

Sustainability and Decarbonization



HIGHLIGHTS

■ Opportunity in the Face of Risk

Wilson Sonsini helps clients go on offense, seizing opportunities to anticipate and respond to climate-influenced customer demand, create and deploy new products, and improve the bottom line through thoughtful, bold, and impactful decarbonization strategies.

■ Representing Fearless Innovators, Investors, and Lenders

Wilson Sonsini is the law firm of choice for the undaunted and innovative companies, investors, and lenders launching ground-breaking products, services, transactions, and projects to address sustainability challenges and provide climate solutions.

■ A Mission-Driven Track Record of Energy and Climate Innovation

We have advanced the new business models, future-forward technologies, and financing mechanisms that are revolutionizing how energy is generated, transmitted, sold, and consumed.

■ We Partner with Top Climate Solutions Investors

We represent leading investors—including venture capital and private equity firms, domestic and offshore strategics, and financial institutions—backing the development, commercialization, and mass deployment of new energy technologies. We also represent progressive institutional investors engaged in impact investing to address ESG goals and opportunities.

OVERVIEW

"As often before, we'll learn that many problems look impenetrable until someone cracks them—often by restating the problem correctly, making its solution self-evident. And as with energy and resource efficiency generally, rethinking each desired end-use service as a whole system reveals design opportunities for deeper, cheaper savings of money, emissions, and risk."

*Amory Lovins,
Profitably Decarbonizing Heavy
Transport and Industrial Heat, RMI 2021*

Climate change, resource scarcity, and environmental, social, and governance (ESG) requirements are reshuffling the deck of winners and losers in the global business world. Most law firms advise businesses to play defense: to compartmentalize risk, delay investment, and resist change. Wilson Sonsini partners with companies that embrace change as a once-in-a-lifetime opportunity and are determined to come out on top.

Whether rooftop solar, EV fleet charging, advanced battery technologies, green data centers, corporate energy efficiency and renewable energy procurement, renewable fuels, carbon capture and sequestration, or sustainable agriculture, we have joined our clients in the risk and reward of launching and growing innovative energy companies, structuring and negotiating first-of-their-kind energy transactions, helping clients seize opportunities in complex energy markets and regulatory schemes, and pioneering creative financing structures that streamed billions into projects and companies.

Our work in sustainability, climate, and decarbonization continues the firm's legacy of representing technology pioneers and taking world-changing ideas from concept to implementation. We don't just work with innovative companies—we are an innovate company, according to *Fast Company's* prestigious annual list for 2022—the first time a law firm has ever received this distinction.

Over hundreds of seed rounds, private equity-backed company formations, strategic joint ventures, tax equity financings, IPOs, and long-term clean energy procurements, we have created a track record of success. Our investor-side clients know that we couple high-caliber transactional talent with deep, practical experience in the project, commercial, and regulatory areas critical to investment decisions. Fortune favors the bold, and the bold favor Wilson Sonsini.

Our Clients

Our team's experience—and the novel, sophisticated approach we take in our work—is a key part of our brand. But it is the quality and quantity of innovative clients we work with that sets us apart from competitors and makes Wilson Sonsini a legal partner like no other.

From the dawn of semiconductors and software to today's clean energy developments, Wilson Sonsini continues to work with the biggest name clients that are advancing climate and sustainability pursuits in markets worldwide. These companies, both large and small, are connecting formerly disconnected segments now engaged in launching sustainable products that contribute to energy efficiency and energy use reduction.

In addition to the climate solution providers, Wilson Sonsini helps companies execute on strategies to lower their carbon footprint and meet sustainability goals. From renewable energy and carbon offset procurement to implementation of carbon sequestration technologies in industrial processes, we have unique expertise to get the deals done necessary to meet climate and sustainability goals.

The examples of our work mentioned on the Representative Client Matters tab are only a fraction of the many instances when we enabled clients to complete key steps on the way to forging their unique, impressive paths to successful innovation. For a more

complete client list, please contact any member of our energy and climate solutions team.

Representative Industries and Sectors

Wilson Sonsini's team represents innovators across the sustainability and climate solutions spectrum, including start-ups and more established companies in the following industries and sectors:

- AgTech, agriculture, and forestry
- Battery and other energy storage technologies
- Biofuels and biomass
- Carbon capture, use, and sequestration
- Distributed Energy/Behind-the-Meter Solutions
- Energy efficiency (including building retrofits)
- FoodTech
- Fuel cells
- Geothermal
- Green building and bio-based chemicals
- Hydrogen
- Nuclear
- Solar
- Sustainable technology
- Transmission, distribution, and grid edge/distributed resources
- Transportation (electric vehicle, EV charging networks, biofuels, and other TransTech sectors)
- Water
- Wind

Wilson Sonsini also serves as primary outside counsel to industry leaders in:

- Residential solar portfolios
- Utility-scale solar projects
- Financial institutions providing structured finance in the utility-scale wind and solar sectors and amassing portfolios of projects
- Energy storage leaders
- International strategics seeking entry into distributed generation, energy storage, and smart microgrids
- Technology and business model innovators

A Recognized, Cross-Disciplinary Team

Wilson Sonsini's inter-disciplinary team has industry-relevant and practical experience that includes corporate, governance, and energy law veterans who advise clients on a broad range of initiatives—from ESG policies to urban transportation ventures—regardless of complexity or scale. Our firm has built a market-leading team with a deep practice in renewable and alternative energy project development and finance on behalf of sponsors, lenders, and investors.

"They are helpful, pragmatic and responsive. They have a commanding knowledge of their sector and are particularly useful in deals of high importance."

Chambers
AND PARTNERS

Our Comprehensive Experience Extends to ESG

With Wilson Sonsini's investment mindset, strong bench in corporate structure and governance and deep understanding of the company life cycle, our firm has a unique position of strength and experience advising companies on their development and implementation of **ESG strategies**. Our clients are at the forefront of ESG, whether it comes to reducing their carbon footprints, implementing equitable employment policies or increasing transparency in governance and best practices for board management. Wilson Sonsini serves the ESG needs of established public and private companies, as well as Fortune 500 brands and multi-national corporations.

REPRESENTATIVE CLIENT MATTERS

1. ESS, Inc.

Wilson Sonsini has represented **ESS, Inc.**, a company that designs, builds, and deploys environmentally sustainable, low-cost, iron flow batteries for long-duration commercial and utility-scale energy storage applications. ESS' category-defining storage battery technology is engineered to support renewables and stabilize the electrical grid. Built from earth-abundant materials, the ESS solution can be deployed in a wide variety of environments and operate across a wide temperature range.

2. FREYER AS

Wilson Sonsini represented **FREYR AS** in a recent SPAC deal. In January 2021, the Norway-based developer of clean, next-generation battery cell production capacity announced that it will become a publicly listed company through a business combination with Alussa Energy Acquisition Corp., a Cayman Islands exempted, publicly listed special purpose acquisition company. The transaction represents a pro forma equity value of \$1.4 billion for the combined company upon closing which will be named "FREYR Battery" (Pubco). Pubco's common stock is expected to start trading on the New York Stock Exchange under the ticker symbol FREY upon closing of the transaction, expected in the second quarter of 2021.

3. Stem, Inc.

Wilson Sonsini represented **Stem, Inc.** in a recent SPAC transaction. In December 2020, the company announced it had reached a definitive agreement to acquire Star Peak Energy Transition Corp through a reverse merger, resulting in the combined entity trading on the NYSE Stock Exchange under the ticker symbol STEM. Stem is a developer of AI-powered energy storage services intended to build and operate the largest digitally connected energy storage network. Their energy storage system optimizes the timing of energy use and facilitates consumers' participation in energy markets, yielding economic and societal benefits while decarbonizing the grid, helping organizations automate energy cost savings and protect against changing rates.

Wilson Sonsini's team also advised Stem in bidding and negotiating an agreement to manage a 345 MWh energy storage portfolio located on commercial and municipal sites in Southern California Edison territory that is owned by SK E&S and SUSI Partners. This is one of the largest portfolios of behind the meter energy storage in the world and memorializes Stem's success over AMS in this part of the energy storage industry.

We also advised on the establishment of Stem's joint venture with Copec to deliver energy storage solutions to customers in Chile and Columbia.

4. QUANTUMSCAPE

Wilson Sonsini represented **QuantumScape** in a recent SPAC transaction. In September 2020, the company—a developer of next generation solid-state lithium-metal batteries for use in electric vehicles—and Kensington Capital Acquisition Corp., a special purpose acquisition company (SPAC), announced a definitive agreement for a business combination that would result in QuantumScape becoming a publicly listed company. QuantumScape is focused on developing solid-state batteries and developing a scalable manufacturing process to commercialize its battery technology for the automotive industry.

5. Clearway Energy Group

Serving as transactional counsel to Clearway, Wilson Sonsini negotiated an approximately \$50 million acquisition of a portfolio of Illinois community solar projects from Cypress Creek Renewables and negotiated a 110 MW PV/55 MW battery storage offtake agreement with Marin Clean Energy, a California Community Choice Aggregator.

Wilson Sonsini's team also advised Clearway in a debt financing and a commitment toward tax equity financing of the 192 MW Rosamond Central Solar Project in Kern County, California. This project is notable in the industry as one of the largest projects ever financed based on stipulated contracts with a group of California-based municipalities and community choice aggregators (CCA), including East Bay Community Energy and Clean Power Alliance.

6. Nautilus Data Technologies, Inc.

Represented Nautilus Data Technologies, Inc. in closing a \$100 million multi-draw, senior secured debt facility with Orion Energy Partners, L.P., focused initially on the construction and commissioning of a 6.0 MEGAWATT floating data center in Stockton, California, and subsequently on developing additional data center projects in the Nautilus pipeline. Notably, Nautilus is a provider of highly efficient data centers, using a sustainable water-based cooling process to achieve industry leading power usage effectiveness (PUE) and significant improvements in environmental performance; this financing will allow our client to showcase and expand its transformative approach to meeting the urgent business and community demand for higher performing and more sustainable data center solutions.

7. Berenberg Alternative Assets Fund II, S.A. (with the subfund Berenberg Green Energy Junior Debt Fund III)

Represented Berenberg Alternative Assets Fund II, S.A. (with the subfund Berenberg Green Energy Junior Debt Fund III), funds established and managed by Berenberg, a German private bank, in connection with an acquisition financing provided to an affiliate of

Hep Global GMBH, a German renewable energy developer, for the acquisition of US-based solar development assets from Peak Clean Energy, a US-based renewable energy developer

8. Concentric Power, Inc.

Advising Concentric on the development, financing, and regulatory approvals required for the development and financing of first of a kind microgrid providing local power-generating and distributed energy resource assets, including 34.5 MEGAWATT of solar photovoltaic, wind turbine generators, landfill gas, combined heat and power, energy storage systems, and other microgrid balance of systems, all of which are to be built as part of the Gonzales Electric Authority's GEADirect microgrid power program in Gonzales, California. Notably, this will be one of the largest independent (not grid-tied) microgrid systems ever developed and financed in the United States.

9. SDCL Energy Efficiency Income Trust (SEFIT)

Represented SEFIT in its acquisition of a 50% interest in Primary Energy Recycling Corp., from a Fortistar-led consortium for \$110 million. Primary Energy owns a portfolio of behind-the-fence generation assets, totaling 298 MEGAWATT, located at steel mills in Indiana. The projects involve three waste-to-heat power projects and a 50% stake in a coal pulverization plant located at ArcelorMittal's steel mill in East Chicago, Indiana, as well as a gas-fired CHP plant located at U.S. Steel's plant in Portage, Indiana.

10. Soltage, LLC

Advised Soltage, LLC in its acquisition of a 40 megawatt solar portfolio in Oregon from NewSun Energy LLC. The transaction involved painstaking regulatory and power market diligence, and renegotiation of a complex web of agreements for shared interconnection facilities and transmission rights, enabling a variety of nearby solar and energy storage projects to co-exist, optimizing the use of limited grid resources while each remaining capable of separate, non-recourse project financing.

11. Vivint Solar, Inc. and Sunrun, Inc.

Advised on the merger of Vivint Solar and Sunrun, two of the largest residential solar companies in the United States and clients of the firm, in a \$9.8 billion all-stock transaction. Wilson Sonsini was the lead advisor on all structured finance aspects of the merger, including a series of tax equity, debt financings and restructuring required to support the merger closing. Wilson Sonsini also was company counsel to Vivint Solar and advised on antitrust matters.

12. Siemens Financial Services, Inc. and Siemens Industry, Inc.

Advised Siemens in establishment of a joint venture with Macquarie Capital's Green Investment Group for the development and financing of solar, energy storage, microgrid and cogeneration energy-as-a-service projects at commercial and industrial sites across North America. The transactions involved the establishment of a platform whereby Siemens' developed projects are acquired by the joint venture, Siemens provides engineering, procurement, construction, operations and maintenance of the projects, and project financing is provided by both Macquarie and Siemens.

13. Cupola Infrastructure Income Fund

Advised Cupola Infrastructure Income Fund, an affiliate of AMG National Bank, in a \$41 million investment into Lightning Systems, a global developer of zero-emission drivetrains, structured as equity and the establishment of a working capital facility.

14. Chevron U.S.A., Inc.

Advised Chevron on its negotiation of a Vehicle Incentive Agreement and related form of Fueling Agreement to provide monetary incentives to fleet operators to purchase new (or convert existing) class 7 or 8 trucks to run on compressed renewable natural gas from agricultural digesters, thereby increasing consumption of ultra-low Carbon Intensity compressed RNG in California.

15. Kairos Power

Advised Kairos Power in the formation of a long-term strategic joint venture transaction with Materion Corporation to develop a reliable and cost-effective supply of salt coolant for Kairos' fluoride salt-cooled, high-temperature nuclear reactors.

16. Nautilus Data Technologies, Inc.

Advised on a \$100 million multi-draw, senior secured debt facility with Orion Energy Partners, L.P., to initially finance the construction and commissioning of a 6.0 MEGAWATT floating data center in Stockton, California, and subsequently to finance additional data center projects in the Nautilus development pipeline. This is Nautilus' first large scale project financing of its innovative floating data center technology and also involved a restructuring of Nautilus' corporate equity investments.