EPA Announces Significant Deregulatory Actions -What Companies Need to Know

By: Tim Sowecke and Tyler Self March 14, 2025

On March 12, 2025, the U.S. Environmental Protection Agency (EPA) announced a sweeping deregulatory initiative, claiming it to be the "biggest deregulatory action in U.S. history." The set of 31 actions is designed to reduce costly regulatory burdens across various industries, including power generation and oil and gas (O&G). The overarching goals of these actions are to review existing regulations with the aim of lowering living costs for Americans, creating jobs, and promoting economic growth—all while ensuring continued environmental protection.

Significant actions include revisiting the 2009 Endangerment Finding on greenhouse gases, reconsidering air regulations in the O&G sector, reviewing wastewater discharge regulations for O&G extraction, revising the Clean Water Act's "Waters of the United States" rule in light of the Supreme Court decision in *Sackett v. EPA* (2023), and working with states and tribes to address regulatory backlogs in the spirit of cooperative federalism. These changes are framed as efforts to streamline regulations, cut down bureaucratic red tape, and make energy production more affordable, ultimately benefiting consumers and businesses.

Below are summaries of the key announcements with links to the press releases. It remains to be seen how much progress will be made under each announcement. Though environmental policies often shift with changing administrations, history shows there are no shortcuts in regulatory rulemaking.

For example, in November 1980, following Ronald Reagan's election, many predicted that industry interest would reshape and deregulate environmental and natural resources laws. Reagan quickly issued Executive Order 12,291, requiring agencies to submit proposed regulations to the Office of Management and Budget for review and to conduct a cost-benefit analysis for "major rules" (those with a \$100 million economic impact or more). He also appointed deregulatory advocates, like Anne Gorsuch (mother of current Supreme Court Justice Gorsuch) at the EPA and James Watt at the Department of Interior, and tried to abolish the President's Council on Environmental Quality (CEQ) (familiar to a <u>recent announcement</u> from Trump of rescinding CEQ's National Environmental Policy Act implementing regulations). However, Reagan ultimately achieved little in terms of regulatory reform. Watt and Gorsuch left amid controversy, Congress failed to pass any proposals to reduce environmental laws, and industry supporters eventually preferred the established regulatory regime over uncertainty.

Thus, while these EPA announcements suggest significant deregulation, it is uncertain whether it will materialize.

Press release here: EPA Launches Biggest Deregulatory Action in U.S. History | US EPA

Trump EPA Kicks Off Formal Reconsideration of Endangerment Finding with Agency Partners.

EPA announced it will formally reconsider the 2009 Endangerment Finding on greenhouse gases that has underpinned various Clean Air Act climate-related regulations. EPA will reassess the 2009 finding to ensure it aligns with modern scientific and economic developments, including advancements in technology and mitigation. Critics have argued the original finding was based on uncertain science and regulatory leaps, and the reconsideration aims to ensure future regulations are grounded in solid evidence and legal frameworks. For background, the six greenhouse gases included in the 2009 Endangerment Finding were Carbon Dioxide (CO2), Methane (CH4), Nitrous oxide (N20), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), and Sulfur hexafluoride (SF6).

Press release here: <u>Trump EPA Kicks Off Formal Reconsideration of Endangerment Finding with</u> <u>Agency Partners | US EPA</u>

Trump EPA Announces 0000 b/c Reconsideration of Biden-Harris Rules Strangling American Energy Producers.

EPA will reconsider the Biden-Harris administration regulations for oil and gas industry under Section 111 of the Clean Air Act and Subpart W of the Greenhouse Gas Reporting Program (GHGRP). The New Source Performance Standards (NSPS) 0000b/c regulate emissions of methane and volatile organic compounds from oil and natural gas facilities, establishing performance standards for new, modified, and reconstructed sources in the industry, including requirements for equipment leaks, venting, and flaring.

Under the Biden administration, EPA issued record fines for non-compliance with the NSPS program, mostly for uncontrolled venting and flaring in the Permian Basin (in TX and NM) and the Bakken (in ND), and many oil and gas producers have tried to push back on those regulations as costly and burdensome. Subpart W of the GHGRP addresses reporting of greenhouse gas emissions from O&G and requires operators of facilities to track and report emissions from various sources, including production, processing, transmission, and distribution of natural gas and oil. In a related but separate announcement, Zeldin criticized the program as a bureaucratic burden that does not improve air quality and imposes financial strain on the regulated community. Zeldin emphasized that EPA's regulations must be grounded in the rule of law, not used as a tool to hinder U.S. energy production.

Press release here: <u>Trump EPA Announces OOOO b/c Reconsideration of Biden-Harris Rules Strangling</u> <u>American Energy Producers | US EPA</u>. Also, here for the separate release on the GHGRP: <u>Trump</u> <u>EPA Announces Reconsideration of Burdensome Greenhouse Gas Reporting Program | US EPA</u>

Administrator Zeldin Announces EPA Will Revise Waters of the United States Rule.

EPA announced that the agency, in collaboration with the U.S. Army Corps of Engineers, will review and revise the definition of "Waters of the United States" (WOTUS), following the U.S. Supreme Court's decision in *Sackett v. EPA* (2023). The goal is to reduce red tape, lower permitting costs, and provide clearer, simplified regulations for farmers, landowners, businesses, and states while ensuring the protection of navigable waters from pollution. Zeldin emphasized that the previous administration's definition imposed burdens on Americans, particularly farmers, and increased business costs. The revised definition will align with the Supreme Court's interpretation, focusing on permanent water bodies and wetlands with continuous connections to such waters.

Press release here: Administrator Zeldin Announces EPA Will Revise Waters of the United States Rule

EPA Will Revise Wastewater Regs for Oil and Gas Extraction to Help Unleash American Energy.

EPA will update wastewater discharge regulations (i.e., effluent limitations guidelines) for oil and gas extraction facilities to lower energy costs and support environmentally sustainable water reuse. EPA aims to provide some regulatory flexibility for treating oil and gas wastewater (i.e., produced water) for beneficial reuse in areas like data centers, fire control, and power generation. EPA intends to expand the scope of where treated wastewater can be used, allowing for additional opportunities such as lithium extraction and wastewater discharge from centralized treatment facilities. The review and updates will also reflect advancements in treatment technology to boost energy production while protecting water quality.

Press release here: <u>EPA Will Revise Wastewater Regulations for Oil and Gas Extraction to Help Unleash</u> <u>American Energy (ELGs: Oil and Gas) | US EPA</u>

Administrator Zeldin Begins Restructuring Regional Haze Program.

EPA will reconsider the implementation of the Clean Air Act's Regional Haze Program to remove the significant costs on power plants and other industries that challenge the affordability of energy to consumers. EPA will review to ensure the program aligns with Congressional intent, incorporates current scientific data, and reflects improvements in air quality. The program requires states to develop plans to address regional haze, primarily caused by emissions from power plants and industrial facilities, by setting pollution reduction targets. The program has led to significant improvements in air quality but has also been criticized for imposing high costs on industry and worry about consumer rates.

Press release here: Administrator Zeldin Begins Restructuring Regional Haze Program | US EPA

Administrator Zeldin Takes Action to Prioritize Cooperative Federalism, Improve Air Quality Faster.

EPA announced its commitment to working with states and tribes to resolve a significant backlog of Clean Air Act State Implementation Plans (SIPs) and Tribal Implementation Plans (TIPs), left unresolved under the Biden-Harris Administration, with 685 SIPs pending, including 322 overdue. EPA aims to clear the backlog, working with states and tribes to improve air quality while supporting economic growth, including the development of industries like semiconductor manufacturing and artificial intelligence.

Press release here: Administrator Zeldin Takes Action to Prioritize Cooperative Federalism, Improve Air Quality Faster | US EPA

GableGotwals' <u>Environmental and Natural Resources</u> team will continue to monitor developments and keep our clients informed of emerging regulatory risks and compliance strategies. If you have any questions, please contact Tim Sowecke.



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