

EPA Shifts Regulatory Strategy on Power Plants

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The EPA announced on June 11 its intention to repeal three rules under the Clean Air Act that regulate emissions from power plants. This move comes as part of the Trump Administration's broad energy and regulatory policy shift aimed at expanding domestic energy production, reducing regulatory burdens, and ensuring affordable, reliable energy, as outlined in Executive Order 14154— "Unleashing American Energy" and Executive Order 14156— "Declaring a National Energy Emergency" issued in January 2025. Critics of the Administration's strategy fear that adverse impacts may result to the energy industry, public health, and the climate.

Proposed Rule Change Background

The Environmental Protection Agency's June 11 announcement outlined three rules for proposed repeal under the Clean Air Act^[1]:

1. The 2015 New Source Performance Standards for Power Plants (NSPS).^[2] In 2015, the Obama Administration established New Source Performance Standards (NSPS) for new, modified, and reconstructed power plants, focusing on CO₂ emissions from coal and natural gas plants.
2. The 2024 Greenhouse Gas Emissions Standards for Power Plants (Carbon Pollution Standards).^[3] This rule, enacted under the Biden Administration, also focused on CO₂ but expanded the scope to include emission guidelines for existing power plants and new natural gas combustion turbines. According to the EPA's Regulatory Impact Analysis for the final rule, the Carbon Pollution Standards were projected to reduce 1.38 billion metric tons of carbon dioxide from entering the atmosphere by 2047.
3. The 2024 Amendments to the Mercury and Air Toxics Standards (MATS).^[4] The Clean Air Act, § 112—specifically, 42 U.S.C. § 7412—outlines regulations for controlling hazardous air pollutants from stationary sources. The EPA's MATS rule aims to reduce mercury, chromium, nickel, arsenic, and other types of pollution that are emitted by coal-fired power plants and linked to certain health risks.^[5] The Trump Administration proposal would revert to 2012 standards.

In October 2024, the Supreme Court of the United States rejected a request from 23 Republican states and a coalition of coal and natural gas industry groups to block enforcement of the MATS.^[6] Now, the Trump Administration is proposing to repeal the MATS, NSPS, and Carbon Pollution Standards. The EPA estimates that the

proposed repeal of the MATS and NSPS rules would save \$1.2 billion in regulatory costs over the next decade, or about \$120 million a year. Further, the EPA estimates the repeal of the Carbon Pollution Standards would save the power sector \$19 billion in regulatory costs over the next two decades beginning in 2026, or about \$1.2 billion a year. A breakdown of these savings estimates was not provided in the EPA's June 11 announcement.

Supporters of the Trump Administration's deregulation strategy and decision to declare an energy emergency have pointed to PJM (also known as Pennsylvania-New Jersey-Maryland), the largest regional transmission organization in the United States, which warned of an energy capacity shortage risk as early as June 2026. PJM detailed its prediction in a December 9, 2024 letter from the PJM board of managers and outlined the following key concerns contributing to an energy capacity shortage risk: (i) rapid load growth driven by electrification and data center expansion; (ii) accelerated retirement of thermal generators due to policy and economic pressures; (iii) slow entry of replacement resources, especially dispatchable generation; and (iv) a high proportion of intermittent resources in the interconnection queue that lack the same reliability characteristics as retiring plants.^[7]

EPA Administrator Lee Zeldin alleges that power plant emissions in the United States “do not contribute ‘significantly’ to climate change,” as emissions from U.S. fossil fuel-burning power plants represented only 3 percent of worldwide greenhouse gases in 2022, down from 5.5 percent in 2005.^[8] In contrast, media reports from The New York Times state that power plants in the United States “were responsible for about 25 percent of greenhouse gas emissions generated in this country in 2022. They emitted about 1.5 billion metric tons of emissions in 2023, which is more than the total greenhouse gas emissions produced by most countries.”^[9]

Response to Proposed Changes

Congressional support for the repeal of the rules came from Republicans, particularly from constituencies located in districts with large fossil fuel industries. Ohio representative Troy Balderson said that keeping the Biden administration rules “would have forced our most reliable [energy] sources into early retirement.”^[10] And West Virginia representative Carol Miller, co-chair of the Congressional Coal Caucus, said, “We must unleash American coal, not bury it under red tape.”^[11] Additionally, the rules have been criticized by some in the energy industry for potentially raising energy costs and impacting grid reliability.

In April 2025, a group of 180 Democratic lawmakers wrote a letter to EPA Administrator Zeldin raising concerns with new policies already implemented and anticipated to be implemented by the Trump Administration. Senate Minority Leader Chuck Schumer (N.Y.), Sheldon Whitehouse (R.I.), House Minority Leader Hakeem Jeffries (N.Y.) and Don Beyer (Va.) signed the letter in protest of the EPA's environmental deregulation and legislative rollback agenda.^[12] Moreover, some energy industry groups have expressed concern that deregulation could create regulatory uncertainty for those that have already invested in emissions control technologies.

Next Steps for Final Rulemaking

Public comment on the EPA's proposed repeal began on June 17, 2025, and is open until August 7, 2025. The Proposed Rule is available for public comment at: <https://www.federalregister.gov/documents/2025/06/17/2025-10991/repeal-of-greenhouse-gas-emissions-standards-for-fossil-fuel-fired-electric-generating-units>.

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[1] U.S.E.P.A., EPA Proposes Repeal of Biden-Harris EPA Regulations for Power Plants, Which, If Finalized, Would Save Americans More than a Billion Dollars a Year, June 11, 2025, <https://www.epa.gov/newsreleases/epa-proposes-repeal-biden-harris-epa-regulations-power-plants-which-if-finalized-would>.

[2] 80 Fed Reg. 64510 (October 23, 2015).

[3] 89 Fed. Reg. 32590 (May 9, 2024).

[4] 89 Fed. Reg. 30812 (Apr. 30, 2024).

[5] Sharyn Stein, *Trump EPA Proposals Would Eliminate Protections Against Power Plant Pollution* ¶ 1, Env't Def. Fund (June 11, 2025), <https://www.edf.org/media/trump-epa-proposals-would-eliminate-protections-against-power-plant-pollution>.

[6] *Id.* ¶ 13.

[7] PJM letter available at: <https://www.pjm.com/-/media/DotCom/about-pjm/who-we-are/public-disclosures/2024/20241209-board-letter-outlining-action-on-capacity-market-adjustments-rri-and-sis.pdf>.

[8] (Env't Def. Fund) *Id.* ¶ 19.

[9] Lisa Friedman, *Document Shows E.P.A. Plans to Loosen Limits on Mercury From Power Plants* ¶ 20, N.Y. Times (June 10, 2025), <https://www.nytimes.com/2025/06/10/climate/epa-mercury-power-plants-greenhouse-gases.html>.

[10] Jeff Young, *Trump's EPA Scraps Air Protections in Effort to Revive Coal Power*, Newsweek, June 11, 2025, ¶ 11, <https://www.newsweek.com/trumps-epa-scraps-air-protections-effort-revive-coal-power-2084240>.

[11] *Id.* ¶ 13.

[12] Ashleigh Fields, *Democrats push back on the Trump administration's EPA overhaul*, (April 9, 2025), <https://www.washingtonpost.com/news/energy-environment/wp/2025/04/09/democrats-push-back-on-the-trump-administrations-epa-overhaul/>

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