Key Questions & Answers: Impacts of the One Big Beautiful Bill Act (OBBBA) on Tribal Clean Energy

Which Inflation Reduction Act (IRA) clean energy provisions affecting Tribes have been rescinded or reduced?

- Investment and Production Tax Credits (ITC 48E and PTC 45Y): Projects must begin construction by July 4, 2026 and be placed in service by December 31, 2027 to remain eligible. These credits are unavailable after that.
- Non-solar/wind projects: The sunset for tax credits supporting energy storage, geothermal, biomass, hydroelectric, and other clean sources has been accelerated.
- Electric Vehicle and Home Efficiency Credits: EV credits end by September 2025; EV charging and home energy efficiency credits end by June 2026.
- Tribal Energy Loan Guarantee Program (TELGP): Eliminated from remaining IRA funding, including up to $20 billion in unobligated loan authority.
- DOE Loan and Grant Programs: Title 17, Advanced Technology Vehicles Manufacturing, and Section 1706 (~$11.6 billion) are rescinded. Transmission, grid expansion, and siting grants are also defunded.
- EPA Greenhouse Gas Reduction Fund: Tribes lose access to billions in unobligated IRA grants aimed at disadvantaged communities.
- Energy Community Adder and Bonus Credits: Projects in brownfields and economically impacted areas (many Tribal lands qualify) lose eligibility.

Summary: Virtually all major IRA clean energy supports for Tribes, including tax credits, direct pay, loan guarantees, and grants, are rescinded or phased out, undermining tools essential to advancing Tribal energy sovereignty.

What is the new timeline for energy-efficient home upgrade tax credits?

- Energy Efficient Home Improvement Credit (25C) and Residential Clean Energy Property Credit (25D) expire for improvements made after December 31, 2025.
- New Energy Efficient Home Credit (45L) ends for homes acquired after June 30, 2026, unless construction began earlier.
- Implications for Tribes: Shorter timelines disproportionately impact Tribes facing permitting and infrastructure delays. Immediate action is needed to complete projects before expiration.

How do these changes affect ongoing and planned Tribal energy projects?

- Many projects now face financing gaps, increased risk, and compressed timelines.

- Planning-stage initiatives may no longer qualify under shortened eligibility windows.
- Tribes must reassess feasibility, seek alternative funding, and possibly downscale or restructure projects.

Examples of Projects at Risk:

- Eagle Shadow Mountain Solar Farm (NV): 300 MW project depends on ITC for viability.
- Hopi Tribe Microgrids: Threatened by loss of tax credits and direct pay.
- DOE Rural Electrification Grants: Projects like "Light Up Navajo" lose vital funding.
- Gila River Solar Canal Pilot: Further expansion threatened by rollback of credits.

How can Tribes pivot given the loss of federal incentives?

- Focus on community-scale or phased projects with incremental funding.
- Pursue philanthropic, state-level, and mission-aligned private capital.
- Build regional coalitions, energy cooperatives, and internal Tribal capacity.
- Prioritize energy efficiency and resilience (ex. solar-plus-storage for critical facilities).

What are the implications for Tribal energy sovereignty and self-determination?

- The rollback limits Tribal control over clean energy development.
- Increases financial barriers and legal complexity.
- Shifts power to outside interests, undermining sovereignty and equitable transition.

How are renewable energy development efforts on Tribal lands affected?

- Loss of tax credits and grants makes projects less viable.
- Trust land status further complicates financing and permitting.
- Increased competition for limited private capital and risk of ceding control.

What alternative financing and development strategies should Tribes consider?

- Form Tribal energy cooperatives or joint ventures.
- Seek green banks, philanthropic funders, and impact investors.
- Leverage state programs, NMTC, Opportunity Zones, and retained Direct Pay credits.
- Use long-term Power Purchase Agreements (PPAs) with Tribal entities.

How do fossil fuel provisions in the OBBBA affect Tribal lands and resources?

- Mandated leasing expands oil, gas, and coal extraction near Tribal areas.
- Weakens environmental review and Tribal consultation.

- Excludes Tribes from revenue-sharing while exposing them to health and cultural risks.

Implications of streamlined permitting near Tribal lands:

- Reduces Tribal input and oversight.
- Accelerates harmful development without mitigation.

Environmental and cultural resource risks:

- Increased pollution, habitat destruction, and cultural desecration.
- Harm to traditional practices and public health.

How can Tribal Nations maintain momentum?

- Form regional alliances, share staff/consultants, and co-develop projects.
- Partner with Tribal colleges, clean energy nonprofits, and mission-aligned investors.
- Advocate jointly for energy sovereignty and future legislation.

Opportunities for intertribal collaboration without federal subsidies:

- Create intertribal cooperatives, co-host trainings, and share procurement resources.

Private and government partnerships to offset lost federal support:

- Engage with impact investors, developers, green banks, and state energy offices.

Advocacy: How can Tribes shape future legislation?

- Form coalitions, directly engage policymakers, and demand sovereignty-based frameworks and mandatory consultation.

Join the Conversation: We have been asked by Congressional staff to contribute feedback on OBBBA and its impacts on Indian Country. If you would like to share insights or help shape our response, email us at: **policy@tribalcleanenergy.org**.