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Top Enviro Policy Developments From The First Half Of 2026

By **Gautama Mehta**

Law360 (July 14, 2026, 6:34 PM EDT) -- The first half of the year has seen the federal government seek to disclaim its ability to regulate the environment, arguing that its landmark 2009 finding that greenhouse gases endangered the public was based on an overstepping of its authority.

The Trump administration has also rolled back significant air quality rules pertaining to industrial emissions of hazardous chemicals like ethylene oxide, and to walk back regulations of forever chemicals in drinking water.

Here are five of the most significant developments in environmental policy and regulation so far this year:

Repeal of the Endangerment Finding

In February, the U.S. Environmental Protection Agency **repealed** its 2009 conclusion that allowed it to regulate greenhouse gases as pollutants under the Clean Air Act.

The agency's rationale in the final rule differed from the proposed version released in August 2025. Whereas the draft relied on criticism of the science underlying the endangerment finding — including a controversial report from a U.S. Department of Energy climate working group that a federal judge later found was unlawfully formed — the final rule relied mainly on the argument that the Clean Air Act did not give the agency the authority to regulate greenhouse gas emissions from new motor vehicles and engines.

The EPA said its authority was limited because the emissions reductions that result from its regulations alone could not make a dent in global temperatures.

The U.S. Supreme Court rejected a similar argument in its 2007, ruling in Massachusetts v. EPA that greenhouse gases fit the Clean Air Act's definition of a regulated air pollutant.

The discrepancy sets up a potential legal battle over the repeal. Coalitions of states and environmental groups have challenged the rescission in federal court.

Environmental experts say that the EPA's circumscribed interpretation of its Clean Air Act authority opens room for states to assume regulatory capabilities in the vacuum left by the federal government's retreat.

"Paradoxically, it could potentially breathe life into many of the ongoing climate change tort actions coming up through federal and state courts, since one of the primary defenses of the oil and power company defendants is that the Clean Air Act regulates greenhouse gases, and so this then preempts state law climate actions," said Jeremy Greenhouse, an environmental attorney at Fredrikson & Byron PA.

Proposed Repeal of PFAS Drinking Water Rules

In May, the EPA announced a proposal to rescind limitations it had established in 2024 on four types of forever chemicals in drinking water, and to allow water utilities to postpone compliance deadlines by two years for two other forever chemicals.

The agency said that the limits it proposed to repeal had been unlawfully set by the Biden administration and that it would review whether those chemicals should be regulated through another channel. It suggested that its review may result in more stringent PFAS rules.

The move may encourage states to set their own PFAS regulations and limits, as Minnesota has been doing, according to Greenhouse. The state has added PFAS monitoring provisions to stormwater permits and site-specific regulations to new industrial development, he said.

"The state is looking to the federal government and saying, okay, we just can't count on EPA to have these environmental justice protections in place on a national level," Greenhouse said. "So we're going to step up and do it ourselves."

Federal Air Pollution Limits

A powerful regulatory instrument to set limits on air pollutants emitted by certain industrial sources is the National Emission Standards for Hazardous Air Pollutants, or NESHAP, which the Biden administration updated in its final days.

Those updates have since been subject to rollbacks. In February, the EPA repealed a 2024 rule tightening emissions limits on mercury and air toxics from coal- and oil-fired power plants, restoring standards set in 2012. A month later, the agency proposed repealing a 2024 update to standards on emissions of ethylene oxide from commercial sterilization facilities.

The EPA sparked controversy not only with the rollbacks themselves, but also the legal rationales behind them, which critics say tied the agency's own hands by disclaiming its authority to regulate pollutants according to its most recent understanding of their health effects and industry standards.

"In pushing forward these exemptions and rollbacks, EPA has not only advanced unprecedented legal theories, but also hollowed out the scientific infrastructure that underpins health-based protections," said Adam Kron, a senior attorney at Earthjustice.

The repeal of the ethylene oxide rule was predicated on a **controversial reading** of the text of the Clean Air Act that allowed the EPA to claim it is only permitted one shot at reassessing the science underlying an air pollution limit, eight years after the first limit is set — even if new research into the pollutant shows that the old limits are insufficient.

In this case, the EPA's argument required it to ignore its own research, on which the 2024 update relied, demonstrating that ethylene oxide was 30 times as carcinogenic as was believed when the standard was first reviewed.

The repeal of the mercury and air toxics standards, known as the MATS rule, was premised on a different legal argument: that the health effects of lowering the emissions limits were insufficient to justify the extra costs imposed by the update.

The MATS rule repeal, which allowed coal plants to emit more than **twice as much mercury** as they could under the 2024 rule, prompted a **lawsuit** from 17 states, which has gone to the D.C. Circuit.

Endangered Species Make Way for Oil and Gas

In March, the Trump administration **granted** an unprecedented exemption from the Endangered Species Act to all oil and gas activities in the Gulf of Mexico, using a mechanism baked into the statute that allows a special committee to waive species protections that conflict with certain agency actions.

The Endangered Species Committee — widely known as the God Squad for its power to effectively grant life or death to species — had not been convened since 1992. The exemption was granted on the basis of a U.S. Department of Defense finding that ongoing environmental litigation could, if successful, jeopardize oil and gas drilling that was important for national security.

Environmental groups **challenged** the exemption in D.C. federal court, arguing that its blanket nature meant it didn't follow the narrow conditions permitted in the ESA for such waivers. In particular, they said the federal government had failed to identify an agency action that clashed with species protections, and that stripping all species protections could lead to the extinction of the endangered Rice's whale.

Offshore Wind Settlements

Although the Trump administration's efforts to shut down offshore wind farms by simply ordering them to stop work **ran aground** after judges ruled against it in five cases, the government has employed an unusual tool since March to achieve similar ends: the U.S. Department of the Treasury's Judgment Fund.

The administration has used the fund, which is for paying out settlements against the federal government, to strike buyout deals with offshore wind developers.

"These offshore wind settlements are really unprecedented," said Joanne Spalding, legal director of the Sierra Club. "The Trump administration is settling with offshore wind developers where they relinquish their leases; they get paid to then go and use that money to invest in fossil fuel infrastructure."

The moves present courts with the question of whether this use of these settlement funds as an ostensible policy instrument is permissible.

After the **first of these deals** was struck, in which French developer TotalEnergies was paid nearly $1 billion to cancel its New York and North Carolina wind projects on the condition that it invest the money in a liquefied natural gas project in Texas, seven states **sued** the administration in D.C. federal court.

The states took issue with the U.S. Department of the Interior's characterization of the payout as a settlement, arguing in their complaint that it was "not the result of a compromise settlement between adverse parties."

The DOI announced a **similar deal** with Invenergy in June, under which the American developer would be paid $765 million to terminate four offshore wind leases around the country and invest the money in gas plants and geothermal projects.

--Editing by Adam LoBelia.
