

ESG for Renewable Energy Financing

November 2 - 3, 2021 | Digital Access

DAY 1: Tuesday, November 2, 2021

8:15-8:20 am *Introduction and Opening Remarks*

8:20-8:50 **Session 1: What does ESG Mean in the Renewable Energy Industry?**

Along with renewables surging to the tune of 24.7 GW of global solar projects alone this year, ESG focus is continuing to be a major trend in investment decisions. Thus, Investors, offtakers, and the public are increasingly scrutinizing the performance of renewable energy companies in terms of their performance based on environmental, social and governance (ESG) metrics. This lens presents a set of complex challenges that must be overcome in order to ensure project success and financeability from beginning to end. This opening session will examine what exactly is meant by “ESG,” as well as the core aspects and key challenges of accounting for ESG factors in the context of renewable energy project development and operation and corporate finance.

Elizabeth Crouse, *Partner*, K&L GATES LLP

Lana Le Hir, *Senior Associate*, K&L GATES LLP

8:50-9:05 *Live Q&A*

9:05-9:15 *Break*

9:15-10:05 **Session 2: ESG Legal and Regulatory Issues in Renewable Energy**

Panelists will discuss major legal and regulatory laws with ESG characteristics, as well as the primary federal and state regulatory agencies that have rules specifically related to ESG matters, including in the context of procurement, personnel, and disclosure about greenwashing, environmental justice, and board diversity in renewables.

Stacy Ettinger, *Partner*, K&L GATES LLP

Kimberly Frank, *Partner*, K&L GATES LLP

Amy C. Hoang, *Partner*, K&L GATES LLP

Laurie Purpuro, *Government Affairs Advisor*, K&L GATES LLP

Julie Rizzo, *Partner*, K&L GATES LLP

10:05-10:20 *Live Q&A*

10:20-10:30 *Break*

10:30-11:15 **Session 3: How ESG Affects Renewable Energy Investment Decisions: The Investor Perspective**

Across business sectors, investors need a clear view of a company’s ESG performance in order to improve decisions about capital allocation, and identify M&A opportunities and/or business lines that are difficult to switch to low-carbon operations and ripe for divestiture. This is no different in the renewable energy space. Project developers & offtakers must understand how ESG drives investors’

decisions in order to integrate the right practices into their organization and structures and provide the right data in reporting that will help investors understand portfolio returns. This panel will ask investors to discuss:

- Why ESG is important to decisions and in turn how that impacts developers & offtakers
- What ESG criteria investors rely on to inform investment decisions
- The impact of ESG investment trends on M&A and financing activity
- How investors analyze risks in the project-development phase to create measures to avoid, mitigate, or remedy them before making new investments
- How investment in or the acquisition of renewable generation projects or projects intended to reduce carbon emissions impacts a company's performance under ESG or sustainability standards

Michael W. McGrath, *Partner*, K&L GATES LLP

Stacy Xiao, *Director, ESG Solutions*, SUSTAINABLE CAPITAL ADVISORS

11:15 – 11:30 *Live Q&A*

11:30-11:40 *Break*

11:40-12:30 **Session 4: Perspectives of Other Financing Parties: ESG Project Finance**

Without standardized provisions for ESG-linked loans, project lenders and other financiers must work out their own requirements for ESG performance they expect from developers at financing. This session will discuss project finance considerations through the ESG lens and what developers must keep in mind to ensure their projects can successfully achieve financing.

- Key differences among green bonds, green loans and sustainability-linked (or ESG-linked) loans
- ESG-friendly derivatives to hedge against interest rate and currency risk
- What ESG-related standards do commercial banks consider in evaluating project finance loans for projects?
- What criteria do lenders use to evaluate whether projects meet their ESG criteria without market-standardized provisions?

Marisa Murillo, *Partner*, K&L GATES LLP

Anthony Nolan, *Partner*, K&L GATES LLP

Kitt Ritter, *Associate*, K&L GATES LLP

12:30-12:45 *Live Q&A*

12:45-1:15 *Lunch*

1:15 – 2:00 **Session 5: Buyer's Perspective - Implementing Justice and Equity in Renewable Transactions**

In July of this year, Microsoft and Volt announced the execution of the first utility scale solar PPA with a minority owned solar development firm (Volt) which kicked off a long term environmental justice partnership. In this session, we will hear from representatives from Microsoft and Volt directly about how they are implementing EJ in the development and purchase of renewable energy, lessons learned, and what next steps they are each taking to make EJ concerns become more prevalent in the renewables industry.

Gilbert Campbell, *Co-Founder and CEO*, VOLT ENERGY

Danielle Decatur, *Director of Datacenter Environmental Sustainability*, MICROSOFT

Lana Le Hir, *Senior Associate*, K&L GATES LLP

2:00 - 2:15 *Live Q&A*
2:15-2:25 *Break*

2:25 – 3:10 **Session 6: ESG from a Renewable Developer’s Perspective: Due Diligence and Procurement Considerations**

Reporting on ESG-related success, which may ultimately lead to better financing opportunities, requires full integration and good management of principles from top to bottom and throughout the project life from design & development, operation, and through to decommissioning. This session will discuss guidelines for diligence and procurement with a focus on developing (or enhancing) your ESG framework, assessing compliance with it, and integrating related goals into your enterprise-wide risk management practices. Explore:

- How to evaluate your company’s internal processes, procedures and policies relating to project development, health and safety, and risk management and mitigation
- How to audit company performance against operational objectives and regulatory requirements
- How establishing a strategy for capturing and reporting on scope 3 emissions improves analysis and reporting that could impact both investment and offtake performance
- How to weigh operational and economic advantages of investments against potential environmental, socioeconomic and health risks as part of the project development cycle
- Options for avoiding, mitigating, and remedying risks
- How screening suppliers and vendors’ for GHG emissions performance and reporting reduces supply chain risk that impacts business
- How to create frameworks for management plans for ESG-related risk

Moderator:

Elizabeth Crouse, *Partner*, K&L GATES LLP

Panelists:

Holly Christie, *General Counsel*, HECATE ENERGY

Beth O’Brien, *Director, External Affairs and Sustainability*, PATTERN ENERGY

Bill Semins, *Partner*, K&L GATES LLP

3:10 – 3:25 *Live Q&A/Day 1 Wrap Up*

3:25 – 4:15pm *Virtual Networking*

DAY 2: Wednesday, November 3, 2021

8:15-9:10 am **Session 7: Accounting for Social and Governance Elements at Your Company**

This session will illustrate how the S & G factors in ESG can be integrated into your company’s operations, including in respect of:

- Your workforce:
 - Workforce development & focus on employees’ welfare
 - Working toward and reporting on race & gender diversity
- Your management: Addressing board composition and executive compensation

- Your investors: Disclosing justice matters in investor reporting

Craig Leen, *Partner*, K&L GATES LLP

9:10-9:25 *Live Q&A*

9:25-9:35 *Break*

9:35-10:20 **Session 8: Project Documentation: How Do Factors Discussed on Day 1 Flow Through the Transaction Documents?**

Renewable project financings are built from a web of agreements which must be documented properly to ensure the successful development, construction and operation of the project. With added complexities from ESG principles and their potential impact on deal negotiations and terms, this session will take a look at the main project documents and explain their role in financings from an ESG perspective.

1. RFP
2. PPA
3. EPC + O&M
4. M&A
5. Financings

Lana Le Hir, *Senior Associate*, K&L GATES LLP

Danny Splettstosser, *Vice President, Origination & Investor Relations, Americas*, RES AMERICA DEVELOPMENTS, INC.

10:20-10:35 *Live Q&A*

10:35-10:45 *Break*

10:45-11:25 **Session 9: Using ESG to Identify and Manage Long-Term Risk**

One of the ways that ESG concepts can be deployed is to evaluate and manage long-term risks to business. Doing so may require rethinking your risk management process and acquiring tools and techniques to facilitate this process. This session will tackle:

- Identifying causes of development risk
- Community engagement as a method for reducing project permitting risk
- Identifying ESG-related risks and their impact on project economics in the renewable markets
- Utilizing insurance and other tools to mitigate ESG-related risks

Elizabeth Crouse, *Partner*, K&L GATES LLP

Michael W. Kolodner, *CPCU, ARM, ARe, Managing Director, Power & Renewables Industry Practice Leader, Energy & Power, United States*, MARSH MCLENNAN

Dahvi Wilson, *Vice President of Public Affairs*, APEX CLEAN ENERGY, INC.

11:25-11:40 *Live Q&A*

11:40-12:10 *Lunch*

12:10-12:55 **Session 10: Reporting: Concepts, Standards and Tools That Bring It All Together**

The current process of ESG reporting is cumbersome and dictated by multiple frameworks. Companies who align their ESG goals with business goals will have more long-term success as studies have shown that assessing and accurately reporting ESG practices can drive better valuations over time, drive

down operating costs, identify potential risk, and allow companies to get ahead of potential issues that could cause business disruption. This session will bring together all of the learned concepts to ensure that ESG reporting, what will guide investors, financiers and customers decision-making, gives your organization and project the best possible prospect to achieve successful financing.

- Navigating the alphabet-soup of reporting frameworks
- What's mandatory right now? Are regulations mandating specific frameworks for reporting coming?
- Current voluntary reporting frameworks- which are being applied most often and why?
- Creating a scalable ESG policy.
- Financial reporting: How ESG disclosure impacts material information for investors
- How to use accounting standards as an analogy for how to allocate resources toward participating in disclosure standards
- Determining Scope 3 emissions categories and data types that are most material to your organization's footprint to further transparency in disclosure and reporting
- Avoiding greenwashing: how to embrace your history and progress in reporting and other communication with stakeholders & partners

Jeff Cohen, *Partner*, K&L GATES LLP

Elizabeth Crouse, *Partner*, K&L GATES LLP

Julie Rizzo, *Partner*, K&L GATES LLP

12:55 – 1:10 *Live Q&A*

1:10-1:25 *Break*

1:25-2:00 **Session 11: Interactive Course Recap and Expert Roundtable**

This Interactive Live Zoom Session at the class conclusion allows you to get your most pressing questions answered. In this session, instructors will review the course topics and hold a roundtable discussion and Q/A session.

Special Guest:

Laura Caspari, *VP – Head of Power Marketing and Commercial Strategy*, ENGIE

Moderators:

Elizabeth Crouse, *Partner*, K&L GATES LLP

Lana Le Hir, *Senior Associate*, K&L GATES LLP

2:00 *Master Class Adjourns*