Key 10 Regulatory Challenges: 2025 Midyear

Leadership at the EPA and DOE will continue to roll back restrictions on the fossil fuels industry, mandates on emissions standards, and the build up/use of renewable energy. The interconnectedness of the Energy and Al sectors will place added pressures on energy production and resilience.

Key Regulatory Signals



Energy Independence

Focus on national energy supply and infrastructure to promote domestic energy production and reduce reliance on foreign energy.



Trade Protectionism

Broad and sectorspecific tariffs to protect domestic industries, focusing on "reciprocal" trade measures.



Al and Technology Leadership

Expansion of energy production by relaxing standards to fuel Al data centers and promote Al infrastructure and technology development.



Environmental Regulation Withdrawal

Repeal or relaxation of environmental regulations to support energy industry expansion.

Energy companies should expect regulatory focus and change across:



Regulatory **Divergence**



Trusted Al & Systems



Cybersecurity & Information **Protection**

3



Financial Crime



Fraud & Scams



Fairness & **Protection**



Financial & **Operational** Resilience



Parties & **Providers**



Governance & Controls



Markets & Competition



Key 10 Regulatory Challenges: 2025 Midyear

Declaring a National Energy Emergency:

Initiatives to expedite permits, enhance energy transportation, and develop domestic resources. e.g., Executive Orders, particularly focused to Alaskan resources and LNG projects.

Rollbacks of Climate-Related Regulations:

Deregulation efforts to promote fossil fuel development.

Federal and State Collaboration: Initiatives aim to streamline processes through federal-state partnerships to incentivize energy infrastructure investment.

e.g., Rescission of Executive Orders 14082 and 14008 related to climate crisis.

e.g., FERC and state utility regulators working together to shorten permitting times.

Reciprocal Tariff Implementation: Tariffs imposed to create a "floor" for trade policies.

Sector-Specific Tariffs: Increased tariffs to protect domestic industry and encourage domestic production.

Country-Specific Sanctions/Tariffs: Sanctions (including secondary sanctions) and tariffs designed to pressure trading partners.

e.g., Business uncertainties; targeted reciprocal tariffs.

e.g., Import tariffs on oil, electricity, or natural gas; import tariffs on auto and auto parts.

e.g., Reconsideration of projects, suppliers, or alliances

Energy Independence



What's coming...



Trade Protectionism



Environmental Regulation Withdrawal

Al and Technology Leadership



e.g., EO 14141 on AI infrastructure expansion

Signals

Technology Infrastructure Development: Initiatives to reduce regulatory barriers and support technological advances.

e.g., Support for modernizing energy infrastructure conducive to AI development.

Signals

mitigation.

Regulatory Pullback: Withdrawal/Reconsideration of environmental regulations. Pullback from global accords. Pressure on states relative to climate regulations.

Climate Change Terminology Shift: Policy

priorities, cutting elements related to climate

language adjustments to focus on energy expansion

e.g., Shift away from climate change terminology in agency actions.

e.g., EPA identification of rules under withdrawal/amendment; pullout of the Paris Accord: DOJ action to halt state climate laws (re: EO 14260 on state overreach).



Key 10 Regulatory Challenges: 2025 Midyear

"Growing regulatory divergence and fragmentation add another layer of complexity to establishing a clear path from strategy and operations to effective risk and compliance. Will a deregulatory policy really equate to deregulation?"

Amy Matsuo, Principal & Leader KPMG Regulatory Insights

"The energy industry is facing a recalibration. Companies must conduct clear-eyed strategic assessments of how regulatory frameworks are evolving—not just in one jurisdiction, but globally. Those who misread these signals risk being left behind."

Angie Gildea, Principal Energy Sector Lead



Amy Matsuo
Principal & Leader
Regulatory Insights



Angie Gildea
Principal
Energy Sector Lead



<u>Ten Key Regulatory</u>

2025 Mid-Yea

