Internal Revenue Service
United States Department of the Treasury
Ben Franklin Station
P.O. Box 7604, Room 5203
Washington, D.C., 20044

November 4, 2022

RE: High-level Principles for Implementing the Clean Energy Tax Credits in the Inflation Reduction Act (Notices 2022-46, 2022-47, 2022-48, 2022-49, 2022-50, 2022-51)

Dear Secretary Yellen and Commissioner Rettig:

Thank you for the opportunity to provide feedback on the implementation of the clean energy tax incentives included in the *Inflation Reduction Act (IRA*). These incentives are the keystone of the climate, justice, and jobs strategy that motivated this legislation. They will not only drive down carbon pollution and combat climate change, but hypercharge our transition to a clean energy economy that will help repair communities facing the brunt of fossil fuel pollution; empower workers with high quality, family-sustaining jobs; and save households from burdensome and volatile energy costs. If implemented correctly, these tax credits will create immediate benefits for people's everyday lives.

We commend the three "guiding principles" that Treasury has said it will utilize in implementing the IRA: (A) robust and broad public engagement; (B) clarity and certainty; and (C) sound stewardship.[1] In addition to the technical comments that many of our groups have submitted, the undersigned organizations offer the following supplementary recommendations, in no particular order:

- ***Speed is crucial* and also should not come at the expense of guidance that is *clear, comprehensive, and accessible* to all eligible communities.** The timely delivery of guidance is essential to accelerating the deployment of solutions that will meet the critical environmental, equity, and economic challenges facing our nation. The development of appropriately lengthier or more complicated guidance needed for some technologies should not delay the standing up of other programs that are more straightforward or clearly defined. We also ask that Treasury be as forthcoming as possible on what kind of guidance they intend to issue and when, so that our organizations and other critical stakeholders can best support eligible taxpayers in accessing these historic provisions.

[1] FACT SHEET: Treasury, IRS Open Public Comment on Implementing the Inflation Reduction Act's Clean Energy Tax Incentives, *available at* https://home.treasury.gov/system/files/136/FactSheet-Implementing-IRA-Climate-CleanEnergy-TaxIncentives.pdf.

- **Taxpayers will need *maximum clarity* if they are to make informed decisions and realize the benefits of these incentives.** Guidance should be straightforward; written in plain, accessible language; and available in different languages to minimize confusion and increase outreach around eligibility. Where possible, there should be continuity across applications, particularly for technologies with tax incentive precedent such as renewables and electric vehicles, so that taxpayers can move quickly in identifying their eligibility and applying. Treasury should also make it a priority that low income-verified tax credits are easy to access and do not create undue burdens for low- and middle-income (LMI) communities. Where low-income verification is required, participation in existing federal income-eligible, support programs should be sufficient.
- **Treasury must *uphold environmental integrity, establish safeguards, and practice sound stewardship* to realize the full potential of these investments*.*** The IRA is the linchpin to securing the greenhouse gas emission reductions necessary to meet the United States' climate and clean energy goals. Performance-based emissions requirements and mechanisms to mitigate the risk of fraud and verify reliable life-cycle emissions reductions, for example with hydrogen and biomass, are critical. Additionally, Treasury has articulated a commitment to "work closely with the [Internal Revenue Service] to put in place effective guardrails and reporting to ensure benefits are delivered as Congress intended."[2] Meeting this pledge will require Treasury to provide adequate, clear, and protective standards so that the IRA delivers the anticipated emissions reductions and reduces and repairs harm to frontline communities.
- **Treasury must maintain the explicit intent of the legislation to *prioritize equity and justice.*** Treasury must take every step within its purview to ensure that the intended investments and the benefits of these incentives are delivered to the communities designated by statute; for example, the IRA includes set-asides and enhanced incentives for certain communities such as energy communities, disadvantaged communities, and low-income communities. To that end, we see effective data collection and transparency as central to Treasury's approach to accountability, oversight, and enforcement. Federal agencies with the support of the White House should develop a plan to monitor where the money for these incentives is going, especially where there are good jobs or equity-based multipliers. This should include the identification of methods and tools for the evaluation of IRA climate and clean energy provisions in order to assess their local, economic, and environmental impacts and ensure that benefits flow widely and equitably. The successful implementation of these equity and justice provisions will show communities that the IRA and future climate-oriented administrative actions can have a tangible, direct impact on their lives.
- **Treasury must maintain the explicit intent of the legislation to *create high quality jobs in the United States* that are *connected to training pathways*.** The IRA built enhancements into the tax credits to strengthen the quality of construction jobs and retain and create domestic manufacturing jobs and pathways to them through registered apprenticeships. It is critical that Treasury establish an official collaboration with the

---

[2] *Ibid.*

Department of Labor (DOL) to utilize the DOL's expertise and data on prevailing wages and registered apprenticeships – including but not limited to information pertaining to the uniform application of relevant existing DOL rulings and wage determinations, interpretations and collection of certified payroll reports, and funding dedicated to apprenticeship expansion and compliance. Additionally, there are further issues related to advance communication, investigations, and enforcement that are fundamental to ensuring that the credit enhancements on prevailing wages and registered apprenticeships operate as intended. Treasury should also coordinate with the Biden administration's Made in America office – as established by the *Infrastructure Investment and Jobs Act (IIJA)* – to ensure that the domestic content provisions coordinate with other administrative strategies.

Thank you again for your work to date on the IRA, and for your consideration of our recommendations to help implement the clean energy incentives as efficiently, effectively, and equitably as possible.

Sincerely,

Center for American Progress
Chesapeake Climate Action Network
Clean Air Task Force
Climate Crisis Policy
Earthjustice
Environmental Defense Fund
Evergreen
Georgia Clinicians for Climate Action
GreenFaith
Health Care Without Harm
Healthy Air & Water Colorado
League of Conservation Voters
Medical Society Consortium on Climate and Health
Michigan Clinicians for Climate Action
National Wildlife Federation
Natural Resources Defense Council
RMI
Sierra Club
The Climate Reality Project
The Earth Bill Network
Union of Concerned Scientists
Virginia Clinicians for Climate Action
Voices for Progress
WE ACT for Environmental Justice
Western Organization of Resource Councils
Wisconsin Health Professionals for Climate Action