

Platforms Turning to Debt, Project Sales in 'Buyers Market'

Infralogic

02.17.2025

Infralogic reports that the power and energy sector in 2025 is positioned as a potential "buyer's market" due to a shift in platform equity processes towards debt, prompting the sale of projects to service this debt. Some renewable development firms, supported by domestic and foreign oil majors, are selling projects as they seek better returns than the renewable sector has been achieving.

However, borrowing against development portfolios could be risky for platforms, the article suggests. Loans, while providing potential upside, come with the risk of foreclosure if obligations are not met. Overall, the market also presents challenges that include ongoing difficulties in managing project queues.

Sheppard Mullin partner and co-leader of the firm's Energy, Infrastructure and Project Finance team Benjamin Huffman commented, "People aren't getting margins on short-term assets. They are paying for a long-term development stream, and there are a lot of clouds around that."

Attorneys

Benjamin A. Huffman

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