

November 16, 2022

Charles P. Rettig
Commissioner
1111 Constitution Ave. NW
Washington, DC 20224

Re: Energy Workforce and Technology Council Comments on Aspects of Extensions And Enhancements Of Energy Tax Benefits In The Inflation Reduction Act (Updated 11-16)

Request for Comments on Elective Payment of Applicable Credits and Transfer of Certain Credits (Notice 2022-50) Docket ID IRS-2022-0024

Dear Commissioner Rettig:

Energy Workforce and Technology Council (“Energy Workforce”) appreciates the opportunity to comment on the U.S. Department of Treasury (“Treasury”) questions informing the review and preparation of the Inflation Reduction Act Clean Energy Tax Provisions. We commend Treasury’s efforts to seek clarity and consistency regarding the expansion of existing tax credits as well as the creation of new credits.

Energy Workforce represents more than 300 energy technology and services companies working to deliver safe, profitable, and sustainable lower-carbon products. Like the rest of the energy sector, the companies that comprise our membership are diverse in size, scope, and governance models. Our members represent the spectrum from private sole proprietorships, to publicly held companies with thousands of employees.

Energy Workforce members are leading in the development of lower carbon technology such as CCUS, methane leak detection and mitigation technology, geothermal, offshore wind support, hydrogen, and other new technologies. The Inflation Reduction Act Clean Energy Tax Provisions provide an opportunity for companies developing these clean energy technologies to expand current projects and invest in new innovations. To accomplish the intended purpose with these credits, Treasury should ensure credits are easily attainable for companies that have qualifying projects. Additionally, Treasury should ensure major extraneous issues, such as supply chain or labor constraints stemming from the pandemic recovery, do not disqualify entire industries from utilizing these credits.

Energy Workforce appreciates the opportunity to provide these comments and looks forward to working with Treasury to ensure that a wide variety of American companies can benefit from these credits.

Energy Workforce believes Section 45X has the potential to encourage manufacturers with otherwise idle capacity, who have sustained significant losses during the economic downturn, to diversify or redirect their manufacturing scope to include the production of § 45X eligible components. The provision of two successive § 6417(d)(1)(D)(i) elections would ensure taxpayers with pre 2023 net operating losses, from unrelated activities, are not disadvantaged in terms of their ability to monetize the benefits of the credit concurrent with the related manufacturing (and start-up) activities.

In addition, Energy Workforce urges Treasury to clarify in its rulemaking process that the “eligible component” definition for 45X subsection c that the definition includes “any other equipment provide to reduce emissions during its operations” as well as the listed equipment in order to ensure that all emissions lowering equipment is fully described in the definition.

Energy Workforce looks forward to working with Treasury as the implementation of the Inflation Reduction Act moves forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Tim Tarpley". The signature is fluid and cursive, with a long, sweeping underline.

Tim Tarpley
SVP Government Affairs
Energy Workforce & Technology Council