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State Versus Federal Court Jurisdiction: Recent Rulings on Energy and Climate Litigation

The tension between state and federal jurisdiction over environmental litigation reached a watershed in April 2026. Through a series of rapid-fire rulings from the U.S. Supreme Court and lower federal courts, the judiciary has navigated a complex tug-of-war between state sovereign police powers and federal preemption.

While the U.S. Supreme Court's decisions in *Enbridge Energy v. Nessel* and *Chevron v. Plaquemines Parish* established high bars for federal removal, lower court rulings in Hawaii and Michigan further reinforced the autonomy of states to litigate climate and environmental issues under state law, setting the stage for the highly anticipated *Suncor Energy v. Boulder County* in late 2026.

The court decisions reviewed here address state and federal jurisdiction in high-stakes environmental disputes, particularly those involving pipelines, fossil fuel accountability, and climate change damages. These rulings consistently prioritize state court retention through procedural barriers such as removal deadlines, ripeness requirements, and federal preemption hurdles, often remanding cases or dismissing federal interventions to allow state-law claims to proceed locally.

This article reviews the current trend that empowers state attorneys general, counties, and cities to pursue tort and injunctive claims against energy companies, while federal courts enforce textual limits on their own authority and consider the limits of federal preemption.

Enbridge Energy, LP v. Nessel[1]: A procedural battle that the pipeline company lost.

The Court's unanimous opinion in *Enbridge*, authored by Justice Sonia Sotomayor, rejected equitable tolling for the 30-day removal deadline under 28 U.S.C.

§1446(b)(1), and ordered remand to state court of the lawsuit which had been filed by Michigan Attorney General Dana Nessel seeking to shut down the Enbridge Energy Line 5 pipeline. Running from northwestern Wisconsin into Sarnia, Ontario, the 645-mile-long pipeline passes through Michigan's Upper Peninsula, with a four-mile segment of dual pipelines running through the Straits of Mackinac, where Lake Huron and Lake Michigan meet. The pipeline carries up to 23 million gallons of crude oil and natural gas liquids through the straits each day. The company's Line 5 pipeline has been a long-running concern for tribal nations and environmentalists in the region. Michigan was alleging that the risk of petroleum spills was too extreme to allow its continued operation.

Nessel first filed suit against the company in state court in June 2019 to decommission the pipeline. The Canadian energy company filed its request for removal to federal court 887 days after receiving Nessel's initial complaint. Enbridge initially won a decision in August 2022, when a district court judge ruled that the case would be decided in federal court. Nessel then filed with the U.S. Court of Appeals for the Sixth Circuit to decide the venue.

The Court's April 22, 2026 ruling affirmed the Sixth Circuit's decision which overturned the district court's interlocutory denial of remand and ruled that Enbridge had waited too long to file its federal removal action. In spite of Enbridge's preemption arguments under the Rivers and Harbors Appropriations Act and a 1909 treaty, Justice Sotomayor held that the suit was untimely stating: "The text, structure, and context of the removal statute establish that Congress did not intend for the 30-day deadline to be subject to equitable tolling."

The Court ruling effectively preserves state regulatory power over interstate infrastructure absent timely federal action. Absent explicit congressional exceptions, this procedural wall protects state jurisdiction, even when federal interests like interstate commerce loom large, setting a precedent for strict enforcement at the state level.

Chevron USA Inc. et al. v. Plaquemines Parish, Louisiana, et al.[2]**: No preemption of state law claims; back to state court for this one, too.**

Decided five days before *Enbridge*, the Court's decision in *Chevron* addressed federal jurisdiction in Louisiana parish suits challenging offshore oil and gas leases and operations in the Gulf of Mexico. State claims invoked trespass, nuisance, and public trust doctrines against federal lessees.

Writing for another unanimous Court, Justice Brett Kavanaugh held that the Outer Continental Shelf Lands Act (OCSLA) does not completely preempt state-law claims, thus allowing remand from federal court. Justice Kavanaugh wrote: "OCSLA saves state law only as surrogate federal law; it does not displace all state remedies." The court thus rejected Chevron's bid for exclusive federal admiralty jurisdiction. Noting that the opinion is limited to post-Deepwater Horizon liabilities, the decision bolsters claims made in state courts for coastal erosion and subsidence claims. The decision aligns procedurally with *Enbridge* by enforcing remand to state court where federal preemption is incomplete. The ruling reinforces a pattern of deferring energy disputes to state courts when federal removal falters procedurally. This ruling – issued just days before the Court decision in *Enbridge* – highlights judicial caution against expanding federal forums amid state-led tort-based and regulatory challenges.

U.S. District Court Dismissal by Judge Helen Gillmor:[3] **Consistent with other rulings, but factually, one of the most bizarre.**

On April 15, 2026, U.S. District Judge Helen Gillmor dismissed a lawsuit filed by the U.S. government that sought to block Hawaii from suing major fossil fuel companies for deceptive marketing practices in the state.

The judge's order comes in the context of one of the most bizarre legal battles this author has ever witnessed.

One year ago, on April 28, 2025, Hawaii Governor Josh Green and state Attorney General Anne Lopez announced the state's intent to sue several fossil fuel companies. Two days later, on April 30, 2025, the U.S. filed an emergency suit against the state seeking to preemptively block the state's intended legal action. Then, on

May 1, 2025, the state filed its lawsuit under Hawaii's Unfair and Deceptive Trade Practices Act. Hawaii alleged that the companies concealed fossil fuel risks, causing wildfires, sea-level rise, and $20 billion in projected costs.

In July 2025, the state filed a motion for judgement on the pleadings, arguing that the U.S.' complaint does not include a claim for concrete "injury-in-fact" and that any alleged harm to the U.S. is not caused by the conduct of the defendants, thereby falling short failing to satisfy the requirements for standing. Ultimately, the court found that the U.S.' decision to file suit before Hawaii initiated legal action against the companies compromised its own claim to standing. Judge Gillmore stated:

> Even considering the May 1, 2025, State Court lawsuit, Plaintiff United States' standing argument remains speculative, attenuated, and based on conjecture. The fact the lawsuit was actually filed does not alter the Court's evaluation. Plaintiff United States' theory of harm is based on a series of abstract harms and contingencies about hypothetical actions third parties may take if the State of Hawaii is ultimately successful in the state tort lawsuit. The long chain of contingencies is too speculative and attenuated to establish Article III standing.

In addition, the 35-page order stated: "Plaintiffs' fears of state overreach are hypothetical; federalism tolerates concurrent remedies." The case was thus remanded to State of Hawaii Circuit Court.

This pre-U.S. Supreme Court decision exemplifies lower federal courts' restraint and deference to state court jurisdiction. The decision mirrors the later appellate procedural blocks discussed here. By rejecting the bid to block state tort claims, Judge Gillmor preserved Hawaii's state-court venue, underscoring that federal equitable relief yields to state interests. This pre-*Enbridge* decision anticipates the Court's procedural rigor, prioritizing state sovereign litigation over anticipatory federal overrides.

United States v. State of Michigan[4]: Another Pre-Enbridge Ruling Consistent with the Hawaii Case.

In this pre-Enbridge ruling, Judge Beckering dismissed the U.S. Department of Justice's (DOJ's) declaratory judgment action that was designed to preemptively limit Michigan's anticipated nuisance and consumer protection claims against

pipeline operators. The Judge deemed the federal claims as "too speculative" because "Michigan had not yet filed the specific state-law claims the federal government aimed to strike down."

The suit stemmed from the same tensions related to the Enbridge Energy Line 5 pipeline that precipitated the April 22, 2206, the Court's decision in *Enbridge.* The DOJ had argued that federal commerce powers preempted the state's anticipated lawsuit, but Judge Beckering, invoking *Texas v. United States* ripeness standards, held that: "No case or controversy exists without concrete state action." Michigan effectively countered the federal claims arguing that (1) sovereign immunity would preserve the state's discretion; (2) dismissal of the federal lawsuit would avoid advisory opinions; and (3) state law claims should be allowed to ripen in state court amid ongoing pipeline spill litigation.

Thus, this "ripeness" ruling barred federal intervention, allows potential state suits to mature in local courts and dovetails with *Enbridge*'s timeline emphasis that rejects federal preemption before state actions fully emerge and reinforcing that speculation cannot bootstrap federal jurisdiction.

The Baltimore Case and Climate Change Suits in State Court.

These opinions build on the landmark May 17, 2021, opinion by Justice Gorsuch (7-1) in *BP p.l.c. v. Mayor of Baltimore*[5] and the convoluted path faced by the City of Baltimore with its climate change allegations.

Baltimore had sued energy companies in Maryland state court, alleging that they concealed the environmental impacts of the fossil fuels they promoted. The companies removed the case to federal court invoking, among other grounds, the federal officer removal statute, 28 U.S.C. 1442. The U.S. Supreme Court's landmark opinion addressed a critical and complex procedural question in climate change litigation, i.e., whether an appellate court can review an entire district court order to send a case back to state court if the original move to federal court was based solely on the "federal officer" removal statute.

Following review of the grounds submitted by the energy companies in support of removal, the federal district judge remanded the case to state court. The energy companies appealed that ruling to the Fourth Circuit Court of Appeals. Finding the

district court's reasoning sound, the Fourth Circuit affirmed the remand of the matter to state court. The energy companies then appealed that ruling to the U.S. Supreme Court.

Writing for the majority in this 7-1 opinion, Justice Gorsuch ruled that, although a federal district court order remanding a case to state court is ordinarily unreviewable on appeal, appellate review is available for orders "remanding a case to the State court from which it was removed pursuant to section 1442 or 1443," (28 U.S.C. 1447(d)). The Court then overruled the Fourth Circuit's conclusions that (1) the statute authorized appellate review only for the part of a remand order and (2) that the Fourth Circuit lacked jurisdiction to review the district court's remand order on the other removal grounds that had been raised by the energy companies.

The Fourth Circuit Remand and Maryland State Court Proceedings Bring the Adventure to an End.

Following the 2021 Court remand to the Fourth Circuit, the court reviewed all eight grounds cited by the energy companies in support of removal. The court rejected all eight grounds concluding that federal jurisdiction did not exist. The Fourth Circuit sent the case back to the Circuit Court for Baltimore City to be heard under Maryland state law.

In July 2024, a Baltimore City Circuit Court judge dismissed the complaint. The judge found that the city's claims – such as public nuisance and failure to warn – were actually attempts to regulate **interstate air emissions,** which the judge concluded is a federal matter. Baltimore appealed the dismissal, and the case was consolidated with similar lawsuits from Annapolis and Anne Arundel County.

Effectively ending the adventure, on March 24, 2026, the Maryland Supreme Court affirmed the dismissal in a **6-1 decision**. The majority held that "no amount of creative pleading" could hide that the local governments were trying to use state law to regulate global conduct causing global harm.

> [W]e determine that state common law has never applied to the conduct alleged by the local governments. We determine that the local governments, through their various state law claims, are seeking to regulate air emissions beyond their jurisdictional boundaries.

. . .

> Finally, we hold that, even if the local governments' state law claims were not displaced or preempted by federal law, they fail to state claims under Maryland law for public and private nuisance, strict liability and negligent failure to warn, and trespass.

In his 75-page dissent, Maryland Justice Peter K. Killough said that the majority mischaracterized the case as being about emissions policy when he submitted that the case was actually about consumer fraud and deceptive marketing. In his mind, the injuries cited by Baltimore – such as flood damage and heat waves – are local impacts that should be eligible for compensation under state tort laws.

The Stage is Now Set for SCOTUS in *Suncor Energy***.**

Up to this point, the cases show a judicial inclination to remand climate change lawsuits to state courts and to reject industry bids for federal centralization. And claimants in those state courts have exploited the opportunity making tort claims for nuisance, fraud, and consumer protection.

Suncor Energy Inc. v. County Commissioners of Boulder County[6]**: the one we anxiously await.**

As prelude, I recommend a recent article dealing with the U.S. Supreme Court's grant of certiorari in *Suncor* and an earlier article related to the Boulder case.

We now wait several months for the Court's October docket and its decision that will probe whether federal law (based on preemption, the Clean Air Act, foreign affairs powers, or the Commerce Clause) bars the City of Boulder's state-law climate tort claims against fossil fuel companies.

Originating in 2018 in Colorado state court, the Boulder suit seeks damages for climate harms alleged to come from fossil fuels. The oil companies' attempts to remove the case to federal court failed, with the Tenth Circuit affirming state-court retention and that decision being upheld by the Court in 2023.

Long-running procedural battles lead to the Colorado Supreme Court's rejection of federal preemption in its May 2025 decision stating that Boulder's claims are not "an action against a 'pollution emitter to abate pollution'" but and action seeking "damages from upstream producers for harms stemming from the production and sale of fossil fuels." The Colorado Supreme Court held that neither federal common law nor the Clean Air Act preempts state court actions, because the Boulder claims "seek compensation for allegedly tortious conduct" unregulated by federal statute.

Where Do We Stand Now?

All of these cases invoke procedure to shield state courts from federal preemption: deadlines as in *Enbridge; r*ipeness as in the Michigan case; failed removals as in the early *Suncor case and the* Hawaii case. Critics argue that placing these claims in the courts of each of the fifty states will fragment regulation. Supporters of state jurisdiction and authority argue that the cases show federalism in action.

Affirmance in *Suncor* would enhance the green light that has already been given to state tort lawsuits nationwide, pressuring energy firms with the costs of litigation and potential liability. Even without *Suncor,* though, collectively, these recent rulings have effectively recalibrated power such that states have taken the lead on climate change accountability, with federal courts acting as gatekeepers.

This blog was written by John L. Watson and Amy L. Mitchell, attorneys on the Spencer Fane oil and gas team. For more information, visit www.spencerfane.com.

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1 U.S. Supreme Court, April 22, 2026

2 Supreme Court, April 17, 2026

3 District of Hawaii, April 15, 2026

4 W.D. Mich., January 24, 2026

5 593 U.S. ____,2021

6 U.S. Supreme Court Certiorari No. 25-170, Granted February 23, 2026

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