

Crux Releases Data Report Covering More Than \$3.5 Billion In 2023 Clean Energy Transferable Tax Credit Transactions

This is the first report to detail 2023 year-end data on pricing, deal sizes and market sentiment; estimates total 2023 transaction volume will be \$7-9 billion.

NEW YORK, NY, UNITED STATES OF AMERICA, January 16, 2024 /EINPresswire.com/ -- Today, [Crux](#),



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Alfred Johnson, Co-Founder and CEO of Crux

the ecosystem to transact and manage transferable clean energy tax credits, released the first market intelligence [report](#) with 2023 year-end data detailing how the transferable tax credit market took shape in its first year. The report covers \$3.5 billion in transactions and captures new data on market activity and sentiment, which has never previously been aggregated.

Crux's report reveals that transaction volume of 2023 transferable tax credits is estimated to reach between \$7

and \$9 billion. The U.S. Department of Treasury put out key guidance on transferability in June 2023. In the six months since, this new market has already grown to approximately one-third the size of the traditional tax equity market, which is estimated to be \$23 billion for 2023.

The 2022 Inflation Reduction Act (IRA) will make hundreds of billions of dollars of tax credits available to companies building facilities, removing carbon, or producing clean power and materials. And for the first time, these credits are transferable – creating a new and powerful market mechanism to fund clean energy and decarbonization projects.

The growth of the market has outpaced expectations of volume, diversity of technology investments, and price consolidation. This is good news for project developers trying to sell their credits and for corporate taxpayers seeking to manage their tax liabilities but, more importantly: an efficient tax credit marketplace is a critical tool for driving new investment in the U.S. economy and accelerating the clean energy transition.

Key findings from Crux's 2023 end-of-year “Transferable Tax Credit Market Intelligence Report” include:

- Transaction volume for 2023 tax credit transactions is estimated to be between \$7 and \$9

billion. That's \$7-9 billion invested into new clean energy projects and job creation.

- Approximately 80% of transactions in the dataset had a face value of \$50 million or less, indicating that transferability levels the playing field for smaller projects and new technologies that qualify for tax credits for the first time – including advanced manufacturing, standalone energy storage, biofuels, and electric vehicle charging equipment. Deals under \$50 million generally have limited access to traditional tax equity.
- The average credit price was 92 to 94 cents per dollar of tax credit. The report finds that credit price is subject to a number of factors, including deal size, credit type, technology type, project location, placed-in-service timing, and demand. Crux's data shows the effect of such variables in early market pricing.
- Technology enhances efficiency, velocity, and competition. In 2023, 37% of the projects that received bids on Crux received multiple bids. Credits with multiple bids saw a noticeable improvement in credit price.
- The clear majority of market participants expect the market to grow significantly in 2024, in both participation and deal size. This consensus indicates that buyers, sellers, and intermediaries largely share the view that participants were “testing” the market in 2023 with intention to commit more fully in 2024. That sentiment data is supported by multiple independent estimates and is already being observed in the first two weeks of 2024.

Survey data provides a snapshot of expectations on regulatory guidance, deal size, and pricing. Notably, the report identifies divergent perspectives of buyers and sellers. Sellers are most focused on getting the best price for their credits, while buyers are most focused on risk mitigation. Nearly all (94%) of deals reported insurance policies or sponsor guarantee, to protect the buyer against common M&A risks or tax credit transaction-specific risks like recapture.

Throughout the report, data shows that intermediaries (banks, brokers, tax advisors, and others) are critical to bridging the gap between buyers' and sellers' expectations, and building trust in a new market. For this new market to function properly, abundant supply needs to meet equivalent demand; transactions must be smooth and repeatable; and market participants need transparency to transact with confidence. Crux's purpose-built transaction technology coupled with the largest network of sellers, buyers, and intermediaries will be a key driver of this evolution.

“In 2023, we saw hundreds of new participants enter the market for transferable tax credits related to clean energy and decarbonization,” says Alfred Johnson, Co-Founder and CEO of Crux. “This influx of capital is reducing costs to build in America and financing critical improvements to our energy infrastructure, directly resulting in job creation and fueling innovation. The market has scaled faster than anyone anticipated, indicating exponential potential for growth and positive impact and demonstrating the success of this fundamental change to the way clean energy and decarbonization projects are financed.”

This report is based on data from Crux's market participant survey, active and completed deals through Crux's platform, and publicly available information. To download the full report, please

visit www.cruxclimate.com/2023-market-report.

ABOUT CRUX:

Crux is the ecosystem for developers, tax credit buyers, and financial institutions to transact and manage transferable tax credits. The new multi-hundred billion dollar market for transferable credits will be a catalyst to transforming our energy infrastructure and change the way projects are financed. Crux is co-founded by Alfred Johnson and Allen Kramer, who previously founded and exited a successful marketplace software company, Mobilize. Rob Parker serves as Chief Commercial Officer and brings 20+ years of experience in the power industry, most recently serving as CFO at REV Renewables. Since its launch in 2023, Crux has raised \$8.85 million in funding from venture capital and strategic industry investors, launched its platform, and grown its team rapidly with world-class talent from energy, finance, and technology joining to power the clean energy transition.

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