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Facilitating the future of energy

Energy and Climate Change

2020





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Energy and Climate Change

The energy sector is used to change, but has never faced greater change than it does today.

The biggest medium and long-term issue of our time is how to meet our energy needs in a way that sustains the future of the planet, while also sustaining the sector itself, which is so essential to our society.

With over 450 lawyers, the CMS Energy and Climate Change practice is one of the world's largest. We provide crucial advice to governments and businesses as they engage with the challenge of climate change and shape their responses to it.

Since the 1980s we have led the way in designing and implementing modern energy markets around the world. We have also helped to guide the renewables sector at every stage of its development, from the earliest windfarms to solar PV, floating offshore wind, energy storage and electric vehicle infrastructure.

Many of our clients require specialist legal advisers attuned to global geopolitics, economics and regulation. Our involvement goes far beyond straightforward power expertise, as we help them navigate increasingly interlinked issues such as technological disruption, urbanisation, social concerns and political agendas.

We ensure that the jigsaw pieces of the overall energy and climate change puzzle are not looked at in isolation, whether we are advising on climate change strategy or new technology, oil & gas exploration or energy efficiency, project finance or M&A, energy disputes or regulation.

Unlike some sectors, where maturity has brought extensive standardisation and commoditisation, the energy sector is seeing an increase in new approaches and practices. We work with businesses at every stage of the energy lifecycle, as well as with regulators and governments, to help them understand how these new developments can secure not only their commercial or political aims but also our collective future.



Writing the rulebook

Our experts have shaped the sector by creating the legal frameworks upon which markets around the world are based. We have written energy market rules in over 60 countries, and recently won multiple awards for our work on Mexico's electricity market reform and long-term auctions.



Future-facing

CMS lawyers thrive at the leading edge. We advise on a wide range of new energy technologies including energy storage, electrification of transport, decarbonisation of heat, floating offshore wind/LNG/solar, shale and alternative O&G, nuclear fusion, carbon capture and storage, tidal lagoons and digital energy. In some cases, we've "written the book" on these emerging energy technologies.



There for you

From the oil rigs in Azerbaijan to the hydro plants in Brazil, CMS lawyers will be where you need them. And most likely, will have been there before.

Case studies

Driving Europe's subsidy-free future

Spain's 300MW Talayuela Solar Park will be one of the largest in Europe. CMS lawyers from across Europe have worked on the project.

CMS UK advised solar park operator Encavis AG on the ground-breaking framework agreement with the developer under which the project was acquired, with CMS Spain assisting on the acquisition.

CMS Germany advised on the virtual PPA with a major utility – which was then closed under the lead of CMS UK, in parallel with a financing run out of Germany.


Our seamless, strategic cross-border advice has enabled Talayuela to be delivered without state subsidies. The ability to do this that is offered by PPAs – especially virtual PPAs, structured as contracts for difference – is a new phenomenon in Europe. It is widely regarded as a key step towards market viability for renewables, ensuring stable income streams and project bankability.

“The team are very knowledgeable and work with their clients to deliver clear and concise advice and outputs in line with our needs. They are able to readily access other financial market expertise from within the group and manage their input to deliver an efficient service. We have used CMS for many years and have benefited from their consistently high quality advice.


Legal 500, 2020

Delivering ground-breaking power reform worldwide

We advised the Mexican Ministry of Energy (“SENER”) on crucial reforms to the electricity market in Mexico, including:

 restructuring the electricity industry;

 creating a completely new and state-of-the-art wholesale electricity market; and

 designing auctions to procure a large pipeline of renewable energy projects.

CMS experts have advised on such reforms in over 40 jurisdictions worldwide, making us a natural choice for the Mexican project, which required a multidisciplinary knowledge of the power sector including engineering, economics, and politics, as well as the legal and regulatory framework. Lawyers from our offices in Mexico and the UK worked closely with both SENER and many other stakeholders.

This was the most significant change in Mexico's electricity market for over 40 years, and the largest market reform of this scale in the world for over a decade. Our advice delivered tremendous results for our client and the people of Mexico. The Economist deemed it the “crown jewel” in Mexico's programme of strategic economic reform.

“Their responsiveness and approach to solving issues is unique and helpful.

Chambers and Partners 2020

CMS Energy and Climate Change at a glance

» **Energy Team of the Year**
The Lawyer Awards 2017

» **Energy, Mining and Utilities Law Firm of the Year**
Mergermarket Middle East M&A Awards 2018

» **Mergermarket M&A (Mid-Market)**
Legal Advisor – Winner 2019

**THE ONLY FIRM RANKED IN BAND 1
FOR OIL & GAS AND POWER IN SCOTLAND**

155+
partners globally


450+
lawyers globally

ACTING FOR ALL 6 OIL AND GAS SUPERMAJORS

#1 **Ranked Band 1 for Energy Regulatory across Europe by Chambers and Partners**

THE ONLY FIRM RANKED IN BAND 1 FOR CENTRAL & EASTERN EUROPEAN PROJECTS & ENERGY BY CHAMBERS AND PARTNERS


Our track record

 **High value, complex cross-border projects**

Merkur Offshore GmbH
An international CMS team advised on all aspects of the disposal of the shareholdings in the wind farm, including the project-financing related aspects. Two of the shareholders, Partners Group and InfraRed Capital Partners, had already been advised by CMS on the original purchase in 2016.

Daiwa Energy & Infrastructure
The purchase of 40% of the shares in Aquila Capital Holding GmbH, a leading manager of real asset investments.


Repsol
A share purchase agreement to sell Repsol's offshore wind power business in the UK to SDIC Power of China, one of China's biggest state-owned investment companies.

 **Opening new horizons**

Equinor
The Hywind project and related M&A, a revolutionary new floating windfarm to be installed in UK waters.

Signify
The purchase of renewable energy from Green Investment Group by way of a virtual corporate power purchase agreement (VPPA) – one of Poland's first agreements of this type.


Pivot Power
The sale of Pivot Power, a battery storage and EV charging infrastructure provider, to EDF Renewables.

 **Shaping the sector**

Government of South Africa, the National Electricity Regulatory (NER) and ESKOM
Major reforms to South Africa's legislative and regulatory frameworks for independent renewable power projects, and the restructuring and unbundling of the country's electricity market, including the creation of regional distribution companies.

The Kenya Power and Lighting Company
The Lake Turkana Wind Farm Project, Africa's largest IPP wind farm project. We advised on the allocation of risk and the strategy for structuring commercial terms for wheeling and interface arrangements to link the planned 428 km/400 KV transmission line to the grid.

Romania's Ministry of Energy
A new support scheme for clean energy power projects. We advised alongside NERA Economic Consulting and Marsh Europe.

 **Building businesses**

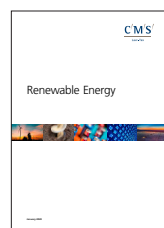
MOL
The acquisition by Hungarian oil and gas company MOL Group of 208 filling stations in the Czech Republic, Slovakia and Romania from Eni.

PRISMA
A successful appeal by capacity booking platform operator PRISMA European Capacity Platform GmbH on the Board of Appeal of the Agency for the Cooperation of Energy Regulators concerning the gas booking platform to be used at the Mallnow interconnection point and 'GCP' virtual interconnection point on the German-Polish border.

Schlumberger
A tripartite investment agreement with NNPC, Nigeria's national oil company, and First Exploration and Petroleum, a Nigerian-based exploration and production company, to develop Nigeria's offshore Anyala and Madu fields.

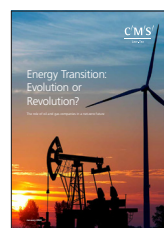
Staying ahead of the game

Keeping you up to date is a priority for CMS. We excel at examining new developments, analysing new trends and looking at what the future holds. We invest in knowing what is around the corner and how fresh technologies will impact our clients. We build this knowledge into our advice, and invest in training and know-how – for ourselves and our clients. Here are some examples of the wide range of thought leadership and regular analysis materials available to you.



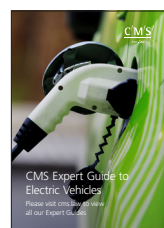
Renewable Energy

The renewable energy sector is still undergoing a major transition, as governments take a variety of approaches to developing projects to feed the almost insatiable appetite of banks, investors and developers. In this report, we look at the current situation in 37 countries across Europe, Asia, MENA and Latin America, as well as considering what's coming over the horizon. Access it at cms.law



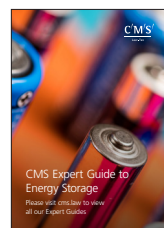
Energy Transition: Evolution or Revolution?

The 'energy transition' has been one of the key areas occupying time at board level for many of our oil & gas clients. This report evaluates the drivers for, and the scale and focus of, the transition for oil & gas companies, and the challenges and opportunities facing the sector. Access it at cms.law



The Electric Vehicles e-guide

Interest in EVs has varied over the years, but the last decade seen a momentous surge in the market, which is set to transform the automotive industry. Our guide examines developments and regulations in over 20 countries. Access it at cms.law



The Energy Storage e-Guide

Energy storage has emerged as an area of focus in many jurisdictions across the globe due to its potential benefits to electricity systems and the opportunities for developers and investors. This e-guide brings together analysis from our legal experts across 22 jurisdictions. Access it at cms.law

Smart service delivery

The Energy and Climate Change sector pushes boundaries. Our clients benefit from bespoke CMS-developed tech as well as industry-standard AI. Here are just a few examples of how we use technology to deliver for clients.

Increasing efficiency and reducing the costs of disputes

Disputes often involve large volumes of documentation, and that's particularly true in a heavily regulated sector such as energy and climate change. Our CMS e-disclosure team, CMS Evidence, provides the latest e-disclosure tools to review, analyse and organise documents in a cost-effective way. It means that we can scope, budget and manage the entire disclosure process from start to finish, saving time and money.

Using AI to improve processes

Due diligence, data and contract analysis can be time-consuming and complex. We use AI tools to review large swathes of information quickly and cost-effectively. The software enables us to cluster, compare, analyse and visualise data from multiple sources and search thousands of documents accurately.

Responding to investigations

So called dawn raids – unannounced inspections - are an established and increasingly frequent feature of the regulatory landscape. The CMS Dawn Raid app gives our clients instant, 24/7 access to CMS experts whenever the authorities come knocking. Developed in cooperation with our global competition practice, the app includes jurisdiction-specific checklists and best practice guidelines. Download it from our app store.

Mobilising after a data breach

Companies are rightly devoting more and more resources to cybersecurity, but most will still suffer a breach sometime. With brand reputation and customer trust at risk, as well as intellectual property and data privacy, the cost of data breaches and increasingly sophisticated cyberattacks is increasing. A rapid response in the aftermath of a breach is critical.

CMS can help. Our Breach Assistant app helps you to understand the priority actions you should take when faced with a breach and you can contact CMS data breach response lawyers at the touch of a button. Download the app from breachassistant.com

“A team of high-calibre professionals with deep knowledge and business acumen for all types of energy work.

Chambers and Partners 2020

Staff

> 8,000

Lawyers

> 4,800

Partners

> 1,100

49 NEW PARTNERS IN 2019, TAKING THE TOTAL TO OVER 1,100

Operating in

70 cities

Across

43 countries

EUR 1.36bn

turnover for 2018

19 PRACTICE AND SECTOR GROUPS WORKING ACROSS OFFICES

Ranked 5th largest law firm

(by headcount) in the 2018 Am Law Global 100

>> #1 CEE, DACH, Germany (Mergermarket)

>> #1 Germany, UK (Thomson Reuters)

>> Top rankings in 2018 M&A League Tables (by deal count)

>> #1 Europe, Germany, UK (Bloomberg)





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cms-lawnow.com

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CMS locations:

Aberdeen, Algiers, Amsterdam, Antwerp, Barcelona, Beijing, Belgrade, Berlin, Bogotá, Bratislava, Bristol, Brussels, Bucharest, Budapest, Casablanca, Cologne, Dubai, Duesseldorf, Edinburgh, Frankfurt, Funchal, Geneva, Glasgow, Hamburg, Hong Kong, Istanbul, Johannesburg, Kyiv, Leipzig, Lima, Lisbon, Ljubljana, London, Luanda, Luxembourg, Lyon, Madrid, Manchester, Mexico City, Milan, Mombasa, Monaco, Moscow, Munich, Muscat, Nairobi, Paris, Podgorica, Poznan, Prague, Reading, Rio de Janeiro, Riyadh, Rome, Santiago de Chile, Sarajevo, Seville, Shanghai, Sheffield, Singapore, Skopje, Sofia, Strasbourg, Stuttgart, Tirana, Utrecht, Vienna, Warsaw, Zagreb and Zurich.

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