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February 26, 2024

Ms. Aviva Aron-Dine Acting Assistant Secretary for Tax Policy
U.S. Department of the Treasury
1500 Pennsylvania Ave., NW
Washington, D.C. 20220

Mr. Daniel Werfel
Commissioner of Internal Revenue Service
Internal Revenue Service
1111 Constitution Ave., NW
Washington, D.C. 20224

Mr. William M. Paul
Acting Chief Counsel, Deputy Chief Counsel (Technical)
Internal Revenue Service
1111 Constitution Ave., NW
Washington, D.C. 20224

Dear Ms. Aron-Dine, Mr. Werfel and Mr. Paul:

Alliant Energy is responding to the request for comments in IRS Notice 2023-0066, Section 45V Credit for Production of Clean Hydrogen (REG-117631-23).

Background

Alliant Energy is an electric and gas utility company headquartered in Madison, Wisconsin, which serves one million electric customers and more than 400,000 natural gas customers across primarily rural areas of Iowa and Wisconsin. We have approximately 3,300 employees, of which about 1,800 are union members.

As a proud clean energy leader, Alliant Energy is investing more than $2.5 billion in solar energy assets, and since 2016 has invested more than $2 billion in wind energy assets. We are the third-largest regulated owner-operator of wind energy in the country, with nearly 1,800 MW of installed, renewable capacity. In addition, our twelve utility-scale solar projects in Wisconsin will produce nearly 1,100 megawatts – the most solar energy in the state.

We are also investing in energy storage assets as part of our clean energy blueprint and executing our strategy as we aspire to achieve net-zero greenhouse gas (GHG) emissions by

2050 from our utility operations. Alliant Energy has made these significant investments in clean energy technology while maintaining affordable rates and helping customers avoid long-term costs. Please visit our website to learn more about our clean energy vision.[1]

Alliant Energy is focused on strengthening the communities we serve in large part through significant investments in zero-emission technology to continue bringing low-cost clean energy to all the communities we serve. By living our value of "Make Things Better," we are striving to make a difference, knowing that it will enhance economic development in Iowa and Wisconsin while also promoting environmental justice for all.

We are proud to serve our customers as they prepare for the use of tax credit opportunities under the Inflation Reduction Act (IRA). For our customers to benefit from these tax incentives and advance the goals of the IRA, Alliant Energy has several recommendations to the proposed guidance issued on December 22, 2023 by the U.S. Treasury Department and IRS for claiming IRC Section 45V Clean Hydrogen Production Tax Credits.

Recommendations

Alliant Energy encourages the Treasury and IRS (in coordination with the Department of Energy) to recognize and appropriately credit grid-scale renewables as part of the updated GREET model through its tax credit eligibility provisions to reduce model calculated life-cycle carbon intensity (CI) scores. As proposed, "*the location of an electricity generation source and the location of a hydrogen production facility will be based on the balancing authority to which it is electrically interconnected (not its geographic location), with each balancing authority linked to a single region. The MISO balancing authority is an exception because it is split into two U.S. regions as shown in the map located at GREET User Manual as of December 26, 2023*." Utilities, including Alliant Energy, often publish utility specific greenhouse gas emission information for customers, annually. This utility specific information, where available, should be able to be used as an alternative to the balancing authority region approach.

The proposed rule also describes how hydrogen facilities can utilize energy attribute certificates (EACs) to further lower the GHG emission intensity of their energy. EACs can only be qualified if they meet the proposed incrementality, temporal matching, and deliverability requirements. The following comments are provided related to EACs:

- Regarding incrementality, new clean electricity must be placed in service less than 36 months prior to a hydrogen facility being placed into service. Alliant Energy requests this time period be extended to allow for more renewable energy facilities to have the potential to generate EACs to appropriately recognize the amount of renewable energy that has been added over the past decade and align with other renewable eligibility programs. For example, renewable energy facilities are eligible to become Green-e® certified if they have been built within the last 15 years. Furthermore, Treasury and IRS have proposed to allow "five percent" of existing facilities placed in service before January 1, 2023, to satisfy the incrementality requirement. Alliant Energy also requests this percentage be increased to at least ten percent to allow for more renewable

[1] https://www.alliantenergy.com/cleanenergy/ourenergyvision/responsibilityreport/cleanenergyvisiongoals

generation to qualify. Additionally, it is our recommendation that repowered renewable facilities (meeting the 80/20 rule requirements[2]) should be treated as new clean electricity for purposes of this requirement.

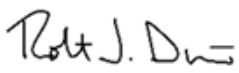
- Regarding temporal matching, EACs are only available if the electricity generated occurs in the same hour that the hydrogen production facility uses that electricity beginning January 1, 2028. Currently, Alliant Energy is not aware of any tracking systems with the capability to satisfy the temporal matching requirements. Treasury and the IRS should continue to allow for annual matching until such systems are fully implemented. In addition, the guidance and rule should provide additional information and address battery-provided energy to the grid as it relates to this temporal matching requirement. Finally, temporal matching should be applied consistently (annual versus hourly) for the duration of a project's tax credit period based on when a project starts construction. For example, a project that starts construction prior to January 1, 2028, would use annual matching for the entire 10-year PTC period. This safe harbor approach based on beginning of construction requirements is consistent with established guidance for renewable tax credits.

- Regarding deliverability, as previously mentioned in our recommendations above, Alliant Energy requests that hydrogen production facilities have the ability to use their utility-specific GHG emission information, where available.

Alliant Energy fully supports the GREET model as a preferred methodology for calculating lifecycle carbon emission reductions related to Section 45V Clean Fuel Production Tax Credits with the modifications noted above. Alliant Energy recommends that any future guidance that includes incrementality, temporal matching and/or deliverability follow the recommendations we have outlined in this letter for Section 45V. This will ensure a reasonable approach for our customers to take full advantage of the various IRA tax incentives while reducing carbon emissions as intended.

Thank you for consideration of these comments and ensuring that the benefits of current and future renewable energy resources are fully realized.

Sincerely,



Robert Durian
Executive Vice President and Chief Financial Officer

[2] Per IRS requirements, a repowered facility may be considered "new" even if it contains some used property if the fair market value of the used property is not more than 20% of the facility's total value.