

Mintz Levin Energy & Sustainability

Energy & Sustainability Connections Newsletter

Your Law Firm Link to Industry News

MARCH 2018

A Note from the Editors

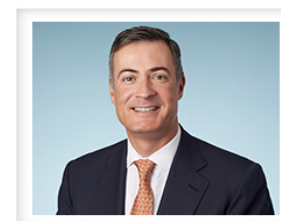
Energy & Sustainability Connections brings the latest developments in energy investing, legal insights, company activity, and industry events straight to your inbox. This month's features include:

- **Special Announcements:** Mintz Levin's Sahir Surmeli was named a 2017 Mover and Shaker by The Social Shake-Up; Tom Burton was recognized in JD Supra's 2018 Readership Awards; and DBL Partners' Founder Ira Ehrenpreis received the NVCA 2018 Outstanding Service Award.
- **Leader in the News:** VELCO, Vermont's transmission company, is creating a sustainable Vermont through its people, assets, relationships, and operating model.
- **Legal Feature:** The world is changing! Mintz Levin's Sahir Surmeli explores how companies and B Corps are boosting ESG (economic, social, and governance) performance while securing lower cost capital.
- **Event Highlights:** Get all the details on two of this year's biggest events in energy: Law Seminars International's 5th Annual Conference on Developing Electric Transmission in the Northeast (featuring ML Strategies' David O'Connor) and global energy event Horizon18, sponsored by Mintz Levin.
- **Washington Updates:** Read the latest energy policy updates coming out of the Capitol, including a major research funding announcement at the Department of Energy.

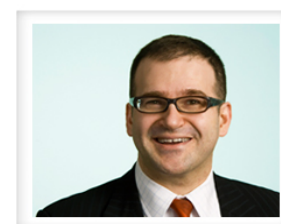
For links to industry grant opportunities and stories from the business, policy, and research sectors of the energy and clean technology industry, please [see our Energy Navigator](#).

You can [subscribe to our Energy & Sustainability Matters blog here](#).

We would also like to remind our readers that you can always ask us anything at <http://mintzedge.com/ask-anything/>. We built the MintzEdge website as a resource for entrepreneurs and investors, and hope that all of you take advantage of the site and see how it can help you.



Thomas R. Burton, III



Sahir Surmeli

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Special Announcements

Mintz Levin’s Sahir Surmeli Named 2017 Social Media “Mover and Shaker” by The Social Shake-Up

We are proud to celebrate the recognition of our own [Sahir Surmeli](#) as one of this year’s social media [Movers and Shakers](#) by [The Social Shake-Up](#)!

[The Social Shake-Up Conference](#) brings together hundreds of social media, digital, marketing, PR, tech, and communications professionals looking for a better way to integrate social media into their overall business strategies. Each year’s conference recognizes several “Movers and Shakers.” thought leaders across industries who stand out for their effective, engaging use of social media for their brand or client.

Sahir is the only individual from a law firm to be recognized among this year’s [honorees](#). As Co-chair of the firm’s Energy & Sustainability Practice, Sahir has been active on Twitter for several years and uses the platform to share interesting news, congratulate clients, share firm blogs and events, and more.

For the latest in energy law at Mintz and other tweet-spiration, be sure to follow Sahir at [@EnergyCleanTech](#) and our firm at [@MintzLevin](#).

National Venture Capital Association Presents DBL Partners’ Ira Ehrenpreis with the 2018 Outstanding Service Award

At its annual Leadership Gala on March 16, 2018, the [National Venture Capital Association](#) (NVCA) presented [Ira Ehrenpreis](#), Founder and Managing Partner of DBL Partners, with the 2018 Outstanding Service Award.

Ira is an established leader in the venture capital community — and long-time friend of Mintz Levin’s Energy & Sustainability Practice — who has demonstrated a commitment to energy and impact investment throughout his impressive career. He received the award in honor of his commitment of extraordinary time, resources, and dedication to NVCA efforts that in turn have benefitted the entire venture industry.

Congratulations to Ira for this much-deserved award! For more information about Ira's contributions to the venture community and about the 2018 NVCA Leadership Gala, see the NVCA's press release [here](#).

Mintz Levin's Tom Burton Recognized by *JD Supra* in 2018 Reader's Choice Awards

Mintz Levin is proud to be [recognized](#) by *JD Supra* in its 2018 Reader's Choice awards. The annual program highlights the most widely read authors and articles throughout the past year. This year, five Mintz Levin attorneys were named JD Supra Top Authors in four different industries. Our Energy & Sustainability Co-chair [Tom Burton](#) was recognized as a Top Author in Energy, and his article "[Blockchain Technology Could be Key to Smarter Energy Grid](#)" was highlighted as among the most popular in 2017 on the subject of energy.

Congratulations to Tom and the E&S Practice for sharing and analyzing the most important issues facing the energy and sustainability sector. Be sure to follow Tom at [@TomBurtonIII](#) and [subscribe to the *Energy & Sustainability Matters* blog here](#) to stay updated!

Leader in the News

Vermont Electric Power Company (VELCO)

This month, we are excited to feature our client Vermont Transco LLC, and its manager the [Vermont Electric Power Company](#) (together, VELCO). VELCO is Vermont's transmission company that is creating a sustainable Vermont through its people, assets, relationships, and operating model. Last month, VELCO's strategic partnership with the energy analytics start-up, Utopus Insights, paid big dividends when Vestas, the world's largest wind turbine manufacturer, acquired the new company for \$100 million before the venture was a year old. The acquisition breaks new ground in energy analytics and paves the way for renewable energy producers like [Vestas](#) to streamline and strategically expand the delivery of clean energy sources.

VELCO was formed in 1956 when Vermont's local utilities banded together to access St. Lawrence River hydropower. Today, VELCO is Vermont's statewide bulk transmission owner and operator with over \$1 billion in assets, including 738 miles of transmission lines, 13,000 acres of rights-of-way, and a fiber optic communication network that monitors and controls the electric system and serves as a key link for Vermonters' high-speed data internet access. With a cooperative-like ownership model, VELCO acts as a convener of energy stakeholders, championing energy policy at the state and regional level that is aligned with Vermont values for the public good.

VELCO has been at the forefront of energy innovation throughout its history. In recent years, the company lent early support to IBM Research and its team at the Smarter Energy Research Institute, whose expertise in the fields of data science, software, utility operations, meteorology, and renewable and distributed energy would eventually form the core of Utopus Insights' workforce. During multiyear [collaborative relationships](#) with VELCO and other leading energy companies, the team developed digital weather forecasting and analytics systems to optimize renewable energy generation.

In 2014, IBM's team entered into a joint development agreement with VELCO. Over the past four years, this partnership has allowed the team to analyze all aspects of transmission and distribution utility operations, including solar and wind forecasting, congestion management, and renewables integration. The partnership has led to VELCO's deployment of the [Vermont Weather Analytics Center](#), a tool that delivers advanced weather forecasts linked to customer demand data and to solar and wind generation models to help the utility manage energy demand, maximize asset value, and enhance grid reliability.

After helping the group realize many breakthroughs, VELCO and IBM announced the [official creation](#) of Utopus Insights, Inc., in February 2017. The new company provides digital solutions and analytics to help energy generators project and optimize renewable production. VELCO became a minority equity owner and strategic partner of the new company. The [Vestas](#)

[acquisition within a year of Utopus's founding](#) is an indicator of the role Utopus could play in using weather prediction to optimize wind power dispatch.

We are proud to highlight VELCO's instrumental role in the creation and growth of Utopus Insights and VELCO's broader efforts at fostering innovations in energy management and renewable generation.

Legal Feature

Save the World, Reduce Your Cost of Capital: How Danone is Turning ESG Impact into Lower Borrowing Costs

This feature by Sahir Surmeli was originally published on the Mintz Levin [Energy & Sustainability Matters blog](#).

The world is changing! Over the last several years, Environmental, Social, and Governance (ESG) criteria have been an emerging focus in the investing world. In a space primarily driven by equity investors, it can be harder for a company raising funds to correlate capital costs with ESG impact. Last month, multinational food-products giant [Danone Group](#) and its bank group, led by BNP Paribas, redefined the ESG landscape with a credit facility that is said to directly link borrowing rates to “[verified positive impact on the world](#).”

At a time when the social impact claims of global corporations are sometimes viewed with skepticism, Danone is flipping the ESG narrative around by keeping itself financially accountable to tangible incentives for sustainability. Twelve leading global banks, led by BNP Paribas, provide Danone's \$2 billion syndicated credit facility on terms that provide for lower borrowing costs if Danone increases its impact by meeting certain ESG criteria. According to Danone's [2017 financial report](#), the third-party-verified metrics include increasing the percentage of consolidated sales of Danone covered by B Corp certifications and improving Danone's ESG scores under ratings evaluators like [Sustainalytics](#) and [Vigeo Eiris](#). In other words, greater B Corp sales and higher ESG scores translate into cheaper capital – and a dozen major global credit providers are standing behind the innovative model. Even if the move results in only a small percentage of savings on loan rates for Danone, it could lead to several million dollars in annual savings for the company while providing a successful structure for more financings of this type.

For those of you not familiar with B Corp certification, it is a third-party certification of for-profit companies established by the nonprofit B Lab to meet rigorous standards of social and environmental performance, accountability, and transparency. If you want to learn more, check out the B Corp Declaration [here](#).

Danone's reinforced commitment to ESG aligns squarely with what investment managers and a range of private funds have been calling for – a broader view of the mission of corporations. Even the New York lawyers are getting on board (I hope they catch up to me!): In his annual [letter](#) to corporate boards, Marty Lipton pushes boards to consider not only their stockholders but also their “expanded stakeholders,” and explores how companies can build sustainability and social impact into their corporate governance strategy. Blackrock CEO Larry Fink recently made a more urgent [call on CEOs](#) to “start accounting for the societal impact of your companies, or risk disappointing the largest asset manager in the world.” Investors across the board are increasingly placing their assets in companies that employ a model of long-term sustainability for both themselves and the communities and resources to which they are inextricably connected.

Now, the challenge is for CEOs, CFOs and Boards of Directors to determine how their company can keep up with the ESG wave and the new standards it places on financial performance. Replicating the B Corp-centered track Danone and its banks established is a good place to start. While the Danone approach is revolutionary, it is not surprising, considering the household name conglomerate was the first Fortune 500 Company to announce its goal of becoming a Certified Benefit Corporation in 2017. And it's well on track to reaching that goal, building a strong partnership with [B Lab](#) while guiding ten of its subsidiaries towards the successful completion of the B Impact Assessment. If companies want to remain competitive with

both investors and financial partners moving forward, it's clear that the benefit corporation mentality is no longer simply beneficial – it's vital.

Event Highlights

Electric Transmission in the Northeast

Our own [David O'Connor](#) of [ML Strategies](#) will speak on a panel entitled “Coordinated Procurement: Outcomes and Lessons from Recent Solicitations and Responses” at Law Seminars International’s 5th Annual Conference on Developing Electric Transmission in the Northeast. Taking place April 5-6 in Boston and via webcast, this conference covers legal, business, and regulatory developments in the electric generation and transmission industry. For more information and to register, [click here](#).

Horizon18

Mintz Levin is excited to announce our sponsorship of [Horizon18](#), a new global event for the clean energy economy that is taking place October 10-11, 2018 in Boston. This event will bring together clean economy customers, vendors, investors, and innovators and include keynotes, interactive workshops, a showcase of clean energy solutions and initiatives, and a unique business matchmaking platform to foster the exploration of new market opportunities and business partnerships for clean energy solutions and innovations.

We will continue to bring you additional news about Horizon18 through our newsletter and blog. In the meantime, please [click here](#) to visit the event website for more information.

Washington Updates

Congress

With just hours left to avoid another government shutdown, on March 22 Congress approved an omnibus spending bill for the remainder of the current fiscal year which ends on September 30. Following the passage of the omnibus, the Department of Energy [released a statement](#) highlighting spending that had been set aside for energy issues. The spending package includes \$6.3 billion for Science research programs; \$2.3 billion for Energy Efficiency and Renewable Energy (EERE); \$1.2 billion for Nuclear Energy; \$727 million for Fossil Energy; \$351 million for the Advanced Research Projects Agency-Energy (ARPA-E); and \$7.1 billion for Environmental Management (EM). Funding for the DOE in the spending bill totals \$34.5 billion. Secretary Perry stated that the spending bill would provide certainty for the department and that he is pleased to see that the president signed on to a bill that “funds our missions and will allow us to do great work for American energy.” The DOE budget also provides funding for critical priorities; this includes over \$500 million to advance exascale computing and over \$100 million for cybersecurity to protect the electric grid and energy infrastructure. A summary of the Energy and Water Development portion of the omnibus can be found [here](#).

On March 8 the Senate Energy and Natural Resources Committee held a [business meeting](#) to approve 24 energy, lands, and territories bills. The bipartisan measures include bills to address Northern Mariana islands workforce needs; expedite the approval of small-scale LNG exports; boost research efforts at the Department of Energy; and facilitate federal land exchanges, studies, and historic sites.

On March 14 the House Energy and Commerce Committee held a hearing on “DOE Modernization: Legislation Addressing Cybersecurity and Emergency Response” with testimony from Mark Menezes, Under Secretary, U.S. Department of Energy; Scott Aaronson, Vice President, Security and Preparedness, Edison Electric Institute; Mark Engels, Senior Enterprise Security Advisor, Dominion Energy; Kyle Pitsor, Vice President, Government Relations, National Electrical Manufacturers Association; Zachary Tudor, Associate Laboratory Director for National and Homeland Security, Idaho National Laboratory; and Tristan Vance, Director, Chief Energy Officer, Indiana Office of Energy Development.

Department of Energy

The Department of Energy (DOE) has announced up to \$32.5 million in federal funding for cost-shared research and development to advance solid oxide fuel cell technologies, which will enable efficient, cost-effective electricity generation from domestic coal and natural gas resources with minimal use of water and near-zero atmospheric emissions of carbon dioxide and pollutants.

DOE's Oak Ridge National Laboratory and National Energy Technology Laboratory have signed a Memorandum of Understanding for innovative coal research. The two laboratories will conduct research on the reduction of water consumption in energy production; development and testing of materials for use in extreme environments with an emphasis on materials for power generation and the conversion, use, storage, and transmission of energy; development of advanced electrical grids, microgrids, and cybersecurity technologies for energy infrastructure; innovation of advanced manufacturing technology for energy production, especially fossil-energy technologies; and execution of workforce and economic development initiatives in the Appalachian region.

Recent M&A Activity

- March 14, 2018: Paragon Water Systems was [acquired](#) by Culligan Water Consulting for an undisclosed sum.
- March 8, 2018: Haleakala Solar was [acquired](#) by PetersenDean Roofing & Solar for an undisclosed amount. This new acquisition now positions PetersenDean as the nation's largest publicly and privately held roofing and solar company.
- March 7, 2018: Prometheus Energy was [acquired](#) by Stabilis Energy for an undisclosed amount. The acquisition will enable the acquirer to enhance its service offerings in fuel distribution.
- March 6, 2018: Aeration Industries was [acquired](#) by Newterra for an undisclosed sum. The acquisition expanded Newterra's access to new markets, offering our valuable customers additional services while solving some of the world's greatest water challenges.
- March 5, 2018: SoCore Energy reached a definitive agreement to be [acquired](#) by ENGIE North America for an undisclosed amount. The acquisition will enable ENGIE North America to accelerate the expansion of their renewables presence within the United States.
- February 28, 2018: Global Services International reached a definitive agreement to be [acquired](#) by Viper Networks (PINX: VPER) for an undisclosed amount. Terms and conditions include an initial stock payment of 500 million restricted Viper Networks common shares and \$10 million to be paid over the period of the current multiple GSI projects, which is estimated to be within three years. This acquisition fits well into Viper's strategy of rapidly expanding their presence in the Smart City market to leverage their collective strengths and capabilities and deliver market-leading products and services worldwide. The transaction is expected to close at the end of March 2018.

- February 26, 2018: Merlin Solar Technologies was [acquired](#) by Ayala (OTCMKTS: AYALY) for an undisclosed sum. Following the transaction, Ayala holds a 78.2% stake in the company. The acquisition adds to Ayala's core strength of providing manufacturing scale through IMI's global platform and provides it an opportunity to disrupt the solar energy industry.
- February 21, 2018: Repower America was [acquired](#) by Soligent for an undisclosed amount.
- February 20, 2018: Infinity Renewables was [acquired](#) by ENGIE North America for an undisclosed amount. The acquisition expands the acquirer's wind development portfolio and team in the United States.

*Sources: Pitchbook

Upcoming Events

Electric Transmission in the Northeast (Law Seminars International) – Featuring David O'Connor of ML Strategies

April 5–6, 2018
Boston, MA

[More Info »](#)

The Future of Energy Summit (Bloomberg New Energy Finance)

April 9–10, 2018
New York, NY

[More Info »](#)

NECA 2018 Environmental Conference

April 12, 2018
Westborough, MA

[More Info »](#)

Energy Storage Association 28th Annual Conference & Expo

April 18–20, 2018
Boston, MA

[More Info »](#)

2018 SEPA Utility Conference

April 23–25, 2018
Rancho Mirage, CA

[More Info »](#)

Ceres Conference 2018

April 24–26, 2018
Boston, MA

[More Info »](#)

SEIA Solar Goes Corporate

April 27, 2018
Boston, MA

[More Info »](#)

S3 Solar Software Summit – Greentech Media

April 30, 2018
San Diego, CA

[More Info »](#)

Solar Summit 2018 – Greentech Media

May 1–2, 2018
San Diego, CA

[More Info »](#)

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Learn more about the Mintz Levin Energy & Sustainability group [here](#).

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