

Vital Briefing

Republican electoral victories portend sweeping changes for U.S. climate and energy policies

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Donald Trump's return to the White House, along with Republicans taking control of the Senate and House of Representatives, foretell dramatic and consequential changes in U.S. climate and energy policy. Based upon the president-elect's own words, the Republican Party Platform and other policy statements, the new administration will look to unleash energy production from all sources and be a fast friend to the fossil fuel industry. Additionally, the repeal or extensive curtailment of the Inflation Reduction Act (IRA), the centerpiece of U.S. energy policy under the Biden Administration, is expected. Moreover, abandoning or significantly paring back a host of EPA climate regulations, and again directing the U.S. exit from the Paris Agreement, are anticipated early on in a second Trump Administration.

This Vital Briefing will highlight the key features of what a Trump Administration's climate and energy policy will likely look like and identify the obstacles it faces in executing its plan. Specifically, prospects for the IRA, future U.S. involvement in global climate policy, and the retrenchment of environmental regulations will be considered.

Donald Trump and his Republican Party's climate and energy policy vision. Donald Trump's philosophy towards climate and energy is concisely summarized by his oft-repeated phrase "Drill baby drill"

which is contained in the [The 2024 Republican Platform](#). That view reflects a willingness and determination to "unleash" U.S. oil and gas production, which is already the world's largest. Still, according to the president-elect and Republicans, that record output could be far larger, thereby providing a significant boost to the nation's economy.

The platform lays out the incoming administration's approach on climate and energy matters where it states, "The United States has more liquid gold under our feet than any other Nation, and it's not even close. The Republican Party will harness that potential to power our future." Other clues contained in the platform that inform likely actions a Trump Administration might pursue include terminating the IRA, pursuing all energy sources, and cutting environmental regulations.

Some practical measures a Trump Administration might take early on to execute its vision to unleash energy production include:

- Expanding gas and oil leasing in the Gulf of Mexico and other areas, thereby reversing the current administration's policies which sought to curtail fossil-fuel extraction on public lands and waters. This includes opening up drilling opportunities across the National Petroleum Reserve in Alaska, which was severely limited under President Biden's policies.

- Taking quicker action on gas and oil pipelines and grants of permission to conduct fracking operations on federal lands.
- Ending the pause on liquid natural gas (LNG) export licenses imposed during the current administration. Trump could simply issue an executive order directing the Energy Department to resume its review of applications of those countries impacted by the moratorium.

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While Donald Trump and many of his supporters have expressed skepticism regarding the legitimacy of human-induced climate change and the actions being taken to address it for many years, the potential impacts of the policies he advocates are extraordinary. Those policies could lead to an additional four billion tons of emissions in the U.S. by

gutting the Inflation Reduction Act in its entirety may well be problematic for the incoming president as hundreds of billions in investments authorized under the IRA have disproportionately flowed into Republican controlled Congressional Districts.

2030 in comparison to expected emissions under current policies, as reflected in [an analysis from Carbon Brief, a publication focused on the science of climate change](#). Those additional emissions could result in global climate damages valued at more than \$900 billion, according to a [recent report](#) issued by the EPA.

Prospects for the IRA: A landmark climate law in the crosshairs. President-elect Trump has vowed to rescind the Inflation Reduction Act, Joe Biden's landmark climate legislation which directed an unprecedented \$369 billion towards supporting low-carbon energy initiatives and other sustainability-related undertakings. In his [acceptance speech](#) at the Republican National Convention in July 2024, Trump underscored his commitment to terminate the IRA, which he referred to as "Green New Scam." He also committed to reclaim unspent IRA monies, which he said would go to rebuild the nation's roads, bridges, and dams.

Nonetheless, gutting the Inflation Reduction Act in its entirety may well be

problematic for the incoming president as hundreds of billions in investments authorized under the IRA have disproportionately flowed into Republican controlled Congressional Districts. Those districts have received three times as much IRA funding than those that supported Biden back in 2020, according to the *Washington Post*. Moreover, in August, 18 house Republicans issued [a letter](#) telling Speaker Mike Johnson (R-La.) that full IRA repeal would create a worst-case scenario. Those members explained that the IRA's energy tax credits have spurred innovation, incentivized investment, and created good jobs in many parts of the country, including in many of their own congressional districts.

Trump's victory also creates significant uncertainty for billions of dollars of clean energy tax credits under the IRA, each of which will now be scrutinized for whether it will be continued. In particular, the popular 30D credit which provides up to \$7,500 to qualified buyers of new clean energy vehicles is vulnerable to rescission considering Trump's general hostility towards EVs. Moreover, under a new Trump Administration, the Treasury Department is expected to rewrite rules governing which projects and companies are eligible for credits, so they will likely be harder to obtain.

At this juncture, the current administration is pushing hard to get grant monies or loan funding authorized under the IRA out the door, or to otherwise commit those funds. Notwithstanding, the President-elect may look to block IRA funding that has been authorized by refusing to release those funds, which is also known as impoundment. Although impoundment is [questionable as a legal matter](#), Trump considered impounding military aid to Ukraine, which led to the first impeachment case against him in 2019.

Paring back environmental regulations.

The rollback of the EPA's climate rules for power plants, cars, and light-duty trucks is expected early on in a new Trump Administration. The president-elect has repeatedly vowed to "terminate" a suite of EPA rules that stifle power-plant pollution through aggressive carbon capture requirements and encourage the closure of units generating electricity from coal,

A Trump presidency and likely changes to U.S. climate and energy policy

With Donald Trump set to retake the White House in January, some potential changes in nation's climate and energy policy include:

- 1 Unleashing U.S. oil production.
- 2 Significantly paring back of environmental regulation including walking back pollution rules on cars and power plants.
- 3 The termination or significant shrinking of the Inflation Reduction Act.
- 4 Abandoning a global leadership role in connection with clean energy transition, and withdrawing from the Paris Agreement.
- 5 Ending incentives that promote EV sales and use.
- 6 Killing off the Department of Energy's Loan Programs Office (LPO) which makes loans and loan guarantees available to help deploy innovative clean energy projects throughout the U.S.

arguing that surging demand from artificial intelligence and manufacturing means the US needs to be building more of the units, not shutting them down.

The current EPA clean car rules apply to vehicles sold through model year 2026. As a result, automakers have already begun to make the necessary investments to meet those standards. However, vehicles sold in the latter half of this decade will likely face much weaker rules or perhaps no rules at all. As automakers have already retooled their operations to meet more stringent emission standards, some continued decarbonization impacts can be expected on this front.

Any rules that are currently proposed can simply be withdrawn by a second Trump Administration. And while it will not be able to withdraw a final rulemaking, a new Trump Administration could cause an agency to stop defending any legal challenges, which could ultimately render the regulation ineffective. Alternatively, an agency could propose a new, less stringent

regulation, but that would be subject to public comment and other Administrative Procedure Act requirements, which is typically a time-consuming process.

A diminished climate role for the U.S. globally, and a reversion to the Paris Agreement. The Trump campaign has indicated the U.S. would withdraw from the [Paris Agreement](#), which it [described](#) as “horribly unfair.” The accord sets a target for keeping global warming to well below 2C above pre-industrial levels, and ideally no more than 1.5 C, before the end of the century.

The Paris Agreement is a legally binding international treaty on climate change. It was adopted by 196 Parties at the UN Climate Change Conference (COP21) in Paris, France, in December of 2015. It became effective in November of 2016. Early in his first administration, Donald Trump announced that the U.S. would cease all participation in the agreement. Subsequently the nation formerly withdrew

from the pact. The U.S. rejoined the agreement under Joe Biden’s presidency. Conceivably, a second Trump Administration may also pull the U.S. out of the 32-year-old UN Framework Convention on Climate Change that underpins the entire structure of international cooperation against warming temperatures.

World Resources Institute U.S. Director Dan Lashoff [observed](#) that global support for addressing the climate crisis has grown significantly since Donald Trump first took office back in 2017. He stated that country leaders know that reducing emissions and supercharging clean energy growth strengthens their economies and competitiveness, and that explains why China has invested heavily in wind, solar and battery manufacturing at home, and supply chains and markets abroad. In Lashoff’s view, “If Donald Trump pulls out of the Paris Agreement again, it would simply diminish the United States’ influence and give other countries a leg up in the booming clean energy economy.”