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Trump 2.0 on Energy: Ten Items to Watch

With President Trump signing twenty-six executive orders (“EOs”) on day one of his second term, several focusing squarely on the domestic energy sector and many more focusing on areas such as the environment and trade that will significantly impact domestic energy production, the U.S. energy industry is busy untangling what the second Trump presidency will mean for it.

From tariffs to tax credits and beyond, much could change for energy companies in the near future. Here are ten regulatory and policy issues energy industry experts will be monitoring in the early days of President Trump’s second administration.

1. DOE Grants and Loans

The energy industry will be watching to see to what extent the Trump administration will continue to fund clean energy programs through Department of Energy (DOE) grant or loan programs after President Trump issued an [EO calling](#) on the federal government to “immediately pause the disbursement of funds appropriated” through the Inflation Reduction Act (IRA) and the Bipartisan Infrastructure Law (BIL) on day one of his second term. The BIL and the IRA [allocated](#) billions to these programs, and the Biden administration [awarded](#) approximately 99% of the funds available for fiscal year 2024 or earlier, 90% of which has been legally obligated to awardees under contractual commitments, which would presumably make those amounts harder to refuse to disburse. Significant funds still remain available under those statutes for future fiscal years, although it is unclear how the Trump administration ultimately will decide to administer the awarding of those funds, if at all. Areas that have received [significant grant and loan awards](#) from the DOE that could be affected by executive action rolling back DOE funding include battery

storage, biofuels, hydrogen, advanced nuclear, carbon management technologies (such as carbon sequestration), advanced technology vehicles (including electric vehicles), grid modernization, solar, wind, and critical minerals.

Republican legislators have [indicated](#) that the loan programs may be targeted for cost-cutting measures, and President Trump has [stated](#) that he will “rescind all unspent funds” from the IRA. However, Chris Wright, President Trump’s nominee for Secretary of the DOE, has experience working with DOE resources from his [involvement](#) with a company developing a small modular reactor project at the Idaho National Lab. Although Wright [acknowledged](#) in his confirmation hearing the need to address issues raised in a recent investigator general DOE loan program [report](#), which suggested pausing DOE loan issuances until the Loan Program Office can ensure that contracting officers and their representatives are complying with conflict of interest regulations and enforcing conflict of interest contractual obligations, he [emphasized](#) during his confirmation hearing the importance of DOE investments in accelerating the development of new energy technologies to address climate change.

However, based on President Trump’s [statements](#) that he believes the Impoundment Control Act is unconstitutional and an EO that he [issued](#) directing all agencies to pause disbursement of appropriated funds made available through the IRA and BIL, current and would-be grant and loan awardees and recipients will be watching to see if the Trump administration takes further steps to halt already-awarded or obligated funding, modify funding conditions for already-awarded DOE grants and loans, or restart funding disbursements under new or revised regulatory standards. [As our firm’s previous exploration of the proposed Department of Government Efficiency \(DOGE\) explained](#), any such moves will face significant legal challenges, including arguments that President Trump cannot bar the DOE from spending previously allocated money unless Congress repeals the Impoundment Control Act.

2. Regulatory Streamlining of Permitting Processes

All regions of the U.S. face challenges from insufficient energy infrastructure due to aging energy delivery systems, growing electricity demand, and changing energy sourcing and market dynamics. These challenges exist both for [electricity transmission](#) and [pipeline modernization and expansion initiatives](#). Efforts to modernize this infrastructure currently face significant federal, state, and local permitting hurdles, where for example the federal environmental reviews for electricity transmission take [on average 4.3 years to complete](#). Attempts to modernize and expand pipeline infrastructure face similar hurdles that are [magnified](#) by issues related to evaluation of and plans to address greenhouse gas emissions. President Trump [took action](#) to reduce permitting timelines during his previous term and [stated](#) that he would again streamline permitting processes, and the energy industry will certainly be watching to see whether he fulfills this pledge.

Like President Trump, the Republican Party generally [supports](#) permitting reform, as do President Trump’s nominees for the DOE, Department of the Interior, and Environmental Protection Agency (EPA). For example, Chris Wright, the nominee for Secretary of Energy, [stated](#) that he is “a hundred percent committed to growing our electricity grid and our energy production and removing those barriers that are standing in the way” of that goal. Similarly, Doug Burgum, the nominee for Secretary of the Interior and President Trump’s planned “Energy Czar,” [stated](#) that “it

takes too long in our country” to build transmission lines and pipelines and [emphasized](#) the need for efficient energy transportation networks. Likewise, Lee Zeldin, the nominee for EPA Administrator, highlighted permitting reform as one of his priorities and [stated](#) that he “would look forward to doing [his] part to make sure that the EPA is not holding up any opportunities to be able to pursue sound applications” for infrastructure.

Given the widespread support among the Republican Party and Trump administration for permitting reform, as well as the [bipartisan support](#) for reform, the energy industry will be watching to see if the administration crafts rules to ease the federal permitting process not only for pipelines but also for electric transmission lines and if the administration is able to pressure Congress into passing permitting reform legislation.

3. IRA Tax Credits

President Trump did not announce any changes to IRA tax credits on his first day in office, but has [criticized](#) electric vehicle and offshore wind tax credits in the past. (The IRA made certain credits wholly or partially refundable (so-called direct payments), but the appropriation for these refunds was not made through the Inflation Reduction Act and so these refunds would apparently fall outside the scope of President Trump’s executive order pausing disbursement of IRA funds.) Bipartisan support for IRA tax credits, combined with estimates that red states have received more than half of announced clean energy projects supported by the IRA, may lead to IRA tax credits being left largely undisturbed by President Trump and legislators. Some of the richer IRA credits may also provide significant subsidies to the biogas and fossil fuel industries, such as the hydrogen production credit, the sustainable aviation fuel credit, and the technology-neutral investment and production tax credits. It is notable that in August of 2024 eighteen Republican legislators [wrote](#) House Majority Leader Mike Johnson to encourage him to ensure that IRA tax credits are protected from any legislation to repeal other portions of the IRA. Additionally, a senior tax policy advisor in the Senate [stated](#) publicly in May of 2024 that full repeal of IRA tax incentives was unlikely no matter the outcome of the 2024 general election. However, because several critical provisions in the signature tax legislation of President Trump’s first term (the Tax Cuts and Jobs Act, or TCJA) either have begun to sunset or are scheduled to sunset at the end of this year, tax reform is expected to be a major Congressional priority in 2025. Simply extending the TCJA would itself cost [trillions](#); as a result, the coming debates may place many tax issues up for discussion. Nonetheless, because IRA tax credits are core to the economic feasibility of many planned energy projects, energy industry stakeholders will be watching carefully to see if the U.S. Congress or the Trump administration takes any steps to limit the availability of IRA tax credits.

4. Nuclear

The energy industry will be watching to see how President Trump will support the development of domestic nuclear facilities and whether such support will include significant financial backing to bolster nuclear project development, including small modular nuclear reactors and more conventional large nuclear facilities, because nuclear facilities traditionally have much longer lead times and greater front-end capital requirements for completion of permitting and construction as compared to other energy generation projects, such as natural gas and solar. The U.S., the [world’s largest producer](#) of nuclear energy, relies on nuclear energy for [about one-fifth](#) of its

electricity. As a source of baseload energy, nuclear energy compliments other carbon-free energy sources and could help the grid [maintain reliability and lower carbon emissions](#). However, the U.S. nuclear fleet is aging, with an average reactor age of [about 42 years](#).

Republicans generally view nuclear power [favorably](#). Additionally, one of President Trump's January 20 EOs also specifically directed heads of agencies to [identify actions](#) that impose an undue burden on the development of nuclear energy resources. However, while President Trump seems to support small nuclear reactors, he has [expressed hesitancy](#) towards large nuclear plants due to permitting obstacles and overspending. Moreover, permitting reform alone may not be enough to facilitate new nuclear development, where the biggest challenge often is a dearth of financing to provide funding through the development phase to get nuclear plants to market. Observers thus will be watching to see if and how the Trump administration and allies in Congress will take further steps to champion funding opportunities for development and deployment of new nuclear power plants.

President Trump's nominees to lead the DOE and EPA have made pro-nuclear statements. Chris Wright, who is nominated for Secretary of Energy and served with the board of a small modular reactor company, [said](#) that he "absolutely" thinks that there is an "enabling role DOE can play to help launch nuclear energy" and that nuclear "should be a huge part of America's future energy source," but that "that won't happen without action within the legislature of the [U.S.], with action from the [DOE] and our incoming administration." Similarly, Lee Zeldin, nominated for EPA Administrator, [stated](#) during his confirmation hearing that he agrees that nuclear power should be part of the energy mix.

Given the Republican Party's and Trump administration's stated support for nuclear energy and bipartisan support recently expressed for government action to facilitate data center expansion, which could be supported through development of additional nuclear baseload power, the energy industry will be watching to see whether the Trump administration or Congress crafts policies to support nuclear energy, including permitting reform and funding to support development and deployment of new nuclear plants.

5. Climate & Emissions

On the first day of his second term, President Trump [rolled back](#) many of President Biden's climate-related EOs. President Trump also issued new EOs impacting U.S. climate policies, including [withdrawing](#) from the Paris Agreement, [replacing](#) environmental impact statements that prevented oil and gas leasing in Alaska, and [directing](#) federal agencies to pause disbursement of funds appropriated through the IRA and BIL, revise their environmental analyses, and review existing agency actions that burden domestic energy resource development.

Some of President Trump's nominees have taken nuanced approaches to climate change in their confirmation hearings, with both his nominee for Secretary of Energy, Chris Wright, and nominee for Secretary of the Interior, Doug Burgum, acknowledging that climate change is real and, in the case of Mr. Wright, worth addressing through technological innovation. However, both nominees were supportive of using fossil fuels as part of the approach to climate change. Mr. Wright also [stated](#) that natural gas has been the "biggest driver of reducing America's greenhouse gas

emissions” and Mr. Burgum [stated](#) that there is technology to “eliminate harmful emissions” from fossil fuels, suggesting that both nominees are bullish on the future of fossil fuels. While climate-related diplomacy appears poised to mirror approaches from President Trump’s first term, assuming Mr. Wright and Mr. Burgum are confirmed, industry observers will be watching them and other new energy officials for indications regarding how the new administration will approach domestically-driven climate initiatives.

6. Data Centers & Load Growth

As of the date of publication of this alert, President Trump has not yet released any EOs substantively addressing data centers. However, on the first day of his second term, President Trump did [issue](#) an EO rolling back one of President Biden’s EOs on the use of artificial intelligence (AI) that addressed AI safety and a second EO [requiring](#) agency heads to review any actions taken pursuant to that EO. Despite this rollback, President Trump has [acknowledged](#) the importance and energy needs of AI, stating that the U.S. must “more than double up” for its energy capacity for its AI capabilities to remain globally competitive and suggesting that he will prioritize measures that would support the speedy development of energy for AI. On January 23, 2025, President Trump [vocalized](#) support for co-locating data centers and power generation facilities via “behind-the-meter” off-grid arrangements and stated he would work to fast-track regulatory approvals to get generation of all fuel types built to serve data centers. President Trump’s nominees have also emphasized the importance of AI and the electricity needed to support it. Chris Wright, nominated for Secretary of Energy, [stated](#) that building a new AI industry in the U.S. will require more energy. Likewise, Doug Burgum, nominated for Secretary of the Interior, similarly [underscored](#) the importance of electricity for AI and the need to reform electricity facility permitting processes in order to develop enough energy for the AI industry. President Trump also championed [news](#) from several large tech companies announcing \$500 billion in investments in AI infrastructure, including data centers.

Both Presidents Trump and Biden have recognized the importance of supporting the development of AI and data centers and the energy facilities that support them. The growth of data centers and support for AI infrastructure could prove a consensus issue that presents opportunities for collaboration across the aisle within Congress and with state leaders. Over the coming months, energy industry observers will be watching for additional changes President Trump makes to previous AI-related EOs as well as new executive, agency, and legislative actions meant to encourage the development of AI and data centers and the electric facilities that support them.

7. Offshore and Onshore Energy Development

On the first day of his second term, President Trump signed an EO [stating](#) that it is the policy of the U.S. “to encourage energy exploration and production on Federal lands and waters, including on the Outer Continental Shelf, in order to meet the needs of our citizens and solidify the [U.S.] as a global energy leader long into the future,” but did not set specific policy priorities or directives in the offshore energy arena. On the same day, President Trump [signed](#) an EO that withdrew all areas of the outer continental shelf from wind energy leasing and directed agency leaders to pause the issuance of new or renewal permits, approvals, leases, rights of way, and loans pending completion of a comprehensive review of federal wind permitting and leasing

practices. Although that EO stated that nothing in it affected the rights of the existing leases in those withdrawn areas, it also directed agencies to conduct reviews of the necessity of “terminating or amending any existing wind energy lease, identifying any legal bases for such removal, and submit a report with recommendations to the President.” Although the withdrawal of lease areas in that EO focused on offshore leasing, the leasing and permitting pause applies to both offshore and onshore leases.

This EO did not come as a surprise, given that President Trump recently [expressed](#) negative views of offshore wind, that President Trump has [listed](#) “end[ing] leasing to massive wind farms” as one of his presidential priorities, and that Doug Burgum, President Trump’s nominee for Secretary of the Interior, [committed](#) to working quickly to issue leases for oil and gas production but [would not commit](#) to continuing leases for offshore wind projects that are already underway. However, what remains to be seen is what concrete action the Trump administration may take to support offshore drilling and production, whether the Trump administration will attempt to terminate or modify existing wind energy leases based on the recommendations of his agencies, and whether the Trump administration is successful in taking such actions, both of which are likely targets of legal challenges.

President Trump’s views on offshore wind contrast with his bullish views on oil and gas. Trump has consistently expressed a desire to increase oil drilling on public lands, offer tax breaks to oil, gas, and coal producers, and expedite the approval of natural gas pipelines, all of which are consistent with his statement in his 2025 inaugural address that, “We will drill, baby, drill.” To that end, President Trump [declared](#) a “national energy emergency” in a day one EO focused primarily on supporting the production of fossil fuels. That order declared that “the United States’ insufficient energy production, transportation, refining, and generation constitutes an unusual and extraordinary threat to our Nation’s economy, national security, and foreign policy” and ordered energy-related agency heads to focus on the “identification, leasing, siting, production, transportation, refining, and generation of domestic energy resources.” Notably, the EO declaring a national energy emergency excludes wind and solar power from its [definition](#) of “energy,” again signaling a shift in focus toward fossil fuels and nuclear energy.

The Trump administration has also set its focus on resources located in Alaska’s protected federal lands. President Trump’s EO titled “[Unleashing Alaska’s Extraordinary Resource Potential](#),” which garnered [support](#) from Alaska Gov. Mike Dunleavy, calls for modifications to the federal government offices and policies that oversee Alaska’s resource development industry. The order revokes President Biden’s actions that halted oil and gas exploration in the Arctic National Wildlife Refuge. President Trump previously led a move to allow oil and gas exploration in the refuge during his first term, only for it to be reversed by President Biden. The Alaska-focused EO could open [up to 28 million acres](#) of federal Alaska lands to oil and gas development, but it remains to be seen how the industry will react and the extent of development that will result.

Notwithstanding the political interest in development of oil and gas reserves in Alaska, the oil and gas industry will be the ultimate testing ground for these new policies. Alaska’s North Slope is located far from Asian and lower 48 state markets for the sale of oil and gas. The refuge also has no current infrastructure, like pipelines, to transport oil and gas. Several major oil companies have exited Alaska and the number of well-funded major companies likely to bid in federal lease

sales has reduced. Energy market watchers thus will be monitoring activities in Alaska to see whether and how energy companies are moving to take advantage of new resource development opportunities.

8. Liquefied Natural Gas

President Trump reversed the Biden administration's [pause](#) on liquefied natural gas (LNG) permits on day one of his second term by [rolling back](#) President Biden's EO that paused granting LNG export authorizations and [issuing](#) an EO directing the Secretary of Energy to "restart reviews of applications for approvals of liquefied natural gas export projects," which the Acting Secretary [did](#) the following day. Further supporting LNG, President Trump also [issued](#) another EO (as discussed above) stating that the policy of the U.S. is to "prioritize the development of Alaska's [LNG] potential" and directing various agencies to revoke or revise regulations from the Biden administration that are inconsistent with this new policy.

President Trump [expressed](#) support for LNG on the campaign trail, highlighting his ability to secure environmental approvals for previously stalled LNG plants. Likewise, President Trump's nominees have also emphasized the importance of LNG. President Trump's pick for the Secretary of Energy, a former executive of a fracking service company, Chris Wright, [noted](#) in his opening statement that the U.S. must "expand energy production including commercial nuclear and liquefied natural gas" to compete globally and [expressed](#) his support for the development of an LNG export terminal on the Pennsylvania coast near Philadelphia. Doug Burgum, nominated for Secretary of the Interior, also [noted](#) the importance of LNG exports allowing Germany to reopen their base load power plants after the Russo-Ukrainian War began.

Given the pro-LNG statements by President Trump and his nominees, the energy industry will be watching for further executive and agency actions that may attempt to dismantle President Biden's LNG-related policies and that seek to support the development of additional LNG facilities.

9. Tariffs and Retaliatory Taxes

President Trump [stated](#) in his inaugural address that the U.S. would "tariff and tax foreign countries to enrich [U.S.] citizens." He also [issued](#) an EO the same day calling on agencies to establish "an External Revenue Service (ERS) to collect tariffs, duties, and other foreign trade-related revenues." Prior to his inauguration, President Trump [stated](#) that, in addition to the tariffs he [planned](#) to put on China, he would be [putting](#) "very serious tariffs" on Mexico and Canada, two of the United States' other [largest trading partners](#), but he has not put those tariffs into place at the time of the publication of this alert.

With respect to retaliatory taxes, President Trump [announced](#) a study of (and a request for protective options to address) foreign countries' current or proposed taxes that are extraterritorial or disproportionately affect American companies, likely aimed at the novel taxes contemplated by the OECD's framework for reducing tax [base erosion and profit shifting](#) by multinational enterprises. In another executive order, President Trump [raised the possibility](#) of applying

Section 891 of the Internal Revenue Code (which can double the U.S. tax rate with respect to foreign countries that themselves impose discriminatory or extraterritorial taxes on U.S. persons).

[Many](#) predict that tariffs like the ones President Trump has proposed will increase the cost of goods around the world, including the U.S. Tariffs are especially [likely](#) to impact the U.S. energy industry, which relies on other countries for raw materials needed for energy infrastructure, such as [China](#) for lithium batteries. Additionally, countries may retaliate: some countries that have been threatened with U.S. tariffs, such as Canada, have already [threatened](#) to cut energy supply to the U.S. if President Trump imposes tariffs on them. As a result, energy industry observers will be watching for which countries and what goods may become subject to any tariffs that President Trump imposes and what impact that may have on energy markets and energy equipment manufacturing.

10. Hydrogen Energy

Hydrogen energy, which has benefited significantly from recent DOE actions [establishing](#) “hydrogen hubs” for project development and DOE grant and loan opportunities under the Biden administration, is likely to continue to develop as an emerging source of domestic energy, although the federal funding for it is closely tied to DOE programs and laws that President Trump has strongly criticized. It would be reasonable to expect the Trump administration to have a friendlier approach to blue hydrogen sourced from hydrocarbons than the Biden administration did, but because the DOE’s hydrogen hub and other hydrogen funding initiatives were established under the IRA and BIL umbrellas (see discussion above), some hydrogen funding and development opportunities could be pared back alongside funding for other technologies. What is clear is that the January 20, 2025, [EO halting the disbursement of IRA and BIL funds](#) does not distinguish between funding streams for different technologies. Thus, hydrogen is, at least as of now, equally impacted by that EO as any other technology that received recent funding commitments from DOE.

President Trump’s campaign focused on supporting domestic energy production, and he has already issued EOs meant to [support](#) the energy industry and [improve](#) the speed of permitting for energy-related projects, which may extend to hydrogen, although President Trump has rarely addressed the hydrogen energy industry in particular. Although President Trump has [made](#) largely negative comments about hydrogen cars, that is only one very small subset of the hydrogen energy industry at large. President Trump’s nominees also have not said much on the record regarding hydrogen energy. When Chris Wright, nominee for the Secretary of Energy, was [asked](#) whether he and the Trump administration would “ensure that federal support for hydrogen development does not disadvantage blue hydrogen projects,” he stated that it was “too early” for him to discuss the “trade-offs between different technologies.” Although there is reason to think that hydrogen energy may find support from the Trump administration and its officials, it is too early to say what form that support might take or how it might depart from the [Biden administration’s approach to encouraging the same technology](#).

Mechanisms for Change

President Trump has a number of avenues available to him to change the rules and policies developed during the Biden administration, including the EOs that he issued on the first day of his

second term; urging Congress to repeal legislation, create new legislation, or utilize the Congressional Review Act; and other methods which are discussed in a [client alert previously published by Gibson Dunn](#).

Gibson Dunn attorneys are available to discuss how President Trump's policies may affect the energy industry and how to navigate the presidential transition. If you have any questions, please reach out to your attorney contacts at Gibson Dunn or one of the authors of this article.

The following Gibson Dunn lawyers prepared this update: Tory Lauterbach, William R. Hollaway, Ph.D., Matt Donnelly, Janine Durand, and Jess Rollinson.

Gibson Dunn lawyers are available to assist in addressing any questions you may have about these developments. To learn more about these issues, please contact the Gibson Dunn lawyer with whom you usually work, any member of the firm's [Energy Regulation & Litigation](#), [Tax](#), [Cleantech](#), [Oil and Gas](#), or [Power and Renewables](#) practice groups, or the following members of the firm's Energy/Tax Credits team:

Energy Regulation and Litigation:

[William R. Hollaway](#) – Washington, D.C. (+1 202.955.8592, whollaway@gibsondunn.com)

[Tory Lauterbach](#) – Washington, D.C. (+1 202.955.8519, tlauterbach@gibsondunn.com)

Tax:

[Michael Q. Cannon](#) – Dallas (+1 214.698.3232, mcannon@gibsondunn.com)

[Matt Donnelly](#) – Washington, D.C. (+1 202.887.3567, mjdonnelly@gibsondunn.com)

[Eric B. Sloan](#) – New York/Washington, D.C. (+1 212.351.2340, esloan@gibsondunn.com)

Cleantech:

[John T. Gaffney](#) – New York (+1 212.351.2626, jgaffney@gibsondunn.com)

[Daniel S. Alterbaum](#) – New York (+1 212.351.4084, dalterbaum@gibsondunn.com)

[Adam Whitehouse](#) – Houston (+1 346.718.6696, awhitehouse@gibsondunn.com)

Oil and Gas:

[Michael P. Darden](#) – Houston (+1 346.718.6789, mpdarden@gibsondunn.com)

[Rahul D. Vashi](#) – Houston (+1 346.718.6659, rvashi@gibsondunn.com)

Power and Renewables:

[Peter J. Hanlon](#) – New York (+1 212.351.2425, phanlon@gibsondunn.com)

[Nicholas H. Politan, Jr.](#) – New York (+1 212.351.2616, npolitian@gibsondunn.com)

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