

Power Finance & Risk

Exclusive Insight on Power M&A and Project Financing

By the publisher of GlobalCapital

● MERGERS & ACQUISITIONS

Brookfield Scores Renewable Portfolio

Brookfield Renewable Energy Partners is buying a portfolio of wind, hydro and biomass assets from Energisa. [page 5](#)

● PROJECT FINANCE

Sempra Unit Lands CFE Pipeline

Sempra Energy affiliate IENova has won a tender process to construct and operate a \$300 million pipeline in Mexico. [page 2](#)

Wind Developers, Financiers Target D.C. For Tax Credits

Olivia Feld

Wind developers, financiers and attorneys are focusing on Washington D.C. as Congress negotiates an extension of the production tax credit, an incentive that impacts billions of dollars of development projects and deals.

"If we don't pass an extension, we'll have smaller industry in the U.S. in terms of projects and deals in comparison to

the activity seen recently," says **Edward Zaelke**, co-chair of **Akin Gump Strauss Hauer & Feld's** global project finance practice. During the last lapse of the PTC in 2013, newly installed wind capacity declined by 92%, according to the **American Wind Energy Association**.

Senate Majority Leader Sen. **Harry Reid** and Ways and Means Committee Chairman Rep. **Dave Camp** hammered out a tentative deal for a two-year extension of the PTC followed by a 21-month

phase-out period, as part of a package of tax breaks, according to a D.C.-based deal watcher. The phase out for the 10-year credit would decrease the PTC to 80% of its value in 2016 followed by 60% in 2017, the deal

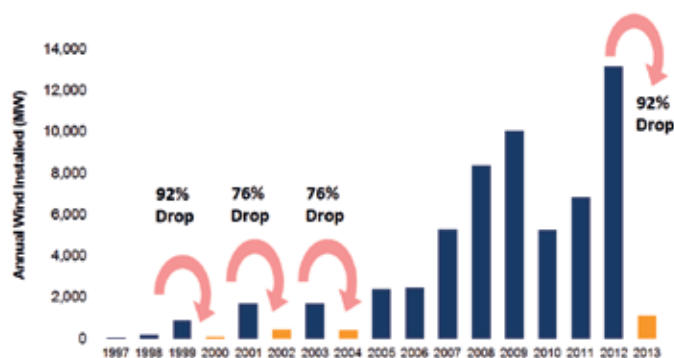
Sponsors Circle Financing For \$600M Wind Project

Sara Rosner & Olivia Feld

First Reserve and **Apex Clean Energy** are targeting a debt financing backing the roughly \$600 million, 298 MW Kingfisher wind project in Oklahoma.

The deal includes a senior secured construction loan and letters of credit, according to documents filed with U.S. **Federal Energy Regulatory Commission** earlier this month. An Apex spokeswoman in Charlottesville, Va., declined to comment on the deal while a spokeswoman for First Reserve did not respond to calls. Details, such as the structure, pricing [PAGE 8 »](#)

Historic Impact of Production Tax Credit (PTC) Expiration on Annual Wind Capacity Installation



Source: American Wind Energy Association

● THE BUZZ

Spotlight on Latin America

Deals and projects are lighting up several spots in Latin America this month, with U.S., Asian and Canadian entities making plays in the region. Mexico has been the center of growing attention from the project finance community in New York, as its landmark energy reforms aim to open up the country's power and energy sector to billions of dollars in investment. **IENova**, the Mexico [PAGE 2 »](#)



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● AT PRESS TIME

Sempra Unit Wins CFE Pipeline

Sempra Energy affiliate **IENova** has won a tender process under **Comisión Federal de Electricidad** to construct and operate a \$300 million natural gas pipeline in Mexico.

The state-backed utility has awarded IENova a 25-year contract to transport natural gas on the 158-mile pipeline, which will run between Ojinaga and El Encino in Chihuahua. The sponsor beat five other unidentified bidders to garner the contract.

Prospective bidders had been speaking with lenders to scope potential financing for the project (PFR, 9/26). A CFE official and a spokeswoman for IENova did not respond to inquiries by press time.

IENova is also working with **PEMEX** in 50:50 joint ventures to develop the \$500 million Los Ramones 1 pipeline in Nuevo Leon and the \$1.4 billion Los Ramones North pipeline in Nuevo Leon and San Luis Potosí (PFR, 11/6/13).

The Ojinaga to El Encino project is one of

several pipeline tenders that CFE is either preparing or has formally open to bidders.

The projects on offer include:

- the \$500 million, 225-mile Waha to San Elizario pipeline in Texas with 1,475 million cubic feet per day of capacity;
- the \$400 million, 145-mile Waha to Presidio pipeline in Texas with a 1,350 mmcf day capacity; and
- the \$650 million, 263-mile El Encino to La Laguna pipeline in Durango, Mexico, with a 1.5 billion cubic feet per day capacity.

The tenders are garnering interest from entities in the Americas and Europe. **TransCanada**, **GDF Suez**, **ATCO Pipelines**, **Spectra Energy**, **Abengoa** and **Enagás** are among the North America and Europe-based players that have done site visits for some of the projects. Colombian shops **TGI** and **Promigas** and Mexican companies **Fermaca**, **IDEAL**, **Arendal** and **Grupo Mexico** have also participated. ■

● THE BUZZ

Foreign Shops Spur LatAm Deals

« FROM PAGE 1

City-based affiliate of **Sempra Energy**, has garnered a contract to construct and operate the Ojinaga to El Encino pipeline (see story page 2). The project is among several tenders

expected from state utility **Comisión Federal de Electricidad**.

In Chile, **Samsung C&T** and **Korea Southern Power Corp.** have wrapped a \$477 million deal backing their Kelar gas-fired project in the northern part of the country (see story, page 7). Meanwhile, Canadian outfit **Brookfield Renewable Energy Partners** has bagged 488 MW of hydro, wind and biomass in Brazil (see story, page 5). ■

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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 **Sara Rosner**, editor, at (212) 224-3165 or sara.rosner@powerfinancerisk.com

GENERATION AUCTION & SALE CALENDAR ●

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

Generation Sale ■ DATABASE

Seller	Assets	Location	Advisor	Status/Comment
Apex Clean Energy	Kingfisher (298 MW Wind)	Kingfisher County, Okla.	Morgan Stanley	First Reserve is buying it (PFR, 11/24).
ArcLight Capital Partners	Hamakua (60 MW CCGT)	Hawaii	Energy Advisory Partners	Teasers out (PFR, 7/28).
ArcLight Capital Partners	Bayonne (512 MW CCGT)	Bayonne, N.J.	Morgan Stanley	Teasers recently out (PFR, 9/22).
Burrows Paper Corp.	Lyonsdale Associates (19 MW Hydro)	New York		Burrows in final stages of selling (PFR, 8/25)
Calpine	Osprey (550MW CCGT)	Florida	TBA	Comes after Duke recently said it wanted to build not buy plants (PFR, 9/1)
E.ON Climate & Renewables North America	Stake (Wind Portfolio)	Various	Bank of America Merrill Lynch	Looking to sell 80% of several projects (PFR, 9/15).
Emera	Stake (Northeast Wind Partners)	Various		First Wind is buying Emera out as part of deal with TerraForm (PFR, 11/24).
Enel Green Power North America	Stake (Wind Portfolio)	Various	Bank of America Merrill Lynch	Sale process recently started (PFR, 9/15).
Energisa	Portfolio (488 MW Wind, Biomass, Hydro)	Brazil		Brookfield Renewable Energy Partners is buying the portfolio for \$545M (see story, page 5).
Energy Investors Funds	Stake (Oregon 789 MW CCGT)	Oregon, Ohio	BNP Paribas	I Squared Capital is buying 50% (PFR, 11/24).
Entegra	Gila River (2.2 GW Gas)	Gila Bend, Ariz.		Tucson Electric Power is buying a 25% stake in the asset (see story, page 5).
Dynegy	Portfolio (2.7 GW Gas, Oil-Fired)	Various, California	Bank of America Merrill Lynch, Barclays	Teasers recently released (PFR, 10/27).
First Wind	Portfolio (512 MW Wind)	Various	Goldman Sachs	TerraForm Power is buying operational assets (PFR, 11/24).
First Wind	Portfolio (1.6 GW Wind Project Pipeline)	Various	Goldman Sachs	SunEdison is buying the development assets (PFR, 11/24).
First Wind	Stakes(255 MW Wind)	Texas, Washington		Individuals affiliated with Southwest Generation are taking stakes in the project (PFR, 10/20).
Geronimo Energy	Various (Wind)	Various	Barclays	Algonquin has bought one project (PFR, 9/15).
juwi solar	Pavant (50 MW Solar)	Millard County, Utah		Dominion is buying it (PFR, 11/17).
LS Power	Portfolio (544 MW Hydro)	Various, PJM		Sale is reportedly between the first and second round (PFR, 10/20).
LS Power	Renaissance (728 MW Gas)	Carson City, Mich.		DTE is buying it (PFR, 11/17).
LS Power	Portfolio (Various)	PJM, New England		Mulling a sale of assets in its second fund (PFR, 11/17).
Neptune Power Ventures	Neptune (65 Miles Transmission)	New York, New Jersey		Several owners selling down stakes to Ullico (PFR, 11/10).
NRG Energy	Portfolio (785 MW Wind, Gas)	Various		NRG Yield is buying them (PFR, 11/17).
NTR	Portfolio (Wind)	Various	Marathon Capital	Deal to launch soon (PFR, 11/17).
Olympus Power	Grant County Wind Farm (20 MW Wind)	Minnesota	Ewing Bemiss	The deal power price is set at \$69.10 per MWh for first ten years (PFR, 9/1) .
Riverstone Holdings	Sapphire Power (807 MW Gas)	Various	Barclays	First round bids submitted mid-October (PFR, 10/27).
Sempra U.S. Gas & Power	Mesquite (1250 MW CCGT)	Arizona		Sempra is on track to sell the facility for more than its \$300M book value (PFR, 11/10).
SunShare	Portfolio (9.6 MW Solar)	Colorado	Infrastructure Finance Advisors	High interest; moved to second round (PFR, 8/18).
Tenaska	Westmoreland (950 MW Gas)	Pittsburgh, Pa.	Whitehall	Looking for development capital (PFR, 8/18).
Covanta Holdings Corp	Portfolio (113 MW Biomass)	Various, California	Ewing Bemiss	Teasers out this month (PFR, 11/3).
	Portfolio (49 MW Biomass)	Various, Maine		

● 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 Editor Sara Rosner at (212) 224 3165 or e-mail sara.rosner@powerfinancerisk.com

● PROJECT FINANCE

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

Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
AES Gener	Angamos (544 MW Coal)	Chile	TBA	TBA	\$700M - \$1B	TBA	Banks bid to lead a refi (PFR, 10/6).
Alterra, Tierra Axium	Jimmie Creek (62 MW Hydro)	British Columbia	Manufacturers LifeCo	Construction, Term	C167.5	C+40-yr	Five lenders participated (PFR, 10/27).
Apex Wind	Balko Wind (300 MW Wind)	Oklahoma	TBA	TBA	TBA	TBA	Sponsor takes pitches from prospective MLAs (PFR, 9/8).
Cape Wind Associates	Cape Wind (468 MW Wind)	Cape Cod, Mass.	MUFJ	TBA	\$1.95B	TBA	Contention over pricing and lengthy due diligence slowing down prospective lenders (PFR, 10/20).
Cheniere Energy	Corpus Christi (LNG Export Facility)	Corpus Christi, Texas	SocGen	TBA	\$11.5B	7-yr	Nearly three dozen lending institutions looking at financing (PFR, 11/24).
Cobra Energia	Peru Portfolio (122 MW Wind)	Peru	U.S. Ex-Im	TBA	\$65M	17-yr	The Cobra projects have 20-year offtaker contracts with Peruvian government (PFR, 8/27).
Coronado Power Ventures	La Paloma (690 MW CCGT)	Cameron County, Texas	Blackstone	TBA	TBA	TBA	Debt and capital raise has had several setbacks (PFR, 8/11).
Deepwater Wind	Block Island (30 MW Wind)	Rhode Island	TBA	TBA	TBA	TBA	Aiming to close finance in the coming months (PFR, 10/27).
EDP Renewables North America	Rising Tree 1 & 2 (99 MW Wind)	Kern County, Calif.	MUFG Union Bank	Tax Equity	TBA	TBA	MUFG Union Bank agreed to make a tax equity investment (PFR, 11/24).
Energy Investors Funds	Oregon (800 MW Gas)	Oregon, Ohio	BNP, Crédit Agricole	Term	\$591.4M	7-yr	Half of project sold to I Squared Capital in tandem with \$591.4 million financing (PFR, 11/24).
Exmar NV	Floating Liquefaction Project	Colombia	TBA	B Loan	\$170M	TBA	Sponsor looking to land a B loan for the debt on the project (PFR, 5/5).
FGE Power	FGE Texas (726 MW Gas)	Westbrook, Texas	TBA	TBA	\$1B	TBA	Has opted for project finance loan over B loan (PFR, 7/28).
First Wind	South Plains (200 MW Wind)	Floyd County, Texas	BayernLB	Tax Equity, Debt	\$254M	TBA	Financing closed with term debt and tax equity (PFR, 11/19).
GDF Suez, Pemex	Los Ramones II Sur (178-mile Pipeline)	Mexico	Santander	TBA	TBA	TBA	BNP Paribas is also advising on the \$1B project (PFR, 8/11).
Greenwood Energy, ILIOSS	Portfolio (250 MW Solar)	Mexico	TBA	TBA	TBA	TBA	The sponsors are speaking to lenders and potential mid-size commercial and industrial offtakers (PFR, 10/6).
● Invenergy	Rattlesnake (207 MW Wind)	Glasscock County, Texas	Morgan Stanley	Construction, Term, Tax Equity	TBA	TBA	Deal wrapped with financing led by affiliates of Morgan Stanley (see story, page 7).
● Korea Southern Power Corp., Samsung C&T	Kelar (517 MW Gas)	Chile	Natixis	Guarantee, VAT, LC, Working Capital	\$477M	C+14.5-yr	Deal wrapped with Export-Import Bank of Korea providing direct loan and guarantee (see story, page 7).
NextEra Energy Partners	Palo Duro (250 MW Wind)	Randell, Texas	TBA	TBA	TBA	TBA	Sponsor looking to finalize about \$250 million in tax equity investment (PFR, 11/10).
NextEra Energy Resources	Bluewater (60 MW Wind)	Lake Huron, Ontario	TBA	TBA	TBA	TBA	Sponsor is talking to lenders in the U.S. to finance the project (PFR, 5/19).
NextEra Energy Resources	Mammoth Plains (200 MW Wind)	Oklahoma	GE Energy Financial Services, JPMorgan Capital Corp	Tax Equity	TBA		Tax equity investments agreed (PFR, 11/17)
NTE Energy	Multiple (Gas)	Various, U.S.	Whitehall	TBA	TBA	TBA	Looking to arrange PPAs for a portion of gas-fired trio (PFR, 8/4).
Panda Power Funds	Stonewall (750 MW CCGT)	Leesburg, Va.	Goldman Sachs, Credit Suisse, ICBC, Investec, MUFG Union Bank, Ares Capital	B Loan, Debt	\$571M	7-yr	Deal wrapped at L + 550 (PFR, 11/24).

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

MERGERS AND ACQUISITIONS ●

Brookfield Bags Wind, Hydro, Biomass Portfolio

Brookfield Renewable Energy Partners has agreed to purchase a 488 MW portfolio of wind, hydro and biomass portfolio from **Energisa** for roughly \$545 million in equity. The deal is slated to close early next year, pending regulatory approval.

"So we are very bullish in Brazil. We think it's a great market to invest and, in fact, some of the recent foreign exchange volatility and obviously the elections have just created, I think, a more competitive—or a less competitive environment for us, so I think that'll be a market that we'll continue to focus on indefinitely," said **Sachin Shah**, cfo of BREP in the company's third quarter earnings call earlier this month.

Toronto-based Brookfield will

fund the acquisition with capital from unidentified institutional partners.

The deal has an enterprise value of \$935 million and the difference between that amount and the equity purchase price represents the assumption of some long-term, non-recourse debt on the assets, according to a Brookfield spokesman. Brookfield will maintain a 40% equity stake in the portfolio, which is comprised of 163 MW of hydro, 150 MW of wind and 175 MW of biomass. The assets have an average of 10 years remaining on their offtake contracts.

A spokeswoman for Energisa in Cataguases, Mina Gerais in Brazil did not respond to email inquiries by press time. ■

Tucson Electric Nets Ariz. Gas-fired Stake

Tucson Electric Power is finalizing its purchase of a 550 MW unit of the 2.2 GW Gila River combined cycle gas-fired facility in Gila Bend, Ariz., from **Entegra Power**. The deal is slated to close before month-end, according to a filing with the U.S. **Federal Energy Regulatory Commission**.

TEP and its affiliate UNS Energy have been angling to buy the unit since at least March (PFR, 3/28).

A TEP spokesman in Tucson and an official at Entegra in Tampa, Fla., did not respond to calls by press time. The purchase price of the unit could not be learned.

Entegra, which emerged from Chapter 11 bankruptcy last

month, is planning to revive efforts to either contract or sell its gas-fired portfolio (PFR, 10/8).

The shop owns 25% of Gila River and the 2.2 GW gas-fired Union Power station in El Dorado, Ark. **Wayzata Investment Partners** owns 50% of Gila River via two separate purchases (PFR, 7/9/2010 & 5/11/2011). **Entergy Arkansas** has a tolling agreement until 2017 for one 550 MW block of Union Power.

A group of third lien lenders, led by **Luminus Management** and Wayzata, to Entegra have taken 100% of the equity in Entegra as part of the company's restructuring.

Canadian utility holding company **Fortis** acquired TEP via its purchase of UNS in August. ■



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By the publisher of GlobalCapital

● INDUSTRY CURRENT

Industry Current: FAQs About 30% ITC Expiration

In this week's Industry Current **David Burton**, partner at **Akin Gump Strauss Hauer & Feld**, dispels misinformation about the investment tax credit step-down at the end of 2016 and explores how it impacts the solar industry by answering frequently asked questions.



David Burton

Some industry participants and observers are confused about what the investment tax credit rules for solar will be on Jan. 1, 2017. In an effort to provide some clarity to this issue, below are frequently asked questions about the pending changes to the solar ITC.

1. Absent a change in law, what percentage of ITC will be available for investors in solar systems on Jan. 1, 2017?

Answer: 10%

2. Absent a change in law, what ITC will be available for homeowners who install and own solar on their own homes on Jan. 1, 2017?

Answer: None.

3. Absent a change in law, what percentage of ITC will be available for an investor (e.g., a bank) that invests in a solar system installed on a home and leased (or subject to a power purchase agreement) to the homeowner on Jan. 1, 2017?

Answer: 10% (In the case of a solar system owned by an investor (i.e., not a homeowner), the tax law does not distinguish between residential, commercial or utility scale systems.)

"If no tax credits are available for homeowners, the interest in ownership of solar systems by homeowners will likely decline in favor of leases and power purchase agreements..."

4. What happens to the five-year accelerated depreciation (so called MACRS) available for solar systems on Jan. 1, 2017?

Answer: As a general matter, nothing happens to MACRS on Jan. 1, 2017 because it is a "permanent" provision of the Internal Revenue Code. However, the MACRS benefit will effectively increase as the ITC decrease. This is because depreciable basis is reduced by half of the ITC. When the ITC declines to 10%, the depreciated basis will be reduced by only 5% (i.e., half of 10%), rather than 15% (i.e., half of 30%).

5. Is MACRS available to homeowners who own solar systems installed on their own homes?

Answer: Such homeowners are not eligible for MACRS (or any other type of depreciation) because depreciation is only available for property used in a trade or business. A solar system installed on your own residence is not used in a trade or business; accordingly, it is not eligible for MACRS (or any other type of depreciation). This is the case under current tax law and will be the case on and after Jan. 1, 2017.

6. What is the solar industry's strategy for maintaining the 30% ITC?

Answer: The strategy has two parts. The first part is seeking an extension of the 30% ITC. The second part is seeking to change the deadline from projects "placed in service" before the end of 2016 to projects that "start construction" prior to 2017.

7. What is the origin of the "start of construction" concept?

Answer: It was first used as one aspect of the deadline for projects seeking cash

grants. In the American Taxpayer Relief Act of 2012, the production tax credit for wind was extended for projects that started construction before Jan. 1, 2012.

8. What would "start of construction" mean as a practical matter?

Answer: The U.S. Internal Revenue Service for the production tax credit has interpreted "start of construction" to mean either (a) spending 5% and taking delivery of the purchased equipment within 3.5 months of payment or (b) starting work of a "significant physical nature." For more details, see the blog post available here.

9. If the 30% ITC is not extended, what changes are likely to occur in solar tax equity transactions?

Answer: MACRS will be more important. The most effective way to monetize MACRS is through a sale-leaseback, so that structure is likely to be more popular. The pass-through and inverted lease structures are ITC focused, so they will likely decline in popularity.

Further, there has been a recent increase in interest in homeowners owning the solar systems on their homes. For instance, **SolarCity** has launched a traditional lending program for homeowners. If no tax credits are available for homeowners, the interest in ownership of solar systems by homeowners will likely decline in favor of leases and power purchase agreements in which an investor can claim tax credits and depreciation and as a result provide a reduced rate to the homeowner. ■

PROJECT FINANCE ●

Natixis Scores Chile Gas-fired Deal

Natixis has wrapped a roughly \$477 million deal backing **Samsung C&T** and **Korea Southern Power Corp.**'s Kelar gas-fired project in northern Chile. The deal closed earlier this month.

The **Export-Import Bank of Korea** is providing a \$196 million loan to the \$600 million project and will also guarantee a \$160 million commercial bank loan to the project. An \$89 million uncovered commercial bank loan and \$32 million in letters of credit and a working capital facility round out the financing package. The debt has a tenor of 14.5 years plus construction. The project is scheduled for operation in 2016.

Natixis is the mandated lead

arranger on the deal and the financial advisor to the project's joint venture sponsors. **Bank of Tokyo Mitsubishi-UFJ**, **Mizuho** and **Sumitomo Mitsui Banking Corp.**, are reportedly participating in the transaction (PFR, 10/2). A local bank in Chile is providing a \$40 million VAT facility.

The joint venture partners won the mandate to develop the project from **BHP Billiton** last November. Kelar will sell its generation to BHP's mines in the region, including Escondida, the world's largest copper mine by production. KOSPO owns 65% of the JV, while Samsung owns 35%.

KOSPO and Samsung C&T officials did not respond to inquiries. ■

Invenergy Seals Lone Star Wind Deal

Chicago-based Invenergy has finalized a construction and term loan financing backing its 207 MW Rattlesnake wind farm in Glasscock County, Texas. Affiliates of **Morgan Stanley** led the deal, which closed this month.

The project has an undisclosed tax equity investor. Rattlesnake is slated for operation in the third quarter of next year and will deliver its output into Competitive Renewable Energy Zone infrastructure in Texas. Rattlesnake will use 118 **GE** 1.7 MW turbines.

A spokeswoman for Invenergy declined to comment or make an official available and a Morgan Stanley spokesperson did not respond to inquiries. Deal details,

such as size, pricing and tenor, could not be learned.

The developer most recently wrapped a pair of financings backing the 60 MW Spring Canyon in Logan County, Colo., and the 21.15 MW Le Plateau 2 wind farm in Quebec (PFR, 9/2). **Rabobank** was the sole lender for Spring Canyon, while **BayernLB** was the lender to Le Plateau 2. ■

FAST FACT

Rattlesnake is slated for operation in the third quarter of next year and will deliver its output into Competitive Renewable Energy Zone infrastructure.

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Are #Hawaii's #Microgrids Our Energy Future?
<http://tinyurl.com/n4ktbhu>

Paul Quinlan @PaulJQuinlan
2014 Capacity Update: New #wind passes #solar in October; #naturalgas accounts for 54% of new capacity #electricity

EIA @EIAgov
EIA's November 2014 Monthly #Energy Review (#MER) is now online <http://go.usa.gov/HKwx>

Scott Thomasson @scotthomasson
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BrightSource Energy @BrightSource
DOE Loan Guarantee Program expected to make back \$5 billion in interest from investment
<http://1.usa.gov/1pUYBLn>

MIT EnergyInitiative @mitenergy
@IRENA: #China's #renewables use could quadruple by 2030 <http://bit.ly/1pjal9X> via @rtcc_sophie
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EnergyFactCheck @EnergyFactCheck
Over 66% of the electricity generation capacity added in the U.S. last quarter came from #wind energy.
<http://bit.ly/1xyZ1EF>

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Our week of #thanks continues with recognizing our customer @InvenergyLLC! Thank you for being a part of our 25k fleet! #25DaysofWind #GE

Wind Shops Zero In On D.C.

« FROM PAGE 1 watcher adds.

However, President **Barack Obama** is threatening to veto the entire package of tax breaks because it focuses on incentives for corporations instead of working families, a White House spokeswoman says in a statement. The move, which pits the president against members of his own party, is highly unusual, Capitol Hill observers note.

The current Congress returns to Capitol Hill on Dec. 1 and is expected to adjourn for the year-end holidays on Dec. 11. The 114th Congress is sworn in on Jan. 3, 2015, when the Republican Party will take control of the Senate and the House of Representatives. Wind industry officials are concerned that the PTC could cease to exist after this year, as tax break legislation is less likely to pass through a Republican-dominated Congress.

"If this doesn't get done in the lame duck session it's hard to see how it happens next year when the Republican's control both Houses," **Keith Martin**, partner at **Chadbourne & Parke** and co-head of the firm's project finance group, tells PFR.

Wind developers are reportedly sched-

uled to meet congressional leaders in Washington D.C., next week in a trip organized by AWEA, a pro-PTC lobbyist says. An AWEA spokesman in D.C. declined to comment on the meetings.

As Congress nears the eleventh hour to extend the PTC, a flurry of wind project financings have closed or secured tax equity investment. "There has been a rush to get deals financed so that they can be built before the safe harbor for continuous construction under the PTC that expires at the end of 2015," Zaelke notes.

Invenergy sealed financing and tax equity investment backing its 207 MW Rattlesnake wind farm this week (see story, page 7). **EDP Renewables North America** secured tax equity from **MUFG Union Bank** for a pair of wind projects in California (PFR, 11/24) and **JPMorgan** and **GE Energy Financial Services** have agreed to take tax equity stakes in **Nex-tEra Energy Resources'** Mammoth Plains wind project in Oklahoma (PFR, 11/12). Projects must qualify for the PTC by achieving certain levels of construction or by falling under safe harbor guidelines (PFR, 8/29). ■

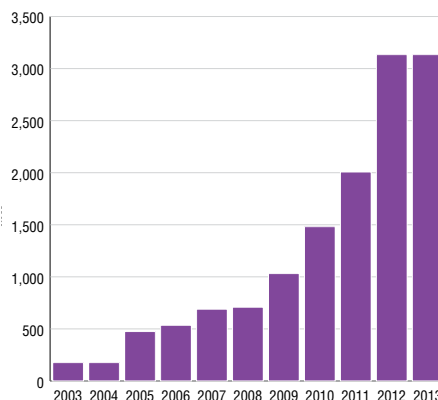
Apex, Firs Reserve Stalk Wind Funds

« FROM PAGE 1 and tenor of the debt, could not be learned.

First Reserve is on track to buy Kingfisher from Apex via its First Reserve Energy Infrastructure Fund II (PFR, 11/19). Securing financing for the project is a condition to closing the acquisition, according to the FERC filing. **Morgan Stanley** had worked with Apex for about a year to sell Kingfisher and the 300 MW Balko wind project in Beaver County, Okla. (PFR, 12/12/13).

Kingfisher is in Canadian and Kingfisher counties and is slated for operation next November, in order to qualify for the production tax credit. **Orrick, Herrington & Sutcliffe** is representing Apex in the filing and **Morrison & Foerster** is representing First Reserve. Attorneys and a Morgan Stan-

Oklahoma Wind Capacity



Source: U.S. National Renewable Energy Laboratory

ley spokesperson either declined to comment or did not respond to inquiries regarding the project financing. ■

● ALTERNATING CURRENT

Duke Energy: Cooking Up A Bird & Cutting Demand



The holidays are a time for family gatherings, football, decorations and, of course, indulging in festive food and beverage. Kitchens across the country will be in full throttle, with ovens fired up for pies and savory casseroles and dishwashers getting their fair share of action.

For those energy-conscious, holiday revelers, **Duke Energy Florida** has a few tips on how to prevent getting carried away with power usage when whipping up holiday fare. The St. Petersburg, Fla.-based utility has published a list of energy saving tips to help keep bills down without dampening holiday cheer:

- Maximize heat efficiently by matching your pot size to the burner on your stove. For example, a 6-inch pot on an 8-inch burner wastes over 40% of the burner's heat. Pot lids also help to contain heat and minimize cooking time.
- Keep the oven door closed while cooking. The temperature can drop significantly each time the oven door is opened to check on its contents.
- Scrape food off the dishes instead of rinsing them before putting your dishwasher to work. Only run the dishwasher when there is a full load and, if the option is available, use an air-dry cycle. ■

● ONE YEAR AGO



DIF Infrastructure agreed to buy four solar projects in Ontario from **Canadian Solar**. It was the infrastructure fund's first foray into the North American market. [DIF Infrastructure has since purchased the 11 MW Stone Mills solar project from **Stonepeak Infrastructure** subsidiary **Northstar Renewable Power Corp.** and is in talks with other parties for more acquisitions (PFR, 11/9).]

● QUOTE OF THE WEEK

"There has been a rush to get deals financed so that they can be built before the safe harbor for continuous construction under the PTC that expires at the of 2015."

Edward Zaelke, co-chair of **Akin Gump Strauss Hauer & Feld's** global project finance practice in Los Angeles on wind project finance activity ahead of the production tax credit expiry.