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New Executive Order Challenges State Climate Laws

WRITTEN BY

Shawn J. Zovod | Timothy J. Carlstedt | Liz Glusman

Challenging a slew of state climate-related laws and programs, President Trump's April 8, 2025 executive order (EO) set the stage for more legal fights between the federal government and states. In the new EO, "Protecting American Energy from State Overreach," Trump took aim at state laws and programs that address greenhouse gas emissions (GHGs), climate change, environmental justice, and environmental, social, and governance (ESG). Some states have already indicated they will oppose the Trump administration's efforts.

The EO specifically calls out laws in California, New York, and Vermont that put prices on carbon emissions through cap-and-trade programs or compensatory payment requirements for past GHG emissions. The EO asserts that such laws exceed the states' constitutional authority, increase domestic energy prices, target or discriminate against out-of-state energy producers, and threaten American energy dominance.

In order to "unleash American energy," the president instructed the U.S. attorney general (AG) to identify state and local laws, regulations, policies, and practices that might impede siting, developing, producing, or using domestic energy resources. Specifically, the AG must identify any programs "purporting to address 'climate change' or involving 'environmental, social, and governance' initiatives, 'environmental justice,' carbon or 'greenhouse gas' emissions, and funds to collect carbon penalties or carbon taxes" and begin actions to stop states from implementing and enforcing their laws. The AG must report back to Trump by early June on progress and further recommendations.

The AG's likely actions under the EO have yet to be determined. State laws regarding project siting, resource development, and energy production span the gamut of everything from water quality, air quality, and species protection to fire safety and local zoning. It is also not clear if the AG will target laws that require companies to report their GHG emissions or disclose climate-related risks, like California's SB-253 and SB-261, or possibly intervene in ongoing litigation.

California Governor Gavin Newsom quickly fired back, stating that a "glorified press release masquerading as an executive order" will not derail state efforts to cut air pollution. Notably, the California legislature has already made \$25 million available to fight the Trump administration's efforts to roll back environmental and other laws. New England and Mid-Atlantic states may also come under fire for laws and regulations implementing the Regional Greenhouse Gas Initiative, a cooperative effort involving every northeastern state to cap and trade power sector emissions. These states have already sued the Trump administration and, like California, will likely fight any efforts by the administration to derail their climate initiatives.

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