

# Qualifying Advanced Energy Project Credit (§48C) Program



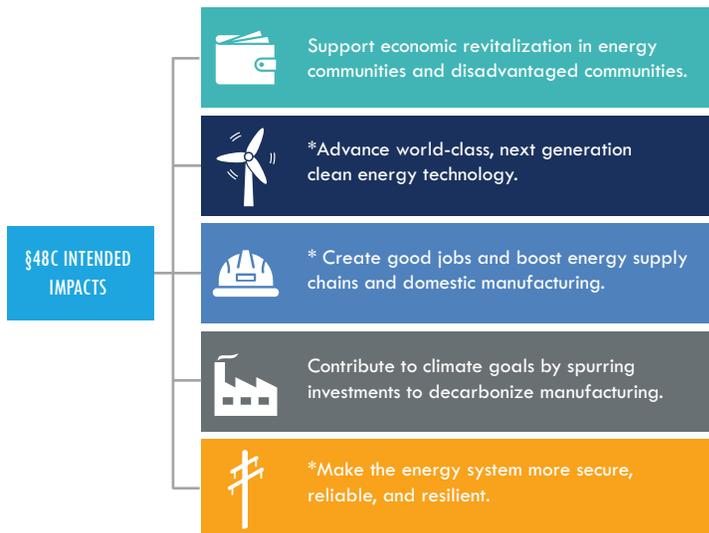
## §48C Program Overview

The Qualifying Advanced Energy Project Credit (§48C) was established by the American Recovery and Reinvestment Act of 2009. The program was expanded with a \$10 billion investment under the Inflation Reduction Act of 2022 to fund projects that achieve the following:

- o Expand clean energy manufacturing and recycling.
- o Expand critical materials processing and refining.
- o Reduce greenhouse gas (GHG) emissions at industrial facilities.

The U.S. Department of the Treasury and the Internal Revenue Service, in partnership with the U.S. Department of Energy's (DOE) Office of Manufacturing and Energy Supply Chains (MESCO), are administering the tax credits for investments in advanced energy projects, as defined in 26 USC §48C(c)(1). **Round 1 allocations will be announced by March 31, 2024. In January 2024, the Department of Treasury announced that they will issue a notice for the second round of allocations for the §48C Qualifying Advanced Energy Project Credit in the coming months.**

The §48C program will help to catalyze the nation's equitable transition to a clean, secure, affordable, and resilient energy system. The program will provide an investment tax credit of up to 30% of qualified investments for certified projects that meet prevailing wage and apprenticeship requirements. Of the total \$10 billion available, \$4 billion will be set aside for projects in designated energy communities.

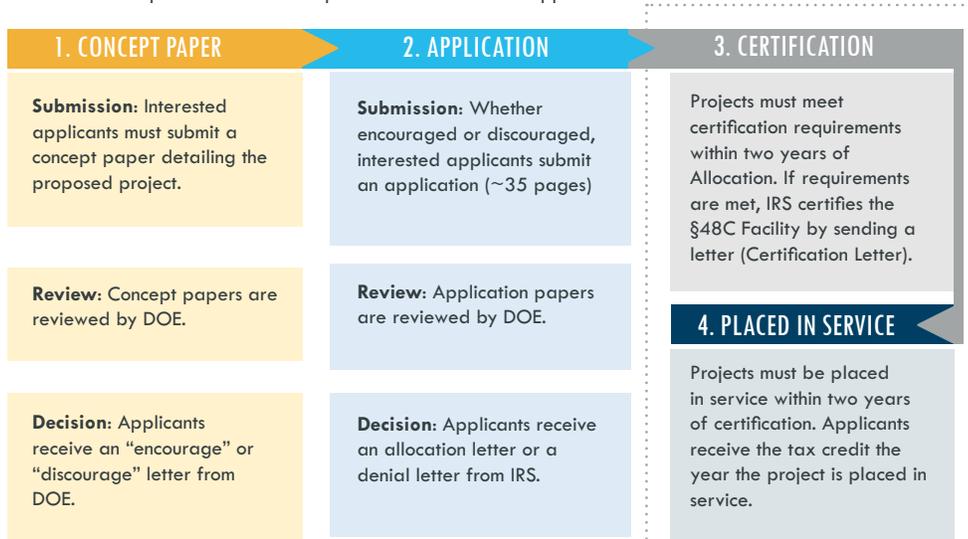


## Applying for the §48C Program Credit

Eligible entities for the §48C tax credit include clean energy manufacturers and recyclers; critical materials processors, refiners, and recyclers; and industrial facilities planning GHG emissions-reduction projects. Applicants should refer to Notice 2023-18 and Notice 2023-44 for detailed information and refer to the §48C webpage for all future program updates including announcements about a potential second round of allocations. Round 2 application actions will be performed on the §48C portal (<https://eco.energy.gov/48C/s/>). **All interested applicants must submit a concept paper to be eligible for full application submission.**

### §48C Concept Paper & Application Process

The §48C program may follow a two-stage application process, followed by certification and placed-in-service requirements for successful applicants



For successful applicants only

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## Technical Review Criteria

Merit review criteria is specific to each IRS published guidance. For example, below is a summary of Round 1 Merit Review Criteria. Additional guidance specific to future rounds will be issued by the IRS.

Eligible §48C(e) applications will be evaluated by DOE against technical review criteria reflecting **four major priorities**:



**Criterion 1:** Commercial Viability



**Criterion 2:** Greenhouse Gas Emissions Impacts



**Criterion 3:** Strengthening U.S. Supply Chains and Domestic Manufacturing for a Net-Zero Economy



**Criterion 4:** Workforce and Community Engagement

## Quicklinks:

Scan the QR codes below for more information on §48C



§48C Application Portal



Section §48C(e) Energy Community Census Tracts



IRS FAQ Page



Energy Communities IWG

## Energy Communities

Section 48C(e) Energy Communities are Census tracts that have ever had, since December 31, 1999, a closed coal mine or have ever had, since December 31, 2009, a retired coal-fired electric generating unit, and directly adjoining tracts, except for census tracts with applicants that previously received a § 48C credit allocation prior to the date of enactment of the IRA. To help applicants identify qualifying energy communities, there is a **map** and a full list of **qualifying Census tracts**.

Applicants proposing projects in energy communities should describe plans to utilize existing local and regional resources that previously supported coal, other energy, or automotive industries, including through transition opportunities for workers.

MESC is partnering with the Energy Communities IWG to advance clean energy transitions across the nation. Together, these groups are committed to paving the way for an equitable energy transition and spurring the development of clean energy projects to benefit Americans.

*NOTE, Section 48C(e) Energy Communities are distinct from Disadvantaged Communities or DACs.*



For more information on §48C, scan the QR code to visit [energy.gov/infrastructure/qualifying-advanced-energy-project-credit-48c-program](https://www.energy.gov/infrastructure/qualifying-advanced-energy-project-credit-48c-program)

For non-tax questions about the §48C tax credit program, please contact [48CQuestions@hq.doe.gov](mailto:48CQuestions@hq.doe.gov)



Interagency Working Group on Coal & Power Plant Communities & Economic Revitalization