

Washington Update: Sustainable Energy & Infrastructure — March 2026

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VIEWPOINT TOPICS

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In February, new legislation on advanced nuclear deployment, sweeping regulatory reversals at EPA, and new guidance on clean energy tax policy continued to solidify the administration's climate and energy strategy. Read on for a recap of the most significant activity from the past several weeks.

EPA Reverses 2009 Endangerment Finding, Setting Up Legal Challenges

In one of the most consequential regulatory shifts of the past decade, EPA has repealed the [2009 Endangerment Finding](#), the legal foundation for federal greenhouse gas regulation under the [Clean Air Act](#). The finding, issued in 2009 following the Supreme Court's decision in *Massachusetts v. EPA*, determined that greenhouse gases endanger public health and welfare and therefore fall within EPA's regulatory authority under the Clean Air Act. EPA justified the repeal by arguing that the Clean Air Act applies only to contaminants that directly harm public health through localized exposure — not globally dispersed greenhouse gases. The decision immediately voids Biden-era vehicle emissions standards and undermines federal authority to regulate climate pollution from major sectors including power generation and transportation.

The move has already triggered swift legal challenges from states, environmental groups, and industry stakeholders seeking regulatory certainty. Final resolution is expected to reach the Supreme Court, and because litigation is likely to span several years, no significant near-term changes are expected while the courts weigh the issue.

If the repeal is ultimately upheld, states may be forced to take a larger role in setting climate policy, potentially accelerating regional market-based programs like the Regional Greenhouse Gas Initiative and prompting new "climate Superfund" laws that assign liability for climate-related damages to high-emitting industries. Significant uncertainties remain, including whether California and other states will retain authority to set their own vehicle greenhouse gas standards in the absence of an EPA waiver.

Administration Launches "Project Vault" to Secure US Mineral Supply Chains

On February 2, President Trump [announced](#) the creation of [Project Vault](#), a \$12 billion mineral stockpile designed to protect US manufacturers from global supply disruptions and reduce reliance on China. Backed by a \$10 billion Export-Import (EXIM) loan and nearly \$2 billion in private-sector investment, this independently governed public-private partnership represents a transformative approach to strategic sourcing.

Rather than replicating traditional federal stockpile models, Project Vault is structured around OEM-driven, demand-based planning. OEMs identify the specific materials they need — along with required grades, volumes, and long-term commitments — and collectively invest to ensure supplies remain available during disruptions. The intent is to bring greater predictability to industrial supply chains, stabilize markets, and accelerate domestic mining, processing, and refining capacity. The stockpile will include all 60 minerals listed on the US Geological Survey's 2025 Critical Minerals [List](#).

Interior Secretary Doug Burgum heralded the initiative as EXIM's largest deal in history and emphasized its role in bolstering US national security. The administration also highlighted progress in forming a critical minerals "club" with strategic partners — including Australia, Japan, South Korea, Saudi Arabia, and Thailand — with additional member countries expected to join.

Meanwhile, the Department of War announced intent for a funding opportunity for critical minerals projects through the Defense Production Act Title III, to be released by the Defense Industrial Base Consortium. The Request for Project Proposals (RPP) will be executed through DoW's Other Transaction Authority for Research and Prototype Awards (10 U.S.C. 4021 and 4022), which is focused on early stages of development and innovation, including initial production. Full details are expected by the end of February.

Bipartisan Push for Advanced Nuclear Deployment

Sens. Jim Risch (R-ID) and Ruben Gallego (D-AZ) are preparing to introduce the bipartisan [Accelerating Reliable Capacity \(ARC\) Act of 2026](#), which would authorize up to \$3.6 billion to help cover cost overruns for at least three next-generation nuclear reactor projects. The bill would establish a new program within DOE's Office of Energy Dominance Financing (formerly the Loan Programs Office) to share costs above 20% of projected budgets, with federal support capped at \$1.2 billion per project and released only after a project is completed.

Senator Gallego has positioned the bill as both a competitiveness strategy and a market-risk reduction measure — framed around accelerating commercial deployment of advanced reactors and sustaining US leadership in nuclear innovation. The proposal is likely to become a central piece of Congress's nuclear agenda heading into the summer.

DOE Announces Geothermal Funding Opportunity

DOE [announced a funding opportunity](#) of \$171.5 million funding opportunity to advance next-generation geothermal development by supporting: (1) field-scale Enhanced Geothermal Systems (EGS) tests for electricity generation, and (2) exploration drilling to characterize and potentially confirm high-value geothermal prospects, with preference for previously unexamined geologic formations or locations. The solicitation currently includes two topic areas, with four additional areas expected to be released in the near future. Letters of Intent are due March 27, 2026, and full applications are due April 30, 2026.

DOE Taps New Under Secretary of Energy and Confirms EDF Director

President Trump nominated Kyle Haustveit to serve as Under Secretary of Energy, filling the role left vacant by the departure of Wells Griffith. A former petroleum engineer, Haustveit currently serves as Assistant Secretary for the Office of Hydrocarbons and Geothermal Energy, where he has been leading the administration's push to expand fossil fuel production.

The administration also confirmed Greg Beard to be the Director of the Office of Energy Dominance Financing. A former energy and natural resources investor at Apollo Global Management and bitcoin executive, Beard joined the office as a senior adviser last April and had been its acting Director over the last several months.

House Advances Key Legislation on Critical Minerals and Energy Efficiency

The House passed [H.R. 3617, the Securing America's Critical Minerals Supply Act](#), directing the Department of Energy (DOE) to continuously evaluate which minerals and energy resources are essential to US energy and national security and identify vulnerabilities in supply chains, including risks created by reliance on foreign imports and adversarial nations. The legislation reflects continued Congressional concern about US dependence on foreign mineral supply chains — particularly those dominated by China.

Sponsored by Rep. John James (R-MI), the bill also mandates the development of strategies to strengthen US supply chains by encouraging domestic production, supporting alternatives and substitutes, and advancing recycling and reuse technologies to reduce dependence on foreign sources. The bill now advances to the Senate for consideration.

The full House is also teeing up a vote in the next week on two bills aimed at repealing energy efficiency standards.

- **H.R. 4626, the Home Appliance Protection and Affordability Act**, would revise the process by which DOE issues or updates energy conservation standards, allowing petitions to amend or revoke standards that increase consumer costs, lack meaningful energy or water savings, are not technologically feasible, or render products commercially unavailable. The bill also adds new criteria for determining economic justification, institutes disclosure requirements for DOE meetings with entities linked to China or engaged in energy-restriction advocacy, and bars new standards for distribution transformers while permitting certain updates for clothes washers and dishwashers.
- **H.R. 4758, the Homeowner Energy Freedom Act**, would repeal several DOE programs, including home electrification rebates, contractor training grants, and assistance for state and local adoption of building energy codes — rescinding any unobligated funds associated with those initiatives.

Interior Revises NEPA Regulations

Meanwhile, the Department of the Interior **unveiled a final rule** that pulls back more than 80% of the agency's regulations tied to implementing the National Environmental Policy Act (NEPA), the federal government's primary environmental review statute. The final rule largely adopts a draft the agency released last summer, which was criticized for curbing public input and analysis of energy projects. The draft cut close to one-sixth of the agency's regulations implementing NEPA, instead switching most of the remaining rules to less-stringent guidelines. Interior included new sections in the final rule to designate lead agencies and codify procedures for federal, state, local, and tribal officials with special expertise to continue being involved in development of NEPA reviews. Among other things, the rule says that while public comment is still required when a federal agency begins an environmental impact statement on a project, agencies do not have to file a public notice in the *Federal Register* when they begin a less-intensive environmental assessment.

Treasury Issues Tax Credit Guidance

The administration released **interim guidance** outlining its planned regulations for implementing material-assistance restrictions under recently enacted law. The restrictions are expected to have significant implications for project developers as they evaluate supply chains and component sourcing. The notice details how taxpayers will calculate the *material assistance cost ratio* — the metric used to determine whether an energy project includes components from prohibited foreign entities.

Key elements of the guidance include:

- A temporary safe harbor methodology for near-term project planning.
- Preliminary calculation rules that will apply until Treasury publishes comprehensive tables.
- A roadmap for forthcoming rulemakings to define *prohibited foreign entities* and specify what constitutes *material assistance*.

Treasury indicated it will release full proposed regulations later this year, setting up a period of industry input and likely Congressional oversight.

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.