

November 4, 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

Request for Comments on Prevailing Wage, Apprenticeship, Domestic Content, and Energy Communities Requirements Under the Act Commonly Known as the Inflation Reduction Act of 2022 (Notice 2022-51) Docket ID IRS-2022-0025

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.

.03 Domestic Content Requirement

(a) Does the term “component of a qualified facility” need further clarification? If so, what should be clarified and is any clarification needed for specific types of property, such as qualified interconnection property?

(5) Please provide comments on any other topics relating to the domestic content requirements that may require guidance.

Manufactured components:

The bill states that manufactured components are deemed produced in the United States if no less than the “adjusted percentage” of the total costs of all such manufactured products of such facility are attributable to manufactured products (including components) mined, produced or manufactured in the United States. The adjusted percentage is 20% for offshore wind projects.

It is our understanding that manufactured products would be deemed domestically produced so long as a threshold percentage of the total costs of manufactured products (including components) in a facility are mined, produced, or manufactured in the United States. This percentage would be 40% (or 20% in the case of offshore wind projects) for projects beginning construction before 2025, rising in steps to 55% after 2026. There would be a slower increase in the percentage for offshore wind projects.

Energy Workforce supports the domestic content requirement, however given the tremendous supply chain constraints our member companies currently face, we urge Treasury not to make the percentage calculation so stringent as to disqualify American companies constrained by this supply chain crisis. Including language that allows discretion until the crisis subsides would be beneficial.

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