



K&L GATES

**ENERGY POLICY IN
THE TRUMP ADMINISTRATION:
ELECTRICITY,
TRANSMISSION,
& DATA CENTERS**

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Panelists



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The background of the slide features a low-angle photograph of a high-voltage power transmission tower. The tower's lattice structure is silhouetted against a sky with soft, warm colors from a sunset or sunrise, ranging from pale blue to light orange. The tower extends from the bottom right towards the top center of the frame.

Setting the Stage

What Has Changed?

Increased Demand Growth

Generation Retirements

Challenges to Developing New Generation & Transmission

Explosive Buildout of Artificial Intelligence (AI) Data Center Infrastructure

Increased Interest in Colocation

Investments in AI Infrastructure

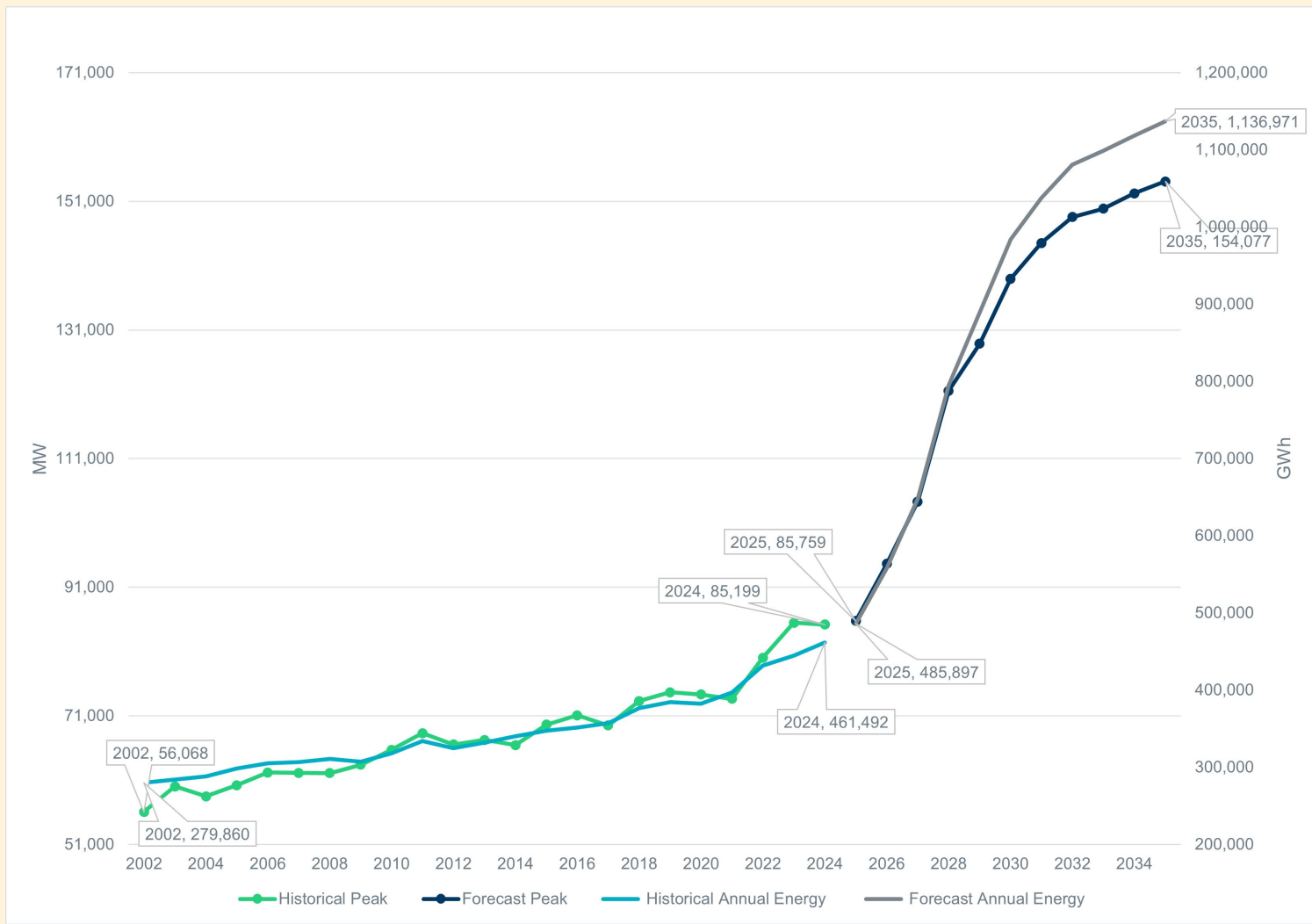
- President Trump announced \$500 billion investment in AI infrastructure led by OpenAI, Oracle, and SoftBank
- Major tech companies partnering with nuclear developers to power data centers
 - Microsoft – Constellation (Three Mile Island)
 - Google – Kaoris (SMR)
 - Amazon – X-energy
- TSMC to invest \$100 billion in US chip manufacturing facilities

Why Does It Matter?

Year (Winter Season Dec – Feb)	Winter Peak (MW)	Change from 2024 Long- Term Load Forecast (MW/%)	Year	Summer Peak (MW)	Change From 2024 Long- Term Load Forecast (MW/%)
2024/25	136,127	-201 (-0.1%)	2025	154,144	651 (+0.4%)
2029/30	167,237	14,367 (+9.4%)	2030	183,883	16,010 (+9.5%)
2034/35	198,175	32,470 (+19.6%)	2035	209,923	30,301 (+16.9%)
2039/40	209,718	N/A	2040	220,224	N/A
2044/45	218,760	N/A	2045	228,544	N/A

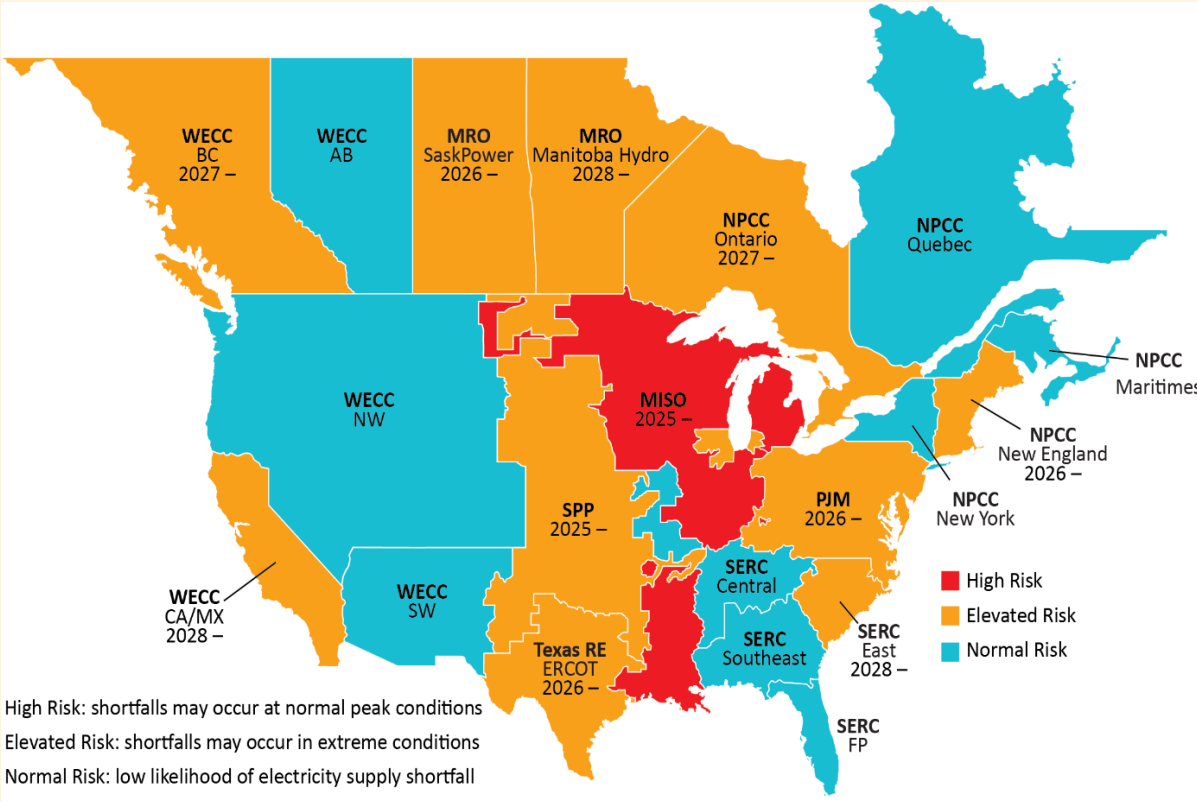
PJM 2025 Long-Term Load Forecast – Changes From 2024 Forecast

Why Does It Matter? (cont'd)



ERCOT Long-Term Load Forecast

Why Does It Matter? (cont'd)



North American Electric Reliability Corporation (NERC) Long-Term Reliability Assessment

“Electricity peak demand and energy growth forecasts over the 10-year assessment period continue to climb; demand growth is now higher than at any point in the past two decades.”

Trump Administration Strategy

Unleash American Energy Dominance

- Executive Orders (EO)
- Agency Actions
- Congressional Agenda

Develop Domestic AI Infrastructure

- Investment in Domestic AI Infrastructure
- Trade Policy Adjustments

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Key Players

Key Players



Energy Secretary Chris Wright



Interior Secretary Doug Burgum



EPA Administrator Lee Zeldin



Federal Energy Regulatory Commission



Nuclear Regulatory Commission

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Executive Orders

Deregulation

Review, modify, rescind regulations (Unleashing American Energy EO)

- 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**

Regulatory “sunset” provisions (Zero-Based Regulatory Budgeting EO)

- One-year sunset provision into existing covered regulations governing energy production
- Five-year sunset provision into new covered regulations
- Targeted agencies include NRC, EPA, DOE, FERC, BLM, OSMRE
- Outlines specific statutes from which regulations emanate that shall be subject to
- Regulations that “sunset” shall not count towards the ten-for-one regulatory requirement

Deregulation (cont'd)

Identification of state and local laws that burden energy production (Protecting American Energy From State Overreach EO)

- Attorney general identifies 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
- Attorney general prioritizes state laws purporting to address “climate change,” “environmental, social, and governance (ESG),” “environmental justice,” “greenhouse gas emissions,” or state carbon penalties
- Attorney general submits report regarding actions taken pursuant to this EO

Permitting Reform

Efficient permitting (Unleashing American Energy EO)

- CEQ 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
 - Does not seek to amend or undermine NEPA itself or any state NEPA analogs
 - Consistent with November 2024 D.C. Circuit ruling that CEQ has no authority to write regulations and February 2025 US District Court case striking down 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

National Energy Emergency

National Energy Emergency (Declaring a National Energy Emergency EO)

- Declares a national energy emergency under the National Emergencies Act, granting agencies additional emergency authority to support the development of “energy” or “energy resources,” which are defined terms that:
 - Include “crude oil, natural gas, lease condensates, natural gas liquids, refined petroleum products... coal, biofuels, geothermal heat, the kinetic movement of flowing water, and critical minerals”; and
 - Do not include nuclear, solar, wind, hydrogen, and other renewables
- Requires agencies to facilitate domestic energy production on federal and other lands, including with eminent domain and Defense Production Act authorities
- Requires agencies 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

Fossil Fuel Prioritization

Open federal lands for energy production (Unleashing American Energy EO)

- Support oil and gas lease sales on public lands
- Rescind withdrawal of certain areas of the Outer Continental Shelf (OCS) from oil and gas leasing
- Reverse public land withdrawals

Renewed reliance on coal (Reinvigorating America's Beautiful Clean Coal Industry and Amending Executive Order 14241 EO) (Regulatory Relief for Certain Stationary Sources to Promote American Energy Proclamation)

- Coal project qualification for streamlined permitting and federal financing options
- Review of federal rules that burden coal use and production
- Agencies evaluate options for extending life of coal-powered infrastructure to support data center development
- Allows certain coal plants to comply with a less stringent version of EPA's Mercury and Air Toxics Standards (MATS) rule for two years

Climate and Renewables U-Turn

Wind project constraints (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 Memorandum)

- Withdrawal wind energy leasing areas on within the OCS
- Ecological, economic, and environmental review of existing wind energy leases
- Cessation and review of federal onshore and offshore wind leasing and permitting practices

Environmental analyses (Unleashing American Energy EO)

- Withdraw guidance on GHG monitoring/ measurement, “social cost of greenhouse gases”
- Reconsider “endangerment finding” and “social cost of carbon” calculation

Rescinds Biden-era environmental EOs (Unleashing American Energy EO)

Withdraw from international agreements (Putting America First in International Environmental Agreements)

Electric Grid Reliability

Enhance secretary of energy's authority to ensure electric grid reliability (Strengthening the Reliability and Security of the United States Electric Grid EO)

- Authorizes the secretary of energy to expedite DOE processes for issuing orders under Section 202(c) of the Federal Power Act (FPA) during an emergency
- Authorizes the Secretary to expedite review and approval of applications by power plants seeking to operate at maximum capacity during an emergency
- Directs the secretary to develop a methodology for analyzing and predicting anticipated demand for all regions of the US bulk power system regulated by FERC

More Presidential Control of Agencies

Ensure “Presidential supervision and control of the entire executive branch” (Ensuring Accountability for All Agencies)

- **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

American AI Dominance

Solidifying American leadership in artificial intelligence (Removing Barriers to American Leadership in Artificial Intelligence EO)

- Directs the assistant to the president for science and technology (APST) to develop an action plan to sustain and enhance America's global AI dominance (due July 2025)
- Directs the APST to identify, revise, rescind, or repeal all federal actions or regulations that are inconsistent with the development of American AI dominance

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Federal Government Action

Department of Energy

- Secretary Wright highlighted increasing power generation, improving grid reliability, and securing US leadership in AI innovation as key elements of his nine-point plan for DOE

DOE issued an RFI for use of federal land to develop AI infrastructure

- DOE identified 16 potential sites for “rapid data center construction” that would be eligible for fast-tracked permitting

Federal Energy Regulatory Commission

Executive Orders

- *Strengthening the Reliability and Security of the United States Electric Grid*
- *Zero-Based Regulatory Budgeting To Unleash American Energy*

Rulemakings

- **Order No. 1920** – Regional transmission planning and transmission cost allocation reform
- **Order No. 2023** – Reforming generator interconnection procedures by which generators/storage interconnects to the electric grid
- **Order No. 1977** – Implements FERC's limited authority over siting electric transmission lines within National Interest Electric Transmission Corridors (as designated by DOE)

Federal Energy Regulatory Commission (cont'd)

- **PJM** — Epicenter of colocation disputes
- **NERC, Large Load Task Force** — Studying reliability impacts of grid-connected large loads

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Congressional Efforts

Electricity Legislation

- **H.R. _____, Reliable Power Act** – FERC conducts review of regulations that affect reliability of bulk power system
- **H.R. 1047, GRID Power Act** – Grid operators can fast track “critical” projects for interconnection
- **H.R. _____, Power Plant Reliability Act of 2025** – Expand parties’ authority to contest powerplant retirement under the FPA
- **H.R. _____, Electric Supply Chain Act** – DOE conducts periodic assessments of supply chain vulnerabilities
- **H.R. _____, Reliability Protection for States Act** – Require state regulators to consider the reliability impacts of compliance with certain federal and state environmental standards
- **H.R. _____, State Planning for Reliability and Affordability Act** – Require state legislators to consider implementing requirements for utilities to analyze their reliable generation portfolio as part of their integrated resource plans over a 10-year planning period
- **H.R. _____, Hydropower Relicensing Transparency Act** – FERC provides Congress with periodic reports on the status of relicensing for hydropower dams
- **H.R. _____, Promoting Cross-Border Energy Infrastructure Act** – Authorize FERC to review applications for cross-border oil and gas pipelines and authorize DOE to review applications for cross-border electric transmission facilities
- **H.R. _____, Expediting Generator Interconnection Procedures Act of 2025** – Direct FERC to promulgate regulations that accelerate interconnection requests for electric generation and storage resources to the transmission system

Reconciliation Impacts

- Potential repeal or amendment of IRA clean energy tax credits
 - 45Y – Clean Electricity Production Credit
 - 48E – Clean Electricity Investment Credit
 - 45X – Advanced Manufacturing Production Tax Credit
- Federal land use
- Permitting reform

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State Action

ISO/RTOs

All are dealing with load forecast issues

ERCOT

- Hoping to add over 25 GW of capacity in 2025
- PUCT approves high-voltage lines in ERCOT – 765 kilovolts
- Warning of possible energy emergency in July

PJM

- Leadership transition
- PJM colocation generation review
- AI integration for grid and interconnection planning

State Legislation

Texas

- Considering legislation that would require the PUCT to establish rules for the interconnection of large load customers, including preapproval for colocation with existing generation (S.B.6)

Oregon

- Considering legislation that would empower Oregon PUC to require data centers to cover “fair share” of costs associated with new power plants, transmission lines (H.B. 3546)

Oklahoma

- Considering legislation that would allow private industry to develop and implement “behind-the-meter” energy infrastructure (H.B.1374)

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Industry Discussion

Major Questions

- Challenges to Developing Data Centers:
 - Trade, Tariffs, and Supply Chain Issues
 - Federal Policy
 - Resource Availability
- What Is Colocation, and Why Is It Important
- Relationship Between FERC and State/Regional Regulators
- Resource Adequacy and Grid Reliability
- Generation Resource Mix
- New Technologies
- Regulatory and Market Barriers

Up Next: Renewables

Join us on **Thursday, 22 May, from 12:00–1:00** for our discussion on changes in federal policy and regulation for renewable energy under the Trump administration. Our speakers will analyze the effects of several key executive orders and agency actions on federal support for renewable energy, environmental regulations, and emerging clean energy technology.

Partners from our Washington, D.C., Public Policy and Law practice group and our Power practice group 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 renewable energy.

Looking Ahead: Webinar Series

Session 6 – Critical and Fuel Minerals (TBD)

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