

# power finance & risk

The exclusive source for power financing and M&A news

www.iipower.com

A PUBLICATION OF INSTITUTIONAL INVESTOR, INC.

DECEMBER 14, 2009

VOL. XII, NO. 49

## ArcLight Closes In On EIF Assets

**ArcLight Capital Partners** is planning to pocket six **Energy Investors Funds** assets with **Barclays** running the sale and leading the financing.

*See story, page 2*

## At Press Time

MISO Suggests Transmission  
Cost Proposal 2

## In The News

First Wind Scouts Financing Lead 3  
Canadian Dev. Readies Financing 3  
W.Va. Wind Project On The Market 3  
LS Power Closes Loan 3  
Ex-HSH Banker Heads To Nereus 3  
NextEra Hires Exec. Director 4  
UTC Pours Money Into Clipper 4  
Hydro Portfolio Sells To Canadian Co. 4  
Pensions Invest In Hudson Fund 4  
NYC Developer Hunts Financing 5

## Corporate Strategies

NiSource Bonds Ensure Liquidity 5  
SCE&G Notes Finance Nuclear Prep 6  
ConEd Saves In Note Issue 6

## Departments

Project Finance Deal Chart 6  
News In Brief 7

**COPYRIGHT NOTICE:** No part of this publication may be copied, photocopied or duplicated in any form or by any means without Institutional Investor's prior written consent. Copying of this publication is in violation of the Federal Copyright Law (17 USC 101 et seq.). Violators may be subject to criminal penalties as well as liability for substantial monetary damages, including statutory damages up to \$100,000 per infringement, costs and attorney's fees. Copyright 2009 Institutional Investor, Inc. All rights reserved. ISSN# 1529-6662

For information regarding subscription rates and electronic licenses, please contact Dan Lalor at (212) 224-3045.

## FIRST WIND TO RE-POWER IPO

First Wind is planning to try again for an initial public offering. The NASDAQ deal, which would be the first by a wind developer, was shelved last year amid the financial market meltdown. A spring date is possible as it plans to refile later this month.

The initial IPO was for \$450 million but for an undetermined number of shares, thus valuation could not be calculated from the information available. The refiled IPO is likely to be for a similar amount, says a banker.

**Credit Suisse** has secured a spot, and **Bank of America-Merrill Lynch**, **Goldman Sachs**, **Citigroup** and **JP Morgan** are vying for the other underwriting spots. CS along with Goldman and JP Morgan were the planned underwriters the first time around. It could not be determined why the company decided only to keep CS and have banks re-interview for

*(continued on page 8)*

## THIN WIND DRAWS LENDER CONCERN

Lower than expected wind in the U.S. Northeast is causing concern among banks that lent to projects now drawing on debt reserves to compensate for lost productivity. Exhausting a project's debt reserves, which usually hold at least three months of capital to service debt, is a red flag ahead of default.

"It's been pretty bad. When you look at the expected energy estimates and some of the numbers that go into pro-forma, it's double digits off the expected amount of wind," says **Rolf Miller**, technical consulting services manager of **WindLogics**, a **NextEra**



*(continued on page 7)*

## ITC PLOTS PLAINS TRANSMISSION DEBT

**ITC Great Plains** will approach the debt market to secure roughly \$630 million by mid-year for transmission projects in Kansas and Oklahoma. Parent **ITC Holdings** will be looking to depart from its typical financing methods—a revolver refinanced through first mortgage bonds—because subsidiary **Great Plains** doesn't have assets to leverage, says **Cameron Bready**, cfo in Novi, Mich. The company will approach relationship banks for the issue, which include **JPMorgan**, **Bank of New York Mellon**, **Credit Suisse**, **Comerica** and **Morgan Stanley**. Calls to officials at the banks were not returned.

ITC wants to finance the following three projects:

- 180-mile V-Plan project that is a joint venture between ITC and **Prairie Wind Transmission**, an **American Electric Power** and **MidAmerican Energy Holdings Co.**

*(continued on page 8)*

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



## At Press Time

### ArcLight Stalks EIF Assets, Taps Banks

ArcLight Capital Partners is reportedly in the running for six assets Energy Investors Funds has put on the block through Barclays Capital. The bank is also left lead on the financing backing the acquisition, with Bank of America taking right lead. The private equity shop is looking at a price tag in the neighborhood of hundreds of millions of dollars, a project financier notes.

The sale, which was set to close before Thanksgiving (PFR, 11/19), is in the process of wrapping up, according to another banker. Whether other bidders are still vying for the package, the precise cost of the package, and the structure of the financing could not be learned. Barclays and BofA officials declined to comment.

Private equity shop American Securities unit Lakeside Energy is no longer looking at the deal, another deal watcher notes. The sale includes stakes in five generation facilities and one in the Neptune Regional Transmission system. Jim Pagano, president and ceo of ArcLight in New York, did not return a call and EIF declined to comment on the matter through a spokesman.

### MISO Drafts Transmission Cost Proposal

The Midwest Independent Systems Operator is working with its stakeholders to devise a long-term transmission cost allocation plan. The move comes after the U.S. Federal Energy Regulatory Commission approved an interim proposal that saddles wind developers with almost 100% of the upgrade costs.

Under the FERC-sanctioned regime developers will have to pay for 90% of the upgrades required for lines above 220kV and 100% of costs to upgrade lines 220 kV and under. The FERC issued its decision Oct. 23 and MISO must come up with a long-term proposal by July 15. Calls to Michael McLaughlin, director of the office of energy market regulation at the FERC in Washington, D.C., were not returned by press time.

The FERC's decision, while only temporary, is rattling wind developers because it opens the door to possibly approving this cost allocation scheme in the long-term. "Approving it, even on an interim basis, sets a precedent for sticking all of the costs to developers," says Gene Grace, regulatory attorney at the American Wind Energy Association in Washington. The ruling is expected to slow severely the flow of new PPAs during the interim because developers who get a contract before July 15 will be strapped with the higher costs for the lifetime of the project, Grace adds.

Wind developers are working with fellow MISO stakeholders such as utilities and state regulators to design a plan that is amenable to a majority of the stakeholders, says a MISO spokesman in Washington. Iberdrola, Edison Mission Energy, Geronimo Wind and RES Americas are a few of the sponsors active in discussions. The MISO spokesman declined to elaborate on potential plan designs and a timeline. Calls to company officials and spokesmen were not returned by press time.

## power finance & risk

The exclusive source for power financing and M&A news

### EDITORIAL

TOM LAMONT  
Editor

STEVE MURRAY  
Deputy Editor

PETER THOMPSON  
Executive Editor [Chicago]  
(773) 439-1090

JEANINE PREZIOSO  
Managing Editor  
(212) 224-3226

SARA ROSNER  
Senior Reporter  
(212) 224-3165

HOLLY FLETCHER  
Associate Reporter  
(212) 224-3293

STANLEY WILSON  
Washington Bureau Chief  
(202) 393-0728

KIERON BLACK  
Sketch Artist

### PRODUCTION

DANY PEÑA  
Director

DEBORAH ZAKEN  
Manager

MELISSA ENSMINGER,  
JAMES BAMBARA, DOUGLAS LEE  
Associates

JENNY LO  
Web Production & Design Director

### ADVERTISING

PAT BERTUCCI  
Associate Publishers  
(212) 224-3890

ADRIENNE BILLS  
Associate Publisher  
(212) 224-3214

### PUBLISHING

NICK FERRIS  
Publisher  
(212) 224-3507

LAUREN O'DONNELL  
Marketing Associate  
(212) 224-3609

VINCENT YESENOSKY  
Senior Operations Manager  
(212) 224-3057

DAVID SILVA  
Senior Fulfillment Manager  
(212) 224-3573

### SUBSCRIPTIONS/ ELECTRONIC LICENSES

One year \$2,975 (in Canada add \$30 postage, others outside US add \$75)

DAN LALOR  
Director of Sales  
(212) 224-3045

KEN LERNER  
Account Executive  
(212) 224-3043

### REPRINTS

DEWEY PALMIERI  
Reprint & Permission Manager  
(212) 224-3675  
dpalmieri@institutionalinvestor.com

### CORPORATE

GARY MUELLER  
Chairman & CEO

ALLISON ADAMS  
Group Publisher

STEVE KURTZ  
Chief Operating Officer

ROBERT TONCHUK  
Director/Central Operations & Fulfillment

**Customer Service:** PO Box 5016,  
Brentwood, TN 37024-5016.  
Tel: 1-800-715-9195. Fax: 1-615-377-0525  
UK: 44 20 7779 8704  
Hong Kong: 852 2842 6910  
E-mail: customerservice@iinews.com

**Editorial Offices:** 225 Park Avenue  
South, New York, NY 10003.  
Tel: (773) 439-1090  
Email: pthompson@iinews.com

**Power Finance & Risk** is a general circulation newsweekly. No statement in this issue is to be construed as a recommendation to buy or sell securities or to provide investment advice.

**Power Finance & Risk** ©2009  
Institutional Investor, Inc. ISSN# 1529-6852

**Copying prohibited without the permission of the Publisher.**

**Institutional  
Investor NEWS**  
INTELLIGENCE FIRST

## First Wind To Tap Milford II Lead

First Wind is expected to tap a lender to lead financing for its \$220 million, 100 MW Milford II project in Milford, Utah, this month.

Royal Bank of Scotland, Union Bank, BNP Paribas, Banco Espirito Santo, Credit Suisse, HSH Nordbank and Société Générale participated in the \$376 million loan backing Milford I and the company has been looking to these banks to step up for this latest deal (PFR, 12/4). Bank officials either declined to comment or did not return calls. Doug Hansen, director of project finance and a spokesman in Newton, Mass., did not return calls. Details of the deal, such as structure, tenor and pricing could not be learned.

The Southern California Public Power Authority has a PPA with the project and the company is looking to take advantage of the U.S. Department of Treasury's cash grant program. The project is slated for operation next year.

## Canadian Shop Preps Financing Ahead Of PPAs

Canadian developer Aeolis Wind Power is working with a consortium of international lenders to finance roughly C\$2 billion (\$1.89 billion) of wind projects in British Columbia's Peace Region, pending the award of a PPA from BC Hydro. The company expects to have financing in place next year after hitting the market last year to round up lenders.

"We've put together a consortium of banks and other entities. The details of the financing we think we have in place," says Juergen Puetter, president in Sidney, B.C. He declined to identify participants in the consortium, the structure of the financing or how much debt and equity the company is looking to put into the projects.

BC Hydro is expected to announce the winners of several 20-year PPAs for its Clean Power Call by year-end or in the first quarter, after delays from a conflict over the fate of the 912 MW natural gas-fired Burrard plant (PFR, 10/30). A BC Hydro spokesman in Vancouver, did not immediately return calls.

HSH Nordbank is a 20% equity stakeholder in the company and had been working with Canadian banks and equity investors, though the lender would not necessarily be handling the financings of the projects (PFR, 12/11/08). Calls to officials at HSH were not returned.

The projects include the 370 MW Hackney and 320 MW Thunder Mountain projects, which would be put into operation in phases through 2016. Puetter declined to specify exact operation or construction start dates for the projects, or the size of the phases.

## Pa. Developer Markets Wind Project

U.S. Wind Force, a Greensburg, Pa.-based wind developer, is looking to sell a construction-ready project in West Virginia. The fully permitted 150 MW Mt. Storm project in Grant County is on the market so the development team can focus on other projects, says Michael Dolan, cfo. U.S. Wind Force is not using an advisor.

One other project is already under construction. Wind Force received a long-term PPA with the University System of Maryland for its 55 MW Pinnacle project near Keyser, W.Va., the Maryland governor's office announced yesterday. The Pinnacle project is one of four selected under the state's Generating Clean Horizons, an initiative to procure renewable power. Besides Pinnacle, the company is in early stages of siting a project named Blackrock, says Dolan, declining to elaborate.

## LS Power Wraps Dynegy Loan

LS Power has closed \$775 million in financing backing its acquisition of nine Dynegy plants. The deal includes a \$500 million package led by BNP Paribas and WestLB for long-term contracted assets and a \$275 million package lead by GE Energy Financial Services and ING for short-term contracted and merchant assets in the portfolio. Banco Espirito Santo, Bank of America, Calyon and Credit Suisse participated in the larger five-year deal along with four other banks, according to a banker, after the leads implemented a reverse flex in pricing (PFR, 11/20).

Bank officials either declined to comment or did not return calls, and the details of the smaller package, such as pricing, tenor and structure could not be immediately learned. A spokesman for GE EFS referred questions to officials at LS Power. Joe Esteves, cfo of LS Power in New York, did not return calls.

## Private Equity Firm Hires Ex-HSH Banker

Rohan Singh, former head of investment banking for North American energy for HSH Nordbank, has joined alternative asset manager Nereus Capital as managing director. He will focus on equity investments in renewable projects and companies, and clean technology companies in India, says a source.

Singh will make investments through Nereus' flagship India Energy Fund. He began in the newly created position based out of New York and Mumbai earlier this month. Singh directed inquiries about his post to Jonathan Winer, ceo, who declined to comment. Details such as the size of the fund, the size of the investments Nereus is looking to make and investments it has made thus far could not be learned.

Singh left HSH last month (PFR, 11/6).



## NextEra Hires DoE Consultant

Edwin Moses has joined NextEra Energy Resources as executive director. He was most recently a consultant for the U.S.

Department of Energy on its Hawaii Clean Energy Initiative, based on the East Coast, which aims to change the state's oil-based economy to 70% renewable energy by 2030 (PFR, 2/29/08).

An employee with the Hawaii Department of Business, Economic Development and Tourism who worked with Moses on the Hawaii project confirmed he has joined NextEra. Moses is a former director of infrastructure and project finance at RBC Capital Markets. Moses could not be reached for comment.

NextEra had been looking for an executive director of development since June to focus on building out their solar generation, according to energy job Web sites. Moses joined Dec. 1.

## Clipper Cash Infusion May Heat Up Turbine Mart

United Technologies Corp.'s investment in Clipper Wind Power should give more clout to the turbine player's warranties allowing it to take a bigger slice of the market. "It's really a game changer for the industry. It puts a lot of competitive pressure on the other big players," says a banker.

Doubts about Clipper's financial profile had made lenders and sponsors uncertain of its ability to live up to its warranties. The company has been troubleshooting problems on some of its Liberty turbine gearboxes and has spent about \$330 million on remediations since January 2007.

UTC will invest GBP126.5 million (\$206 million) in the company it said in a statement. Such an equity boost from an established, credit-worthy entity like UTC gives potential buyers and financiers the assurance that Clipper will be able to meet its warranty obligations.

Many developers like Clipper products, despite some hiccups in their operational history, the banker notes. Due to its overwhelming presence in turbine manufacturing, General Electric is one of the players that stands to lose some market share, he says. Vestas, Siemens and Mitsubishi could feel some heat.

Clipper will have access to advanced blade and gearbox technology in addition to cushioning the company's balance sheet, says Alastair Bishop, analyst at Piper Jaffray in London. Sikorsky, a subsidiary of UTC, manufactures the Black Hawk helicopter and another unit has experience with gearboxes. UTC is already in the generation business through unit UTC Power, which makes fuel cell generators.

Under the transaction, UTC will acquire 49.5% of the company, allowing Clipper to operate independently, but with UTC people on its board. "UTC will look to work quite closely and improve the [manufacturing] process. It's not just investing

as an equity investor but will look to add value," says Bishop. The deal is expected to close by Jan. 12.

Calls to Clipper advisors Goldman Sachs and JPMorgan Cazenove in London were not returned. Calls to UTC officials in Hartford, Conn., were not returned and officials at its advisor Royal Bank of Scotland, declined to comment. Calls to Clipper officials in Carpinteria, Calif., were not returned.

## Canadian Paper Co. Snags Hydro Portfolio

Ridgewood Renewable Power sold a portfolio of hydroelectric generation, totaling 26 MW, to a subsidiary of Kruger, a Canadian pulp and paper company. Kruger Energy pocketed 23 facilities for \$13.5 million in late November, according to filings with the U.S. Securities and Exchange Commission. A Ridgewood official confirmed that the deal closed.

The units are located in Maine, Virginia, California and New York (PFR, 8/21). The privately held Kruger and its unit own seven hydroelectric facilities with a combined 159.5 MW in the U.S. and Canada. The company is likely looking to diversify itself as the pulp industry hits hard financial times, says a Canadian banker who works on renewable power deals. "If it's on the eastern seaboard, it's in their neck of the woods," he says, noting that Kruger migrated north from its roots in New England.

Besides hydropower, Kruger owns about 100 MW of wind and is developing an additional 200 MW in Canada, according to its Web site. Calls to Kruger officials in Montreal and a spokesman were not returned.

Calls to officials at Ewing Bessis, the investment bank in Richmond, Va., running the sale, were not returned. Whether or not Kruger used an advisor in the purchase could not be learned.

## Pensions Invest In Energy, Power Strat

Hudson Clean Energy Partners' debut fund got an influx of \$100 million from the \$116.5 billion New York State Common Retirement Fund, the most recent pension to invest in the fund.

The money allowed Hudson to close the fund with \$1.024 billion, exceeding its \$1 billion fund target. In March, the Danish ATP pension fund committed \$400 million, and Credit Suisse awarded the fund \$300 million last year. The clean energy private equity firm recently closed its Hudson Clean Energy Partners Fund to new investors, according to a PFR sister publication, *Money Management Letter*.

John Cavalier, the former head of Credit Suisse's renewable energy investment banking business, and Neil Auerbach,

Hudson founder and former **Goldman Sachs** alternative energy founder, will manage the fund. Public plans make up roughly 40-50% of the commitments followed by banks and insurance companies, family offices, and corporations. The firm plans to invest 60% of the portfolio in North America and the rest primarily in Western Europe. The portfolio includes wind and solar power generators, a solar power distribution company, a solar photovoltaic wafer and cell manufacturer, a manufacturer of solar photovoltaic thin-film cell, and a manufacturer of power electronics that enables connection of renewables to the grid. Cavalier said he also is looking to invest in biomass, energy efficiency, and energy storage.

## NYC Developer Scouts Wind Dollars

**OwnEnergy** is looking to secure roughly \$200 million in financing for three wind projects slated for construction next year. The developer is in preliminary talks with infrastructure funds, says **Ray Henger**, cfo at the Brooklyn, N.Y.-based developer. He declined to disclose fund names or project locations.

The projects, totaling about 100 MW, will ideally be financed with debt at the project level, and with cash grants from the U.S. **Department of Energy**, says Henger, who was a managing director in **Credit Suisse's** power and renewables group before joining **OwnEnergy**. The developer partnered with the **National Farmers Union Service Association** on the 20 MW **Rothsay** project in Otter Tail County, Minn., that is expected to qualify for the cash grant and be online in 2011 (PFR, 11/4). The company plans to finance a fourth project on balance sheet, he adds.

**OwnEnergy** is targeting infrastructure funds because the debt and tax equity markets are "fairly uncertain," says

Henger. Infrastructure funds are more likely to commit funds at the project level for greenfields, agree bankers.

The company is trying to accelerate the development of a fifth 60 MW project in western Oklahoma and start building in 2010 so it can compete for a cash grant, says a person familiar with the project. **OwnEnergy**, founded in 2007, is backed by two venture capital firms, Philadelphia-based **EnerTech Capital** and New York-based **Contour Venture Partners**. Henger declined to say whether these firms would provide additional funding for projects. Calls to officials at the firm were not returned.

## Corporate Strategies

### NiSource Issues Bonds For Liquidity

**NiSource** has issued \$500 million of 6.125% notes as it looks to ensure liquidity ahead of upcoming maturities and to take advantage of conducive market conditions, according to a spokesman. The company priced the 12.5-year notes Dec. 1, and closed the deal Dec. 2. Calls to **David Vajda**, v.p. and treasurer in Merrillville, Ind., were not returned by press time. The company will likely tap its \$1.5 billion revolver and cash on hand to repay a total of \$710 million in bonds maturing next year and 2011, notes **Ken Farer** at **Standard & Poor's** in New York. The revolver has \$1.15 billion available and expires in 2011.

**NiSource** plans to prefund the 2010 maturity "resulting in a temporary reduction in borrowings under our revolving credit agreement," says a spokesman. "When we repay the remaining 2010 notes, the revolver balance will reflect a more normal borrowing pattern," the spokesman adds.

Proceeds from the latest issue will be used to pay down a \$385 million term loan coming due in 2011 (PFR, 2/27). The remaining proceeds, \$120 million, will go toward refinancing subsidiary **Northern Indiana Public Service Co.'s** \$330 million acquisition of the 561 MW combined cycle **Sugar Creek** plant in Sugar Creek, Ind., from **LS Power** (PFR, 11/2/07). The company also has \$300 million of debt coming due in 2012, and has yet to decide how it will refund these maturities, the spokesman says.

The company chose the 12.5-year tenor to balance its debt maturity schedule, the spokesman notes, adding all the underwriters on the issue are relationship banks.

**Credit Suisse**, **Morgan Stanley** and **UBS Investment Bank** are joint bookrunning managers and **Bank of America/Merrill Lynch**, **Citi**, **JPMorgan** and **Wells Fargo Securities** are senior co-managers. **Loop Capital Markets**, **Mitsubishi UFJ Securities**, **PNC Capital Markets** and **U.S. Bancorp Investments** are co-managers.

**iipower.com**

**PRINT IT OUT. DOWNLOAD IT.  
YOUR CHOICE.**

Subscribers can access their copy of  
**Powr Finance & Investment** on Friday afternoons at  
[www.iipower.com](http://www.iipower.com).

To set up your subscriber password, contact  
[customerservice@iinews.com](mailto:customerservice@iinews.com) or call  
(800) 715-9195 between 8:00 a.m. and 6 p.m.

## SCE&G Taps Bonds For Nuclear Pre-Construction

South Carolina Electric & Gas will finance pre-construction costs for its planned nuclear expansion units from the proceeds of a \$150 million bond issuance. No permanent structures can be built before the utility receives approval from the U.S. **Nuclear Regulatory Commission** but SCE&G is beginning to clear land and pave roads in anticipation of construction, says **Bryan Hatchell**, manager of investor relations at parent **SCANA**.

The Columbia, S.C.-based utility is expected to be a “frequent debt issuer” in the coming year as it continues to prepare for construction to begin, says **Robert Hornick**, senior director at **Fitch Ratings** in New York.

SCE&G is planning to pay for its share of construction costs – roughly \$6.3 billion – through debt, he adds. SCE&G is partnering with **Santee Cooper**, which will own 45% of the plant, on the expansion of the 2.2 GW expansion of the Summer Nuclear Station in Jenkinsville, S.C.

The amount of debt the utility needs could decrease if an application for a loan guarantee through the U.S.

**Department of Energy** is approved, notes Hornick, adding SCE&G is still likely to hit the debt markets for a portion of the costs.

The 30-year first mortgage bonds carried a 5.5% coupon. The notes priced 130 basis points over U.S. Treasuries. They were rated A3 by **Moody’s Investors Service**, A- by **Standard & Poor’s** and A by **Fitch**. SCE&G has worked with the joint bookrunners,

UBS and **Credit Suisse**, before. Calls to bank officials were not returned before press time.

## ConEd Sees Savings With Long Term Bond

**Consolidated Edison Company of New York** has issued \$600 million in 30-year notes to take advantage of tighter spreads and to take out more expensive outstanding bonds. “It’s one of the lowest 30-year rates we’ve seen around and we tend to issue long when we can because our assets have long lives,” says **John Perkins**, treasurer in New York. The **Consolidated Edison** subsidiary priced the 5.5% notes on Dec. 2 and closed the deal on Dec. 3.

A portion of the proceeds will pay down \$180 million in notes maturing in 2028, which the company is taking down early for savings, Perkins explains. The bonds to be redeemed include \$105 million of 7.10% notes and \$75 million in 6.9%, all issued in 1998. The remaining proceeds will pay down a portion of its \$531 million in outstanding commercial paper, which it uses to fund its \$1.4 billion, three-year capital expenditure program focusing on updating and maintaining its transmission and distribution networks.

**Citi**, **JPMorgan**, **Mizuho Securities** and **UBS** are joint bookrunning managers on the deal and **Blaylock Robert Van, Loop Capital Markets** and **TD Securities** are co-managers. “All of the underwriters are strong supporters of the company and all solid performers in the bond market,” Perkins notes of the company’s choice in underwriters.

## 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 **Jeanine Prezioso** at (212) 224-3226 or e-mail [jprezioso@iineews.com](mailto:jprezioso@iineews.com).*

### Live Deals: North America

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
Aeolis Wind Power	Hackney (370 MW Wind) Thunder Mountain (320 MW Wind)	British Columbia	TBA	TBA	TBA	TBA	Awaiting PPA ahead of financing (see story, page 3).
BP, Sempra	Fowler Ridge II (199.5 MW Wind)	Benton County, Ind.	TBA	TBA	TBA	TBA	Talking to lenders (PFR, 12/7).
EdF Energias Nouvelles	La Ventosa (67.5 MW Wind)	Oaxaca, Mexico	Ex-Im Bank IFC IADB, World Bank	Term Loan TBA	\$80.6M \$21.5M	14-year TBA	Set to wrap financing (PFR, 12/7).
Edison Mission	Cedro Hills (150 MW Wind)	Webb County, Texas	Union Bank	TBA	TBA	TBA	Looking to round up club (PFR, 12/7).
First Wind	Milford II (100 MW Wind)	Milford, Utah	TBA	TBA	TBA	TBA	Talking to lenders (PFR, 12/7).
ITC Holdings	Various (Transmission)	Kansas, Oklahoma	TBA	TBA	TBA	TBA	Looking for ways to finance outside of revolver, FMBs (see story, page 1).
National Wind	Unknown (500 MW Wind)	Judith Basin, Wheatland, Golden Valley and Fergus Counties, Mont.	TBA	TBA	TBA	TBA	In talks with lenders and investors (PFR, 12/7).

For a complete listing of the Project Finance Deal Book, please go to [iipower.com](http://iipower.com).

## 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

- **Mike Morris**, ceo of **American Electric Power**, says advances in carbon capture and storage technology will allow the company to eliminate emissions from coal-fired plants by 2025. AEP is the largest emitter of carbon dioxide in the U.S. (*The Wall Street Journal*, 12/9).
- **Royal Bank of Scotland** and **Sempra Energy** have hired boutique investment bank **Lazard Ltd.** to look into selling their commodities business (*The Wall Street Journal*, 12/9).
- **Enbridge** is planning to expand the 20 MW Sarnia project in Ontario that it bought from **First Solar** to 80 MW next year. The expansion will cost \$283.2 million (*Dow Jones Newswires*, 12/8).
- **Constellation Energy** will build a 15.9 MW solar plant in Emmitsburg, Md. (*The New York Times*, 12/8).
- The state government of Maryland plans to supply 25% of its power with renewables to reduce its carbon footprint and has signed 20-year PPAs with four wind and solar developers (*Daily Record*, 12/8).

### Europe

- Grid operators in the U.K., including **EDF**, **E.ON**, **Iberdrola** and **MidAmerican Energy Holdings Co.**, will have to increase investments 40% over the next five years under a new policy set by the **Office of the Gas and Electricity Markets**. The companies have until early January to accept the proposal, which also capped returns that companies can earn (*Bloomberg*, 12/7).
- Italy's **Enel** will seek EUR1.6 million (\$2.35 million) in damages from environmental group **Greenpeace** after members broke into several facilities to protest carbon dioxide emissions (*Dow Jones Newswires*, 12/9).
- **Ignacio Galan**, chairman of **Iberdrola**, says Spain will need to invest EUR50 billion (\$73 billion) through 2020 and an additional EUR60-90 billion from 2020 to 2030 in its power sector (*Dow Jones Newswires*, 12/9).
- A leaked document from the Copenhagen talks angered representatives from developing countries because they say the draft agreement reduces wealthy nations' responsibility to limit emissions (*The Guardian*, 12/8).

## THIN WIND

(continued from page 1)

**Energy Resources** unit in St. Paul, Minn., that does wind project site assessment. He offered no specifics, however.

Upper New York state is drawing particular attention from banks that joined a \$741 million financing backing **Noble Environmental Power's** projects in the area, the wind industry's largest deal to date (PFR, 4/17). The wind resources for these projects are below expectations and debt reserves are likely being drawn down. **BBVA**, **Citibank**, **HSH**, **Nordbank**, **Lloyds TSB**, **Royal Bank of Scotland**, **Scotia Capital**, **Prudential** and **ING Group** are in that deal. Officials at **BBVA**, **Lloyds**, **RBS** and **Scotia** declined to comment and officials at the remaining banks

did not return calls.

**Invenergy**, **First Wind** and **Airtricity**, now owned by **E.ON**, also have projects in the state. First Wind's Cohocton project was out of operation for part of the year, but both Cohocton and its Steel Winds projects are now operating close to full capacity. Calls to an official at Noble were not returned by press time and **Frits De Kiewit**, director of business development for **Invenergy**, declined to comment. The status of Noble's debt reserves for its New York portfolio could not be immediately learned. A spokesman for First Wind could not comment by press time on whether the company has drawn down its reserves. The company is about to refile for an initial public offering (see related story, page one) so this would likely have to be addressed in those documents.

—Sara Rosner

### New York Wind Projects

Sponsor	Project	Size (MW)	County
<b>First Wind</b>	Dutch Hill/Cohocton	125	Steuben
<b>First Wind/BQ Energy</b>	Steel Winds	20	Erie
<b>Invenergy</b>	High Sheldon	112.5	Wyoming
<b>Airtricity</b>	Munnsville	34.5	Madison
<b>Noble</b>	Altona	97.5	Clinton
	Chateaugay	106.5	Franklin
	Wethersfield	126	Wyoming
	Bliss	100.5	Wyoming
	Clinton	100.5	Clinton
	Ellenburg	81	Clinton

Source: American Wind Energy Association



## FIRST WIND

(continued from page 1)

the other slots. Company and bank officials at banks either declined to comment or did not return calls.

The company is developing a roughly \$4 billion 2 GW pipeline of projects in Hawaii, Maine, New York, Utah and Vermont (PFR, 4/24). Affiliates of private equity shops **DE Shaw & Co.** and **Madison Dearborn Partners** are backers of FirstWind. Officials at Madison Dearborn did not return a call and DE Shaw could not comment by press time. —*Jeanine Prezioso*

## ITC PLOTS

(continued from page 1)

ITC will own two-thirds of the line.

- 215-mile Kansas Electric Transmission Authority line that runs from Spearville, Kan., to Axtell, Neb.
- 19-mile Hugo line that runs from Hugo to Valliant, Okla.

The company hopes to secure a revolver ahead of the larger financing for some pre-construction costs, Bready says, declining to disclose how much the company would seek. He notes that ITC plans to look at a variety of ways to finance the construction cycle but has “no definitive plan yet.” He declined to say whether ITC would consider issuing unsecured bonds for the projects. ITC will bring the projects into service in 2012 and 2013.

—*Holly Fletcher*

## Are You Logging On?

As a **Power Finance & Risk** subscriber, you're entitled to access our new Web site absolutely free! Go to [www.iipower.com](http://www.iipower.com) and discover the added value to your subscription, including:

### ■ Breaking News

Stories are posted as we get them. Check [www.iipower.com](http://www.iipower.com) during the day for the most up-to-date power news.

### ■ Early Delivery

Each issue of **Power Finance & Risk** is available in full on the Web site every Friday by 4pm EDT.

### ■ Archives

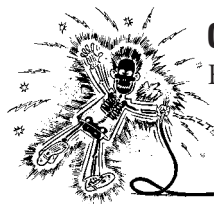
Search back to 2001 for historical trends in mergers & acquisitions and project financing.

### ■ Data

Search our **Generation Sale & Auction Calendar**, also dating back to 2001 by seller, buyer, deal advisor, plant name, plant type and location.

To set up your subscriber password,  
please contact us at [customerservice@iinews.com](mailto:customerservice@iinews.com)  
or at 1-800-715-9195 between 8 a.m. and 6 p.m. EDT.

## Alternating Current



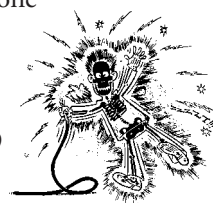
### Carbon Offsets Under The Tree

Finally, a cheap gift for the person whose naughtiness you're willing to overlook: \$10 carbon offsets. Instead of dropping in with a lump of coal, send an e-certificate announcing you just offset one ton of that person's greenhouse gas emissions.

**Carbonfund.org** lets gift-givers pay increments of \$10 to purchase carbon offsets that go to fund earth-friendly initiatives. Some money will be channeled toward renewable power projects while some will head to energy efficiency initiatives. Spend some green to protect some green during the season when everyone wears green.

Nothing about gift-giving holidays has to be materialistic, says **Ivan Chan**, spokesman for Carbonfund in Silver Springs, Md. A “steady stream” of people has been perusing the company's Web site and stocking up on gifts that keep on giving. There are carbon offset packages for just about anyone:

- the office secret Santa, \$10 offset of one carbon ton;
- brother-in-law who drives an economy sedan, \$36.28 to offset the average amount of pollutants of a 29 to 40 mpg car.
- wife, a \$960, ZeroCarbon family pack that offsets 96 tons of carbon emissions.



Carbonfund supports several landfill-to-energy projects that are third party approved to be legitimate, long-term facilities to eliminate greenhouse gas emissions. Carbon offsets may be the next hot trade but they also are the gift that keeps on giving.

## Quote Of The Week

*“It's been pretty bad. When you look at the expected energy estimates and some of the numbers that go into pro-forma, it's double digits off the expected amount of wind.”* —**Rolf Miller**, technical consulting services manager of **WindLogics**, in St. Paul, Minn., on the lower than expected wind regime in the Northeast (see story, page 1).

## One Year Ago In Power Finance & Risk

Royal Bank of Scotland was preparing a refinancing of the 226-mile natural gas **Dolphin Energy** pipeline in the Middle East. [The deal included a \$1.25 billion bond issue, a \$1.225 billion co-sponsors loan and a \$218 million loan from Italian export credit agency **SACE** with over 25 lenders participating in the deal (PFR, 7/31).]