

Commercial Law Area

Energy Law Practice

URÍA MENÉNDEZ





Introduction

Uría Menéndez is an independent law firm founded in the 1940s by Professor Rodrigo Uría González. The firm currently has fifteen offices based in Spain, Portugal, the rest of Europe and the Americas. Uría Menéndez specialises in providing legal advice to Spanish, Portuguese and European Community-based businesses. The firm also provides support to its clients through its network of offices and through its relationships with equally prestigious international law firms.

“We are one of the most prestigious law firms in Continental Europe and have adhered at all times to our core principles: rigorous analysis of the law, professional services of the highest quality and long-lasting relationships with clients, capacity for innovation and honesty, decency and strict compliance with high ethical and professional standards; in a nutshell, we strive to excel at all levels.”

Rodrigo Uría Meruéndano



"Uría Menéndez is unrivalled....Its continued success is attributed to extraordinary quality work, the highest calibre lawyers and extensive coverage of all business sectors."

Chambers Global, 2006

"Clients regard the team's carefully nurtured relationships with firms worldwide as a major asset, avowing that its independence from formal alliances affords "a flexibility and objectivity that is appreciated."

Chambers Global, Spain, 2006

"Uría Menéndez continues to be a formidable presence in the project finance sphere, acting on a number of innovative projects from PPPs to urban development"

IFLR 1000, 2007

Uría Menéndez is recognized to be one of the leading commercial law firms in Spain, and possibly one of the few firms with a practice area in energy law and a long-standing record in the area of project finance.

Uría Menéndez has been at the core of much of such development and its energy practice is now considered as one of the most important in Spain.

The Energy Area is composed of four partners and more than a dozen lawyers. In addition, the group is closely supported by lawyers of related areas of expertise, such as financing, competition, tax and environmental law.

Owing to its deep-rooted knowledge of the financial and energy sectors, Uría Menéndez is the market leader in non-recourse and limited-recourse financing of power facilities. LNG regasification plants, large wind-farm projects, solar projects and, generally, all sorts of other energy infrastructure projects. Our practice is not limited solely to matters in the Iberian Peninsula, as the firm has been involved in numerous financing deals throughout the rest of Europe and Latin America.

Our project finance experience extends to public infrastructure (national and cross-border), including highways, railroads, ports, dams, purification plants, water channelling, and large development projects.

Our clientele in these projects is varied as the projects themselves, and includes developers and financiers, as well as monoline insurers and rating agencies.

Uría Menéndez consistently tops the Spanish rankings in energy and non-recourse and limited-recourse financings.

1. POWER

1.1. *M&A and securities*

Over the years, Uría Menéndez has acquired in-depth knowledge of the Spanish power industry, its structure and its component businesses.

We have advised on debt issues and equity offerings by the major Iberian electricity companies.

- We have advised on the debt restructuring of a major electricity company.
- We have advised on the merger of certain power companies, where our advice comprised competition, securities and corporate law issues.
- We have assisted certain power companies in their defense against hostile take-overs.
- Advice on the acquisition of electricity assets, both regulated assets (such as a power transmission network) as well as non-regulated assets (power stations).
- Advice on securitizations and structured financings of financial assets of electricity companies (tariff deficit, nuclear moratorium, supply bills).
- We have advised an Iberian energy company in the acquisitions of two main foreign energy companies.

"Of Spain's domestic firms, Uría Menéndez is generally acknowledged as the market leader, and is seen as offering the most consistent quality of lawyers across the board."

The European Legal 500, 2004



1.2. Project financing

Uría Menéndez's familiarity with the electricity business and structured financing in Spain has placed our Firm in an unrivalled position for advising on the project financing of power plants. Uría Menéndez regularly heads the league tables for energy and project finance work in Spain, including tax advice provided in connection with project finance structures. In such projects, our client base has been as wide and as varied as the projects themselves and includes project sponsors and lenders.

The following are some of the milestones in Uría Menéndez's experience in electricity project work:

1.3 Regulatory advice

In the regulatory field, Uría Menéndez's expertise was recognized when it was asked to provide advice on the drafting of the 1994 bill on the national electricity industry, which was the immediate predecessor to the current 1997 Electricity Law in Spain. Since then, our Firm has provided regulatory advice on several aspects of the electricity regulatory framework, including:

- Advising one of the Spanish utility companies on the regulations on the securitization of the nuclear moratorium stranded costs as well as on the regulation of the stranded costs ("CTCs").
- Several foreign energy companies on the setting up of their trading operations in Spain, both as wholesale suppliers ("comercializadores") and as external agents to the Spanish electricity pool.
- Regular contractual and regulatory advice is provided to such electricity wholesale suppliers on their ongoing businesses, including the drafting of standard supply terms and the negotiation of electricity TPA contracts for access to the power transmission and distribution lines.
- Regulatory advice to different industry associations, both in Spain and in Portugal, on several regulatory issues such as the regulation of renewable energies and the wholesale power supply business.



- Agency contracts for sale of power in the Spanish pool.
- Physical bilaterals and export contracts.
- Contracts for differences and other financial contracts on electricity.
- Licensing and regulatory issues that are likely to arise in ordinary generation projects (such as (CGTs) and renewable energy power facilities, including, *inter alia*, those dealing with the interconnection to the transmission network.
- Tolling agreements for CCGTs.
- Conflicts of access and conflicts against the management of the electricity system in Spain.
- Advice for the design and development of virtual power plant (VPP) auctions.
- Advice to participants in the physical bilateral auctions for the supply of electricity to distributors in Spain, (CESUR Auctions).
- Proceedings and reviews before the CNE.
- Advice on the settlement and liquidation of regulated activities.
- Assisting power generation companies in their review and participation in the allocation of CO₂ emission allowances.



Energy Law Practice (Oil and oil products)

2. OIL AND OIL PRODUCTS

In Spain, there has traditionally been limited activity in oil and gas exploration, this activity having decreased significantly since the early 1990s. However, our Firm has advised mainly US companies in some of the few oil exploration and production projects, including the negotiation of joint operation agreements, sharing agreements and all other aspects regarding the performance of exploration and production activities.

It is perhaps in the area of oil retail and wholesale distribution where our Firm has unprecedented expertise in comparison with other Spanish law firms, leading to our involvement in the restructuring of Campsa in the 1990s.

In our practice, we have developed considerable knowledge and expertise in setting up oil wholesale distribution companies and the principal contracts used in this area (including the compliance with security stocks obligations), all of which is closely linked with competition law. Uría Menéndez's Competition Law Area has provided extensive support to the Energy Area in cases brought before the Competition Authorities. It is therefore extremely familiar with the main issues arising in connection with oil and oil product distribution, an expertise that became helpful when we advised on the acquisition of the second largest network of petrol stations in Spain and Portugal.



Energy Law Practice (Oil and oil products)

Some of the major transactions in the oil and oil products businesses in which we have advised include:

- Advice to an equity fund in the negotiations with a Spanish oil company in connection with the acquisition of the worldwide LPG business of an international oil major, including the due diligence of Spanish LPG businesses and the coordination of a worldwide due diligence process.
- Advice to the underwriters on all the share offerings of the major oil company in Spain.
- Advice on off-shore hydrocarbons exploration and investigation permits.
- Advice on coal methane recovery projects in Spain.
- Advice on the sale and purchase of equity interests in the major oil infrastructure operator in Spain.



Energy Law Practice (Gas)

3. GAS

Regulatory and contracts

Following the enactment of the 1998 Hydrocarbons Law in Spain, major deals and matters on which Uría Menéndez has provided legal advice include:

- Spanish project counsel in the development, financing, construction and operation of new regasification facilities. We have advised on the main aspects of the regulatory and contractual framework applicable to this type of facilities and drafted and negotiated EPC contracts, regasification services agreements and project financing documentation, including both an EIB credit with a mono-line credit insurance policy and syndicated bank facilities.
- Advice to several sponsors of new CCGT plants with regard to third party access (TPA) rights to the gas infrastructure owned by Enagás.
- Advice on LNG and natural gas supply agreements, including the interface with TPA contracts.
- Advice on the setting up of new wholesale gas traders (“comercializadores”), as well as the TPA contracts and the drafting and negotiation of gas supply agreements under Spanish law.
- Advice to gas transportation companies on conflicts of access proceedings at the national energy commission (“CNE”).
- Regulatory advice on gas storage issues, diversification of supplies and on the gas remuneration and settlement system.
- Advice to bank syndicate on the structuring of the refinancing of the project finance for the main international gas pipeline in Portugal.
- Advice to the gas industry association on different aspects of TPA contracts and the gas remuneration and settlement system.

Professional acclaim

INFRASTRUCTURES JOURNAL, 2007	<i>Fourth position in the worldwide IJ Online Renewables League Table</i>
PLC WHICH LAWYER? YEARBOOK, 2006	<i>Highly Recommended Firm in Energy</i>
PROJECT FINANCE, 2006	<i>Latin American Renewable Energy Deal of the Year</i>
CHAMBERS EUROPE AWARDS, 2008	<i>Spanish law firm of the year</i>
WHO'S WHO LEGAL, 2008	<i>Best Spanish law firm of the year, for the third consecutive year</i>
IFLR EUROPEAN AWARDS, 2008 & 2005	<i>Best Law Firm in Spain</i>
DECIDEURS INTERNATIONAL LEGAL ALLIANCE SUMMIT & AWARDS, 2008	<i>Spanish law firm of the year</i>
LEGAL BUSINESS, 2007	<i>European law firm of the year</i>
TROPHÉES DU DROIT, 2007	<i>One of the best European law firms</i>
PLC WHICH LAWYER, 2007	<i>Best Latin American network</i>
MANAGING PARTNERS FORUM AWARDS, 2005	<i>Exceptional Achievement Award</i>
CHAMBERS & PARTNERS, 2005	<i>Best Iberian Law Firm of the Year</i>



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Juan Ignacio González Ruiz is a partner in the Madrid office of Uría Menéndez. He joined the firm in 1988 and became a partner in 1998. He was resident partner in the firm's London office between 1995 and mid-July 2001.

His practice is focused on banking and finance, energy law and project finance. During his stay in London, Juan advised some of the leading international investment banks on setting up products for, and deals in, the Spanish market, whilst retaining a direct involvement in all areas of energy law. In the wake of the recent liberalisation of the Spanish energy markets, Juan has been advising on many legal "firsts" in those markets, particularly on energy supply and trading, third party access to electricity and gas infrastructures, as well as on the development of new CCGT plants and the development and financing of solar power projects.

Juan Ignacio was regarded in the 2007 edition of *Chambers Global* in rank 1, as well as in other international directories. He has acted as expert witness in international arbitration proceedings.



Javier Valle
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Javier Valle is a partner in the Barcelona office of Uría Menéndez. He joined the firm in 1990 and became a partner in 2002. From September 2003 to August 2007 he headed up the São Paulo office. Prior to heading the São Paulo office he was the partner responsible for the IT Practice Area in the Barcelona office.

Javier focuses his practice on energy, project finance and telecommunications law.

He has been recommended in Project Finance by *PLC Which Lawyer? Yearbook* and the *International Who's Who of Lawyers*. He was also named *Leading Individual* in Project Finance by *Chambers Global's 2007 edition*.

Javier advised developers in three project finance transactions that were awarded European Renewable Energy Deal of the Year 2002 and Latin American Renewable Energy Deal of the Year in 2005 and 2006.



Mario Fernández
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Mario Fernández is a partner in the Bilbao office of Uría Menéndez. Before joining the firm at the beginning of 2002, Mario was the Head of Legal Services and had been a member of the Management Committee of the BBVA Group since 1997. Mario had a long-standing relationship with the BBVA Group, which saw him advise on all of BBVA Group's purchases of banks and pension fund administrators in Latin America, some of the most significant financing transactions in the last 20 years.

His prestigious and extensive experience has strengthened the Bilbao office of Uría Menéndez, although he also advises on major financial operations led by the Madrid office. In addition, he has served as professor of Commercial Law at the University of Deusto in Bilbao since 1969.



Duarte Brito
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Duarte Brito de Goes is a partner in the Lisbon office of Uría Menéndez. He joined the firm in 2004 when his previous firm, Vasconcelos, F Sa Carneiro, Fontes & Associados - one of the most important and prestigious Portuguese law firms, founded in 1993 - integrated with Uría Menéndez.

Between 1997 and 1999, Duarte was a trainee lawyer at Vasconcelos, F Sa Carneiro, Fontes & Associados before becoming a senior associate of the firm in 2002.

He focuses his practice mainly on banking and finance (structured finance, including project and acquisition finance, particularly in the energy sector) and on mergers and acquisitions.

Chambers Global has recognized Duarte for his work in banking and finance and PFI/PPP.

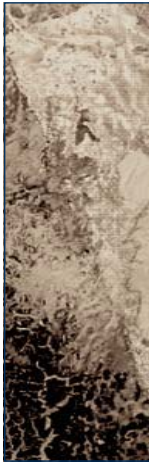


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Francisco Sá Carneiro is a partner based in the Lisbon office of Uría Menéndez. He joined the firm in 2004 when his previous firm, Vasconcelos, F Sá Carneiro, Fontes & Associados - one of the most prestigious Portuguese law firms, founded in 1993 - integrated with Uría Menéndez.

Francisco specialises in finance and banking (above all, financial structuring and acquisition finance), project finance and mergers and acquisitions.

Francisco has been recognized as a distinguished lawyer in Portugal in multiple disciplines by all the major publications (*Chambers Global*, *Ranking IFLR 1000*, *PLC Which Lawyer? Yearbook*, etc.).



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