

IJGlobal Awards 2021 – North America Deal Winners

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We are delighted to announce the winners of the IJGlobal Awards 2021, giving recognition to a slew of fantastic greenfield financing and refi deals that reached financial close in North America over the last calendar year.

The winners were announced last night at Gotham Hall in New York where the energy and infrastructure community gathered to celebrate achievements from over the course of 2021 and commiserate with the runners-up.

Guests were entertained by Carole Montgomery, from showtime specials that she has both created and starred in, titled 'Funny Women of a Certain Age'. Montgomery also co-hosted the awards with IJGlobal Editor Ila Patel.

In this piece we highlight the North American winners with the Latin American winners being reported in a separate story.

We would like to take this opportunity to thank those who attended the sumptuous evening and congratulations to all who submitted, were shortlisted and – most of all – the winners.



North America Deal Winners

IJGlobal Export finance Deal of the Year 2021

ECA-backed JOLCO for Seaspan

The winner of the export finance deal of the year, North America is the ECA-backed with Japanese Operating Lease Call Option (JOLCO) for Seaspan, a first-of-its-kind transaction which combines 2 ship finance structures, an ECA-backed loan and a sale-leaseback arrangement under special Japanese lease contracts.

JOLCO provided Seaspan with:

- a long tenor which extended and diversified Seaspan's maturity profile
- competitive pricing which is meaningfully lower relative to existing secured debt
- partial funding of pre-delivery installment payments, totalling 30-40% of contract price and, 100% construction price funded at vessel deliveries
- diversified funding sources combining Japanese equity (over 25%) with an ECA backed syndicated loan (over 75%).

HSBC acted as global coordinator, ECA agent, MLA and lead bookrunner for \$633 million China Export & Credit Insurance Corporation (Sinasure) backed financing with a JOLCO structure for Seaspan, a wholly owned subsidiary of Atlas. Proceeds from the financing will be used to finance 8 newbuild vessels, consisting of four 12,000 TEU and four 15,000 TEU vessels. The vessels are scheduled to be delivered from Q3 2022 through Q3 2023.

In the 40-year history of JOLCO structures, an ECA financing and a JOLCO have never been successfully combined in shipping. To add to the innovative features and structural complexity, the transaction included an ECA-backed pre-delivery financing which intended to be converted

to ECA-backed JOLCOs at vessel deliveries.

Financial close was reached on 29 October 2021.

IJGlobal Upstream Oil & Gas Deal of the year 2021

Shenandoah Field

Shenandoah field won Upstream Oil & Gas Deal of the Year because it was one of the first few upstream finance transactions in the US that involved pre-production stage financing. The deepwater Shenandoah field is situated within the Walker Ridge area of the Gulf of Mexico in an average water depth of approximately 1,800 meters. The first oil production from the Shenandoah deepwater oil field is expected in 2024 and is anticipated to become a large oil & gas-producing asset in the US Gulf of Mexico.

The \$1.25 billion transaction structure was unusually complex (even in the world of reserve-based development financing), because it had multiple borrowers, a long development period, the deep-water location of the field and the requirement for offshore gathering and transport infrastructure as well as onshore processing facilities. Société Générale led the syndicate financing package.

The project consists of the development of a vertically integrated upstream and midstream system, comprised of:

- development of an upstream greenfield development field located in US Deepwater GOM
- associated midstream infrastructure which includes the installation and fabrication of subsea facilities, export pipelines, and a floating production system fabricated and installed to support the development assets

Shenandoah field will also incorporate technological advancements in respect to high pressure and high temperature specification equipment and ESG considerations to ensure environmentally sustainable development and operations of the field. The deal reached financial close in August 2021.

IJGlobal LNG Oil & Gas Deal of the Year 2021

Plaquemines

The winner of the LNG Oil & Gas deal of the Year is Plaquemines - Venture Global's LNG facility in Louisiana is currently under construction and will have total nameplate liquefaction and export capacity of 20 million tons per annum. The liquefied natural gas produced at the facility will be a cleaner-burning fuel relative to coal and oil, and LNG cargos from the project will be exported globally to Europe and Asia.

Bridge financing for pre-construction work of this important greenfield LNG Facility in Louisiana closed in November 2021. Financing was provided by Goldman Sachs, Mizuho, RBC Capital Markets, ING Capital, Bank of America, ICBC Standard Bank, JP Morgan, Natixis, Nomura, Santander and Bank of Nova Scotia.

IJGlobal Alternative Deal of the Year 2021

Nautilus Cryptomine

This unusual deal is recognised as Alternative Deal of the Year because the 2.5GW zero-carbon nuclear energy generating facility in the PJM interconnection will be among the largest, most efficient BTC mines in North America.

The project is a JV between Talen Energy and US-based bitcoin mining company TeraWulf. Nautilus benefits from long-term, and zero carbon power supply directly from the nuclear facility at a cost comfortably below the competition. The jointly owned facility is expected to reach 300MW when complete.

Talen and its subsidiary Cumulus Digital secured a \$175 million 6-year senior secured facility from Orion Energy Partners to finance the construction and operation of the bitcoin mining joint venture as well as fund common infrastructure for Nautilus Cryptomine and the Cumulus hyperscale data centre campus located adjacent to Talen's 2.5GW Susquehanna carbon-free nuclear plant.

IJGlobal Refinancing Deal of the Year 2021

Potomac Energy Center Project

The refinancing of the Potomac Energy Center is the winner in this category because it was part of a broader out-of-court restructuring process and was completed despite a tight timeline – a timeline set due to the plant's debt expiring on 13 November 2021.

Ares Management closed the \$500 million refinancing of Panda Stonewall, a 802MW combined cycle natural gas-fired electric generating unit located in the County of Loudon, Virginia on 12 November 2021. The project was renamed the Potomac Energy Center.

The debt package comprised a \$450 million five-year term loan B and a \$50 million revolving credit facility with Investec acting as sole lead arranger on the oversubscribed deal, replacing \$485 million of outstanding debt on the plant's term loan that Ares initially helped finance as part of a consortium in 2014.

The plant has the ability to supply power to 778,000 homes in the surrounding Virginia area, providing jobs to many in the local community and fuelling the economy. Currently the power station sells electricity to 13 states and Washington DC.

IJGlobal Mining Deal of the Year 2021

Newmont Sustainability-Linked Bond

The Newmont Sustainability-Linked Bond was the winner of the Mining Deal of the Year because the transaction is the first of its kind in the sector.

Newmont conducted a public offering of a US\$1 billion aggregate principal amount of 2.6% sustainability-linked senior notes due 2032. The notes were senior unsecured obligations and rank equally with the company's existing and future unsecured senior debt and senior future subordinated debt. The notes were guaranteed by the company's subsidiary, Newmont USA.

The coupon on the notes was linked to Newmont's performance against key ESG commitments regarding 2030 emissions reduction targets and the representation of women in senior leadership roles target. The interest rate payable on the notes will be increased if the company fails to reach the stated targets by 2030.

Newmont intends to use the net proceeds of this offering for the repurchase of the company's outstanding 3.7% notes due 2023 issued by the company's wholly owned subsidiary, Goldcorp. The company redeemed all of the outstanding 2022 notes on 15 December 2021.

IJGlobal Social Infrastructure Deal of the Year 2021

Fresno State's Energy Infrastructure Modernization P3

Fresno Central Utility Plant Replacement Project was the winner on the night for the Social Infrastructure Deal of the Year with a number of firsts. It was the first US greenfield P3 project to close in the university campus energy sector, the first that used a Green Bond certification, and the first to feature an SDG impact bond, under which there is a higher interest rate if energy savings targets are not met.

The existing central heating and cooling plant at Fresno State provides services to more than 3.1 million square feet of building space, spread across 80 buildings and 1,011 acres. The plant was built in 1954 and is well past its useful life. The project includes the development of:

- central utility plant, providing thermal comfort (HVAC) systems
- cold and hot water piping distribution system
- energy management and control system (EMS)
- other energy conservation and efficiency measures

The SDG impact bond amounted to \$122.5 million with KeyBanc acting as sole placement agent. The tenor of the debt was 30 years plus 3 years for construction with pricing spreads under 200bp. It closed in February 2021.

The deal is part of the growing trend in the US market for universities to contract with private developers to design, build, upgrade, operate and maintain their energy systems or specific assets. The key drivers for these transactions are to increase the sustainability and resiliency of the assets in addition to achieving climate change or other energy savings goals.

IJGlobal Telecoms Deal of the Year 2021

Manitoba Fiber Project

The Manitoba Fiber Project was one of the only broadband financings in Canada of this size to have closed in the last decade, making it the Telecoms Deal of the Year. DIF Capital Partners and Canada Infrastructure Bank (CIB) agreed to invest in project owned by Valley Fiber, a Winkler, Manitoba-based telecoms infrastructure company.

The project involves construction of 2,657km of mainline fibreoptic cabling, targeting 48,500 underserved households with dedicated fibre-to-the-home. The broadband service will offer speeds up to 1 gigabit per second, enhancing telecoms services for residents, businesses and public service delivery. Construction is already underway.

Due to the technical complexities of fibre-optic internet delivery project financing, all parties involved had to get creative and collaborate to implement innovative business and legal solutions.

DIF, Agentis, and CIB worked to create a unique transaction structure that borrowed from traditional P3 concepts in order to achieve an efficient allocation of risk and economics, allowing a project to move forward that had been in an historically challenging geography for fiber service providers.

The structuring allows for flexibility in capital expenditures which will vary based on ultimate project scope and customer take-up rates. CIB and DIF negotiated unique risk-sharing mechanisms for an FTTH build, where limited precedent existed.

IJGlobal Transport Deal of the Year 2021

New York State Thruway Service Areas P3 Project

The New York State Thruway Service Areas P3 overcame adverse market conditions to win Transport deal of the Year. Lease negotiations were already underway with Empire State Thruway Partners (ESTP) when the project was stymied by the impact of COVID-19-related lockdowns beginning in March 2020.

But ESTP and the authority persisted—agreeing to multiple extensions of the final lease agreement deadline, which not only prompted the extension of existing leases at the Service Areas, but also required coordination and flexibility across many parties in the public and private sectors. Despite these hurdles, the lease agreement was finalised on 21 July 2020, which allowed other key project agreement negotiations and a firm timetable to follow.

ESTP has been tasked with the financing, construction, reconstruction, improvement, development, operations, and maintenance to the food and non-fuel retail facilities and related infrastructure at 27 service areas located along the New York State Thruway traffic.

The deal was the first of its kind to be financed using \$269 million in PABs to fund the development of service area improvements. The borrower was able to maintain a debt service coverage ratio of 2.13x as a result of ESTP's implementation of a 4.00% coupon structure for most of the debt (in lieu of the traditional 5.00%). Total equity was circa \$40 million and the deal reached financial close on 30 March 2021.

The project received strong indications from investors that warranted reduced credit spreads going into the order period. On the date of sale, the bonds were substantially oversubscribed, which allowed further yield tightening to a final pricing level significantly higher than the municipal market benchmark.

IJGlobal Water Deal of the Year 2021

Fargo-Moorhead Metropolitan Area Flood Risk Management P3

The Fargo-Moorhead Flood Diversion P3 is a first-of-its-kind in the North American infrastructure market and one of the largest climate change projects in the world, making it the Water Deal of the Year. This inter-state project's novel financial structure serves as a pathfinder for communities at risk of extreme flooding to establish similar protocols.

The financial structure provided a framework so that loans, notes, and bonds were issued as "green," allowing for direct investment into debt that supports climate change adaptation and resilience projects — a novel arrangement in the current P3 market.

The project was financed with:

- \$273 million PABs split into 2 tranches underwritten by Citi, Morgan Stanley and SMBC Nikko Securities America
- \$642.5 million revolving credit facility provided by SMBC, CaixaBank and The Korea Development Bank, with related interest rate swaps provided by CaixaBank and SMBC Capital Markets
- \$197.7 million of privately placed secured notes purchased by MetLife Insurance, Metropolitan Tower Life Insurance Company, Swiss Reinsurance Company, Swiss Re Life & Health America, American Memorial Life Insurance Company, Universal-Investment-Gesellschaft on behalf of and for account of UI-Masterfonds-Renten, and HANSAfreeInvest

The developing team – Red River Valley Alliance – will provide permanent 100-year flood protection and resilience, safeguarding the Fargo-Moorhead Metropolitan area from seasonal flooding and removing hundreds of thousands of homes from the floodplain.

This in turn will deliver significant economic and social benefits to the residents, businesses and communities within the Fargo-Moorhead metropolitan area and surrounding rural communities in a world where extreme weather and major floods are likely to be more frequent due to changing climate.

As well as the financing, the Metro Flood Diversion Authority (MFDA) should be lauded for bringing together numerous stakeholders across 2 states to deliver this important project. The project reached financial close on 13 October 2021.

IJGlobal Power Deal of the Year 2021

CPV Maryland

Competitive Power Ventures (CPV) closed a term loan B package to refinance a 745MW gas-fired, combined-cycle project in Charles County, Maryland, making it Power Deal of the Year.

MUFG led the \$375 million 7-year term loan B plus a \$100 million ancillary facility (for letters of credit and working capital loans) to refinance existing bank debt with BNP Paribas, Crédit Agricole and Mizuho acting as joint lead arrangers. The transaction closed on 11 May 2021.

Following 4 years of proven operations and significant de-leveraging of the existing financing, the Term Loan B transaction was able to meet sponsors' goals of extending debt tenor by 7 years, relaxing repayment requirements, increasing leverage, and taking a distribution.

CPV Maryland was also the first new issue Term Loan B for a single-asset power project to be executed since December 2018.

The deal comes with 101 soft call protection for 12 months, up from the 6 month-term that was initially floated. The lenders were also offered a six-month debt-service reserve account and a quarterly 75% excess cash flow sweep, reducing to 50% if leverage is less than 4 times debt-to-EBITDA. Under the terms of the refinancing, St Charles has a financial covenant of 1.1x debt service coverage.

CPV originally financed the St Charles CCGT in 2014 with a \$400 million term loan and \$185 million in ancillary facilities. GE Energy Financial Services led that deal alongside Crédit Agricole and ING Capital. The developer also brought in Marubeni Corp, Toyota Tsusho and Osaka Gas as equity investors, selling them 25% stakes each. CPV levered up its remaining 25% interest with a roughly \$45 million mezzanine loan from now Ares Management.

The project has been online since February 2017 and is fitted with General Electric's 7F.05 turbines. It sells its output into the SWMAAC zone of PJM Interconnection.

IJGlobal Battery Storage Deal of Year 2021

Valley Center Battery Storage Project

The Valley Centre project was selected as the winner of the battery storage category because of its significance in the ESG space. It represented the first financing of a projected revenue stream from a single stand-alone battery storage project that included both a contracted and merchant component. This provided recognition in the financing markets of the value of battery storage in California's transition to renewable energy generation.

The deal comprises the construction of a 460MWh battery energy storage system with a 139MW interconnection capacity, consisting of battery modules and other equipment, facilities and improvements in Valley Center, California.

The financing package comprised senior secured bank financing of \$71 million battery loan facility and a debt service reserve revolving facility of \$4.6 million. Additionally, there was a \$69.3 million construction facility, a \$7.9 million letter of credit facility, a \$1.5 million debt service revolving facility and a \$1.3 million working capital revolving facility. It reached financial close in March 2021.

IJGlobal Renewables Deal of the Year 2021

Vineyard Wind Project

Vineyard Wind is the first commercial-scale offshore windfarm in the USA and sets the precedent in terms of pricing and structure for other offshore windfarm projects currently being developed, making it Renewables Deal of the Year.

The transaction involved a structuring and diligence process given close to 3-year construction period involving multiple contractors and several firsts, including the first large offshore wind farm to be built globally using the "feeder solution" to stay in compliance with US Jones Act requirements. It is also the first offshore wind project to utilize the 13.6MW version of GE's ground-breaking Haliade-X turbines.

The \$2.45 billion Vineyard Wind 1 will finance construction of the 62-turbine project in federal waters 15 miles south of Martha's Vineyard and Nantucket, and 35 miles from mainland Massachusetts. Lenders on the deal included Bank of America, BBVA, BNP Paribas, Crédit Agricole, JP Morgan, MUFG, Natixis, NatWest and Santander.

Vineyard Wind 1 will generate 800MW of electricity annually and power over 400,000 homes. The 2 Sponsors are Copenhagen Infrastructure Partners and Iberdrola-subsiidiary, Avangrid. When the Project reaches COD, the construction loan will convert to a term loan and exposure will be evenly split at holdco level entities owning the respective sponsors' shares.

The debt structure contemplates an accordion option for the project to incur additional debt to bridge any potential tax equity investor or direct payment as a result of ongoing discussions surrounding renewables legislation.

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