



Insights: Perspectives

KT Client Success: Energy Team Closes Third Ever Renewable Chemicals Project Worth \$56 Million

January 22, 2018



KT CLIENT SUCCESS

Energy Team Closes Third Ever Renewable Chemicals Project Worth \$56 Million

On November 29, 2017, Kilpatrick Townsend closed a historic \$56 million renewable chemical project, including \$24 million senior debt guaranteed by the USDA Business & Industry (B&I) Loan Guarantee Program, for our bondholder client, an institutional investor and lender. The closing represents the third ever project financing of a renewable chemical transaction in the past seven years — all using the USDA B&I Loan Guarantee Program and all involving Kilpatrick Townsend's counsel — signifying a monumental milestone in the renewable chemical industry.

The Nebraska-based project is part of the existing Archer Daniels Midland corn ethanol production facility — the first commercial technology to produce corn ethanol-based ethyl acetate — and will be owned and operated by Prairie Catalytic LLC. It's one of the few credit enhanced project company debt

deals that used a AAA-credit rated federal loan guarantee to wrap otherwise non-investment grade project company debt. As such, this guarantee enhances the credit rating on the overall project company's debt, resulting in a lower coupon rate and longer maturity through bond financing as compared to the equivalent terms obtained through a commercial loan. These credit-enhanced bonds are sold to institutional investors, with the proceeds subsequently placed into the project. Kilpatrick Townsend Partner Mark Riedy co-developed this unique financing mechanism in 2009 with Stern Brothers and its counsel Faegre Baker Daniels (which also participated in the Prairie Catalytic closing) to help close the most difficult project financings for all types of new technology projects in the chemical, energy, and infrastructure industries.

Kilpatrick Townsend Partner **Mark Riedy** led a collaborative, multidisciplinary team of attorneys consisting of Partners **David Stockton**, **David Eaton**, **Joe Scibilia**, and **Justin Krieger**, Senior Associate **Isabelle Dinerman**, and Special Legal Consultant **Ariel Oseasohn** to successfully represent our client.

For more information, please contact:
Mark Riedy at mrriedy@kilpatricktownsend.com

www.kilpatricktownsend.com


600+
DEDICATED
ATTORNEYS

150+
YEARS

serving clients

8 consecutive years
**Top 100
Bioenergy
Leaders**

Biofuel Digest
(2010-2017)

20+

YEARS INDUSTRY
EXPERIENCE

Related People



David A. Stockton

t 404.815.6444

dstockton@ktslaw.com



David M. Eaton

t 415.273.4324

deaton@ktslaw.com



Justin L. Krieger

t 303.405.1486

jkrieger@ktslaw.com



Isabelle A. Dinerman

t 404.745.2505

idinerman@ktslaw.com