Educate Investors On Debut ABS

SolarCity is premarketing the industry's debut solar securitization—a private placement of \$54.425 million of solar asset-backed notes—ahead of the roadshow launch.

Investors had the opportunity to dial into hourly calls hosted by arranger **Credit Suisse** from 11 a.m. to 4 p.m. this Monday through Wednesday to learn more about the deal prior to the official marketing, say deal watchers, noting that it's an unusually energetic lead up to a roadshow. The 144A notes have a scheduled maturity date of December 2026. The deal is carrying a preliminary BBB+ rating from **Standard & Poor's**.

The notes under **SolarCity LMC Series I 2013-1** will be secured by a pool of 5,033 photovoltaic systems and their host customer payments as well as performance based incentive payments under the California Solar initiative program. The portfolio is comprised of 71.1% residential installations and 28.9% commercial and governmental, according to information sent to investors. The portfolio is located in 143 counties in 14 states and spans 53 utility footprints.

The deal is relatively small by securitization standards but represents a breakthrough as the first deal backed by rooftop solar assets. A second deal of commercial assets is also in front of agencies with the expectation it will launch by year end (PI, 9/18).

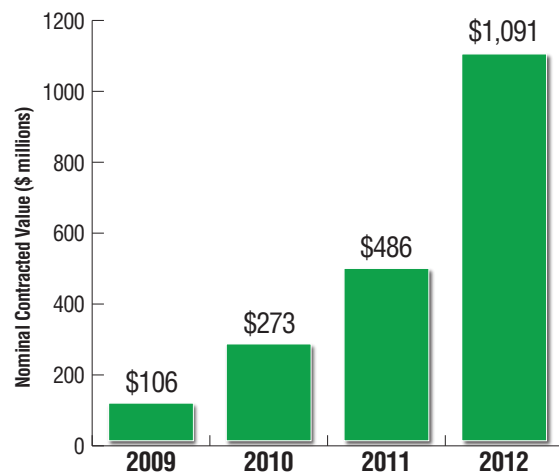
Deal watchers had been expecting the San Mateo, Calif.-based company to launch its deal anytime in the last two weeks after it secured its preliminary rating (PI, 10/24). **Chadbourne & Parke** is

counsel to SolarCity.

The securitization of solar assets has been around two years in the making, with developers trying to iron out the best possible structure for a deal (PI, 9/26/2011).

U.S. **Securities and Exchange Commission** regulations prevent SolarCity officials from commenting on the deal. A Credit Suisse spokesman declined to comment.

**SolarCity Aggregate Cash Flows Under Contract**



Source: SolarCity

## Sandy Creek Refi Over subscribed

**LS Power's** \$1.26 billion refinancing of its 900 MW Sandy Creek pulverized coal-fired facility in Texas has been oversubscribed, deal watchers say. Commitments were due Monday. **Goldman Sachs** is leading the deal that launched Oct. 21 (PI, 10/21).

The oversubscription may allow LS to really drive down pricing, note observers. Pricing talk is coming in at LIBOR plus 425 basis points, but the company is shooting for LIBOR plus 400 bps, says a deal watcher. **Credit Suisse, BNP Paribas, Cr dit Agricole, ING, CoBank, ICBC, Union Bank** and **Investec** are said to be involved in the deal (PI, 8/15). The amount of oversubscription could not be learned by press time.

The debt package includes a \$1.025 billion B loan, a \$41 million revolver, a \$102 million tax-exempt senior secured term loan and a \$34 million debt service reserve. There is also a \$75 million letter of credit and working capital facility *pari-passu* with the term loan and \$65 million of legacy payment-in-kind debt at a holding company level.

Market volatility caused by the government shutdown had originally postponed the launch of the deal, which was originally slated to come out shortly after Labor Day. **Joe Esteves**, cfo at LS,

recently stressed the importance of picking favorable windows in the market when launching B loan deals at a conference in New York (PI, 10/31). Calls placed to Esteves and bank officials were not returned by press time.

Sandy Creek came online in April, about a year later than originally planned because its boiler was damaged when it overheated in a test in 2011. The problems have been ironed out, according to a banker involved in the original financing (PI, 7/26). Given the delays, **Standard & Poor's** forecasts there would be about \$834 million outstanding in first lien debt in 2015. The agency rated the loan BB- with a recovery rating of 1.

There is a subordinate payment-in-kind debt as part of the original financing that matures in February 2016 that had \$217 million outstanding in March 2012. **Brazos Sandy Creek Electric Cooperative** owns 25% of the plant while **GE Energy Financial Services** also has a stake.

**Sandy Creek Energy Associates L.P.**, the portion held by LS, has a 30-year power purchase agreement for 150 MW with Brazos and a 30-year PPA for 100 MW with the **Lower Colorado River Authority**. The remainder is hedged under short-term agreements.

## Oakley Financing *(Continued from page 1)*

after it was denied a rehearing by the California **Public Utilities Commission** in April. The CPUC approved the revised offtake agreement with **Pacific Gas & Electric** by a 3-1 vote. The court is expected to rule on the petition shortly.

"We are looking forward to the court's ruling," says **Hal Dittmer**, president at Wellhead Electric, in a statement e-mailed to *PFR*. "Regardless of the outcome of this ruling, Wellhead Electric, as project sponsor, is committed to building Oakley. We and Radback Energy, our co-developer, have strong support from the community, our financial partners, vendors and our customer."

The financing will likely now be closed in the first quarter of next year, according to a financier tracking the deal, should the ruling be favorable for Oakley. If not, the financing may again be delayed by around 12 months. "The issue is not insurmountable," says a deal watcher. "The deal is structured and ready to go," he adds.

**Bank of Tokyo Mitsubishi UFJ** is underwriter and agent on the debt, which has a roughly four-year tenor and pricing of under LIBOR plus 200 basis points (*PI*, 10/8). **Nasir Khan** at BTMU is handling the deal.

The co-developers reignited the financing efforts for the facility in Contra Costa County, Calif., earlier this year after an earlier try in 2011 was stymied by legal issues brought by ratepayer advocates (*PI*, 8/2 & 7/11/2011). The original approval in December 2010 was challenged by community groups and ratepayer advocates.

—**Nicholas Stone and Holly Fletcher**

## Blackstone Swoops *(Continued from page 1)*

Abeyaratne has been involved with the B loans the firm arranged this year—a \$395 million term loan B refinancing for Tenaska Power Funds and a \$150 million B loan for Riverstone Holdings used to finance its purchase of three coal-fired plants from Exelon (*PI*, 4/25 & 11/19). Abeyaratne joined UBS from **Constellation Energy** in May of last year (*PI*, 5/7/12). Lord joined the firm 2011 from a consultancy role at **Evercore Partners** (*PI*, 6/9/11).

Abeyaratne, Lord and Schaefer were not reached for comment. A Blackstone spokesman declined to comment. —**Holly Fletcher**

### QUOTE OF THE WEEK

"Regardless of the outcome of this ruling, Wellhead Electric, as project sponsor, is committed to building Oakley."—**Hal Dittmer**, president at Wellhead Electric in Sacramento, Calif., on a California appellate court granting the **Utility Reform Network's** petition for a review of the project Wellhead is developing with **Radback Energy** (see story, page 1).

### ONE YEAR AGO

**PPL Corp.** was shopping its hydro and coal-fired subsidiary **PPL Montana** in a sale run by **UBS**. [**NorthWestern Energy Corp.** has agreed to buy the 604 MW hydro portfolio from the company while several UBS staffers have jumped to **Blackstone Group** (*PI*, 10/1 and page 1).]

### POWER TWEETS

The #Power Tweets feature tracks trends in power project finance and M&A in the Americas on **Twitter**. For more news and coverage, follow @power\_intel on Twitter, as well as Managing Editor @SARosner and Senior Reporters @HollyFletcher and @NicStone.

@Pogue

Whoa. Apple is building a new factory in Arizona: 2000 new jobs, and 100% solar/geothermal powered! [j.mp/1ffTxYt](http://j.mp/1ffTxYt)

@jburwen

John Joshi: SCTY \$54M #solar #securitization has 39% credit enhancement, 750ish FICOs--nice, but still esoteric. Need more general assets

@hollyfletcher

Calpine C-Suite Change: Thad Hill, president and coo, will replace Jack Fusco as ceo in May 2014. Fusco to become chairman. \$CPN

@Chevron

We invest in the future. #Chevron Technology Ventures has created a \$90M #vc fund to help create new #energy #tech: <http://spr.ly/6016jDLA>

@ByMarkJaffe

Colorado energy votes: Boulder support idea of replacing Xcel w/ muni power utility 2-1 <http://bit.ly/1fjEmgY>

@mackaymiller

In Minnesota, Xcel proposes partial decoupling <http://j.mp/19H29pT> h/t @DanHaugen

@JigarShahDC

SunEdison Ahmad: "We have never had an abandoned project, never had a stranded project. 1,200 projects, all of them were executed and sold."

@richardcaperton

More pressure on SO's rating. MT @Power\_Intel Southern looking to arrange about \$1 bn in debt in the next 2 years. [ow.ly/qtfKZ](http://ow.ly/qtfKZ)



@EliasHinckley

Huh. @iSamBrooks Solar on 1/2 area of US hydropower plants' artificial lakes would generate 100% of US electricity. <http://www.scientificamerican.com/article.cfm?id=a-way-to-the-most-abundant-energy...>

@scotthomasson

This will matter. RT @jburwen: NREL releases standard contracts for solar PV lease & PPA to facilitate securitization [bit.ly/1dLgan0](http://bit.ly/1dLgan0)