

How the Reconciliation Bill Would Impact Tennessee Manufacturing and Energy

Data is sourced from the [Clean Economy Tracker](#) unless otherwise noted. Data as of June 3, 2025.

Questions? Reach out to us at info@cleaneconomytracker.org.

What does the “Big, Beautiful Bill” mean for domestic clean energy manufacturing? What does it mean for Tennessee?

Recent federal law introduced domestic energy manufacturing incentives and federal support for clean energy projects. Tennessee ranks **6th in the nation** with **\$18.7 billion** invested in clean manufacturing, creating **20,735 jobs** for Tennesseans.

The “Big, Beautiful Bill” threatens these gains by cutting access to key tax credits and programs, including:

- The Advanced Manufacturing Production Tax Credit (45X), which incentivizes U.S. clean energy supply chain components.
- Credits for clean energy projects (45Y, 48E), which includes bonuses for U.S.-sourced materials.
- The Clean Vehicle Tax Credit (30D), which lowers the price of electric vehicles that source battery components from the U.S. or our allies, including critical minerals.
- Credits to install solar and other energy technologies on homes to lower household energy bills (25D).

These credits – along with Department of Energy loans and grants – promote domestic clean energy manufacturing and deployment, creating good jobs. Some credits require companies to pay [prevailing wages and offer apprenticeships](#), ensuring jobs are high-quality and family-sustaining.

Which Tennessee manufacturing projects are at risk?

Invigorated by new tax credits, Tennessee has become a leading hub for building batteries and electric vehicles (EVs). Each of these projects will qualify for the Advanced Manufacturing Production Tax Credit (45X). The Clean Vehicle Credit (30D) will help create the domestic market for American-made EV batteries. For example:

- In September 2021, [Ford and SK Innovation announced a \\$5.6 billion investment](#) to build “BlueOval City,” a massive EV and battery manufacturing facility in Stanton, Tennessee, which is expected to **create roughly 6,000 jobs**. The project is under construction.

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- Tennessee's Department of Economy and Community Development [estimated BlueOval City would create 27,000 jobs](#), both direct and indirect, with more than \$1 billion in annual earnings for workers.
- Stanton is a [rural town with only 494 residents](#). In 2023, the largest industries in Stanton were Manufacturing, Health Care & Social Assistance, and Construction. BlueOval City will supercharge the economy of this small town and the surrounding area.
- Ford and its partners have contributed more than [\\$20 million](#) to Tennessee communities since announcing BlueOval City in 2021, including establishing the BlueOval Learning training program – K-12 STEM programs, post-secondary education partnerships and technical training – to provide equipment, learning facilities, and expanding curriculum.
- In July 2023, [Magna International announced a \\$790 million investment](#) to build two EV and battery manufacturing facilities in Stanton to supply BlueOval City. Together, these planned projects will [create 1,300 jobs](#).
- In April 2021, [General Motors and LG announced a \\$2.3 billion investment](#) to build an EV battery manufacturing facility in Spring Hill that will **create 1,700 jobs**. The project is operational.
 - Then, in December 2022, the company announced an [additional \\$275 million investment](#) to expand the facility, which will boost production by 40% and create 400 additional jobs.
- In December 2023, LG Energy Solution announced a [\\$1.6 billion investment](#) to build an EV battery manufacturing facility in Montgomery County, which is expected to **create 860 jobs**. Roughly 200 of those jobs would pay more than \$100,000 per year. The project is under construction.
- In August 2023, [Hanon Systems announced a \\$170 million investment](#) to build a battery manufacturing facility in Loudon County, which is expected to **create 600 jobs**. The project is planned.
 - The population in Loudon has grown roughly [19%](#) since 2010 – the second fastest growing county in Tennessee.
- In October 2022, [NOVONIX Anode Materials announced a \\$877 million](#) investment to build a minerals manufacturing facility in Chattanooga, which is expected to **create over 1,000 jobs**. The project is operational. Then, in December 2024, the company [received \\$958 million in loans, grants, and tax credits](#) to build “Enterprise South,” a synthetic graphite manufacturing facility in Chattanooga, which is expected to **create 450 full-time operational jobs and 500 construction jobs**. The project is planned.
 - There is currently no large-scale battery-grade synthetic graphite manufacturing capacity in North America, creating a gap in both the domestic automotive supply chain and clean energy supply chain. At full capacity, this facility will produce materials for [325,000 EV batteries per year](#).
 - NOVONIX plans to [engage with local schools](#) to establish curriculum, build training programs, and invest in the local workforce. In addition, it has created the NOVONIX Institute of Advanced Battery Technology, a local high school training program that provides a technical curriculum of STEM-based learning to a community of first-generation college students.

What would the “Big, Beautiful Bill” mean for Tennessee’s energy?

Tennessee has **9.8 GW** of clean electricity deployed, **0.5 GW** under construction, and another **0.8 GW** planned. The table below shows the breakdown of clean electricity generation by technology:

Clean Power in Tennessee

Technology	Operating (GW)	Planned (GW)	Construction (GW)	Total (GW)
Solar Photovoltaic	0.59	0.80	0.45	1.85
Nuclear	4.98	0	0	4.98
Biomass	0.07	0	0	0.07
Hydroelectric	4.12	0	0	4.12
Batteries	0	0	0.07	0.07
Onshore Wind	0.002	0	0	0.002
Other Clean	0.01	0	0	0.01
Total	9.78	0.80	0.52	11.11

Data refers to nameplate capacity for clean energy generation.

95% of clean energy projects are in Republican districts. These projects could be jeopardized by repealing the clean electricity tax credits, which support building and producing clean energy. Removing these credits will also reduce clean energy on the grid when more is needed. By 2035, the state will require [25% more electricity](#).

Which Tennessee energy projects are at risk?

- Silicon Ranch’s [Copeland Solar Farm](#) in Cumberland County will bring 110 MW of clean energy online in late 2027.
 - The power generated from this facility will go to the Middle Tennessee Electric Cooperative, which serves more than 750,000 Tennesseans across 11 counties.
 - Over time, the project will generate millions of dollars in new tax revenue for Cumberland County to support local infrastructure and schools, among other community-identified priorities.
- Silicon Ranch’s [Durhamville solar farm](#) in Haywood County will bring 66 MW of clean energy online in June 2028.

These projects would create hundreds of construction jobs and give local business a boost. But changes to clean electricity tax credits puts these projects, investments, and jobs at risk.

Would my energy bills go up?

The bill eliminates programs and cuts access to key credits that lower the cost of energy. If the bill passes in its current form, [Energy Innovation estimates](#) that the average Tennessee household will spend nearly **\$120 more per year on energy by 2030**, and **\$380 more by 2035**.

What does this mean for residential energy projects in Tennessee?

With current incentives, the average Tennessee household would [save \\$18,137 over 25 years](#) if they installed solar panels. However, the “Big, Beautiful Bill” would eliminate the Residential Clean Energy Property Credit (25D) that helps people make these cost-saving upgrades. The credit also covers other household energy technologies like battery storage, geothermal heat pumps, and solar water heaters.

What does this mean for Tennessee’s economy?

Federal clean energy tax credits will increase clean energy deployment and electric vehicles sales in Tennessee. If the advanced manufacturing and clean electricity tax credits are repealed, [a report](#) by Energy Innovation projects that by 2030, Tennessee will lose 140,000 jobs, the average household will lose \$160 in annual income, and the state’s GDP will decrease by \$2.4 billion. Furthermore, federal clean energy tax credits are projected to prevent 100 premature deaths and 57 asthma attacks in Tennessee through 2050.

Is Tennessee alone?

No. We are experiencing a nationwide boom in the U.S. clean economy. In the last three years, companies have announced at least \$169 billion in investments and 172,900 jobs across over 600 clean manufacturing projects in 47 states, with 77% of the investment in Republican districts. Clean energy projects totaling 325 GW, enough to [power](#) 105 million homes or 209 million EVs, have been built or planned, 80% in Republican districts. This equals the energy output of [156 Hoover Dams](#).

If the bill passes as is, [Energy Innovation projects](#) a \$1.1 trillion GDP drop from 2025-2034. Electricity costs would rise 50%, adding \$170 billion annually for consumers by 2035. By 2030, 830,000 jobs would be lost, and an additional 790,000 jobs will be lost by 2035.

Top Five Employers in Tennessee

[\(source\)](#)

1. FedEx
2. HCA Healthcare
3. Access Control Systems
4. Hercules Holding II LLC
5. Bridgestone