

Energy Group Of The Year: Skadden

By **Peter McGuire**

Law360 (February 23, 2023, 2:02 PM EST) -- Lining up a \$13 billion financing package for a huge natural gas export project, finalizing a unique cross-Atlantic electric utility swap and completing the purchase of a 500-mile wind energy transmission line are among the achievements that made Skadden Arps Slate Meagher & Flom LLP one of Law360's 2022 Energy Groups of the Year.

Skadden's energy practice dates to the 1980s, making it one of the first major firms to focus on this area of law and giving it ideal placement to advise clients during rapid changes to the energy landscape, partner Pankaj Sinha told Law360. The firm's expertise on energy issues was on full display last year, as Skadden shepherded major, groundbreaking projects and deals, Sinha added.

"In terms of very significant financing that helps change the energy landscape in Europe, a power line this country needs to help facilitate the transition to renewables, the cross-border utility swap deal — these are marquee kinds of transactions that define Skadden, but there are a lot that are similar initiatives that we also are involved in," Sinha said.

In May, Skadden closed on a \$13.2 billion package to construct the first phase of Venture Global LNG's massive natural gas export project in Plaquemines Parish, Louisiana. At the time, it was the largest project financing worldwide in terms of dollars, said David Armstrong, the lead partner on the transaction.

The scale of the deal — with about 20 of the world's most prominent lenders, including Bank of America NA, Banco Santander, Bank of China and Goldman Sachs — makes it a notable achievement on its own, Armstrong said. But it also came together at the same time that the Ukraine war raised concerns about European dependence on Russian energy — an issue that the Plaquemines facility, which will produce 13 million metric tons of liquefied natural gas per year, can help alleviate, Armstrong added.

"It has a significant impact on the ability of Europe to source natural gas from somewhere other than Russia," he said.

At about the same time the Plaquemines deal closed, Skadden also completed a rare cross-border swap for electric utilities in the U.S. and the United Kingdom. The firm represented PPL Corp. in the transactions, which included a \$10.8 billion sale of its Western Power Distribution subsidiary in the



English Midlands to U.K.-based National Grid at the same time PPL bought the Rhode Island Narragansett Electric Co. from National Grid for \$3.8 billion.

In his 30 years at Skadden, Sinha said, PPL was the first client to realize this kind of swap, though other clients had considered one. That it came through with two major utility deals that allowed its client to reorganize as a fully U.S. utility makes it even more significant, he added.

"By doing a swap, it helped them in terms of being able to align themselves into a 100% U.S. utility," Sinha said.

Shortly after the gas and utility deals, Skadden attorneys counseled Pattern Energy Group LP in its purchase of development rights to the 550-mile SunZia electricity transmission line, expected to carry power from a huge wind project planned in New Mexico. Pattern Energy Group's July acquisition is the next step in the \$8 billion wind turbine and transmission project, which will be the largest renewable energy infrastructure project in U.S. history and could deliver 3,000 megawatts of power to consumers in New Mexico and Arizona, according to the firm.

"It is ultimately going to deliver more power than the Hoover Dam," Skadden partner Paul Kraske said. "It is really a tremendous renewable energy project."

Aside from those three major transactions, Skadden attorneys advised clients in a variety of energy matters, including new transmission projects, battery storage and oil and gas mergers. The firm represents Clean Path New York, which is building a 175-mile underground power line through the state, and helped Barclays invest in a 127-megawatt battery under development in California, it said.

It also represented Brookfield in its \$2.4 billion purchase of a 19% stake in FirstEnergy Transmission, and advised the energy company in its securitization of a portfolio including commercial and solar assets and its purchase and development of a collection of solar projects totaling 473 megawatts, according to the firm.

With around 100 attorneys addressing energy matters in nine offices, a specialization in regulatory issues and a long history of work in the field, Skadden is at the forefront of energy practice and project financing, according to Kraske.

"That makes us uniquely well positioned to advise on energy transactions now as the U.S. focuses on energy and energy transition," he said.

--Editing by Karin Roberts.