

# power finance & risk

The exclusive source for power financing and M&A news

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## Stark, Invenenergy Push Back Bids

**Stark Investments** and **Invenenergy** have pushed back bid deadlines for the St. Clair generation project in Ontario to next month.

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## NRG Lands SunPower Project

**NRG Solar** has agreed to buy SunPower's 250 MW California Valley Solar Ranch project.

*See story, page 2*

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## HUNT DEBUTS TRANSMISSION REITS

A unit of Dallas oil giant **Hunt Consolidated** has joined with four investors to establish the first real estate investment trusts to invest in transmission and natural gas pipeline assets. The two trusts, **Electric Infrastructure Alliance of America** and **Gas Infrastructure Alliance of America**, have a combined total of \$2.1 billion and will be funded by **Hunt Power**, **John Hancock Life Insurance**, **Marubeni Corp.**, **OPTrust Private Markets Group** and **TIAA-CREF**.

"This is just a natural extension of the REIT structure. The trick here is they got distribution lines treated as real estate," says a REIT banker, adding that a power plant wouldn't qualify because it is classified as equipment. REIT structures are used for other chain-like assets, such as car dealerships, timber forests and prisons, he adds.

The ownership quintet will look for acquisitions—of assets and greenfield projects—

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## Newcomers

## EDISON MISSION WIND DRAWS PENSION, ENDOWMENT INTEREST

**Edison Mission Energy's** wind portfolio is attracting interest from a number of would-be first-time direct investors—including U.S. pension funds and endowments. **CalPERS** and a handful of university endowments are looking at the portfolio, bankers say. EME launched its hunt for an investor a month ago (PFR, 11/5) and the **Marathon Capital**-led process is in its early stages.

A deal would likely involve the investor taking a stake in Edison's contracted 1.062 GW spinning fleet, bankers say, noting the risk in development pipelines doesn't fit these sort of investors' requirements.

*(continued on page 11)*

## INFIGEN REVISITS U.S. FLEET SALE

**Infigen Energy** is reconsidering divesting its 1.1 GW U.S. fleet. The Australian company is open to unsolicited bids, but it has not yet engaged a bank to run a formal process, says **Richard Farrell**, investor relations manager in Sydney. He declined to describe bids since the auction was halted, saying it had received "nothing that's been considered." Investment banks have contacted the developer, trying to land the mandate.

The company shelved an auction earlier this year after bids came in below expectations (PFR, 4/27). A recent change to the board could signal a change of strategy on the U.S. fleet:



*(continued on page 11)*

Check [www.iipower.com](http://www.iipower.com) during the week for breaking news and updates.



## At Press Time Invenergy, Stark Delay Bid Dates

Invenergy and Stark Investments have pushed back their deadline for final round bids for their sale of a 570 MW combined-cycle facility in St. Clair, Ontario. Bids had been due in mid-November. Credit Suisse and Bank of America Merrill Lynch are advising the sellers. The reasons behind the delay could not be learned.

Sithe Global, Toyota Tsusho, TransCanada and Enbridge are among the entities participating in the process, a deal watcher notes. Stark owns 80% of the St. Clair facility and Invenergy owns the remaining stake, he notes. The plant went in to operation this year and has a 20-year power purchase agreement with the Ontario Power Authority.

The asset is one of a trio that Invenergy put on the block earlier this year (PFR, 9/17). The status of the sale of the 78 MW Raleigh wind project in Chatham-Kent, Ontario and the 138 MW Le Plateau wind project in the Gaspesie region of Quebec could not be learned.

Thomas DeLeo, coo of Sithe in New York and officials at BofA and Credit Suisse did not return calls. A call to Brian McConaghy, executive v.p. of corporate development at TransCanada in Calgary, Alberta, was forwarded to a spokeswoman, who did not respond to the inquiry. A spokeswoman at Stark in St. Francis, Wis., notes that Stark is a limited partner in the facility and directed calls to Invenergy, where a spokeswoman declined to comment.

## NRG Ropes Large Solar Project

NRG Solar, the solar development arm of NRG Energy, has agreed to buy the 250 MW California Valley Solar Ranch photovoltaic project from SunPower. It'll be the largest single solar project to change hands in the U.S.—most tend to be below 100 MW, bankers say. Barclays Capital is advising SunPower.

NRG expects to put up to \$450 million in equity in the project in San Luis Obispo County, Calif., over the next four years. The company is in the process of applying for loan guarantees and cash grants for the project from the U.S. Departments of Energy and Treasury, respectively, says an NRG spokesman in Houston. Additional financing will be sought later. SunPower will stay on with the project as the EPC.

This transaction could set a standard for standalone sales, one banker in New York says. The purchase price is likely in the \$50-60 million range, which would be roughly 5% of the project's total expected \$1.25 billion cost, bankers say. Even that price—roughly \$240,000 per MW—would be high for a solar project that is still about eight months away from construction, says one M&A financier.

"They probably needed some deep pockets to come in and develop it," says a banker, noting the challenges in lining up financing for large solar projects. SunPower, like other panel manufacturers, is looking to sell its projects to strategics or financial players, notes the banker.

The project will be developed in phases, with the first going into construction in the second half of next year. It has a 25-year PPA with Pacific Gas & Electric and the sponsor needs to secure a conditional use permit from the California Public Utilities Commission.

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## Project Finance

### MUFG Closes \$410M GWF Refi

Mitsubishi UFJ Financial Group has wrapped a \$410 million package backing the refinancing of GWF Energy's three simple-cycle gas-fired peakers in California. CoBank, Dekabank, GE Energy Financial Services, Helaba, ING and Scotia Capital participated in the deal, which closed Nov. 23.

The deal comprises a \$305 million loan and a \$105 million letter of credit. Pricing is 250 basis points over LIBOR. The loan has a tenor of 10 years plus construction. The size of the banks' commitments could not be learned.

Siemens Financial Services is considering joining the refinancing and may take a piece of the debt, a deal watcher says. Officials at CoBank and Scotia declined to comment, while bankers at Helaba and Siemens didn't return calls.

The proceeds from the refinancing will convert one of the three facilities, the 169 MW Tracy plant near Stockton, Calif., to a 314 MW combined-cycle plant. GWF will apply the cash flows from the three plants, including the 95 MW Hanford and 97 MW Henrietta facilities, as equity. Pacific Gas & Electric is the offtaker for Tracy.

Pittsburg, Calif.-based GWF is owned by multiple Harbert Power-managed funds (PFR, 10/28). Pat Molony, Harbert executive v.p. and coo in Birmingham, Ala., declined to comment. Spokespeople at Deka, ING, MUFG and GE EFS either declined to comment, didn't respond to messages or couldn't make an official available by press time.

### Catalyst Gauges Interest In N.Y. Biomass

Catalyst Renewables is gauging the interest of 10 banks about financing two, \$100 million biomass plants in New York. Two lenders are likely to finance each project, says Eric Spomer,

president in Dallas. Spomer is targeting the first quarter to wrap a financing backing one of the 37-40 MW plants and hopes to close the other deal later in 2011.

Catalyst is open to widening the group of potential lenders beyond core relationship banks such as ING,

WestLB and Union Bank. Spomer declined to identify the banks his company is talking to and the locations of the plants. He also declined to delineate details of the financings, including pricing, tenor and the amount of debt sought.

Few biomass plants have been financed in the U.S. in recent years—Rollcast Energy's 50 MW Piedmont Green Power facility

in Barnesville, Ga., was the only one this year (PFR, 10/27). The closing of the Rollcast deal "was obviously good news" for financing biomass, Spomer says. Bankers attribute the few examples of debt-financed biomass plants to uncertain power and regulatory climates as well as the paucity of fuel (PFR, 6/11).

Catalyst is negotiating with at least one utility for power purchase agreements. The company has garnered a contract for the fuel supply for both plants.

### First Wind Maine Deal Details Emerge

First Wind is seeking a roughly \$75 million construction loan from Key Bank and NordLB backing its 60 MW Rollins Wind farm in Penobscot County, Maine. The loan will have a tenor up to 18 months, a deal watcher says. A tax equity investor will likely take out the construction loan.

The Boston-based company is looking to wrap the deal in early December. The identity of the tax equity investor, the specific structure of the deal and pricing couldn't be learned by press time. Key Bank and NordLB officials declined to comment, while a First Wind spokesman didn't return a call.

The \$130-150 million farm is under construction. First Wind is targeting a year-end completion date. Central Maine Power and Bangor Hydro Energy are the offtakers under 20-year contracts (PFR, 11/23). Central Maine is buying 20%, with Bangor Hydro taking the balance.

### Ram Wraps Nicaragua Geo Financing

Ram Power has wrapped \$160 million in debt financing for the second 26 MW expansion of its San Jacinto-Tizate geothermal plant near León, Nicaragua. The deal, which consists of \$140 million in senior construction and term loans and \$20 million in subordinated debt, wrapped last month.

The International Finance Corporation led the deal with the Inter-American Development Bank, the Central American Bank for Economic Integration, Deutsche Investitions-und Entwicklungsgesellschaft, Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden, Oesterreichische Entwicklungsbank and Société de Promotion et Participation pour la Coopération Economique participating.

"In order to close the syndication, you need a strong leader. The team was very good and helped us get through the hoops," says Hezy Ram, ceo of Ram in Reno of the IFC. He credits Shinji Yamamoto, chief investment officer of infrastructure at



the IFC, and **Hans Schulz**, general manager of the structured and corporate finance department at the IDB, with key efforts in the deal. The term loan has a tenor of 10 years and carries an interest rate of around 10%, while the construction loan has a tenor of two years and an interest rate of 7-8%.

The first 36 MW expansion on the 10 MW project is slated for operation in the first half of next year. The second phase of expansion will be in operation by the second half of next year. The project has a long-term PPA with a **Gas Natural Fenosa** subsidiary.

## Banks Circle NextEra Refinancing

At least five banks are eying a \$305 million refinancing backing **NextEra Energy Resources'** 507 MW combined-cycle plant in Blythe, Calif. Most of the expected participants are relationship lenders, a deal watcher says. Leads **Crédit Agricole** and **Lloyds TSB** are targeting financial close in early 2011.

NextEra relationship lenders include **Bank of Tokyo-Mitsubishi UFJ**, **Helaba**, **Royal Bank of Scotland** and **UniCredit**. **Paul Cutler**, NextEra Energy treasurer in Juno Beach, Fla., didn't return a call by press time. Officials at BoTM, **Crédit Agricole** and **UniCredit** declined to comment and bankers at **Helaba**, **Lloyds** and **RBS** didn't return calls. Whether those banks are mulling participation or the use of proceeds from the refinancing couldn't be learned.

Pricing starts at 237.5 basis points over LIBOR and will step-up to 287.5 bps by the end of the seven-year loan (PFR, 10/29). The deal comprises a \$225 million term loan and an \$80 million letter of credit.

**Southern California Edison** approved a 10-year offtake agreement for the Blythe Energy Center in August.

## Lenders Weigh Multiple Offshore EPCs

U.S.-based lenders considering offshore wind are grappling with a financing template that requires taking the risks of hiring multiple engineering, procurement and construction contractors, says **Howard Steinberg**, partner at **Sherman & Sterling** in New York.

The majority of onshore wind projects that lenders finance have a single EPC, while offshore projects require a supplier for foundations, a wind turbine vendor and a company to install an undersea cable. No contractor has expertise in more than one of those three areas, Steinberg told a seminar on offshore wind and transmission at Shearman's offices in New York.

A v.p. at a major American lender says bankers will eventually take the risk because they want to finance offshore deals. A senior financier at a European bank notes that while the arrangement

"is not a deal killer, it would certainly heighten the risk."

Offshore wind farms will be under construction in the Northeast within three years, with state renewable portfolio standards instilling subsidies to help developers cover capital costs, Steinberg says. He projects 3-5 GW of offshore wind built along the Atlantic coast within a decade, and up to 1 GW off the coast of the Great Lakes.

Some of the strongest offshore winds globally blow off the Atlantic coast, whose communities consume roughly 80% of all electricity in the U.S. Transmitting power from an offshore wind farm to a major city could require 25 miles of cabling, versus more than 1,000 miles for far-flung, rural onshore farms. "With offshore... you don't have to go through all the property rights, through municipalities and cities," Steinberg says.

Several Northeast and Mid-Atlantic states are promoting offshore wind through renewable portfolio standards. New Jersey recently launched the Offshore Renewable Energy Credit, enabling developers that qualify with the state **Board of Public Utilities** to snare a guaranteed long-term revenue stream—without the need to pursue an offtake agreement.

## Corporate Strategies

### Xcel Unit Issues Bonds For Calpine Purchase

**Public Service Co. of Colorado** has issued \$400 million in first mortgage bonds to fund a portion of its \$739 million acquisition of two natural gas-fired facilities from **Calpine**. The issuance closed Nov. 16 and the acquisition totaling 962 MW in Colorado is expected to close in early December.

The 10-year notes carried a 3.2% coupon. PSCo priced the issuance at 70 basis points over U.S. Treasuries. The notes are rated A2, A, and A by **Moody's Investors Service**, **Standard & Poor's** and **Fitch**, respectively.

Once the acquisition is complete, parent **Xcel Energy** will decide how much debt and equity will be used to fund the purchase, says **Jack Nielson**, director of investor relations at Xcel in Minneapolis. Xcel does not expect to issue more bonds this year, he says.

Xcel is buying the 621 MW combined-cycle natural gas-fired **Rocky Mountain Energy Center** in Keenesburg, and the 310 MW simple-cycle natural gas-fired **Blue Spruce Energy Center** in Aurora (PFR, 4/5). The transaction has received federal and state approval.

**BMO Capital Markets**, **Goldman Sachs** and **KeyBank Capital Markets** were joint bookrunners. **BNP Paribas Securities** and **Mizuho Securities** were co-managers. The bookrunners and co-managers are relationship banks, says Nielson.

Officials at the banks didn't immediately respond to inquiries.

## Mergers & Acquisitions

### Lenders Ready Foreclosure Of Complete Energy Plant

A group of four lenders are in the process of a consensual foreclosure on Complete Energy's 837 MW natural gas-fired facility in Mississippi. **Camulos Capital**, **JPMorgan**, **Monarch Master Funding** and affiliates of **Stark Investments** will take the Batesville combined-cycle plant as collateral for outstanding loans under a \$123 million credit agreement from 2007 without entering into a litigation process.

Following the transaction Stark will own 43%, Monarch 32.5%, Camulos 16.2% and JPMorgan 8.1% of Batesville, according to documents filed with the U.S. **Federal Energy Regulatory Commission**. **Fulcrum Power Services** will retain partial ownership.

The creditors and Complete have been working on this transaction for two years, says **Rhonda Hollier**, spokeswoman at Complete in Houston. The takeover is expected to be finalized in the first quarter. Complete is not working with a financial advisor. She declined further comment.

Batesville consists of three 279 MW facilities. **J.Aron**, a subsidiary of **Goldman Sachs**, has a power purchase agreement expiring in 2013 for power from two of the generators while **Southern Mississippi Electric Power Association** is slated to buy the remaining power until 2015,

according to the FERC filing.

A JPMorgan spokeswoman declined to comment and a call to **Donald Bobbs**, principal at Stark in St. Francis, Wis., was forwarded to a spokeswoman who didn't return a call. An official at Camulos in Stamford, Conn., couldn't immediately be reached. An official at **Monarch Alternative Capital** in New York didn't return a call.

**Trust Company of the West** foreclosed on Complete's stake in a 1,022 MW natural gas-fired facility last year (11/20/09).

## Occidental To Buy Out Semptra Plant Stake

A unit of **Occidental Petroleum Corp.** will buy out partner **Semptra Generation's** stake in the 550 MW Elk Hills Power combined-cycle plant near Bakersfield, Calif. **Occidental Energy Ventures Corp.** expects to close the acquisition of the 50% stake by year-end, according to a document filed Tuesday with the U.S. **Federal Energy Regulatory Commission**.

The facility went online in 2003 and whether it has a Power purchase agreement could not be learned.

Neither the purchase price nor whether either party is using an advisor could immediately be learned. Officials at Occidental in Los Angeles and **Semptra Energy** in San Diego couldn't be reached.

## News In Brief

*News In Brief is a summary of publicly reported power news stories. The information has been obtained from sources believed to be reliable, but PFR does not guarantee its completeness or accuracy.*

### Americas

- **Northeast Utilities** subsidiaries **Western Massachusetts Electric Co.** and **Connecticut Light & Power** will build a roughly \$800 million, 345-kV transmission line connecting Agawam, Mass., and Bloomfield, Conn. The project is expected to be complete by 2013 (*ABC News*, 12/2).
- **BP Wind Energy** is meeting with Kansas residents about a proposed 300 MW farm in the state. Construction is expected to commence in March 2012 (*Fox4KC.com*, 12/2).
- **China Huaneng Group** will buy **GMR Group's** stake in **InterGen** for \$1.23 billion. The acquisition is expected to close next year; GMR paid \$1.1 billion for the 50% ownership in 2008 (*Bloomberg*, 11/29).
- **Xcel Energy** has shelved plans to develop its Ashland biomass gasification plant near Lake Superior after construction costs increased 37% over initial projections (*The Journal Sentinel*, 12/1).

- **Tenaska Energy** has received the go-ahead from the Illinois House of Representatives to proceed with its \$4 billion clean coal Taylorville Energy Center. The state Senate will now look at two proposals that would guarantee a market for the power (*FoxIllinois*, 12/1).
- **Idaho Power** has agreed to buy power from developer **Rockland Wind Project's** 80 MW Rockland project for 25-years at \$71.29 per MWh (*Reuters*, 11/29).
- More than two dozen senators are campaigning Senate leadership to extend the U.S. **Department of Treasury's** cash grant, which is due to expire at year-end. Sens. **Maria Cantwell** and **Dianne Feinstein** are seeking a two-year extension of the grant (*The Hill*, 11/30).
- Clean tech companies raised \$575.6 million in Q3, half of what was raised last year. Smart grid and energy efficiency companies are receiving more U.S. venture capital dollars than capital intensive technologies like solar (*The Wall Street Journal*, 11/29).





## INDUSTRY CURRENT

### The U.S. Probe Of Chinese Energy Subsidies – Part 2

*Last week's Industry Current examined the factors behind the United States Trade Representative's investigation into whether China is unfairly subsidizing wind turbines, solar panels and other renewable equipment. This week's piece focuses on specific allegations and similar World Trade Organization disputes.*

#### Specific Allegations

The subsidies and restrictive practices about which the steelworkers complain fall into five broad areas.

1) Restricting access to “rare earths”: The steelworkers claim that China is illegally restricting exports of critical raw materials known as “rare earths” that are essential to certain green and other technologies through the use of export quotas, taxes and licensing requirements. China produces 90% of worldwide supplies of rare earths and in July announced large cuts to its export quotas for the elements citing the high environmental costs of mining and producing them. China has denied recent stories in western newspapers that in October it began implementing a more comprehensive embargo on rare earth exports.

2) “Prohibited subsidies”: Countries belonging to the WTO can subsidize domestic manufacturers or project developers but not if the subsidies are linked to export performance or use of domestic goods rather than imported goods. The steelworkers charge that China is violating WTO rules by imposing domestic-content requirements in the green technology sector as a condition to the availability of certain subsidies, preferential tax treatment and R&D grants. They also complain that export credits and export credit insurance provided through state-owned financial institutions give Chinese manufacturers an unfair advantage.

On Oct. 22, the WTO found in favor of the U.S. in a separate dispute in which China challenged U.S. anti-dumping and countervailing duties imposed in response to alleged illegal subsidies on certain carbon steel pipe, off-road tires, rectangular pipe and tube, and laminated woven sacks. The WTO held that the duties did not violate the U.S.' WTO obligations and that the U.S. **Department of Commerce** was correct in finding that low-interest loans by Chinese state-owned banks gave an unfair advantage to manufacturers of the affected products.

3) Discrimination against foreigners: The steelworkers allege that a number of Chinese policies and practices discriminate against foreign businesses and products in the green technology sector. Among the complaints is that China limits the availability of carbon credits under the clean development mechanism to projects that are wholly- or majority-owned by a Chinese company.

4) Technology transfer requirements: China promised when it joined the WTO not to require western companies to transfer rights to their technology to China as a condition to doing business in the country. The steelworkers charge that the Chinese government imposes technology transfer requirements on foreign investors seeking regulatory approval or domestic financing for investments into China. Since approvals are required for most inbound foreign investment, the steelworkers maintain that the licensing requirements amount to a transfer of intellectual property on a very large scale.

5) Trade-distorting subsidies: The steelworkers complain that \$216 billion of Chinese subsidies granted to the domestic green technology sector have distorted trade to the detriment of U.S. companies and unfairly advantaged Chinese manufacturers in global markets by forcing price undercutting that has led to U.S. job losses.

Historically, section 301 petitions have been an infrequently used and ineffective mechanism for U.S. businesses to challenge foreign trade practices. Since the WTO was established in 1995, no section 301 case has led to sanctions being imposed or formal WTO proceedings. The reason is that all prior petitions have either been rejected by the USTR or settled through negotiations. The Obama administration has yet to establish a record in this area.

The U.S. has brought 96 cases to date in the WTO. Ten of those cases have been brought against China. Seven out of the last 10 disputes filed by the U.S. have been against China, including two disputes filed by the U.S. in September 2010 affecting the flat rolled steel and electronic payments industries.

The litigation phase of WTO dispute resolution consists of two parts:

First, it can take up to 45 days for the WTO to appoint a panel to investigate the facts and reach a legal conclusion based on WTO rules. This panel reports its findings within six months. The report goes to a dispute settlements body that has 60 days to decide whether to adopt the report, after which the party that

loses can decide whether to appeal.

The second phase is any appeal, which is submitted to an appellate body and generally takes 60 to 90 days.

Overall, the dispute resolution process should take about a year without an appeal (factoring in consultations between the litigants that precede the work by the initial panel investigation and report), plus an additional three months with an appeal. However, the time frame is flexible, and the process may take substantially more time than expected.

If the U.S. were to succeed in challenging some or all of the Chinese practices, the WTO would order China to amend its policies. Although clearly a number of events would need to occur before such a ruling, any such outcome could have a profound effect on the Chinese green technology sector.

If China were to fail to comply with an order within a reasonable period of time, then the parties would enter into negotiations to determine mutually acceptable compensation. If the parties do not reach an agreement on compensation within 20 days, then the U.S. could ask the WTO for permission to impose trade sections against China. These could take the form of duties on Chinese goods.

## Other WTO Energy Disputes

As of press time, no WTO member had filed a complaint about China's green technology practices. However, a separate dispute related to the renewable energy sector recently was brought to

the WTO.

Japan requested consultations in mid-September with Canada over Canadian measures relating to domestic content requirements for the province of Ontario's solar feed-in tariff program, claiming that such measures are inconsistent with Canada's WTO obligations.

Additionally, Japan believes that Ontario has a prohibited subsidy in place. Japan says that there appears to be a financial contribution or form of income or price support that confers a benefit upon Canadian businesses and that subsidy is contingent on the use of domestic over imported goods, particularly equipment manufactured in Ontario.

Both the U.S. and the European Union asked to join the consultations, and Canada accepted each country's request. Some of the steelworkers' claims regarding Chinese practices are similar to those raised in the Japanese complaint against Canada, so the progression of the Japanese complaint may provide an early indication of how any U.S. complaint against China is likely to fare.



Amanda Forsythe

*This week's Industry Current was written by Christopher Flood, international partner, and Amanda Forsythe, associate, at Chadbourne & Parke.*



Christopher Flood

Industry Current is a feature written by industry professionals that highlights and clarifies key issues in the power sector. *Power Finance & Risk* runs the feature periodically and is now accepting submissions from industry professionals for the Industry Current section. For details and guidelines on writing an Industry Current, please call **Sara Rosner** at (212) 224-3165 or email [srosner@iinews.com](mailto:srosner@iinews.com).

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# Generation Auction & Sale Calendar

**Generation Sale DATABASE**

Following is a directory of ongoing generation asset sales. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report new auctions or changes in the status of a sale, please call **Holly Fletcher** at (212) 224-3293 or e-mail [hletcher@iinews.com](mailto:hletcher@iinews.com).

Seller	Assets	Location	Advisor	Status/Comments
Ameren	Coffeen Power Station (950 MW Coal) Electric Energy (800 MW Coal) Hutsonville Power Station (156 MW Coal) Meredosia Power Station (513 MW Coal) Newton Power Plant (1.15 GW Coal) Columbia Energy Center (140 MW Gas) Elgin Energy Center (460 MW Gas) Gibson City Power Plant (228 MW Gas) Grand Tower Power Plant (511 MW Gas) Joppa (165 MW Gas)	Coffeen, Ill. Joppa, Ill. Hutsonville, Ill. Meredosia, Ill. Newton, Ill. Columbia, Mo. Elgin, Ill. Gibson City, Ill. Grand Tower, Ill. Joppa, Ill.	JPMorgan	Ameren is quietly selling its unregulated generation facilities (PFR, 8/30).
Brick Power	Tiverton (265 MW Natural Gas) Rumford (265 MW Natural Gas)	Tiverton, R.I. Rumford, Me.	Deutsche Bank	A mix of strategic and financial players will submit final bids next month (PFR, 11/22).
Capital Power Income Fund	Various (1.4 GW in U.S. and Canada)	Various	CIBC, Greenhill & Co.	Sellings its fleet of 19 facilities (PFR, 11/29).
Complete Energy	Batesville (837 MW natural gas-fired)	Batesville, Miss.		Creditors, including JPMorgan, Monarch Alternative Capital and Stark Investments, are in a foreclosure process (see story, page 6).
Entergy	Vermont Yankee (650 MW Nuclear)	Vernon, Vt.	Morgan Stanley	Existing nuclear operators are expected to be interested in the facility (PFR, 11/15).
Invenery	St. Clair (570 MW, CCGT) Raleigh (78 MW wind project)	Ontario Ontario		The deadline for the final bids for the natural gas plant is being pushed back (see story, page 2).
JPMorgan	Triton (550 MW NatGas)	Jackson, Mich.	JPMorgan	JPMorgan is flipping a facility that unit Arroyo Energy Investors bought from Kinder Morgan (PFR, 10/4).
Northern Star Generation	Mt. Poso (50 MW coal-fired)	Bakersfield, Calif.	Headwaters	DTE Energy is buying out two of the plant's owners to convert it to biomass (PFR, 11/15).
PSEG	Guadalupe (1 GW, CCGT) Odessa (1 GW, CCGT)	Marion, Texas Ector County, Texas	Goldman Sachs	Bids due Oct. 22 (PFR, 10/25).
Raser Technologies	Thermo 1 (14 MW Geothermal, development assets)	Thermo, Utah	Bodington & Co.	Raser has entered into an early agreement with Evergreen Clean Energy (PFR, 11/8).
Royal Dutch Shell	Shell Wind Energy (stakes in 1.1 GW) 50% Rock River (50 MW) 50% White Deer (80 MW) 50% Top of Iowa (80 MW) 50% Cabazon (41 MW) 50% Whitewater Hill (60 MW) 50% Brazos (160 MW) 50% Colorado Green (162 MW) 50% NedPower Mount Storm (264 MW) European wind (200 MW)	U.S. and Europe Wyoming Amarillo, Texas Joice, Iowa Palm Spring, Calif. Palm Spring, Calif. Lubbock, Texas Lamar, Colo. Grant County, W.Va. Various	Morgan Stanley	Second round bids due (PFR, 11/15).
Sempra Generation	Elk Hills (550 MW CCGT)	Bakersfield, Calif.	No advisor	Occidental Petroleum Corp. is buying out Sempra's 50% stake (see story, page 6).
Stark Investments	Wolf's Hollow (730 MW Gas)	Hood County, Texas	JPMorgan	Second round bids coming due (PFR, 11/1).
SunPower	California Valley (250 MW solar photovoltaic)	San Luis Obispo County, Calif.	Barclays Capital	NRG Solar is buying it and will make a \$450 million equity investment (see story, page 2).
Terra-Gen Power	Alta 1 (150 MW wind)	Tehachapi, Calif.	No advisor	Initial bids for the first phase of the 3 GW Alta wind project were due earlier this month (PFR, 10/25).
Town of Scotia, Calif.	Scotia (30 MW biomass)	Scotia, Calif.	Bodington & Co.	Greenleaf Power, backed by Denham Capital, is buying the facility (PFR, 11/29).
U.S. Power Generating Co.	Boston Generating Mystic 8 (801 MW Gas fired) Mystic 9 (801 MW Gas fired) Fore River (801 MW Gas fired) Mystic 7 (560 MW Gas fired) Astoria Generating (1.28 GW Natural Gas) Gowanus (542 MW Fuel, oil and gas-fired) Narrows (276 MW Fuel oil and gas-fired)	Greater Boston area     New York City New York City New York City	JPMorgan    Goldman Sachs	Constellation Energy's \$1.1B bid won the auction (11/22).    Sale is postponed to 2011 (PFR, 11/15).

## Project Finance Deal Book

*Deal Book is a matrix of energy project finance deals that PFR is tracking in the energy sector. The entries below are of new deals or deals where there has been change in their parameters or status. To report updates or provide additional information on the status of financings, please call Senior Reporter **Brian Eckhouse** at (212) 224-3624 or e-mail [beckhouse@iinews.com](mailto:beckhouse@iinews.com).*

### Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
American Electric Power, Allegheny Energy	PATH (Transmission)	Maryland, Virginia and West Virginia	TBA	TBA	TBA	TBA	Sponsors initiate informal talks with banks (PFR, 11/1).
ArcLight Capital Partners	Various (Gas and Transmission)	TBA	Barclays, Credit Suisse	Term Loan	\$370M	TBA	Loan priced at 600 bps (PFR, 11/22).
BP Wind Energy, Sempra Generation	Cedar Creek II (250.8 MW Wind)	Weld County, Colo.	TBA	TBA	\$400M	10-12-yr	Banco Sabadell and Mizuho to participate (PFR, 11/8).
Caithness Energy, GE EFS	Shepherds Flat (909 MW Wind)	Oregon	BoTM, WestLB, RBS, Citi	TBA	TBA	TBA	Sponsor seeks \$135 million term loan, \$231 in letters of credit (PFR, 11/22).
Catalyst Renewables	Unknown (37-40 MW Biomass)	New York	TBA	TBA	TBA	TBA	Sponsors reaches out to banks about biomass financings (see story, page 4).
enXco	St. Isidore (12 MW Solar PV)	Nation, Ontario	Dexia	TBA	TBA	TBA	Union Bank named a co-lead on deal (PFR, 11/22).
EverPower	Highland North (73 MW Wind)	Krayn, Penn.	TBA	TBA	TBA	TBA	EverPower reaches out to lendings about financing (PFR, 11/29).
First Solar	Various (90 MW Solar PV)	Ontario	TBA	TBA	TBA	TBA	Sponsor scouts portfolio financing (PFR, 11/15).
First Wind	Rollins (60 MW Wind)	Penobscot County, Maine	TBA	TBA	\$75M	18-mo	Sponsor seeks roughly \$75M in debt (see story, page 4).
GWF Energy	Tracy (314 MW Combined Cycle)	Tracy, Calif.	MUFG	TBA	\$305M	10-yr plus construction	Deal wraps (see story, page 4).
Invenergy	Le Plateau (138 MW Wind)	Quebec, Canada	Natixis, RBC	TBA	TBA	TBA	Natixis and RBC snag mandates (PFR, 11/15).
	White Oak (150 MW Wind)	McLean County, Ill.	TBA	TBA	\$300M	TBA	Sponsor scouts financing (PFR, 11/1).
Lincoln Renewable Energy	Various (100 MW Solar PV)	New Jersey	TBA	TBA	\$400-500M	TBA	Sponsor targets relationship lenders of Airtricity and SunPower (PFR, 10/11/10).
NextEra Energy Resources	Blythe Energy Center (500 MW Gas-Fired)	Blythe, Calif.	Crédit Agricole, Lloyds TSB	TBA	\$305M	7-yr	At least five banks eye refinancing (see story, page 5).
Noble Environmental Power	Granite Renewable (99 MW Wind)	Coos County, N.H.	TBA	TBA	TBA	TBA	WestLB considers participating (PFR, 11/10).
Northland Power	Mont Louis (100 MW Wind)	Mont Louis, Quebec	Manulife	TBA	\$102M	20-yr plus construction	Closing is imminent (PFR, 11/22).
Project Resources Corporation	Lakeswind (100 MW Wind)	Fargo-Moorhead, Minn.	TBA	TBA	\$200M	TBA	PRC in talks with MUFG about sales-leaseback (PFR, 11/15).
SkyPower	Various (30 MW Solar PV)	Ontario	Deutsche Bank	TBA	TBA	TBA	Sponsor mandates DB to leading financing (PFR, 11/15).
Tenaska	Various (250 MW Solar PV)	California	TBA	TBA	TBA	TBA	Tenaska scouts debt for two solar plants (PFR, 11/15).
Western Wind Energy	Windstar (120 MW Wind)	Tehachapi, Calif.	TBA	TBA	\$264M	TBA	Closing nears with four principal lenders (PFR, 11/22).

## HUNT DEBUTS

(continued from page 1)

following the initial investment in Hunt Power subsidiary **Sharyland Utilities**, which is developing 300 miles of transmission lines in the Competitive Renewable Energy Zone, says **Kirk Baker**, senior v.p. at Hunt in Houston. EIAA and GIAA will own the land in addition to the transmission and distribution assets and will collect rent payments from the utilities that lease the assets or buy power from the lines. Hunt received initial approval for the REITs from the U.S. **Internal Revenue Service** in 2007 (PFR, 2/13/09). It took Hunt a while to bring the investor group together in the aftermath of the financial crisis, says Baker.

The REIT will provide a nimble way for the capital intensive projects to get financed by removing the development costs

from ratepayers, and the corresponding red-tape, and bringing in private capital to fund projects, industry officials say. A number of institutional investors are dedicated to working with REITs so EIAA and GIAA will likely have quick access to corporate credit lines in addition to preferred stock or additional capital investments by the shareholders, market officials say.

The REITs, which are umbrella partnerships, or upREITs, are not looking to bring in additional investors, says Baker, who will serve as chairman and president for both EIAA and GIAA. The investors will contribute the following capital:

- Marubeni up to \$500 million;
- John Hancock up to \$450 million;
- TIAA-CREF up to \$450 million;
- OPTrust Private Markets Group, a subsidiary of Canadian pension fund **OPTrust**, up to \$400 million; and
- Hunt Power up to \$322.5 million in cash and assets,

including the 40% stake in Sharyland.

EIAA's initial acquisition Sharyland Utilities will fund a portion of the CREZ projects. The amount of capital that will flow to those lines will be determined once the **Public Utility Commission of Texas** rules on the routes, says Baker, noting that decision is expected by mid-March. Calls to spokesmen at John Hancock, TIAA-CREF and OPTrust were not returned.

Additional acquisitions are expected to be made in Texas and the Southwest and Great Plains regions, says Baker. There is no annual quota of investment to be deployed, says **Daniel Welt**, v.p. of development at Marubeni in New York. Future acquisitions will be owned according to a target shareholder ratio. Baker and Welt declined to elaborate.

Marubeni started talking with Hunt about the REIT earlier this year, says Welt, noting that Marubeni has teamed with Hunt subsidiaries on LNG projects in Peru. Tax changes since 1999 paved the way for these REITs to be established, says **John Good**, a REIT-focused attorney at law firm **Bass Berry & Sims** in Memphis, Tenn. —*Holly Fletcher*

## EDISON MISSION

(continued from page 1)

Developers like Edison Mission and **Horizon Wind Energy** now have operating fleets sizeable enough and diverse enough for funds to take on the risk. Although U.S. pension funds and endowments, such as **Duke University**, **Stanford University** and **Yale University**, haven't made direct investments, industry officials have heard rumblings of interest. "It would be fascinating if they got in there," says a banker in New York.

CalPERS has roughly \$1.5 billion committed through its private equity clean tech program with an additional \$500 million in investments in a public equity environmental index fund, says a spokesman in Sacramento. He declined to comment on whether the fund is considering making a direct investment or looking at Edison Mission.

Duke, Stanford and Yale have all invested in funds that have stakes in renewable developers. Stanford invests in "lots of funds," including fund managers and venture capital, as part of an array of investments, says a spokeswoman. She declined to comment on whether the university would invest directly in renewables or is considering Edison Mission. Spokesmen at Duke and Yale declined to comment on current investments or the possibility of a direct investment.

So far investments from pension funds and endowments have come through funds under the auspices of general partners and private equity groups such as **Riverstone Holdings**, developers and bankers say.

One potential snag in non-taxable entities taking a stake would be how to deal with the tax credits in existing fleets,

bankers note. One option would be **Edison International**, EME's parent, taking the tax credits and diverting more of the cash from the spinning assets to the investor, one banker says.

Officials at Marathon and Pattern declined to comment.

Spokesmen at Edison Mission and Riverstone did not immediately respond to inquiries.

—H.F.

## INFIGEN REVISITS

(continued from page 1)

Infigen's stock price has steadily declined since the decision to hold the assets was announced, bankers say.

**Philip Green**, partner at shareholder **The Children's Investment Fund Management** in the U.K., was confirmed to the board Nov. 19. The stock price fell 15% to AUD\$1.03 (\$1.00) when the company announced it would hold onto its U.S. fleet. It was trading at AUD\$0.50 (\$0.48) as of press time. Green did not respond to an email and whether other changes to the board are being considered could not be learned.

It's not clear whether the developer will hire an advisor or try to run the process on its own. "It's definitely in play," says a banker in New York. Farrell confirmed investment banks have made pitches to advise on a sale, but would not give a timeline or identities or say whether Infigen would hire a bank.

Proceeds of the sale—run by **Marathon Capital** and **UBS**—were expected to pay down debt and capitalize its wind development pipeline in Australia. Bids for the portfolio of 18 farms came in around the \$600 million mark, say deal watchers. **Energy Capital Partners**, **Pattern Energy**, **AES** and **Morgan Stanley Infrastructure Partners** were reportedly in the running (PFR, 4/27). Farrell declined to comment.

Infigen owns farms in California, Colorado, New Mexico, Oklahoma, Oregon and Pennsylvania that are 80% contracted (PFR, 3/17). Marathon and UBS officials either declined to comment or didn't return calls.

—H.F.

## Quote Of The Week

*"With offshore [wind]... you don't have to go through all the property rights, through municipalities and cities."*—**Howard Steinberg**, partner at **Shearman & Sterling** in New York, on offshore's advantage over onshore despite financing hurdles (see story, page 5).

## One Year Ago In Power Finance & Risk

**First Wind** was talking to banks about a financing backing its \$240 million, 102 MW Milford II farm in Milford, Utah. [Since wrapping the deal for Milford II via **Royal Bank of Scotland** and **HSH Nordbank** (PFR, 10/22), First Wind has come to market for a roughly \$75 million construction loan backing its 60 MW Rollins wind farm in Maine (see story, page 4).]



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Revolving Credit Facility

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Co-Documentation Agent*



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