

Power Finance & Risk

Exclusive Insight on Power M&A and Project Financing

● MERGERS & ACQUISITIONS

● PROJECT FINANCE

● PEOPLE & FIRMS

Clearway Finds Buyer for Texas Wind Project

Clearway Energy Group is selling a development-stage Patriot wind project in Texas to **Avangrid Renewables**. Page 5

Burns & McDonnell Scouts for CCGT Equity

Guggenheim is hunting for private equity backers to fund a greenfield project in **PJM Interconnection**. Page 9

Changes at the Top: IPPs Appoint New CFOs

The top financial officers at the helm of both **TerraForm Power** and **TransAlta Corp.** have been replaced. Page 12

Clean Energy Future in Financing Push for Oregon II

Shravan Bhat

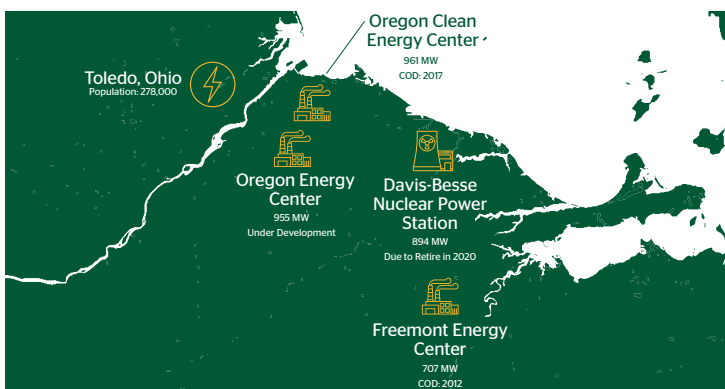
Clean Energy Future has hired a second investment bank as it ramps up capital raising activity for a combined-cycle gas-fired project in **PJM Interconnection**, with the aim of reaching financial close in January.

Clean Energy Future has brought in **Cantor Fitzgerald** to raise equity for the 955 MW Oregon Energy Center

(Oregon II) in Lucas County, Ohio, *PFR* has learned.

BNP Paribas, which has been involved in the \$900 million project as financial adviser since 2017, will focus on the debt raise.

The developer is looking for \$425 million of equity—in recent times the most difficult part of the capital stack to circle—and \$475 million of debt, say deal watchers. [PAGE 8 »](#)



All roads lead to Toledo

Duke Joins Green Bond Club

Richard Metcalf

Duke Energy Corp. became the latest U.S. utility company to issue green bonds this month when it priced a \$1 billion dual-tranche offering.

Bank of America Merrill Lynch, **BNP Paribas**, **MUFG**, **Scotia Capital** and **TD Securities** were bookrunners on the deal, which was issued through the Charlotte, N.C.-

based company's **Duke Energy Carolinas** subsidiary. BAML was green structuring agent.

The U.S. **Securities and Exchange Commission**-registered deal comprised a \$350 million 3.5-year tranche and a \$650 million 10-year.

The bookrunners went out to the market on Nov. 5 with initial price thoughts of 55 to 60 basis points over Treasuries for [PAGE 11 »](#)

Canadian CCGT Goes Under the Hammer

Taryana Odayar

An investment bank launched a sale process for a gas-fired combined-cycle facility in Ontario on behalf of its owners this month.

TD Securities began marketing the 875 MW Goreway Power Station in Brampton to potential investors on Nov. 9, say deal watchers.

The sellers are two Japanese entities—**JERA Co.** and **Toyota Tsusho Corp.** [PAGE 7 »](#)

Solar ABS Issuance Flares Up

Max Adams

A trio of solar securitizations is progressing through the pipeline, giving investors a chance to get their hands on nearly \$1 billion of bonds tied to residential solar assets.

Solar finance companies **Dividend Solar** and **Sunrun** and real estate investment trust **Hannon Armstrong** are the issuers with deals in the market.

Hannon issued guidance early last week for SunStrong 2018-1, a \$440 million [PAGE 11 »](#)

● POWER UP: CHECK OUT A SELECTION OF THE WEEK'S POWER AND UTILITY NEWS ON TWITTER



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● PPA PULSE

Lincoln, EDF and Recurrent Seal Renewable Deals

Lincoln Clean Energy has signed a virtual power purchase agreement with a national ski resort operator for a wind project in Nebraska.

Vail Resorts will pay the developer a fixed price for its portion of the output of the 230 MW Plum Creek project in Wayne County for 12 years.

Schneider Electric advised the company on the procurement process.

The Plum Creek project already has a PPA with food manufacturer **J.M. Smucker Co.** for about 60 MW (PFR, 8/1). The wind farm is expected to come online in 2020.

Lincoln has been the U.S. onshore wind development arm of **Ørsted** since the Danish company completed its acquisition of the platform from **I Squared Capital** last month (PFR, 8/9).

SHELL'S CRACK AT CALIFORNIA SOLAR

EDF Renewables North America has signed a 15-year PPA with **Shell North America** for a portion of the output of its 500 MW Palen Solar project in California.

The retail electric supplier will buy the generation from a 100 MW subdivision of the project

called Maverick 4 Solar.

As a registered electricity service provider serving direct access customers in California, Shell is subject to the state's renewable portfolio standard.

Located in Riverside County, the Palen project is due to be online by the end of 2020.

RECURRENT BEATS 49 TO AUSTIN PPA

Recurrent Energy has added a 144 MW solar project in Texas to its growing backlog of contracted projects ready to be financed.

The **Canadian Solar** subsidiary signed a 15-year PPA with **Austin Energy** for the Pflugerville project, also known as East Blackland Solar I, in October.

The contract is the result of a request for proposals, issued by Austin Energy in May, which drew more than 430 proposals for 80 projects submitted by 50 separate bidders.

Located in the proposed Pflugerville Renewable Energy Reinvestment Zone in Travis County, the project is due to be online in 2020, according to Canadian Solar's third quarter earnings report, which puts its capacity at 180 MWp (DC).

The report listed another unnamed 280 MW (DC) solar project under development in Texas, which the company is also planning to bring online in 2020. ■

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Power Finance & Risk is a general circulation newsweekly.
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Power Finance & Risk ©2016
Institutional Investor, LLC ISSN# 1529-6652
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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 & 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	Adviser	Status/Comment
Abengoa	A3T (220 MW Gas)	Mexico	TBA	Private equity firms are sizing up the project, which part of Abengoa's insolvency divestments (PFR, 10/8).
Ahana Renewables	Portfolio (46.9 MW Solar)	California, New Jersey, Massachusetts	MVP	CleanCapital has bought the operational C&I portfolio using equity from BlackRock (PFR, 11/12).
Allete Clean Energy	Thunder Spirit (48 MW Wind)	North Dakota		Montana-Dakota Utilities had signed a 25-year PPA with the project earlier this year but chose to acquire it instead (PFR, 11/12).
AltaGas	Portfolio (277 MW Hydro)	Canada	TBA	AltaGas is looking to raise around \$1 billion from the three-project divestiture (PFR, 11/5).
BayWa r.e.	Portfolio (450 MW Renewables)	U.S., Europe		The German developer expects to sell its portfolio by year-end (see story, page 5).
Blackstone	Lonestar Portfolio (1,110 MW Gas, Coal)	Texas	Citi	The sale of the portfolio, code named Project Matador, is said to be entering a second round (PFR, 10/15).
Clearway Renew	Patriot (226 MW Wind)	Nueces County, Texas		Avangrid Renewables is buying the project and taking a tax equity ticket (see story, page 5).
Cypress Creek Renewables	Buckleberry (52 MW Solar)	Pitt County, N.C.		John Laing Group is buying the recently completed project, expected online by year-end (see story, page 6).
D.E. Shaw	Deepwater Wind	U.S.	Macquarie, Ernst & Young (buyer)	Denmark's Ørsted is buying the offshore wind platform for \$510 million (PFR, 10/15).
Dominion Energy	Bridgeport (14.93 MW Battery)	Bridgeport, Conn.		FuelCell Energy is paying \$36.6 million in cash but the sale depends securing acquisition finance by Dec. 1 (PFR, 11/12).
Duke Energy	Renewables Portfolio (2,907 MW Wind, Solar)	U.S.	Morgan Stanley	Duke is running a sale process to formalize inbound interest it has received (PFR, 10/1).
Engie N.A., Harbert Management Corp., Mitsui & Co.	Astoria I, II (1,230 MW, Gas)	Queens, N.Y.	Morgan Stanley, PJ Solomon	As the sale of the assets nears a second round of bidding, deal watchers note varying levels of interest (PFR, 10/15).
EDP Renewables	Meadow Lake VI (200 MW Wind)	Benton County, Ind.	CIBC	Axiom Infrastructure is buying an 80% stake in the duo, expected online in the next six months (PFR, 11/12).
	Prairie Queen (200 MW Wind)	Allen County, Kan.		
	Sharp Hills (250 MW Wind)	Special Areas 3 & 4, Alberta		
	Nation Rise (100 MW Wind)	North Stormont, Ontario		
Emera	Portfolio (520 MW Gas)	New England	JP Morgan	Emera is looking to sell the assets after acquiring them for \$541 million in 2013 (see story, page 7).
GE Energy Financial Services, Global Infrastructure Partners	Towantic (751 MW Gas)	Oxford, Conn.	TBA	Osaka Gas USA is picking up a 50% stake in the Competitive Power Ventures-developed project (PFR, 11/5).
JERA, Toyota Tsusho	Goreway (875 MW Gas)	Ontario	TD Securities	The sale process for Canada's second largest CCGT launched two weeks ago (see story, page 1).
Mainstream Renewable Power	Andes Portfolio (1.3 MW Wind, Solar)	Chile	KPMG London	The Irish developer is seeking an equity partner to build and operate its \$1.65 billion renewable portfolio in Chile (PFR, 9/17).
NRG Energy	Agua Caliente (290 MW, 35%)	Arizona		NRG is offering its former yieldco, Clearway Energy, another slice of the project Clearway already owns a 16% stake in (PFR, 11/12).
North American Power Group	Rio Bravo Fresno (28 MW Biomass, 50%)	Fresno, Calif.		NAPG is in talks with potential buyers of its 50% stakes in the projects (PFR, 8/27).
	Rio Bravo Rocklin (28 MW Biomass, 50%)	Lincoln, Calif.		
Olympus Power	Top of Iowa (80 MW Wind)	Worth County, Iowa		Black Hills Electric Generation is buying the 17-year old project (see story, page 5).
Pattern Development, Capital Power	K2 (270 MW Wind, 66%)	Ontario		A consortium led by Axiom Infrastructure, which already owns the remaining one third stake, is paying \$332 million (PFR, 11/12).
Recurrent Energy	Sunflower (100 MW Solar)	Mississippi		Entergy Mississippi has signed a build-transfer agreement to buy the project for \$138.4 million (PFR, 11/12).
Southern Current	Portfolio (80 MW Solar)	U.S.	TBA	Soltage has acquired the under-construction assets using third-party equity, debt and tax equity (PFR, 11/12).
Southern Power	Mankato (760 MW Gas)	Minnesota		The plant's offtaker, Xcel Energy, has agreed to pay \$650 million for the two units (PFR, 11/12).
sPower	Portfolio (1.3 GW Renewables, 24%)	U.S.	Barclays	Ullico has bought the stake in some 70 operating wind and solar projects (PFR, 11/12).
Sumitomo Corp. of Americas	Turquoise Nevada (50 MW)	Washoe County, Nev.	Whitehall	Whitehall is running the sale process for the project, which is due online by the end of 2020 (PFR, 10/29).
Heorot Power	Tanner Street Generation (82 MW Gas)	Mass.	Scotia	The sale of the project was launched in July under the code name Project Riverhawk (PFR, 10/15).

● 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 Taryana Odayar at (212) 224 3258 or e-mail taryana.odayar@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)	Deal Type	Loan Amount	Tenor	Notes
Advanced Microgrid Solutions, Macquarie Capital	Electrodes (50 MW Battery Storage)	California	Macquarie Capital	Debt	\$75-100M	10-yr	Sponsors are putting together financing for the second tranche of the 50 MW portfolio (PFR, 9/24)
Apollo Global Management	Former GE EFS private equity portfolio	Mostly U.S.	RBC, Goldman Sachs, BMO	Debt	TBA	TBA	The three banks are said to have underwritten a back-levered financing for Apollo (PFR, 10/15).
Ares-EIF	Hill Top Energy Center (620 MW Gas)	Greene County, Pa.	Morgan Stanley	Private Placement	TBA	TBA	Ares has foregone a bank mini-perm for a bond to match the tenor of a gas netback under negotiations (PFR, 10/8).
Ares-EIF, Novi Energy	C4GT (1,060 MW Gas)	Charles City County, Va.	TBA	Debt, Equity	TBA	TBA	The shovel-ready project is in talks for debt and equity (PFR, 9/17).
Ares-EIF, I Squared Capital, CEF	Oregon I (869 MW Gas)	Lucas County, Ohio	Barclays, Credit Suisse	Debt	TBA	TBA	The two banks initially hired to sell the project will first refinance debt into the term loan B market (see story, page 8).
Avangrid Renewables, Copenhagen Infrastructure Partners	Vineyard (800 MW Offshore Wind)	Massachusetts	CCA Group (adviser), Santander (adviser)	Debt, Tax Equity	\$3.5B	TBA	The capital structure for the estimated \$3.5 billion, two-phase project remains to be finalized (PFR, 10/8).
Balico	Chickahominy (1,650 MW Gas)	Charles City County, Va.	TBA	Debt, Equity	TBA	TBA	A development team, formerly at Cogentrix, has hired a financial advisor to begin the equity raise (PFR, 8/20).
Burns & McDonnell, Robinson Power	Beech Hollow (1,075 MW Gas)	Robinson Township, Pa.	Guggenheim	Equity	TBA		The project was initially envisioned as a waste-coal facility more than 15 years ago (see story, page 9).
Clean Energy Future	Oregon II (955 MW Gas)	Lucas County, Ohio	Cantor Fitzgerald, BNP	Equity, Debt	\$900M		Siemens is providing the turbines and has already committed \$200 million of equity (see story, page 1).
Dominion Energy	Portfolio (574 MW Solar)	U.S.	Barclays	Private Placement	\$362M	TBA	The green bond will finance 20 operational solar projects (PFR, 11/12).
Enel Green Power North America	HillTopper (185 MW Wind)	Logan County, Ill.	Wells Fargo	Tax Equity	\$180M		Enel's long-time tax equity adviser CCA Group put the deal together (PFR, 11/12).
FGE Power	Goodnight (500 MW Wind)	Armstrong County, Texas	Karbhone	Tax Equity	TBA		The sponsor has already secured a cash equity commitment for the project from Fortistar (PFR, 5/29).
Fotowatio Renewables Ventures	Potrero (270 MW Solar)	Jalisco, Mexico	IFC	Debt	\$65M	12-yr	The project is expected to cost \$250 million and come online in 2020 (PFR, 11/12).
Fortistar	Primary Energy (298 MW Waste Heat)	Indiana	Investec	Debt	\$240M	7-yr	The deal is expected to launch mid-November, replacing the \$215 million acquisition financing from 2014 (PFR, 11/5).
GE EFS	Shady Hills (573 MW Gas)	Pasco County, Fla.	TBA	TBA	TBA	TBA	GE EFS is aiming to have all the permits in place and reach financial close in December (PFR, 5/21).
Hannon Armstrong	SunStrong 2018-1 (Residential Solar)	U.S.	Deutsche, BAML, Crédit Agricole	Securitization	TBA	TBA	The deal backing 37,568 leases acquired from SunPower was expected to have been priced by Nov. 9 (PFR, 11/12).
Innergex Renewable Energy	Cartier (590 MW Wind)	Quebec	TBA	Debt		TBA	A group of banks is putting together long-term project financing to pay off a one-year bridge facility (see story, page 9).
Longview Power	Longview (700 MW Coal)	Maidsville, W.Va.	Houlihan Lokey (adviser)				Longview Power has hired Houlihan Lokey for a potential refinancing (PFR, 4/9).
Middle River Power III	Portfolio (523 MW Gas)	San Joaquin Valley, Calif.	MUFG	Debt	\$246.5M	4-yr	The Avenue Capital Partners subsidiary has closed acquisition financing (see story, page 7).
Macquarie Infrastructure Partners, Siemens Financial Services, CEF	Lordstown (856 MW Gas)	Lordstown, Ohio	ICBC, Crédit Agricole	Debt	TBA	TBA	The sponsors hope to cut pricing and tweak the cash sweep structure (see story, page 8).
Morgan Stanley Infrastructure Partners	Bayonne Energy Center (644 MW Gas)	Bayonne, N.J.	Crédit Agricole, ICBC, Investec, KEB Hana, Nomura	Mini-perm	\$500M	7-yr	Pricing on the acquisition financing reverse flexed 25 bp to 250 bp over Libor with 25 bp step ups (PFR, 10/29).
Naturgy	Sertao I (30 MW Solar)	Brazil	Kinea	Bond	R\$130M	14.25-yr	Kinea, a private equity firm from Itau Unibanco Group, acquired 50% of the notes (see story, page 10).
	Sobral I (30 MW Solar)			Bond	R\$135M	15.25-yr	
NTE Energy	Reidsville (500 MW Gas)	North Carolina	Whitehall	Debt, Equity	\$650M	TBA	The City of Camden, S.C., signed a 20-year PPA with Reidsville, becoming its twelfth customer (PFR, 10/1).
NTUA Generation	Kayenta II (27 MW Solar)	Navajo County, Ariz.	Karbhone (adviser)	Tax Equity	\$13.3M		Prospective tax equity investors for the \$39 million project received teasers on Oct. 18 (PFR, 10/29).
Petroquímica Comodoro Rivadavia	Bicentenario (126 MW Wind)	Argentina	KfW, IDB Invest	Debt	\$108M	TBA	Danish export credit agency EFK is guaranteeing the KfW tranche provided Vestas supplies the turbines (PFR, 11/5).
Soltage	Portfolio (100 MW Solar)	U.S.	Fifth Third Bank	Debt	TBA	7-yr	Soltage also used equity from Basalt Infrastructure Partners to acquire the portfolio from Southern Current (PFR, 11/12).
			U.S. Bank	Tax Equity	TBA		
Southern Power (Southern Co.)	Portfolio (1.6 GW Wind)	Texas, Oklahoma, Maine	BAML, JP Morgan, Wells Fargo	Tax Equity	>\$1B		CCA Group is structuring the tax equity raise (PFR, 11/12).
Talen Energy Supply	Portfolio (2.3 GW Gas)	Northampton County, Pa.	MUFG	Term Loan B	\$475M	7-yr	Two operating gas-fired projects in PJM are being levered up at 375 to 400 basis points over Libor (PFR, 11/5).
Tellurian	Driftwood (LNG)	Louisiana	Goldman Sachs, Société Générale	Equity	\$8B		The sponsor has slashed the equity commitment and intends to replace the difference with debt (PFR, 11/5).

New or updated listing

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To report updates or provide additional information on the status of financings, please call Shrawan Bhat at (212) 224-3260 or e-mail shrawan.bhat@powerfinancerisk.com

MERGERS & ACQUISITIONS ●

German Developer to Sell Down U.S., European Renewables Assets

German developer **BayWa r.e.** has revealed it expects to sell 450 MW of renewable generation assets in the U.S. and Europe by the end of 2018.

The company is a developer of wind, solar and biomass projects.

Assets it is expecting to sell include:

- Spain – 174.4 MW of solar
- U.S. – 140.9 MW of solar
- France – 51.5 MW of solar and wind
- Netherlands – 30.7 MW of solar
- U.K. – 28.4 MW of solar, wind and biomass
- Germany – 16.2MW of wind
- Croatia – 10MW of wind

The Spanish asset is the 174.4 MW Don Rodrigo solar plant. In a first installment it will sell 87.5%, and then the remainder once the project is commissioned in May 2019. This zero-subsidy project has a 15-year PPA with **Statkraft**, and **NordLB** provided a €100 million (\$117 million) construction bridge financing in August.

On Nov. 8, BayWa said that over the first nine months of 2018 it has sold roughly 47 MW of renewable projects. In the first three quarters of 2017, it had sold 250 MW. ■

FAST FACT

\$117 million

Construction bridge financing provided by NordLB for the 174.4 MW Don Rodrigo solar plant in Spain

Clearway Finds Buyer for Texas Wind Project

Clearway Renew, the development platform of **Clearway Energy Group**, is preparing to sell a development-stage wind project in Texas to a third party that is also taking a tax equity stake.

Avangrid Renewables signed a deal to buy the 226.05 MW Patriot Wind farm, located in Nueces County, on July 24.

Avangrid is also taking a tax equity stake in the project alongside **Wells Fargo**, according to paperwork filed with the **Texas Public Utility Commission** on Nov. 13.

“For tax purposes, the parties have structured the issuance of the Class A Interests, sale of

Patriot Holdings to Avangrid, and the acquisition of the Project Company by the Applicant to occur as three distinct, but related transactions,” reads the filing.

The parties to the deal have asked the PUC to approve the transactions by the end of March next year.

The financial terms of the deal could not immediately be learned.

Spokespeople for Avangrid and Clearway did not immediately respond to inquiries about the transaction. Spokespeople for Wells Fargo in Chicago and Clearway’s private equity backer **Global Infrastructure Partners** in New York declined to

comment.

Clearway Renew, formerly known as **NRG Renew**, was the renewables development arm of **NRG Energy** until GIP bought it, along with NRG’s stake in **NRG Yield**, in August (PFR, 8/31).

It was amid the sale process for its renewable energy assets last year that NRG bought the Patriot Wind project from **Apex Clean Energy** following a competitive auction (PFR, 8/10).

Elsewhere in Texas, Clearway is planning to buy out **JP Morgan Capital Corp.**’s tax equity stakes in a pair of wind projects it is looking to repower (PFR, 9/11). ■

Olympus Power Finds Buyer for Hawkeye State Wind Farm

Olympus Power is selling a storied 80 MW wind farm in Iowa to another independent power producer.

Black Hills Electric Generation, a competitive generation subsidiary of utility holding company **Black Hills Corp.**, is buying the 17-year old Top of Iowa project, according to a U.S. **Federal Energy Regulatory Commission** filing dated Nov. 7.

Morristown, N.J.-based Olympus has owned the whole project since buying it from a joint venture between **Royal Dutch Shell** and **Entergy Corp.** in 2016 (PFR, 9/19/16).

The applicants have requested FERC approval by Dec. 21 and are aiming to close the transaction before the end of the year to avoid additional costs associated with the production tax credit.

The financial terms of the transaction could not be immediately learned. Representatives for Black Hills and Olympus Power did not respond to inquiries by press time.

The Top of Iowa project was developed in Worth County by a joint venture between **Midwest Renewable Energy** and **Zilkha Renewable Energy**, which brought it online with **Neg**

Micon turbines in October 2001.

The project originally had a 15-year power purchase agreement with **Alliant Energy** but now sells its output spot into **MISO**.

A second 80 MW phase and third 29.7 MW phase, fitted with **Gamesa** and **Vestas** turbines and known as Top of Iowa 2 and 3, followed in 2008.

Since it was brought online, Top of Iowa’s first phase has had various partial owners, including **Entergy Corp.**, and **Goldman Sachs**’ **Horizon Wind Energy** (PFR, 5/5/06). ■

● QUOTE OF THE WEEK

“The idea of battery storage has come up, and the fact that this green bond’s use of proceeds is addressing that, investors find it inspirational.”

Suzanne Buchta, global head of ESG capital markets at **BAML**, on Duke’s eligible uses of proceeds from its \$1 billion dual-tranche offering (see story, page 1).

● MERGERS & ACQUISITIONS

John Laing Adds to Solar Splurge

John Laing Group's U.S. solar buying spree shows no signs of slowing as the London-based asset manager awaits approval of its fifth acquisition since September.

The investor is preparing to take ownership of the 52 MW Buckleberry Solar farm in Pitt County, N.C., which was recently completed and is expected to come online by the end of the year, subject to U.S. **Federal Energy Regulatory Commission** approval.

John Laing and the seller, **Cypress Creek Renewables**, have asked FERC to authorize the deal by Dec. 21 so that it can close by the end of the year.

Anthony Phillips, John Laing's Los Ange-

les-based regional managing director for North America, declined to comment on the financial terms and the identities of any advisers. Spokespeople for Cypress Creek did not respond to inquiries by press time.

The Buckleberry project will sell its output to **Duke Energy Progress** under a 10-year power purchase agreement.

Its original developer, **Carolina Solar Energy of Durham**, is the engineering, procurement and construction contractor.

John Laing's initial foray into the U.S. solar market came in September with its acquisition of Cypress Creek's stakes in two development-stage projects in North Carolina, namely

the 50.2 MW Brantley Farm project in Nash County and the 57.5 MW Fox Creek facility in Franklin County (PFR, 9/20).

Last month, the British buyer added two more Cypress Creek solar projects in North Carolina to its portfolio (PFR, 10/18). The projects, Innovative Solar 54 and Innovative Solar 67, total 83.1 MW and had a price tag of \$34.8 million. They are expected to be online by the end of the year.

Before its recent splurge on solar in North Carolina, John Laing already owned stakes in the 30 MW Sterling I wind farm in Tatum, N.M., and the 100.5 MW Buckthorn and 149.5 Rocksprings wind projects, both in Texas. ■

● PROJECT FINANCE

Enel Nears Deal on Tax Equity for Wind Project Duo

Enel Green Power North America is moving forward with tax equity financing for a pair of contracted wind farms in Nebraska and Kansas, *PFR* has learned.

The portfolio comprises the 320 MW Rattlesnake Creek project in Dixon County, Neb., and the 300 MW Diamond Vista project near Salina, Kan.

Enel's long-standing tax equity financial adviser, **CCA Group**, is thought to have identified at least one investor, whose identity could not immediately be learned.

An Enel spokesperson in Rome

declined to comment and an official at CCA in Boston did not immediately respond to inquiries.

The projects are expected to be fitted with **Acciona** turbines and brought online next year, Rattlesnake Creek at a cost of \$450 million and Diamond Vista for \$400 million.

As usual, Enel is financing construction using its own internal resources, according to a statement dated Mar. 6.

The two projects have a range of offtakers including non-utility corporations, municipalities and

cooperatives.

Rattlesnake Creek is contracted under a bundled power purchase agreement with **Facebook**, through a partnership with **Omaha Public Power District** (11/14), and **Adobe**.

Facebook will initially buy 200 MW of the project's output and Adobe 10 MW until 2029 when Facebook begins buying its entire output (PFR, 3/19).

The Diamond Vista project, meanwhile, will sell 100 MW of its output to bathroom fixture manufacturer **Kohler Co.** under

a 15-year power purchase agreement, 100 MW to **City Utilities of Springfield** of Missouri and 84 MW to **Tri-County Electric Cooperative** (PFR, 3/9).

Kohler intends to resell its portion of the generation wholesale while retaining the renewable energy credits, enabling it to claim that its entire power usage in the U.S. and Canada is offset by the contract.

Both projects were originated by **Tradewind Energy**, the developer in which Enel bought a 45% stake in 2006. ■

Talen Prices Term Loan B for Pennsylvania Project Pair

Talen Energy Supply has firmed pricing on a seven-year term loan B to refinance two gas-fired projects in **PJM Interconnection**.

MUFG priced the \$450 million term loan at 400 basis points over Libor, the wide end of initial price talk, on Nov. 15.

The debt is being sold at an original issue discount of 99.5.

Besides the term loan, the package also includes a \$25 million five-year revolving credit facility.

The transaction refinances the 600 MW Lower Mount Bethel combined-cycle unit and the 1,700 Martins Creek dual-fuel facility, both in Northampton County, Pa. (PFR, 10/31).

The debt service coverage ratio is 1.1 times cash available for debt service and a cash sweep will return a minimum of 50% of excess cash to the lenders.

Moody's Investors Service and **S&P Global Ratings** have rated the debt Ba3 and

BB-, respectively.

With a six-month soft call option included in the deal, term loan B investors can expect Talen to weigh up refinancing options in mid-2019, if market conditions are favorable.

Talen is using the proceeds to pay down corporate debt—it is buying back \$421 million of its 4.6% senior notes due 2021 from bondholders following a tender offer, the results of which it announced on Nov. 13. ■

MERGERS & ACQUISITIONS ●

Canadian CCGT Goes Under the Hammer

« FROM PAGE 1

JERA is a joint venture between **Chubu Electric Power Co.** and **TEPCO Fuel & Power.**

Officials at Toyota Tsusho in Nagoya, Japan, and **JERA America** in New Jersey and Houston, did not respond to requests for comment by press time.

The Goreway plant is understood to be the second largest gas-fired project in Canada. The largest—the 1,005 MW Greenfield Energy Centre in St. Clair Township, also in Ontario—also happens to be for sale (PFR, 8/23).

CONSTRUCTION

The Goreway project was originally financed in 2006 by **Sithe Global Power**, a developer backed by **Blackstone Group** and **Reservoir Capital**, on the basis of a 20-year power purchase agreement with the **Ontario Power Authority.**

TD and **RBC Capital Markets** co-lead on the

C\$936.56 million (\$816.6 million at the time) construction-to-five-year-term loan (PFR, 4/16/06).

The debt financing was twice oversubscribed, with 29 banks participating. It was the first major generation project to be built in Ontario for over 25 years.

SNC Lavalin was the engineering, procurement and construction contractor on the project, which was fitted with **General Electric** and **Siemens** turbines and brought online in June 2009.

Sithe sold 25% stakes in the project to Chubu and Toyota Tsusho in September of that year and divested the remaining 50% to the same two investors in March 2011.

Chubu transferred its 50% interest in Goreway to JERA along with the rest of its generation business in July 2016.

REFINANCING

In the meantime, the project had been refi-

nanced in July 2013, with TD acting as administrative agent on the C\$832 million transaction.

The plant operates primarily during intermediate and peak demand periods, using natural gas from an **Enbridge Gas Distribution** pipeline.

“GAMING” O&M RULES

Last September, the Goreway partnership was accused of “gaming” market rules by the **Ontario Energy Board’s** Market Surveillance Panel, following a three-year investigation.

Goreway was found to have taken advantage of “an elastic definition of recoverable O&M costs”, claiming operations and maintenance costs totaling more than \$100 million over three years—more than the combined O&M claims from all other gas-fired generators in the province—most of which it has since repaid. ■

Bids In for New England Thermal Portfolio

An investment bank representing the owner of a portfolio of three merchant combined-cycle gas-fired projects in New England has taken bids from potential buyers.

The plants on the block are the 520 MW Bridgeport facility in Bridgeport, Conn., the 265 MW

Rumford project in Rumford, Maine, and the 265 MW Tiverton plant in Tiverton, R.I.

JP Morgan is running the sale process for the 1,050 MW portfolio on behalf of **Emera Energy** and took bids for the assets last week, say deal watchers.

The seller was expected to select a buyer by the end of the week, says a project finance banker, who adds that potential buyers are putting together between \$400 million and \$600 million in acquisition financing.

Emera paid **Capital Power**

\$541 million for the portfolio in 2013 (PFR, 8/28/13).

Representatives of Emera in Halifax, Nova Scotia, declined to comment on the sale process and spokespeople for JP Morgan in New York did not immediately respond to an inquiry. ■

PROJECT FINANCE ●

Avenue Capital Closes California Acquisition Financing

A portfolio company of **Avenue Capital Partners** has closed on bank loans backing its \$300 million purchase of a trio of gas-fired projects in California.

MUFG was left lead on the \$246.5 million package, which will finance **Middle River Power III’s** acquisition of the 523 MW portfolio from **AltaGas**. The deal closed on Nov. 13.

Pricing flexed down to 150 basis points over Libor from initial price talk of 162.5 bp and

deal watchers say the trade was roughly 1.5 times oversubscribed.

The debt comprises a \$187.5 million four-year term loan A and two letters of credit—a \$20 million facility associated with the portfolio’s power purchase agreement and a \$39 million tranche for its debt service coverage reserves.

The lenders brought in by MUFG were **Asso-**
ciated Bank, CoBank, Crédit Industriel et

Commercial, Siemens Financial Services and **Sumitomo Mitsui Trust Bank.**

The portfolio comprises the 330 MW Tracy combined-cycle plant in San Joaquin County and two peakers—the 97 MW Hanford and 96 MW Henrietta facilities—both in Kings County (PFR, 9/11).

Scotiabank advised AltaGas on the sale of the portfolio, which is contacted through 2022 with **Pacific Gas & Electric Co.** ■

● PROJECT FINANCE

Clean Energy Future in Financing Push for Oregon II

« FROM PAGE 1

Siemens Financial Services, whose parent company **Siemens** is supplying turbines for the project, has already committed \$200 million of equity, say deal watchers.

The mandate for Cantor, whose energy and infrastructure investment banking team has major footholds in London and Hong Kong, suggests that the developer is casting its net far and wide as it searches for the remaining \$225 million.

Representatives of Cantor and BNP in New York declined to comment.

GOOD HEDGES, GOOD NEIGHBORS

In the meantime, Clean Energy Future is examining its options to hedge the price of power at the plant.

“We have hired a hedge specialist for Oregon II and he’s looking at heat rate call options and revenue puts,” said **Bill Siderewicz**, the developer’s founder and president.

The plant is located next door to the 869 MW Oregon Clean Energy Center (Oregon I), which has been online since last year.

Siderewicz cites the impending closure of **First Energy’s** 894 MW Davis-Besse nuclear plant in nearby Ottawa County as one of the reasons behind the development of Oregon II so soon after the first phase

became operational.

Davis-Besse is scheduled to be retired in 2020 and Siderewicz is aiming to bring Oregon II online by 2021.

“Oregon sits within the Toledo metropolitan region, which is a huge industrial base,” he says. “Ninety-five percent of the Jeeps in New York are probably made in Toledo, which also has major glass manufacturing and medical facilities as well as two oil

refineries.”

Oregon I and II are located in the American Transmission Systems (ATSI) zone of PJM, where capacity cleared at \$171/MW-day in this year’s capacity auctions (PFR, 5/25).

The main owners of Oregon I, **Ares-EIF** and **I Squared Capital**, are meanwhile preparing to refinance the operational asset in the term loan B market (see story below).

Pair of Banks Mandated for Oregon I Term Loan B

The owners of the operational 869 MW Oregon Clean Energy Center in Lucas County have appointed two banks to lead on a term loan B refinancing.

The facility’s main owners, **Ares-EIF, I Squared Capital**, hired **Barclays** and **Credit Suisse** to sell the project last year (PFR, 5/8), but more recently decided first to refinance its bank debt into the term loan B market with the same two banks as bookrunners.

The term loan B will extend the tenor of the project’s debt by two years and reduce or eliminate cash sweeps to increase equity distributions and make the project more attractive to potential buyers.

Initial price talk on the loan, which is

expected to close by the end of the year, could not be learned by press time.

BNP Paribas and **Crédit Agricole** put together the existing \$591 million term loan A for the project, which currently yields 350 basis points over Libor and is due to mature in 2024 (PFR, 11/17/14).

Officials and spokespeople for Ares and the banks in New York either declined to comment or did not respond to inquiries.

The project’s original developer, **Clean Energy Future**, is meanwhile pushing ahead with the primary financing of a 955 MW project next door, Oregon Energy Center (Oregon II), with BNP and **Cantor Fitzgerald** as financial advisers (see story above). ■

Lenders Prep CCGT Refi as Sponsors Eye Tighter Margins

The owners of a gas-fired facility that was brought online in **PJM Interconnection** this year are repricing and amending its term loan as sponsors look to set a new benchmark for low pricing on quasi-merchant project debt.

Industrial and Commercial Bank of China and **Crédit Agricole** are leading on the deal, which will tweak the financing terms of the 856 MW Lordstown Energy Center in Lordstown, Ohio.

The plant’s owners are taking advantage of a crowded bank market to cut the pricing on the loan and refine the cash sweep structure, deal watchers say.

Sponsors are pushing for margins on quasi-merchant gas-fired projects in PJM to come

inside the 300 basis point mark, says one project finance banker.

The original \$519 million five-year financing for Lordstown, on the basis of a five-year revenue put, was priced at 325 bp over Libor in 2016 (PFR, 4/6/16).

Bank of America Merrill Lynch, **Crédit Agricole**, **ICBC** and **Investec** were the coordinating lead arrangers, while **Helaba**, **KeyBank**, **Société Générale** and **SunTrust Robinson Humphrey** also took tickets in the deal, which included a \$74 million letter of credit.

Macquarie Infrastructure Partners, **Siemens Financial Services** and developer **Clean Energy Future** are the project’s current owners, although **Sumitomo Corpora-**

tion of Americas is awaiting U.S. **Federal Energy Regulatory Commission** approval to buy a portion of Macquarie’s interest (PFR, 10/15).

Representatives of the lead arrangers in New York and **Jason Pillai**, senior advisor at Macquarie and general manager of Lordstown, in Houston, did not immediately respond to inquiries.

A recent court ruling found the owners of the Lordstown project to be in contempt of court following a drawn-out legal battle with Clean Energy Future over the development of another combined-cycle plant, the Trumbull Energy Center, in the same industrial park (PFR, 8/3). ■

PROJECT FINANCE ●

EPC Contractor on PJM Project Scouts for Private Equity

The engineering, procurement and construction contractor for a proposed thermal generation plant in Pennsylvania has enlisted an investment bank to assist with the search for a private equity backer to take the project on.

The Beech Hollow project, originally conceived as a waste coal-fired plant in Robinson Township, where there is a large waste coal pile, has gone through several iterations and is now a combined-cycle gas-fired plant with a proposed output of 1,075 MW.

Although the project is owned by **Raymond Bologna's Robinson Power Co.**, EPC contractor **Burns & McDonnell** also has a stake and has taken it upon itself to hire **Guggenheim Securities** to lead the search for pri-

vate equity backing, deal watchers tell *PFR*.

Spokespeople for Guggenheim in New York declined to comment on the project while a representative of Burns & McDonnell in Kansas City, Mo., did not immediately respond to an inquiry.

Bologna, the original driving force behind the project, began pushing for a waste coal-fired facility on the site in 2002 (*Post Gazette*, 10/20/02). The original plan was to build a 272 MW plant that would cost \$400 million (*Pittsburgh City Paper*, 7/28/05).

By 2011, however, after years of permitting issues and with the advent of the Marcellus shale gas boom, the developer reconfigured the project as a combined

coal- and-gas-fired facility that would cost \$538 million and generate 300 MW (*Pittsburgh Post Gazette*, 23/6/11).

In its latest incarnation, as a combined-cycle gas-fired project, Beech Hollow was actively under development last year, securing air quality permits from the Pennsylvania **Department of Environmental Protection** and interconnection rights for 950 MW of capacity from **PJM Interconnection**.

The interconnection is now listed in the grid operator's interconnection queue as "suspended", while another interconnection request has been made for an additional 50 MW at the same substation, bringing the size of the proposed project to 1,075 MW.

The latest interconnection request has been in the queue since August and gives a projected in-service date of February 2022.

There are no signs that Robinson Power has relinquished its ownership of the project. In October, the company submitted a revision of its air quality plan to the Pennsylvania DEP. ■

FAST FACT

272 MW

The size of the originally proposed \$400 million waste coal-fired Beech Hollow facility almost 20 years ago.

Innergex Nears Portfolio Financing as New CFO Takes Over

Having secured a bridge loan to finance its recently acquired Cartier wind assets in Québec, **Innergex Renewable Energy** is working with a syndicate of banks to put permanent financing in place.

The company, which already owned 38% of the 590 MW Cartier Énergie Éolienne portfolio, completed its acquisition of the remaining 62% from **TransCanada** for C\$630 million (\$484 million) on Oct. 24 (*PFR*, 8/2).

BMO Capital Markets and **TD Securities** provided a C\$400 million (\$302 million) one-year bridge loan to finance the deal.

The permanent financing will be slightly larger than the bridge loan. The identities of the banks involved could not immediately be established.

Meanwhile, BMO and TD have also provided Innergex with a second C\$228 million (\$172 million) bridge loan to be repaid with the proceeds of asset sales over the coming year.

Innergex had initially planned to sell a

portion of the Cartier portfolio to pay down this debt, but the company has since decided to sell the Icelandic hydro and geothermal assets it owns as a result of its acquisition of **Alterra Power Corp.** last year (*PFR*, 10/31/17).



"True love has a capacity factor and a name."

Spokespeople for Innergex in Montréal and BMO and TD in Toronto declined to comment.

NEW CFO

Innergex's finance chief of 15 years, **Jean Perron**, stepped down as cfo on Nov. 13 and took up a new role as senior v.p., management advisor, as he prepares for retirement, and **Jean-François Neault** succeeded him on Nov. 14.

Neault joined the team last month after five years as senior v.p. and cfo at wholesale food distributor **Colabor**.

Neault and his predecessor laid out the company's project finance plans jointly in its third quarter earnings call on Nov. 14, including details about the 350 MW Foard City wind farm in Foard County, Texas (*PFR*, 5/7).

Construction on the \$400 million project has begun and negotiations are underway with tax equity investors and bridge lenders. ■

● PROJECT FINANCE

Details Emerge on Second TerraForm Power Private Placement

TerraForm Power raised about \$77 million with the second of two project finance private placements it priced this year to lever up unencumbered assets in the U.S.

The latest \$78.8 million deal is secured on about 51 MW of utility-scale and distributed solar projects in New York, New Jersey, Massachusetts, North Carolina, Colorado and California,

according to the company's third quarter earnings report.

The fully-amortizing 14-year notes were priced at 165 basis points over Treasuries, producing a coupon of 4.46%.

Scotiabank and **Sumitomo Mitsui Banking Corp.** were the placement agents of the deal, says a deal watcher. The transaction closed on

September 28.

The yield company will use the proceeds along with another \$83 million deal backed by a 73 MW portfolio of utility-scale solar projects priced earlier in the year (PFR, 8/16) as part of the funding of its acquisition of Spanish yieldco **Saeta Yield** and to repay borrowings under its corporate revolver. ■

Naturgy Closes Financing for Brazil Solar Portfolio

Spanish gas and power provider **Naturgy** (formerly **Gas Natural Fenosa**) has closed the first non-recourse project bonds to finance solar plants in Brazil.

Through its international generation subsidiary, **Global Power Generation**, the sponsor has issued R\$265 million of debt to refinance the construction costs of two solar PV plants, Sertão I and Sobral I.

The assets have a combined capacity of 60 MW.

The refinancing marks the first

time that solar plants in Brazil have been solely financed in the capital markets.

The financing did not receive a corporate guarantee, an unusual occurrence for Brazil.

Kinea, a private equity firm from **Itau Unibanco Group**, acquired around 50% of the bonds.

The underwriters were **Itau** and **Santander**. Local law firm **Machado Mayer** advised the banks.

The financing was structured in two bond issuances, one for each

solar plant.

The R\$135 million Sobral I offering was awarded in full to a single purchaser. It has a tenor of 15 years and three months and was priced at a spread of 195 basis points over Brazilian NTN-B treasury notes.

Located in the São João do Piauí municipality in the Brazilian state of Piauí, the 30 MW project has been online since September 2017. It has a 20-year power purchase agreement, signed in 2015, priced at R\$302.5/MWh.

The R\$130 million 14.25-

year bond for the Sertão project, meanwhile, was priced at 120 bp over the NTN-B.

The 30 MW Sertão I project is also located in Piauí state, in the municipality of João Costa, and has a 20-year PPA signed in 2015 and priced at R\$304.5/MWh.

Global Power Generation acquired both projects from **Grupo Gransolar** in 2016 (PFR, 3/19). GPG is controlled by Naturgy, which has an 85% stake, while solar contractor and operator **PVH** has a 15% participation. ■

Brazil Transmission Project Debt Rating Boosted by Guarantees

The rating on a R\$1.2 billion (\$320 million) bond issued in October to finance a transmission project in Brazil was boosted as a result of guarantees from the project's sponsors.

EDP Transmissão Aliança, a partnership between **EDP Brasil** and **Celesc Geração**, issued the 13-year notes on Oct. 15 to finance the construction of transmission lines and substations in Santa Catarina.

Banco Itaú underwrote the transaction, which was priced 672 basis points over the national wide consumer price index (IPCA).

Fitch Ratings has given the debt an AA (bra) local rating, equivalent to a BB- international rating, with a stable outlook.

The rating was supported by a guarantee for up to 90% of the principal by EDP Brasil and an escrow-type account funded with 10% of the offering. The funds in escrow will only be released when they are replaced by either a corporate bond from Celesc, a bank guarantee from a financial institution with at least an AA+ (bra) rating, or an additional EDP Brasil corporate bond.

The funds will finance a network of transmission lines connecting the Biguaçu, Siderópolis 2, Abdon Batista, Siderópolis and Forquilha substations. Brazil's electricity regulator **Aneel** estimates the full investment needed for the project to be R\$1.32 billion. The project has a construction deadline of August 2022. ■

Miner Issues Request for Proposals for Chile Renewables

An international commodities firm with mining operations in Chile has issued a request for proposals for renewable generation in the country.

Melbourne-headquartered **BHP**, formerly known as **BHP Billiton**, is seeking indications of interest for 600 MW of renewable generation capacity, say deal watchers.

The company owns a 57.5% stake in the Escondida mine, the largest copper producing facility in the world, and wholly owns the Spence and Cerro Colorado mines, all of which are in the Atacama Desert.

The Chilean mining industry has been a major source of demand for renewables, especially solar, but is highly dependent on the prices of commodities such as copper, which slumped in 2015 and 2016. The metal was trading at around \$2.77/lb in October.

The RFP is unlikely to lead directly to a bankable contract, says a Latin America-focused financier. "BHP is testing the market to see what kind of interest they would get," he says.

Spokespeople for BHP did not immediately respond to inquiries by press time. ■

Duke Joins Green Bond Club

◀ FROM PAGE 1

the shorter offering and 90 bp to 95 bp for the 10-year, and attracted more than \$3 billion of orders.

Guidance was set much tighter, at 38 bp to 42 bp and 80 bp, and the bonds were priced at 38 bp and 80 bp. The deal remained more than twice subscribed at the tighter pricing.

The final pricing was roughly in line with the existing yield curve for the issuer across the two tranches, a result which one banker said was particularly impressive, given recent turbulence in the U.S. stock market and the proximity of the recent mid-term elections as well as the Veterans' Day bond market holiday on Nov. 12.

USE OF PROCEEDS

There is no legal or regulated definition of a green bond, and as the list of U.S. utilities that have issued them has lengthened in recent years, the range of green structures and eligible uses of proceeds has also grown.

Duke's eligible uses of proceeds include:

- ◆ developing, building, acquiring or operating its own solar projects;
- ◆ purchasing generation from third-party-owned solar projects via power purchase agreements;
- ◆ funding customer rebates for rooftop solar;
- ◆ adding distributed battery storage to the grid and investing in pumped-storage at existing hydro facilities.

Bankers noted the inclusion of energy storage investments as a key innovation of the Duke deal with respect to previous use-of-proceeds green bonds.

"A number of green investors have been asking questions about what's the next phase of this transition," said **Suzanne Buchta**, global head of

ESG capital markets at BAML. "The idea of battery storage has come up, and the fact that this green bond's use of proceeds is addressing that, investors find it inspirational."

Officials in Duke's internal sustainability and treasury departments will decide whether investments qualify as green for these purposes, and the company will provide within one year a report, attested by an independent accountant, on how the proceeds were used.

The green bond documentation allows Duke to allocate the bond proceeds to investments it has made in the past two years as well as future projects.

While it is rounding up the eligible green assets, meanwhile, Duke says it will use the proceeds to "pay down intercompany short-term debt under our money-pool borrowing arrangement with Duke Energy Corporation."

CAVEAT EMPTOR

Duke warned investors, in a bond prospectus filed with the SEC, that the securities may not be suitable for all green investment portfolios.

"While we intend to use an amount equal to the aggregate net proceeds of the sale of the Mortgage Bonds to pay or reimburse the payment of, in whole or in part, existing and new Eligible Green Expenditures as described under 'Use of Proceeds,' there can be no assurance that the expenditures funded with such proceeds from the sale of Mortgage Bonds will meet every potential investor's expectations regarding environmental sustainability or performance," the company wrote.

"We had a few investors ask about ringfencing, because Duke does have nuclear and coal in their

portfolio," says a banker at one of the bookrunners. "One of the trend lines that came out of this trade is that, while it was well oversubscribed, investors were asking about the flow of funds."

Another green bonds banker pointed out, however, that ringfencing has never been required for use-of-proceeds green bonds under the Green Bond Principles, the voluntary guidelines for green bond issuance, since they were first formulated in 2014.

"Money is fungible," said the banker. "We would expect investors to be aware of that and have no misconceptions."

Duke had held investor calls in the run-up to the issuance, with some 80 investors participating. Of those accounts, as many as 50 bought the bonds, including some dedicated environmental, social and governance (ESG) funds.

GREEN FMBS

Furthermore, while the proceeds are earmarked for sustainable investments, the debt is secured as a first mortgage bond, on all of the utility's assets, including coal-fired and nuclear generation.

This means that in the highly unlikely event that the Duke subsidiary suddenly and unexpectedly defaulted on the bonds, any sustainability-focused investors that held them could in theory end up with an ownership stake in coal-fired plants as part of a senior secured creditor group.

Westar Energy, **MidAmerican Energy** and **DTE Energy** have all issued green first mortgage bonds.

Duke Energy Carolinas' FMBs are rated A1, A- and AA- by **Moody's Investors Service**, **S&P Global Ratings** and **Fitch Ratings**. ■

Solar ABS Issuance Flares Up

◀ FROM PAGE 1

securitization of solar leases and power purchase agreements originated by developer **SunPower**. The REIT is targeting 180 to 200 basis points over swaps for the single tranche.

Deutsche Bank, **Bank of America Merrill Lynch** and **Crédit Agricole** are leading the

deal.

Meanwhile, Sunrun is marketing its \$378.5 million Sunrun 2018-1 deal, which is also backed by leases and PPAs, and is led by **Credit Suisse**.

And **Dividend Solar** is in the early stages of marketing Dividend 2018-2, its second securitization of the year.

Dividend's offering will be between \$100 million and \$150 million in size, says a deal watcher.

Notably, it is the first solar ABS on which **Citi** will lead. The bank has been a warehouse lender for Dividend this year, says the deal watcher. Credit Suisse led Dividend's first ABS offering of the year, a \$104.66 million loan-backed deal.

A spokesperson for Citi did not

immediately respond to a request for comment.

The deals in the market bring total deal count for the year to nine. The recent, sudden flurry of activity could be chalked up to the non-ABS term debt market becoming "decidedly more expensive," says the deal watcher, who estimates that issuing a securitization could save borrowers between 50 bp and 100 bp compared with term debt. ■

● PEOPLE & FIRMS

TransAlta Taps Engie Exec to Replace CFO

TransAlta Corp. is bringing on a seasoned **Engie** executive as cfo, six months after the previous holder of the position, **Donald Tremblay**, left the company.

The appointee, **Christophe Dehout**, was most recently project director and deputy head of performance and group transformation at Engie in Paris, where he oversaw the carve out and sale of the company's upstream LNG business to **Total**, which closed earlier this year.

"Christophe brings extensive financial and strategic experience," said **Dawn Farrell**, president and ceo of Engie, in a statement. "This, combined with his deep knowledge of the global power market will be pivotal as we transform the company and transition to clean power by 2025."

During his 20 years at Engie, Dehout held a string of senior finance positions as the company pivoted from coal- and gas-

fired generation to renewables.

He joined **Tractabel**, a predecessor company of Engie, from Belgium's **Generale de Banque** in 1998, and was appointed head of global project finance in 2001 before being promoted to head of corporate finance at what was then known as **GDF Suez** in 2008.

He has also held senior positions at GDF's Dutch subsidiary and in the company's Europe-wide energy marketing and sale business.

Brett Gellner, who had been filling in as interim cfo since May, has returned to his role as chief strategy and investment officer. He was also Tremblay's predecessor, having served as cfo from 2010 to 2014.

Tremblay decided to leave Calgary-based TransAlta to be closer to his family, according to the developer's first quarter earnings report. He has relocated to Montréal, where he is cfo at the **Iron Ore Company of Canada**. ■

Yieldco CFO Hands Over to Brookfield Colleague

TerraForm Power has a new cfo after the previous holder of the office, **Matthew Berger**, headed back to **Brookfield Property Group** to be replaced by another Brookfield executive.

The personnel shuffle took place on Nov. 12 with **Michael Tebbutt**, cfo of Brookfield Properties' U.S. retail business, stepping into Berger's shoes, according to TerraForm's quarter three report.

Berger had been the yield company's cfo since October 2017, when **Brookfield Asset Management** took over from **SunEdison** as its sponsor (PFR, 10/17/17).

During his tenure, he has overseen the yieldco's return to the debt capital markets with the issuance of a term loan B, high yield bond and two project finance private placements (PFR, 11/7/17, 11/28/17, 8/16, 11/9).

The company had also planned to raise \$400 million in the public equity market as part of the financing of its \$1.2 billion takeover of Spain's **Saeta Yield**, but ended up placing shares privately

with its sponsor instead (PFR, 3/19, 6/12).

The outgoing cfo and his successor both began their careers at **PwC** in the 1990s before heading into asset management, according to their LinkedIn profiles.

Berger joined **Brookfield Renewable Energy Group** in 2013 as senior vice president and head of capital markets, having spent 11 years at **Old Mutual Asset Management** (which rebranded itself as **BrightSphere Investment Group** this past March).

In 2015, Berger was appointed executive vice president and cfo of Brookfield portfolio company **IDI Logistics**, a position he held until moving over to TerraForm in 2017.

Tebbutt joined Brookfield from PwC in 2011 and has held several senior finance positions, including as cfo of **Brookfield Infrastructure's** Asia Pacific operations. He assumed his most recent role at Brookfield Properties in May. ■

● STRATEGIES

Investor Identified for Solar Developer's \$40M Capital Raise

New Energy Capital Partners was the investor that backed **SunEast Development** in its recent \$40 million capital raise, which *PFR* reported in October.

The investor, a private equity firm based in Hanover, N.H., is known for investing in small and mid-sized energy assets, typically cutting checks for between \$20 million and \$300 million.

Earlier this year, the firm provided financing for **Northbrook Energy's** acquisition of an 18.7 MW run-of-river generation portfolio in the Western Carolinas from a **Duke Energy** subsidiary (PFR, 5/17).

"SunEast's strong track record of developing solar projects at scale aligns well with NEC's strategy of investing in small and mid-sized clean energy infrastructure in the U.S.," said **Ian Marcus**, principal at New Energy Capital, in a statement announcing the deal. "We are pleased to partner with SunEast on the next phase of its growth."

Whitehall & Co., as SunEast's financial adviser, brought the investor into the deal, which closed at the end of last month (PFR, 10/23). SunEast had initially been aiming to raise \$33 million.

The Saybrook, Conn.-based developer

will use the capital to fund a 700 MW portfolio of utility-scale projects in **PJM**, **NY-ISO** and **ISO New England**, as well as a 105 MW portfolio of mid-stage solar development assets in New York which it recently acquired from **Gardner Capital** (PFR, 6/18).

New Energy Capital may also later have the chance to buy into approximately 230 MW of development assets to which SunEast holds pre-emptive rights.

Law firms **Foley & Lardner** and **Rath, Young and Pignatelli** advised SunEast and New Energy Capital, respectively. ■