

# North American Power & Utilities Deals\*—Q3 2014

## Quarter in review

“Deal activity in the power and utilities industry remained steady in the third quarter as companies made strategic acquisitions of assets and businesses to deliver shareholder value. Divestitures of non-regulated power generation assets and businesses are adding scale to and growing the number of independent power producers in the market. At the same time, YieldCos are continuing to pursue assets, with a particular focus on renewables, to feed their business models and sustain growth in cash flows.”

*Jeremy Fago, US Power & Utilities Deals Leader*

## Key trends in Q3 2014

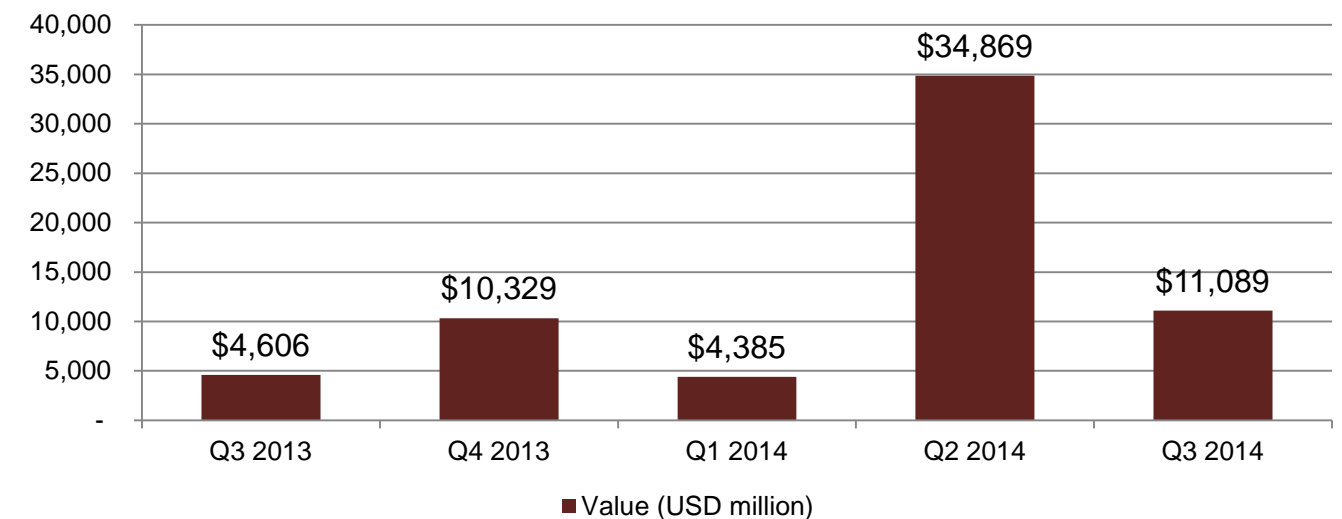
- This quarter, we observed a similar number of deals greater than \$50 million as compared to last quarter and prior year (12 this quarter, 13 last quarter, and 12 from the quarter a year ago).
- The value of deals greater than \$50 million dropped 68%, from \$34.9 billion last quarter to \$11.1 billion this quarter. However, this quarter's value of deals > \$50 million was 141% greater than Q3 2013 and also greater than Q4 2013 and Q1 2014.
- This quarter, we saw four mega deals (deals greater than \$1 billion). The average deal size from the previous quarter dropped 66% (from \$2,682 million to \$924 million).
- Strategic investors accounted for 76% of deals by value, down from 93% during the previous quarter.
- In terms of deal type, asset deals grew from 18% to 81% of deal value as compared to last quarter. Foreign deals remained at close to the same percentage as last quarter (5% this quarter, 2% last quarter). Alternative deals grew significantly to 26% of deal value, from only 8% last quarter.

## Q3 2014 vs. Q3 2013 comparison

- 12 deals valued at more than \$50 million came in this quarter, consistent with the 12 quarterly deals a year ago. Total deal value and average deal value increased by 141% each as compared to Q3 2013.

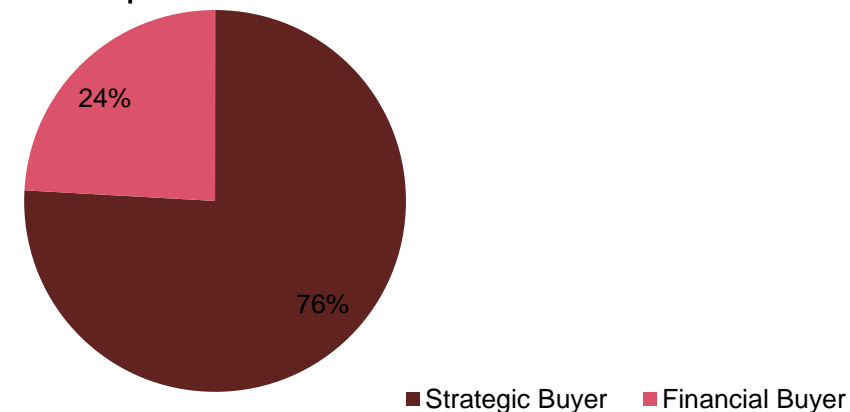
Period	All deals	Deals >USD 50 million		
	Number	Number	Value (USD million)	Average value (USD million)
Q3 2013	42	12	4,606	384
Q4 2013	44	14	10,329	738
Q1 2014	34	7	4,385	626
Q2 2014	43	13	34,869	2,682
<b>Q3 2014</b>	<b>43</b>	<b>12</b>	<b>11,089</b>	<b>924</b>

## By transaction value (USD million)

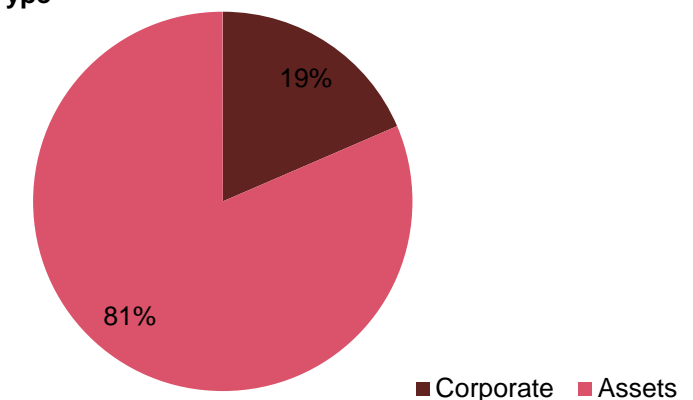


## Deals > USD 50 Million

### By Investor Group



### By Transaction Type



Source: Thomson Reuters, S&P Capital IQ, PwC analysis

\* North American power deals provides a summary of the most recent non-regulated power generation and regulated utility (electric, gas and water) transaction activity.

# North American Power & Utilities Deals—Q3 2014

Rank	Value (USD million)	Acquirer Name	Target Name	Corp or Asset	Strategic or Financial	Announced Date	Deal Summary
1	3,450	Dynegy Inc.	EquiPower Resources Corp.	Asset	Strategic	8/22/14	US - Dynegy Inc. (Dynegy), through its wholly owned subsidiary, definitively agreed to acquire certain generation assets of EquiPower Resources Corp, a Hartford-based provider of power generation services, and a unit of Energy Capital Partners LLC, for USD 3.5 billion. The transaction was to include certain generation assets of Brayton Point Holdings LLC.
2	2,800	Dynegy Inc.	Duke Energy Midwest Commercial Generation Assets	Asset	Strategic	8/22/14	US - Dynegy Inc. (Dynegy), through its wholly owned subsidiary definitively agreed to acquire certain Midwest commercial generation assets of Duke Energy Corp (Duke), a Charlotte-based integrated utility, for USD 2.8 billion.
3	1,940	Energy Capital Partners LLC	Wheelabrator Technologies Inc.	Corp	Financial	7/29/14	US - Energy Capital Partners LLC definitively agreed to acquire the entire share capital of Wheelabrator Technologies Inc., a Hampton-based provider of disposal, waste-to-energy and independent power generation services, from Waste Management Inc., for USD 1.9 billion in cash, in a leverage buyout transaction.
4	1,200	Duke Energy Progress Inc.	North Carolina Eastern Municipal Power Agency Generation Assets	Asset	Strategic	7/28/14	US - Duke Energy Progress Inc., a unit of Duke Energy Corp, agreed to acquire certain generating assets of state-owned North Carolina Eastern Municipal Power Agency, a Raleigh-based provider of electric power distribution services, for an estimated USD 1.2 billion.
5	609	Fiera Axium Infrastructure US	EDP Renovaveis US Wind Portfolio	Asset	Financial	8/20/14	US - Fiera Axium Infrastructure US LP, a unit of Fiera Axium Infrastructure Inc., agreed to acquire an undisclosed minority stake in a 1,101 MW wind farm portfolio, located in Oregon, from EDP Renovaveis SA, a Lisbon-based owner and operator of wind farms, for USD 609 million, in a privately negotiated transaction.
6	530	Calpine Corp	Exelon Corporation, Fore River Generating Station	Asset	Strategic	8/25/14	US - Calpine Corp agreed to acquire the Fore River generation station of Exelon Corp, a Chicago-based electric and gas utility company, for an estimated USD 530 million.
7	203	Enbridge Inc.	EDF EN Canada Inc. Wind Power Plants	Asset	Strategic	9/23/14	CANADA - Enbridge Inc. (Enbridge) agreed to raise its interest to 67.5% from 50% by acquiring a 17.5% stake in the Lac-Alfred Wind Project, a joint venture of EDF EN Canada Inc. (EDF EN) and Enbridge, from EDF EN, a Toronto-based provider of electric utility services, and a unit of French state-owned Electricite de France SA EDF Energies Nouvelles SA, in a privately negotiated transaction. Concurrently, Enbridge agreed to raise its interest to 80% from 50% by acquiring a 30% stake in Massif du Sud Wind Project from EDF EN, in a privately negotiated transaction. The two transactions were to have a combined value of an estimated CAD 225 million (USD 203 million).
8	126	Blackstone Group LP	Optim Energy Twin Oaks, LP	Asset	Financial	8/5/14	US - Blackstone Group LP (Blackstone) won an auction to acquire the Twin Oaks power plant, from Optim Energy LLC, for USD 126 million in cash, in a leveraged buyout transaction. Originally, in February 2014, bankrupt Optim Energy LLC, an Irving-based owner and operator of power plants, owned by ECJV Holdings LLC, a unit of Cascade Investment LLC, announced that it was seeking a buyer for its Twin Oaks power plant.
9	60	BluEarth Renewables Inc.	Canadian Solar Solutions Inc. Good Light Solar Power Plant	Asset	Strategic	8/20/14	CANADA - BluEarth Renewables Inc. acquired Good Light Solar Power Plant from Canadian Solar Solutions Inc., a Guelph-based owner and operator of renewable energy plants, for CAD 66 million (USD 60 million).
10	60	Exelon Corporation	Integrus Energy Services, Inc.	Corp	Strategic	7/30/14	US - Exelon Generation Company, LLC (Exelon) entered into a definitive agreement to acquire Integrus Energy Services, Inc. from Integrus Energy Group, Inc. for USD 60 million in cash, plus adjusted net working capital at the time of closing. Upon completion, Integrus Energy Services will become part of Exelon's Constellation business unit and will operate under the Constellation brand.