



SCEP

STATE & COMMUNITY ENERGY PROGRAMS

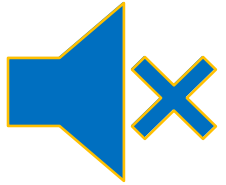
Energy Efficiency & Conservation Block Grant (EECBG) Blueprint Cohorts

Session #6: Introduction to Tax Credits & Elective Pay

March 14, 2024



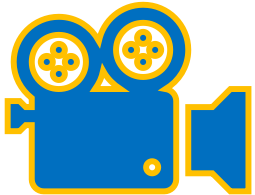
Virtual Housekeeping



Mute your audio, please!



Use the chat to ask questions during the presentation



FYI, we're recording! We'll send out the slides and video

Agenda

- EECBG Program Announcements & Reminders
- Introduction to Tax Credits & Elective Pay + Q&A
- Low-Income Bonus Credit Program Overview
- Wrapping Up: Key Resources + Examples
- Feedback for DOE

Disclaimers

- ✓ The content in this presentation is for informational purposes only and is based on proposed and temporary regulations and other tax guidance – **it is not itself tax guidance.**
- ✓ Please **refer to tax guidance of consult a tax professional** for more detailed information on the rules associated with Inflation Reduction Act tax provisions
- ✓ DOE is aware that there are outstanding questions on how EECBG Program grantees can stack and leverage tax incentives with their existing awards. DOE is exploring additional guidance to help address those questions
- ✓ We will do our best to answer your questions! If we cannot answer your question live, we will try to point you towards specific email inboxes where you can ask your questions

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New Application Deadline for Tribes !!

TRIBES ONLY: New EECBG Program Application Deadline:
May 31st, 2025

Local Government Deadline is still April 30th, 2024

All the information you need to apply can be found on the [EECBG Formula Application Hub](https://www.energy.gov/scep/eecbg-program-formula-grant-application-hub):
<https://www.energy.gov/scep/eecbg-program-formula-grant-application-hub>



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EECBG Program Formula Grant Application Hub

Office of State and Community Energy Programs

EECBG Program Reminders

Upcoming Deadlines

- 1 EECBG Program local government application deadline: **April 30, 2024**
- 2 EECBG Program Tribal application deadline: **May 31, 2025**

Exciting EECBG Program Events

EECBG Blueprint Cohorts

March's theme is Tax Credits & Elective Pay!

- [3/19 Financing Upfront Capital and Revenue](#)

April's theme is EV's!

DOE's Better Buildings Better Plants Summit

April 2-4, 2024 | [Register now!](#)

- EECBG is hosting a TA workshop on April 2, 1-3 ET

Limited travel assistance is available for public sector attendees

Other Opportunities

- ✓ [Energy Savings Performance Contracting \(ESPC\) Campaign](#) is a technical assistance opportunity that engages local governments and other stakeholders to expand & enhance ESPC programs.

Interested in Blueprint 2B? We encourage you to sign up!

- ✓ ESPC EVENT: [BIL, IRA, and Government/Utility Incentives as Drivers for ESPC Projects](#) | March 20 @ 3pm E.T.

- ✓ [Energy Efficiency Finance Foundations Training: Summer '24!](#) This Berkeley Lab training is for public-sector facilities managers, energy/sustainability staff, & finance officers to learn to navigate “finance speak”.

Interested in Blueprint 5? We encourage you to sign up!

- ✓ EVENT: [Energy Code Enforcement Challenges and Opportunities in Rural Communities](#) | March 21 @ 1pm ET

New Funding Opportunity | C-SITE

Up to 20 competitive awards of approx. \$900,000 to \$3.6M per award.



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Communities Sparking Investment in Transformative Energy (C-SITE) Funding Opportunity

Powered by the Local Government Energy Program (LGEF)

\$18 million in funding for clean energy projects and programs



Deliver Local Benefits



Advance Energy Priorities



Spark New Investments

Tribes and Local Governments can
apply through May 31, 2024

Visit: [energy.gov/scep/
local-government-energy-program](https://energy.gov/scep/local-government-energy-program)



Eligible Entities

Tribes and Local
Governments,
representing:

- Disadvantaged communities
- Energy communities
- Small to medium-sized jurisdictions

Exciting News!

*The EECBG Program has partnered with two of EPA's [Environmental Justice Thriving Communities Technical Assistance Centers \(TCTACs\)](#), to provide EECBG Program formula-eligible entities **(YOU!)** with support developing their EECBG Program application!*

TCTACs can assist you with:

- ✓ Developing a strategy to utilize your funds
- ✓ Conducting community engagement around your project
- ✓ Organizational capacity building
- ✓ Other needs related to implementing your EECBG Program projects

For local governments:

ICMA – International City/County Management Association

- tctac@icma.org

For Tribes:

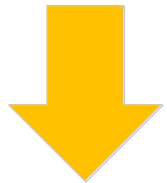
NIHB – National Indian Health Board

- environmentalhealth@nihb.org

Your EECBG Support System | If you have questions about

Your application:

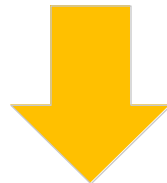
1. The status of your PAIS or application
2. Voucher projects & eligibility
3. Application requirements



Grant Management Team
EECBG@hq.doe.gov

Technical Assistance:

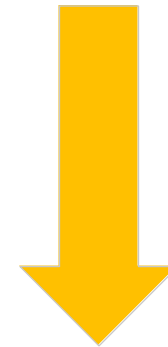
1. Blueprints & Blueprint Cohorts
 - *"Does my project fit into a blueprint?"*
2. Community Energy Fellowship
3. Other technical assistance
 - *"How do I incorporate J40 principles into my project?"*



Technical Assistance Team
TechnicalAssistance@hq.doe.gov

The Voucher Portal:

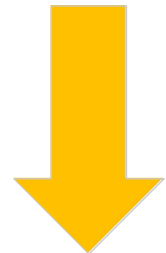
Get voucher application portal technical help



Voucher Portal Administrator (ICF)
EECBGVouchers@icf.com

Your EECS:

Get support developing your Energy Efficiency Conservation Strategy (EECS)



National Renewable Energy Laboratory (NREL)
EECS_TA@nrel.gov

- 10-20 Hours

Attend Our Bi-weekly Office Hours! [Sign up here](#)
Every other Friday at 2:30pm ET
<https://forms.office.com/g/yc3H3xQeEE>

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Elective Pay Overview

Stakeholder Engagement



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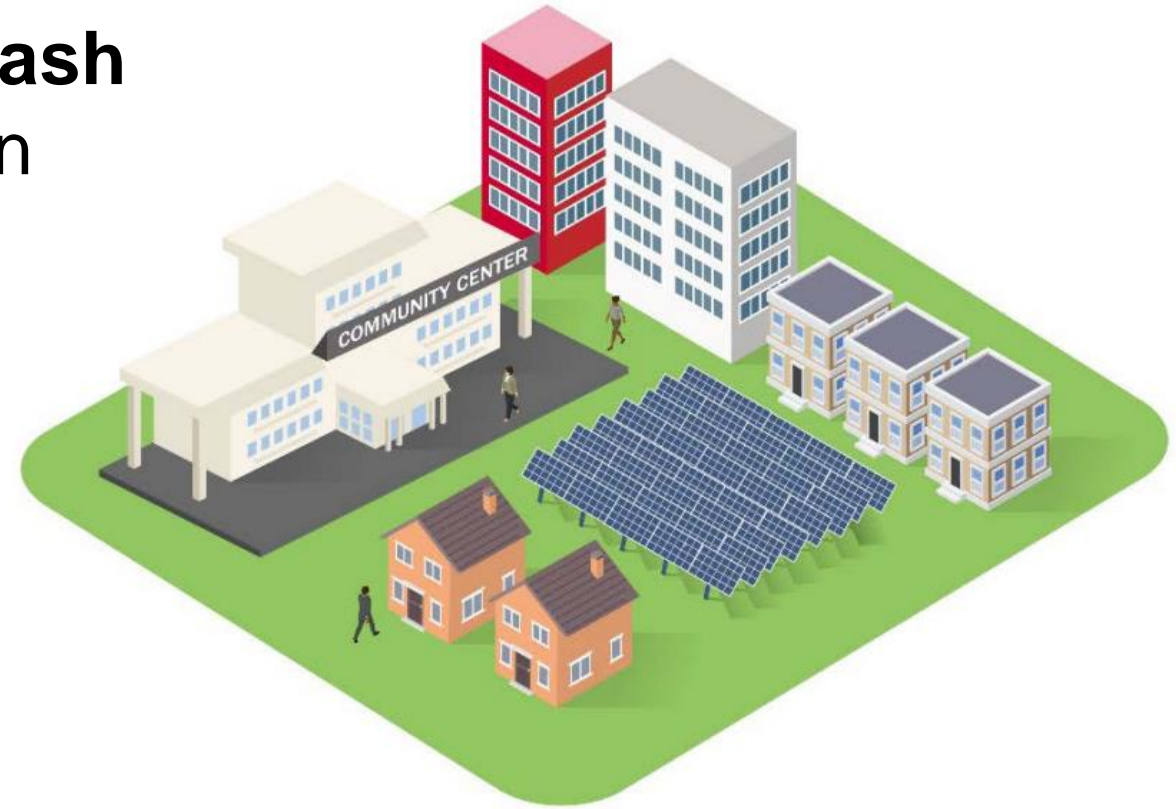
Disclaimer

- This deck provides an overview of certain Inflation Reduction Act tax provisions for general informational purposes only and **is not itself tax guidance**.
- The content in this presentation is based on proposed and temporary regulations and other tax guidance on IRS.gov.
- This deck relies on simplifications and generalizations to convey high-level points about Inflation Reduction Act tax provisions. Please **refer to guidance** issued by the IRS for detailed information on the rules associated with Inflation Reduction Act tax provisions.
- Treasury and the IRS will **carefully consider feedback submitted** during the public comment periods for proposed and temporary regulations before issuing final rules.

Elective Pay – Cash for Clean Energy

Elective pay allows **tax-exempt and governmental entities** to receive a **cash payment** from the IRS for eligible clean energy investments.

- Example: local government invests \$1,000,000 in tax-credit eligible solar, battery storage, and EV chargers at a community center.
- Cash-back: Through elective pay, local government receives a **\$300,000 cash payment from the IRS** if it qualifies for relevant 30% investment tax credits.



Elective Pay Summary



Tax-exempt and governmental entities that do not owe income taxes can now receive a **payment equal to the full value of clean energy tax credits.**



Tax credits earned through Elective Pay **can be combined with DOE grants and loans** with some limitations.



Eligible entities must complete a **pre-filing registration** and then claim the credit by filing a tax return with the IRS after the project or property is placed in service.

Which tax credits are eligible?

- **12 of the Inflation Reduction Act clean energy tax credits** are eligible for elective pay including:
 - Investment tax credit (ITC) for clean electricity, storage, and certain energy efficiency technologies such as geothermal heat pumps (§48 and §48E)
 - Production tax credit (PTC) for clean electricity (§45 and §45Y)
 - Credit for clean commercial vehicles (§45W)
 - Credit for EV chargers installed in low-income or non-urban areas (§30C)
- See the full list of elective pay eligible credits in the Tax Credit Overview section or at: <https://www.irs.gov/pub/irs-pdf/p5817g.pdf>

Who is eligible under Treasury/IRS proposed regulations?

Category	Eligible Entities
Tax-Exempt Organizations	Any organization exempt from income taxes under §501(a), including §501(c) and §501(d) organizations. Examples include: <ul style="list-style-type: none">• Charities• Houses of worship and religious organizations• Colleges and Universities• Hospitals
State, Local Governments	States including DC, political subdivisions such as cities and counties, and agencies and instrumentalities of state and local governments such as school districts.
U.S. Territories	U.S. territories and their political subdivisions and agencies and instrumentalities
Tribes	Indian Tribal governments, Alaska Native Corporations, Tribal agencies and instrumentalities.
Public Power	Examples: Municipal electric utilities, rural electric cooperatives, and the Tennessee Valley Authority.

Partnerships

- **Under proposed regulations, partnerships and S corporations would not be eligible for elective pay**, whether or not the partners or shareholders would themselves be eligible
- However, these partnerships would generally be eligible for credit transfer which allows selling tax credits to other taxpayers in exchange for cash
- An eligible entity that is a co-owner of eligible property through an ownership arrangement with an undivided ownership interest may receive elective payment for its share in the underlying property.

See proposed regulations at <https://www.federalregister.gov/d/2023-12798/p-354> for more details

How are credits different than other DOE grants?

- **Tax credits are generally not competitively awarded.*** There is no review, ranking, or selection and rejection of specific applications. A project only needs to meet the criteria for the specific credit to be eligible.
- Tax credits generally **can be combined** with other sources of DOE and federal financial assistance under Treasury/IRS proposed regulations**
- **Tax credits are earned after the project is complete.** Unlike grants, tax credits are not issued up front

*The 48C and 48(e) tax credits have limited allocations and are administered by DOE in coordination with IRS through an application process

**The combined value of a grant and tax credit cannot exceed the total cost of a project

How to claim and receive elective pay?

Identify Project

- Identify and pursue the qualifying project or activity.
- You will need to know what applicable credit you intend to earn and use elective pay for.

Complete Project

- Complete project or purchase qualifying property and place it into service.
- Determine your tax year, if not already known, to determine when your tax return will be due.

Register

- Complete pre-filing registration with the IRS at <https://www.irs.gov/credits-deductions/register-for-elective-payment-or-transfer-of-credits>.
- IRS will provide you with a registration number for each applicable credit property.

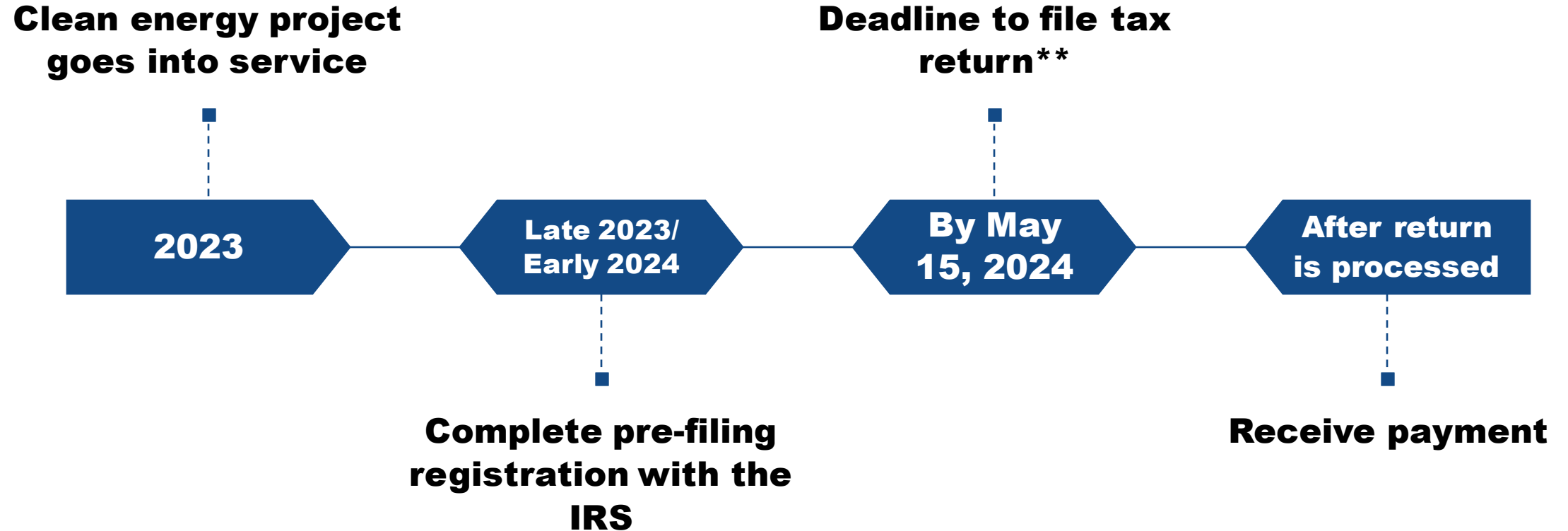
File

- File your tax return by the due date (or extended due date)
- Provide registration number(s) on your tax return.
- Use Form 990-T and the appropriate form for the underlying credit.

Receive Payment

- Payment will be received after the return is processed.

Example Timeline: Local Government Project Placed Into Service in 2023*



*If the local government has a tax year that is the calendar year

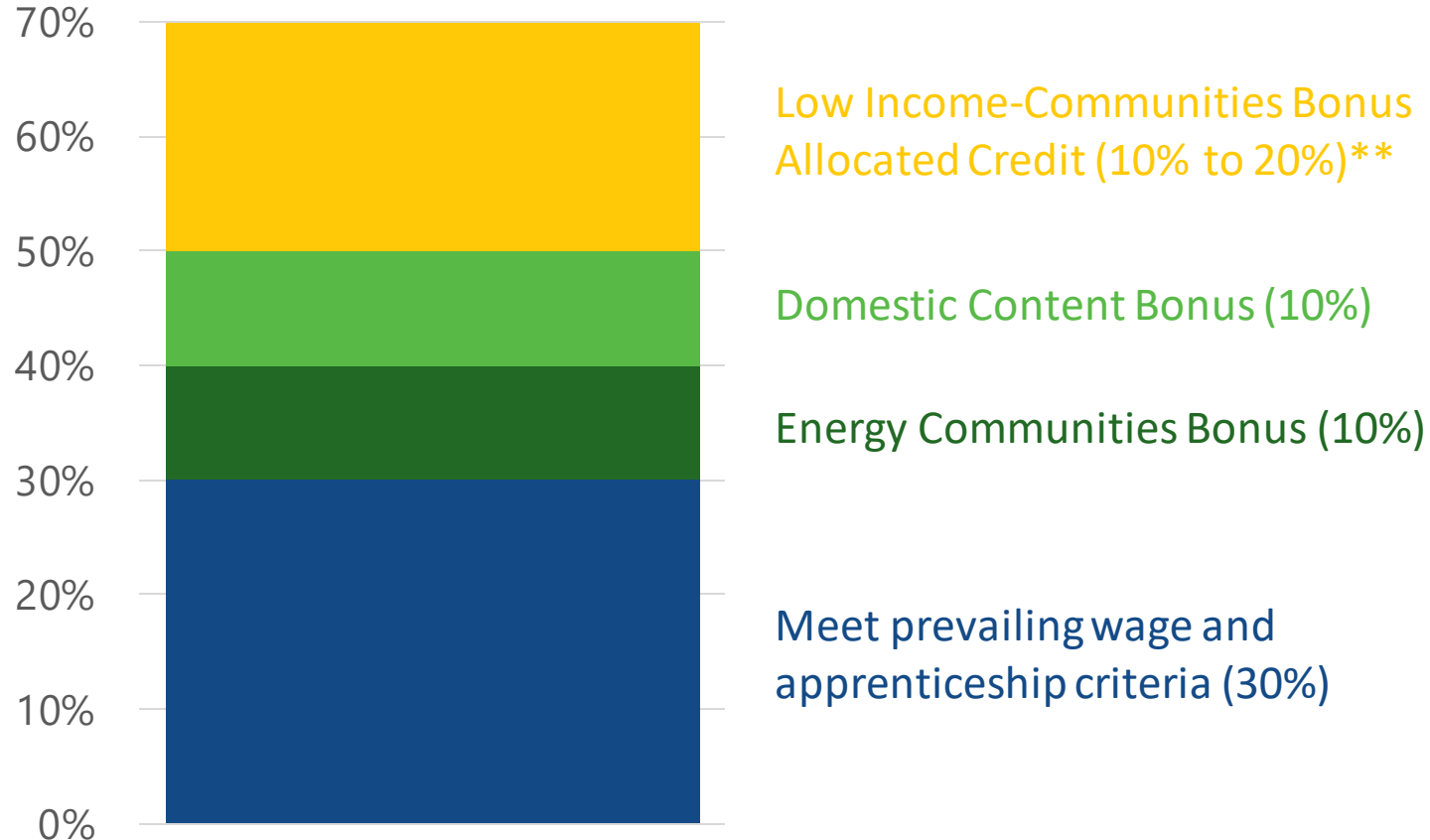
** 6-month extensions are available to filing deadline

Cross-Cutting Provisions / Bonuses

Tax Provision	Description
Prevailing Wage and Apprenticeship (PWA) Requirements	For a number of the tax credits created or modified by IRA, the base credit amount is increased by five times for projects that meet requirements for paying prevailing wages and using registered apprentices.
Energy Communities Bonus	Projects located in historical energy communities, including areas with closed coal mines or coal-fired power plants, are eligible for a 10 percent increase in the Production Tax Credit (§ 45, 45Y) and an up to 10 percentage point increase (if PWA requirements are met) in the Investment Tax Credit (§ 48, 48E). The bonus is also available to brownfield sites and to areas that have significant employment or local tax revenues from fossil fuels and higher than average unemployment.
Low Income Communities Bonus Credit Program <i>Application required</i>	Provides an additional investment tax credit for small-scale solar and wind (§ 48(e)) or clean electricity (§ 48E(h)) facilities (<5MW net output) on Indian land, federally subsidized housing, in low-income communities, and to benefit low-income households. Additional credit is 10 or 20 percentage point increase on base Investment Tax Credit (§ 48, 48E). You must apply and receive a capacity allocation, and then place your facility in service to claim this bonus.
Domestic Content Bonus	Projects or facilities that meet domestic content requirements are eligible for a 10 percent increase to the Production Tax Credit (§ 45, 45Y) or up to a 10 percentage point increase (if PWA req's met) to the Investment Tax Credit (§ 48, 48E). For projects or facilities beginning construction starting in 2024 or later, for taxpayers using elective pay, the domestic content requirement can also result in a reduction of the Production Tax Credit or Investment Tax Credit if it is not met.

Example: Investment Tax Credit Stacking

Example: Investment Tax Credit*



Tax credit bonuses can stack with the underlying tax credit creating significant opportunity for eligible projects.

Example: 1 MW community solar facility costing \$1 million could earn a **70% tax credit** worth \$700,000 if eligible for all applicable tax credit and bonuses

If it is owned by an applicable tax-exempt entity, this could be a **direct cash payment** from the IRS

*Credit is 5x lower if not meeting prevailing wage and apprenticeship criteria

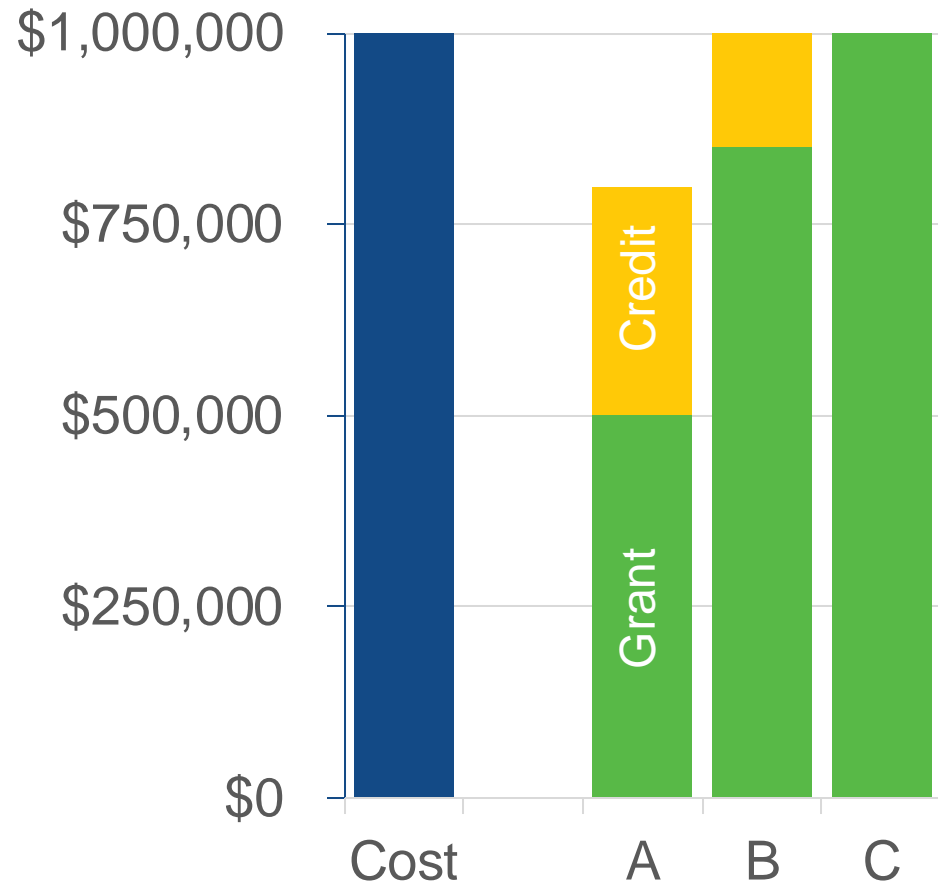
**48(e) tax credits are limited and allocated by DOE in coordination with IRS through an application process

Special Rule: Grants and Forgivable Loans

- The proposed guidance also includes a special rule that would enable applicable entities claiming elective pay to **combine grants and forgivable loans with tax credits**.
- For investment tax credits, **the credit plus grants or forgivable loans cannot exceed the total cost of the investment**, otherwise the credit is reduced.

Section	Credit	Example Technologies
48, 48E	Investment Tax Credit (ITC)	Solar, storage, geothermal heat pumps
30C	Alt Fuel Vehicle Refueling Property Credit	Electric vehicle chargers
45W	Commercial Clean Vehicles Credit	Electric buses, electric fleet passenger EVs
48C	Advanced Energy Project Credit	Clean energy manufacturing facility

Special Rule: Example Based on Treasury/IRS proposed Regulations



- Applicable entity receives grant to support purchase of solar for \$1 million and is eligible for a 30% investment tax credit worth \$300,000 through elective pay.
- Three scenarios:
 - A. \$500,000 grant plus \$300,000 credit is less than purchase price. **No reduction in credit.**
 - B. \$850,000 grant plus \$300,000 credit is more than purchase price. **Credit is reduced to \$150,000.**
 - C. \$1,000,000 grant fully covers purchase cost. **Credit is reduced to zero.**
- See Q41 in the [IRS Elective Pay FAQ](#) for more details

Where can I find more information?

Links and Websites

- [IRS.gov/ElectivePay](https://www.irs.gov/ElectivePay)
- [IRS Elective Pay FAQ](#)
- [CleanEnergy.gov/DirectPay](https://www.CleanEnergy.gov/DirectPay)

Domestic Content and Elective Pay for Clean Electricity and Storage

Clean electricity and storage projects starting construction in 2024 or later **must meet one of these criteria to be eligible for the full value** of elective pay:

1. Capacity under 1 MW-ac
2. Meets domestic content criteria (same as for 10% bonus)
3. Qualifies for at least one of two exceptions:
 - a. Inclusion of domestically produced steel, iron, or manufactured products would increase project costs more than 25%; or
 - b. Such inputs are not produced in the United States in “sufficient and reasonably available quantities or of a satisfactory quality”

Begun Construction	Elective Pay value if domestic content not met
2023	100%
2024	90%
2025	85%
2026 and later	0%

Domestic Content	Criteria
Steel and Iron	100% domestic
Manufactured Products	40% domestic content* through 2024 growing to 55% in 2027

*20% for offshore wind

Tax Credit Overview

Incentives for Energy Generation

Tax Provision	Description	Elective Pay	Transferability
Production Tax Credit for Electricity from Renewables (§ 45, <i>pre-2025</i>)	For production of electricity from eligible renewable sources , including wind, biomass, geothermal, solar, landfill and trash, hydropower, marine and hydrokinetic energy.	✓	✓
Clean Electricity Production Tax Credit (§ 45Y, <i>2025 onwards</i>)	Technology-neutral tax credit for production of clean electricity . Replaces § 45 for facilities that begin construction and are placed in service after 2024. To qualify, the facility must have a greenhouse gas emissions rate of not greater than zero.	✓	✓
Investment Tax Credit for Energy Property (§ 48, <i>pre-2025</i>)	For investment in renewable energy projects including fuel cell, solar, geothermal, small wind, energy storage, biogas, microgrid controllers, and combined heat and power properties.	✓	✓
Clean Electricity Investment Tax Credit (§ 48E, <i>2025 onwards</i>)	Technology-neutral tax credit for investment in facilities that generate clean electricity and qualified energy storage technologies. Replaces § 48 for facilities that begin construction and are placed in service after 2024. To qualify, the facility must have a greenhouse gas emissions rate of not greater than zero.	✓	✓
Zero-Emission Nuclear Power Production Credit (§ 45U)	For electricity from existing nuclear power facilities. Facilities in operation prior to August 16, 2022.	✓	✓

Incentives for Vehicles

Tax Provision	Description	Elective Pay	Transferability
Credit for New Clean Vehicles (§ 30D)	For purchasers of new clean vehicles that meet certain critical mineral and battery component requirements, as well as buyer income and manufacturer's suggested retail price limits. Learn more and see eligible vehicles at FuelEconomy.gov.		✓ <i>(to the dealer)</i>
Credit for Previously-Owned Clean Vehicles (§ 25E)	For purchasers of certain previously-owned clean vehicles sold by a dealer for less than \$25,000. Subject to buyer income limits. Learn more and see eligible vehicles at FuelEconomy.gov.		✓ <i>(to the dealer)</i>
Credit for Qualified Commercial Clean Vehicles (§ 45W)	For purchasers of commercial clean vehicles. Qualifying vehicles may include passenger vehicles, buses, ambulances, and certain other vehicles, as well as certain mobile machinery.	✓	
Alternative Fuel Vehicle Refueling Property Credit (§ 30C)	For alternative fuel vehicle refueling and charging property located in low-income and non-urban areas. Qualified fuels include electricity, ethanol, natural gas, hydrogen, and biodiesel.	✓ <i>(if depreciable property)</i>	✓

Incentives for Fuels and Carbon Capture

Tax Provision	Description	Elective Pay	Transferability
Extension of Pre-IRA Fuel Incentives (Multiple §§)	For Biodiesel, Renewable Diesel, Alternative Fuels, Second-Generation Biofuel.		
Sustainable Aviation Fuel Credit (§ 40B, 6426(k))	For the sale or use of certain fuel mixtures that contain sustainable aviation fuel (SAF) that achieve a lifecycle greenhouse gas emissions reduction of at least 50% as compared with petroleum-based jet fuel. The mixture must be produced and placed in aircraft in the U.S. prior to 2025.		
Clean Fuel Production Credit (§ 45Z, 2025 onwards)	Technology neutral tax credit for domestic production of clean transportation fuels , including sustainable aviation fuels, beginning in 2025.	✓	✓
Credit For Production Of Clean Hydrogen (§ 45V)	Credit for qualified clean hydrogen production at a U.S.-based qualified clean hydrogen production facility.	✓ <i>(incl. businesses for five years)</i>	✓
Credit for Carbon Oxide Sequestration (§ 45Q)	Credit for carbon dioxide sequestration coupled with permitted end uses (e.g., sequestration, use as a tertiary injectant, or utilization) in the United States.	✓ <i>(incl. businesses for five years)</i>	✓

Incentives for Manufacturing

Tax Provision	Description	Elective Pay	Transferability
Advanced Manufacturing Production Credit (§ 45X)	Production tax credit for domestic clean energy manufacturing of components including solar and wind energy, inverters, battery components, and critical minerals.	✓ <i>(incl. businesses for five years)</i>	✓
Advanced Energy Project Credit (§ 48C) <u>Application required</u>	For investments in advanced energy projects. A total of \$10 billion will be allocated, not less than \$4 billion of which will be allocated to projects in certain energy communities.	✓	✓

Incentives for Energy Efficiency

Tax Provision	Description	Elective Pay	Transferability
Energy Efficient Home Improvement Credit (§ 25C)	For energy efficiency improvements of residential homes by homeowners (and in some cases renters). Learn more at IRS.gov/HomeEnergy .		
Residential Clean Energy Credit (§ 25D)	For the purchase of certain residential clean energy equipment (including battery storage with capacity ≥ 3 kWh) by homeowners or renters. Learn more at IRS.gov/HomeEnergy .		
New Energy Efficient Home Credit (§ 45L)	For construction and sale/lease of new energy-efficient homes.		
Energy Efficient Commercial Buildings Deduction (§ 179D)	For energy efficiency improvements to commercial buildings (building owners, long-term lessees, or designers that have been allocated the deduction by certain tax-exempt building owners are eligible to claim the deduction).		

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Low-Income Communities Bonus Credit Program §48(e)

Office of Energy Justice and Equity

March 14, 2024



U.S. DEPARTMENT OF
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Office of Energy
Justice and Equity



Presentation Presenter



Gabriela Rodriguez
Policy Analyst
U.S. Department of Energy



Disclaimer

- Today's presentation provides an overview of the implementation of the Low-Income Communities Bonus Credit Program. It is not a substitute for official IRS guidance on the Low-Income Communities Bonus Credit Program. This presentation will not cover all requirements of the Program, and as such participants should refer to the official IRS information on eligibility requirements and the application process.
- **The information provided in this presentation should not be considered as tax advice or tax filing support. Please consult a tax professional, accountant, or attorney if you need tax-related assistance.**



Today's Agenda

1. Program Overview
2. Application Selection Process
3. Application Process Overview
4. Program Resources



Program Overview



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2023 Low-Income Communities Bonus Credit Program

- **August 10, 2023:** Program Final Regulations and Revenue Procedure for 2023 Program Released
- **September 27, 2023:** Announcement of Application Openings
- **October 19, 2023 through Early 2024:** 2023 Program Open for Applications
- **Q2 2024:** 2024 Program Opens



Program Overview

- The Low-Income Communities Bonus Credit Program under §48(e) of the Internal Revenue Code provides a process for owners of qualified solar or wind facilities to apply for an allocation of Capacity Limitation that increases the existing §48 energy investment credit by 10 or 20 percentage points for qualified solar and wind facilities < 5 MW-AC.
- DOE will review applications and make recommendations to the IRS, which will allocate up to 1.8 gigawatts (GW) of solar and wind direct-current (DC) capacity limitation per year.

Program Goals

The program prioritizes the following goals:

- Increase **adoption of and access to renewable energy facilities** in low-income and other communities with environmental justice concerns.
- Encourage **new market participants**.
- Provide **social and economic benefits** to individuals and communities that have been **historically overburdened** with pollution, adverse human health or environmental effects, and marginalized from economic opportunities.

Facility Categories

- For calendar year 2023, the total annual Capacity Limitation of 1.8 GW will be divided among the four Facility Categories as follows:

Category	Allocation (megawatts)	Tax Credit Percentage
(1) Located in a Low-Income Community	700	10%
(2) Located on Indian Land	200	10%
(3) Qualified Low-Income Residential Building Project	200	20%
(4) Qualified Low-Income Economic Benefit Project	700	20%

- Refer to the IRS Publication, Rev. Proc. 2023-27 and Final Regulations for the full definition and requirements of each program category.



Additional Selection Criteria

- For Program Year 2023, 50 percent of the total capacity in each program category will be reserved for qualified facilities meeting certain Additional Selection Criteria.
- Facilities may qualify for Additional Selection Criteria based on Ownership or Geography.

Additional Selection Criteria – Ownership Criteria



Ownership criteria

The ownership criteria is based on characteristics of the applicant that owns the qualified solar or wind facility.

- Tribal enterprise
- Alaska Native Corporation
- Renewable energy cooperative
- Qualified renewable energy company
- Qualified tax-exempt entity

- Refer to the [Treasury Regulations § 1.48\(e\)–1](#) for the definition and requirements of ownership Additional Selection Criteria.



Additional Selection Criteria – Geographic Criteria



Geographic criteria

The geographic criteria is based on the county or census tract where the facility is located.

- Persistent Poverty County
- Climate and Economic Justice Screening Tool (CEJST) Energy Category

- Refer to the [Treasury Regulations § 1.48\(e\)–1](#) for the definition and requirements of geographic Additional Selection Criteria.



Application Options

Category and Application Option	MW	MW
(1) Located in a Low-Income Community - Eligible Residential Behind-the-Meter (BTM)	245	700
(1) Located in a Low-Income Community - Eligible Residential BTM – Additional Selection Criteria	245	
(1) Located in a Low-Income Community - Other Eligible LI Community Project	105	
(1) Located in a Low-Income Community - Other Eligible LI Community Project – Additional Selection Criteria	105	
(2) Located on Indian Land	100	200
(2) Located on Indian Land - Additional Selection Criteria	100	
(3) Qualified Low-Income Residential Building Project	100	200
(3) Qualified Low-Income Residential Building Project - Additional Selection Criteria	100	
(4) Qualified Low-Income Economic Benefit Project	350	700
(4) Qualified Low-Income Economic Benefit Project - Additional Selection Criteria	350	

Application Selection Process



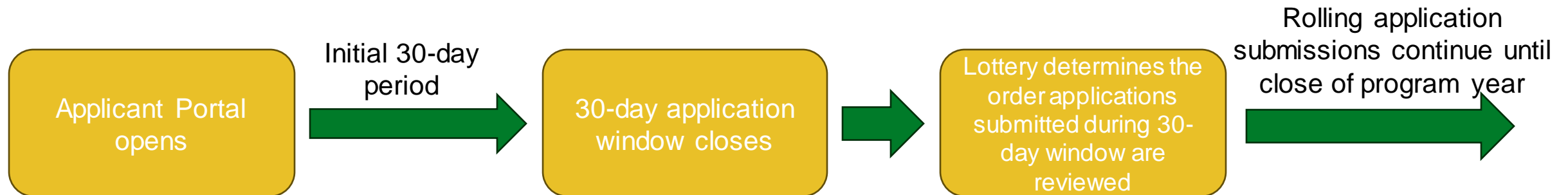
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Application Selection Process

- The 2023 Program Year began on **October 19, 2023**. Applications were submitted for all four categories via the Applicant Portal:
<https://eco.energy.gov/ejbonus>
- Applications submitted within the first 30-days were treated as submitted on the same date and at the same time.
- If at the conclusion of the 30-day period any category sub-reservation was oversubscribed, a lottery took place.



Program Capacity Dashboard

- A publicly available Program Capacity Dashboard will be available on the Applicant Portal after the initial 30-day period to show the remaining capacity for each Application Option.

Showing 10 of 10 items					
Category Type	Application Option	Total Capacity (MW)	Approved Allocations (MW)	Applications Pending Allocation (MW)	Capacity Remaining (MW)
Category 2	Located on Indian Land	100	1	21	78
Category 2	Located on Indian Land - Additional Selection Criteria	100	13	19	68
Category 3	Qualified Low-Income Residential Building Projects	100	2	108	0
Category 3	Qualified Low-Income Residential Building Projects - Add'l Selection Criteria	100	4	10	86
Category 4	Qualified Low-Income Economic Benefit Projects	350	3	12	335
Category 4	Qualified Low-Income Economic Benefit Projects - Add'l Selection Criteria	350	6	13	331



Application Process Overview

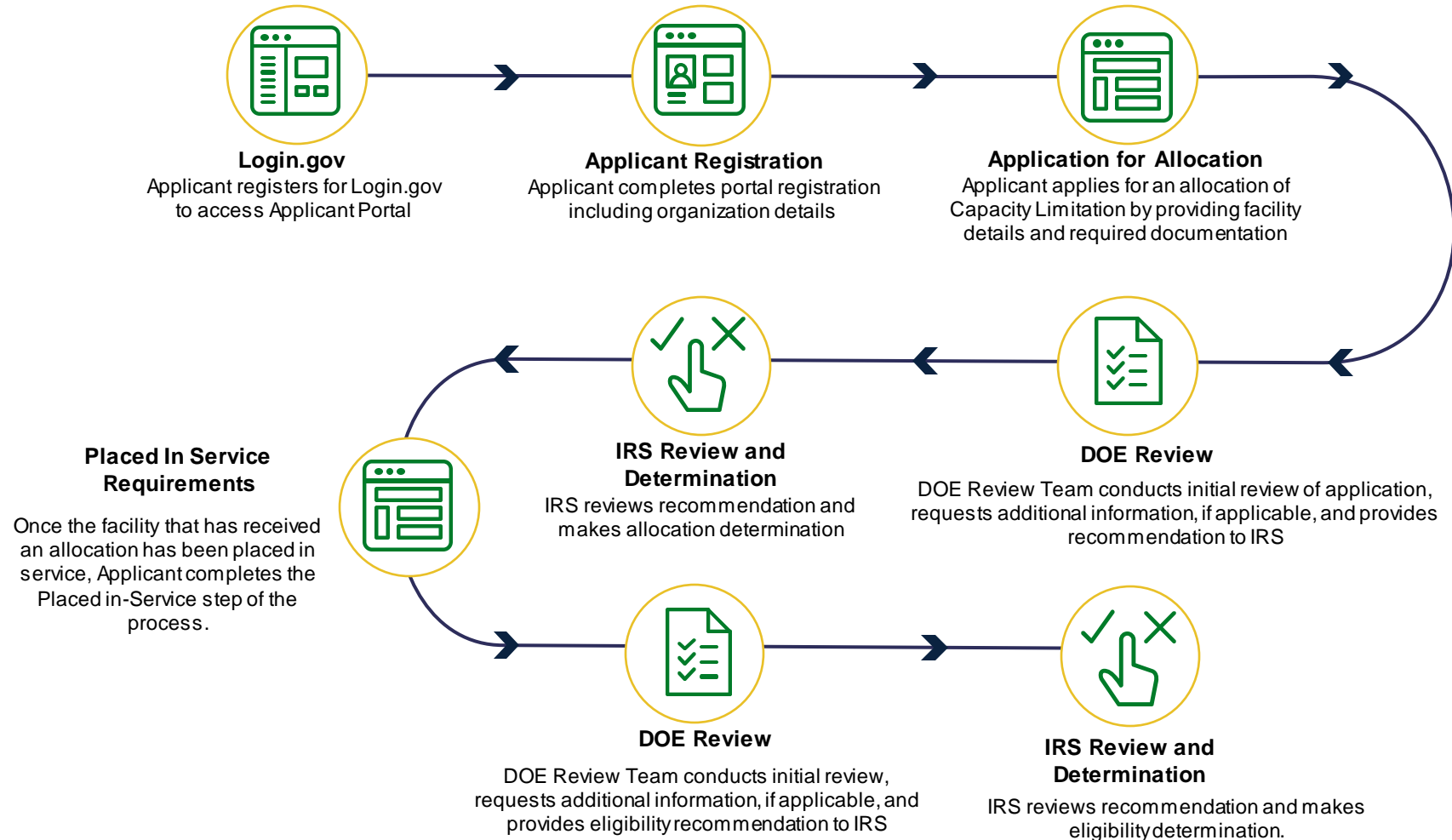


U.S. DEPARTMENT OF
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Application Process Overview



Registration Requirements

- The applicant must be the organization that owns the solar or wind facility.
- The individuals who apply for an allocation of Capacity Limitation on behalf of their organization must have the legal authority to do so by the position of authority within the organization.
- To register for the Low-Income Communities Bonus Credit Program, applicants must create a Login.gov account. Dual-factor authentication setup is required.
- Navigate to the Low-Income Communities Bonus Credit Program Applicant Portal landing page and select **Log In** to begin account setup and registration.
- It is highly recommended to use an email address associated with the organization for which you are applying.

The screenshot displays the U.S. Department of Energy website. The header includes the U.S. Department of Energy logo and a 'HOME' link. The main content area is titled 'Low-Income Communities Bonus Credit Program'. Below the title, there is a detailed description of the program and a 'Log in' button. A green box highlights the 'Log in' button, and a green arrow points to a callout box showing the 'Low-Income Communities Bonus Credit Program Applicant Portal'. The callout box includes a 'Log in' button and a 'Sign on with an existing account' link.



Application Process Overview - Application for Allocation

- Once registered, Applicants may view descriptions of each category:
 - Category 1:** Located in a Low-Income Community
 - Category 2:** Located on Indian Land
 - Category 3:** Qualified Low-Income Residential Building Project
 - Category 4:** Qualified Low-Income Economic Benefit Project
- Each category has application options (e.g., Eligible Residential Behind-the-Meter (BTM), Eligible Residential Behind-the-Meter (BTM) – Additional Selection Criteria, etc.).
- Applicants will select the applicable category and application option link for their energy facility.

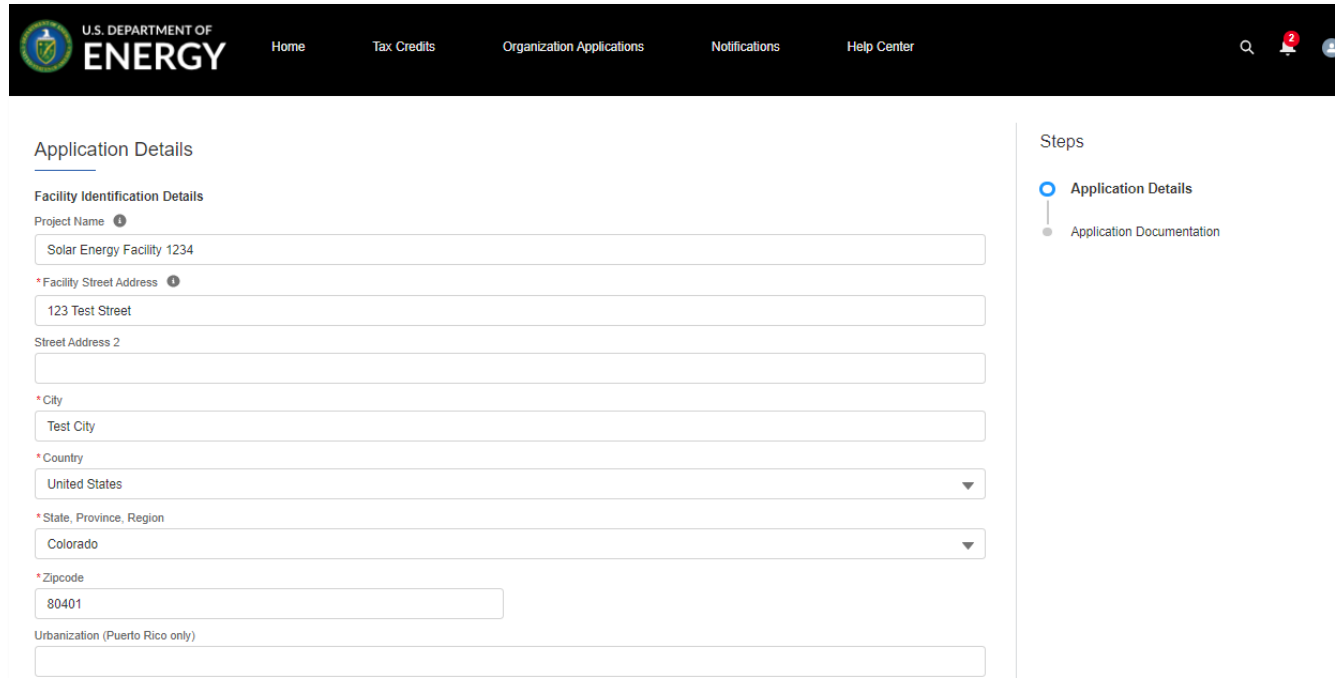
The screenshot shows the U.S. Department of Energy website. The header includes the DOE logo, navigation links (Home, Tax Credits, Organization Applications, Notifications, Help Center), and a search bar. The main heading is "Low-Income Communities Bonus Credit Program". Below it, a message says "Please review Categories 1 through 4 and select from the application options available." The "Category 1: Located in a Low-Income Community" section provides a detailed description of eligibility criteria. Below this is a table with two columns: "Application Option" and "Description". The first row, "Eligible Residential Behind-the-Meter (BTM)", is highlighted with a green border. Other rows include "Eligible Residential BTM – Additional Selection Criteria", "Other Eligible LI Community Project", and "Other Eligible LI Community Project – Additional Selection Criteria". A "View All" link is at the bottom of the table. A footnote at the very bottom explains the definition of a qualified wind and solar facility as a BTM.

Application Option	Description
Eligible Residential Behind-the-Meter (BTM)	Category 1 facilities located behind-the-meter or off-grid and serving single-family or multi-family residential customers. This may include solar and wind BTM facilities that do not meet the requirements for Category 3.
Eligible Residential BTM – Additional Selection Criteria	Category 1 facilities that meet Ownership and/or Geographic Additional Selection Criteria and are located behind-the-meter or off-grid and serving single-family or multi-family residential customers. This may include solar and wind BTM facilities that do not meet the requirements for Category 3.
Other Eligible LI Community Project	Category 1 facilities that are not "Eligible Residential BTM". This may include BTM solar and wind facilities that serve nonresidential customers and/or front-of-the-meter facilities that do not meet the requirements for Categories 3 or 4.
Other Eligible LI Community Project – Additional Selection Criteria	Category 1 facilities that meet Ownership and/or Geographic Additional Selection Criteria are not "Eligible Residential BTM". This may include BTM solar and wind facilities that serve nonresidential customers and/or front-of-the-meter facilities that do not meet the requirements for Categories 3 or 4.

[View All](#)

Footnote: A qualified wind and solar facility is BTM if: (1) it is connected with an electrical connection between the facility and the panelboard or sub-panelboard of the site where the facility is located, (2) it is to be connected on the customer side of a utility service meter before it connects to a distribution or transmission system (that is, before it connects to the electricity grid), and (3) its primary purpose is to provide electricity to the utility customer of the site where the facility is located. This also includes systems not connected to a grid and that may not have a utility service meter, and whose primary purpose is to serve the electricity demand of the owner of the site where the system is located.

Application Process Overview - Application for Allocation

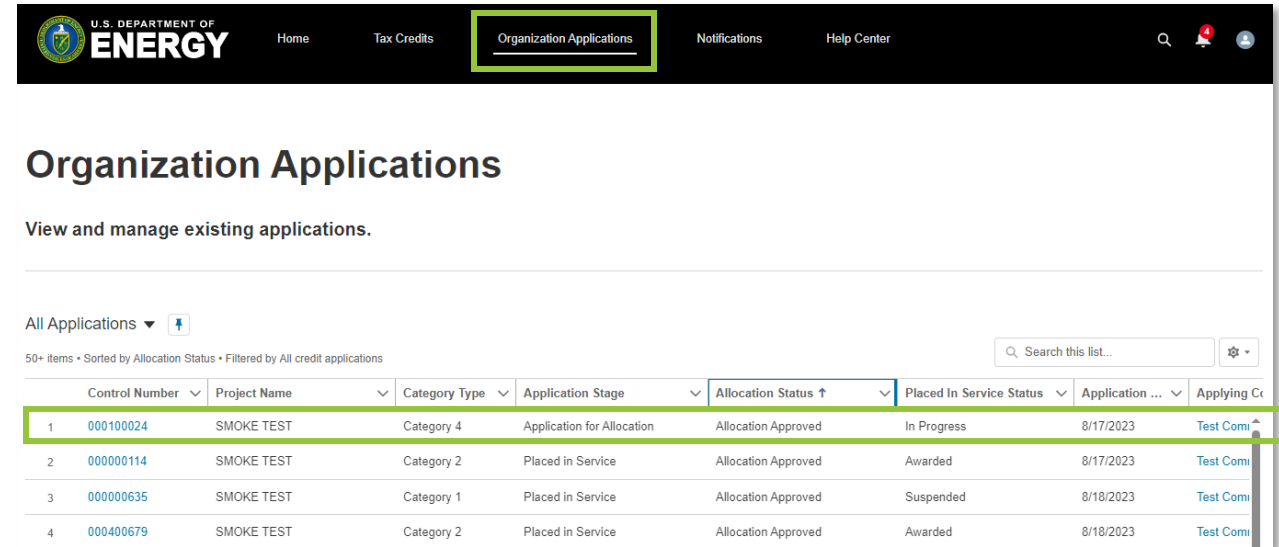


The screenshot shows the 'Application Details' page of the U.S. Department of Energy's application portal. The header includes the DOE logo and navigation links: Home, Tax Credits, Organization Applications, Notifications, and Help Center. The main content area is titled 'Application Details' and contains a 'Facility Identification Details' section. This section includes input fields for 'Project Name' (filled with 'Solar Energy Facility 1234'), '* Facility Street Address' (filled with '123 Test Street'), 'Street Address 2', '* City' (filled with 'Test City'), '* Country' (a dropdown menu showing 'United States'), '* State, Province, Region' (a dropdown menu showing 'Colorado'), '* Zipcode' (filled with '80401'), and 'Urbanization (Puerto Rico only)'. To the right of the form is a 'Steps' sidebar with two items: 'Application Details' (the current step, indicated by a blue circle) and 'Application Documentation' (indicated by a grey circle).

- Each application must be for an individual facility, and facility identification details must be provided.
- If an applicant's solar or wind facility does not have a physical street address at the time of application, they should enter "NA" in the Facility Street Address field. Applicants are still required to enter City, State, Country, and Zip code.

Application Process Overview - Placed in Service

- Applicants are required to submit additional information once their energy facility is placed in service.
- Navigate to Organization Applications and select the Control Number of the facility that has been placed in service.



	Control Number	Project Name	Category Type	Application Stage	Allocation Status	Placed In Service Status	Application ...	Applying Co
1	000100024	SMOKE TEST	Category 4	Application for Allocation	Allocation Approved	In Progress	8/17/2023	Test Com
2	000000114	SMOKE TEST	Category 2	Placed in Service	Allocation Approved	Awarded	8/17/2023	Test Com
3	000000635	SMOKE TEST	Category 1	Placed in Service	Allocation Approved	Suspended	8/18/2023	Test Com
4	000400679	SMOKE TEST	Category 2	Placed in Service	Allocation Approved	Awarded	8/18/2023	Test Com

Application Process Overview - Placed in Service

- Applicants will complete the documentation section by uploading all required documents.
- The last step is to check each required attestation and submit the information for review.
- When IRS has completed its review, applicants will receive a notification that IRS has issued an eligibility or disqualification letter that can be found within the Applicant Portal.
- If the IRS issues an eligibility letter, the applicant may claim the energy percentage increase on their applicable tax filing form.
 - To make an elective pay election, additional steps are required. See [IRS.gov/electivepay](https://www.irs.gov/electivepay) for more information.



Program Resources



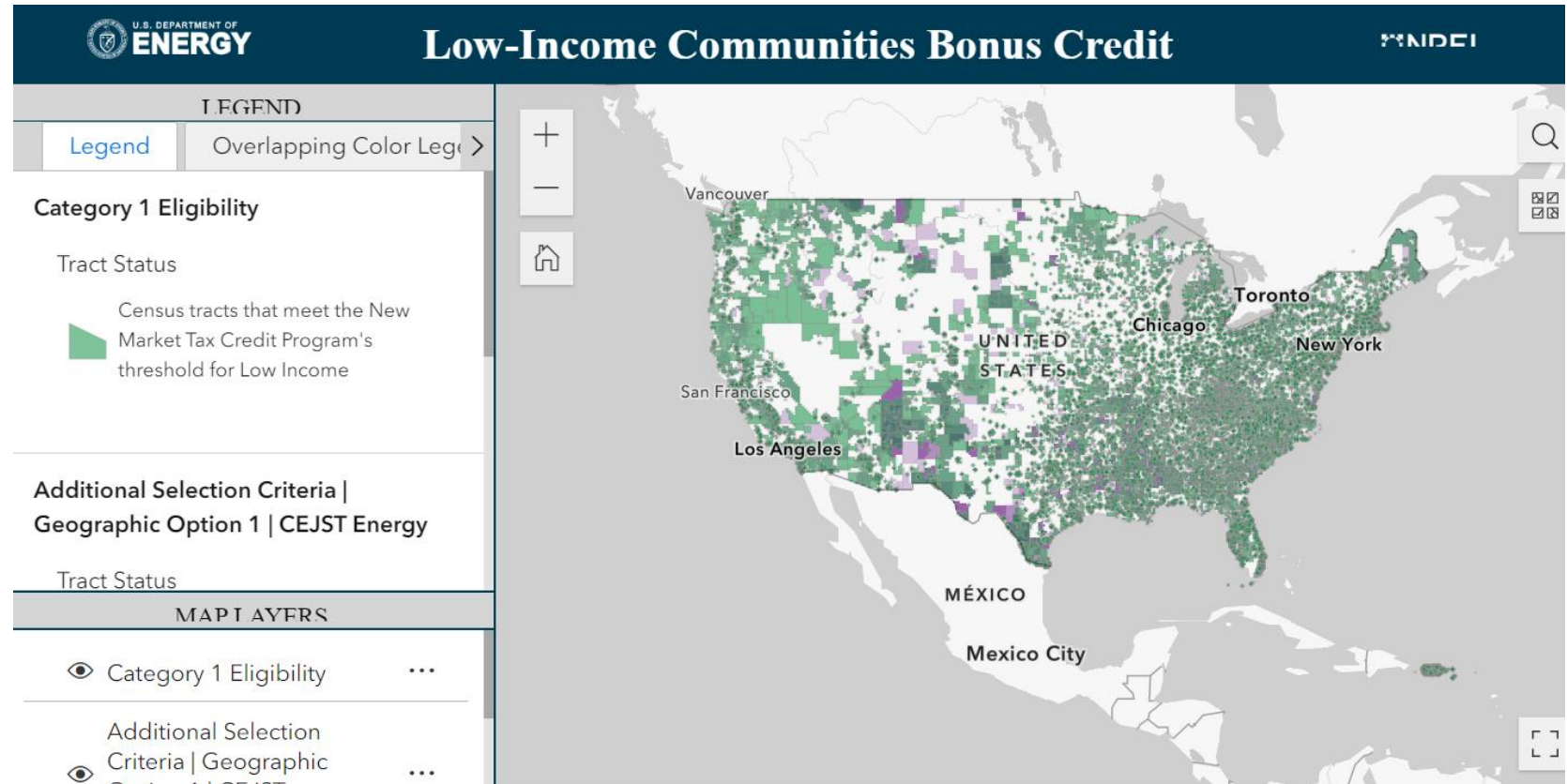
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Program Resources – Public Mapping Tool

- A public mapping tool has been created showing census tracts that meet Category 1 Low-Income Community eligibility and geographic Additional Selection Criteria: Persistent Poverty Counties and the CEJST “Energy” Category.



Program Resources – Support Desk

- Applicants and interested stakeholders may email the program administrator for program related questions and Applicant Portal assistance at EJBonusSupport@hq.doe.gov
- There is no dispute process for capacity allocation denial decisions or for determinations of ineligibility at the placed in-service stage.
- The DOE and/or IRS will not provide tax advice. Any questions requesting tax-related guidance or tax filing support should be directed to the applicant's tax professional, accountant, or attorney.

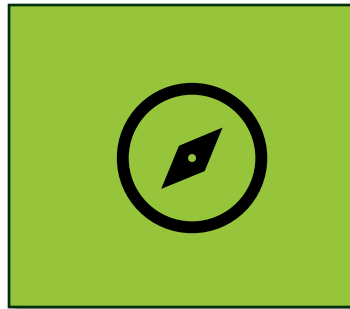


Program Resources – Additional Documents

- DOE's Low-Income Communities Bonus Credit Program website will host a variety of helpful program resources, including:



Applicant Checklist



Portal User
Guide



FAQs



Consumer
Disclosure Forms*

www.energy.gov/diversity/low-income-communities-bonus-credit-program

* Consumer Disclosure Forms are not currently available on the website. Please check back for future information.



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Thank you!

We look forward to your participation in the Low-Income Communities Bonus Credit Program.

EJBonusSupport@hq.doe.gov



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Agenda

- EECBG Program Announcements & Reminders
- Introduction to Tax Credits & Elective Pay + Q&A
- Low-Income Bonus Credit Program Overview
- **Wrapping Up: Key Resources + Examples**
- Feedback for DOE

[Whitehouse.gov/cleanenergy/directpay/](https://www.whitehouse.gov/cleanenergy/directpay/)

- ✓ Easily digestible information
- ✓ Who is eligible, with examples
- ✓ Steps to apply
- ✓ Webinar recording



[Elective Pay Final Rule](#)

THE WHITE HOUSE

**DIRECT PAY THROUGH THE
INFLATION REDUCTION ACT**

CLEAN ENERGY

How do I apply for direct pay?

Entities wishing to claim direct pay need to complete the following steps:

- Step 1: Identify the project and the credit you want to pursue.
- Step 2: Complete your project, place it into service, and determine the corresponding tax year.
- Step 3: Determine when your tax return will be due.
- Step 4: Complete pre-filing registration with the IRS before your tax return is due.
- Step 5: Once you receive a valid registration number, file your tax return by the due date, including extensions.
- Step 6: Receive your direct payment.

Elective Pay (aka Direct Pay)

- [Elective Pay Overview, Publication 5817](#) (also in *Spanish*)
 - [Rural Electric Cooperatives, Publication 5817-A](#)
 - [U.S. Territorial Governments, Publication 5817-B](#)
 - [Alaska Native Corporations, Publication 5817-C](#)
 - [Tax-Exempt Organizations, Publication 5817-D](#)
 - [State and Local Government, Publication 5817-E](#)
 - [Indian Tribal Governments, Publication 5817-F](#)
- [Clean Energy Tax Incentives: Elective Pay Eligible Tax Credits, Publication 5817-G](#)
- [IRS Elective Pay Frequently Asked Questions](#)
- [Treasury.gov/IRA](#)

IRS Energy Credits Online Pre-Filing Registration

- [Pre-filing Registration User Guide](#)
- [Permission Management User Guide](#)



Clean Energy Tax Incentives: Elective Pay Eligible Tax Credits

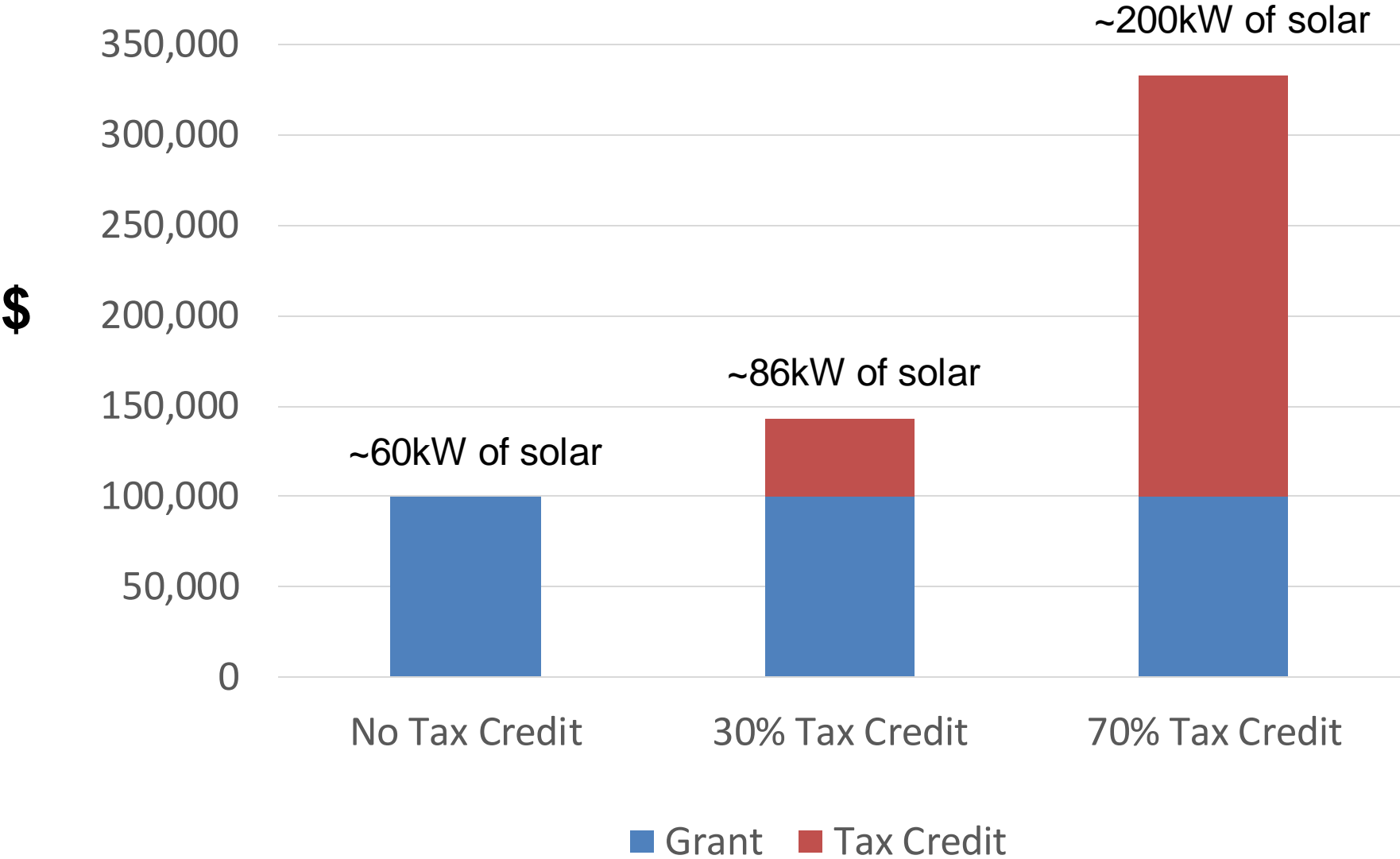
The Inflation Reduction Act of 2022 ("IRA") makes several clean energy tax credits available to businesses; tax-exempt organizations; state, local, and tribal governments; other entities; and individuals. The IRA also enables entities to take advantage of certain clean energy tax credits through its elective pay provision (also colloquially known as direct pay). Elective pay allows several types of entities, such as tax-exempt and governments, to treat the amount of certain credits as a payment against tax on their tax returns and as a result receive direct payments for certain clean energy tax credits.

	Tax Provision	Description
Energy Generation & Carbon Capture	Production Tax Credit for Electricity from Renewables (§ 45, pre-2025)	For production of electricity from eligible renewable sources, including wind, biomass, geothermal, solar, small irrigation, landfill and trash, hydropower, marine and hydrokinetic energy. Credit Amount (for 2022): 0.55 cents/kilowatt (kW); (1/2 rate for electricity produced from open loop biomass, landfill gas, and trash); 2.75 cents/kW if Prevailing Wage and Apprenticeship (PWA) rules are met ^{1,2,3,7}
	Clean Electricity Production Tax Credit (§ 45Y, 2025 onwards)	Technology-neutral tax credit for production of clean electricity. Replaces § 45 for facilities that begin construction and are placed in service after 2024. Credit Amount: Starts in 2025, consistent with credit amounts under section 45 ^{1,2,3,8,7}
	Investment Tax Credit for Energy Property (§ 48, pre-2025)	For investment in renewable energy projects including fuel cell, solar, geothermal, small wind, energy storage, biogas, microgrid controllers, and combined heat and power properties. Credit Amount: 6% of qualified investment (basis); 30% if PWA requirements met ^{1,4,5,6,8}
	Clean Electricity Investment Tax Credit (§ 48E, 2025 onwards)	Technology-neutral tax credit for investment in facilities that generate clean electricity and qualified energy storage technologies. Replaces § 48 for facilities that begin construction and are placed in service after 2024. Credit Amount: 6% of qualified investment (basis); 30% if PWA requirements met ^{1,4,5,6}
	Low-income Communities Bonus Credit (§ 48(e), 48E(h)) <i>Application required</i>	Additional investment tax credit for small-scale solar and wind (§ 48(e)) or clean electricity (§48E(h)) facilities (<5MW net output) on Indian land, federally subsidized housing, in low-income communities, and benefit low-income households. Allocated through an application process. Credit Amount: 10 or 20 percentage point increase on base investment tax credit ⁷
	Credit for Carbon Oxide Sequestration (§ 45Q)	Credit for carbon dioxide sequestration coupled with permitted end uses in the United States. Credit Amount: \$12-36 per metric ton of qualified carbon oxide captured and sequestered, used as a tertiary injectant, or used, depending on the specified end use; \$60-\$180 per metric ton if PWA requirements met ^{1,7}
Manufacturing	Zero-Emission Nuclear Power Production Credit (§ 45U)	For electricity from nuclear power facilities. Facilities in operation prior to August 16, 2022. Credit Amount (for 2023): 0.3 cents/kWh (reduced rate for larger facilities); 1.5 cent/kWh if PW req's met ^{1,7}
	Advanced Energy Project Credit (§ 48C) <i>Application required</i>	For investments in advanced energy projects. A total of \$10 billion will be allocated, not less than \$4 billion of which will be allocated to projects in certain energy communities. Credit Amount: 6% of taxpayer's qualified investment; 30% if PWA requirements are met ¹
	Advanced Manufacturing Production Credit (§ 45X)	Production tax credit for domestic clean energy manufacturing of components including solar and wind energy, inverters, battery components, and critical materials. Credit Amount: Varies by component
Vehicles	Credit for Qualified Commercial Clean Vehicles (§ 45W)	For purchasers of commercial clean vehicles. Qualifying vehicles include passenger vehicles, buses, ambulances, and certain other vehicles for use on public streets, roads, and highways. Credit Amount: Up to \$40,000 (max \$7,500 for vehicles <14,000 lbs) ⁸
	Alternative Fuel Vehicle Refueling Property Credit (§ 30C)	For alternative fuel vehicle refueling and charging property, located in low-income and non-urban areas. Qualified fuels include electricity, ethanol, natural gas, hydrogen, and biodiesel. Credit Amount: 6% of basis for businesses and can increase to 30% if PWA is met.
		For producing clean hydrogen at a qualified, U.S.-based clean hydrogen production facility.

Upcoming IRS office hours for direct pay applicable entities that have questions specifically about the pre-filing registration process:

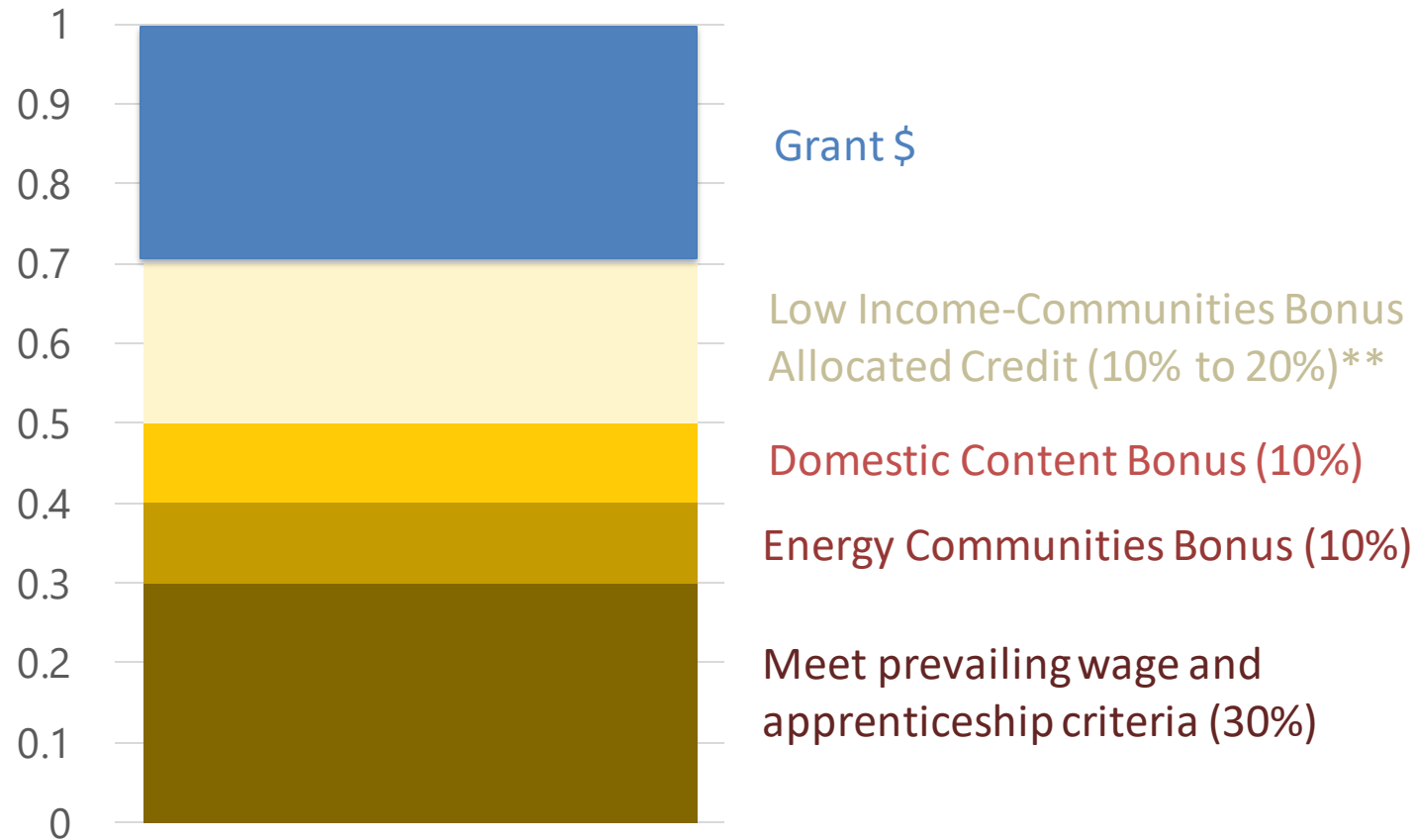
Date	Time	Registration Link
March 20, 2024	1-2:30 PM EDT	Register Here
March 27, 2024	1-2:30 PM EDT	Register Here
April 3, 2024	1-2:30 PM EDT	Register Here
April 10, 2024	1-2:30 PM EDT	Register Here
April 17, 2024	1-2:30 PM EDT	Register Here
April 24, 2024	1-2:30 PM EDT	Register Here

Tax credits make grant dollars go further



Investment Tax Credit| Stacking Example

Example: Investment Tax Credit*



*Credit is 5x lower if not meeting prevailing wage and apprenticeship criteria

**48(e) tax credits are limited and allocated by DOE in coordination with IRS through an application process


Final elective pay guidance enables applicable entities claiming elective pay to **combine grants with tax credits.**

Tax credit bonuses can stack with the underlying tax credit creating significant opportunity for eligible projects.

Example: 200 kW community solar facility costing \$333,000 could earn a **70% tax credit** worth \$233,000 if eligible for all applicable tax credit and bonuses.

If it is owned by an applicable tax-exempt entity, this could be a **direct cash payment** from the IRS

Project Example | Community Solar (Blueprint 3B)



Scenario: Townsville wants to build a community solar project in a low-income energy community

Question: How could they proceed?

Throughout:
Talk to a tax advisor

Consider the following steps:

1

Find upfront capital

- ✓ Apply for grant funding
- ✓ Seek out local, state and utility funds

2

Apply to 48(e) Low-Income Communities Bonus Credit & receive allocation notice*

3

Build Solar Project

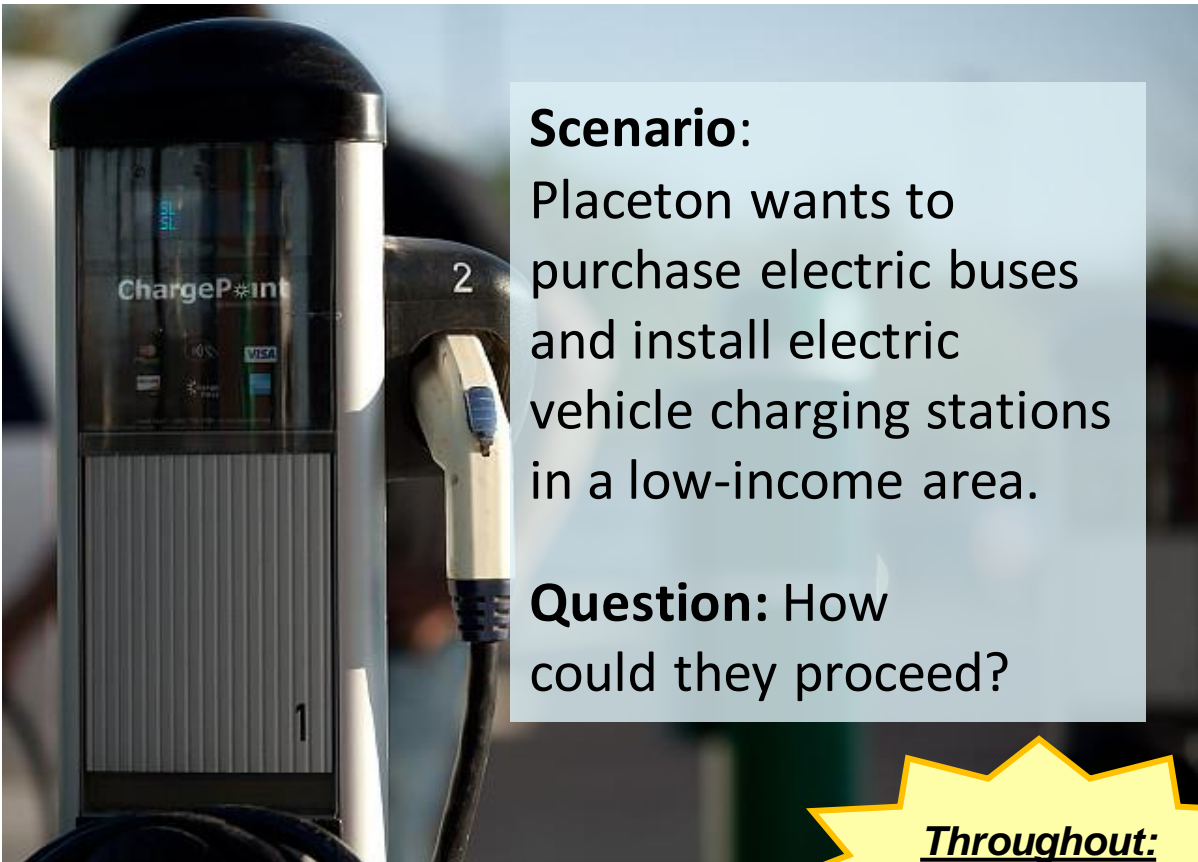
4

File for your elective payment

- ✓ Pre-file for 48 ITC and 48(e) elective pay credit with the IRS
- ✓ File for tax credits (Form 990-T + 3468)
- ✓ Receive direct payment check from IRS

**Note, a project cannot be placed in service prior to receiving an allocation for 48(e).*

Project Example | Electric Vehicles (Blueprint 4A & 4B)



Scenario:

Placeton wants to purchase electric buses and install electric vehicle charging stations in a low-income area.

Question: How could they proceed?

Throughout:
Talk to a tax advisor

Consider the following steps:

1

Find upfront capital

- ✓ Apply for grant funding
- ✓ Seek out local, state and utility funds

2

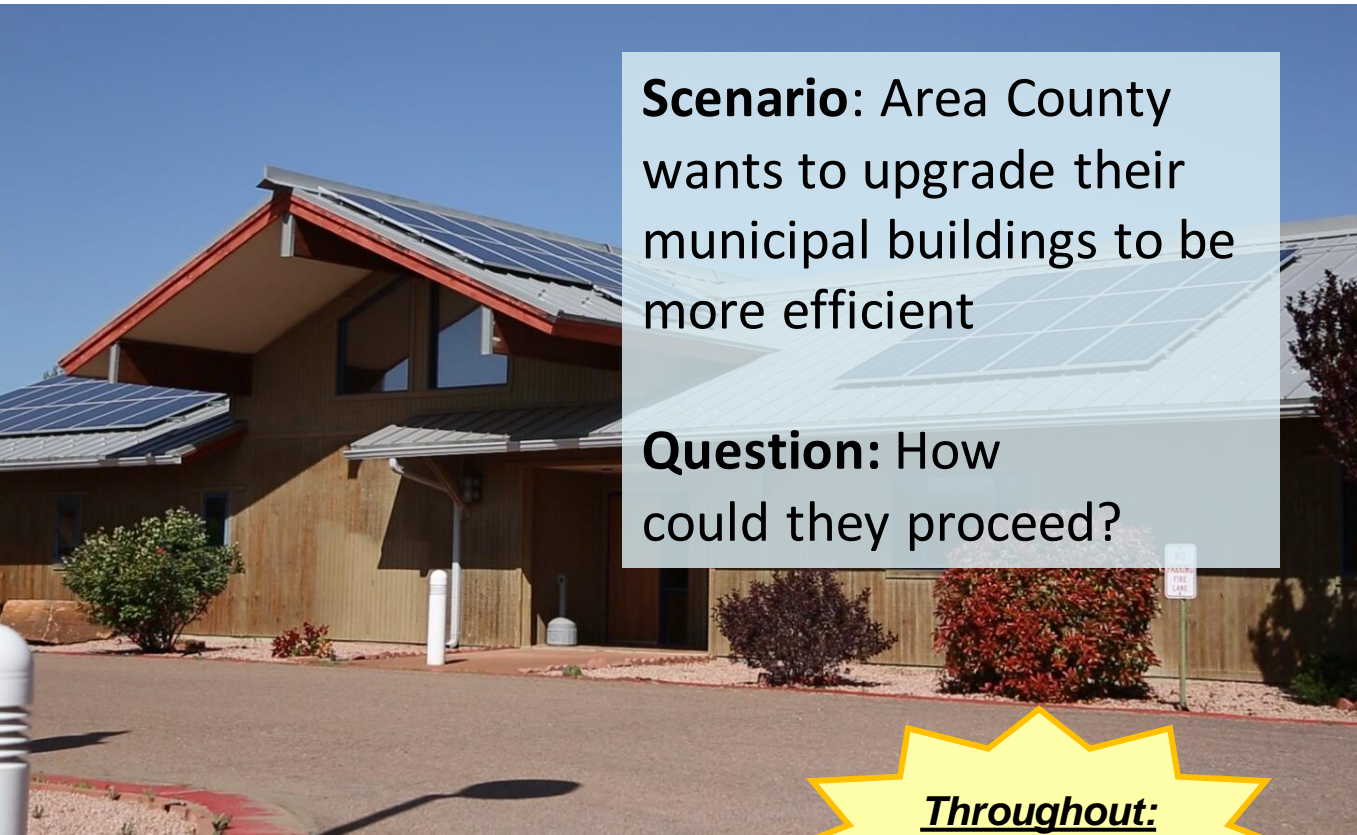
Install EV charging stations and purchase eligible commercial clean vehicles

3

File for your elective payment

- ✓ Pre-file for 45W and 30C elective pay credit with the IRS
- ✓ File for tax credits (Form 990-T + 8936 + 8911)
- ✓ Receive direct payment check from IRS

Project Example | Municipal Building Efficiency (Blueprint 2A)



Scenario: Area County wants to upgrade their municipal buildings to be more efficient

Question: How could they proceed?

Throughout:
Talk to a tax advisor

Consider the following steps:

- 1 Find upfront capital**
 - ✓ Apply for grant funding
 - ✓ Seek out local, state and utility funds
 - ✓ Work with a partner who can take advantage of the 179D deduction*
- 2 Upgrade Buildings**

179D commercial buildings energy efficiency tax deduction **does not fall under elective pay. However, if the system or building is installed on federal, state, or local government property, the 179D tax deduction may be taken by the person primarily responsible for the system's design.*

Agenda

- EECBG Program Announcements & Reminders
- Introduction to Tax Credits & Elective Pay + Q&A
- Low-Income Bonus Credit Program Overview
- Wrapping Up: Key Resources + Examples
- **Feedback for DOE**

Blueprint Cohorts | Ramping up support

Phase 1: Application Development

- Getting input on your needs and desires
- Application submission and troubleshooting
- Aligning EECBG projects with Blueprint topic areas
- Project planning support in areas that apply across-cohorts

Phase 2: Implementation

- More tailored project implementation support in individual cohort groups, including resource development & sharing
- Monthly peer to peer learning opportunities in individual cohort groups
- Dedicated subject matter experts assigned to your cohort group
- More interactive workshops, activities, brainstorming, and troubleshooting



Sep 8, 2023

Cohorts Introduction

We are here!



April 30, 2024

EECBG local government application deadline

Poll #1: What has been your favorite parts of the blueprint cohort events so far?

1. EECBG Program updates, announcements, and reminders
2. Getting information about other federal funding and technical assistance opportunities
3. Hearing case studies or examples from other local governments
4. Hearing from guest speakers from other DOE offices or programs
5. Technical presentations (e.g., the steps for implementing municipal building upgrades)
6. Q&A with the EECBG team
7. Breakout groups

BONUS: Tell us your specific suggestions for how we can improve in the chat!

Poll #2: As we move to smaller, cohort-based meetings, what are you're most interested in?

1. Peer interaction with other local governments and Tribes
2. Technical trainings specific to your blueprint topic
3. Interactive activities, workshops, or exercises
4. Homework assignments
5. Tests/quizzes
6. A reward for participating (e.g., a certificate)
7. Opportunities to highlight your community
8. Ways to connect with other EECBG Program local governments and Tribes outside of regular meeting times

BONUS: Is something missing from this list? Tell us in the chat!

Feedback | We want to hear from you!

Poll #3: What kinds of guest speakers are you interested in hearing from?

1. Other local governments and Tribes
2. State Energy Offices
3. DOE or other federal departments/offices
4. Industry experts
5. Environmental justice groups
6. Financing experts

Poll #4: Are monthly meetings working well?

1. Yes
2. No, it's too much! I'd like to meet less often
3. No, it's not enough! I'd like to meet more often

***BONUS: Did we miss anyone?
Put it in the chat!***

Feedback | We want to hear from you!

Poll #5: Would you like the option to attend office hours to get specific technical questions answered about implementing your EECBG Program project?

1. Yes
2. No

BONUS: Not interested in office hours? Tell us why in the chat!

Poll #6: Would you be interested in an in-person convening?

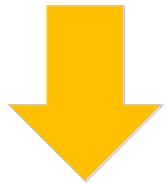
1. Yes
2. No

BONUS: Interested in an in-person convening? Tell us whether you'd prefer to meet by region, blueprint topic area, or some other descriptor in the chat!

Your EECBG Support System | If you have questions about

Your application:

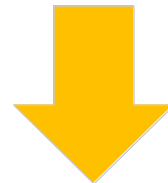
1. The status of your PAIS or application
2. Voucher projects & eligibility
3. Application requirements



Grant Management Team
EECBG@hq.doe.gov

Technical Assistance:

1. Blueprints & Blueprint Cohorts
 - *"Does my project fit into a blueprint?"*
2. Community Energy Fellowship
3. Other technical assistance
 - *"How do I incorporate J40 principles into my project?"*



Technical Assistance Team
TechnicalAssistance@hq.doe.gov

The Voucher Portal:

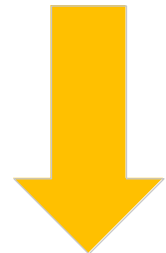
Get voucher application portal technical help



Voucher Portal Administrator (ICF)
EECBGVouchers@icf.com

Your EECS:

Get support developing your Energy Efficiency Conservation Strategy (EECS)



National Renewable Energy Laboratory (NREL)
EECS_TA@nrel.gov

- 10-20 Hours

Attend Our Bi-weekly Office Hours! [Sign up here](#)
Every other Friday at 2:30pm ET
<https://forms.office.com/g/yc3H3xQeEE>

Thank You !!