

48(e) Low-Income Communities Bonus Credit Program

Frequently Asked Questions – 2024 Program Year

Last Updated: July 12, 2024

Please note that none of the following should be interpreted as providing tax advice. Any questions requesting tax-related guidance or tax filing support should be directed to the applicant’s tax professional, accountant, or attorney.

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Applicant Registration

1. **Who is eligible to register to create and submit applications to the Low-Income Communities Bonus Credit Program?**

The registration process for the Low-Income Communities Bonus Credit Program requires that an individual create and submit applications on behalf of an organization (applicant). To be eligible to register and submit an application for an organization, the individual must have authority to act on behalf of and legally bind the organization. Additionally, this individual will be responsible for signing attestations for the organization, within the application, and will receive all communications for the organization.

Authority to legally bind an organization will depend on the entity type and, for some entity types, the laws of the state where the organization is organized. For the various organization types, there are positions which are generally recognized as having authority to legally bind. For example, corporate officers, like the Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer, President, Treasurer, are generally recognized as having authority to legally bind a corporation. Additionally, for partnerships, any partner authorized under state law can legally bind the partnership. If you are uncertain whether an individual is authorized to legally bind the organization, then before registering, please review the state laws applicable to your organization and internal organization legal agreements regarding duly authorized persons.

2. How do I register on behalf of my organization?

All applicants registering for the Low-Income Communities Bonus Credit Program on behalf of their organization will first need a [Login.gov](https://login.gov) account. After creating a Login.gov account or using an existing account, the applicant may register their company through DOE's Applicant Portal at <https://eco.energy.gov/ejbonus>. Upon logging in for the first time, you will be prompted to complete the Low-Income Communities Bonus Credit Program Applicant Portal organization registration process.

3. What email address should I use when creating a Login.gov account? If I already have a Login.gov account using a personal email address, can I have a second Login.gov account that uses my organization's email address?

We strongly encourage using an email associated with your organization (not a personal email account) when creating the Login.gov account. Program notifications are sent by default to the email address associated with your Login.gov account. Individuals may create multiple Login.gov accounts by using multiple unique email addresses.

4. I am experiencing technical issues when trying to complete my Login.gov account creation and accessing the Applicant Portal. Who should I contact for assistance?

Please contact the Support Desk at EJBonusSupport@hq.doe.gov for technical assistance or you may reference the Login.gov help resources [here](#).

When using the "Create an Account" option during the Login.gov authentication process, you may encounter an error message if you verify your email address in a different browser (e.g., you begin the account creation process in Chrome and verify your email address in Edge or another browser). To resolve this error, close all browsers, return to the Applicant Portal and select "Log In". Once you have reached the Login.gov sign in page, select "Sign in" for existing users and enter your email and password using the credentials you just created.

5. What information is required at registration?

The following organizational information is required at registration: First Name, Last Name, Organization Name, Organization Email, Organization Phone, Secondary Contact First Name, Secondary Contact Last Name, Secondary Contact Email, Organization Street Address, City, State/Province/Region, Urbanization (Puerto Rico Only), Country, Employer Identification Number (EIN) or Taxpayer Identification Number (TIN), Parent TIN (If Parent Organization entered), and Organization Type.

6. Does it matter who I identify as a secondary contact during the application process?

(Modified 6/27/24)

Yes. The secondary contact should be another person in your organization who holds a position that authorizes this person to legally bind the organization. Positions that authorize a person to legally bind an organization will vary based on the entity type of the organization and state law (see Question 1 above). It is important to obtain and include

secondary contact information as this is necessary to transfer the application to someone else in the organization should the primary contact leave the organization or be unable to complete the application for any reason. If you are the primary contact and there is no one who is eligible to be a secondary contact, or should you choose not to list a secondary contact, complete this section by listing the primary contact information again.

7. **Can one individual create and submit applications on behalf of multiple organizations?**

Yes. However, an email associated with one Login.gov account can only be tied to one organization in the Applicant Portal. If an individual wants to create and submit applications on behalf of multiple organizations, they must create separate Login.gov accounts and have separate email addresses for each organization.

8. **Can multiple applicants from the same organization view or edit each other's applications?**

No. Multiple individuals from the same organization cannot currently access each other's applications. Only the applicant who creates an application may access it. Organizations should carefully coordinate to ensure duplicate applications are not submitted.

9. **Can multiple applicants create and submit applications on behalf of one organization?**

Yes. Multiple registered applicants can create and submit different applications on behalf of one organization. Each applicant can monitor the status of the applications that they have submitted through the Applicant Portal.

10. **Can multiple applicants from one organization be logged into the Applicant Portal at the same time?**

Yes. Multiple registered applicants from one organization can log into the Applicant Portal simultaneously.

11. **What should I do if an individual leaves my organization or otherwise needs to transfer their application to a different person within the organization?**

Applications may be transferred to the secondary contact initially identified during the registration process. Please contact the Support Desk at EJBonusSupport@hq.doe.gov for transfer requests.

12. **What should I do if the information associated with my organization changes?**

Please contact the Support Desk at EJBonusSupport@hq.doe.gov with the information that has changed.

13. **Who will have access to my organization's information? *(Added 11/13/23)***

Federal officers, employees, and contractors may have access to your information to the extent necessary for purposes of the Program.

14. Can a tax professional (CPA, tax attorney, etc.) submit an application in the Low-Income Communities Bonus Credit Program Applicant Portal on behalf of one or multiple organizations? *(Added 11/13/23)*

No. Please see the answer to FAQ #1. To be eligible to register and submit an application for an organization, the individual must have authority to legally bind the organization. The individual will be required to attest that, based on their position within the organization, they have authority to legally bind the organization.

15. Does an LLC that is taxed as a corporation for federal income purposes and that files as a member of a consolidated group register to apply for the Program at the parent organization level if it has a parent organization? *(Added 11/13/23)*

No. The LLC that owns the solar or wind facility is the applicant who must apply for an allocation of Capacity Limitation. However, the applicant will be required to provide certain information about the parent organization, including its legal name and federal taxpayer identification number. Any questions related to an organization's specific situation should be directed to the applicant's tax professional.

Application Process

16. What are the required actions I need to take in the Applicant Portal?

The Applicant Portal is built as a 2-step process:

Step 1: Applicants submit an application for an allocation of capacity for each individual facility by applying to the appropriate category and application option. Applications are reviewed by the DOE review team and then approved or rejected by the IRS. If approved, the applicant will receive an allocation approval notice and the facility must be placed in service within four years of the date the allocation approval notice was issued.

Step 2: After the facility has been placed in service, the applicant will return to the Applicant Portal to report the date the facility was placed in service, confirm there have been no material ownership and/or facility changes, and submit the required documentation. If approved, the applicant is notified that it may claim the energy percentage increase through the applicant's applicable tax filing process.

17. How will I know if a facility category becomes oversubscribed? *(Modified 6/27/24)*

After the initial 30-day window closes, the Program Capacity Dashboard will illustrate the capacity remaining within each category. The information in the table is dynamic and is likely to change as DOE verifies information provided by applicants, applicants update their application information, applicants withdraw applications, and DOE and IRS process applications. The Program Capacity Dashboard has important supporting text above it for applicants to best understand its use.

18. Is there a waitlist if a facility category becomes oversubscribed?

No. However, following the initial 30-day period, applicants can continue to apply to categories that are oversubscribed in case capacity becomes available due to other applications being rejected or withdrawn. After a category is fully allocated or at the end of the Program Year, all applications that did not receive an allocation will be withdrawn and the applicant will need to reapply in the following year.

19. When will I find out if I received an allocation of Capacity Limitation?

The IRS will send decision letters through the Applicant Portal to inform applicants of the outcome of the application review. DOE and IRS are committed to facilitating an expedient application review and allocation award process, however, due to initial application volume uncertainty, are not able to commit to specific deadlines at this time.

20. May an application be withdrawn by the applicant? *(Modified 7/12/24)*

Yes. However, applications may only be withdrawn when the allocation status is “In Progress” or “Submitted.” Applications in all other statuses cannot be withdrawn. Applicants should refer to the [Applicant User Guide](#) on the [program homepage](#) to read more about how to withdraw an application in the Applicant Portal. If you have any questions, please email EJBonusSupport@hq.doe.gov.

21. May an allocation of Capacity Limitation be forfeited by the applicant? *(Added 7/12/24)*

Yes. A feature has been added to the Applicant Portal to allow applicants to forfeit an allocation of Capacity Limitation that the applicant has previously been awarded. However, only applications with a status of “Allocation Approved” and that have not yet submitted the facility’s Placed in Service information for review are able to forfeit an allocation of Capacity Limitation. Applicants should refer to the [Applicant User Guide](#) on the [program homepage](#) to read more about how to forfeit an allocation in the Applicant Portal. If you have any questions, please email EJBonusSupport@hq.doe.gov.

22. Can I export a list view of all my applications? *(Added 7/12/24)*

Yes. Applicants should refer to the [Applicant User Guide](#) on the [program homepage](#) to read more about how to export a list view of applications.

23. If I apply to the wrong facility category, can the Program Administrator re-assign it to the correct category? *(Modified 6/27/24)*

No. The Program Administrator will not re-assign applications to a different facility category or category 1 sub-reservation. If an applicant has incorrectly applied to a facility category or category 1 sub-reservation, the applicant should withdraw the existing application and reapply.

24. If I submit two applications for different facilities during the initial application window, and one receives an allocation of Capacity Limitation and one does not, can I switch the allocation from one facility to another?

No. Allocations of Capacity Limitation may not be transferred between facilities.

25. Can I apply to multiple categories for the same facility?

No. Each applicant may only apply for consideration of its facility, or for each facility if the applicant owns multiple facilities, under one category in the 2024 Program Year. If the facility is not awarded an allocation under the category in which the applicant applies, the facility will not be considered for an allocation in another category in 2024.

26. How do I find my facility's latitude and longitude?

Applicants can use their preferred mapping application to enter their facility address and then retrieve the displayed GPS Coordinates. For non-residential projects and larger projects, applicants should manually select a point where the center of the energy facility will be, and then retrieve the displayed GPS Coordinates. The coordinates must use a decimal-degrees format with at least five decimals (X.XXXXX). Note that all qualifying facilities located within the contiguous, lower 48 states will have a latitude between 24 and 50 (positive / north) and a longitude between 66 and 124 (negative / west).

27. Are allocation awards measured in alternating current (AC) or direct current (DC)?

Section 7.04(2) of [Rev. Proc. 2024-19](#) states that allocations will be awarded an amount of Capacity Limitation in DC that is equal to the facility's reported nameplate capacity in AC (wind) and DC (solar).

28. Can I submit an application using a mobile device? *(Added 11/13/23)*

Yes. However, for the best user experience, we recommend using a computer to submit an application. Some mobile users may encounter an issue when trying to input a negative value when entering a facility's latitude and longitude. If needed, contact EJBonusSupport@hq.doe.gov for support.

General Eligibility

29. To be a qualified solar or wind facility, the statute provides that a facility must have a maximum net output of less than 5 MW-AC. Do facilities with a maximum net output of 5 MW-AC qualify? *(Added 11/13/23)*

No. Facilities that have a maximum net output of 5 MW (AC) or greater are not qualified solar or wind facilities.

30. My facility has a maximum net output of 5-MW-AC, but I have programmed the inverter to ensure net output is less than 5 MW-AC. Is my facility a qualified solar or wind facility? *(Added 11/13/23)*

No. Facilities that have a maximum net output of 5 MW (AC) or greater are not qualified solar or wind facilities. Documentation of adjustable inverter settings or similar non-hardware limitations is not sufficient to demonstrate that the requirement has been met.

31. Can an individual homeowner apply for an allocation in the Low-Income Communities Bonus Credit Program for a solar or wind facility used at their residence? *(Added 11/13/23)*

No. The Program is only available to those applicants who own qualified solar or wind facilities that would otherwise meet the requirements to claim the energy investment credit under section 48. Individual ownership of a solar or wind facility for use at a homeowner's personal residence does not meet these requirements. There are other tax incentives in the Inflation Reduction Act that homeowners may be eligible for that can be found here: <https://www.whitehouse.gov/cleanenergy>.

Placed in Service Requirements

32. How do I submit my placed in service facility information?

Log in to the Applicant Portal and navigate to your organization's applications. All facilities that have received a Capacity Limitation will be in the "Allocation Approved" status. Search the Control Number of the application associated with the facility that has been placed in service and select the application to submit the facility's placed in service information for review.

33. If the four-year deadline for my allocation of Capacity Limitation is approaching and my facility has not been placed in service, can I request an extension?

No. The four-year deadline from the date of receipt of an allocation of Capacity Limitation is determined by the statute, and no extensions will be permitted. Applicants should plan accordingly to meet the deadline. See IRC § 48(e)(4)(E)(i).

34. Do I need to provide status updates during the four-year period for my facility to maintain my allocation? *(Modified 6/27/24)*

No. Taxpayers are not required to provide status updates for facilities that received an allocation of Capacity Limitation.

35. Can I add energy storage technology to my facility after I receive my allocation of Capacity Limitation? *(Added 11/13/23)*

Yes. Energy storage technology associated with a solar or wind facility is not considered when determining the eligibility of the solar or wind facility for an award of Capacity Limitation, nor is it considered in determining the amount of Capacity Limitation to award to the qualified solar or wind facility. However, please review [Treasury Regulations § 1.48\(e\)-1\(c\)](#) to determine whether your energy storage technology is installed "in connection with" your qualified solar or wind facility, and, therefore, considered eligible property under Internal Revenue Code § 48(e)(3)(B) that qualifies for an increased energy percentage.

Facility Changes

36. What if the location of my facility changes? *(Modified 6/27/24)*

Location changes are not allowed once the applicant has received an allocation of a Capacity Limitation. If your facility location has changed after receiving an allocation of a Capacity Limitation, then your facility is disqualified. Please contact EJBonusSupport@hq.doe.gov.

Documentation

37. What documents do I need to provide to apply for an allocation of Capacity Limitation?
(Modified 6/27/24)

Required documentation for an allocation of Capacity Limitation is dependent on the facility category (i.e., Category 1, 2, 3, or 4), facility capacity, and facility type (i.e., front-of-the-meter facilities, behind-the-meter facilities less than or equal to 1 MW AC, and behind-the-meter facilities greater than 1 MW AC). Additional documentation is required for applications purporting to meet Additional Selection Criteria. Refer generally to Tables 2 and 3 of section 7 of [Rev. Proc. 2024-19](#) for required documentation and section 7.07 of [Rev. Proc. 2024-19](#) for required documentation application for Additional Selection Criteria for Ownership Criteria.

38. Can I initially upload an unsigned contract for installation, lease, or power purchase agreement and then replace it with a signed contract for installation, lease, or power purchase agreement? *(Modified 6/27/24)*

No. Contracts must be executed by both parties on or before the date of application submission.

39. What if my utility doesn't provide a signed interconnection agreement until the facility is placed in service? *(Modified 6/27/24)*

If the facility is located in a market where the interconnection agreement cannot be countersigned by the interconnecting utility prior to completion of construction or interconnection of the facility, the applicant must provide ALL of the following:

- 1) A copy of the interconnection agreement or offer signed by the applicant (or its agent),
- 2) A copy of the final completed interconnection screen/study, **and**
- 3) Either a conditional approval letter from the interconnecting utility **or** an affidavit stating that, based on the interconnecting utility's guidance, the facility's interconnection agreement cannot be countersigned by the interconnecting utility and executed until after construction of the facility.

If an interconnection agreement is not applicable to the facility (for example, due to utility ownership), the interconnection agreement requirement is satisfied by a final written decision from a Public Utility Commission, cooperative board, or other governing body with sufficient authority that financially authorizes the facility. The documentation must clearly state that an interconnection agreement is not applicable.

Table 2 in section 7.05(2) of [Revenue Procedure 2024-19](#) provides this detail.

40. **Can I provide an interconnection study or an application for an interconnection agreement to meet the interconnection documentation requirement?** *(Modified 6/27/24)*
No. Please refer to Table 2 in section 7.05(2) of [Revenue Procedure 2024-19](#) for details including alternatives to a final, executed interconnection agreement.
41. **If an applicant submits a signed conditional approval letter or an affidavit (as specified in FAQ 38), does it need to identify the specific facility in the application?** *(Added 11/13/23) (Modified 6/27/24)*
Yes. The documentation must identify the specific facility in the application. Please refer to Table 2 in section 7.05(2) of the [Revenue Procedure 2024-19](#) for details.
42. **Can the name of the installer entity on the executed customer contract or interconnection agreement be different than the name of the registered facility owner for the application?** *(Added 11/13/23) (Modified 6/27/24)*
Yes. The name of the applicant does not need to match the names of all entities in contracts or interconnection agreements submitted as part of the applicant’s documentation to support its application. However, if the applicant name does not match to the name(s) in the documentation, the applicant will be required to upload an additional document under Ad Hoc documentation to explain the relationship between the applicant and the party or parties in the documents.
43. **If my signed interconnection agreement is equal to or greater than 5 megawatts (MW) (as measured in alternating current (AC)) or if my signed interconnection agreement lists a maximum capacity threshold that is 5 MW AC or greater (e.g.: “up to 5 MW-AC”) but my facility meets the less than 5-MW AC maximum net output limitation, can I still apply for an allocation of Capacity Limitation?** *(Added 11/13/23) (Modified 6/27/24)*
Yes. However, at placed in service, the final, professional engineer (PE) stamped (if required by applicable state or local law) as built design plan, Permission to Operate (PTO) letter, or other documentation from an unrelated party must list the as-built nameplate capacity of the facility, and the as-built inverter nameplate capacity cannot exceed the less than 5 MW AC maximum net output limitation under section 48(e)(2)(A)(ii).
44. **What specific documents should a Tribal Enterprise submit to show that it is, in fact, managed or controlled by a Tribal government?** *(Added 11/13/23) (Modified 6/27/24)*
The applicant must submit documentation that its Tribal government owner is on the current list of Tribal entities recognized and eligible for funding and services by the Bureau of Indian Affairs (BIA). Please see section 7.07(1) of the [Revenue Procedure 2024-19](#).
45. **For Category 4, what, if any, documentation is required from Federal, State, Tribal or utility agencies to demonstrate categorical eligibility (i.e.: household participation in a Federal, State, Tribal, or utility program with income limits at or below the qualifying income level) for participating low-income households?** *(Added 11/13/23)*

Proof of a subscriber's participation in a Federal, State, Tribal, or utility program, and the income limits of the program(s), is not required documentation to be submitted to the Department of Energy to apply for an allocation of Capacity Limitation, nor are such documents required to be submitted as part of the placed in service reporting.

However, the applicant should retain documentation that substantiates proof of the low-income subscriber's participation in a needs-based Federal, State, Tribal, or utility program with income limits at or below the qualifying income level for the specific facility. Proof of participation may come in a variety of formats and may be issued by the Federal, State, Tribal or utility program or a third-party administrator (e.g., DOE Solar Energy Technology Office's forthcoming [Low-Income Clean Energy Connector](#)). Additionally, the applicant must be able to furnish proof that the Federal, State, Tribal, or utility program met the [qualifying income levels](#) of the Program at the time the subscriber was accepted.

46. How should I prepare the placed in service documentation to show the 20% annual bill credit savings to meet Category 4 financial benefit requirements? *(Added 11/13/23)*

Applicants must provide a spreadsheet demonstrating the expected financial benefit to low-income subscribers at the 20 percent bill credit discount rate. Applicants must include the following information:

- Financial benefit provided to Qualifying Household: including utility bill credits, reductions in a Qualifying Household's electricity rate, or other monetary benefits accrued by the Qualifying Household on their utility bill.
- Cost of participating in the community program for the Qualifying Household: including subscription payments for renewable energy and any other fees or charges.

The bill credit discount rate can be calculated by starting with the financial benefit provided to the Qualifying Household, subtracting all payments made by the Qualifying Household to the facility owner and any related third parties as a condition of receiving that financial benefit, then dividing that difference by the financial benefit distributed to the Qualifying Household.

Alternatively, in cases where the Qualifying Household has no or only a nominal cost of participation, applicants must include the following information in the spreadsheet:

- Financial benefit provided to Qualifying Household: including utility bill credits, reductions in a Qualifying Household's electricity rate, or other monetary benefits accrued by the Qualifying Household on their utility bill.
- Total value of electricity produced by the facility and assigned to the Qualifying Households: including any electricity services, products, and credits provided in conjunction with the electricity produced by such facility), as measured by the utility, independent system operator (ISO), or other off-taker procuring electricity (and related services, products, and credits) from the facility.

The bill credit discount rate can be calculated by starting with the financial benefit provided to the Qualifying Household divided by the total value of the electricity produced by the facility and assigned to the Qualifying Household.

In all instances, the bill credit discount rate is calculated on an annual basis. Please see examples in the Treasury Regulations [here](#).

47. I am submitting an application in Category 3. How should I prepare the draft Benefits Sharing Statement? (Added 11/13/23)

Treasury Regulation [§1.48\(e\)-1\(e\)\(6\)](#) describes the requirements for the Benefits Sharing Statement, which the applicant will be required to provide as part of its placed in service documentation requirements. Applicants are required to provide a draft of this Benefits Sharing Statement with their application that must include (a) a planned calculation of the gross financial value of the annual energy produced by the facility, (b) a planned calculation of the net financial value of the annual energy produced by the energy property, (c) a planned calculation of the financial value required to be distributed to building occupants, and (d) a description of the planned means for distributing the required financial value to building occupants. The calculation methods are illustrated by the examples below. If the facility and Qualified Residential Property are separately owned, the draft Benefits Sharing Statement must also indicate which entity will be responsible for the distribution of benefits to the occupants. If the Final Benefits Sharing Statement provided at placed in service does not demonstrate that the financial benefits requirements are met as planned, the applicant will be disqualified.

Example 1: Calculating the gross financial value of the annual energy produced by the facility

- The owner of a Qualified Residential Property is submitting a Category 3 application for a 50 kW solar facility that they will also own. Using a methodology or tool, such as PV Watts, the property owner (and/or their service provider) calculates that the system will generate 58,000 kWh annually.
- The system is net metered and, per the applicable jurisdiction's regulations, the volumetric export compensation rate for solar is equal to the Qualified Residential Property's metered volumetric price of electricity. No sale of any attributes separate from the metered electricity rate will occur.
- The property owner (and/or their service provider) reviews the prior twelve months of the building's utility bills and, disregarding non-volumetric costs such as fixed charges and demand (kW) charges, determines that the building's volumetric price of electricity can be reasonably calculated as \$0.11 per kWh.
- The gross financial value of the annual energy produced by the facility at the Qualified Residential Property is therefore \$6,380.
Calculation: 58,000 kWh x \$0.11 per kWh = \$6,380.
- This calculation should be included in the draft Benefits Sharing Statement.

Example 2: Calculating the net financial value of the annual energy produced by the facility

- Continuing from Example 1, the facility owner who is submitting a Category 3 application must then calculate the net financial value of the annual energy produced by the facility, following the requirements under [Treasury Regulations](#) § 1.48-1(e)(5)(i) for a commonly owned facility and Qualified Residential Property.
 - For purposes of this example, the useful life of the facility is 25 years.
 - To pay for the construction of the solar facility, the property owner has taken out a loan which will have a total debt service (repayment of principal plus interest) of \$95,000 within the life of the facility.
 - The facility owner will also establish a reserve of \$10,000 for maintenance costs and an expected inverter replacement during the life of the facility.
 - The annual average (or levelized) cost of the facility is, for this purpose, therefore calculated to be \$4,200.
Calculation: $(\$95,000 + \$10,000)/25 = \$4,200$.
 - This cost is subtracted from the gross financial value of the annual energy produced by the facility to calculate a net financial value of the annual energy produced by the facility of \$2,180. *Calculation: $\$6,380 - \$4,200 = \$2,180$.*
 - This calculation should be included in the draft Benefits Sharing Statement.

Example 3: Calculating the financial value required to be allocated to building occupants

- Continuing from Examples 1 and 2, the facility owner who is submitting a Category 3 application must then calculate the financial value required to be allocated to building occupants that are designated as low-income occupants under the covered housing program or other affordable housing program.
- At least 50 percent of the financial value of the annual energy produced by the facility must be equitably allocated, with financial value defined as the greater of 25 percent of the gross financial value of the annual energy produced by the facility calculated in Example 1 or the net financial value of the annual energy produced by the facility calculated in Example 2.
- In this example, at least \$1,090 must be allocated to building occupants annually.
Calculation: $(\$6,380 \times .25) < \$2,180$; $\$2,180 \times .5 = \$1,090$
- This calculation should be included in the Benefits Sharing Statement.

Example 4: Describing the means through which the required financial value will be distributed to building occupants

- Continuing from Examples 1, 2, and 3, the facility owner who is submitting a Category 3 application must describe the means through which the required annual financial value of \$1,090 will be distributed to building occupants.
- In this example, the financial value will not be distributed via utility bill savings.

- The facility owner must therefore distribute the financial value using one of the methods described in [HUD guidance on the Treatment of Solar Benefits in Master-metered Building](#), or future/other applicable federal guidance.
- The facility owner must also comply with the guidance to ensure that tenants' utility allowances and annual income for rent calculations are not negatively impacted by the distribution of financial value.
- The facility owner plans to distribute the financial value by making energy efficiency upgrades in the building, as described in the HUD guidance.
- This plan must be described in the draft Benefits Sharing Statement.
- Because the solar facility and the Qualified Residential Property are commonly owned, the facility owner is responsible for the distribution of these benefits.

Questions by Category

48. How do I know if my facility is located within a Category 1-eligible low-income community?

The definition of a Category 1-eligible low-income community is generally based Community Survey (ACS) low-income community data for the New Markets Tax Credit (NMTC). New data was released on September 1, 2023, for 2016-2020, however the 2011–2015 ACS low-income community data may be used for a period of 1 year following the date of the release of the updated data. The [Low-Income Community Bonus Credit Program Mapping Tool](#) is available for geolocation purposes but should not be relied upon to determine eligibility.

49. If updated census tract data is released for Category 1, am I still allowed to use the previous data? *(Added 11/13/23)*

The poverty rate for an eligible Category 1 census tract is generally based on the threshold for low-income communities set by the New Markets Tax Credit (NMTC) Program (see [Treasury Regulations](#)). The NMTC updates its eligibility data every five years based on poverty estimates from the American Community Survey (ACS). New eligibility tables and maps for the NMTC Program were released on September 1, 2023, which use underlying ACS estimates from 2016-2020. However, the previous NMTC eligibility (derived from 2011–2015 ACS estimates) may be used for a period of 1 year following the date of the release of the updated five-year NMTC dataset. Subsequently, the next NMTC update will include ACS estimates from 2021-2025, at which point applicants will have a period of 1 year following the date of the 2021-2025 NMTC release to use the 2016-2020 NMTC dataset.

50. How do I know if my facility is located in a Persistent Poverty County (PPC) or an eligible Climate and Economic Justice Screening Tool (CEJST) census tract?

A Persistent Poverty County is generally defined as any county where 20 percent or more of residents have experienced high rates of poverty over the past 30 years. The USDA's Persistent Poverty County dataset can be found at <https://www.ers.usda.gov/data-products/poverty-area-measures/>.

For the purposes of the Program, only CEJST census tracts that are designated in the “Energy” category are eligible, which is defined as (a) greater than or equal to the 90th percentile for energy burden and is greater than or equal to the 65th percentile for low income, or (b) greater than or equal to the 90th percentile for PM2.5 exposure and is greater than or equal to the 65th percentile for low income.

The [Low-Income Community Bonus Credit Program Mapping Tool](#) is available for PPC and CEJST geolocation purposes but should not be relied upon to determine eligibility.

51. How do I know if my facility is in a certain geographic area?

Solar or wind facilities covering large areas must satisfy the Nameplate Capacity Test detailed in section 1.48(e)-1(d) of the [Treasury Regulations](#) to be considered located in or on the relevant geographic area. The test requires that 50 percent or more of the facility's nameplate capacity is in a qualifying area.

52. Is there a map to see if I qualify for a facility on Indian Land? *(Modified 6/27/24)*

No. Program provided mapping resources are not available to identify Indian Land, so applicants will need to reference the statutory definition of Indian Land for Category 2 eligibility. Per Table 5 of Section 7.06(3) of [Rev. Proc. 2024-19](#), applicants will attest under penalty of perjury that the facility will be located on Indian Land as defined in § 2601(2) of the Energy Policy Act of 1992.

53. What types of Tribal and Native entities are eligible for Additional Selection Criteria?

(Added 11/13/23)

Qualified tax-exempt entity: Includes an Indian Tribal government (as defined in Internal Revenue Code section 30D(g)(9)), which defines “Indian tribal government” as the “recognized governing body of any Indian or Alaska Native tribe, band, nation, pueblo, village, community, component band, or component reservation, individually identified (including parenthetically) in the list published most recently as of the date of enactment of this subsection pursuant to section 104 of the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. 5131). This definition includes a political subdivision thereof, or any agency or instrumentality of any of the foregoing. This definition encompasses a Tribally designated housing entities (TDHEs).

Tribal Enterprises: is an entity that (1) an Indian Tribal government (as defined in section 30D(g)(9)) owns at least a 51 percent interest in, either directly or indirectly (through a wholly owned corporation created under its Tribal laws or through a section 3 or section 17 Corporation), and (2) is subject to Tribal government rules, regulations, and or codes that regulate the operations of the entity.

Alaska Native Corporation: an Alaska Native corporation (as defined in section 3 of the Alaska Native Claims Settlement Act, 43 U.S.C. 1602(m)).

54. **Is a Qualified Residential Property required to maintain its participation in a covered housing program for the entirety of the 5-year tax credit recapture period?** *(Added 11/13/23)*

Yes.

55. **Can regulatory agreements that are expired or unexecuted be used to establish covered housing eligibility, including Housing Choice Vouchers from previous years?** *(Added 6/27/2024)*

No, expired or unexecuted documentation will not be accepted. To be eligible under Category 3, all documentation must show current coverage at the time of application submission.

56. **Does the residence of a single tenant supported by HUD's tenant-based rental assistance under Section 8 meet the requirements of being a Qualified Low-Income Residential Property?** *(Added 6/27/2024)*

No. A single-occupant tenant-based agreement does not satisfy the requirement for multiple dwellings covered under the final regulations. More than one dwelling unit is needed to confirm eligibility. Documentation demonstrating occupancy for more than one dwelling unit, such as tenant-based Section 8 agreements for multiple dwelling units, is necessary to meet the eligibility criteria.

Additionally, the equitable allocation of financial benefits requires that the financial value from the facility is distributed to the tenant-based Section 8 dwelling units. This eligibility requirement is subject to the five year recapture period detailed in section 48(e)(5).

57. **Is the Community Development Block Grant (CDBG) funding from HUD considered a Covered Housing Program under the Violence Against Women Act, and therefore meet the requirements of being a Qualified Low-Income Residential Property?** *(Added 6/27/2024)*

No. Please refer to HUD's information here: <https://www.hud.gov/vawa>.

58. **Does participation in any federal program, including those that are not on the covered housing list, establish eligibility for a Qualified Low-Income Residential Property?** *(Added 6/27/2024)*

No. Documentation must show the building participates in one of the federal programs found on the covered housing list. You can find the list of Eligible Covered Housing Programs for a Qualified Low-Income Residential Property [here](#).

59. **Does the participation in a state-specific housing program that may include income restrictions from federal covered housing programs establish eligibility for a Qualified Low-Income Residential Property?** *(Added 6/27/2024)*

No. Documentation must show the building participates in one of the federal programs found on the covered housing list. You can find the list of Eligible Covered Housing Programs for a Qualified Low-Income Residential Property [here](#).

60. Are state tax-exempt bonds from a municipal housing authority accepted for a Qualified Low-Income Residential Property? (Added 6/27/2024)

No. Tax-exempt bonds from a state or municipal housing authority are not among the list of approved federal low-income housing assistance programs. Please see the list of Eligible Covered Housing Programs for a Qualified Low-Income Residential Property [here](#).

61. Are all buildings supported by housing authorities categorically eligible under Category 3? (Added 6/27/2024)

No. As with state-specific housing programs, housing authorities do not categorically qualify as Qualified Residential Properties nor do the facilities installed on such buildings categorically meet the requirements of section 48(e)(2)(B). Documentation must show the building participates in one of the federal programs found on the covered housing list. You can find the list of Eligible Covered Housing Programs for a Qualified Low-Income Residential Property [here](#).

62. Can financial benefits distributed before the facility is placed in service be used as part of the Draft Benefits Sharing Statement for a Qualified Low-Income Residential Property? (Added 6/27/2024)

No. Financial benefits provided prior to the facility being placed in service date are not eligible benefits that can be included in a Draft Benefits Sharing Statement because they are not financial benefits from the electricity produced from such facility.

63. Can more than one method of benefit distribution be included in the Draft Benefits Sharing Statement for a Qualified Low-Income Residential Property? (Added 6/27/2024)

No. The [Treasury Regulations](#) state that applicants must, “[use] one of the methods described in HUD guidance on the Treatment of Solar Benefits in Mastered-metered Building (May 2023).” An applicant should use and indicate one method.

64. Can the Program provide an example of how to display the Draft Benefits Sharing Statement? (Added 6/27/2024)

Yes. Below is an example for your reference. Refer to the [Treasury Regulations](#) for further information on each required component of the Draft Benefits Sharing Statement.

Benefits Sharing Statement Form	
1. Planned Calculation of Gross Financial Value of Annual Energy Produced by the Facility:	
a. Self-Consumed Kilowatt-hours Produced by the Facility (kWh):	[Input]
b. Building’s Metered Volumetric Price of Electricity (\$/kWh)	[Input]

c. Exported Kilowatt-hours Produced by the Facility (kWh)	[Input]
d. Volumetric Export Compensation Rate (\$/kWh):	[Input]
e. Sale of Attributes Associated with Production, if Separate from Metered Price of Electricity or Export Compensation Rate (\$):	[Input]
f. Gross Financial Value (GFV) (\$):	[Calculated: (a * b) + (c * d) + e]
2A. Planned Calculation of Net Financial Value of Annual Energy Produced by the Energy Property – Common Ownership:	
a. Gross Financial Value:	[Input from 1.f. above]
b. Annual Average (Levelized) Operating Costs (\$):	[Input]
c. Net Financial Value (NFV):	[Calculated: a - b]
2B. Planned Calculation of Net Financial Value of Annual Energy Produced by the Energy Property – Third-party ownership:	
a. Gross Financial Value:	[Input from 1.f. above]
b. Payments made by the building owner and/or building occupants (\$):	[Input]
c. Net Financial Value (NFV):	[Calculated: a - b]
3. Planned Calculation of Financial Value Required to be Distributed to Building Occupants:	
a. 25% of Gross Financial Value	[Calculated: 1.f * .25]
b. Net Financial Value	2A.c or 2B.c, as applicable
c. Value to be Distributed (\$)	[Determine higher financial value of 3a and 3b; then * .5]
4. Description of Planned Means for Distributing the Required Financial Value to Building Occupants:	Narrative Description of Benefits Distribution

65. Why is a site control attestation required for a facility that is a part of Qualified Low-Income Residential Property? (Added 6/27/2024)

Site control attestation is crucial in ensuring that the covered housing documentation provided with the application is directly associated with the specific site(s) for a Qualified Low-Income Residential Property.

Upon submittal of the application, site control attestation requires that the provided covered housing documentation clearly indicates the property address or location of the Qualified Low-Income Residential Property. Applicants must also show direct contractual proof of purchase, lease agreement, or PPA for the facility on the site. Applicants must also show direct contractual proof of the facility on the site. This ensures that the rental

assistance programs outlined in the agreements are connected to the specific sites or buildings being proposed for inclusion in the program.

66. For Category 4, is there flexibility for delivering financial benefits beyond having the utility apply savings as a line item on the utility-generated utility bill? *(Added 11/13/23)*

No. Financial benefits to eligible low-income households may only be delivered via utility bill savings. Other means such as gift cards, direct payments, or checks are not permissible. Financial benefits for Category 4 facilities must be tied to a utility bill of a qualifying household. The Treasury Department and the IRS may consider other methods of determining Category 4 financial benefits in future years.

67. Can you clarify the required characteristics to meet the Qualified Renewable Energy Company (QREC) Ownership Criteria? *(Added 11/13/23) (Modified 6/27/24)*

A QREC, for purposes of the Ownership Additional Selection Criteria, is an entity that serves low-income communities and provides pathways for the adoption of clean energy by low-income households. In addition to its general business purpose, a QREC must satisfy one of the ownership requirements described in Treasury Regulation §1.48(e)-1(h)(2)(vi)(A) through (F) **and** the requirements in paragraph (h)(2)(vi)(G) **and** satisfy the criteria under either paragraph (h)(2)(vi)(H) **or** (I). Refer to the [Treasury Regulations](#) for additional information regarding these requirements. Applications claiming to be a qualified renewable energy company (QREC) should refer to Section 7.07(4) of the [Rev. Proc. 2024-19](#) to understand all documentation, ownership, employment, installation, and attestation requirements described from 7.07(4)(a)-(d).

Successor-in-Interest

68. What happens if the ownership of the facility changes? *(Modified 5/10/24)*

An environmental justice solar and wind capacity limitation (Capacity Limitation) allocation award applies only to the taxpayer who applied for and received an allocation award for the facility the taxpayer owns. If a facility ownership change occurs after receiving a Capacity Limitation allocation, and before the facility is placed in service, the new owner of the facility will need to request a transfer of the allocation (Allocation Transfer Request) in the Applicant Portal. This will allow the successor taxpayer to complete the placed in-service reporting and claim the energy percentage increase under § 48(e) used to calculate the amount of the § 48 credit. This process to transfer the allocation to a successor taxpayer is not available if the original owner has already placed in service the facility before selling or otherwise transferring ownership of the facility.

69. Is the Allocation Transfer Request process available? Where can I find procedures to support my completion of the Allocation Transfer Request process? *(Added 5/10/24)*

Yes. As of April 18, 2024, the Allocation Transfer Request process is available to taxpayers through the [Applicant Portal](#).

Prior to initiating an Allocation Transfer Request, taxpayers should review the *Successor-in-Interest Allocation Transfer Request Guide* on the [program homepage](#). The guide provides the procedures for taxpayers, both the original owner/taxpayer and the successor owner/taxpayer, to initiate and complete an Allocation Transfer Request in the Applicant Portal.

70. What does Successor-in-Interest mean, and how does this relate to the Allocation Transfer Request process? (Added 5/10/24)

When a taxpayer sells or otherwise transfers ownership of a facility to another taxpayer, that transferee taxpayer is the successor in interest for purposes of ownership of the facility. This is relevant to the Allocation Transfer Request process, for purposes of this Program, because the Capacity Limitation allocation award applies only to the taxpayer who originally owned the facility and applied for and received the allocation. Please see Section 13 of Revenue Procedures [2023-27](#) and [2024-19](#). The Allocation Transfer Request process in the Applicant Portal allows a Capacity Limitation allocation award to be transferred to a successor taxpayer that currently owns the facility.

71. Who is considered the “Buyer” and who is considered the “Seller” in an Allocation Transfer? (Added 5/10/24)

Please be advised that within the Applicant Portal, the term "Seller" corresponds to the current awardee, and the term "Buyer" designates the successor awardee. The use of this terminology is not intended to imply that the Allocation Transfer Request process is limited to situations in which the facility changed ownership through a sale of the facility. If a facility's ownership is transferred through a transaction other than a sale, the Capacity Limitation allocation still may be transferred to the successor in interest. The Applicant Portal, including applicable terminology, will be revised in the future.

72. Who initiates the Allocation Transfer Request Process? (Added 5/10/24)

The Buyer initiates and submits the Allocation Transfer Request in the [Applicant Portal](#).

Before a Buyer can initiate an Allocation Transfer Request, that Buyer must be registered as an applicant in the Applicant Portal. For registration instructions, please refer to the Applicant User Guide on the [program homepage](#).

73. As a Seller, I have reviewed and approved the Allocation Transfer Request from the Buyer. Why does the status of the Allocation Transfer Request still show as “Under Review”? (Added 5/10/24)

When a Seller reviews and approves a Buyer's Allocation Transfer Request, the status will remain in “Under Review” until IRS completes their review and approves the Allocation Transfer Request.

74. What do I need to do if my facility received an allocation based, in part, on meeting the ownership criteria, and I need to request a transfer of allocation? (Added 5/10/24)

If a taxpayer received an allocation for their facility, based, in part, on meeting the ownership criteria, then that taxpayer should refer to § 1.48(e)-1(m)(5) of the [Treasury Regulations](#) regarding potential disqualification.

75. **Are taxpayers able to make an Allocation Transfer Request for a facility that has already been placed in service at the time of the request if the change of ownership took place prior to the facility being placed in service?** *(Added 5/10/24)*

Yes. However, the Buyer must be the taxpayer that placed in service the facility.