

Wells Fargo Renewable Energy & Environmental Finance Team (“REEF”)
Tax Credit Market Update

How Renewable Energy Tax Credits Work

- Tax credits are used **to pay federal taxes in lieu of cash**
- Under the Inflation Reduction Act of 2022, as updated by the One Big Beautiful Bill Act of 2024, tax credits **can be transferred** to unrelated third parties at a **discount to face value**
- Tax credits provide an opportunity for the **buyer** to **save on their cash taxes paid** and **free up corporate cash flow**
- Selling tax credits provides the **seller** an opportunity to **monetize tax credits** they cannot use efficiently
- An estimated **\$40-\$50 billion** of credits were transferred in 2025. Market activity accelerated in 4Q 2025 and is expected to remain robust through the next decade

**Wells Fargo REEF
by the numbers**



\$22.9 billion of tax equity investments in renewable energy projects¹



~12% of U.S. utility-scale wind and solar capacity financed¹



>\$5 billion in tax credits available for sale

Recent Transactions

\$193 million

of Wells Fargo solar ITCs

Buyer: Retailer
2025

\$177 million

of wind PTCs

Buyer: Fortune 500 Company
2025 (multi-year)

\$100 million

of advanced manufacturing PTCs

Buyer: Restaurant Chain
2025

Wells Fargo Differentiators

- **No buyer-side fees**
- **Diverse inventory:** currently marketing credits priced from mid 80s to mid 90s (cents) on the dollar ranging with a variety of credit types, sizes, and indemnity sources
- **Wells Fargo credits:** buyers benefit from WF's extensive investment diligence and a **WF indemnity** that mitigates most buyer risks
- **Extensive Network:** buyers benefit from Wells Fargo's long-standing relationships with leading clean energy developers, law firms, and advisors

1) From Jan 2005 to October 2025



Wells Fargo Renewable Energy & Environmental Finance Team

Streamlined transactions with an experienced team

- **Proven track record managing tax credit transfers**

REEF closed transactions across all major tax credit types in 2025. Our team understands the nuances of the market and consistently delivers efficient solutions that **align with both seller and buyer expectations**

- **Access to a large, active network**

Buyers gain access to a broad network of tax credit sellers – **supporting faster deal flow, competitive pricing opportunities, and access to diverse credit types** without duplicating outreach or sourcing efforts

- **Unique product offering**

REEF's tax credit opportunities can be **tailored** to achieve **desired buyer outcomes**, including pricing, cash settlement timing, and indemnity or insurance preferences

Start a conversation with us



Matt Reilly



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