

Milbank

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Meet the CleanTech Financers

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About Milbank

- ✓ **Legal Advisor of the Year**
(5th Annual Euromoney and Ernst & Young Global Renewable Energy Awards 2008)
- ✓ **Top Global Renewable Energy Legal Adviser 2007**
(*Euromoney/Dealogic*)
- ✓ **Top Clean Energy Legal Advisor to Arrangers 2007**
(*New Energy Finance*)
- ✓ **Energy/Projects Firm of the Year 2007 & 2006**
(*Chambers Global*)
- ✓ **Energy/Projects Award for Excellence 2007**
(*Chambers USA*)
- ✓ **Global Law Firm of the Year Award 2007**
(*Project Finance International Yearbook*)
- ✓ **Top Project Finance Legal Adviser in Latin America**
(*Euromoney/Dealogic, 2007*)

About Milbank

We are ranked by
*Infrastructure
Journal* as:

- ✓ Top Power
Legal Advisor
- ✓ Top
Renewables
Legal Advisor
- ✓ Top Wind
Energy Legal
Advisor

Top Renewables Legal Adviser				
Rank	Company	US\$ (mil)	Deals	Market Share (%)
1	Milbank	5,993.43	20	12.52
2	Clifford Chance	3,536.48	10	7.39
3	Freshfields	3,251.40	11	6.79
4	Uria Menendez	2,384.40	10	4.97
5	Garrigues	2,353.96	11	4.91
6	Jones Day	2,274.28	11	4.72
7	Linklaters	1,912.56	16	3.95
8	Norton Rose	1,771.21	9	3.67
9	Latham & Watkins	1,549.31	5	3.23
10	Chadbourne & Parke	1,547.00	6	3.22
11	Mallesons Stephen Jaques	1,534.30	3	3.21
12	Allens Arthur Robinson	1,400.00	1	2.94
=	Bonn Schmitt Steichen	1,400.00	1	2.94
14	Allen & Overy	1,192.74	8	2.47
15	Simpson Thacher & Bartlett	904.00	1	1.90
16	Grimaldi e Associati	892.47	4	1.86
17	Gomez Acebo & Pombo	885.71	4	1.85
18	DLA Piper	877.00	3	1.83
19	Ashurst	835.63	5	1.73
20	Watson Farley & Williams	633.71	4	1.32
Total		37,129.58	143	77.42

Debt Markets

- Debt providers – largely European financial institutions with some Japanese and US banks involved
- Basic products – turbine supply loans, construction loans, backleverage loans and project term loans
- Some institutions have done development financing

Debt Markets *(cont'd)*

- Pricing moved lower through mid-2007 and then started climbing
- In the transition, some deals (especially TSLs) became harder to syndicate and market flex terms became common
- Then it became difficult to syndicate anything
- Then the banks closed up for the year
- Effect has been (together with the same phenomenon in the tax equity market) a game of musical chairs (yes, the music has stopped) with cascading effect of failing to close on refinancings

Tax Equity Markets

- Tax benefits form a significant portion of the value of renewable energy projects.
- The tax credits are (basically) only usable by US public corporations that are taxpayers, which means that the value of the credits is highly dependent on whether such entities 1) exist and 2) have tax bills
- Financial institutions, life companies and some industrials have been the tax equity players
- The tax equity market evolved from a couple of deals in 2003 to a market with a couple dozen deals a year and a volume of \$6 billion in 2007

Tax Equity Markets *(cont'd)*

- As with debt, pricing and terms moved more in the sponsors' favor through mid-2007, then reversed direction.
- As the credit crunch became a crisis in financial institutions, the tax equity market stopped
- Hence, more musical chairs

About the Speaker



Ed Feo is a partner in the international law firm of Milbank, Tweed, Hadley & McCloy LLP. He co-chairs the Firm's utility and energy practice.

Mr. Feo represents companies in corporate and financial transactions in the energy and infrastructure industries, including numerous transactions in the development, acquisition and financing of wind, geothermal, solar and other renewable energy facilities. His team has closed more than one hundred fifty transactions in the renewable energy arena.

Chambers USA 2008 ranks Mr. Feo in the first tier of lawyers for energy and project financing, and recognizes him as the architect of the Firm's renewable energy practice. Mr. Feo has been named by the *California Lawyer* magazine as an "Attorney of the Year" in the Energy category, a "Deal Maker of the Year" by *The American Lawyer*, and as one of the top 100 lawyers in California by *The Daily Journal*.

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