



MESCC

OFFICE OF MANUFACTURING AND ENERGY SUPPLY CHAINS

Investing in America's Energy Future

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Manufacturing and Energy Supply Chains

MESC is the frontline of clean energy capital deployment.

Strengthening and scaling clean energy supply chains through transformative investments in *manufacturing*, *workforce development* and cutting-edge *energy manufacturing analytics*.



Domestic Manufacturing Conversion Grants (\$2 Billion)



Battery Materials Processing and Battery Manufacturing Grants Round II (\$6 Billion)



Advanced Manufacturing and Recycling Grants (\$750 million)



Qualifying Advanced Energy Project Credit (\$10 Billion)



Extended Product System (EPS) Rebate Program & Energy Efficiency + Transformers Rebate Program (\$20 Million)



Industrial Assessment Centers Implementation Grants (\$400 M)



MESC Energy Communities Investments to Date



**\$126 Million in MESC Selections
and Awards to
Energy Communities**



Genedge Alliance, Martinsville, VA
Michigan Strategic Fund, Lansing, MI
Talon Nickel LLC, Beulah, ND
Texas A&M Engineering, College Station, TX
West Virginia University, Morgantown, WV

Advanced Manufacturing and Recycling Grants (BIL 40209)

What

- \$750 million **competitive grants** to build new or retrofit existing manufacturing and industrial facilities to produce or recycle advanced energy property.

When

- Round I - \$350 million opportunity (February 2023), Expected Selections Announcement November 2023
- Round II - Forthcoming 2024

Who

- **Small- and medium-sized manufacturers** in communities where coal mines or coal power plants have closed

Why

- This program will support the establishment of a secure, resilient domestic energy supply chain, and the **revitalization of economies in energy communities**



Qualifying Advanced Energy Project Credit (48C)

What

- \$10 billion **investment tax** credit, of which \$4 billion is focused on energy communities

When

- At least one additional round of applications will be considered following the completion of the round currently underway.

Who

- Clean energy manufacturers & recyclers; critical materials processors, refiners, & recyclers; industrial facilities planning GHG emissions reduction

Why

- 48C will play a critical role in creating high-quality jobs, reducing industrial emissions, and increasing domestic production of critical clean energy products and materials.



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U.S. DEPARTMENT OF
ENERGY

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Policy

Catalyzing Economic Development in Energy Communities through the Inflation Reduction Act Tax Credits

Taresa Lawrence | Director
State, Local, Tribal, and Territorial Policy

October 20, 2023

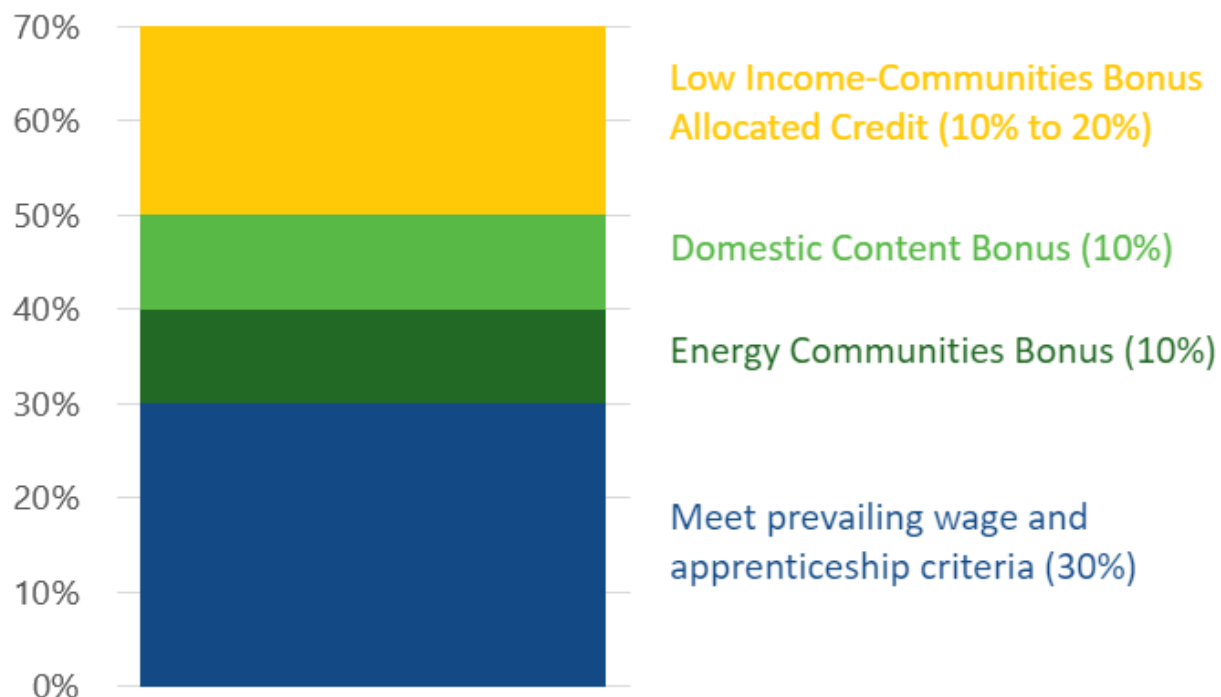


Clean Electricity IRA Tax Credits

	Technology-Specific 45 PTC, 48 ITC	Technology-Neutral 45Y PTC, 48E ITC
Credit	Available to commercial taxpayers installing certain energy or electricity equipment.	Available to commercial taxpayers installing new clean electricity facility (or expansion of existing).
Technologies	Each credit is technology specific , mostly covers all renewables. Some technologies able to chose one or the other.	Each credit is technology neutral , anything with zero or negative emission electricity qualifies.
Value	Credit (w/ prevailing wage and apprenticeship) is 30% for ITC, \$27.5/MWh for first 10 years for PTC. 5x lower w/o wage requirement.	Credit (w/ prevailing wage and apprenticeship) is 30% for ITC, \$27.5/MWh* for first 10 years for PTC.* 5x lower w/o wage requirement.
Bonuses	10% bonus for meeting energy community or domestic content requirements. Bonuses are stackable.	
Timeline	Extended for projects beginning construction before 2025. Then transitions to technology-neutral §48E ITC and §45Y PTC.	For facilities placed in service in 2025 or later. Four-year phaseout begins only after power sector emission reach 25% of 2022 levels.

Clean Electricity Investment Tax Credit Example

Total Investment Tax Credit



Credit is 5x lower if not meeting wage and apprenticeship criteria

Tax credits and bonuses can stack, creating possibly large credit values.

A hypothetical 1 MW community solar facility costing \$1 million could earn a **70% tax credit** worth \$700,000

If it is owned by a tax-exempt entity, this could be a **direct cash payment** from the IRS

Elective Pay – Cash for Clean Energy



Tax-exempt and governmental entities can now receive a **payment equal to the full value of clean energy tax credits** even though they do not owe taxes.



Tax credits earned through Elective Pay **can be combined with DOE grants and loans** with some limitations.



Eligible entities must complete a **pre-filing registration** and then claim the credit by filing a tax return with the IRS after the project or property is placed in service.

Consumer Tax Credits

energy.gov/save

Equipment type	Tax Credit Available for 2023-2032 Tax Years
Home Clean Electricity Products	
Solar (electricity)	30% of cost
Fuel Cells	
Wind Turbine	
Battery Storage	
Heating, Cooling, and Water Heating	
Heat pumps	30% of cost, up to \$2,000 per year
Heat pump water heaters	
Biomass Stoves	
Geothermal heat pumps	30% of cost
Solar (water heating)	
Efficient air conditioners*	30% of cost, up to \$600
Efficient heating equipment*	
Efficient water heating equipment*	
Other Energy Efficiency Upgrades	
Electric panel or circuit upgrades for new electric equipment*	30% of cost, up to \$600
Insulation materials*	30% of cost
Windows, including skylights*	30% of cost, up to \$600
Exterior doors*	30% of cost, up to \$500 for doors (up to \$250 each)
Home Energy Audits*	30% of cost, up to \$150
Home Electric Vehicle Charger	30% of cost, up to \$1,000**

*Subject to cap of \$1,200/year

** The IRS will soon publish further information on eligibility requirements related to home electric vehicle chargers, but we know that credits are intended for residents in non-urban or low-income communities.

Thank You!



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