

Project Finance Group Of The Year: McDermott Will & Emery

By **Humberto J. Rocha**

Law360 (February 15, 2022, 2:04 PM EST) -- McDermott Will & Emery LLP counseled a clean energy company on a first-of-its-kind joint venture with New York State and represented a major utility in one of the largest wind acquisitions since 2020, earning the firm a spot among Law360's 2021 Project Finance Groups of the Year.

One of the cases that McDermott partners labeled as groundbreaking was representing Clean Path New York LLC in a joint venture with three other sustainable energy companies in negotiating and executing a unique agreement with the New York State Energy Research and Development Authority to deliver renewable energy to New York City. The \$11 billion infrastructure project combines a 174-mile transmission line and wind and solar projects in upstate New York to bring more than 7.5 million megawatt-hours of emission-free energy into the city.

Christopher Gladbach, a partner in McDermott's Washington office involved in the deal, said one of the more challenging aspects of the project was that it required negotiating with government agencies in a way that was different from other renewable energy projects.

"This will have the advantage of getting clean power to New York, where it's been lacking because of the lack of transmission infrastructure," Gladbach said. "It's a huge [and] groundbreaking transmission project ... that integrates a lot of the power that's upstate that would have to otherwise have to be shipped elsewhere to smaller load centers."

With over 20 offices and more than 1,200 attorneys in its ranks worldwide, McDermott has zeroed in on renewable energy projects in the last year while hiring more talent for both its renewable and traditional energy teams, according to Edward Zaelke, the firm's global co-head of its energy and project finance practice.

Zaelke led the firm's energy practice in representing Algonquin Power & Utilities Corp. in purchasing from German energy giant RWE AG a 51% stake in four Texas onshore wind facilities valued at around \$600 million, which represented one of the largest wind acquisitions in 2020 and 2021. According to Zaelke, the most complicated parts of the acquisition were dividing risks on financing and tax equity. The fourth and final project sale closed in August 2021.



In the past year, McDermott also advised Northern Indiana Public Service Co. LLC in obtaining a nearly \$250 million tax equity financing commitment from JPMorgan Chase & Co. for the Indiana Crossroads 302 MW wind project that is currently being developed by EDP Renewables North America LLC.

Jack Langlois, the firm's office managing partner in Houston, emphasized that the firm planned to cover the entirety of the energy space — be it the tax and regulatory aspect or mergers and acquisitions and conventional lending — but also the junctions between those spaces that are currently developing. And at a time when the energy industry is shifting more and more toward renewables, there's an increasing sense that the different sectors within the industry are diversifying their investments, according to Philip Tingle, the firm's other global co-head of its energy and project finance practice.

"We talk about them as separate types of business units, but [the] reality is, I think, they're all kind of coming together," Tingle said. "I wouldn't call it a merger of different types of projects, but there's certainly interest with the same investors from the traditional energy side as well as the renewables side — this is a natural fit in some respects."

With over 50 attorneys in its energy & project finance group, McDermott continues to grow and focus on the intersection of renewable and traditional energy. The firm has nearly 20 energy partners, eight of which were hired in the past year to focus on project finance, both areas that the partners say is a focus for the firm and one that will continue to grow.

"We want to be one of the two or three firms that everyone in the industry thinks of when they're looking for lawyers that will help them with major transactions both in the renewable space, as well as the traditional energy space," Zaelke said.

--Editing by Andrew Cohen.