

## Energy Group Of The Year: Latham & Watkins

By **Madeline Lyskawa**

*Law360 (February 12, 2024, 2:26 PM EST)* -- Latham & Watkins LLP attorneys advised Magellan Midstream Partners LP on the largest U.S. energy M&A deal of the year, coming in at \$18.8 billion, and were also involved in seeing through four of five industry initial public offerings finalized last year, earning the firm a place among Law360's 2023 Energy Groups of the Year.

Lauren Anderson, a partner in the firm's Houston office and global vice chair of its energy and infrastructure industry group, told Law360 the secret to the firm's successes has to do with the breadth and diversity of its team, which covers major U.S. markets including Houston, New York City and Washington, D.C., as well as major international markets across Europe and Asia.

"We really view that as one of our strengths, that we can cover a bunch of geographies, we can do a deal in the U.S. with components overseas at the same time," Anderson said. "And I think the reason we're able to do it is not just because we have people sitting all over the place, but because in addition to that, we have a group that really is focused on collaboration, so we work together across offices on essentially every matter."

Justin T. Stolte, a partner in the firm's Houston office and global chair of Latham's energy and infrastructure industry group, similarly told Law360 that in leading the group, he and his colleagues have undertaken an "all of the above" approach when it comes to the energy space.

"We have been very deliberate with this approach for several years now, uniquely positioning our team to assist all types of clients, in all types of transactions, in all parts of the world, and importantly, in every segment of the energy space," Stolte said.

Over the past year, Latham's energy and infrastructure industry group advised Magellan on its acquisition by ONEOK Inc., an energy infrastructure company based in Tulsa, Oklahoma, in an \$18.8 billion cash-and-stock transaction, which in May 2023 culminated with creating the fourth-largest U.S. midstream company by enterprise value.

Two months later, the team finished closing more than a half-dozen distinct transactions on behalf of NextDecade Corp. pertaining to the development of the Rio Grande liquified natural gas export facility and associated carbon-capture and sequestration facility, both located in the Port of Brownsville, Texas.



The transactions included a \$12.3 billion limited recourse debt financing and the formation of an energy consortium with aggregate equity commitments of approximately \$6.2 billion. In sum, the approximately \$18.5 billion in equity and debt commitments made this series of transactions the largest greenfield energy equity and non-recourse debt financing in U.S. history, the firm said.

Conrad Andersen, an infrastructure partner in the firm's London office and fellow global vice chair of Latham's energy and infrastructure industry group, told Law360 that a major hurdle the team faced in finalizing these types of deals was the steady increase in base interest rates that hit most major economies, creating a bit more volatility in the finance markets.

"It is quite remarkable against that macroeconomic background that we did the largest energy and infrastructure project financing of all time last year," Andersen said. "But as a trend, there was a little slowdown in relation to some financing transactions as a result of some borrowers questioning whether they were about to grab a falling knife in relation to locking in interest rates and executing financing transactions."

In spite of these challenges, the team also had a hand in advising key players involved in four of the five total energy IPOs that took place in 2023, including TXO Partners LP on its \$115 million total offering in late January 2023 and the underwriters in Kodiak Gas Services Inc.'s IPO late last June.

Latham further advised Consolidated Edison Inc. on the sale of its subsidiary, Con Edison Clean Energy Businesses Inc. — which included the transfer of substantially all of its renewable generation and storage assets in over 30 states — to RWE Renewables Americas LLC in a transaction valued at \$6.8 billion that closed in early March 2023.

With interest rates in the United States more or less stabilizing, Andersen predicted that moving forward, there will continue to be a renewed focus among the firm's clients on diversifying their portfolios and assets to make sure they've covered all aspects of the energy chain. Andersen further said the overlap and increasing focus on delivering a diversified energy transition with an overlay of digital transition is going to be a very important trend.

Expressing similar sentiments, Anderson said she anticipates continuing investments in low-carbon fuels and renewable energy, in addition to an increased interest in traditional energy as well, which has experienced an uptick in the transactional space over the past four to six months.

--Editing by Kristen Becker.