

After the IRA: Project Finance in the Post-OBBA Landscape

Safe harbors, supply-chain compliance, and the repricing of risk in a less-subsidized clean energy market



WHITEPAPER

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SCAN TO EXPLORE



Abstract

The **One Big Beautiful Bill** Act of July 2025 rewrote the federal incentive architecture that the Inflation Reduction Act had built only three years earlier. For wind and solar, the **clean energy tax credit phaseout** now runs on a hard calendar: projects that began construction by July 4, 2026 may still claim the technology-neutral credits if placed in service within the continuity window, while everything else must be operating by the end of 2027. Layered on top are prohibited-foreign-entity ownership and material-assistance tests, a narrower beginning-of-construction regime, and a permanent return of 100 percent bonus depreciation. This paper translates the statute and the Treasury guidance that followed into practical **renewable project finance** strategy. It explains how to protect a **safe harbor construction** position, how to document supply chains to keep credits eligible, which technologies the new regime favors and penalizes, and how tax equity, transfer buyers, lenders, and offtakers are repricing risk. The result is a grounded view of the **IRA repeal impact** fifteen months after enactment: smaller than the worst forecasts in the near term, sharper than most expected beyond 2028.

About this Paper

Vedeni Energy prepared this paper for its Vedeni.Insights+ library. It draws on the enacted statute, IRS Notices 2025-42 and 2026-15, market data from industry associations and transaction platforms, and the published commentary of leading tax and project finance practices. It takes a practitioner's stance: the goal is not to argue for or against the policy, but to help sponsors, investors, and utilities make sound decisions inside the rules as they now stand. Figures reflect sources available through early October 2026, and several regulatory pieces, most notably proposed prohibited-foreign-entity regulations, remain pending.

Audience and Use Cases

The paper is written for developers and independent power producers managing safe-harbored pipelines; tax equity investors, credit buyers, and lenders recalibrating underwriting; utilities and large energy buyers planning procurement through 2030; and state regulators and transmission planners who must anticipate how a faster subsidy cliff reshapes the interconnection queue. Readers can use the deadline map, the compliance framework, and the technology scorecard as checklists for portfolio triage, transaction diligence, and resource planning.

Executive Summary

The OBBBA did not repeal the clean energy credits outright. It put wind and solar on a short, fixed fuse, wrapped every technology in foreign-sourcing rules, and left storage, geothermal, nuclear, and hydropower with a longer runway that is still conditioned on supply-chain discipline.

For project finance, three dates now dominate. July 4, 2026 was the last day for a wind or solar project to begin construction and remain eligible under the four-year continuity safe harbor; projects starting later must be placed in service by December 31, 2027. December 31, 2025 was the line after which new construction became subject to the material-assistance cost ratio. And the end of 2030 is the practical outer edge for the safe-harbored wind and solar pipeline. Treasury's Notice 2025-42 eliminated the five percent cost safe harbor for most wind and solar projects, so eligibility now rests on documented physical work of a significant nature and continuous progress toward completion.

Markets responded with a rush rather than a collapse. Solar installations reached 11.4 GWdc in the second quarter of 2026, utility-scale volumes rose 61 percent year over year, and between 170 and 240 GW of solar and wind capacity is estimated to be locked into the credit regime through 2030. Transferable credit volumes reached \$42 billion in 2025 and are projected near \$48 billion in 2026, while total tax equity held at \$45 to \$50 billion. Behind those headline numbers, risk is being repriced: wind power purchase agreement prices rose 17.5 percent in a year, transfer discounts widened for 2026 investment credits, investors expect tighter underwriting, and prohibited-foreign-entity diligence has become a gating item for every closing.

The strategic implication is a two-speed market. Through 2030, the winners are sponsors who can prove their safe harbor, document their supply chains, and convert scarce eligible capacity into premium-priced contracts. After 2030, wind and solar must compete increasingly on unsubsidized economics, while storage, geothermal, nuclear, and carbon capture inherit a larger share of federal support and of investor attention.

From the IRA to the OBBBA: What Actually Changed

The Inflation Reduction Act was designed as a decade-long ramp. The One Big Beautiful Bill Act, signed on July 4, 2025, converted that ramp into a cliff for the two technologies that had absorbed most of it.

Under the IRA, the technology-neutral production credit in Section 45Y and investment credit in Section 48E were scheduled to run until power-sector emissions fell to a quarter of 2022 levels, with a multi-year phase-down after that trigger. Developers modeled credits well into the 2030s. The OBBBA replaced that open-ended design for wind and solar with a calendar test: facilities must be placed in service by December 31, 2027 unless construction began within twelve months of enactment, that is, by July 4, 2026. Projects that met the construction-start date are measured instead against the continuity rules, which in practice allow placement in service through the end of the fourth calendar year after construction began.

Other generation and storage technologies were treated very differently. Energy storage, geothermal, hydropower, nuclear, and other zero-emission resources retain full credit value for projects that begin construction through 2033, followed by a step-down to 75 percent in 2034, 50 percent in 2035, and zero thereafter. Advanced nuclear also gained a 10 percent energy-community bonus in areas with significant nuclear employment. The carbon capture credit in Section 45Q was equalized at \$85 per metric ton for utilization and enhanced oil recovery, matching geologic storage, and the clean fuel production credit in Section 45Z was extended through 2029, though with a reduced rate for sustainable aviation fuel.

The law also closed or accelerated several adjacent incentives. The clean hydrogen credit now requires construction to begin before 2028. The residential clean energy credit and home-improvement credits ended after 2025, the consumer and commercial clean vehicle credits ended on September 30, 2025, and the energy-efficient new home credit ended in mid-2026. The advanced manufacturing credit in Section 45X survives but loses wind components after 2027, adds stricter rules for integrated components and critical minerals, and is subject to its own foreign-entity tests.

Provision	IRA design	OBBBA outcome	Finance effect
45Y / 48E wind & solar	Phase-down tied to emissions target (2030s)	In service by 12/31/2027 unless construction began by 7/4/2026	Hard deadline; pipeline triage
45Y / 48E storage, geothermal, nuclear, hydro	Same emissions-based trigger	100% through 2033 starts; 75% / 50% / 0% from 2034	Long runway; FEOC-gated
Prohibited foreign entities	Limited to EV and 45X contexts	Ownership, effective-control, and material-assistance tests	New diligence, recapture risk
Beginning of construction	5% safe harbor or physical work	Physical work only for most wind & solar (Notice 2025-42)	Earlier capital at risk
Bonus depreciation	Phasing down	100% made permanent	Partially offsets credit loss
Transferability & direct pay	Available	Retained; no transfers to specified foreign entities	Liquidity preserved

Table 1. The core statutory changes that drive post-OBBBA project finance.

Two features that received less attention matter a great deal for modeling. First, transferability and elective pay survived, which preserved the liquidity channel that had broadened the investor base after 2022. Second, 100 percent bonus depreciation became permanent for property acquired after January 19, 2025. For a sponsor with tax capacity or a tax equity partner able to absorb losses, accelerated depreciation recovers part of the value lost to the credit cliff, even as the law shifted clean energy property out of the favorable five-year recovery class.

KEY TAKEAWAY



The OBBBA is a timing and sourcing law more than a repeal: it shortens the wind and solar runway, keeps the rest of the clean firm portfolio in play through 2033, and makes supply-chain provenance a condition of every credit.

The New Clock: Deadlines, Cliffs, and the Safe-Harbored Pipeline

For wind and solar, the most valuable asset in a developer's portfolio is no longer a site or an interconnection position alone. It is a defensible construction-start date.

The calendar now sorts every wind and solar project into one of three groups. Projects that began construction in 2025 avoid the material-assistance cost ratio and, under the continuity safe harbor, have until the end of 2029 to reach service. Projects that began construction between January 1 and July 4, 2026 keep their credits through placement in service by the end of 2030 but must satisfy the prohibited-foreign-entity sourcing tests. Projects that had not begun construction by July 4, 2026 can only qualify if they are placed in service by December 31, 2027, a window that is unrealistic for most utility-scale facilities still in development.

The industry moved aggressively to secure the first two categories. The Solar Energy Industries Association and Wood Mackenzie estimate that a 216 to 240 GWdc solar pipeline was cemented by the July 4 deadline, enough to support installations through 2030. Crux, which tracks tax credit transactions, places the combined solar and wind capacity positioned to proceed at more than 170 GW. Installations already show the effect: the second quarter of 2026 brought 11.4 GWdc of new solar, up 45 percent from a year earlier, with utility-scale projects up 61 percent.

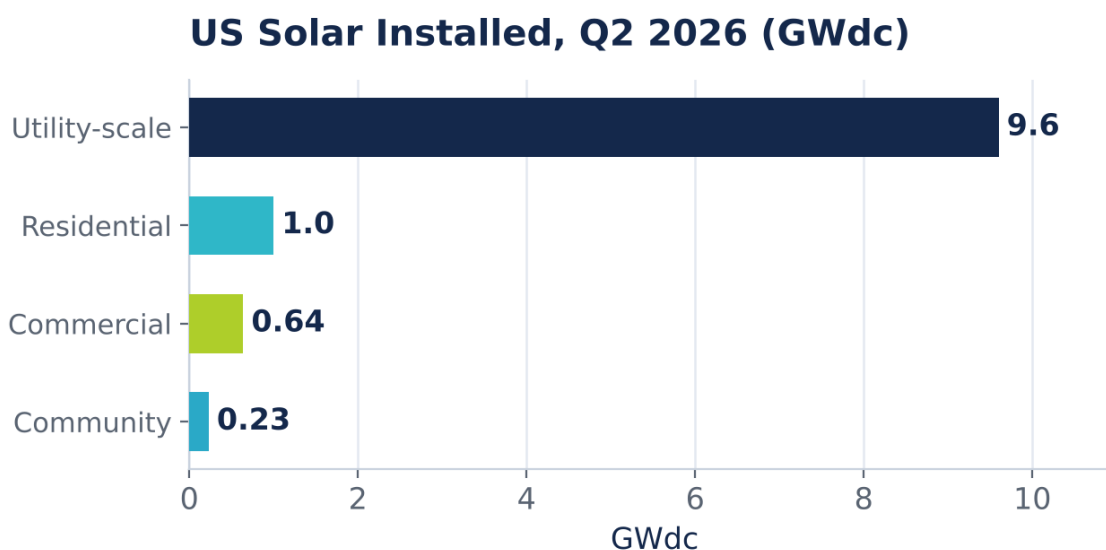


Figure 1. Q2 2026 solar additions by segment. Utility-scale volumes surged as safe-harbored projects advanced (SEIA / Wood Mackenzie).

The pipeline is front-loaded, and its shape creates risk. Through 2028, installation volumes are supported by projects that already hold eligibility, and forecasts have stayed roughly flat at around

44 GWdc of solar per year. After the safe-harbored inventory is built, the market will depend on projects that must clear unsubsidized economics, on technologies with longer credit runways, or on state and corporate demand willing to pay for unsubsidized energy. Residential solar has already felt the cliff: with the homeowner credit gone, the segment is expected to contract 23 percent in 2026.

7/4/26

last wind / solar
construction start for
continuity treatment

2027

year-end in-service
deadline for all other wind
and solar

216-240

GWdc of solar pipeline
locked in by the deadline

~44

GWdc per year flat solar
build forecast through
2031

For finance teams, the practical consequence is that time has become a balance-sheet item. A safe-harbored project carries an embedded option worth roughly the present value of its credits, and that option expires on a fixed date. Delays from interconnection, permitting, transformer lead times, or litigation no longer simply defer cash flows; they can destroy the credit entirely. Sponsors are therefore ranking pipelines by deadline risk, reallocating safe-harbored equipment toward the projects most likely to reach service in time, and pricing schedule certainty into engineering, procurement, and construction contracts.

Delays no longer just defer cash flows. Past the continuity deadline, they erase the credit.

Schedule risk now has a price. A 1 GW solar portfolio that slips past its continuity deadline can lose investment credits worth roughly 30 to 40 percent of capital cost, a loss no EPC liquidated-damages cap is sized to cover.

KEY TAKEAWAY



Treat every safe-harbored project as a wasting option. Rank the portfolio by the margin between realistic commercial operation and the continuity deadline, and move capital toward the projects with the widest cushion.

Start-of-Construction Planning After Notice 2025-42

Executive Order 14315, issued three days after enactment, directed Treasury to tighten the beginning-of-construction rules. The result, Notice 2025-42, changed how developers prove eligibility.

Released on August 15, 2025 and effective for projects that had not begun construction before September 2, 2025, Notice 2025-42 eliminated the five percent cost safe harbor for wind and solar facilities seeking Section 45Y or 48E credits. The only exception is for low-output solar facilities with a maximum net output of 1.5 MW or less, measured using new integrated-operations rules that prevent large projects from being subdivided to fit. For everything else, a project begins construction only when physical work of a significant nature starts.

The physical work test itself was largely preserved. On-site work such as excavating foundations, setting anchor bolts, installing racking, or building roads integral to the facility can qualify, as can off-site manufacturing of components under a binding written contract, provided the components are not held in inventory and the work goes beyond routine production. Custom step-up transformers and purpose-built racking are classic examples. Preliminary activities, including permitting, surveying, clearing, and test drilling, do not count.

Continuity is the second half of the test. Once construction begins, the taxpayer must maintain a continuous program of work. Under the four-year continuity safe harbor, that requirement is deemed met if the facility is placed in service by the end of the fourth calendar year after the year construction began. A project that started in March 2026 therefore has until December 31, 2030. A project that falls outside the safe harbor must prove continuous effort on the facts, an uncertain standard that tax equity investors and credit buyers discount heavily.

Planning element	What qualifies	Common failure point
On-site physical work	Foundations, anchor bolts, racking, integral roads and trenching	Site prep, clearing, or survey work only
Off-site physical work	Custom transformers or components under a binding written contract	Inventory items; contract signed after work began
Low-output solar (≤ 1.5 MW)	5% cost safe harbor still available	Aggregated sites that exceed the cap under integrated-operations rules
Continuity	In service by end of 4th calendar year after start	Gaps in work without documented excusable disruption
Documentation	Contemporaneous photos, invoices, contracts, schedules	Reconstructed records assembled at financing

Table 2. A beginning-of-construction checklist under Notice 2025-42.

Because the deadline has passed, the planning task in late 2026 is defensive. Sponsors should assemble an evidentiary file for each safe-harbored project that would satisfy an IRS examiner years from now: the binding contracts, proof that off-site work began before the deadline, dated photographs and daily logs, and a schedule showing continuous progress. Where safe-harbored equipment is moved between projects, the tracing must be clean, and the receiving project's own physical-work story must still hold. Tax insurance underwriters and transfer buyers increasingly ask for exactly this package before they bind.

Under the new rules, a construction-start date is only as valuable as the paper trail that proves it.

KEY TAKEAWAY



Build an audit-ready beginning-of-construction file now, while the records and the people who created them are still available. It is the cheapest risk mitigation in the capital stack.

Supply-Chain Compliance: Navigating the Prohibited Foreign Entity Regime

The prohibited-foreign-entity rules are the most technically demanding part of the new regime, and unlike the wind and solar deadline, they apply to almost every technology that keeps its credits.

The statute works through two channels. The first is ownership and control: a taxpayer that is a specified foreign entity, or a foreign-influenced entity, cannot claim the credits, beginning with taxable years after enactment. Specified foreign entities include designated foreign terrorist organizations, entities on national-security lists, Chinese military companies, and entities controlled by China, Russia, North Korea, or Iran. Foreign-influenced status can arise through ownership, debt, board appointment rights, or payments that confer effective control, including certain licensing arrangements. For investment credits, a payment to a specified foreign entity that confers effective control within ten years of service can trigger recapture.

The second channel is material assistance. For facilities that begin construction after December 31, 2025, the taxpayer must compute a material assistance cost ratio: the share of the direct costs of manufactured products and components that were not produced by a prohibited foreign entity. The ratio must meet a threshold that rises each year. Qualified electricity facilities start at 40 percent in 2026 and rise to 60 percent from 2030; energy storage starts at 55 percent and rises to 75 percent. Solar components start at 50 percent and rise to 85 percent. Manufacturers claiming Section 45X face separate, steeper thresholds by component class.

Material Assistance Cost Ratio Thresholds

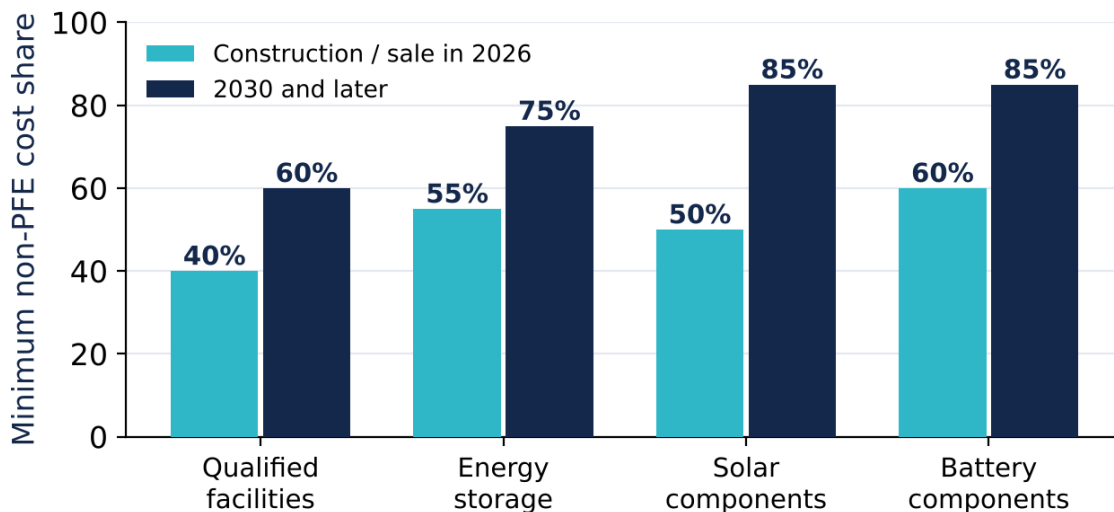


Figure 2. Statutory minimum non-PFE cost shares by category, 2026 versus 2030 and later.

Notice 2026-15, issued February 12, 2026, made the ratio workable on an interim basis. It allows taxpayers to identify relevant products using the existing domestic-content safe harbor tables, to substitute the tables' assigned cost percentages for actual cost tracing, and to rely on signed supplier certifications that include the supplier's identification number and are retained for six years. A de minimis rule applies where tracked items are under 10 percent of facility cost. The notice did not resolve ownership, effective-control, or anti-circumvention questions; those await proposed regulations that Treasury has signaled for year-end. The stakes are raised by a lowered substantial-understatement threshold of 1 percent for overstated ratios and an extended six-year assessment period.

A practical compliance program has four parts. Map the bill of materials for each project against the safe harbor tables and identify the line items that drive the ratio. Contract for certifications, audit rights, and indemnities with every tier-one supplier, and test those certifications against known ownership structures, because reliance fails if the taxpayer knows or has reason to know a statement is wrong. Review equity, debt, licensing, and operations and maintenance agreements for effective-control triggers. Finally, maintain a living file that can be refreshed as final rules arrive, rather than a one-time opinion that ages badly.

Battery storage carries the heaviest exposure. Chinese battery imports fell 62 percent in the first quarter of 2026 as buyers repositioned for the 55 percent storage threshold, and Section 301 tariffs on Chinese batteries rose to 25 percent in 2026.

40%

2026 minimum non-PFE
cost share, qualified
facilities

55%

2026 minimum for energy
storage

1%

understatement threshold
for overstated ratios

6 yrs

certification retention and
assessment period

KEY TAKEAWAY



FEOC compliance is now a project-level deliverable on par with the interconnection agreement. Sponsors that can hand investors a clean, certified cost ratio will close faster and at better pricing than those that cannot.

Winners and Losers: Technology Positioning Under the New Regime

The OBBBA did not treat technologies equally, and the market has already begun sorting them. Credit duration, supply-chain exposure, and permitting friction now matter as much as levelized cost.

Utility-scale solar is the near-term winner in volume and the long-term loser in subsidy. It holds the largest safe-harbored pipeline, the most mature domestic module manufacturing base, at roughly 66 GWdc of nameplate capacity, and the lowest contract prices. Its exposure is the cliff after 2030 and upstream sourcing: an August 2026 Section 232 action placed a 15 percent duty and minimum import prices on polysilicon and derivatives, and inverter restrictions are tightening. Solar's long-run competitiveness will rest on unsubsidized cost and on pairing with storage.

Onshore wind is the most disadvantaged technology. It faces the same placed-in-service deadline as solar, but with longer development cycles, the loss of the Section 45X wind component credit after 2027, and federal permitting friction. The American Clean Power Association estimates at least 44 GW of wind projects have been held up in Department of Defense review, and offshore wind has been disrupted by stop-work orders. Scarcity is already visible in pricing: LevelTen reported second-quarter 2026 wind PPA prices at the 25th percentile of \$61.19 per MWh, up 17.5 percent in a year, while solar fell to \$52.65.

P25 PPA Prices, Q2 2026

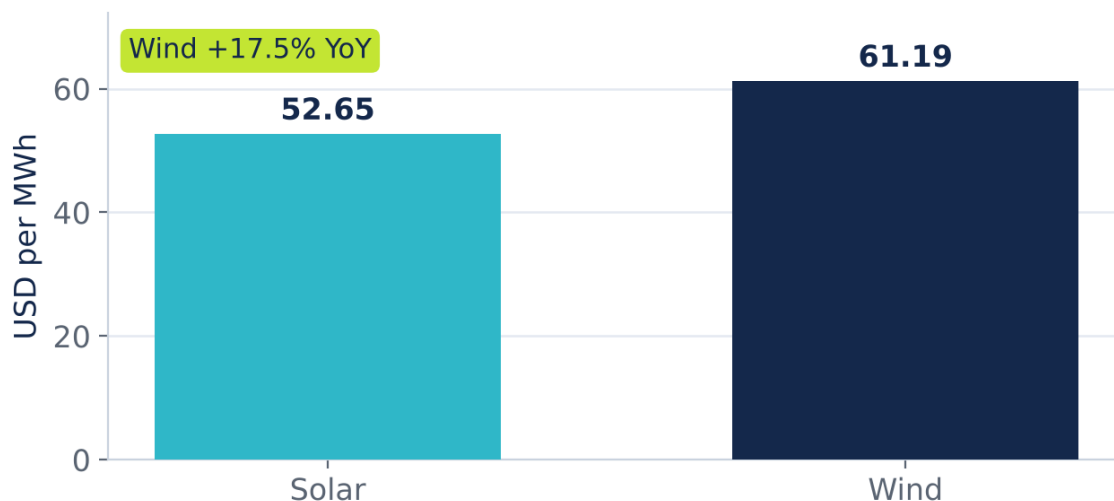


Figure 3. P25 North American PPA prices, Q2 2026. Wind is pricing in scarcity (LevelTen Energy).

Battery storage has the opposite profile: a long credit runway through 2033 starts, strong demand from data centers and capacity markets, and the steepest supply-chain challenge. Projects that can source non-Chinese cells or qualifying domestic content will command a premium; those that cannot will see credits evaporate. Geothermal, advanced nuclear, and hydropower are structurally favored, keeping full credits through 2033 with limited Chinese supply-chain exposure, and nuclear gains an added energy-community bonus. Their constraints are technology and execution risk rather than policy. Carbon capture benefits from 45Q parity at \$85 per ton, and clean fuels from the 45Z extension, while green hydrogen faces a construction deadline at the end of 2027 that few projects will meet.

Technology	Credit runway	FEOC exposure	Position
Utility-scale solar	Safe-harbored pipeline to 2030	Moderate (polysilicon, inverters)	Strong near term
Onshore wind	Safe-harbored pipeline to 2030	Moderate; 45X wind ends 2027	Weakest
Offshore wind	Same deadline; federal headwinds	Moderate	Severely challenged
Battery storage	Full credit for 2033 starts	High (cells, components)	Strong if compliant
Geothermal / hydro	Full credit for 2033 starts	Low	Favored
Advanced nuclear	Full credit + nuclear energy-community bonus	Low to moderate	Favored, execution risk
Carbon capture (45Q)	Unchanged; \$85/t parity	Low	Improved
Clean hydrogen (45V)	Construction before 2028	Moderate	Largely stranded
Residential solar	Homeowner credit ended 2025	Moderate	Contracting

Table 3. Technology scorecard under the post-OBBA regime.

KEY TAKEAWAY



The post-OBBA winners combine long credit runways with controllable supply chains: storage built on compliant cells, geothermal, nuclear, and carbon capture. Solar remains a volume engine through 2030; wind is the clear loser.

Capital Markets Reprice Risk in a Less-Subsidized Market

The capital markets have not abandoned clean energy. They have become more selective, more documentation-driven, and more willing to pay for certainty and charge for its absence.

Volumes remain robust. Total tax equity reached an estimated \$45 to \$50 billion in 2025, roughly 10 percent above 2024, with about \$35 billion supporting solar, wind, and storage. Transferable credit sales reached \$42 billion in 2025, well below the \$60 billion Crux had projected at mid-year but still a sharp increase. The first half of 2026 brought \$21 billion in transfers, about 12 percent below the prior-year period, and the platform projects \$47.5 to \$49 billion for the full year. Greenfield debt financing reached \$59 billion in the first half, and clean energy capital expenditure is projected at \$180 billion in 2026.

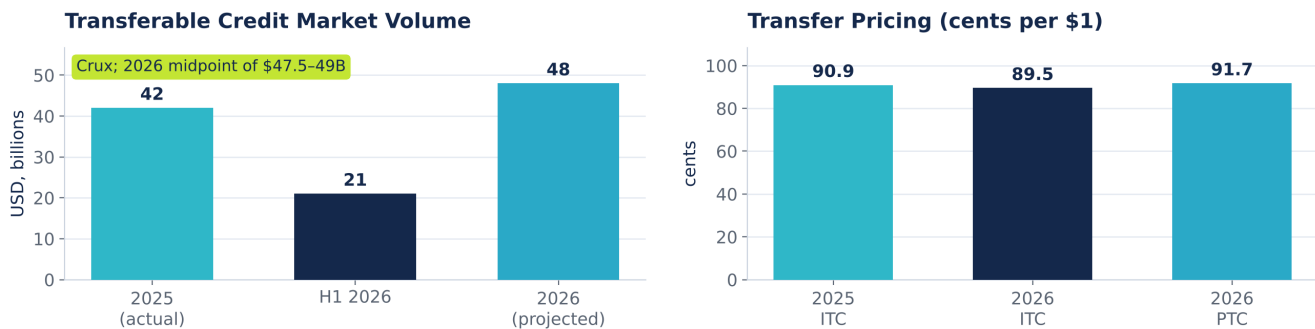


Figure 4. Transfer market volume (left) and indicative transfer pricing per dollar of credit (right) (Crux).

Price signals tell a more nuanced story. Average 2025 investment-credit transfers cleared at about 90.9 cents per dollar, but 2026 investment credits slipped to roughly 89.5 cents as a wave of safe-harbored supply met buyers who now demand FEOC representations, insurance, and indemnities. Production credits moved the other way, rising to about 91.7 cents, because utility-scale spot supply is limited and buyers value the steadier risk profile. The market mix is also shifting: wind's share of transfer volume fell from 23 percent to 7.5 percent year over year, reflecting both permitting friction and foreign-entity uncertainty.

Debt pricing has been comparatively stable for clean, contracted projects. Construction loans on middle-of-the-fairway deals price near 150 basis points over SOFR, and term loans at 162.5 to 187.5 basis points. The spread widens quickly with risk: uncovered tax credit bridge loans price near 225 basis points at a 75 percent advance rate, compared with 150 basis points at 98 percent for covered bridges, and development-stage capital ranges from 350 to 800 basis points. Lenders size merchant revenue at coverage ratios of 1.75x or more for solar and 2.0x for storage, and cap merchant exposure at 25 to 30 percent.

Indicative Debt Margins over SOFR (bps)

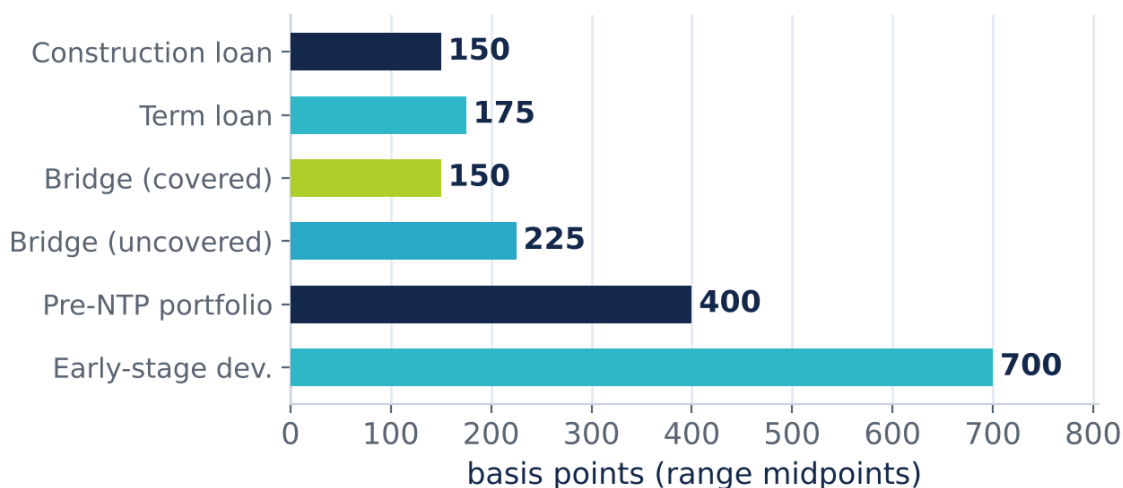


Figure 5. Indicative margins by facility type; range midpoints shown (Norton Rose Fulbright Cost of Capital 2026).

Investor surveys confirm the direction. In ACORE's 2026 review of bank tax equity investors, which together have invested \$93 billion since 2020, historical losses were minimal, yet nearly all respondents expect underwriting to become more stringent after the OBBBA. The repricing is therefore about new risks, not realized losses: beginning-of-construction defensibility, sourcing compliance, recapture, and the merchant tail that appears once credits expire. Meanwhile, consolidation has accelerated, with 97 GW of capacity changing hands in the first half of 2026 as well-capitalized owners buy safe-harbored pipelines.

The repricing is about new risks, not realized losses.

KEY TAKEAWAY



Capital is available, but it now prices three things explicitly: proof of eligibility, proof of sourcing, and exposure to post-credit merchant risk. Sponsors that reduce all three capture most of the remaining subsidy value.

A Development and Finance Playbook for 2026-2030

The post-OBBBA market rewards discipline over volume. The following playbook distills the statutory and market evidence into actions for sponsors, investors, and utilities.

First, triage the safe-harbored pipeline. Score each project on the gap between its realistic commercial operation date and its continuity deadline, on interconnection and permitting risk, and on transformer and module delivery certainty. Concentrate equity and safe-harbored equipment on projects with the widest margin, and sell or partner on the rest while buyers still value eligibility. The 97 GW traded in the first half of 2026 shows a liquid market for well-documented positions.

Second, institutionalize compliance. Pair each project's beginning-of-construction file with a material assistance cost ratio workbook, supplier certifications, and an effective-control review of every material contract. Plan for the proposed regulations expected around year-end 2026 by negotiating change-in-law provisions and supplier cooperation covenants now. Where uncertainty remains, tax insurance can convert a binary risk into a priced one, and it often narrows the transfer discount by more than its premium.

Third, monetize scarcity in offtake. Credit-eligible capacity delivered before 2031 is a finite good, and buyers know it. Data centers accounted for 55 percent of contracted clean energy demand in 2025, and hyperscalers remain active even as other corporate buyers grow cautious. Sponsors should seek longer tenors and price escalators that reflect replacement cost after the credit cliff, and should offer firming through co-located storage, which carries its own long-dated credit.

Fourth, re-underwrite the post-2030 portfolio on unsubsidized economics. For wind and solar projects that will not hold eligibility, models should assume no federal credit, fully loaded tariff costs, and permanent bonus depreciation as the main tax benefit. Many will still pencil in high-price regions with strong demand growth; many will not. Storage, geothermal, nuclear, and carbon capture deserve a fresh look as the natural recipients of federal support through 2033.

Finally, utilities and regulators should plan for a lumpy build. A wave of safe-harbored projects will seek to energize between 2027 and 2030, followed by a sharp drop. Integrated resource plans, interconnection study cycles, and transmission upgrades should be sequenced to capture the eligible capacity while it is available, because replacement energy after 2030 will cost more. Rhodium estimates household energy costs rise \$78 to \$192 per year by 2035 under the new law, an outcome that efficient procurement in the eligible window can partly offset.

97 GW

capacity traded in H1
2026 M&A;

55%

of 2025 contracted clean
demand from data
centers

\$180B

projected 2026 clean
energy capex

2033

last full-credit start year
for storage, geothermal,
nuclear

KEY TAKEAWAY



Win the eligible window, document everything, price scarcity into contracts, and pivot new development toward technologies whose credits outlast 2030.



Beyond 2030, clean energy competes on cost, reliability, and supply-chain integrity rather than on subsidy alone.

Key Findings

Fifteen months after enactment, the evidence supports seven conclusions for project finance.

- The OBBBA converted the wind and solar credits into a fixed-date regime: construction by July 4, 2026 with continuity treatment, or in service by December 31, 2027.
- A safe-harbored pipeline of roughly 170 to 240 GW will sustain solar and wind installations through 2030, followed by a sharp drop.
- Notice 2025-42 eliminated the 5 percent safe harbor for most wind and solar, making documented physical work and continuity the sole path to eligibility.
- Prohibited-foreign-entity rules apply across technologies; Notice 2026-15 made cost ratios workable, but ownership and effective-control rules remain pending.
- Storage, geothermal, nuclear, hydropower, and carbon capture are structurally favored; onshore and offshore wind are most disadvantaged.
- Capital remains plentiful at \$45 to \$50 billion of tax equity and roughly \$48 billion of transfers, but pricing now discriminates on eligibility, sourcing, and merchant risk.
- Scarcity of credit-eligible capacity is already raising contract prices, most visibly a 17.5 percent annual increase in wind PPA prices.

Method and Scope

Vedeni Energy reviewed the enacted statute, Executive Order 14315, IRS Notices 2025-42 and 2026-15, and analyses from leading law firms, then combined them with market data from SEIA and Wood Mackenzie, Crux, LevelTen Energy, ACORE, Deloitte, Norton Rose Fulbright, and Rhodium Group through early October 2026. Pricing and spread figures are indicative ranges; readers should obtain transaction-specific tax and legal advice.

Conclusion

The subsidy era is ending on a schedule; the finance discipline it demands is permanent

The One Big Beautiful Bill Act changed the question project finance asks. Under the IRA, the question was how much credit a project could stack. Under the OBBBA, it is whether a project can prove it deserves any credit at all, and whether it can survive once that credit is gone. Eligibility now depends on dates, documents, and supply-chain provenance, and capital markets are pricing each of them.

For the next four years, the market will be busy building out the safe-harbored pipeline, and the sponsors who execute well will earn returns enhanced by scarcity. The more important work is preparing for the decade that follows: underwriting wind and solar on their own merits, building compliant storage and supply chains, and developing the firm clean resources that still enjoy federal support through 2033. Organizations that treat the OBBBA as a planning horizon rather than a shock will be best positioned to finance the grid that comes next.

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