

Legal and Regulatory Considerations for the Energy Sector

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Recent court decisions and regulatory shifts have significantly altered the landscape for energy companies. The U.S. Supreme Court's narrowing of federal regulatory authority, heightened litigation risks, and state-level legal updates are reshaping compliance strategies. Companies must adjust quickly to navigate new uncertainties and regulatory frameworks.

This summary highlights the top five legal and regulatory considerations for the energy sector, based on recent developments discussed at [GableGotwals' Sixth Annual Energy Market Drivers and Current Legal Issues Seminar](#).

1. Greater Potential for Litigating Federal Regulations

Recent U.S. Supreme Court decisions, including *Loper Bright*, *Jarkesy*, and *Corner Post*, have opened the door to increased litigation over federal regulations.

- Regulated entities can now challenge older rules based on when an injury occurs, not when the rule was issued.
- Federal agencies may shift enforcement strategies to avoid risks tied to administrative proceedings.
- Companies must actively monitor and engage with ongoing litigation that could impact compliance obligations.

2. Importance of Public Comment in Rulemaking

The Court's decision in *Ohio v. EPA* highlights the elevated importance of strategic public comments during rulemakings.

- Failure by agencies to respond to substantive comments may provide grounds to overturn rules.
- Proactive and detailed public comments are now essential to preserving future legal challenges.

- Stakeholders should engage early and aggressively during the rulemaking process to shape final regulations.

3. **Reduced Deference to Agency Interpretations**

The end of *Chevron* deference following *Loper Bright* significantly changes judicial review standards.

- Courts must independently interpret statutes without defaulting to agency views.
- This shift increases legal uncertainty around regulations based on ambiguous statutes.
- Energy companies should closely evaluate the legal bases for regulations and prepare for more disputes about statutory interpretation.

4. **State-Level Developments Carry Increasing Weight**

With federal authority curtailed, states are asserting more influence over energy regulation, particularly in Oklahoma and Texas.

- Ongoing rulemaking updates are reshaping operational requirements.
- State-specific regulatory strategies must be prioritized alongside federal compliance plans.
- Monitoring state legal developments is critical to anticipating future challenges and opportunities.

5. **Business Courts and Judicial Trends in Energy States**

New court systems, such as the Texas Business Court and 15th Court of Appeals, are changing litigation dynamics. Several other states, like Oklahoma, are considering how to implement such court systems.

- Business courts are positioned to provide faster, more specialized handling of complex energy disputes.
- Judicial trends are increasingly focused on clear statutory interpretation and limiting agency discretion.
- Strategic venue selection and familiarity with new court procedures are becoming essential litigation tools.

The regulatory environment for the energy sector is entering a period of instability and recalibration. Companies should expect more challenges to regulations, less certainty around agency actions, and a greater need for proactive legal and regulatory engagement. Adapting to these changes with foresight and agility will be critical for long-term success.

If you have any questions, please contact any member of GableGotwals' [Energy, Oil & Gas team](#).



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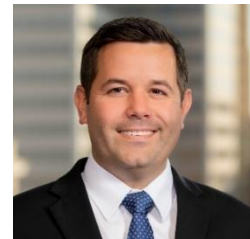
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