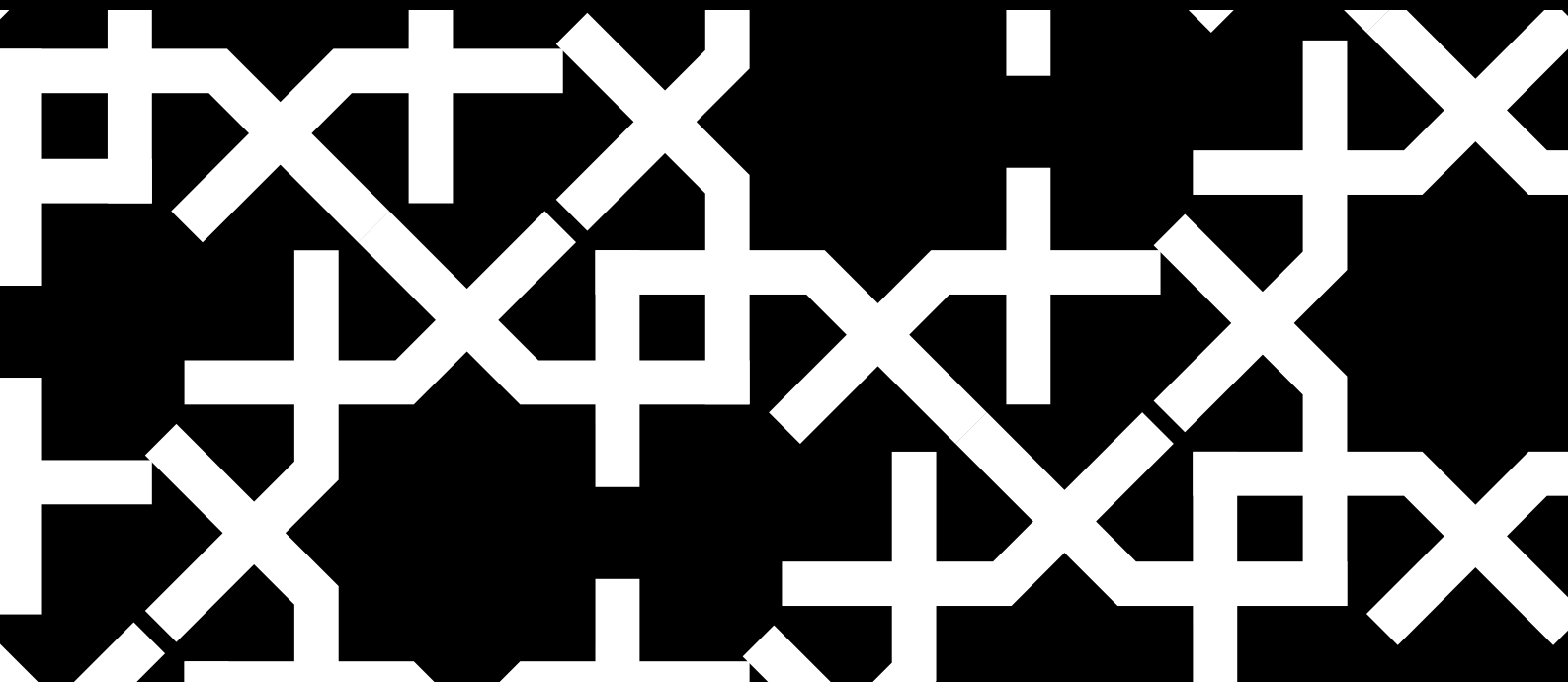


# 3Q 2024 Market Update

The state of the market for  
transferable tax credits

October 2024



This update has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, legal, business or other professional advice. This update provides general information based on our market observations and other information we have gathered, and does not guarantee any outcome or result for a particular transaction, including the ability to execute a transaction, the terms and conditions of any transaction (including pricing), or the extent to which any transaction complies with legal, tax, accounting or other applicable requirements. In addition, this update is based upon commercial activity on the Crux platform, publicly available information regarding tax credit transactions and other third party sources of information, and therefore any information beyond such sources, including estimates regarding the size or other terms of the total tax credit transfer market, are based on our reasonable and good faith projections and estimates and cannot be guaranteed as accurate or complete. Please consult with your advisors, including legal counsel, for specific advice, including prior to participating in any transaction for the purchase and sale of tax credits. The information herein may not be exhaustive and does not imply any element of a contractual relationship. Where these materials include information that has been obtained from third party sources, including surveys, Crux has not independently verified the accuracy or completeness of such information.

# Introduction

August 2024 marked the two year anniversary of the Inflation Reduction Act (IRA), which catalyzed an influx of private capital into U.S. clean energy infrastructure and manufacturing. According to the Clean Investment Monitor, nearly \$500 billion has been invested in these sectors in the past two years, largely driven by expanded tax credits that incentivize clean energy and advanced manufacturing projects. The impact of these credits is significantly enhanced by transferability, which has broadened capital access and created new investment opportunities.

This is Crux's quarterly update to our industry-leading transferable tax credit market reports. The report examines the state of the tax credit transfer market in the third quarter of 2024, highlighting its rapid growth and increased diversity. The market is on track to meet or exceed our forecast of transaction volume of \$22-25 billion for 2024. Crux estimates that around \$7-7.5 billion worth of tax credit deals closed in the third quarter alone. Clean energy technologies such as wind, solar, and energy storage remain dominant in this space, although newer credit categories like advanced manufacturing and nuclear energy played a larger role in deals in the third quarter.

This update is based upon commercial activity on the Crux platform and any publicly available information regarding tax credit transactions. The data reflects what many market participants are experiencing: an uptick in market liquidity, competitive bidding leading to increased prices for 2024 credits, and compressed transaction timelines. As supply tightens, buyers are increasingly looking to forward commitments for 2025 tax credits, offering capital flexibility to energy developers.

**Overall, the ability to transfer tax credits has revolutionized financing for clean energy projects, enabling sustained growth in the clean energy and manufacturing sectors.**

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# State of the market in 3Q 2024

# The market continues to grow

Transaction volume in the third quarter may have totaled \$7-\$7.5 billion, in addition to the \$9-11 billion Crux estimated for the first half. Year to date, total estimated 2024 deal volume is roughly \$16-18.5 billion. These figures are at the high end of Crux's forecasts for 2024 deal activity. The majority of transactions in the third quarter were for 2024 tax credits. A rising share of buyers are also beginning to look at 2025 tax credits, which fall outside the forecast for 2024 deal volume.

Current year tax credit supply is becoming constrained, but Crux continues to expect that deal volume will rise into the fourth quarter, bringing the total for 2024 transacted tax credit volume to \$22-\$25 billion. Total tax credit monetization for 2024, inclusive of tax equity transactions, is likely to exceed \$40 billion.

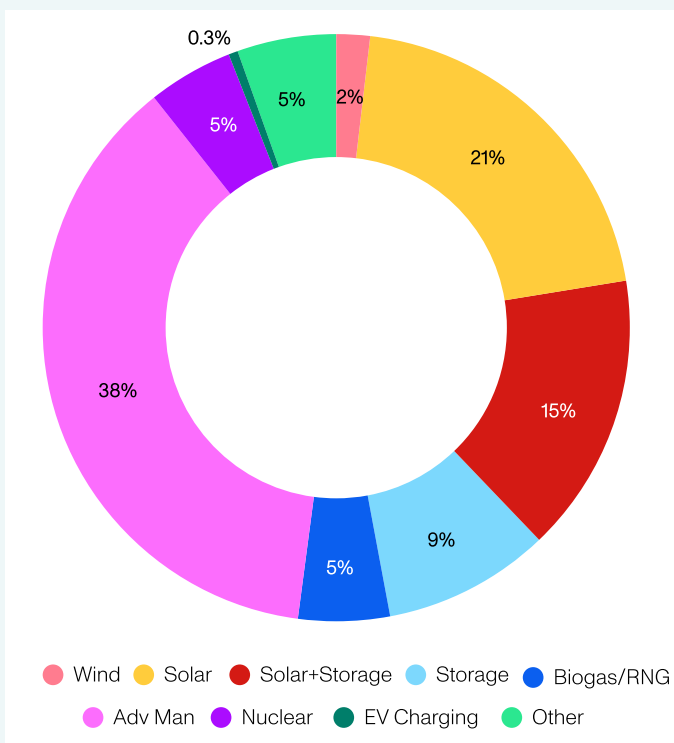
Importantly, 2024 tax credits can continue to transact into 2025 and up to the tax filing deadline for 2024 — typically October for extended filers. In early 2024, and even through mid-year, it remained common for tax credit buyers to purchase 2023 tax credits for the purpose of satisfying a portion of their 2023 tax liability. In particular, projects with fourth quarter placed in service timing may wait to transact until it is clear that the project will reach in service in 2024 and therefore be eligible to generate 2024 tax credits, which often can push the transfer sale negotiation into the next year. Crux's forecast for total transaction volume anticipates that most transactions will close by year end, and that the availability of 2024 tax credits will be limited in 2025.

# Transferability supports a wide range of clean energy technologies

In the third quarter of 2024, Crux observed increasing diversity in the supply side of tax credit transactions. Traditional technologies like wind, solar, and storage dominated tax credit deals in the first half of the year, accounting for 85% of transacted supply. In the third quarter, however, the market became increasingly diverse, and a wider range of tax credits and technologies drew interest from buyers.

As of the third quarter, the proportion of deals featuring wind, solar, and storage as the underlying technology declined in Crux’s third quarter data set, and newly-eligible technologies made up a larger share of tax credit supply. In particular, Section 45X advanced manufacturing tax PTCs and Section 45U nuclear PTCs accounted for a significant share of the market (Figure 1). Supply of tax credits from wind facilities declined most notably — from 20% of the market in Crux’s mid-year market intelligence report to around 2%, reflecting that the bulk of wind PTCs were sold in the first half of 2024.

*Figure 1. Technology mix for 3Q 2024 based upon Crux platform data*



Solar ITCs declined as a share of the market to 21% from approximately 40% in the first half. The overall share of supply from traditional technology types (wind, solar, and storage) totaled 47% in the third quarter data set, down from 83% in the mid-year market report.

Advanced manufacturing PTCs accounted for the largest increase as a share of the market at 38% of credit supply in the third quarter, up from 12% at mid-year. Crux did not observe any deals in nuclear PTCs in the first half of 2024, but these credits supplied about 5% of the market in the third quarter.

New supply of tax credits is essential to help balance the market for 2024 tax credits, and 45X and 45U tax credits are playing an important role in meeting growing tax credit demand. In late September, the IRS published guidance for the [30C alternative fuel vehicle refueling tax credit](#), unlocking another source of tax credit supply for the market. While 30C transactions had been limited ahead of the guidance, Crux has observed an increase in interest by both sellers of 30C tax credits and potential buyers in pursuing a tax credit transaction.

The IRS indicated in early October that they would endeavor to publish a suite of additional guidance by the end of 2024. That effort reportedly includes finalizing guidance for 45X advanced manufacturing tax credits, finalizing the [45V hydrogen PTC regulations](#), and additional guidance on the [tech-neutral tax credits](#) that take effect in 2025.

# Tax credits are driving clean energy investment

According to the U.S. Energy Information Administration's (EIA) most recent [Short-Term Energy Outlook](#), the renewable energy sector is seeing significant growth in 2024. Solar and battery storage projects are expected to account for 81% of new electric-generating capacity this year. Renewable sources, like wind and solar, are rapidly expanding due to policy support from the IRA and the ability to monetize tax credits efficiently through transferability. The EIA forecasts that renewable energy capacity will increase by 10% in 2024 alone. Solar energy is expected to lead this growth, with an estimated 30 gigawatts (GW) of new solar capacity set to come online in 2024, a 25% increase from 2023 levels. Wind capacity is also projected to grow by 12 GW, up from 9 GW in 2023. In total, renewables could account for nearly 30% of U.S. electricity generation by the end of 2024, up from 24% in 2022.

This rapid growth in clean energy development is expected to continue to accelerate through the end of the decade. Clean energy and zero-emission nuclear power are expected to supply 50-60% of the electricity consumed in the US annually by 2030, according to EIA's most recent [long-term forecast](#). This magnitude of investment requires significant access to capital, and the ability to sell tax credits via transferability ensures that project development does not become constrained by one financing pathway such as traditional tax equity.

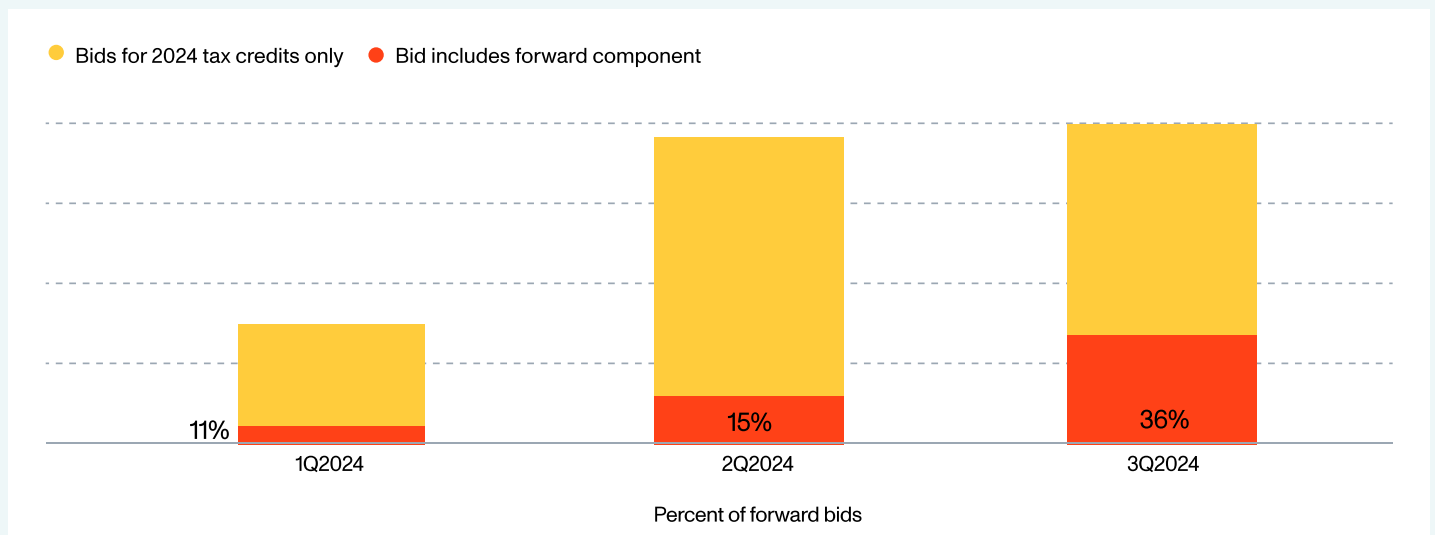


# Buyer interest in forward commitments is rising

As the market for 2024 tax credits continues to grow more competitive, buyers are increasingly beginning to look at making forward commitments for 2025 (or later) tax credits. Buyers can commit to purchase tax credits in a future year, often at a discount to spot market prices. IRS regulations require that tax credits be paid for in cash in the year in which the tax credit is generated, so commitments to purchase future tax credits do not involve cash payment. It is common for developers to use the commitments to upsize bridge loans. Even within a given calendar year, tax credit buyers rarely pay for tax credits before they are generated. For the purposes of this analysis, Crux considers a forward tax credit purchase to be a binding commitment by a buyer to purchase tax credits that will be generated in a future year, not an intra-year commitment for tax credits that will be generated later that year.

Including bids for PTC strips, 36% of bids on Crux in the third quarter included a forward component. This represents a material increase from the second and first quarters, where bids for forwards represented 15% and 11% of all bid volume (Figure 2).

Figure 2. Proportion of bids including a forward component, PTC and ITC

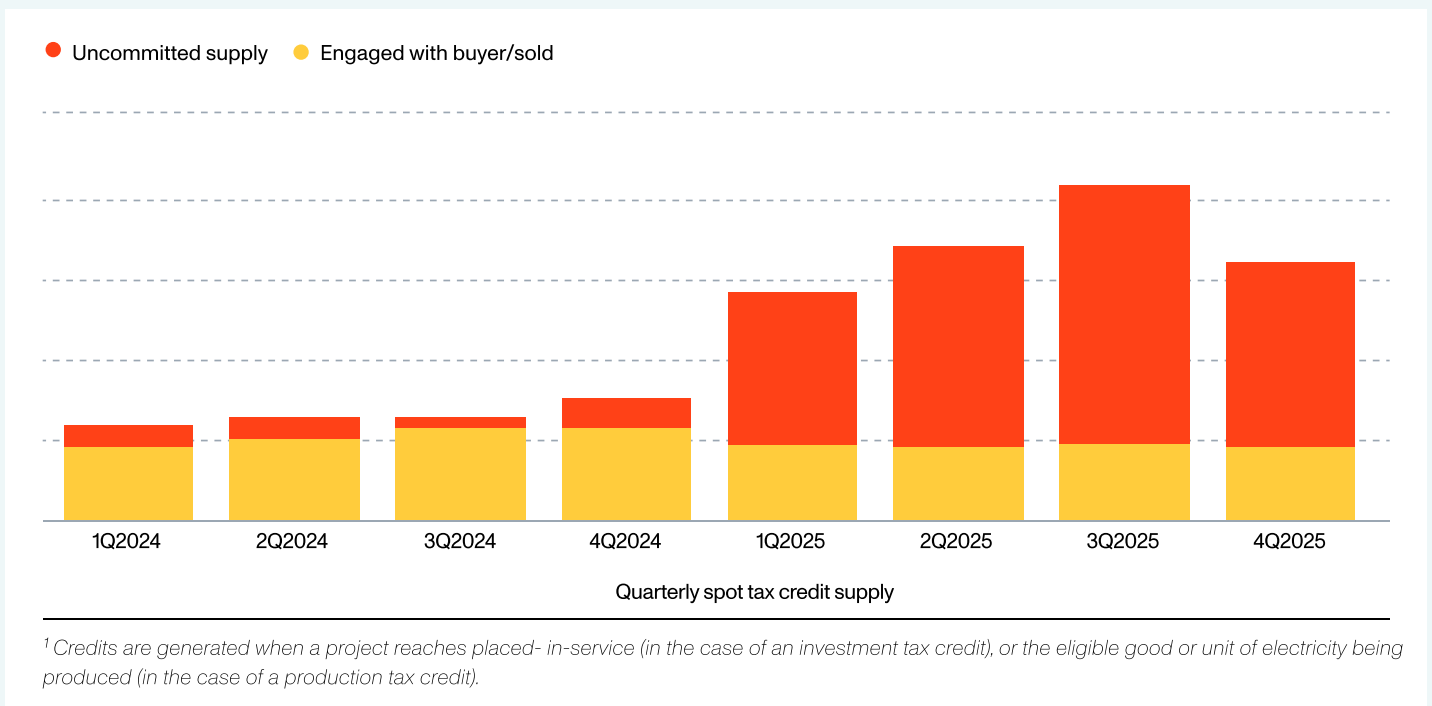


<sup>1</sup> Credits are generated when a project reaches placed-in-service (in the case of an investment tax credit), or the eligible good or unit of electricity being produced (in the case of a production tax credit).

Forward commitments are an important driver of liquidity and capital access for energy project developers. For tax credit buyers, forward commitments can provide an opportunity to engage with the widest market of tax credit sellers before most buyers are thinking about a future tax year. Crux has observed that the market for tax credits can become competitive relatively quickly and earlier than buyers might expect. By the third quarter of 2024, Crux found that 80% of credits listed by developers of the most liquid technologies (wind, solar, storage, 45X, 45U, and some RNG credits) receive bids within a week of listing. In this competitive environment, buyers need to act quickly and place attractive bids in order to successfully win.

Figure 3 illustrates the proportion of tax credits, based upon estimated quarterly tax credit supply, that have entered into either a binding or non-binding engagement with a buyer (including credits that are negotiating term sheets to credits with definitive documents signed).

**Figure 3. Committed and uncommitted tax credit supply, 2024 and 2025**



For sellers, lining up a buyer ahead of a project’s placed in service schedule (including during the construction phase or earlier) can provide the ability to access lower cost financing solutions. It remains common for projects to secure tax equity investment, but new options are also emerging. It’s becoming more common for equity investors to make a minority investment prior to the project being placed into service. These investments can serve to further establish the project’s fair market value. However, projects need capital when they start construction, which may be months before the project generates a tax credit. In this case, bridge lending facilities are particularly beneficial. Some lenders are beginning to offer bridge lending facilities that developers can access with a forward commitment to purchase tax credits once generated. These bridge loans can be an attractive source of lower cost capital.



02

# Market liquidity and transaction timing

# Measures of market depth and liquidity

The tax credit market is barely over a year old, set in motion by the IRS’s proposed transferability regulations. In that short time, the market has built an impressive depth of liquidity, and tax credit pricing is beginning to converge around predictable characteristics. Crux’s tax credit marketplace has observed enormous growth in market demand and depth of bids, especially for the largest and most transactable part of the market.

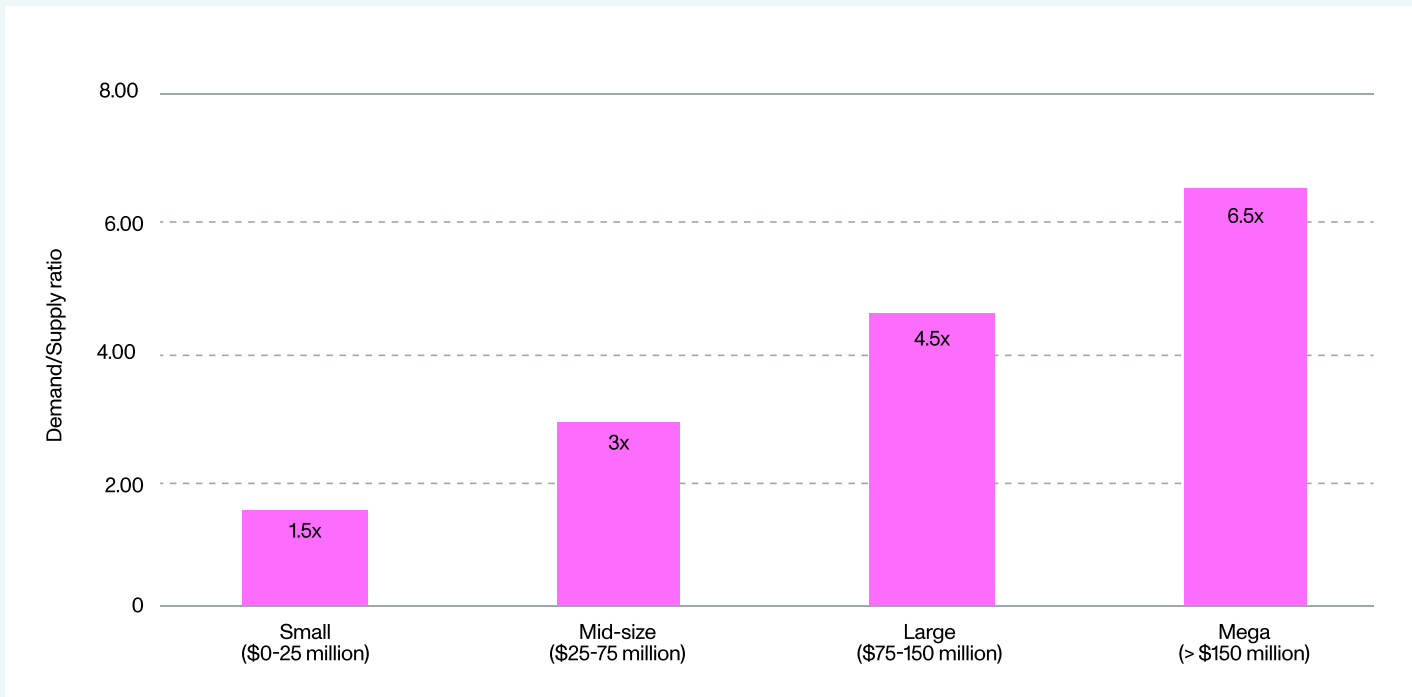
Crux measures liquidity using two measures: the depth of demand and the variance of bid pricing for tax credits. Figure 4 represents the depth of the market for tax credits in four size tranches — small credits under \$25 million, mid-sized credits between \$25 and \$75 million, large credits between \$75 and \$150 million, and mega credits over \$150 million in notional deal size. Buyers typically prefer to do fewer tax credit transactions rather than many, so demand is not entirely fungible between different deal sizes. The cumulative value of all bids for each size tranche over the supply of credits in each tranche equals the depth of the market at each credit size.

Depth of market by credit size	=	$\frac{\text{Cumulative value of all bids for that size tranche}}{\text{Supply of credits in that size tranche}}$
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As credits get larger, market depth increases — even for very large tax credits, the number of buyers seeking to purchase a large volume of tax credits tends to outstrip the supply of large credits in the spot market.

For sellers, this dynamic clearly illustrates the value of bundling tax credits into larger portfolios. The ability to appeal to larger, active tax credit buyers can help improve sellers’ market options. Credits over \$25 million in notional value tend to attract multiple buyers, averaging over 1.5 bids per listed credit. Large credits and mega credits average 2.6 and 3.8 bids per credit, respectively.

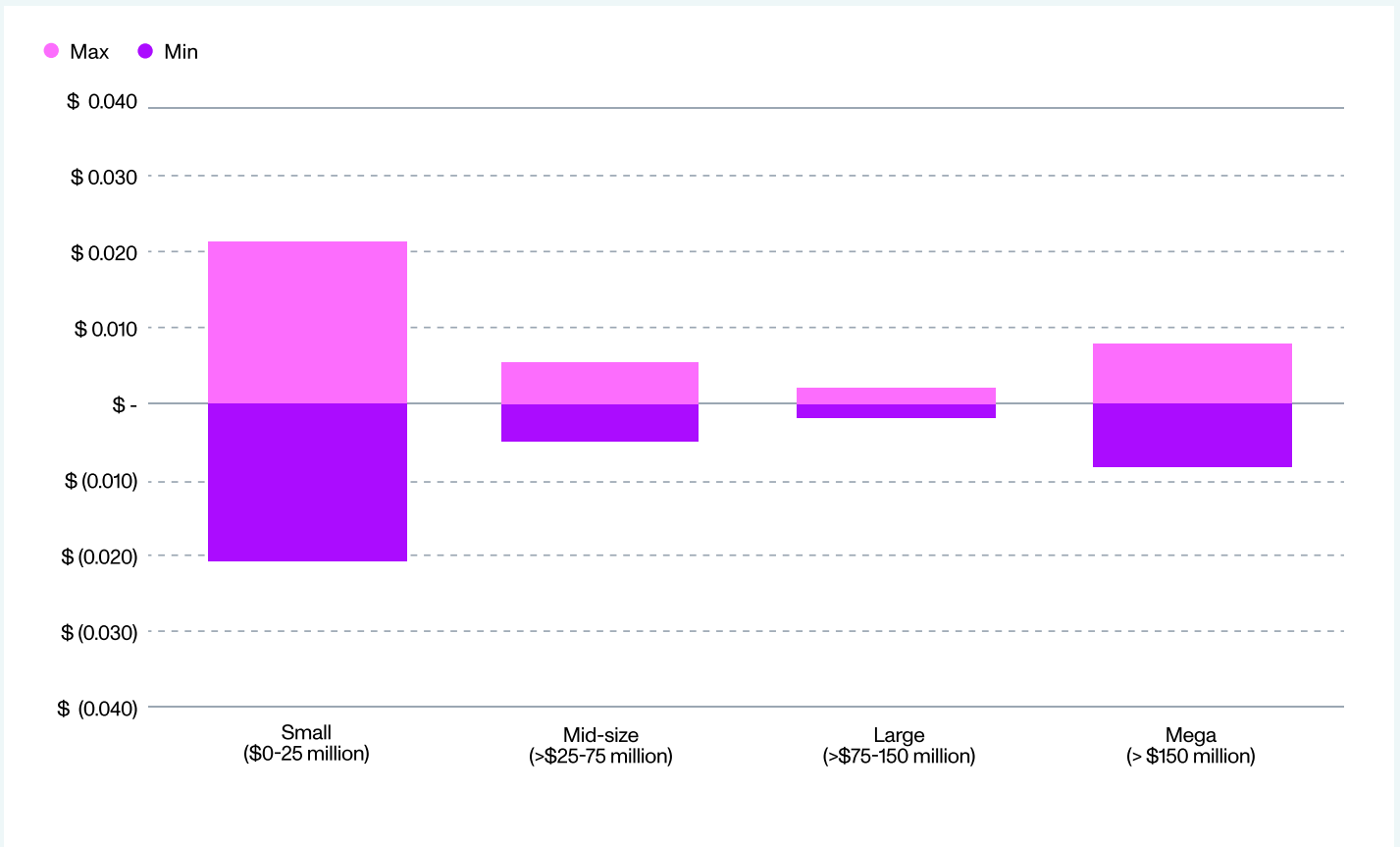
Figure 4. Demand/supply ratio by tax credit tranche, 2024



Variance in average bid is another important measure of liquidity. Sellers want to have certainty that if a buyer falls through, another similar bid may be available. Tax credit pricing is strongly correlated with deal size, and low price variance indicates convergence in market price expectations. Expected bid price variance is calculated as the average difference between the mean bid price and the price of all bids received for a given credit. Figure 5 illustrates the typical range of bid pricing for credits by credit size. Small credit bids exhibit the most variance. For a given credit, bids typically can range from 2 cents above to 2 cents below the average bid. The range for larger credits tends to be narrower, +/- about 0.6 cents for mid-sized credits, +/- 0.25 cents for large deals, and +/- 0.8 cents for mega deals. Put differently, sellers can expect that the difference between the highest and lowest bids they receive to be about 4 cents for small credits, 1.2 cents for mid-sized credits, 0.5 cents for large credits, and 1.6 cents for mega deals.

Mid-sized and large deals represent a particularly liquid part of the tax credit market, where both the supply of credits and the demand for credits is significant. Credits generated by traditional tech types in these tranches are very likely to encounter a liquid market, meaning both ample credit demand and convergence among bid prices. The market for mega deals tends to be slightly less liquid. Despite ample demand, the supply of credits of this size is relatively limited.

Figure 5. Average bid variance by credit size on Crux, 2024



# Timing and readiness to transact

Both buyers and sellers indicate that readiness to transact is a key criteria they look for in a counterparty. Neither buyer nor seller typically want to spend months engaged in contract negotiations, or to engage in a lengthy back and forth only to turn up a red flag. Parties prefer to reserve time (and legal spend) for due diligence and negotiation around risk mitigation options (such as indemnification or insurance).

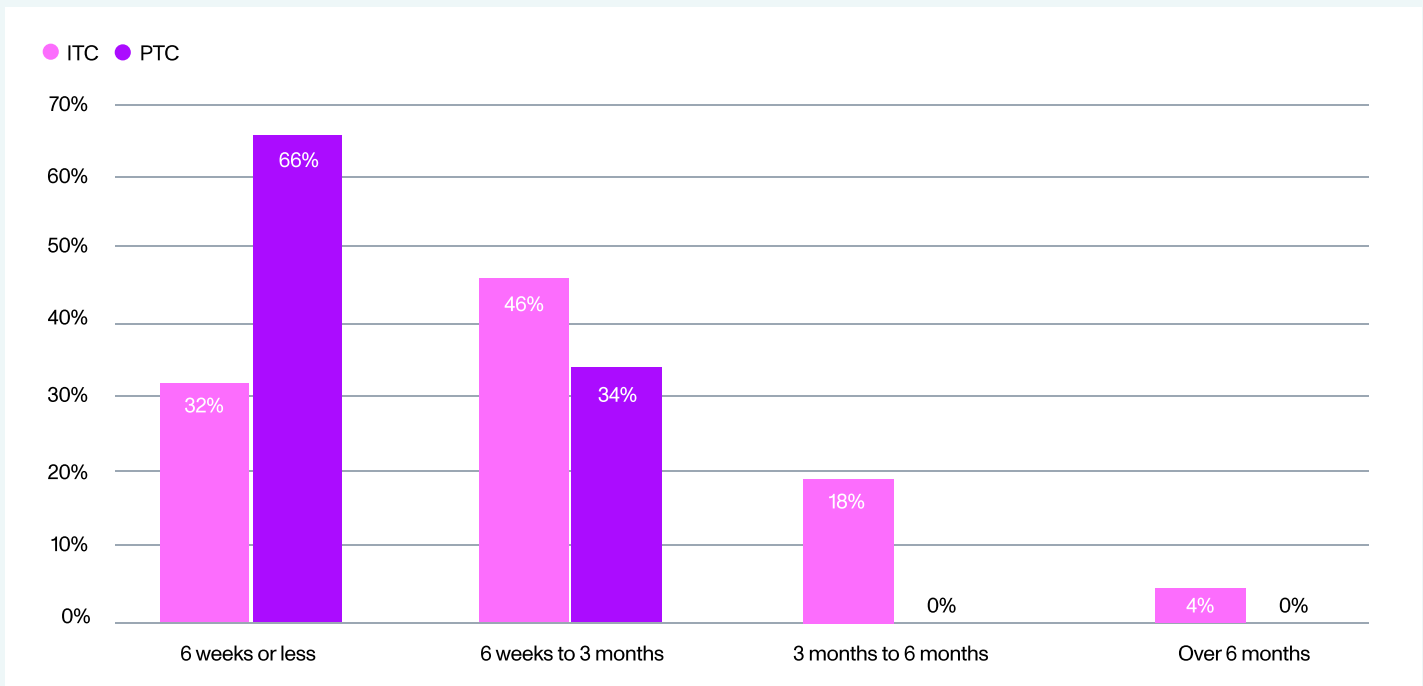
Crux continues to observe that tax credit transactions can be executed quickly, in line with data in our Mid-Year Market Intelligence Report. PTC transactions, in particular, tend to transact very quickly (as measured by the time elapsed between bid acceptance and deal closure on Crux). **Around 66% of PTC deals on Crux close within 6 weeks, and the remaining 34% of PTC deals close within 3 months (Figure 6).**

<sup>2</sup> Bids can vary in a variety of ways besides price, including timing of payment, or whether a buyer is bidding on all of or a portion of a credit. Sellers consider all these factors when evaluating bids.

**ITC deals can move quickly, and nearly 80% of Crux’s ITC deals have closed in under 3 months, with about 32% of deals closing within 6 weeks.** A minority of deals — only 4% of ITC deals by volume — have taken over six months to close, and most such deals were under \$10 million in notional value. Generally, Crux has observed that elongated transaction timelines correspond to seller readiness. To aid sellers who might be new to the market and to tax credit transactions, Crux has prepared a proprietary due diligence checklist, which is available to all platform users.

**Crux’s standard docs are a contributing factor to closing faster-than-market deals. In particular, closure within 6 weeks is more common on Crux than in the market, with 66% of PTC deals closing in that time frame (versus 44% in the market) and 32% of ITC deals (versus 19% in the market).** Quick deal closure is possible when parties are ready to transact, and observably easier to achieve when they start with Crux’s market-validated standard docs rather than from scratch.

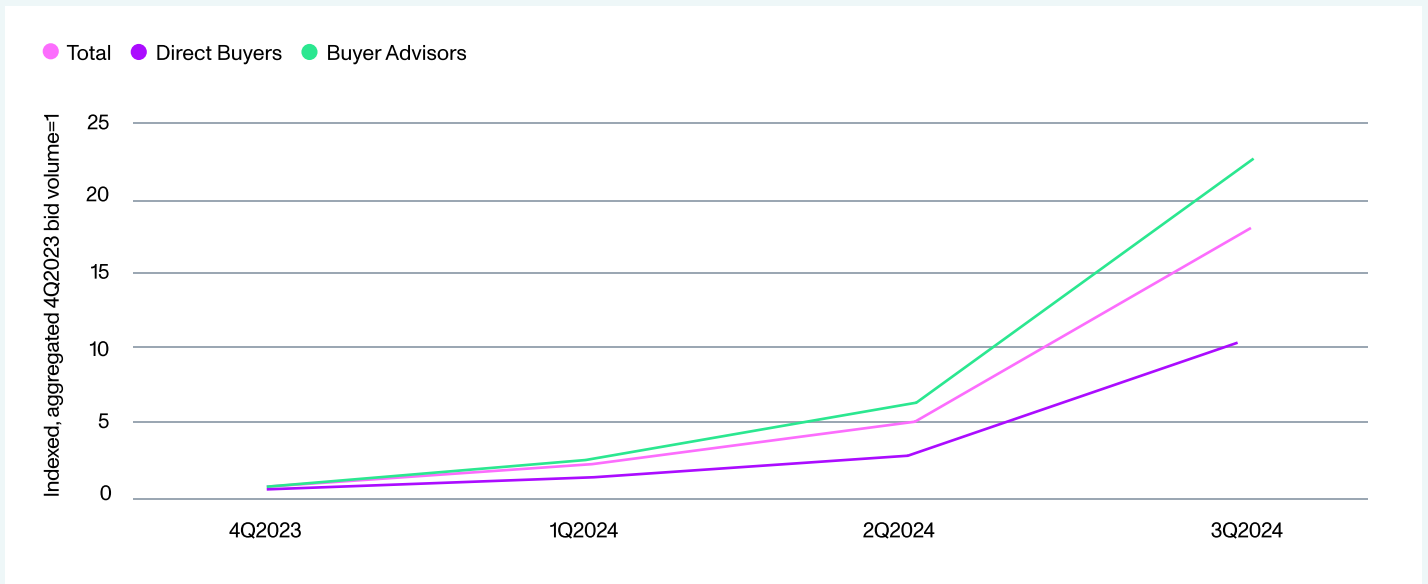
Figure 6. Transaction timing on Crux, from accepted bid to deal execution (notional value)



Competition among buyers and the increasingly tight 2024 market are also serving to accelerate transaction timelines, ensuring that parties are prepared to move quickly once they are engaged.

Crux has observed an increase in bidding activity across the platform in the third quarter. Both direct buyers and buyer advisors have access to the tax credit market on Crux. Additionally Crux has often found that buyers who are new to the market are able to climb the learning curve more quickly and engage competitively with sellers when aided by the right advisors. We have seen tax and legal advisors play that role effectively, providing due diligence that buyers can rely on. **In the third quarter on Crux, parties placed 18 times more bids (measured by volume) than in the fourth quarter of 2023.** Intermediaries, who often represent multiple buyers, placed 22 times more bids, and direct buyers placed 11 times more bids on listed tax credits (Figure 7).

Figure 7. Index of quarterly non-binding bids placed by buyer persona



**The acceleration of bidding activity coupled with the ease of using Crux’s transaction tools are helping the market transact more efficiently.**





03

# Market pricing and deal size

# Market pricing and deal size

As the tax credit market has become increasingly competitive and dynamic in the third quarter, market pricing has typically increased for 2024 tax credits of all sizes. This is particularly true for wind PTCs and advanced manufacturing PTCs. ITC deals generally showed higher pricing in 3Q. Storage ITCs can be priced at a premium to standalone solar ITCs, and RNG ITCs tend to be priced at a discount. This was particularly pronounced in the first half of 2024, and data from the third quarter illustrates that, while storage deals still command a premium to solar ITCs, the premium is smaller<sup>3</sup>.

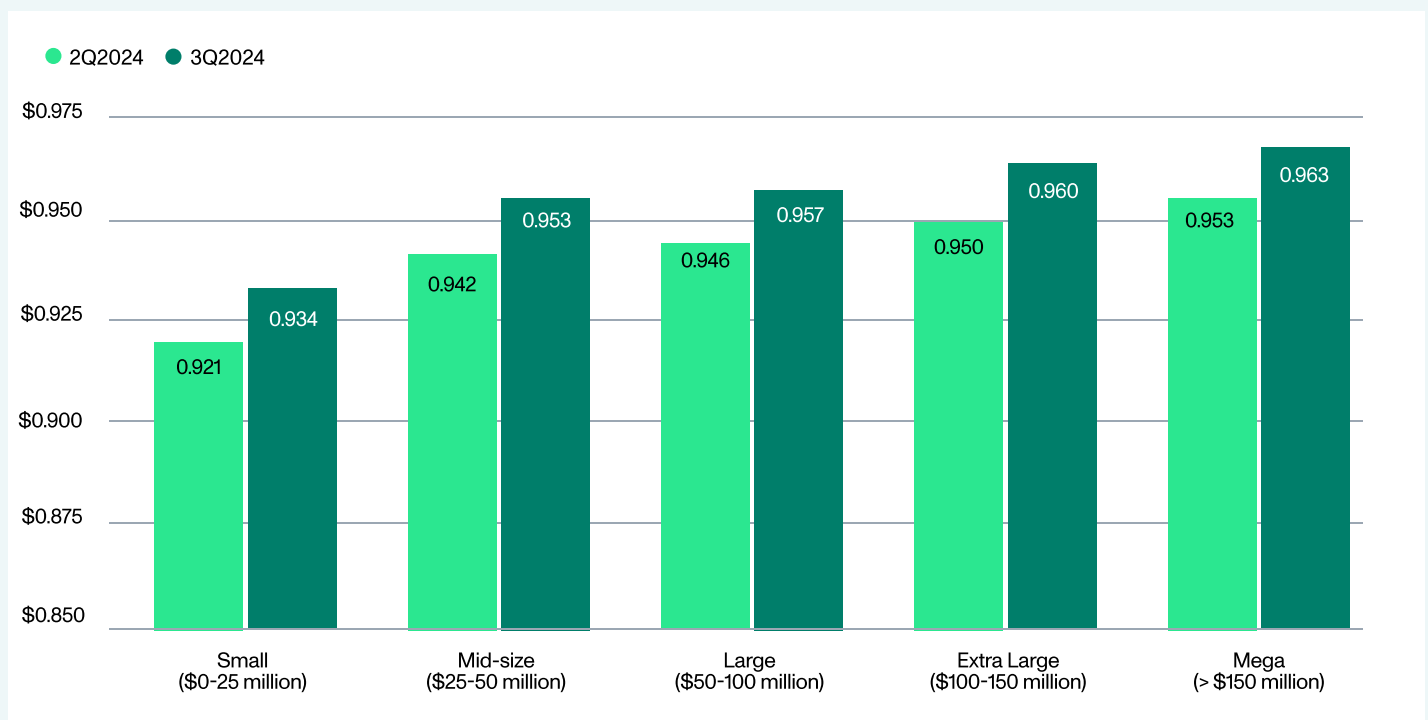
A note on market pricing curves: Crux has published market pricing curves since the release of our first Market Intelligence Report in January 2024, and regularly thereafter. Crux regularly assesses and updates these curves and they provide a key input to Crux's proprietary credit pricing model, [the Cruxtimate](#). Crux's market pricing curves are used by market participants and investors in clean energy projects to base expectations for tax credit pricing. Buyers and sellers of tax credits also benefit from indicative average pricing in order to visualize changing market pricing over time.

<sup>3</sup> Beginning with this report, Crux is publishing quarter-over-quarter average tax credit pricing by credit size based upon quarterly market pricing curves. Previously, average credit pricing was based upon a weighted average of credit prices in Crux's transaction database, which could skew average credit pricing if deals were disproportionately clustered at one end of a size range. The new methodology controls for that issue.

# Average pricing for PTCs in 3Q2024

## Wind PTC pricing and trends

Figure 8. Quarter over quarter average pricing on spot wind PTCs



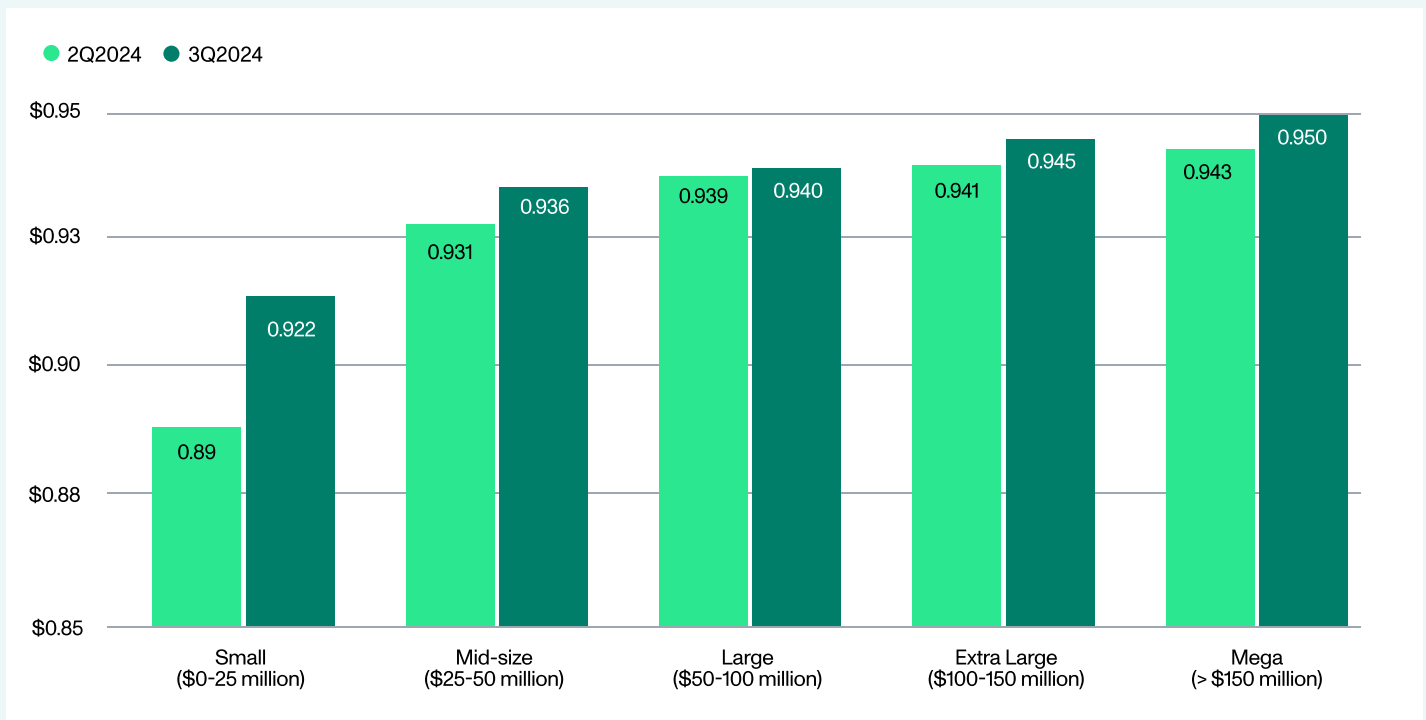
PTC pricing has increased most significantly, particularly for spot wind PTCs, which can be generated by projects placed in service in 2024 or prior years. Wind PTCs are generally the highest priced in the market. The credits are low risk — generally sold on a quarterly as-generated basis and a large proportion of the market is eligible for a safe harbor for the prevailing wage and apprenticeship (PWA) bonus. As a consequence, the diligence process is often simple and quick. PTC strips dated 3-10 years out typically trade at 90-93 cents — a significant discount to the spot market.

As predicted in the Mid-Year Market Intelligence Report, the supply of spot wind PTCs remaining in the 2024 tax credit market is quite low, following substantial transfers in the first half of the year. Unsold tax credits tend to be smaller deal sizes. Even so, it is always important for sellers that wish to move quickly to ensure that their price expectations are realistic.

Despite their simplicity, smaller PTC deals (under \$20 million) still price at a discount to larger deals — around 93 cents versus 96 cents for the largest deals. To some extent, the discount represents fixed transaction costs for the buyer, who always has the option not to buy tax credits if the savings from a transaction are not sufficient to merit the time investment of executing a deal.

# Advanced manufacturing PTC pricing and trends

Figure 9. Quarter over quarter average pricing for advanced manufacturing PTCs

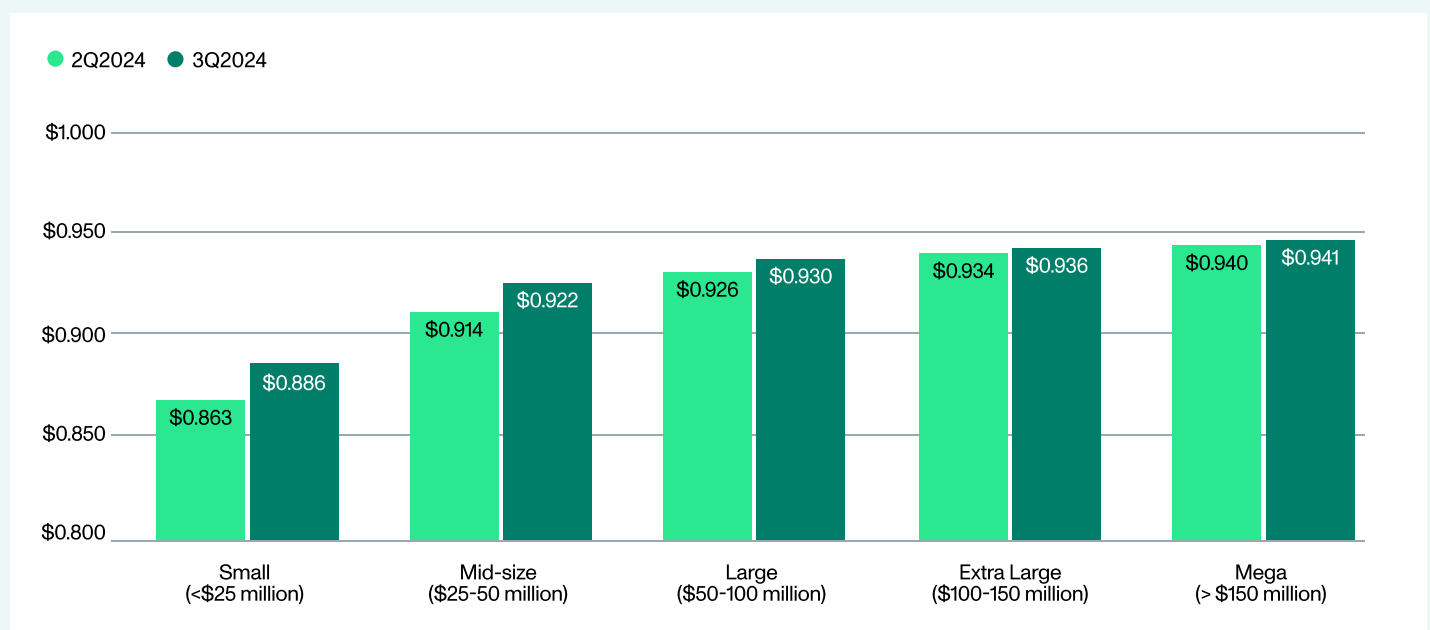


Pricing for advanced manufacturing PTCs has increased across the curve and most notably at the bottom end of the deal size range. This increase in price in 2024 reflects growing buyer comfort with the risk profile of 45X credits. Though pricing has increased, 45X credits continue to price at a 1-1.5 cent discount, on average, to wind PTCs at all points along the price curve. Some 45X sellers can command above market pricing, particularly if they are able to offer an iron-clad parent guarantee. Sellers of premium deals or very large 45X deals have priced as high as 96 cents.

# Average pricing for ITCs in 3Q2024

## Solar ITC pricing and trends

Figure 10. Quarter over quarter average pricing for solar ITCs



Solar ITCs make up the largest share of the tax credit market, accounting for around 35-40% of tax credit supply in 2024. Solar credit pricing has improved quarter over quarter, most notably for smaller credits. Larger tax credit deals have generally seen less change in pricing, and solar ITC pricing tends to max out around 94-94.5 cents. Within the solar category, there is a very wide range of developers and project types. From portfolios of residential systems to utility-scale solar installations of hundreds of megawatts, deal size is only one factor that influences pricing. In addition to size, sellers and buyer should be aware of several other factors:

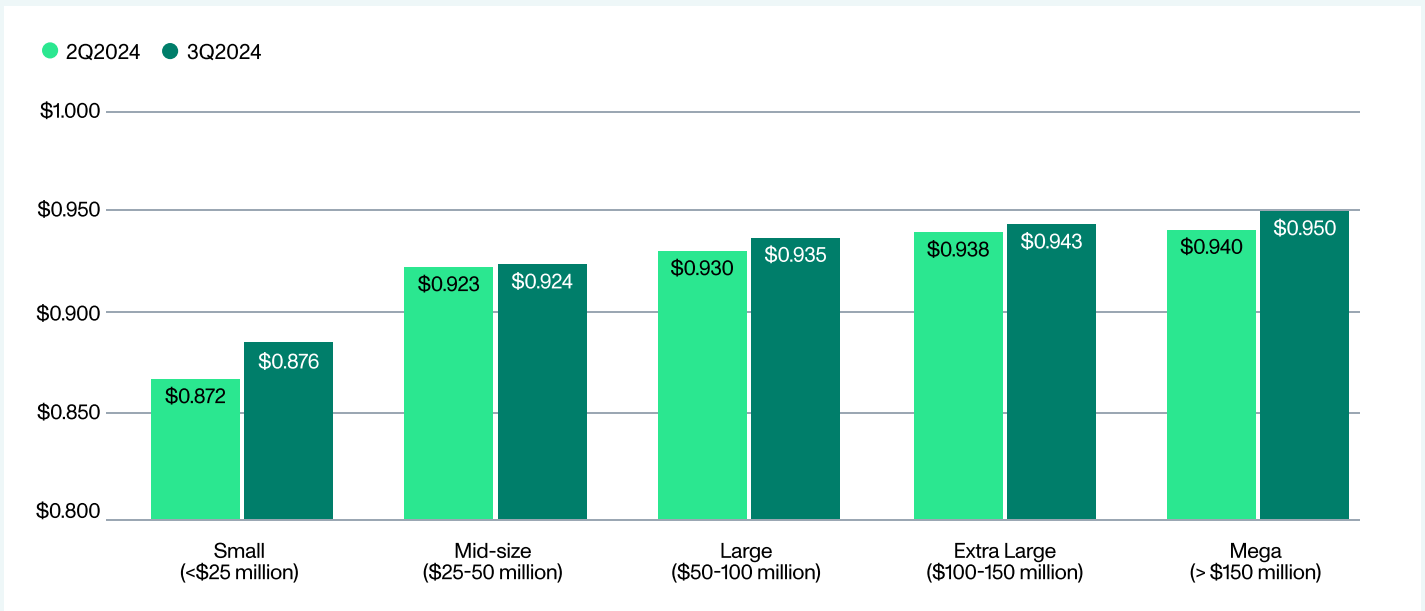
- Seller’s form and strength of indemnification, if applicable,
- Presence and scope of insurance: whether the seller obtains comprehensive or partial insurance coverage for the tax credit deal.
- Risk of recapture: all ITC’s carry a risk of recapture, and buyers will generally require either indemnification or insurance to cover this risk.,
- ITC basis, including whether it is determined through actual costs or through investment and appraisal.

Pricing for solar ITC deals may take all of these factors into account. Insurance is a common component for solar ITC deals, and typically covers the risk of recapture, the ITC basis, eligibility (including for any bonuses), and the project’s fair market value assessment if applicable. Almost 90% of solar deals in Crux’s analysis have included some form of either partial or comprehensive insurance coverage.

Looking towards the end of 2024, the supply of utility-scale solar ITCs, which tend to be larger, higher priced, and uninsured (indemnified by the seller parent company), has become limited. Solar ITC deals remain active but the credits are most likely generated by smaller, distributed generation projects or portfolios of residential, commercial & industrial, or community solar projects.

## Storage ITC pricing and trends

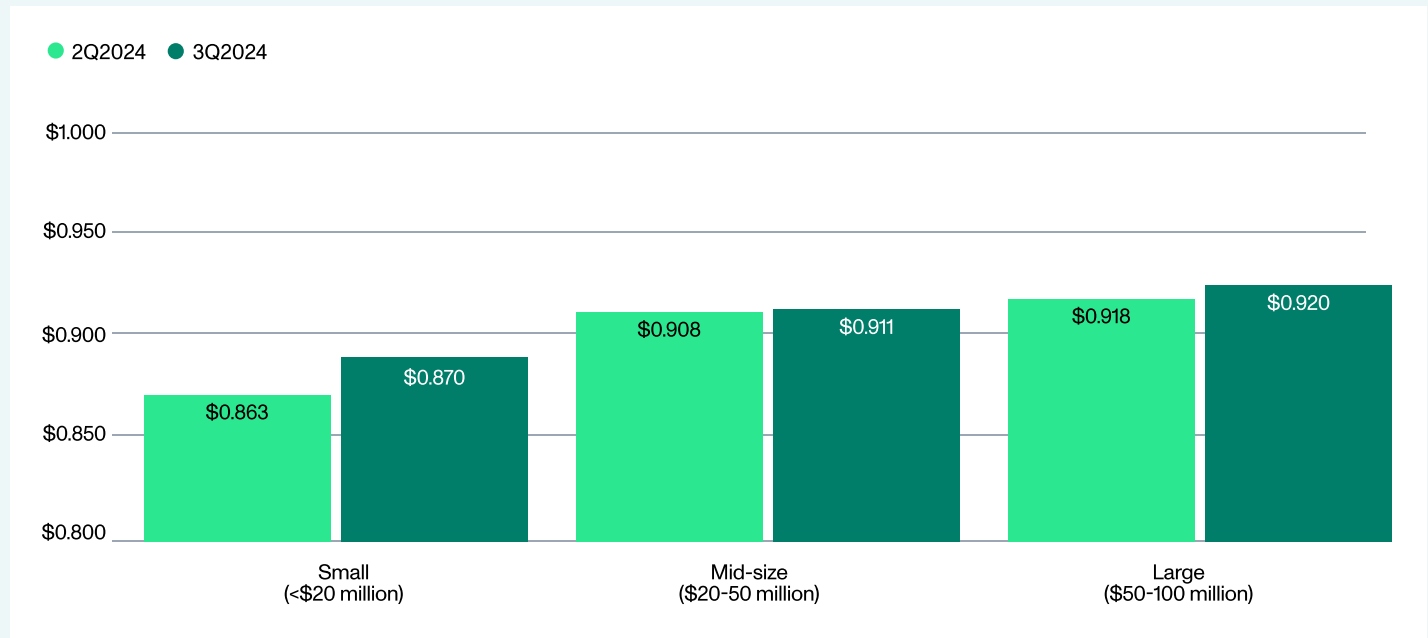
Figure 11. Quarter over quarter average pricing for storage (standalone and hybrid) ITCs



Storage projects (including standalone projects and those with both solar and storage) tend to price slightly higher in the transfer market than solar deals, and this dynamic is still observed in the third quarter data. While large solar projects are still relying heavily on tax equity for financing, storage projects have been quicker to embrace transferability as a quick and transparent way to monetize tax credits. As such, a higher proportion of utility-scale storage projects are present in the transfer market compared with utility scale solar deals. Larger deals generally see premium pricing.

# Biogas/RNG ITC pricing and trends

Figure 12. Quarter over quarter average pricing for biogas ITCs



Biogas ITC pricing is relatively unchanged in the third quarter of 2024. Biogas ITCs tend to price within a relatively narrow range, and trade at a discount to wind, solar, and storage ITCs, reflecting the shorter track record for biogas and RNG projects in the tax credit market, as well as some of the additional diligence required on the projects. More than 90% of bioenergy deals in the Crux dataset include insurance. As with other ITCs, insurance typically covers the cost basis for the ITC determination, the risk of recapture, and the project’s eligibility for the ITC and any bonuses. It is relatively common for biogas ITC deals to include the domestic content bonus, which increases the ITC rate to 40% from 30% for projects which also meet PWA requirements.

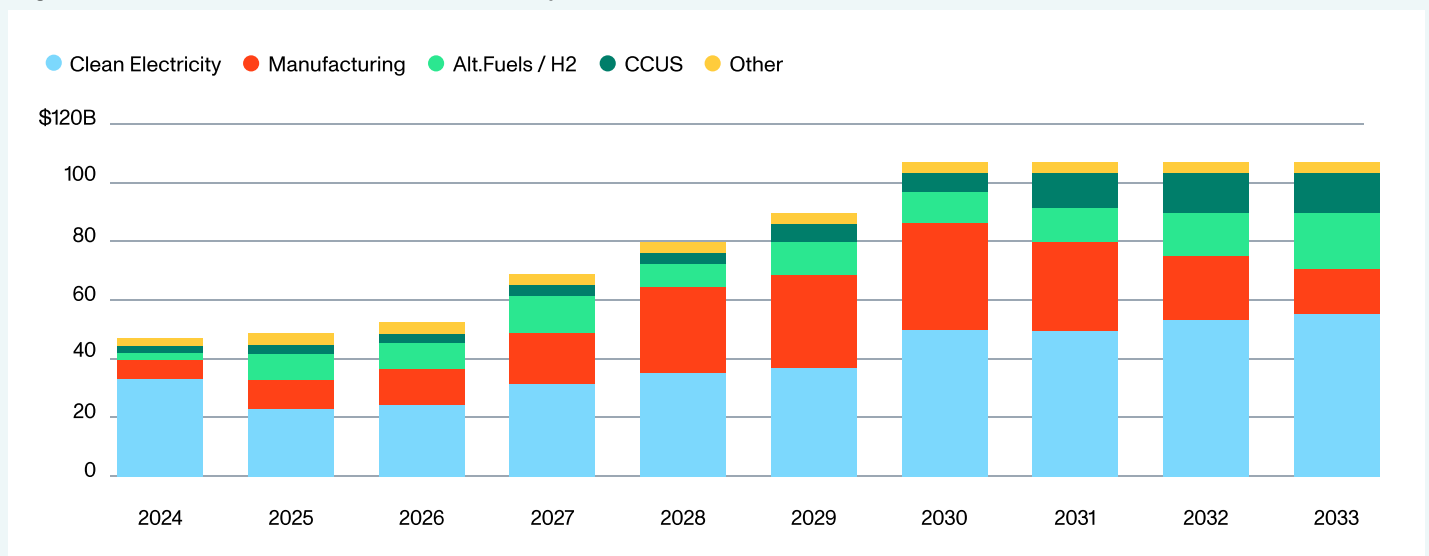
Crux expects biogas ITCs to remain a dynamic part of the tax credit market throughout the end of the year and into 2024. Beginning in 2025, new biogas projects that do not generate electricity will not be eligible for the existing ITC, which is being replaced by a new tech-neutral electricity generation investment tax credit. Projects that can demonstrate they started construction by December 31, 2024 will continue to be eligible for the legacy ITC as long as they can meet the requirements of the safe harbor, but this regulatory change will likely incentivize a rush of new projects that wish to realize the benefits of the ITC as currently configured.

# Market impact of election politics

The tax credit market has continued to grow throughout 2024, unencumbered by any overhang of electoral politics. Ahead of the 2024 Presidential election in November, market participants are increasingly seeking information on how or whether the associated political themes are influencing the market.

Tax credit pricing and supply/demand trends show no real impact related to election uncertainty. Market growth has continued in line with expectations from the [2023 Market Intelligence Report](#), wherein Crux forecasts that 2024 tax credit monetization would reach or exceed \$40 billion. Data from Evercore ISI indicates that tax credit supply will likely grow as the deployment of clean electricity, manufacturing, clean fuels, and other tax credit-eligible technologies continues.

**Figure 13. Evercore ISI forecast of total potential tax monetization**



Source: Evercore ISI analysis of U.S. Treasury data

In the short term, politics and policy are unlikely to influence market trends. Tax credits that are transacting today are not vulnerable to policy change which, were it to occur, would be forward looking beginning in the later 2020s.



Beginning in 2025, a new president and Congress will be faced with a suite of expiring tax provisions, many of which are bipartisan. Tax credits for research & development expenditures, individual income tax rates, and the increased child tax credit are all bipartisan tax provisions likely to be extended. In that context, there is likely a desire to pass tax legislation, and questions often arise as to whether portions of the IRA may be amended by Congress. Whether and what happens will depend heavily on the political makeup of Washington DC in 2025.

Transferable tax credits are driving investment in a wide range of technologies all across the US. Transactions facilitated on Crux, from a solar, battery, and microgrid controller in Texas to an advanced manufacturing facility in South Carolina, show that the benefits of transferability are flowing into communities across the country, supercharging job creation, energy security, and American manufacturing.

Regardless of the political makeup, wholesale changes to the IRA look increasingly unlikely. Once enacted, tax credits often develop institutional, bipartisan buy-in and are rarely removed. To that end, support on both sides of the aisle (like this letter from 18 House Republicans) is becoming more vocal, and taxpayers are increasingly committing to forward purchases of tax credits, further cementing their role in corporate tax strategy.



04

# Conclusion

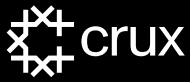
# Conclusion

The market for transferable tax credits remained strong in 3Q2024 and demonstrated increasing depth, breadth, and liquidity. Our five key observations include:

- First, the market's transaction volume surged to \$7.5 billion in Q3, bringing the year-to-date total to \$16.5-18.5 billion on track to its projected \$22-\$25 billion.
- Second, wind, solar, and storage technologies, while still dominant, represented a smaller portion of deals (75% in Q3) compared to previous quarters, with newer technologies such as advanced manufacturing (Section 45X) and nuclear (Section 45U) claiming more market share.
- Third, Crux observed an increase in buyer interest in forward commitments for 2025 tax credits, with 36% of bids including a forward component, up from 15% in Q1.
- Fourth, the renewable energy sector continues to grow rapidly, with solar energy alone accounting for a projected 30 GW of new capacity by the end of 2024.
- Finally, the increasing competition and liquidity in the market have led to faster transaction timelines, with 66% of PTC deals closing within six weeks of bid acceptance.

The tax credit market is robust and dynamic, and plays a critical role in the scaling of U.S. clean energy infrastructure, with tax credit transferability proving to be a key financial tool for both developers and investors.

Crux continues to invest heavily in technology-driven solutions designed to enhance market transparency and liquidity for tax credit transactions. Get in touch with us today to learn more about how our market expertise and unmatched transaction software can help you maximize the benefits of transferability.



# 3Q 2024 Market Update

Tune into our upcoming webinar to dive deeper into the findings from our third quarter market summary and the outlook for the clean energy tax credit market through the end of 2024.

October 30 at 1pm ET

Join our webinar

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