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Orrick: The Largest Energy-as-a-Service Health Care Transaction in U.S. History: Adventist Health and Bernhard Enter Into 30-Year Lease and Concession

Adventist Health, a faith-based nonprofit health system across the West Coast and Hawaii, has entered into a 30-year energy-as-a-service concession and lease with Bernhard.

Orrick advised Adventist and served as bond counsel. The project involves a $457 million tax-exempt project financing and investment in energy-related infrastructure systemwide.

Bernhard will support Adventist as a long-term developer to optimally and most efficiently operate and maintain the new and existing energy assets, including renewable energy assets and central utility plants.

The guaranteed utility cost savings as a result of the improvements are structured to offset the design, construction, financing and operations and maintenance costs for the project. This tax-exempt financing structure was novel in that it used a special purpose not-for-profit entity formed by the broader Adventist organization to support this transaction. It also included multiple bond issuers to finance improvements in three different states.

Continue reading.

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