

18 August 2025

Longroad Energy – Positive U.S. Treasury Construction-Start Guidance for Tax Credits

United States regulators have released updated guidance for when wind and solar projects are deemed to have started construction to qualify for tax credits under changes brought in under the One Big Beautiful Bill Act passed earlier this year.

The guidance is positive for Longroad, and we expect to have qualified more than 5 GW of projects before the 2 September deadline set by the new guidance, and can safe harbour further projects before July 2026. With these rules in place, Longroad remains well positioned to meet its medium-term target of having an 8.5 GW fleet built or in construction by the end of the 2028 financial year.

Two pathways to qualify projects before July 2026

On 9 July 2025, we released an update following the signing of the One Big Beautiful Bill Act, which was passed by the United States Congress and signed into law on 4 July 2025. As noted at the time, an executive order issued on 7 July directed the U.S. Treasury to release updated guidance on construction-start rules within 45 days to prevent “artificial acceleration or manipulation” of safe harbour provisions.

The Internal Revenue Service (IRS) has now issued that updated guidance, Notice 2025-42. This guidance explains how wind and solar developers can prove they have started construction in order to qualify for federal clean energy tax credits under the One Big Beautiful Bill Act.

While there were initial concerns the changes might narrow the rules, the final outcome is more manageable than many had anticipated, and the added clarity is widely seen as a positive for the market. For Longroad Energy, this provides clear parameters around the tax credits available for projects in its near-term development pipeline, giving greater certainty in planning and execution.

In practice, this means Longroad has two pathways to qualify its projects for federal tax credits:

- Projects starting construction before 2 September 2025 can continue to rely on the existing rules (the 5% safe harbour test or commencing physical work of a significant nature). Once construction has started under these rules, projects have four years from the end of that calendar year to complete construction, with additional time available if the developer can show continuous efforts.
- Projects starting construction on or after 2 September 2025 must meet the new rules, which require performing physical work of a significant nature - either at a factory on custom-made equipment or directly on the project site. Developers will then have four years from the start year to complete construction, with additional time possible if they can show continuous actual construction. Developers can use this pathway until 4 July 2026 (12 months after enactment of the Act).

Positive for Longroad Energy

Both pathways are broadly consistent with Longroad’s safe-harbours strategy, and we expect to have more than 5 GW of projects safe-harboured by the September deadline, with further flexibility available to safe harbour additional projects through the transition period to July 2026 under the new test. With these rules in place, Longroad remains well positioned to meet its medium term target of having an 8.5 GW fleet built or in construction by then end of the 2028

financial year. The guidance provides workable timelines for utility-scale projects and preserves flexibility for distributed generation, supporting continued development momentum.

We look forward to providing a further update at our investor day on 18 September 2025.

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