48C Phase II Advanced Energy Manufacturing Tax Credit Program Fact Sheet

The 48C Advanced Energy Manufacturing Tax Credit program was initiated under the American Recovery and Reinvestment Act of 2009 to support investments in projects that establish, expand or re-equip clean energy manufacturing facilities. Funded at $2.3 billion, a 30% investment tax credit was made available to 183 domestic clean energy manufacturing facilities during Phase I of the program. Phase II was launched to utilize $150 million in tax credits that were not used by awardees from the first round.

The Department of Energy (DOE) assessed projects based on the following criteria: commercial viability, domestic job creation, technological innovation, speed to project completion, and potential for reducing air pollution and greenhouse gas emissions. DOE also considered additional factors such as diversity of geography, technology, and project size, and regional economic development. DOE reviewed 140 concept papers and received 42 full applications for technical and commercial merit.

The 48C Phase II program was over-subscribed, reflecting the strength and continued growth of the U.S. clean energy market:

- $1.36 billion in tax credits were requested in the Concept Paper stage.
- $505 million in tax credits were requested in the full application stage for $150 million in funding.

The tax credits will support private sector manufacturing investments of $867.5 billion, based on project estimates.

These projects, subject to final certification, include following:

- **Environmental benefits** - Approximately 95 million metric tons of greenhouse gases will be reduced or avoided over products’ lifetime. Many of these products contribute to a larger system (ex. wind turbine, plug-in electric system), supporting greater greenhouse gas reductions.
- **Workforce development** - Based on company estimates, these projects will support thousands of jobs across nine states. Some projects also include training programs to enhance the skills of the American workforce.
- **Supply chain and local economic benefits** - The selected projects will also support clean energy supply chains throughout the United States, as well as local economies that provide goods and services to the workers.

The selected clean energy products cover five technology categories:

- **Energy efficient building technologies**: Improved LED lighting; heating and cooling products.
- **Electric and fuel efficient vehicles**: Hybrid and electric vehicles; electronics and improved battery components; emissions control technologies for diesel engines; and energy-efficient LED systems for automotive low/high beam projectors.
- **Smart grid**: Customized control cables for renewable energy and smart grid applications; lattice transmission towers for adding renewable power to the grid.
- **Wind**: Blades for large wind turbines.
- **Hydropower**: Hydroelectric turbines for distributed, utility-scale hydropower projects.