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Uncertainty for Wind Projects Pending Federal Review

3/20/2025

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Practices: Corporate, Finance & Acquisitions

On January 20, 2025, the Trump Administration issued a Memorandum (the “Memorandum”) that halted the federal review and permitting of new approvals for both offshore and onshore wind projects. Subsequently, the U.S. Department of the Interior (the “DOI”) issued an order suspending the authority of its subagencies to issue onshore and offshore renewable energy authorization. Such suspension included the approval of any agreements required for renewable energy development. This order, however, does not apply to certain authorizations that are necessary to: (1) avoid conditions that might pose a threat to human health, welfare, or safety; or (2) avoid adverse impacts to public land or mineral resources.

The Memorandum, and the following order by the DOI, may impact existing wind projects on state and private lands that are awaiting federal approvals, in addition to projects on federal lands and water, such as projects requiring federal wildlife or environmental permits. While existing leases are not directly affected by the Memorandum, the Secretary of the Interior in consultation with the Attorney General may recommend certain existing leases to be terminated or amended, as necessary, following a comprehensive review.

The Memorandum clarifies that such pause of approvals is due to various alleged legal deficiencies in the federal government’s leasing and permitting of onshore and offshore wind projects. As a result, the Memorandum orders a multi-federal agency review, led by the DOI, to assess the environmental impact and cost to surrounding communities of windmills, as well as a review of existing leasing and permitting practices.

The Memorandum went into effect immediately and will continue until the DOI completes its review and reports its findings and recommendations to the President. Consequently, there is increased uncertainty and risk for project developers, lenders, investors and all other parties alike involved in offshore and onshore wind projects.

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