

Crux Releases 2024 Mid-Year Market Intelligence Report with New Market Size Projections and Pricing Data

Based on activity from the first half of the year, Crux projects market-wide transaction volume for 2024 clean energy tax credits could reach \$20-\$25 billion

NEW YORK, NY, UNITED STATES, July 29, 2024 /EINPresswire.com/ -- Today, [Crux](#), the sustainable finance technology company making the financing of American clean energy projects more efficient, released its [2024 Mid-Year Market Intelligence Report](#) on the new clean energy transferable tax credit market. Crux tracked \$6.8 billion of specific transactions in the first half of 2024 – corresponding to an estimated \$9-11 billion of transactions closed so far this year.



2024 Mid-Year Market Intelligence Report



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From this data, Crux projects market-wide transactions for 2024 clean energy tax credits could reach \$20-\$25 billion in total volume. This projection affirms the market's continued strong growth and liquidity; Crux's [2023 year-end data report](#), which was released in January 2024 and provided the first aggregated data on the clean energy transferable tax equity market, estimated transaction volume of 2023 tax credits at \$7-9 billion.

This flourishing market grew out of key policy changes in the Inflation Reduction Act (IRA). Since January 2023, clean energy developers and manufacturers can sell their tax credits to third parties for cash — creating a powerful market mechanism to channel private sector investments into energy infrastructure, innovative technologies, and advanced manufacturing.

Transferability of clean energy tax credits has already driven billions of dollars of private sector investment into the energy economy. This new powerful policy tool is creating jobs all across the country, supercharging domestic manufacturing, catalyzing technological innovation, and improving our energy security. The growth of the market has outpaced expectations of volume, diversity of technology investments, and price consolidation, which is also good news for project developers and manufacturers trying to sell their credits and for corporate taxpayers seeking to



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*Alfred Johnson, co-founder
and CEO of Crux*

manage their tax liabilities.

Key findings from Crux’s 2024 Mid-Year Transferable Tax Credit Market Intelligence Report include:

- The clean energy tax credit market has shown impressive strength and liquidity this year, with deal volume in 2024 tax credits projected to reach \$20-25 billion, exceeding previous estimates. This includes credits sold out of tax equity partnerships and other joint ventures.
- Supply skewed towards established technology types in 1H2024, with 95% of reported deals for wind, utility-scale solar or storage, and advanced manufacturing credits.

Supply constraints of these highly transactable tax credits could see other tax credit types make up a larger portion of the market in 2H2024 including renewable natural gas (RNG), distributed generation, residential solar projects, and additional advanced manufacturing 45X credits. Similarly, additional regulatory guidance could unlock other large credit categories, like 45U nuclear PTC.

- Average pricing exceeds 2023, in part due to rising average deal sizes in 1H2024: Tax credit pricing in the first half of 2024 was strong, averaging over 95 cents for PTCs and 92.5 cents for ITCs, versus 94 and 92 cents, respectively, in 2023. Average deal sizes (\$55 million for ITCs and \$85 million for spot PTCs) exceed the typical deal size in 2023 (\$20 million and \$60 million, respectively).
- Deal size and insurance continue to play a dominant role in market pricing: Small to mid-sized deals (valued between \$5 and \$25 million) saw lower average pricing than the market overall, averaging 93.7 cents for PTCs and 91.8 cents for ITCs. The use of insurance in ITC deals, though common, tends to be correlated with lower pricing compared to deals with parent indemnification, specifically for deals under \$25 million.
- Market transparency is increasing as competition becomes more prevalent: Two-thirds of market participants engaged in competition including through bank-led processes and platform listings. Competitive deals are 67% more likely than bilaterally-negotiated deals to achieve above-market pricing, which underscores the benefits of selling credits in an open and transparent market. For tax credit buyers and their advisors, a large and liquid tax credit marketplace supports deal discovery and ensures that buyers can prioritize credits meeting their needs — particularly price, timing, and creditworthiness of the seller.
- Buyers are starting to look at 2025 tax credit deals: Crux data indicates that forward commitments tend to transact at a 1 to 3 cent discount to 2024 tax credit deals. About 25% of 2024 reported deals included a forward component, including a full or partial purchase of future

year tax credits. A more developed forward commitment market will play a key role in unlocking lower cost bridge finance for developers and manufacturers.

New participants continue to enter the market, including: clean energy project developers and manufacturers (sellers), tax credit buyers (ranging from family offices to the Fortune 50), and intermediaries (banks, brokers, tax advisors, and others) who are critical to educating and advising buyers and sellers.

“This market has continued to grow in size, technological diversity, and depth, driving billions of dollars of new private sector investments into energy infrastructure and domestic manufacturing,” said Alfred Johnson, co-founder and CEO of Crux. “These investments have created jobs and driven a new wave of American technological innovation. We are seeing new participants enter the market every month, market standards taking shape, and all facets of the market becoming more transparent and efficient.”

Crux’s platform offers market and price transparency to the largest network of sellers, buyers, and intermediaries. There are currently more than \$12 billion in credits available on the Crux platform. Their purpose-built software platform enhances liquidity, supports transparency, and improves transaction speed. Over \$5.8 billion of non-binding bids have been placed on Crux since the beginning of 2024. 53% of all credits on Crux have received at least one bid, including 91% of 2023 credits. 77% of credits that received a bid on Crux received their first bid within a week of listing.

To date, Crux has facilitated transferable tax credit transactions of all sizes across solar, standalone storage, microgrids, bioenergy and renewable natural gas, and advanced manufacturing, including: the sale of advanced manufacturing (45X) tax credits by Silfab Solar to Schneider Electric; the sale of solar and storage ITC tax credits by ClearGen; the sale of advanced manufacturing (45X) tax credits in partnership with leading tax advisor Ryan; the sale of solar, battery, and microgrid Controller ITC tax credits by enXchange; the sale of bioenergy tax credits in partnership with investment banking firm Virentis Advisors.

Crux has also formed partnerships with other leading organizations in the clean energy sector to drive awareness and provide resources to help market participants make successful transactions, including the American Clean Power Association and Arcadia.

The report is based upon a dataset of over \$6.8 billion in transactions of 2024 tax credits closed in the first half of 2024, including deals reported by more than 100 market participants, Crux’s commercial deal activity, and publicly announced deals. This dataset is nearly double the size of Crux’s previous market study. Crux estimates this dataset reflects 65-75% of market activity, and is the most comprehensive tax credit transfer data set to date.

To download the full Crux 2024 Mid-Year Market Intelligence Report, please visit <https://www.cruxclimate.com/2024-midyear-market-report>.

ABOUT CRUX:

Crux is a sustainable finance technology company changing the way clean energy and decarbonization projects are financed in the U.S. The company's first offering is the platform for buyers, sellers, and intermediaries to transact and manage transferable tax credits. Since its launch in 2023, Crux has raised over \$27 million in funding from venture capital and strategic investors and built a world-class team that merges expertise from energy, tax, finance, government, and technology to power the clean energy transition. For more information, visit <https://www.cruxclimate.com/>.

Press Office

Crux

press@cruxclimate.com

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