

Energy Team Advised Avangrid in Landmark Transfer Agreement with Vitol

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Sheppard Mullin's Energy, Infrastructure and Project Finance Team represented Avangrid, Inc. (NYSE: AGR), a leading sustainable energy company and third largest wind operator in the United States and a member of the Iberdrola Group, in its landmark transfer agreement with Vitol Inc. for an estimated \$100 million of 2023 production tax credits (PTCs) from eight operating wind farms, totaling 1,134 megawatts of generating capacity. The agreement marks one of the largest publicly announced deals to-date since the passage of the Inflation Reduction Act (IRA), and it cements Avangrid as an early mover in single year as-generated credit transfers.

The IRA created a new transferable credit framework to help developers monetize PTCs. Under the IRA, renewable energy owners like Avangrid, which qualify for tax credits but are not able to use them immediately, can transfer credits to a third-party investor, such as Vitol. Prior to the IRA, this was only possible through a tax equity partnership, which requires a lengthy diligence and negotiation process as well as significant transaction costs.

[Learn more here.](#)

The Sheppard Mullin team that represented Avangrid was led by Katherine Gillespie, Amit Kalra, Megan La Tronica and Darian Hackney.

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Practice Areas

Energy, Infrastructure and Project Finance

Real Estate, Energy, Land Use & Environmental

Industries

Energy, Infrastructure and Project Finance