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Washington Update: Sustainable Energy & Infrastructure — December 2025

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November marked a potentially significant inflection point at the Department of Energy (DOE), with the announcement of a sweeping reorganization designed to align fully with the Trump administration's Energy Dominance agenda. Central to this agenda is the growing urgency around AI-driven electricity demand — a priority already underscored by the new Federal Energy Regulatory Commission (FERC) chair and DOE's issuance of a loan guarantee for the Three Mile Island nuclear power plant. The administration's rebuild of the domestic capacity in critical minerals continues with additional award announcements. At the same time, bipartisan momentum on permitting reform has reemerged, signaling potential shifts in how energy and infrastructure projects move forward.

This month's newsletter examines these developments in detail and considers their implications for market players, state and local leaders, and companies navigating the federal energy policy landscape.

DOE Announces Major Realignment

On November 20, DOE unveiled a sweeping internal restructuring that will sunset several clean-energy offices while establishing new divisions dedicated to artificial intelligence, critical minerals, and fusion energy. The changes come as the Trump administration prioritizes expanded nuclear and fossil-fuel generation to counter rising utility bills and sharpen US competitiveness in AI.

The **new organization chart** removes references to the Office of Energy Efficiency and Renewable Energy (EERE), Office of Fossil Energy and Carbon Management (FECM), Grid Deployment Office (GDO), Office of Clean Energy Demonstrations (OCED), Office of Manufacturing and Energy Supply Chains (MESC), Office of State and Community Energy Programs (SCEP), Office of Federal Energy Management Program (FEMP), and Office of the Ombudsman.

DOE instead would create several new offices that align with the Trump administration's energy priorities. The new Office of Critical Minerals and Energy Innovation (CMEI) will combine EERE, MESC, FEMP, and SCEP. The new office will also assume certain functions of GDO and OCED, as those offices are scheduled to be closed by the administration. The Office of Hydrocarbons and Geothermal Energy would combine the Geothermal Office, previously part of EERE, with FECM. A new Office of Fusion would be created outside of the Office of Science, a step that many early-stage fusion companies had been calling for. The org chart also shows the new Office of Energy Dominance Financing (EDF), previously the Loan Programs Office (LPO), as announced last month.

While every new administration has implemented some level of reorganization, the changes announced by DOE potentially disregard previous Congressional authorization language, which could be problematic. The changes may take time to fully implement and could be subject to revision based on discussions with authorizing committees. Currently, the DOE website does not seem to reflect the new organizational names and structures. One interesting feature of the proposed organizational structure is that CMEI reports directly to the DOE Secretary, in contrast to EERE, which reported through an Under Secretary.

Energy Security a Key Priority Across the Administration

Energy security, and specifically electrical supply, continues to be a topic receiving strong emphasis across the federal government.

FERC Refocuses on AI-Driven Power Demand

At her first monthly open meeting, FERC Chair Laura Swett announced that the commission will prioritize rapid interconnection and power delivery for AI data centers. Calling this a “critical juncture” for US energy dominance, she stressed that keeping American data on US soil is essential to national and economic security.

Senate Natural Resources Committee chair and ranking member Sen. Mike Lee (R-UT) and Sen. Martin Heinrich (D-NM) sent a **letter** expressing their support for FERC to accelerate data-center grid connections, reflecting new bipartisan concern over energy constraints tied to AI deployment.

DOE Seeks Input on Gas Turbines Supply

Already, DOE’s new Hydrocarbons and Geothermal Energy Office issued a **request for information** seeking input on “how to ensure timely supply of gas turbines and relieve constraints in the supply chain” amid a supply crunch for the power generation equipment. The request seeks input concerning manufacturing technology limitations, workforce constraints, component challenges from sub-suppliers, and obstacles for materials, such as raw materials, critical minerals, or rare-earth elements. Responses are due by January 30, 2026.

Winter Reliability Assessment Shows Grid Concerns

The **2025 Winter Reliability Assessment** released by the National Electric Reliability Corporation (NERC) in November warns that sharply rising electricity demand — driven by electrification, population growth, and surging data-center development — is outpacing the growth of dependable winter resources across much of North America. While all regions retain adequate capacity for *normal* winter conditions, the report emphasizes that several areas face heightened risks under *extreme* cold, particularly where natural gas deliverability, thermal generator retirements, and the limited winter contribution of solar and wind constrain system flexibility. Compared to last year, the 2025 assessment identifies a broader and more acute set of risks, including in New England, the Maritimes, SERC East and Central, ERCOT, and parts of the Western Interconnection, where dependence on imports or batteries may be stressed by prolonged cold snaps. NERC notes improvements in generator weatherization and gas-electric coordination since Winter Storms Uri and Elliott, but underscores that fuel security, battery state-of-charge management, and the changing peak-load shape created by year-round data-center demand remain priority challenges for operators heading into the winter season.

EDF Loan for Nuclear

DOE’s Loan Programs Office, through the Energy Dominance Financing Program established under the One Big Beautiful Bill Act, finalized a $1 billion loan to restart Pennsylvania’s shuttered Three Mile Island nuclear power plant and provide power to Microsoft data centers. The loan to Constellation Energy Generation would help finance the Crane Clean Energy Center, an 835-megawatt nuclear reactor at the plant, formerly known as Three Mile Island, located in Londonderry Township, Pennsylvania. The move reinforces the administration’s push to lean on nuclear power to meet surging electricity demand and ease pressure on household budgets.

House Natural Resources Advances Permitting Reform

On November 18, the House Natural Resources Committee approved Chair Bruce Westerman’s (R-AR) **SPEED Act**, a bipartisan permitting overhaul intended to shorten environmental reviews and limit legal challenges for new energy and infrastructure projects.

The SPEED Act would limit the scope of environmental reviews, saying the law requires agencies to consider only the direct impacts of a project rather than its broader effects. The bill would also build on National Environmental Policy Act (NEPA) reforms included as part of the 2023 Fiscal Responsibility Act that established a two-year limit on conducting Environmental Impact Statements and a one-year limit for environmental assessments.

It would also preclude agencies from evaluating impacts outside the immediate causal result of the proposed action, in an attempt to eliminate any consideration of upstream or downstream consequences of a project. And it would narrow the definition of “major federal action,” which is the condition for triggering the NEPA process, by specifying that the allocation of federal funds, loans, or loan guarantees are not sufficient actions on their own to trigger NEPA.

The SPEED Act would also impose limitations on judicial challenges against projects, requiring litigants to sue within 150 days, in a bid to make it more difficult for environmentalists to sue to stop them, and establish a 180-day deadline for courts to issue judgment on suits. The current statute of limitations is six years. It would only allow parties who provided substantive comments during the public review period the

opportunity to issue a legal challenge and it would limit a court's ability to remand an agency decision, specifying that the agency decision will hold while it corrects errors or deficiencies.

In passing the bill, the House Natural Resources Committee also adopted a bipartisan amendment, negotiated with Democrats and introduced by Rep. Jared Golden (D-ME) and Rep. Pete Stauber (R-MN), to prevent a federal agency from revoking, suspending, altering, or otherwise interfering with an approved permit except in certain circumstances, such as a court order or if the action "is necessary to prevent specific, immediate, substantial, and proximate harm." Chair Westerman said he hopes the amendment will "provide certainty that can get many more people on board to support" the SPEED Act, framing it as a response to concerns about the Trump administration's revocation of permits for wind and solar projects. Several committee Democrats said they backed the amendment but are pushing for stronger language to rework all solar and wind projects **needing** personal approval from Secretary of the Interior Doug Burgum.

Chair Westerman is reportedly targeting a House floor vote on the SPEED Act before the end of the year.

New Rare Earth Investments

The US Export-Import Bank (EXIM) **approved** a $27 million direct loan to 6K Additive LLC to expand advanced-materials production in Pennsylvania, including the construction of four new buildings and the acquisition of advanced equipment to refine titanium, nickel, and alloy powders. The project is the latest approval under EXIM's **Make More in America Initiative**, designed to revitalize US manufacturing and secure critical supply chains; it is also the first deal in history conducted in coordination with the US Department of War's Defense Production Act (DPA) Title III program.

The CHIPS Program Office **signed** a preliminary letter of intent to provide $50 million in CHIPS Act incentives to Vulcan Elements to acquire equipment for domestic neodymium-iron-boron (NdFeB) magnet production. The Department of Commerce will receive $50 million equity in the company. Vulcan plans to produce up to 10,000 metric tons of NdFeB magnet material in the coming years, significantly strengthening US rare-earth magnet supply chains.

Energy Bills Advance

Also on November 20, the House passed two bipartisan bills aimed at unlocking domestic liquified natural gas (LNG):

- **R. 3109, the REFINER Act** (Rep. Bob Latta, R-OH) — Requires the National Petroleum Council to collect and examine critical information regarding the role of petrochemical refineries in the United States, analyzing opportunities to expand capacity against current risks or negative implications.
- **R.1949, the Unlocking Our Domestic LNG Potential Act** (Rep. August Pfluger, R-TX) — Amends the Natural Gas Act to repeal all restrictions on the import and export of natural gas. Also gives FERC the exclusive authority to approve or deny any application for the siting, construction, expansion, or operation of a facility to export natural gas from the United States to a foreign country or import natural gas from a foreign country.

Meanwhile, on November 19, the House Energy and Commerce Subcommittee on Energy **advanced** multiple bills to the full Committee related to energy efficiency.

- **R. 4626, Don't Mess with My Home Appliance Act** (Rep. Rick Allen, R-GA) — Prohibits the Secretary of Energy from prescribing any new or amended energy conservation standard for a product that is "not technologically feasible and economically justified."
- **R. 3699, Energy Choice Act** (Rep. Nick Langworthy, R-NY) — Prohibits state and local governments from restricting energy connections based on fuel type.
- **R. 5184, Affordable HOMES Act** (Rep. Erin Houchin, R-IN) — Prohibits the Secretary of Energy from enforcing energy efficiency standards applicable to manufactured housing.
- **R. 4758, Homeowner Energy Freedom Act** (Rep. Craig Goldman, R-TX) — Repeals Inflation Reduction Act subsidies for home electrification.
- **R. 4690, Reliable Federal Infrastructure Act** (Rep. Nick Langworthy, R-NY) —Repeals certain federal building energy efficiency performance standards.
- **R. 4593, SHOWER Act** (Rep. Russell Fry, R-SC) — Revises the federal definition of a showerhead.
- **R. 1355, Weatherization Enhancement and Readiness Act of 2025** (Rep. Paul Tonko, D-NY) — Reauthorizes DOE's Weatherization Assistance Program through 2030.
- **R. 3474, Federal Mechanical Insulation Act** (Rep. Randy Weber, R-TX) — Clarifies that mechanical insulation qualifies as an energy-efficiency measure in federal buildings.

EPA Endangerment Finding Repeal Slips to 2026

Although EPA signaled in September that it planned to finalize its repeal of the 2009 endangerment finding by the end of 2025, multiple industry and former agency officials now anticipate a January 2026 release. The repeal is central to the administration's broader deregulatory agenda, eliminating the foundation underpinning Clean Air Act climate rules. Back in May, ML Strategies **wrote about** the potential fallout if the endangerment finding is rescinded.

Conclusion

ML Strategies continues to closely monitor the policy areas outlined above, along with broader developments in the energy sector. We welcome the opportunity to connect. Please feel free to reach out with any questions or to explore potential opportunities.

Authors



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John Lushetsky draws on over 30 years of experience in government and industry to help clients identify strategic opportunities, secure federal funding, and position innovative technologies for success within evolving energy and infrastructure policy landscapes. He has successfully helped clients navigate complex issues through a variety of federal agencies.



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Neal Martin brings more than two decades of experience in government and federal relations to his work, helping clients navigate a wide range of issues. He provides strategic guidance to organizations seeking to advance their legislative priorities and enhance their visibility before Congress and federal agencies.

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