Clean Energy Tax Credits (Inflation Reduction Act - Direct Pay)

INTRODUCTION

The Inflation Reduction Act (IRA) includes a provision that provides non-taxable entities investing in clean energy with a direct payment option instead of tax credits. Local leaders can utilize direct pay to reimburse a portion of eligible clean energy projects. Projects may include clean energy generation, battery storage, community solar projects, electric vehicle (EV) charging infrastructure, and/or purchasing clean vehicles for fleets.

GRANT APPLICATION BOOTCAMP GOALS

- Provide clear, actionable, and user-centered information on funding opportunities available to all local governments as part of the IIJA
- Raise cities' ambition for how they can leverage funds to deliver a big impact for their residents, specifically in relation to racial wealth equity, climate, and other important policy areas
- Provide focused support to resource-constrained communities to help them *identify funding opportunities and win more federal funds
- Elevate the collective efforts of local governments, philanthropic and civic sectors in their efforts to leverage federal infrastructure dollars for high-impact, outcomes-driven efforts

BOOTCAMP MODULES

Module 1, Orientation and Program Overview: Cities will receive an overview of the Inflation Reduction Act (IRA) Elective Pay process, including IRS registration and timelines.

Module 2, Understanding IRA Incentives Pt. 1: Clean Vehicles and Manufacturing: Cities will be provided with an overview of the r IRA Elective Pay eligible tax credits, exploring tax provisions for vehicles and manufacturing projects.

Module 3, Understanding IRA Incentives Pt. 2: Clean Energy & Fuels: Cities will deepen theirunderstanding of IRA Elective Pay eligible tax credits, continuing with tax provisions for eligible clean energy and fuels projects.

Module 4, Understanding IRA Incentives Pt. 3: Bonus Credits: Cities will dig into workforce development, domestic content, disadvantaged community and low-income community bonus credits.

Module 5, Elective Pay & Municipal Operations Pt. 1: Cities will learn about setting up internal stakeholders through case studies and lessons learned from city government.

Module 6, Elective Pay & Municipal Operations Pt. 2: Cities will explore the economics of clean energy projects, while leveraging other federal funds.

Module 7, Maximizing Community Benefits: Cities will learn how to develop community benefits agreements (CBAs) and how to approach and work with community partners.

Module 8, Packaging Your Project: Cities will assess their feasibility of potential Elective Pay projects and develop plans for implementation.

WHO SHOULD BE INVOLVED IN EACH SESSION?

Mayor: Participates in selective modules to spearhead goals and advocacy, review the impact story of draft applications, and implement long-term capacity-building measures
Grant Lead: Participates in all modules and is the primary point of contact for each participating city team
Community Engagement Lead: Participates in selective modules to help design community engagement strategies
Finance Lead: Participates in budget and capital stacks module

BOOTCAMP MEETING STRUCTURE

Peer Learning Sessions (Webinars): Interactive sessions featuring subject matter experts on the policy and grant approach.
Coaching Sessions: Smaller sessions that continue to build on specific application questions identified in the peer learning session.
One-on-One Consultations: Support in the form of designated time slots with our Subject Matter Experts (SMEs) and your team to address specific questions about your grant application.

SUPPORT DURING THIS BOOTCAMP

Navigator Team: Our Navigator is available to help answer the following kinds of questions:

- Bootcamp timelines
- Bootcamp schedules
- Participation expectations

Our Navigator for this grant is Prashansa Atreay who can be reached at: atreay@nlc.orc.

GRANT ELIGIBILITY

Tax-exempt and governmental entities that were generally unable to use tax credits can now benefit from clean energy tax credits using new options enabled by the Inflation Reduction Act of 2022. In some situations, other taxpayers can also benefit from the clean energy tax credits in new ways. To learn more from the IRS website, please Click Here.

PREPARING FOR THE BOOTCAMP

- Create an account at login.gov if you do not already have one.
- Register at SAM.gov or update registration to obtain a DUNS number.
  - Note: It can take almost a month after an applicant submits the SAM (System for Award Management) registration before the registration is active in the system. Please keep this in mind and create your account as early as possible.
  - Note: Existing SAM.gov registrants should check annually to confirm that their registration is active. Please ensure that your city's name, address, and EIN are up to date.
    - Getting started with your UEI:
      1. Sign in to SAM.gov.
      2. Go to Workspace (top right corner).
      3. Locate the Entity Management widget to find your UEI.
      4. Once you have the UEI, validate your entity's legal business name and physical address under Profile.

BOOTCAMP WEBSITE

The IRA/Clean Energy Website has all the information you need. The Modules and Resources section provides the dates/times and links for peer learning sessions, recordings, and slide decks from previous sessions, and office hours/coaching session info. To access the website, please Click Here.

- In each Module section, you will find relevant information and resources for that Module.

BOOTCAMP PEER SESSION REGISTRATION

You can register for all the peer learning sessions by Clicking Here.