



Spotlight on: Sheppard Mullin's power moves

Sheppard, Mullin, Richter & Hampton's energy, infrastructure, and project finance team has risen from Tier 4 to Tier 2 in *The Legal 500's* United States 'Energy: Renewable/Alternative Power' rankings between 2017 and 2019. Here, US editor (content), Helen Donegan, speaks with the team about its dramatic rise in the rankings, as well as the firm's lateral hires and diversity and inclusion efforts

Helen Donegan: Please provide a brief overview of your practice.

Sheppard Mullin: Jointly led by Chicago-based partner Katherine Gillespie and San Diego-based partner Tony Toranto, Sheppard Mullin's multidisciplinary energy team includes more than 50 lawyers nationwide. We advise on tax equity financing, project development, regulatory matters, power purchase and sales contracts, and corporate and M&A transactions throughout the country. We assist our clients in all aspects of the renewable energy sector. The team represents some of the largest and most innovative energy industry players with respect to their most important energy-related legal matters. Such clients include leading utilities, pipeline operators, municipalities, independent power producers, commercial banks, equity and tax investors, EPC contractors, and energy technology companies.

HD: Congratulations on your success in *The Legal 500* rankings over the past couple of years. What would you attribute your team's rise in the rankings to?

SM: We attribute this to the growth of our practice. We've added 18 energy lawyers since March 2017 across the US to complement what was already a strong team in the US renewable energy market.

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HD: Given that you have had a number of new hires over the past couple of years; what would you say is the best way of attracting talent to your team?

SM: We think laterals are attracted to: (i) our deep expertise in this area and nationwide platform to help grow their practices; (ii) our culture and environment which fosters collaboration as well as professional and personal growth; and (iii) our ability to help offer their clients additional capabilities they may not otherwise have access to at their prior firms.

The firm has a level of transparency and a commitment to professional growth. For example, among other programmes, we have an attractive lawyer development programme that includes various kinds of coaching, mentoring, and five professional development academies that focus on the skills lawyers need to develop throughout their careers – from the summer associate stage through to and including partnership – to help them become future leaders of the firm.

HD: Within the firm, your team has seen the most consistent rise

in *The Legal 500* rankings over the past couple of years. Do you attribute this to individual practice improvement efforts or do you link it to efforts of the firm overall?

SM: The firm’s collaborative culture creates a constant dialogue among practices and industry teams surrounding the ever-evolving challenges facing our clients today. This ensures we are always at the forefront of anticipating and developing solutions for managing risk and identifying new opportunities for our clients.

HD: What do you think you do differently to your competitors? And do you think your team is clearly differentiated from similar practices in other firms?

SM: For more than three decades we’ve represented many of the industry’s leading project developers, owners, and investors across the entire lifecycle of their projects, including helping many clients pioneer their first investments in the unique market we have in the US. This means we have specific expertise to represent our clients with a level of transactional sophistication and

an understanding of market terms and practice that differentiates us from others in the market.

In addition, we have the unique distinction of being equally expert in renewable energy development and renewable energy finance – giving not only the expertise to advise our clients across the entire lifecycle of their projects, but also the ability to help clients at earlier stages to plan for and anticipate future demands. The number of transactions we see each year puts us in a strong position to access best practices and advise on market terms for structure and the allocation of tax risk.

HD: You received positive feedback from clients interviewed as part of the research process. According to one, Sheppard Mullin ‘is able to always get deals done quickly and in a way that protects the client’. Does your team undertake activities to understand what your clients want and identify how you can serve them better?

SM: Clients know us for being practical and solution-oriented while looking to minimise risk and obtain market or better terms for our developer clients. Our lawyers have an extremely deep understanding of the technical, business, and political aspects of the energy industry and this enables us to achieve our clients’ business objectives by anticipating and resolving the industry-specific issues that matter to them. Clients value our ability to tailor an individualistic approach on each

transaction as to what terms will help them achieve their goals expeditiously.

HD: Can you tell me about the firm’s culture and how it is introduced to new lawyers?

SM: Culture is at the core of our firm and, in turn, our team. Culture is introduced to new lawyers at the onset of the recruiting process. For instance, lateral partner candidates embark in a multi-office ‘tour’ to meet with several members of firm management and practice group and industry team leaders to understand how existing lawyers can support the incoming laterals’ practices and collaborate on new matters and pitches.

HD: Sheppard Mullin’s website confirms its commitment to diversity and to the advancement and retention of women lawyers. However, four-fifths of your team of 71 are male. Why do you think this is?

SM: Within that, we have nine partners whose practices specifically focus on renewable energy – of which five are diverse lawyers and four are women. One of those women, Katarzyna Leveck, was promoted to partner in 2018. We are constantly evaluating our internal efforts to further advance Sheppard Mullin’s collaborative and inclusive culture.

As a firm, we couple our sincere belief that people with diverse backgrounds bring valuable attributes to the firm and to our clients with our commitment to

finding the best lawyers possible for the clients' needs. Our firm maintains an environment in which all of our women lawyers and lawyers of colour grow professionally, develop successful legal practices, and flourish as leaders both within our firm and within our committees.

HD: Can you tell me more about your firm's partnership with Diversity Lab on the Mansfield Rule?

SM: Sheppard Mullin was among dozens of US firms to pilot the groundbreaking initiative in 2017, earning the Mansfield designation in 2018 and recently achieving Mansfield Rule Certification 2.0, indicating Sheppard Mullin affirmatively considered at least 30% women, lawyers of colour, and LGBTQ+ lawyers for leadership and governance roles, equity partner promotions, formal client pitch opportunities, and senior lateral positions. Notably, the firm also achieved Mansfield Certification Plus status for the second consecutive year. The 'Plus' designation indicates that Sheppard Mullin has reached at least 30% diverse lawyer representation in a notable number of current leadership roles and committees.

The Mansfield Rule has created a benchmark for accountability which has initiated real changes within the legal industry to ensure transparency in candidate pools at every level, from entry level to leadership. We are proud

to continue partnering with Diversity Lab and the Mansfield initiative. We are currently piloting Mansfield 3.0 through July 2020, which expands to include lawyers with disabilities.

HD: What is your outlook for the renewable energy market over the next few years?

SM: The outlook is good with some interesting challenges. The technologies of wind and solar are proven and that means projects will continue to be developed. With the phasing out of the federal tax credits over the next couple of years the industry will have to develop new tools to finance these projects. How that will ultimately come about is unclear, with the added uncertainty attributable to the potential for administration change in Washington. We also expect new areas of development in the energy storage and offshore wind spaces. We are working together with our clients to meet these challenges as they are considering new financing structures, and opportunities.

HD: What are the biggest challenges facing both your team and the firm overall?

SM: As mentioned, one of the challenges – and opportunities – we're constantly discussing as a team and with our clients is what financing structures look like for the future in light of the phasing out of the federal tax credits over the next couple of years, plus the added uncertainty of a

potential administration change in Washington.

Renewable energy projects will continue to be developed, so we will see law firms across the board competing for top-tier talent to meet client demands and chase new opportunities. We've been very strategic and thoughtful about our

approach to growing our energy team. We've had a lot of momentum over the past few years bringing on lawyers with the right set of capabilities who are attracted to our expertise, national platform, and collegial environment – and we see that pattern continuing. ●

Meet the leaders

Katherine Gillespie co-leads Sheppard Mullin's nationwide energy, infrastructure, and project finance team. For nearly 20 years, she has focused her practice on project finance transactions in the renewable energy sector. This has included representing developers of wind and solar projects in all forms of potential financing structures, including tax equity financing transactions, construction loans, back-leverage loan financings, and sale-leaseback transactions.



Tony Toranto is co-leader of the energy, infrastructure, and project finance team and advises energy clients on project financing and development matters, project acquisitions, power purchase agreements, EPC agreements, and other transactional matters. In the renewable sector, he regularly advises clients on projects ranging from distributed generation projects throughout the US, to some of the largest utility scale renewable energy projects in the industry.

