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President Trump signs executive order on termination of clean electricity tax credits under sections 45Y and 48E

The White House on July 7, 2025, posted on its website an executive order directing the Secretary of the Treasury to "strictly enforce the termination of the clean electricity production and investment tax credits under under sections 45Y and 48E" for wind and solar facilities. Specifically, the executive order directs Treasury to take action within 45 days of enactment of the bill and indicates that it could issue new and revised guidance "to ensure that policies concerning the 'beginning of construction' are not circumvented, including by preventing the artificial acceleration or manipulation of eligibility and by restricting the use of broad safe harbors unless a substantial portion of a subject facility has been built."

As background, the One Big Beautiful Bill Act (OB3) terminates the sections 45Y and 48E credits for wind and solar for facilities which do not begin construction within 12 months of enactment (by July 4, 2026) or are not placed in service by December 31, 2027.

For purposes of the prohibited foreign entity rules in OB3, the existing beginning of construction rules were codified, including Notice 2013-29 and Notice 2018-59. The existing notices have long been relied on in the industry to establish the beginning of construction date of wind and solar projects.

Additionally, the executive order directs the Department of the Interior to review and revise regulations that may favor wind and solar facilities over dispatchable energy sources. Both departments are required to report their findings and actions to the president within 45 days of the order.

Read the White House fact sheet (July 7, 2025).

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