



Houlihan Lokey

Power And Utilities Market Snapshot

Quarter Ending March 31, 2023



Introduction

Dear Clients and Friends,

Houlihan Lokey is pleased to present its Power and Utilities Market Snapshot for the quarter ending March 31, 2023.

We have included relevant news, recent M&A transaction announcements, and other industry insights to help you stay ahead in this evolving industry. We hope you find this quarterly update to be informative and that it serves as a valuable resource to you in staying abreast of the market. If there is additional content you would find useful for future updates, please don't hesitate to call or email us with your suggestions. We look forward to staying in touch with you.

Regards,
Houlihan Lokey's Power & Utilities Group

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Our Power & Utilities Group Service Offerings:

- Mergers and Acquisitions
- Capital Markets
- Board Advisory Services
- Financial Restructuring
- Portfolio Valuation and Fund Opinions
- Corporate Valuation Advisory Services
- Transaction Advisory Services
- Dispute Resolution Services
- Transaction Opinions

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Houlihan Lokey is the trusted advisor to more top decision-makers than any other independent global investment bank.

Corporate Finance

2022 M&A Advisory Rankings Global Transactions Under \$1 Billion

Advisor	Deals
1 Houlihan Lokey	381
2 Rothschild & Co	369
3 JP Morgan	217
4 Lazard	206
5 Goldman Sachs & Co	203

Source: Refinitiv. Excludes accounting firms and brokers.

Financial Restructuring

2022 Global Distressed Debt & Bankruptcy Restructuring Rankings

Advisor	Deals
1 Houlihan Lokey	58
2 PJT Partners Inc	30
3 Lazard	29
4 Rothschild & Co	25
5 Moelis & Co	21

Source: Refinitiv.

Financial and Valuation Advisory

1998 to 2022 Global M&A Fairness Advisory Rankings

Advisor	Deals
1 Houlihan Lokey	1,232
2 JP Morgan	1,030
3 Duff & Phelps, A Kroll Business	938
4 Morgan Stanley	725
5 BofA Securities Inc	710

Source: Refinitiv. Announced or completed transactions.

No. 1 Investment Bank for Global M&A Transactions Under \$1 Billion

Leading Capital Markets Advisor

No. 1 Global Restructuring Advisor

1,500+ Transactions Completed
Valued at More Than \$3.0 Trillion
Collectively

No. 1 Global M&A Fairness Opinion Advisor Over the Past 25 Years

1,000+ Annual Valuation Engagements

Selected Transactions



an affiliate of



has been acquired by



Sellside Advisor



a portfolio company of



has been acquired by



Sellside Advisor



GLOBAL ENERGY PARTNERS


has completed the sale of its 50% indirect interest in a 1,740 MW portfolio of two combined cycle natural gas-fired power plants to



Sellside Advisor

Project Odyssey

has completed the sale of a 100% interest in the 600 MW Altura Cogeneration facility and a 50% interest in the 550 MW Cedar Bayou 4 facility, both of which are natural gas-fired COGT power plants located in Texas, to



Sellside Advisor



Coso Geothermal Power Holdings

has been acquired by



Sellside Advisor



has completed the sale of the 320 MW development stage Boswell Springs Wind Farm to



Sellside Advisor



has completed its business combination with



Financial Advisor



has completed the sale of an undivided interest in Antelope Valley Station Unit 2 to a leading alternative asset manager

Sellside Advisor



has confirmed a Chapter 11 Plan of Reorganization

Creditor Advisor



has sold its wind farms in Inner Mongolia, China with an aggregate capacity of c. 150MW to



Sellside Advisor

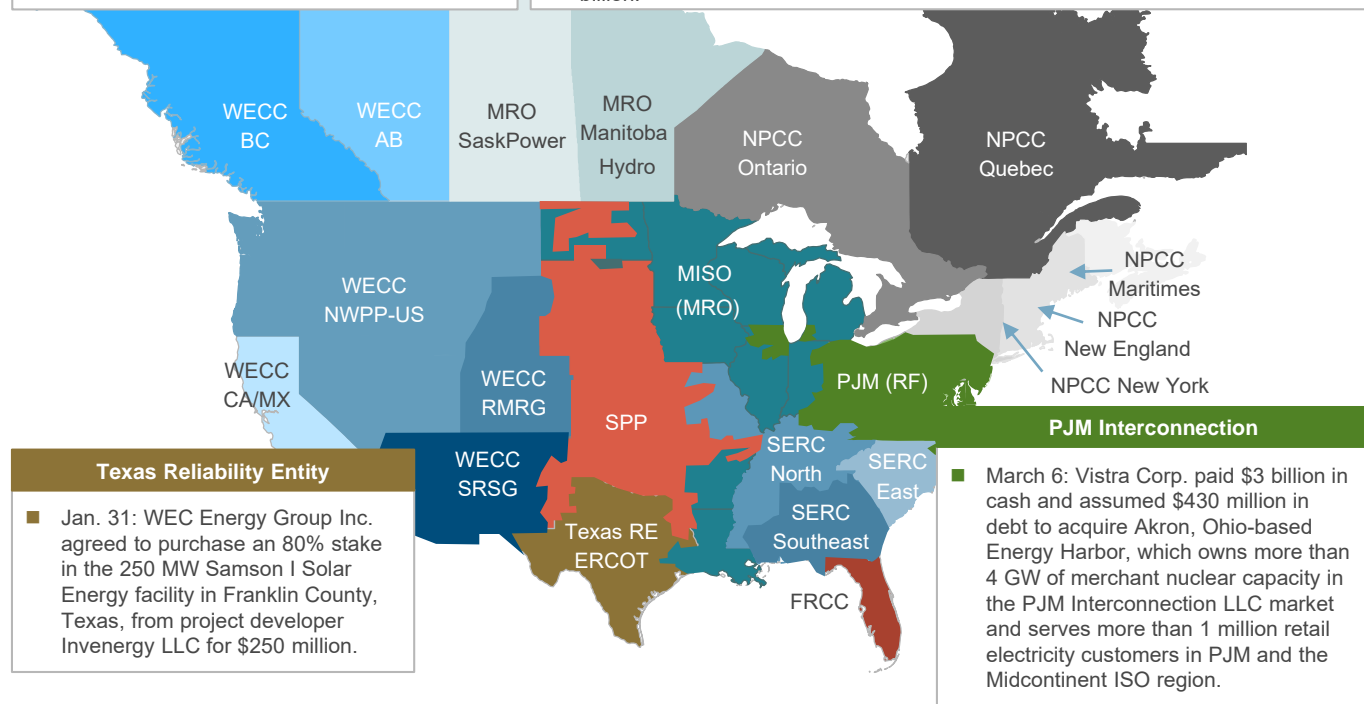
United States and Canada Update

Midcontinent Independent System Operator, Inc

- March 1: Blackstone Inc.-backed Aypa Power LLC acquired two late-stage, stand-alone battery energy storage projects in Indiana from Blue Steel Power LLC: the 150 MW Williams Power project in Jefferson County, Indiana, and the 118 MW Fletcher Power project in Decatur County, Indiana.

Northeast Power Coordinating Council

- March 3: Equinor ASA and BP PLC purchased the Astoria Gas Turbines site from NRG Energy Inc. with intentions to repurpose it as a converter station connecting offshore wind power to the New York grid. The AGRE station received 1,230 MW of offshore wind power.
- Feb. 14: ArcLight Capital Partners, LLC, announced the completion of the sale of Great River Hydro, LLC, to affiliates of Hydro-Québec for approximately \$2 billion.



Texas Reliability Entity

- Jan. 31: WEC Energy Group Inc. agreed to purchase an 80% stake in the 250 MW Samson I Solar Energy facility in Franklin County, Texas, from project developer Invenergy LLC for \$250 million.

PJM Interconnection

- March 6: Vistra Corp. paid \$3 billion in cash and assumed \$430 million in debt to acquire Akron, Ohio-based Energy Harbor, which owns more than 4 GW of merchant nuclear capacity in the PJM Interconnection LLC market and serves more than 1 million retail electricity customers in PJM and the Midcontinent ISO region.

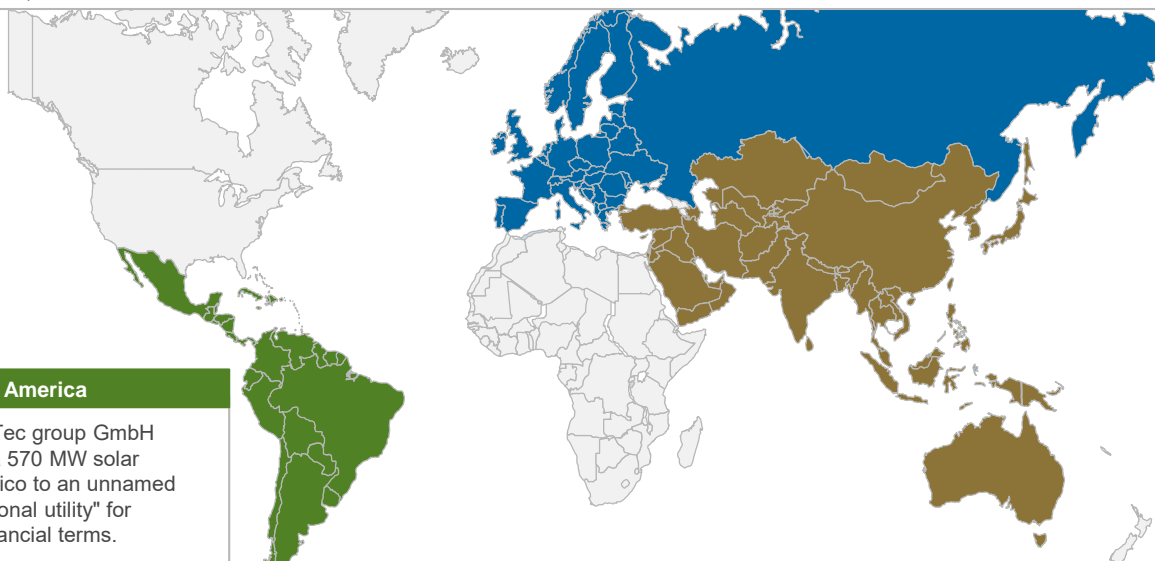
Overall United States and Canada Market

- March 22: BluEarth Renewables US LLC acquired seven wind and solar development projects in the United States from Ozone Renewables, LLC, totaling approximately 1 GW.
- March 22: Spearmint Energy, a battery storage and renewable energy company, acquired a 900 MW portfolio of three Texas-based battery storage projects still under development for an undisclosed amount.
- March 1: Germany's RWE AG completed its previously announced \$6.8 billion acquisition of Consolidated Edison Inc.'s renewables business, Con Edison Clean Energy Businesses Inc., and its subsidiaries. The acquired company will be renamed to RWE Clean Energy LLC, operate an 8 GW portfolio of renewable energy projects, and have a development platform of more than 24 GW.
- Feb. 23: American Electric Power Co. Inc. reached a deal to sell its 1,365 MW portfolio of unregulated renewable assets to IRG Acquisition Holdings, a partnership owned by Invenergy LLC, Caisse de dépôt et placement du Québec, and Blackstone Infrastructure Partners LP-managed funds, at an enterprise value of \$1.5 billion, including project debt.
- Feb. 3: FirstEnergy Corp. has agreed to divest an additional 30% stake in subsidiary FirstEnergy Transmission LLC to Brookfield Super-Core Infrastructure Partners LP for \$3.5 billion in cash.
- Feb. 1: Infrastructure Investments Fund, an affiliate of J.P. Morgan Investment Management, closed its acquisition of gas distributor South Jersey Industries Inc.; the transaction had an enterprise value of \$8.1 billion, including the assumption of outstanding debt.
- Jan. 18: Public Service Enterprise Group Inc. agreed to sell its 25% stake in the planned 1.1 GW Ocean Offshore Wind Farm in New Jersey to Ørsted A/S in a deal that will make the Danish power company the sole owner of the project at deal close.
- Jan. 6: Canadian Utilities Ltd., a subsidiary of ATCO Ltd., closed the previously announced acquisition of a portfolio of wind and solar assets located in Alberta and Ontario from Suncor Energy Inc. for C\$713 million.
- Jan. 5: Hannon Armstrong Sustainable Infrastructure Capital Inc. invested in a 1.3 GW renewables portfolio of U.S. solar and wind projects owned and operated by AES Corp. in exchange for a 49% stake.

International Update

Europe

- March 23: EnBW Energie Baden-Württemberg AG proceeded with its 960 MW He Dreiht offshore wind park in Germany and simultaneously agreed to sell a 49.9% stake in the project to a consortium of investors.
- March 22: Japanese power generation company JERA Co. Inc. agreed to acquire Belgium-based offshore wind platform Parkwind NV from Virya Energy NV for nearly €1.55 billion (\$1.67 billion). Parkwind has four operating offshore wind projects in Belgium with a combined capacity of 771 MW and is constructing the 257 MW Arcadis Ost 1 project in Germany.
- March 9: Enel SpA agreed to sell its Romanian business to Greek utility Public Power Corp. SA in the first of several disposals earmarked for 2023 as the Italian energy group attempts to scale back its geographic footprint.
- March 1: EDF Renewables acquired a 529 MWp portfolio of greenfield photovoltaic projects in Germany from project developer MEC Energy GmbH for undisclosed terms.
- Feb. 14: Cloudberry Clean Energy ASA has agreed to acquire an 80% stake in Odin Energy P/S from Danish renewable developer Skovgaard Energy A/S in a deal with an enterprise value of approximately \$214.5 million.
- Jan. 31: National Grid PLC completed the sale of a 60% equity interest in National Grid Gas PLC to a consortium of Macquarie Asset Management Inc. and British Columbia Investment Management Corp. for approximately £4.2 billion (\$5.2 billion).
- Jan. 31: Macquarie Asset Management Inc. has reached a deal to sell its 23.6% stake in Open Grid Europe GmbH to infrastructure group Fluxys Belgium SA under undisclosed terms.
- Jan. 17: Norges Bank Investment Management has agreed to acquire a 49% stake in a 1,265 MW solar and wind portfolio in Spain from Iberdrola SA. The Norwegian pension fund will pay €600 million (\$650 million) for the stake, valuing the portfolio at approximately €1.2 billion (\$1.3 billion).



Latin America

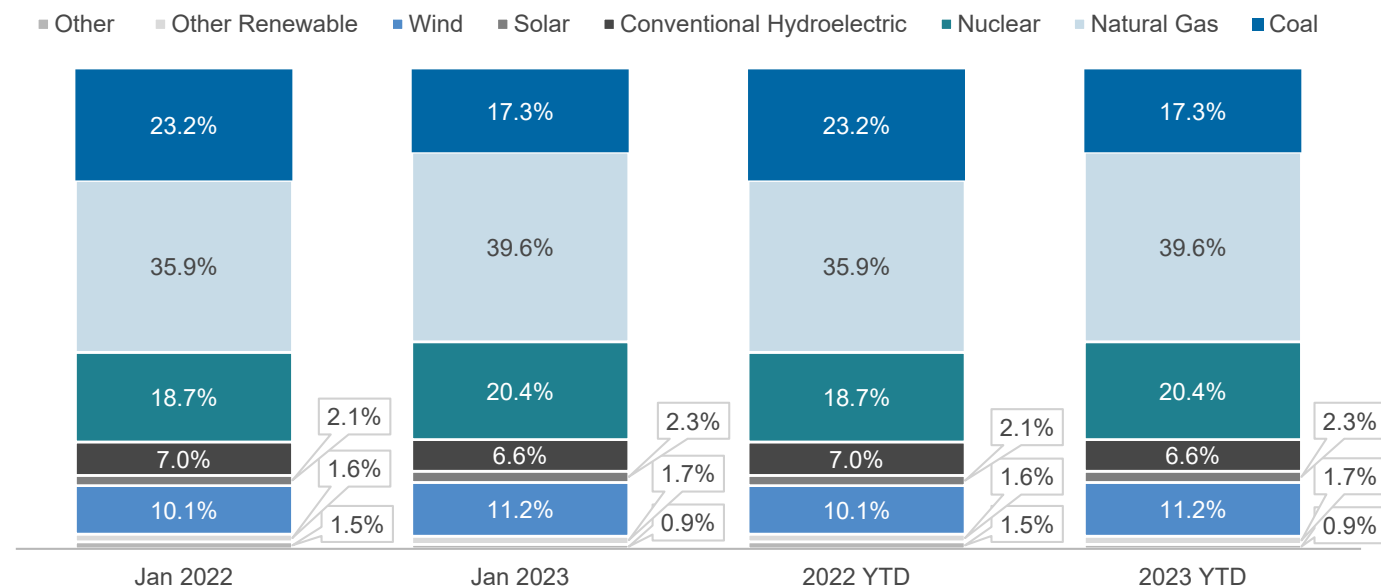
- Feb. 14: SoWiTec group GmbH agreed to sell a 570 MW solar portfolio in Mexico to an unnamed "major international utility" for undisclosed financial terms.
- Jan. 18: Cubico Sustainable Investments agreed to acquire a 1 GW solar development project in Brazil from ZEG Energias Renováveis SA. Financial terms of the deal were not disclosed.

Asia-Pacific

- Feb. 16: Electricité de France SA subsidiary EDF Renewables Australia said it completed the acquisition of the Newcastle Offshore Wind Farm under development near the Port of Newcastle, New South Wales.
- Feb. 9: Toyota Tsusho Corp. agreed to acquire an 85% stake in SB Energy Corp. from SoftBank Group Corp. for an undisclosed amount.
- Jan. 18: China's Contemporary Amperex Technology Co. Ltd. paid approximately \$950 million to secure exploration rights at a domestic lithium mine, as electric vehicle and battery makers scramble for the white metal that has hindered efforts to reduce battery costs.

U.S. Generation

U.S. Generation Fuel Mix (%)



U.S. Generation by Fuel Type (Million MWh)

	January 2023	YoY Change	YoY % Change	2023 YTD	YoY Change	YoY % Change
Coal	60.1	(27.4)	(31.3%)	60.1	(27.4)	(31.3%)
Natural Gas	137.7	2.3	1.7%	137.7	2.3	1.7%
Nuclear	70.9	0.3	0.4%	70.9	0.3	0.4%
Other	3.2	(2.3)	(41.9%)	3.2	(2.3)	(41.9%)
Conventional Hydroelectric	23.0	(3.3)	(12.4%)	23.0	(3.3)	(12.4%)
Solar	8.1	0.0	(0.4%)	8.1	0.0	(0.4%)
Wind	39.1	1.0	2.6%	39.1	1.0	2.6%
Other Renewable	5.9	(0.2)	(3.0%)	5.9	(0.2)	(3.0%)
Hydroelectric Pumped Storage	(0.6)	(0.1)	(23.9%)	(0.6)	(0.1)	(23.9%)
Total Generation	347.4	(29.7)	(7.9%)	347.4	(29.7)	(7.9%)
Total Renewable Generation	76.1	(2.5)	(3.2%)	76.1	(2.5)	(3.2%)
Total Nonrenewable Generation	271.3	(27.2)	(4.7%)	271.3	(27.2)	(4.7%)

Sources: U.S. Energy Information Administration, SNL Energy.

Notes: As of January 31, 2023. "Other renewable" includes wood, black liquor, other wood waste, biogenic municipal solid waste, landfill gas, sludge waste, agriculture byproducts, other biomass, geothermal, and wind. "Other" includes petroleum liquids, petroleum coke, blast furnace gas, manufactured and waste gases derived from fossil fuels, nonbiogenic municipal waste, batteries, hydrogen, purchased steam, sulfur, tire-derived fuel, and other miscellaneous energy sources.

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Houlihan Lokey (NYSE:HLI) is a global investment bank with expertise in [mergers and acquisitions](#), [capital markets](#), [financial restructuring](#), and [financial and valuation advisory](#). The firm serves corporations, institutions, and governments worldwide with offices in the Americas, Europe, the Middle East, and the Asia-Pacific region. Independent advice and intellectual rigor are hallmarks of the firm's commitment to client success across its advisory services. Houlihan Lokey is the No. 1 investment bank for global M&A transactions under \$1 billion, the No. 1 M&A advisor for the past eight consecutive years in the U.S., the No. 1 global restructuring advisor for the past nine consecutive years, and the No. 1 global M&A fairness opinion advisor over the past 25 years, all based on number of transactions and according to data provided by Refinitiv.

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- Financial Restructuring
- Financial and Valuation Advisory
- Private Funds Advisory

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