



HOULIHAN LOKEY

# POWER AND UTILITIES MARKET SNAPSHOT

Quarter Ending June 30, 2021



# Introduction

Dear Clients and Friends,

Houlihan Lokey is pleased to present its Power and Utilities Market Snapshot for the quarter ending June 30, 2021.

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

## Power & Utilities Group Contacts



Matthew Mazzucchi  
Managing Director  
[MMazzucchi@HL.com](mailto:MMazzucchi@HL.com)  
214.220.8494



Mike Giffin  
Managing Director  
[MGiffin@HL.com](mailto:MGiffin@HL.com)  
214.220.8485



Xander B. Hector  
Managing Director  
[XHector@HL.com](mailto:XHector@HL.com)  
612.215.2251



Blair Richardson  
Managing Director  
[BWRichardson@HL.com](mailto:BWRichardson@HL.com)  
415.273.3605



Dan Beaulne  
Director  
[DBeaulne@HL.com](mailto:DBeaulne@HL.com)  
214.665.8631



Dan O'Donnell  
Director  
[DODonnell@HL.com](mailto:DODonnell@HL.com)  
214.665.8626



Robert Zarnoch  
Director  
[RZarnoch@HL.com](mailto:RZarnoch@HL.com)  
214.665.8672



Matthew Bertolatus  
Senior Vice President  
[MBertolatus@HL.com](mailto:MBertolatus@HL.com)  
612.215.2257



Heather Bolner  
Vice President  
[HBolner@HL.com](mailto:HBolner@HL.com)  
214.665.8613



Spencer Anderson  
Vice President  
[SJAnderson@HL.com](mailto:SJAnderson@HL.com)  
612.215.2885

## 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



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

### Corporate Finance

2020 M&A Advisory Rankings All U.S. Transactions		
Advisor	Deals	
1 Houlihan Lokey	210	
2 Goldman Sachs & Co	172	
3 JP Morgan	132	
4 Evercore Partners	126	
5 Morgan Stanley	123	

Source: Refinitiv (formerly known as Thomson Reuters)

No. 1 U.S. M&A Advisor

Top 5 Global M&A Advisor

Leading Capital Markets Advisor

### Financial Restructuring

2020 Global Distressed Debt & Bankruptcy Restructuring Rankings		
Advisor	Deals	
1 Houlihan Lokey	106	
2 PJT Partners Inc	63	
3 Lazard	50	
4 Rothschild & Co	46	
5 Moelis & Co	39	

Source: Refinitiv (formerly known as Thomson Reuters)

No. 1 Global Restructuring Advisor

1,400+ Transactions Completed  
Valued at More Than \$3.0 Trillion  
Collectively

### Financial and Valuation Advisory

2001 to 2020 Global M&A Fairness Advisory Rankings		
Advisor	Deals	
1 Houlihan Lokey	956	
2 JP Morgan	876	
3 Duff & Phelps	802	
4 Morgan Stanley	599	
5 BofA Securities Inc	542	

Refinitiv (formerly known as Thomson Reuters). Announced or completed transactions.

No. 1 Global M&A Fairness Opinion  
Advisor Over the Past 20 Years

1,000+ Annual Valuation  
Engagements

### Selected Transactions

<p>has confirmed a Chapter 11 Plan of Reorganization</p> <p>Creditor Advisor</p>	<p>has confirmed a pre-packaged Chapter 11 Plan of Reorganization of its IPH GenCo subsidiary</p> <p>Creditor Advisor</p>	<p>has confirmed a Chapter 11 Plan of Reorganization</p> <p>Creditor Advisor</p>	<p>has been acquired by Atlantica Sustainable Infrastructure</p> <p>Sellside Advisor</p>	<p>has confirmed a Chapter 11 Plan of Reorganization</p> <p>Creditor Advisor</p>
<p>has confirmed a "pre-arranged" Chapter 11 Plan of Reorganization</p> <p>Secured Noteholder Advisor</p>	<p>has confirmed a Chapter 11 Plan of Reorganization</p> <p>Creditors Committee Advisor</p>	<p>has confirmed a Chapter 11 Plan of Reorganization</p> <p>Secured Creditor Advisor</p>	<p>has been acquired by a wholly-owned subsidiary of Hanwha Chemical</p> <p>Sellside Advisor &amp; Fairness Opinion</p>	<p>subsidary Hamilton Holdings II, LLC has completed an out-of-court restructuring and capitalization</p> <p>Creditor Advisor</p>

Tombstones included herein represent transactions closed from 2004 forward.

# United States and Canada Update

## Western Electricity Coordinating Council

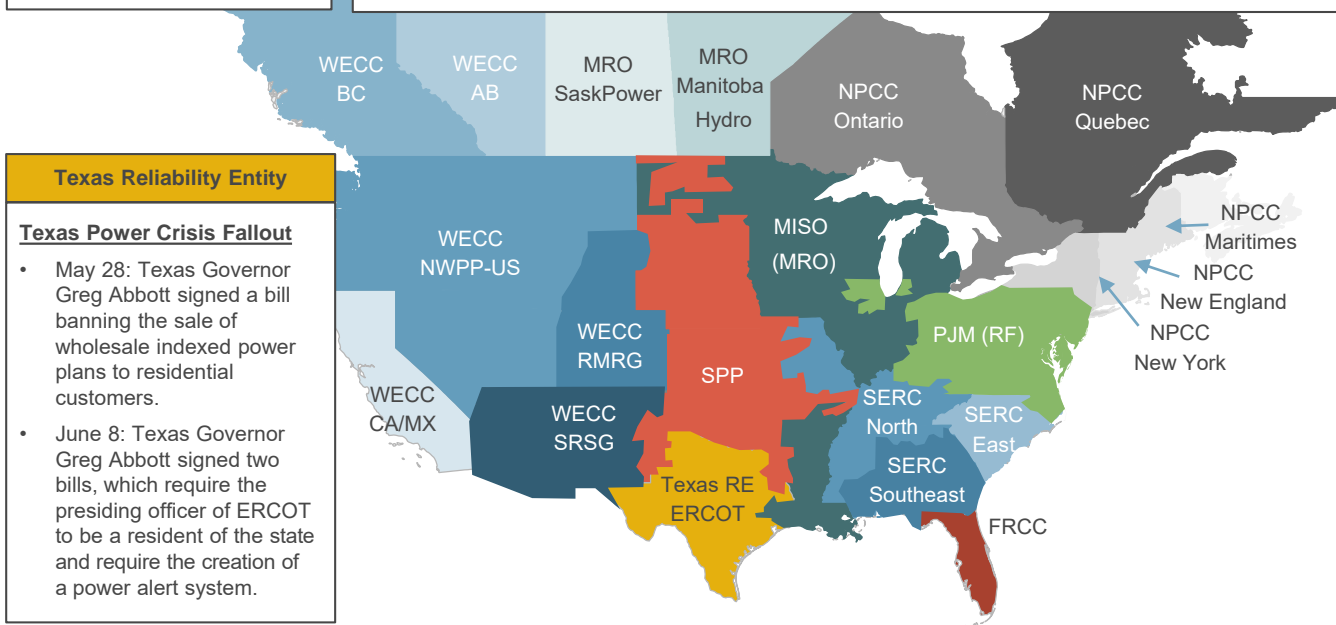
- May 25: California Governor Gavin Newsom announced an agreement to advance up to 4.6 GW of offshore wind off the northern and central coasts of California.

## PJM Interconnection

- April 19: Vitol Holding BV announced the acquisition of the 240 MW Big Sky Wind operating wind farm from a fund managed by BlackRock for an undisclosed sum, with an additional \$250 million planned for investment in new technology.
- June 2: The 2022–2023 capacity auctions cleared at prices significantly lower than expectations, with the clearing price falling to \$50/MW-day.

## SERC Reliability Corp.

- June 9: The Tennessee Valley Authority announced plans for the phase-out of remaining coal plants by 2035 while targeting an 80% reduction in carbon dioxide emissions compared to 2005 levels.



## Texas Power Crisis Fallout

- May 28: Texas Governor Greg Abbott signed a bill banning the sale of wholesale indexed power plans to residential customers.
- June 8: Texas Governor Greg Abbott signed two bills, which require the presiding officer of ERCOT to be a resident of the state and require the creation of a power alert system.

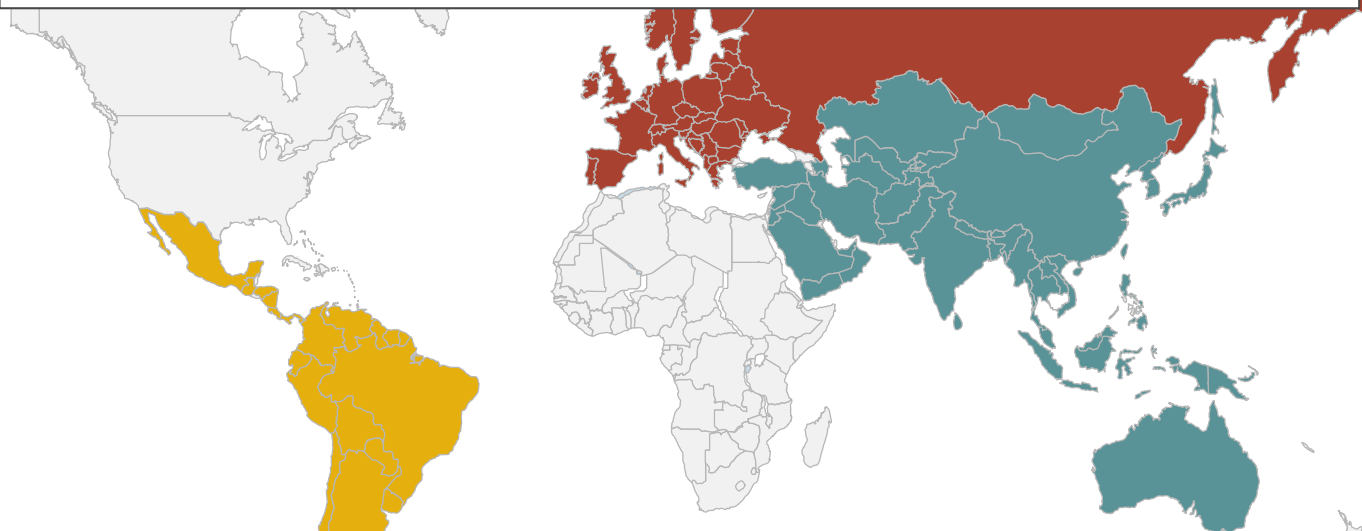
## Overall United States and Canada Market

- April 5: Sempra Energy agreed to sell a 20% equity interest in Sempra Infrastructure Partners to KKR for \$3.37 billion.
- April 9: President Joe Biden called for a more than \$14 billion increase in climate change investments in 2022, including a 10% increase to the Department of Energy's budget.
- April 12: Public Service Enterprise Group Inc. completed its acquisition of a 25% stake in the planned 1,100 MW Ocean Offshore Wind Farm in New Jersey from Orsted A/S for an undisclosed amount.
- April 13: Drax Group PLC has completed its acquisition of Pinnacle Renewable Energy Inc. for approximately C\$831 million.
- April 19: NextEra Energy Partners agreed to acquire four wind projects in California and New Hampshire with 391 MW of capacity from Brookfield Renewable Partners LP for \$733 million.
- April 29: CenterPoint Energy Inc. agreed to sell its Arkansas and Oklahoma gas utilities to Summit Utilities Inc. for \$2.15 billion.
- May 5: EnCap Investments LP closed its first energy transition fund, EnCap Energy Transition Fund 1 LP, at approximately \$1.2 billion.
- May 14: Atlantic Power Corp. merged with I Squared Capital Advisors LLC at a transaction price of \$961 million.
- May 26: The U.S. Nuclear Regulatory Commission approved the proposed merger of Avangrid Inc. and PNM Resources Inc., a \$4.32 billion deal that now only requires the approval of the New Mexico Public Regulation Commission.
- June 30: Enlight Renewable Energy Ltd. agreed to acquire Cenera LLC, a solar and energy storage developer, at an enterprise value of up to \$433 million.

# International Update

## Europe

- April 15: Northland Power Inc. agreed to acquire a portfolio of 540 MW of onshore renewable assets in Spain from Helia Renovables FCR, a fund sponsored by Plenium Partners Asset Management S.G.E.I.C. S.A. for \$1.3 billion.
- May 11: Aker ASA completed the acquisition of a 75% stake in Mainstream Renewable Power Ltd. in a deal that values Mainstream at €900 million.
- May 17: Universities Superannuation Scheme, the largest private pension fund in the U.K. by assets, agreed to acquire a 50% stake in Bruc Energy SLU's 4,000 MW solar pipeline for €225 million.
- June 1: Orsted A/S and Eversource Energy signed an agreement to charter an offshore wind installation vessel, *Charybdis*, for approximately \$500 million.
- June 1: The Spanish government proposed a law to claw back profits made by zero-carbon generators, which would reduce the cost of CO<sub>2</sub> prices on consumer bills by approximately 5%.
- June 9: Polish authorities announced plans to shut down Europe's largest and most polluting coal-fired power station, the Belchatow Power Plant, by 2036.
- June 9: Orsted A/S completed the acquisition of Brookfield Renewable Partners LP's onshore wind business in Ireland and the U.K., Brookfield Renewable Ireland Ltd.
- June 14: PPL Corp. completed the sale of its U.K. electricity distribution business, Western Power Distribution PLC, to National Grid PLC for £7.8 billion.
- June 24: Vattenfall AB agreed to sell a 49.5% stake in its planned offshore wind farm in the Netherlands to BASF SE for €300 million.
- June 28: Sonnedix Power Holdings Ltd. completed the acquisition of a planned 300 MW (peak) solar portfolio in Spain from RIC Energy for an undisclosed amount.



## Latin America

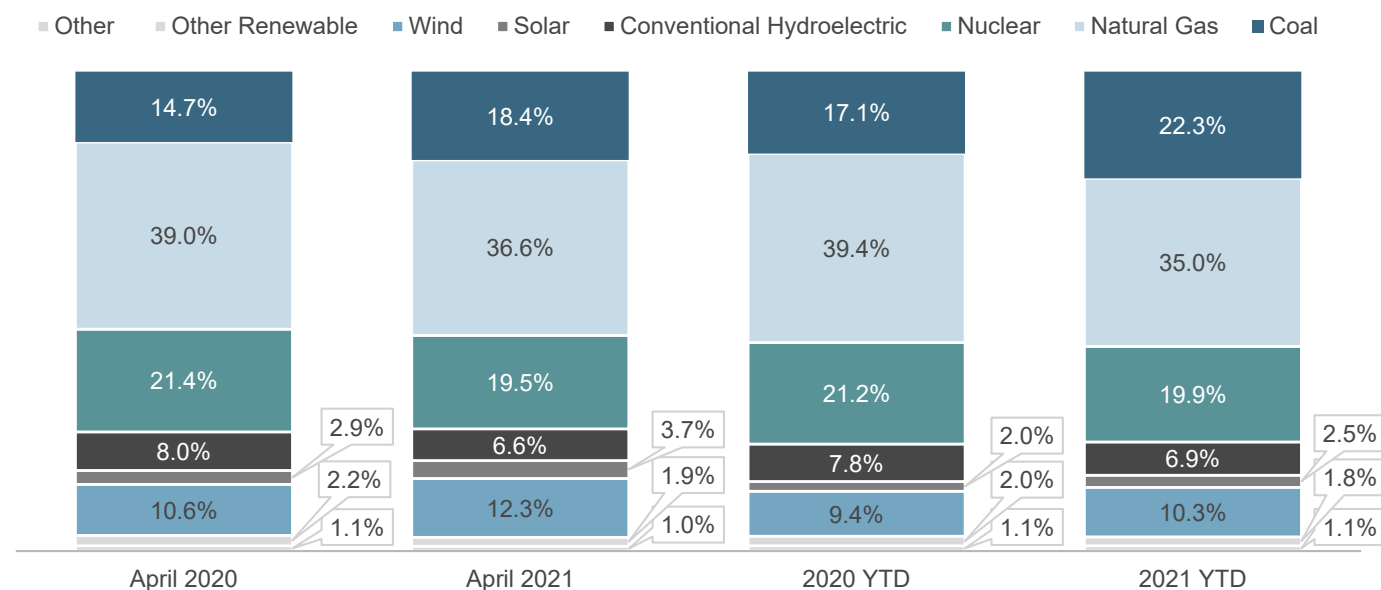
- May 18: French renewable energy company Voltalia S.A. agreed to sell two wind farms totaling 187 MW to Companhia Paranaense de Energia – Copel for approximately \$201 million.
- June 3: Former workers of the Cerrejon coal mine in Colombia, who were upset by recent job cuts, blocked the operation's rail line again, despite an earlier agreement with the miner to temporarily lift the blockade.

## Asia-Pacific

- April 1: Enphase Energy Inc. completed its acquisition of DIN Engineering Services LLP's India-based solar design services business for an undisclosed amount.
- May 20: Russian President Vladimir Putin and Chinese President Xi Jinping announced the construction of Russian-designed reactors at China's Tianwan and Xudapu nuclear power plants.
- June 3: Scatec entered into a partnership with ACME, a leading solar developer in India, to realize a 900 MW solar power plant in Rajasthan, India.
- June 9: Pavilion Energy Trading & Supply Pte. Ltd. and BP Singapore Pte Ltd. have signed a long-term liquefied natural gas (LNG) sale and purchase agreement for the supply of approximately 0.8 million tons of LNG per year to Singapore for 10 years, beginning in 2024.

# U.S. Generation

## U.S. Generation Fuel Mix (%)



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

	April 2021	YoY Change	YoY % Change	2021 YTD	YoY Change	YoY % Change
Coal	53.9	13.3	32.8%	285.6	73.1	34.4%
Natural Gas	107.0	(0.9)	(0.9%)	449.4	(41.0)	(8.4%)
Nuclear	57.1	(2.1)	(3.5%)	255.6	(7.7)	(2.9%)
Other	2.9	(0.1)	(4.5%)	14.1	0.4	2.9%
Conventional Hydroelectric	19.3	(2.9)	(2.9%)	88.9	(8.5)	(8.7%)
Solar	10.9	2.8	2.8%	32.5	7.5	30.1%
Wind	35.9	6.5	6.5%	132.6	15.7	13.4%
Other Renewable	5.5	(0.5)	(0.5%)	23.6	(1.1)	(4.3%)
Hydroelectric Pumped Storage	(0.2)	0.1	39.4%	(1.3)	0.0	1.5%
<b>Total Generation</b>	<b>292.5</b>	<b>16.2</b>	<b>5.8%</b>	<b>1,281.0</b>	<b>38.4</b>	<b>3.1%</b>
<b>Total Renewable Generation</b>	<b>71.6</b>	<b>3.1</b>	<b>9.0%</b>	<b>277.6</b>	<b>13.6</b>	<b>5.2%</b>
<b>Total Nonrenewable Generation</b>	<b>220.9</b>	<b>13.1</b>	<b>4.8%</b>	<b>1,003.4</b>	<b>24.8</b>	<b>2.5%</b>

Note: As of June 24, 2021.

"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.

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

# About Houlihan Lokey

Houlihan Lokey (NYSE:HLI) is a global investment bank with expertise in [mergers and acquisitions](#), [capital markets](#), [financial restructuring](#), and [valuation](#). The firm serves corporations, institutions, and governments worldwide with offices in the United States, 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 M&A advisor for the past six consecutive years in the U.S., the No. 1 global restructuring advisor for the past seven consecutive years, and the No. 1 global M&A fairness opinion advisor over the past 20 years, all based on number of transactions and according to data provided by Refinitiv.

## Locations



## Industry Expertise

### Product Expertise

- Mergers and Acquisitions
- Capital Markets
- Financial Restructuring
- Financial and Valuation Advisory
- Private Funds Advisory

### Dedicated Industry Groups

- Business Services
- Consumer, Food, and Retail
- Data and Analytics
- Energy
- Financial Institutions
- Healthcare
- Industrials
- Real Estate, Lodging, and Leisure
- Technology, Media, and Telecom

### Financial Sponsors

- Active Dialogue With a Diverse Group of More Than 1,000 Sponsors
- Private Equity Firms
- Hedge Funds
- Capital Alliances

# Disclaimer

---

© 2021 Houlihan Lokey. All rights reserved. This material may not be reproduced in any format by any means or redistributed without the prior written consent of Houlihan Lokey.

Houlihan Lokey gathers its data from sources it considers reliable; however, it does not guarantee the accuracy or completeness of the information provided within this presentation. The material presented reflects information known to the authors at the time this presentation was written, and this information is subject to change. Houlihan Lokey makes no representations or warranties, expressed or implied, regarding the accuracy of this material. The views expressed in this material accurately reflect the personal views of the authors regarding the subject securities and issuers and do not necessarily coincide with those of Houlihan Lokey. Officers, directors, and partners in the Houlihan Lokey group of companies may have positions in the securities of the companies discussed. This presentation does not constitute advice or a recommendation, offer, or solicitation with respect to the securities of any company discussed herein, is not intended to provide information upon which to base an investment decision, and should not be construed as such. Houlihan Lokey or its affiliates may from time to time provide investment banking or related services to these companies. Like all Houlihan Lokey employees, the authors of this presentation receive compensation that is affected by overall firm profitability.

Houlihan Lokey is a trade name for Houlihan Lokey, Inc., and its subsidiaries and affiliates, which include those in (i) the United States: Houlihan Lokey Capital, Inc., an SEC-registered broker-dealer and member of FINRA ([www.finra.org](http://www.finra.org)) and SIPC ([www.sipc.org](http://www.sipc.org)) (investment banking services); Houlihan Lokey Financial Advisors, Inc. (financial advisory services); HL Finance, LLC (syndicated leveraged finance platform); and Houlihan Lokey Real Estate Group, Inc. (real estate advisory services); (ii) Europe: Houlihan Lokey EMEA, LLP, and Houlihan Lokey (Corporate Finance) Limited, authorized and regulated by the U.K. Financial Conduct Authority; Houlihan Lokey (Europe) GmbH, authorized and regulated by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht); Houlihan Lokey GmbH; Houlihan Lokey S.p.A.; Houlihan Lokey (Netherlands) B.V.; Houlihan Lokey (España), S.A.; and Houlihan Lokey (Corporate Finance), S.A.; (iii) the United Arab Emirates, Dubai International Financial Centre (Dubai): Houlihan Lokey (MEA Financial Advisory) Limited, regulated by the Dubai Financial Services Authority for the provision of advising on financial products, arranging deals in investments, and arranging credit and advising on credit to professional clients only; (iv) Singapore: Houlihan Lokey (Singapore) Private Limited, an “exempt corporate finance adviser” able to provide exempt corporate finance advisory services to accredited investors only; (v) Hong Kong SAR: Houlihan Lokey (China) Limited, licensed in Hong Kong by the Securities and Futures Commission to conduct Type 1, 4, and 6 regulated activities to professional investors only; (vi) China: Houlihan Lokey Howard & Zukin Investment Consulting (Beijing) Co., Limited (financial advisory services); (vii) Japan: Houlihan Lokey K.K. (financial advisory services); and (viii) Australia: Houlihan Lokey (Australia) Pty Limited (ABN 74 601 825 227), a company incorporated in Australia and licensed by the [Australian Securities and Investments Commission](#) (AFSL number 474953) in respect of financial services provided to wholesale clients only. In the European Economic Area (EEA), Dubai, Singapore, Hong Kong, and Australia, this communication is directed to intended recipients, including actual or potential professional clients (EEA and Dubai), accredited investors (Singapore), professional investors (Hong Kong), and wholesale clients (Australia), respectively. Other persons, such as retail clients, are NOT the intended recipients of our communications or services and should not act upon this communication.





HOULIHAN LOKEY

CORPORATE FINANCE  
FINANCIAL RESTRUCTURING  
FINANCIAL AND VALUATION ADVISORY

[HL.com](https://www.hl.com)