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SCPPA WINS BOND BUYER'S DEAL OF THE YEAR AWARD FOR FINANCING OF MILFORD WIND CORRIDOR PHASE I PROJECT

PASADENA, CA – The Southern California Public Power Authority (SCPPA) issuance of \$237.24 million Milford Wind Corridor Phase I Project Revenue Bonds won The Bond Buyer's "Deal of the Year" which was awarded on December 9 at a ceremony held in New York City. The transaction also won the Regional Deal of the Year award for large issuers in the Far West region.

Project participants include three SCPPA members, including the Los Angeles Department of Water and Power (LADWP), Burbank Water and Power, and Pasadena Water and Power. Milford Wind Corridor Phase I Project is a 200 Megawatt wind generation facility located in Beaver and Millard Counties, Utah

The Deal of the Year awards program recognizes some of the country's most innovative municipal bond issuers for transactions financing a range of projects. The Bond Buyer's editors and bureau chiefs looked for innovation, efforts by government issuers to accomplish their goals in challenging times to craft a deal that could serve as a model for other financings, and the public purpose for which transaction proceeds were used.

The 2010 nominees and finalists included issuers in each region that utilized the taxable Build America Bond and other stimulus programs created by the 2009 American Recovery and Reinvestment Act for deals that closed between October last year and September this year for transactions ranging in size from more than a billion dollars to just a few million.

“We felt this deal, this year, highlighted the kind of things that can be accomplished when the public sector and private sector bring their talents to the table,” said Amy B. Resnick, editor in chief of The Bond Buyer, who presented the award at a ceremony at the Essex House hotel in Manhattan. “It also showed how renewable energy — which is going to be critical to our economy and environment going forward — can be financed at competitive rates.”

SCPPA Executive Director Bill Carnahan noted, “This is an excellent example of what can be accomplished with cooperation among SCPPA members, and the public and private sectors working together. The structure of this transaction can serve as a model for subsequent SCPPA financings of renewable energy resources, as well as being a trendsetter for the entire market,” Carnahan concluded.

The deal has already been replicated to fund another project, but the Milford Project paved the way. “SCPPA’s transaction constitutes the first significant use of tax-exempt bonds to finance a prepayment for electric energy for a large scale renewable project,” explained Daniel Hartman, SCPPA’s Financial Advisor and Managing Director for Public Financial Management. “Through its unique prepayment financing structure, SCPPA was able to acquire the output of this wind energy project for its participating members at significant cost savings, arising from, among others, the tax incentives available to the private developer.” Hartman said.

The Southern California Public Power Authority is a joint powers authority (formed under the Joint Powers Act of the California Legislature in 1980) with twelve public power agency members. SCPPA was formed to finance the construction or acquisition of large scale energy projects, and recently has been focusing on the acquisition of renewable energy on behalf of its members. For more information, visit www.scppa.org.

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