



Apr 25, 2019 -- **Richard Metcalf**

Indeck Niles Hits Financial Close

Indeck Energy reached financial close today on its \$1 billion Niles Energy Center in Cass County, Mich., including floating and fixed-rate project finance debt.

The final \$635 million debt package comprised a \$435 million construction-plus-five-year floating-rate term loan, a \$150 million fixed-rate tranche with the same tenor that was placed with South Korean investors, and a \$50 million letter of credit facility, says a person close to the deal.

BNP Paribas, **Crédit Agricole**, **NH Bank** and **Nomura** provided the floating-rate loan, which was priced with a starting margin of 300 basis points over Libor, while **Hana Financial** and **NH Securities** bought the fixed-rate notes, which bear a 6.75% coupon, in line with price talk reported by *PFR* in March ([PFR, 3/5](#)).

The tenor of the financing matches the project's five-year revenue put. The debt is expected to be funded next week.

Whitehall & Co. advised Indeck on the capital raise for the project, bringing in **Korea Southern Power Corp.** (Kospo) and **Daelim** as equity investors.

Crédit Agricole acted as financial adviser to Kospo on its acquisition of a 50% stake in the project. Daelim, meanwhile, is taking a 30% interest, leaving Indeck with 20%.

Legal advisers on the transactions included **Morgan Lewis** for Indeck, **Norton Rose Fulbright** for the lenders and **Latham & Watkins** for Kospo and Daelim.

"Today marks an outstanding milestone in Indeck Energy's 35 year history of developing power generation facilities," said **Bill Garth**, Indeck's vice president of finance in Buffalo Grove, Ill., in an email. "We look forward to a long lasting partnership with KOSPO and Daelim and using our collective skill sets and experience to assure Indeck Niles is an unparalleled success."

The 1,085 MW project was financed on the basis of an expected build cost of \$935/kW and is expected to be online in March 2022. As the plant's engineering, construction and procurement contractor, **Kiewit** will be fitting it with **General Electric** H-class turbines.

Operations and maintenance, meanwhile, will be handled by **PIC Group** and fuel supply and energy management by **Tenaska**.

Officials at BNP Paribas, Crédit Agricole, Nomura and Whitehall in New York either declined to comment or did not return emails or calls by press time.