

Tax policy analysis report on energy storage

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.

What is the threshold percentage for energy storage technology?

For energy storage technology that begins construction in 2026, the threshold percentage is 55%. The percentage increases by 5% per year until it reaches 75% for energy storage that begins construction after 2029.

Is a stand-alone energy storage a qualified person?

Notably, no NAICS code describes stand-alone energy storage, and there is no published guidance on whether a stand-alone BESS could be a qualified person. Stand-alone BESS is subject to property tax. Texas offers an incentive program referred to as chapter 312 to attract new capital investment that has benefitted renewable development.

Does battery energy storage qualify for a domestic content adder?

Given the current state of battery cell production in the United States, battery energy storage has largely been locked out of a financeable position on qualifying for the domestic content adder given the stated materiality of battery cells to a domestic content analysis.

Spoiler alert: tax incentives are playing matchmaker between green energy and profitability. Let's unpack the tax landscape for energy storage power stations - and why your ...

If the system demand for storage is not met, policymakers in the declining cluster would need to establish a supportive policy framework as soon as possible to enhance the ...

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The 30% tax credit has been "fundamental" to the storage industry's growth, said Joan White, the director of storage and interconnection policy at the Solar Energy Industry ...

The Inflation Reduction Act modifies and extends the clean energy Investment Tax Credit to provide up to a 30% credit for qualifying investments in wind, solar, energy ...

Executive Summary In 2021, the Nuclear Innovation Alliance (NIA) and NIA consultant Jeffrey Brown conducted an initial tax policy analysis to analyze what financial tools advanced nuclear ...

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

The report shows there is a growing appetite across the country for deployment of grid-scale energy storage, as utilities, regulators, and communities further integrate the ...

LAS VEGAS and WASHINGTON, D.C. -- The U.S. solar industry installed nearly 18 gigawatts (GW) of new capacity in the first half of 2025. Even as the Trump administration ...

"We are seeing the energy storage industry fill a real need across the country to provide reliability in an affordable and efficient manner for communities," said John Hensley, ...

American leadership and innovation across all energy sources -- including domestically produced wind, solar, geothermal, hydropower, energy storage, hydrogen, advanced nuclear, and other ...

Background The U.S. Treasury Department and IRS on December 4, 2024, released final regulations (T.D. 10015) relating to the investment tax credit (ITC) for energy property under ...

The report is based on the idea that dramatic expansion of renewable energy resources is essential to the decarbonization of the US power sector, and that the inherent variability of ...

Battery Energy Storage Revenue Streams The varying uses of storage, along with differences in regional energy markets and regulations, create a range of revenue streams for battery energy ...

This data-driven assessment of the current status of energy storage markets is essential to track progress toward the goals described in the Energy Storage Grand Challenge and inform the ...

This document serves as a quick guide to the provisions in the legislation affecting the energy sector. The focus is particularly on clean energy initiatives, emphasizing the important changes ...

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Traditional energy grid designs marginalize the value of information and energy storage, but a truly dynamic power grid requires both. The authors support defining energy ...

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