

Qualifying Advanced Energy Project Credit (§48C)
Frequently Asked Questions
Updated on April 29, 2024 (version 9)

- 1. Do the Concept Paper and Concept Paper Workforce and Community Engagement Plan each require a title page? Does the title page count toward the maximum page count?**

The Concept Paper submission has been consolidated into a single document, and a template has been provided. Completing the template is all that is required. A separate title page is not required.

- 2. A project submitted for the 48(c) program has been recommended for allocation. Are there steps needed at this time to “accept” the allocation?**

No further action is needed by the allocated applicant at this stage.

- 3. What is the required documentation for certification?**

No further action is needed by the allocated applicant at this stage. IRS Notification letter included details on next steps on certification. Look for guidance on what documents that are required for certification soon.

- 4. Will there be a list of § 48C(e) Round 1 projects published publicly?**

After a 48C allocation recipient meets the steps required for certification, the IRS is required by statute to publish the name of the taxpayer and the amount of the allocation. Prior to this, your organization may voluntarily choose to share information about your allocation that can be included in upcoming public announcements made by the Department of Energy and/or U.S. Executive Office of the President. Applicants who received an allocation can review the form on the 48C Portal titled, “Optional 48C Announcement Participation Instructions and Attachment” for more information.

- 5. What are the implications of a change of location of the project after the concept paper phase but before the application phase?**

Changes in site address from the concept paper to the application stage are allowed. Please refer to § 8 of IRS Notice 2023-44.

- 6. Are applicants who were recommended for allocation allowed to change the planned location listed on the application for the facility?**

As mentioned in IRS Notice 2023 -18, if it is determined that the project has been placed in service at a location that is materially different than the location specified in the § 48C(e) application for such project, the certification is no longer valid. More specifically, Notice 2023-18, Sec. 8.01 states: “Moving the project to a census tract different than the tract stated in the concept paper and § 48C(e) application is a significant change.” This will result in a forfeiture of the § 48C credit allocation. Please refer to section 8 of IRS Notice 2024-36 for additional details.

- 7. My application was rejected but was encouraged in the Concept Paper phase.**

As mentioned in IRS Notice 2023 -18, upon request, the DOE will offer a debriefing once the application period ends. Requests for a debriefing must be received by the DOE no later than 30 business days from the date of IRS notification letter. The sole purpose of

the debrief is to provide DOE's impression of the strengths and weaknesses of the § 48C(e) application should applicants apply for future rounds of the § 48C(e) program or § 48C credit allocation programs. Applicants who qualify for a debriefing will be provided with a written response upon request.

- 8. My application was rejected, and I was discouraged in the Concept Paper phase.**
As mentioned in IRS Notice 2023 -18, upon request, the DOE will offer a debriefing once the application period ends. Requests for a debriefing must be received by the DOE no later than 30 business days from the date of IRS notification letter. The sole purpose of the debrief is to provide DOE's impression of the strengths and weaknesses of the § 48C(e) application should applicants apply for future rounds of the § 48C(e) program or § 48C credit allocation programs. Applicants who qualify for a debriefing will be provided with a written response upon request.
- 9. What is the debriefing process?**
As mentioned in IRS Notice 2023 -18, upon request, the DOE will offer a debriefing once the application period ends. Requests for a debriefing must be received by the DOE no later than 30 business days from the date of IRS notification letter. The sole purpose of the debrief is to provide DOE's impression of the strengths and weaknesses of the § 48C(e) application should applicants apply for future rounds of the § 48C(e) program or § 48C credit allocation programs. Applicants who qualify for a debriefing will be provided with a written response upon request.
- 10. Can updated or additional documentation be provided after my concept paper or application has been submitted and the submission period has ended?**
No additional documents can be submitted after the submission period has concluded. However, DOE may request that applicants submit clarifications and/or supplemental information in writing.
- 11. Will reviewers ask applicants additional questions or request additional information?**
DOE may request that applicants submit clarifications and/or supplemental information in writing. Individual reviewers will not contact applicants.
- 12. For the requirement of “A Professional Engineer must inspect and certify the project documents for feasibility,” must that engineer be a professional Engineer licensed in the United States or will a professional licensed Engineer with only Canadian credentials be adequate?**
Canadian credentials equivalent to U.S. credentials are acceptable.
- 13. Some of the requirements seem geared for commercial companies; are precommercial companies eligible to participate in the DOE 48C program? For instance, will letters of intent suffice to show the interest instead of an offtake agreement?**
Any applicant proposing an eligible project under 48C can submit an application.
- 14. Will letters of intent suffice to show the interest instead of an offtake agreement?**

Letters of intent can be submitted as appendix materials if an offtake agreement has yet to be acquired. Note as part of the application process, a Business Entity Certification submission is required. See IRS Notice 2024-36, Appendix B.

15. What does Equity Commitments mean?

An example of an equity commitment could be, but not limited to, a letter that documents the commitment to contribute financial support.

16. What does Debt Commitments mean?

An example of a debt commitment could be a written agreement that outlines the conditions for one entity (the provider) to lend money to another entity (the recipient).

17. What is required for the Shareholders agreement?

An example of a shareholder agreement could be an agreement that details the operational guidelines for the company and delineates the rights and responsibilities of each shareholder.

18. For the Operations and Maintenance agreement, Is this with the Construction Engineering firm or the Companies internal CBA union agreement?

An example of an Operations and Maintenance Agreement could be a contract between the applicant and an entity to manage the operations and maintenance of the project.

19. Does DOE require evidence of the corporate health of the entity that owns and operates the existing manufacturing facility who would be the offtaker for the special purpose entity?

Offtake agreements and other documents provided as evidence may be included as appendix materials. DOE does not explicitly require evidence of corporate health of the offtaker entity.

20. As an applicant, do I have to acknowledge receiving my encourage/discourage notification that I will be moving forward with an application?

No acknowledgment is required. The <https://eco.energy.gov/48C/s/> portal will accept applications from any applicant that submitted a concept paper.

21. Are the examples listed under the clean energy manufacturing and recycling project category in § 48C IRS Notice 2024-36 comprehensive?

Appendix A of IRS Notice 2024-36 lists property eligible under the clean energy manufacturing or recycling project category. The examples provided are non-exhaustive and property may be determined to be designed to reduce greenhouse gas emissions either through published guidance or in the letter notifying an applicant that the IRS has accepted the applicant's application for § 48C(e) certification with respect to the property.

22. In the project overview it asks to describe your baseline emissions compared to peers in your industry. How do you define a peer and where does one find peer emissions data?

A peer is a competitor within your industry who produces the same product and ideally has a similar industrial or manufacturing capacity. Peer data can be found through EPA's [Greenhouse Gas Reporting Program](#) and public emissions disclosures, among other sources.

23. Is it necessary for an organization to register on Sam.Gov for either “All Awards” or “Financial Assistance Awards Only” to apply for the Qualifying Advanced Energy Project Credit (§ 48C)?

No, an organization will need to register for an account in the 48C ECO Portal. Credentials for the 48C ECO Portal are created and managed via ID.me.

24. Is there any advantage to submitting a § 48C Concept Paper earlier than the deadline, or will DOE begin reviewing all applications after the deadline?

There is no advantage to submitting a concept paper before the deadline. DOE will begin reviewing all applications after the deadline.

25. Will the industrial projects qualify for the credits by meeting only 1 of the “three project types”, or does it have to be a clean energy manufacturing facility?

Only one of the following project types must be met: (1) Clean energy manufacturing or recycling (2) Industrial decarbonization (GHG emissions reduction), or (3) Critical materials processing, refining, and recycling.

26. Under the Industrial Decarbonization category of § 48C: Can you confirm that wastewater treatment facilities qualify as an industrial facility given their processing and recycling of raw water into releasable effluent, as well as energy producing solids?

Yes, wastewater and drinking water treatment facilities would qualify as an industrial facility.

27. What tool should applicants use to determine their Technology Readiness Level in the datasheet?

The descriptions provided in the TRL drop-down menu are provided for the applicants' clarity. Applicants may use the Commercial Adoption Readiness Assessment Tool (CARAT) linked in the instructions to calculate their appropriate level. While Technology Readiness Level (TRL) and Adoption Readiness Level (ARL) are distinct, we use the terms interchangeably in the data sheet. Please reference <https://www.energy.gov/sites/default/files/2019/04/f62/Appendix%20F%20-%20TRL%20Guide.pdf>

28. Will § 48C concept papers that do not address Round 2 priorities be considered for Round 2 tax credit allocation or should organizations wait for future funding priorities?

All applicants that meet the eligibility criteria will be considered for Round 2 tax credit allocation. The indicated priorities for Round 2 signal priority for one of four technical review criteria, and they are not inclusive of all eligible properties.

29. Are expansions eligible for the industrial decarbonization projects?

No, only projects that re-equip an existing facility are eligible under the Industrial Decarbonization project category. Expansion projects are eligible under the Clean Energy Manufacturing and Recycling or Critical Material Project categories.

30. If we include an early-stage capital cost estimate in the concept paper, are we allowed to update that number in the full application as we progress through different engineering stages of our project?

Yes, current capital cost estimates can be updated in the full application. Please provide the current cost estimate in the concept paper.

- 31. In completing the data sheet for a § 48C(e) concept paper, can we include additional tabs for each component that is produced at the facility where more than one original equipment manufacturer (OEM) parts are being manufactured?**
Please fill in one tab as generally as possible and clarify the OEM parts being manufactured in the narrative of the concept paper (clearly describing parts, end uses, relative volume, etc.). We acknowledge there will be nuances that are hard to capture in the data sheet and intend to consider the data sheet with the context of the narrative. Do NOT add tabs, rows, or columns to the data sheet, as this will interfere with concept paper evaluation.
- 32. For the Industrial Decarbonization Projects category, how do renewable energy credits (RECs) factor into Scope 2 emissions? If RECs are already being purchased to offset electricity footprint, how do those RECs factor into the calculation of the 20% threshold?**
RECs may not factor into the baseline or future Scope 2 emissions or the emissions reduction calculation, as they cannot constitute a facility-level emissions reduction driven by the retrofit. Scope 2 emissions should be associated with the facility's direct electricity and fuel use. However, while they are not directly used in the calculation of the Scope 2 baseline or emissions reduction for the purposes of § 48C, applicants are welcome to share their RECs in the narrative. As with other efforts to reduce the facility's environmental impact, RECs may be considered in the overall evaluation of the project's merits.
- 33. On the data input sheet and concept paper, does the term “cost” actually mean the MSRP of the product?**
The guidance provides information on cost metrics (i.e., \$/W, \$/Unit, and efficiency) as well as higher-level metrics such as LCOE. Applicants are welcome to clarify whether this is the sales price or the production cost when explaining their technological or cost advantage over competitors. We recognize that cost comparisons are not always publicly available, so applicants should do their best to compare their products to peers wherever possible. Applicants can mark their applications for confidentiality to protect proprietary information.
- 34. When it comes to achieving greenhouse gas emission reductions in a manufacturing facility, can the reductions come from retrofits or reequipping of areas in the facility not directly related to the manufacturing activities?**
There is no requirement that the property necessary for re-equipping an industrial or manufacturing facility be directly related to the manufacturing activities of such facility. The equipment, however, must be designed to reduce greenhouse gas emissions by at least 20% through the installation of (1) low- or zero-carbon process heat systems, (2) carbon capture, transport, utilization and storage systems, (3) energy efficiency and reduction in waste from industrial processes, or (4) any other industrial technology designed to reduce greenhouse gas emissions, as determined by the Secretary. Please refer to Appendix A, section 1.2 of IRS Notice 2024-36 for more information.
- 35. What is the earliest date eligible property could be placed in service and still qualify for a § 48C credit allocation?**

Please refer to [Frequently asked questions about the Qualifying Advanced Energy Project \(48C\) Credit | Internal Revenue Service \(irs.gov\)](#) for the answer.

36. Can costs be incurred before the allocation award date, as long as eligible property is not put into service before the award date?

Please refer to [Frequently asked questions about the Qualifying Advanced Energy Project \(48C\) Credit | Internal Revenue Service \(irs.gov\)](#) for the answer.

37. Can an organization submit one application for multiple eligible projects? Or would they have to submit one application per project?

Please refer to [Frequently asked questions about the Qualifying Advanced Energy Project \(48C\) Credit | Internal Revenue Service \(irs.gov\)](#) for the answer.

38. How can I determine if my project is located in a § 48C(e) Energy Community Census Tract?

Please refer to [Frequently asked questions about the Qualifying Advanced Energy Project \(48C\) Credit | Internal Revenue Service \(irs.gov\)](#) for the answer.

39. Is there a limit or maximum credit on the § 48C credit per project/company?

Please refer to [Frequently asked questions about the Qualifying Advanced Energy Project \(48C\) Credit | Internal Revenue Service \(irs.gov\)](#) for the answer.

40. Does "Industrial Decarbonization Project" only apply to existing facilities?

Please refer to [Frequently asked questions about the Qualifying Advanced Energy Project \(48C\) Credit | Internal Revenue Service \(irs.gov\)](#) for the answer.

41. Could an applicant receive an allocation of § 48C credits if it has also been the recipient of a grant/loan under other DOE manufacturing – related funding opportunities?

Please refer to [Frequently asked questions about the Qualifying Advanced Energy Project \(48C\) Credit | Internal Revenue Service \(irs.gov\)](#) for the answer.

42. What costs qualify as investments? Is it anything that goes into developing a property for these uses? What about "soft costs" such as design or development costs?

Please refer to [Frequently asked questions about the Qualifying Advanced Energy Project \(48C\) Credit | Internal Revenue Service \(irs.gov\)](#) for the answer.

43. Is there a procedure for withdrawing a Concept Paper or application once either has been submitted? Is there any penalty for withdrawing a § 48C Concept Paper or application once either has been submitted?

Yes, if the taxpayer chooses to withdraw a submission at any phase of the program, the taxpayer must provide a formal withdrawal notification through the 48C ECO portal.

44. Will taxpayers that fail to receive an allocation in round 1 be eligible to apply again during round 2?

Yes, failing to receive an allocation in round 1 does not preclude an applicant from applying again in round 2.

45. If a company is establishing a US entity for the purposes of § 48C, but that US entity is not set up by concept paper deadline, may a non-US entity submit the concept paper, so long as the US entity is formed to submit the § 48C(e) application and operate the project?

Yes, a non-US entity may submit a concept paper as long as the US entity is formed to submit the full application and operate the project. Please be advised that the 48C ECO Portal may not be accessible through certain non-domestic (US-based) IP addresses.

46. Why is there is a discrepancy between the amount listed in the IRS allocation notification and the Requested Credit Amount"?

IRS considers the information provided in the datasheet as the official request for tax credits when there is discrepancy in the tax credit request in the datasheet and application narrative. It is the applicant's responsibility to upload correct data sheets and information, as well as verify that the information submitted is correct.