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Six Energy Project Finance Trends to Watch in 2022

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Craig Kline and John Leonti, partners in Troutman Pepper’s Renewable Energy Practice Group, are quoted in the *Law360* article, [“Six Energy Project Finance Trends to Watch in 2022.”](#)

“2021 was a tough year. ... The renewable energy industry was battling on all fronts,” Troutman Pepper partner John Leonti told *Law360*. “In 2022, a lot of those issues will still be there.”

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“There’s going to be a huge amount of opportunity and new build as a result of direct pay,” said Troutman Pepper partner Craig Kline, who founded the firm’s renewable energy practice.

But with the fate of the BBB still hazy at best, Kline said the clean energy industry is operating under the duality of “business as usual,” with the anticipation of a potential paradigm shift.

“You have to do both,” Kline said. “You have to be prepared to continue to do business under the current tax regime, ... but also game plan for the expectation that Build Back Better happens.”

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The Solar Energy Industries Association, a major U.S. solar trade group, said that issues with supply chain logistics and prices will reduce its forecasted 2022 solar deployment by 25%.

Leonti of Troutman Pepper added that there’s only so much investment cash out there to chase projects, noting that investors are most likely to give their dollars to projects with their equipment contracted for delivery because those are the ones most likely to be completed.

“If you don’t have a binding [solar] module agreement, it’s hard for an investor to give you a commitment,” Leonti said. “What are they committing to? That’s going to be the challenge for [project] sponsors: weighing getting your financial commitments against paying too high of a price.”

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“Transmission, really more than anything, depends on federal action because of the amount of investment and necessary socializing of costs of investment in transmission,” said Kline of Troutman Pepper.

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