

MVP: Morgan Lewis' Rick Filosa

By Michael Phillis

Law360 (October 29, 2020, 1:30 PM EDT) -- Rick Filosa of Morgan Lewis & Bockius LLP's project finance, infrastructure and natural resources practice led a team on the \$1.6 billion financing of a giant natural gas power plant in Ohio and facilitated the financing for another major power project in Pennsylvania, earning him a spot as one of Law360's 2020 Project Finance MVPs.

ON A SIGNIFICANT ACCOMPLISHMENT FROM THE LAST YEAR:

Filosa led a team on the \$1.6 billion financing of the Guernsey Power Station in Ohio, which, at 1,850 megawatts, will be the biggest plant of its kind east of the Mississippi, according to Morgan Lewis. They represented Caithness Energy LLC and initial developer Apex Power in the deal for the plant.

"This is an important transaction just for the sheer size of it, frankly. There aren't that many large-scale project financings that have happened," Filosa said, adding that a lot of the deals within PJM Interconnection, the nation's largest regional grid operator, have been smaller. "This was an important deal just in terms of the scope and magnitude of the transaction."

Filosa said he worked with a husband-and-wife team at Apex Power, Michael and Mary King, and that his connection with that team goes back a long time.

"I kind of like the transaction a lot because I can trace its lineage all the way back to relationships that began over 10 years ago, completely unrelated to this project," he said, adding that it was also gratifying to have connected Apex with Caithness.

He said Morgan Lewis was involved from the early stages of the project all the way through raising the equity and project financing, and that putting large deals like Guernsey together involves the dedication of a large team from a range of practice areas.

"The most rewarding part of what we do as attorneys is helping [clients] solve the problems as we go through and overcome the roadblocks that get put in place," he said.



WHAT LED HIM TO BE A PROJECT FINANCE ATTORNEY:

Filosa said he was an engineer for roughly a decade before he became an attorney, working for a large engineering company doing construction related to energy and power projects. At the time he decided to make the switch to law, he thought he might go into environmental law and wasn't particularly knowledgeable about project finance.

But when he started practicing law, he connected with a project finance mentor, Marc Reardon.

"I got the opportunity to get exposed to project finance and learn from him over the years, and it was kind of natural for my engineering background to move into this space," Filosa said. "I would like to say I had a great plan, but it was really a little bit of luck and just having an opportunity that was presented to me to work with [Reardon]."

Filosa did a lot of contract work early on, and as he gained experience, the scope of his work expanded, too.

WHAT MOTIVATES HIM:

Filosa said project finance work is challenging. The work isn't quick, and problem-solving is key, he said.

"You really become attached to these projects," Filosa said, adding that along with the clients, you "live with the ups and downs of them."

The results are tangible and satisfying, he said.

For example, he helped put together the financings for a pair of power projects in Queens at a spot that used to be an abandoned oil terminal, he said. Now, when he takes the train from Boston to New York, he can see the finished development.

"It is very satisfying and rewarding to see something you helped get built and is now serving the public," he said. "I just really enjoy that."

HIS ADVICE FOR YOUNG ATTORNEYS:

Filosa said you don't need a technical background to handle project finance. If a young attorney fears the technical terminology of the practice, he said, it is just like other practices where time and experience help.

In addition, the work exposes young attorneys to a lot of other areas of the law, from permitting to regulatory law to tax, to list just a few, Filosa said.

"I think it is a great practice area to start a career" because attorneys get exposed to so much, he said.

ON ANOTHER SIGNIFICANT PROJECT:

Filosa led a team that helped funds managed by Ares EIF Management LLC put together financing with a total enterprise value of \$726 million for the Hill Top Energy Center in Pennsylvania, a 620 MW combined cycle project. As head of the firm's project finance, infrastructure and natural resources practice, he works on projects like Hill Top Energy that require leading a team with diverse expertise and ensuring they solve problems, according to Morgan Lewis.

Ares was the equity sponsor, not the initial developer — it came in after the developer had started on the project.

"We helped as lead project counsel to finish the development of the project," Filosa said.

The deal was a private placement, which Filosa said is a type of structure that is becoming more popular but was unique at the time it was being arranged.

"It was a great deal," he said, calling the size of the project a "pretty significant transaction."

— *As told to Michael Phillis.*

Law360's MVPs are attorneys who have distinguished themselves from their peers over the past year through high-stakes litigation, record-breaking deals and complex global matters. A team of Law360 editors selected the 2020 MVP winners after reviewing more than 900 submissions.