

Politics & Policy: 2025 Outlook

Paul Gutierrez
Legislative Affairs Director

Today's Discussion

The Current State of Play

- Trump Administration
- Congress
- Industry

How is NRECA meeting the moment?

The Current State of Play

Overview

Considerations

President Trump has an ambitious agenda

The landscape is very fluid and evolving

Economy, inflation and consumer confidence are top-of-mind

GOP Trifecta **BUT** legislating in a narrowly divided Congress is challenging

Legislative Paralysis = Executive Action



The Current State of Play

Trump Administration

Regulatory State of Play

Policymaking via executive order – Signed 165 EOs and Rescinded 78 vs. 5 bills signed into law and 6 Resolutions

Policy aspiration tempered by agency bandwidth constraints

Evolving decision-making

Co-op service territory is a political strength

We're at the table



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Aggressive Early Action

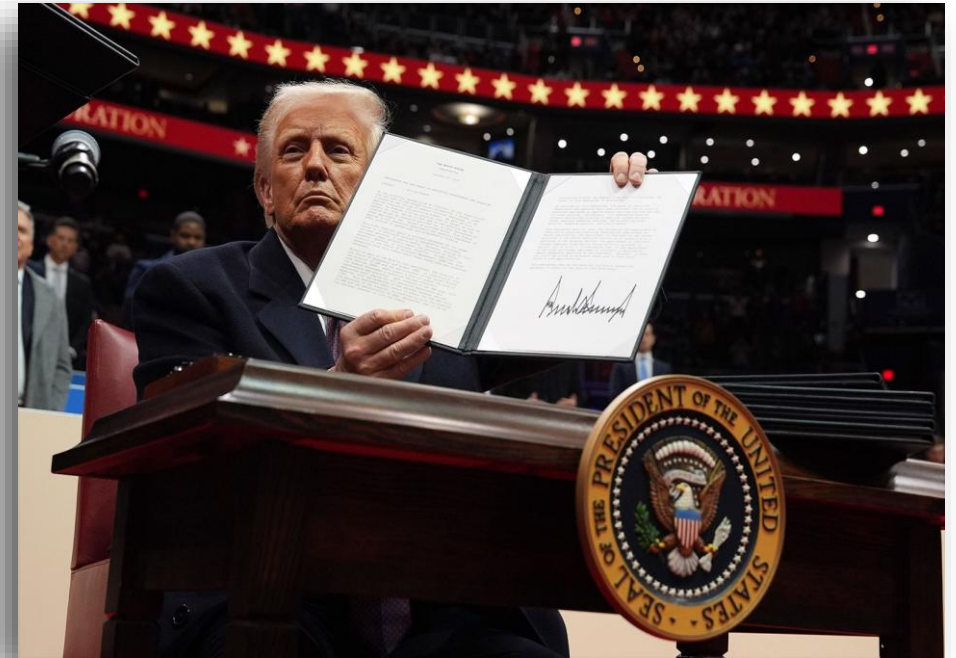
Transition team was busy
behind the scenes

Strategy was ready to execute
on January 20

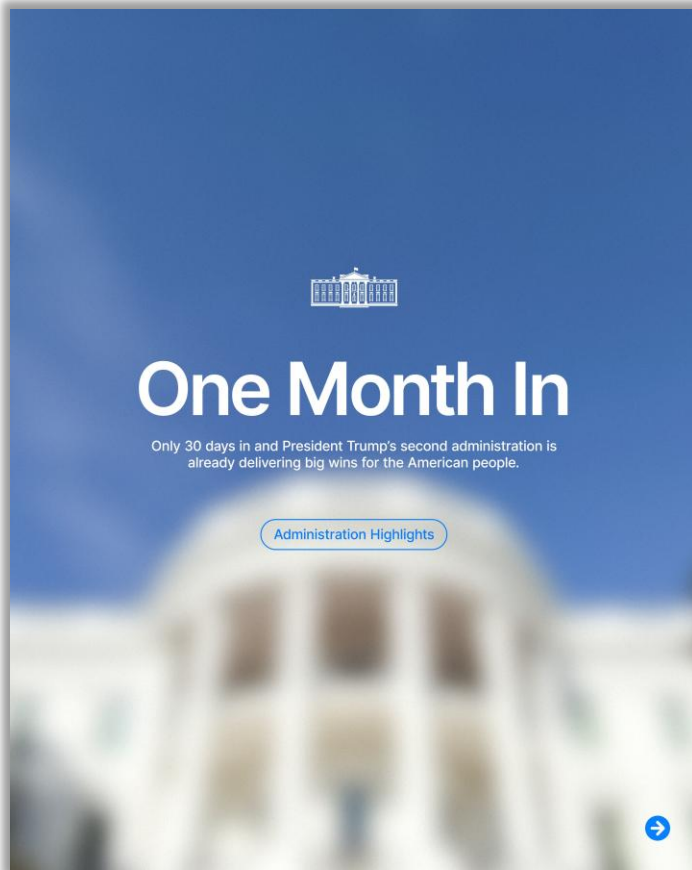
Presidential action was swift

DOGE is the “agency” for
change

- Pause on Spending
- Workforce Reductions
- Waste, Fraud and Abuse



Presidential Activity: The First 50 Days



Executive Orders

Memoranda

Proclamations

Evaluation

Key Executive Orders



Unleashing American Energy

90-day pause of disbursement of funds appropriated through IRA and IIJA

Implementing the President's Department of Government Efficiency Initiatives

Agencies to review existing grants and loans with DOGE by 3/28

Ensuring Lawful Governance and Implementing the President's Department of Government Efficiency Deregulatory Initiative

Executive Orders

Objective: Show Immediate Results on Campaign Promises

Executive Orders Can...

- Halt a federal agency's implementation of a rule pending further review
- Provide direction and guidance to federal agencies
- Be rescinded or amended by future presidents

Executive Orders Cannot...

- Undo existing rules without taking the time to implement a formal notice-and-comment rulemaking process
- Repeal laws
- Carry out policy if Congress blocks funding of that policy

26 Executive Orders on Day 1

**Featuring a Strong
Emphasis on Energy**

Declaring a National Energy Emergency

Unleashing American Energy

Regulatory Freeze Pending Review

**Pausing Offshore Wind Leasing and Reviewing Federal Leasing
and Permitting of Wind Projects**

Unleashing Alaska's Extraordinary Resource Potential

**Delivering Emergency Price Relief for American Families and
Defeating the Cost-of-Living Crisis**

Regulatory Reset



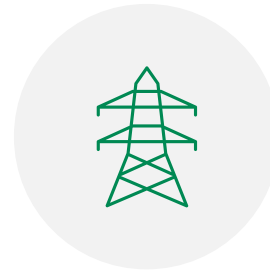
Trump Administration Priorities



**Unleash American
Energy**



**Deregulation and
Repeal/Replace
Environmental
Regulations**



Streamline Permitting



Agency Reform

EPA Deregulatory Announcement

On March 12, EPA announced they are reconsidering 31 Biden-era regulations, includes all of the major rules aimed at reducing always available generating assets

- Power Plant Rule
- Legacy Coal Ash Rule
- Mercury and Air Rule
- Power Plant Wastewater Rule
- Ozone Transport Rule

On top of these rules, other actions being reconsidered include WOTUS, Regional Haze, and particulate matter standards – all of which also affect the electric utility sector

All of these reconsiderations must go through the lengthy notice-and-comment rulemaking process – this announcement is just the beginning of unwinding these rules

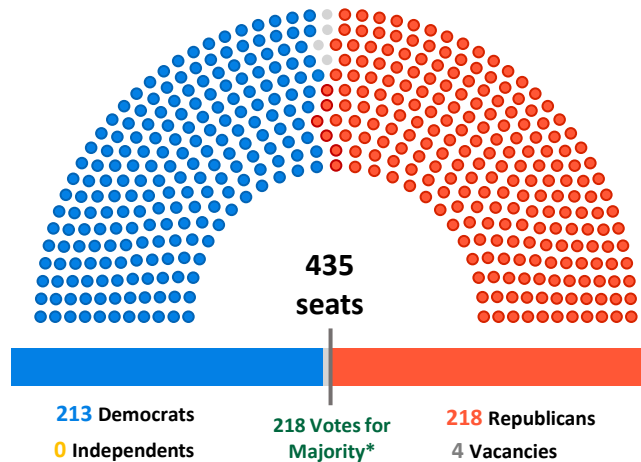
The Current State of Play

Congress

Composition of the 119th Congress

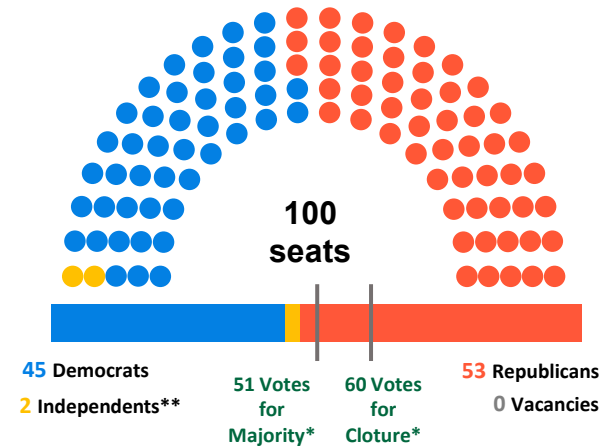
■ Democrat ■ Republican ■ Vacant

HOUSE



Vacancies: AZ-7, FL-1, FL-6, TX-18

SENATE



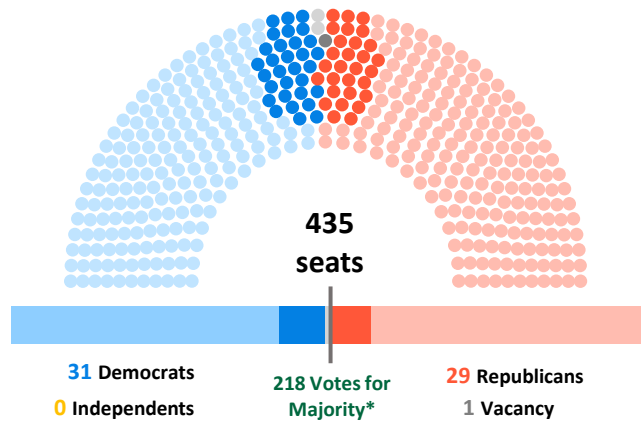
*If no vacancies and all members vote

**Sens. Sanders (VT) and King (ME) caucus with the Democrats

Composition of the 119th Congress: Freshmen Members

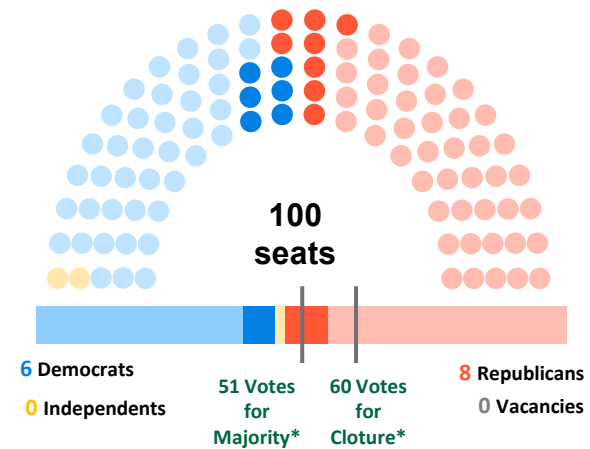
■ Democrat ■ Republican ■ Independent ■ Vacant

HOUSE



Vacancies: TX-18

SENATE

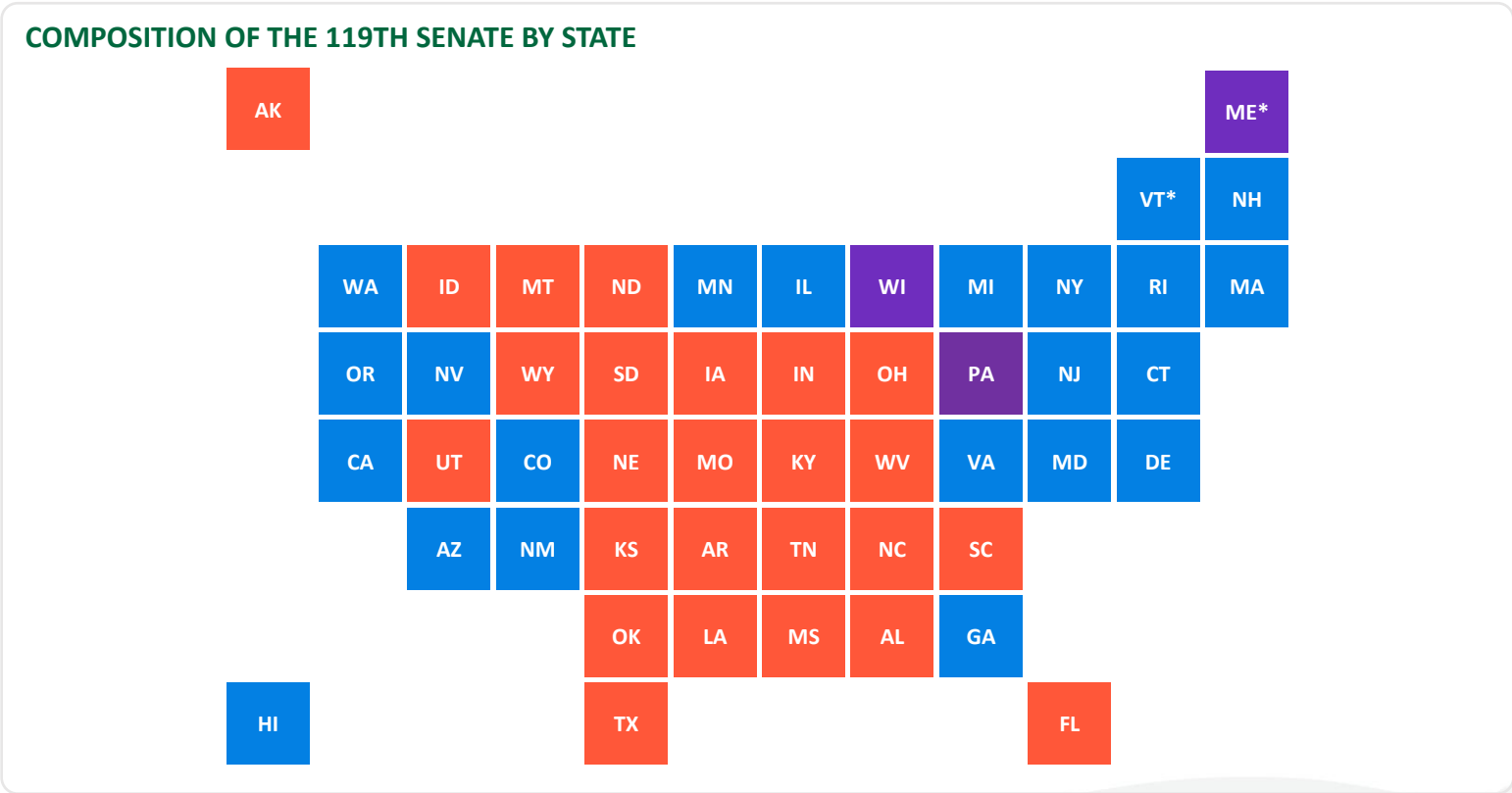


*If no vacancies and all members vote

**Sens. Sanders (VT) and King (ME) caucus with the Democrats

Three States Currently Have Split Senate Delegations

■ 2 Democrats ■ 2 Republicans ■ 1 Democrat/Independent, 1 Republican



**Sens. Sanders (VT) and King (ME) caucus with the Democrats

2025 Congressional Calendar

■ Both chambers in session ■ House only in session ■ Senate only in session ■ Federal holiday

January

		1	2	3	4
5	6	7	8	9	10
12	13	14	15	16	17
19	20	21	22	23	24
26	27	28	29	30	31

February

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March

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30	31				

April

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20	21	22	23	24	25
27	28	29	30		

May

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June

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15	16	17	18	19	20
22	23	24	25	26	27
29	30				

July

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13	14	15	16	17	18
20	21	22	23	24	25
27	28	29	30	31	

August

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17	18	19	20	21	22
24	25	26	27	28	29
31					

September

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28	29	30			

October

			1	2	3
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19	20	21	22	23	24
26	27	28	29	30	31

November

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30					

December

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7	8	9	10	11	12
14	15	16	17	18	19
21	22	23	24	25	26
28	29	30	31		

SOURCE Office of Personnel Management, Roll Call.

PRESENTATION CENTER 12/12/24

119th Congress outlook: Taxes

KEY PRIORITIES IN THE 119TH CONGRESS



Extending provisions of the Tax Cuts and Jobs Act: A number of tax provisions in the Tax Cuts and Jobs Act are projected to expire at the end of 2025



Standard deduction: The expiration of the Tax Cuts and Jobs Act will lead to a reduction in the size of the standard deduction unless Congress acts



SALT deduction: The \$10,000 limit of State and local tax deduction will expire if Congress does not act to extend the cap



Child tax credit: The Child Tax Credit will be reduced to \$1,000 per child unless Congress increases the amount

KEY DEADLINES TO WATCH

Changes to standard deduction	Expires Dec. 31, 2025
Cap on SALT deduction	Expires Dec. 31, 2025
Changes to the child tax credit	Expires Dec. 31, 2025
Changes to the marginal tax rate	Expires Dec. 31, 2025

COMMITTEE LEADERSHIP

HOUSE

Ways and Means



Jason Smith (R-MO-8)



Richard Neal (D-MA-1)

SENATE

Finance



Mike Crapo (R-ID)



Ron Wyden (D-OR)

SOURCE Congress, Brookings, CRS, Plurus Strategies.
PRESENTATION CENTER 3/20/25

119th Congress outlook: Agriculture

KEY PRIORITIES IN THE 119TH CONGRESS



Farm Bill reauthorization: Congress extended the 2018 farm bill through FY2025. With control of Congress, GOP-friendly amendments will have an easier time passing



Crop insurance reform: Project 2025 proposes eliminating the Agricultural Risk Coverage and Price Loss Coverage programs, though GOP senators are calling for increased premium subsidies



Lowering food costs: A high priority for the new executive branch and a promise of the Trump campaign, despite multiple outstanding bills on food security in the 118th



Labor reform: Proposed caps on the H-2A program, which provides visas for seasonal agriculture workers

KEY DEADLINES TO WATCH

Farm Bill	Expires Sept. 30, 2025
Conservation Reserve Program	Expires Sept. 30, 2025
Dairy Margin Coverage Program	Expires Sept. 30, 2025

COMMITTEE LEADERSHIP

HOUSE

Agriculture



Glenn Thompson (R-PA-15)



Angie Craig (D-MN-2)

SENATE

Agriculture, Nutrition, and Forestry



John Boozman (R-AR)



Amy Klobuchar (D-MN)

SOURCE Congress, AgriPulse, OpenSecrets, Center for American Progress, Radio Bilingue, USDA.
PRESENTATION CENTER 3/20/25

119th Congress Outlook: Energy and Environment

KEY PRIORITIES IN THE 119TH CONGRESS



Repealing or reappropriating funding for the Inflation Reduction Act: Efforts on behalf of the new administration to repeal the IRA in part or entirely would require broad congressional support; however, IRA projects popular in Republican districts would face opposition



Ending emissions regulations on the auto industry: Repeal emissions regulations on automobile manufacturers and end electric vehicle subsidies



Energy permitting reform: Cut permitting delays to remove much of the environmental review process

KEY DEADLINES TO WATCH

Investment and Production tax credits switched to a tech-neutral approach

Dec. 31, 2024

Dairy and farm commodity programs expire, putting “permanent law” in effect

Oct. 1, 2025

COMMITTEE LEADERSHIP

HOUSE

Energy and
Commerce



Brett Guthrie
(R-KY-2)



Frank Pallone
(D-NJ-6)

Natural
Resources



Bruce Westerman
(R-AR-4)



Jared Huffman
(D-CA-2)

SENATE

Energy and
Natural
Resources



Mike Lee
(R-UT)



Martin Heinrich (D-NM)

SOURCE Congress, CRS, USDA, US Treasury.
PRESENTATION CENTER 3/20/25

119th Congress Outlook: Transportation and Infrastructure

KEY PRIORITIES IN THE 119TH CONGRESS



Deregulating aviation industry: A GOP majority in Congress will most likely seek to roll back consumer protections (such as fee transparency) and industry competition (such as mergers)



Surface transportation reauthorization: Congress will push to reauthorize legislation that modernizes highway and railway infrastructure (especially in rural states)



Railroad safety: Congress could focus on rail safety legislation, as Vice President JD Vance previously led the push for The Railway Safety Act of 2023



Electric incentive rollbacks: Congress might support Trump in his efforts to reverse emission requirements in the transportation industry

KEY DEADLINES TO WATCH

Surface Transportation Reauthorization Act	Expires Sept. 30, 2025
Fixing America's Surface Transportation Act	Expires Sept. 30, 2025

COMMITTEE LEADERSHIP

HOUSE

Transportation
& Infrastructure



Sam Graves (R-MO-6)



Rick Larsen (D-WA-2)

SENATE

Commerce, Science
and Transportation



Ted Cruz (R-TX)



Maria Cantwell (D-WA)

SOURCE Congress., Axios, CNN, Crowell, LSN Partners, ML Strategies, National Association of Counties, Senator JD Vance.
PRESENTATION CENTER 3/20/25

Monthly Policy Look-Ahead

TRADE TARIFFS

BACKGROUND

- On March 4, 2025, Trump implemented 25% tariffs on Mexican and Canadian goods along with new duties on Chinese imports

WHAT TO WATCH

- Trump has indicated that more tariffs, including “reciprocal tariffs”, would be implemented on April 2
- Mexico, Canada, and China have all vowed retaliation with China announcing 10%-15% additional tariffs on US imports and Canada threatening tariffs on C\$125 billion worth of US imports if the tariffs remained in place after 21 days
- Expect continuing price increases on foreign agricultural products

CRYPTOCURRENCY REGULATION

BACKGROUND

- The SEC concluded several lawsuits against crypto firms, including Gemini, Uniswap, OpenSea, and Coinbase
- The dismissal of these cases is aligned with the Trump administration’s pledge to be friendlier to the crypto industry

WHAT TO WATCH

- The Senate voted to pass two measures that will limit crypto regulations the industry considered to be overly burdensome
- While the Trump administration hopes to be friendlier on crypto, the measures to limit crypto regulation passed the Senate 70-27, illustrating bipartisan support

EPA SCOTUS RULING

BACKGROUND

- On March 4, the Supreme Court ruled 5-4 in *City and County of San Francisco v. Environmental Protection Agency*, determining that the EPA overstepped its authority under the Clean Water Act by imposing vague provisions in permits

WHAT TO WATCH

- The EPA is now responsible for explicitly defining compliance measures in National Pollutant Discharge Elimination System (NPDES) permits
- The decision may slow the EPA’s ability to issue permits, particularly general permits relied on by businesses, as the agency may now need to impose individualized conditions for each permittee

SOURCE Axios, CBS, Nossaman, Reuters, Washington Post.
PRESENTATION CENTER 3/6/25

Upcoming Legislative Deadlines (2/2)

TOPIC	DEADLINE	DESCRIPTION
Spending caps restrictions	September 30, 2025	Discretionary spending caps from the Fiscal Responsibility Act will expire
Farm bill	September 30, 2025	The December 2024 continuing resolution extended the current farm bill by one year; programs with mandatory funding expire at the end on September 30; SNAP and discretionary programs can continue through appropriations, farm commodity and dairy support programs expire on January 1, 2026
FY2026 appropriations	September 30, 2025	FY2026 appropriations or a continuing resolution must be passed to avoid a government shutdown when the fiscal year ends
TCJA Individual Tax Cuts	December 31, 2025	Key provisions will revert to pre-2017 levels on December 31, including lower standard deductions, higher tax rates, unlimited SALT deductions, reduced credits, and fewer exemptions
Expanded ACA Subsidies	December 31, 2025	The Inflation Reduction Act extended expanded ACA subsidies for three years, lasting through 2025

SOURCE Committee for a Responsible Federal Budget, AP News, Congress.

PRESENTATION CENTER 2/13/25

Policy Look-Ahead: Energy and Environment

NEPA ROLLBACKS

BACKGROUND

- The Council on Environmental Quality (CEQ) published an interim final rule repealing all of its NEPA implementing regulations, effective April 11, 2025

WHAT TO WATCH

- Agencies could make minor adjustments or completely overhaul their NEPA review processes, creating potential inconsistencies in environmental review processes and uncertainty in permitting timelines
- Potential legal challenges against CEQ's authority in issuing binding regulations
- CEQ's response to public comments submitted by March 27, 2025

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ENERGY POLICY & SPENDING SCRUTINY

BACKGROUND

- President Trump issued an EO establishing a National Energy Dominance Council
- The House Energy and Commerce Subcommittee held a hearing examining the Biden administration's energy and environment spending
- EPA head Lee Zeldin requested an IG investigation into the management of the Greenhouse Gas Reduction Fund

WHAT TO WATCH

- Industry participants should anticipate rapid changes in energy infrastructure, incentives, and regulatory directives
- Agencies or companies that received DOE and EPA funding should prepare for heightened congressional and OIG scrutiny

SOURCE Womble Bond Dickinson, Federal Register, Harvard, CBS News, Nossaman, Morgan Lewis, JD Supra.
PRESENTATION CENTER 3/4/25

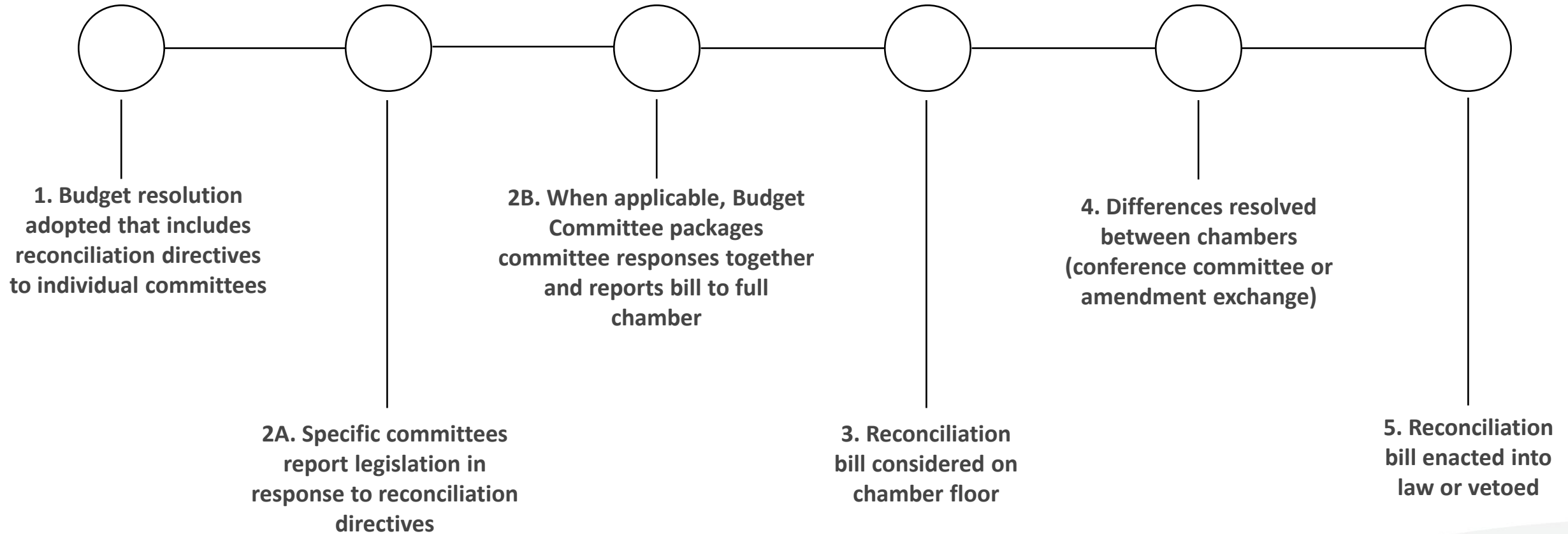
What Will Congress Do?

Big campaign promises will require Congressional involvement

- Congress will focus on implementing the President's agenda
 - Immigration and Border Security
 - Taxes & Spending
 - Energy
 - Funding the Government



What is Budget Reconciliation?



Coop Issues of Focus for Reconciliation

Tax:

- Elective Pay
- Energy-Specific Incentives
- Proposed Transmission Incentive
- Protection of Tax Status

Energy Policy

- Federal Lands Access
- Permitting (germaneness)
- Regulatory Reset (germaneness)

USDA

- RUS Loan Programs
- Guarantor Program
- Rural Development Programs

Coop Grants Programs

- New ERA/PACE
- DoE Grants

Broadband

- BEAD
- ReConnect

Potential Challenges For the GOP



Public Opposition

- Public opinion against unpopular proposals could impede GOP progress in Congress. Economic Uncertainty as an anchor.



Republican Divisions

- GOP divisions may affect priorities, ability to move legislation

Uncertainties and Head-Winds



Impact of Federal Workforce Reductions



Duration of Federal Funding Pause



Tariffs: Impact on Supply Chain and Power Supply



Funding the Government

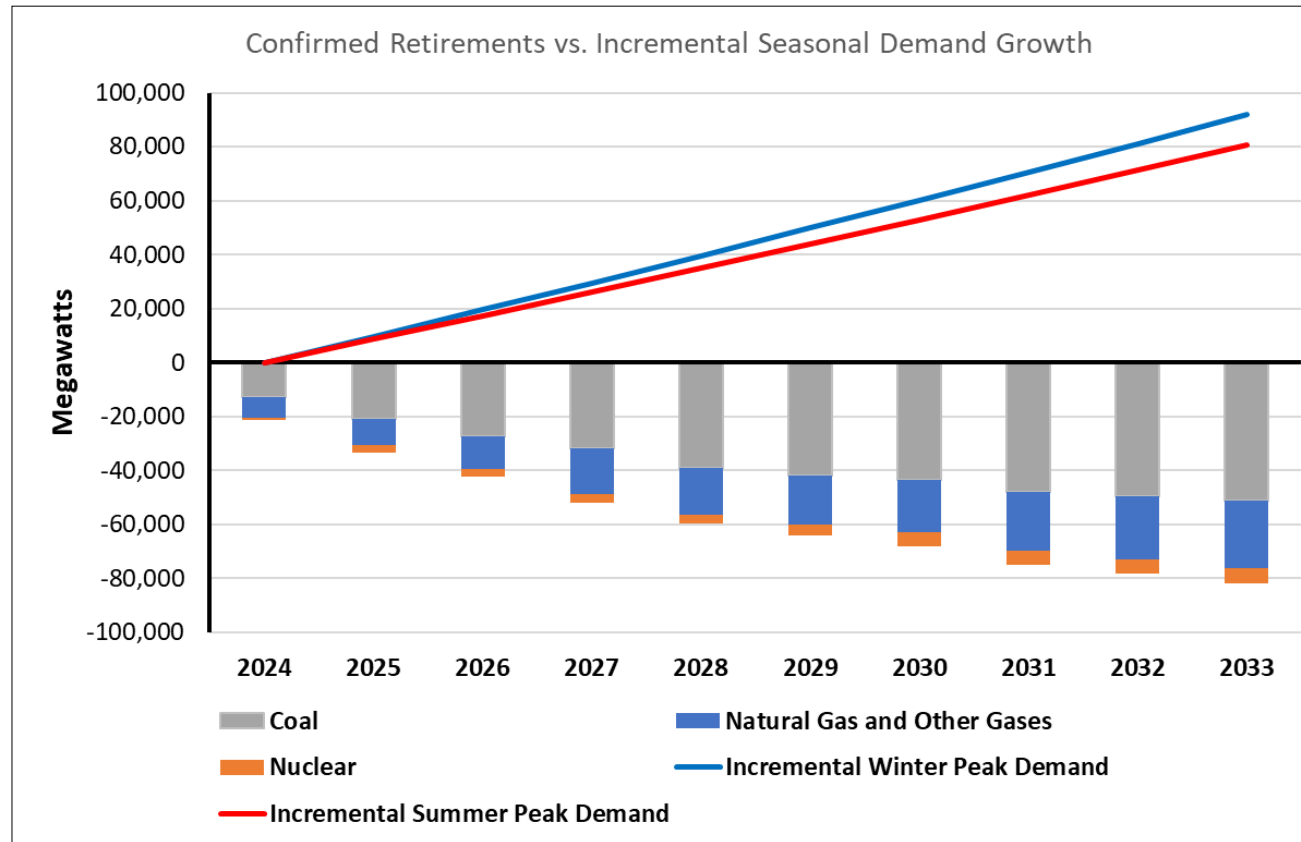


Congress' Ability to Pass Legislation

The Current State of Play

Industry

Increasing Demand, Decreasing Dispatchable Power



How is NRECA Meeting the Moment?

Our Approach

Be Bold

Provide Thoughtful Ideas

Be Creative

Defend Incentives and Grants

NRECA Fundamentals: What Role Do We Play?



Increase understanding of America's electric cooperatives and our priorities



Tell our story about the cooperative business, emphasizing how cooperatives serve their communities

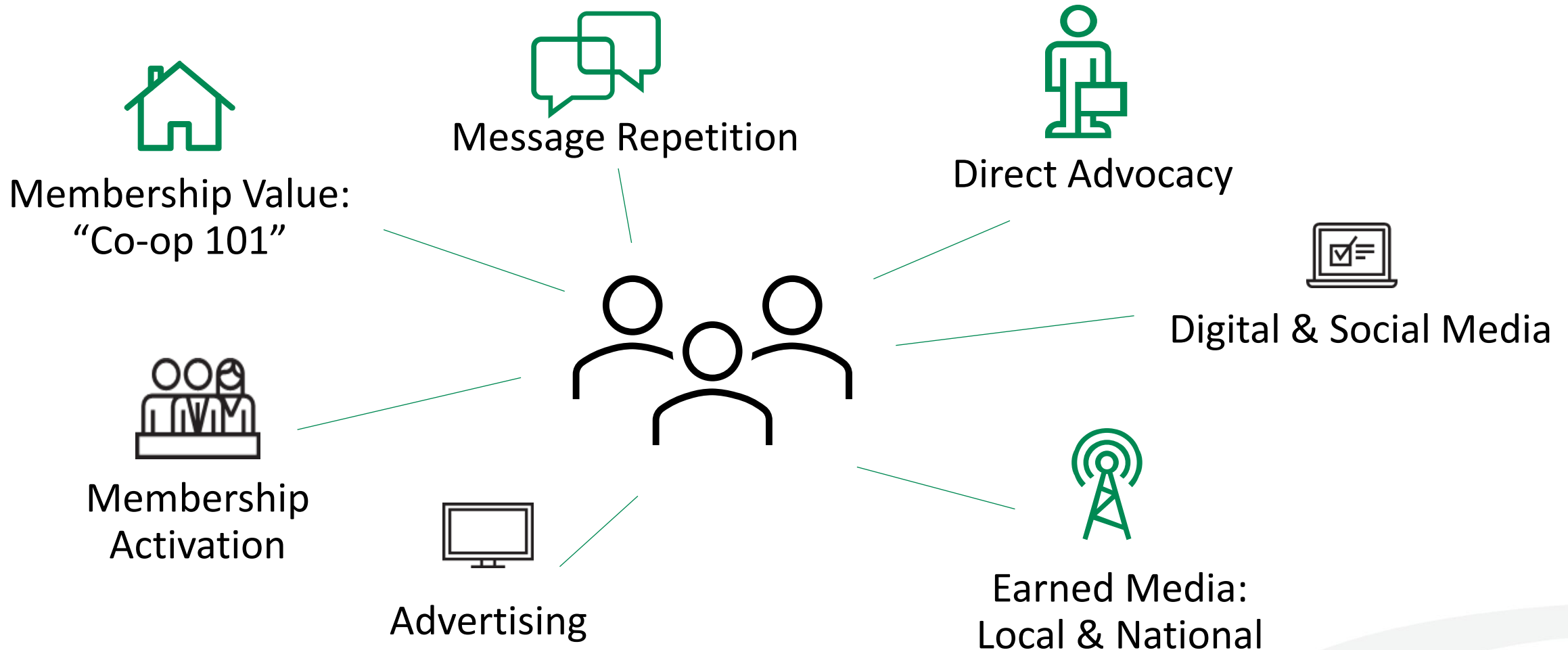


Defend critical programs, policies, and rules for cooperatives

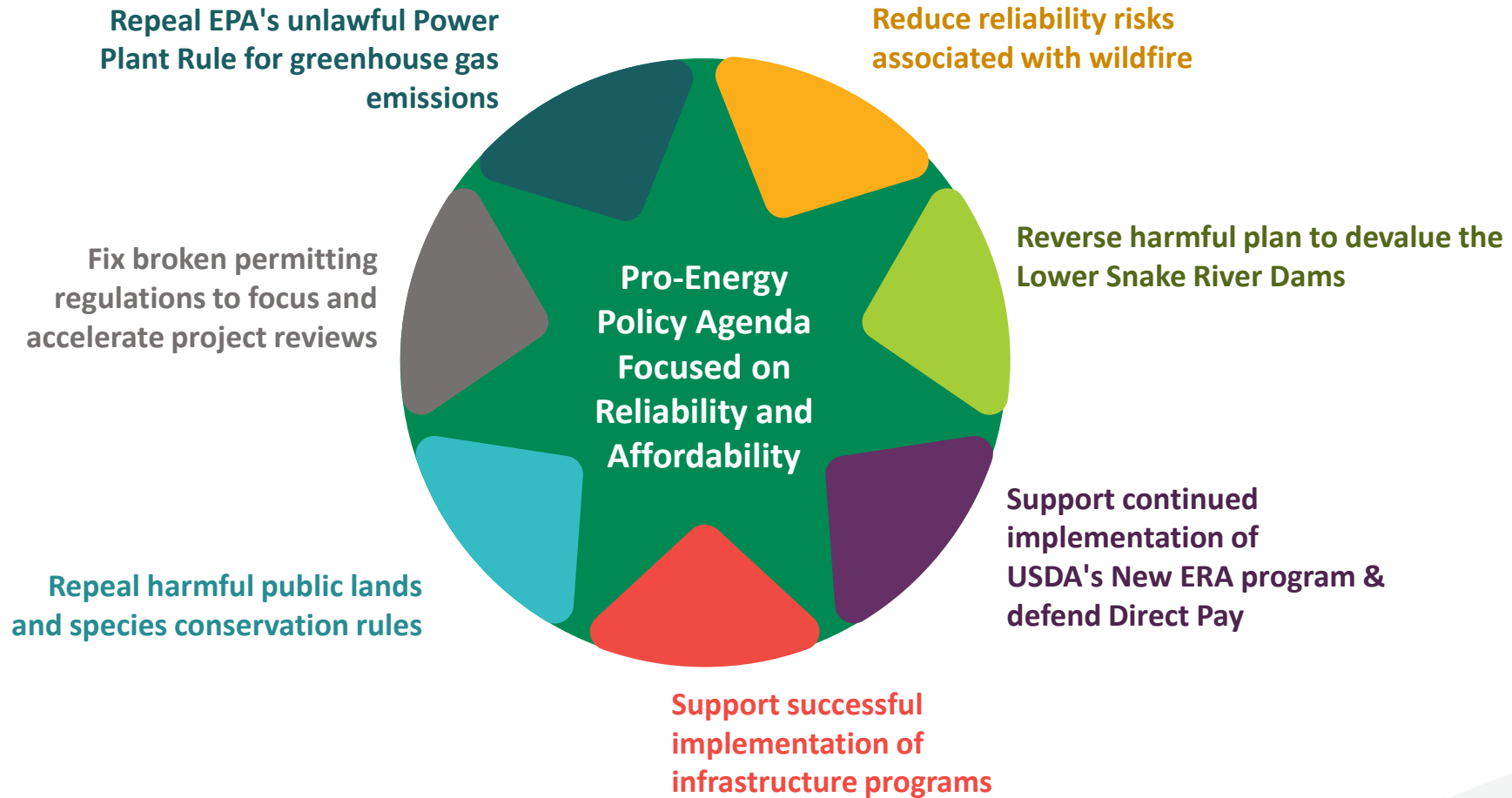


Highlight Needed Changes in policy because of the impact on affordable, reliable power

Elements of Our Advocacy



NRECA's Advocacy Priorities



Ozone Transport Rule

Legacy Coal Ash Ponds Rule

Power Plant Rule

Waters of the US Rule

Power Plant
Wastewater Rule

BLM Conservation
Rule

Lower Snake River
Dam MOU

Broadband Mapping

Land Management
Agency Strict Liability
Rules

National Environmental
Policy Act

BEAD Implementation

Digital Discrimination

Mercury and Air
Rule

Endangered Species
Act Rules

Reconciliation

Farm Bill

House Reliability Bills

Budget and
Appropriations

Fix Our Forests

Permitting

Recissions

Broadband Mapping

Broadband

FEMA

Meeting the Moment With Smart Tactics



Letter to the President-Elect



Jim Matheson
Chief Executive Officer

December 4, 2024

President Donald J. Trump
Presidential Transition Office
The Mar-a-Lago Club
1100 South Ocean Blvd.
Palm Beach, FL 33480

Dear President Trump:

On behalf of the nearly 900 not-for-profit electric cooperative members of the National Rural Electric Cooperative Association (NRECA), I write to offer sincere congratulations on your election as 47th President of the United States and to urge your administration to take actions that will ensure electric cooperatives can fulfill their mission of delivering affordable, reliable, and safe electricity.

America's electric cooperatives comprise a unique sector of the electric industry. These not-for-profit entities are independently owned and governed by the people they serve. From growing exurban regions to remote farming communities, electric cooperatives provide power to 42 million Americans across 48 states. They serve 56 % of the land in the United States, that is primarily residential and typically sparsely populated. Those characteristics make it comparatively more expensive for electric cooperatives to operate than the rest of the electric sector, which tends to serve more compact, industrialized, and densely populated areas.

Locally, co-ops are focused on powering and empowering their communities. Nationally, electric co-ops are focused on advocating for smart energy policies that keep the lights on. This includes supporting a diverse supply of always available energy resources and pressing for solutions to meet skyrocketing electricity demands at a cost local families and businesses can afford.

Our nation is at an energy crossroads. And your leadership in our nation's energy policy is more critical than ever.

As our nation increasingly relies on electricity to power the economy, keeping the lights on has never been more important - or more challenging. Over the next five years, the North American Electric Reliability Corporation forecasts that all or parts of several states from North Dakota to Louisiana are at high risk of rolling blackouts during normal peak conditions. Flawed public policies that force the premature closure of existing power plants are a big reason why. This problem is compounded by the rapid growth of data centers in rural areas – some forecasts project data centers will consume 9% of all US electricity generation by 2030.

We stand ready to support the Trump administration in swiftly implementing a pro-energy policy agenda with a focus on affordability and reliability for American families and businesses. The highest priority actions your administration can take include:

Detailed Policy Roadmaps to Agencies



Protecting Co-op Interests From Day One



EPA

- Repeal the Power Plant Rule



DOE

- Get IIJA dollars flowing



USDA

- Protect NEW ERA and PACE
- Protect RUS loan program



FEMA

- Protect FEMA, ID areas for reform

FEMA



Other

- Permitting – ID projects
- Workforce reduction
- Tariffs
- Low Income Home Energy Assistance Program (LIHEAP)

Early Meetings With the Trump Cabinet



NRECA: The First 100 Days





Vernon "Buddy" Hasten, president and CEO of Arkansas Electric Cooperative Corp./Arkansas Electric Cooperatives Inc., testifies at a Feb. 11 House Transportation and Infrastructure subcommittee hearing on Clean Water Act permitting and project delivery. (Photo By: Jerry Mosemak/NRECA)



Todd Brickhouse, CEO and general manager of Basin Electric Power Cooperative, testifies about energy policy before the House Energy and Commerce Subcommittee on Energy. (Photo By: Denny Gainer/NRECA)



Chris Jones (second from right), president and CEO of Middle Tennessee Electric, testifies before the House Homeland Security Committee about the obstacles that rural electric co-ops face in recruiting cybersecurity professionals. (Photo By: Denny Gainer/NRECA)



NRECA CEO Jim Matheson, speaking at a Feb. 25 POLITICO energy event sponsored by NRECA, said the EPA's power plant rule "puts electric co-ops and our electric grid in extreme jeopardy." (Photo By: Denny Gainer/NRECA)

Unity is Our Strength



Why Does Your Involvement Matter?



Policy Affects
Our Business

You Are a
Trusted Voice

You Can Help
Ensure Policymaker
Accountability

You are the Voice of
the Co-op and the
Community