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Trump Administration Executive Actions Mark Broad Rollback of Climate and Clean Energy Directives

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On May 23, the Trump administration introduced four new executive orders (EOs) focused on bolstering American nuclear energy production. These orders follow a first quarter in which the administration issued a series of EOs and related memoranda aimed at reversing Biden-era climate policies, promoting fossil fuel development and reasserting American sovereignty in international environmental commitments. These executive actions are a clear signal of the administration's intent to return to deregulatory priorities and energy independence objectives – though many remain subject to ongoing litigation – with significant implications for companies, investors, consumers and other stakeholders. In addition to the implications of the EOs on the renewables industry, even more significant impacts may be forthcoming as a result of the elimination of tax credits and other changes contained in the tax bill currently being considered in the Senate. This post provides a high-level summary of the Trump administration's actions and their potential implications.

Conclusion

These EOs represent a sweeping realignment of federal environmental and energy policy. While these policies are positioned to accelerate permitting, reduce regulatory friction and compliance costs, and expand access to domestic energy resources – particularly for oil, gas, coal and critical minerals – they also introduce complex legal, operational and reputational risks.

Key takeaways

Permitting acceleration, but not uniform certainty

Energy, industrial and infrastructure developers will see new opportunities under streamlined federal permitting regimes. However, these benefits may be tempered by legal challenges, especially where state laws remain protective or where federal overreach is contested in court.

Shifting funding and incentive landscapes

Public and private entities relying on Infrastructure Investment and Jobs Act (IIJA) or IRA-linked clean energy programs should reassess funding expectations. Federal support for EVs, renewables and emissions mitigation efforts has been substantially curtailed. Projects that remain viable under revised criteria will need to prioritize cost-efficiency, traditional energy integration and near-term returns.

Increased federal-state tension

New executive actions aim to preempt state-level climate and environmental initiatives. Clients operating in states with particularly strong climate and environmental laws or initiatives, such as California, New York or Washington, should anticipate increased costs, substantial litigation delays, delayed project timelines and evolving compliance strategies as state-federal friction progresses.

Reevaluation of sustainability targets

In addition to the elimination of federal climate-related disclosure and sustainability procurement priorities, the elimination of renewable energy policies may impact the cost and availability of low-emissions products and complicate the ability of companies to meet voluntary climate-related goals. Companies should evaluate the impact of these changes on the viability of existing or planned targets, taking into account the evolving stakeholder expectations landscape.

Grid reliability as a rising priority

The federal pivot toward grid reliability and dispatchable generation sources – such as coal and gas – suggests long-term headwinds for intermittent renewables in federally guided grid planning. Utilities and power sector stakeholders should revisit investment strategies and scenario models accordingly.

Cooley's corporate governance and shareholder engagement team, ESG and sustainability advisory group, and regulatory, energy, and environmental teams are available to help clients navigate this evolving landscape.

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