

## Energy Group Of The Year: Latham & Watkins

By Nicole Narea

*Law360, New York (January 24, 2018, 3:45 PM EST)* -- Latham & Watkins LLP attorneys advised on some \$299.5 billion in energy-related transactions over the last year, including acquisitions of natural gas power plants and battery-based energy storage, earning the firm a spot among Law360's 2017 Energy Practice Groups of the Year.

The firm shepherded a number of high-value, complex transactions over the last year, notably representing its longtime client Energy Capital Partners in its August acquisition of wholesale power generation company Calpine Corporation. The firm also represented Energy Transfer Partners in a \$21.3 billion merger with Sunoco Logistics Partners and counseled AES Corporation in its \$2.3 billion project financing involving two gas fired power plants and two battery-based energy storage systems in Arizona and California.

"There have been a series of very large transformative waves in the power, oil and gas sectors over the last year, driven by a number of cataclysmic bankruptcies, asset sales, take privates and carve-outs, and we've managed to grab a board and surf on all of them," Christopher Cross, co-chair of the energy practice, told Law360. "All of this transformation has led to a whole suite of transactions."

Making up one of the firm's largest practice areas, some 450 lawyers are spread across numerous offices globally, including New York, Texas, Washington, D.C., and California in the U.S. Other locations that concentrate in the practice include London, Singapore and Tokyo, as well as Beijing and Shanghai, which deal with Chinese regulatory authorities, in particular.

David Kurzweil, co-chair of the energy practice, told Law360 that the group is expanding its focus on regulatory issues and has also brought in new partners concentrating on oil and gas, as well as tax equity for renewable energy sources.

In the last year, the firm notably represented a group of investors in the transaction involving Energy Capital Partners, which has been the firm's client for almost a decade, Kurzweil said. The client was able to acquire Texas-based Calpine, which is the largest generator of electricity from natural gas and geothermal resources, with a fleet of 80 power plants in operation or being constructed representing a



total of roughly 26,000 megawatts of generation capacity and serving customers in 25 states, Canada and Mexico.

Moreover, the firm handled regulatory due-diligence for the transaction.

“This transaction shows how we have tried to develop long-term, broad relationships with our clients, seeing them through the various cycles in their own development,” Kurzweil said.

The firm also represented another longtime client, Energy Transfer Partners, in its merger with Sunoco, both of which are so-called master limited partnerships, a kind of publicly traded limited partnership marrying the tax benefits of a partnership with the liquidity of a public company. ETP’s portfolio includes natural gas midstream, intrastate and interstate transportation and storage assets, and Latham has worked with it almost since its inception, Cross said.

This deal, which closed in November 2016, drew upon Latham’s expertise in master limited partnerships and public mergers and acquisitions across multiple offices, creating the second-largest master limited partnership in the U.S. The firm managed to reduce tax and structural drag and create more value for unit holders in the master limited partnership, Cross said.

“There’s been a theme in the oil and gas space with respect to these master limited partnerships,” Cross said. “Folks have been taking a hard look as to how to restructure them to create higher value for their unit holders.”

The firm also represented AES Corporation in financing a private placement, construction loan and liquidity facilities related to the AES Southland Energy Project, a portfolio of two gas fired power plants and two battery-based energy storage systems.

The project involved repowering old gas fired power plants along beachfront property south of Los Angeles, implementing more advanced technology and new regulations that took “enormous check from the banks and from the private placement market,” Cross said.

The project, spearheaded by a Latham team in Los Angeles, constituted the largest nonrecourse financing for a battery-based energy storage project. The transaction was also the largest combined private placement debt and bank facility debt for a construction financing in the U.S. power space ever, according to the firm.

But Kurzweil and Cross, both transactional lawyers themselves, noted that Latham’s energy practice spans far beyond transactions.

“Our regulatory bench, our litigation team, our environmental team are all extremely active on independent matters and supporting transactions,” Kurzweil said. “That really demonstrates the strategic approach of Latham that is different from a lot of other firms. We don’t just look at this as a very narrow market. We look at it holistically.”

--Editing by Alyssa Miller.