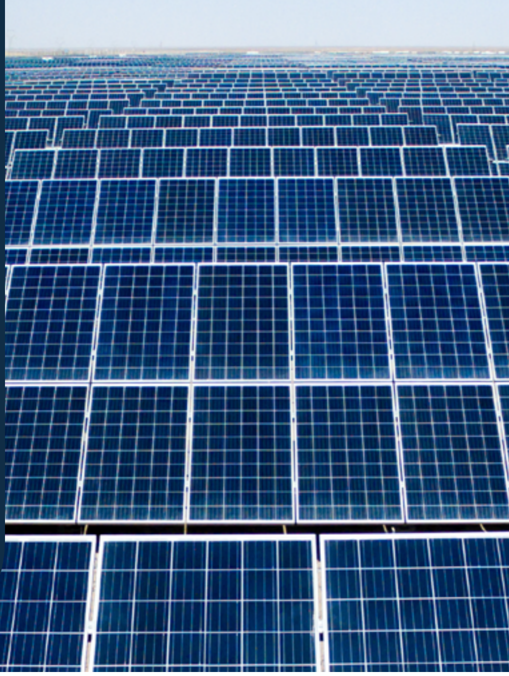
SEIA Solar Energy Industries Association®



EXPLAINED

Clean Energy Provisions in the “One Big Beautiful Bill.”

On July 4, President Trump signed the “One Big Beautiful Bill.” The bill makes steep cuts to solar energy and places new restrictions on energy tax credits that will slow the deployment of residential and utility-scale solar while undermining the growth of U.S. manufacturing. SEIA has outlined the high-level policy changes below.

The Clean Energy Investment (48E) & Production (45Y) Tax Credit

Technology-neutral tax credits for the investment in and production of clean electricity generation and energy storage.

What Changed?

- No phasedown for 48E or 45Y tax credits
- To receive these tax credits, solar projects must:
  - **Commence construction on or before July 4, 2026;** or
  - If not, be placed in service on or before December 31, 2027

What Stayed the Same?

- The “placed in service” deadline does not apply to energy storage projects.
- No ban on third-party rented or leased solar systems
- Transferability remains the same (credits cannot be transferred to a “specified foreign entity”).
- There are no new excise taxes on solar projects

Residential Clean Energy Tax Credit (25D)

A nonrefundable federal incentive for homeowners, allowing them to deduct 30% of the system’s cost from their taxes.

The 25D tax credit is being **terminated as of December 31, 2025.** Systems must be installed on or before this date to receive the 25D credit.

The Advanced Manufacturing Production Tax Credit (45X)

A per-unit tax credit for producing specific clean energy components such as solar panels, batteries, inverters, critical minerals, etc.

To access the 45X credit, eligible components integrated into another eligible component (like solar cells going into a solar module) must:

- Be manufactured in the same facility;
- The final product (the solar panel) must be sold to an unrelated party; and
- The final product must contain at least 65% (by cost) domestic-manufactured content

FEOC – Foreign Entities of Concern (FEOC) Restrictions

Starting in 2026, no “specified foreign entity” (SFE) or “foreign-influenced entity” (FIE) can claim a 45Y, 48E or 45X credit.

Generally speaking, SFEs are governments or businesses enumerated as threats in the text of the bill and FIEs are businesses with significant ownership or control by such entities.

Any projects claiming clean energy tax credits (45Y/48E/45X) must adhere to strict limits on materials or components with “material assistance” from SFEs and FIEs.

What’s Next?

SEIA is fully focused on shaping implementation in a way that preserves as much market certainty and opportunity as possible. We are actively engaging with the U.S. Department of the Treasury, IRS, and other federal agencies to ensure clear, practical guidance that is aligned with the realities of solar and storage development.