

EXPLORING FEDERAL

# CLEAN ENERGY INCENTIVES

Adapting to federal rollbacks while  
advancing Illinois' clean energy  
goals and creating union jobs.

CLIMATE JOBS ILLINOIS





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Climate Jobs Illinois is a coalition of labor organizations advocating for a **pro -worker, pro -climate** agenda in Illinois.



# INFLATION REDUCTION ACT

- 1 Create Good Union Jobs
- 2 Accelerate Clean Energy Deployment
- 3 Improve Financing Options
- 4 Promote Environmental Justice
- 5 Revitalize U.S. Manufacturing



# FEDERAL TAX CREDITS

The IRA also created and expanded credits for nuclear power, clean hydrogen, electric vehicles, component manufacturing and recycling, and clean fuel production.



## Investment Tax Credit (ITC)

Up to 30% of eligible project costs reimbursed for investments in solar, wind, energy storage, microgrids, carbon capture, and other technologies.



## Production Tax Credit (PTC)

Up to 1.5 cents per kilowatt-hour (kWh) for generating electricity from renewable sources such as wind, solar, geothermal, biomass, and hydropower.





# THE PROMISE UNDER IRA

The Inflation Reduction Act (IRA) was the **largest investment in clean energy in U.S. history**, with the goal of accelerating renewable energy deployment and creating good, union jobs across the U.S. The IRA was set to create over 52,000 jobs in Illinois, all protected by **strong labor standards and prevailing wage**.

Utility -Scale Projects

18 6

Statewide Investment

\$ 3 8 B

Jobs Created

5 2,000



# THE REALITY UNDER TRUMP

1 Steep ITC & PTC Phaseouts

2 Consumer Credits Cut Short

3 Grants & Loans Frozen

4 Financing Restrictions

5 Tougher Supply Chain Rules





# CLEAN ENERGY PHASEOUTS

Full credit values only apply to projects that **start construction by July 4, 2026** and **come online before 2029**.

Credits phase out to 80% in 2029, 60% in 2030, and 40% in 2031.

**After 2031, ITC & PTC end completely.**



Utility - Scale Renewables



Energy Storage & Batteries



Electric Vehicles & Chargers



Industrial Decarbonization



# FOREIGN ENTITY OF CONCERN

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Projects lose eligibility for credits if they use components or minerals from foreign entities of concern: China, Russia, Iran, or North Korea.

These restrictions hit hardest for EVs, storage systems, and imported solar panels .

The rules could stall projects in Illinois by creating supply chain bottlenecks unless domestic manufacturing and local contractors scale up quickly.





# KEY DATES TO WATCH

## Consumers

**Dec. 31, 2025**

Last day for home energy efficiency (25D) and electric vehicle (30D & 25E) credits.

## Developers

**Dec. 31, 2025**

Foreign Entity of Concern (FEOC) requirements kick in.

**July 4, 2026**

Eligible renewable projects must begin construction (shovels in the ground).

## Final Phaseouts

**2029 - 2031**

ITC (45/45Y) & PTC (48/48E) phaseout 20% per year.

**Dec. 31, 2031**

Drop-dead date to claim reduced ITC & PTC credits.



# WE WANT TO HEAR FROM YOU

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Climate Jobs Illinois is interested in connecting with local developers. We want to hear about your experience with federal tax incentives, highlight upcoming projects, and tour your facilities.

**Contact Mia Korinke to set up a one -on-one meeting.**  
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