

Construction Group Of The Year: King & Spalding

By **Christopher Cole**

Law360 (December 16, 2020, 3:41 PM EST) -- King & Spalding LLP tackled major deals including a \$20 billion gas project in Mozambique, while taking on legal fights with a powerful team of construction and arbitration lawyers, making it a Law360 2020 Construction Group Of The Year.

The firm has advised Anadarko for almost a decade on what its construction group describes as the largest sanctioned oil and gas project ever in sub-Saharan Africa. That has included not only all aspects of engineering, procurement and construction of the onshore liquefied natural gas development, but also the onshore pipeline infrastructure and projects such as worker housing and even an airstrip.

Scott Greer, a partner in the construction practice who oversees the transaction side of the group, called the Mozambique project a "landmark" development that at its peak will have 12,000 workers on site. Anadarko issued a final investment decision on the building effort in 2019.

"To give you an idea of the size of the project, the capital cost of [this] is about twice the size of Mozambique's gross domestic product," Greer told Law360.

The project involves tapping into vast natural gas reserves under the seabed off the coast of Mozambique and liquifying the gas so that it can be shipped all over the world to jurisdictions that need natural gas. King & Spalding was engaged in every aspect from top to bottom, which included putting the infrastructure in place just to get workers on the ground.

"We had to build essentially a 12,000-person camp just to hold the workers," Greer said. "We had to build an airstrip." The land portion of the project took years of negotiations with a lot of players and moving parts. And it was a competitive process."

King & Spalding also repped Global Clean Energy on the conversion of a petroleum diesel refinery in California into a renewable biodiesel refinery. When the conversion is complete, the facility will produce 15,000 barrels per day of "renewable diesel from proprietary camelina oil and other traditional biofuel feedstocks," the firm said.



The project is designed to meet California's Low Carbon Fuel Standard rules, cutting CO₂ emissions, and allow diesel vehicles to use the fuel without any modifications. King & Spalding counts it as a key achievement because it's one of the first of its kind in the U.S.

The firm says the complicated project, which included nailing down a \$200 million contract with ARB Industrial for engineering, procurement and construction of the facility, shows the team's experience in the clean and sustainable fuel space.

Much of the construction group's focus has been the negotiations that lay the groundwork for some of the world's largest energy projects. For example, the firm is advising a consortium of power developers on a contract with PowerChina to engineer, procure and construct 14 renewable energy plants, all under one agreement.

The firm also engages in major construction disputes. In one of its biggest cases of the year, the practice represents Crestwood Equity Partners LP, which owns and operates midstream oil and gas assets, in litigation with Linde Engineering North America Inc. over an expansion of the Bear Den processing plant in the Bakken Shale, which spans parts of the northern U.S. and Canada.

The case concerns what Crestwood claims are unsubstantiated cost overruns, while Linde seeks unpaid amounts of more than \$55 million. The dispute, pending in Texas state court, kicked off with a lawsuit from Linde but has also led to counterclaims from Crestwood.

Mike Stenglein, who leads the firm's global construction and engineering disputes practice, told Law360 that the group's strong reputation stems partly from combining its construction dispute specialty practice with its international arbitration practice. He pointed out that many of the largest construction deals are governed by arbitration agreements.

"The way that we have modeled our external marketing efforts and our expertise is to show up with a specialist in construction disputes and a specialist in international arbitration, and [that] gives the clients in our view the best of both worlds," Stenglein said.

A good example of that, he said, has been a high-stakes dispute in which King & Spalding represents Footprint Power Salem Harbor Development. Footprint had reached a deal with Iberdrola Energy Projects Inc. to build an electric power plant in Salem, Massachusetts, but ended up in a legal brawl with IEP over the construction costs and timeline.

King & Spalding noted that it was retained six months before an arbitration hearing to replace two law firms that were representing Footprint, and credits its strategy of combining the construction and international arbitration specialists into a single team.

Stenglein said the case, which involves hundreds of millions of dollars in claims and counterclaims, illustrates the power of combining construction and arbitration expertise. When "you have that much money at stake, making sure you have both of those specialties so you know how the interaction goes, I think is a big deal," he said.

--Editing by Bruce Goldman.