

Power Finance & Risk

Exclusive Insight on Power M&A and Project Financing

By the publisher of GlobalCapital

● PROJECT FINANCE

● STRATEGIES

● PEOPLE & FIRMS

Terms Drawn Up for Project with Novel Hedge

A bank has provided a term sheet for a loan to a project with a solar revenue put in the southeastern U.S. Page 5

Talen Takes Second Bite of H.Y. Mart

Talen Energy went back to the bond market last week to tap the previous week's issuance for a further \$225 million. Page 7

Ex-Panda CFO Heads to Blackstone Co.

The former cfo of **Panda Power Funds** has taken up a c-suite role at a transmission-focused **Blackstone Group** company. Page 8

Zuma Inks Mexico Solar Loans as Auction Prices Hit New Low

● The solar project loans were provided entirely by development banks

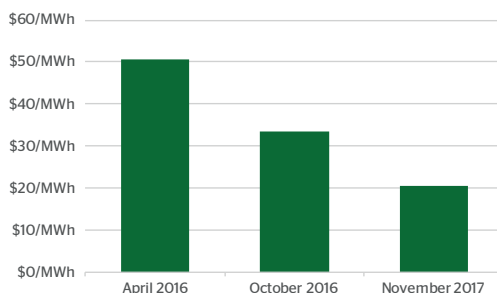
Michael Turner

Zuma Energía sealed \$291 million of loans with Mexican development banks for two solar projects totaling 283 MW in September, about one-and-a-half months after the sponsor inked the first project finance deal to emerge from Mexico's post-reform power auctions.

Bancomext, Banobras, Nafin and the **North American Development Bank** signed the loans for the solar facilities on Sept. 18.

The largest of the two deals, a PAGE 6 »

Average PPA Prices in Mexico Power Auctions



Sources: CENACE

Utah Renewables Firm Prices Private Placement

Richard Metcalf

Solar and wind power producer **sPower** has priced a \$421 million private placement secured on roughly half of its operational fleet, say deal watchers.

Citi was the placement agent on the deal, which was priced in the first week of November and is

due to close this week.

Salt Lake City-based **sPower** has a portfolio of more than 150 utility-scale and distributed solar and wind projects totaling about 1.3 GW, spread across 11 states.

AES Corp. and **Alberta Investment Management Corp.** acquired the company from its previous owner, hedge fund **Fir**

Tree Partners, for \$1.58 billion in August (PFR, 8/3).

The private placement was backed by 39 of **sPower's** solar facilities and two wind farms, making it one of the more complex project finance transactions to have been placed with institutional investors, but it still drew about 10 accounts and was well oversubscribed, says a banker away from the deal.

"Things are getting done very well and **sPower** PAGE 5 »

LS Power Lines Up Buyer for Gas-fired Plant

Fotios Tsarouhis

New York-based private equity firm **LS Power** has negotiated the sale of a combined-cycle gas-fired project in South Carolina to a local utility.

SCANA Corp. subsidiary **South Carolina Electric & Gas Co.** plans to purchase the 540 MW Columbia Energy Center in Gaston for \$180 million.

The parties have inked an agreement in principle and plan to sign a formal purchase agreement in the coming weeks.

The U.S. **Federal Energy Regulatory Commission** and the **Public Service Commission of South Carolina** will need to approve the deal, which is expected to close next year.

The merchant facility, which has been online since May 2004, provides steam to a neighboring **DAK Americas** manufacturing facility.

The project is fitted with two **General Electric** combustion turbines, two **Nooter/Eriksen** heat recovery steam generators and a **Toshiba** PAGE 7 »



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● PJM DISPATCH

PJM Rule Change Could Boost Prices, Says Moody's

A proposed change to spot market bidding rules in **PJM Interconnection** could raise power prices, according to a report by **Moody's Investors Service**.

The new rule would allow so-called inflexible generation units to set the market price even if this results in higher prices. PJM considers plants to be inflexible if they cannot quickly increase or decrease their output or have minimum run times or down times for economic or technical reasons.

PJM's proposal, published on Nov. 15, is one of the first detailed responses of a regional transmission operator to the U.S. **Department of Energy's** Sept. 29 call for pricing reforms to enhance the value of facilities with on-site fuel supplies, such as

coal-fired and nuclear plants.

The reform could boost spot prices by \$3.50/MWh, according to PJM's own simulation, which Moody's analysts say could reinforce merchant generators' cash flows by hundreds of millions of dollars a year (see table, below).

Market participants had been talking about a potential increase in the range of \$2/MWh to \$4/MWh before PJM announced its proposal, according to a research note from **RBC Capital Markets**.

However, the Moody's analysts note that even if the rule change results in higher prices, PJM capacity payments could begin to fall in response.

"Although this reform has the potential to benefit generators greatly, we are circumspect on the actual upside, especially for the period beyond 2021," writes **Toby Shea**, v.p. and senior credit officer at Moody's. "The power market is extremely complex and subject to many volatile commodity and operational factors." ■

Estimated Increase in Pre-tax Cash Flow

Exelon Generation Co.	\$500 million
PSEG Power	\$150 million
Talen Energy Supply	\$150 million
Dynegy	\$150 million
FirstEnergy Solutions Corp.	\$150 million
Calpine Corp.	\$50 million

Source: Moody's Investors Service

PFR Power Finance & Risk

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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
Alpek	Altamira (350 MW Gas)	Tamaulipas, Mexico		ContourGlobal is in exclusive talks to buy the projects (see story, page 7).
	Cosoleacaque (100 MW Gas)	Cosoleacaque, Veracruz		
Apex Clean Energy	Portfolio (12 GW, Wind, Solar)	U.S., Canada	CohnReznick	A sale process for the developer has moved into a second round (PFR, 8/14).
ArcLight Capital Partners	Portfolio (1.6 GW Wind)	U.S.	BAML	ArcLight has put the portfolio, known as Leeward Renewable Energy, up for sale (PFR, 10/9).
ArcLight Capital Partners	New Covert (1,040 MW Gas)	Van Buren County, Mich.	BNP, Whitehall	ArcLight has mandated banks to execute a potential sale of the asset (PFR, 10/30).
Ares-EIF, I Squared Capital	Oregon Clean Energy Center (869 MW Gas)	Lucas County, Ohio	Barclays, Credit Suisse	A sale process for the project is underway (PFR, 5/15).
Ares-EIF, Highstar Capital	Linden (974.1 MW Gas)	Union County, N.J.		Two Japanese utilities are acquiring the project (PFR, 11/6).
Dayton Power & Light	Portfolio (973 MW Gas)	Midwestern U.S.		DPL is seeking a buyer for the assets (PFR, 9/11).
Edison International	SoCore Energy (160 MW DC Distributed Solar)	U.S.	Marathon Capital	The auction for the company is entering a second round (PFR, 10/30).
Energy Capital Partners	Wheelabrator Technologies (1.2 GW Biomass)	U.S., U.K.		ECP has put the company up for sale (PFR, 8/21).
GE Energy Financial Services	Fairview (1,050 MW Gas, 25%)	Jackson County, Pa.	Citi	GE EFS is marketing its stake in the project (PFR, 9/5).
Infinity Renewables	Portfolio (6.6 GW Wind, Solar)	U.S.	CIBC	The company is for sale (PFR, 6/5).
Innovative Solar Systems	Portfolio (460 MW Solar)	Texas		The company is seeking a buyer for the three-project portfolio (PFR, 10/9).
Invenergy	Forward (129.4 MW Wind)	Dodge and Fond du Lac counties, Wis.		Three utilities that have offtakes with the project are acquiring it (see story, page 7).
Kenon Holdings	IC Power (3,894 MW Gas, Hydro, Oil, Wind)	Latin America, Caribbean, Israel		Kenon has entered negotiations to sell the subsidiary (PFR, 7/31).
Lincoln Clean Energy	Amazon (253 MW Wind)	Scurry County, Texas	Whitehall & Co.	Whitehall is running a sale for the assets (PFR, 11/6).
	Willow Springs (250 MW Wind)	Haskell County, Texas		
● LS Power	Columbia (540 MW Gas)	Gaston, S.C.		SCANA Corp. subsidiary South Carolina Electric & Gas Co. plans to acquire the project (see story, page 1).
LS Power	Carville (501 MW Gas)	St. Gabriel, La.	RBC Capital Markets	LS Power has hired RBC to sell the merchant facilities (PFR, 8/14).
	Hog Bayou (237 MW Gas)	Mobile, Ala.		
Morgan Stanley	NaturEner USA (399 MW Wind)	Montana	Morgan Stanley	Morgan Stanley is selling NaturEner, which owns development wind assets in Alberta as well as the 399 MW operational wind portfolio in Montana (PFR, 5/15).
NextEra Energy Resources	Portfolio (244.5 MW Wind)	California, Pennsylvania, West Virginia		Quinbrook Infrastructure Partners is acquiring the assets (see story, page 8).
Pacific Gas & Electric	DeSabra (26.7 MW Hydro)	Butte Creek and West Branch Feather River, California	Bodington & Co.	Bodington is running an auction for the assets (PFR, 9/25).
	Miocene (2.9 MW Hydro)			
● Renergetica	Portfolio (24 MW Solar)	O'Higgins Region, Chile		Sky Solar is acquiring the projects (see story, page 6).
Southern Power	Portfolio (1,760 MW Solar)	U.S.	Citi	Southern Power is planning to sell up to one-third of its solar portfolio (PFR, 11/6).
Starwood Energy Group Global	Electra (230 MW, 51 %)	Wilbarger County, Texas	Whitehall & Co.	Starwood is marketing its majority stakes in the projects (see story, page 7)
	Horse Creek (230 MW, 51%)	Haskell and Knox counties, Texas		
Tennenbaum Capital Partners	Longview (700 MW Coal, <10%)	Maidsville, W.Va.		The asset manager is acquiring a less-than 10% stake in the project from Third Avenue Management (see story, page 8).
Texas Municipal Power Agency	Gibbons Creek (450 MW Coal)	Grimes County, Texas		The plant is up for sale again after an earlier attempt to offload it fell through (see story, page 6).
Tradewind Energy	Rattlesnake Creek (320 MW Wind)	Dixon County, Nebraska		Enel Green Power North America has acquired the project (see story, page 9).
TransCanada Corp.	Portfolio (76 MW Solar)	Ontario	Scotiabank (seller)	Axiom Infrastructure is acquiring the assets (PFR, 10/30).

● New or updated listing

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

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

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 Power	South Field (1.1 GW Gas)	Columbiana County, Ohio	GE EFS	Debt	TBA	TBA	GE EFS is left lead on the debt raise. Other joint lead arrangers will be selected later this year (PFR, 5/1).
American Power Ventures	Renaissance (1 GW Gas)	Greene County, Pa.	BAML, Fieldstone (advisers)	Debt, Equity	\$900M		The sponsor plans to have equity commitments by the end of the year (PFR, 11/13).
Brookfield Renewable	Erie Boulevard (872 MW Hydro)	New York, Pennsylvania, Maryland, West Virginia	Citi, Scotia	Private Placement	\$305M	13-yr	Bids from investors were due on Oct. 16 for the deal, which refinances a 12-year note issued in 2005 (PFR, 10/16).
Clean Energy Future	Trumbull (940 MW Gas)	Trumbull County, Ohio	BNP Paribas (financial adviser)	Debt Equity	TBA TBA		Deal watchers have tipped the Trumbull project to reach financial close before the end of 2017 (PFR, 9/11).
EIG Global Energy Partners	Cerro Dominador (210 MW Solar)	Antofagasta, Chile	TBA	Debt	\$700-800M		The sponsor plans to raise between \$700 million and \$800 million in bank debt (PFR, 9/18).
Enel Brasil	Volta Grande (380 MW Hydro)	Rio Grande, Brazil	TBA	Bridge loan	-\$295M		Enel is seeking a bridge loan to a potential capital markets take-out (PFR, 10/9).
Exelon Corp.	(1,791 MW Wind, Solar, Biomass)	U.S.	Morgan Stanley	Term Loan B	\$850M	7-yr	The deal was priced on Nov. 16 (see story, page 8).
Indeck Energy	Niles (1 GW Gas)	Niles, Mich.	Whitehall & Co.	Debt	\$500M		The sponsor aims to close debt financing in the first quarter of next year (PFR, 11/6).
LNG Group Panama, Gunvor, Gu Xin Group	Telfers (656 MW Gas)	Panama	Société Générale (adviser)	Mini-perm Letter of Credit Facility	\$661M \$75M	7-yr	The sponsors of the LNG-to-power project were aiming to close the debt financing by the end of September (PFR, 9/18).
NRStor	Portfolio (300 MW Storage)	U.S.	SUSI Partners	Loan	C\$120M		The Canadian developer will use the proceeds of the loan to finance C&I behind-the-meter projects (see story, page 5).
NTE Energy	Reidsville (500 MW Gas)	Rockingham County, N.C.	TBA	Debt	\$595M		The sponsor took proposals from banks on Oct. 6 (PFR, 10/16).
Panda Power Funds	Mattawoman (990 MW Gas)	Prince George's County, Md.	BAML, BNP Paribas, Investec, NH Financial Group	Debt, Equity	\$500M		Bank of America Merrill Lynch has joined the lender group (PFR, 10/30).
Pattern Development	Henvey Inlet (300 MW Wind)	Parry Sound County, Ontario	TBA MUFG	Term Loan Bond	C\$1B		Pattern has mandated banks to raise debt for the project. The financing will include a fixed-income bond (PFR, 11/20).
Quantum Utility Generation	Moundsville (643 MW Gas)	Marshall County, W.Va.	TBA BNP Paribas	Debt Equity	TBA		Quantum could launch a debt financing for the project this year (PFR, 2/6).
Quinbrook Infrastructure Partners	Unknown project (200+ MW)	U.S.	TBA	Tax Equity	\$200M		The sponsor has shortlisted several tax equity investors (PFR, 11/13).
Recurrent Energy	Gaskell West 1 (20 MW Solar)	Kern County, Calif.	KeyBanc Capital Markets	Construction Loan Letter of Credit Facility	TBA TBA		The project has a 20-year power purchase agreement with Southern California Edison (PFR, 11/20).
Silicon Ranch Corp.	Portfolio (200 MW Solar)	Georgia	TBA TBA	Debt Tax Equity	TBA TBA		The sponsor plans to finance and build the four projects in the portfolio over the next four years (PFR, 9/18).
sPower	Portfolio (650 MW Solar, Wind)	U.S.	Citi	Private Placement	\$421M	19.1-yr	The private placement, backing wind and solar assets in 11 states, has a weighted average life of 10.6 years (see story, page 1).
Starwood Energy Group Global	Northwest Ohio (100 MW Wind)	Paulding County, Ohio	Rabobank Citi	Debt Tax Equity	TBA TBA		The private equity firm has agreed financing for the project (PFR, 11/13).
SunPower	Portfolio (Resi)	U.S.	Investec	Debt	\$53M	TBA	Investec arranged the loan (PFR, 10/30).
Sunrun	Portfolio (Resi)	U.S.	TBA	Debt	\$303M	7-yr	The back-leveraged debt is secured on cash flows from leases and PPAs (PFR, 10/30).
UKA Group	Portfolio (400 MW Wind)	U.S.	TBA	Debt, tax equity	TBA	TBA	The Germany-based developer is seeking debt and tax equity for its first U.S. assets (PFR, 10/30).
Zuma Energia	Santa María (148 MW Solar) Orejana (135 MW Solar)	Galeana, Mexico Hermosillo, Mexico	Bancomext, Banobras, Nafin, North American Development Bank	Debt	\$155M \$137M	TBA TBA	The projects are due to be online in mid-2019 (see story, page 1).

New or updated listing

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Utah Renewables Firm Prices Private Placement

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is a great example,” he says, noting that the back-levered deal involved at least seven separate tax equity structures, which would require more analysis than a single-asset transaction.

Tax equity investors that have financed sPower projects include **GE Energy Financial Services, Wells Fargo, PNC, U.S. Bank and JP Morgan** (PFR, 11/2/15, 6/9/16, 7/21/16 11/15/16, 11/28/16).

The private placement has a 19.1-year final

maturity and a weighted average life of 10.6 years, and was viewed as an NAIC 2 credit—corresponding to a BBB- credit rating on the **S&P Global Ratings** scale—by the issuer, says another private placement banker away from the deal.

The notes were priced at 210 basis points over Treasuries, producing a 4.54% coupon.

While private placements such as sPower’s are still being well received by investors, a touch of fatigue may be setting in as the end

of the year approaches, say the bankers, both of whom note a recent softening in the secondary market.

“On the margin, I’ve been telling clients: ‘If you can wait until January, that might not be a bad idea,’” says the first banker, adding, however, that there is no reason to sound “alarm bells”.

Officials at Citi in New York declined to comment and a request for comment from sPower was unanswered at press time. ■

Bank Writes Term Sheet for Project with Solar Production Hedge

A bank has laid out terms for a loan to finance a contracted solar project with a novel production hedge developed by **kWh Analytics**, offering a debt service coverage ratio of 1.1 times.

The term sheet is the first to be provided by a lender for a project with the hedge, called a solar revenue put, which the risk management and data firm has been promoting for several months.

The 80 MW project is located in the southeastern U.S. and has a power purchase agreement with a utility company. The identity of the sponsor, the lender and the name and precise location of the project could not immediately be established.

The 1.1 times DSCR is “unprecedented” in solar project finance, says **Richard Matsui**, founder and ceo of kWh Analytics in San Francisco.

The average DSCR for solar debt in the first nine months of this year was 1.44 times, according to a survey conducted by the analytics shop (PFR, 9/11).

A lower DSCR translates into a higher leverage ratio, which

boosts the levered return for the sponsor.

The solar revenue put—which is structured as an insurance policy and underwritten and distributed through kWh Analytics’ licensed insurance brokerage subsidiary, **Kudos Insurance Services**—guarantees 95% of the P50 case energy production of the solar project for 10 years.

“It could allow you to finance something you wouldn’t be able to come up with your equity check for otherwise,” **PJ**

Deschenes, a partner at boutique investment bank **Greentech Capital Advisors** told *PFR* in August. “The question is, what are you giving away to realize that?”

“It could allow you to finance something you wouldn’t be able to come up with your equity check for otherwise”

Matsui says the premiums are more than offset by the potential increase in returns as a result of the greater leverage.

The unidentified solar project is one of two supported by the Kudos put that were going through banks’ credit committees in August. kWh Analytics has more than a dozen live deals at various stages.

“Our intent is to keep these deals moving forward,” says Matsui. “We’re hoping to get one signed before the end of the year.” ■

Canadian Developer Seals Loan for Behind-the-meter Storage

Canadian energy storage developer **NRStor** has secured a C\$120 million (\$93.9 million) loan from a fund managed by Swiss asset manager **SUSI Partners** to finance commercial and industrial behind-the-meter projects.

A subsidiary of the company, **NRStor C&I**, inked the loan with the SUSI Energy Storage Fund on Nov. 17.

NRStor has a 300 MW portfolio of lithium ion battery projects that the loan will help to finance. NRStor’s business model for its C&I battery projects is to build, own and operate the batteries and provide energy storage to its clients as a service with no upfront costs.

“By creating a standard set of agreements and templates, this transaction represents the first large-scale

repeatable financing in the sector,” said **Asif Rafique**, managing director of energy storage at SUSI Partners, in a statement announcing the financing on Nov. 20. “We are delighted to complete this deal with NRStor’s market-leading team and are looking forward to realizing further investments in the near term.”

SUSI, which focuses on “sustainable” investments, claims that its energy storage fund is the first of its kind.

Besides battery technology, NRStor is developing flywheel and compressed air projects. Its 2 MW Minto flywheel project, which has been online since 2014, provides frequency regulation services to Ontario’s grid under a contract awarded by the province’s **Independent Electricity System Operator** in 2012. ■

● LATIN AMERICA

Zuma Inks Mexico Solar Loans

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\$155 million debt package, will finance the 148 MW Santa María project in Galeana, Chihuahua.

In April, NADB said it would provide a market-rate long-term senior secured loan for the equivalent in pesos of up to \$55.5 million dollars, according to official project documents, suggesting that the bank has provided a third of the debt.

The other \$137 million loan package will finance the 135 MW Orejana project in Hermosillo, Sonora.

The two projects are due to begin commercial operation halfway through 2019.

Like the wind project for which Zuma announced financial close in August, the solar projects won 15-year power purchase agreements and 20-year contracts for *certificados de energía limpia* (renewable energy credits) in Mexico's second power auction, which was held in 2016.

Zuma, which is 80% owned by London-based

private equity firm **Actis** and 20% by Latin America-focused investor **Mesoamerica**, raised \$600 million, including an 18-year term loan, for the 424 MW Reynosa wind farm in Tamaulipas.

Bancomext, Banobras, Nafin, **Santander** and Danish export credit agency **EKF** were lenders on that deal, which was the first to be signed on the basis of a contract won in one of Mexico's three power auctions (PFR, 8/9).

RECORD LOW PRICES

Mexico revealed its preliminary results from its third power auction, which produced a record low average price of \$20.57/MWh, on Nov. 16.

A total of 16 projects are expected to be awarded contracts, with France's **Engie** and Italy's **Enel** picking up four each. **Canadian Solar** won three. The final auction results were due to be released by Nov. 22. ■

Hong Kong Developer Targets Central Chile for Solar Purchase

Sky Solar Holdings is acquiring three shovel-ready solar assets in central Chile from Italian renewables developer **Ren-ergetica**.

The Hong Kong-based buyer noted the location of the projects, in the O'Higgins Region, as

an important part of the rationale for the transaction, contrasting it with the "grid saturation currently affecting the northern regions" in a statement.

The projects, which total 24 MW, will sell their output into the grid at a stabilized price

under Chile's *pequeños medios de generación distribuida* (small distributed generation) program for solar projects that generate 9 MW or less.

The financial terms of the deal were not disclosed. Representatives of Sky Solar in Short Hills and Ren-ergetica in Genoa did not immediately respond to inquiries.

It is not Sky Solar's first investment in the region. The company owns a stake in an 82 MW utility-scale solar portfolio in Uruguay through a joint venture with **Hudson Clean Energy Partners** (PFR, 9/12).

Sky Solar is looking at other opportunities in Chile, said chief investment officer **Sanjay Shrestha**, who is also president of the company's Short Hills, N.J.-based subsidiary, **Sky Capital America**, in a statement.

The company has also expanded its U.S. portfolio recently, acquiring 162.5 MW of solar assets from **Greenleaf-TNX** in two separate transactions last year (PFR, 8/2, PFR, 7/26). ■

Sponsors Pull Hydro Project

The sponsors behind Chile's controversial 2.75 GW HidroAysén hydro project have announced that they will not go ahead with the venture, saying it is no longer economically feasible.

Colbún and **Enel Generación Chile** separately told the Chilean **Superintendency of Securities and Insurance** on Nov. 17 that they were ending the \$3.2 billion project.

The two companies were developing the project through **Centrales Hidroeléctricas de Aysén**, a joint venture 51% owned by Enel and 49% by Colbún.

Colbún made the decision to cancel the project "because it is not feasible in economic terms," according to a statement.

"As we have said in the past, we believe that the correct use of the hydroelectric potential in Chile can represent benefits in the long term for the country," the statement continued.

The HidroAysén project has drawn fierce criticism from environmentalist groups since inception as it would involve building a transmission line through Patagonia. Campaigning group **International Rivers** claimed that almost three-quarters of Chileans were against the project.

"The development of projects with the characteristics of HidroAysén also requires an energy policy with wide national consensus," wrote Colbún in its statement, adding that this "was not possible to reach in this case."

The board of Centrales Hidroeléctricas de Aysén's has agreed to stop legal actions and give up its water rights. Meanwhile, the company's assets will be liquidated, with an extraordinary general meeting scheduled for Dec. 22. ■



On the trail in central Chile, in search of a less saturated grid

MERGERS & ACQUISITIONS ●

LS Power Lines up Buyer for Southeastern Gas-fired Asset

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steam turbine.

The identities of any financial advisers on the deals could not immediately be established. Officials at LS Power in New York and SCANA Corp. in Cayce, S.C., did not respond to inquiries by press time.

LATEST SOUTHEAST SALE

LS Power is in the process of finding a buyer or buyers for two other gas-fired plants in the South—its 501 MW Carville

cogeneration project in St. Gabriel, La., and its 237 MW Hog Bayou combined-cycle project in Mobile, Ala. **RBC Capital Markets** is advising the firm on the sale (PFR, 8/10).

The Columbia, Carville and Hog Bayou plants were part of a six-project gas-fired fleet LS Power acquired from **Calpine Corp.** in 2014.

Calpine developed all the projects in the portfolio, which also included the 1,134 MW

Oneta combined-cycle facility in Coweta, Okla., the 795 MW Decatur combined-cycle plant in Decatur, Ala., and the 225 MW Santa Rosa combined-cycle project in Pace, Fla. (PFR, 7/15/14, 4/21/14).

LS Power sold the Decatur facility to **Capital Power Corp.** earlier this year. RBC and **Scotiabank** were co-leads on a C\$182.5 million (\$137.2 million) public rights offering the buyer carried out to partially finance the acquisition (PFR, 4/13). ■

STRATEGIES ●

Exelon Renewables Term Loan B Grows to \$850M

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The ExGen

Renewables IV portfolio also includes Exelon's 665.3 MW Continental Wind portfolio, which comprises 13 facilities in six states, and its Renewables Power Generation Portfolio, comprising five wind projects totaling 217.8 MW and two solar projects totaling 38 MW, as well as the 241 MW AV Solar Ranch project in Los Angeles County, Calif., and the 69.3 MW SolGen distributed solar portfolio of 192 projects in Arizona, California, Georgia and Oregon.

Rounding out the fleet are two additional solar projects—a 4.4 MW ground-mounted array at Denver International Airport and the 1.5 MW (DC) Middle Township Board of Education project in New Jersey.

Officials at Exelon in Washington, D.C., and Morgan Stanley in New York did not immediately respond to inquiries. ■

Talen Follows Up with \$225M Add-on

Talen Energy returned to the high yield bond market on Nov. 20 for an add-on transaction that increased the size of a 2026 series of unsecured notes it had issued the week before.

The \$225 million offering, through **Talen Energy Supply**, grew the eight-year non-call-four print from \$400 million to \$625 million.

The independent power producer decided to sell the additional offering of the notes in response to continued investor demand, says a source close to the deal.

Talen priced the tap at 97.5% of par and the bonds pay a coupon of 10.5%.

The initial issuance was priced on Nov. 14 at an original issue dis-

count of 96.029% to yield 11.25%, wider than initial price talk and with one year more of non-call protection than was originally offered (PFR, 11/15).

Following the concessions on pricing and terms, the deal was well oversubscribed, says the source, adding that new investors then approached the issuer to ask for more of the paper.

Talen will use the proceeds of the add-on offering for the same purpose as the initial deal—to buy back existing notes through a tender offer.

The company removed the \$100 million cap on a previously announced tender offer for its 4.625% notes maturing in 2019 on the same day it sold the follow-on issuance.

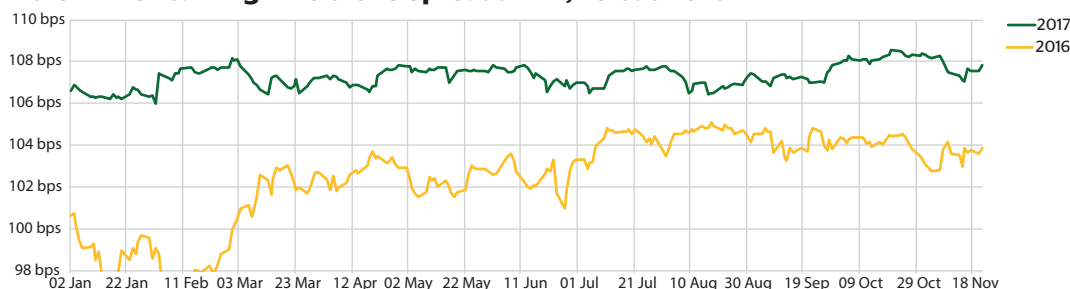
Talen is offering a total consideration of \$1,033 for each \$1,000 of the notes tendered by investors by Dec. 18. There is \$207.5 million outstanding under the 2019 series.

Morgan Stanley was the left lead on the high yield offerings and is also one of four joint lead dealer managers for the tender offer. The other dealer managers are **Citi**, **Deutsche Bank** and **SunTrust Robinson Humphrey**.

Moody's Investors Service and **S&P Global Ratings** said that the additional offering would not affect Talen's B1 and B+ ratings, in notes issued on Nov. 20.

Russell Clelland, Talen's treasurer in Allentown, Pa., did not respond to requests for comment. ■

North American High Yield CDS Spreads YTD, versus 2016



Sources: Markit

● PEOPLE & FIRMS

Ex-Panda Power CFO Takes Up Role at Blackstone Portfolio Co.

Former **Panda Power Funds** cfo **Alison Zimlich** has taken a role at a transmission-focused **Blackstone Group** portfolio company as one of several recent c-suite appointees.

Zimlich started at **Blackstone Energy Partners**-backed **GridLiance** as senior vice president and cfo at the same time as the company completed the move of its headquarters from Chicago to Dallas, according to a Nov. 16 announcement.

J. Calvin Crowder, who had been acting as president and ceo of GridLiance on an interim basis since June, has meanwhile been made permanent in that role, while **Justin Campbell** has been named chief development officer.

GridLiance owns grid assets in Texas, Kansas, Missouri, Nevada and Oklahoma.

Prior to his elevation to ceo, Crowder was senior vice president at Austin-based **South Central Utilities**, a GridLiance company that manages assets in the **Midcontinent Independent System Operator** market as well as

parts of Arkansas, Mississippi, Louisiana, New Mexico and **ERCOT**.

The new chief development officer, Campbell, was most recently president of **GridLiance West Utilities**, a recently created transmission company in **Western Interconnection** focused on expanding GridLiance's presence in the **California Independent System Operator** and **Western Electricity Coordinating Council**. Prior to joining GridLiance in April, Campbell was a vice president of **Edison Transmission**, a subsidiary of **Edison International**.

Zimlich became cfo, chief risk officer and treasurer of Panda Power Funds in 2013, replacing **Robert Simmons**, who had been promoted to partner of the private equity firm. Simmons, who left Panda in April, joined **Marathon Capital** in July (PFR, 7/20, 4/26).

Before working at Panda, Zimlich was cfo for North America generation at **AES Corp.**, where she spent a total of 17 years.

Whether Panda has lined up a replacement for Zimlich could not immediately be learned. Representatives of the firm in Dallas did not respond to inquiries.

Panda is in the process of raising debt and equity for its 990 MW Mattawoman gas-fired combined-cycle project in Prince George's County, Md. **Whitehall & Co.** is advising on the equity raise and Panda hired three lead arrangers for the debt financing late last year, but the bank group has changed and the structure of the deal has been reworked in recent months (PFR, 9/7, 10/25).

Meanwhile, the firm's 758 MW Temple I CCGT project in Texas is undergoing a restructuring after filing for bankruptcy in April. As cfo, chief risk officer and treasurer of **Panda Temple Power**, Zimlich laid much of the blame for the project's financial difficulties with ERCOT's capacity, demand and reserves reports in a declaration submitted in support of the bankruptcy filing (PFR, 4/19). ■

● STRATEGIES

Exelon Renewables Term Loan B Grows to \$850M

Exelon Corp. increased the size of a term loan B offering it priced on Nov. 16 to finance a portfolio of renewable assets in the U.S.

Morgan Stanley was the sole bookrunner on the seven-year senior secured loan, which grew from an expected \$750 million deal to \$850 million.

The loan was priced at 300 basis points over Libor with a 1% floor and sold at 99.75% of par, representing a tightening from initial price talk of 325 bps with an issue price of 99.5%.

The loan, a rare new money deal in a term loan B market dominated by repricings and refinancings, will finance ExGen Renewables IV, a nearly 1.8 GW generation platform made up of wind, solar and biomass assets in the U.S (PFR, 11/8, 11/9).

Moody's Investors Service and **S&P Global Ratings** rate the debt Ba2 and BB+, respectively. Exelon's merchant subsidiary, **Exelon Generation Co.**, has corporate ratings of Ba2 and BB from the same two rating agencies.

Among the assets in the ExGen Renewables IV portfolio are Exelon's 50% stakes in the 50 MW Albany Green Energy biomass project near Albany, Ga., and the 1,296 MW, 13-state **ExGen Renewables Partners** portfolio of 30 operational wind and solar projects.

John Hancock Life Insurance Co. acquired the other 50% of ExGen Renewables Partners in a deal that closed on July 6 (PFR, 4/4).

Mays Landing, N.J.-based **DCO Energy** has owned 50% of the Albany Green Energy project since Oct. 6 (PFR, 8/18).

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● ONE YEAR AGO



Southern Power acquired a 51% stake in the 100 MW Boulder Solar I project in Clark County, Nev., from **SunPower** (PFR, 11/28/16).

[The **Southern Co.** subsidiary recently hired **Citi** to sell an up-to-one-third stake in its entire 1,760 MW solar portfolio, including the Boulder Solar I stake (PFR, 11/6).]

● QUOTE OF THE WEEK

“Our intent is to keep these deals moving forward. We’re hoping to get one signed before the end of the year.”

Richard Matsui, founder and ceo of **kWh Analytics** in San Francisco, on loans that are in the works for projects featuring his company's solar revenue put. One bank recently provided the first term sheet for such a deal (see story, page 5).