

# Publications

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## What President Trump's Energy Plan Means for the State Regulatory Environment, the Generation Mix and Electric Transmission

Signaling the prioritization of energy, President Donald Trump declared a national energy emergency on inauguration day. He issued several Executive Orders (EO) and Presidential Memoranda either unwinding the Biden administration's energy policies or entering his own Orders to address what he described as inadequate energy supply in the United States and to encourage the expedient development of fossil fuel resources. Here, we will outline the key Orders and what they mean for the state regulatory environment, generation mix and electric transmission construction.

### The Rescissions

Let's start with the rescissions. President Trump revoked most of President Biden's EOs and Presidential Memoranda on energy matters, some of which were entered in the weeks before he left office. The following is a summary of the key rescissions:

- EO 13990 of January 20, 2021 (Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis) entered on President Biden's first day in office. The Order revoked the permit for the Keystone XL pipeline, established an Interagency Working Group on the Social Cost of Greenhouse Gases and directed federal agencies to support a transition to clean energy.
- EO 14008 of January 27, 2021 (Tackling the Climate Crisis at Home and Abroad) that paused "new oil and natural gas leases on public lands or in offshore waters pending completion of a comprehensive review and reconsideration of Federal oil and gas permitting and leasing practices."
- EO 14057 of December 8, 2021 (Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability) setting forth the policy of achieving a carbon pollution-free electricity sector by 2035 and net-zero emissions economy-wide by no later than 2050.
- EO 14082 of September 12, 2022 (Implementation of the Energy and Infrastructure Provisions of the Inflation Reduction Act of 2022) establishing funding to implement the IRA in the energy sector and creating the Office on Clean Energy Innovation and Implementation.

### Related People

- Christine Soares
- Alan Claus Anderson
- Andrew O. Schulte

### Related Capabilities

- Energy
- Executive Orders

- Presidential Memorandum of March 13, 2023 (Withdrawal of Certain Areas off the United States Arctic Coast of the Outer Continental Shelf from Oil or Gas Leasing) withdrawing areas in the Beaufort Sea from future oil and gas leasing, which completed protections for the entire U.S. Arctic Ocean.
- Presidential Memorandum of January 6, 2025 (Withdrawal of Certain Areas of the United States Outer Continental Shelf from Oil or Natural Gas Leasing) protecting the East Coast, the eastern Gulf of Mexico, the Pacific off the coasts of Washington, Oregon and California and additional portions of the Northern Bering Sea in Alaska from future oil and natural gas leasing.

## **Energy-Focused Executive Orders**

President Trump also issued several EOs and Presidential Memoranda focused on the energy sector following up on the President's inaugural speech suggesting support for oil, gas and nuclear energy and an end to federal policies favoring clean energy, including wind and solar. Outlined below are the Trump administration's energy-related EOs.

### **Unleashing American Energy**

The Unleashing American Energy EO intends to encourage energy production and exploration on Federal lands and waters, to increase production of non-fuel minerals and to eliminate the electric vehicle (EV) mandate, among other policies. The order calls for:

- federal agencies to review, revise and/or rescind all regulations that impose an undue burden on domestic energy production and use, specifically for "oil, natural gas, coal, hydropower, biofuels, critical mineral, and nuclear energy resources."
- the Council on Environmental Quality to provide guidance on implementing the National Environmental Policy Act (NEPA) with the goal of expediting permitting approvals and rescinding certain NEPA regulations related to the national environmental policy put in place during the Biden administration.
- federal agencies to make every effort to expedite the permitting process.
- the National Economic Council and the Director of the Office of Legislative Affairs to prepare recommendations to Congress that will expedite the permitting and construction of interstate energy transportation and other critical energy infrastructure projects, such as pipelines, particularly in regions lacking such development in recent years.
- the federal permitting process to adhere to only relevant laws for environmental considerations without using arbitrary or ideologically motivated methodologies.
- the resumption of the review of applications for liquified natural gas export projects.

### **National Energy Emergency**

To start, President Trump's National Energy Emergency EO defines energy as "crude oil, natural gas, lease condensates, natural gas liquids, refined petroleum products, uranium, coal, biofuels, geothermal heat, the kinetic movement of flowing water, and critical minerals" with wind and solar energy missing from the list. The Order is designed to expedite the permitting process for energy projects, reduce environmental regulations and promote fossil fuel development, particularly in regions like Alaska. Executive departments and federal agencies are directed to use their emergency authority or any other authority they may possess to facilitate the identification, leasing, siting, production, transportation, refining and generation of domestic energy resources, including resources on Federal lands. The U.S. Environmental Protection Agency (EPA) and the Secretary of Energy are given broad authority to increase oil and gas production.

## **Unleashing Alaska's Extraordinary Resource Potential**

This EO tracks the inaugural remarks made by President Trump to “drill, baby drill.” The Order directs agencies to expedite the permitting and leasing of energy and natural resource projects in Alaska, including liquefied natural gas projects, and end related environmental restrictions that would derail such efforts.

## **Temporary Withdrawal of All Areas on the Outer Continental Shelf from Offshore Wind Leasing and Review of the Federal Government's Leasing and Permitting Practices for Wind Projects**

The title of the Memorandum speaks for itself, but it also pauses federal permitting, approvals and loans for all “new” onshore and offshore wind projects. The emphasis on the word “new” suggests that any project that has received a Record of Decision (ROD) from the Bureau of Land Management or the Bureau of Ocean Energy Management (BOEM) should be able to proceed with their project. However, the Memorandum calls out the Lava Ridge Wind Project, which received an ROD, and directed the Department of the Interior to place a temporary moratorium on it and “conduct a new comprehensive analysis of the various interests implicated by the Lava Ridge Wind Project and the potential environmental impacts.” The Memorandum also directs federal agencies to investigate “defunct and idle windmills” and recommend authorities to require their removal.

## **Anticipated Impacts on the State Regulatory Environment**

The Trump administration's energy policy and declaration of a national energy emergency will have varied impacts on state agencies involved in energy regulation, such as public utility commissions. By prioritizing fossil fuels and curtailing support for renewable energy, these Orders may require adjustments at the state level.

The Orders are anticipated to have a significant impact on states like New Jersey and New York, which have been investing in offshore wind to meet their decarbonization goals. New Jersey's goal is to generate 11,000 MW of electricity from offshore wind by 2040 and transition to 100% clean energy by 2035. New Jersey has approved solicitations from three offshore wind developers with only one project receiving a ROD from BOEM. The New Jersey Board of Public Utilities issued a fourth solicitation in early 2024 which has not yet been awarded. A fifth solicitation slated for Q2 2025 may be off the table given the Trump administration's Memorandum on offshore wind. States like New Jersey may need to reassess their energy portfolios and may struggle to get renewable projects that rely on federal approvals off the ground, like offshore wind in federal waters.

The Trump administration's support for fossil fuels is less impactful on the state regulatory environment due to preexisting market forces. While the Trump administration will want to take credit, the fact is that natural gas plants are already on the rise due to strong demand from data centers. In May 2024 (well before the election), S&P Global Market Intelligence reported that U.S. utilities and investors plan to add 133 new natural gas-fired power plants to the nation's grid over the next few years. These same market forces are delaying the closure of coal plants. Accordingly, strong demand will bolster gas and coal generation more than the administration's Orders and Memorandum. State regulatory agencies are already seeing the impact of dramatically increasing demand, as utilities make significant changes to generation resource plans and capital outlays to provide for new gas plants and continued operation of coal plants. Similarly, the U.S. became the world's largest crude oil producer in 2018 and has maintained that status ever since, breaking records for oil production in 2024.

## Areas to Watch Related to Onshore Wind Projects

While the federal government holds the keys to offshore wind leases, onshore projects do not rely as heavily on approvals, rights of way, permits, leases or loans from the federal government. On the other hand, the Trump administration's Memorandum could be interpreted to apply to permits such as an endangered species permit from the U.S. Fish and Wildlife Service or a Determination of No Hazard from the Federal Aviation Administration. If so interpreted, it would cause massive disruption to new onshore wind projects. However, the Orders and Memorandum do not impact the Investment or Production Tax Credits, which are determined by Congress.

## Potential Impacts on Transmission

Another area of interest for state regulatory commissions is electric transmission. Regional Transmission Organizations have identified hundreds of miles of new transmission projects, and these projects may have additional momentum because of the EO declaring a national energy emergency. That Order calls on federal agencies to identify and exercise all lawful authorities they may possess to "facilitate the identification, leasing, siting, production, transportation, refining, and generation of domestic energy resources." The term "generation" means the use of energy to produce electricity or thermal power and the *transmission of electricity from its site of generation*. Although the administration's definition of "energy" is exclusive to fossil fuels, electric transmission cannot be separated into 'fossil fuel transmission' and 'renewable transmission'—all transmission is available to carry all types of generation. Accordingly, state regulatory agencies should expect an uptick in applications for certification and siting of electric transmission lines. Interstate pipelines, on the other hand, are certificated and sited by the federal government.

## If Past is Prologue

As we look forward to the current administration, we can look back at President Trump's previous efforts in the energy sector. In 2018, the EPA under the Trump administration announced the replacement of the Obama administration's Clean Power Plan with the Affordable Clean Energy Plan (ACE). ACE altered the New Source Review under the Clean Air Act, allowing new investment in older coal plants that would not have passed previously. ACE was disallowed by the D.C. Circuit in 2021, but that D.C. Circuit decision was overturned by the U.S. Supreme Court in June of 2022. With the change in energy demand and slower decommissioning of coal fired generation, it is unclear whether there is a need or desire for something like ACE. However, with the 2022 Supreme Court ruling, it may be available.

The other act that caused significant concern in the energy industry during the previous Trump administration was in 2018 when President Trump ordered Energy Secretary Rick Perry to take steps to keep struggling coal and nuclear plants open. The plan called for the use of the Federal Power Act and Defense Production Act and would have required regional grid operators to buy coal and nuclear generated power and provide guaranteed profit. The cost impact and market disruption would have been immense, and the plan was rejected by the Federal Energy Regulatory Commission.