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Babcock Financing Syndication Set To Launch

Leads are set to launch syndication of \$890 million in financing for the purchase of two **Dominion** natural gas utilities by **Babcock & Brown** at a bank meeting Tuesday

See story, page 2

At Press Time

Canadian Developer Hunts JV Partner 2

In The News

Morgan Stanley Preps Mezz. Fund	3
KGen Auction Heads To Second Phase	3
Revolver Launched For Nuke Spinoff	3
Solar Developer Taps HSBC Banker	4
Pipeline Anticipates Go Ahead	4
WestLB Launches Trianel Deal	5
Italian Debt Syndication Kicks Off	5
ING Taps Sales Exec	6
USPG Head Exits	6
Irish Portfolio Debt To Wrap Deal	6

Corporate Strategies

Spectra Offers \$500M In Strategic Move	7
Nebraska Muni To Use Issue For Capex	7

Departments

Generation Auction & Sale Calendar	8
News In Brief	10

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E.ON RENEWABLES UNIT PLOTS UTILITY SCALE SOLAR

E.ON Climate & Renewables North America is looking to build, own and operate utility scale concentrated solar projects to diversify its generation portfolio. "We have a number of sites that we are examining," says **Declan Flanagan**, ceo of the German energy giant's Chicago-based U.S. renewables unit. "It's a very complementary development alongside our wind development," he adds, noting issues such as land and transmission.

(continued on page 11)



Declan Flanagan

NEV. DEVELOPER SEEKS PARTNERS FOR \$1.2-1.9B PORTFOLIO

Nevada Wind is in talks with potential partners to develop its \$1.2-\$1.9 billion, 650-950 MW portfolio of projects in Nevada. "We're talking with larger companies that have the capabilities to develop a site. You need a larger partner to develop a site like this that has a tax appetite," says **Tim Carlson**, president and ceo in Las Vegas.

Nevada Wind is considering four candidates for the portfolio, though it is open to new offers and hopes to secure one or more partners by year-end. The portfolio includes the \$300-

(continued on page 12)

OREGON PIPELINE, LNG TO USE PROJECT FINANCING

LNG Development Co. is planning to project finance a portion of its planned \$1.3 billion pipeline and LNG facility in Oregon, says **Peter Hansen**, ceo in Warrenton, Ore. While the exact financing structure is yet to be determined, he says projects of this type are usually structured 30:70 debt to equity.

Leucadia National Corp., an investor in the company, will fund the equity portion of the project. LNG Development Co. purchased the site lease for the development from **Calpine Corp.** last year for \$4.25 million.

(continued on page 12)

SECOND SPANISH TARIFF SECURITIZATION NEARS COMPLETION

Dexia Crédit Local and Depfa Bank are near closing a Spanish power deficit repayment rights securitization. Delta SPARK, the second public deal of its kind, uses EUR1.28 billion (\$1.8 billion) in rights landed by Dexia and Depfa in an auction for the shortfall between generation cost and user rates incurred in the market during 2007 and the first quarter of 2008, according to *PFR* sister publication *Total Securitization*.

The regulated tariff system in Spain behind the deficits is expected to be eliminated in

(continued on page 11)

Check www.iipower.com during the week for breaking news and updates.



At Press Time

Santander Names P.F. Head

Banco Santander has named **Jorge Camina**, head of corporate loans, as its new head of project finance in New York. He replaces **Fuensanta Diaz Cobacho**, who left last month to join **WestLB** as managing director for origination in the Americas (PFR, 8/22). Camina reports to **Marcello Castro**, head of structured finance in New York. Neither Camina nor Castro returned calls.

Babcock Financing Syndication To Launch

The lead banks arranging financing for the purchase of two **Dominion** natural gas utilities by a **Babcock & Brown** unit will launch syndication Tuesday. Some \$890 million will be pitched at a 10:00 a.m. bank meeting at Le Parker Meridien Hotel in New York.

In the bank line-up, **Union Bank of California** has joined **BayernLB**, **BNP Paribas** and **Scotia Capital** as the fourth joint lead arranger. The five-year financing package for **Babcock & Brown Infrastructure Fund North America** includes a \$350 million term loan and a \$340 million working capital facility to be held at the operating company level of **Dominion Peoples** and **Dominion Hope**. A \$200 million term loan at the level of holding company **LDC Holdings** rounds out the debt. Pricing and a syndication strategy have not yet been determined, according to deal trackers, but this will be the only round of syndication.

A spokesman for Babcock and officials at the banks either declined to comment or did not immediately return requests for comment.

Developer Seeks JV Partner, Buyers

Alberta Wind Energy Corp. is seeking a joint venture partner for its first wind project or possibly a buyer for its development pipeline. The wind developer is in talks with undisclosed national and international companies to take a stake in its Oldman River wind project 2 miles northeast of the Oldman River Dam in the Pincher Creek area of Alberta. "We probably think we'll go this way on this first project," says **Doug Amy**, v.p. of corporate development in Calgary. "They'll be adding credibility," he says, noting the joint venture partner will more easily be able to secure project financing.

The farm has 3.6 MW online and is planned to have a total of 50 MW online in the first quarter of 2010. The total project cost is C\$105 million (\$97.3 million). The company is also considering selling Oldman and its other projects outright. "It's like anything else—anything's for sale at the right price," says Amy. Although the company is private, it will take any sale proposal to the board of the 75 investors for approval, he says.

It is developing the estimated C\$125 million, 61 MW Windy Point Energy Project adjacent to the Oldman River wind project. The earliest construction could begin in the third quarter of 2011, says Amy. The company is planning to build Waterton Hutterite Colony wind farm 20 miles southeast of Oldman River. "It could be huge," he says. "We've tested the wind for a few years." However, the project is in very early stage development due to a lack of transmission in the area.

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Institutional Investor NEWS
INTELLIGENCE FIRST

Morgan Stanley Preps Mezz. Debt Fund

Morgan Stanley is setting up a fund to invest strictly in mezzanine debt and is in the process of staffing up a team of eight to 10 people. The new team could come from new hires or internal appointments, according to an official who declined to speculate on the size of the fund.

The bank would likely start the fund with internal capital after it hires a manager. At that time, he or she would begin raising money and making investments concurrently. This would be the bank's first mezzanine debt fund, according to the official, who adds that it would invest in power as well as other sectors—specifically mentioning leveraged buyouts.

In May, **Luminus Group**, set up a fund to originate and trade second-lien and mezzanine loans as well as preferred and hybrid securities specifically in the power sector to provide sponsors with staple financing for acquisitions and recapitalizations (PFR, 5/16). It competes with **Blackstone**-owned hedge fund **GSO Capital Partners**. Additionally, **Goldman Sachs** and **Trust Company of the West** have arms focused on mezzanine financing. A spokeswoman for Morgan Stanley did not return a call.

Southern Sub Opens Generation Tender

Gulf Power, a **Southern Co.** subsidiary, has issued a request for proposals on 800-1000 MW in its latest efforts to meet projected power demands by 2014. “They’re looking for gas-fired, that’s what we’re expecting, though they are going to consider any legitimate kind of generation,” says **Harry Judd**, v.p. of Concord, N.H.-based consultancy **Accion Group**, which Gulf has selected to supervise the tender.

The current tender comes after an RFP for 600 MW of renewables did not garner any bids in May because bidders could not beat Gulf’s estimated \$72 million avoidance costs for a conventionally fueled facility. The company is still in the market for renewables, says a spokeswoman, noting Gulf derives 75-80% of generation from coal facilities. While proposals for renewable and conventional generation will be accepted, costs have to match or fall below the Houston-based company’s projected costs to build a combined-cycle gas project at its Plant Crist site in Pensacola, Fla.

The cost will be available in the final RFP documents, which are set to be issued on Oct. 6, after prospective bidders attend a pre-issuance meeting in Pensacola Sept. 22. Project financing does not have to be in place at the time of bid submissions and while dates will be confirmed in the final RFP, bids are likely due

Dec. 8 and contracts will be awarded in October 2009.

Because parent company Southern will likely enter a bid, Gulf selected Accion to supervise the RFP, evaluate the bids and award the contract to alleviate concerns regarding any advantage the parent could garner. Accion also presided over Gulf’s 500 MW RFP last year, which the company sponsored to secure interim generation while it planned for the current tender. **Southern Power**, also a Southern Co. unit, won a 2007 tender with 292 MW from its Jackson County, Ga.-based Dahlberg plant along with **Coral Energy** with 192 MW from its Baconton Power facility in Baconton, Ga.

KGen Auction Moves Into Second Phase

KGen Power and auctioneer **Credit Suisse** have reportedly moved into the second phase of an auction for the company’s portfolio of projects in the Southeast.

Daniel East, v.p. of planning and development in Houston, says, “We do remain in the process of evaluating strategic alternatives.” He declined to comment further and directed questions to **Richard McLean**, ceo and cfo, who did not return calls. An official at Credit Suisse declined to comment.

First round bids were due last month, but further details—including a shortlist of bidders—could not be learned. The auctioneer dispatched teasers in July ahead of taking indicative bids (PFR, 7/11). At the time, market watchers said interest was on a one- or two-plant basis for the portfolio that includes five combined cycle facilities developed by **Duke Energy North America** ranging between 520-640 MW in Arkansas, Georgia and Mississippi.

Citi, Goldman Launch \$1B Nuke Co. Revolver

Citibank and **Goldman Sachs** have launched syndication of a \$1 billion revolver to generate liquidity for **Enexus Energy**, the spin-off of six nuclear facilities from **Entergy**. An invite-only bank group attended the bank meeting last Monday in New York, says a Citi official. The revolver has a three-year tenor and could later be upsized, adds the official who declined to comment further.

Tickets ranging from \$35 million to \$100 million are on offer, with fees of 300 basis points over LIBOR for drawn amounts and 62.5 bps for the undrawn amount, say deal trackers who note commitments are due around month-end.

The revolver is part of an effort to put liquidity in place for Enexus, says a spokesman for Entergy in New Orleans, who notes Enexus has planned for \$4.5 billion in debt financing for initial liquidity for the company when it gets spun off sometime

in the fourth quarter. Accompanying the revolver is a bond offering whose size and timeline has not yet been determined, according to the spokesman. The company could issue debt securities of up to \$3.5 billion, according to documents filed with the **Securities and Exchange Commission**.

Enexus consists of six nuclear facilities: the 688 MW Pilgrim nuclear station near Plymouth, Mass., the 798 MW Palisades plant in Covert, Mich., the 605 MW Vermont Yankee plant in Vernon, Vt., the 838 MW James A. FitzPatrick plant in Oswego County, N.Y. and units two and three of the Indian Point Energy Center in Westchester County, N.Y., that are 1,028 MW and 1,041 MW, respectively. Officials at Goldman were not available for comment.

Georgia Power Preps +800 MW Tender

Georgia Power is preparing a request for proposals on 800-1200 MW that the largest **Southern Co.**-subsidiary is set to issue this month. "We're just looking for the best overall portfolio and the best costs to fit the overall need," says **Kenny Smith**, project manager in the Atlanta, Ga. A draft RFP will be available next month and the final version will be issued in November.

Smith notes while proposals will be accepted for any type of generation, bidders will likely have to meet or go below the utility's estimated cost to self build a combined cycle or combustion turbine plant. The cost avoidance figure will be available in the final RFP which is set to be issued in November. Submissions may be comprised of any size or number of facilities and will likely be due Jan. 12 of next year. Prospective developers are responsible for transmission costs and hooking up to the grid and Georgia will offer five, 10 or 15-year PPA's to the winning developers. Bidders are not required to have financing in place at the time of submission.

The state **Public Service Commission** has hired consultancy **Accion Group**, which is monitoring an RFP of Georgia's sister company **Gulf Power**, to manage and supervise the RFP as well as help the PSC and the company evaluate all bids (see story, page 3). Accion will oversee the two-round process, where unsuitable bids will be eliminated in the first stage and selected applications will under go a second stage of further scrutiny. Georgia Power will likely begin discussions with a shortlist of applicants in June and award contracts next October.

Smith notes the RFP comes on the heels of a 300 MW tender that failed to attract any suitable bidders earlier this year. "We did not find suitable costs and terms and conditions for that RFP so we ended that RFP without finding a supplier and that's what's factoring into the 2014 needs." Smith declined to identify any of the bidders or pricing.

Solar Co. Hires HBSC Bigwig For CFO



Michael Whalen

SolarReserve has hired **Michael Whalen**, head of the Americas project and export finance team at **HSBC** in New York, as cfo. "It was really done to dovetail into development activities for late 2009," says **Kevin Smith**, coo and head of development in Santa Monica, Calif. "We've started to talk to lenders."

Whalen will be joining early fall based in Santa Monica, after finishing up projects at HSBC and will report to **Terry Murphy**, president and ceo. "He's got a very good project finance background both in the U.S. and internationally and with some newer technologies," says Smith, noting his experience working on LNG deals. Whalen worked on the first liquefied natural gas deal project financed in the U.S.—the \$822 million, 10-year loan for **Sabine Pass LNG**. Before HSBC, he worked on the Asia, Europe and Middle East energy finance team for **Bank of America**.

The company will continue to expand its team, including development and project managers in Europe, and engineers for its U.S.-based office, says Smith. **Alistair Jessop**, v.p. of development, former v.p. at **Invenergy**, started last month to head up the newly opened London office. "We're bringing several people in a month," says Smith.

Midstream Co. Awaits Approval For Pipeline

MarkWest Pioneer is awaiting approval from the **Federal Energy Regulatory Committee** to go ahead with construction with its near \$110 million planned **Arkoma Connector Pipeline**—a 50-mile gas pipeline to be located in Coal, Atoka and Bryan Counties, Okla.

The project will be financed completely with equity at the project company level, says **Randy Nickerson**, senior v.p. and chief commercial officer at parent company **MarkWest Energy Partners** in Denver.

Once approval is granted from FERC, construction is expected within 60 days and the project is expected to come online in May, says Nickerson. The pipeline will originate northeast of Coalgate and extend south near to Bennington, Okla., where it will connect with the planned **Midcontinent Express Pipeline** being jointly developed by **Kinder Morgan Energy Partners** and **Energy Transfer Partners**, and the proposed **Gulf Crossing Pipeline** being developed by **Boardwalk Pipeline Partners** (PFR, 8/24/07). It will have a capacity of around .6 billion cubic feet per day, he says.

Canadian Developer Looks For Hydro Financing

Innergex Renewable Energy is looking to mandate a bank by November to arrange financing for its recently acquired 7.5 MW Fitzsimmons Creek hydro project in British Columbia. **Jean Trudel**, v.p. of finance in Longueuil, Québec, says he hopes to have commitments by year end, declining to disclose the project cost.

Relationship banks and newcomers are welcome to pitch for the business, says Trudel. **Royal Bank of Canada**, **Bank of Montreal**, **Manulife Financial** and **Sumitomo Mitsui Banking Corp.** have recently provided financing for projects and **Toronto Dominion Bank** is a relationship bank (PFR, 8/15). Construction on the project has commenced and it is expected to come online by the end of 2010.

Innergex acquired a majority interest in the facility through its 66.7% stake acquisition in a 200 MW portfolio of 18 run-of-river projects in development in British Columbia from **Ledcor Power Group** for C\$8 million (\$7.5 million). "They know what we can do with hydro developments. They like our approach," says Trudel, noting the partners' relationship dates back to 2000 when Innergex purchased 50 MW Ashlu Creek hydro facility in British Columbia from Ledcor. "It's a very good opportunity," he says. About C\$3-4 million have already been invested in the projects, he says. A spokesman at Ledcor did not return a call.

The company is financing its acquisition with cash, but will look to project financing down the line. "As we go on, we will finance them with debt. Once a project starts construction, we will seek project financing." It is planning to bid the joint venture portfolio projects 30 MW Hurley Creek and 40 MW Upper Lillooet into the **BC Hydro's** Clean Power Call, in which submissions are due Nov. 25.

WestLB Launches Trianel Syndication

WestLB has launched syndication of nearly EUR1.3 billion (\$1.84 billion) in debt to support **Trianel Power-Projektgesellschaft Kohlekraftwerk's** 750 MW Lünen coal plant in North Rhine-Westphalia, Germany. The subsidiary of **Trianel European Energy Trading** is developing the facility with 28 regional and municipal utilities.

The lead arranger and sole bookrunner launched syndication at a bank meeting in Dusseldorf last Monday with over 150 people from both public and private sector banks in attendance.

Tickets on offer start at EUR10 million, stepping up to EUR50 million in EUR10 million increments. Financial close is targeted for the end of the month, but a dealwatcher notes some banks have already indicated they will need more time. Financial

close was originally targeted for year-end (PFR, 1/4).

Officials at WestLB declined to comment or could not be reached and officials at Trianel in Germany could not be reached.

KfW Taps HBOS Staffer For New Structured Finance Team

Federico Florian, director of energy and environmental finance at **Halifax Bank of Scotland** in London, has left for **KfW IPEX-Bank** in the new position of director of infrastructure finance for U.K. and Ireland.

He left his position Sept. 5 and will be starting at KfW today in London, reporting to **Maik Heringhaus**, director of the London representative office, which is transforming to a branch office. "The establishment of a branch in London will allow KfW IPEX-Bank to establish itself over the long term as a financing partner for businesses and banks in Great Britain and Ireland," says **Armin Brestrich**, newly-appointed general director of the London branch.

A spokesman for HBOS in London was unable to comment.

Italian Wind Farm Debt Launched

Royal Bank of Scotland, **BNP Paribas** and **ING** have launched syndication of EUR221 million (\$307.49 million) in debt tied to **Italian Vento Power Corp.'s** planned 100 MW IVPC 5 wind project in the Molise region in Italy.

The mandated lead arrangers are expected to close syndication next month or in November. The debt consists of a term loan of around EUR100 million and a VAT facility of about EUR121 million. Construction on the project has already begun and it is slated to come online in 2010.

An official at IVPC did not return a call and officials at the banks declined to comment or did not return calls.

Nord Looks To Add Syndicator

NordLB is looking to add a director of loan syndications to handle project finance deals in North America. The director would report to **Stephanie Hoevertmann**, head of syndication and agency in New York, and cover power and infrastructure. The bank began looking to fill the spot last month.

The new hire will join **Sergio Garcia**, who began the syndications team when he joined from **Grupo Santander** last year (PFR, 9/21). Nord created the slot as it aimed to take bigger tickets and lead more project finance deals and has since been tapped by **enXco** to lead a \$350 million financing of its 150 MW Shiloh II farm in Solano, Calif., (PFR, 8/15) and has also led a \$240 million financing for **Invenenergy's** 129 MW Forward Energy wind farm with **Dexia** (PFR, 2/15). Calls to Hoevertmann were not returned and Garcia declined to comment.

ING Hires Sales Director

ING has tapped **Lee Herschkorn**, a former director of loan and debt capital markets at **WestLB**, as director of loan sales in its syndications group. He began in New York Sept. 2 and reports to **Clarence Plummer**, managing director and head of syndications.

Herschkorn handles loan sales in power and renewables as well as the oil and gas and metals and mining industries. He takes over from **Michael Lopez**, director of syndications, who now focuses exclusively on Latin America infrastructure deals.

Herschkorn left WestLB last summer after spending three years at the bank. Previously, he was a v.p. of high yield institutional sales for middle market investment bank **Morgan Joseph** and was a v.p. working as a desk analyst and institutional salesperson in **Bear Stearns'** par loan group. Herschkorn declined to comment.

Irish Entity Explores Offshore Wind Financing

Oriel Windfarm is exploring several different financing options for a more than EUR623 million (\$885 million), estimated 330 MW offshore wind farm it is developing 12 miles south east of Dundalk, Ireland, in the Irish Sea. It is considering project financing and a joint venture, says **Garrett Connell**, operations manager in Dundalk.

The company is in talks with undisclosed financial players, says Connell, but can't firm up financing yet because of a foreshore lease that needs to be granted by the Irish government. "We don't feel like there's any stumbling block," he says, on the project obtaining the appropriate approvals to move forward.

It expects to obtain the consents by year-end and mandate a financial arranger for the project within six months following. Construction on the project is expected to begin in two to three years.

Worenklein Exits USPG, New CEO Tapped

US Power Generating Co. founder, chairman and ceo **Jay Worenklein** left the company last Tuesday and has been replaced by **Mark Sudbey**, president and coo. "Jay has some opportunities that he wants to follow through on," says **Ted Babcock**, v.p. of finance and investor relations in New York, who declined to make Sudbey available. Worenklein did not return calls to his cell phone.

Sudbey joined in December 2005 as president and coo. Previously, he was president of the New York, Southeast and Midwest regions of **Reliant Energy**. Before founding USPG in 2003, Worenklein was head of global power and energy and project finance at **Société Générale**. Prior to that, he was managing

director and global head of project finance at **Lehman Brothers**.

USPG owns eight plants totaling roughly 5 GW that are sold into NYISO and ISO-New England. Its subsidiary, **Astoria Energy II** is near a mandate on its 500 MW plant at Bowery Bay/Steinway industrial complex in Queens (PFR, 8/15).

Wind Portfolio Syndication Set To Wrap

Royal Bank of Scotland and **Ulster Bank** are set to wrap syndication of a EUR260 million (\$361.8 million) refinancing for **SWS Natural Resources'** 77 MW wind portfolio in southwest Ireland and an 81 MW development portfolio wind portfolio next week.

Barclays, **BayernLB**, **The Co-operative Bank**, **IKB Deutsche Industriebank**, and **Monte dei Paschi di Siena Bank** are participating. An official at Co-op Bank said it is taking a EUR30 million ticket, but other ticket sizes could not be learned. Pricing is 110-130 basis points over LIBOR, notes one deal watcher. The debt package consists of two term loans, a VAT facility and a debt service reserve facility (PFR, 4/11).

The existing assets include 45 MW Kilgarvan in County Kerry, 9.5 MW Gneevies on the northeastern edge of the Derrynasaggart Mountain range, and 22 MW Knockawarriga in County Limerick. The greenfield portfolio consists of three unnamed projects.

An official at the sponsor did not immediately return a call. Officials at the other banks either declined to comment or did not return calls.

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Corporate Strategies

Spectra Looks To Beat The Fall Issue Rush



Allen Capps

Spectra Energy closed a \$500 million bond offering Sept. 3 in a deal timed to beat a predicted surge in offerings later this fall. “We could have done this anytime we wanted but we thought, ‘Let’s get this done before all of this supply hits because there’s no telling where these markets will go in October or November,’” says **Allen Capps**, treasurer in Houston.

However, yields were higher than expected on the 10-year and 30-year notes. “It will probably be a few weeks before we can tell whether it’s a good deal. The markets are really tough right now... The markets are just very choppy, it’s one of those things where you might look back and say this was a great deal,” says Capps. He declined to comment on what he expected pricing to be.

The issue is comprised of a \$250 million tranche of five-year, 5.9% notes which priced at 300 bps spread over treasury and a \$250 million tranche of 30-year, 7.5% notes which priced at a 320 bps spread. Capps says the deal was split in order to attract a broad range of investors and also to test the market appetite for Spectra’s longer-tenor notes. “We ended up hitting different

investors with each tranche and we probably got a little more participation since we did split it up,” he says, adding that some of the proceeds from the issue will go towards new development, improvements and extensions of Spectra’s portfolio, though he declined to specify projects.

JP Morgan, Merrill Lynch and **Wachovia** are joint book-runners for the deal and are included in Spectra’s 25 key banks which are on the company’s \$2.7 billion credit facilities. Capps explains the banks were selected for the issue based on performance and rotation. “We knew they would do a good job for us and we try to make sure that we use banks that have committed capital to us and we try to rotate banks that lead these deals.” **Banc of America, Deutsche Bank** and **RBS Greenwich Capital** were joint-bookrunning managers of the company’s debut \$500 million bond issue in 10-year notes, which were priced with a 6.2% coupon (PFR, 4/18).

Spectra was spun off from **Duke Energy** early last year. It has several projects in development including the 50-mile Algonquin Islander East pipeline between North Haven, Conn., and Brookhaven, N.Y., the 270-mile Southeast Supply Header between Perryville Hub, La., and multiple gas storage facilities in Mississippi and Alabama. The company’s debt-to-equity ratio is 56:44.

Midwest Muni Prepares For \$135-\$150 Million In Offerings

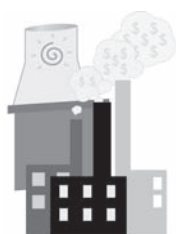
Omaha Public Power District will use the bulk of the proceeds from two upcoming offerings totaling a \$130-150 million for both generation and transmission capital expenditures. “We always try to borrow so we have cash for the fund and pay for it as we go instead of paying from our revenue and reimbursing ourselves later through financing,” says **John Thurber**, division manager of finance from the Omaha-based company.

OPPD expects the bonds from both issues—the first of \$105 million and the second of \$25-50 million—will be priced in the 5% range, says Thurber, pointing to market conditions. “Obviously I’d like to get below five if we can, but the market determines that.” The larger deal is comprised of tax-exempt revenue bonds maturing in 2043 and will price Thursday and the deal will close Oct. 1, while the smaller offering will likely come to market late in the next quarter. Funds from the first offering will be used for transmission, distribution and substation improvements in the 13 counties the utility serves in southeast Nebraska with its 2,543 MW of generation.

The \$25-50 million offering will be the third and final

separate systems issue in a series that OPPD has offered on behalf of a group of utilities that have agreed to 40-year power purchase agreements and a 50%, \$365 million stake in the utility’s 663 MW Nebraska City 2 facility. “Some have provided cash, the other utilities that didn’t provide cash, we’re providing separate systems to support their portion of construction costs,” Thurber says, adding that the exact amount in the offering will depend on the amount of cash provided by the utilities.

The last two separate systems issues, which were a combined \$227 million, were led by Lincoln, Neb.-based investment advisor **Ameritas** in 2005 and 2006 and syndicated by 10-12 other banks that Thurber declined to identify. He confirmed that Ameritas was being considered for the deal and that a lead will be selected in the next 2-3 months. **Wachovia** is the lead underwriter of \$105 million deal with **Citibank** as co-lead. Thurber explains that the banks are chosen because of their successful history with OPPD. “We track all of our syndicate members and who does the best performance for us and we try to not always choose the same book-running manager but to offer different opportunities for that,” Thurber says, adding that OPPD prefers to work with a lender that has strong connections to retail markets. “We like to sell bonds on a retail basis so they have to have that capability.”



Generation Auction & Sale Calendar

Following is a directory of ongoing generation asset sales. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report new auctions or changes in the status of a sale, please call Thomas Rains at (212) 224-3226 or e-mail trains@iineews.com.

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
AES	Warrior Run	Cumberland, Md.	205	Coal	Goldman Sachs	Shopping PJM assets (PFR, 5/21).
	Red Oak	Sayreville, N.J.	832	Gas		
	Ironwood	South Lebanon Township, Pa.	720	Gas		
Allco Finance Group	Various	Australia, New Zealand	1,600		N/A	Prepped to sell by end of next quarter (PFR, 6/23). AGL Energy to buy Australian wind farms for AUD\$12.5M.
ArcLight Capital Partners	Auburndale	Polk County, Fla.	158 (70%)	Gas, Oil	McManus & Miles	Teasers dispatched in May (PFR, 6/11).
Arroyo Energy Investors	Thermo Cogeneration	Fort Lupton, Colo.	272	Gas	N/A	Starwood Energy Group Global to buy for \$207.2M (PFR, 2/6).
BTEC Turbines	Southaven Energy	Miss.	340	Gas	JPMorgan	Assets or just the equipment for sale. Teasers dispatched (PFR, 4/3).
	New Albany Power	Miss.	390	Gas		
Calpine	Texas City	Texas City, Texas	425	Gas	Miller Buckfire	Second-round bids taken 5/5. Unsolicited bid for Calpine from NRG Energy said to be delaying the process.
	Clear Lake	Clear Lake, Texas	375	Gas		
CarVal Investors et al.	Granite Ridge	Londonderry, N.H.	720	Gas	Merrill Lynch	First round bids due Aug. 19 (PFR, 8/12).
Catamount Energy	Sweetwater	Nolan County, Texas	505 (50%)	Wind	Goldman Sachs	Duke Energy to buy for \$240M and \$80M assumption of debt (PFR, 6/26).
	Ryegate Power	Vermont	20	Wood waste		
	Rumford	Rumford, Me.	85	Cogen		
Central Vermont	Various	Vermont	70 in summer	Hydro	Morgan Stanley	Status unknown (PFR, 5/18).
City of Victorville	Victorville 2	Southern California Logistics Airport, Calif.	570 development	Gas/Solar	Goldman Sachs	Teasers dispatched (PFR, 6/30).
Cobisa Corp.	Cobisa-Greenville	Dallas-Fort Worth, Texas	1,750	Gas	Pace Global Energy Services	Auctioneer running a targeted auction (PFR, 5/30). Bidders to be shortlisted by Sept. with close expected 30 days following.
Colmac Energy	N/A	near Mecca, Calif.	47	Biomass	Bodington & Co.	First round bids in two-stage auction due early Oct. (PFR, 9/3).
Conectiv Energy	Various	PJM Interconnection	3,700	Various	Credit Suisse	Status unclear.
Con Ed Development	Genor	Puerto Barrios, Guatemala	42 (49.5%)	Oil		Industry Funds Management did not acquire. Partner is Olympus Power.
	Ada Cogeneration	Ada, Mich.	29 (48%)	29 (48%)		
ConocoPhillips	Immingham	Lincolnshire, U.K.	730	Gas	Citigroup	Looking at strategic options on the plant (PFR, 1/18).
Complete Energy Holdings	La Paloma	McKittrick, Calif.	1,022	Gas	JPMorgan	Has agreed to merge with GSC Acquisition Co. in \$1.3B deal (PFR, 5/16). Pending shareholder vote.
	Batesville	Batesville, Miss.	837	Gas		
Corona Power	Sunbury Generating	Shamokin Dam, PA	432	Coal, oil, diesel	Merrill Lynch	Soliciting equity to complete \$250M of upgrades (PFR, 12/24).
CP Power Investments (Starwood Energy Investors II and Tyr Capital)	Panoche	Firebaugh, Calif.	49	Gas	N/A	Looking for new offtakers or buyers for facilities (PFR, 7/28).
	Vaca-Dixon	Vacaville, Calif.	49	Gas		
DONG Energy	Evia, Karistos and Tourla	Greece	19	Wind	HSBC	Agreed to sell portfolio to Mytilineos Holdings for EUR28M.
DTE Energy	East China	East China, Mich.	320	Gas	N/A	Seller exploring options, including outright sale.
EISL	Various	Catalonia, Spain	630	Wind, Hydro	JPMorgan	Company weighing sale (PFR, 12/24).
Energy Capital Partners (FirstLight Power Enterprises)	Mt. Tom	Holyoke, Mass.	146	Coal	Credit Suisse	SUEZ Energy North America agreed to acquire (PFR, 9/8).
	Various	Conn. and Housatonic Rivers	216	Hydro		
	Empire Generating	Rensselaer, N.Y.	635	Gas		
	Waterbury	Waterbury, Conn.	96	Gas		
	Turners Falls	Turners Falls, Mass.	6	Hydro		
	Cabot, Mass.	Montague, Mass.	62	Hydro		
Energy Future Holdings (Luminant)	Sandow 4	Milam Co., Texas	545 (50%)	Coal	Credit Suisse	Reportedly planning to sell stakes to Perennial Power Holdings (PFR, 2/18).
	Sandow 5		581 (50%)	Coal		
Energy Investors Funds and Power Development Corp.	Waterside Power	Stamford, Conn.	72	Oil	Barclays Capital	First round bid deadline set for post-Labor Day and second round bid deadline set for Oct. or Nov. (PFR, 8/18).
Entegra	Gila	Phoenix, Ariz.	2,300	Gas	N/A	Merger talks with KGen stalled (PFR, 1/17).
	Union	El Dorado, Ark.	3,000	Gas		
Entergy Corp.	50% stake in Top	Worth County, Iowa	40	Wind	New Harbor	Seller wants about \$520M for the assets. Bidders shortlisted to four players: two financial; two infrastructure (PFR, 6/18).
	Deer Wind Ventures	Carsen County, Texas	40			
	RS Cogen	Lake Charles, La.	212	Gas		
	Roy S. Nelson	Westlake, La.	60	Gas/Oil		
	Warren Power	Vicksburg, Miss.	225	Gas		
	Harrison	Marshall, Texas	335	Gas		
	Independence	Newark, Ark.	121	Coal		
EPCOR	Robert Ritchie	Helena, Ark.	544	Gas/Oil	N/A	Quietly shopping asset (PFR, 4/18).
	Castleton-on-Hudson	Albany, N.Y.	64	Gas		
ESB International	Marina	Cork City, Ireland	115	Gas	Merrill Lynch	Endesa to purchase for EUR450M.
	Great Island	Wexford Co., Ireland	240	Oil		
	Tarbert	County Kerry, Ireland	640	Oil		
Exergy Development Group	Various	Upper Midwest, Northwest	3,600	Wind	Marathon Capital	Weighing partnership, joint venture, recap or sale (PFR, 12/17).
First Reserve, GenPower	Longview Power	Maidsville, W.Va.	695	Coal	Merrill Lynch	Auction nixed in favor of mezzanine financing (PFR, 8/15).
Foresight Wind Energy	Various	Arizona, New Mexico	2,000	Wind	CP Energy	Transactions delayed (PFR, 10/8).
FPL Energy	Posdef	Stockton, Calif.	44	Coal/Petcoke	New Harbor	Indicative bids due April 11 (PFR, 3/11).
	Tesla	Tracy, Calif.	1,120	Gas/Steam		
G2 Energy	N/A	Boise, Idaho	3	Landfill Gas	N/A	FORTISTAR to acquire 99% and is financing the acquisition via Caterpillar Financial Services (PFR, 5/7).
	N/A	Fort Worth, Texas	2	Landfill Gas		

Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
General Electric	Baglan Bay	Port Talbot, Wales	510	Gas	Lexicon Partners	GE re-ignited sale process. Carron Energy interested.
	Panther Creek	Nesquehoning, Pa.	94	Waste Coal	N/A	Looking for buyers (PFR, 2/26).
	Colton Power	Colton, Calif.	80	Gas	N/A	Selling with help of asset manager PUREENERGY (PFR, 4/8).
Goldman Sachs (Cogentrix Energy)	Southaven Power	Southaven, Miss.	810	Gas	Houlihan Lokey	TVA will acquire for \$466.3M (PFR, 4/1).
InterGen (AIG Highstar Capital II, 50%)	Rocksavage	Runcorn, U.K.	748	Gas	Lehman Brothers	GMR Group to acquire stake for \$1.1B (PFR, 6/25).
	Coryton	Essex., U.K.	732	Gas		
	Spalding	Lincolnshire, U.K.	860	Gas		
	Rijnmond I, II	Rotterdam, the Netherlands	820, 400	Gas		
	Bajio	San Luis de la Paz, Mexico	600 (306 stake)	Gas		
	La Rosita	Mexicali, Mexico	1,100	Gas		
	Quezon	Philippines	460 (211 stake)	Coal		
	Millmerran	near Brisbane, Australia	880 (228 stake)	Coal		
	Callide	Queensland, Australia	920 (230 stake)	Coal		
Gregory Power Partners	Gregory	Gregory, Texas	400 MW	Gas	N/A	Quietly on the block (PFR, 8/11).
K&M International Power	Termovalle	Cali, Colombia	220	Gas	JPMorgan	First round bids due 7/1 (PFR, 6/12). Second round bids due 9/18 (PFR, 8/18).
Kelson Canada (Harbinger Capital Partners)	Calgary Energy Center	Calgary, Alberta	300	Gas	UBS	First round bids taken 4/30 (PFR, 4/30) and second round bids taken Aug. Asset taken off the block for unknown reasons.
	Island Generation	Duncan Bay, B.C.	230	Gas		
	King City Cogeneration	King City, Calif.	120	Gas		
	Whitby Cogeneration	Whitby, Ontario	50	Gas		
Kelson Holdings	Dogwood	Pleasant Hill, Mo.	620	Gas	Goldman Sachs, Merrill Lynch	Weighing strategic options, including sale/merger (PFR, 10/9). Redbud to be sold to load serving entities for \$852M (PFR, 1/21).
	Redbud	Luther, Okla.	1,200	Gas		
	Cottonwood	Deweyville, Texas	1,200	Gas		
	Magnolia	Benton County, Miss.	922	Gas		
KGen Power	Murray I	Murray Co., Ga.	630	Gas	Credit Suisse	Talks to merge with Entegra stalled due to management disagreements (PFR, 3/24). Received \$20 per share offer reportedly from ArcLight Capital Partners (PFR, 5/9), but did not recommend to shareholders. Auction in second round (PFR, 9/10)
	Murray II	Murray Co., Ga.	620	Gas		
	Hot Spring	Hot Spring Co., Ark.	620	Gas		
	Hinds	Jackson, Miss.	520	Gas		
	Sandersville	Washington Co., Ga.	640	Gas		
Los Angeles Department of Water and Power	N/A	Calif., Ariz., Utah	up to 5,600	Coal, Gas	Goldman Sachs, JPMorgan	Exploring options for divestment of fossil fuel portfolio (PFR, 8/8).
MACH Gen	Millennium	Carlton, Mass.	360	Gas/Oil	Credit Suisse	Pair of Northeast assets set to fetch \$1B (PFR, 5/21). Deal close to being announced, possibly just for sale of Covert.
	Athens	Athens, N.Y.	1,000	Gas/Oil		
	Covert	South Haven, Miss.	1,100	Gas		
	Harquahala	Tonopah, Ariz.	1,090	Gas		
Mirant	Lovett Generating Station	Tompkins Cove, N.Y.	183	Coal/Gas	N/A	Alliance Energy offered to buy for undisclosed sum but withdrew offer when Mirant did not respond (PFR, 2/14).
National Grid	E.F. Barrett	Island Park, N.Y.	311	Gas		Sale being evaluated. Long Island Power Authority has option to purchase some of the units until 5/31 (PFR, 4/11).
	Far Rockaway	Far Rockaway, N.Y.	100	Gas		
	N/A	Shoreham Nuclear Plant, N.Y.	72	Gas		
	Wading River	East Shoreham, N.Y.	239	Gas		
National Wind (30-40%)	High Country Energy	Olmsted and Mower Counties, Minn.	300 (14%)	Wind	Delphi Financial Corp.	Marketing to state-based residents and businesses (PFR, 6/23).
Navasota Energy Partners	Colorado Bend	Wharton, Texas	825	Gas	JPMorgan	Sale shelved after bids taken June 6 came in higher than expected (PFR, 7/21).
	Quail Run	Odessa, Texas	825	Gas		
New Green Technologies	N/A	N/A	12—16	Waste-to-energy	N/A	Seeking buyers and/or partners for four-plant packages (PFR, 7/14).
Noble Environmental Power	Various	N.Y., Mich.	385	Wind	Goldman Sachs	Company filed S-1 to IPO (PFR, 5/16).
North American Power Group	Rio Bravo Fresno	Fresno, Calif.	25	Biomass	N/A	In discussion with potential buyers (PFR, 8/31). Holds interests alongside Constellation Energy Group.
	Rio Bravo Rocklin	Roseville, Calif.	25	Biomass		
NorthWestern Energy	Colstrip Unit 4 (30%)	Mont.	740	Coal	Credit Suisse	Bicent Power has agreed to buy for \$404M.
NRG Energy	Indian River	Millsboro, Del.	784	Coal	N/A	Seller soliciting offers on plant (PFR, 11/8).
PSEG Global	Turboven Cagua	Venezuela	60 (60%)	Gas	N/A	Assets remaining to be sold as part of an international divestiture program outlined in 2002.
	Turboven Maracay	Venezuela	60 (60%)	Gas	N/A	
	Pillaiperumalnallur	India	330 (20%)	Gas	N/A	
	Bando d'Argenta	Italy	20 (85%)	Biomass	N/A	
	Crotone	Italy	20 (43%)	Biomass	N/A	
	Strongoli	Italy	20 (43%)	Biomass	N/A	
Reliant Energy	Bighorn	Primm, Nev.	598	Gas	JPMorgan	Nevada Power to buy for \$500M.
RES Americas	Various	U.S.	1,000 under construction	Wind	Credit Suisse	Auction reportedly nixed (PFR, 8/4).
Ridgeline Energy	Various	Idaho, Ore., Wash.	3,700 pipeline	Wind	Marathon Capital	Talks nixed with a southern U.S. utility (PFR, 10/8). Back in play.
Ridgewood Renewable Power	Penobscot	West Enfield, Maine	25	Biomass	Ewing Bemiss	Covanta Holding Corp. has agreed to pay \$87M for the biomass plants.
	Jonesboro	Jonesboro, Maine	25	Biomass		
	Various	Maine, Va., N.Y., Calif.	26	Hydro		
Scottish and Southern Energy	Greater Gabbard	Thames Estuary, England	504 (50%)	Wind	RBC Capital Markets	Seeking buyer for 50% stake (PFR, 7/7).
Sempra Generation	Catoctin	Frederick Co, Md.	600 development	Gas	N/A	Development project reportedly for sale.

Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
Sierra Geothermal Power	Reese River	Lander Co., Nev.	26-58 (50%)	Geothermal	Jacob & Co. Securities	Looking to sell 50% of first five projects (PFR, 7/14).
	Pumpnickel	Winnemucca, Nev.	16-40 (50%)			
	Silver Peak	Esmeralda Co., Nev.	15-40 (50%)			
Sierra Pacific Industries	Loyalton	Loyalton, Calif.	20	Biomass	N/A	Renegy agreed to purchase 4/11 for \$13M (PFR, 4/16).
Signal Hill Power	Wichita Falls	Wichita Falls, Texas	77	Gas	Miller Buckfire	First-round bids received 3/17.
Sithe Global Power	River Hill	Karthus Township, Pa.	290	Coal	Credit Suisse	Status unclear (PFR 2/16/07).
SUEZ Energy North America	Chehalis Power	Lewis County, Wash.	520	Gas	N/A	PacificCorp has agreed to purchase (PFR, 5/12).
Temasek Holdings	PowerSeraya	Singapore	3,100	Gas	Credit Suisse,	Teasers dispatched 10/15.
	Senoko Power		3,300	Oil	Morgan Stanley	Consortium of Marubeni Corp., SUEZ, Kansai Electric Power, Kyushu Electric Power and Japan Bank for International Cooperation has agreed to acquire.
Tenaska Power Fund	Commonwealth	Chesapeake	315	Oil	JP Morgan	Tyr to acquire, with GE handling its financing (PFR, 2/19).
	Holland Energy	Beecher City, Ill.	665	Gas	N/A	Hoosier Energy and Wabash Valley Power Association agreed to buy for \$383M (PFR, 4/14).
Third Planet Windpower	Various, U.S.	Various, U.S.	3,000 pipeline	Wind	Marathon Capital	Developer looking for joint venture partner.
TransAlta	Campeche	Mexico	252	Gas/Diesel	N/A	InterGen to buy for \$303.5M. Calyon, WestLB and EDC are arranging financing (PFR, 4/28).
	Chihuahua	Mexico	259	Gas		
	Binghamton	Binghamton, N.Y.	50	Gas		
TransAlta Cogeneration	Mississauga	Mississauga, Ontario	108 (50%)	Gas	N/A	Quietly shopping portfolio (PFR, 3/12).
	Ottawa	Ottawa, Ontario	68 (50%)	Gas		
	Sarnia	Sarnia, Ontario	575	Gas		
	Windsor-Essex	Windsor, Ontario	68	Gas		
Tyche Power Partners	Brooklyn Navy Yard	Brooklyn, N.Y.	286	Gas Cogen	Credit Suisse	Temporarily iced due to credit crunch.
UPC Wind	Various	North America	3,000 pipeline	Wind	JPMorgan,	Company filed S-1 to IPO.
					Credit Suisse, Goldman Sachs	
U.S. Power Generating Co.	Various	Northeast	5,000	Gas/Oil	Credit Suisse,	Company filed S-1 to IPO.

News In Brief

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

Americas

- Spain's **Iberdrola** has accepted New York state regulator conditions on its \$4.5 billion **Energy East** takeover (*Reuters*, 9/10).
- The cost of **Alliant Energy Corp.**'s proposed Cassville coal-fired plant in southwestern Wisconsin has risen by \$100 million to a total cost of \$1.3 billion due to increases in equipment and labor (*Chicago Tribune*, 9/10).
- International Power Group** has agreed to a joint venture with **ForeverGreen Enterprises** to build a \$227 million facility in LaFontaine, Ind., that will convert industrial, chemical and medical waste into green hydrogen, methanol and electricity (*CNNMoney.com*, 9/9).
- EDF** has increased its stake in **Constellation Energy** to 9.5% from 5% following an agreement to create a joint venture to build and develop nuclear station in the U.S. (*MarketWatch*, 9/9).
- Duke Energy** is expanding its renewable energy unit by selling 99 MW of electricity from its Casper, Wyo., wind farm and purchasing wind turbines to produce 150 MW in future projects (*Associated Press*, 9/9).
- Brazil and Argentina will hold a tender to build a \$2 billion, 2 GW hydro plant on the Uruguay River in the next two years (*Reuters*, 9/9).
- Florida Power & Light Co.** has received approval from the **Florida Public Service Commission** to upgrade its Riviera beach and Cape Canaveral plants and to build a third unit at its West County Energy Center in West Palm Beach, Fla. (*MarketWatch.com*, 9/4).
- Luminant Generation** plans to file next Friday for permission to build two reactors at its 2.3 GW Comanche Peak nuclear plant in Glen Rose, Texas (*Star-Telegram.com*, 9/5).
- Nevada Geothermal Power** has closed on a \$180 million loan facility for Blue Mountain Phase 1 geothermal plant via funds managed by **TCW Asset Management Co.** (*MarketWatch.com*, 9/4).
- Western Greenbrier Co-Generation** may seek alternative financing for construction of its \$416 million coal-fired plant in West Virginia, after the **Department of Energy** cancelled funding (*Register-Herald*, 9/4).

Europe

- Bulgaria's **NEK** is due to select a partner for its EUR5 billion (\$7 billion) Belene nuclear plant by the end of the month. Germany's **RWE** and Belgium's **Electrabel** are bidders (*Financial Times*, 9/11). Meanwhile, RWE is prepared to invest nuclear station profits into renewables if it is allowed to extend its operation of the plants (*Reuters*, 9/11).
- Albania is expecting to close a EUR1 billion (\$1.39 billion) deal with Australia's **EVN** to build hydro stations (*Reuters*, 9/11).
- **CEZ**, the Czech power company, is planning to build a 400 MW and 800 MW plant in Poland over the next five years to meet growing electricity demand (*Reuters*, 9/10).
- **William Vereker**, head of global power and natural resources for Europe and the Middle East at **Lehman Brothers**, has been promoted to run the European and Middle Eastern investment-

banking division, succeeding **Christian Meissner**, who will join the bank's executive committee (*Bloomberg*, 9/8).

Asia/Pacific

- **Suzlon Energy** is expanding its wind products line by planning to focus on solar over the next three years (*Bloomberg*, 9/10).

India's **GMR Energy** plans to invest INR100 billion (\$2 billion) for up to 3 GW of nuclear generation in the next five to seven years (*Reuters*, 9/11). Meanwhile a coal shortage in the country has delayed plants that would generate up to 60 GW (*Reuters*, 9/11).

The New Zealand government has passed a climate change bill that will set up the nation's first greenhouse gas emissions trading scheme outside Europe (*Reuters*, 9/10).

Australia's **Energex** has sold its New Zealand operations to New Zealand's North Power (*Energy Business Review*, 9/8).

E.ON RENEWABLES

(continued from page 1)

The aim is to build projects larger than 100 MW, Flanagan says, noting it likes concentrating solar power technologies that are modular. "That's the great thing about the wind business—you lose one turbine and you still have the rest of the park operating," he explains. The Southwestern U.S. would likely be the best location, says Flanagan, specifically mentioning Nevada, Arizona and California, where large solar thermal projects have been or are being constructed (PFR, 4/4, 7/3). Outside the U.S., Flanagan says Spain is also a likely target.

The company has 1.7 GW of renewables online worldwide in wind, biomass and hydro, including just over 700 MW in the U.S. Three wind projects in Texas are slated to be online by year-end: the 116 MW second phase of 258 MW Panther Creek in Howard and Glasscock counties, 249 MW Pyron project in Nolan, Scurry and Fisher counties and 44 MW of the 197 MW Inadale project also in Scurry county. The rest of Inadale is set for commercial operation next year. Last week, the unit—which was formerly **Airtricity** until the German company acquired it—signed an agreement with **Siemens** for 500 wind turbines totaling 1,150 MW to be used in the U.S. and Europe.

Non-wind renewables will likely make up 10% or less of E.ON's generation in the near term. "Five to 10 years down the road it will be a larger percentage," Flanagan explains, noting that wind power has quadrupled to some 20,000 MW in the U.S. over the last five years. "It's for the broader market to decide which [type of technology] will be the dominant one," he says.

"My personal view is that there is room for a few. It's probably not an HD-DVD/Blu-Ray situation." —**Thomas Rains**

SECOND SPANISH

(continued from page 1)

2009, meaning the opportunity to securitize the asset is limited to whatever deficit remains and whatever deficit is incurred until then. After the regulated system is scrapped, a liberalized system will be used to eliminate future deficits, according to analysts with **Moody's Investors Service**.

The next deficit auction will be held at the end of this month, according to an official close to the transaction. He adds the decision to award the assets to successful bidders is ultimately at the discretion of the government. "This is a really interesting and unique asset that we really like. I think that we will see more of these kinds of deals because a number of countries, like Portugal, have this special situation where they have to recover deficits through public money," he says. One reason for his enthusiasm is the ultimate reliance on the state to repay the notes should the power regulator, **Spanish Comisión Nacional de Energía**, fail to do so, he adds.

The Spanish market deficits occur regularly due to the tariff system, which experiences a shortfall between power generation and delivery costs and the consumer price set by regulators. **BNP Paribas** took advantage of the 2005 deficit and closed the first public deal of this kind two months ago (PFR, 7/25).

Delta SPARK is rated AAA by Moody's. It is expected to close before the end of the month and will mature in 2023. Dexia and Depfa officials could not be reached for comment by press time.

—**Cristina Pittelli**

OREGON PIPELINE

(continued from page 1)

Oregon LNG, a project company of LNG Development Co., is planning to build the terminal on the Skipanon Peninsula in Warrenton, near where the Columbia River meets the Pacific Ocean. "The facility is in the right location," says Hansen. The terminal will have a capacity of one billion cubic feet per day and a peaking capacity of 1.5 bcf. **OregonPipeline's** planned 117-mile pipeline will originate at the LNG facility and end in Moalla County.

The company is planning to file its application with the **Federal Energy Regulatory Commission** Oct. 3. Approval is expected by the second or third quarter of next year, says Hansen. It has obtained state land use permits.

After approval is granted, terminal use agreements will be secured and financing can be sought. "We see a lot of interest now," says Hansen, noting it is in talks with everyone from producers to natural gas marketers for TUsAs, including **NW Natural**.

Construction on the LNG facility is planned to begin in 2010 and be complete in 2013. The pipeline is set to come online at the same time, taking 18-24 months to construct.

An official at Leucadia in New York and a spokeswoman at Calpine did not return calls.

—Katie Hale

NEV. DEVELOPER

(continued from page 1)

\$500 million, 210 MW Virginia Peak farm in Washoe county, the \$400-\$500 million, 200 MW Telegraph Peak project in White Pine county, and 250-550 MW of additional projects in White Pine and Elko counties. Carlson declined to identify the potential partners.

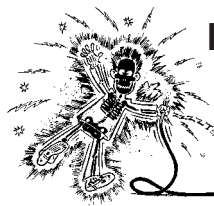
Carlson, the wind industry representative on the **Nevada Renewable Energy & Energy Conservation Task Force**, began Nevada Wind with **John Johansen**, former president of both the **American Wind Energy Association** and **Global Renewable Energy Partners**, in 2004. Carlson and Johansen began prospecting for other suitable sites in Nevada after the **Department of Defense** shut down its plans for a 500 MW farm in the state citing safety concerns.

The proportion of debt to equity and type of equity for each project will depend on potential investors, Carlson says. The company is also in talks with two large utilities he declined to name for PPAs for the Virginia Peak project. Construction will begin when the project gets approval from state regulators and the farm will be operational in one to three years. Meanwhile,



Alternating Current

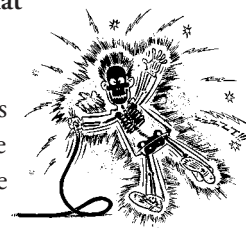
If You Can't Take The Heat



Governor **Sarah Palin's** playground is literally heating up. While she may call for oil drilling, Alaska may soon be seeing drills invade to tap the state's geothermal resources after it held the first-ever competitive sale for geothermal land leases last Wednesday.

Only three parties submitted bids to the **Alaska Division of Oil and Gas** for lease rights beneath Mount Spurr, an 11,070-foot volcano near Anchorage (PFR, 7/11). **Ormat Nevada** blew the competition out of the water—or geyser, rather—with a grand total bid of \$3.57 million for all 16 leases on offer. "They're throwing money like there is no tomorrow," exclaims one industry official. On tract number nine, **Iceland America Energy's** bid of \$7,685.41 didn't stand a chance next to Ormat's bid of \$1,418,844. "It was a sealed bid, so we didn't know what the others were going to bid," says **Paul Thomsen**, director of policy and business development at **Ormat Technologies** in Reno, Nev.

The company has been working with **Lehman Brothers** for strategic acquisitions (PFR, 8/1). It will have a better idea where this project fits into its development queue next year, says Thomsen.



Nevada Wind is submitting plans to state and federal regulators next year for the remaining projects in the portfolio.

Nevada Wind recently brought in **Edison Mission Energy** to develop its Wilson Creek wind project of up to 990 MW in central-eastern Nevada along the Utah border. Edison will finance construction, which could start on the farm as early as 2010, pending regulatory approval and environmental impact statements. An Edison spokesman says most Edison projects are financed from its corporate balance sheet, though he declined to comment on the specific costs and financing associated with Wilson Creek. Carlson also declined to comment on financing for that project.

—Sara Rosner

Quote Of The Week

"We could have done this anytime we wanted but we thought... There's no telling where these markets will go in October or November." —**Allen Capps**, treasurer of **Spectra Energy** in Houston, on the company's two-tranche bond offering of \$500 million that closed Sept. 3 (see story, page 7).