

Renewable Credits - §13101, 13102

- The full value ITC (30%) and PTC (2.6c/kWh¹) for wind and solar are extended until 2025, transitioning to a tech-neutral ITC or PTC credit available to all generation facilities with a greenhouse gas emissions rate of zero. Tech-neutral credits begin phasing out the later of 2032 or when annual greenhouse gas emissions from the production of electricity in the U.S. are 25% or less of the annual GHG emissions level in 2022.²
- Additive bonus credits available for projects: *domestic content objectives (10%), placed in energy communities (10%), or sited in low-income communities (10-20%).*³
- Starting 60 days after the issuance of relevant Treasury guidance, the ITC and PTC are modified to provide two different credit values: a base rate and a bonus rate. The bonus rate is five times the base rate and applies to projects that meet wage and apprenticeship requirements. A taxpayer must satisfy both requirements to receive the bonus credit rate. In the event the taxpayer fails to satisfy any of these requirements, there is an option to address the discrepancy and claim credits while paying a penalty to the Treasury.
- Specific PTC provisions through 2025 for offshore wind, geothermal, hydropower and clean hydrogen,⁴ subsequently eligible for technology-neutral credits through 2032.

Energy Storage - §13102

New 30% ITC for stand-alone energy storage.

Transmission - §50151-50153

No new transmission ITC is included in IRA, but:

- \$2 billion to cover the direct costs of loans for construction and modification of transmission deemed in the national interest.
- \$760 million in grants for permitting and siting and for economic development in communities with transmission builds.
- \$100 million for modeling and analysis.

Advanced Energy Manufacturing - §13501, 13502

Provides tax credits to support energy reliability with historic investments in American clean energy manufacturing.

- \$10 billion for extension of the 48C Advanced Energy Project Credit for clean technology manufacturing facilities that produce wind turbines, solar panels, energy efficiency

¹ Indexed to inflation.

² See §13701, 13702.

³ Subject to 1.8 GW annual cumulative cap. See §13103.

⁴ See §13204.



Inflation Reduction Act of 2022

ACORE Summary of the Clean Energy & Transmission Provisions

technologies, electric vehicles, etc., with at least \$4 billion earmarked for brownfield or coal energy communities.

- Advanced Manufacturing Production Tax Credit for solar, wind, and battery components, along with critical mineral processing.

Direct Pay - §13801

Direct pay for nonprofit entities, co-ops, state and local governments (public power), and tribes for all credits. Note: *A direct pay election for the hydrogen, carbon capture, and component manufacturing credits can be made by any taxpayer.*

Credit Transferability - §13801

Transferability of the other energy credits for for-profit entities. The statute is silent on the treatment of recapture of ITCs.

Funding for Permitting §50301- 50303

Additional funding for federal agency environmental review and permitting activities.

Offshore Wind Leasing Tied to Oil and Gas Leasing Minimum - §50265

Establishes a 10-year time frame during which a lease for offshore wind cannot be issued unless an oil and gas lease sale of 60 million acres or more has also been held in the prior year.

Eliminates Offshore Wind Moratorium in SE - §50251

Withdraws the Trump Administration's moratorium on offshore wind leasing in the southeastern U.S and provides direction on offshore wind leasing in U.S. territories.

Extended Carryback - §13801

For taxable years beginning after December 31, 2022, a 3-year carryback (instead of a 1-year carryback) is included for certain credits (the ITC, the PTC, carbon capture, the technology-neutral ITC and PTC, the clean hydrogen credit, the advanced manufacturing credit, the clean fuel production credit, and the section 48C credit for qualifying advanced energy projects).

Service Contract Safe Harbor - §13102

The act extends the service contract safe harbor currently available for alternative energy facilities to contracts for the operation of a storage facility.

Special Treatment Under the Corporate Minimum Tax - §10101

Renewable tax credits and depreciation benefits are both exempted from the 15% Corporate Book Minimum Tax provisions.