



**BEFORE THE DEPARTMENT OF THE TREASURY AND THE INTERNAL REVENUE SERVICE**

**NOTICE 2022-51**

**REQUEST FOR COMMENTS ON PREVAILING WAGE, APPRENTICESHIP, DOMESTIC CONTENT, AND ENERGY COMMUNITIES REQUIREMENTS**

COMMENTS BY PRESSURE CORP REGARDING THE NOTICE 2022-51 TO INFORM THE IMPLEMENTATION OF THE INFLATION REDUCTION ACT OF 2022.

**1. INTRODUCTION**

Pressure Corp seeks to inform the Treasury Department and Internal Revenue Service how they can support the rapidly growing waste pressure industry by increasing clarity to the applicability of waste pressure technology by responding to Notice 2022-51: on Prevailing Wage, Apprenticeship, Domestic Content, and Energy Communities Requirements.

Pressure Corp supports the agencies' efforts to inform the implementation of the Inflation Reduction Act (IRA) and its goal to accelerate the deployment of climate and clean energy solutions. To support efforts, Pressure Corp provides comments in favor of an approach that guarantees access to IRA benefits for non-conventional technologies that generate clean energy and reduce emissions.

Pressure Corp is a specialized financier and developer of waste pressure<sup>1</sup> to power projects, distributed energy infrastructure projects that transform waste pressure in pipelines into clean electricity. Pressure Corp utilizes turboexpander generator technologies to generate clean electricity from the heat released when pressure release valves drop the pressure on fluids within pipelines.

**2. COMMENTS ON SPECIFIC ISSUES**

Pressure Corp is submitting comments to the Treasury Department and the IRS to address the following specific issues:

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<sup>1</sup> "Waste pressure" is energy in the form of heat that is released when the temperature of a fluid decreases as the pressure placed on that fluid is dropped. This is characterized by the thermodynamic principle known in physics as the Joules-Thompson Effect.



## .02 Prevailing Wage Requirement.

### **Request for Clarification:**

Further clarification is required concerning, '*§ 45(a)(2)(A)(ii), the alteration or repair of such facility, are paid wages at rates not less than the prevailing rates for construction, alteration, or repair.*'

Does the Secretary deem routine and planned maintenance as repair? Within any utility project scheduled maintenance is required but would not be considered repair or an alteration. Stronger definition of the terms '*construction, alteration or repair*' in respect to maintenance is required to ensure appropriate contractors are sourced.

## .04 Domestic Content Requirement.

### **Problem:**

Section 45(b)(10)(D)(i) '*provides that the Secretary is to provide exceptions to the requirements under § 45(b)(10)(D) if (1) the inclusion of steel, iron, or manufactured products that are produced in the **United States increases the overall costs of construction of qualified facilities by more than 25 percent***'

The 25 percent threshold as defined in Section 45(b)(10)(D)(i) creates significant concerns for the ability to finance projects by developers who rely on US manufacturers. Consideration must be afforded to ensure that US manufacturers are not artificially raising prices by using the 25 percent threshold as a price floor. The proposed thresholds creates an environment for manufacturers to leverage the benefits of the ITC against developers while passing on inflated costs to ratepayers.

Encouraging a competitive hardware market is necessary to maintain equitable power prices and grid security. Clean energy developments have limited margin and rises in capital expenditures can result in the cancellation of projects. Developers in response will increase the levelized cost of energy to recoup costs and therefore increase the price of energy to ratepayers.

### **Recommendation:**

Pressure Corp recommends that the Secretary implement controls to ensure manufacturers are not artificially raising prices and to place the onus of proving price increases within the responsibility of manufacturers and not the developer.



### 3. CONCLUSION

Pressure Corp would like to thank the Treasury Department and the IRS for the opportunity to submit these comments regarding this important matter.

We look forward to further participation in this proceeding.

Respectfully submitted this fourth day of November, 2022.

A handwritten signature in black ink, appearing to read "Mihir Desu".

Mihir Desu  
Co-Founder  
**Pressure Corp**