



The Daily Dish

Trump 2.0: Where Is U.S. Climate Policy Heading?

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President Trump, with the help of Republicans in Congress, is quickly overhauling U.S. energy and environmental policy. The administration's and Congress' sweeping actions include aggressive deregulation, strong support for certain energy sources, and a substantial paring back of clean energy subsidies. U.S. climate policies are now at a crossroads and there is significant uncertainty in the energy sector.

The Environmental Protection Agency (EPA) is aggressively [rolling back](#) the agency's greenhouse gas emissions (GHG) regulations. This is not surprising. But what makes this deregulation effort unprecedented is that EPA is [proposing](#) to rescind the 2009 [endangerment finding](#), which serves as the legal basis for the agency to regulate GHG emissions from power plants and vehicles. This proposal, if finalized, would make it much easier for EPA to repeal all existing regulations and limit future administrations' ability to regulate GHG emissions.

In addition, the Trump Administration has issued numerous executive orders (EOs) aimed at boosting baseload energy sources (energy sources that can run continuously) including [oil and gas](#), "beautiful, clean" [coal](#), and [nuclear](#) to "unleash American energy." (See the American Action Forum's analysis on each EO.) [Besides](#) "Drill, Baby, Drill," the administration is [encouraging](#) "Build, Baby, Build" to "build and maintain vast AI infrastructure and the energy to power it," as stated in its recent "America's AI Action Plan."

Under Trump 2.0, the Republican-controlled Congress has repealed a majority of the Biden-era clean energy tax subsidies, raising \$499 billion in net revenue from 2025-2034 to pay for the One Big Beautiful Bill. (See [here](#) for an in-depth AAF analysis.) While eliminating energy subsidies aligns with traditional conservative thinking about the government's role in the market, the legislation has also adopted an arbitrary approach to picking winners and

losers among different types of energy developers. For example, perplexingly, it added a new production tax credit for coal, which is a declining and carbon-intensive energy source.

There are generally three approaches countries use to address climate change and incentivize emissions reduction: command-and-control regulations, clean energy subsidies, and carbon pricing (a [carbon tax](#) or an emissions trading scheme.) Trump 2.0 has reversed course on the first two measures adopted by the Biden Administration, and the most effective and efficient climate policy, a carbon tax, continues to be politically challenging.

While the Trump Administration is not short of executive actions on energy and environmental policy, there is not a clear federal path to mitigating carbon emissions in the United States. Where is U.S. climate policy heading? No one really knows.