

K&L GATES

ENERGY POLICY IN THE TRUMP ADMINISTRATION: FOSSIL FUELS

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Panelists



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Key Players

Energy Secretary Chris Wright



- CEO of hydraulic fracturing company Liberty Energy
- Bachelors and Masters Degree in Electrical Engineering from MIT
- Director of Domestic Energy Producers Alliance (DEPA), a national coalition of oil & gas producers
- Believes expanding fossil fuel production is the best way to improve global living standards

Interior Secretary Doug Burgum



- As the chairman of a newly established National Energy Council as well, Burgum will have a czar-like position to coordinate Trump's energy initiatives
- Served as North Dakota Governor (2016-2024)
 - As Governor, stressed an “all-of-the-above” energy policy to achieve carbon neutrality in the state by 2030.
 - Argued this was necessary to achieve energy independence and is what made sense “for the markets”.

FERC Commissioners



Chairman Mark Christie (R)
Term Expires: June 2025



Vacant Seat
Term Expires: June 2026



Commissioner David Rosner (D)
Term Expires: June 2027



Commissioner Lindsay See (R)
Term Expires: June 2028



Commissioner Judy Chang (D)
Term Expires: 2029

EPA Administrator Lee Zeldin



- Represented New York's 1st congressional district from 2015 to 2023
- Member of the Conservative Climate Caucus, but did not serve on committees of jurisdiction.
- Emphasized a pro-business and deregulatory stance towards the energy sector

Executive Orders

Unleashing American Energy

Open federal lands for energy production

- lease sales
- reverse public land withdrawals

Review, modify, rescind regulations

- any regulations, orders, guidance, policies, settlements, consent orders, etc., that “impose an undue burden” on identification, development, or use of domestic energy resources – i.e, oil, gas, coal, hydropower, biofuels, critical minerals, nuclear energy

Environmental analyses

- Withdraw guidance on GHG monitoring/ measurement, “social cost of greenhouse gases”
- Reconsider “social cost of carbon” calculation in Federal permitting/ regulatory decisions
- Report “global effects” of rule, regulation, or action separately from domestic costs/ benefits
- Reconsider “Endangerment Finding”

Unleashing American Energy (cont'd)

Efficient permitting

- CEQ released interim final rule rescinding nearly 50 years of federal CEQ regulations, but does not prevent agencies from implementing NEPA pursuant to their own existing procedures.
 - Interim final rule does not seek to amend or undermine NEPA itself or any state NEPA analogs.
 - Interim final rule comes shortly after November 2024 DC Circuit ruling that CEQ has no authority to write regulations, and February 2025 USDC case striking down a 2024 NEPA rule from CEQ.
- CEQ-led working group to coordinate agency-level NEPA implementing regulations for consistency
- Expedite permitting approvals and meet deadlines established in the Fiscal Responsibility Act of 2023
- Prioritize efficiency and certainty over any other objectives, including those of activist groups, that could add delays and ambiguity

End LNG export “pause”

- DOE has resumed review of applications for approvals of LNG export projects

Unleashing American Energy (cont'd)

Eliminate “EV Mandate”

- Terminate state emissions waivers and EV subsidies that “favor EVs over other technology”

Deregulate domestic mining

- Directs agency heads to revise or rescind actions that burden domestic mining and processing of non-fuel minerals
- DOE shall ensure critical minerals projects, including processing, receive consideration of Federal support, contingent on availability of funds
- DOD shall supply a National Defense Stockpile of critical minerals

Rescinds Biden-Era Environmental EOs

- Rescinds Biden EOs and actions regarding climate change, clean energy, and federal sustainability, as well as withdrawal of certain areas of the OCS from oil and gas leasing
- Terminates contracts or agreements with third-partes on behalf of, and redirects or disposes of assets, funds, resources allocated to, entities or programs under Biden EOs abolished by the EO

Declaring a National Energy Emergency

National Energy Emergency

- Declares a national energy emergency under the National Emergencies Act, granting agencies additional emergency authority

Definition of “energy” or “energy resources”

- For purposes of the EO, means “**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, as defined by 30 USC 1606(a)(3)”

Energy Production

- Directs agencies to identify and use authorities to facilitate domestic energy production on Federal and other lands, including Federal eminent domain authorities and authorities under the Defense Production Act. Directs EPA to consider issuing emergency fuel waivers to allow for year-round sale of E15 gasoline, and it has already upheld such a waiver in eight Midwestern states.

Energy Infrastructure

- Directs agencies to identify and use authorities to expedite completion of authorized and appropriated infrastructure, energy, environmental, and natural resources projects, including to facilitate supply, refining, and transportation of energy in and through the West Coast, the Northeast, and Alaska

Declaring a National Energy Emergency (cont'd)

Clean Water Act and Other Statutes Administered by Army Corps of Engineers

- Directs agencies to identify and use actions to facilitate the Nation's energy supply that may be subject to emergency treatment pursuant to the regulations and nationwide permits promulgated by the Army Corps, or jointly by the Corps and EPA, pursuant to the CWA and other statutes
- The Army Corp of Engineers has identified over 600 energy and infrastructure projects that could be fast-tracked – mostly fossil fuel projects, but also some solar and miscellaneous infrastructure

Endangered Species Act Emergency Consultations

- Directs agencies to identify and use actions to facilitate the Nation's energy supply that may be subject to the regulation on consultation in emergencies under the ESA

Zero-Based Regulatory Budgeting to Unleash American Energy

Regulatory “sunset” provisions

- Directs ten energy and environment-focused federal agencies to incorporate a
 - 1-year sunset provision into existing covered regulations governing energy production by September 30, 2025
 - a 5-year sunset provision into new covered regulations.
- Targeted agencies include Environmental Protection Agency (EPA), Department of Energy (DOE), Federal Energy Regulatory Commission (FERC), Nuclear Regulatory Commission (NRC), Office of Surface Mining Reclamation and Enforcement (OSMRE), Bureau of Land Management (BLM), Bureau of Ocean Energy Management (BOEM), Bureau of Safety and Environmental Enforcement (BSEE), U.S. Fish and Wildlife Service (FWS), and the U.S. Army Corps of Engineers (ACE).
- Outlines specific statutes from which regulations emanate that shall be subject to the EO for most agencies, and directs EPA and ACE to establish their own list of statutes that shall be subject to the EO
- Regulations that “sunset” shall not count towards the ten-for-one regulatory requirement established in the “Unleashing Prosperity through Deregulation” EO issued on January 31, 2025

Ensuring Accountability for All Agencies

Ensure “Presidential supervision and control of the entire executive branch”

Regulatory review

- Requires all executive departments and agencies (including “independent” agencies) to submit for review all proposed and final significant regulatory actions to the OIRA before publication in the *Federal Register*

Performance standards, management objectives, and apportionments

- OMB establishes and reports on performance standards and management objectives for independent agency heads
- OMB adjusts independent agency apportionments by activity, function, project, or object to advance the President’s policies and priorities

Singular legal interpretations

- The President and the Attorney General shall set forth the authoritative and binding interpretations of the law for the entire executive branch

Protecting American Energy From State Overreach

Identification of state and local laws that burden energy production

- Directs the Attorney General (AG) to identify all state and local laws or policies that burden domestic energy identification, siting, development, production, or use, and may be unconstitutional, federally preempted, or generally unenforceable
- Directs the AG to prioritize any state laws purporting to address “climate change,” “environmental, social, and governance (ESG),” “environmental justice,” “greenhouse gas emissions,” or state carbon penalties
- Directs the AG to submit a report regarding actions taken pursuant to this EO within 60 days

Other Executive Orders

- **Withdraw from International Agreements**
 - Immediate withdrawal from Paris Climate agreement
 - Revocation of financial commitment made under the Paris Climate agreement
 - Revocation of US International Climate Finance Plan
- **Establish National Energy Dominance Council**
- **Unleashing Alaska's Extraordinary Resource Potential**
- **Temporary Withdrawal of All Areas on the OCS from Offshore Wind Leasing and Review of the Federal Government's Leasing and Permitting Practices for Wind Projects**

Agency Action & Implementation

In Focus: DOE, FERC, EPA, Interior

DOE - Secretary Wright announced in March that the Trump administration will focus on increasing domestic fossil fuel development and production. DOE has resumed review and approval of LNG export applications.

FERC - Chairman Christie responded to Independent Agencies EO that it is consistent with FERC's practice of aligning with Administration priorities. Chairman Christie focused on expediting project reviews and approvals consistent with EOs.

Interior - Secretary Burgum announced that he would be reducing environmental analysis requirements for oil and gas leases in specific western states pursuant to *Unleashing American Energy* executive order. Interior has resumed oil and gas lease sales.

EPA - Administrator Zeldin announced rollback of 31 environmental regulations impacting oil, gas, coal, manufacturing, transportation.

Office of Management and Budget

OMB solicitation for deregulatory proposals

- OMB is soliciting proposals for regulations to repeal pursuant to President Trump's directive to repeal 10 regulations for every 1 new regulation promulgated
- OMB is seeking input on which regulations to repeal and replace, focusing on regulations
 - inconsistent with the Trump administration's policies or
 - regulations that are outdated, expensive, or burdensome
- Deadline to provide comments to OMB is [May 12, 2025](#).

Tariffs and Trade

Tariff and Trade Policy: Oil and Gas

Tariffs

- On 2 April 2025, President Trump announced reciprocal tariffs on US imports from all countries. The tariffs applied at different rates by country, starting at a **baseline of 10% and reaching as high as 50%**.
- Chinese goods are subject to tariffs at rates reportedly ranging from 125% to 145%, subject to some exceptions.
- A 90-day pause was issued on April 9 for all country-specific reciprocal tariffs, except for tariffs on Chinese goods. The 10% baseline tariff remains, subject to certain exceptions.
 - **Crude oil, natural gas, and petroleum refined products are excluded from the 10% baseline tariff on goods from all countries.**

Trade

- On 17 April 2025, the USTR announced targeted action towards China in response to a year-long Section 301 investigation. Annex IV includes restrictions on LNG transportation.

*For anyone seeking additional guidance on tariff policy in the Trump administration, you can access our previous webinar in this series, **Trade and Tariffs**, by scanning the QR code below.*



Congress

Congressional Review Act

The Congressional Review Act (CRA) is a tool that allows Congress to review and overturn certain agency rules. Under the CRA, certain rules can be overturned with a joint resolution of disapproval passed by both houses of Congress and signed by the President.

Rules Overturned:

- **Methane Emissions Fee:** Imposed a fee on petroleum and natural gas facilities that emit more than 25,000 tons of methane per year
- **Protection of Marine Archaeological Resources:** Required any oil or gas lessee or operator to submit an archaeological report with any exploration or development proposal

Reconciliation

Republicans in the House and Senate are currently drafting their budget reconciliation bill, a broad agenda-setting effort to extend the 2017 tax cuts, implement President Trump's agenda, and potentially roll back spending under the Inflation Reduction Act (IRA) and Investment, Infrastructure and Jobs Act.

Members have discussed expanding IRA clean energy credits by eliminating “net zero” requirements, allowing fossil fuel producers to qualify for tax incentives under the law.

*For anyone seeking additional guidance on reconciliation in the 119th Congress, you can access our previous webinar in this series, **Congress and Tax Reform**, by scanning the QR code below.*



QUESTIONS?

Up Next: Nuclear Energy

Join us on **Thursday, 1 May from 12:00-1:00** for our discussion changes in federal policy and regulation for the nuclear power industry under the Trump administration. Our speakers will analyze the effects of several key executive orders and agency actions on reactor licensing and permitting, advanced reactor technology, nuclear fuel, and the outlook for the industry.

Partners from our Washington, D.C., Public Policy and Law practice will offer their insights into the current political and regulatory environment, the lasting effects of the Trump administration's policies, and what the future holds for US nuclear power.

Looking Ahead: Webinar Series

Session 4 - Nuclear Energy (5/1, 12:00-1:00)

Session 5 - Electricity, Transmission, and Data Centers (5/8, 12:00-1:00)

Session 6 - Critical and Fuel Minerals (5/15, 12:00-1:00)

Session 7 - Renewable Energy (5/22, 12:00-1:00)