



Key Updates: Clean Energy Tax Credits You Should Know About

The latest federal clean energy guidance under the Inflation Reduction Act — following the passage of the **'One Big Beautiful Bill'** — includes critical changes that may impact your projects:

Section & Credit	Description	Key Timing / Conditions
§30C – Alternative Fuel Vehicle Refueling Property Credit	Tax credit for installing alternative-fuel refueling equipment (e.g., EV chargers, CNG, hydrogen).	Must be <i>placed in service</i> before July 1, 2026.
§45FW - Qualified Commercial Clean Vehicle Credit	Tax credit for commercial buildings. Subject to sunset rules.	The credit will not be allowed for any vehicle acquired after September 30, 2025.
§48E – Clean Electricity Investment Tax Credit (ITC) (Solar & Wind)	ITC for new solar and wind generating facilities. Subject to FEOC and sunset rules.	Foreign Entity of Concern rules (FEOC) - apply for construction after December 31, 2025. Repealed for projects placed in service after December 31, 2027; projects that begin construction before July 4, 2026 are exempt from repeal.
§48E – Battery, Thermal Storage, etc.	ITC for standalone battery or thermal energy-storage projects under the FEOC §48E rules, noted previously.	Subject to the above FEOC rules starting December 31, 2025. To receive full credit, construction must begin in 2033 or earlier, with credit being fully phased out by 2035.
§6417 – Elective Payment of Applicable Credits	Allows tax-exempt or government entities to receive a direct cash payment in lieu of specified clean-energy tax credits.	Still available, but impacted by updates to §§30C, 48E, and 45W.
§48 – Geothermal Heat Pump Property	ITC for installing qualifying geothermal heat-pump systems.	No changes
§179D- Energy Efficient Commercial Buildings Deduction	Tax credit for commercial buildings. Subject to sunset rules.	The deduction will not be allowed with respect to any property the construction of which begins after June 30, 2026.

**FEOC rules impose limits when an entity's battery supply chain includes foreign entities of concern. A foreign entity is defined as a "foreign entity of concern" if it is "owned by, controlled by, or subject to the jurisdiction or direction of a government of a foreign country that is a covered nation." Covered nations are defined as China, Russia, Iran, and North Korea.*

***The IRS defines a construction start as either spending 5% of the project cost or beginning physical work. To apply the current rules, you must meet this threshold, with proof via invoice or permit, before the credit deadline.*