Institutional Investor

VOL. XV, NO. 50 / December 17, 2012

Exclusive Insight on Power M&A and Project Financing

Power Finance & Risk

The weekly issue from **Power Intelligence**

www.powerintelligence.com

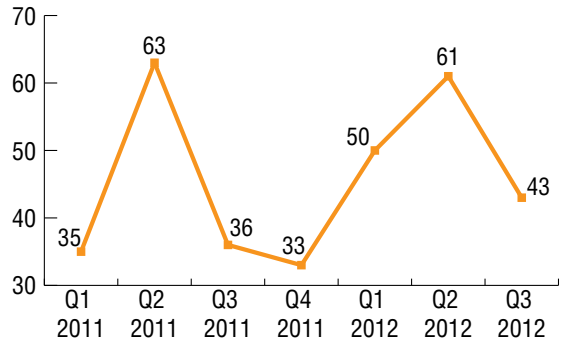
Generation Sale Database Report Q3

M&A Squeezed By Election Uncertainty, Low Demand

Election jitters and the low power demand picture made for a thin flow of M&A auctions in the third quarter, with just 31 new assets hitting the market in the quarter and 43 sold. That's against 40 put up for sale and 36 sold in the same period in 2011, according to exclusive data from *Power Intelligence*'s Generation Sale Database.

With the presidential candidates' divergent energy policies promising markedly different paths for the country, assets put up for sale have dwindled through the year from 68 to 61 to 31 over the first three quarters. Observers say mild weather and persistently low power demand also helped put the brakes on.

Total Generation Assets Sold By Quarter



Source: Power Intelligence Generation Sale Database

(continued on page 8)

Sempra Fires Up Solar Funds Search

Sempra U.S. Gas & Power is searching for financing to back the 250 MW third phase of its Copper Mountain solar project in Boulder City, Nev. The San Diego-based sponsor is looking to secure a bank loan for the $600 million phase, says one deal watcher.

Most large solar deals recently have been favoring a bank tranche with a longer tenor bond component, such as **AES Solar** and **8minutenergy Renewables**' closing of their $636 million Mount Signal solar project in Imperial County, Calif. (*PI, 12/6*). Sempra has started talking to lenders in earnest after signing 20-year power purchase agreements with the cities of Los Angeles and Burbank via the **Los Angeles Department of Water and Power**.

Sempra was able to land a $130 million, 18-year bank loan

(continued on page 8)

Calgary IPP Floats U.S. Fleet Sale

Maxim Power Corp., a Calgary-based independent power producer, has retained **Credit Suisse** to sell a five gas-fired plant portfolio in the U.S. The company is trying to raise its share price and refocus on Alberta.

Teasers are expected to go out for the 433 MW fleet in the next two weeks, Maxim President and CEO **John Bobenic** told *PI*. "We firmly believe that when people look at our parts they will see a price that is significantly higher than our share price," he says.

Maxim—MXG on the **Toronto Stock Exchange**—was trading at C$2.32 ($2.35) at close on Wednesday. Bobenic thinks there is room to double that.

The plants are:

- 62 MW CDECCA combined cycle cogeneration facility in Hartford, Conn.;

(continued on page 8)

DOE Report Backs LNG

Sponsors are chasing project finance deals after a report commissioned by the U.S. **Department of Energy** found a positive impact from U.S. liquefied natural gas exports.

See story, page 6

New Project Finance Loans

We've added updates to our weekly round-up of the latest project finance deals in the Americas, with details on projects, sponsors and debt.

See Deal Book, page 4

Generation Sale DATABASE

Get the rundown on the latest asset trades in *PI*'s weekly calendar, compiled from our exclusive Generation Sale Database.

See calendar, page 3

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THE BUZZ

The slowdown into the holiday season doesn't look like it will be pronounced in project finance, with a number of sponsors firing up financings in the last weeks of the year. **EverPower Wind Holdings** and **Geronimo Wind Energy** are looking to secure deals for wind projects in Pennsylvania and Minnesota respectively, despite the spectre of tax credit renewal still hanging over the market (see stories, pages 5 & 6). It seems developers are getting more comfortable with the political situation in Washington—be it beneficial or otherwise—and looking to push on. Geronimo is considering selling power direct to commercial entities or operating merchant, something which has not been done at this scale by a wind project.

Sempra U.S. Gas & Power is also looking for a $600 million bank loan for the third phase of its Copper Mountain facility in Nevada (see story, page 1). Financiers will keep an eye on whether or not the company can secure another 18-year tenor on that loan, as it did for phase two. At the other end of the financing process, word is that a number of deals are expected to close by year-end.

There was also big news this week for the pipeline of natural-gas export financings, with the second report commissioned by the U.S. **Department of Energy** lauding the economic benefits of increased exports (see story, page 6). A 15 project pipeline now has a high chance of getting the green light as a result, kicking off the search for at least $50 billion backing projects.

The third quarter was slow for gas-fired M&A activity, with 11 put on the market compared to 17 in the same period in 2011, according to exclusive data from *Power Intelligence*'s Generation Sales Database. The final months of the year have at least felt like activity has ticked up—buyers are in the early stages of working on bids for two plants, one merchant being sold by **Rockland Capital** and another contracted by **Energy Investors Funds**.

Maxim Power Group, a Calgary-based independent power producer, has decided the time is ripe to sell a fleet of gas-fired plants in the U.S. as a way to raise its share price (see story, page 1). Maxim has received offers from entities for both individual plants and the whole fleet over the last year as prospective buyers struck out to drum up their own deals so the company decided to formally test the waters, **John Bobenic**, president and ceo of Maxim, told *PI*.

TELL US WHAT YOU THINK!

Do you have questions, comments or criticisms about a story that appeared in ***PFR***? Should we be covering more or less of a given area? The staff of ***PFR*** is committed as ever to evolving with the markets and we welcome your feedback.

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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.

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Institutional Investor, LLC
Issn# 1529-6652

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Institutional Investor Intelligence

Generation Sale DATABASE

GENERATION AUCTION & SALE CALENDAR

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

Seller	Assets	Location	Advisor	Status/Comments
AT&T Credit Holdings, U.S. Bank National Association	Allegheny 8 & 9 (30.4 MW Hydro)	Pennsylvania	TBA	EIF and Northbrook Energy have bought the assets (PI, 12/10).
Algonquin Power & Utilities	Various (46.8 MW Hydro)	Various	TBA	It's quietly shopping the portfolio (PI, 11/26).
ArcLight, Olympus Power, John Hancock, Atlantic Power Corp.	Delta Person (140 MW Peaker)	Albuquerque, N.M.	Fieldstone Private Capital Group	Shortlist to emerge by October (PI, 9/10).
Atlantic Power Corp.	Path 15 (84-mile Transmission line)	California	Rothschild	The company is quietly shopping it; initial bids due soon (PI, 11/12).
Dominion	Brayton (1,536 MW Coal, Oil, Gas) Kincaid (1,158 MW Coal) 50% Stake (1,424 MW Elwood Peaker)	Somerset, Mass. Kincaid, Ill. Chicago, Ill.	Citigroup, Morgan Stanley	Bidders are in second round (PI, 12/10).
EDF Renewable Energy	Spearville 3 (100.8 MW Wind)	Ford County, Kan.		BlackRock NTR fund is buying a majority stake (PI, 12/3).
Edison Mission Energy	Homer City (1,884 MW Coal)	Indiana, Pa.	Barclays	Court set to approave debt re-organization (PI, 12/10).
Energy Investors Funds	Stake (550 MW Astoria Energy II Gas)	Queens, N.Y.	Barclays	Teasers are out (see story, page 7).
Energy Investors Funds	Rathdrum (275 MW Gas) Plains End I & 2 (228.6 MW Gas) Stakes (245 MW Cottage Grove Gas) Stakes (249 MW Whitewater Gas)	Rathdrum, Idaho Arvada, Colo. Cottage Grove, Minn. Whitewater, Wis.	Scotiabank	Initial bids due by Sept. 12 (PI, 9/10).
Enova Power Group	Plainfield (37.5 MW Biomass project)	Plainfield, Conn.	UBS	Teasers have gone out recently for the project that will be online next September (PI, 11/12).
GE Energy Financial Services	Various (Hydro, Wind)	British Columbia	–	Nears sale of project stakes to Canadian pension fund (see story, page 7).
Goldwind USA	Shady Oaks (109 MW Wind Farm)	Compton, Ill.	TBA	Algonquin is in negotiations to buy the farm (PI, 12/3).
Harbert Power	Hanford (95 MW Gas) Henrietta (97 MW Gas) Tracy (314 MW Gas)	Kings County, Calif. Kings County, Calif. Stockton, Calif.	Morgan Stanley, Merit Capital Advisors	Highstar lands a $200M financing package (PI, 12/3).
juwi North America Wind	Zephyr (30.5 MW Wind)	Nobles County, Minn.		BlackRock NTR fund is buying a majority stake (PI, 12/3).
IPR-GDF Suez Energy North America	Various (287 MW Wind)	Various, Canada	CIBC	The sale has entered the second round (PI, 9/3).
Iberdrola Renewables	Various (Wind, Solar)	Various	JPMorgan, Blackstone	The Spain-based parent is driving the sale of 700 MW of spinning wind plus wind, solar development assets (PI, 7/16).
Iberdrola Renewables	Klamath (636 MW Cogen)	Klamath Falls, Ore.	Royal Bank of Canada	First round bids are in (PI, 6/4).
Inland Energy, City of Palmdale, Calif.	Hybrid (570 MW Gas, Solar Project)	Palmdale, Calif.	None	Bids are due Dec. 3 (PI, 10/29).
LS Power	Blythe (507 MW CCGT)	Blythe, Calif.	Bank of America	Teasers went out recently and the shop is refinancing another plant for greater flexibility to sell (PI, 12/10).
MACH Gen	Harquahala (1 GW Gas)	Maricopa County, Ariz.	Goldman Sachs	Wayzata has agreed to buy it (PI, 10/15).
NewPage Corp.	Various (461 MW Cogeneration) Various (31 MW Hydro)	Various Wisconsin	Lazard	Fund affiliates of Goldman Sachs, JPMorgan and Oaktree Capital are taking over the assets in bankruptcy (PI, 12/10).
Olympus Power, Metalmark Capital	Brooklyn Navy Yard (Stake, 286 MW Gas)	Brooklyn, N.Y.	Credit Suisse	High competition for the facility as management presentations get underway (PI, 7/27).
PPL Corp.	Various (604 MW Hydro) Colstrip (529 MW Coal) Corette (153 MW Coal)	Various, Montana Colstrip, Mont Billings, Mont.	UBS	The utility holding company is selling its unregulated Montana operations (PI, 11/12).
Rockland Capital, John Hancock Life Insurance and Atlantic Power Corp.	Gregory Power Partners (400 MW CCGT Cogen)	Gregory, Texas	TBA	First round bids due around Dec. 14 (PI, 12/10).
Sempra U.S. Gas & Power	Mesquite Power (1,250 MW Gas) Mexicali (625 MW Gas) Copper Mountain 1 (58 MW Solar) Copper Mountain 2 (150 MW Solar project) Mesquite 1 (150 MW Solar)	Arlington, Ariz. Mexicali, Baja California, Mexico Boulder City, Nev. Boulder City, Nev. Arlington, Ariz.	TBA	Sold half of Mesquite to Salt River Project (PI, 11/12). The Sempra Energy unit is talking with prospective advisors (PI, 10/22).
SunPower	AVSP 1 (325 MW Solar PV) AVSP 2 (276 MW Solar PV)	Rosamond, Calif.	Morgan Stanley	Teasers were recently released (PI, 9/17).
Western Wind Energy Corp.	Windstar (120 MW Wind) Windridge (4.5 MW Wind) Mesa (30 MW Wind) Kingman (10.5 MW Wind, Solar PV) Yabucoa (30 MW Solar PV)	 California California Arizona Puerto Rico	Rothschild, PI Financial	Brookfield has made a per share offer for the assets outside of the auction (PI, 12/3).

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 Senior Reporter ***Holly Fletcher*** *at (212) 224-3293 or e-mail hfletcher@iiintelligence.com.*

PROJECT FINANCE DEAL BOOK

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

Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
AES Gener	Cochrane (532 MW Coal)	Chile	TBA	TBA	$1B+	TBA	Sponsor rounds up banks, ECAs (PI, 11/26).
	Alta Maipo (531 MW Hydro)	Chile	TBA	TBA	~$1B	TBA	IFC, IDB and OPIC are participating in multilateral tranche. Sponsor also talking to commercial lenders (PI, 7/2).
Alterra	Dokie II (156 MW Wind)	Fort St. John, B.C.	TBA	Expansion	$300M	TBA	The sponsor is hoping to close the financing in the next few months (PI, 9/24).
	Upper Toba (124 MW Hydro)	Toba Valley, B.C.	TBA	Expansion	$40M	TBA	Sponsor is looking for project equity (PI, 9/10).
BrightSource	Rio Mesa (500 MW Solar)	Riverside County, Calif.	TBA	TBA	TBA	TBA	Sponsor is tapping banks in New York and hopes to close by end of Q2 next year (PI, 9/3).
	Hidden Hills (500 MW Solar)	Hidden Hills, Calif.	TBA	TBA	TBA	TBA	Sponsor has an offtake agreement with Southern California Edison for both projects.
Competitive Power Ventures	St. Charles (660 MW Gas)	Charles County, Md.	TBA	TBA	$500M	TBA	Sponsor talking with banks for a club deal and may consider a bond component (PI, 9/17).
Coronado Power	Edinburg (700 MW Gas)	Edinburg County, Texas	TBA	TBA	$650M	TBA	The new shop will fire up the financing after some of the final permits are issued (PI, 12/3).
▶ Diamond Generating Corp.	Mariposa (200 MW Gas)	Alameda County, Calif.	SMBC, DZ, CoBank, Sumitomo Trust	TBA	$150M	10-yr	Deal wraps (see story, page 7).
Duke Energy Renewables	Los Vientos (402 MW Wind)	Willacy County, Texas	Mizuho	TBA	$800M	7-yr	Sponsor aims for $800 million in debt (PI, 11/5).
EmberClear Corp.	Good Spring (300 MW Gas)	Schuylkill Country, Pa.	TBA	TBA	$400M	TBA	The company is looking for debt and equity in a 70:30 ratio. It is circling an equity close (PI, 11/5).
Energy Investors Funds	Pio Pico (300MW Gas)	San Diego County, Calif.	SocGen	TBA	$300M	TBA	The sponsor has tapped Société Générale to lead the financing (PI, 10/1).
▶ Geronimo Wind Energy	Black Oak and Getty (42MW & 40MW Wind)	Stearns County, Minn.	TBA	TBA	~$150M	TBA	The sponsor is waiting to secure an offtake agreement (see story, page 5).
Greengate	Blackspring Ridge I (300 MW Wind)	Lethbridge, Alberta.	Citigroup	TBA	~$600M	TBA	Sponsor may be looking for financing or to sell (PI, 9/10).
▶ K Road Power	Moapa (350 MW Solar)	Clark County, Nev.	TBA	TBA	$1B+	TBA	Sponsor is tracking market precedents and looking at a bank/bond deal (PI, 12/10).
Kruger Energy	Various (202 MW Wind)	Ontario, Canada	CIBC, Scotia Capital	Refi	$400M	TBA	Both projects have long-term PPAs (PI, 9/3).
LS Power	Various (Gas-fired)	PJM	N/A	N/A	$300M+	TBA	Sponsor talking with banks for a club deal (PI, 11/26).
Moxie Energy	Moxie Liberty (850 MW Gas)	Bradford County, Pa.	TBA	TBA	$800M	TBA	The plant may be financed merchant by the team, made up largely of AES Corp alum (PI, 10/22).
NextEra Energy Resources	Various (Wind)	U.S.	TBA	Refi	TBA	TBA	The sponsor has been talking with lenders to refinance a portfolio of about 10 wind projects (PI, 10/1).
	Limon I & II (400 MW Wind)	Colorado	N/A	N/A	N/A	N/A	State Street, JPMorgan, Bank of America and Wells Fargo make tax equity investments in the projects (PI, 11/5).
▶ Pattern Energy	South Kent (270 MW Wind)	Haldimand County, Ontario	BTMU, Union Bank, Mizuho	TBA	$800M	TBA	The sponsor has mandated three banks to lead the financing (see story, page 5).
	Grand (150 MW Wind)	Haldimand County, Ontario					
Quantum Utility Generation	Various (Unknown)	U.S.	TBA	TBA	TBA	TBA	The sponsor is talking to lenders after the successful close of a roughly $120 million refinancing last month (PI, 10/8).
Termotesajara	Norte de Santander (180 MW Coal)	Norte de Santander, Colombia	TBA	Expansion	$330M	TBA	Bankers say that the plant's arrangement for the generation are attractive to investors (PI, 9/10).
Wind Capital Group	Osage (150 MW Wind)	Osage County, Okla.	TBA	TBA	$160M	TBA	BayernLB, NordLB and Rabobank were potential lenders to the project before the financing was halted earlier this year (PI, 12/10).

▶ **New or updated listing**

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PROJECT FINANCE

Geronimo Seeks Wind Financing

Geronimo Wind Energy is looking to secure financing for the 42 MW Black Oak and 40 MW Getty wind farms in Stearns County, Minn. The company landed the go-ahead from state regulators last week to build the approximately $150 million project.

"We hope to then secure the financing in the first quarter next year, before beginning construction in the second half of the year," says **Blake Nixon**, president in Edina, Minn. The company is in discussions for an offtake agreement.

FAST FACT

Geronimo has an agreement with Italian company **Enel Green Power**, which gives it the right for first refusal to become the project's owner/operator.

Nixon says it has looked at financing the project merchant and selling power direct to consumers or to a large commercial entity. He declined to give further details.

Geronimo has an agreement with Italian company **Enel Green Power** that gives it the right for first refusal to become the project's owner/operator. "They tend to do unlevered tax equity deals and I expect that might be the case again," says Nixon, if the company exercises its right. Enel and **GE Energy Financial Services** most recently bought 49% and 51% stakes, respectively, in Geronimo's 200 MW, $305 million Prairie Rose wind farm in Minnesota (*PI, 8/7*).

Kevin Walsh, managing director of power and renewable energy at GE EFS in Stamford, Conn., told *PI* in August that he expected the company to continue to work with Enel and Geronimo on deals. GE and Enel co-own the 235 MW Chisholm View wind project near Hunter, Okla., the 101 MW Smoky Hills wind farm west of Salina, Kan., and the 63 MW Snyder wind farm in Hermleigh, Texas. Enel did not respond to inquiries before press time, while a spokeswoman for GE in Stamford, Conn., says it would not comment on the Black Oak or Getty projects.

GE and Enel raised $190 million in tax equity for Prairie Rose from a group led by **JPMorgan**, which included **Wells Fargo Wind Holdings** and **MetLife**. The tax equity investment kicked in when the project was completed. Bank officials did not respond to inquiries by press time.

Geronimo is also developing the 100 MW Apple Blossom wind farm in Huron County, Mich., and the 95 MW Paynesville in Stearns County, Minn.

Pattern Taps Troika For Ontario Wind

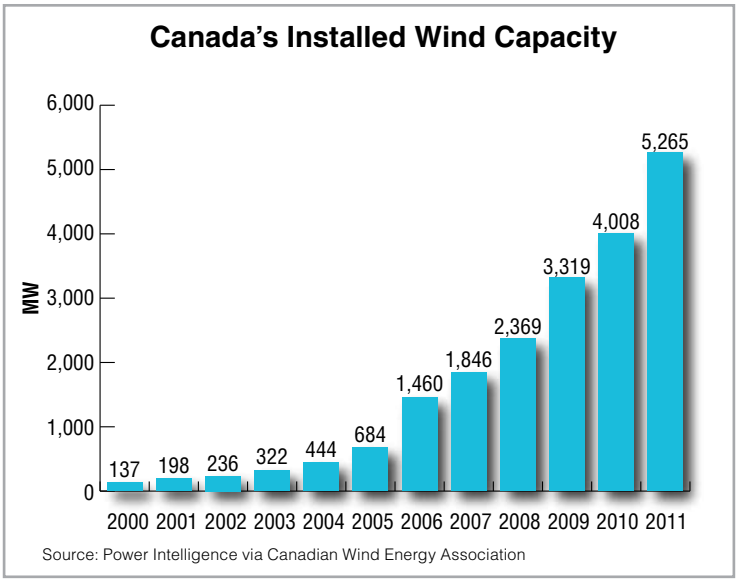
Pattern Energy has mandated the **Bank Of Tokyo-Mitsubishi**, **Union Bank** and **Mizuho** to lead the financing of its 270 MW South Kent and 150 MW Grand wind projects in Chatham-Kent, Ontario. The approximately $800 million project will contain a bank and bond tranche, say deal watchers.

Elizabeth Waters, v.p. of the power and infrastructure group at BTMU, is heading up the efforts for that bank. BTMU worked with Pattern on its roughly $220 million financing backing the 115 MW El Arrayan wind project near Santiago, Chile (*PI, 4/30*).

Pricing is set to be around LIBOR plus 300 basis points (*PI, 12/3*). The company is talking with **ManuLife** about an institutional tranche (*PI, 10/22*). **Samsung Renewable Energy** is also working with Pattern on the project. That collaboration may bring export credit agency **Korea EximBank** into the deal to guarantee a portion of the debt. The San Francisco-based shop was aiming to close by year-end, although deal watchers say the deal will likely wrap early next year.

Pattern's Ocotillo financing, which closed in October (*PI, 10/15*), had a seven-year bank tranche, co-led by **Deutsche Bank** and **RBC Capital Markets**, and a longer 20-year tranche funded by the **North American Development Bank** (*PI, 10/15*). The seven-year tranche included **The Royal Bank of Scotland**, **Société Générale**, **NordLB** and **KeyBank**. Bank officials declined to comment.

South Kent and Grand both have 20-year power purchase agreements with the **Ontario Power Authority**. Pattern expects to start construction early next year for South Kent and later in the year for Grand. First Nation group **Six Nations of the Grand River** has the option to choose to participate in the projects, and any future wind or solar developments related to the assets, with an equity holding or royalty.



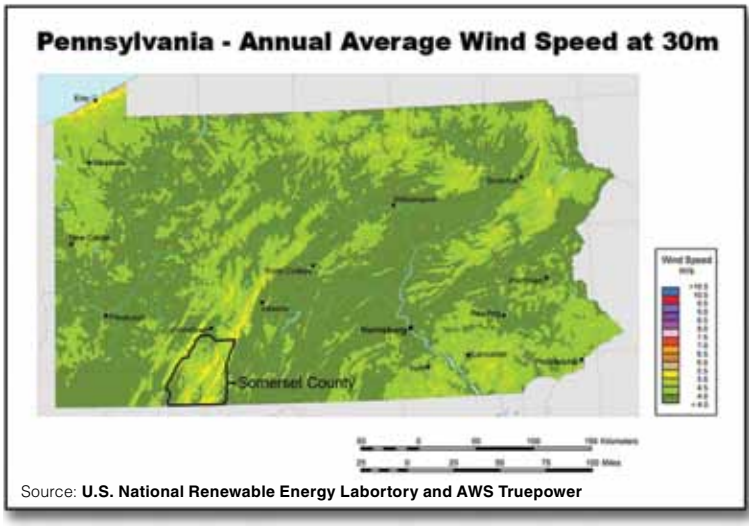
EverPower Hunts Pa. Wind Funds

EverPower Wind Holdings is talking to banks looking to leverage a 140 MW wind facility in Somerset County, Pa. The Twin Ridges facility will begin operating this week, according to a spokesman in Pittsburgh.

The company is looking to secure about $45 million in debt, according to deal watchers, and aiming to close early in 2013.

EverPower had initially looked to develop Twin Ridges as a merchant facility (*PI, 6/21/11*). However, a subsidiary called **Big Savage** penned a power purchase agreement for the facility with **Potomac Edison** in July, according to U.S. **Federal Energy Regulatory Commission** filings. It has been tough to get the financing community comfortable with merchant wind given the variables, says one deal watcher.

Everpower has recently been active in M&A, purchasing the Alta VI wind project from **Terra-Gen Power** and a 17.5 MW facility from **Penn Wind** (*PI, 4/9*). The Twin Ridges project utilizes 68 **REpower** MM 92 turbine generators, each with a nameplate rating of 2.05 MW.



Source: **U.S. National Renewable Energy Labortory and AWS Truepower**

Increased LNG Exports Get Nod

Increased liquefied natural-gas exports from the U.S. would have a positive economic benefit, according to a *new report* prepared by **NERA Economic Consulting**, paving the way for new deals. Projects with a combined development price tag of more than $50 billion (*PI, 9/21*) are now more actively chasing financings, say deal watchers.

The report accompanies one prepared by the U.S. **Department of Energy** in January. Due to a rush of applications in 2010 by companies looking to export LNG to countries without free trade agreements with the U.S., the DOE commissioned the two studies on the sector and the larger macroeconomic and environmental ramifications of these projects.

"In all of the scenarios analyzed in this study, NERA found that the U.S. would experience net economic benefits from increased LNG exports," the report states. "Moreover, for every one of the market scenarios examined, net economic benefits increased as the level of LNG exports increased."

Exports of LNG from the U.S. require prior authorization from the DOE and the U.S. **Federal Energy Regulatory Commission** under the Natural Gas Act of 1938. Fifteen potential LNG exporters have already filed permits looking to increase export levels to over 60% of current domestic consumption. **Bill Cooper**, president of the **Center for Liquefied Natural Gas**, says the report should remove the *de facto* moratorium that has been in place preventing the further granting of licenses. "The DOE will now start considering them again," he says.

A spokesman at the DOE in Washington could not immediately comment on the granting of further export licenses, but says all applications with the DOE that have received FERC approval will be processed in the order they were received. Only one company has so far secured an export license following the shale gas boom, which prompted the request for new licenses. That went to **Cheniere Energy** for its Sabine Pass Liquefaction project in Louisiana. Roughly 20 lenders made commitments ranging from $30-$150 million to a $3.4 billion term loan A backing the 4 bcf/day facility (*PI, 7/19*).

The ruling will also open up the possibility for banks to start building relationships with developers in the space, which will be critical moving forward, according to one financier of LNG projects. "It makes a lot of sense to get going now," says a deal watcher on financing the projects, adding that most have already begun preliminary searches. "There will be a couple of elephant LNG export deals coming to market early next year, with **Cameron LNG** and Cheniere already looking."

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Diamond Wraps Calif. Peaker Debt

Diamond Generating Corp. has closed the financing of its 200 MW gas-fired peaker in Alameda County, Calif. The roughly $150 million loan closed last month with pricing of LIBOR plus 200 basis points and a 10-year tenor, say deal watchers.

The **Mitsubishi Corp.** subsidiary tapped **Sumitomo Mitsui Banking Corp.**, **DZ Bank**, **CoBank** and **Sumitomo Trust & Banking Co.** to participate in the deal (*PI, 5/8*). SMBC was lead left, while the other lenders were mandated as lead arrangers. **Carl Morales**, SMBC senior v.p., **Steve Bissonnette**, a director at DZ, and **Lori Kepner**, v.p. at CoBank, worked on the deal. Bank officials either declined to comment, or did not respond to calls by press time.

Diamond had initially hoped to secure a close in mid-July (*PI, 3/8*), but had to wait until early November to secure the deal. The reason for the delay could not be determined. Calls to **Paula Zagrecki**, director of finance at Diamond, were not returned before press time.

Pacific Gas & Electric has a 10-year offtake agreement for Mariposa, which began commercial operation mid-year.

Northern Star Prices Debt Tight

Northern Star Generation has snagged pricing below the LIBOR plus 375-400 basis points price talk for its $146 million term loan B. The company will close the loan at LIBOR plus 350 bps, say deal watchers. The loan has a 1.25% LIBOR floor.

BNP Paribas, a relationship banker of the joint venture between **UBS International Infrastructure Fund** and **The Ontario Teachers Pension Plan Board**, is lead arranger (*PI, 11/21*).

FAST FACT

The seven-year loan is slated to take out outstanding debt on an existing $286 million term loan that was inked in a larger package in 2007 recapitalization led by Lehman Brothers and BNP.

The seven-year loan is slated to take out outstanding debt on an existing $286 million term loan that was inked in a larger package in 2007 recapitalization led by **Lehman Brothers** and BNP. A $32.5 million synthetic letter of credit is also being taken out, according to a report from **Standard & Poor's**, which has placed a preliminary BB+ rating on the loan.

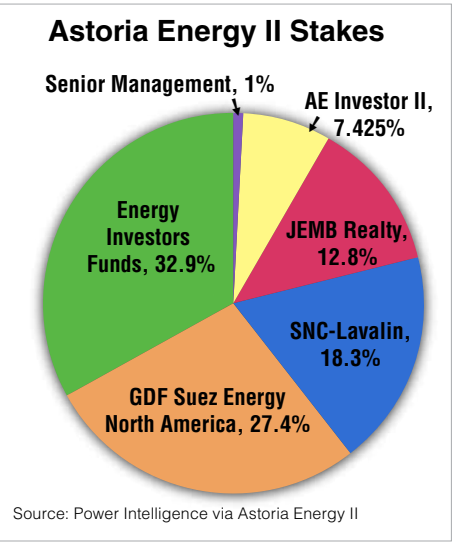
Vincent Schager, cfo of Northern Star in Houston, declined to comment.

MERGERS & ACQUISITIONS

Astoria II Stake Sale Launches

Barclays has launched the sale of **Energy Investors Funds**' stake in the 550 MW **Astoria Energy II** combined cycle plant in New York. Teasers went out in late November, says a deal watcher.

The sale is expected to attract a full roster of infrastructure funds and Canadian pension funds because of its 20-year tolling agreement with the **New York Power Authority**, say a banker and prospective buyer. EIF owns 32.9% of the plant, which went online in July 2011. Barclays was mandated this fall (*PI, 10/16*).



The facility was financed with a roughly $1.02 billion package that includes a $915 million mini-perm and $110 million in letters of credit (*PI, 7/10/09*). The loan has a tenor of 20 years.

EIF owns the largest stake at 32.9%. Other co-owners include **GDF Suez Energy North America** with 27.4%, **SNC-Lavalin** (18.3%), **JEMB Realty** (12.8%), AE Investor II (7.425%) and the senior management (1%). A portion of the 7.425% stake was put up for sale by high-net-worth individuals last year in a process ran by boutique advisor **Whitehall & Co**. (*PI, 9/14/11*).

An EIF spokesman declined to comment, as did a Barclays spokesman.

Canadian Pension Fund Circles GE Sale

GE Energy Financial Services is nearing a sale of its stakes in wind and hydro assets in British Columbia to a Canadian pension fund. The sale of the assets, which GE co-owns with **Alterra Power**, will likely be announced in the next month, a deal watcher says.

GE had been targeting pension funds, which like long-term contracted assets (*PI, 10/16*). Dokie and Toba Montrose have 25-year and 35-year power purchase agreements, respectively, with **BC Hydro**. Alterra and GE EFS bought the original Dokie project from the now bankrupt **EarthFirst Canada** for C$52.5 million ($49.7 million) in December 2009. GE EFS is running the sale, which includes:

- 60% of the 78.4 MW Toba Montrose hydro facility in the Toba Valley; and
- 51% of the 73.4 MW Dokie 1 Wind project in Dokie Ridge.

Spokespeople at GE in Stamford, Conn., and **Ross Beaty**, executive chairman at Alterra in Vancouver, B.C., did not respond to inquiries by press time. The identity of the Canadian pension fund involved in the sale could not be learned.

Sempra Fires Up *(Continued from page 1)*

for its 92 MW Copper Mountain 2 project, and the tenor on that financing may be enticing the sponsor to forgo bonds. The deal was priced at LIBOR plus 250 basis points and **Bank of Tokyo-Mitsubishi**, **Crédit Agricole** and **Sumitomo Mitsui Banking Corp.** participated (*PI, 6/28*). Whether those firms will participate in the current financing could not be determined, although Sempra has approached them again, according to a financier.

Construction is expected to begin next month and will be completed in late 2015. Copper Mountain Solar 3 is the fourth utility-scale renewable energy project that Sempra has developed in Boulder City. When it is complete, the combined capacity will exceed 450 MW.

Calls placed to officials at Sempra were not returned by press time.

—Nicholas Stone

Calgary IPP *(Continued from page 1)*

- 86 MW Forked River simple cycle plant in Ocean River, N.J.;
- 64.6 MW Pawtucket combined cycle in Pawtucket, R.I.;
- 170 MW Pittsfield CCGT in Pittsfield, Mass.; and
- 53 MW Basin Creek gas-fired plant in Butte, Mont.

The Forked River plant has a tolling agreement with **FirstEnergy Solutions Corp.**, until 2018. Basin Creek went online in 2006 with a 20-year fixed capacity toll with **Northwestern Energy Corp**. and CDECCA has a contract for its steam. Bobenic expects that the split between contracted and uncontracted assets will bring a wide variety of players.

More than a dozen entities have approached Maxim with individual offers for plants or the portfolio as a whole over the last year, Bobenic says, adding that he expects most, if not all to participate in the sale. The portfolio could be attractive to strategics looking to add scale or, for financial players, a potential upside from the uncontracted portion.

Bobenic declined to comment on what the company would like to see the assets fetch, preferring to let the market come to a number during the auction. "If we like the number then we will transact. If we don't, then we won't," he says.

Proceeds from the sale will be used to fund construction on a series of construction-ready development projects in Alberta. The province is undergoing a changing power landscape as demand grows and coal-fired generation is retired under environmental regulations, says Bobenic, noting that the province has to retool its generation fleet. "We are trying to reposition to seize on that," he says.

Maxim is also selling 191 MW of generation and 107 MW of thermal capacity in France via a sale run by **HSBC** that has already launched.

A Credit Suisse spokesman declined to comment.

—Holly Fletcher

ALTERNATING CURRENT

Move Over Macy's: AWEA Offers Gifts Online

In addition to aggressively lobbying to extend the production tax credit, the **American Wind Energy Association** has apparently been busy designing a line of apparel and accessories, that would suit even the most fashion forward wind developer, for its *online store*.

The store offers fleece jackets and vests, hooded sweatshirts and graphic T-shirts with slogans such as "Better Than Coal," and "Manufacturing The Future." There is also a holiday collection that includes T-shirts emblazoned with wind-powered sleighs and gingerbread houses. Prices range from $5-20 for T-shirts to $45 for jackets.

A selection of personal and office accessories rounds out the offerings. Silk scarves with a wind turbine pattern, steel water bottles, magnets, tote bags and ruby-colored throw blankets are available. After all, who couldn't use a little help finding something for that extra special wind developer in their lives?

M&A Squeezed *(Continued from page 1)*

The increase in the number of assets that sold year over year is largely attributable to a deal early in July that saw **California State Teachers' Retirement System**, **First Reserve**, and the **Abu Dhabi Investment Authority** exit equity stakes in a portfolio of 16 landfill gas-to-energy assets (*PI, 6/27*). Excluding that deal, the quarter saw 27 assets sold—roughly down about 33%.

—Holly Fletcher

For the full report and additional data, please visit the Generation Sale Database at http://www.powerintelligence.com/AuctionSalesData.html

ONE YEAR AGO

MetLife was considering taking a tax equity stake in **Wind Capital Group**'s 201 MW Post Rock wind project in Ellsworth and Lincoln Counties, Kansas. [**GE Energy Financial Services**, MetLife and **Union Bank** took a $247 million tax equity stake in the $370 million project (*PI, 12/5*).]

CORRECTIONS & AMPLIFICATIONS

One of the figures in last week's Alternating Current was miscalculated. It would take 5.454 projects the size of **MidAmerican Energy**'s Topaz solar project to generate enough energy to power holiday lights in the U.S.

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