

Clean energy has fans in Trump's America, complicating budget talks

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Reuters - By Nichola Groom



Construction work goes on at the Cape Station geothermal project in Milford, Utah, U.S. June 10, 2025. REUTERS/Jim Urquhart

In an industrial building in the Salt Lake City suburb of Clearfield, Utah, long strips of U.S.-made steel were fed through machines that punctured, bent and cut them into rods that will soon hold solar panels on rooftops.

Next door, workers with rivet tools assembled the pieces into finished products, bundled them into packages with "Made in the USA" stickers and wheeled them onto trucks to be delivered to a customer 800 miles (1,300 km) away in San Diego.

The adjacent factories, run by solar racking company PanelClaw, are among the dozens that have popped up since 2022 to meet soaring demand for American-made clean energy equipment incentivized by tax credits in former President Joe Biden's climate change law, the Inflation Reduction Act (IRA).

Republican-led states like Utah have captured 75% of manufacturing investments supported by the law, even though no member of the party voted for it, according to think tank Energy Innovation.

Just two years into its Utah expansion, however, PanelClaw's factories, along with countless other clean energy projects across the country, are in jeopardy as U.S. lawmakers consider rolling back those credits in President Donald Trump's "One Big Beautiful Bill" now in front of the Senate.

Earlier this week, a Senate panel published a version of the bill that would end the incentives for wind and solar power by 2028, several years ahead of schedule.

Republican Trump had campaigned on a promise to repeal the clean energy tax credits in the IRA, arguing they are expensive, unnecessary and harmful to business.

However, the potential loss in jobs and investment that ending those incentives could cause has some Republican lawmakers from red states Utah, Alaska, North Carolina and Kansas at odds over the rollbacks, a dynamic that is complicating final negotiations over the bill.

There are 53 Republicans in the Senate, and 51 votes are needed to pass the budget reconciliation bill.

"They would be in significant trouble," PanelClaw CEO Costa Nicolaou said of his company's Utah facilities, which are on track to pump out 15 million parts this year.

"I mean, we could essentially shut them down if the market goes away, which is what (removing) these credits will do."

THE UTAH RIFT

Utah's Republican senators, Mike Lee and John Curtis, disagree over the subsidies supporting clean energy businesses.

Lee likes the proposed cuts to government support for renewable energy technologies and predicts the move could save U.S. taxpayers \$1 trillion over the next decade.

Curtis, on the other hand, is among four Republican senators who penned a letter to Senate Majority Leader John Thune in April saying that repealing the tax credits would disrupt investment. Lisa Murkowski of Alaska, Thom Tillis of North Carolina and Jerry Moran of Kansas also signed the letter.

Neither Lee's nor Thune's office, nor the White House responded to requests for comment.

Curtis visited PanelClaw's facility last year, praising it for creating jobs in his state. And more recently, he highlighted the benefits of the IRA subsidies at a Tooele County factory that makes batteries to store power on the grid.

The company behind the factory, Fluence Energy, an energy storage company backed by industry giants Siemens and AES, invested \$700 million in manufacturing facilities in Utah and other red states, including Texas and Tennessee.

"We can't cut the legs off of these enterprises," Curtis said in a statement. "Doing so would damage Utah's economy, put America's energy future in jeopardy, and weaken our national security. We must take a reasonable, responsible approach to energy tax credits."

rPlus Energies, which is building the \$1.1 billion Green River Energy Center solar and battery project in Emery County, said changes to the credits would threaten its 15-gigawatt pipeline.

Green River will add \$55 million over 20 years to the tax base for a county historically reliant on coal, and the credits will keep the price of power low, according to rPlus CEO Luigi Resta.

"This is a great project," Resta said. "It's a poster child for the benefits of the IRA in Republican states."

CROSSING PARTY LINES

Clean energy is nothing new in Utah. Nearly a fifth of the electricity comes from renewable sources, primarily solar, and about 9% of homes are powered by solar panels.

Tom Mills, who has sold residential solar in the state since 2014, said some homeowners are seeking environmental benefits while others just want to be self-reliant.

"This topic crosses party lines," he said.

Park City-based Alpenglow Solar, where Mills serves as technical sales director, would have to downsize its 18 employees if incentives for residential solar are eliminated, he said.

Utah was the fourth fastest-growing state in 2024, according to the U.S. Census Bureau. Utah County, just south of Salt Lake City, accounted for more than a third of that growth and needs revenue to fund new schools.

Amelia Powers Gardner, one of the county's three commissioners, said she backs solar power because it can be built quickly - in half the time needed for natural gas plants - and attract revenue-paying data center owners like Google that want clean power.

"I am a Republican," Gardner said. "I would be fine building a gas-fired power plant. But in this case, modular nuclear or solar power - those things can help solve our problems."

In Utah, the IRA credits have generated \$3 billion in investment, with an additional \$10 billion in announced projects, according to Energy Innovation.

Nationwide, the IRA has generated \$132 billion in announced investments in major energy projects, according to clean energy business group E2.

Nearly two-thirds of those investments are in Republican Congressional districts, and the largest beneficiaries include North and South Carolina, Georgia, Michigan, and Texas.

"I don't think people necessarily went out of their way to think, 'Oh, I'm going to build these things in red states,'" said Fluence's Americas President John Zahurancik. "That's just where the demand is."

GEOHERMAL RELIEF

U.S. solar stocks have slumped on the proposed credit phase-out although some analysts remain skeptical of whether Congress will pass the bill in its current form before Trump's self-imposed July 4 deadline, which could open a window for solar and wind industry lobbyists.

The Senate Finance Committee preserved tax credits for hydro, nuclear, and geothermal energy through 2036 after companies urged it to save them.

One of the companies, Fervo, backed by Bill Gates' Breakthrough Energy, is constructing an advanced geothermal energy plant in tiny Milford, Utah, that will start supplying customers, including Southern California Edison and Shell Energy, with power next year.

"The Senate Finance Committee's markup of the OBBB (One Big Beautiful Bill) appropriately recognizes the valuable role burgeoning firm, clean energy resources like geothermal play in cementing American energy dominance," said Sarah Jewett, Fervo's vice president of strategy.

The plant's construction has been a boon to the local economy. Milford Mayor Nolan Davis advocated for the project to replace jobs lost when pork producer Smithfield Foods cut ties with hog farms in the area.

Melissa Wunderlich, a lifelong Milford resident, used to own one of those farms. These days she owns a drive-through diner that is generating more than half of its sales by feeding workers at the Fervo plant.

"I've catered for the governor, I catered for Bill Gates," Wunderlich said. "Fervo has been really good."