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“We’re not just environmental lawyers, we’re environmentalists”

In a world filled with greenwashing, corporate greed and snail-paced climate action, Lux Nova Partners’ green-only policy is dedicated to having a positive effect.

By Jessica Boak 16 November 2022

When it comes to climate change mitigation, it is all words and very little action. Otherwise, we would not be on the “highway to climate hell”, as UN secretary general António Guterres proclaimed on the first day of COP27.

Across all industries and countries, there is a reluctance to take the plunge and make the necessary changes to limit global warming by 1.5 degrees Celsius above pre-industrial levels. And law is no exception. Even those firms with net zero targets largely ignore the impact of the deals they facilitate. Slaughter and May being the latest firm scrutinised for its difficult moral choices.

While there is the argument that it is not easy for firms to turn away profitable and important work, and if they don’t do it then another firm will, some lawyers are growing impatient with the organisations they work for.

Take Sandy Abrahams, Tom Bainbridge and Louisa Cilenti, for example. After the trio of energy and environmental lawyers left Nabarro (now CMS) to launch an energy and climate change practice at Temple Bright in 2014, they decided to leave City law once and for all so that they could have autonomy over only accepting “clean” work.

“We had been wanting to set up our own firm for years,” says Bainbridge. “But the final straw was when a client



Tom Bainbridge

unexpectedly summoned the senior partners of the law firm we were working at into a meeting and challenged each of us about the work we do, charge out rates and more. The client concluded that ‘the model was broken’ but that we [Louisa, Sandy and I] were great. She then told management that if they didn’t look after us, then we would eventually leave and all her work would go with us if we did. We took that as a signal.”

So in 2015, Abrahams, Bainbridge and Cilenti became the founding partners of their own firm, Lux Nova Partners. Meaning “new light” in Latin, the group solely works for clean energy clients while developing new business models and helping develop new sub-

sectors of the clean energy and sustainability market. In particular, the partners consider themselves “general practitioners for the sector”, with specialisms spanning project development, construction, PPAs, financing and M&A, district heating and cooling, market technology innovations, community energy, disputes, policy and regulation.

Clients include the public sector, notably the UK Government department for Business, Energy and Industrial Strategy (BEIS) and Oxford City Council, but also large developers and utilities such as Vattenfall and Ecotricity. The team also advises an array of investors and funders, as well as tech start-ups like RheEnergise and Verna Earth. It has worked on projects from some of the most advanced solar farms in the UK to “first-of-a-kind” incubators for the community energy sector. For example, since 2015 Lux Nova has been providing legal support to the Energetik district heating project – a city-scale project which will provide low-carbon heating and hot water to thousands of homes in north London, with the potential to provide electricity in the future.

The team has drafted and negotiated documentation concerning customer heat agreements through to connection, adoption, construction and operation agreements. The partners have also



Nikola Zahariev

drafted a bespoke private wire electricity supply agreement for the use of electricity generated by combined heat and power engines and have advised on external debt funding and local authority governance too.

“We work on a lot of projects where different disciplines come together, and while this in itself is not unusual as many law firms do that work, it is not often that a team of two or three people can deliver everything,” explains partner Nikola Zahariev, who joined in August 2017 from Pinsent Masons.

“I’ve been on transactions where I’ve done the share purchase agreement, the financing for it, the derivative transaction and spoken to the real estate lawyers at the same time. It comes with experience and being allowed to take a more flexible approach. You feel like you’re in the thick of it and that is very satisfying. And I think that the clients really appreciate that as well.”

Aside from the firm’s clear stance on only doing climate-friendly work, the partners also took starting their own firm as an opportunity to rethink the cost structure. The partners were fed up with abiding by City law firm

business models that had a strict seniority pyramid, write-off limits, profit margins and varying levels of charge out rates.

So, how does Lux Nova’s cost structure differ to other firms? Well, the team says it offers a blended rate for access to all its lawyers, fixed fees and offers remuneration structures that recognise the stage of development of the client’s business, while still offering traditionally priced legal services for those clients who prefer time-based charging.

“When we say fixed fees, we genuinely mean fixed. We fix to an amount we are happy to work for, and we stick to it – without listing three pages of caveats,” says Bainbridge.

Breaking away from Big Law also means the partners have complete autonomy over the work they individually want to do. Bainbridge says they have a diverse portfolio of very profitable work through to pro bono activities, such as supporting community groups and government training programmes. Not only does this mean the firm can support a wide variety of clients, but it increases job satisfaction too.

Indeed, Abrahams notes that her favourite job at Lux Nova so far was visiting West Africa in 2018 where she analysed the renewable energy support frameworks in the ECOWAS region, identifying gaps in the market to design and deliver training on renewable energy power purchase agreements. The assignment was delivered as part of the International Renewable Energy Agency’s programme, which aimed to increase the uptake of renewable energy in developing markets by training government and utility officials. The assignment saw Lux Nova lead a team of legal, commercial and financial consultants to undertake the analysis and in-country training in Cote D’Ivoire

and Ghana, to relevant government departments and utility companies across the 15 ECOWAS countries.

“That was a fascinating project as only 5 per cent of the population in the region are covered by electricity,” says Abrahams. “Even just hearing about the different challenges they face was interesting. We talk about force majeure in the UK as a bit of bad weather leaving leaves on the line, but in Nigeria they have guerrilla warfare forcing power plants to completely shut down.”

Due to its senior-only structure, Lux Nova generally works on complex projects such as the above and passes on “cookie cutter” work. The team says it does not go out to lunches to get the work in to then delegate to lots of other people who are more junior, which is the standard model.

“So what the seven of us get done, with our focus and experience, means we are quick and efficient. I don’t know how you would multiply that if you wanted to compare it to the team size at a conventional law firm, but it is significantly more than seven,” says Zahariev.

Being small, green and senior-only does equate to less money, however. The firm generates under £2m in revenue, which equates to an average revenue per partner (RPP) of £285,700. While this is a healthy income compared to other industries, it is a drop in the ocean compared to, say, CMS’s RPP last year of £1.4m.

But the team is not in it for the money. Bainbridge says Lux Nova could easily be bringing in more as it gets offers all the time to do “dirty” work, but the team turns it down – even when times are tough. For example, the founding three had the confidence to make it on their own because they had a very large project with monthly retainer payments

THE LAWYER



Sandy Abrahams

and success fees that would see the firm through the first two years, but within the first month, that project aborted.

“That was our guarantee, the reassurance that our mortgages would get paid. Thankfully the restrictive covenants had been lifted about working with existing clients, who followed us

and kept us flat out busy,” explains Abrahams.

Indeed, the team is busy enough that it would like to bring more experienced lawyers on board. Certain practice areas such as district heating are booming, while emerging sectors such as biodiversity are becoming more fruitful, which means the team would like to bolster these niches. But above all else, the team is looking for ethically driven people.

“The difference between us and other lawyers and firms with energy teams is that we are environmentalists too. We are not financially driven, we are purpose-driven and our primary driver is to do some good in the world and shift us towards a more sustainable planet, society and economy,” says Abrahams.

“Sometimes, creating impact means focussing our time on particularly innovative projects, even if it may be less profitable,” adds Zahariev, who

nearly gave up private practice law altogether, before finding Lux Nova.

“But we also want to ensure that a proportion of our revenue goes to ‘green’ causes, creating impact that way. I really like the idea of a business law firm effectively being a fundraising mechanism for environmental charities, so we are finalising that structure at the moment.”

Lux Nova also permits its lawyers to have non-legal businesses outside of the firm, as long as they are mission-aligned. Some partners offer start-up business consultancy, energy efficiency and policy advice through their personal consultancy companies, feeling that it also adds to their market exposure and expertise.

“So if you’re happy to get your hands dirty with interesting work, content with earning enough money to be comfortable and want time to spend with your family and enjoy life, then Lux Nova will be a fit for you,” concludes Zahariev ■