Deregulatory Power Play: EPA Targets Greenhouse Gas Endangerment Finding, Extends OOOOb/c Compliance Deadlines

By: Tim Sowecke, Win Colbert, and Tyler A. Self

July 31, 2025

Major developments in federal climate policy emerged this week from the U.S. Environmental Protection Agency ("EPA"). First, EPA Administrator Lee Zeldin proposed repealing the 2009 greenhouse gas ("GHG") endangerment finding, the legal foundation for federal climate regulation of vehicles, power plants, and the oil and gas sector. Closely following the announcement, EPA published an interim final rule extending key compliance deadlines under the Clean Air Act's ("CAA") New Source Performance Standards ("NSPS") Subparts 0000b/c for the oil and gas industry. Together, these actions underscore a significant shift in federal climate regulation, with immediate implications for regulated sectors and long-term implications for federal climate strategy.

Repeal of EPA's Greenhouse Gas Endangerment Finding

On <u>July 29, 2025</u>, Administrator Zeldin unveiled <u>a proposed rule</u> to repeal the agency's landmark 2009 endangerment finding that GHGs "threaten public health and welfare," along with all downstream vehicle emissions standards based on that finding. In its preamble, EPA offers three alternative legal rationales for repeal: (1) that Section 202(a) of the CAA never authorized climate-driven standards; (2) that the original science "unreasonably analyzed" GHG harms; and (3) that no available vehicle technology can meaningfully curb global-scale climate risks without imposing greater public health harms.

Administrator Zeldin announced this pivotal move at an auto dealership in Indiana, joined by U.S. Secretary of Energy Chris Wright, Indiana Governor Mike Braun, Indiana Attorney General Todd Rokita, U.S. Representative Jim Baird (R-IN-04), Indiana Secretary of Energy and Natural Resources Suzanne Jaworowski, and the Indiana Motor Truck Association. Following publication of the proposed rule in the Federal Register, EPA will accept public comments until September 21, 2025, with a final rule anticipated by the end of 2025.

Key Impacts on Power, Oil & Gas, and Utilities

Power-Sector Rules: The endangerment finding underpins CAA Section 111 standards for both new and existing power plants. Its removal would strip—or at least severely limit—the

EPA's legal foundation for future source-specific carbon limits (e.g., clean-energy performance standards), injecting regulatory uncertainty into long-term resource planning.

Oil & Gas Methane Controls: Current leak-detection and flaring restrictions hinge on GHG pollutant status. Repeal of the finding could delay or dismantle these federal requirements (e.g., New Source Performance Standards 0000b/c). This would reduce near-term capital expenditure, but companies must still grapple with robust state-level rules, investor ESG mandates, and potential lawsuits asserting continued liability for methane emissions.

Utility Capital Planning: Many utilities embed GHG-reduction forecasts in budgets for renewables, storage, and grid hardening. A rollback may lower projected compliance costs and reshape Integrated Resource Planning ("IRP"), but could undermine access to low-cost, "green" financing and expose companies to reputational risk amid market-driven decarbonization.

The proposed rule marks a fundamental shift in EPA's climate authority, potentially chilling federal climate action while amplifying the role of state regulation, markets, and private commitments. Stakeholders should track the rule's progress, recalibrate compliance roadmaps, and weigh engagement in EPA's rulemaking docket to protect interests.

Extension of NSPS Quad Ob/c Compliance Deadlines

On <u>July 31, 2025</u>, EPA published its <u>interim final rule</u>, effective immediately, extending certain compliance deadlines under the CAA's NSPS Subparts 0000b/c, applicable to new, modified, and reconstructed sources in the crude oil and natural gas sector.

The rule provides an 18-month extension for key requirements related to control devices, equipment leaks, storage vessels, process controllers, and covers/closed vent systems, including the requirement for continuous pilot flames on flares and enclosed combustion devices ("ECDs") and corresponding alarm systems triggered by flame outages. For continuous monitoring of the "vent gas net heating value" ("NHV") of flares and enclosed combustion control devices, the extended deadline is 120 days after publication.

It also delays by 18 months implementation of the Super-Emitter Program — the third-party methane detection and response program to identify large emission events from oil and gas facilities using remote sensing technologies. EPA cites the need to review the underlying technical data. During the extension, the agency will pause review of technology approval requests under the program.

In addition, the rule extends by 18 months the deadline for states to submit state implementation plans ("SIPs") under Subpart 0000c, moving the original March 9, 2026, deadline to September 2027.

EPA invoked the Administrative Procedure Act's ("APA") "good cause" exception to bypass notice-and-comment, citing urgent feasibility concerns raised by stakeholders regarding technology deployment and related compliance and enforcement concerns. We previously examined issues related to the use of the "good cause" exception in Fast-Tracking Deregulation: The Risks of Bypassing Notice and Comment (May 12, 2025), available here.

Still, EPA is providing for post-promulgation comments, due by September 2, 2025, and challenges must be filed in the D.C. Circuit by September 29, 2025.

Conclusion and Takeaways

Taken together, EPA's proposed repeal of the endangerment finding and its extension of NSPS compliance deadlines mark a profound shift in the federal climate regulatory landscape. By questioning the legal and scientific basis for regulating greenhouse gases, EPA is poised to narrow its own authority under the CAA. Stakeholders, particularly in regulated industries, should closely monitor these developments, as these changes will impact compliance planning, capital investment strategies, and risk management considerations.

GableGotwals attorneys <u>Tim Sowecke</u>, <u>Win Colbert</u>, and <u>Tyler Self</u> stand ready to assist clients in monitoring developments, crafting effective comments, and adapting compliance strategies. Our <u>Environmental & Natural Resources Law</u> and <u>Administrative & Regulatory Law</u> practice groups would welcome the opportunity to support your team through each phase of this evolving regulatory landscape.



Tim Sowecke 405-568-3308 tsowecke@gablelaw.com



346-200-6439 wcolbert@gablelaw.com



1yler A. Self 405-235-5589 tself@gablelaw.com

This article is provided for educational and informational purposes only and does not contain legal advice or create an attorney-client relationship. The information provided should not be taken as an indication of future legal results; any information provided should not be acted upon without consulting legal counsel.