

North American Power & Utilities Deals*

Q2 2015

To learn more about PwC's US Power and Utilities practice, visit www.pwc.com/us/utilities

Quarter in review

"While renewable transactions drove deal activity this quarter, and continues to drive investor interest in the space, we see broader interest in deals across the industry landscape. With the attractive profile of regulated utilities, we see broader interest in power and utilities deals from both strategic and financial investors, and see investor interest in regulated transactions from both domestic and foreign investors."

Jeremy Fago, U.S. Power & Utilities Deals Leader

Key trends this quarter

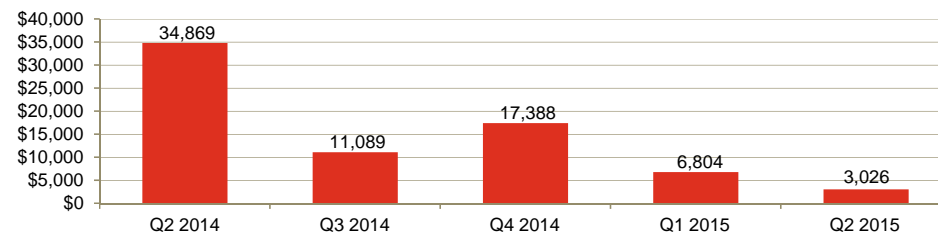
- This quarter, we saw an increase in volume, but decrease in value, of deals greater than \$50 million, when compared to the previous quarter.
- There were 10 deals greater than \$50 million this quarter, compared to 7 the previous quarter and 13 during the second quarter of 2014.
- Nine of the 10 transactions this quarter with announced deal values greater than \$50 million were renewable power deals, totaling \$2.7 billion or 91% of deal value, as compared to \$440 million or 6% in the previous quarter.
- Total deal value decreased by 56% from the previous quarter from \$6.8 billion to \$3.0 billion.
- Strategic investors accounted for 91% of total deal value, up from 87% of deals by value during the previous quarter.
- There were no inbound deals this quarter, as compared to 6% of deals by value the previous quarter.
- Average deal size decreased by 69% from the previous quarter from \$972 million to \$303 million.
- There were no mega deals this quarter (deal value > \$1 billion), compared to 1 mega deal in the previous quarter totaling \$4.7 billion.

Q2 2015 vs. Q2 2014 comparison

- When compared to the second quarter of 2014, total deal value decreased by 91% from \$34.9 billion to \$3.0 billion. Average deal size decreased by 89% from \$2.7 billion to \$303 million.

	All deals	Deals >USD 50 million		
Period	Number	Number	Value (USD million)	Average value (USD million)
Q2 2014	43	13	34,869	2,682
Q3 2014	43	12	11,089	924
Q4 2014	43	22	17,388	790
Q1 2015	46	7	6,804	972
Q2 2015	52	10	3,026	303

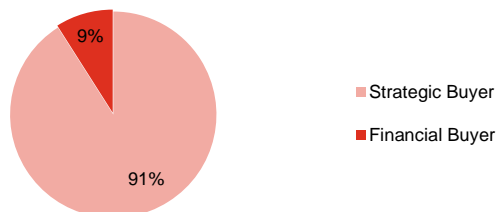
Deals > USD 50 million, by transaction value (USD million)



Source: Thomson Reuters, S&P Capital IQ, PwC analysis.
Deals have been included as at announcement date.

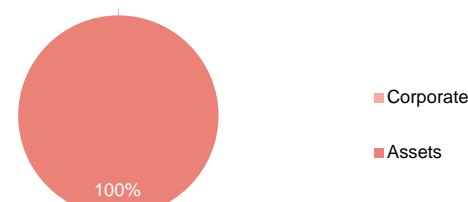
Deals > USD 50 million

By investor group



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

By transaction type



Source: Thomson Reuters, S&P Capital IQ, 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 (USD million)	Acquirer name	Target name	Transaction type	Investor group	Date announced	Deal summary
1	\$681	NextEra Energy Partners, LP	NextEra Energy Wind Projects	Asset	Strategic	4/29/15	US - NextEra Energy Partners, LP, a majority-owned unit of NextEra Energy Inc. (NEE), acquired 4 wind assets from NextEra Energy Resources LLC.
2	\$572	NRG Yield Operating LLC	Desert Sunlight Investment Holdings, LLC	Asset	Strategic	6/18/15	US - NRG Yield Operating LLC, a unit of NRG Yield Inc. (NRG Yield), agreed to acquire a 25% stake in Desert Sunlight, a Riverside County-based provider of alternative energy sources, from GE Energy Financial Services Inc. (GE Energy), for an estimated USD 572 million, in a privately negotiated transaction. The consideration was to consist of an estimated USD 285 million and the assumption of USD 287 million in liabilities.
3	\$515	TerraForm Power, Inc.	Atlantic Power Wind Projects	Asset	Strategic	4/1/15	US - TerraForm AP Acquisition Holdings LLC, a unit of TerraForm Power, Inc., ultimately-owned by SunEdison Inc., acquired the entire share capital of TerraForm AP Holdings LLC, an owner and operator of wind projects, from Atlantic Power Transmission Inc., a unit of Atlantic Power Corp.
4	\$350	Pattern Canada Finance Company ULC	Pattern K2 GP Holdings Inc. and 33% of K2 Wind Ontario Limited Partnership	Asset	Strategic	4/6/15	Canada - Pattern Canada Finance Company ULC agreed to acquire Pattern K2 GP Holdings Inc. and 33% of K2 Wind Ontario Limited Partnership from Pattern Energy Group LP for approximately USD 350 million on April 6, 2015. The deal value includes assumed debt at term conversion of USD 218 million. The deal value will be funded with available cash and revolving credit facilities.
5	\$344	Pattern Energy Group Inc.	Wind Capital Group Wind Projects	Asset	Strategic	4/6/15	US - Pattern Energy Group Inc. acquired the Post Rock and Lost Creek wind facilities of Wind Capital Group LLC (WCG), a St. Louis-based owner and operator of wind energy projects, and a unit of NRT PLC, for USD 344 million.
6	\$281	Argo Infrastructure Alliance (AIA) Energy North America	Cross-Sound Cable Company, LLC	Asset	Financial	4/17/15	US - AIA Energy North America LLC definitively agreed to acquire Cross-Sound Cable Company, LLC, a Marlborough-based electric transmission services company, from Brookfield Asset Management Inc.
7	\$108	ALLETE Clean Energy, Inc.	AES Armenia Mountain Wind LLC	Asset	Strategic	5/6/15	US - ALLETE Clean Energy, Inc. agreed to acquire AES Armenia Mountain Wind LLC from The AES Corporation and other shareholders for approximately USD 108 million on May 6, 2015.
8	\$67	Pattern Energy Group Inc.	Amazon Wind Farm Project	Asset	Strategic	5/4/15	US - Pattern Energy Group Inc. acquired Amazon Wind Farm Project from Pattern Energy Group LP for USD 67 million on May 4, 2015. The deal will be funded from available cash and credit facilities.
9	\$55	TerraForm Power, Inc.	Integrus Energy Solar Projects	Asset	Strategic	6/4/15	US - TerraForm Power, Inc., a unit of SunEdison Inc., acquired the 23MW solar power plants of Integrus Energy Group Inc., a Chicago-based provider of electric and gas utility services. TerraForm Power paid USD 45 million in equity consideration and assumed USD 10 million in project debt. TerraForm funded the acquisition using existing balance sheet liquidity.
10	\$53	BluEarth Renewables Inc.	Canadian Solar Solutions Inc. LunarLight Solar Project	Asset	Strategic	6/23/15	Canada - BluEarth Renewables Inc. acquired LunarLight of Canadian Solar Solutions Inc., a Guelph-based alternative energy sources company, ultimately owned by Canadian Solar Inc., for USD 53 million.

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



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