

## Trump's Energy Plans: Climate, Data Centers, LNG And More

By **Tory Lauterbach, Janine Durand and Jess Rollinson** (February 6, 2025, 3:18 PM EST)

The U.S. energy industry continues to untangle what President Donald Trump's second administration will mean for it.

Trump signed a wide range of executive orders on the first day of his new term. Several focus squarely on the domestic energy sector, and others focus on areas such as the environment and artificial intelligence that will significantly affect domestic energy production.

In this two-part article, we review a range of issues that companies in the energy sector should be monitoring in the early days of Trump's second administration. The first installment considered the future of grants and loans from the U.S. Department of Energy, possible changes to regulatory and permitting processes, and potential developments in nuclear energy policy.

In this installment, we discuss the administration's stance on climate issues, the expanded energy capacity needed for anticipated growth in data centers, the outlook for offshore and onshore energy development, and policy changes regarding liquefied natural gas.

### Climate and Emissions

On the first day of his second term, Trump rolled back many of former President Joe Biden's climate-related executive orders. Trump also issued new executive orders affecting U.S. climate policies, including withdrawing from the Paris Agreement and replacing environmental impact statements that prevented oil and gas leasing in Alaska.

Other orders direct federal agencies to pause disbursement of funds appropriated through the Bipartisan Infrastructure Law and the Inflation Reduction Act, revise their environmental analyses, and review existing agency actions that burden domestic energy resource development.

Some of Trump's appointees have taken nuanced approaches to climate change in their confirmation hearings, with both his secretary of energy, Chris Wright, and his secretary of the interior, Doug Burgum, acknowledging that climate change is real — and, in the case of Wright, worth addressing through technological innovation.



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However, both were supportive of using fossil fuels as part of the approach to climate change. Wright also stated that natural gas has been the "biggest driver of reducing America's greenhouse gas emissions," and Burgum stated that there is technology to "eliminate harmful emissions" from fossil fuels, suggesting that both are bullish on the future of fossil fuels.

While climate-related diplomacy appears poised to mirror approaches from Trump's first term, industry observers will be watching the secretaries of energy and the interior, and other new energy officials, for indications regarding how the new administration will approach domestic climate initiatives.

### **Data Centers and Load Growth**

Trump has not yet released any executive orders substantively addressing data centers. However, one of his first-day executive orders rolled back one of Biden's executive orders on the use of artificial intelligence that addressed AI safety, and another requiring agency heads to review any actions taken pursuant to the first order.

Despite this rollback, Trump has acknowledged the importance and energy needs of AI, stating that the U.S. must "more than double up" its energy capacity for AI to remain globally competitive, and suggesting that he will prioritize measures that would support the speedy development of energy for AI.

On Jan. 23, Trump vocalized support for co-locating data centers and power generation facilities via behind-the-meter, off-grid arrangements, and stated he would work to fast-track regulatory approvals to get generation of all fuel types built to serve data centers. Trump's nominees have also emphasized the importance of AI and the electricity needed to support it.

Wright has stated that building a new AI industry in the U.S. will require more energy. Likewise, Burgum underscored during his confirmation hearings the importance of electricity for AI, and the need to reform electricity facility permitting processes in order to develop enough energy for the AI industry.

Trump himself has championed news from several large tech companies announcing \$500 billion in investments in AI infrastructure, including data centers. Both Trump and Biden have recognized the importance of supporting the development of AI and data centers, and the energy facilities that support them.

The growth of data centers and support for AI infrastructure could prove a consensus issue that presents opportunities for collaboration across the aisle within Congress, and with state leaders.

Over the coming months, energy industry observers will be watching for additional changes Trump makes to previous AI-related executive orders, as well as new executive, agency and legislative actions meant to encourage the development of AI and data centers, and the electric facilities that support them.

### **Offshore and Onshore Energy Development**

One of Trump's first-day executive orders stated that it is the policy of the U.S. "to encourage energy exploration and production on Federal lands and waters, including on the Outer Continental Shelf, in order to meet the needs of our citizens and solidify the [U.S.] as a global energy leader long into the future." The order did not set specific policy priorities or directives in the offshore energy arena.

But on the same day, Trump signed an executive order that withdrew all areas of the outer continental shelf from wind energy leasing, and directed agency leaders to pause the issuance of new or renewal permits, approvals, leases, rights of way and loans pending completion of a comprehensive review of federal wind permitting and leasing practices.

Although that order stated that nothing in it affected the rights of the existing leases in those withdrawn areas, it also directed agencies to conduct reviews of the necessity of "terminating or amending any existing wind energy lease, identifying any legal bases for such removal, and submit a report with recommendations to the President." The withdrawal of lease areas in that order focused on offshore leasing, but the leasing and permitting pause applies to both offshore and onshore leases.

This executive order did not come as a surprise, given that Trump recently expressed negative views of offshore wind, and has listed "end[ing] leasing to massive wind farms" as one of his presidential priorities — and given that Burgum committed to working quickly to issue leases for oil and gas production, but would not commit to continuing leases for offshore wind projects that are already underway.

However, it remains to be seen what concrete actions the Trump administration may take to support offshore drilling and production; whether the administration will attempt to terminate or modify existing wind energy leases, based on the recommendations of his agencies; and whether the administration is successful in taking such actions, both of which are likely targets of legal challenges.

Trump's views on offshore wind contrast with his bullish views on oil and gas. Trump has consistently expressed a desire to increase oil drilling on public lands, to offer tax breaks to oil, gas and coal producers, and to expedite the approval of natural gas pipelines — all of which are consistent with his statement in his 2025 inaugural address that, "We will drill, baby, drill."

To that end, Trump declared a "national energy emergency" in a Day 1 executive order focused primarily on supporting the production of fossil fuels. That order declared that "the United States' insufficient energy production, transportation, refining, and generation constitutes an unusual and extraordinary threat to our Nation's economy, national security, and foreign policy."

The order directed energy-related agency heads to focus on the "identification, leasing, siting, production, transportation, refining, and generation of domestic energy resources." Notably, it excluded wind and solar power from its definition of "energy," again signaling a shift in focus toward fossil fuels and nuclear energy.

The Trump administration has also set its focus on resources located in Alaska's protected federal lands. Trump's executive order titled "Unleashing Alaska's Extraordinary Resource Potential," which garnered support from Alaska Gov. Mike Dunleavy, calls for modifications to the federal government offices and policies that oversee Alaska's resource development industry.

The order revokes Biden's actions that halted oil and gas exploration in the Arctic National Wildlife Refuge. Trump previously led a move to allow oil and gas exploration in the refuge during his first term, only for it to be reversed by Biden.

The Alaska-focused order could open up to 28 million acres of federal Alaska lands to oil and gas development. But it remains to be seen how the industry will react, and the extent of development that

will result.

Notwithstanding the political interest in development of oil and gas reserves in Alaska, the oil and gas industry will be the ultimate testing ground for these new policies. Alaska's North Slope is located far from oil and gas markets in Asia and the lower 48 states. The refuge also has no current infrastructure, like pipelines, to transport oil and gas.

Several major oil companies have exited Alaska, and the number of well-funded major companies likely to bid in federal lease sales has declined. Energy market watchers thus will be monitoring activities in Alaska to see whether, and how, energy companies are moving to take advantage of new resource development opportunities.

### **Liquefied Natural Gas**

Trump reversed the Biden administration's pause on liquefied natural gas permits on the first day of his second term. He did so by rolling back Biden's executive order that paused granting LNG export authorizations, and by issuing a new executive order directing the secretary of energy to "restart reviews of applications for approvals of liquified natural gas export projects" — which the acting secretary did the following day.

Further supporting LNG, Trump also issued another executive order, as discussed above, stating that the policy of the U.S. is to "prioritize the development of Alaska's [LNG] potential," and directing various agencies to revoke or revise regulations from the Biden administration that are inconsistent with this new policy.

Trump expressed support for LNG on the campaign trail, highlighting his ability to secure environmental approvals for previously stalled LNG plants. Likewise, Trump's appointees have also emphasized the importance of LNG.

Wright, the energy secretary and a former executive of a fracking service company, noted in his opening statement at his confirmation hearing that the U.S. must "expand energy production including commercial nuclear and liquefied natural gas" to compete globally. He expressed his support for the development of an LNG export terminal on the Pennsylvania coast near Philadelphia.

Burgum also noted the importance of LNG exports, which allowed Germany to reopen their base load power plants after the Russo-Ukrainian War began.

Given the pro-LNG statements by Trump and his nominees, the energy industry will be watching for further executive and agency actions that may attempt to dismantle Biden's LNG-related policies, and that seek to support the development of additional LNG facilities.

### **Mechanisms for Change**

Trump has a number of avenues available to him to change the rules and policies developed during the Biden administration. These include the executive orders that he issued on the first day of his second term; urging Congress to repeal legislation, create new legislation or utilize the Congressional Review Act; and the agency rulemaking process.

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