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Legal

Comprehensive legal and tax support for EPC contracts in renewable energy infrastructure development

Introduction to Our Services

The continuous evolution of the modern energy market and regulatory environment creates new business opportunities for the deployment, operation, and expansion of various energy storage and hybrid systems. Deloitte provides comprehensive support for the development of solar power plants, energy storage facilities, and hybrid (solar and battery) power plants, as well as for grid connection procedures and the legal management of procurement, design, and construction processes within the framework of EPC (or EPCM) contracts.

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Key aspects of our legal services in EPC projects

1. EPC contractor selection & structure development

- Advising on the selection of the appropriate EPC or EPCM framework.
- Analyzing and developing an EPC or EPCM structure that meets the client's needs, including strategic support for identifying key strategic issues, risks and preparing tailored time schedules.
- Preparation of the Request for Information (RFI) process, along with EPC term sheet (based on data provided by the client).
- Managing the Request for Information (RFI) process and creating the EPC term sheet based on client data.
- Legal assistance in drafting and negotiation of project development contracts, cooperation agreements, EPC or EPCM contracts, establishing joint venture, a specialized entity for the overall management of the development, design, and construction of the infrastructure.

2. Project coordination and client support

- Legal support in administrative and licensing matters, support in obtaining permits, liaising with authorities, DSOs and TSOs to ensure compliance with regulatory requirements and supporting project management across all phases
- Supporting project coordination through meetings, teleconferences, and advisory services to ensure process continuity.
- Overseeing adherence to regulatory, safety and operational standards during construction.

3. Grid connection procedure assistance

- Legal support for securing grid connection rights, drafting and negotiating grid connection agreements, the cooperation agreement on the self-investment and the agreement on the free transfer of the developed network infrastructure to be concluded with the respective Distribution System Operator (DSO) or the Transmission System Operator (TSO) and coordinating with DSOs or TSOs for compliance.
- Facilitating the entire grid connection process, from preparation to contract negotiations, to safeguard developer interests.
- Legal support for ensuring the smooth implementation of self-investments, i.e. the construction and implementation of network elements in accordance with Section 27 (5) of Electricity Act as a self-investment project by the grid connection applicants instead of the DSO or the TSO.

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Key aspects of our legal services in EPC projects

4. Drafting and reviewing procurement & subcontracting contracts

- Preparing and reviewing procurement and subcontractor contracts to ensure compliance with financial and regulatory standards and requirements.
- Ensuring warranties and guarantees from foreign suppliers are enforceable in Hungary and transferable to DSOs and TSOs as required.

5. Contract negotiation and change management

- Establishing change management processes, including the definition and interpretation of appropriate change criteria, to adapt to evolving project needs. This includes documenting and assessing the impacts of changes on the project. Providing legal support for negotiating change requests, facilitating communication and alignment, and reviewing change documentation
- Legal assistance in negotiations with primary contractors to secure adherence to critical procurement milestones.

6. Risk assessment and claims management

- Identifying, evaluating, and mitigating project risks related to schedule, cost, quality, safety, and environmental concerns.
- Managing claims (warranties, penalties, indemnities) throughout the project lifecycle, with legal representation in any disputes.

7. Tax Support

- From specific transactions to the examination of more complex structures with Hungarian tax considerations, Deloitte is available to assist its clients. Beyond ad-hoc tax advisory services, we also offer continuous support with tax returns and any emerging tax questions.
- Analysis of industry-specific and special taxes, examination of tax issues related to sector-specific taxes, such as the income tax on energy suppliers.
- Compliance with tax regulations, preparation and review of tax calculations and returns.
- Preparation of requests for opinions to clarify interpretative issues.
- Tax analysis of certain transactions and structures (e.g., cPPA).
- Support for transfer pricing (e.g., benchmark analysis, documentation preparation/review).
- Tax review of contracts.

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