

Latest Draft of One Big Beautiful Bill Signals Broad-Based Impacts to Alternative and Clean Energy Initiatives

What You Need to Know

On June 16, 2025, the United States Senate Committee on Finance released a reconciliation bill draft of the One Big Beautiful Bill Act, H.R. 1 - 119th Congress (2025-2026), following its passage in the House of Representatives. The unofficial political deadline for getting the final bill to the President's desk for signature is July 4, which requires the Senate to pass the full bill, and send it back to the House for their concurrence. As such, additional discussion, changes, and modifications may well happen, and this is not yet a done deal.

Nonetheless, as currently drafted, the new text of the legislation has a significant and far-reaching impact upon energy production and investment for solar, wind, or other forms of alternative energy production.

The largest, and most significant impacts to many investors are the changes to the investment tax credit (ITC) under Section 48E and the production tax credit (PTC) under Section 45Y, specifically applicable to solar and wind facilities.

Under the Senate draft:

Geothermal, nuclear, hydroelectric, and energy storage would continue under the currently existing ITC timeline, receiving 100% of the credit up through projects starting construction in or prior to 2033, 75% for projects starting construction in 2034, 50% for projects starting construction in 2035, and zeroing out for projects starting construction in 2036 and beyond.

Meanwhile, electric vehicle (EV) tax rebates, residential clean energy credits, and energy efficiency credits for residential and commercial buildings would end under the new bill's provisions.

Specific elements of the bill relevant to alternative and clean energy production and investment include:

The firm's **Energy & Renewable Resources** practice team will be closely monitoring the status of this bill as it continues to move through the legislative process and will keep you advised. Please contact the author of this Alert with questions concerning this pending legislation or to discuss your specific business circumstances and related strategic planning.

Kenneth J. Sheehan

Partner, **Environmental and Energy & Renewable Resources Practices**

ksheehan@greenbaumlaw.com

732.476.2678

Related Attorneys



Kenneth J. Sheehan

Partner
732.476.2678
Email