

Energy Group Of The Year: King & Spalding LLP

By **Tom Lotshaw**

Law360 (February 9, 2024, 2:02 PM EST) -- King & Spalding LLP won a \$16 billion judgment for investors suing Argentina over its nationalization of YPF SA and a nearly \$2 billion award for Colombia's Refinería de Cartagena SA in a high-profile construction dispute, while also helping clients advance billions of dollars in projects, earning the firm a spot among Law360's 2023 Energy Groups of the Year.

The Atlanta-based law firm launched its energy practice in the mid-1990s with the opening of a Houston office, its fourth at the time. In the years since, energy has been a major growth driver as the firm opened 19 more offices, said Scott Greer, who leads the worldwide energy and construction transactional practices.

With more than 250 attorneys, the firm's energy practice continued to power forward in 2023.

King & Spalding was lead trial counsel with Clement & Murphy PLLC and Kellogg Hansen Todd Figel & Frederick PLLC for investors who secured a monumental \$16 billion judgment against Argentina for its failure to conduct a required tender offer when it forced oil company YPF back under state control in 2012.

It marked the Southern District of New York's largest-ever damages judgment, according to the firm, as well as the largest-ever U.S. judgment against a sovereign.

The firm also represented Colombia's state-owned Refinería de Cartagena, or Reficar, in an International Chamber of Commerce arbitration proceeding with Chicago Bridge & Iron. The dispute centered on a refinery project that was estimated to cost more than \$3 billion and was plagued by lengthy delays and large cost overruns.

Reficar was ultimately awarded \$1 billion in damages, \$780 million in interest and \$61 million in fees. The company also defeated a \$400 million counterclaim lodged against it, with the award now the focus of an enforcement proceeding.

The award set a precedent for megaproject contracting and the ability of contractors to avoid liability for negligence and waste because of contractual liability caps, according to King & Spalding, but it also helped clear the reputation of a company embroiled in scandal for years.



"People got arrested and put under home arrest because they thought they mismanaged the project," Greer said, adding that "people were literally in tears because they had been vindicated" when they learned of the outcome.

Tracie Renfroe, chair of the firm's global energy practice, said both cases illustrate the magnitude of disputes that King & Spalding can — and regularly does — handle for clients around the world.

The firm is also advising clients on energy projects around the world. That includes major liquefied natural gas facilities, solar and battery-storage ventures, green hydrogen production, carbon-capture and storage projects, and first-of-kind projects — including a push by California company EnergySource Minerals to extract battery-grade lithium from geothermal brine water sources around the Salton Sea.

King & Spalding was lead international counsel advising Korea Electric Power Corp. on the development and financing of a billion-dollar Jafurah cogeneration project in Saudi Arabia. The firm also advised NextDecade Corp. on its massive Rio Grande LNG project in Brownsville, Texas, including on a nearly \$12 billion engineering, procurement and construction contract and real estate and natural gas transportation matters.

The firm said it advised on all aspects of NEOM Green Hydrogen Energy Co.'s \$8.4 billion green hydrogen and green ammonia production facility in Oxagon, Saudi Arabia, and is now working on more than 60 hydrogen production projects and dozens of carbon-capture storage matters globally.

Dan Feldman, a partner in Abu Dhabi, said King & Spalding's global resources, tightly integrated offices and expert, multidisciplinary teams mean information and "legal IP" are rapidly shared around the world, providing a major benefit for clients.

"We are all over the place all the time, and clients love that because it means they are plugged in through the individuals in the team to what's happening all over," Feldman said.

The firm's energy team is inherently multidisciplinary, Feldman said, and also has an energy regulatory team that is global in nature.

"When you integrate this state-of-the-art regulatory knowledge into the teams, the clients are getting the best possible targeting of how to make their project just as green as it needs to be, just as low-carbon as it needs to be, so their capital is perfectly targeted," Feldman said. "That means they are getting the best bang for the buck when they structure those things."

Another major advantage, according to Greer, is the highly specialized construction transactional practice, "the largest of its kind by far in the world."

"Two-thirds of us are former engineers, so we really get involved in these things," Greer said. "Having an engineering background is really critical for new technologies. We don't just do the contracts; we get involved in the technology, the performance guarantees, the scope of work, everything."

With energy having driven much of the firm's growth over the last 20 years, Feldman said it's well-positioned with a strong foothold for another 20-year cycle of tremendous growth opportunities.

Renfroe, the managing partner for the Houston office, agrees.

"What I love and what's so fun about this, and the thing I think distinguishes King & Spalding, is that we can help clients on these megaprojects from cradle to grave and our teams are very, very integrated," Renfro said. "The integration of our practices allows us to take on these mega-disputes and megaprojects in a way that's unique and extremely efficient and, frankly, allows us to share the market knowledge that we have with each other and our clients."

--Editing by Dave Trumbore.

All Content © 2003-2024, Portfolio Media, Inc.