

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

OREGON ENVIRONMENTAL COUNCIL,
et al.,

Plaintiffs,

v.

INTERNAL REVENUE SERVICE, *et al.*,

Defendants.

Civil Action No. 25-4400 (CKK)

ORDER
(June 6, 2026)

For the reasons stated in the accompanying Memorandum Opinion, it is:

ORDERED that the Defendants' [35] Motion to Dismiss is **GRANTED IN PART** and **DENIED IN PART**; and it is further

ORDERED that Plaintiffs Hopi Utilities Corporation and Maryland Office of People's Counsel are **DISMISSED** from this action; and it is further

ORDERED that the Defendants' [35] Motion in the Alternative for Summary Judgment is **DENIED**; and it is further

ORDERED that the Plaintiffs' [26] Motion for Summary Judgment is **GRANTED** in favor of Plaintiffs Oregon Environmental Council, Natural Resources Defense Council, Inc., Public Citizen, Woven Energy LLC, and City and County of San Francisco; and it is further

DECLARED that Internal Revenue Service Notice 2025-42, 2025-36 I.R.B. 351 (2025) ("Notice 2025-42") is arbitrary and capricious, in violation of the Administrative Procedure Act, 5 U.S.C. § 706(2)(A); and it is further

ORDERED that IRS Notice 2025-42 is **VACATED** and **REMANDED** to the Internal Revenue Service for further administrative action consistent with this Order and the accompanying Memorandum Opinion.

This is a final, appealable order.

SO ORDERED.

Dated: June 6, 2026¹



COLLEEN KOLLAR-KOTELLY
United States District Judge

¹ Recognizing the time sensitivity of this matter, the Court is issuing its decision today rather than waiting until the next business day.