



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

Data is sourced from the [Clean Economy Tracker](#) unless otherwise noted. Data as of June 2025. Fact sheet updated July 2025.

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

In 2022, new federal law introduced domestic energy manufacturing incentives and federal support for clean energy projects. Texas has seen **at least \$9.7 billion committed to clean manufacturing**, creating at least **40,226 jobs for Texans, the most of any state in the U.S.**

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 Department of Energy loans and grants – promote domestic clean energy manufacturing and deployment, creating good jobs. **Texas also has more deployed and planned clean energy capacity than any other state.** These nation-leading energy projects would have benefited from the clean electricity tax credits (45Y, 48E). The credits also incentivize companies to pay [prevailing wages and offer apprenticeships](#), ensuring jobs are high-quality and family-sustaining.

## Which Texas manufacturing projects are at risk?

- In August 2023, [Diligence Offshore announced a \\$1.23 billion investment](#) to build a wind manufacturing facility in the city of Port Arthur, which is expected to [create full-time 150 jobs and 4,000 construction jobs](#). The project is planned.

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- Since 2020, Tesla has invested a cumulative **\$3 billion** in electric vehicles, batteries, and minerals production in Texas. The EV Gigafactory outside Austin and Lithium Refinery near Corpus Christi are operational and already employing [over 20,000 Texans](#).
  - The Tesla Battery Megapack Plant to be built outside Katy, Texas and [announced in March 2025](#), will generate **1,500 jobs**. This project is eligible to receive the 45X Advanced Manufacturing Production Tax Credit for Megapack battery cells and modules.
  - Nationally, Tesla has claimed [over \\$850 million in IRA manufacturing tax credits](#) across 2023 and 2024 for its energy generation and storage, generating over \$10 Billion in revenue for the Texas-headquartered company in 2024.
- Beyond Tesla, electric vehicle manufacturing in Texas is booming, generating **over \$1.19 billion in announced manufacturing projects** across 12 parent companies. The Clean Vehicle Tax Credit (30D) generated the demand for these vehicles necessary to continue employing over 3,000 Texans; without it, planned projects from Buda to Fort Worth are at risk.
- Solar energy is the largest clean technology and manufacturing sector in Texas, representing nearly **\$3 billion in investments**. In Texas alone, the "Big, Beautiful Bill"'s changes to the federal tax credits will result in [\\$50 billion in lost solar investment](#) over the next decade.
  - The Waaree Group's solar panel manufacturing facility in Brookshire Texas brought a [\\$1 billion investment and 1,500 jobs to the area](#), which [Waaree CEO attributed directly](#) to federal tax credits.
  - A similarly sized investment in solar panel manufacturing by [T1 Energy is slated to bring 1,800 jobs](#) to the economically depressed Rockdale region in 2026 and is now at risk. According to T1 Energy CEO, this [\\$850 Million investment is unlikely](#) without the support of IRA clean manufacturing and clean energy project tax credits.
  - T1 Energy, along with [50 other Texas-based solar and energy storage companies](#), recently sent a letter pleading with Texas Republicans in Congress to preserve the IRA's tax credits. The letter specifically calls out the 45X manufacturing tax credit, the 48E/45Y clean electricity tax credits, and 25D residential energy tax credits as being critical to their long-term plans.

## What will the "Big, Beautiful Bill" mean for energy in Texas?

**Texas leads the nation in clean electricity deployed and planned.** Current wind and solar generating capacity exceeds that of any other state, as do planned solar and battery storage capacity additions.

In total, Texas has **81 GW** of clean electricity deployed, **20 GW** under construction, and another **54 GW** planned. The table below shows the breakdown of clean electricity generation by technology:

### Clean Power in Texas

| Technology   | Operating (GW) | Planned (GW) | Construction (GW) | Total (GW) |
|--------------|----------------|--------------|-------------------|------------|
| Onshore Wind | 42.78          | 3.24         | 1.50              | 47.52      |
| Solar PV     | 24.17          | 28.89        | 10.81             | 63.87      |

| Technology    | Operating (GW) | Planned (GW) | Construction (GW) | Total (GW) |
|---------------|----------------|--------------|-------------------|------------|
| Batteries     | 7.96           | 21.48        | 7.21              | 36.65      |
| Nuclear       | 5.14           | -            | -                 | 5.14       |
| Hydroelectric | 0.74           | -            | -                 | 0.74       |
| Other Clean   | 0.37           | -            | -                 | 0.37       |
| <b>Total</b>  | <b>81</b>      | <b>54</b>    | <b>20</b>         | <b>154</b> |

Data refers to nameplate capacity for clean energy generation.

**92% of clean energy projects are in Republican districts.** These nation-leading projects could be jeopardized by recent changes to the clean electricity tax credits, which support building and producing clean energy. Restricting these credits for wind and solar will also reduce power on the grid when more is needed. According to the state's grid operator, ERCOT, electricity demand is expected to [double within 5 years](#).

## Which Texas energy projects are at risk?

- Texas-based [Solar Proponent's many solar PV projects across the state will bring 3,990 MW](#) of energy online in the next two years. This includes the company's planned solar-plus-storage projects, such as the 600+ MW [Lunis Creek project](#) in Jackson County and the 800+ MW [Tehuacana Creek project](#) in Navarro County.
- Similarly, [Sunscape Renewable Energy's proposed 500 MW solar and battery storage facility](#) in Nueces County, Texas by 2028.
- In Deaf Smith County, [Renegade Renewable's solar project will deliver 700 MW](#) by 2026 and the IP Roman onshore wind farm will bring 575 MW of clean energy online in 2028.
- Brittlebrush Solar and Battery Storage will bring 800 MW of energy online in 2029.

These projects, among many others, 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.

## 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 Texas household will spend nearly **\$320 more per year on energy by 2030**, and **\$780 more by 2035**.

## What does this mean for residential energy projects in Texas?

The U.S. Energy Information Administration estimates that Texas has [installed 2,778 MW of rooftop solar](#), second most of any state. With current incentives, the average Texas household would [save \\$85,512 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 Texas?

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 Texas, the annual cost of home insurance [averaged \\$6,005](#) in 2024, and is projected to **go up another 9%, to \$6,522 in 2025**. Clean energy and manufacturing projects help cut pollution that makes disasters more frequent and severe.

## What does this mean for the Texas economy?

According to a report by [a report from Energy Innovation](#), with limits to the advanced manufacturing and clean electricity tax credits, Texas would have lost out on more than 87,900 new jobs created by 2030 and 115,000 jobs created by 2035. Further, Texas's GDP would decrease by \$17.17 billion in 2030 and \$20.32 billion in 2035. With increased annual energy costs and lost job growth, this economic contraction would increase inflation and weaken economic growth.

## Is Texas 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 Texas

[\(source\)](#)

1. AT&T
2. Tech Mahindra
3. American Airlines
4. Denali
5. Tenet Healthcare