

Energy Lending Transactions

Related Industries

Commercial Lending
Energy Corporate
Energy Industry Group
Energy Regulatory
Financial Industry Group

Related Practices

Commercial Lending
Corporate Finance
Environmental

Overview

Lending to district energy and other independent power projects requires legal and negotiating skills in a variety of disciplines. With respect to the energy considerations, the power purchase and fuel contracts are important components of the lender's collateral package, and therefore a thorough understanding of the implications of their provisions is essential. There also are important regulatory issues, such as whether the provider is considered to be a utility, and whether the lender will need regulatory consent in order to dispose of or operate the facility it is financing.

Establishment of the central plant and distribution system by the developer will involve real estate elements such as leases, purchase agreements and easements or licenses, as well as land use, zoning, access and service issues. Environmental law considerations also have application. Development of the central plant and the distribution system will require understanding of complicated construction documents, surety bonds, performance guarantees and vendor agreements pertaining to critical equipment.

The developer's construction financing not only must be integrated with the developer's permanent financing, but it also must be coordinated with the sponsor's facility financing, necessitating experience with complex intercreditor relationships. The sponsor may be a governmental or quasi-governmental authority, and so experience with issues involving contracts with public bodies (including procedural requirements which affect timetables and tax issues) may be involved. Tax credits and other tax considerations are also frequently part of the financing aspects of such projects.

Our team of attorneys experienced in energy project financing is unusual because it is comprised of attorneys who individually are deeply experienced in all of these disciplines. Therefore, our team is able to offer more efficient, integrated and expedient services in these complex transactions.

Speaking Engagements

Crowdfunding and the IPO On-Ramp
June 5, 2012 (Los Angeles-area)

Crowdfunding and the IPO On-Ramp
May 23, 2012 (Detroit) and May 24, 2012 (Chicago)