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Law360 Quotes Locke Lord Partners Ben Cowan and Emily Huggins Jones on Macroeconomic Challenges Facing U.S. Offshore Wind Industry

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Chair of Locke Lord's Renewable Energy Section and Houston Environmental Partner [Ben Cowan](#) and Washington, D.C., Partner [Emily Huggins Jones](#) were quoted by Law360 on the macroeconomic challenges facing the U.S. offshore wind industry. Cowan notes that while there are several reasons for setbacks in the industry, including permitting and supply chain issues, the biggest hinderance to an offshore wind project's viability has been the persistent high interest rates and inflation.

"Interest rate and inflation is No. 1 with a bullet right now," said Cowan. "These are really big dollars we're talking about and very long lead times to develop projects. The effect of interest rates and inflation in that time period is really magnified."

As the industry grapples with potentially consequential changes, Huggins Jones adds that "parties to equipment and supply contracts are also exploring mechanisms that can adjust to project development hiccups."

"Original equipment manufacturers and those in the supply chain have begun to consider how to allocate risk among the various elements within the tier structure to account for potential delays and contingencies, in the event that projects are canceled or materially changed in scope," she said. "Similarly, contingencies are being discussed with respect to changes in laws, such as potential changes to U.S. [vessel] manning requirements or cabotage laws."

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