

Analysis of tax policies for energy storage industry

How has the energy storage industry progressed in 2024 & 2025?

The energy storage industry has continued to progress over the course of 2024 and into 2025, buoyed in significant part by the federal income tax benefits in the form of tax credits enacted under the Inflation Reduction Act of 2022 (IRA).

What regulatory guidance has the government released on energy storage?

Of particular importance to the energy storage industry, the government has released final regulatory guidance for the ITC (both Section 48 and 48E of the Code), prevailing wage and apprenticeship (PWA) requirements, and transferability and direct payment, as well as other guidance on the energy community and domestic content tax credit "adders."

Are IRA tax benefits a viable option for energy storage facilities?

While the vitality of the IRA tax benefits in their current form is currently subject to uncertainty given the results of the 2024 federal general election, the existing market practice for financing energy storage facilities since the IRA's passage continues to evolve in reaction to the act's new requirements and opportunities.

What are the New IRA rules for energy storage?

Energy storage was one of the major beneficiaries of the IRA's new rules on both the deployment and manufacturing sides. The IRA enacted the long-sought investment tax credit (ITC) under Section 48 and 48E of the Internal Revenue Code (the Code) for standalone energy storage facilities.

Do energy storage projects receive additional credit?

An energy storage project (among others) located in an "energy community" receives an "adder" additional credit (generally an additional 10% ITC). The energy community guidance provides definitional rules for each of the three categories of energy communities (Brownfield Category, Coal Closure Category, and Statistical Area Category).

Are energy storage projects eligible for a bonus credit?

Domestic Content - IRS Notice 2023-38 (May 12, 2023) An energy storage project (among others) is eligible for an "adder" bonus credit (generally an additional 10% ITC) if it satisfies US Federal Transit Administration-based "Buy America Requirements" for domestic content.

Based on a brief analysis of the global and Chinese energy storage markets in terms of size and future development, the publication delves into the relevant business models and cases of new ...

Industry respondents unanimously cited incentives/tax credits as being the single most helpful type of state energy storage policy. While markets remain immature, direct incentives are most ...

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A recent webinar by Clean Energy States Alliance highlighted how the Investment Tax Credit for standalone storage has supercharged growth, but new import duties and supply ...

For this reason, this paper will concentrate on China's energy storage industry. First, it summarizes the developing status of energy storage industry in China. Then, this paper ...

Battery companies are slowing construction or reconsidering big investments in the United States because of tariffs on China and the proposed rollback of tax credits.

Let's face it - tax policies aren't exactly the sexiest part of renewable energy discussions. But here's the kicker: understanding these policies could mean the difference ...

China values the role of policy regulation in promoting the rapid growth of the new energy vehicle sector. This research uses data from A-share listed new energy automotive ...

The Battery Energy Storage System (BESS) market has experienced significant growth in recent years, driven by the increasing adoption of renewable energy and grid ...

This report comes to you at the turning of the tide for energy storage: after two years of rising prices and supply chain disruptions, the energy storage industry is starting to see price ...

The ability to transfer IRA tax credits, including for energy storage facility ITCs, has completely changed the financing opportunities and structures for both sponsors and ...

Comparing energy storage policies and business models of China and foreign countries, and analyzing the energy storage development shortcomings in China, has essential reference ...

US deploys record energy storage in 2024, but Trump policies cloud outlook: WoodMac/ACP Energy storage installations exceeded 12 GW in 2024 despite a 20% year-over ...

Moreover, it separates energy-storage policies at the national level in China from the aspects of industrial energy storage plans, incentive policies for energy-storage applications in the ...

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