The following are the comments of the Maine Labor Climate Council to the Request for Comments on Elective Payment of Applicable Credits and Transfer of Certain Credits, Notice 2022-50.

The Maine Labor Climate Council (MLCC) is a coalition of 12 labor unions from the public and private sectors. We were formed in 2022 to serve as the voice of Maine labor in simultaneously addressing global climate change and income inequality.

From 2009-2011, The American Recovery and Reinvestment Act's Section 1603 Cash Grant program allowed renewable tax credit recipients to elect to receive cash grants in lieu of tax credits. Under the Section 1603 program, the Treasury made payments within 60 days after receiving a completed application from a qualified applicant.1 Regulations for the Inflation Reduction Act's Elective Payment of Applicable Credits should be similarly structured, but should shorten the 60-day payment window to a 30-day payment window.

In most cases, a public entity or nonprofit organization will require debt financing to cover the high upfront project costs of a renewable project, using the Inflation Reduction Act's Elective Payment provision to pay down a substantial portion of loan principal. Longer wait times for elective payment will cause higher interest costs to accumulate. The Treasury should adopt rules similar to those set by the Bureau of Fiscal Service for prompt payment, which specifies that agencies must pay recipients within 30 days, and that late payments will accrue interest to reflect the costs of delayed payment.[1]

[1] https://www.fiscal.treasury.gov/prompt-payment/faqs.html