Daily Tax Report ®
April 2, 2025, 4:45 AM EDT

Energy Tax Credit Defenders Talk Up Jobs While Avoiding 'Solar'

- **Clean energy credits at risk of repeal amid tax bill negotiations**
- **Lobbyists are playing up jobs, energy security to defend credits**

Thomas Clark said he uttered the word “solar” only once in recent meetings with members of Congress to defend renewable energy tax credits—and that was in his introduction.

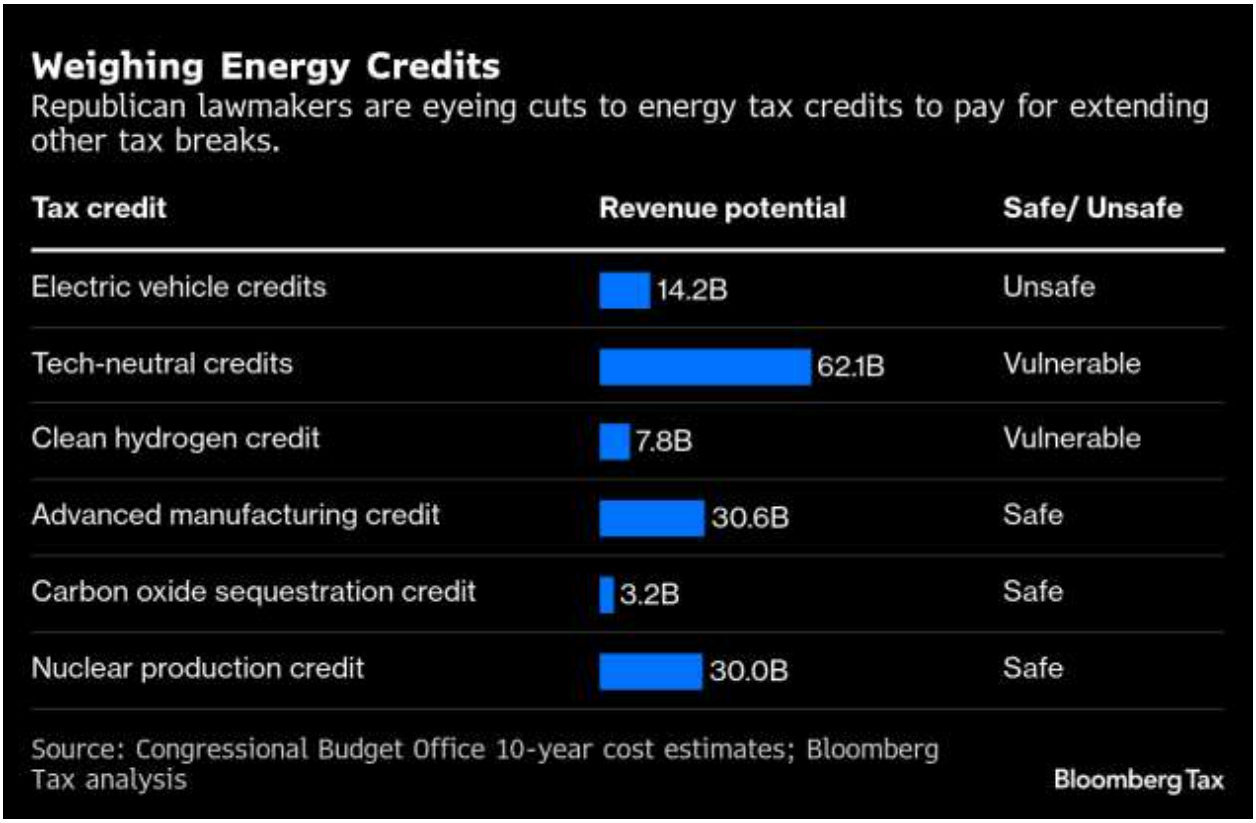
The founder of Montana-based Northstone Solar focused on jobs, investments, and costs during his weeklong trek around the Capitol defending the energy tax credits in the Democrats’ 2022 tax-and-climate law.

Other groups are using a similar strategy to convince GOP lawmakers to retain energy credits from the so-called Inflation Reduction Act as Congress hunts for trillions of dollars in savings to pay for the extension of a 2017 GOP tax law. Since the climate law passed, hundreds of billions of dollars have gone into clean energy projects, more than half of which have landed into GOP districts, according to August data from the policy group E2. Lobbyists are doing a full-court press to save those investments and jobs.

It seems to be resonating with some Republican leaders, who have indicated plans for a targeted repeal rather than a wholesale chop.

Republicans have acknowledged and vowed to defend investments that have landed in their states. Senate Finance Chair Mike Crapo (R-Idaho) said he hopes to avoid damaging the economy that’s blossomed with some of the energy tax credits. He pointed to credits that he’s supported that encourage lower-emission energy sector investment that isn’t specific to one production method.

“I think that a technology-neutral tax approach has a fair chance of making some progress in this Congress, which would not totally eliminate the clean energy tax credits, but may adjust them,” Crapo said during a town hall last week.



On the Defense

In Wyoming, new consulting businesses have opened to help homeowners make clean energy swaps to claim new consumer tax credits, said Marcie Kindred, executive director of the Wyoming State American Federation of Labor and Congress of Industrial Organizations. Solar projects are helping keep electricity rates lower as new data centers are built.

Kindred and Clark went to Capitol Hill to lobby for the energy tax credits and grants with the group United Today, Stronger Tomorrow, which advocates for rural communities in the Mountain West and Alaska. She said lawmakers were skeptical of anything "green," but willing to listen to these stories of tax credits leading to jobs and investments.

The Solar Energy Industries Association in conversations with lawmakers is focused on how solar energy helps with "the road to energy dominance," a priority of the Trump administration, said Sean Gallagher, SEIA senior vice president of policy. Solar is one of the fastest ways to get more energy on the grid as demand for electricity rises, he said.

American Clean Power Chief Advocacy Officer Frank Macchiarola said the organization is also talking to lawmakers about the benefits of solar, wind, and energy storage—how those technologies can make the electric grid more reliable and help businesses and homes save money in energy costs.

"Our message is if you're passing tax cuts because of the stimulative effect on the economy, the revenue that you seek to raise should be in areas that are also stimulating economic growth and jobs," Macchiarola said.

Finding Cheerleaders

Defending clean energy credits is becoming more urgent as GOP lawmakers get closer to releasing details on their massive tax bill package.

If industries and companies don't have a champion willing to speak up for their preferred credit as the bill gets drafted, they risk being at the mercy of the process, said Liam Donovan, a political strategist at Houston-based Bracewell, which advises energy companies on climate legislation.

"With these slim margins [in Congress], one determined member makes all the difference, and leadership will be trying to navigate the path of least resistance," Donovan said in an email.

A group of House Republicans, led by Rep. Andrew Garbarino (R-N.Y.) who co-chairs the bipartisan Climate Solutions Caucus, is urging the Ways and Means Committee to make only targeted changes to the credits.

It's unclear how much money Congress will decide to raise to extend the 2017 law's tax cuts, which could force lawmakers to make hard choices about whether they can afford to preserve the energy credits. A full repeal of the energy credits would raise $796 billion over 10 years, according to a list of policy options circulated by House Republicans.

Republicans have targeted electric vehicle credits for repeal but tend to favor carbon capture and clean fuels because of their connections with the traditional oil-and-gas industry. The Trump administration has also expressed support for nuclear power and domestic manufacturing. The broader production and investment tax credits are more vulnerable because of the need to raise revenue for other tax cuts.

For North Carolina's Thom Tillis, who represents a state where the clean energy sector expanded after the IRA's passage, a full clawback would likely be a hard sell.

North Carolina ranks ninth among states with the most clean energy jobs, according to the NC Department of Commerce. And Tillis, who sits on the tax-writing Senate Finance Committee, acknowledged that a full repeal is unlikely given that some credits have GOP support.

"It makes no sense to pull it all back," Tillis said.

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