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THE SURGE

BY THE COMPETITIVE ENTERPRISE INSTITUTE

If you are interested in analysis and perspective on current energy and environmental issues, then we encourage you to subscribe to this new publication and special updates.

Note: This version of *The Surge* was released to subscribers on February 7, 2025. Some minor edits have been made.

Welcome to the latest edition of *The Surge*! In this edition:

- Congress is starting to use the CRA, including killing off EPA's methane tax rule
- The EPA throwing gold bars off the Titanic is just the tip of the IRA iceberg
- CEI leads coalition effort to dismantle the IRA's "green" subsidies
- President Trump launches the National Energy Dominance Council
- Trump administration moves to repeal CEQ's NEPA rules
- ...and more!

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Congress Starts Passing CRA Resolutions of Disapproval This Week

This week the House and Senate have both passed Congressional Review Act (CRA) resolutions of disapproval that would rescind Biden Administration rules. The House and Senate both passed a resolution killing off the EPA's methane tax rule. The following is a summary:

1. Methane Tax Rule – On Wednesday, the House passed [H.J. Res. 35](#) by a vote of [220-206](#). On Thursday, the Senate passed its resolution, [S.J. Res. 12](#) by a vote of [52-47](#). The resolution [rescinds the EPA's methane tax](#) rule and hopefully this foreshadows the repeal of the IRA's entire [Methane Emissions Reduction Program](#).
2. Tankless Water Heaters – On Thursday, the House passed [H.J. Res. 20](#) by a vote of [221-198](#). The resolution rescinds the last minute Biden administration's [regulations on tankless water heaters](#).
3. Oil and Gas Drilling – On Tuesday, the Senate passed [S.J. Res. 11](#) by a vote of [54-44](#). The resolution rescinds a Biden rule that [requires oil and gas companies](#) to conduct archaeological studies before drilling. This was the first Senate CRA resolution debated on the floor this year and the [House version](#) was introduced on Wednesday.

Learn More:

[CEI Leads Coalition Letter to Congress on Tankless Water Heaters](#)

[House Poised to Debate Rescinding Biden EPA Methane Tax Rule](#)

[Senate Passes Kennedy Resolution to Repeal Biden Admin Rule Targeting Offshore Oil and Gas Production](#)

EPA Slush Fund Is Just the Tip of the IRA Iceberg

The Biden Environmental Protection Agency (EPA) rushed to dole out billions of taxpayer dollars before President Donald Trump took office. A former Biden EPA official [explained](#) that the agency was tossing “gold bars off the Titanic.”

EPA Administrator Lee Zeldin is rightfully [concerned](#) about these actions. He has been especially focused on \$20 billion connected to a \$27 billion program that CEI has been [leading](#) efforts to kill off: the Greenhouse Gas Reduction Fund that was [created](#) under the Inflation Reduction Act (IRA).

Through the program, the EPA has what amounts to a slush fund, giving it wide discretion in how it distributes the money. As required by the IRA, the money is being given to nonprofits acting as pass-through entities that get to decide how to hand out taxpayer dollars.

In effect, it's an EPA slush fund that requires the agency to create slush funds for nonprofits.

Learn More: [Tossing Gold Bars Off the Titanic Is Just the Tip of the IRA Iceberg](#)

CEI-Led Coalition Urges Congress to End Green New Deal Policies Embedded in the IRA

The Competitive Enterprise Institute sent a coalition letter to Congress urging lawmakers to make it a priority to get rid of the Inflation Reduction Act's Green New Deal provisions, like subsidies undermining the freedom of Americans to choose their cars.

The letter states:

All IRA "green" subsidies should be in the sights of policymakers. They work together as a central plan to achieve a radical and harmful shift in how our country produces and uses electricity, among other things. Given that they work together to achieve this Green New Deal, they should be eliminated together to restore freedom and ensure our country can reliably and affordably meet its energy needs.

The letter was signed by more than 50 conservative, free market, and pro-energy think tanks.

Learn More: [News Release](#) & [Letter](#)

President Trump Launches the National Energy Dominance Council

President Trump on February 14 issued an [executive order](#) establishing a new National Energy Dominance Council within the Executive Office of the President. The Council's members include the heads of eight executive agencies and nine White House offices.

Chaired by Interior Secretary Doug Burgum and vice-chaired by Energy Secretary Chris Wright, the [Council](#) will help President Trump develop a national energy dominance strategy to lower energy prices, mitigate price shocks to American families, and de-risk the energy supply chain for our Nation as well as our allies.

Learn More: [CEI Applauds Launch of President Trump's National Energy Dominance Council](#)

SEC is No Longer Defending the Climate Disclosure Rule

The Securities and Exchange Commission (SEC) [announced](#) this month that it will no longer defend the indefensible, abandoning in court its arguments favoring mandatory climate disclosures. The case, [Iowa v. SEC](#), is currently pending before the Eighth Circuit Court of Appeals.

The [statement](#) from acting SEC Chair Mark Uyeda should be widely applauded as the first step to repeal the climate disclosure mandate.

With the recent [departures](#) of former chair Gary Gensler and commissioner Jaimie Lizarraga, Republicans currently enjoy a 2-1 majority on the commission. Acting-Chair Uyeda has taken this opportunity to inform the court that he and Commissioner Hester Pierce oppose the climate rule. Uyeda called upon the Eighth Circuit to halt its schedule for oral arguments on the case as the SEC considers rescinding the final rule.

Learn More: [SEC Abandons Legal Arguments in Favor of Climate Disclosure Rule](#)

Two States Suing NRC to Change Small Reactor Regulation

The states of Texas and Utah—along with [Last Energy](#), a company that builds small modular reactors—are suing the Nuclear Regulatory Commission (NRC), arguing that it is exceeding its statutory authority by regulating even very small reactors including [university research reactors](#) and the [20 MWe reactors](#) that Last Energy manufactures. The NRC is the agency that regulates civilian nuclear power in the United States mostly by licensing and inspecting reactors...

A legal win for Texas, Utah, and Last Energy would require the NRC to vacate the existing regulation and instead start a new rulemaking that properly acknowledges the statutory definition of utilization facility. This would mark an important shift away from NRC's current overbroad application of its regulatory authority.

Learn More: [Lawsuit by Texas, Utah Could Change Small Reactor Regulation](#)

FEATURING OUR FRIENDS

[Trump Administration Puts Subsidized Green-Energy Companies on a Diet](#), Preston Brashers & Andrew Weiss, The Heritage Foundation.

[Controlling Ways to Generate Electricity Through Subsidies is a Terrible Plan for the Planet](#), Ronald Stein & Dr. Cleveland Jones, CO2 Coalition.

[Unsettled Science: The Alarmists Want More Money \(nope, time's up\)](#), Robert Bradley Jr., MasterResource.

[To Close the Budget Deficit, Uncle Sam Should Have a Garage Sale](#), Travis Fisher & Joshua Loucks, Cato Institute.

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