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Power Finance & Risk

Exclusive Insight on Power M&A and Project Financing

● MERGERS & ACQUISITIONS ● PROJECT FINANCE ● LATIN AMERICA

Catalyze buys Northeastern solar developer

Catalyze, which is backed by **EnCap Investments** and **Yorktown Partners**, has acquired a solar platform focused on the Northeastern US. *Page 5.*

Details on DESRI solar, storage financing

Details on **D.E. Shaw Renewable Investments**' debt financing of a solar-plus-storage project in New Mexico. *Page 6.*

GIP issues bond for Mexican IPP

GIP has arranged a bond issuance to refinance the bridge facilities that funded its acquisition of one of Mexico's largest IPPs in August. *Page 12.*

PPL buys into transmission project under rails

Alfie Crooks

PPL Corp has bought a stake in the SOO Green HVDC Link transmission project, a unique underground transmission line that will follow the route of existing **Canadian Pacific** railroads.

PPL Corp joins **Copenhagen Infrastructure Partners** (CIP), **Siemens Energy** and **Jingoli Power** as a co-owner of the $2.5 billion project, which will connect the **MISO** and **PJM Interconnection** markets by transmitting 2.1 GW of renewables-powered generation from Iowa, Minnesota and the Dakotas to Illinois.

Construction on the the 350-mile subterranean 525 kV transmission line is expected to start in 2023 to bring the project online in 2026. The project is being developed by Minneapolis-based **Direct Connect Development Co**. PAGE 5»

Heigh (voltage) ho!

Conference coverage: REFF Wall Street 2021

Renewables project finance enthusiasts flocked to REFF Wall Street 2021 last week for two days of non-stop networking and panel discussions, after being deprived of conferences for over a year-and-a-half due to the pandemic.

PFR also made a showing at the event, with Editor **Taryana Odayar** and reporter **Alfie Crooks** on hand to record all the goings-on at 360 Madison in New York.

The venue also hosted the IJ LATAM conference, one floor below the REFF event, which drew energy and infrastructure deal makers from that region.

More conference coverage inside.

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Solar tax equity investor exits ramp up

Taryana Odayar

Deal watchers have observed that solar project owners are increasingly buying out the tax equity investors in their projects or arranging for third-parties to take their place, as several projects pass their tax credit recapture periods.

For a tax equity buyout in a solar project to take place, the asset must have been brought online at least five years ago, PAGE 8»

Colbun Transmision buyers pull in acquisition debt

Carmen Arroyo

Dutch fund **APG** and **Celeo Redes** have arranged acquisition financing for their purchase of **Colbun Transmision**, the transmission subsidiary of Chilean independent power producer **Colbun**.

The sponsors issued a $1.1 billion bond offering in Reg S/144a format to finance the deal. The size of the offering is slightly lower than the purchase PAGE 10»

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

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PPA PULSE

SAFARI ENERGY NABS PENNSYLVANIA SOLAR PPA

PPL Corp's distributed generation subsidiary, **Safari Energy**, has commercialized a 15 MW solar project in Pennsylvania which has a power purchase agreement with a local municipal electric utility.

The asset came online on September 13 and will power about 10% of **The Borough of Chambersburg**'s annual electricity needs. Chambersburg is the largest municipal electric utility in Pennsylvania and the only one supplying electricity and gas.

The project was originally developed by **Sun Tribe Development**.

Here is a round-up of the rest of this past week's PPA news:

BIDDERS REVEALED IN COLOMBIA'S RENEWABLE POWER AUCTION

Colombia's grid operator **XM Compañía de Expertos en Mercados** has revealed the identities of the 69 prospective participants in the country's third renewable power auction.

Although over 100 participants had registered for the process in August, only 69 – 47 buyers and 22 sellers – have qualified to bid in the auction. XM is arranging the procurement process.

The developers looking to secure 15-year power purchase agreements will bid are bidding 38 generation projects in total. **Enel Green Power**, **EDF Renewables**, **Empresas Publicas de Medellin** (EPM), **Solarpack**, **Celsia** and **Canadian Solar** are among the qualified firms.

The buyers include **Air-E**, **Isagen**, **Terpel Energia, Renovatio Trading Americas**, **Celsia** and **Enertotal**.

The auction will take place on October 26, and the PPAs will be inked by December 20. The contracts kick in on January 1, 2023, as previously reported (PFR, 8/2).

For the full list of participants, visit www.powerfinancerisk.com

PPAS TRICKLE IN FOR ACCIONA IN CHILE

Acciona Energia has clinched two supply contracts for renewable power in Chile and renewed a third with water utility **Aguas Nuevas**.

The sponsor will supply power to two of the utility's affiliates, namely **Aguas del Altiplano** in the Arica y Parinacota and Tarapaca regions, and **Aguas de la Araucania** in the Araucania region. Both contracts are due to kick in next April.

Aguas Nuevas has also renewed a third contract it had inked with Acciona in 2017 for its affiliate **Nueva Atacama**, previously known as **Aguas Chañar**, in the Atacama region. Acciona will start fulfilling the agreement by January 2023.

Power Finance & Risk

EDITORIAL
Taryana Odayar
Editor
(212) 224 3258

Carmen Arroyo
Reporter
(212) 224 3256

Alfie Crooks
Reporter
(646) 841 3651

Kieron Black
Sketch Artist

PRODUCTION
Tim Huxford
Manager

PUBLISHING
Adam Scott-Brown
Director of Fulfillment

Alyssa Yang
Senior Marketing Executive

SUBSCRIPTIONS
Guy Dunkley
Senior Sales Manager
(212) 224 3443

ADVERTISING/ REPRINTS
Jonathan McReynolds
Head of Business Development
(212) 224 3026

CORPORATE
Andrew Rashbass
Chief Executive Officer

Jeffrey Davis
Divisional Director,
Financial & Professional Services

Isaac Showman
CEO, NextGen Publishing

Directors:
Leslie Van de Walle (Chairman)
Andrew Rashbass (CEO)
Wendy Pallot (CFO)
Jan Babiak
Colin Day
Imogen Joss
Tim Pennington
Lorna Tilbian

Customer Service
PO Box 4009, Chesterfield, MO 63006-4009, USA
Tel: **1-212-224-3043**
Fax: **212-224-3886**
UK: **44 20 7779 8704** Hong Kong: **852 2842 8011**
E-Mail: mailto:customerservice@powerfinancerisk.com

Editorial Offices
1120 Avenue of the Americas, 6th Floor, New York, NY 10036
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Please send all undeliverable Mail and changes of addresses to:
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Do you have questions, comments or criticisms about a story that appeared in ***PFR***? Should we be covering more or less of a given area? The staff of ***PFR*** is committed as ever to evolving with the markets and we welcome your feedback.

Feel free to contact **Taryana Odayar**, Editor, at (212) 224-3258 or taryana.odayar@powerfinancerisk.com

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GENERATION AUCTION & SALE CALENDAR

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

Generation Sale DATABASE

Seller	Assets	Location	Adviser	Status/Comment
Ares Management Corp	Navisun	US	Scotiabank	Bids for the company were due in mid-August (PFR, 8/2).
Basalt Infrastructure Partners, DCO Energy	Project Diamond	US	TD Securities	The sponsors launched the sale process the third week of August (PFR, 8/30).
Blackrock	Kingfisher (298 MW Wind)	Oklahoma	Agentis Capital	DIF Capital Partners has agreed to buy the asset. The deal will close in the third quarter (PFR, 6/14).
	Crockett Cogeneration (240 MW Gas, 91.78%)	Guggenheim Securities		The bank took second round bids in early September (PFR, 9/27).
Broad Reach Power	Broad Reach Power	US	Citi	Marketing materials circulated in April (PFR, 5/10).
Basalt Infrastructure Partners, DCO Energy	DB Energy Assets	US	TD Securities	The banks have been mandated for the sale of the assets, as of the second week of May (PFR, 5/17).
Chilquinta Energia	Chilquinta Transmision	Chile		Chilquinta is planning to incorporate its transmission subsidiary into its affiliate Compañía Transmisora del Norte Grande as of October 1 (see story, page 12).
Clearway Energy, Brookfield Renewables, KDC Solar Virginia, Standard Solar, Invenergy, Open Road Renewables and Eolian, Strata Clean Energy, Cypress Creek Renewables, Hexagon Energy, East Point Energy	Portfolio (1 GW Solar, Storage)	Virginia		Dominion Energy has agreed to acquire the portfolio as of the third week of September (PFR, 9/27).
Columbia Basin Hydropower	Banks Lake (500 MW Storage)	Washington	Green Giraffe	The bank distributed teasers in April (PFR, 5/17).
Copenhagen Infrastructure Partners	Mitchell (122 MW Solar)	North Carolina	KeyBanc	A subsidiary of TransAlta Corp agreed to buy the portfolio as of the first week of September (PFR, 9/13).
EDF Renewables North America	Maverick 6 (100 MW Solar, 50 MW Storage)	California	Macquarie Capital	MEAG has agreed to buy a 50% stake in the assets as of the second week of September (PFR, 9/20).
	Maverick 7 (132 MW Solar)			
Glidepath Power Solutions	Project Wolf (3.1 GW Storage)	US	Guggenheim Securities	Teasers were distributed during the week of April 19 (PFR, 5/3).
Global Infrastructure Partners	Freeport LNG (Gas, 25%)	Texas	Rothschild & Co	The sponsor mandated the bank to sell its minority stake in the project as of early June (PFR, 6/7).
Diamond Generating	Tenaska Gateway Generating Station (854 MW Gas, 67.8%)	Texas	Whitehall & Co	The bank distributed teasers in April (PFR, 5/17).
International Electric Power	Tejas Verdes (10 MW/50 MWh Storage)	US	BNP Paribas	First round of proposals were due in mid-August (PFR, 7/26).
Macquarie Capital	Savion	Missouri	Guggenheim Securities	The bank took first round bids on September 20 (PFR, 9/20).
New Energy Capital Partners	New Energy Capital Partners	US	UBS, Bank of America Securities	Victory Capital Management has struck a deal to acquire the PE shop as of the second week of September (PFR, 9/20).
Nexamp	Nexamp	US	Marathon Capital	The firm has received an equity injection from Generate Capital as of the third week of August (PFR, 8/23).
Olympus Power	Edom Hills (20 MW Wind)	California	Thorndike Landing	Indicative bids were due on September 22 (PFR, 9/13).
Oriden	Bright Future Solar (11 MW Solar)	North Carolina		Mitsubishi Heavy Industries Group and Osaka Gas USA have agreed to purchase the asset as of the second week of September (PFR, 9/20).
Origis Energy	Project Gator	Florida	OnPeak Capital, Goldman Sachs	Teasers were circulated in June (PFR, 7/26).
Otter Tail Power Co	Coyote Station (420 MW Coal, 35%)	North Dakota		The company plans to sell its stake in the asset (PFR, 9/13).
Prospect14	Project Anthracite (1.3 GW Solar, Storage)	Pennsylvania, Virginia	Jefferies	Marketing materials for the sale process circulated during the week of April 26 (PFR, 5/3).
Rockland Capital	Portfolio (773 MW Gas)	Illinois	BNP Paribas, Scotiabank	The sponsor took bids for the portfolio on July 27 (PFR, 7/26).
Santander	El Centro Solar (25 MW [DC] Solar)	California		Excelsior Energy Capital has bought Santander's tax equity interests in the project as of late September (see story, page 5).
Sol Alliance	Sol Alliance	New York, New Jersey		Catalyze has purchased the company as of late September (see story, page 5).
Source Renewables	Community Solar Portfolio (23 MW)	New York		The sale launched in the third week of March (PFR, 3/29).
SunGrid Solutions	SunGrid Solutions	Canada	Javelin	The firm circulated teasers for the equity injection in July (PFR, 8/2).
Swinerton	Swinerton Renewable Energy (SRE), SOLV	US	Lazard	American Securities has agreed to purchase and merge the firms while it works to finance the acquisition, as of the third week of September (PFR, 9/27).
Undisclosed	Echo Solar (69 MW Solar)	US		A TortoiseEcofin fund has agreed to acquire the portfolio as of the third week of September (PFR, 9/27).
Undisclosed	SOO Green HVDC Link (Transmission)	US		PPL Corp has bought a stake in the asset as of the last week of September (see story, page 5).
Undisclosed	Portfolio (350 MW Solar)	Colombia		Renovatio Trading, now Spectrum, has inked a deal to buy the portfolio as of September (see story, page 12).

New or updated listing

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

Deal Book is a matrix of energy project finance deals that Power Finance & Risk is tracking in the energy sector.

Live Deals: Americas

Sponsor	Project	Location	Lead(s)	Deal Type	Loan Amount	Tenor	Notes
APG, Celeo Redes	Colbun Transmision	Chile	JP Morgan, Citigroup Global Markets, Santander Investment Securities, SMBC Nikko Securities	Bond issuance	$1.1b	30-yr	The sponsors will use the proceeds to finance their acquisition of Colbun Transmision. The issuance took place during the third week of September (see story, page 1).
Ares Management Corp	Stonewall (778 MW Gas)	Virginia	Investec	Term loan B	$450m	5-yr	The refinancing was kicked off on September 16 (PFR, 9/27).
				Revolving Credit	$50m		
Avangrid Renewables, Copenhagen Infrastructure Partners	Vineyard Wind (800 MW Wind)	Massachusetts	Bank of America, JP Morgan, BBVA, NatWest, Santander, Crédit Agricole, Natixis, BNP Paribas, MUFG	Construction loan	$2.4b	C+7yr	The lead arrangers have begun sounding out lenders to participate in syndication as of the third week of September (PFR, 9/27).
Castleton Commodities International	Riverview Power (1.4 GW Gas)	New York, Texas	Morgan Stanley	Term loan B	$205m	7-yr	The deal, which will refinance the portfolio, was launched in mid-April (PFR, 5/3).
Celsia	Tesorito (198.7 MW Gas)	Colombia	SMBC, Santander		$140m-$150m		The sponsor has mandated the banks as of early May (PFR, 5/17).
Cox Energy America	Sol de Vallenar (308 MW (DC) Solar)	Chile					The sponsor is looking for debt for the asset as of February 12 (PFR, 2/22).
Daroga Power	Portfolio (33 MW Fuell cell)	US		Tax equity	$205m		The sponsor is raising financing as of late March (PFR, 4/5).
D.E. Shaw Renewable Investments	Arroyo (300 MW Solar, Storage)	New Mexico	NordLB, MUFG, SMBC, National Bank of Canada, Société Générale	Construction loan	$318.8m		Details emerged on the financing of the project as of late September (see story, page 6).
				Bridge loan	$118.5m		
				Ancillary facilities	$146.5m		
Generadora Metropolitana	Portfolio (600 MW Solar, Gas)	Chile	Credit Agricole	Term loan	$600m-$650m		The sponsor was expected to tap a club of banks, with the deal expecting to close by late September (PFR, 8/2).
				Private placement	$300m-$350m		
Intersect Power	Radian (420 MW (DC) Solar)	Texas	Bank of America				The sponsor is preparing to raise debt for its development-stage projects, as of early June (PFR, 6/14).
	Aramis (100 MW Solar, Storage)	California					
I Squared Capital	Atlantic Power portfolio (1,160 MW Gas, Biomass, Coal)	US	RBC Capital Markets, MUFG	Term loan B	$360m	6-yr	The banks met on March 18, with commitments due on April 1 (PFR, 3/22).
				Ancillary facilities	$45m		
Macquarie Infrastructure and Real Assets	Wheelabrator Technologies, Tunnel Hill Partners	US	Credit Suisse	Term loan	$1bn	7-yr	The sponsor is combining and refinancing the portfolio companies, with commitments taken on March 19 (PFR, 3/15).
				Ancillary facilities	$400m	5-yr	
Matrix Renewables	Portfolio (81.7 MW (DC) Solar)	Colombia	IDB Invest	Term loan	$31m	18-yr	The sponsor was securing debt arranged by IDB Invest as of mid-May (PFR, 5/24).
	Portfolio (154 MW (DC) Solar)	Chile	BNP Paribas				The sponsor mandated the bank for a financing in February (PFR, 5/17).
Meridiam, Société Anonyme de Raffinerie des Antilles, Hydrogène de France	CEOG (54.4 MW Solar, Storage)	French Guiana	European Investment Bank	Term loan	$29m		The sponsors secured the financing as of the last week of September (see story, page 11).
NextEra Energy Resources	Sky River (77 MW Wind)	California					The sponsor was arranging financing for the asset as of the third week of May (PFR, 5/31).
Recurrent Energy, Axium Infrastructure	Crimson (350 MW/1,400 MWh Storage)	California	Rabobank, NordLB, KeyBank, Santander, DNB Markets, National Bank of Canada	Term loan	$336.65m		The deal closed on September 2 (PFR, 9/27).
				Ancillary facilities	$59m		
Repsol, Ibereolica	Odessa (Wind, Solar)	Chile			$220m		The sponsors were nearing financial close on the deal as of the first week of August (PFR, 8/9).
Uruguay's National Administration of Power Plants and Electric Transmission (UTE)	Tacuarembó-Salto (Transmission)	Uruguay	IDB Invest	Construction loan	$86.7m		The sponsor secured the financing as of late September (see story, page 11).

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PE-backed Catalyze snaps up Northeastern solar developer

Solar and energy storage company **Catalyze**, which is backed by **EnCap Investments** and **Yorktown Partners**, has acquired a solar development platform focused primarily on the Northeastern US.

The target company is Brooklyn, New York-based **Sol Alliance**, which was established in 2014 and has a more than 80 MW pipeline of development-stage solar projects in New York and New Jersey.

Catalyze expects that the acquisition will provide it with greater origination resources and deeper solar development capabilities in the Northeast, while Sol will gain access to Catalyze's REenergyze software platform and proprietary rooftop solar mounting technology, SolarStrap, along with battery storage and supply chain expertise, committed project capital and tax equity partners.

Sol Alliance's founding partners, **Stephen Owen** and **Jared Haines**, along with the company's vice president of operations, **Matthew Effler**, will join the Catalyze team.

"The Sol Alliance transaction builds on our previously announced plan to grow our national presence by acquiring leading regional distributed solar development firms that bring a wealth of in-depth knowledge of the local landscapes and introduce synergies to a highly fragmented industry," said Catalyze's CEO, **Steve Luker**.

The deal comes after Catalyze acquired **PermaCity**, a Californian rooftop solar developer, earlier this year (PFR, 4/13). The company will operate as a business unit of Catalyze.

In May, EnCap announced that it had closed its $1.2 billion Energy Transition Fund I, deploying about 50% of the fund's capital to five of its platform investments, including Catalyze (PFR, 5/4). ■

Excelsior buys out TE investor in California solar project

Excelsior Energy Capital has bought out **Santander**'s tax equity interests in a 25 MW (DC) solar project in California, while divvying up partial cash equity stakes in the asset to a pair of Japanese sponsors.

The pure-play renewables infrastructure fund manager purchased Santander's full tax equity investment in the El Centro Solar Project, located in the city of the same name in Imperial Valley, through its Excelsior Renewable Energy Investment Fund I.

The fund has owned the asset since 2019, when it bought it from Spanish developer **Grupo T-Solar** (PFR, 4/24/19). The project has been online since 2013 and was financed with a $65 million construction loan from **North American Development Bank** and tax equity from Santander (PFR, 12/12/13).

The tax equity buyout will allow Excelsior to deploy "follow-on capital" in the asset through planned performance upgrades, while Santander will be able to redeploy capital in new renewable energy projects, stated Excelsior.

"The acquisition of tax equity in Fund portfolio investments is an important investment strategy for Excelsior Energy Capital," said **Anne Marie Denman**, a partner at Excelsior. "With this investment Excelsior is able to optimize the Project's capital structure and pursue other value-add strategies for what is already a very strong asset.

"Concurrently with El Centro's tax equity buyout, Japanese sponsors **Mitsubishi HC Capital** (formed earlier this year through the merger of **Mitsubishi UFJ Lease & Finance Co** and **Hitachi Capital Corp**) and **Shikoku Electric Power Co** have acquired partial cash equity stakes in the project from Excelsior.

Anne Marie Denman

Mitsubishi HC Capital, through its infrastructure-focused US subsidiary **MIUSA Corp**, has bought a 35.7% cash equity stake in the project, which it says will help provide a "good understanding of market leading practices" as it continues to identify more investment opportunities in the US solar market.

Meanwhile, Japanese utility Shikoku, which is the electric provider for the four prefectures of Shikoku island in Japan, has carved out a 14.3% slice of the cash equity. The cash equity deal closed on September 22, leaving Excelsior holding on to the remaining 50% ownership interest in El Centro. The project sells its output under a 25-year power purchase agreement with the **Imperial Irrigation District**. ■

PPL buys into transmission project under rails

«FROM PAGE 1 "PPL is pleased to support a project focused on transforming how major transmission line projects are built in the US," said **Gregory Dudkin**, executive vice president and chief operating officer at PPL. "SOO Green's innovative approach aims to remove key barriers to interregional transmission line construction that will be essential to connecting more large scale renewable energy to the grid."

CIP and Siemens acquired their stakes in SOO Green from the project's original owner, **SOO Green Renewable Rail**, in 2019. At the time, the sponsors were understood to have been aiming to finance the project with a construction-to-mini-perm loan, with pricing and tenor comparable to contracted renewable energy deals, as previously reported (PFR, 3/11/19). ■

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NORTH AMERICA PROJECT FINANCE

Details emerge on DESRI solar-plus-storage financing

Details have emerged on the debt package that **D.E. Shaw Renewable Investments**' (DESRI's) secured to support the acquisition and construction of a solar-plus-storage project in New Mexico.

The sponsor acquired the 300 MW Arroyo solar facility in McKinley County, which comes with a 150 MW/600 MWh battery storage component, from **Centaurus Renewable Energy**, as previously reported (PFR, 9/20).

The $583.8 million deal was led by **NordLB**, alongside joint lead arrangers **MUFG, SMBC, National Bank of Canada** and **Société Générale**. The financing comprises:

- $318.8 million construction term loan
- $118.5 million bridge loan
- $112.5 million letter of credit facility
- $34 million revolving credit facility

The project had already secured a $70 million bridge loan from **Voya Investment Management**, the asset management branch of **Voya Financial**, over the summer, to pay for equipment and other development and construction expenses (PFR, 7/7).

The first phase of the Arroyo project is due online in June 2022, and the asset is slated to be fully operational by fall 2022.

The project will sell its electricity through two offtake contracts with the **Public Service Company of New Mexico** for its solar and storage components, respectively. ■

TransAlta to retire Canadian thermal power plants

TransAlta Corp is retiring two thermal power plants in Alberta and suspending the repowering of a third such project, as it doubles down on the buildout of renewables generation.

The Canadian firm plans to retire the 790 MW Keephills Unit 1 on December 31, and the 519 MW Sundance Unit 4 on April 1, 2022, citing "future market conditions, the age and condition of the units," and its shifting focus toward renewables.

TransAlta has already notified the **Alberta Electric System Operator** of its decision.

The developer has also suspended the repowering of its 1,136 MW Sundance Unit 5 project, which it had intended to convert into a combined-cycle gas-fired plant by 2023, due to "escalating costs, changing supply and demand dynamics and forecasted power prices in the Alberta market," as well as regulatory risks.

The three plants sell their power on a merchant basis and run on a fuel mix of natural gas and coal.

The move is part of TransAlta's plan to divest its coal-fired assets in Canada by the end of this year, and to do the same globally by the end of 2025.

To replace this generation, the firm plans to add 2 GW of new renewable energy capacity by 2025 totaling $3 billion worth of investment.

TransAlta Corp plans to retire the 790 MW Keephills Unit

The company has built and bought 300 MW of renewables this year and has a 500 MW development-stage project pipeline.

"As we look forward to 2025, we are confident in our investment strategy and the decision to expand further into contracted renewables with onshore wind, solar and battery storage across our platform," said **John Kousinioris**, president and CEO of TransAlta. "We believe this enhanced customer focus on renewable generation and storage will provide significant value for our shareholders." ■

NORTH AMERICA CORPORATE FINANCE

AES, Siemens-backed Fluence to go public

Fluence, the energy storage solutions joint venture between **AES Corp** and **Siemens**, is preparing to go public via an initial public offering.

The company has filed an S-1 with the US **Securities and Exchange Commission** (SEC) to list on the **Nasdaq** Global Select Market under the ticker symbol FLNC.

The number of shares to be offered or the price range for the proposed offering was not disclosed.

The underwriters are:

- **JP Morgan Securities**, **Morgan Stanley**, **Barclays Capital** and **BofA Securities** (lead bookrunners)
- **Citigroup Global Markets, Credit Suisse Securities, UBS Securities, Evercore Group, HSBC Securities**, **RBC Capital Markets** (joint bookrunners)
- **Nomura Securities International, Robert W. Baird, Raymond James, Seaport Global Securities, Penserra Securities** and **Siebert Williams Shank** (co-managers)

At the start of this year, Fluence obtained a corporate equity investment from **Qatar Investment Authority**, valuing it at more than $1 billion, as previously reported (PFR, 1/4/21).

More recently, the company signed an agreement with European battery developer and manufacturer **Northvolt** to co-develop grid-scale battery storage systems.

Fluence has more than 3.4 GW of energy storage deployed or contracted globally, and more than 4.5 GW of wind, solar and storage assets "optimized" or contracted in Australia and California. ■

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NORTH AMERICA CORPORATE FINANCE

Talen secures $175m infra investment from Orion

Talen Energy's **Cmulus Growth** subsidiary has secured an up to $175 million investment from **Orion Energy Partners** to execute its renewable energy and digital infrastructure growth strategies.

The 6-year investment in **Cumulus Digital** will be used to fund the subsidiary's hyperscale data center campus, which is located adjacent to Talen's 2.5 GW Susquehanna nuclear plant outside of Berwick, Pennsylvania, and to finance Talen›s bitcoin mining joint venture with **TeraWulf**, known as **Nautilus Cryptomine**.

Up to $125 million of the proceeds will be immediately available once the deal closes, with an additional $50 million available after certain milestones have been reached.

In return, Orion will receive non-voting equity interests in **Cumulus Digital Holdings**, the parent of Cumulus Digital.

"We have broken ground on the Cumulus data center campus, which will provide carbon-free energy generated by Susquehanna's dual units to power the campus, including up to 475 Megawatts for hyperscale data center clients and 300 Megawatts for coin mining and other blockchain applications," said **Alex Hernandez**, CEO of Cumulus Growth and president of Talen.

The first two Cumulus data centers, one for hyperscale cloud and another for coin applications, are due to be completed by the second half of 2022, noted Hernandez.

Following the investment and initial capitalization of Cumulus Digital, Talen and Cumulus Growth plan to raise incremental growth equity in the near-term for data center, coin, battery storage and renewable energy growth projects.

Latham & Watkins advised Orion Energy Partners on the transaction. ■

Clearway lines up $350 million green bond

Clearway Energy is preparing a $350 million 11-year green bond offering.

The senior unsecured notes are being issued in 144a/Reg S format and will finance power projects that meet certain renewable energy generation eligibility criteria.

The bond is being issued through Clearway's usual corporate financing vehicle, **Clearway Energy Operating**.

The yield company plans to use the funds to finance the repurchase of $350 million of existing senior notes maturing in 2026, which bear a 5% coupon, as well as related fees and expenses.

Clearway's unsecured debt has Ba2 and BB ratings from **Moody's Investors Service** and **S&P Global Ratings**. ■

NORTH AMERICA LEGAL & REGULATORY

New York state approves $11bn Clean Path project

New York state has selected an $11 billion infrastructure project developed by **Invenergy**, **energyRe** and the **New York Power Authority** (NYPA) to deliver more than 7.5 million MWh of renewables-powered electricity within the state.

The project, dubbed Clean Path New York, will comprise a 174-mile HVDC transmission line with a capacity of 1.3 GW, and more than 3.4 GW of new wind and solar projects in upstate New York, supported by the existing 1,160 MW Blenheim-Gilboa pumped storage facility located about 60 miles from Albany.

"New York has not made this level of investment in energy infrastructure since the late 1950s to early 1960s," said **Gil Quiniones**, president and CEO of NYPA.

More than half of the generation from the new renewable projects will be developed by Invenergy.

"We are proud to add Clean Path New York to the expanding portfolio of Invenergy Transmission projects and to build on our track record of working with public and private sector partners on energy infrastructure projects in New York and around the world that benefit the public for decades," said **Michael Polsky**, founder and CEO of Invenergy.

The project came about as a response to a request for proposals issued by the **New York State Energy Research and Development Authority** (NYSERDA) in January, aimed at increasing renewables penetration within the state.

Next, NYSERDA will request approval from the **New York Public Service Commission** to bring the project online by 2027. Once completed, the project could deliver about 750 GWh of electricity per year into downstate New York and New York City.

Routing and environmental work has already begun on the Clean Path New York transmission line route from Delaware County through the Mid-Hudson region to New York City. Most of the transmission line will be built on existing rights-of-ways used by roads and transmission lines. ■

BOEM to review Shell, EDF offshore wind project

The **Bureau of Ocean Energy Management** (BOEM) is preparing to launch an environmental review of an offshore wind project being developed by a 50:50 joint venture between **Shell New Energies** and **EDF Renewables North America** (EDFRNA), off the coast of New Jersey.

The project is the 1,510 MW Atlantic Shores offshore wind farm, which is owned by the JV of the same name.

BOEM, an agency of the US **Department of the Interior**, plans to publish a notice of intent to draft an Environmental Impact Statement for the project in the *Federal Register* on September 30.

The first phase of the project was awarded a contract by the **New Jersey Board of Public Utilities** in June (PFR, 7/7). Construction is scheduled to start in 2024 to bring the wind farm online by 2028, about 8.7 miles from the New Jersey shoreline.

Excess electricity generated by the asset will be utilized for green hydrogen production, under the terms of a memorandum of understanding signed between Atlantic Shores and **South Jersey Industries** at the end of 2020 (PFR, 7/7).

Meanwhile, the sponsors are seeking offshore wind renewable energy certificates and power purchase agreements for the second phase of the project. ■

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NORTH AMERICA LEGAL & REGULATORY

Solar tax equity investor exits ramp up

«FROM PAGE 1 otherwise the recapture of the investment tax credit associated with the project is triggered.

"We are only just starting to see tax equity solar buyouts become routine as five years ago or so was the start of the significant uptick in solar tax equity transactions," says **David Burton**, a partner at **Norton Rose Fulbright** in New York.

Such deals in the solar sector are "not very common from my experience," adds a partner at a law firm in Washington, DC, who has represented the buyers of the cash portions of the tax equity interests in large wind portfolios.

"As time goes on over the next few years more and more solar projects from the earlier years of the period in which solar development began to accelerate will reach the end of their recapture and/or flip periods, tax equity investor exits will become more common," notes **Rich Cogen**, a partner at **Nixon Peabody** in New York.

However, other deal watchers say that these transactions are already becoming more and more commonplace. "If I had to guess, I'd say I pull together the documents on an average of five tax equity buyouts a year," says **Shariff Barakat**, a partner at **Akin Gump** in Washington, DC. "Sometimes more and sometimes less, but it is regular."

Barakat explains that solar tax equity buyouts are especially common for deals flipping early and down to a 5% cash interest. He also points out that there are large bank tax equity investors that need to exit their investments in about 10 years' time.

"There is one structure out in the market where the buyout value plays into the overall pricing of the deal significantly and the buyout value has become a point of focus for the investors who use this structure," he says. "The investor has control and even has a put option where they force the buyout, and then there's a debate over the value of the buyout."

But not every tax equity investor will be keen to take advantage of the buyout structures available.

"There was a spate of utility deals that happened in the 2014 and 2015–ish era where huge levels of cash flow were taken by tax equity investors, and also generally there are deals like that where tax equity investors invested in large shares of the long-term cash flow, so on those deals buyouts are not common," says Barakat.

Tax equity buyouts are also unlikely in cases where a majority of "dollar volume" and "megawatt volume" stems from yield-based flip structures with no put options and where the sponsor has a call option.

"There was a spate of utility deals that happened in the 2014 and 2015–ish era where huge levels of cash flow were taken by tax equity investors."

Shariff Barakat, partner at Akin Gump

"Some of the buyout pricing mechanisms in the documents for those deals are very uneconomic to execute because of accounting constraints included by the tax equity investors, thus it becomes effectively a negotiated buyout," notes Barakat.

The situation changes again for non-big bank players in the market, which often utilize time-based flips and put options, where deals are priced on targeted return on investment (ROI) rather than targeted internal rate of return (IRR).

"The investor will put in a dollar and want a dollar and say 20 cents back at the end of the day," says Barakat. "They will get 5-10 cents from tax benefits, 5-10 cents from cash flow during the five- or six-year holding period and then also 15-25% of their total targeted ROI from the exit."

Project sponsors typically have the option of buying out tax equity investors once the flip date – which follows the end of the recapture period – has passed, rather than bringing in third-parties. Since they are already familiar with their assets, they can scoop up the tax equity more easily, as well as remaining cash flows and depreciation deductions over the projects' lifecycle.

Last week, renewables infrastructure fund manager **Excelsior Energy Capital** announced that it had bought out the tax equity investor in a 25 MW (DC) solar project that it owns in California, while divvying up partial cash equity stakes in the asset to a pair of Japanese sponsors (*see story, page 5*).

The El Centro asset was brought online in December 2013. Since its ITC recapture period has already passed, Excelsior was able to buy out **Santander**'s tax equity in the project. The deal will allow the fund manager to deploy "follow-on capital" in the asset through planned performance upgrades, while Santander will be able to redeploy capital in new renewable energy projects, stated the company.

Generally speaking, in cases where the project sponsor buys out the tax equity investor, they usually "pay a little bit more than what they would have otherwise" in order to maintain a good relationship with the tax equity investor while getting their project back, says Barakat.

"There are some deals where the tax equity investor maintains the whole suite of veto consent rights post-flip, making the need to buyout the tax equity investor more important," he adds. ■

"We are only just starting to see tax equity solar buyouts become routine as five years ago or so was the start of the significant uptick in solar tax equity transactions."

David Burton, partner at Norton Rose Fulbright

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CONFERENCE COVERAGE

REFF Wall Street: Rapid renewables buildout could cause "surprises down the road"

Conference goers at REFF Wall Street 2021 in New York this week applauded the tremendous volume of investments in the renewables space over the last year-and-a-half, despite the disruption wrought by the Covid-19 pandemic, but some warned that there could be "surprises down the road" as a result of the rapid buildout of the asset class.

About 883 GW of renewables and energy storage projects are waiting in interconnection queues across the US, as well as some fossil fuel and nuclear assets, compared to an installed capacity of about 980 GW, said **Davion Hill**, co-founder and chief technology officer at **Momentum Energy Storage Partners**, which is backed by **Leyline Renewable Capital**, during a panel discussion at the event.

"So, you've got a queue that's potentially big enough to replace everything," he said, adding that this is partly due to having had both the PTC and ITC intact at the same time for an extended period of time, which has given renewables developers ample time to procure permits and submit interconnection requests.

About 140 GW of capacity waiting in the queue comes down to energy storage, added Hill, noting that those assets make up about 70% of the projects in **CAISO**'s interconnection queue alone.

Much of the investment in battery storage projects in California stems from the resource adequacy market, which has become a rich source of revenue for project developers there.

"When I came to Goldman 10 years ago, it was a dollar a kilowatt-month," said fellow REFF panelist **Harry Singh**, a vice president in the US power trading group at **Goldman Sachs**. Now, "it's a big part of the capital stack."

But as more and more renewable projects gain market share and their costs continue to decline, this has placed increasing competition on sponsors of thermal power plants, whose baseload coal- and gas-fired plants could be forced into early retirement, resulting in grid reliability issues, pointed out Hill. "That's a ship that's going to be really difficult to turn around," he emphasized.

Forecasting energy margins is also becoming more challenging as renewable projects plug into the grid without any central planning oversight or much coordination among ISOs.

"The increasing number of renewable projects that are patching into the grid, effectively wherever they can find a spot, it's parking in a crowded space," said **Himanshu Saxena**, CEO of **Starwood Energy**, during a different REFF panel discussion. "What we see, even for our existing assets, is that the price volatility on the nodes is quite significant and has been pretty significant over just the last 12 to 24 months."

There could be other unintended consequences of this fast-moving queue of renewables that are yet to materialize, which could cause "some surprises down the road," added **Adi Blum**, a managing director at **BlackRock**, during the same panel discussion.

Deal watchers have previously warned of "cataclysmic ramifications" that could arise as a result of the US House of Representatives' **Ways and Means Committee**'s approval of a piece of the Democrats' proposed $3.5 trillion spending package, which includes federal tax credit extensions and a direct-pay option aimed at encouraging renewables deployment (PFR, 9/17).

The proposals include an expanded ITC for energy storage projects, which would draw in more investment, but could also take the sector on a similar "rollercoaster" ride that wind and solar projects went through when federal tax credits were first rolled out for those assets several years ago, says Hill.

In the meantime, "billions of dollars" are already being poured into energy storage projects, which could "hopefully" bring down their cost curves, added Blum.

Further driving the energy transition is a greater sense of urgency from both governments and corporates to address climate change, said **Petya Nikolova**, head of infrastructure investments at the **New York City Retirement System**, Office of the Comptroller, while speaking on a panel.

The market's ready embrace of various initiatives across all spectrums of the hydrogen rainbow – green, blue, gray, turquoise – is one such example.

"Two years ago, at least on the infrastructure side of things versus the PE side of things, hydrogen was not something that we talked about, and when you look at the market today, you see funds coming up in the market dedicated to hydrogen," she said. ■

REFF Wall Street: Financers still wary of taking on merchant solar

While some debt investors have grown increasingly comfortable financing merchant solar assets over the last few years, many market watchers at REFF Wall Street 2021 remain unconvinced that the attractive yields to be gained by taking on merchant exposure outweigh the associated risks.

Traditional utility PPAs have become harder and harder to come by, which means that sponsors are increasingly going to commodity trading desks to get power hedges or unloading capital into projects that run on a merchant basis.

Rising natural gas prices, which in turn have driven up power prices, may have also given some merchant projects a "short-term jolt," said **Benoit Allehaut**, a managing director at **KKR & Co**, during a panel discussion.

But this does not mean that conventional, longer-term structures have completely fallen by the wayside.

"I've heard a narrative in the market of people saying that the long-term busbar PPAs have disappeared – I think that's that's not correct," said Allehaut.

While some developers may opt for shorter-term structures as they try to "juice up" returns through a merchant curve, the majority still prefer longer-term offtakes and "plain vanilla" structures that attract a more appropriate cost of capital, he noted.

"There is a truth which is that merchant curves are wrong – they'll never be right," Allehaut told conference goers, PAGE 10»

CONFERENCE COVERAGE

«FROM PAGE 9 adding that structured products such as fixed or forward-requirement PPAs are a safer bet.

"Merchant tail risk does open up a whole new host of issues for us," added **Bob Cantey**, a managing director and head of infrastructure debt at **Nuveen**, during the same panel. "We have to do our own forecasts where we think power's going to be, and how do we do that versus the consultant reports."

Lending to merchant projects is not out of the question for Nuveen, as long as certain structures can be put in place to minimize taking on risks.

As an example, he said that for a solar project in PJM with a 15-year PPA and some debt on the tail, against the context of low capacity prices for the next 18 years, he would want to first ensure at least 1x coverage, and secondly, add a mechanism to sweep down merchant debt if merchant prices were to fall.

"We have to have some sort of mechanism in place so that if prices are low, we can get the debt down and not be sat there holding this debt that's now BB, B, [meaning] higher capital charges with old assets, selling into a market that can be dramatically different," he explained.

In contrast, other market participants, particularly debt investors, are seemingly unfazed by the prospect of deploying investments into merchant projects, especially over the last year, he observed.

"I don't know why they're doing that, you could say they're not sophisticated or maybe they won't be around in 15 years – they don't care – that could be my controversial statement," said Cantey. ■

REFF Wall Street: Wind sponsors make sense of tax equity outlook

Wind sponsors look poised to favor a "more equitable" direct-pay structure following the approval of a portion of the Democrats' proposed $3.5 trillion spending package by the US House of Representatives' **Ways and Means Committee**, which could alter the tax equity landscape, say insiders at REFF Wall Street 2021.

The proposals come after years of debate among market participants over the disparate allocation of risks and returns between renewables project sponsors and tax equity investors.

"If I had an onshore wind project where I have to invest $100 million and tax equity funds $500 million, I probably have to put up credit support and recalls for $750 million or $1 billion and that equation does not make sense to me to prioritize my team on," said **Henrik Tordrup**, a partner at **Copenhagen Infrastructure Partners** (CIP), at a REFF panel discussion. "Especially compared to an offshore wind, solar or pumped storage project which has a more balanced pay structure."

But the proposed reforms, which include a direct-pay feature and federal tax credit extensions, could significantly alter the make-up of the tax equity market for onshore wind projects.

"I think the benefits you see from direct-pay are a lot more balanced for what you put in," said Tordrup.

"If we do go to 100% PTC and there are direct-pay programs, the lenders are going to be a significant portion of the capital stack and essentially take the place of tax equity in that respect," added **Frank Palladino**, a managing director in **CIBC**'s infrastructure and power group.

The proposed reforms also include an extension to the ITC for offshore wind projects, an asset class that was itself added to the ITC in a stimulus package that passed at the end of 2020, as previously reported (PFR, 2/11).

However, REFF panelists largely agreed that pinning offshore wind projects into an investment tax credit (ITC) corner was shortsighted on the part of lawmakers.

"There will come a point where the capital expense size for offshore wind lowers and PTCs are going to make more sense for offshore," said Palladino.

"In the first couple of projects you do, due to lack of local manufacturing, the capital expense for offshore ends up being a lot more expensive than onshore, giving the edge to ITCs," added Tordrup. "But that will change. It costs double to build ocean wind in America than it does in Europe, for instance." ■

LATIN AMERICA PROJECT FINANCE

Colbun Transmision buyers pull in acquisition debt

«FROM PAGE 1 price, which stands at $1.35 billion, as previously reported by *PFR* (PFR, 5/5).

The notes have a yield of 4.55% and mature in 2051. The issuance was arranged through a joint vehicle called **Alfa Desarrollo**, which is also being used to carry out the acquisition. APG holds an 80% stake in the vehicle through **APG Energy** and **Infra Investments**, while Celeo owns the remaining share.

Moody's Investors Service assigned a Baa3 rating to the bonds on September 1, prior to the issuance.

JP Morgan is acting as sole global coordinator and bookrunner on the deal, alongside the following banks as joint bookrunners:

- **Citigroup Global Markets**
- **Santander Investment Securities**
- **SMBC Nikko Securities America**

Shearman & Sterling is providing legal counsel to JP Morgan on the bridge deal, while **Astris Finance** is advising the sponsor.

The bond issuance is the culmination of a lengthy process that kicked off toward the end of 2020, when Colbun started searching for investors to either act as a strategic partner, acquire a majority stake in the transmission firm, or buy the whole business. Both JP Morgan and **BTG Pactual** were engaged as financial advisers on the review.

On March 30, 2021, Celeo Redes and APG inked a sale and purchase agreement for the company and secured regulatory approval from Chile's antitrust authority, **Fiscalía Nacional Económica**, on August 13 (PFR, 8/17).

Colbun Transmision owns and operates 558.6-miles (899 km) of transmission lines and 27 substations in Chile.

APG holds a 49% stake in Celeo Redes' parent company, **Celeo Concesiones e Inversiones**, with **Elecnor Group** holding the remaining interest. ■

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Sponsor trio finance solar-plus-storage in French Guiana

Three sponsors have secured debt financing from a development finance institution for a 54.5 MW solar asset with an adjacent energy storage facility in French Guiana.

The **European Investment Bank** has provided a $29 million (€25 million) loan to a special purpose vehicle called Central Eléctrica del Oeste Guyanés (CEOG), which holds the solar-plus-storage project of the same name.

Asset manager **Meridiam** owns a 60% stake in the venture, while fuel distribution company **Société Anonyme de Raffinerie des Antilles** holds a 30% interest and hydrogen firm **Hydrogène de France** owns the remaining 10%.

The proceeds will be used to build and operate the $200 million CEOG project in the municipality of Mana. The project comes with an up to 88 MWh hydrogen storage facility, a 38 MWh battery energy storage system and a 3 MW fuel cell.

It sells its output to France's **EDF** under a 25-year power purchase agreement.

Meridiam will manage the project, with **Siemens Energy** as the engineering, procurement and construction contractor.

Hydrogène, which developed the hybrid battery-hydrogen storage system, will also provide engineering services.

Designed to provide power to isolated areas, the plant is expected to be brought online by 2024 by interconnecting it to the Saint Laurent du Maroni substation.

"This project, combining a photovoltaic plant with innovative storage technologies including hydrogen systems, illustrates very well how climate change issues may find efficient answers through innovative solutions of energy production and storage," said **Ambroise Fayolle**, EIB's Vice-President.

The **European Commission** is supporting the EIB on this deal. ■

UTE seals financing for Uruguayan wire

Uruguay's state-owned **National Administration of Power Plants and Electric Transmission** (UTE) has secured financing for a 365 km (226.8-mile) transmission project in the country.

IDB Invest has arranged an $86.7 million debt package for the 500 kV Tacuarembó-Salto transmission line as of September 23. The total cost of the asset is pegged at $204 million.

The debt is divided into two tranches:

- $67.6 million from IDB Invest
- $20 million from donor funds managed by IDB

UTE will provide capital for the project and will also issue a local bond to fund the remainder of the project costs.

First designed in 2019, the wire is being developed to strengthen the reliability of Uruguay's grid and inject more renewable generation.

Once online, it will interconnect substations at the departments of Tacuarembó and Salto and will also include the construction of the new Chamberlain substation and the expansion of the Salto substation.

IDB Invest awarded its first certificate for green transmission lines to the project last year, as previously reported (PFR, 6/8/20). Starting last summer, the development finance institution has been certifying operational and under-development transmission lines as "green" if they transmit energy from renewable energy sources. ■

Elecnor breaks ground on Brazilian transmission asset

Elecnor's Brazilian subsidiary, **Elecnor do Brasil**, has started construction work on a 200 km (124.27-mile) transmission line in the country.

India's **Sterlite Power** is developing the $21.6 million (€18.5 million) project, known as Solaris, in the Minas Gerais state. Once online, the asset will enable the interconnection of 1.6 GW of generation capacity.

Madrid-headquartered Elecnor plans to build the project in two phases. The first will comprise a 93 km (57.8-mile), 230 kV transmission line between the municipalities of Janauba and Jaiba, and the second will include a 112 km (69.6-mile), 345 kV wire between Pirapora and Três Marias.

The Solaris project is expected to be brought online by 2022.

Sterlite has developed other transmission assets in Brazil, such as the 1,800 km (1118.5-mile) Novo Estado project in the states of Pará and Tocantins. Sterlite won the project in Brazil's second transmission line auction of 2017, and sold the facility to **Engie Transmissao de Energia** in 2020 (PFR, 6/17/20). ■

Solek wins environmental approval for Chilean solar

Czech solar developer **Solek** has secured environmental approval for a 9 MW project in Chile.

The sponsor had filed permits for the Pueblo Seco solar project, located in the region of Ñuble, in March, but did not receive approval from Chile's **Environmental Evaluation Service** until September.

The asset will require an investment of $10 million. Construction is scheduled to start in November.

Solek has secured approval for other assets in the country, such as the 10.64 MW (DC) Cantillana solar park in Santiago's Metropolitan region and the 9 MW Santa Bárbara solar project in Ñuble (PFR, 9/20).

The sponsor is also working on other assets in Chile, namely:

- Los Mayos – 3.4 MW in O'Higgins
- Numpay – 10.66 MW (DC) in Maule
- Santa Marta – 3.23 MW in Santiago's Metropolitan region
- Laja – 3 MW in Biobio
- El Trigal – 10.66 MW (DC) in Ñuble
- Tara – 9 MW in Santiago's Metropolitan region
- Tabolango – 3 MW in Valparaiso

They will all qualify for pricing benefits under Chile's PMGD (*Pequeños Medios de Generación Distribuida*) distributed generation scheme. ■

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LATIN AMERICA MERGERS & ACQUISITIONS

Financial adviser revealed on CEI, Nebras JV

The identity of the financial adviser to **Companhia Energetica Integrada** (CEI) on its recently formed renewables joint venture with **Nebras Power Investment Management** (NPIM) in Brazil has emerged.

Marathon Capital worked as exclusive financial adviser to CEI on its efforts to find an investment partner for the deal.

"It was a pleasure working with the CEI team on this process, and we are proud to have this successful joint venture commemorate Marathon Capital's first official transaction in the Brazilian energy market," said **Thiago Alfaia**, a managing director at Marathon Capital. "We wish the Company, and parties involved, success in all current and future endeavors."

The JV will initially manage an 18-project hydro portfolio totaling 72 MW and a 13 GW solar portfolio in the country. The sponsors plan to grow the JV further through the development of greenfield projects and the acquisition of operating assets, as reported in early September (PFR, 9/8).

The newly formed partnership will also expand CEI's service company, **BEI**, which operates and maintains power plants.

The parent company of NPIM, **Nebras Power**, is 60% owned by **Qatar Electricity and Water Company** and 40% by **Qatar Investment Authority**. Its subsidiary, NPIM, is incorporated in the Netherlands. ■

Renovatio to buy Colombian solar portfolio

Renovatio Trading, now known as **Spectrum**, has struck a deal to buy a portfolio of solar assets in Colombia.

The purchase of the 350 MW portfolio is expected to close by the end of 2021, costing the buyer roughly $300 million. The identity of the seller was not disclosed.

Construction on the assets is expected to begin by 2023.

With this latest portfolio acquisition and the rebranding to Spectrum, the sponsor intends to integrate both its solar generation business with its business commercializing power.

The Colombian energy trader and supplier, which is a subsidiary of **Grupo Renovatio**, also arranged the first private power auction in Colombia earlier this year, awarding power purchase agreements to Germany's **ABO Wind** and **MPC Energy Solutions** (PFR, 5/19). ■

Chile's Chilquinta plans merger

Chilquinta Energia is planning to merge its transmission subsidiary, **Chilquinta Transmision**, with its affiliate **Compañía Transmisora del Norte Grande** (CTNG) in Chile.

Under the terms of the proposed merger, Chilquinta Transmision will be incorporated into CTNG, with the latter coming to own the former's assets. As such, the absorbed company will be dissolved.

Shareholders in both companies have already approved the merger, according to security filings dated September 27. The approvals are expected to come into force as of October 1.

To facilitate the merger, CTNG plans to raise $207.02 million through the issuance of more than 11.15 million shares. The new shares will be exchanged for shares in Chilquinta Transmision – 52.6 shares in CTNG per each subscribed note in Chilquinta.

Chilquinta Energia purchased CTNG from **AES Gener** and its affiliate **Empresa Electrica Angamos** in 2018. The firm owns transmission assets in Valparaíso, Santiago's Metropolitan region as well as Antofagasta.

Chilquinta is owned by **State Grid International Development**, a subsidiary of **State Grid Corp of China**, which purchased the company in 2020. ■

LATIN AMERICA CORPORATE FINANCE

GIP issues bonds to fund Mexican IPP purchase

Global Infrastructure Partners (GIP) has arranged a bond issuance to refinance the bridge facilities that it used to fund its acquisition of one of Mexico's largest independent power producers in August.

The sponsor issued the $350 million five-year notes in Reg S/144a format through its **Electricidad Firme de Mexico** (EFM) subsidiary. Listed on the **Singapore Stock Exchange**, the bonds have a 4.9% yield.

The proceeds will be used to refinance the bridge facilities that suppported GIP's acquisition of power producer **Saavi Energia** from **Actis** on August 19. The deal marked GIP›s first direct equity investment in Mexico.

GIP owns Saavi, also known as **Cometa Energia**, through two subsidiaries, namely EFM and **Electricidad Cometa de México** (ECM), which are guaranteeing the notes.

Moody's Investors Service assigned a Ba2 credit rating to the notes on September 8, prior to the issuance, while **Fitch Ratings** gave the notes a BB rating.

Latham & Watkins provided legal counselt to GIP and Saavi on the issuance.

Meanwhile, EFM is also expected to close a $60 million letter of credit ranking *pari passu* with the bonds, according to Moody›s September 8 report. The facility is meant to cover EFM›s debt service and operations and maintenance reserve fund needs.

"More than 90% of Cometa's revenues are contracted under US-dollar denominated power purchase agreements (PPAs) with pass-through costs, and with creditworthy counterparties, including **Comisión Federal de Electricidad**, **Newmont Goldcorp**, subsidiary of **Newmont Corporation**, **Centro Nacional de Control del Gas Natural**, and **Minera Mexico**, among other commercial and industrial clients," noted Moody's in its report.

Saavi owns a 2.3 GW generation portfolio comprising both brownfield and greenfield assets, including six combined-cycle gas-fired power plants and 65 km of natural gas pipelines. The IPP was formed in 2018 when Actis purchased and rebranded **InterGen**'s Mexican portfolio. The company primarily serves the Mexican power market, with additional reserve capacity serving certain markets in California. ■

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PEOPLE & FIRMS

New CFO steps up at AES Corp

A new CFO has been named at **AES Corp**, replacing **Gustavo Pimenta**, who is preparing to part ways with the firm as he moves over to a mining company in Brazil.

Pimenta has served as AES' CFO for almost three years and is set to step down from the role on October 15, in order to take up the same title at Brazilian miner **Vale**.

He originally joined the company's **AES Brasil** subsidiary in 2009 and would go on to become the CFO of that unit as well as the company's **AES Mexico, Central America & Caribbean** subsidiary. Before AES, Pimenta had worked at **KPMG** in Brazil and as a vice president, strategy and M&A at **Citigroup** in New York.

Meanwhile, **Stephen Coughlin**, who has worked at AES for over six years in a range of financial roles, will take over from Pimenta as executive vice president and CFO in mid-October. He started off his career at AES as a director, financial planning and analysis for the then-AES wind generation division and was promoted to vice president, corporate strategy, financial planning and analysis in September 2020.

During this time, he also held the CEO title at **Fluence**, AES' energy storage joint venture with **Siemens**, between 2018 and 2020. Prior to joining AES, he worked at **AOL**, **Charles River Associates** and **MCI Communications Corp** (now **Verizon**), having started his career at **Arthur Andersen**.

"Steve Coughlin brings a wealth of clean energy and finance experience that will serve us incredibly well," said **Andrés Gluski**, president and CEO of AES. "We are thrilled that he will be joining the senior leadership team." ■

Paul Hastings grows infra and energy practice

Paul Hastings has hired corporate and energy lawyers **Luis Fernando Gomar** and **Rocio Guadalupe Mendoza** as partners in the firm's Houston office.

Gomar and Mendoza will work in the infrastructure and energy practice covering the US and Latin America, while helping to grow the firm's energy transition and infrastructure team.

They both previously worked at **Baker & McKenzie**.

"The energy industry is experiencing an intense degree of transactional activity, and companies in this space require sophisticated legal advisers to help them structure complex deals and secure financing in pursuit of growth," said **Seth Zachary**, chairman of Paul Hastings.

Gomar has more than 15 years of experience advising on domestic and cross-border conventional and alternative energy transactions. He also assists project sponsors and developers with structured finance and capital raising transactions.

Mendoza also advises on a range of domestic and international energy-related transactions and projects, including M&A, divestitures, joint ventures and project development.

She often works with upstream oil and gas as well as midstream clients and has advised sponsors on the development, acquisition and sales of renewable energy projects. ■

Bloom Energy hires investor relations VP

California-based fuel cell developer **Bloom Energy** has hired a vice president of investor relations from **American Water**.

The new hire is **Edward Vallejo**, who has worked at American Water for more than 15 years, most recently as VP of investor relations and ESG reporting. His appointment at Bloom is effective as of September 27.

This marks Vallejo's second departure from American Water, having left his role as VP, mergers and acquisitions in 2003 for a nearly three-year stint as CFO of **Thames Water Chile**.

Vallejo returned to American Water in 2006 and worked in a number of senior roles, including as VP of financial planning and investor relations and VP of financial strategy, planning and modeling.

"Ed's proven record and expertise as a financial executive working in investor relations and financial strategy will bolster Bloom Energy's next phase of growth and investment," said **Greg Cameron**, executive vice president and CFO of Bloom Energy. ■

NEWS IN BRIEF

FUND NEWS

SIDEWALK RAISES $190M IN LATEST FUNDING ROUND

Sidewalk Infrastructure Partners has raised $190 million in capital from a single limited partner. The infrastructure start-up, which is backed by **Google**'s parent company, **Alphabet** as well as the **Ontario Teachers' Pension Plan** (OTPP), closed the funding round last month, according to a US **Securities and Exchange Commission** filing.

LATIN AMERICA

SPANISH DUO COMPLETE CHILEAN WIND FARM

Spain's **Repsol** and **Grupo Ibereólica** have completed construction on the 188.1 MW Cabo Leones III wind farm in Chile's Atacama region. The project, which is located in the Huasco province, is fitted with **Siemens Gamesa** wind turbines. The 78.1 MW first phase of the asset was brought online in late 2020, while the 110 MW second phase will start commercial operations by the end of this year.

EPM READIES PERMITS FOR COLOMBIAN WIND ASSET

Colombian developer **Empresas Publicas de Medellin** (EPM) has begun the permitting process for a roughly 100 MW wind farm in the country. The EO200i project will require an investment of Ps976.027 billion ($254.36 million), according to filings with Colombia's **National Authority of Environmental Licenses** (ANLA).

PEOPLE & FIRMS

CAPTONA RECRUITS CAPITAL MARKETS STAFFER

Captona has hired a capital markets staffer from renewables-focused brokerage and advisory firm **Karbone**. **Greg Owens**, who has worked at Karbone for the last six years – most recently as a vice president, capital markets – joined Captona last month as a director, investments.

Extended versions of these stories are available to subscribers at www.powerfinancerisk.com.

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