



Power, Utilities and Renewables Practice

For more than 175 years, Baker Botts has been among the leading law firms in the world. Today, with 725 lawyers based in 14 offices around the world, the firm ranks among the largest global law firms in scope and influence.



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Power and utility companies have been a significant part of Baker Botts' client base for decades.

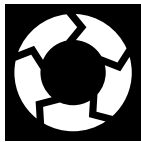
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Baker Botts has more than 100 lawyers who spend a significant portion of their time on power matters.

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"...Baker Botts L.L.P. is a strong player when it comes to energy projects, with its huge depth of expertise in oil and gas, LNG, electric transmission and renewables." — *The Legal 500 U.S.* 2015

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WHO WE ARE

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Power and utility companies have been a significant part of Baker Botts' client base for decades. Today, we have more than 100 lawyers who spend a significant portion of their time representing many of the largest electric and gas utilities in the United States, major independent power producers, entrepreneurial transmission and generation project developers, utilities and power trading and marketing companies, as well as major private equity investors and lending institutions focused on the power industry.

We advise clients in this sector on regulatory and environmental compliance, project development, financing, mergers and acquisitions and divestitures, tax matters and dispute resolution. Members of our Corporate and Global Projects Practices advise both regulated utilities and independent developers on all aspects of the project development process, including negotiating the capital structure among owners, investors and lenders; siting and permitting; and the creation of joint venture, shareholder, EPC (engineering, procurement and construction), interconnection, fuel supply, offtake and other key project agreements. Our Energy Litigation Practice lawyers work on the full range of power and utility disputes, including rate and tariff disputes and personal injury, property loss and business interruption claims. Our work in the power and utilities sector spans the full range of fuel sources, from natural gas, nuclear and coal through wind, solar, biomass and other renewables, and encompasses some of the cutting edge technologies being applied in this sector. We also have a substantial practice representing developers of high voltage transmissions lines.



WHAT WE DO

Baker Botts has more than 100 lawyers who spend a significant portion of their time on power matters.



POWER PROJECT DEVELOPMENT (GENERATION & TRANSMISSION)

For years, Baker Botts has advised clients on the development of power generation projects across a wide range of fuel sources, and these representations involve multi-disciplinary teams addressing project structuring, project finance, regulatory, transactional, tax and real estate matters. Our experience commercializing new power projects includes the development and negotiation of: joint venture agreements, power purchase agreements and tolling agreements, EPC contracts, energy marketing and commodity hedging arrangements, steam sales agreements, turbine acquisition and long-term services agreements, fuel supply and transportation agreements, interconnection agreements, water rights agreements, tax abatement arrangements and operations and maintenance agreements.

Our lawyers advise generators and transmission owners on the development and negotiation of interconnection and transmission service agreements, rate-of-return, negotiated rate and

market-based rate issues, ISO/RTO rules and policies, tariff requirements and emerging policy initiatives of the Federal Energy Regulatory Commission, Congress and the Administration that may affect project development or project economics. Baker Botts currently represents electric transmission and generation owners and developers in each of the ISOs and RTOs and most other regions of the country.

The firm also pursues an interdisciplinary approach to transmission projects, enabling Baker Botts to counsel clients in all facets of transmission development. Our lawyers work with clients early in the development process to identify siting considerations (e.g., available rights of way, property issues and environmental matters), permitting requirements and state and federal regulatory regimes that inform major milestone and associated time lines. Once a preferred route has been selected, Baker Botts works to secure necessary regulatory approvals, including federal and state siting permits (and Presidential Permits for cross-border facilities).



FINANCE

Baker Botts lawyers assist power and utility clients in the United States and abroad in obtaining or providing financing through a wide-array of vehicles and structures. We have a deep understanding of financing markets and broad experience negotiating a wide range of covenant packages. We offer a deep bench of highly skilled lawyers able to manage any type of financing transaction in the power and utility sector, and we work collaboratively across offices and practices to ensure seamless execution.

We have significant experience in structuring, negotiating and documenting credit facilities, covering the full range from project financings for greenfield assets to portfolio financings, working capital facilities, bridge, acquisition and leveraged recapitalization facilities and letter of credit facilities. Many of the financings on which our lawyers work involve multiple sources of debt, including tranches of debt provided by commercial bank or institutional lenders, development banks, export credit agencies and multilateral

lending agencies. As a result, we are deeply familiar with the intercreditor and coordination issues that arise in multi-tranche financings.

In addition, Baker Botts has an extensive practice in the areas of public and private debt and equity markets, including high-yield financings, institutional private placements and project bonds. Our finance lawyers represent clients in transactions involving a large variety of securities having diverse structures, including secured and unsecured senior debt securities, subordinated debt, convertible debt, preferred securities and other structured financings.

Baker Botts lawyers have been involved with a number of the YieldCo IPOs. Several of our clients have been looking at the possibility of contributing thermal infrastructure assets, distributed solar facilities and natural gas or dual-fire facilities, utility-scale solar and wind generation facilities to a YieldCo and then spinning out ownership to the public markets. This structure helps IPP and DG developers raise capital at a lower cost from a broader investor





base seeking the stability of revenues from contracted assets. Our finance and tax lawyers have drawn on their extensive MLP experience to represent both issuers and underwriters in connection with a number of YieldCo IPOs.

MERGERS & ACQUISITIONS

Baker Botts lawyers have been involved in a significant number of the leading mergers, acquisitions and divestitures involving power and utility companies over the past 25 years. In many instances, our lawyers have taken a leading role in some of the more innovative transactions in the sector, developing new structures or obtaining regulatory approvals on behalf of clients. We regularly advise clients on new and complex acquisitions strategies and structures.

Our lawyers also have substantial experience in project acquisitions and divestitures, having represented numerous buyers and sellers of power projects encompassing all major fuel sources (natural gas, solar, wind, hydroelectric, nuclear and coal), and electric and gas retail businesses.

In addition to our transactional lawyers, Baker Botts also has lawyers skilled in the regulatory, tax, environmental, compensation and intellectual property areas who are well-versed in the issues that arise in the course of structuring and negotiating mergers and acquisitions in the power and utilities sector.

REGULATORY

Baker Botts lawyers handle federal and state regulatory matters for businesses engaged in generating, moving, selling, trading, using and investing in electric power from all sources – natural gas, coal, nuclear, wind, solar, geothermal and hydro. We work closely with our electric power clients to formulate corporate strategies that address evolving regulatory policies and changing market conditions.

Our regulatory lawyers routinely counsel clients in regulatory matters before FERC, the CFTC, the PUCT and various other federal and state agencies and courts. We are experienced in the vast array of regulatory and permitting matters required for mergers and acquisitions, energy



asset sale and purchase transactions, power project development and environmental compliance.

Baker Botts regulatory lawyers skillfully represent our clients in regulatory disputes before agencies, in trial courts and on appeal. Our electric power disputes practice includes rate cases, enforcement actions and licensing and siting controversies at the federal and state levels.

Our lawyers have extensive experience in proceedings under the Federal Power Act and similar state utility laws involving approvals of electric power mergers and acquisitions, transmission rates, terms and conditions of service, market-based rate applications, interconnection issues and transmission investment cost allocation, ISO and RTO rules, Qualifying Facility (QF) and Exempt Wholesale Generator (EWG) certification, and power import and export licenses.

RENEWABLE ENERGY

Baker Botts lawyers are skilled in the renewable energy arena, having acted as transaction counsel to more than 100 alternative and renewable energy

projects in Africa, Europe, Asia, Latin America and North America covering wind, solar, landfill gas, biomass, hydroelectric and geothermal projects.

We have structured some of the largest wind farms developed in the United States and are acting as counsel in the acquisition of more than 3,300 MWs of wind turbine generators. From utility scale solar projects across the Americas to hydroelectric development and wind farm construction, Baker Botts lawyers have been involved from the early stages of renewable energy project development through commercialization and construction and on to ongoing operational matters and disputes. Our lawyers are experienced in negotiating the full range of project documentation for alternative energy projects, including turbine supply agreements, balance of plant contracts, EPC contracts, power purchase agreements and long-term maintenance contracts. We also have acted as counsel for tax equity and commercial banking financings.





ENVIRONMENTAL

Our environmental lawyers assist clients in the power industry with issues arising at all stages of development and involving all media (air, water and waste). We help clients with problems from permitting through construction and compliance, as well as addressing legacy issues at existing power plants. Baker Botts lawyers led efforts to permit three of the most recent coal-fired power plants constructed in the United States in Colorado, Kentucky and Texas.

Our reputation is based on intimate familiarity with the industry and the companies we represent. We have an in depth understanding of the varied legal, economic, technical and policy issues facing our clients that has been gained through decades of experience in the industry. We have formed and utilize client coalitions to effectively advocate for our clients before agencies and in court. We also rely on strong relationships with federal and state regulatory authorities to advance complex issues through the regulatory processes.

We approach compliance comprehensively to maximize benefits and minimize costs, whether planning unit retirements, installing controls or building new, replacement generation. We assist clients in learning about, coping with, and creating a compliance plan for the cascading compliance requirements imposed by the various programs. Our lawyers offer substantial experience to help companies confront the emerging challenges of climate change, non-attainment permitting and offsets for new power plants.

TRADING & DERIVATIVES

Baker Botts lawyers are adept at providing transactional advice with respect to trading and derivatives, along with regulatory, compliance and enforcement advice and advocacy to and on behalf of financial institutions, hedge funds, commodity trading companies and energy companies, including transmission providers, power generators, oil and gas producers, refiners, transporters, pipelines, distributors, marketers and end users. Our trading and derivatives work includes negotiating complex



and cross commodity swap transactions, hedges secured under credit facilities and credit sleeves and intermediation agreements. We also routinely advise on transactions under the ISDA, EEI, WSPP, NAESB, AIPN, CTA and EFET standardized contracts.

Our work also includes representation of clients in regulatory and enforcement matters before the CFTC. Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act provides the CFTC with the primary regulatory authority over the domestic swaps market, and it expands the CFTC's enforcement powers in the physical commodity and swaps markets. Baker Botts lawyers monitor and interpret CFTC developments, advise clients regarding company-specific impacts and potential responses, draft and submit comments on proposed CFTC rulemakings, draft and submit petitions seeking exemptive, no-action and other relief, arrange meetings with CFTC officials and represent clients in connection with CFTC enforcement activities.

Among other matters, we counsel clients regarding the impact of the Commodity Exchange Act and CFTC regulations on trade practices in the physical, futures and swaps markets, position limits, cross-border regulation, clearing requirements and exemptions, registration requirements and exemptions, requirements concerning the posting and treatment of collateral (margin) for futures and swaps, certifications and reports required of industry participants, internal auditing and compliance policies and requirements concerning data record keeping and reporting. We also have substantial experience defending companies in CFTC, DOJ, FTC and FERC investigations and enforcement actions.

TAX

Baker Botts has a long history of representing power companies and electric and gas utilities. We have deep understanding of the unique economic and regulatory environment in which these companies operate. We have utilized our knowledge to handle tax, regulatory and commercial disputes in trial or arbitration throughout the country.



We have specific experience with federal tax issues of interest to electric utilities, including the tax normalization rules, contributions in aid of constructions (CIAC) principles, like kind exchanges, qualifying income for publicly traded partnerships, depreciation issues and repair and cost capitalization rules. We have also advised on the intersection of federal tax principles before state and local utility regulators, including the impact of FIN 48, Medicare Part D, bonus depreciation, tax sharing agreements, consolidated tax savings adjustments, ADFIT, ADFUDC, and tax normalization rules. Finally, in structuring any transaction, we take into account not only generally applicable federal income tax rules that will make such transactions tax efficient but also tax regulatory issues which may dictate the ideal tax structure.

We also have decades of experience representing electric utilities before the IRS and state taxing authorities on general tax issues as well as issues to facets of a utility's business. We know how to explain the business to taxing

authorities, and we have been defending tax issues of the most importance to our clients.

In addition to our tax controversy skills, our lawyers have worked extensively negotiating and securing tax incentives for capital-intensive projects, having been involved in securing billions of dollars worth of power-related and/or manufacturing incentives in about 30 different states and under various federal grant and loan programs. We are also experienced in structuring transactions to take advantage of federal production tax credits and investment tax credits for various types of renewable energy projects.

We work with clients to structure proposed projects, identify potential incentives and develop strategies for approaching federal, state and local officials which enable us to negotiate possible incentive packages. We analyze, recommend and structure incentives tax positions in the context of our client's overall tax strategy.



STATE & LOCAL TAX CONTROVERSY & LITIGATION

While we have represented taxpayers of all forms, the majority of our state and local tax controversy practice entails the representation of large corporate entities. Baker Botts' State and Local Tax Section spearheads the firm's efforts in property tax controversy and litigation matters but often involves non-tax litigation partners with specific skills.

Baker Botts lawyers have litigated property tax valuation cases for wind and conventional power facilities, as well as difficult property tax matters for a number of power generation and transmission clients. We have also tried to verdict and arbitrated valuation disputes involving power generation facilities, and we have extensive proficiency in representing electrical generators and industry participants in commercial disputes.

Our experience enables us to thoroughly evaluate the merits of complex tax and valuation issues; and it allows us to provide our clients a significant advantage in preparing detailed, persuasive

responses to positions taken by county appraisal districts and their representatives. We are particularly adept at developing creative, well thought out arguments in property tax cases.

DISPUTE RESOLUTION

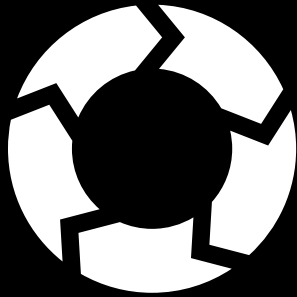
Baker Botts represents independent power producers, transmission and generation developers, utilities, and power trading and marketing companies in lawsuits, arbitrations, regulatory proceedings and other disputes at the federal, state and local levels. Our energy litigation team has broad experience in the power industry and understands the power business. We have brought that experience to bear in representing electric utilities in lawsuits brought by municipalities over street lighting rates, franchise fees and other services; in lawsuits brought by property owners over installation of wireless communication equipment and other equipment in easements and other rights of way; in litigation before district and appellate courts to enforce tariff limitations of liability; in deregulation proceedings to recover billions in stranded costs and in disputed



rate cases and other regulatory proceedings before the PUCT, the Texas Railroad Commission and FERC.

Baker Botts provides representation to both utility and non-utility power industry clients in business interruption cases brought by large industrial customers, in disputes over power purchase agreements and litigation over the construction of power generation facilities, in catastrophic injury and death cases and major property loss matters, in nuisance and other lawsuits brought by private individuals and public bodies over the construction and siting of wind farms, power plants, electric transmission lines and other energy infrastructure.

Our lawyers have represented clients in disputes before state and federal regulatory bodies over the routing of transmission lines and siting of power projects and have used our electric power and rate-setting experience to handle rate and other regulatory agency disputes before environmental regulators concerning the disposal of radioactive waste for nuclear power plants.



OUR WORK

“...Baker Botts L.L.P. is a strong player when it comes to energy projects, with its huge depth of expertise in oil and gas, LNG, electric transmission and renewables.”

—*The Legal 500 U.S.* 2015



NRG ENERGY

NRG Energy, Inc. entered into a plan sponsor agreement with Edison Mission Energy (EME), certain of EME's subsidiaries, the unsecured creditors committee, certain of EME's unsecured noteholders, and the parties to the Powerton and Joliet sale leaseback transactions to acquire substantially all of the assets of EME, including its equity interests in certain of its subsidiaries, for approximately 8,000 MW of fossil fuel and renewable generation for approximately \$3.6 billion, which includes the purchase price of \$2.635 billion and the assumption of certain debt obligations. Baker Botts represented NRG in the transaction.

UNS ENERGY CORPORATION

The Board of Directors of UNS Energy Corporation unanimously approved a definitive merger agreement with Fortis, Inc., Canada's largest investor-owned gas and electric distribution utility, that calls for Fortis to acquire all of the outstanding common stock of UNS Energy for \$60.25 per share in cash.

The \$4.3 billion transaction, which includes the assumption of approximately \$1.8 billion in debt, would provide additional capital and new resources for UNS Energy's subsidiaries, including Tucson Electric Power (TEP) and UniSource Energy Services (UES). Both companies will remain headquartered in Tucson under local control with current management and staffing levels and no planned changes to existing operations or rates. Baker Botts represented UNS in the transaction.



TRANSMISSION DEVELOPERS, INC

Transmission Developers, Inc. (TDI), a Blackstone portfolio company, is developing a cross-border, 1000 MW, 333 mile, underground/underwater high-voltage direct current transmission line from the U.S.-Canada border into New York City. When completed, TDI's project will be the longest underground/underwater HVDC transmission line in the United States. Baker Botts is representing TDI before the: (1) Federal Energy Regulatory Commission on all transmission rate and policy issues; (2) U.S. Department of Energy regarding Presidential Permit matters and (3) the U.S. Army Corps of Engineers regarding environmental permitting matters. Baker Botts also is representing TDI on matters related to the sale and allocation of capacity on the transmission line.

GLOBELEQ MESOAMERICA ENERGY SA

The firm advised Globeleq Mesoamerica Energy SA (Globeleq), a developer of renewable-energy projects in Central America, on the development and project financing of a 50MW wind power project in Costa Rica. This project won the 2013 Project Finance Magazine Latin America Wind Deal of the Year.

The Orosi wind farm is being built under a build, operate, transfer (BOT) agreement in Guanacaste province; Spanish wind turbine manufacturer Gamesa has been tasked with installing 25 wind turbines and will operate and maintain the site for five years. Construction is expected to be completed by early 2015.

Equity for the Orosi project will be contributed by Globeleq and its partner Mesoamerica Power through GME and the Export-Import Bank of the United States, Banco Internacional de Costa Rica (BICSA), and FMO, The Netherlands Development Finance Company will provide approximately \$105 million in project debt financing.



XCEL ENERGY

On August 10, 2012, the U.S. Court of Appeals for the Tenth Circuit issued its opinion in *WildEarth Guardians v. Public Service Co. of Colorado d/b/a Xcel Energy*, Case No. 11-1400, ruling that plaintiff WildEarth Guardians' (WEG) Clean Air Act (CAA) citizen suit claims against Public Service (PSCo) are constitutionally moot.

The Tenth Circuit determined that the basis for WEG's allegations – the construction of Comanche Unit 3 in Pueblo, Colorado, without a source-specific maximum achievable control technology (MACT) determination – had been resolved by PSCo obtaining such a determination, and that further litigation would serve no purpose because the alleged violation could not be reasonably expected to recur.



OUR ACCOLADES

“They have in-depth knowledge of the power sector.”

—*Chambers Global* 2015

“Renowned energy firm with capable power and oil and gas transactional and regulatory teams.”

—*Chambers USA* 2015



“Advises on cutting-edge LNG developments and power projects.”

—*Chambers Global* 2015

“Best known for construction and engineering disputes as well as arbitration in the energy and natural resources space, including oil and gas, mining and power.”

—*Chambers Global* 2015

“Handles a large volume of litigation matters for energy clients, ranging from industrial power consumers to utilities and electric cooperatives.”

—*Chambers USA* 2015

“Noted for its expertise in renewables and also frequently called upon for its strengths in cross-border electrical transmission programs.”

—*Chambers USA* 2015

“Maintains noteworthy expertise in issues concerning upstream oil and gas and electric generation work. Also much sought after for its strengths in renewables and midstream energy work.”

—*Chambers USA* 2015

“Acts for clients on major transactions in the power space, including public company M&A and the acquisition of electricity generation and retail assets. Counsels electricity utilities and developers on the regulatory aspects of transactions, RTO issues, matters before the FERC and Dodd-Frank act matters.”

—*Chambers USA* 2015

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