



NY - G E O 2 0 2 4

October 22 -23 | BROOKLYN, NY



IRA Implementation Part 2

Transferability & Elective Pay

Moderator: *John Ciovacco / Aztech Geothermal & NY-GEO Board*

Panel: *Jacob Goldman / Energy Tax Savers*

Derek Silverman / Basis Climate

Sara Ross / UndauntedK12

David Burton / Norton Rose Fulbright

IRA Implementation Part 2

Mechanics of Tax Credit Transferability & Elective Pay Option

JACOB GOLDMAN, VP, ENERGY TAX SAVERS, INC.

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- **IRA enhanced Alternative Energy Credits(\$48 ITC)**
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- **Credit Transfer**



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Subject : "Please send the slides"

Alternative Energy Credits-§48, ITC (2022-...)

Technology	Base Credit	5x Bonus Credit (2022)	Domestic Content (2023)	Energy Community (2023)	Low Income (2023)	Range
Solar Technologies (2022)	6%	30%	2%/10%	2%/10%	10%/20%	6%-70%
Small Wind (2022)	6%	30%	2%/10%	2%/10%	10%/20%	6%-70%
Ground Source Heat Pump (2022)	6%	30%	2%/10%	2%/10%	0%	6%-50%
Microturbine	2%	10%	2%/10%	2%/10%	0%	2%-30%
CHP (2022)	6%	30%	2%/10%	2%/10%	0%	6%-50%
Microgrid Controller (2023)	6%	30%	2%/10%	2%/10%	0%	6%-50%
Standalone Energy Storage Systems (2023)	6%	30%	2%/10%	2%/10%	0%	6%-50%
Thermal Energy Storage Systems (2023)	6%	30%	2%/10%	2%/10%	0%	6%-50%
Fuel Cell (2022)	6%	30%	2%/10%	2%/10%	0%	6%-50%
Geothermal Electricity(2022)	6%	30%	2%/10%	2%/10%	0%	6%-50%
Biogas (2022)	6%	30%	2%/10%	2%/10%	0%	6%-50%
Waste Energy Recovery Electricity (2022)	6%	30%	2%/10%	2%/10%	0%	6%-50%
Interconnection Property (2023)	6%	30%	2%/10%	2%/10%	0%	6%-50%
Electrochromic Glass (2023)	6%	30%	2%/10%	2%/10%	0%	6%-50%

Elective Pay

(§6417 (2023-...)(Prop. Reg. §1.6417))

- **Entities Eligible for Elective Pay**
 - (i) any organization exempt from the tax imposed by subtitle A,
 - (ii) any State or political subdivision thereof, (**NOT FEDERAL PROJECTS**)
 - (iii) the Tennessee Valley Authority,
 - (iv) an Indian tribal government (as defined in § 30D(g)(9)),
 - (v) any Alaska Native Corporation or
 - (vi) Rural Electric cooperatives
- **Pre-registration REQUIRED – Done after placed in service** (Prop. Reg. §1.6417-5T)

Elective Pay - Haircuts

(§6417 (2023-...))(Prop. Reg. §1.6417))

- **Up to a 15% haircut for projects paid for with Tax-Exempt Financing** §48(a)(4) → §45(b)(3)
 - 30% → 25.5%, 40% → 34%, 50% → 42.5%
- **Domestic Content haircut 10%(2024), 15%?(2025), 100%?(2026)** §48(a)(13) → (§45(b)(10)) (§48E(d)(5) → (§45Y(g)(12))
 - 30% → 27%, 40% → 36%, 50% → 45%
 - Two ways to avoid the haircut
 1. <3.4 mmBTU/hr Heating and <284 Tons cooling
 - the aggregate maximum thermal output of all eligible individual heating or cooling elements within the building or buildings
 - the maximum thermal output that the entire eligible project is capable of delivering to a building or buildings at any given moment
 2. Meets Domestic Content
 - Increase Cost Exception(25%)
 - Non-Availability Exception

Start Of Construction

1. Physical Work Test

The Physical work test is the easier to meet. It can exist from physical work of a significant nature at the job site (Not including site prep, surveying, permitting etc) or if custom (Not off the shelf) equipment is being manufactured the start of that manufacturing need both a binding written contract signed before the work starts (could be a PO) and proof that your unit was actually being manufactured.

2. 5% Safe Harbor

The 5% safe harbor is tricky due to accounting rules. Most organizations use Accrual Accounting. They would need to Accrue at least 5% of the eligible cost (We recommend higher to avoid budget overruns). Simply paying out 5% does not necessarily Accrue 5%. Typically, items need to be received to be Accrued. They would need to check with their tax advisors to see when they believe an expense was accrued for their organization.

Credit Transfer

(§6418 (2023-...)(Prop. Reg. §1.6418))

- **Tax credit from commercial clients can be Transferred to other Commercial Clients**
 - This does **NOT** allow Gov't Buildings/Not-for-Profits to sell the credit
 - Credit receiver does not have tax capacity, they can sell the credit to a taxpayer that does
 - Real Estate Investment Trusts (REIT)
 - Entities with a current year tax loss or cannot absorb the entirety of the credit in a short time period
 - One and Only One Transfer allowed. Chained Transfers NOT allowed.
 - Pre-registration REQUIRED – Done after placed in service (Prop. Reg. §1.6418-5T)
 - Markets have been created

About Energy Tax Savers?

- First EPCAct 179D service provider (founded 2005)
- Completed more EPCAct projects than any other firm (16,000+)
- Diverse background of firm professionals
 - Attorney, CPA, MBA, LEED AP, Enrolled Agent, Big4 Accounting Experience
- Advisors to DOE, NEMA and NRDC for EPCAct 179D extension and standards
- Over 150 published articles in various publications
 - *Corporate Business Taxation Monthly, Building Operating Management, IMARK Magazine, Retrofit Magazine, Parking Professional*



Energy Tax Savers, Inc.



Recorded Webinar

<https://www.youtube.com/watch?v=BQJqiq6Nyll>

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Derek Silverman / *Basis Climate*
NY-GEO Conference
Transferability Presentation



Basis Climate is a leader in the clean energy tax credit transfer market

\$300M+ in tax
credit transfers to date

>\$2B in 2024/25 credits
available now

Facilitated the sale of PTC,
ITC, and 45X tax credits

SELECT SELLERS



We make it easy to find buyers and efficiently transact on clean energy tax credits of all sizes



West Hudson (NY 1)

This is a 536.40kW community solar project located in New York State.

TAX CREDITS

\$513,967

PROJECT STATUS

In Construction

PURCHASE PRICE

87c

TYPE

Community Solar



Gideon

This is a 919.62kW solar project located in California.

TAX CREDITS

\$955,829

PROJECT STATUS

In Construction

PURCHASE PRICE

87c

TYPE

Commercial Solar



Sterling I

This is a 2.30MW solar (rooftop) project located in AZ, NM, TX, IN.

TAX CREDITS

\$1,638,750

PROJECT STATUS

In Construction

ASKING PRICE

89c

TYPE

Commercial Solar



Redwood

This is a 1.29MW community solar portfolio located in California, New York.

TAX CREDITS

\$1,437,962

PROJECT STATUS

In Construction

ASKING PRICE

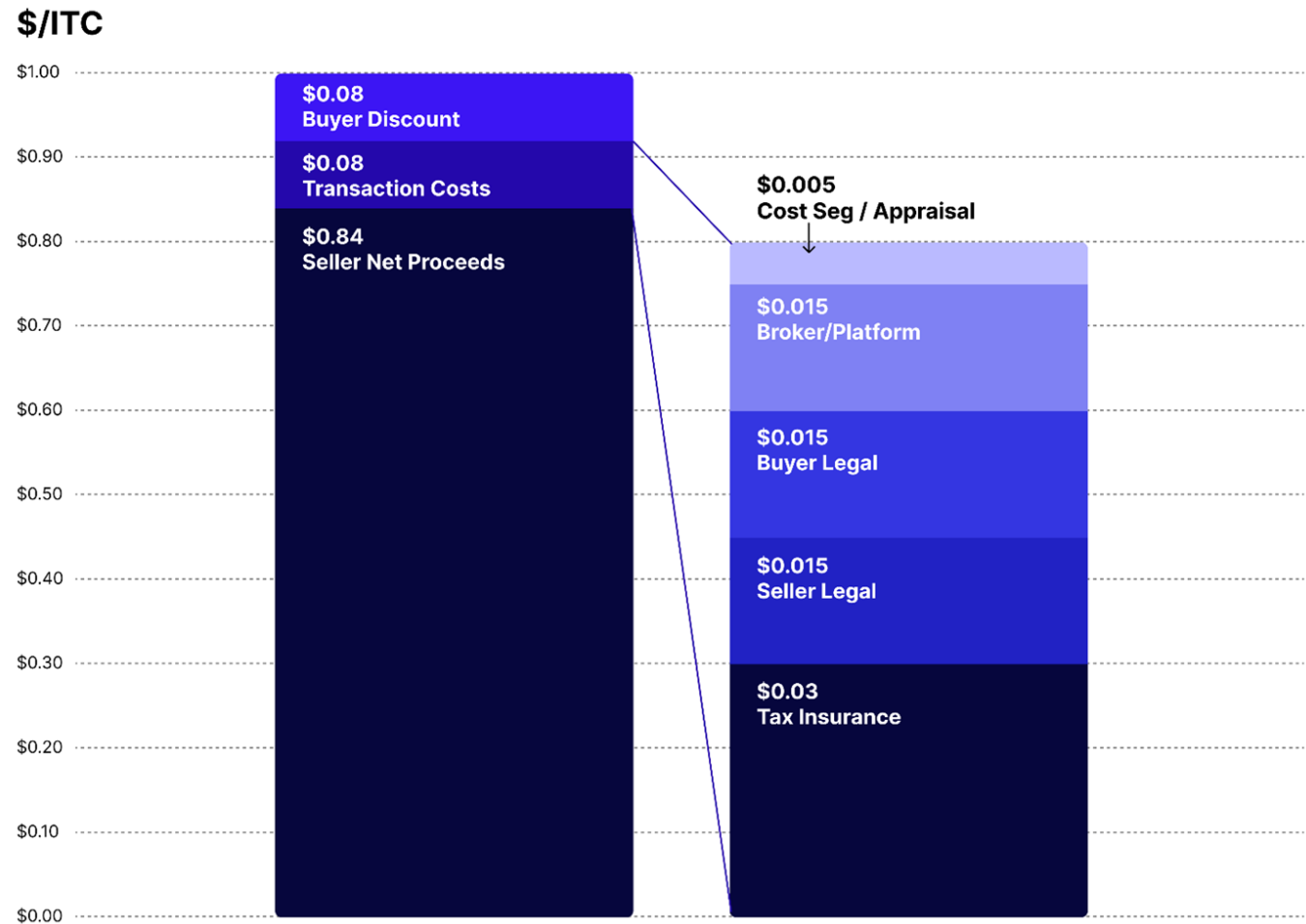
88c

TYPE

Community Solar

Breaking down the transaction costs

For example, a \$5M sold at 92c/ITC will land around 84 cents on the dollars in net proceeds



Example transaction costs of a \$5m solar ITC transfer

Cost comparison: \$1M vs. \$5M ITC transfer

Cost structure of smaller tax credits impacts net proceeds

Cost Center	Cost on \$1M Transaction	Cost on \$5M Transaction	Notes
Buyer Discount	\$110,000 (12%)	\$400,000 (8%)	
Cost Segregation	\$20,000 (1.0%)	\$25,000 (0.5%)	A pre-transaction cost
Broker/Advisor Fee	\$20,000 (2%)	\$75,000 (1.5%)	
Buy-side Legal	\$25,000 (2.5%)	\$75,000 (1.5%)	Assuming no tax opinion, seller pays up to a hard cap
Sell-side Legal	\$25,000 (2.5%)	\$75,000 (1.5%)	Assuming no tax opinion
Tax Insurance	Not viable, buyer must be comfortable with a guaranty	\$150,000 (3%)	Tax insurance is not always required (or viable). If the seller can provide a satisfactory guaranty to backstop contractual indemnities in the purchase agreement then it can be avoided.
Total Costs	\$200,000 (20%)	\$800,000 (16%)	

Additional Potential Costs:

- PWA Wage Consultant/Report
- ITC Eligibility Memo / Tax Opinion

Market observations

- It's a more liquid spot market in Q3/Q4 of each year once buyers have more confidence in their tax position for the year.
- Buyers aren't eager to sign forward commitments unless it's with existing partner and/or a very large credit.
- Non fiscal tax year ends make transactions more challenging.
- Less familiar technologies like geothermal, fuel cells, RNG trade at slightly greater discount.
- However, most geothermal projects are owned and operated by the real estate firm, the motivation and structure is not in place to effectuate a step-up in valuation, which remove that risk vector. Furthermore, heat is a core building system that needs to remain placed-in-service, which in theory reduces recapture risk.



Get in touch!

derek@buildwithbasis.com

Transferor (seller) taxpayer must include the following in their tax filing:

- (i) Completed Form 3468, Investment Tax Credit for the taxable year that the eligible credit was determined, including the **registration number** received during the required pre-filing registration related to the eligible credit property;
- (ii) Completed Form 3800, General Business Credit (or its successor), including reductions;
- (iii) A schedule attached to the Form 3800 (or its successor) showing the amount of eligible credit transferred for each eligible credit property except as otherwise provided in guidance;
- (iv) A transfer election statement; and
- (v) Any other information related to the election specified in guidance.

Transferee (buyer) taxpayer must include the following in the tax filing:

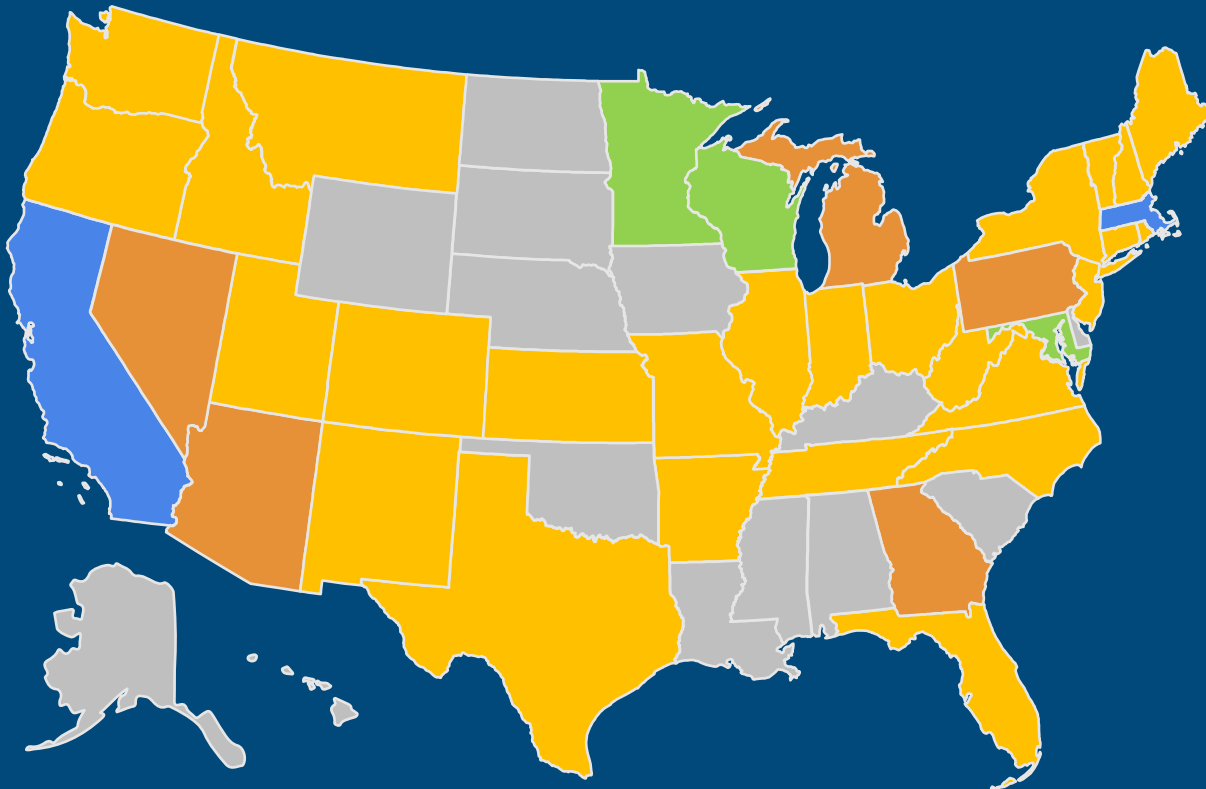
- (i) Completed Form 3800, General Business Credit (or its successor), including reductions;
- (ii) A schedule attached to the Form 3800 (or its successor) showing the amount of eligible credit transferred for each eligible credit property except as otherwise provided in guidance;
- (iii) The transfer election statement described in paragraph (b)(5) of this section attached to the return.

Schools and the Inflation Reduction Act

⚡UNDAUNTEDK12

Sara Ross, Co-founder
sara@undauntedk12.org

The national campaign for a generational federal investment in healthy, resilient, equitable school infrastructure



1 in 6

Americans
visit a school
every day

\$114B

annual
spend on K-
12 school
buildings

54

MMT CO₂e
from K-12
buildings and
buses

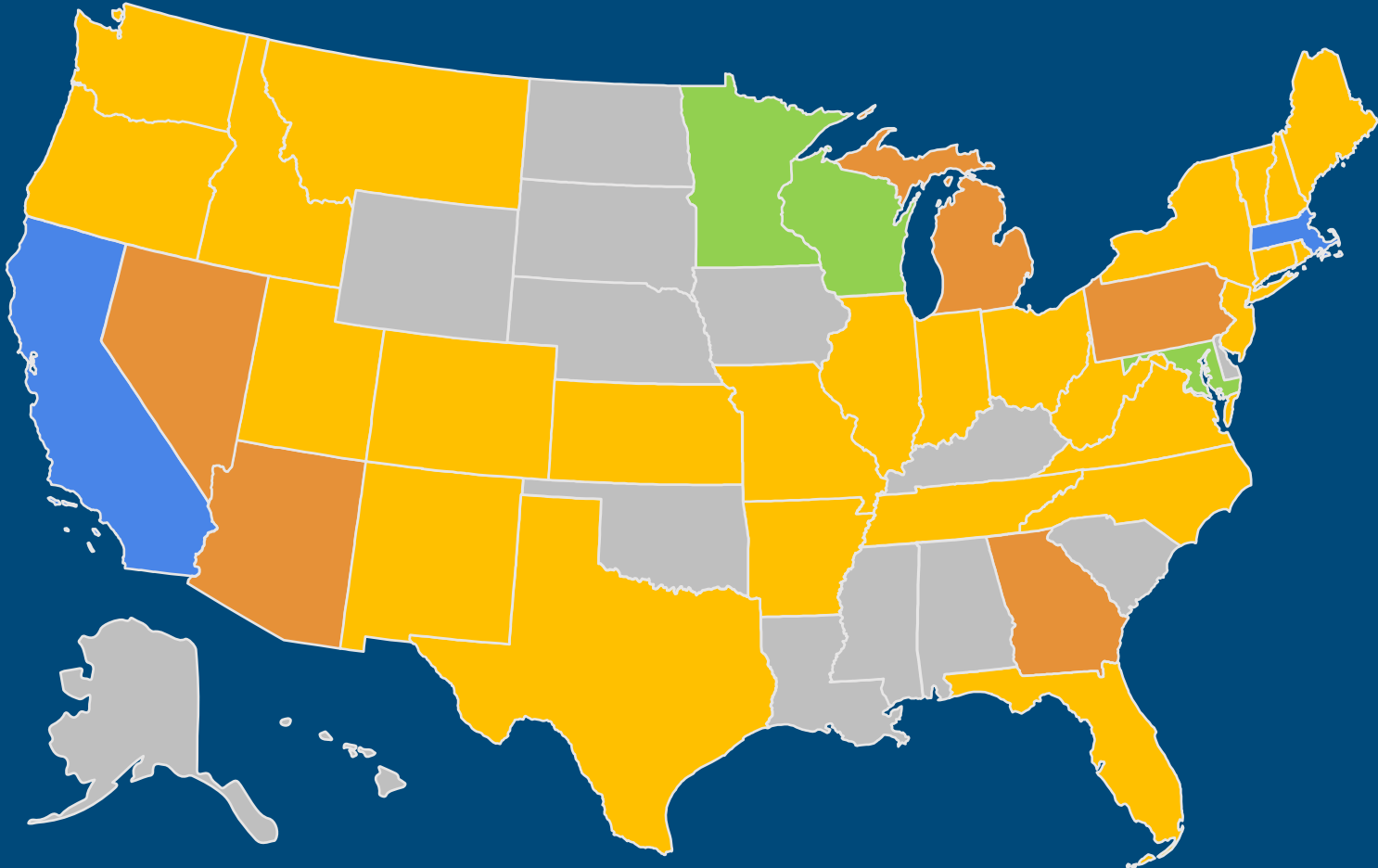
Schools and the Inflation Reduction Act

Campaign Goal: Leverage **billions** toward healthier, more resilient school buildings for our most vulnerable students – and make a massive dent in the greenhouse gas emissions that school buildings are responsible for annually.

Desired Campaign Outcomes

Reduced greenhouse gas emissions from K-12 sector	Reduced operating costs for schools through clean energy investments
Increased resilience for communities through climate-smart investments in school infrastructure	Increased opportunities for clean energy career pathways using the school campus as a teaching tool
Improved student health and learning outcomes among vulnerable populations	Increased public awareness of the benefits of clean energy and the success of the IRA by showcasing leading schools

⚡ Our campaign has reached leaders in 38 states and counting



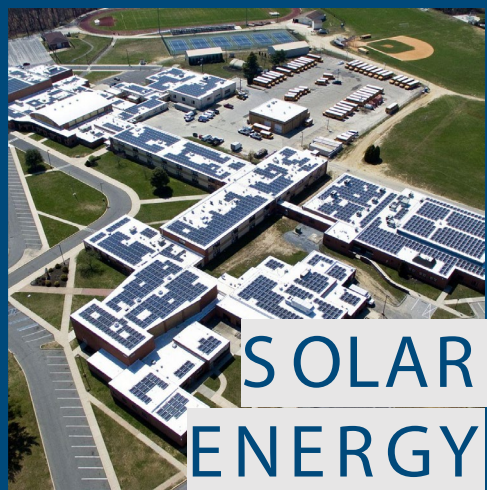
- Deep Engagement
- Active Campaign
- Early Collaboration / Active Outreach
- Awareness Building

⚡UNDAUNTEDK12

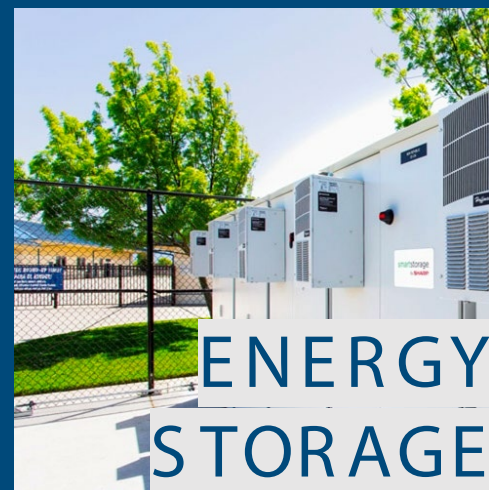
⚡ The IRA could be among the largest federal investments in school facilities. How?



GEO-THERMAL



SOLAR ENERGY



ENERGY STORAGE



ELECTRIC VEHICLES



EV CHARGING

Typical credit
\$3M

Typical credit
\$500k

Typical credit
\$300k

\$40k per bus

\$10k per station

\$15BN
if 5,000

\$5BN
if 10,000

\$3BN
if 10,000

\$1.9BN
if 48,000

\$0.4BN
if 40,000

schools install

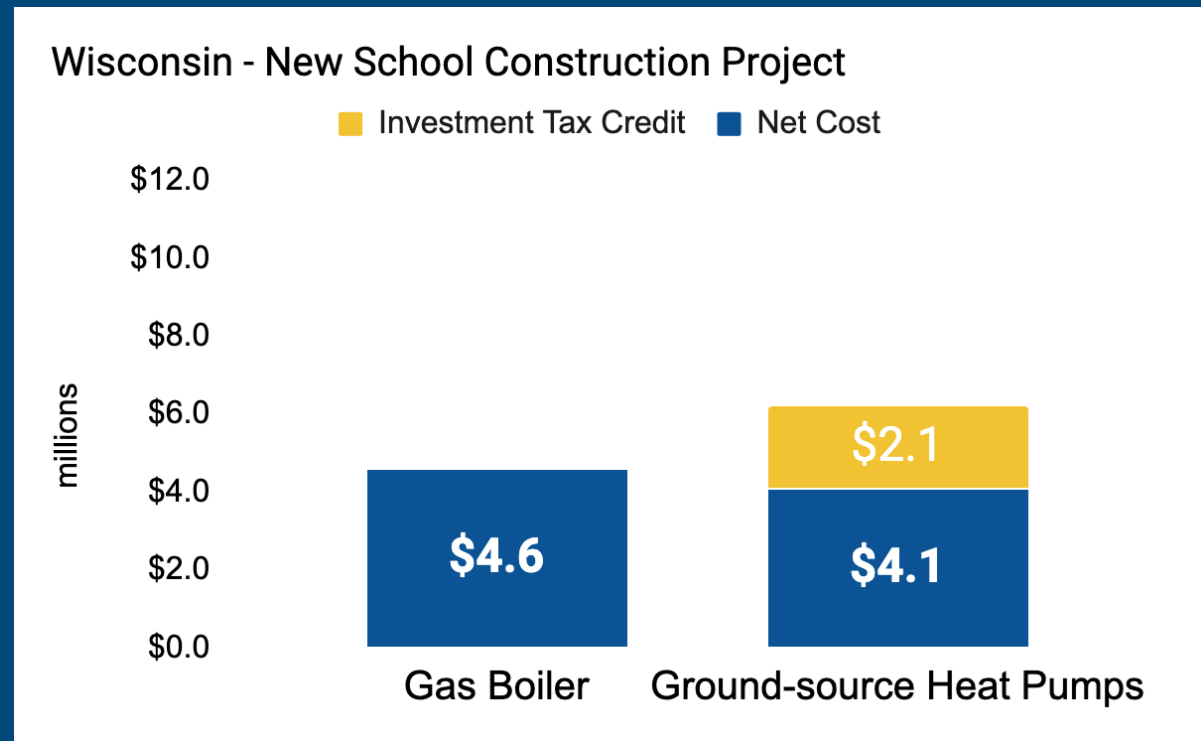
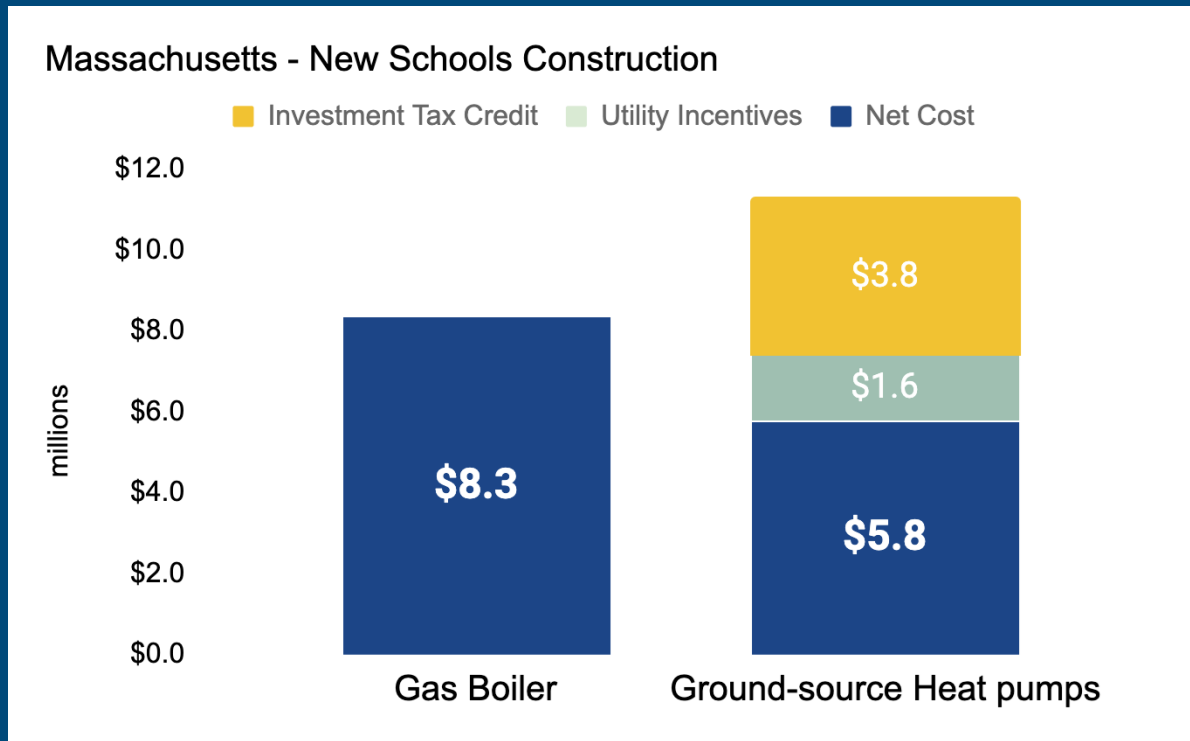
schools install

schools install

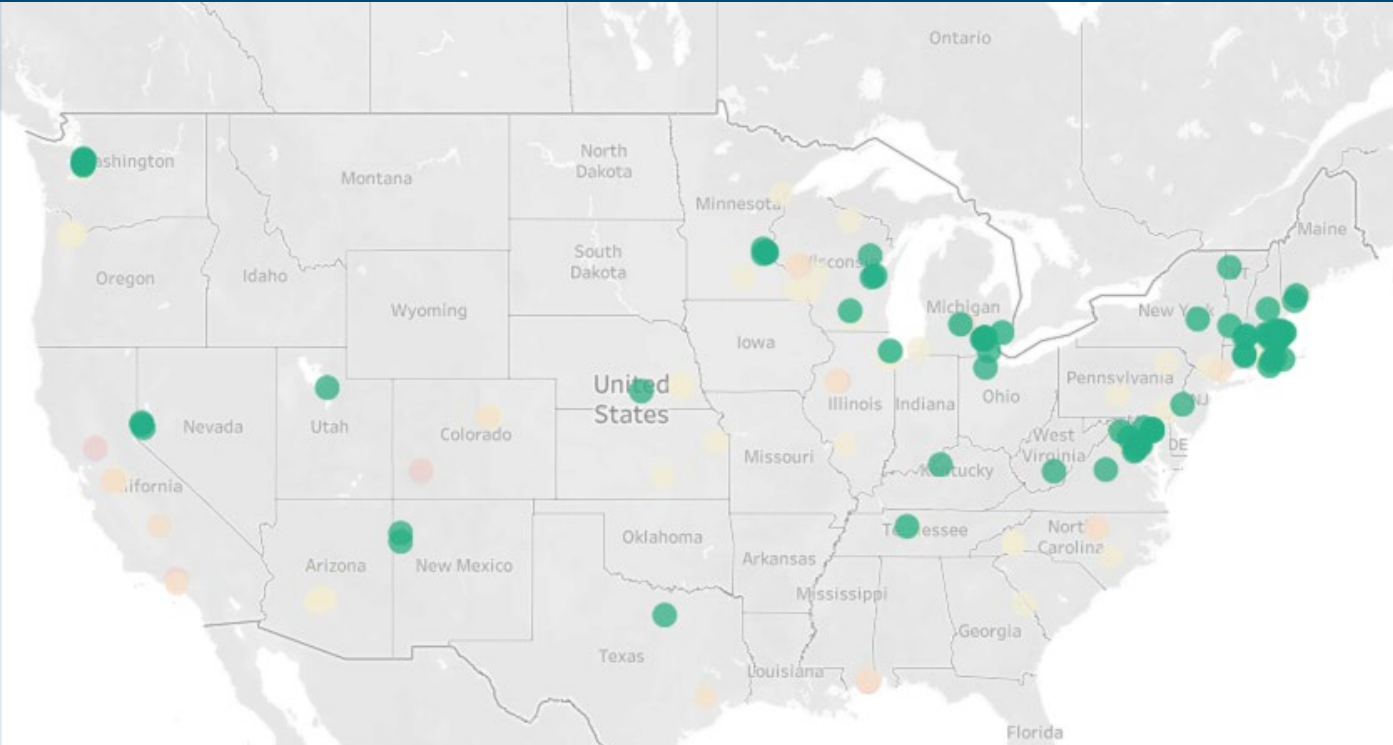
buses deploy

installed

⚡ Elective Pay is making clean energy options irresistibly affordable



⚡ Tracking deployment of GHP in schools with Direct Pay & celebrating benefits



As of October 18, 2024, we have verified 80 Direct Pay-eligible GSHP projects across 58 school districts in 26 states.

CLIMATE

How this one climate fix means a school nurse sees fewer students sick from the heat



1 of 2 | A school bus sits outside Johnson Senior High School in St. Paul, Minn., Sept. 5, 2024. (AP Photo/Doug Glass)

What are common points of friction?

Lack of familiarity/exp. with GHP

Negative residue from previous GHP projects

Drilling capacity in the region

Direct Pay proceeds - supporting or supplanting?

Risk-taking w Direct Pay

"Single Energy Property" & 1 MW threshold

Meeting PWA and DC provisions

"Domestic Content Cliff" for Direct Pay

Resources for Direct Pay & schools

Schools and IRA Overview

The Inflation Reduction Act & Schools

New funding for healthy, sustainable, efficient schools






Overview

New clean energy tax credits help schools defray the cost of clean energy equipment that can promote health, sustainability and efficiency.

The Inflation Reduction Act is poised to be the largest ever federal investment in school infrastructure.

Key Features

Non-competitive: All schools with qualifying projects are eligible to claim clean energy tax credits.
Cash reimbursement: Tax credits will be paid to schools in the form of a cash reimbursement.
Available for years to come: Funding is available by statute until at least 2032.
Unlimited funding: There are no caps on funding. Schools can claim multiple tax credits in a single year and over subsequent years.

Eligible Technologies	
 Solar Energy: Generates on-site, reliable, clean energy at a fixed price. Nationally, one in every 10 schools is already solar-powered.	Sec. 48 Investment Tax Credit
 Energy Storage: Provides back-up power. Can also contribute to a reduction of utility costs, generate revenue, and reduce carbon emissions.	
 Ground-Source Heat Pumps: Provides heating and cooling with one set of equipment. Up to six times more efficient than a "high-efficiency" furnace.	Sec 45W: Commercial Clean Vehicles Tax Credit
 Electric Vehicles: Reduces exposure to harmful air pollutants for students and communities, while lowering fuel and maintenance costs. Includes buses, white fleets, and electric lawnmowers.	
 Electric Vehicle Charging Equipment: Facilitates charging of electric school buses and other electric vehicles.	Sec 30C: Alternative Fuel Refueling Property

5 Actions for District Leaders

Getting Started with the Inflation Reduction Act

5 steps that districts can take to maximize non-competitive, uncapped federal funding to support healthy, resilient, cost-effective schools

Overview

The Inflation Reduction Act (IRA) offers school districts federal reimbursement via Elective Pay across a range of eligible technologies: solar, energy storage, ground source heat pump HVAC systems, electric vehicles, and electric vehicle charging infrastructure.

This guide outlines the steps school districts can take to install clean energy equipment and maximize their Elective Pay reimbursement.



CLICK HERE

Visit [Schools and the IRA](#) for more information.

Put IRA on the Agenda

- Put IRA on the agenda for your next meetings with other district leaders (CFO, CBO, Facilities Director, Superintendent, School Board Members, etc.).
 - Share our [one-pager](#) about the IRA opportunity at an upcoming district cabinet or staff meeting.
 - Task someone on the team with assessing the size of the opportunity for your district.
 - Consider convening a team of district decision-makers, facilities and sustainability experts, utility representatives, and private sector partners to make a plan.

Claim Credits for Completed Projects

- Review recent work to identify eligible clean energy equipment placed in service after Dec 31, 2022.
 - For each piece of qualifying equipment, gather relevant documentation.
 - Complete a pre-filing registration using the [IRS Elective Pay portal](#).
 - File Form 990-T and other applicable forms.
 - Receive payment from IRS after submission is approved.

Eligible Technologies:

- Solar Energy
- Energy Storage
- Ground-Source Heat Pumps
- Electric Vehicles
- Electric Vehicle Charging Equipment

Getting Started for Advocates

Advocating for Clean Energy in your District

Making the Case to District Leaders About the Inflation Reduction Act

Overview

The Inflation Reduction Act (IRA) offers school districts federal funding via Elective Pay reimbursement for a range of eligible clean energy technologies: solar, energy storage, ground-source heat pump HVAC systems, electric vehicles, and electric vehicle charging infrastructure. This funding is unlimited, noncompetitive, and available until at least 2032.

This document provides resources and reasons why districts should install clean energy equipment and guidance on how to maximize Elective Pay reimbursement.



CLICK HERE

Visit [Schools and the IRA](#) for more information.

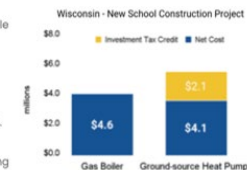
The Advantages of Clean Energy Technologies for Schools

Improves student health and learning environments
 Clean energy can keep school building temperatures comfortable, [support healthy learning environments](#), and provide hands-on learning opportunities for students.

Creates resilient schools and communities
 Clean energy can enhance the resilience of school campuses allowing buildings to serve as emergency shelters through extreme weather and power disruptions.

Utilizes cost-effective technology that generates ongoing savings

- With new state and [federal incentives](#), clean energy is often the more affordable choice for districts.
- Many districts are eligible for bonus credits through the IRA.
- Clean energy machines have [lower operating costs](#) than conventional ones.
- Some state policies now penalize buildings that emit pollution from burning fossil fuels.





National and State Fact Sheets to share

UNDAUNTEDK12

School Districts Nationally Leading on the Inflation Reduction Act

Thanks to the Inflation Reduction Act, clean energy is increasingly feasible. And with clean energy comes the opportunity for schools nationwide to be healthier, more resilient, and more efficient to operate.

The Inflation Reduction Act offers school districts substantial reimbursements for installing these clean energy technologies:

UNDAUNTEDK12 and partners have identified over 200 clean energy projects across 38 states that are eligible for a federal reimbursement through the IRA. Here are some of the school districts that are leading the way:

Greenwater Public Schools (WV) installed a ground-source heat pump system and the largest district-owned solar array in the state. These geospatial technologies are expected to generate a \$5 million federal reimbursement and significantly boost energy efficiency. With the ground-source heat pump system under construction, elements toward the construction of the district-owned, sustainable energy from the construction team. Teachers plan to expand on this learning opportunity using a virtual field trip to visit the solar array and an interactive outdoor learning space that models the school building and the renewable energy systems.

Menasha Joint School District (WI) is leveraging the Inflation Reduction Act to reduce its energy use in non-classroom buildings. The district's energy plan includes projects always planned to include ground-source heat pumps, solar panels and energy storage were added once the opportunity to capture federal funding became clear. The district is working with approximately from 2024 to 2026 on the project and meeting high-read standards. The district anticipates receiving a \$3.8 million reimbursement from the federal government.

www.undauntedk12.org | Updated October 2024

Michigan Fact Sheet

UNDAUNTEDK12

Arizona School Districts Leading on the Inflation Reduction Act

Thanks to the Inflation Reduction Act, clean energy is increasingly feasible. And with clean energy comes the opportunity for Arizona schools to be healthier, more resilient, and more efficient to operate.

The Inflation Reduction Act offers school districts substantial reimbursements for these clean energy technologies:

Here are some of the Arizona districts that are taking advantage of these new non-competitive, unexpended federal funds:

Alhambra Elementary School District After a district-wide survey demonstrated overwhelming community support for solar on schools, Alhambra Elementary School District board members authorized plans to install solar panels on 12 schools throughout the district in 2024. The projects are expected to generate nearly \$14 million in federal reimbursements upon completion. As many Arizona schools possible with keeping students safe during increasingly frequent and severe heat waves, these solar arrays will provide shaded spaces to reduce surface temperatures and protect students from the heat during recess and sports.

Creighton Elementary School District In 2023, the Creighton Elementary School District began installing solar panels across five classrooms, including the district's primary classroom. The new school, which opened in 2024, integrates sustainability into both its building design and curriculum. Solar concepts and other school structures will reduce surface temperature use outside, providing a comfortable outdoor learning environment for students on days when indoor classroom temperatures are high. Creighton Elementary School District expects over \$5 million in a federal reimbursement for the solar projects installed throughout.

www.undauntedk12.org | Updated September 2024

Wisconsin Fact Sheet

UNDAUNTEDK12

Minnesota School Districts Leading on the Inflation Reduction Act

Thanks to the Inflation Reduction Act, clean energy is increasingly feasible. And with clean energy comes the opportunity for Minnesota schools to be healthier, more resilient, and more efficient to operate.

The Inflation Reduction Act offers school districts substantial reimbursements for installing these clean energy technologies:

Here are some of the Minnesota districts that are taking advantage of these new non-competitive, unexpended federal funds:

Mounds View Public Schools Mounds View Public Schools has plans to incorporate clean energy at multiple sites in the district. First up is Cascade School, which is undergoing a \$24.5 million HVAC renovation project that includes a ground-source heat pump for heating and cooling (also called geothermal). Geothermal plants next will be added to high-value Cascade School and Inwood Elementary. The district anticipates substantial federal reimbursements for the projects; the decision to adopt this clean energy technology was inspired by the district's history of student advocacy on community responsibility and sustainability.

Braham Area Schools In 2023, Braham Area Schools installed solar panel arrays on two of its buildings. By stacking federal reimbursements with great funding, 30% of the project costs are covered, enabling an affordable solution that will continue to generate savings for years to come. There's a 25-year guarantee. You need to do the numbers, the payback is pretty quick and you're really saving taxpayers' dollars," Superintendent Ken Cooper said.

www.undauntedk12.org | Updated October 2024

Minnesota Fact Sheet

UNDAUNTEDK12

California School Districts Leading on the Inflation Reduction Act

Thanks to the Inflation Reduction Act, clean energy is increasingly feasible. And with clean energy comes the opportunity for California schools to be healthier, more resilient, and more efficient to operate.

The Inflation Reduction Act offers school districts substantial reimbursements for these clean energy technologies:

Here are some of the California districts that are taking advantage of these new non-competitive, unexpended federal funds:

Santa Maria-Bonita School District completed a \$28 million solar project in 2024 that added panels to every location in the district - at 23 locations, including the district administration office. These solar panels serve as a source of clean energy for educational spaces, installed at 15 campuses during the summer of 2024 to promote student care about health and safety. Every classroom now has the ability to cool and clean their air; the project is expected to generate a federal reimbursement of up to \$13 million.

Petaluma City Schools has been a leader in clean energy since 2005, installing solar panels on all of its school buildings. With grid reliability a rising concern due to power outages from wildfires and a new school board commitment to greenhouse gas reduction, the district decided to add energy storage systems, making it more resilient to battery backups of its services. This is one of California's first microgrids that can rely on solar energy for multiple days. When coupled with anticipated federal reimbursements, this project not only builds community resilience, but reduces the district's operating costs.

www.undauntedk12.org | Updated October 2024

Additional Fact Sheets Coming Soon

<https://www.undauntedk12.org/iraproject>

UNDAUNTEDK12

Michigan School Districts Leading on the Inflation Reduction Act

Thanks to the Inflation Reduction Act, clean energy is increasingly feasible. And with clean energy comes the opportunity for Michigan schools to be healthier, more resilient, and more efficient to operate.

The Inflation Reduction Act offers school districts substantial reimbursements for installing these clean energy technologies:

Here are some of the Michigan districts that are taking advantage of these new non-competitive, unexpended federal funds:

Ann Arbor Public Schools Ann Arbor Public Schools is making significant progress in achieving its clean energy goals, installing solar panels at six schools and ground-source heat pumps at two schools. These projects are part of the district's initiative to eliminate greenhouse gas emissions by 2025 and convert to 100 percent clean energy. The district plans to install solar panels and ground-source heat pumps at four more schools in 2025 and continue to build out a pipeline of clean energy projects across school buildings. The district is also electrifying its vehicle fleet with the purchase of four electric school buses in 2024, and plans to add six more in 2026. The district expects the federal reimbursements for these projects to help offset the upfront costs.

www.undauntedk12.org | Updated October 2024

Michigan Fact Sheet

UNDAUNTEDK12

Wisconsin School Districts Leading on the Inflation Reduction Act

Thanks to the Inflation Reduction Act, clean energy is increasingly feasible. And with clean energy comes the opportunity for Wisconsin schools to be healthier, more resilient, and more efficient to operate.

The Inflation Reduction Act offers school districts substantial reimbursements for installing these clean energy technologies:

Here are some of the Wisconsin districts that are taking advantage of these new non-competitive, unexpended federal funds:

The Baraboo School District's solar array has generated over \$48,000 dollars in utility bill savings in the first year. The district tracks and stores the electricity production of both arrays through a low-voltage system, enabling community members to learn about the savings opportunities. The district expects a federal reimbursement for both projects, making the financial case for solar even stronger.

Menasha Joint School District is leveraging the Inflation Reduction Act to reduce the risk of a gas leak on a new 100,000 sq ft middle school. While the project owner plan to include ground-source heat pumps, solar panels and energy storage were added once the opportunity to capture federal funding became clear. The district is working with approximately from 2024 to 2026 on the project and meeting high-read standards. The district anticipates receiving a \$3.8 million reimbursement from the federal government.

www.undauntedk12.org | Updated September 2024

Wisconsin Fact Sheet

UNDAUNTEDK12

Pennsylvania School Districts Leading on the Inflation Reduction Act

Thanks to the Inflation Reduction Act, clean energy is increasingly feasible. And with clean energy comes the opportunity for Pennsylvania schools to be healthier, more resilient, and more efficient to operate.

The Inflation Reduction Act offers school districts substantial reimbursements for installing these clean energy technologies:

Here are some of the Pennsylvania districts that are taking advantage of these new non-competitive, unexpended federal funds:

Upper Dublin School District After a massive damage on elementary school building, the Upper Dublin School District worked on a recovery plan that included installing a new HVAC system at Fort Washington Elementary. A geothermal source heat pump system, a highly efficient option that will heat and cool the school building, emerged as the district's preferred solution. The project qualifies for a federal reimbursement - transforming an urgent response to climate disaster into a lasting investment in clean energy that will reduce operating costs and support healthy learning environments.

www.undauntedk12.org | Updated October 2024

Pennsylvania Fact Sheet

UNDAUNTEDK12

School Districts Leading on the Inflation Reduction Act

Thanks to the Inflation Reduction Act, clean energy is increasingly feasible. And with clean energy comes the opportunity for school districts nationwide to be healthier, more resilient, and more efficient to operate.

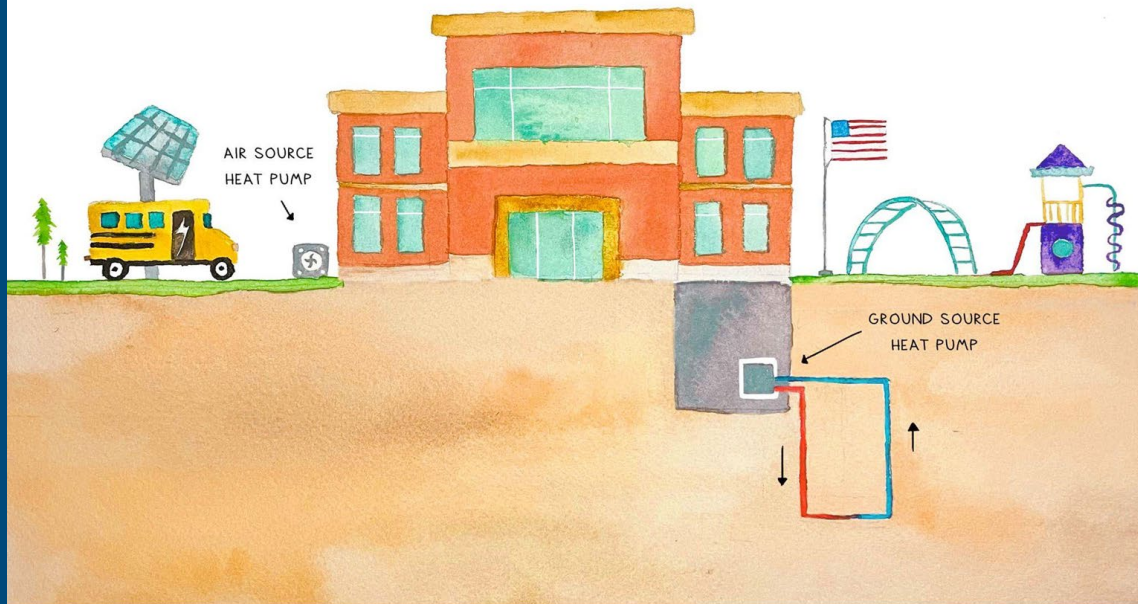
The Inflation Reduction Act offers school districts substantial reimbursements for installing these clean energy technologies:

Here are some of the school districts that are taking advantage of these new non-competitive, unexpended federal funds:

www.undauntedk12.org | Updated October 2024

Additional Fact Sheets Coming Soon

COOL SCHOOLS HAVE HEAT PUMPS



UNDAUNTEDK12
NICOLE KELNER

Questions?

Sara Ross, Co-founder
sara@undauntedk12.org

Stay in touch
@UndauntedK12



Thank you!

IRA Implementation

Part 2: Transferability



NY-GEO — NYC Conference

David Burton

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Price data from NRF deals

- Range of prices: **\$0.83 – \$0.97**
- Average price: **\$0.931**
- Average weighted price: **\$0.937**
- Haven't yet handled any transfers from of geothermal heat pump projects

Transfer-Eligible Taxpayers

- Section 6418(f)(2) defines what taxpayer (an “eligible taxpayer”) can make a one-time transfer election as “any taxpayer which is not defined” in the direct pay rules under Section 6417(d)(1)(A).
 - Thus, tax-exempt organizations, state or political subdivisions thereof, the Tennessee Valley Authority, Indian tribal governments, Alaska Native Corporations, and corporations operating as a cooperative that furnishes electricity to persons in rural areas *cannot* elect to transfer credits



Prop. Treas. Reg. § 1.6418-1(b): defines “taxpayer” by reference to Section 7701(a)(14)

Any person subject to internal revenue tax, unless included in Section 6417(d)(1)(A) (i.e., tax-exempt organizations, Indian tribes, etc.)

Credit Transfer Steps/Requirements

- Pre-filing requirements: Before filing, taxpayer must register through an IRS electronic portal, providing information about the taxpayer and each eligible property for which they intend to transfer a specified credit portion
 - Then, taxpayer will receive a unique registration number for each eligible credit property
- Transfer election procedures:
 - Must be made for each eligible credit property (must be consistent with pre-filing registration)
 - Must be made on an original return not later than the due date (including extension) for the original return
 - Must provide the following with each election:
 - Source credit form for the eligible credit;
 - IRS Form 3800, General Business Credit, including registration number;
 - Schedule showing amount of eligible credit transferred for each eligible credit property; and
 - Transfer election statement

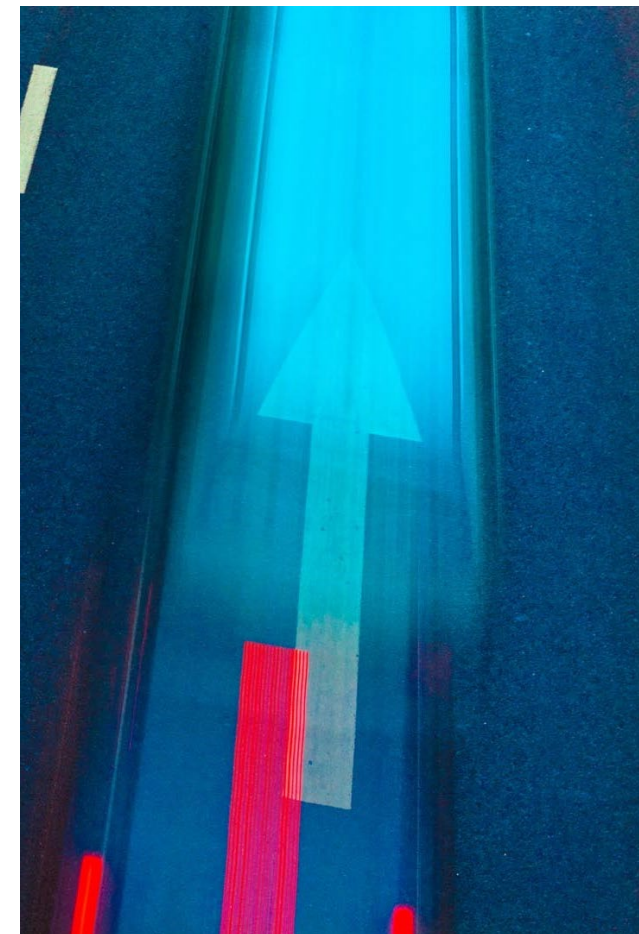
Prop. Treas. Reg. § 1.6418-4 and Treas. Reg. § 1.6418-4T

Prop. Treas. Reg. § 1.6418-2(b)

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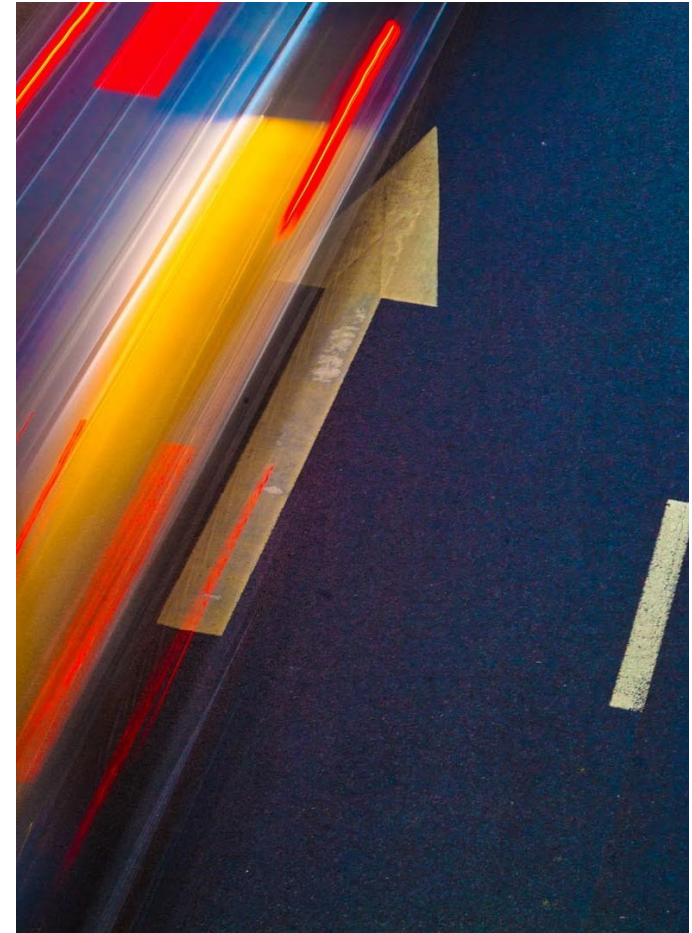
One-Time Transfer Requirement; Other Req'ts

- Buyer/Transferee cannot transfer specified credit portion a second time.
 - However, one can break up a credit into “specified credit portions” and make transfers of those portions to multiple taxpayers. Prop. Treas. Reg. § 1.6418-2(a)(2)
- What about electing direct pay for some credits and transfer election for other credits?
 - See Prop. Treas. Reg. § 1.6417-3(e)(4)
- What about electing direct pay on credits that are received via transfer?
 - See Prop. Treas. Reg. § 1.6417-2(c)(4)



Paid-in-Cash Requirement

- Prop. Treas. Reg. § 1.6417-1(f) – a payment in United States Dollars that:
 - Is made by cash, check, cashier's check, money order, wire transfer, automated clearing house transfer, or other bank transfer of immediately available funds
- Payment has to:
 - Directly relate to the specified credit portion; and
 - Be made within the period beginning on the first day of the eligible taxpayer's taxable year during which a specified credit is determined and ending on the due date for completing a transfer election
- Payments made in connection with a transfer are not includable in gross income



Additional Resources on Transferring Tax Credits

[Article on Final Transferability Regulations](#)

[Article on Proposed Transfer Regulations \(Overview\)](#)

[Checklists for Tax Credit Transfers Diligence](#)

[Article on OECD's Favorable International Tax Treatment of Transferable Tax Credits](#)



Please see our blog [TaxEquityNews.com](https://www.taxequitynews.com) for more information about the IRA, tax credits, tax equity and tax credit transfers.



NY - G E O 2 0 2 4

October 22 -23 | BROOKLYN, NY



IRA Implementation Part 2

Transferability & Elective Pay

Moderator: *John Ciovacco / Aztech Geothermal & NY-GEO Board*

Panel: *Jacob Goldman / Energy Tax Savers*

Derek Silverman / Basis Climate

Sara Ross / UndauntedK12

David Burton / Norton Rose Fulbright