



November 4, 2022

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

Re: 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

To Whom It May Concern,

I am submitting these comments on behalf of the California Solar & Storage Association (CALSSA), a trade association of nearly 700 businesses involved in the local solar and storage industry in California. CALSSA's membership comprises installers, manufacturers, financiers, distributors and others across the solar industry in California, which employ over 86,000 people.

.02 Apprenticeship Requirement

(1) Section 45(b)(8)(C) provides that each taxpayer, contractor, or subcontractor who employs four or more individuals to perform construction, alteration, or repair work with respect to a qualified facility must employ one or more qualified apprentices from a registered apprenticeship program to perform that work. What factors should the Treasury Department and the IRS consider regarding the appropriate duration of employment of individuals for construction, alteration, or repair work for purposes of this requirement?

We recommend that clarification be provided as to how temporary employees will be considered for apprentice ratio calculations. For construction work, we recommend using an hourly ratio to determine whether labor hour requirements have been met (i.e. hours of work performed by apprentices vs. hours of work performed by non-apprentices).

.03 Domestic Content Requirement

(1) (b) What should the Treasury Department and the IRS consider when determining "completion of construction" for purposes of the domestic content requirement? Should the "completion of construction date" be the same as the placed in service date? If not, why?

We recommend using the date of authority having jurisdiction (AHJ) inspection to determine the year to which a project must meet domestic requirements instead of the placed in service date since utility upgrades could push a project to a following year with a higher content requirement.

(1) (d) What records or documentation do taxpayers maintain or could they create to substantiate a taxpayer's certification that they have satisfied the domestic content requirements?

To simplify the documentation process, we recommend that manufacturers be required or encouraged to provide product-level certifications instead of having to request a project-specific document for each item procured.

.04 Energy Community Requirement

(7) Please provide comments on any other topics relating to the energy community requirement that may require guidance

Will the IRS provide maps to identify locational adders, such as the Energy Community and Low-Income adders? We request that the IRS provides maps to remove uncertainty around site eligibility.

.05 Increased Credit Amount for Qualified Facility With Maximum Net Output of Less than 1 Megawatt

Section 45(b)(6)(A) provides for an increased credit amount in the case of any qualified facility that satisfies the requirements of § 45(b)(6)(B). One way that a qualified facility can satisfy the requirements of § 45(b)(6)(B) is if it is a facility with a maximum net output of less than 1 megawatt (as measured in alternating current). Similarly, § 48(a)(9)(A) provides for an increased credit amount in the case of any energy project that satisfies the requirements of § 48(a)(9)(B), and one way that an energy project can satisfy the requirements of § 48(a)(9)(B) is if it is a project with a maximum net output of less than 1 megawatt of electrical (as measured in alternating current) or thermal energy. Sections 45Y(a)(2)(B) and 48E(a)(2)(A) also provide similar rules. Does the determination of when a facility or project will be considered to have a maximum net output of less than 1 megawatt need further clarification? If so, what should be clarified?

Clarification is needed on how combination projects will be treated in regards to the adders. For example, with a solar-only project that has both rooftop and canopy solar scenario, the steel and racks used for the carport could meet the domestic manufacturing requirements while the racks on the roof may not. In this scenario, could the carport solar receive the domestic manufacturing adder? Another example would be sites with solar and storage. If the solar meets the requirements for the domestic manufacturer adder but the storage does not, do the solar and storage apply separately and receive a different credit percentages?

We recommend that projects have the option of receiving different adder amounts for separate technologies and systems located on a single customer premises.

Respectfully,

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