

CLEAN ENERGY BRIEF

This week, the Trump administration repealed the 2009 endangerment finding, marking a historic dismantling of U.S. climate policy that is sure to be challenged in court. The administration also tightened foreign-linked supply-chain restrictions on clean energy tax credits and began pursuing voluntary agreements with major tech companies to address the growing grid impacts of artificial intelligence (AI) data centers. A Government Accountability Office (GAO) audit found the Department of Energy (DOE) failing to properly oversee billions in clean energy demonstration funds following the collapse of its demonstration office. In Congress, some moderate Republicans are challenging the administration's offshore wind freeze, while Winter Storm Fern has reignited partisan battles over grid reliability and fossil fuels. Senators Jim Risch (R-ID) and Ruben Gallego (D-AZ) introduced legislation to backstop financial risks for next-generation nuclear reactors. Meanwhile, Ørsted's Revolution Wind is nearing first power after overcoming multiple federal stop-work orders.

RECENT ACTIONS

Trump Administration

EPA repeals endangerment finding: The Environmental Protection Agency (EPA) has repealed the 2009 endangerment finding, dismantling a foundational element of U.S. climate policy that empowered regulation of six major greenhouse gases under the Clean Air Act. The rollback, one of the Trump administration's most consequential climate actions, is intended to remove federal requirements that limit climate pollution from vehicles, trucks, and power plants. EPA Administrator Lee Zeldin characterized the finding as the "holy grail of the climate change religion." The repeal finalizes a proposal first introduced in July and eliminates Biden-era vehicle climate standards, leaving the transportation sector, the nation's highest emitter, without carbon regulations. The administration argues the move will streamline deregulatory efforts and impede future presidents from reinstating climate rules using the same legal authority. However, the action is expected to face significant legal challenges, potentially taking years to resolve if it reaches the Supreme Court. ([E&E News](#))

Trump admin issues energy tax guidance on foreign supply chains: The Trump administration released a notice clarifying restrictions on clean energy tax credits involving foreign components. The guidance outlines how expanded “foreign entity of concern” (FEOC) provisions strengthened under the One Big Beautiful Bill Act will apply to remaining clean energy credits, potentially disqualifying more renewable projects as credit values phase down. These restrictions bar credits for companies linked to foreign adversaries, including China and Russia, and expand limitations on assistance from certain foreign entities. The interim guidance explains that forthcoming regulations will address material assistance requirements, including how to calculate the material assistance cost ratio to determine whether a project uses prohibited foreign-linked components. Treasury also provided temporary safe-harbor rules and cost-ratio procedures until full regulations are proposed. The clean energy industry has awaited this clarity amid Trump-era efforts to further restrict wind and solar. The notice opens a public comment period until March 30 to inform future regulatory guidance. ([E&E News](#))

Please see the full BGR Regulatory Update [HERE](#).

White House eyes data center agreements amid energy price spikes: The Trump administration is seeking public commitments from major technology companies to a new voluntary compact governing the rapid growth of AI data centers. A draft compact obtained by POLITICO outlines principles intended to prevent data centers from driving up household electricity prices, straining water supplies, or jeopardizing grid reliability, while requiring companies to cover the full cost of new power generation and transmission needed for their facilities. The agreement would apply to facilities owned, leased, or operated by companies. The draft also calls for long-term power contracts, backup-generation support during emergencies, potential curtailment of data-center load, and commitments to be “water positive” and mitigate community impacts. The initiative comes amid rising concerns that data centers’ soaring energy demand could overwhelm regional grids, as well as industry claims that well-designed agreements can lower electricity costs. Microsoft and Google have recently made similar commitments. The compact has not been finalized or formally announced. ([Politico](#))

DOE failing to oversee \$21B in clean energy projects — audit: A GAO [audit](#) found that the DOE is failing to meet legal requirements for overseeing large clean energy demonstration projects funded by Congress. DOE has not created a required plan to manage funding amid canceled projects, lost appropriations, and the collapse of the Office of Clean Energy Demonstrations (OCED), which lost more than 85 percent of its staff last year. The audit warns of increased risks of mismanagement and notes that DOE must maintain a program even if OCED is shut down. DOE canceled roughly \$7.5 billion in clean energy projects in October and has not yet decommitted funds from terminated awards. The fate of billions more, including funding for the five remaining hydrogen hubs, remains uncertain. DOE agreed to develop a compliance plan by March. Staffing shortages have caused delays, including payment holdups for 42 percent of awardees, and could deter private companies that typically fund over half the cost of demonstration projects. ([E&E News](#))

More Republicans buck Trump on offshore wind: A growing group of House Republicans is questioning the Trump administration's claim that offshore wind projects pose national security risks. Nine Republicans, in a January 22, 2026, [letter](#) led by House Homeland Security Chair Andrew Garbarino, asked Secretary Hegseth and Secretary Burgum to explain the December decision halting five nearly completed Atlantic coast projects, noting that judges have rejected the administration's pause in all five cases. The lawmakers argued that U.S. energy policy should be based on facts and the national interest, not ideology. Some members, including Rep. Jen Kiggans, have sought classified briefings but found the information repetitive. As of February 12, 2026, they had not heard back. Interior Secretary Doug Burgum defended the administration's position, citing above-water radar interference and below-water sonar interference as concerns. Republicans said risks should be evaluated, especially near dense air traffic and defense activity, and emphasized that many affected projects are near completion with major investments already made. Opponents of offshore wind, such as Rep. Jeff Van Drew, also pointed to radar interference, fishing impacts, and tourism concerns. ([E&E News](#))

Winter storm revives fierce congressional grid fight: Lawmakers are using last month's Winter Storm Fern to renew long-running partisan battles over energy reliability. Republicans argue the storm proved that natural gas, coal, and nuclear plants are the most dependable sources during extreme cold, noting that these "dispatchable" resources supplied most electricity during peak demand. They criticize renewable energy as sporadic and fault Democratic-led states for limiting fossil fuel infrastructure, pointing to heavy reliance on fuel oil in New England and New York. Democrats counter that renewable projects, especially offshore wind, could have strengthened grid performance but are being stalled by the Trump administration's rollbacks. They note that some regions with significant renewable energy, like Texas, saw lower costs and improved reliability during the storm. Many Democrats argue that diversification, including more wind, solar, storage, and demand response, is key to resilience. Some, like Sen. Angus King, say both increased pipeline capacity and expanded renewable deployment are needed to prevent future emergencies. ([E&E News](#))

Bipartisan duo to introduce federal backstop for nuclear reactors: Sen. Jim Risch (R-ID) is reviving the "Accelerating Reliable Capacity (ARC) Act of 2026," this time partnering with Sen. Ruben Gallego (D-AZ), a prominent nuclear energy advocate. The bill would authorize up to \$3.6 billion to cover cost overruns at three or more next-generation nuclear reactor projects. Developers would pay the first 20 percent of overruns beyond vetted estimates, after which the federal government would split additional costs up to \$1.2 billion per project. The bill aims to support advanced reactor deployment, address longstanding financial barriers in the nuclear sector, and bolster U.S. leadership in nuclear energy. Funding would be provided only after

project completion. The legislation includes strict oversight requirements such as executive-level reviews, quarterly meetings with DOE and Congress, and verification of construction and cost estimates. Risch and Gallego argue the bill will accelerate the commercialization of advanced nuclear reactors, while industry leaders say it will reduce financial risk and enhance energy independence. ([Politico](#))

ANALYSIS

Offshore wind project targeted by Trump will begin operating within weeks:

Ørsted's Revolution Wind project in New England is expected to begin generating electricity within weeks after overcoming two Trump administration stop-work orders, both of which the company successfully overturned in court. Chief Executive Officer Rasmus Errboe said 59 of 65 turbines are installed, and all major infrastructure, including offshore and onshore substations and power cables, has been energized. The project's progress comes amid a regional cold snap that sent power prices soaring, fueling Trump administration arguments for more gas pipeline capacity and attacks on offshore wind. Revolution Wind is advancing as other offshore wind projects, including Vineyard Wind and South Fork Wind, delivered significant power during the cold period. Revolution Wind was twice halted over national security concerns related to electromagnetic emissions, and a classified Defense Department report. The joint venture between Ørsted and Skyborn Renewables will supply Connecticut and Rhode Island and is expected to be fully operational by the second half of 2026. ([E&E News](#))