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Willkie Represents JPMorgan in Largest Completed Municipal Bond Commodity Prepayment Transaction.

The firm represented the commodities business of JPMorgan Chase & Co. in the largest municipal bond commodity prepayment transaction ever completed. The transaction involved the issuance of \$2.7 billion of municipal bonds by Southeast Energy Authority, a Cooperative District (“SEA”), the proceeds of which were used by SEA to prepay Pierpont Energy Prepay 2 for the delivery of natural gas over a 30-year period.

The transaction can be converted to a physical power transaction in the future. The gas delivered to SEA is sold to the Salt River Project Agricultural Improvement and Power District.

In connection with its delivery obligation over the 30-year period, Pierpont Energy Prepay 2 entered into natural gas swaps with BP Energy Company and Royal Bank of Canada, a funding agreement with J.P. Morgan Securities LLC, and a natural gas purchase, sale and service agreement J.P. Morgan Ventures Energy Corporation.

The municipal bonds were assigned a rating of Aa3 by Moody’s. The transaction priced and closed in November.

The Willkie team was led by partner John R. Thomas with associate Kara Ryczek and law clerk Lisa Shakhnazaryan.

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