

119TH CONGRESS
2^D SESSION

S. 4175

To amend the Internal Revenue Code of 1986 to extend the clean electricity production credit and the clean electricity investment credit based on increases in the price of, and demand for, electricity, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 24, 2026

Mr. WYDEN introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to extend the clean electricity production credit and the clean electricity investment credit based on increases in the price of, and demand for, electricity, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. EXTENSION OF CLEAN ENERGY PRODUCTION,**
4 **INVESTMENT, AND RESIDENTIAL CREDITS**
5 **BASED ON PRICE AND DEMAND INCREASES.**

6 (a) PRODUCTION CREDIT.—Section 45Y(d) of the In-
7 ternal Revenue Code of 1986 is amended—

1 (1) in paragraph (1), by striking “Subject to
2 paragraph (4), the amount” and inserting “The
3 amount”,

4 (2) by striking paragraph (3) and inserting the
5 following new paragraph:

6 “(3) APPLICABLE YEAR.—

7 “(A) IN GENERAL.—For purposes of this
8 subsection, the term ‘applicable year’ means the
9 later of—

10 “(i) the calendar year that is 6 years
11 subsequent to any price or demand in-
12 crease year (as determined under subpara-
13 graph (B)), or

14 “(ii) 2032.

15 “(B) PRICE OR DEMAND INCREASE
16 YEAR.—

17 “(i) IN GENERAL.—For purposes of
18 this paragraph, the term ‘price or demand
19 increase year’ means a calendar year in
20 which, as reported in the Electric Power
21 Annual (or any similar report) published
22 by the Energy Information Administra-
23 tion—

24 “(I) the national average price of
25 electricity provided by the total elec-

1 tric industry to ultimate customers in
2 all sectors is more than 2 percent
3 higher than in the most recent pre-
4 vious calendar year for which such
5 data is available, or

6 “(II) the total annual sales of
7 electricity provided by the total elec-
8 tric industry to ultimate customers in
9 all sectors (measured in megawatt-
10 hours) is greater than in the most re-
11 cent previous year for which such data
12 is available.

13 “(ii) DETERMINATION.—For purposes
14 of determining whether any year qualifies
15 as a price or demand increase year, the
16 Secretary shall make such determination—

17 “(I) with respect to calendar year
18 2025, before January 1, 2027, and

19 “(II) with respect to any subse-
20 quent calendar year, before January 1
21 of the first calendar year beginning
22 after the date on which the Electric
23 Power Annual (or any similar report)
24 is published with respect to such year.

1 “(iii) APPLICATION AFTER INITIAL
2 PHASE-OUT OF CREDIT.—In the case of a
3 determination by the Secretary that a year
4 qualifies as a price or demand increase
5 year, if such determination is made during
6 a year in which the phase-out percentage is
7 applicable under paragraph (2)—

8 “(I) the applicable year shall be
9 deemed to be the calendar year that is
10 6 years subsequent to such price or
11 demand increase year, and

12 “(II) during the 6-year period
13 subsequent to such price or demand
14 increase year, the phase-out percent-
15 age shall be deemed to be 100 per-
16 cent.”, and

17 (3) by striking paragraph (4).

18 (b) INVESTMENT CREDIT.—Section 48E(e) of the In-
19 ternal Revenue Code of 1986 is amended—

20 (1) in paragraph (1), by striking “Subject to
21 paragraph (4), the amount” and inserting “The
22 amount”, and

23 (2) by striking paragraph (4).

1 (c) ENERGY EFFICIENT HOME IMPROVEMENT CRED-
2 IT.—Section 25C(i) of the Internal Revenue Code of 1986
3 is amended—

4 (1) by striking “This section” and inserting the
5 following:

6 “(1) IN GENERAL.—Subject to paragraph (2),
7 this section”, and

8 (2) by adding at the end the following new
9 paragraph:

10 “(2) RENEWED APPLICATION OF CREDIT FOL-
11 LOWING PRICE OR DEMAND INCREASE YEARS.—In
12 the case of any calendar year that, pursuant to sec-
13 tion 45Y(d)(3), is determined by the Secretary to
14 qualify as a price or demand increase year (as de-
15 fined under such section), paragraph (1) shall not
16 apply with respect to property placed in service dur-
17 ing the period of the first 2 calendar years beginning
18 after the date that such determination was made by
19 the Secretary.”.

20 (d) RESIDENTIAL CLEAN ENERGY CREDIT.—Section
21 25D(h) of the Internal Revenue Code of 1986 is amend-
22 ed—

23 (1) by striking “The credit” and inserting the
24 following:

1 “(1) IN GENERAL.—Subject to paragraph (2),
2 the credit”, and

3 (2) by adding at the end the following new
4 paragraph:

5 “(2) RENEWED APPLICATION OF CREDIT FOL-
6 LOWING PRICE OR DEMAND INCREASE YEARS.—In
7 the case of any calendar year that, pursuant to sec-
8 tion 45Y(d)(3), is determined by the Secretary to
9 qualify as a price or demand increase year (as de-
10 fined under such section), paragraph (1) shall not
11 apply with respect to expenditures made during the
12 period of the first 2 calendar years beginning after
13 the date that such determination was made by the
14 Secretary.”.

15 **SEC. 2. ELIMINATING DENIAL OF CREDIT FOR WIND AND**
16 **SOLAR LEASING ARRANGEMENTS.**

17 (a) PRODUCTION CREDIT.—Section 45Y of the Inter-
18 nal Revenue Code of 1986 is amended by striking sub-
19 section (h).

20 (b) INVESTMENT CREDIT.—Section 48E of the Inter-
21 nal Revenue Code of 1986 is amended by striking sub-
22 section (i).

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 the date of enactment of this Act.

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