

CASE STUDY #480



CASE STUDY: “ENERGY INFRASTRUCTURE VALUATION”

“it’s gone exactly as it should.”

– Lead Attorney for the Plaintiff



ABOUT THE CLIENT

Industry	Megaproject Developer
Transaction Price	\$800 million
Mode	Facilities with Rail, Barge, Pipeline Access
Location	Midwestern United States
BSI Service or Solution	Valuation

Key Challenges

- Client made a minority shareholder in a multi-use industrial & energy logistics center
- Majority investors ousted Client.
- Majority investors ultimately sold the venture for 20+ times the original investment amount.
- Client sued to recover lost profits.

Project Scope

- Gas pipeline hub with existing rail access
- 1 GW power plant
- Water treatment plant
- Gas compression & dehydration station
- Midstream gas stripping/separation plants for methane, propane, and butane
- Condensate stabilization
- Natural Gas Liquids (NGLs)
- Gas to Liquids (GTL) plant
- Condensate, LPG and naphtha storage and logistics
- NGL storage cavern
- Gas-to-Methanol facility
- Ethylene cracker & co-located polyethylene plant
- Transloading terminal with barges and stevedoring
- Dry bulk storage of frac sand, pipe, and cement
- Liquid storage in multiple large tank farms

Operational Benefits Realized

- N/A

Why Boston Strategies was Selected

- Expertise in calculating economic benefits of large-scale capital projects to multiple stakeholders
- Experience calculating value and ROI of energy and transport megaprojects
- Academic pedigree, especially books and teaching

Project Approach

- Assessed the value of the damages suffered by the Client as a result of the defendant’s breach of a signed non-disclosure agreement.
- Quantified the value of each component of the project.
- Calculated synergies for the complex as an energy hub, including synergies from clusters of adjacent industries and supply chain benefits, to arrive at the complex’s long-term value
- Deducted actual expenses that defendant incurred, such as acquisition costs, earn-out payments, and net interest paid
- Normalized that assessment to current dollars
- Wrote expert report
- Defended my analysis in a deposition (interrogation) by 10 of defendant’s lawyers

Financial Benefits Realized

- \$400 million damages assessment