

Excerpt from Barron's, August 14, 2025

Clean Energy Stocks Have Jumped. Next Week Could Test the Rally.

Clean energy stocks have staged an impressive rebound in the past month, despite a new tax law that took away credits the industry has relied on for years.

The [Invesco WilderHill Clean Energy ETF](#), PBW, (+2.42%), a basket of clean energy stocks, is up 14% since the bill passed through Congress and landed on President Donald Trump's desk. Those gains, however, may be at risk as soon as next week.

Trump has called for the Treasury Department to impose more stringent rules on renewables projects. Jefferies analyst Julien Dumoulin-Smith wrote the "day of reckoning" for renewable tax credits could come on Monday.

Stocks that could be affected include

One reason clean energy stocks have been rising in recent weeks is that **the tax law left some pathways open** for companies to continue to claim tax credits years into the future—even in areas like wind and solar power. As long as projects begin construction within a year of the bill's passage, they can qualify for credits worth 30% of the value

But more conservative Republicans urged Trump to close that window. He issued an executive order on July 7 calling on the Treasury "to strictly enforce the termination of the clean electricity production and investment tax credits," issuing new rules within 45 days about what "beginning of construction" means for renewables projects.

A few senators including Lisa Murkowski, a Republican from Alaska, had insisted on that one-year window to create more gradual phase-down in incentives for renewables. Under historical rules, those projects would have four years to finish construction, meaning that projects completed as late as 2030 might be able to qualify for credits.

Those rules have been pretty consistent since 2013, according to tax lawyers. There are two basic ways to qualify: show you've started a meaningful amount of physical construction, or buy at least 5% of the equipment that you need for a project.

"We've been relying on this for a significant time," said ...

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The new rules could eliminate the ability for companies to qualify for safe harbor protection solely through equipment purchases, or change the thresholds of how much equipment they need to purchase.

There is also significant uncertainty about when they would go into effect, ...

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