



GEOTHERMAL RISING ACTION

June 10, 2025

The Honorable Mike Crapo
Chairman, Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, D.C. 20510

RE: Protecting geothermal energy tax credits in H.R. 1. the One Big Beautiful Bill Act to support the American energy dominance agenda, grid reliability, and economic growth.

Dear Chairman Crapo:

Geothermal Rising Action, an affiliate of Geothermal Rising—the trade association representing the American geothermal industry—writes with urgent concerns regarding the treatment of the Clean Electricity Production Tax Credit (45Y) and Investment Tax Credit (48E) for geothermal in the One Big Beautiful Bill Act (OBBBA). As the Senate develops its own version of this important legislation, we urge you to stand up for American energy dominance, baseload power generation, and strong well-paid energy jobs by maintaining existing tax credits essential to the development and scale of secure, dispatchable American geothermal power.

Geothermal is key to President Trump's agenda for comprehensive energy dominance and security. Among other things, geothermal offers high capacity factor (90%+) power essential for the grid and for AI load growth. The geothermal industry leverages the skills and supply chains of the U.S. oil and gas sector, with the potential to create hundreds of thousands of domestic jobs. The U.S. currently leads the world in next-generation geothermal innovations. Undermining domestic deployment cedes this advantage to global competitors.

Several provisions in the House version of OBBBA would severely undermine the development of domestic geothermal energy—a 24/7 generation resource essential for achieving American energy dominance and powering our nation's growing economy, including the unprecedented demands of the AI sector.

An aggressive phase-out and other House amendments to 48E and 45Y for geothermal would curtail investment in the industry and decrease the value it creates for America. For this reason, we urge the Senate to maintain the existing geothermal tax credits, which aligns with the Trump Administration highlighting geothermal as a priority energy technology. This includes:

- Maintaining the current 'commence construction' framework and rejecting the provisions that require construction to commence within 60 days of enactment or projects be placed in service by December 31, 2028;
- Maintaining the existing 2032-2035 phaseout timeframe
- Maintaining the ability to transfer these credits throughout their duration; and
- Adjust Foreign Entities of Concern (FEOC) provisions to protect American industry and bolster baseload power.

These actions reflect the Trump Administration's prioritization of geothermal energy—demonstrated by recent Executive Orders, the FY26 Budget Request, an emergency order to expedite geothermal development, and the Department of Interior's alternative NEPA order—and Congress should support this by providing tax incentives that are aligned with the President's directive.

The Trump Administration understands the value and potential of American geothermal energy.



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The geothermal industry is poised to deliver affordable, abundant, and reliable power at scale, contingent upon ongoing and enhanced federal policy support. Offering baseload and dispatchable power critical for grid reliability, national security, and meeting the surging electricity demand from AI, advanced manufacturing, and a modernizing industrial base, it is no wonder that, in both his Declaration of an Energy Emergency and Earth Day Announcement, President Trump has rightly identified the need to unleash America's geothermal resources to meet our pressing economic and geopolitical objectives. The existing 48E and 45Y credits established with long-term certainty are key in achieving this vision.

Additionally, Energy Secretary Chris Wright recently stated that he favors "*very favorable treatment*" and a "*15-year window*" for nascent technologies like geothermal and nuclear, recognizing the need for "*every nudge, every incentive we can get from the federal government to restart this industry.*" This sentiment aligns with the [April 9th letter](#) from several of your Republican colleagues urging leadership to maintain a stable tax framework to promote domestic energy development and avoid disrupting investments vital to energy security and affordability.

We encourage the Senate to make the following adjustments to H.R.1:

1. Maintain the current-law commence construction framework and phaseout timelines to support American baseload power. The House bill imposes an aggressive general termination on the 48E and 45Y credits, requiring projects *to commence construction within 60 days of enactment or be placed in service* by December 31, 2028. **These timelines are unworkable for new geothermal development** given its multi-year lifecycle, and would curtail access to these vital credits precisely when the American geothermal industry is ramping up to achieve energy dominance. Over 3,100 megawatts of geothermal power will not materialize if geothermal tax credits are eliminated, resulting in thousands of geothermal jobs failing to be created in rural Utah, Texas, Louisiana, Idaho, North Dakota, Alaska, and other states. Therefore, we urge the Committee to amend the H.R. 1's termination provisions for Sections 45Y and 48E to maintain the existing geothermal tax credit framework.
2. Keep transferability for the duration of the credits. Transferability provides a vital pathway to capital as the next-generation geothermal industry derisks further technological advancements to expand and generate affordable, dispatchable power.
3. Adjust Foreign Entities of Concern (FEOC) provisions to protect American industry and bolster baseload power. The American geothermal industry supports sound trade policies that favor American energy production and workers. While the current FEOC provisions in this legislation are intended to achieve these goals, as currently drafted, it imposes counterproductive burdens on American geothermal, preclude much of our industry from making use of these America First tax credits, and constrain the baseload power that the President supports.

We believe a strong case exists for specifically preserving the existing tax credit framework for geothermal energy, as detailed above, recognizing its unique attributes as a nascent, firm, 24/7 resource essential for achieving stated energy dominance, grid reliability, and national security objectives, and aligning with Secretary Wright's call for targeted support. Protecting these incentives for geothermal is not about indefinite subsidies, but about providing a crucial window for a vital American industry to reach scale, drive down costs, and fulfill its immense potential.

We thank the Senate for its consideration of maintaining the current-law framework for geothermal energy.

Sincerely,

Caity Smith
Geothermal Rising Action, Board President



GEOTHERMAL RISING ACTION

cc: The Honorable Chuck Grassley
 The Honorable John Cornyn
 The Honorable John Thune
 The Honorable Tim Scott
 The Honorable Bill Cassidy
 The Honorable James Lankford
 The Honorable Steve Daines
 The Honorable Todd Young
 The Honorable John Barrasso
 The Honorable Ron Johnson
 The Honorable Thom Tillis
 The Honorable Marsha Blackburn
 The Honorable Roger Marshall