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December 9, 2022

The Honorable Lily L. Batchelder
Assistant Secretary for Tax Policy
U.S. Department of the Treasury
1500 Pennsylvania Ave., NW
Washington, D.C. 20220

Mr. William M. Paul
Principal Deputy Chief Counsel and Deputy Chief
Counsel (Technical)
Internal Revenue Service
1111 Constitution Ave., NW
Washington, D.C. 20224

Dear Ms. Batchelder and Mr. Paul:

Alliant Energy is responding to the request for comments in the following IRS Notices:

- IRS Notice 2022-49, Request for Comments on Certain Energy Generation Incentives,
- IRS Notice 2022-50, Request for Comments on Elective Payment of Applicable Credits and Transfer of Certain Credits,
- IRS Notice 2022-51: Prevailing Wage, Apprenticeship, Energy Community, and Domestic Content Bonus Credits.

As the Biden Administration transitions to implementation of the IRA provisions, we look forward to the many ways it will help to advance renewable energy investment and deployment, while allowing for the critically important balance of reliability and resilience that businesses and consumers across the nation expect. As we continue our path to net-zero CO₂ emissions, we are guided by our purpose-driven strategy -- putting customers and building stronger communities -- at the forefront. If approved, our IRA implementation policy recommendations below will enable us to leverage the full benefits of the transferability provisions. In addition, they will provide us the same cost benefits from renewables and storage that are available to developers, thereby minimizing the impact on customer bills.

As we execute one of the largest capital plans in our company's history, one of the best opportunities to provide cost-effective clean energy for our customers is through utilizing the new tax incentives in the Inflation Reduction Act (IRA). We applaud Congress and the Biden Administration for their leadership in advancing this important law, and we encourage you to adopt our recommendations in order to help ensure the full benefits of the IRA can be realized by our customers.

Alliant Energy is a member of the American Clean Power Association (ACP) and Edison Electric Institute (EEI) and supports the recommendations submitted to Treasury and the IRS by both ACP and EEI. Alliant Energy writes separately to submit these additional recommendations beyond the industry comments that we believe will be beneficial to adding more low-cost renewable energy and supporting grid reliability for our customers as we transition to cleaner sources of energy.

As background, Alliant Energy is an electric and gas utility company headquartered in Madison, Wisconsin, that serves one million electric customers and more than 400,000 natural gas customers across primarily rural areas of Iowa and Wisconsin. We have approximately 3,300 employees, of which about 1,800 are union members.

As a proud clean energy leader, Alliant Energy is investing more than \$1.5 billion in solar energy assets, and previously invested more than \$2 billion in wind energy assets. We are the third-largest regulated owner-operator of wind energy in the country, with nearly 1,800 MW of installed, renewable capacity. In addition, once our 12 utility-scale solar projects in Wisconsin are operational (by year-end 2023) Alliant Energy will own and operate nearly 1,100 megawatts – the most solar energy in the state. We are also investing in energy storage assets as part of our clean energy blueprint and executing our strategy to achieve net-zero CO₂ emissions by 2050 from the electricity we generate. Alliant Energy has made these significant investments in clean energy technology while maintaining affordable rates and helping customers avoid long-term costs. Please visit [our website](#) to learn more about our clean energy vision.

Alliant Energy is focused on strengthening the communities we serve in large part through significant investments in zero-emission technology to bring low-cost clean energy to all communities. In partnership with local communities and diverse organizations, we continue to take steps to influence change, address needs and bridge the gaps that exist, especially among diverse and low-income populations, to better serve people in our communities. By living our value of “Make Things Better,” we are striving to make a difference, knowing that it will enhance economic development and promote environmental justice for all.

IRS Notice 2022-49, Request for Comments on Certain Energy Generation Incentives

Clarification on interconnection property eligible for investment tax credits under Section 48(a)(8)

Section 48(a)(8)¹ provides that for certain energy property, amounts paid or incurred for qualified interconnection property may be included in eligible basis. Qualified interconnection property includes tangible property which is constructed, reconstructed, or erected by the taxpayer and the original use of which, pursuant to an interconnection agreement, commences with a utility. The term interconnection agreement means an agreement with a utility for the purposes of interconnecting the energy property owned by such taxpayer to the transmission or distribution system of such utility.

A utility may own both the qualifying energy property and the distribution system. In these instances, there may not be an interconnection agreement required to connect the energy property to the distribution system. We recommend that guidance under section 48(a)(8)

¹ Unless otherwise indicated, all “Section” references are to the Internal Revenue Code of 1986, as amended (the “Code”).

clarify that a utility that owns qualifying energy property and the distribution system requiring upgrades is eligible for the investment tax credit (ITC) under section 48 even if there is no interconnection agreement, assuming all other requirements of section 48(a)(8) are met.

IRS Notice 2022-50, Request for Comments on Elective Payment of Applicable Credits and Transfer of Certain Credits

Application of the normalization requirements under section 50(d)(2) to transfers of Section 48 investment tax credits pursuant to section 6418

Section 6418(a) provides that the transferee taxpayer specified in a transfer election is treated as the taxpayer for purposes of the transferred credit (and not the eligible taxpayer). The transferee taxpayer, rather than the eligible taxpayer (the transferor), should be considered the taxpayer for purposes of section 50(d)(2), which limits the investment tax credit for public utilities. Therefore, we recommend any guidance issued under section 6418 clearly state that even if the underlying property is considered public utility property under section 46(c)(3)² in the hands of the eligible taxpayer, the cash received from transferred credits under section 6418 should not be subject to the normalization requirements under section 50(d)(2). Clarity in this area will help our customers take advantage of the tax attributes of renewable energy projects up front, helping to make them more cost-effective over the life of the asset.

Additionally, the normalization requirements cannot be applied to property that is not owned by the transferee. Therefore, we recommend any guidance provide that the transferee is also not subject to the normalization requirements under section 50(d)(2) for credits received pursuant to transfers under section 6418.

IRS Notice 2022-51: Prevailing Wage, Apprenticeship, Energy Community, and Domestic Content Bonus Credits.

Energy Communities guidance should adopt a broad definition to ensure customers and communities can take advantage of enhanced clean energy credits.

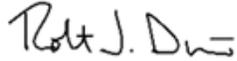
Section 45(b)(11)(B)(iii) provides that census tracts (or directly adjoining census tracts) where a coal-fired electric generating unit has been retired after December 31, 2009, are treated as energy communities and renewable energy projects in these energy community census tracts are eligible for a 10-percent bonus credit. We recommend that guidance clarify that a coal-fired electric generating unit retirement includes conversions of coal-fired units occurring after December 31, 2009, to cleaner energy generation, including a natural gas or hydrogen burning facility, qualify for the energy community bonus credit. Further, we recommend Treasury and the IRS provide guidance on the retirement of co-generation plants for the purposes of energy communities under section 45(b)(11)(B)(iii).

We also recommend Treasury and the IRS provide a transition rule that allows for a qualifying renewable electric generating facility to qualify for the energy community bonus credit before the retirement of a coal-fired electric generating unit if the coal-fired electric generating unit is retired within a two-year period after the renewable facility is placed in service. This will ensure grid reliability and certainty as we transition to renewable resources.

² As in effect the day before enactment of the Revenue Reconciliation Act of 1993. See section 50(d).

Thank you for considering our comments. If you have any questions or wish to discuss our comments further, please do not hesitate to reach out to Jennifer Janecek at 1-608-458-3999 or JenniferJanecek@alliantenergy.com.

Sincerely,



Robert Durian
Executive Vice President and Chief Financial Officer



Jennifer Janecek
Assistant Vice President, Corporate Tax and Property Accounting

cc: Thomas West, Deputy Assistant Secretary (Tax Policy), Department of the Treasury
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