

# Power Finance & Risk

Exclusive Insight on Power M&amp;A and Project Financing

By the publisher of GlobalCapital

## ● MERGERS & ACQUISITIONS

### Bicent to Buy Malburg from Former Parents

**Bicent Power** is acquiring a gas-fired project from its former parent companies, **Natural Gas Partners** and **Beowulf Energy**.

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## ● ACQUISITION FINANCE

### Carlyle Prices Term Loan B for R.I. Project

**The Carlyle Group** has priced a term loan B to back its acquisition of a Rhode Island gas-fired facility from **Entergy**.

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## ● STRATEGIES

### N.C. Solar Developer Seeks Equity Investor

North Carolina solar developer **Innovative Solar Systems** is seeking an investor to take a 25% stake in the company.

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# Congress Revives PTC Extension Hopes

Richard Metcalf

**D**raft legislation which would extend the production tax credit for wind projects by two years would lead to an increase in wind project development if passed, say deal watchers.

U.S. Rep. **Kevin Brady**, the chair of the **House Ways and Means Committee**, circulated draft legislation on Dec. 7 which would allow projects begun by the end of 2016 to qualify for the 30% tax credit.

Lawmakers are expected to vote on the measure, which is part of a wider package of tax credit extensions for various industries, before the House adjourns on Dec. 18. Deal watchers think the measure is likely to be passed into law, if not by the end of this year, then early in 2016.

"My personal view is that it's fairly likely because it's consistent with a provision that was



Congress is expected to vote soon on so-called tax extender legislation. Source: Fotolia

passed by the **Senate's Finance Committee** in August and it's tied to the extenders legislation, which is very important for Republican leaders," says **Drew Batkin**, special counsel for tax at **Milbank, Tweed, Hadley & McCloy** in New York.

The two-year extension

is seen as a fallback option after attempts to pass longer-term extensions faltered. "If this gets passed, it's worthy of some moderate jubilation," says **David Burton**, a tax attorney and partner at **Akin Gump Strauss Hauer & Feld** in New York, adding that

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## SunEdison Cuts Cost of Vivint Acquisition

Olivia Feld

SunEdison has rewritten its agreement to acquire residential solar company **Vivint Solar**, cutting the purchase price by \$1.25 a share, the company said on Dec. 9.

The revised plan has been broadly welcomed by investors, who had called for SunEdison to restructure the deal on more favorable terms.

Under the amended agreement, Vivint shareholders will receive \$2.00 less per share in cash and \$0.75 more per share in SunEdison stock.

That makes the total consideration for Vivint \$1.4 billion, down from \$2.2 billion when the deal was originally announced in July, estimates **Mahesh Sanganeria**, analyst at **RBC Capital Markets**, in a research note published after SunEdison's announcement.

Public stockholders of Vivint Solar have the option to be paid entirely in cash; if

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



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## ● PROJECT FINANCE

# Brookfield, Emera Seal \$400M in Refi

**Brookfield Renewable Energy** and **Emera** have refinanced two hydro facilities totaling 610 MW on the Deerfield River in Massachusetts via a private placement.

The projects are the 600 MW Bear Swamp pump storage facility in Rowe Township and the 10 MW Fife Brook run-of-river facility in Florida Township.

**CIBC** and **Scotiabank** acted as placement agents for a \$400 million issuance of 10-year notes, which carry a fixed coupon of 4.89%, in a deal that closed on Sept. 30.

The deal, which was privately rated by **Kroll Bond Rating Agency**, was oversubscribed, a deal watcher tells *PFR*. The same bookrunners backed the project in its last financing (*PFR*, 9/17/12).

The refinancing benefited from favorable terms and high pricing in the **New England ISO** forward capacity market auction for delivery years 2018-2019 which took place earlier this year, says the deal watcher, adding that the projects have the ability to begin generating in four minutes.

The **Long Island Power Authority** has an offtake agreement for a portion of the projects' output. The agreement is due to expire before the notes mature in 2025.

Brookfield and Emera each hold half of the equity in the projects, which they have owned since 2005.

Spokespeople for Brookfield in Toronto, Emera in Halifax, Canada and CIBC and Scotiabank in New York either declined to comment or did not respond to inquiries.

## BAML, BNY Take Tax Equity in Colo. Wind Project

**BAL Investment & Advisory**, a subsidiary of **Bank of America Merrill Lynch**, and **Bank of New York Mellon** have invested tax equity in a 250 MW **NextEra Energy Resources** wind facility in El Paso County, Colo.

The Golden West project, which cost approximately \$400 million, is located approximately 80 miles southeast of Denver and sells all of its output to the **Public Service Company of Colorado** through a long-term power purchase agreement.

The project went online on Oct. 12, said **David Gil**, a project director for NextEra in Juno Beach, Fla.

BALIA has taken 60% of the tax equity in the project and BNY the remaining 40%, according to filings made with the **U.S. Federal Energy Regulatory Commission**. The deal closed on Dec. 1.

Representatives of Bank of America in Charlotte, N.C., did not respond to a request for comment. A spokesperson for BNY Mellon in New York declined to comment. ■

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Feel free to contact **Richard Metcalf**, editor, at (212) 224-3259 or richard.metcalf@powerfinancerisk.com

## GENERATION AUCTION &amp; SALE CALENDAR ●

These are the current live generation asset sales and auctions, according to Power Finance and Risk's database.

A full listing of completed sales for the last 10 years is available at <http://www.powerfinancerisk.com/AuctionSalesData.html>

## Generation Sale ■ DATABASE

Seller	Assets	Location	Advisor	Status/Comment
ArcLight, Maine Public Employees Retirement System, Treasurer of the State of North Carolina, the State of Texas	Woodbridge Energy Center (725 MW Gas)	Middlesex County, N.J.		Investors are selling their combined 38.8% stakes in Competitive Power Ventures' project back to CPV. John Hancock and Toyota remain minority owners (PFR 11/23).
Canadian Solar	Roserock Solar Project (158 MW Solar)	Pecos County, Texas	KeyBank, NordLB, Rabobank, Santander, CIT	Southern Company subsidiary Southern Power is purchasing a controlling interest in the project from Canadian Solar subsidiary Recurrent Energy (PFR 12/7).
CarVal Investors, Merrill Lynch Credit Products, Vårde Partners, other financial investors	Granite Ridge (745 MW Gas)	Londonderry, N.H.		Calpine has launched a \$550M secured loan to back its acquisition of Granite Ridge (PRF, 11/16).
Community Energy	Amazon Solar Farm U.S. East (80 MW Solar)	Accomack, County		Dominion Energy has acquired the project, which will sell power to Amazon Web Services (PFR 11/23).
EDF EN Canada	Rivière-du-Moulin (350 MW Wind)	Fjord-du-Saguenay, Québec, Canada		Manulife, Industrial Alliance Insurance and Financial Services and Desjardins have purchased EDF EN Canada's stake in the project (PRF, 11/16).
EDF Renewable Energy	Spinning Spur 3 (194 MW Wind)	Oldham County, Texas		BlackRock acquired 50% of Spinning Spur 3, a 194 MW wind farm in Oldham County, Texas from EDF Renewable Energy (PFR 11/30).
● Entergy Corp.	Rhode Island State Energy Center (583 MW Gas)	Johnston, R.I.		The Carlyle Group has priced a \$375 million loan backing its acquisition of the project, and is also contributing \$207 million of sponsor equity (see story, page 7).
EverPower	New Creek Wind Project (103 MW Wind)	Grant County, W.Va.		Enbridge is acquiring the New Creek Wind Project from EverPower Wind Holdings for \$200 million (PFR 12/7).
Greenleaf Power	Eel River Project (28 MW Biomass)	Humboldt County, California		Humboldt Redwood Co. has purchased the facility to generate steam and electricity to power its sawmill operations (PFR, 11/16).
IFM Investors	Portfolio (1.08MW Gas, Oil, Hydro)	U.S.	Morgan Stanley	IFM has launched the sale of its Essential Power portfolio (PFR, 8/31)
● LEEDCo	Icebreaker (20 MW Wind - Offshore)	Cuyahoga County, Ohio		Fred. Olsen Renewables has agreed to acquire the project in Lake Erie (see story, page 7).
LS Power	Portfolio (4,300 MW Gas)	U.S.	Citi, Morgan Stanley	The auction for the assets is in an "extended second round" according to a deal watcher (PRF, 11/16).
● Natural Gas Partners, Beowulf Energy	Malburg (159 MW Gas)	Vernon, Calif.		Bicent Power, owned by Blackstone's GSO Capital Partners, is acquiring the project from its former parents (see story, page 5).
NextEra	Forney Energy Center (1.9 GW Gas)	Forney, Texas	Citi	Energy Future Holdings subsidiary Luminant is acquiring the two projects, collectively known as the La Frontera portfolio (PFR 12/7).
	Lamar Energy Center (1.1 GW Gas)	Paris, Texas		
Northwest Power Services	Red River (52 MW Hydro)	Rapides Parish, La.		Private equity-owned FFP New Hydro has acquired the project (PFR, 11/9).
NRG Energy (525 MW Coal)	Seward Power Plant (525 MW Waste Coal)	New Florence, Penn.		NRG Energy is selling the 525 MW waste coal-fired Seward facility in Westmoreland, Penn. to Pittsburgh-based Robindale Energy. (PFR 12/7)
NRG Energy	Shelby County Generating Station (352 MW Gas)	Neoga, Ill.		A subsidiary of NRG Energy is selling the project to a fund managed by Rockland Capital (PFR 11/23).
Riverstone Holdings and U.S. Renewables Group	Bottle Rock (55 MW Geothermal)	Lake County, Calif.		AltaRock Energy subsidiary Baseload Clean Energy Partners has purchased a 55 MW dry-steam facility in Lake County, Calif (PFR 11/30).
● SunEdison	Bingham (185 MW Solar), Oakfield (148 MW Solar)	Maine	KeyBanc (SunEdison), CohnReznick (JP Morgan)	Terra Nova, a joint venture between SunEdison and JP Morgan Asset Management, is acquiring the projects for \$209 million in equity (see story, page 6).
Talen Energy	Ironwood (778 MW, Gas)	Lebanon, Pa.	Credit Suisse, Kirkland & Ellis (legal)	TransCanada has agreed to acquire the project for \$654M following an auction (PFR, 10/12).
	Holtwood (252 MW, Hydro)	Holtwood, Pa.	RBC Capital Markets, Simpson Thacher & Bartlett (legal), Morrison & Foerster (legal, buyer)	Brookfield Renewable Energy and institutional partners have agreed to acquire the assets for \$860 million (PFR, 10/12).
	Lake Wallenpaupack (40 MW Hydro)	Hawley, Pa.		
	C.P. Crane (399 MW Coal)	Middle River, Md.		
Talen Energy	Sapphire Portfolio (655 MW Gas Oil)	New Jersey, Pennsylvania		FERC has approved a third divestiture plan proposed by Talen Energy. As a result, Talen is not under immediate regulatory pressure to sell the portfolio (PFR 12/7)
TAQA (Abu Dhabi National Energy Co.)	Lakefield Wind Project (206 MW Wind, 50%)	Jackson County, Minn.		Abu Dhabi National Energy Co. subsidiary TAQA Energy Solutions is selling 50% stake in the 206 MW Lakefield Wind Project to Nebras (PFR 11/30).

### ● New or updated listing

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

To report updates or provide additional information on the status of financings, please call Editor Richard Metcalf at (212) 224 3259 or e-mail [richard.metcalf@powerfinancerisk.com](mailto:richard.metcalf@powerfinancerisk.com)

## ● PROJECT FINANCE

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

### Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Deal Type	Amount	Tenor	Notes
Ares EIF	St Joseph Energy Center (700 MW Gas)	New Carlisle, Ind.	BNP Paribas	Term	\$400M	TBA	The deal has closed (PFR, 11/30).
● Brookfield Renewable Energy, Emera	Bear Swamp (600 MW Hydro), Fife Brook (10 MW Hydro).	Massachusetts	CIBC, Scotiabank	Private placement	\$400M	10-yr	The deal, which carries a 4.89% coupon, closed on Sept. 30 (see story, page 2).
Calpine	Mankato Power Plant (365 MW gas-fired) Freeport Energy Center (250 MW gas-fired)	Mankato, Minn., Freeport, Texas	MUFG, Crédit Agricole, CoBank, Siemens Financial Services, CIC, SMBC and Associated Bank	Debt	\$460M	4-yr	The deal has closed (PFR, 11/30).
Competitive Power Ventures	Towantic (805 MW Gas)	Oxford, Conn.	GE EFS, ING, Natixis, MUFG, NordLB, Mizuho	Debt	TBA	TBA	The sponsor is in the market for debt and is in talks with the lenders listed here (PFR, 8/17).
Citizens Energy Corp, ClearGrid Energy	Portfolio (Capacity Unknown, Solar)	Massachusetts	TBA	Debt, Tax Equity	TBA	TBA	Sponsors will seek tax equity and debt financing for a number of community solar projects (PFR, 10/26).
EDF Renewable Energy	Slate Creek Wind Project (150 MW Wind)	Sumner County, Kan.	TBA	Tax Equity	TBA	TBA	A subsidiary of EDF RE is selling tax equity in the 150 MW Slate Creek Wind Project to MUFG Union Bank (PFR, 11/23).
Energy Transfer Partners	Trans-Pecos (143-mile Gas Pipeline)	Pecos County, Texas, to Presidio, Mexico	BBVA, Mizuho, MUFG, SMBC	TBA	\$646.9M	20-yr	ETP has closed \$1.16 billion in debt financing for two natural gas pipelines that will connect Texas' Waha hub to the Mexican border (PFR, 11/23).
Energy Transfer Partners	Comanche Trail (195-mile Gas Pipeline)	Pecos County, Texas, to El Paso, Mexico	BBVA, Mizuho, MUFG, SMBC	TBA	\$508.2M	20-yr	
GE, MetLife	Pilot Hill Wind Project (175 MW Wind)	Kankakee and Iroquois counties, Ill.	TBA	Tax Equity	TBA	TBA	The deal has closed with GE and MetLife taking 50% each of the passive class A interests in the project (PFR, 11/30).
Hunt Consolidated	Southline Transmission	New Mexico, Arizona	TBA	TBA	TBA	TBA	Hunt has cleared two major regulatory hurdles towards financing its \$800M project (PFR, 11/16).
Invenergy	Clear River (900 MW+ Gas)	Burrillville, R.I.	TBA	TBA	TBA	TBA	The project is slated to cost \$700M to develop (PFR, 8/10).
LS Power	University Park North (540 MW Gas) University Park South (300 MW Gas) Riverside (856 MW Gas)	University Park, Ill. University Park, Ill. Zelda, Ky.	TBA TBA TBA	TBA TBA TBA	TBA TBA TBA	TBA TBA TBA	LS Power is refinancing three gas-fired peakers that are part of larger portfolio of assets up for sale (PFR, 11/16).
Magnolia LNG	Magnolia LNG (80 mtpa LNG)	Lake Charles District, La.	TBA	Debt	<=\$3B	TBA	Teasers are likely to be sent out in early October (PFR, 8/10).
Mexico Power Group	La Bufa (130 MW Wind)	Zacatecas, Mexico	SMBC, Korea Development Bank, Nacional Financiera and Bancomext	Debt, Equity	TBA	18-yr	Debt and equity financing for the 130 MW La Bufa wind farm in Zacatecas, Mexico closed on Dec. 2 (PFR 12/7).
NextEra Energy	Carousel (150 MW Wind)	Kit Carson County, Colo.	JP Morgan, Wells Fargo	Tax Equity	TBA	TBA	JP Morgan and Wells Fargo are investing tax equity in the project (PFR 11/16).
● NextEra Energy	Golden West (250 MW Wind)	El Paso County, Colo.	BALIA (BAML), BNY Mellon	Tax Equity	TBA	TBA	BAL Investment Advisory has taken 60% and BNY Mellon 40% of the tax equity in the project (see story, page 2).
NRG Energy	Carlsbad Energy Center (632 MW Gas)	Carlsbad, Calif.	TBA	TBA	TBA	TBA	The sponsor is "exploring financing options" for the \$850M project (PFR, 11/9).
Panda Power Funds	Panda Sherman (1,200 MW Gas post expansion)	Grayson County, Texas	Paris, Texas	TBA	TBA	TBA	The 450 MW expansion project is pegged at a cost of \$200M to \$300M (PFR, 8/30).
Pattern Energy	St. Joseph (138 MW Wind)	Manitoba, Canada	TBA	TBA	TBA	TBA	Pattern is refinancing the project's 20-year loan sealed in 2010 (PFR, 11/9).
Recurrent Energy	Astoria (100 MW Solar)	Kern County, Calif.	Santander, Nord LB, Rabobank, Key Bank, CIT Bank GE Energy Financial Services	Construction, Term Loan Tax Equity	\$260M TBA	TBA TBA	Recurrent Energy has sealed \$260M in debt and tax equity for the project, which has a 15-year PPA (PFR, 11/23).
RET Capital	Coram (102 MW Wind)	Kern County, Calif.	Capital One	Tax Equity	TBA	TBA	Renewable Energy Trust Capital has requested authorization for a tax equity investment from Capital One for the project (PFR, 11/23).
Rockland Capital	Michigan Power (125 MW Gas)	Ludington, Mich.	BNP Paribas	Term Loan	\$216M	7-yr	Price talk on the term loan is said to be around Libor plus 375 basis points (PFR, 11/23).
				Credit Facility	\$47M	5-yr	
sPower	Eden Solar (48 MW Solar)	Richmond County, N.C.	U.S. Bancorp	Tax Equity	\$52.6 M	TBA	U.S. Bancorp has taken federal tax equity in the project (PFR, 10/26).
sPower	Latiga (62 MW Wind)	San Juan County, Utah	EFs Renewables	Tax Equity	TBA	TBA	sPower is seeking authorization for tax equity investments for a wind and solar project (PFR, 11/9).
sPower	Sandstone (45 MW Solar)	Florence, Ariz.	Wells Fargo	Tax Equity	TBA	TBA	

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## PROJECT FINANCE ●

# Congress Revives PTC Extension Hopes

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it will bolster renewables development in 2016.

Market participants have been expecting one of three things to happen: A gradual phase out, with the tax credit shrinking over several years before expiring; a short term extension like the one proposed by Brady; and “doing nothing for one more year and gridlock,” says Burton.

“2016 was probably going to be pretty busy anyway because of people trying to qualify for the 30% solar credit,” he adds, referring to the step down of the solar investment tax credit to 10% at the end of next year. “But this, if it is passed, will make it even busier.”

**Jim Guidera**, m.d. and head of the North American energy and infrastructure group at **Crédit Agricole**, agrees that there will be an increase in activity if the legislation passes. “I think so, because it is a form of capital subsidy for investment in wind farms,” he says. “It allows them to bid into auctions for power purchase agreements at lower prices, because the cash price paid under the PPA is only part of the return the investor’s getting.”

The wind project incentive was last extended in December 2014, retroactively allowing projects on which construction had begun by the end of that year to quali-

fy (PFR, 12/23/14). Under safe harbor rules, the projects must be completed before Jan. 1, 2017.

Since then, uncertainty about whether

**“2016 was probably going to be pretty busy anyway because of people trying to qualify for the 30% solar credit, but this, if it is passed, will make it even busier.”**

the measure would be extended further has led to some projects that otherwise would have entered into construction being mothballed, says Guidera.

**“Any extensions of this type of tax credits will be detrimental in the long run, because it just creates more uncertainty from an investment perspective.”**

“It makes sense to look at projects that are going to be eligible and that can be completed within the limitations of tax credit windows,” says a spokesperson for **Iberdrola Renewables**, which owns and controls more than 6 GW of wind and solar assets in the U.S. “But that said, we are looking at projects that we would be building years from now, and we don’t know how the PTC will necessarily factor into them.”

Iberdrola is hopeful that the tax credit will be extended, the spokesperson says, noting that “it’s a critical measure that has successfully spurred investment in the U.S.”

However, not everyone sees the potential extension in such a positive light. “We think that any extensions of this type of tax credits will be detrimental in the long run, because it just creates more uncertainty from an investment perspective,” says a renewables-focused investor at the New York office of a global asset management firm.

“In the three to five year term I can see it actually lowering the amount of investment into these projects, because there’s more uncertainty around tax equity and whether the tax credits will be extended again or go away altogether.” ■

## MERGERS &amp; ACQUISITIONS ●

## Bicent Power to Acquire California Gas-fired Facility

**Bicent Power** is acquiring the 159 MW gas-fired Malburg project in Vernon, Calif. from its former parent companies, according to a filing made with the U.S. **Federal Energy Regulatory Commission**.

The facility is 87% owned by funds managed by **Natural Gas Partners** and 13% by **Paul Prager’s Beowulf Energy**. The investors acquired the project as part of a 167 MW portfolio from the City of Vernon in 2007

(PFR, 10/19/07).

**GSO Capital Partners**, the credit division of the **Blackstone Group**, has owned Bicent Power since June 2012, when it acquired a stake in the company as part of its Chapter 11 restructuring (PFR, 6/28/12). Prior to the restructuring, Bicent Power was owned by NGP and Beowulf.

Malburg sells its generation to the City of Vernon under a long term tolling agreement

effective through April 10, 2028, with a five-year renewal option. The project is interconnected to the distribution system owned by the city.

The purchase price could not immediately be learned. The deal is expected to close by January 16, 2015.

The deal follows the acquisition of two coal-fired assets totaling 980 MW in New York state by Bicent subsidiary **Riesling Power** (PFR 9/25).

Spokespeople at Blackstone and Beowulf in New York were not immediately available to comment. Officials at NGP in Irving, Texas, declined to comment. ■

## ● MERGERS &amp; ACQUISITIONS

# SunEdison Cuts Cost of Vivint Acquisition

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they exercise this right, **313 Acquisition**, the **Blackstone**-controlled majority shareholder in Vivint, will accept stock and convertible notes of SunEdison in lieu of cash it would have otherwise been entitled to receive.

SunEdison also announced that 313 Acquisition is providing a \$250 million credit facility to fund “business growth” at the renewables sponsor. The terms of the loan could not be established.

## TERP PORTION SHRINKS

Once the transaction has closed, SunEdison’s yield company **TerraForm Power** will buy a smaller portfolio of Vivint’s assets from SunEdison than previously agreed.

The size of the portfolio that the yieldco will buy from its parent company has been reduced from 523 MW to 470 MW. The yieldco will pay SunEdison \$799 million for the assets, rather than \$922 million as previously agreed, representing \$1.70 a watt instead of \$1.76.

## LOANS REDUCED

Two credit facilities provided by **Goldman Sachs**, **Barclays**, **Citigroup** and **UBS** to SunEdison and TerraForm Power have been reduced in size. A term loan for SunEdison has shrunk from \$500 million to \$300 million, while an unsecured bridge facility for TerraForm Power has shrunk from \$960 million to \$795 million. The terms of the loans could not be established by press time.

Bethesda, Md.-based SunEdison announced it has agreed to buy Lehi, Utah-based Vivint on July 20. The deal is SunEdison’s first foray in the residential rooftop solar market. Since the deal was announced, SunEdison’s share price has since fallen from a \$33.45 peak in July to a low of \$2.55 in November, representing a 92% loss in value.

SunEdison, Vivint and TerraForm Power stock rallied on the announcement of the amended agreement. At close of trading on Dec. 9, SunEdison’s share price had increased by 13% to \$3.96. Shares in TerraForm Power were up by 19% to \$10.74, and Vivint closed trading up by 13%, at \$9.68.

## BETTER OFFER?

The revised agreement states that Vivint can solicit competing offers at any time prior to the approval of the SunEdison deal by a majority of Vivint stockholders. Vivint can terminate the agreement if it receives a better offer, but it would have to pay SunEdison a \$34 million penalty.

The new agreement also allows SunEdison to seek third-party buyers for the assets it originally intended to drop down into TerraForm Power.

The revised deal also allows the yieldco to use an asset backed security structure to reduce its obligations, writes Sanganerla at RBC Capital Markets, who rates SunEdison stock ‘outperform’.

## CANCELLED DEALS

In the last two months, SunEdison has cancelled two portfolio acquisition agreements. In October, SunEdison’s deal to acquire a 984 MW portfolio of hydro, wind and solar projects in Peru and Chile from **Latin American Power** was terminated (PFR, 10/8). SunEdison later announced that it had pulled out of its proposed acquisition of a portfolio of assets from **Renova Energia** (PFR, 12/3).

**Ahmad Chatila**, president, ceo and director of SunEdison, told investors on the conference call for the company’s third quarter earnings that he was seeking to redesign terms or terminate existing acquisition agreements (PFR, 11/13). The company expects its portfolio acquisitions from **Invenenergy** and **Dominion Resources** to close this month.

With the new credit agreements in place, SunEdison has enough liquidity in place to proceed with the Invenenergy deal, without needing to warehouse a portion of the assets, writes **Paul Coster**, equity analyst at **JP Morgan**, in a research note. To date, SunEdison, TerraForm Power and the developer’s emerging markets yieldco, **TerraForm Global**, have a total of four warehouses facilities totaling over \$2 billion. Coster rates SunEdison stock ‘neutral’ and TerraForm Power ‘overweight’.

SunEdison expects the Vivint deal to close in the first quarter of 2015.

A representative for Vivint in New York did not respond to an inquiry. Spokespeople for SunEdison in Belmont, Calif., and Blackstone in New York declined to comment beyond the company statements. ■

## SunEdison to Offload Maine Wind Duo to Terra Nova

**SunEdison** is selling two wind projects totaling 333 MW to **Terra Nova Renewable Partners** for \$209 million.

Terra Nova, a joint venture between SunEdison and institutional investors advised by **JP Morgan Asset Management**, was announced last September.

The facilities are located in the towns of Bingham and Oakfield, Maine and have generating capacities of 185 MW and 148 MW, respectively. Both projects

have offtake agreements with **Eversource**, **National Grid**, and **Unitil**.

SunEdison will make an upfront development margin on the projects, according to a statement released by SunEdison on Dec. 10.

Bingham, slated to cost \$420 million, is currently under construction, and the \$369 million Oakfield project came online in 2015.

Oakfield was funded with a combination of tax equity and a bank market construction loan, which has been

converted to a term loan. The tax equity investors and lenders could not immediately be identified.

SunEdison has a five-year right to buy back the facilities. If it exercises that right, SunEdison will grant **TerraForm Power** call rights to the projects.

**CohnReznick Capital Markets** advised JP Morgan on the deal, with **Milbank, Tweed, Hadley & McCloy** as legal counsel. **KeyBanc Capital Markets** advised to SunEdison. ■

## MERGERS &amp; ACQUISITIONS ●

# Tenaska and Soltage Make First Joint DG Solar Portfolio Acquisition

**Tenaska** and **Soltage** have purchased a portfolio of distributed solar generation on the east coast of the U.S. It is the two companies' first joint portfolio-level acquisition.

Soltage ceo **Jesse Grossman** confirmed that the deal had closed and that the project would be financed with equity.

"The portfolio investment includes a mix of new assets to be constructed, which Soltage has developed or acquired, as well as a smaller number of assets already in commercial operation," Grossman told *PFR* via e-mail.

The investment will fund the

construction of the projects, which will sell power to municipal and health care offtakers under net metering and power purchase agreements, according to a statement released by Soltage. The projects will be owned by both companies and managed by Tenaska.

Some of the projects are operational, and the rest are expected to go online in late 2015 and mid-2016.

The projects are spread across Massachusetts, Connecticut, Vermont, New York, Delaware and North Carolina.

Tenaska became the majority

owner of Jersey City, N.J.-based Soltage in March, having made its initial investment in the company in 2008 (*PFR*, 3/13).

Soltage, which owns and operates 85 MW (DC) of solar capacity in eight states, plans to spend \$250 million on 125 MW of solar projects by the end of 2016.

Tenaska has 11,000 MW of generation under management, including 450 MW of utility scale solar generation operating or under construction.

Spokespeople for Tenaska in Omaha, Neb. and Soltage in Jersey City declined to comment on the purchase price of the assets. ■

## FAST FACT

## 85 MW

Capacity of Soltage's distributed generation solar portfolio.

## FAST FACT

## 450 MW

Capacity of Tenaska's utility-scale solar portfolio.

## Pricing Emerges on Rhode Island Term Loan B

A term loan B launched by **The Carlyle Group** to finance its acquisition of the Rhode Island State Energy Center in Johnston, R. I., has been priced and is due to close soon.

**Morgan Stanley** and **GE Capital** are joint lead arrangers on the \$375 million deal.

The financing comprises a \$325 million 7-year senior secured term loan B and a \$50 million five-year revolving credit facility. The term loan B is priced at 475 basis points over Libor.

Commitments were due on

Nov. 23. **Moody's Investors Service** has given the loans a Ba3 rating (*PFR*, 11/12).

Carlyle agreed to acquire the 583 MW gas-fired project from **Entergy Corp.** for \$490 million earlier this year following an auction (*PFR*, 10/12). The merchant project in New England ISO has been operational since 2002.

Spokespeople for Morgan Stanley in New York, GE Capital in Stamford, Conn., and Carlyle either did not respond to inquiries or declined to comment. ■

### Recently Closed Term Loan B Deals

Sponsor	Project	Size	Price
The Carlyle Group	Rhode Island (583 MW Gas)	\$280 M	L + 475 bps
Panda Power Funds	Hummel (1 GW Gas)	\$460 M	L + 600 bps
Invenergy	Portfolio (2.5 GW Gas)	\$340 M	L + 550 - 600 bps

Source: *PFR* data

## Fred Olsen Plans Purchase of Lake Erie Wind Project

Scandinavian wind developer **Fred. Olsen Renewables** has agreed to acquire the 20 MW Icebreaker offshore wind project from **Lake Erie Energy Development Corporation**, says a spokesperson for Cleveland-based LEEDCo.

Situated eight to ten miles off the coast of Lake Erie in Cuyahoga County, Ohio, Icebreaker will be among the first offshore wind facilities in the U.S. and one of the first freshwater wind farms in North America. It is scheduled to go online in November 2018.

Fred. Olsen will buy the facility along with related research assets early next year, says the spokesperson, who adds that details relating to the pricing and financing of the transaction are still being negotiated. "At this point it's unclear how

much equity we need," he said.

LEEDCo has considered several financial advisors for the deal, but has not yet chosen one, according to the spokesperson.

Fred. Olsen has also expressed an interest in expanding into Ashtabula County, one of the counties in which non-profit LEEDCo operates, the spokesperson adds. LEEDCo is also active in Cuyahoga, Lake, and Lorain Counties in Ohio and Erie County, Penn., which borders Ashtabula.

Fred. Olsen Renewables is a wholly owned subsidiary of **Bonheur ASA** and **Ganger Rolf ASA**, two Norwegian investment vehicles of the Olsen family. The company has been part of LEEDCo's development team for Icebreaker since November 2014. ■

## ● PEOPLE & FIRMS

# Sunrun President Announces Retirement

**Sunrun** has announced that its president **Tom Holland** plans to retire before the end of the year, after nearly two and a half years at the residential solar company.

Holland joined Sunrun in August 2013 as chief operating officer, and was appointed as president in February 2014. The company has no plans to appoint a replacement.

"It has been a tremendous experience to work with Sun-

run's founders to build a great management team and drive Sunrun's hyper growth over the last few years," said Holland in a statement. Sunrun was founded in San Francisco in 2007 by **Lynn Jurich** and **Ed Fenster**, the company's ceo and chairman respectively.

"Under Tom, our business platform has expanded significantly," said Jurich in a statement. "I have appreciated part-

nering with Tom these last two years for the vision and drive he brought to the business."

The company hit a number of milestones during Holland's tenure as president, raising \$111 million with its first solar securitization in July this year, and pricing its initial public offering at \$14 a share the following month (PFR, 8/5).

Before joining Sunrun, Holland had worked at **Bain & Co.** for over 23 years, according to his **LinkedIn** profile, leading the growth and global expansion of the firm's private equity busi-



Tom Holland

ness from 1994. When he left Bain in July 2013, he was head of the company's San Francisco and Palo Alto offices. ■

## ● STRATEGIES

# ISS Seeks Equity Investor after Putting IPO on Hold

North Carolina-based developer **Innovative Solar Systems** is seeking an investor to take a 25% stake in the company, having delayed a planned initial public offering.

ISS is working with several investment banks to find an equity partner, says **John Green**, the company's ceo in Asheville, N.C., without naming them.

The company expects the investor to arrange or provide capital to grow and develop its portfolio of solar assets, in addition to the equity investment.

In January, ISS announced that it planned to go public this year, but it has since decided to postpone the initial public offering until it has expanded into more markets.

"I can't say whether it will be in 2016 or 2017, but we first want to continue expanding into more states across the nation and possibly doing more deals abroad," says Green. "It makes more sense to finish our expansion, to be that much bigger and stronger when we do launch the IPO. We don't want to do it prematurely and have it come off poorly."

Stocks in solar and other renewables developers and yield companies plummeted in the second half of 2015, along with the share price of other energy companies and the prices of natural gas and oil.

ISS plans to grow its portfolio from 2 GW of development phase projects across the U.S. to 5 GW by 2018.

The company, which typically flips projects, has 1,731 MW of solar projects for sale on its website, including 651 MW that are shovel-ready or expected to be shovel-ready by the end of the year and 1,080 MW slated to have notice to proceed in spring 2016.

The projects range from 2 MW to 80 MW in size and are spread across 12 states.

Developing all the assets to the shovel-ready stage without building them would cost between \$100 million to \$300 million, says Green. Building half of the portfolio to be sold at commissioning would increase the cost to between \$1.5 billion and \$3 billion.

"We are dealing with a lot of people that are aware of our track record, that know we're good at this and very established in the business," says Green of the potential investors he has in mind for the equity raising, adding that they include private equity and oil and gas companies.

"They want to get into the renewable energy market and aren't sure how to navigate the waters," he says. "So they want to partner up with a company like mine that can take them into the space in a major way." ■

# AEP Subsidiary Plots Wind RFP

**Appalachian Power Co.** is planning to issue a request for proposals for 150 MW of wind generation in February 2016, according to a filing with the **West Virginia Public Service Commission**.

The **American Electric Power** subsidiary will invite bidders to propose either 20-year power purchase agreements or asset purchase agreements.

The minimum bid size will be 40 MW and projects must be in service by the end of 2017.

Potential bidders will have to undergo a prequalification process before the RFP is launched, according to the plan submitted to the WVPSC. Appalachian Power intends to provide details of the prequalification requirements on Jan. 5.

Projects must be located in eastern Indiana, Kentucky, Maryland, North Carolina, Ohio, Pennsylvania, Virginia or West Virginia and interconnected to PJM to qualify for the RFP, according to Appalachian Power's filing. Construction of the projects must not have begun before 2013.

Proposals will be due on April 1, according to the planned schedule. ■