How the "Big, Beautiful Bill" Will Impact Manufacturing and Energy in Kentucky

Data is sourced from the Clean Economy Tracker unless otherwise noted. Data as of June 2025. Fact sheet updated July 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 Kentucky?

In 2022, new federal law introduced domestic energy manufacturing incentives and federal support for clean energy projects. Kentucky has seen at least **$16 billion** committed to clean manufacturing, creating **over 14,000 jobs for Kentuckians**.

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

- Adding restrictions to the Advanced Manufacturing Production Tax Credit (45X), which incentivized U.S. clean energy supply chain components.
- Adding restrictions to credits for wind and solar projects (45Y, 48E), which included bonuses for U.S.-sourced materials.
- Phasing out the Clean Vehicle Tax Credit (30D), which lowered the price of electric vehicles that source battery components from the U.S. or our allies, including critical minerals.
- Eliminating credits to install solar panels and other energy technologies on homes to lower household energy bills (25D).

These credits – along with U.S. Department of Energy loans and grants – promote domestic clean energy manufacturing and deployment, creating good jobs. Some credits incentivized companies to pay prevailing wages and offer apprenticeships, ensuring jobs are high-quality and family-sustaining. Kentucky, the “EV capital of the U.S.”, stands to lose significant private investment, jobs, and economic opportunity with the elimination of these clean energy and manufacturing tax credits.

Which Kentucky manufacturing projects are at risk?

- In 2021, BlueOval SK (a joint venture between Ford Motor Co. and SK On) announced a **$5.8 billion investment** to build two battery manufacturing plants in Glendale, which is expected to **create 5,000 new jobs**. This is the largest individual project and job-creation announcement in Kentucky’s history.

  - The first of the two plants under construction already employs 1,000 people and is scheduled to begin production in the second half of this year. While BlueOval SK remains committed to its investments in the long term, the CEO has said that potential changes to EV incentives will "affect [the] rate of growth [in the market for EVs]." The policy uncertainty has contributed to the decision to delay operations at the second plant at the site.
  - Due to market slow downs, Ford will open up the battery park to Nissan to build batteries for its own EVs. Policy uncertainty contributes to these market slow downs, risking historic investments and new jobs in Kentucky communities.
  - The plant will create high-quality jobs for residents in the area, with hourly wages starting at $23.50 per hour and company retirement match included.
  - Ford has invested an additional **$1.2 billion** into expanding its Louisville Assembly Plant for EV manufacturing.
- In 2023, Envision AESC completed structural construction on its **$2 billion investment** in an EV battery cell and module production facility in Bowling Green. The 30Wh plant will create **2,000 skilled jobs** for the region by 2027. Behind the BlueOval SK plant, this is the second largest economic development project in Kentucky's history.
  - Warren County is a designated Energy Community due to its level of unemployment and concentration of fossil fuel-based workers.
  - The total expected impact of the project to the local economy over the next decade is **$20 billion**, according to Warren County Judge-Executive Doug Gorman. Regarding the project, Bowling Green Mayor Todd Alcott stated that the ***"scale of this project is like nothing our community has ever seen before."***
- In late 2024, Shelbyville Battery Manufacturing announced a **$712 million investment** to establish a battery cell, module, and packaging manufacturing facility in Shelbyville. When full-scale production begins in 2026, the investment will create **1,572 jobs**.
  - The project would be the largest employer in Shelby County, according to Shelbyville Mayor Troy Ethington. Because of the magnitude of the investment, some of the suppliers and partners are moving to Kentucky to be closer to the facility, bringing additional new investment and jobs.
  - The jobs created by the project will pay hourly wages of about $25 per hour, with benefits. Following the announcement, Shelby County Judge Executive Dan Ison said "It's going to help our restaurants. It's going to help our economy. It's going to help our people… Our kids will want to stay in Shelby County for good paying jobs."
- In 2024, Toyota announced **$2.2 billion** in total investments in EV manufacturing at its Toyota Motor Manufacturing Kentucky (TMMK) assembly plant in Georgetown. With total investment at the facility at over $10 billion, this is Toyota's largest production facility globally and currently employs more than 9,400 team members.
  - The "world famous" TMMK plant has been central to the economy of Scott County since its opening in 1988.
  - In recognition of the substantial economic impact TMMK has had on the local economy, it was awarded a Corporate Investment & Community Impact Award.
- ReElement Technologies announced plans to expand its lithium refining facility to refine high-value rare earth elements critical for defense technologies and magnet manufacturing. The facility supports about **113 well-paying jobs** in Eastern Kentucky.
  - The company focuses on recycling and repurposing legacy coal mining infrastructure in Eastern Kentucky for its refining operations. The facility has sourced team members from the local coal industry, leveraging the skillsets of the workers.

What will the “Big, Beautiful Bill” mean for Kentucky’s energy?

Kentucky has **1.7 GW** of clean electricity deployed, **0.7 GW** under construction, and another **2.0 GW** planned. The table below shows the breakdown of clean electricity generation by technology:

Clean Power in Kentucky

Technology	Operating (GW)	Planned (GW)	Construction (GW)	Total (GW)
Solar PV	0.59	1.89	0.69	3.17
Hydroelectric	1.01	0.01	0.002	1.02
Batteries	0	0.13	0	0.13
Biomass	0.09	0	0	0.09
Other Clean	0.02	0	0	0.02
Total	**1.71**	**2.02**	**0.69**	**4.43**

Data refers to nameplate capacity for clean energy generation.

All but one of these projects is located in a Republican district, and these projects could be jeopardized by recent changes the clean electricity tax credits. Restricting these credits for wind and solar will also reduce energy on the grid when more is needed. Louisville Gas and Electric and Kentucky Utilities expect 30% to 45% load growth by 2032. Because Kentucky is a preferred location for data centers, data centers alone could increase the utility’s load by 1,050-1,750 megawatts.

Which Kentucky energy projects are at risk?

- The Starfire Renewable Power Project by Brightnight Power will transform a closed coal mining site into a solar field that will produce **over 800 megawatts of power** over four phases of construction, representing a $1 billion infrastructure investment. This is enough electricity to power over 500,000 households.
    - Each phase will produce 250 construction jobs and 5 permanent operations and maintenance jobs. BrightNight will partner with local educational centers to provide renewable energy technical training and certifications.
- Brightnight also has solar farms planned in Ballard County (scheduled to begin construction in 2025) and Graves County (scheduled to begin operating in 2027), each of which will bring at least 200 MW online.
- The East Kentucky Power Cooperative is planning to add 136 MW of solar capacity across two farms, in Fayette and Marion Counties. This is enough to power 15,550 Kentucky homes.

Will my energy bills go up?

The law eliminates programs and cuts access to key credits that lower the cost of energy. Energy Innovation estimates that the average Kentucky household will spend nearly **$250 more per year on energy by 2030,** and **$860 more by 2035**.

What does this mean for residential energy projects in Kentucky?

The U.S. Energy Information Administration estimates that Kentucky has installed 83 MW of rooftop solar, 39th of any state. With current incentives, the average Kentucky household would **save $33,108 over 25 years** if they installed solar panels. However, the “Big, Beautiful Bill" will 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.

How is climate change impacting the cost of homeownership in Kentucky?

Climate change is making homeownership even more difficult as disasters become more severe, insurance premiums skyrocket, and homeowners get kicked off of their insurance plans. Nationwide, the average cost of home insurance has gone up nearly $700 since 2021. In Kentucky, the annual cost of home insurance averaged $3,294 in 2024, and is projected to rise 10% to $3,623 in 2025. From 2018-2023, non-renewal of insurance policies increased 17%. Clean energy and manufacturing projects help cut pollution that makes disasters more frequent and severe.

Is Kentucky 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.

With this new law, 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 Kentucky

(source)

1. KFC
2. Joseph’s Salon & Spa
3. Sumitomo Corporation
4. Texas Roadhouse
5. Humana