



Last Call for Solar Tax Credits:

How to Secure Nonprofit
Solar Incentives Before They
Disappear

Presented on August 5th, 2025

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MEET OUR SPEAKERS



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WestCare, WI

About RE-volv

RE-volv is an equity-focused clean energy access nonprofit that provides solar financing to fellow nonprofits, while educating community members about the benefits of clean energy.

- 501(c)3 Nonprofit
- Incorporated in 2011
- Based in San Francisco
- Work nationally
- Emerging CDFI
- OFN member



INVEST

ENGAGE

**EMPOWE
R**

Solar Installation for Harbor
House Ministries in Oakland, CA



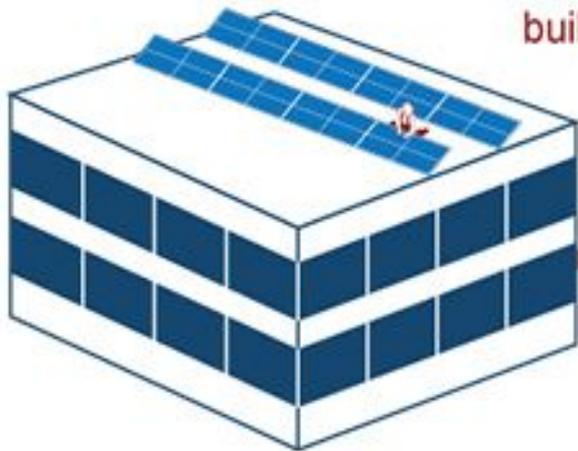


RE-volv Impact To Date

- 100+ nonprofits in 18 States
- \$15 Million deployed
- \$35 Million in nonprofit electric bill savings
- 5 MW of solar projects financed
- 200,000+ people collectively served
- 125,000+ tons of CO₂ avoided
- 500+ Solar Ambassadors trained at 30 universities

Solar Seeding Effect

New Berkeley Lab research shows that solar installations on non-residential buildings can influence residential adoption decisions



Non-residential installation



Residential adoption



Alec Ward

**Senior Director of Regulatory
Affairs, SEIA**



Direct Pay + One Big Beautiful Bill (OBBB)

- Alec Ward, Sr. Director of Regulatory Affairs, SEIA



What is Direct Pay?

- Allows tax-exempt and governmental entities to benefit from clean energy tax credits (including 48E + 45Y)
- Credit is treated as a payment of tax by the IRS and any excess is refunded

Example:

- A local government invests in a rooftop solar energy project that qualifies for an investment tax credit (ITC)
- Files a tax return and elects Direct Pay
- If all requirements (e.g., pre-filing registration) are met, the IRS issues them a direct cash payment equal to the tax credit

Who is Eligible?

- Tax-exempt organizations
- States and political subdivisions such as local governments
- Indian tribal governments and Alaska Native Corporations
- Tennessee Valley Authority
- Rural electric cooperatives
- U.S. territories and their political subdivisions
- Agencies and instrumentalities of state, local, tribal and U.S. territorial governments.





One Big Beautiful Bill (OBBB) Changes?

- Direct Pay rules untouched
- Changes in timelines/requirements for underlying tax credits (including § 48E Investment Tax Credit + § 45Y Production Tax Credit)
- Direct pay recipients will be subject to clawbacks if underlying credits are disallowed as a result of a failure to comply with material assistance provisions



Sections 45Y/48E

- For solar facilities that begin construction (pursuant to existing IRS guidance) after the date that is 12 months after enactment, 45Y and 48E are subject to a placed in service deadline of December 31, 2027
 - The placed in service requirement does not apply to energy storage projects
- There is no ban on third party financed home solar solutions
- Domestic content bonus credit
 - Fixes the drafting error made in the IRA for the domestic content bonus credit under 48E

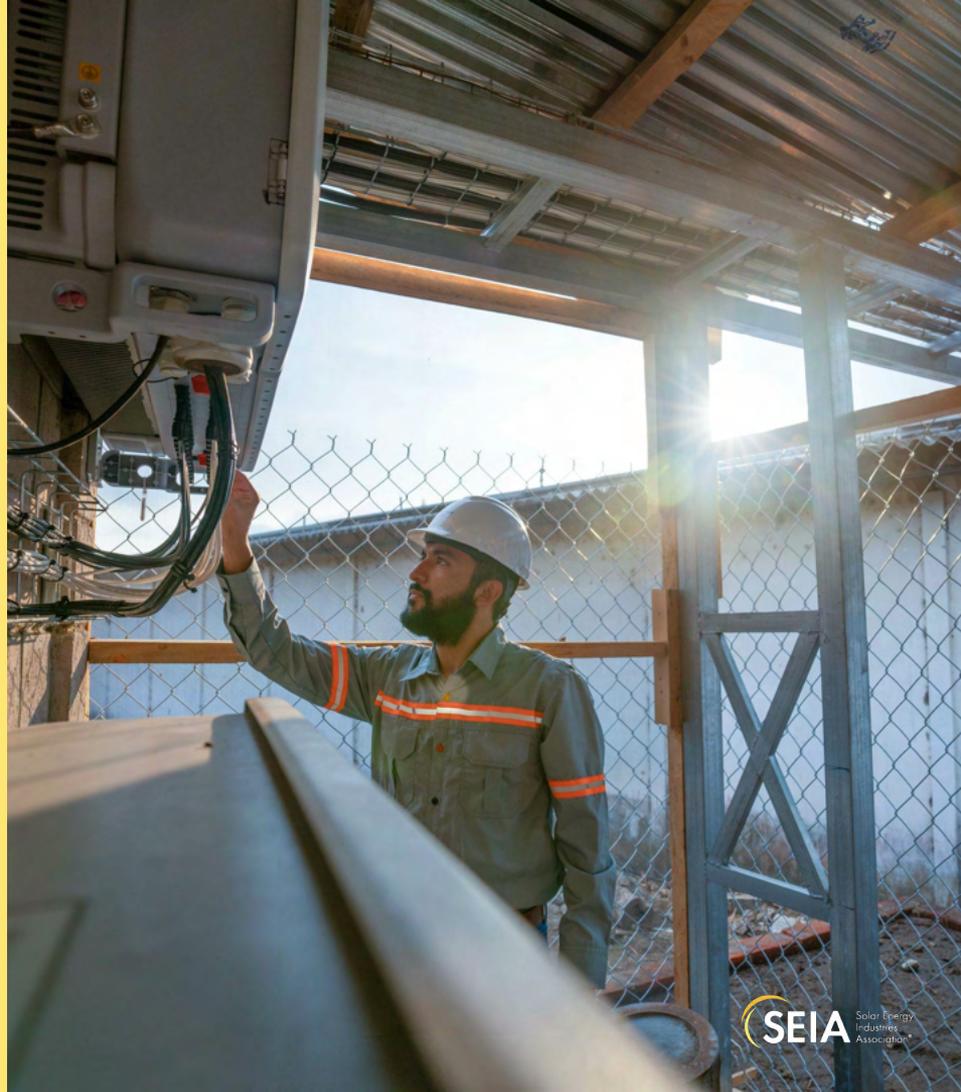
Residential Solar

- The 25D credit will not apply to expenditures made after December 31, 2025



FEOC Restrictions for 45Y/48E/45X

- Beginning in taxable years after enactment, no specified foreign entity or foreign-influenced entity can claim a 45Y/48E or 45X credit
 - Existing IRS guidance on beginning of construction is codified for purposes of applying these restrictions
- For projects that begin construction after December 31, 2025, and for eligible components sold in 2026 and later, taxpayers cannot receive “material assistance from a prohibited foreign entity”



Definitions

Material Assistance from a Prohibited Foreign Entity

This table describes the minimum amount of non-SFE, non-FIE content by cost required for eligibility; for 45Y/48E (including interconnection ITC property), before 60 days after new tables are issued (required no later than 12/31/26), taxpayers can rely on domestic content safe harbor tables or supplier certifications:

	2026	2027	2028	2029	2030	2031	2032	2033
45Y/48E solar	40	45	50	55	60	60	60	60
45Y/48E storage	55	60	65	70	75	75	75	75
45X – solar	50	60	70	80	85	85	85	85
45X – inverter	50	55	60	65	70	70	70	70
45X – battery	60	65	70	80	85	85	85	85
45X – critical minerals	0	0	0	0	25	30	40	50



Executive Order (EO) Uncertainty

- EO (7/7) “Ending Market Distorting Subsidies for Unreliable, Foreign Controlled Energy Sources” ordered Treasury by 8/18:
 - to “strictly enforce” the termination of the clean electricity production and investment tax credits under sections 45Y and 48E of the tax code for wind and solar facilities,
 - to issue revised guidance preventing circumvention of the “beginning of construction” period, and
 - to immediately implement the enhanced foreign entity of concern restrictions of the Act



Sean Malone

**Distributed Power Plant
Technical Analyst, Solar United
Neighbors**

How do the ITC Changes Affect Residential Solar & Storage?

Considering how the rollbacks of the ITC affect the residential market, what alternatives are after the tax credits phase out, and SUN's calls to action



What Do Rollbacks Mean For Solar & Storage?

With the passage of the budget bill in July 2025, the Section 25D Residential Clean Energy Credit is eliminated starting January 1st, 2026.

Homeowners who want to claim the 30% federal tax credit on a system they purchase must have it installed and energized by December 31st, 2025.

- The budget bill terminates Section 25D for any solar or battery, paired or stand-alone, equipment installed after December 31, 2025. Until that date, homeowners may still claim the full 30% credit.
- If the system is installed and operational in 2025, you can claim the full 30% 25D credit on your 2025 return even if part of the invoice isn't paid until 2026.

Section 48E of the Inflation Reduction Act applies a 30% tax credit for commercial systems.

The tax credit for commercial systems remains active until the end of 2026, but then faces the same hard elimination as 25D for residential.

- Projects must begin construction by July 4th, 2026 to qualify for safe harbor.
- Projects that begin after July 4th, 2026 must be placed in service by December 31st, 2027 to qualify.
- For commercial systems, batteries remain eligible for the tax credit through 2033 at the full 30%, and then phases out through 2035.



**So, what
options do we
have to keep
solar
affordable?**

PPA and Leasing Options

The companies that offer third-party ownership models such as PPAs (Purchase Power Agreements) and leases for solar and storage are commercial entities and thus qualify for the commercial tax credit. The tax credit is passed to the pricing of the PPA or lease to the consumer, saving the consumer money.

As mentioned, the commercial tax credit lasts through the end of 2026, whereas the residential tax credit ends at the end of 2025.

As a homeowner, you can still take advantage of the 30% tax credit in 2026 by signing up for a PPA or lease.

- PPAs: homeowner purchases electricity generated by a system at a set price.
- Leases: homeowner pays a fixed monthly fee to "rent" the system.
- Third-party owner, usually a solar company, receives the tax credit and passes along a portion of the savings.
- Comes with tradeoffs, like not owning the equipment, but is a particularly good option in certain areas.
 - In California under NEM 3.0, some areas are more attractive for PPAs by maximizing time-of-use savings

Switch Together Campaign

SUN and iChoosr have partnered together to get thousands of homes to switch to solar together through a group buying program. These programs occur in cities around the country.

Switch Together is an option to get affordable solar after the tax credit is eliminated.

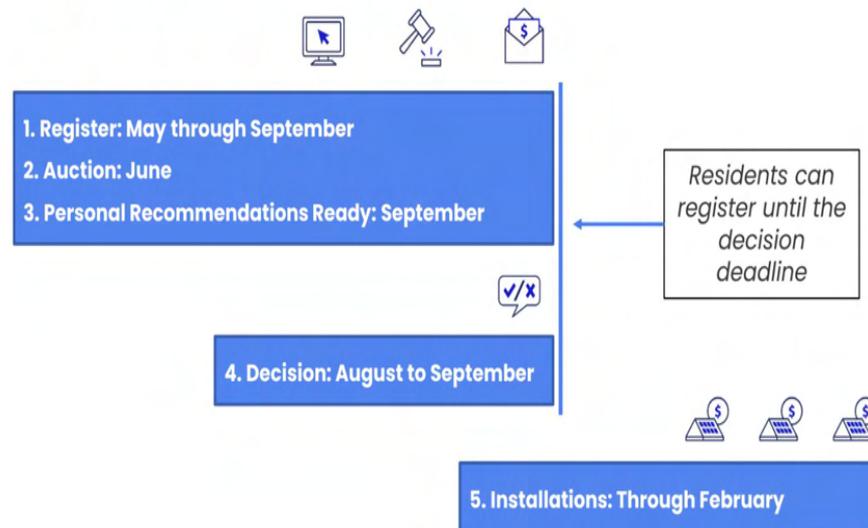
- iChoosr is installer-neutral and vets installers for licensing, financial stability, equipment, experience, etc.
- A reverse auction takes place where the best prices win.
 - Average savings: 15% to 25%.
- SUN and iChoosr collaborate with community organization and municipal governments to promote the campaign.
 - LMI rebates & incentives could be offered.



switch together.



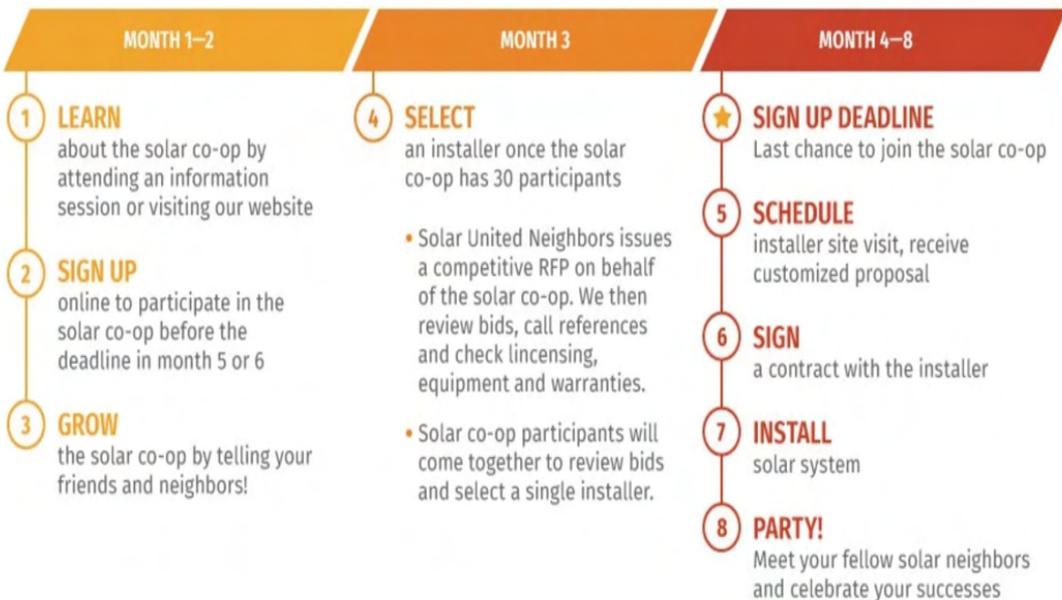
Program Launch: May



Example Switch Together campaign timeline

Solar Cooperatives (co-ops)

Going solar with a Solar Co-op



Solar cooperatives are another way for many households to leverage their collective buying power to purchase solar below the market rate.

Co-ops can be an effective way to leverage bulk purchasing to lower the costs of going solar after the expiration of federal tax credits.

- Co-op members volunteer to serve on an Installer Selection Committee that meets to review the submitted bids and selects one solar installer to service everyone in the solar co-op.
- SUN facilitates the creation of co-ops, guiding participants in the process but ultimately leaving the decision-making up to them.
- Co-ops solicit competitive bids from installers, so you'll get a great price on a personalized solar proposal.

Distributed Power Plants (DPPs)



Distributed power plants, also known as virtual power plants, offer homeowners an opportunity to leverage their home battery as a distributed energy resource (DER) all the while generating income from participating in the DPP.

DPPs work by enrolling your DERs like a home battery, smart thermostat, EV charger, etc., in a program that utilizes them to offset peak demand across the grid. In turn, homeowners are compensated for their contribution.

- Nearly half of U.S. states have launched a DPP program.
- The ConnectedSolutions DPP program in the Northeast generates many homeowners around \$1500 in revenue.
- Incentives sometimes offered for battery installs such as \$0 upfront cost.
- Puerto Rico consistently avoiding blackouts this summer by tapping into 50-100 MW of battery storage.

SUN's Calls To Action

- 1** The hard elimination of the residential tax credit means that solar companies will be inundated with requests. **Get your residential solar project launched ASAP if you intend to own your own system.**
- 2** The commercial tax credit is still available until the end of 2026 to commercial entities. **If you miss the residential tax credit, you can take advantage of commercial PPA and leasing options.**
- 3** If you miss the tax credit, there are co-ops and campaigns that make solar more affordable. **Join a solar co-op or an iChoosr Switch Together campaign to make solar more affordable.**
- 4** SUN offers services to help find a co-op, Switch Together campaign, answer questions, and review proposals. **Take advantage of SUN's Solar Help Desk, look up co-ops in your area, or join a Switch Together campaign.**
- 5** Distributed power plants are becoming more available around the country and can save homeowners money. **See if there is a DPP in your area, and consider joining to generate income from your solar+storage system.**

Thank You

While the elimination of the federal tax credits greatly affects the financial incentives for residential solar and storage, there are innovative options available to offset a substantial part of the costs. Feel free to reach out to our Solar Help Desk with any questions!





Anna Adamsson

**Project Manager, Clean Energy
Group**

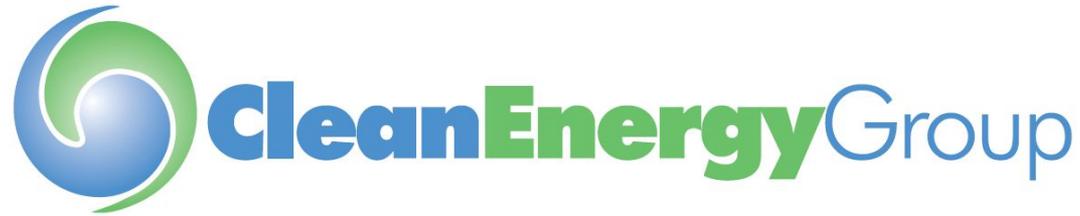


Why Nonprofits Pursue Solar+Storage

How it creates resilient, thriving communities

August 5, 2025

www.cleanegroup.org



Affordable, reliable, clean energy for all.



**Climate Resilience and
Community Health**



**Distributed Energy Access
and Equity**



**Energy Storage and Flexible
Demand**



Fossil Fuel Replacement

Technical Assistance Fund

Providing technical support to build local resilience.



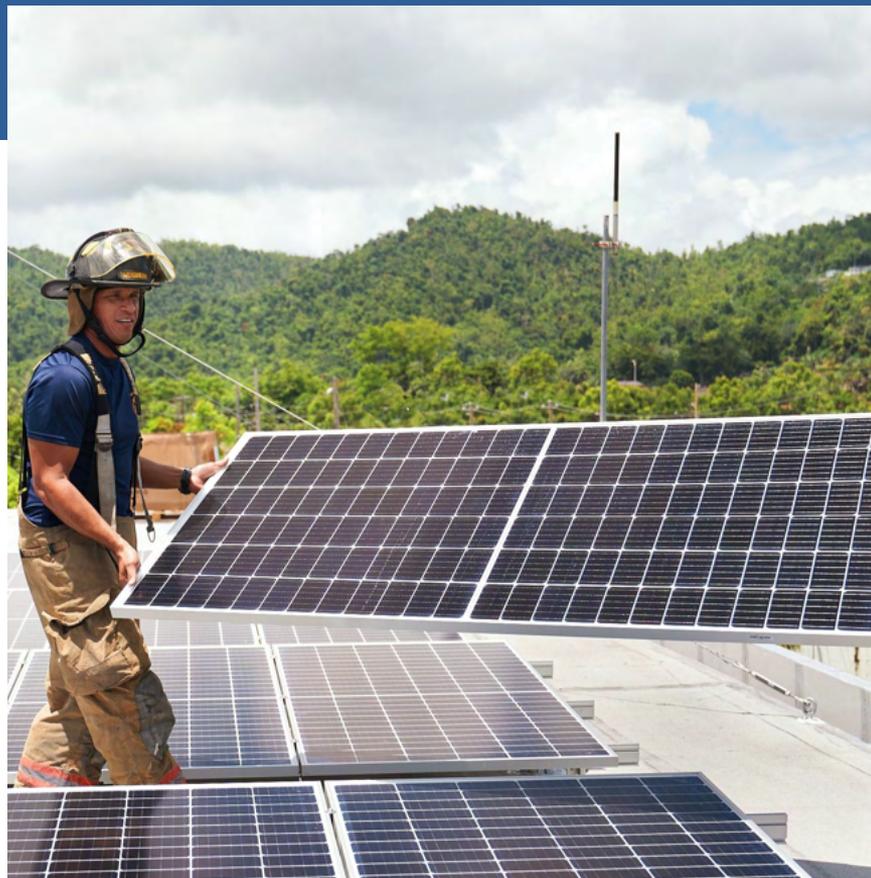
footprintproject.org™



AMERICAN MICROGRID
SOLUTIONS



USDN | urban sustainability
directors network



Solar installation in Puerto Rico. Credit: Solar Responders

The Resilient Power Project Impact: 2013 - 2024

**\$2 million in
Grants Awarded**



**200 Community
Service Partners**



**380 Community
Facilities**



Installed Projects

Targeted technical assistance leads to more projects being installed



Energy Storage

Can provide resilient backup power during outages for critical services, such as:

- Lighting
- Electrical outlets to charge phones and electricity-dependent medical devices
- Refrigeration for food and medication
- Heating and cooling

Virginia Resilience Hub

- 33-kilowatt rooftop solar
- 60-kilowatt-hour battery
- Critical load back-up for 3 days; frequent zero-dollar monthly electric bills



Community Solar

Individuals, businesses, and nonprofits can subscribe to a portion of the energy generated by a large solar array. Community solar can uniquely benefit:

- Renters or those without roofs that can structurally support solar
- People who cannot afford solar's upfront cost



Maycroft Apartments

Location: Washington, DC

Critical Loads: Hallway and stairwell lighting, and a resiliency center that provides lighting, exhaust and floor fans, charging for phones and medical devices, refrigeration for food and medication, and a microwave

Costs: \$130,000 batteries and installation, \$197,000 solar

Additional Benefits: Community solar for 100 residents - \$40 monthly utility savings





Thank You



Anna Adamsson

Project Manager

Clean Energy Group

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Marques Mason

Solar Account Manager, RE-volv



One of the biggest barriers to nonprofits going solar is the up-front costs.



RE-volv's zero down solar financing options

LOAN

*Nonprofit owns the solar equipment
*RE-volv supports Direct Pay application

LEASE

*RE-volv owns the solar equipment
*RE-volv passes through Direct Pay

POWER PURCHASE AGREEMENT



LifeLine Animal Project

Atlanta, GA

SAVINGS

\$1.6M

SYSTEM

SIZE

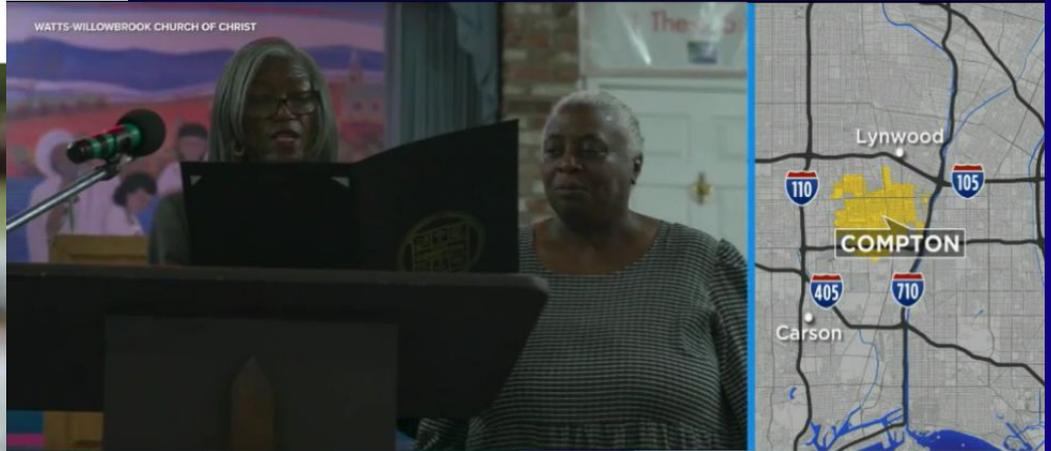
201 kW





Georgia Tech students use solar power to help Atlanta animal nonprofit

"It just depends on what the sun gives us"



IN THE
COMMUNITY

SPONSORED BY



24/7 PREVIOUSLY RECORDED

"It helps the animal shelter, it helps the students and it also helps the environment as well."

Direct Pay Timeline

August 12th

Nonprofit Submits 12
Months of Electricity
Bills to RE-volv



September 15th

Nonprofit Signs Solar
Agreement



August 14-29th

RE-volv Delivers Solar
Proposal for Nonprofit
Review

Scan to
Learn More.



re-volv.org/nonprofit
gosolar@re-volv.org





Travis Landry

**Vice President of WestCare
Wisconsin**



WESTCARE
WISCONSIN
Milwaukee, WI

SAVINGS
\$77,000
SYSTEM SIZE
13 kW



Thank you!

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