When the Rules Move: Change-in-Law Protection for Transition Assets

A project-finance framework for allocating carbon, water, environmental and localisation policy risk

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September 2026

Abstract

Long-term power and water projects operate across legal regimes that can change materially after bidders commit price, design and financing. Carbon taxes and emissions trading, water-quality limits, environmental and social requirements, localisation rules, tax changes and binding technical standards can add capital expenditure, operating cost, delay or performance constraints. A weak clause can make the project unfinanceable or turn public purchasers into open-ended insurers.

This paper develops the Change-in-Law Protection Framework for long-term transition assets. It classifies general, sector-specific, discriminatory and interpretive change; fixes the legal baseline; tests foreseeability, materiality, causation and mitigation; and links verified effects to a graduated relief ladder. It integrates the offtake agreement, EPC and O&M contracts, financing, direct agreement, permits, environmental and social standards, procurement controls and public contingent-liability management.

World Bank guidance treats change in law as an allocation of economic consequences rather than a restriction on government action, and identifies bankability, baseline, classification, relief and mitigation as core design issues [1]-[4]. IFC standards support continuing management of environmental and social risk [5]-[6]. WHO water-quality guidance, World Bank carbon-pricing evidence and OECD work on local-content requirements illustrate how policy can alter technical and economic obligations [7]-[10].

The central conclusion is that credible protection requires a controlled evidence chain from legal event to efficient compliance response and measured financial effect. Relief should restore the agreed economic and service position, subject to mitigation, thresholds, audit and true-up. Four tables and three figures convert the framework into a transaction method. All numerical examples are hypothetical management assumptions used only to demonstrate the framework; they are not observations, forecasts, valuation conclusions or investment recommendations.

JEL Classification: G21, G28, G31, G32, H54, K12, L94, Q25, Q48

Keywords: change in law, project finance, transition assets, PWPA, carbon pricing, water regulation, localisation, risk allocation

1. FRAME THE CHANGE-IN-LAW DECISION

A long-term power or water contract must remain financeable when carbon, water, environmental, labour, tax, procurement or localisation rules change after bid submission. The decision is whether the event belongs to the project company, the purchaser, users or a shared mechanism, and what evidence activates relief.

The working file should reconcile the contracts, legal baseline and current compliance obligation. Each conclusion should identify its source, owner and approval status.

A practical review asks four questions: what changed, who controls the response, what cost or delay is unavoidable, and which contractual mechanism restores the agreed allocation. Unsupported estimates remain outside the approved amount.

2. PROTECT LAWFUL POLICY ACTION

A contractual protection allocates economic consequences; it does not restrict a legislature or regulator from changing law. The provision should preserve public authority while giving investors and lenders a predictable route for time, cost or performance relief where a qualifying legal change alters the agreed bargain.

The assessment should record the counterfactual position, incremental effect and credible alternatives. Legal, technical and financial advisers should use the same facts so that entitlement and quantum do not diverge.

The parties should translate the issue into a dated action register with responsible owners, dependencies and evidence requirements. Interim service and safety measures continue while the commercial allocation is determined.

3. DEFINE BANKABILITY WITHOUT A BLANK CHEQUE

Lenders need confidence that an uncontrollable legal change will not destroy debt service. Public purchasers need thresholds, mitigation, audit and exclusions that prevent ordinary business risk from becoming an automatic tariff claim. Bankability therefore depends on a bounded process rather than unlimited indemnity.

The decision should be documented before expenditure or relief becomes irreversible. Conditions should cover notice, mitigation, audit, true-up, lender consent and the treatment of any later beneficial change.

The governing test is disciplined restoration rather than windfall. The project company receives the relief required for an efficient compliant solution; the purchaser retains protection against betterment, duplication and weak execution.

4. SET THE BASELINE DATE

The contract should identify the legal baseline at bid submission, award, signing or financial close. The selected date determines which published measures, binding standards and known consultations are priced by bidders. A precise baseline also reduces later disputes about whether a rule was foreseeable.

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5. BUILD THE APPLICABLE-LAW PERIMETER

Applicable law can include statutes, regulations, permits, licences, binding directions, court judgments and enforceable technical codes. The drafting should distinguish mandatory rules from guidance and voluntary standards, while recognising that permit conditions and regulator interpretations can change project obligations materially.

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Table 1. Change category, evidence and relief map

Change category	Core evidence	Typical private obligation	Potential public relief	Control question
General change	Enacted rule, baseline and economy-wide scope	Ordinary compliance and efficient mitigation	Exceptional capital or material unpriced impact where agreed	Was the effect reasonably priced and diversified?
Sector-specific change	Rule directed at power, water or transition assets	Notice, compliance design and mitigation	Cost, time or tariff relief after threshold	Does the rule create a project-sector burden?
Discriminatory change	Text, effect and comparator projects	Preserve performance where lawful and safe	Strong time and cost protection	Does the measure target the project or contractor?
Change in interpretation	Binding judgment or regulator decision	Adapt after final authoritative position	Relief where a new binding meaning changes obligations	Was the prior interpretation reasonably relied upon?
Beneficial change	Reduced cost, released obligation or new attribute	Disclose and measure benefit	Purchaser share or tariff reduction	Is the benefit real, durable and monetisable?

The allocation is illustrative and must be adapted to the executed contract, applicable law and procurement framework.

6. CLASSIFY GENERAL CHANGE

A general change affects businesses across the economy. Many contracts allocate ordinary general change to the project company, especially where the impact can be managed or passed through. Capital-intensive or exceptional general changes may receive separate treatment when they could not reasonably be priced.

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7. CLASSIFY SECTOR-SPECIFIC CHANGE

A rule directed at power generation, desalination, wastewater, grids or renewable assets can impose costs that other businesses do not face. The contract should define whether sector-specific change qualifies automatically or only after materiality, foreseeability and causation tests.

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8. CLASSIFY DISCRIMINATORY CHANGE

A discriminatory change targets the project, the project company or a narrow class of comparable contractors. Public-side relief is commonly stronger because the private party cannot diversify or control this risk. The definition must cover substance as well as formally discriminatory wording.

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9. ADDRESS CHANGES IN INTERPRETATION

A statute can remain unchanged while a court, ministry or regulator adopts a binding new interpretation. The clause should state when an interpretation qualifies, whether it must be final, and how conflicting guidance is treated before enforcement becomes certain.

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10. ADDRESS CHANGES IN ENFORCEMENT

More rigorous enforcement of an existing rule may increase compliance cost without changing the legal text. Relief should depend on whether the prior enforcement position was authoritative, reasonably relied upon and consistent with law, and whether the new position creates a measurable project-specific burden.

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11. TEST FORESEEABILITY

Foreseeability allocates emerging rules that were public before the baseline date. The diligence record should capture enacted measures, published drafts, formal consultations and announced implementation timetables. General political debate should not be treated as a fully priced obligation without a defined test.

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12. SEPARATE LAW FROM POLICY

Government strategy, targets and policy statements may signal future requirements without immediate legal force. The contract should clarify when policy becomes enforceable and whether a purchaser-requested policy enhancement travels through the variation mechanism instead of change in law.

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13. MAP CARBON-PRICING EXPOSURE

Carbon taxes, emissions-trading obligations, reporting rules and credit-quality requirements can alter fuel cost, dispatch economics and compliance systems. The project should identify direct emissions, purchased-energy exposure, free allocations, pass-through rights and the treatment of beneficial changes.

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14. MAP EMISSIONS-PERFORMANCE STANDARDS

A new emissions limit can require retrofit, altered fuel, reduced output or early retirement. Relief should distinguish a feasible compliance investment from a rule that prevents the contracted service. Technical evidence must link the legal requirement to the selected compliance route.

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15. MAP WATER-QUALITY EXPOSURE

Drinking-water, discharge, brine, intake and reuse standards can require additional treatment, monitoring or chemicals. The baseline specification and applicable health or environmental standard should be reconciled so that the project does not claim twice under output-specification and legal-change provisions.

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16. MAP WATER-SCARCITY AND ABSTRACTION RULES

Changes to abstraction licences, allocation priority, aquifer protection or drought restrictions can constrain feedwater or increase cost. The contract should coordinate supply risk, force majeure, change in law and purchaser obligations, with clear rules for alternative sources and curtailment.

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17. MAP ENVIRONMENTAL AND SOCIAL STANDARDS

New environmental assessment, biodiversity, labour, community-health or resettlement requirements can affect construction and operation. The clause should align domestic law with agreed lender standards and define whether a voluntary financing standard creates contractual relief.

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18. MAP LOCALISATION REQUIREMENTS

Local-content, workforce, procurement and technology-transfer rules can change cost, schedule and supplier choice. Evidence should compare the compliant sourcing plan with the original plan, isolate genuine incremental cost and record efforts to develop capable local alternatives.

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19. MAP TAX AND CUSTOMS CHANGE

Corporate tax, withholding, customs, value-added tax and interest-deductibility changes can affect project cash flow. Tax clauses, tariff formulas and change-in-law rights should use consistent definitions and avoid double recovery, with treatment for both adverse and beneficial changes.

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20. MAP PERMIT AND LICENCE CHANGE

Permit conditions may change because of law, regulator discretion or project performance. The contract map should identify which permits are project-company responsibility, which require purchaser support, and when delay or cost qualifies after diligent and timely application.

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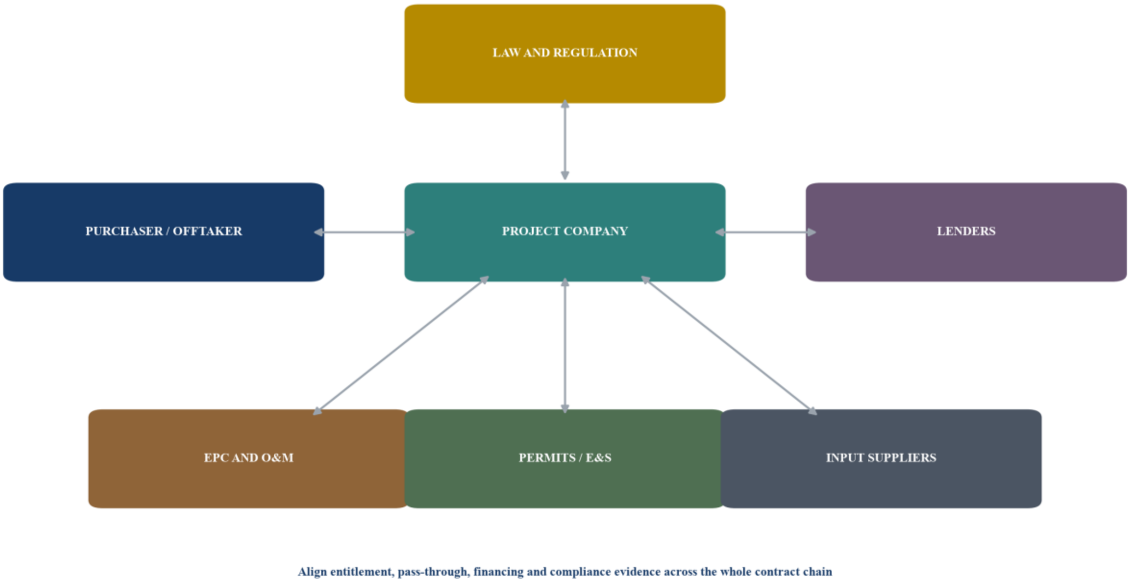

Figure 1. Contract and regulatory map for a transition asset

The map is generic; transaction-specific rights require review of executed documents and applicable law.

21. MAP THE CONTRACT STRUCTURE

The primary offtake agreement sits alongside land, grid, fuel, EPC, O&M, financing, security, direct agreement and government support. Change-in-law treatment should flow through these documents without giving subcontractors broader protection than the project company receives.

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22. ALIGN EPC PASS-THROUGH

The EPC contract should pass relevant legal-change risk to the contractor only where the project company bears it and the contractor can manage it. Notice periods, evidence, schedule analysis and variation pricing should support the upstream claim without creating an unfunded gap.

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23. ALIGN O&M PASS-THROUGH

Operating contractors can identify compliance action and cost, while the project company retains contract responsibility. The O&M agreement should require prompt notice, mitigation, open-book evidence and competitive procurement for material modifications.

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24. ALIGN FUEL AND UTILITY INPUTS

Fuel, grid, chemicals, water and waste agreements can contain their own legal-change mechanisms. The project should prevent mismatches in qualifying events, timing, thresholds and compensation, especially where input costs pass through the tariff differently.

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25. ALIGN FINANCING DOCUMENTS

Facility agreements rarely compensate the borrower for legal change in the project contract. Lenders therefore rely on cash-flow relief, reserves, waivers and cure periods. Financing covenants should allow an approved compliance plan and control distributions during unresolved exposure.

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26. ALIGN THE DIRECT AGREEMENT

The direct agreement should coordinate notice, lender consultation, cure and termination rights. A prolonged legal-change event may affect debt service before the public contract reaches termination, so standstill and information rights must operate early.

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27. DEFINE THE NOTICE TRIGGER

Notice should be required when a party becomes aware that a legal change is reasonably likely to affect cost, time or performance. The notice should identify the rule, baseline, expected impact, mitigation and requested relief without requiring final quantum before analysis is possible.

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28. PRESERVE CLAIMS WITHOUT REWARDING DELAY

Failure to give timely notice can prejudice investigation and mitigation. A proportionate rule can reduce recovery to the extent the delay caused loss, while preserving a meritorious claim that could not reasonably have been quantified earlier.

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29. PROVE LEGAL CAUSATION

Counsel should show the legal instrument, effective date, binding effect and obligation created. The analysis must distinguish a mandatory response from a commercially preferred upgrade. A legal memorandum should connect the new duty to the affected project obligation.

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30. PROVE TECHNICAL CAUSATION

The technical adviser should compare compliant options, capacity, efficiency, outage and implementation time. The selected solution should be reasonable, proportionate and compatible with output requirements rather than an opportunity to modernise unrelated systems at public cost.

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Table 2. Risk-allocation matrix for policy change

Risk	Project company	Purchaser or authority	Shared control	Decision evidence
Carbon price or emissions rule	Measure emissions; optimise operations; procure efficiently	Relief for qualifying unpriced project-specific burden	Baseline, pass-through, credits and true-up	Verified emissions, price instrument and tariff treatment
Water-quality or discharge standard	Operate safely; maintain plant; test options	Fund qualifying retrofit or tariff effect	Technical solution and outage plan	Binding standard, design, bids and commissioning test
Environmental and social requirement	Maintain management system and lender compliance	Address qualifying public-policy change	Mitigation, stakeholder and permitting plan	Legal duty, impact assessment and action plan
Local-content rule	Develop compliant suppliers and workforce	Compensate qualifying incremental burden where agreed	Competitive procurement and capability plan	Baseline sourcing, local bids and cost comparison
Tax or customs change	File, pay and mitigate lawfully	Tariff or compensation where contract allocates	Audit and anti-duplication	Tax opinion, returns and model reconciliation

Allocation depends on the specific contract, jurisdiction, tariff model and ability to manage or pass through risk.

31. PROVE FINANCIAL CAUSATION

The financial model should isolate incremental capital expenditure, operating cost, revenue loss, financing cost and tax. Existing inefficiency, deferred maintenance and unrelated scope should remain outside the claim. The calculation should reconcile to invoices, quantities and approved assumptions.

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32. SET A MATERIALITY THRESHOLD

Minor compliance costs are usually priced into ordinary operations. A monetary, percentage or cumulative threshold can focus the mechanism on material events. The contract should state whether the threshold is a deductible, a trigger or an aggregation rule.

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33. AGGREGATE RELATED CHANGES

A regulatory programme may arrive through several instruments whose individual cost is below threshold. Related measures should be aggregated where they implement one policy, while unrelated routine changes remain separate. The aggregation period and reset should be explicit.

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34. REQUIRE MITIGATION

The affected party should pursue reasonable design, procurement, sequencing, insurance, funding and operational alternatives. Mitigation does not require acceptance of disproportionate risk. The decision record should compare credible options and explain the chosen response.

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35. RECOGNISE BENEFICIAL CHANGE

A legal change can reduce cost, release reserves, create credits or simplify compliance. A symmetrical mechanism gives the purchaser the agreed benefit and supports legitimacy. Benefit measurement should use the same baseline, discounting and audit principles as an adverse claim.

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36. CHOOSE THE RELIEF LADDER

Relief can include excused performance, extension of time, tariff adjustment, lump-sum payment, change to output, term extension or termination. The contract should apply the least-cost form that restores the agreed economic and service position.

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37. DESIGN TARIFF ADJUSTMENT

A tariff adjustment should match the timing and useful life of compliance expenditure, with defined indexation and true-up. Temporary operating cost should not produce a permanent uplift, and capital recovery should end when the approved amount has been recovered.

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38. DESIGN LUMP-SUM COMPENSATION

A lump sum can fund urgent capital expenditure and avoid long tariff tails. Payment milestones should follow verified procurement, construction and commissioning. The structure should address unused amounts, cost underruns, tax and failure to deliver the compliance asset.

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39. USE TERM EXTENSION CAREFULLY

Extending contract term can compensate without immediate budget expenditure, but transfers future revenues and may defer competition. The valuation should include lifecycle, handback, demand and regulatory uncertainty, with lender maturity and asset life aligned.

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40. CHANGE OUTPUT SPECIFICATIONS TRANSPARENTLY

A legal change may make the original output unlawful or uneconomic. The parties can modify capacity, quality, dispatch or availability through a controlled variation. The amended output should preserve public need and clearly allocate consequential cost and performance risk.

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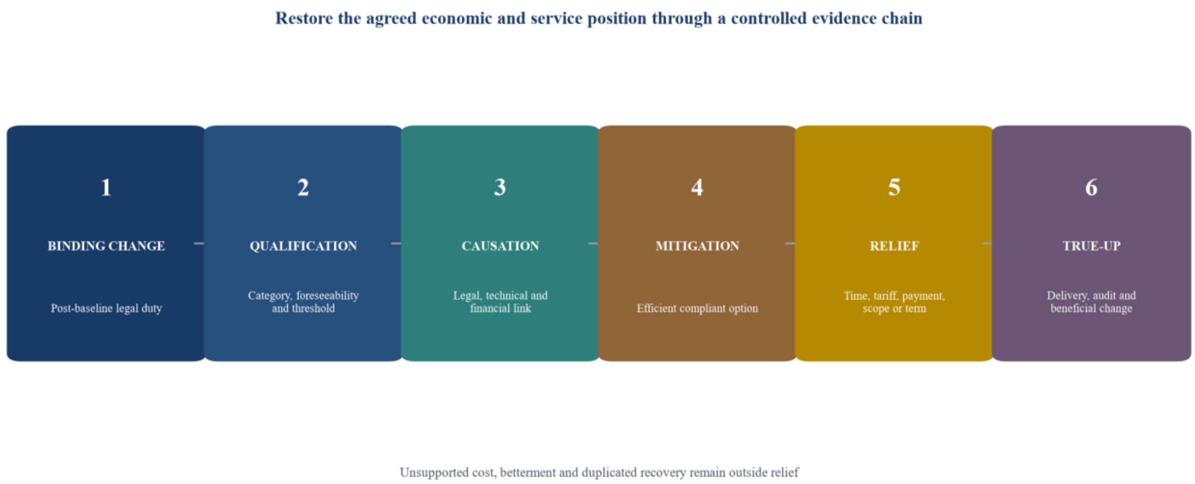

Figure 2. Change-in-law relief waterfall

Relief advances only after entitlement, causation, mitigation and measurement have been evidenced.

41. MODEL CONSTRUCTION DELAY

For assets under construction, legal change can affect procurement, redesign, permits and critical-path activities. Schedule relief should be based on a logic-linked programme, concurrency analysis and demonstrated mitigation rather than a simple assertion of elapsed time.

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42. MODEL OPERATING OUTAGE

Retrofit may require planned or forced outage. The claim should separate legal compliance from maintenance that would have occurred anyway. Availability deductions, deemed availability and substitute supply should be coordinated to avoid contradictory outcomes.

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43. MODEL DEBT-SERVICE SENSITIVITY

The base case should test cost, delay, tariff timing and payment uncertainty against debt-service coverage and reserve levels. Lender protections can include distribution lock-up, temporary liquidity and waiver mechanics while the claim is determined.

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44. MODEL FINANCING COST

A legal change may require new debt or equity before compensation arrives. Eligible financing cost should be limited to efficient funding for approved expenditure and supported by market evidence. Sponsor return on ordinary equity should not be relabelled as unavoidable compliance cost.

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45. CONTROL CONTINGENCIES

Early estimates include design and procurement uncertainty. Contingency should be transparent, risk-based and subject to true-up. A staged approval can authorise development cost first, then construction cost when scope and bids are sufficiently mature.

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46. CONTROL AFFILIATE TRANSACTIONS

An affiliate EPC, O&M or supplier contract can obscure price and margin. Material affiliate cost should be benchmarked or competitively tested, with disclosure of ownership and fees. Recovery should reflect reasonable arm's-length cost for the required compliance work.

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47. CREATE AN OPEN-BOOK RECORD

The claim file should contain law, permits, baseline, notices, options, designs, bids, invoices, schedule, model, tax, mitigation and approvals. Open-book access enables audit while confidentiality rules protect legitimate commercial information.

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The parties should translate the issue into a dated action register with responsible owners, dependencies and evidence requirements. Interim service and safety measures continue while the commercial allocation is determined.

48. USE INDEPENDENT EXPERTS

Legal, technical, environmental and financial experts should answer defined questions and disclose conflicts. Expert input supports determination; it should not replace accountable decisions by the contracting parties and authorised public bodies.

The decision should be documented before expenditure or relief becomes irreversible. Conditions should cover notice, mitigation, audit, true-up, lender consent and the treatment of any later beneficial change.

The governing test is disciplined restoration rather than windfall. The project company receives the relief required for an efficient compliant solution; the purchaser retains protection against betterment, duplication and weak execution.

49. COORDINATE ENVIRONMENTAL AND SOCIAL LENDERS

A domestic legal minimum may sit below contractual lender standards. The project should maintain the agreed environmental and social management system and determine whether a change in those financing standards is mandatory, voluntary or an approved variation.

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A practical review asks four questions: what changed, who controls the response, what cost or delay is unavoidable, and which contractual mechanism restores the agreed allocation. Unsupported estimates remain outside the approved amount.

50. COORDINATE INSURANCE

Environmental liability, business interruption, political risk and construction insurance may respond to parts of the event. Insurance proceeds and reasonable recoveries should reduce compensation, while uninsurable legal change remains allocated by contract.

The assessment should record the counterfactual position, incremental effect and credible alternatives. Legal, technical and financial advisers should use the same facts so that entitlement and quantum do not diverge.

The parties should translate the issue into a dated action register with responsible owners, dependencies and evidence requirements. Interim service and safety measures continue while the commercial allocation is determined.

Table 3. Hypothetical compliance and debt-service sensitivity

Scenario	Incremental capex	Annual opex impact	Delay or outage	Relief timing	Minimum DSCR without relief	Minimum DSCR with approved relief
Carbon-monitoring and control upgrade	18	2.0	20 days	At commissioning	1.16x	1.29x
Water-quality retrofit	42	3.5	45 days	Milestone payments	1.05x	1.30x
Brine-discharge standard	65	5.0	60 days	Tariff over asset life	0.98x	1.27x
Local-content procurement change	24	1.5	90 days	Cost and time relief	1.10x	1.26x
Combined policy programme	96	8.0	120 days	Staged payment and tariff	0.89x	1.24x

All values are hypothetical management assumptions in USD millions unless stated otherwise. They demonstrate method only and are not observations, forecasts or valuation conclusions.

51. COORDINATE CARBON CREDITS AND ATTRIBUTES

Compliance investment may generate allowances, renewable certificates, credits or other attributes. Ownership and valuation should be explicit. Public compensation should account for monetisable benefits without assuming uncertain credit revenue as guaranteed cash.

The decision should be documented before expenditure or relief becomes irreversible. Conditions should cover notice, mitigation, audit, true-up, lender consent and the treatment of any later beneficial change.

The governing test is disciplined restoration rather than windfall. The project company receives the relief required for an efficient compliant solution; the purchaser retains protection against betterment, duplication and weak execution.

52. PROTECT FISCAL CONTROL

The public purchaser should quantify tariff, lump-sum, guarantee and termination exposure across the portfolio. Approval limits, budget treatment and contingent-liability reporting should apply before commitment. The claim should show present value and annual cash impact.

The working file should reconcile the contracts, legal baseline and current compliance obligation. Each conclusion should identify its source, owner and approval status.

A practical review asks four questions: what changed, who controls the response, what cost or delay is unavoidable, and which contractual mechanism restores the agreed allocation. Unsupported estimates remain outside the approved amount.

53. PROTECT SERVICE CONTINUITY

Change-in-law resolution should keep water and power service at the centre. Interim operating instructions, safety measures, emergency procurement and communications should be agreed while allocation and quantum remain under review.

The assessment should record the counterfactual position, incremental effect and credible alternatives. Legal, technical and financial advisers should use the same facts so that entitlement and quantum do not diverge.

The parties should translate the issue into a dated action register with responsible owners, dependencies and evidence requirements. Interim service and safety measures continue while the commercial allocation is determined.

54. ESCALATE DISPUTES IN STAGES

The dispute path can move from project teams to senior representatives, expert determination and arbitration or court. Technical and quantum issues may suit expert determination; fundamental legal interpretation may require a tribunal. Interim performance obligations should remain clear.

The decision should be documented before expenditure or relief becomes irreversible. Conditions should cover notice, mitigation, audit, true-up, lender consent and the treatment of any later beneficial change.

The governing test is disciplined restoration rather than windfall. The project company receives the relief required for an efficient compliant solution; the purchaser retains protection against betterment, duplication and weak execution.

55. DEFINE PROLONGED-EVENT TERMINATION

If compliance is impossible or relief cannot restore the project, a prolonged event may permit termination. The trigger should require duration, materiality and exhausted remedies. Compensation should coordinate senior debt, hedge, equity and public asset transfer.

The working file should reconcile the contracts, legal baseline and current compliance obligation. Each conclusion should identify its source, owner and approval status.

A practical review asks four questions: what changed, who controls the response, what cost or delay is unavoidable, and which contractual mechanism restores the agreed allocation. Unsupported estimates remain outside the approved amount.

56. RUN THE LEGAL AND ELIGIBILITY GATE

The first gate confirms a binding post-baseline legal change, proper classification, timely notice and contract entitlement. The gate file records disputed points and preserves positions without committing to quantum.

The assessment should record the counterfactual position, incremental effect and credible alternatives. Legal, technical and financial advisers should use the same facts so that entitlement and quantum do not diverge.

The parties should translate the issue into a dated action register with responsible owners, dependencies and evidence requirements. Interim service and safety measures continue while the commercial allocation is determined.

57. RUN THE CAUSATION AND MITIGATION GATE

The second gate verifies legal, technical and financial causation and compares reasonable compliance options. It excludes deferred maintenance, betterment and avoidable cost, then approves the solution perimeter.

The decision should be documented before expenditure or relief becomes irreversible. Conditions should cover notice, mitigation, audit, true-up, lender consent and the treatment of any later beneficial change.

The governing test is disciplined restoration rather than windfall. The project company receives the relief required for an efficient compliant solution; the purchaser retains protection against betterment, duplication and weak execution.

58. RUN THE ECONOMICS AND BANKABILITY GATE

The third gate validates cost, schedule, tariff, tax, financing and debt-service effects. Independent replication should reproduce the claim and sensitivities, including the result if relief is delayed.

The working file should reconcile the contracts, legal baseline and current compliance obligation. Each conclusion should identify its source, owner and approval status.

A practical review asks four questions: what changed, who controls the response, what cost or delay is unavoidable, and which contractual mechanism restores the agreed allocation. Unsupported estimates remain outside the approved amount.

59. RUN THE PUBLIC-VALUE AND COMPLETION GATES

The fourth gate confirms procurement, fiscal, environmental and service consequences. The fifth gate converts approval into amendments, funding, construction, commissioning, true-up and continuing monitoring.

The assessment should record the counterfactual position, incremental effect and credible alternatives. Legal, technical and financial advisers should use the same facts so that entitlement and quantum do not diverge.

The parties should translate the issue into a dated action register with responsible owners, dependencies and evidence requirements. Interim service and safety measures continue while the commercial allocation is determined.

60. ADOPT THE DECISION RECORD AND 90-DAY PLAN

The final record states the legal event, baseline, classification, evidence, approved response, relief, funding, conditions, disputes and monitoring. A ninety-day plan gives each workstream an owner and converts a contested claim into a controlled transaction.

The decision should be documented before expenditure or relief becomes irreversible. Conditions should cover notice, mitigation, audit, true-up, lender consent and the treatment of any later beneficial change.

The governing test is disciplined restoration rather than windfall. The project company receives the relief required for an efficient compliant solution; the purchaser retains protection against betterment, duplication and weak execution.

Table 4. Illustrative 90-day change-in-law workplan

Period	Workstream	Core actions	Decision output	Accountable owner
Days 1-15	Preserve and classify	Issue notice; freeze baseline; obtain legal instrument; map contracts and permits	Preliminary entitlement and interim-service plan	Contract directors and counsel
Days 16-30	Technical options	Define compliance options; test safety, output, outage and procurement	Approved solution perimeter	Technical and environmental advisers
Days 31-45	Cost and schedule	Obtain bids; build critical path; isolate incremental capex and opex	Controlled cost and delay estimate	Project company and independent engineer
Days 46-60	Finance and relief	Model DSCR, tariff, funding, tax, thresholds and beneficial effects	Preferred relief structure	Financial adviser and lenders
Days 61-75	Approval and amendment	Complete public, procurement, budget, lender and governance approvals	Executable contract amendment	Purchaser, authority and counsel
Days 76-90	Mobilise and monitor	Fund, procure, implement, report and establish true-up	Verified implementation baseline	Project board and contract manager

Timing is indicative and should be adapted to urgency, statutory process and transaction complexity.

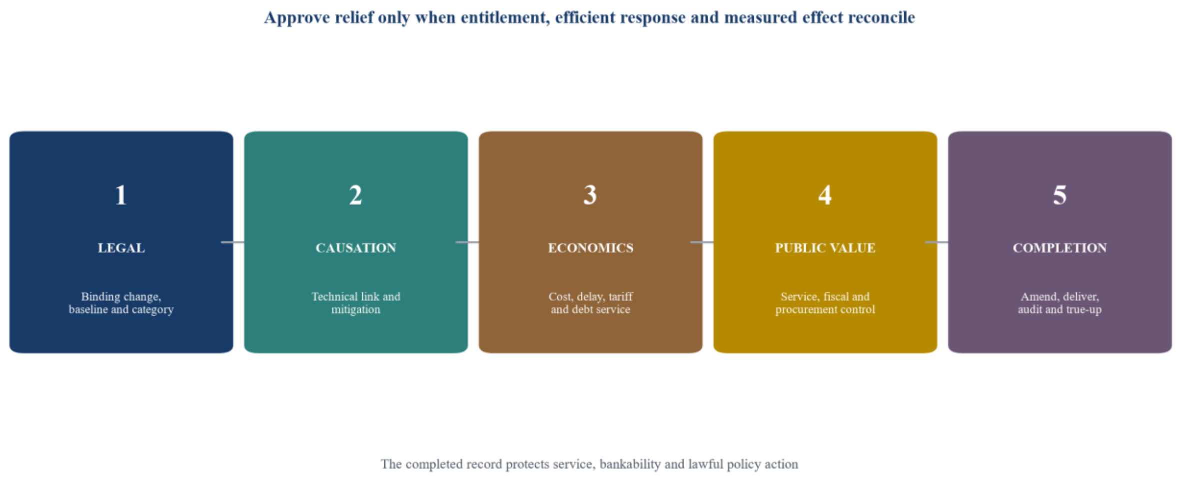

Figure 3. Five gates for change-in-law protection

Each gate requires documented evidence before the project advances.

The framework converts legal uncertainty into a governed project-finance decision. It preserves the state's ability to regulate, protects essential service and gives capital providers a bounded path to relief when an unpriced qualifying change alters the contract.

Execution quality depends on disciplined evidence. The legal baseline, technical response, procurement record, financial model, lender position and public approvals should reconcile before relief is fixed. Continuing audit and true-up then align the approved amount with actual delivery.

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Chennakeshav (CK) is a corporate finance and investment banking executive with 25+ years of global experience in deal origination, structuring and execution across M&A, growth capital and corporate strategy. He has led value-creation mandates for founders, corporates and funds — bridging the boardroom view to hands-on execution and close.

His career spans Morgan Stanley, HSBC, Lloyds Banking Group, EWEC, ADQ portfolio companies and Emirates Growth Fund, across TMT, real estate, fintech, deeptech, cleantech, infrastructure and energy. He has partnered with C-suite leaders, private equity and venture funds, sovereign wealth funds and family offices to finance complex fund raises and scale-up ventures, and has led M&A due diligence, post-merger integration and business-transformation initiatives to create value.

At Matchpoint Partners he is Managing Partner, leading the firm's corporate finance, M&A and capital-raising practice. He holds an MBA from London Business School, an engineering degree from VTU and a Master of Laws (LLM, in progress) from UCL London.

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