TAX CREDIT INSURANCE
SECTION 45 CLEAN ELECTRICITY PRODUCTION

Tax Credit Insurance

New Energy Risk's tax credit insurance products are designed to support capital responding to the expanded scope and value of tax incentives provided by the 2022 Inflation Reduction Act and facilitate the investments required to power the energy transition.

Integrating our market-leading structured performance insurance solutions and project development expertise we are able to offer enhanced tax credit insurance to underwrite newly eligible technologies and the full scope of credit enhancements.

Summary

Comprehensive coverage for Section 45 clean energy production tax credits.

The coverage provides protection to the beneficiary of tax credits from a U.S. clean electricity project for the clean electricity production quantity and credit validity of an insured value of tax credit.

Our Process

New Energy Risk applies its technical and actuarial expertise to transfer technical risk from capital to the insurance markets, enhancing a project's standalone credit profile and delivering strong counterparty support for technology providers and project developers.

Insurable Risks

- Lack of natural resource availability, e.g., solar or wind
- Insufficient production of clean electricity due to defective or faulty process, design, manufacturing, materials, workmanship, or maintenance
- Failure of the insured's tax position prior to or following claim of tax credit, including eligibility determinations and tax credit value, including enhancements

Policy Features

Flexible terms, including:

- Up to 10 years' coverage, supporting the full eligibility period
- Non-cancellable or renewal-based policy
- Commissioning and ramp-up risk
- Loss paid directly to the tax credit investor or transferee
- Coverage of performance and tax position, and bonuses
- Coverage for gross-up, interest, penalties, and defense costs

Limits

- Starting at $25M limit to support the full tax credit exposure associated with a project or portfolio
- Supported by a consortium of A-rated insurers

ABOUT NEW ENERGY RISK

New Energy Risk is a pioneer of large-scale, breakthrough technology performance insurance solutions. The company provides complex risk assessment and serves as a bridge between technology innovators, financiers, and insurers. Insurance policies are administered through New Energy Risk affiliate, Complex Risk and Insurance Associates, LLC, CA License #0I24307.

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