

# North American power deals\*—Q3 2012

## Quarter in review

“This quarter we saw the highest level of deal activity of transactions worth over \$50 million since the third quarter of 2011, as companies look to scale operations to drive revenue. Consistent with our earlier reports, we continue to see increased generation asset activity, both fossil and renewable.”

*Jeremy Fago, U.S. Power and Utilities Valuation Services Leader*

## Key trends

- There were six deals announced during the quarter, including a significant corporate deal in the merchant energy space, where we expect to see continuing activity. Other deals included fossil wind, solar and hydro generation, retail marketers and developers.
- Q3 2012 had more deals announced greater than \$50 million than any quarter since Q3 2011.
- In Q3 2012, absent the \$4.2 billion transaction announced between NRG Energy and GenOn, the average deal value for deals announced greater than \$50 million was \$158.3 million.
- Strategic investors dominated the reported activity, with 90% of the investor activity in deals greater than \$50 million.

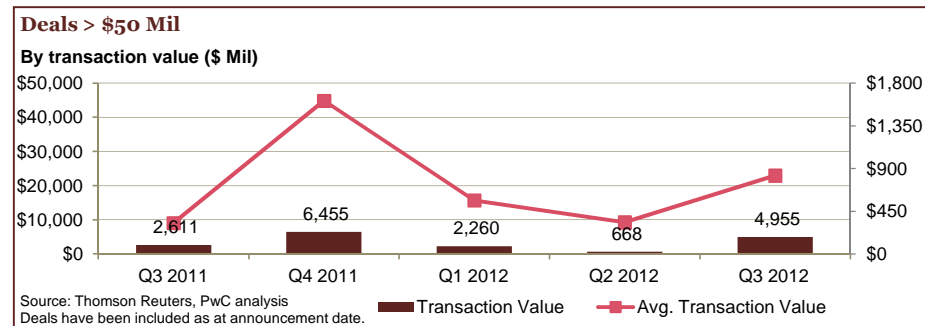
## Q3 2012 vs. Q3 2011 comparison

Similar to Q3 2011, one significant transaction drove deal value in Q3 2012. While the number of deals greater than \$50 million declined in Q3 2012 compared to the same period in 2011, the total value of deals increased to \$4.9 billion compared to \$2.6 billion in Q3 2011. Average deal value in Q3 2012 also increased on a year over year basis to \$826 million compared to \$326 million in Q3 2011.

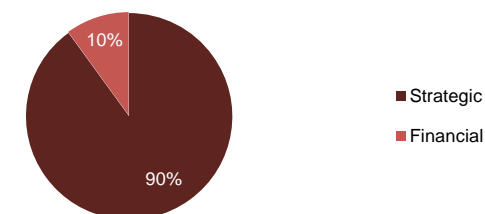
| Period         | All deals |                | Deals >\$50 Mil |                        |
|----------------|-----------|----------------|-----------------|------------------------|
|                | Number    | Value (\$ Mil) | Number          | Average value (\$ Mil) |
| Q3 2011        | 34        | \$2,611        | 8               | \$326                  |
| Q4 2011        | 29        | \$6,455        | 4               | \$1,614                |
| Q1 2012        | 29        | \$2,260        | 4               | \$565                  |
| Q2 2012        | 16        | \$668          | 2               | \$334                  |
| <b>Q3 2012</b> | <b>27</b> | <b>\$4,955</b> | <b>6</b>        | <b>\$826</b>           |

| Top 10 Deals |                |                                       |                                  |                  |
|--------------|----------------|---------------------------------------|----------------------------------|------------------|
| Rank         | Value (\$ Mil) | Acquirer name                         | Target name                      | Transaction type |
| 1            | 4,164          | NRG Energy Inc.                       | GenOn Energy Inc.                | Corp.            |
| 2            | 400            | Raven Power Holdings LLC              | Exelon (Maryland Clean Coal)     | Assets           |
| 3            | 135            | Sprott Power Corp.                    | Shear Wind Inc.                  | Corp.            |
| 4            | 110            | Direct Energy Services LLC            | Energetix Inc.                   | Corp.            |
| 5            | 82             | Innergex Renewable Energy Inc.        | Hydromega Services Inc. (Magpie) | Corp.            |
| 6            | 65             | Kansas City Board of Public Utilities | Dogwood Energy LLC (Plant)       | Corp.            |
| 7            | 24             | Brookfield Renewable Energy           | Western Wind Energy Corp.        | Corp.            |
| 8            | 9              | NJR Clean Energy Ventures Corp.       | OwnEnergy Inc.                   | Corp.            |
| 9            | 6              | Earth Heat Resources, Ltd.            | Geothermal One Inc.              | Assets           |
| 10           | Undisclosed    | Southeast PowerGen LLC                | Perennial Power Holdings Inc.    | Assets           |

Source: Thomson Reuters, PwC analysis



## By investor group



Source: Thomson Reuters, PwC analysis



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

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| Top 10 deals |                |                                       |                                  |                  |                |  |
|--------------|----------------|---------------------------------------|----------------------------------|------------------|----------------|--|
| Rank         | Value (\$ Mil) | Acquirer name                         | Target name                      | Transaction type | Date announced | Deal summary   |
| 1            | 4,164          | NRG Energy Inc.                       | GenOn Energy Inc.                | Corp.            | 7/22/12        | NRG Energy Inc (NRG), through its Plus Merger Corp wholly owned subsidiary, definitively agreed to merge with GenOn Energy Inc. (GenOn), a Houston-based independent power producer, in a stock swap transaction valued at USD 1.7 billion. NRG offered 0.1216 common shares per GenOn share. Based on NRG's closing stock price of USD 18.05 on 20 July 2012, the last full trading day prior to the announcement, each GenOn share was valued at USD 2.20. |
| 2            | 400            | Raven Power Holdings LLC              | Exelon (Maryland Clean Coal)     | Assets           | 8/9/12         | Raven Power Holdings LLC, a Riverstone Holdings company, agreed to acquire Maryland Clean Coal, three coal-fired power plants, from Exelon for USD 400 million in cash.  |
| 3            | 135            | Sprott Power Corp.                    | Shear Wind Inc.                  | Corp.            | 8/8/12         | Sprott Power Corp. agreed to acquire the entire share capital of Shear Wind Inc., a Bedford-based renewable wind energy generator, for USD 0.223 in cash per share, or a total value of USD 135 million.   |
| 4            | 110            | Direct Energy Services LLC            | Energetix Inc.                   | Corp.            | 7/12/12        | Direct Energy Services LLC (Direct Energy), a wholly- owned unit of Centrica PLC, acquired Energetix Inc., a Rochester-based provider of electric, natural gas supply and alternative energy services. Concurrently, Direct Energy acquired NYSEG Solutions Inc. The two transactions had a combined value of USD 110 million in cash.   |
| 5            | 82             | Innergex Renewable Energy Inc.        | Hydromega Services Inc. (Magpie) | Corp.            | 7/26/12        | Innergex Renewable Energy Inc. agreed to acquire a 70 percent interest in the Magpie hydroelectric facility of Hydromega Services Inc., a Montreal-based provider of hydroelectric power services, for an estimated USD 82 million. The consideration was to consist of USD 30 million and the assumption of USD 51.5 million in liabilities.  |
| 6            | 65             | Kansas City Board of Public Utilities | Dogwood Energy LLC (Plant)       | Corp.            | 9/13/12        | Kansas City Board of Public Utilities planned to acquire a 72.5 percent stake in the Dogwood combined cycle power plant of Kelson Energy Inc, a Columbia-based provider of electric utility services, for an estimated USD 65 million, in a privately negotiated transaction.  |
| 7            | 24             | Brookfield Renewable Energy           | Western Wind Energy Corp.        | Corp.            | 8/29/12        | Brookfield Renewable Energy Partners LP acquired a 16.2 percent stake, or 10,727,506 common shares, in Western Wind Energy Corp, a Vancouver- based owner and operator of wind and solar energy farms, for USD 2.28 in cash per share, or a total value of USD 24.4 million, in a privately negotiated transaction.  |
| 8            | 9              | NJR Clean Energy Ventures Corp.       | OwnEnergy Inc.                   | Corp.            | 9/11/12        | NJR Clean Energy Ventures Corp., a unit of New Jersey Resources Inc's NJR Energy Investments Corp, acquired a 20 percent stake in OwnEnergy Inc., a Brooklyn- based community wind developer and operator, for USD 8.8 million.  |
| 9            | 6              | Earth Heat Resources Ltd.             | Geothermal One Inc.              | Assets           | 7/2/12         | Earth Heat Resources Ltd. (Earth) of Australia agreed to acquire Geothermal One Inc., an owner and operator of a cogeneration plant, for an estimated USD 5.9 million in cash or Earth common shares.  |
| 10           | Undisclosed    | Southeast PowerGen LLC                | Perennial Power Holdings Inc.    | Assets           | 8/14/12        | Southeast PowerGen LLC (Southeast), a wholly owned unit of ArcLight Capital Partners acquired the 300 MW cogeneration facility (facility), located in Georgia from Perennial Power Holdings Inc (Georgia), a New York-based owner and operator of power plants.  |

Source: Thomson Reuters, PwC analysis.