

Project Finance Group Of The Year: Ballard Spahr

By **Morgan Conley**

Law360 (February 11, 2022, 2:01 PM EST) -- Ballard Spahr LLP attorneys helped shape more than \$10 billion in project financings over the past year, including securing funding for a lithium extraction project in southern California and advising underwriters for the world's first trash-to-fuel plant, earning the firm a spot among Law360's 2021 Project Finance Groups of the Year.

Among the firm's notable achievements was arranging financing for a venture that will supply General Motors Co. with U.S.-derived lithium needed to power electric-vehicle batteries. Client Controlled Thermal Resources Inc. and its project subsidiaries clinched the multimillion-dollar investment and commercial collaboration with GM in September.

Partner Patrick Gillard, a co-leader of the firm's project finance group and head of its energy group, told Law360 that CTR's project will not only involve lithium extraction but will also provide geothermal energy to the nearby Imperial Irrigation District. Gillard said the complex project was exciting to work on because it spanned from creating the production and generation capability all the way through getting the lithium in the hands of car manufacturers.

"That project is very unique, and I got the opportunity to work with my partner Dirk Michels, who's leading that project and a variety of different matters involving it, both construction contracts involved in developing the facilities, extraction, as well as power generation," Gillard said, adding that their representation has also involved reaching agreements with other major car manufacturers for long-term lithium supply arrangements.

Next up, a team led by partner Randy Towers, who heads Ballard Spahr's bioenergy team and co-leads the project finance group and energy team, advised Morgan Stanley and JP Morgan on the multitranche, multiround financing of the world's first commercial-scale plant to convert household garbage into low-cost, zero-carbon transportation fuel.

Fulcrum BioEnergy's \$300 million Sierra BioFuels Plant in Nevada will convert 175,000 tons of municipal solid waste into roughly 11 million gallons of zero-carbon synthetic fuel each year. That fuel will then be upgraded to sustainable aviation fuel and renewable diesel and gasoline, the firm said.

Representing the major banks was especially interesting because they were brought in early to help "put the building blocks together," Towers said. Since the technology being used was novel, part of Ballard Spahr's



role was to vet its viability and make sure investors were accurately informed of the risks.

"I think that the banks brought us in early with that in mind. They wanted to make sure from a technology standpoint the project worked, and they wanted us to be involved in the decision-making as the pieces were getting put together," he said.

Another of the firm's most significant project financings of the year is being developed on its Philadelphia-based partners' home turf: the \$400 million public-private partnership redeveloping Amtrak's 30th Street Station.

One such partner, Steve T. Park, a co-leader of the firm's public-private partnership and infrastructure group and partner in its public finance group, represented Amtrak in its 50-year agreement with developer Plenary Infrastructure Philadelphia to design, build, finance, operate and maintain the William H. Gray III 30th Street Station.

"It's going to be a very cool deal, especially for the three of us who are all in Philly," Park said, noting that right now 30th Street "looks OK, but there's a lot of wasted space" that will be better utilized through the redevelopment plan.

Park said the funding for the redevelopment was already arranged way before the federal Infrastructure Investment and Jobs Act "was even a thing." In a rare turn of good fate, the funding afforded through the infrastructure bill, which will still require appropriation and future processes, will only enhance the potential for the project and others like it.

"It was a great project to work on and ultimately should be, I think, a model for future station development projects," Park said.

He was also part of a Ballard Spahr team that helped arrange a \$225 million, 50-year contract between the University of Idaho and Sacyr Plenary Utility Partners Idaho LLC that has SPUPI operate and maintain the university's campus utility system, including its steam plant and other energy generating facilities. Ballard Spahr attorneys served as counsel to the credit facility provider, hedge provider and noteholders for SPUPI, the firm said.

Park noted it is becoming more and more popular for universities to modernize their generation capabilities, and Idaho is one of the first of a "pretty big wave" of similar deals in the pipeline.

The notable financings arranged throughout the year are evidence of the project finance group's ability to work collaboratively but also with the other practice areas within Ballard Spahr, the partners all noted.

"These projects all involve multiple disciplines," Gillard said. "I think both our national footprint and also our diverse skill sets within both our real estate, our environmental, our tax practices, are able to work collaboratively and efficiently on identifying the key issues for these kinds of projects."

Towers also highlighted that he and his colleagues have spent decades staying ahead of the curve on considering the non-economic factors of financing, such as a project's effect on the environment. Today that is known as the "E in ESG," and its prominence only continues to grow "as investors are driving where the dollars are getting spent," he said.