

NEWS

Ed Ivey quoted in Climate Risk Review article: Pleas of "force majeure" offer no protection from climate financial risks

Media

Climate Risk Review

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Moore & Van Allen (MVA) Swaps, Derivatives & Structured Products and ESG Counsel Ed Ivey was quoted in the *Climate Risk Review* article titled, "Pleas of "force majeure" offer no protection from climate financial risks" which was published on April 15. Ed discusses the potential impact of the recent winter storm in Texas and a related ruling in New York may have on force majeure clauses in energy hedges going forward and the efforts energy producers may wish to consider to further mitigate climate risk.

"Remember how 100-year environmental events are something we normally think of as 'Don't worry, that is why there is a force majeure provision'? Well, as this judge points out, when those events are tied to climate change, it may get harder to claim the force majeure as unforeseeable. As a result, maybe parties will start identifying (or excluding) specific environmental events as a force majeure (e.g., floods, ice storms, forest fires and/or other extreme climate events that are more likely to occur now, due to climate change). This increasing awareness may also push parties to start considering ways to better mitigate these climate risks, whether through building turbines that operate in lower temperatures or ESG hedges."

Please click below to view the complete article.