



IRA Guidance Today Leads to Jobs Tomorrow




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Inflation Reduction Act

The Inflation Reduction Act is aimed squarely at building a better America and delivering on President Biden's vision to make sure the United States—powered by American workers—remains the global leader in clean energy technology, manufacturing, and innovation. The Inflation Reduction Act's \$370 billion in investments will lower energy costs for families and small businesses, accelerate private investment in clean energy solutions in every sector of the economy and every corner of the country, strengthen supply chains for everything from critical minerals to efficient electric appliances, and create good-paying jobs and new economic opportunities for workers.


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IRS Guidance: Get the Answers You Need

- IRS Guidance
 - How is the IRA bringing all the pieces of the clean energy space together?
 - Financing principals
 - Contract structures
 - Project fundamentals
 - Domestic content and supply chains
- Bonus, qualifications, incentives and direct pay

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IRA Highlights

Investment Tax Credit (ITC)

Solar systems that are placed in service in 2022 or later and begin construction before 2033 are eligible for a 30% ITC. For systems 1MW and larger, Union Labor/Prevailing Wage will capture the 30% ITC if all the Treasury Departments conditions are met.

Non-unions installs fall to 6% ITC

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China IRA Guidelines

The “**American Tax Dollars for American Solar Manufacturing Act**” was introduced yesterday by a bipartisan group of senators: Republicans Bill Cassidy and Rick Scott and Democrats Jon Ossoff and Sherrod Brown. It aims to **prevent Chinese-owned solar manufacturers**—the largest in the world—from **benefitting from the tax incentives** included under the Inflation Reduction Act (IRA).

[Link: Excluding China from IRA Benefits](#)

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IRA Highlights

Adder Bonus

Energy Community Tax Credit Bonus – 10%*

- Metropolitan Statistical Area (MSA) or Non-MSA
 - (At least 50,000 people in the City and surrounding metro area.)
- Coal Closure Communities **or** Qualifying Census Tract Communities

[Energy Community Tax Credit Bonus FAQ](#)

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IRA Highlights

Adder Bonus

- Disadvantaged Communities/Low Income – 10% bonus
 - An application must be approved
- Domestic Content Bonus – 10%
 - Solar Panels, inverters, and electrical gear – The goods must initially be 40% U.S. manufactured and will continue to increase in the future. This credit will be reduced to 2% if you don't meet labor requirements.
- American Steel – 2%
 - 100% of steel and iron must be US manufactured in the United States.

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Interactive Adder Maps

- U.S. Department of Energy Low- Income Communities Bonus Credit Program [link](#)
- U.S. Department of Energy- Energy Community Tax Credit Bonus [link](#)
- U.S. Department of Energy- Energy Justice/Disadvantaged Communities [link](#)

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“**Diverse power grids** are critical for reliability, and now we see just how critical they are for affordability,” he noted. “With **wind and solar** only making up an abysmal **two percent** of resources in this auction, but the overwhelming majority of PJM’s project queue, it is clearer than ever that PJM needs to rapidly scale up **new energy resources to protect customers and resilience.**”

-Tom Rutigliano, Senior Advocate, Climate & Energy
Natural Resources Defense Council
PJM Interconnection
[Link: Skyrocketing PJM Energy Prices](#)

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Reach Your Client Base

- Target Incentivized Areas
- Identify Reputable Qualifying Vendors
 - Domestic Content and/or steel
- Target Eligible Recipients
 - Solar, geothermal, small wind, fuel cell, microturbine, energy storage, waste energy recovery, biogas, microgrid controllers, electrochromic glass and combined heat and power properties.
- Bonus Credit Available
 - Credit is increased by 5 times for projects meeting **prevailing wage** and registered **apprenticeship** requirements.

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Facing a Labor Shortage?

- Starting your own apprenticeship program
 - What do you need?
 - What are the costs?
 - Dept. of Labor and other standards?

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Expanding Rural Opportunities

- The Act significantly expands the Rural Energy for America Program, which **supports rural small businesses** and agricultural producers with clean energy and energy efficiency upgrades. The Act also provides more than **\$9 billion to assist rural electric cooperatives**, which serve more than 21 million businesses, homes, and farms, in boosting resilience, reliability, and affordability, including through clean energy projects.

[How IRA Helps Small Businesses Link](#)

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How the IRA helps Rural Communities

- **Rural electric cooperatives**, which serve 42 million customers, resources to advance clean energy projects, energy efficiency improvements, zero-emission systems, and more. And for the first time, these **co-ops** will now be **eligible for direct-pay clean energy tax credits**. [Fact Sheet Link](#)
- With the Inflation Reduction Act's direct pay, **tax-exempt and governmental entities** will now be able to **receive** a payment equal to the **full value of tax credits** for building qualifying **clean energy projects**. [Direct Pay Through IRA Link](#)

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