

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

2024 Program Year

Office of Energy Justice and Equity

June 26, 2024



U.S. DEPARTMENT OF
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Presenters



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U.S. Department of Energy



Disclaimer

- Today's presentation provides an overview of the implementation of the Low-Income Communities Bonus Credit Program. This presentation will not cover all aspects of the Program. Please refer to the official IRS guidance (Revenue Procedure 2024-19 and Treasury Regulations § 1.48(e)-1) for complete information on eligibility requirements and the application process.
- **The information provided in this presentation should not be considered tax advice or tax filing support. Please consult a tax professional, accountant, or attorney if you need tax-related assistance.**



Today's Agenda

- Program Overview
- Application Selection Process
- Documentation & Attestations
- Application Process
- Program Timeline & Program Resources



Program Overview



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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 environmental justice solar and wind capacity limitation (Capacity Limitation).
- Section 48(e), generally, provides for an increase to the investment tax credit under § 48 of 10 or 20 percentage points for qualified solar and wind facilities that receive an allocation of Capacity Limitation.
- DOE will review applications and make recommendations for eligible applications to the IRS. The IRS will annually allocate Capacity Limitation up to **1.8 gigawatts (GW)** plus any carried over unallocated Capacity Limitation from the previous Program Year.



Program Goals



1.

Increase adoption of and access to renewable energy facilities in underserved and environmental justice communities



2.

Encourage new market participants



3.

Provide substantial benefits to underserved communities and individuals who have been historically marginalized from economic opportunities and overburdened by environmental impacts



2024 Low-Income Communities Bonus Credit Program

- **August 10, 2023:** Program Final Regulations released and Revenue Procedure for 2023 Program released
- **March 29, 2024:** Revenue Procedure for 2024 Program released
- **May 13, 2024:** Announcement of 2024 Program Year opening
- **May 28, 2024:** 2024 Program opened for applications



Facility Categories

For the 2024 Program Year, the total annual Capacity Limitation of 1.8 gigawatts (GW) will be divided among the **Facility Categories** as follows, plus any carried over unallocated Capacity Limitation from the 2023 Program Year:

Category	Allocation (megawatts)	Tax Credit Percentage
(1) Located in a Low-Income Community	800	10%
(2) Located on Indian Land	200	10%
(3) Qualified Low-Income Residential Building Project	224.8	20%
(4) Qualified Low-Income Economic Benefit Project	900	20%

Refer to the IRS Publication, [Rev. Proc. 2024-19](#) and [Treasury Regulations § 1.48\(e\)-1](#) for the full definition and requirements of each program category.



Additional Selection Criteria

- At least 50% of the Capacity Limitation in each facility category will be reserved for qualified facilities meeting certain **Additional Selection Criteria (ASC)**.
- Facilities may qualify for ASC based on **Ownership** or **Geography**.



Additional Selection Criteria – Ownership Criteria

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



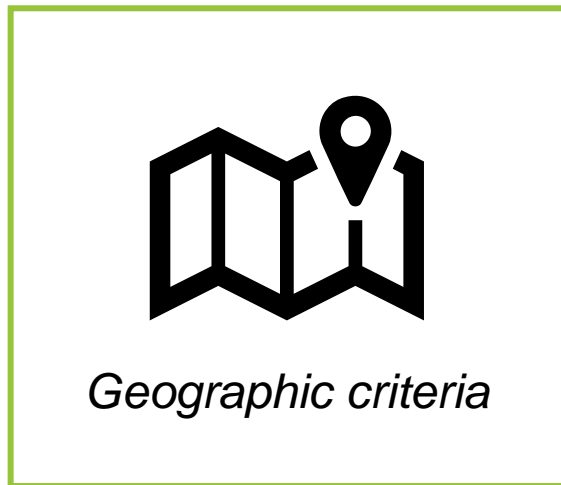
- Tribal Enterprise
- Alaska Native Corporation
- Renewable Energy Cooperative
- Qualified Renewable Energy Company (QREC)
- Qualified Tax-exempt Entity

Refer to the IRS Publication, [Rev. Proc. 2024-19](#) and [Treasury Regulations § 1.48\(e\)–1](#) for the full definition and requirements of each program category.



Additional Selection 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 IRS Publication, [Rev. Proc. 2024-19](#) and [Treasury Regulations § 1.48\(e\)-1](#) for the full definition and requirements of each program category.



Application Options

Category	Application Options	Allocation (megawatts)	
(1) Located in a Low-Income Community	Eligible Residential Behind-the-Meter (BTM)	800	250
	Eligible Residential Behind-the-Meter (BTM) Additional Selection Criteria		250
	Other Eligible LI Community Project		100
	Other Eligible LI Community Project Additional Selection Criteria		200
(2) Located on Indian Land	Located on Indian Land	200	100
	Located on Indian Land Additional Selection Criteria		100
(3) Qualified Low-Income Residential Building Project	Qualified Low-Income Residential Building Project	224.8	100
	Qualified Low-Income Residential Building Project Additional Selection Criteria		124.8
(4) Qualified Low-Income Economic Benefit Project	Qualified Low-Income Economic Benefit Project	900	400
	Qualified Low-Income Economic Benefit Project Additional Selection Criteria		500

Application Selection Process



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Application Selection Process

- Program Opening
- 30-day Application Period Begins



- 30-day Application Period Ends
- Lottery



- Open Application Period
- Program Closing

- **Program Opening:** The 2024 Program Year began accepting applications on **Tuesday, May 28th, 2024, at 9:00 AM ET**. Applications must be submitted via the Applicant Portal: <https://eco.energy.gov/ejbonus>
- **30-day Application Period:** Applications submitted by **Thursday, June 27, 2024, at 11:59 PM ET** will be treated as submitted on the same date and time.



Application Selection Process

- Program Opening
- 30-day Application Period Begins



- 30-day Application Period Ends
- Lottery



- Open Application Period
- Program Closing

- **Lottery:** After the 30-day period, applications submitted during the 30-day period in oversubscribed facility categories and sub-reservations will be entered into a lottery to determine review order.



Application Selection Process

- Program Opening
- 30-day Application Period Begins



- 30-day Application Period Ends
- Lottery



- Rolling Application Period Begins
- Application Period Closes

- **Rolling Application Period Begins:** After the 30-day period, DOE will continue to accept applications. If there is capacity in a Category or Category 1 sub-reservation, DOE will review these applications after the 30-day period, in the order received.
- **Rolling Application Period Closes:** DOE will no longer accept applications after this date. This is to be announced.



Initial 30-day Period: Review Order Process (Example)

Category and Application Option	Allocation (megawatts)	
(4) Qualified Low-Income Economic Benefit Project	900	400
(4) Qualified Low-Income Economic Benefit Project - Additional Selection Criteria		500

ASC is undersubscribed
0 MW < ASC < 500 MW



- All ASC are reviewed and take from ASC reservation
- ASC capacity is saved for future ASC submissions
- If non-ASC > 400 MW, lottery takes place for non-ASC

ASC is oversubscribed
500 MW < ASC < 900 MW



- All ASC are reviewed and take from ASC reservation
- If ASC capacity is depleted, ASC in 30-day period take priority review and take from non-ASC capacity if needed
- If combined ASC and non-ASC > 900 MW, lottery takes place for non-ASC

ASC exceeds entire Category capacity
900 MW < ASC



- Lottery will take place for ASC and non-ASC applications
- If ASC capacity is depleted, ASC in 30-day period take priority review and take from non-ASC capacity if needed



Initial 30-day Period: Review Order Process (Example)

Category 4 – Initial 30 days	Review Order	Ownership ASC	Geographic ASC	Explanation
	1	✓	✓	Applications meeting both Ownership and Geographic criteria will be prioritized ahead of applications meeting only Ownership or Geography.
	2	✓	✗	Ownership and Geography are weighted equally. No prioritization is given for applications that meet more than one qualifier for Ownership <u>or</u> Geography (i.e., owner is an Alaska Native Corporation <i>and</i> a Renewable Energy Cooperative).
	3	✗	✓	
	4	✓	✗	
	5	✗	✗	Applications that do not purport to meet additional selection criteria are ranked last and reviewed only if there is remaining capacity.
	6	✗	✗	

Note: This ordering takes place for all ASC applications. However, the lottery only takes place if there is oversubscription within the first 30 days and is only done within categories and sub-reservations with an oversubscription within the first 30 days. All applications that are received after the initial 30-day window are ordered based on their submission timestamp

Documentation & Attestations



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Documentation & Attestation Overview

Documentation Requirements

For the application for allocation, **required documentation is based on:**

- Facility Type
- Facility Category
- Additional Selection Criteria

Attestation Requirements

For the application for allocation, **required attestations are based on:**

- Facility Type
- Facility Category
- Additional Selection Criteria

Additional documentation and attestations are required for placed-in-service requirements.

Refer to the IRS Publication, [Rev. Proc. 2024-19](#) for the full details of all documentation and attestation requirements.



ASC Documentation & Attestations

- Any applicant purporting to meet the **Additional Selection Criteria for Ownership Criteria** with respect to **all Categories** must also submit certain documentation to demonstrate that they meet the Ownership Criteria.
- Any applicant purporting to meet the **Additional Selection Criteria for Geographic Criteria** with respect to **Categories 1, 3, or 4**, must provide an attestation that the qualifying facility will be located in a Persistent Poverty County (PPC) or in a census tract that is designated as disadvantaged in the Climate and Economic Justice Screening Tool (CEJST).

Refer to the IRS Publication, [Rev. Proc. 2024-19](#) for the full details of all documentation and attestation requirements.



Application Process

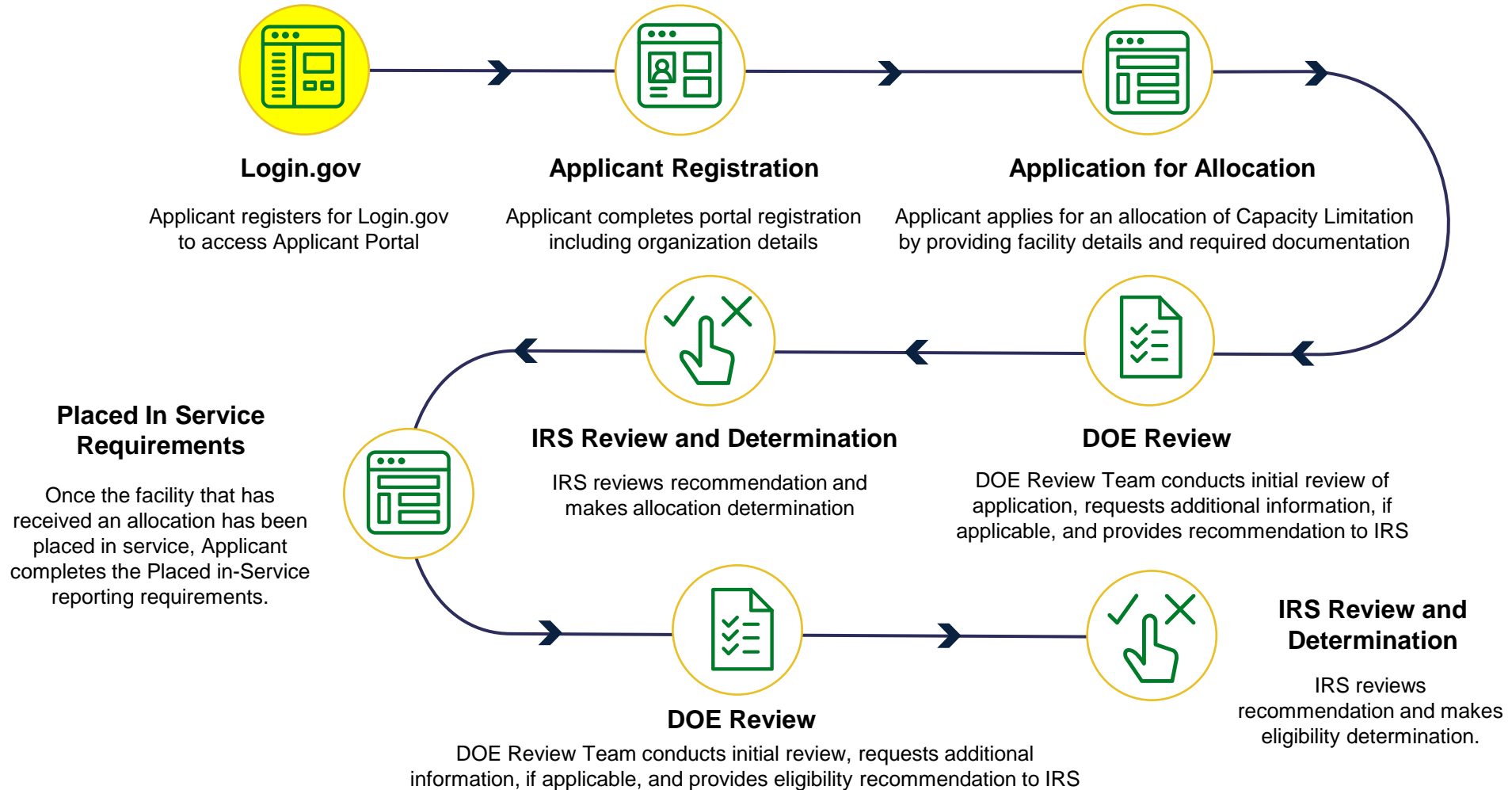


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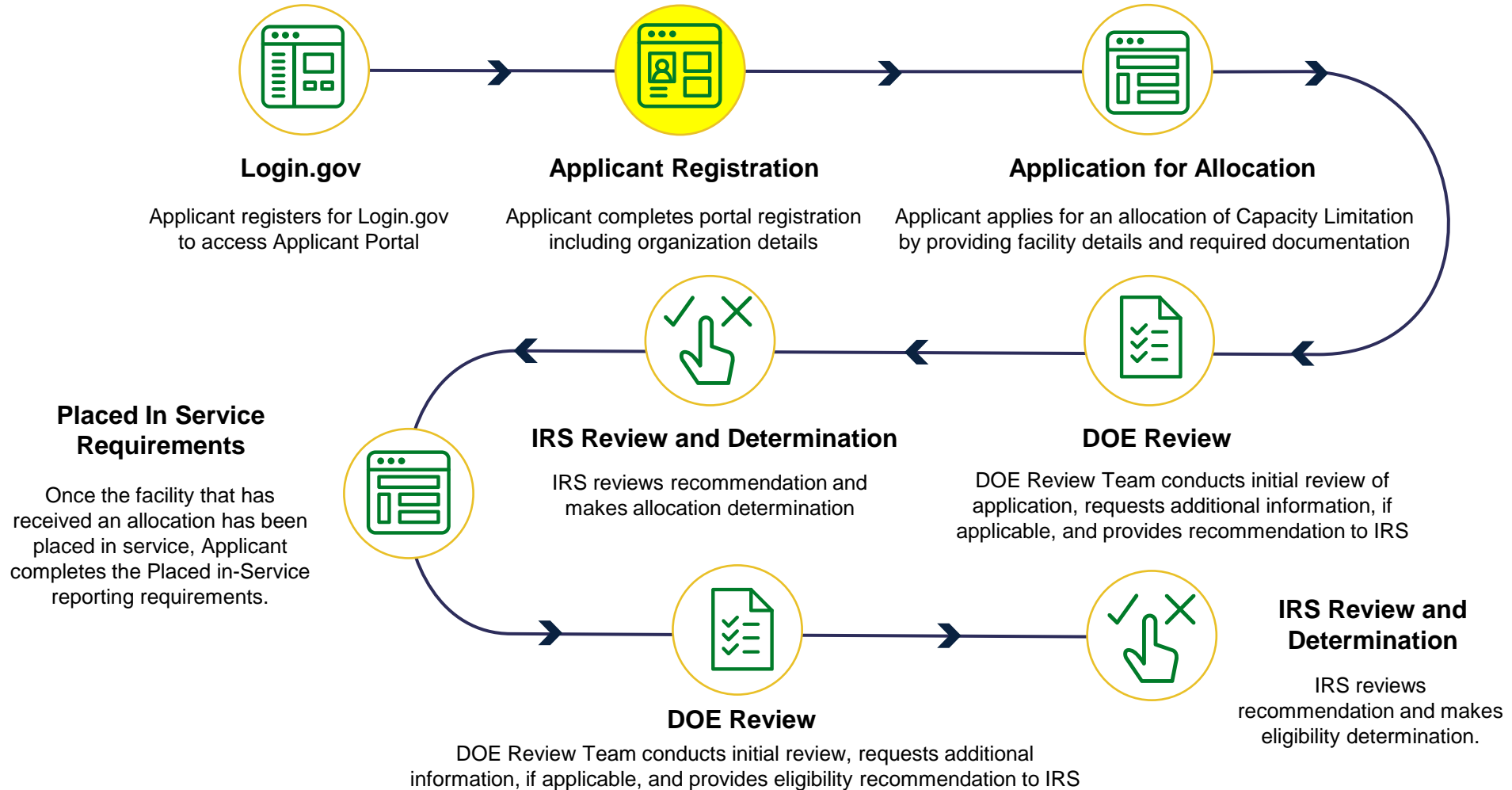
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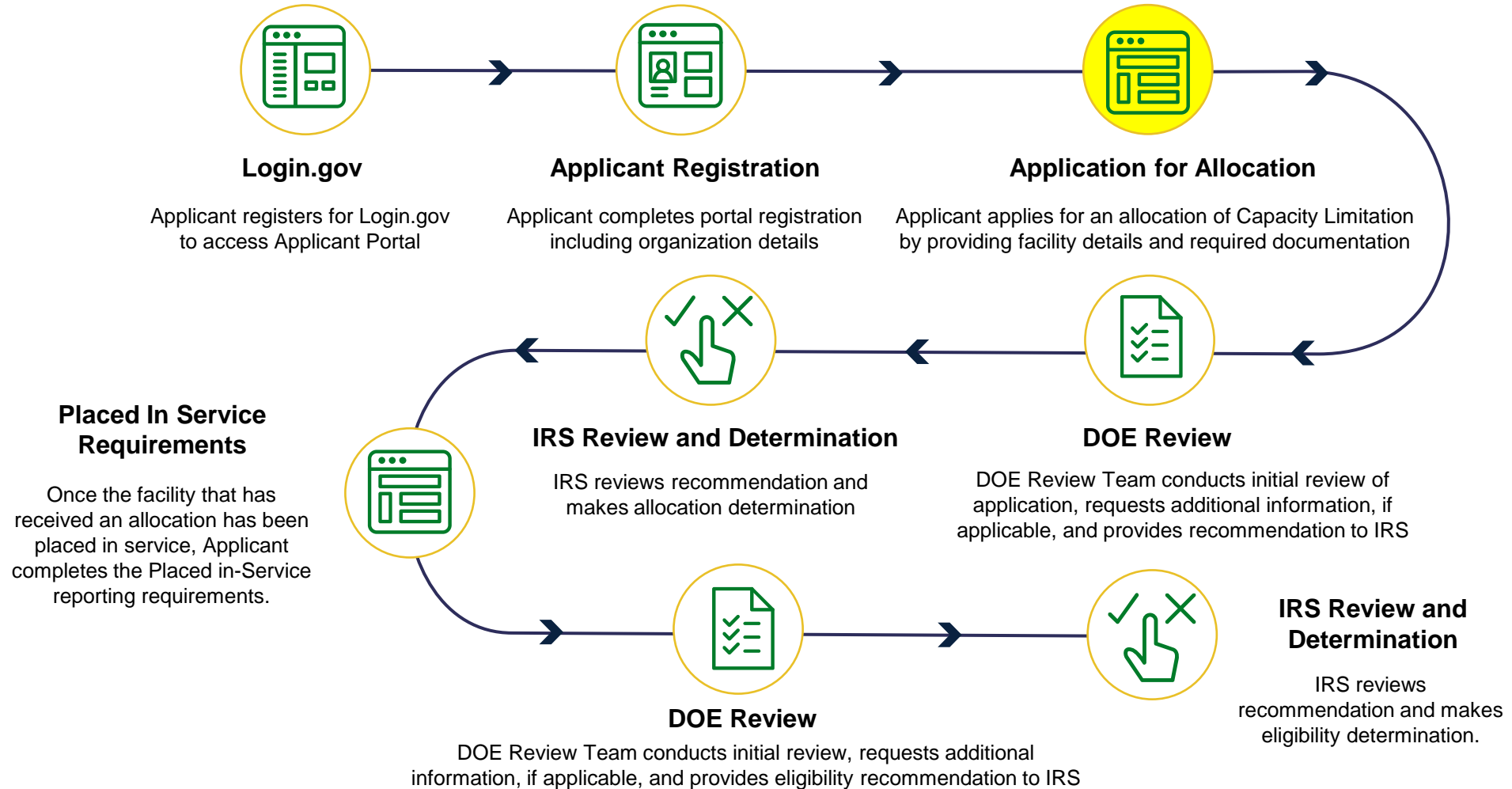
Application Process Overview



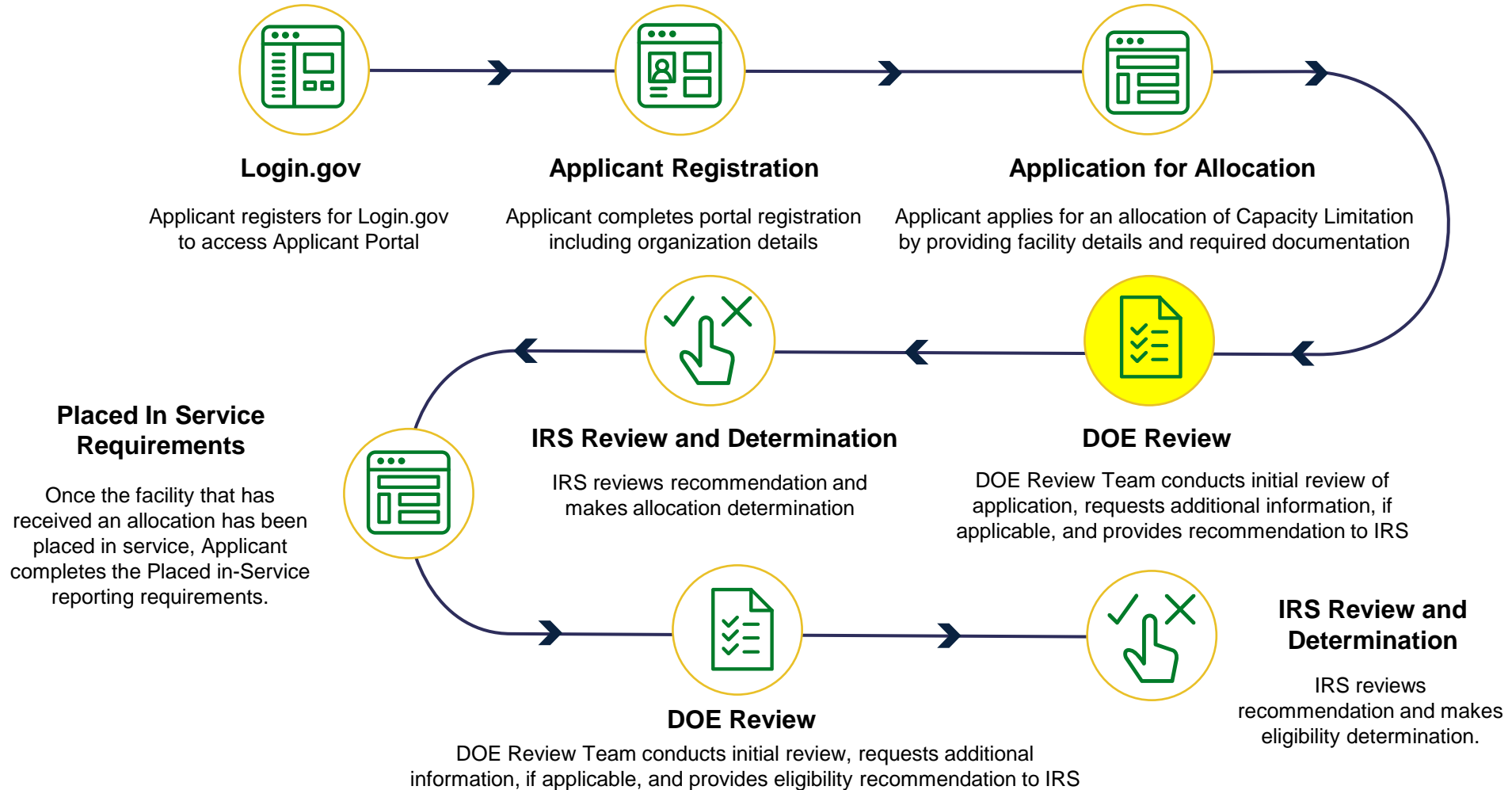
Application Process Overview



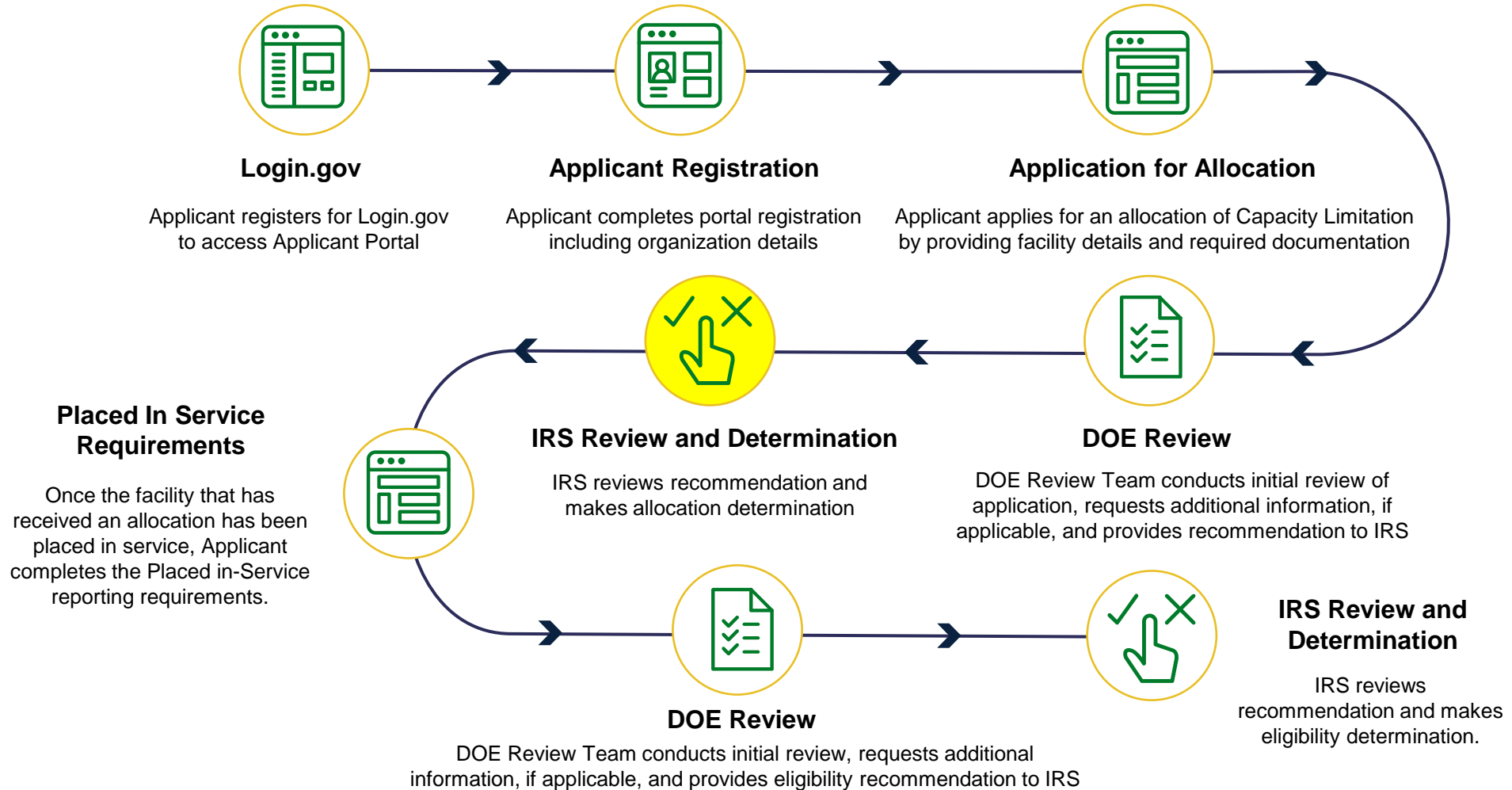
Application Process Overview



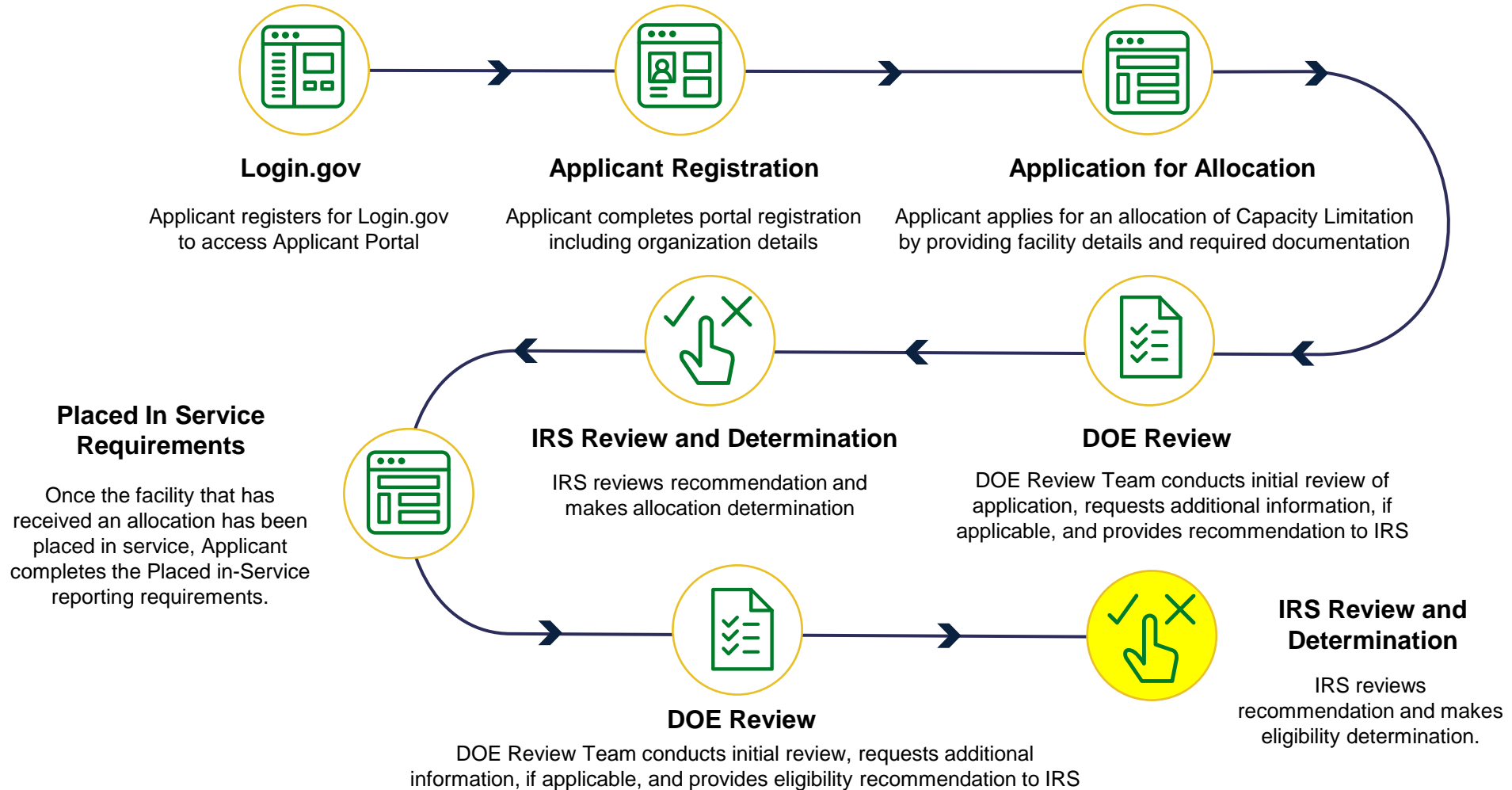
Application Process Overview



Application Process Overview



Application Process Overview





Registration Requirements

- The **owner of the solar or wind facility is the applicant** who must apply for an allocation of Capacity Limitation.
- Each application must be for a **single facility**.
- The individuals who apply for an allocation of Capacity Limitation on behalf of their organization must have personal knowledge of the facts related to the application and be a person who is **legally authorized** to:
 1. bind the applicant entity for federal income tax purposes
 2. communicate with DOE about the application prior to and after submission
 3. receive notifications, letters, and other communications from DOE and the IRS

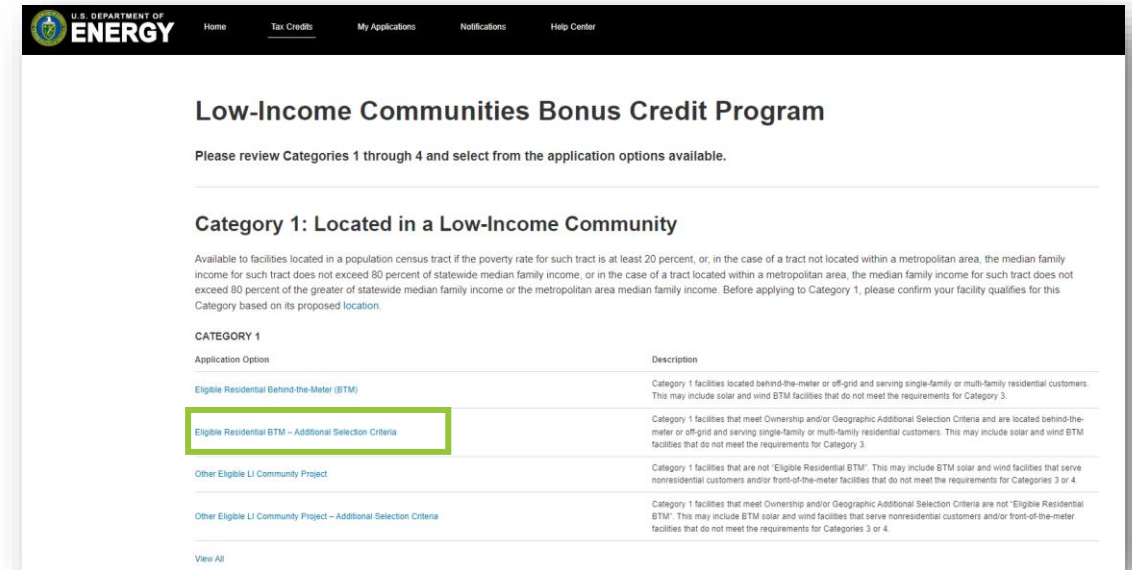
Refer to the IRS Publication, [Rev. Proc. 2024-19](#) for the full details.



Application for Allocation

- Once registered, applicants will **select the applicable category and application option** link for their facility.

Category	Application Options
(1) Located in a Low-Income Community	Eligible Residential Behind-the-Meter (BTM)
	Eligible Residential Behind-the-Meter (BTM) Additional Selection Criteria
	Other Eligible LI Community Project
	Other Eligible LI Community Project Additional Selection Criteria
(2) Located on Indian Land	Located on Indian Land
	Located on Indian Land Additional Selection Criteria
(3) Qualified Low-Income Residential Building Project	Qualified Low-Income Residential Building Project
	Qualified Low-Income Residential Building Project Additional Selection Criteria
(4) Qualified Low-Income Economic Benefit Project	Qualified Low-Income Economic Benefit Project
	Qualified Low-Income Economic Benefit Project Additional Selection Criteria





Placed in Service Requirements

- Once an applicant's facility is **placed in service** but prior to filing tax forms to claim the credit, applicants are required to submit additional information and complete the **Placed in Service Requirements**.
- Applicants will navigate to **My Applications** and select the Control Number of the facility that has been placed in service to complete the requirements.

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Home Tax Credits **My Applications** Notifications Help Center

My Applications

View and manage existing applications.

For information on how to request an application transfer from another organization view this [help center article](#).

[All Applications](#) Transfer Request Status

Recently Viewed ▾

6 items

	Control Number	Applying Contact	Category Type	Status	Application Stage	Application Date
1	006283083		Category 1	In progress	Application for Allocation	
2	006374927		Category 1	Allocation Approved	Application for Allocation	3/18/2024
3	006374923		Category 1	Allocation Approved	Application for Allocation	3/18/2024
4	006374925		Category 1	Allocation Approved	Application for Allocation	3/18/2024
5	006374924		Category 1	Allocation Approved	Application for Allocation	3/18/2024



Placed in Service Requirements

- Applicants will be instructed to **review** their original application.
 - All final nameplate capacity values provided must correspond with the required supporting documentation (i.e., PTO letter) and should not be rounded.
 - Only certain non-material changes are allowed at the Placed-in-Service stage.
- Applicants will upload additional **documentation**, check **attestations**, and **submit** the information for review.

The screenshot shows the U.S. Department of Energy portal interface. At the top, there is a navigation bar with the logo and links for Home, Tax Credits, My Applications, Notifications, and Help Center. Below the navigation bar, the page header includes 'CUI//SP-TAX' and 'OMB Control Number: 1545-2308'. The main content area is titled 'Placed in Service' and contains the following text: 'Have there been any changes to the kW or kWh capacity of Qualified Facility Nameplate Capacity or the Energy Storage Nameplate Energy Capacity? If so, please select Yes to edit the information.' Below this text are two radio button options: 'Yes' (selected) and 'No'. A 'Next' button is located at the bottom right of the form. On the right side, there is a 'Steps' sidebar with three items: 'Placed in Service' (highlighted with a blue circle), 'Technology Capacity Changes', and 'Placed in Service Documentation'.

The screenshot shows the U.S. Department of Energy portal interface. At the top, there is a navigation bar with the logo and links for Home, Tax Credits, My Applications, Notifications, and Help Center. Below the navigation bar, the page header includes 'CUI//SP-TAX' and 'OMB Control Number: 1545-2308'. The main content area is titled 'Technology Capacity Changes' and contains the following sections: 'Facility Technology Details' with a dropdown menu for 'Technology Type' (Solar Energy Facility selected, Wind Energy Facility unselected); a checkbox for 'The qualifying technology is installed in connection with energy storage.' (checked); and 'Facility Size' with four input fields: 'Qualified Facility Nameplate Capacity (kW AC)' (40.001), 'Qualified Facility Nameplate Capacity (kW DC)' (50.001), 'Energy Storage Nameplate Power Rating (kW)' (50.001), and 'Energy Storage Nameplate Energy Capacity (MWh)' (100.001). 'Previous' and 'Next' buttons are located at the bottom right. On the right side, there is a 'Steps' sidebar with three items: 'Placed in Service', 'Technology Capacity Changes' (highlighted with a blue circle), and 'Placed in Service Documentation'.



Claiming the Energy Percentage Increase

- When the IRS has completed its review, applicants will receive a **notification** that the 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. Please consult with a tax advisor to determine eligibility under the Investment Tax Credit.
- Applicants may also make a **transfer election**, or, if eligible, make an **elective payment election**. To make an elective pay election, additional steps are required outside of the 48(e) application process. See [IRS.gov/electivepay](https://www.irs.gov/electivepay) for more information.





Claiming the Energy Percentage Increase

Claim the Energy Percentage Increase

Form 3468,
Investment Credit
(or successor form)

OR

Form 3800,
General Business Credit
(or successor form)

Transfer Election

Transfer election
under § 6418

Elective Pay Election

Elective Payment
election under
§ 6417

Visit: [IRS.gov/electivepay](https://www.irs.gov/electivepay)



Program Timeline & Program Resources

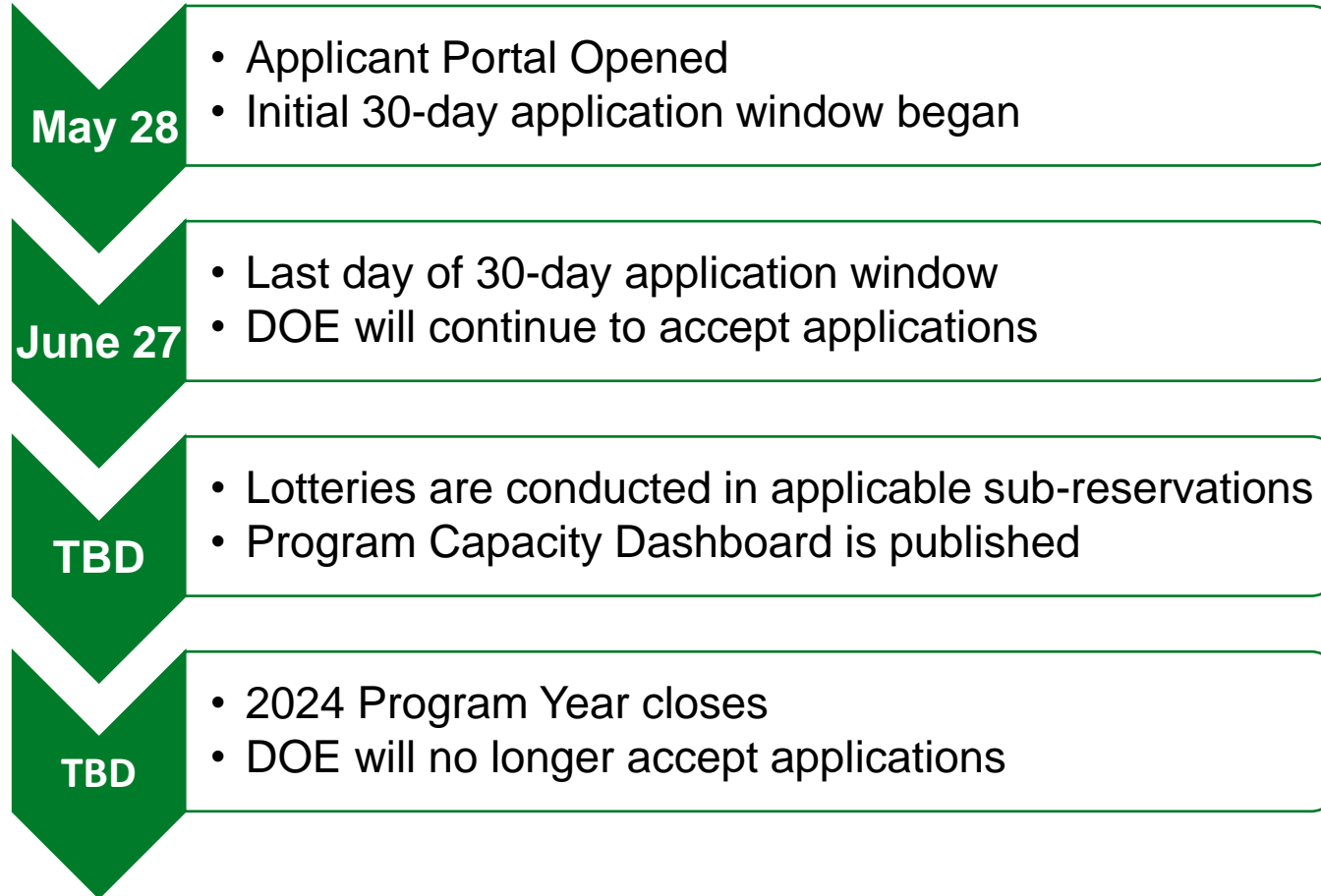


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2024 Program Timeline



IRS Allocation letters will begin to be issued as soon as possible this program year.

DOE Program Homepage

On the **DOE Program Homepage**, you will find:

- Program Information
- Revenue Procedure & Treasury Regulations
- Program Updates
- Applicant Portal
- Program Resources
- Support Desk Contact Information

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

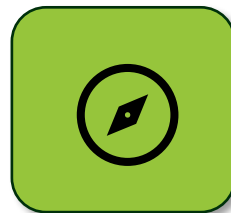


Program Resources

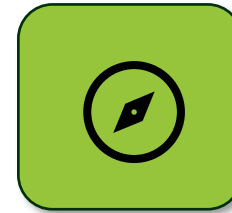
DOE's Program Homepage hosts a variety of helpful *Program Resources*, including but not limited to:



Applicant Checklist



Applicant User Guide



Successor-in-Interest Allocation Transfer Request Guide



Frequently Asked Questions



Program Capacity Dashboard*



Maps for Category 1 & Geographic Selection Criteria



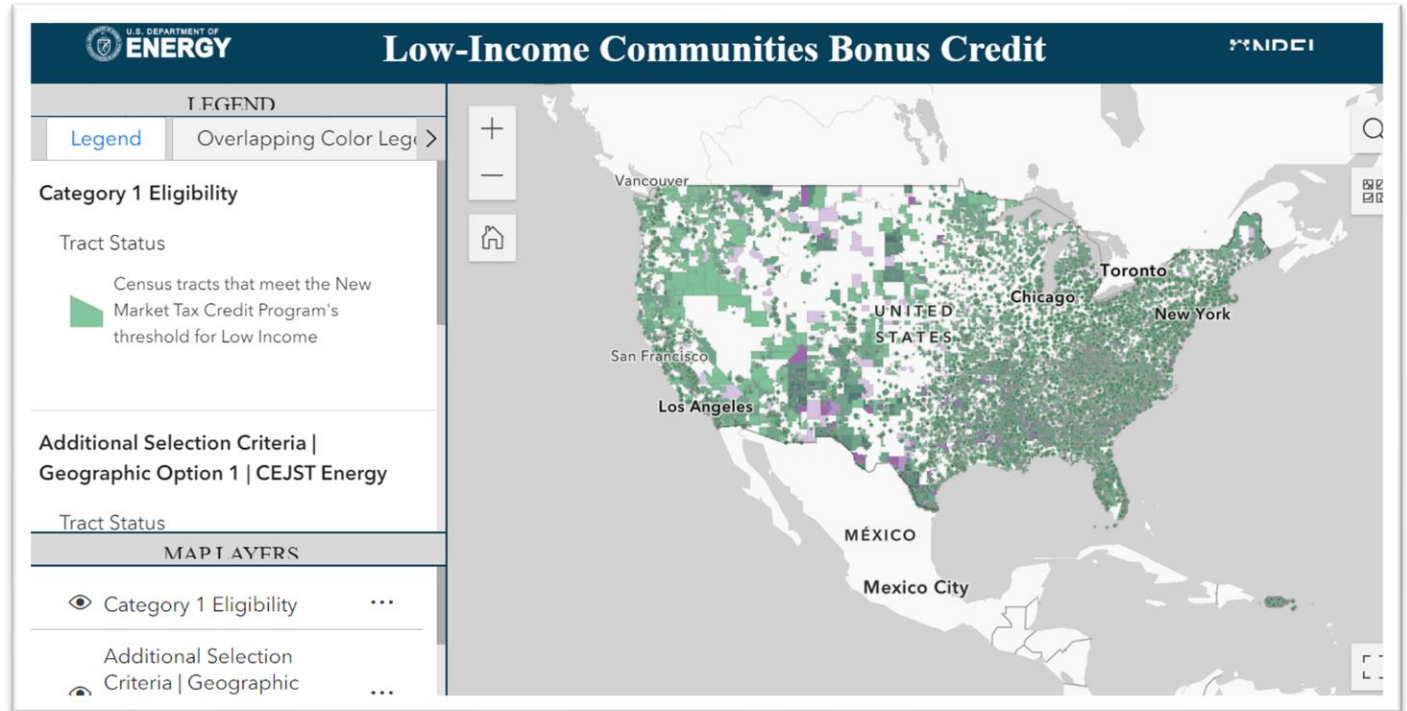
Eligible Covered Housing Programs for Category 3

*The Program Capacity Dashboard will be made available with 2024 capacity after the initial 30-day application window has closed.



Maps for Category 1 & Geographic Selection Criteria

- A [public mapping tool](#) has been created to show the census tracts that meet the definition of:
 - **Category 1: Low-Income Community**
 - **Geographic Additional Selection Criteria**
 - Persistent Poverty Counties
 - CEJST - “Energy” Category



Disclaimer: The mapping tool is intended for geolocation purposes. It should not be relied upon by taxpayers to determine eligibility for the Low-Income Communities Bonus Credit Program.

Maps for Category 1 & Geographic Selection Criteria

- **Category 1: Low Income Community**
 - The Category 1: Low Income Community maps are identical to the [New Markets Tax Credit \(NMTTC\)](#) maps.
- **Geographic Additional Selection Criteria**
 - The [CEJST map](#) includes 8 categories of burden. Only the “Energy” category is eligible for Additional Selection Criteria.

Disclaimer: The mapping tool is intended for geolocation purposes. It should not be relied upon by taxpayers to determine eligibility for the Low-Income Communities Bonus Credit Program.

Support Desk

- For program related questions and application assistance, applicants may contact the **DOE Support Desk** for the program.
- There is no dispute process for capacity allocation denial decisions or for determinations of ineligibility at the placed in-service stage.
- The DOE Support Desk is unable to provide tax advice, clarification, or interpretation of the Treasury Regulations for Section 48(e), the Low-Income Communities Bonus Credit Program, or any other IRS tax incentives or related policies. Any questions requesting tax-related guidance or tax filing support should be directed to the Applicant's tax professional, accountant, or attorney.
- Please do not contact the Support Desk for questions related to the status of your application(s) or to submit program feedback.



Email: EJBonusSupport@hq.doe.gov
Phone: 1 (888) 415-0131



Thank you!

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

EJBonusSupport@hq.doe.gov



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



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