

Comment from Aluminum Extruders Council

On behalf of the Aluminum Extruders Council, we hereby submit the following comments in response to the request for comments from the U.S. Department of Treasury and the Internal Revenue Service on the prevailing wage, apprenticeship, domestic content, and energy community requirements in the Internal Revenue Code, as amended or added by the Inflation Reduction Act. Specifically, AEC provides comments regarding the domestic content requirement, in response to the request for comment from Treasury and IRS regarding whether the term “manufactured product” with regard to the various technologies eligible for the domestic content bonus credit needs further clarification. Please see attached narrative.



November 4, 2022

VIA REGULATIONS.GOV

Internal Revenue Service
CC:PA:LPD:PR (Notice 2022-51)
Room 5203, P.O. Box 7604
Ben Franklin Station
Washington, DC 20044

Re: IRS-2022-0051: Comments of Aluminum Extruders Council on the Inflation Reduction Act’s Prevailing Wage, Apprenticeship, Domestic Content, and Energy Communities Requirements

To Whom It May Concern:

On behalf of the Aluminum Extruders Council (“AEC”), we hereby submit the following comments in response to the request for comments from the U.S. Department of Treasury (“Treasury”) and the Internal Revenue Service (“IRS”) on the prevailing wage, apprenticeship, domestic content, and energy community requirements in the Internal Revenue Code (the “Code”), as amended or added by the Inflation Reduction Act (“IRA”).¹ Specifically, AEC provides comments regarding the domestic content requirement, in response to the request for comment from Treasury and IRS regarding whether the term “manufactured product” with regard to the various technologies eligible for the domestic content bonus credit needs further clarification.²

The AEC is an international trade association whose members represent a significant percentage of aluminum extrusion production in the United States, with more than 90 extrusion operations across over 35 states. AEC members employ many American workers across the

¹ See Request for Comments on Prevailing Wage, Apprenticeship, Domestic Content, and Energy Communities Requirements Under the Act Commonly Known as the Inflation Reduction Act of 2022, Notice 2022-51.

² See *id.* at 14.

country, in addition to supporting jobs in other industries. In 2010, several AEC members formed the Aluminum Extrusions Fair Trade Committee (“AEFTC”) – an ad hoc coalition of U.S. aluminum extrusions manufacturers – to file antidumping and countervailing duty petitions against imports of aluminum extrusions from China. The AEFTC participates as petitioner in these proceedings before the U.S. Department of Commerce.

Aluminum extrusions are used in a wide variety of products and industries, including transportation, building and construction, infrastructure, consumer, industrial, healthcare, and defense and aerospace. These include critical infrastructure industries as well as clean energy applications, including for electric vehicles, solar energy components, and wind energy components, the very types of renewable energy products referenced in the IRA. AEC supports the enactment of the IRA, which is intended to encourage U.S. clean energy production and to support critical domestic manufacturing industries. AEC welcomes the opportunity to submit comments to assist Treasury and the IRS in applying the IRA’s provisions in a manner that best effectuates the intent of the statute and maximizes the benefits provided to domestic manufacturers and American workers.

AEC submits that the term “manufactured product” for purposes of the domestic content requirement requires clarification, particularly where the qualified facilities at issue are solar energy facilities or wind facilities. Aluminum extrusions are a key component of solar energy products and systems, such as mounting and racking systems. The lightweight and low-maintenance nature make aluminum extrusions an excellent choice for solar panel mounting systems, whether for industrial roofs, residential roofs, or large and/or utility scale ground-mount

systems.³ Aluminum extrusions are also a key component of wind towers.⁴ The internals of a wind tower are largely made from aluminum extrusions. The platforms, ladders, and brackets are also made of extruded aluminum.

AEC submits that the “manufactured product” in qualified solar energy facilities for purposes of the domestic content requirement should be interpreted to refer to the structural fasteners used in a solar panel mounting system or racking system. In Section 45X of the Code, as added by the IRA, advanced manufacturing production credits are available for each of solar modules, photovoltaic cells, photovoltaic wafers, solar grade polysilicon, torque tubes or structural fasteners, and polymeric backsheets.⁵ Consistent with that statutory section, each of those products should be considered a “manufactured product.” Thus, the structural fasteners would need to be produced in the United States to qualify towards the total amount of manufactured products costs required for eligibility for the domestic content bonus credit. “Manufactured” for aluminum extruded products means extruded (*i.e.*, an aluminum billet being pushed through an extrusion press) in the United States, as is well established in the industry.

If the “manufactured product” is considered to be something larger than the products identified in Section 45X, such as the entire mounting or racking system, or even the entire solar array, the structural fastener would still be a component of that manufactured product. As such, the structural fasteners would need to be produced in the United States in order for that system or array to qualify that towards the total amount of manufactured products costs required for eligibility for the domestic content bonus credit.

³ *Aluminum Extrusions in Energy*, Aluminum Extruders Council, <https://aec.org/energy> (last accessed Oct. 31, 2022).

⁴ *See id.*

⁵ 26 U.S.C. § 45X(c).

Interpreting “manufactured products” in order to require that products like structural fasteners be U.S.-produced is consistent with the statutory language and furthers the objective of encouraging more domestic manufacturing of products used in clean energy applications expressly identified in the IRA and supporting critical domestic industries.

With respect to qualified wind energy facilities, the “manufactured product” for purposes of the domestic content requirement should be interpreted to refer to the wind towers. In Section 45X of the Code, as added by the IRA, advanced manufacturing production credits are available for each of blades, nacelles, towers, offshore wind foundations, and related offshore wind vessels.⁶ Consistent with that statutory section, each of those products should be considered a “manufactured product.” Thus, the wind towers, including all the components, would need to be produced in the United States to qualify towards the total amount of manufactured products costs required for eligibility for the domestic content bonus credit. Again, “manufactured” for aluminum extruded products means extruded (*i.e.*, an aluminum billet being pushed through an extrusion press) in the United States, as is well established in the industry.

If the “manufactured product” is considered to be something larger than the products identified in Section 45X, such as the entire wind turbine, the wind towers would still be a component of that manufactured product. As such, the towers, including all the components, would need to be produced in the United States in order for that wind turbine to qualify towards the total amount of manufactured products costs required for eligibility for the domestic content bonus credit.

Interpreting “manufactured products” in order to require that products like wind towers be U.S.-produced is consistent with the statutory language and furthers the objective of encouraging

⁶ *Id.*

more domestic manufacturing of products used in clean energy applications expressly identified in the IRA and supporting critical domestic industries.

The AEC requests that the Treasury and IRS issue guidance regarding the domestic content requirement in the IRA in accordance with the above.

If you have any questions regarding this submission, please do not hesitate to contact us.

Respectfully submitted,

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