

Project Finance and Tax Equity



HIGHLIGHTS

- **Representing Sponsors and Financiers of the New Energy Economy**
Our attorneys are known for their innovative, influential approaches to financing energy transition projects and have earned recognition in the clean energy and climate solutions sectors.
- **Financing Expertise Across the Capital Stack for Clean Energy Projects**
We assist at all levels of debt and equity in the clean energy capital stack. We also help our clients to establish asset-backed lending facilities, working capital facilities, and capital markets securitizations.
- **Specializing in Novel Project Financings**
Few other law firms have figured out how to secure non-dilutive, non-recourse asset financing for clean energy technologies and business models the way we have. From the first commercial rooftop and residential solar tax equity deals in the 2000s to energy storage portfolio financings and carbon sequestration projects today, we put together innovative deals for innovative clients.

OVERVIEW

Awareness about climate change has reached a tipping point not only in the public consciousness, but also in the private sector. The transition to a low-carbon economy will require massive capital investments in the coming decades to reach net zero by 2050—and those investments are happening now.

The United States set a record in 2021 with \$105 billion spent on the energy transition. In addition, the U.S. government made an unprecedented \$80 billion pledge to support energy transition through the Infrastructure Investment and Jobs Act, which seeks to leverage significant private sector investment to support the new energy economy. However, even greater investments are required in the years ahead to reduce emissions, achieve energy security, and protect communities from the worst impacts of climate change.

With focused expertise in the clean energy and climate sectors, our project finance and tax equity team represents sponsors, investors, private equity firms, and financial institutions in project financings at all levels of the capital stack, including tax equity, cash equity, development, construction, back-leverage and mezzanine debt financings, and capital markets securitizations, including forward flow financings.

Our lawyers have deep knowledge of Sections 45 and 48 of the Internal Revenue Code that provide energy tax credits for qualifying renewable energy facilities such as wind, solar, biomass, and geothermal power plants, as well as Section 28D for qualified solar electric property expenditures and Section 45Q for carbon capture, use, and sequestration.

Our Clients and Representative Sectors

Wilson Sonsini draws upon the experience of seasoned practitioners in matters where we have special expertise, such as tax, energy regulation, real estate, national security, technology licensing, trade regulation, and bankruptcy, to provide tailored legal solutions that align with our clients' needs. We are frequently involved in first-of-their-kind transactions and have developed novel financing structures, many of which now serve as models for project finance of the energy transition.

The Wilson Sonsini project finance and tax equity team represents sponsors, investors, banks, and other lenders and private equity firms in project financings, with a particular focus on the clean energy and climate solutions sectors, including:

- Wind
- Solar
- Biomass
- Biofuel
- Geothermal
- Energy storage
- Energy efficiency
- Carbon capture, use, and sequestration
- Electric vehicle charging infrastructure

In addition to pioneering utility-scale wind and solar project financings, we developed some of the first project financing structures for assets in the residential solar, energy storage, energy efficiency, EV charging, and other industries focused on distributed energy resources. For example, we completed the first project financings for the following clean energy innovators:

- Sunrun
- SolarCity
- Vivint Solar
- Stem
- Swell
- Redaptive
- Metrus Energy

We have also represented such active major renewable energy power producers as Clearway, AES, Goldman Sachs Renewables Partners, Terra-Gen, and TransAlta in tax equity and debt financings for their utility-scale renewable power projects.

Further, our team regularly represents clients in the financing of other infrastructure projects based on innovative revenue structures, such as:

- Transmission systems
- Water efficiency upgrades
- Transportation systems
- Agriculture and reforestation projects
- Water and waste treatment facilities

As a result of our proven—and unique—ability to get energy transition deals done, strategic investors, venture capital firms, and major financial institutions look to Wilson Sonsini attorneys for their general finance expertise and extensive experience in all aspects of development, finance, acquisition, and disposition of clean energy and infrastructure projects. Our project finance and tax equity team has served as outside counsel to many of the leading financial institutions active in renewable energy financings, both with respect to debt and tax equity financings, including:

- JPMorgan
- Citibank
- Siemens Financial Services
- Société Générale