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## Solar projects could get 30% more expensive | Here's why companies should act fast

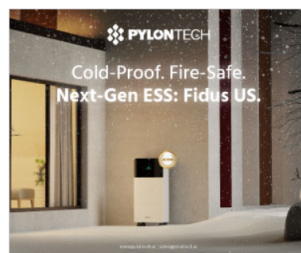
By Contributing Author April 13, 2026



By Rick Margolin, [ENGIE Impact](#) | The passage of the One Big Beautiful Bill Act (OBBA) in July 2025 marked a major policy shift for renewable energy and began a period of uncertainty in the sector. The legislation called for [termination of clean energy tax credits](#); and prior to expiration, the Treasury Department's new guidelines make qualification much more difficult. Solar and wind projects stand to lose up to eight years of tax credit runway, with credits now set to phase out fully after 2027 rather than 2035 under the [Inflation Reduction Act \(IRA\)](#).

With these changes taking effect, [solar project prices](#) could balloon by 30% or more as federal tax credits begin expiring this year. For corporations with renewable energy targets in the conceptualization or development stage, the window to act on available incentives is closing fast. Leaders across finance, infrastructure, and sustainability must navigate upcoming deadlines and new OBBA guidelines to determine whether pursuing a project makes sense for their short- and long-term goals.

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### How to tell if a corporation is ready for renewable energy

Every corporation's energy buying arsenal should include renewables as a key tool. Renewables is crucial to any corporate focused on managing energy costs, reducing exposure to market volatility, gaining budgetary certainty, enhancing reliability, or reducing the environmental footprint of their operations.

As a foundation, companies need to clearly define their budgetary, operational, and sustainability objectives. Next, organizations must establish a clear and holistic understanding of where their energy supply currently comes from, as well as involved parties, terms, conditions, and prices. To achieve this, the organization needs to fortify their data collection and warehousing.

Once these steps are in place, companies should develop a picture of the energy procurement landscape. This gives them perspective on what conventional energy options currently look like, what they are expected to look like in the future, and how this compares to the company's own trajectory. From there, they can overlay the information onto the landscape of renewable options



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trajectory. From there, they can overlay the information onto the landscape of renewable options and see which markets and instruments are transactable, and what their relative quantitative and qualitative values are.

## 2 incentives that have driven corporate solar growth

The Investment Tax Credit (ITC) and Production Tax Credit (PTC) are federal incentives designed to boost renewable energy development. These credits have been available in various forms since the late 1970s but were notably enhanced by the IRA.

The ITC is available for various investments, including renewable energy, energy efficiency, and manufacturing. [The Solar Energy Industries Association \(SEIA\)](#) calculates that over 125,000 megawatts (MW) of new solar projects have been funded by the ITC since the passage of the IRA. This alone accounts for nearly 40% of all solar ever built in the United States.

The PTC is a federal incentive under IRC Section 45, offering a per-kilowatt-hour (kWh) tax credit for electricity generated by qualified renewable energy resources. Prior to the IRA, the PTC was almost exclusively used for wind energy projects; changes introduced by the IRA expanded use of the PTC across a broad range of renewables, including solar. Approximately 55,000 MW of new renewables capacity funded by the PTC have been added since IRA's passage.

While the ITC and PTC applies broadly to renewable energy technologies, including wind, geothermal, and energy-efficient equipment, solar project developers stand to lose the most from any credit reduction, making timing a critical financial decision. Companies that proceed with solar projects now can still access the entire advantage. The future of both credits is uncertain due to changing government policy, meaning those who wait may find that the math no longer works in their favor.

## Critical deadlines companies can't miss

Companies looking to capitalize on federal tax credits have two deadlines to work with:

**July 4, 2026:** Projects smaller than 1.5 MW can achieve "safe harbor" status if at least 5% of project costs are deployed by this date. The project must then be placed in service by Dec. 31, 2030. Projects larger than 1.5 MW must begin "substantial construction" by this date. OBBBA implemented changes to this definition that make it substantially more restrictive. Projects that meet this deadline must be placed in service by Dec. 31, 2030.

**Dec. 31, 2027:** Projects that cannot meet the July 4, 2026, deadline can still qualify for federal tax incentives by completing construction and being placed in service by this date.

## Cost of waiting

Companies that want to increase their clean energy consumption by incorporating renewable energy face risks if they delay their projects. Due to a loss of federal tax credits, project costs may increase by 30% or more, representing an immediate risk. Additionally, favorable financing, long-term savings, and project pipelines will tighten, leaving fewer high-quality options for corporate buyers due to competition acquiring the best sites and contract terms.

Energy buyers who move quickly can still realize savings and advantages. After OBBBA was passed, ENGIE Impact helped a major government agency deploy nearly 15 MW of clean power by evaluating proposals across 26 sites nationwide. ENGIE Impact recommended 15 projects, totaling nearly 14 MW of solar and 0.5 MW of storage. The result was over \$12.1 million in projected net energy savings, nearly 320,000 megawatt hours of renewable power, and nearly \$7 million in additional value secured through strategic contract renegotiation at 13 sites. At the same time, ENGIE Impact advised the agency to turn down proposals on six projects, saving them about \$5 million in avoidable energy costs. This shows that acting quickly only pays off when organizations rely on experts to help them determine the best strategy and take decisive action.

## Conclusion

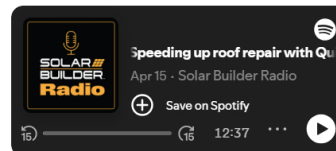
The post-OBBBA era represents a shift in how businesses invest in renewable energy. Soon, the cost of solar projects [may increase by 30%](#) or more. Time is of the essence for finance, sustainability, and procurement teams to agree on investment timeframes, risk tolerance, and a long-term energy plan. Organizations must engage renewable energy advisors early to determine if a project is feasible, secure financing, and meet the key dates that determine whether a project is eligible for credits. With the right action plan, organizations that act quickly will save money that their competitors will spend years trying to recoup.

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