

Viewpoint: Bearish Year Ahead for NOx Markets

Media Mentions

December 30, 2024 | *Argus* | 1 minute read | Washington, DC

Experts expect the market to take a wait-and-see approach on how Donald Trump's incoming administration will deal with the good neighbor rule and the associated legal challenges in the US Court of Appeals for the DC Circuit and the US Supreme Court. For much of 2024, prices for seasonal NOx allowances have flatlined and the market has been illiquid.

Bracewell's **Jeff Holmstead** told *Argus* that the Trump administration will likely ask the court to pause litigation until it decides whether to continue defending the plan.

Holmstead said the Environmental Protection Agency (EPA) under Trump will likely revoke the plan at some point and replace it with a rule that is more "modest" and would not significantly affect allowance prices.

Also unclear is how Lee Zeldin, Trump's selection to lead the EPA, will affect the regulation. Zeldin is a moderate, given his history, and will likely "not want to impose significant new burdens on fossil fuel power plants" added Holmstead.

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