



HOULIHAN LOKEY

POWER AND UTILITIES MARKET SNAPSHOT

Quarter Ending December 31, 2020



Introduction

Dear Clients and Friends,

Houlihan Lokey is pleased to present its Power and Utilities Market Snapshot for the quarter ending December 31, 2020.

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



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 10 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

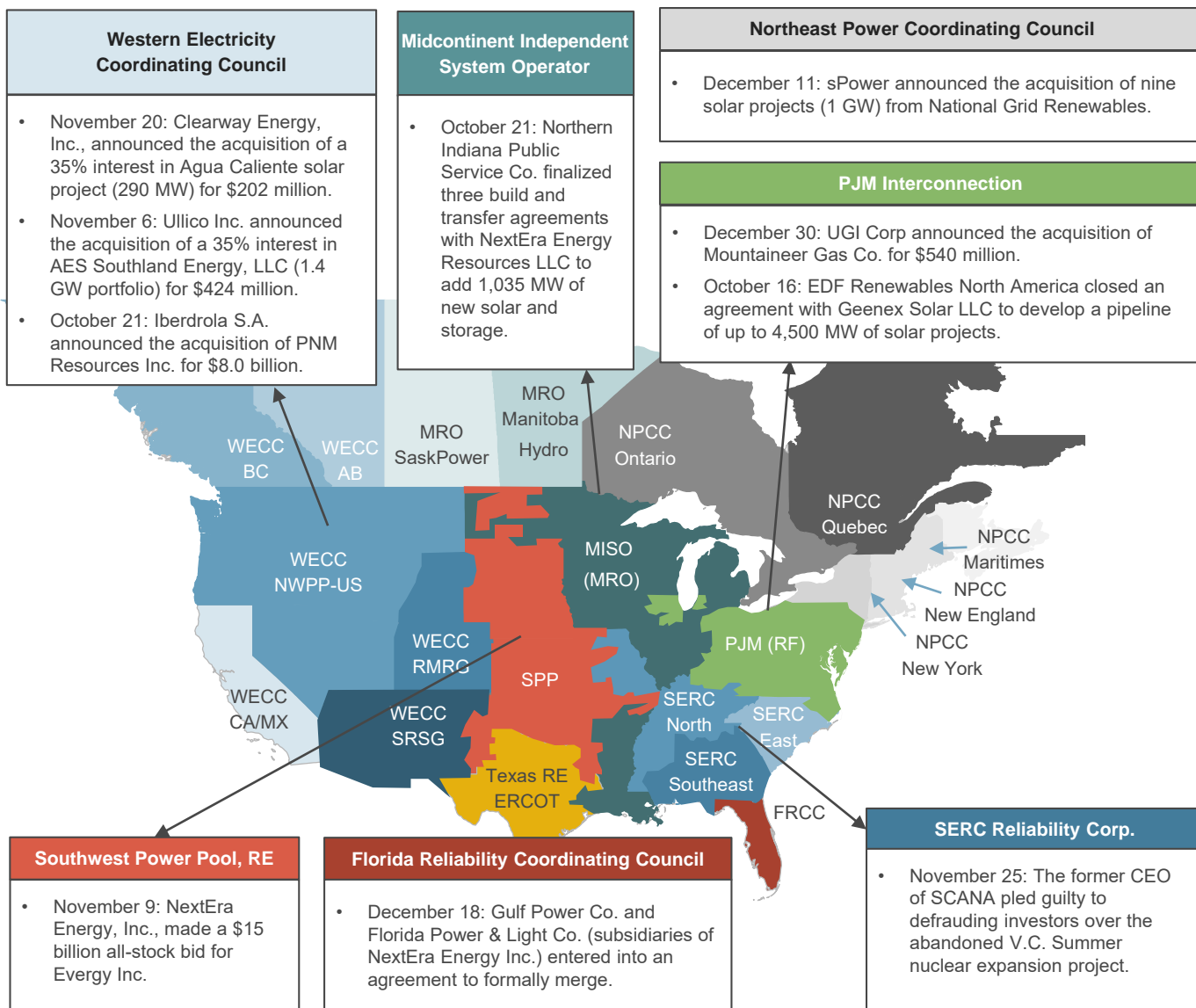
1,000+ Annual Valuation
Engagements

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 completed a term loan financing at its wind power subsidiary Invenergy Wind Power LLC</p> <p>Financial Opinion</p>	<p>has confirmed a Chapter 11 Plan of Reorganization</p> <p>Creditor Advisor</p>
<p>REMA Subsidiary</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</p> <p>Sellside Advisor & Fairness Opinion</p>	<p>GLOBAL ENERGY PARTNERS subsidiary</p> <p>Hamilton Holdings II, LLC</p> <p>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



Overall United States and Canada Market
<ul style="list-style-type: none"> December 29: EDP closed the sale of its 80% stake in a 563 MW renewable portfolio to Connor, Clark & Lunn Infrastructure Ltd. December 18: A Canadian pension fund committed to invest another \$1 billion in Invenegy Renewables LLC. December 8: Brookfield Renewable Partners LP announced the acquisition of Exelon Generation's solar business for \$810 million. November 17: sPower (a JV between AES Corp. and Alberta Investment Management Corp.) agreed to merge with AES' clean energy business (combined 2.5 GW of operating assets, 2.6 GW contracted backlog, 12 GW development pipeline). November 11–12: Fitch and Moody's announced a stable outlook on U.S. regulated electric and gas utilities in 2021. November 3: NextEra Energy Resources, LLC, agreed to sell 1 GW of assets for \$1.3 billion. October 30: Brookfield Asset Management Inc. completed the C\$750 million strategic investment in TransAlta Corp. October 12: OPC Energy executed a deal to acquire Competitive Power Ventures for \$630 million from Global Infrastructure Management LLC. October 8: Sunrun Inc. completed the \$3.2 billion acquisition of Vivint Solar Inc.

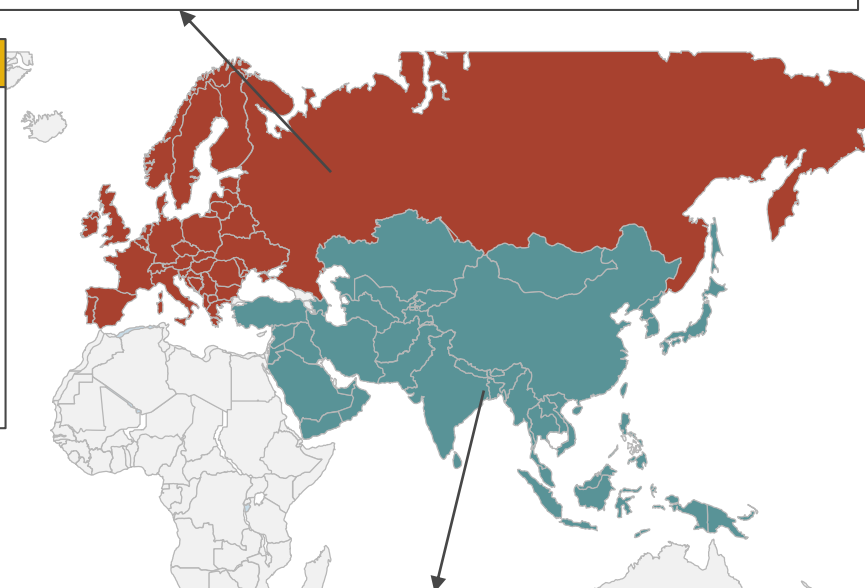
International Update

Europe

- December 31: Vestas Wind Systems A/S surpassed 15,000 MW of wind turbine orders in 2020.
- December 31: Orsted A/S won planning permission from the U.K. to build a 2.4 GW offshore wind farm in the North Sea.
- December 18: Vestas Wind Systems A/S agreed to pay €500 million for a 25% stake in Copenhagen Infrastructure Partners K/S.
- December 17: EDP–Energias de Portugal S.A. completed the sale of a 1.7 GW hydro portfolio for €2.2 billion.
- December 15: I Squared Capital Advisors LLC agreed to sell its European renewable energy platform (Grupo T-Solar) to Cubico Sustainable Investments for a total enterprise value of €1.5 billion.
- December 14: Avangrid Inc. entered into a \$3 billion intragroup loan agreement with Iberdrola S.A. (which owns an 81.5% equity interest in the company).
- November 19: Snam SpA agreed to buy a 33% stake in Industrie De Nora SpA from a fund managed by a unit of The Blackstone Group Inc. at an enterprise value of €1.2 billion.
- November 5: Iberdrola launched a €75 billion investment plan for the 2020 to 2025 period.
- November 4: Orsted A/S was among the bidders for German solar company ib vogt GmbH (estimated to be worth €360 million, according to Reuters).
- October 23: CEZ a.s. agreed to sell a portfolio of Romanian power assets to funds managed by Macquarie Infrastructure & Real Assets.
- October 13: Q Energy sold a 216 MW portfolio of 73 regulated photovoltaic solar assets in Spain to Canadian pension fund manager Caisse de dépôt et placement du Québec.

Latin America

- December 18: Enel SpA announced plans to launch a partial public tender offer for up to a 10% stake in Chilean subsidiary Enel Americas S.A.
- December 2: Sempra Energy announced the acquisition of IEnova for \$1.8 billion.
- November 16: Naturgy Energy Group S.A. agreed to sell its 96% holding in Compania General de Electricidad S.A. (CGE) to State Grid International Development Co. Ltd. for €2.6 billion (€4.3 billion enterprise value).

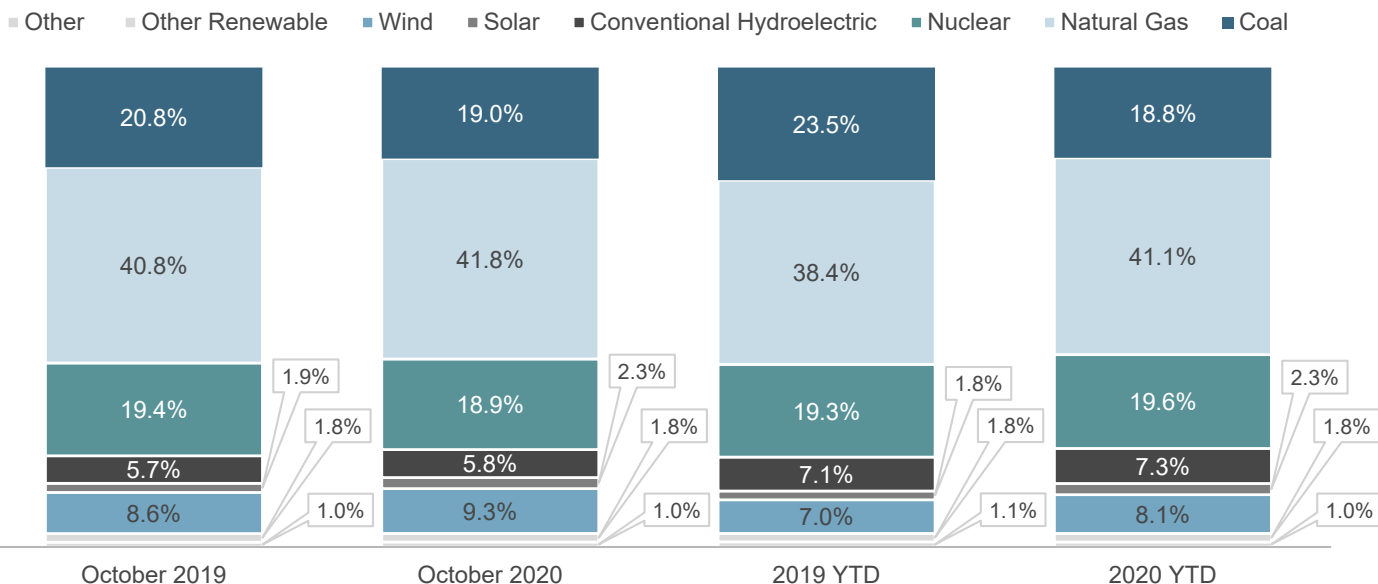


Asia

- December 28: Orsted A/S agreed to sell a 50% stake in a Taiwanese offshore wind farm for a total transaction value of 75 billion Taiwanese dollars (approximately \$2.7 billion).
- December 18: PNE AG announced plans to build a 2 GW offshore wind farm in Vietnam, with a total estimated cost of \$4.8 billion.
- December 16: Japan plans to build as much as 45 GW of offshore wind power by 2040, according to Reuters.

U.S. Generation

U.S. Generation Fuel Mix (%)



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

	October 2020	YoY Change	YoY % Change	2020 YTD	YoY Change	YoY % Change
Coal	59.8	(6.9)	(10.4%)	633.5	(183.3)	(22.4%)
Natural Gas	131.6	0.7	0.5%	1,381.9	46.0	3.4%
Nuclear	59.4	(2.7)	(4.3%)	658.3	(13.9)	(2.1%)
Other	3.2	0.0	0.3%	34.4	(2.9)	(7.8%)
Conventional Hydroelectric	18.4	0.0	0.2%	246.4	0.2	0.1%
Solar	7.3	1.2	20.2%	79.0	14.9	23.2%
Wind	29.4	1.9	6.9%	271.6	28.2	11.6%
Other Renewable	5.7	(0.1)	(1.4%)	60.6	(0.6)	(1.0%)
Hydroelectric Pumped Storage	(0.4)	(0.1)	(13.4%)	(4.6)	(0.4)	(8.6%)
Total Generation	314.8	(5.8)	(1.8%)	3,365.6	(111.5)	(3.2%)
Total Renewable Generation	60.8	3.1	5.4%	657.5	42.7	6.9%
Total Nonrenewable Generation	254.0	(8.9)	(3.4%)	2,708.1	(154.2)	(5.3%)

Note: As of December 29, 2020.

"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 (formerly Thomson Reuters).

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
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- Energy
- Financial Institutions
- Healthcare
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- Technology, Media, and Telecom

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- Hedge Funds
- Capital Alliances

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