

## MVP: Willkie's Archie Fallon

By Georgia Kromrei

*Law360 (October 27, 2023, 1:07 PM EDT)* -- Archie Fallon of Willkie Farr & Gallagher LLP's project finance practice shepherded Haddington Ventures in the complex formation of Haddington ESP I LP to finance what will be the largest green hydrogen platform in the world, advised PBF Energy in its joint venture of a renewable diesel biorefinery, and represented Tokyo-based Mitsui in its strategic alliance to develop an underground carbon capture facility, earning him a spot as one of Law360's 2023 Project Finance MVPs.

### ***Why he's a project finance attorney:***

Fallon has been working with clients investing in complex projects for his entire career. He is driven by advising investors through a complex process to take a piece of land and develop a facility that could be at the forefront of renewable energy.

The Haddington Ventures transaction, which involved the complex formation of a vehicle to provide construction equity for projects developed by the Advanced Clean Energy Storage Joint Venture, brought together a \$650 million equity commitment from Alberta Investment Management Corp., GIC, Manulife Financial Corp. and Ontario Teachers' Pension Plan Board. The investors can increase their commitment to \$1.5 billion.

The initial funding will finance a project that will use renewable energy resources to produce hydrogen and store it in salt-dome caverns for on-demand use by a power agency to generate electricity. Construction is already underway, and hydrogen hub operations are expected to start in 2025.

The transaction is the culmination of a five-year process, including coordinating initial fundraising with stakeholders, facilitating a Department of Energy loan, and advising the client in its sale of a stake in the project to Chevron, Fallon said.

"These projects are ultra-complicated and take many years to evolve from the original piece of land to the completed facility that generates the electrons or transports the molecules," Fallon said. "In between those two moments, investors take incredible risks to build these facilities."



The development process requires not only incredible engineering expertise, but also picks and shovels to build the facilities.

"As attorneys, what we find really exciting is helping to advise clients on the kinds of risks that can arise in that process, putting them in a position to take those risks and, hopefully, complete a successful project," Fallon said.

While much of his project finance work is focused on the financing of cutting-edge renewable energy facilities, Fallon started his project finance career working with clients on investing in natural gas projects, including liquefied natural gas and other kinds of power plants.

Starting around 2011 to 2012, there was a new interest in building and financing renewable power facilities, mostly in the U.S., according to Fallon. Coupled with the realization of plentiful wind and solar renewable resources in Texas and the U.S., he said there is a huge opportunity for investing in traditional renewable energy businesses as well as energy transition businesses involving hydrogen, carbon capture and biofuels.

Additional regulatory support in the U.S. for those projects, as well as new tax-driven incentives for further investment in energy transition projects, have contributed to strong tailwinds for capital investors in both renewables and energy transition, Fallon said.

"I have a really keen interest in working with a client to develop land into some kind of energy-producing or energy-storing facility that improves peoples' lives and generates attractive economic returns for the investors involved," he said.

#### ***His biggest challenge of the past year:***

The high interest rate environment, driven by the Federal Reserve's campaign to rein in inflation, has created challenges for obtaining debt financing in many sectors, including project finance.

Fallon said that understanding the Inflation Reduction Act and how it applies to energy transition projects, such as green hydrogen, has also been a challenge for clients. That's an ongoing process, as clients and their advisers work with government regulators to interpret it, he said.

#### ***What motivates him:***

Fallon said that he has worked with most of his clients for more than 10 years. He values understanding the industry where they conduct business to provide advice that goes beyond an analysis of legal risk.

"I really value being an adviser to them not only on a legal risk level but also talking to them about the commercial businesses that drive them," Fallon said.

He is also driven to help clients achieve their goals with transactions that are cutting-edge, trailblazing-type actions. Along with being at the forefront of renewable energy, those projects tend to be a better investment, Fallon said.

"Often, the best returns for investors lie in new kinds of projects that are at the frontier of the kind of projects that have been developed in the past," he said.

#### ***His advice to junior attorneys:***

It's important for junior attorneys to develop a keen understanding of the industry their clients operate in, which helps them advise on the risk they are taking, according to Fallon.

"Clients expect you to have a level of fluency with the energy industry," he said. "It's about being a sponge and trying to learn as much as you can about your clients' business as possible."

To develop that fluency, Fallon recommended keeping up with industry journals, and especially reading up on any specific technology that is a part of the facility being built.

"If the particular facility being built is going to require a special type of technology, make sure you're not encountering the tech for the first time when you read the contract," he said.

It's also important to understand macroeconomics that alter the way the client is approaching projects, Fallon said. Understanding, for example, how the interest rate environment can affect projects that get done and having a basic grasp on the Inflation Reduction Act can lead to more capital investment, he said.

Keeping up with articles that are timely and interesting for the client is also a great way to evolve as a project finance and energy lawyer, Fallon said.

*-- As told to Georgia Kromrei*

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