

Diana Liebmann in Law360 on Dynegy, Calpine Exiting Energy Market

November 2, 2017 Diana Liebmann

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A pair of recent megadeals that will see Dynegy Inc. and Calpine Corp. exit the independent power producer stage signals a wave of consolidation about to hit a sector struggling with flat electricity prices and the growing impact of state clean energy policies on regional wholesale electricity markets, *Law360* [reported](#).

Dynegy, which owns and operates 27,000 megawatts' worth of power plants in Texas and the Northeast, Mid-Atlantic and Midwest, on Oct. 30 agreed to be bought by Vistra Energy, the largest electricity generator and retailer in the deregulated Texas market. The all-stock deal will create a merchant power behemoth with a combined enterprise value of \$20 billion, the report said.

The deal comes less than three months after Calpine, which bills itself as the largest operator of gas-fired power plants in the U.S., agreed to be taken private by Energy Capital Partners, along with a consortium of investors led by Access Industries and the Canada Pension Plan Investment Board, in a deal worth \$5.6 billion. ...

Before announcing the Dynegy acquisition, Vistra said it would close three of its five coal-fired plants in Texas and laid blame on low power prices in wholesale markets overseen by the Electric Reliability Council of Texas, the report said. ...

Absent a change in the economic or regulatory status quo, independent power producers will continue to seek safety in numbers or dramatically revamp their operations, the report said. ... Companies will also look to boost the retail side of their business. ... Vistra and Dynegy, for one, touted their merger as creating a vertically integrated company providing both wholesale and retail power services.

"It's in essence a rebundling of the market," said [Diana Liebmann](#), who leads Haynes Boone's power and renewables practice. "With respect to this rebundling aspect, you are likely to see more load and generation coupling."

Excerpted from *Law360*. To read the full article, click [here](#). (Subscription required)