



FIRESIDE CHAT: Karen Wong Reflects on Her Career as a Renewable Energy Pioneer



Global Project, Energy and Infrastructure Finance partner Karen Wong, who is retiring after a distinguished career as one of the world's leading project finance lawyers, sat down with partner Allan Marks to explore how renewable energy technology and transactions have evolved globally since the early days of wind power in California. They look at how the practice of law is evolving, as technology allows for increased responsiveness and productivity, and also share personal insights on building professional teams, deepening relationships, and the importance of giving back. **To listen to the full interview on the Law, Policy and Markets: Milbank Conversations podcast episode, [Renewable Energy Past and Future: The Lawyer's Role – “Be the Change You Wish to See”](#), click [here](#).**

Edited for content and brevity.

Allan: Over the last three decades that we have worked together, the renewables sector and the practice of law has changed, and your personal philosophy has transformed. Going back 30 years to the first deal we worked on, which involved financing a small power plant near Bakersfield, California—how did it feel practicing law then, compared to how it feels today?

Karen: I always recall how little technology we had at our disposal as junior associates. With today's advances, junior lawyers can undertake more substantive work.

Allan: In our day, the financial markets were also different: they were predominantly controlled by banks and bank relationships. Now there is more disintermediation: private equity funds, infrastructure funds, insurance companies and pension funds are playing roles in earlier stages. Have these changes affected your practice, and how have you navigated these shifts in sources of capital?

Karen: Prior to Milbank, my practice mainly involved developer and lending work, but when I started at the firm's LA office in 1990, my work shifted towards being sponsor-oriented. It always felt like I had the luxury of a more diverse practice, without being primarily focused on bank side work. One of the first deals I worked on was a restructuring involving a portfolio of wind farms in Tehachapi, and that was also unique in comparison to work on thermal energy projects.

Allan: Early wind farms had issues with reliability, but there have been notable improvements in material science and equipment since then.

Karen: For the early deals, the manufacturers had to give extended warranties since the technology was so new! But over the course of our practice, we've seen deals grow from 25 megawatts to over 1000 megawatts. In just three decades, there's been a huge shift towards renewable energy.

Allan: Solar is displacing wind as the preferred renewable source. Do you see that trend continuing?

Karen: I do, because solar installations are easier than wind farm installations and the cost of solar equipment has come down.

Allan: Then there's the advent of batteries and energy storage projects—that seems to be the flavor of the day—and offshore wind.

Karen: Offshore wind projects can be complex because of their sheer size and the interplay between federal maritime and Jones Act issues, and the costs are so great. The deployment of these projects has been much slower, to a lot of sponsors' chagrin. When we first closed Block Island Wind back in 2016, that was a 30-megawatt project. The next offshore wind project turned out to be the 800-megawatt Vineyard Wind project. That was a huge jump, but bigger size projects are often necessary to make the economics work. Hopefully, the regulatory environment will support the projects slated to come down the pipeline.

Allan: Part of what attracted me to this practice was the idea of working on renewable energy projects that benefit the environment, and knowing that my work could aid in resilient, sustainable economic development.

Karen: That appealed to me, as well. And with the advances in wind and solar technology, these projects are increasingly more reliable, affordable and scalable, and critical to reducing greenhouse gas emissions. This is the type of work that keeps the sky blue, and the lights on.

Allan: We were handling a lot of overseas project finance work in the '90s and 2000s. Would you expect similar work for other lawyers in these globalized emerging markets?

Karen: The skills we have as US attorneys will definitely be in

demand and exported to other renewable projects globally. One of my clients in Vietnam is looking at an offshore wind project, while our Singapore office is also working on an offshore wind project. US attorneys will be looked to as a source of knowledge, similar to how Milbank's London office looked to us when they started working on energy projects in the Middle East.

Allan: How would you characterize the major differences between domestic and cross-border transactions?

Karen: A cross-border transaction is a US deal on steroids. In the United States, you have to consider the number of contracts, then add in the interplay between real estate, environmental permitting and financing discussions. For cross-border transactions, which invariably include government-owned entities, there are local regulations and the political environment to consider, as well.

Allan: In the US, political risk revolves around getting a project permitted and entitled. But once the facility is built, there's very low political risk, because contracts are enforced. In some other countries, in contrast, the government can make sure you have the site and the permits. But once the project is built, you might have less confidence that your contracts would be respected.

Karen: Absolutely. I worked on the Meizhou Wan project, which was the first wholly foreign-owned independent power project in China. The project got built on time, but ultimately went into litigation – different jurisdictions certainly pose unique legal risks. As lawyers, we have unique opportunities to establish the model for moving forward. I worked on the very first independent power project in Thailand and had the opportunity to speak with the state-owned utility about why certain risk allocations in the power purchase agreement were made in a specific way. It felt like being a professor: I was teaching engineers and government staff about international financing sources.

Allan: As lawyers, we often act as translator for those interdisciplinary teams. On the topic of teams: you have been instrumental in building them at Milbank. You have been involved with the recruiting committee, as well as a leader in our diversity and inclusion efforts and affinity groups. What advice do you have for building teams of associates who are not just competent and qualified, but actually enjoying their work?

Karen: Act as if everyone on the team has an important role to play, because a team is only as strong as its weakest link. By recognizing the value of each individual team member, people become engaged. Always make sure the whole team has a clear sense of the objectives and feels committed.

Allan: There used to be a lot of talk about role models. Now, it seems like empathy is at least as important. Have you seen other shifts?

Karen: When I started, the role models I was looking for didn't exist. 30 years later, though, and the firm looks very different. There's more appreciation of work/life balance, and thus more longevity among lawyers and staff. Empathy, like you said, is very important. It helps us recognize that while our job is to help our

clients, at the end of the day they are individuals and humans.

Allan: What about changes in technology? Now we have the capability to be responsive at any hour. Has that led to more stress, or more flexibility?

Karen: I believe technology is liberating, in the sense that you can work from anywhere. But at the same time, I think technological advances have created added stress by making everything immediate.

Allan: The productivity gain is huge.

Karen: I totally agree. You used to laugh at me because I liked to take red eyes, but the whole point of taking a red eye was that I didn't have to miss any time, and no one expected an immediate response.

Allan: Right, because everybody is asleep! Your responsiveness is one of the reasons clients have been so loyal to you.

Karen: I think Milbank lawyers are successful because of the trust that our clients have in us. If you are dedicated to clients' success and timely with your responses, that's half the battle.

“ I know that having legal skills to help others is a privilege. ”

Allan: Throughout your career you handled pro bono matters, working with Public Counsel and other legal aid organizations. How do your values impact your approach to law? What is your advice to junior associates who are attuned to the ways in which institutions can align with their own personal value systems and social justice goals?

Karen: I think it's important for people to remain true to themselves. Longevity in any career depends on being personally satisfied. Our work in project finance involves representing large institutions in a capital-intensive setting, and if someone wakes up every day dreading that work, then it is not a sustainable path for them. You need to have a positive outlook, and be able to derive happiness from your career, and that means your work needs to be genuine reflection of your values. I recognize that what I do may not directly erase racial inequality. But our legal skills can make a difference – through pro bono services, for instance – by helping to address some of those issues. We can use our education and our financial success to contribute to organizations dedicated to our values. I have always viewed philanthropy as a privilege, and I know that having legal skills to help others is also a privilege.

Allan: With that privilege comes responsibility, but in this case, the resources to make a difference.