

KMR Wraps up TermoCandelaria Financing - Colombia

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Virginia-based power company KMR Power has completed financing for its US\$175mn, 314MW TermoCandelaria gas-fired thermoelectric project near the company's existing Mamonal plant in Cartagena, Colombia, KMR announced yesterday.

The Bank of America acted as financial advisor to KMR.

Financing will come via a two-tranche facility, consisting of a US\$90mn senior loan and an US\$85mn subordinated loan.

Bank of America arranged the senior loan and will underwrite a US\$40mn portion, while Zurich Financial services Group subsidiary Centre Solutions will underwrite a further US\$35mn. Colombian institutions Instituto de Fomento Industrial (IFI) and Banco de Bogota (Nassau) will provide the balance. Centre Solutions developed and structured the subordinated loan and will also guarantee it, KMR said.

Both KMR president and CEO George Kappaz and Bank of America Power Project Finance managing director and global head Alan R Rosenberg described the closing of the project's financing as an innovative solution in tough conditions.

The plant will use two Westinghouse 501F gas turbines. KMR signed a turnkey engineering, procurement and construction contract with a consortium formed by K&M, Siemens and Westinghouse. North American Energy Services will undertake operations and management, while a Texaco subsidiary will provide fuel.

Source: BNA