

INSIGHT

# Wind of change

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One recent transaction saw us advise Spanish client Iberdrola on a joint venture to co-develop the Seihoku-oki wind farm, a 600-megawatt offshore wind project located off the coast of Aomori, Japan.

The wind farm is currently under development and is expected to be operational by 2022 as part of Japan's commitment to reach net zero emissions by 2050.

Partner Micah Sadoyama, who led the Firm's deal team, explains: "This transaction demonstrates our ability to field a team of highly skilled lawyers from Japan and across the Firm to provide technical expertise and services to our international clients.

"Our deep understanding of the regulatory framework for offshore wind project development in Japan was critical to the success of the transaction."

The Firm is building a growing reputation at the forefront of offshore wind energy projects in Japan and across Asia Pacific, aided by our Tier 1 ranking in Japan for Projects and Energy from Legal 500 and Global Band 1 ranking for Projects and Energy from Chambers for a 16<sup>th</sup> consecutive year.

The team is currently working on more than 10 offshore wind projects in Japan, including working with a global infrastructure fund and developer on the acquisition of four offshore wind project developments across various prefectures in Japan, and another international developer on its acquisition of a significant interest in a Japanese offshore wind development company.

In addition, we advised Mitsubishi Heavy Industries (MHI) on its offshore wind projects in Japan, while we've also worked with an international developer on its co-investment and joint venture arrangements for the development of Japanese offshore wind projects.

Tokyo-based partner Paul Harrison says: "Many of the initial offshore wind projects featured Japanese shareholders and lenders and they naturally hired Japanese law firms, but the second wave of deals have often included foreign sponsors, shareholders or lenders, and that's where our cross-border expertise came into its own.

"Clients are increasingly coming to us based on our reputation as a full-service law firm in Japan offering one-stop access to Japanese Bengoshi and international legal services.

"Our experience in the Japanese offshore wind sector is invaluable and clients also value our deep understanding of the regulatory and auction framework in Japan."



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**MICAH SADOYAMA, PARTNER**





## Leveraging the wider Firm

In fact, the Firm's ability to thrive in the Japanese market comes from foundations laid elsewhere in Asia Pacific and further afield.



**"In recent years, we've advised sponsors, lenders and equity investors on Taiwan's three largest offshore wind farm developments to reach financial close."**

**ALEX WOODY, PARTNER**

Tokyo Partner Alex Woody, who is heavily involved in offshore wind matters in Japan, says: "Historically, our energy work in Asia Pacific had been around oil and gas and liquid natural gas (LNG), but that changed when we opened our Australian offices and strengthened our team in Singapore.

"Those additions gave us much more expertise in renewable power and infrastructure and we leveraged that strength to win several projects in Taiwan, which we identified as an early adopter.

"In recent years, we've advised sponsors, lenders and equity investors on Taiwan's three largest offshore wind farm developments to reach financial close."

Paul adds: "We've also benefitted from connections with our offices across Europe, including Germany and in Spain, where Juan Manuel de Remedios's relationship with Iberdrola was crucial to us working on the Seihoku-oki wind farm deal.

"We helped the client in the early stages of their equity acquisition with due diligence, as they had a lot of questions about aspects such as grid connection and the public auction process in Japan.

"We also advised them on structuring points and assisted in what was a complex international closing due to the cross-border nature of the deal.

"Throughout the project, Iberdrola wanted us to prove we could do the deal in a smooth and cost-effective way despite tight timescales.

"Iberdrola has plans to do more offshore wind projects in Japan, so we're well positioned to help them in future."

**"White & Case has been a driving force behind the establishment of the emerging Asian offshore wind market practice and the Japanese market is no exception. The Seihoku-oki transaction builds on our team's unmatched experience in the renewable energy sector – acting on behalf of equity participants, sponsors, ECAs and financiers."**

**ANDREW CLARK, PARTNER,  
REGIONAL SECTION HEAD,  
ASIA-PACIFIC EIPAF & DISPUTES**





## A growth sector

The growth of wind farm development in Japan was accelerated by the launch of the New Offshore Wind Act in April 2019 as the Japanese government launched a strategy to increase Japan's renewable energy contribution from 15 percent to 22-24 percent by 2030.

Paul says: "That strategy has obviously opened a lot of opportunities for offshore wind, but there are also challenges, such as the influence of the fishing industry and the new and constantly developing new legal and regulatory framework."

"With our expertise in Japanese and international offshore wind projects, we're well placed to help our clients negotiate these and other challenges."

Our ability to do that is built on the foundations of game-changing work in Taiwan and with client Copenhagen Infrastructure Partners (CIP).

The Firm previously advised CIP on the US\$3 billion (NT\$90 billion) project financing of the 595MW Changfang and Xidao (CFXD) offshore wind farm development.

We subsequently advised CIP on the divestment of a 25 percent stake in the project.



## Helping our clients with energy transition

Our work in Japan and across Asia Pacific is contributing to our strategic goal of increasing our share of the Energy Transition market, not only because it's a growing sector, but because it's the right thing to do.

"Of course, we're still retaining our strength in traditional energy sectors, such as oil and gas and LNG," says Paul, "but we also want to lead the market in areas such as solar, offshore wind, battery storage, hydrogen and carbon capture."

"Not getting involved isn't an option – if we don't take the lead in energy transition we'll be left behind."

As well as building our profile in the energy transition market, the Firm is also helping our existing oil, gas and LNG clients to negotiate the challenge of the energy transition.

"As part of that, the Firm has been running multi-part energy transition seminars for clients including JBIC, SMBC, INPEX and Saudi Aramco," explains Paul.

According to Paul, offering an exceptional client experience has and will be key to the Firm's continued success in the offshore wind market.

"It's about being able to bring everything together in a one-stop shop," he says. "Our clients need to know that the person they're talking to on the ground can deliver a market-leading experience and is able to benchmark against relevant deals with deep knowledge of local law."

"They also want us to deliver our service in a client friendly, commercial way, to speak in their native language and, ultimately, to bring all those things together in a one-stop shop model."

"It's about bringing everything we've learned in Taiwan, Australia and now Japan, but being flexible enough to adapt that model to the local market and changing laws and regulations."

"That requires a united cross-border team effort. Our success in Japan couldn't have been achieved without the support we've had from other offices."



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**PAUL HARRISON, PARTNER, TOKYO**

