

Project Finance

Project finance attorneys at Kirkland & Ellis LLP helped facilitate a \$30 billion deal that will bring two new semiconductor chip factories to Arizona, worked on raising \$2.3 billion for an offshore wind energy project and assisted buyers in a \$15 billion go-private deal for a data center company, earning the firm a spot among Law360's 2022 Project Finance Groups of the Year.

The firm's project finance group includes more than 350 attorneys in offices across the U.S., including Houston, New York and Washington.

Rohit Chaudhry, a partner at the firm, said the group continued to grow rapidly and hired six new partners in the last year. The group has capitalized on the interest in deals involving renewable energy, Chaudhry said.

"Renewables of all types continue to be a very active part of the market, especially in light of the Inflation Reduction Act and the appetite that all these infrastructure and private equity funds have for renewable assets," he told Law360. "Within renewables, it breaks down into different subgroups, such as wind and solar, of course, along with new asset classes such as hydrogen, larger-scale battery storage, carbon capture, which Kirkland is very focused on, as well."

He also said the firm had found work in sectors that historically had not been strong project finance or infrastructure-type assets but were increasingly becoming so.

"Top of that line for us are telecom assets and data center assets, where there is tremendous deal volume in the market," he said.

The group was involved in several high-profile deals over the past year, such as representing Brookfield Asset Management in a joint deal with Intel Corp. to invest up to \$30 billion for a multiyear expansion project of Intel's semiconductor manufacturing campus in Chandler, Arizona. The funding will go toward bolstering Intel's Ocotillo campus in Chandler, which currently covers about 700 acres. The deal came after Intel, headquartered in Santa Clara, California, announced that it planned to construct two new factories in Chandler.

"It was a huge investment by Intel in technology that has all kinds of geopolitical implications and security implications for the country," partner Roald Nashi said. "The deal required close coordination between the infrastructure financing team and the infrastructure M&A team to allocate the risk between them accordingly. It's version 3.0 of these very complicated structured

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equity financings that we have done consistently for PE sponsors in the infrastructure space."

In another deal, Kirkland, serving as lead project finance counsel for the Vineyard Wind 1 project 15 miles off the coast of Massachusetts, helped the joint venture between Avangrid Renewables and Copenhagen

Infrastructure Partners secure \$2.3 billion from nine international

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and U.S.-based banks and through raising senior debt.

The firm’s lawyers also assisted private equity firms KKR and Global Infrastructure Partners in purchasing data center real estate investment trust CyrusOne for an enterprise value of roughly \$15 billion. Formed in 2001 and based in Dallas, CyrusOne is the designer, builder and operator behind more than 40 high-performance data centers worldwide, according to its website.

And the firm represented Macquarie Infrastructure Partners V in a \$400 million term loan financing and \$100 million revolving credit facility for the acquisition of a large majority stake in California-based GreenWaste and partner company Zanker Recycling, two recycling and waste management companies.

Chaudhry also touted the firm’s work advising Apex Clean Energy, an Ares

portfolio company, in the \$650 million financing for a 30-gigawatt portfolio of renewable projects.

“This financing was unique because for development assets ... the bank market is not a natural fit because banks are averse to development risk,” Chaudhry said. “Ares and Apex pushed the bank market to do development financing for this very large portfolio of development assets, and the banks went outside their comfort zone to understand and take development risk on this portfolio.”

Chaudhry said that as private equity and infrastructure funds have gotten more involved in the market, the tools and technologies they use for these financings have evolved from pure project finance deals to deals that borrow elements from different types of financing and different types of structured equity deals. They often have a strong M&A component.

“So in order to service these deals effectively for these private equity and infrastructure funds, you need to pick from a knowledge base in all of these different sectors, from M&A to how coinvestments and funds work to how structured equity works, to different types of debt financing,” he said. “And Kirkland has all of those arrows in our quiver to be effective in executing these deals.”

Nashi expressed optimism about the group’s future.

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