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Title: Restrictions on energy storage projects

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How will HR 1 affect energy storage projects?

H.R. 1 significantly rolls back or repeals many of the clean energy tax credits and incentives introduced with the Inflation Reduction Act of 2022, but energy storage projects are generally not as severely impacted as wind and solar, as energy storage projects beginning construction before 2033 remain eligible for key credits.

Are feoc restrictions relevant to large-scale energy storage projects?

Our focus here is on H.R. 1's extension and expansion of pre-existing foreign entity of concern (FEOC) restrictions for each of the tax credits most likely to be relevant to large-scale energy storage projects under Sections 45Y, 48E, and 45X of the Internal Revenue Code.

Are solar and storage projects eligible for tax credits?

To be eligible for tax credits, materials from a prohibited foreign entity (PFE) must be under a certain percentage threshold. These thresholds are different for solar and storage projects and increase annually:

Are solar and energy storage developers facing a complex landscape?

With the budget bill passed and new Section 232 polysilicon and AD/CVD cases making headlines, solar and energy storage developers and equipment buyers are facing an increasingly complex landscape.

Jul 21, 2025&ensp;&#0183;&ensp;"Prohibited Foreign Entity" restrictions in the OBBBA restrict tax credits in connection with Chinese investment in US-based energy storage projects 21 July 2025 On ...

On July 4, 2025, President Trump signed into law the One Big Beautiful Bill Act (the OBBB), which significantly rolls back many of the core tax incentives that clean energy projects have relied ...

The June 2025 edition of this report finds that severe restrictions, including outright bans and de facto bans on siting renewable energy facilities, as well as controversies over individual ...

