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EPA Launches Water Reuse Action Plan 2.0: New Opportunities to Shape Water Reuse Policy

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On April 16, 2026, the U.S. Environmental Protection Agency (EPA) launched Water Reuse Action Plan 2.0 (WRAP 2.0), a non-regulatory, public-private initiative designed to accelerate the adoption of water reuse strategies across three sectors: 1) industrial users; 2) data centers and microchip fabrication; and 3) "Energy Dominance."

Building on the original WRAP from the first Trump Administration in 2020, under then EPA Administrator Andrew Wheeler, WRAP 2.0 operates through voluntary commitments by over 200 federal, state, tribal, industry, and water sector partners. This means companies can proactively engage with EPA to shape how the plan is implemented, identify opportunities to reduce water costs and compliance burdens, and access technical resources and regulatory flexibility that may not otherwise be readily available.

EPA is actively soliciting new action proposals, creating a near-term window for companies sectors to influence the program's direction.

Why it Matters?

WRAP 2.0 is working towards its three focus areas through:

- *Industrial users:* expanding recycled water use by streamlining permitting, developing best practices, advancing treatment technologies, and building voluntary frameworks and partnerships to overcome regulatory, technical, and geographic barriers to broader water reuse adoption.
- *Data centers and microchip fabrication:* promote the use of recycled water for cooling systems in data centers and industrial facilities by addressing regulatory barriers, sharing best practices, and building collaborative partnerships across public and private sectors.
- *Energy dominance:* leverage water reuse in the energy sector and oil & gas industry specifically by expanding regulatory flexibility for produced water reuse, developing geospatial planning tools, and providing scientific support to states seeking to repurpose oil and gas wastewater for beneficial uses such as industrial cooling, critical mineral extraction, and agriculture.

What This Means for Your Business

Regulatory flexibility opportunities: For energy and oil and gas clients, WRAP 2.0 explicitly targets expanding regulatory flexibility for produced water reuse — a significant potential benefit worth engaging on directly with EPA.

Water cost and supply planning: Water-intensive clients in industrial, manufacturing, food and beverage, and technology sectors should evaluate whether participation in voluntary frameworks could reduce water costs or improve supply reliability.

Permitting advantages: EPA has signaled it will work to streamline permitting for water reuse projects. Clients with pending or planned projects involving water use or discharge should consider how WRAP 2.0 frameworks might expedite approvals.

What's Ahead?

EPA is actively soliciting ideas for new actions under WRAP 2.0, making this a critical window for companies in industrial, technology, and energy sectors to shape how the plan is implemented. WRAP 2.0 offers new opportunities to reduce compliance burdens and devise strategies to address water costs.

Holland & Hart's federal affairs team engages with EPA's Office of Water and helps clients assess how WRAP 2.0 applies to their operations, identify opportunities to participate in voluntary frameworks, and engage with EPA during this formative stage of the plan's development.

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