



2026 MIDTERM ELECTION OUTLOOK: ENERGY & ENVIRONMENT



ANALYSIS BY

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OVERVIEW: *Shift Towards Divided Government*

While it is possible for Republicans to maintain unified control of both the House and Senate after the fall midterms, that possibility looks increasingly less likely. With Democratic control of the House and/or Senate, it may be challenging to enact sweeping legislation, we believe there will be opportunities for meaningful, but perhaps incremental, policy gains. Importantly, the next two years will also lay the groundwork for 2028 policy platforms and priorities.

Following the 2026 elections, and an expected divided government, aspects of U.S. energy policy will likely continue to center on the Trump administration actions, whereas Congressional action will likely focus on oversight, messaging bills, smaller bipartisan policy changes, and pressure testing the themes and positions for 2028.

Looking ahead, the focus on affordability will remain a central theme, as we expect that, with significant focus in this election on data centers and AI, there will also be policy development and oversight of the industry. Regardless of election outcomes, the Trump administration is entering a lame duck phase of his term and could be less constrained, but with perhaps a dwindling degree of control over the party. Nonetheless, the Administration may be freer to pursue continued aggressive executive actions. This could include reinterpreting existing statutes, new executive orders and regulatory actions, pushing the boundary of FERC authority, withholding grants to states unless certain policy changes are made, and other actions. They will further seek to finalize proposed regulations and make it harder for future Democratic administrations to rollback policy changes, such as they did with the recent Endangerment Finding.



IF THE HOUSE FLIPS

In a House Flips scenario (Democratic House, GOP Senate and White House), we would expect a return to divided government characterized by aggressive House oversight of energy and industrial policy. House Democrats are likely to look at business dealings between Trump administration officials and energy companies – this would include robust oversight and investigations of businesses and sectors that have benefited from Trump administration policies. With limited ability to pass legislation, House Democrats will likely focus on accountability and investigations as they work to drive policy changes on a separate track.

While legislative output would likely be limited, there would be targeted dealmaking opportunities and other must-pass pieces of legislation (such as NDAA and Appropriations). Energy affordability and, permitting reform would likely be two areas the parties could work together on (if permitting does not pass in the Lame Duck session). Similarly, there is bipartisan interest in addressing data centers, however partisan disagreements over both the problems and the solution could block progress. There will likely be attempts by Democrats to reinstate the IRA tax credits, but those efforts would not be viable in split government control. As we saw in 2019-2020, efforts by a Democratic House would likely be as much geared towards shaping the policy of a future Democratic administration as it is on passing legislation. Given the policy divergence between the two parties, dramatic moves in energy policy could remain limited, but there will be targeted efforts that can meaningfully impact key energy sectors via funding opportunities, policy riders in larger legislative packages or narrower bills tailored for specific policy outcomes.

MEMBERS TO WATCH:



REP. KATHY CASTOR

D-FL

Castor sits on Energy and Commerce and previously chaired the Select Committee on the Climate Crisis. She knows how to run an investigation and build a public record, which is the skill set a Democratic House would lean on hardest. Assuming she wins her reelection race, news reports have suggested she may move to chair the E&C Health Subcommittee. This would lead to changes in the Energy Subcommittee leadership though Castor will continue to be an important voice on energy policy.



REP. SEAN CASTEN

D-IL

Casten came to Congress from the clean energy business and is one of the most fluent Democrats on power markets, FERC, and grid economics. He's also active in the leadership of the House Sustainable Energy & Environment Coalition (SEEC). In an oversight-heavy Congress, he is the member most likely to press on the technical substance of how the administration is using its authority.



IF BOTH CHAMBERS FLIP

If both chambers flip (Democratic control of both House and Senate with a Republican White House), Congressional Democrats would likely pursue a more proactive legislative agenda, though limited by presidential veto authority and the Senate filibuster. While reconciliation efforts wouldn't be possible given an assured presidential veto, Democrats would be expected to undertake more ambitious legislative projects and also likely force President Trump to sign key legislation carrying Democratic policy riders and funding priorities. We would also expect heightened oversight of the Trump administration and energy companies. Given the split control of government, enactment of legislation may not be significantly different than if Democrats flip one chamber vs. both. Major legislation would be very difficult to pass, but targeted, bipartisan policy victories could be possible. While President Trump could be tempted to cut deals with Democrats on certain policies, the fact that Democrats would almost certainly pursue robust oversight at a minimum, would make that collaboration unlikely.

MEMBER TO WATCH:



REP. PAUL TONKO
D-NY

Tonko is a senior Democrat on Energy and Commerce with a long record on efficiency, grid, and environmental policy. With both chambers in Democratic hands, he is positioned to shape both opinions in the Democratic caucus as well as the policies that could reach the President's desk.



IF NEITHER FLIPS

In a status quo scenario where Republicans retain control of Congress and the White House, Republicans would see this as a vindication of their policy agenda and overall approach. However, a Republican Congress would face similar struggles as they currently do with very narrow majorities as well as the Senate filibuster. With public sentiment focused on affordability, they are likely to pursue a more aggressive energy abundance agenda, with their messaging focused on bringing down energy costs. Facing unified Democratic opposition, they would likely pursue additional reconciliation bills, though given the size of the One Big Beautiful Bill, those efforts would likely be more targeted.

MEMBERS TO WATCH:



REP. AUGUST PFLUGER
R- TX

Pfluger represents the Permian Basin and is a consistent Republican voice for domestic production and faster permitting. As Republicans build an abundance agenda around costs, he is one of the members shaping what actually goes into it.



REP. JULIE FEDORCHAK
R- ND

Fedorchak came to Congress from the North Dakota Public Service Commission, which makes her unusually fluent in grid reliability and rate-setting. In a Congress organized around affordability, a member who can explain how electricity prices actually get set carries more weight than her tenure would suggest.

MONUMENT'S ENERGY & ENVIRONMENT PRACTICE AREA

Energy and environment policy is being rewritten in real time. Tax credits get targeted for repeal, guidance arrives late or not at all, and a coalition that shaped last year's legislation may need rebuilding for the next fight. Companies that wait for the dust to settle rarely shape the outcome.

Whether the challenge is defending a credit, launching a coalition, navigating implementation, or managing a reputational threat, the clients who win engage early with the right strategy and the right relationships.

This analysis is brought to you courtesy of Monument Advocacy's Energy & Environment policy experts.

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