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Qualifying Advanced Energy Project Credit (48C) Program

48C Updates



Round 2 Tax Credit Allocations Announced

The Department of Treasury, Internal Revenue Service and DOE have [announced \\$6 billion in tax credits](#) to build clean energy supply chains, drive investments, and lower costs in energy communities.

Overview



The Qualifying Advanced Energy Project Credit (48C) was established by the American Recovery and Reinvestment Act of 2009 and renewed and expanded under the Inflation Reduction Act of 2022 (IRA). The 48C credit is a tax credit for investments in advanced energy projects, as defined in 26 USC § 48C(c) (1). The IRA provided \$10 billion in funding for the expanded 48C(e) Qualifying Advanced Energy Project Credit Allocation Program (48C(e) program). To receive the full value of a 48C credit, projects must meet prevailing wage and registered apprenticeship standards.

The Department of the Treasury and the Internal Revenue Service, in partnership with DOE, conducted two rounds of tax credit allocations for projects that expand clean energy manufacturing and recycling and critical materials refining, processing and recycling, and for projects that reduce greenhouse gas emissions at industrial facilities. DOE's Office of Manufacturing & Energy Supply Chains (MESCC) manages the 48C(e) program on behalf of IRS and Treasury.

On March 29, 2024, the IRS [allocated approximately \\$4 billion of 48C credits](#) for over 100 projects across 35 states, with approximately \$1.5 billion allocated to projects in designated energy communities.

On January 10, 2025, the IRS [allocated approximately \\$6 billion of the 48C credits](#) for over 140 projects in approximately 30 states, with approximately \$2.5 billion allocated to projects in designated energy communities.

Below is additional information about the eligible projects under the 48C(e) program:

- **Clean Energy Manufacturing and Recycling Projects:** A qualifying advanced energy project in this category involves re-equipping, expanding, or establishing an industrial or manufacturing facility. The facility must manufacture or recycle one or more of the specified advanced energy properties outlined in the Round 2 guidance. Production of energy-intensive materials that have a substantially lower carbon intensity when compared to an appropriate industry-specific benchmark

are now eligible under this category. Please review the guidance for an updated list of program priorities.

- **Industrial Decarbonization Projects (formerly named Greenhouse Gas Emissions Reduction Projects):** An advanced energy project qualifies under this category if it involves retrofitting an industrial or manufacturing facility, particularly in energy-intensive sectors such as cement, iron and steel, aluminum, and chemicals. The retrofit must include the installation of equipment specifically designed to reduce greenhouse gas emissions by at least 20 percent.
- **Critical Materials Projects:** A qualifying advanced energy project in this category re-equips, expands, or establishes an industrial facility for the processing, refining, or recycling of critical materials (as defined in § 7002(a) of the Energy Act of 2020 (30 U.S.C. § 1606(a))).

Concept papers and applications will be evaluated across multiple criteria and policy factors, including (1) commercial viability; (2) greenhouse gas emissions impacts; (3) strengthening U.S. supply chains and domestic manufacturing for a net-zero economy; and (4) workforce and community engagement.

Approximately \$2.5 billion of this second allocation round will be set aside for projects in designated 48C(e) energy communities, which includes communities with closed coal mines or coal plants (see Appendix C of IRS Notice 2024-36 for the list of designated census tracts). 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.

48C Energy Communities

Section 48C(e) Energy Communities Census Tracts are census tracts in which (1) no pre-IRA 48C projects were located and (2) a coal mine has closed after December 31, 1999 or a coal-fired electric generating unit has been retired after December 31, 2009 or which is directly adjoining to any of these census tracts.

Timing

- Round 2 allocations announced - January 10, 2025 ([read the release](#))

- 48C full application submissions due October 18, 2024, by 11:59 p.m. ET. ([read the release](#)^{ext})
- Round 2 Full Applications Informational Webinar - September 16, 2024, 1 p.m. ET | [Register to Attend](#)^{ext}
- 48C full application period opens - August 29, 2024.
- Guidance Released ([Press release](#)^{ext}) – April 29, 2024
- Informational Webinar – May 16, 2024, 12 p.m. ET
- DOE [48C Portal](#) opens for Concept Paper Submission – May 22, 2024
- Submission Deadline for Concept Papers – June 21, 2024, by 5 p.m. ET

48C Portal

The 48C Portal is open for registration for any interested applicants, including small-, medium- and large-sized manufacturers. The 48C portal opened for application submission on August 29, 2024. Applications must be submitted through the 48C portal prior to 11:59 pm on October 18, 2024.

Visit the DOE [48C Portal](#) to register. Registered applicants will be able to create, view, and manage their applications. The updated 48C [applicant guide](#)^{ext} (Revised August 2024) is now available.

Informational Webinar

DOE, IRS, and Treasury hosted a virtual informational webinar for applicants on Monday, September 16, 2024, at 1:00 p.m. Eastern Time. This webinar provided eligible applicants information on how to prepare and submit a full application for Round 2 of the Qualifying Advanced Energy Project Credit (48C) program.

Watch the webinar replay:



Guidance

- [Notice 2024-36](#)
- Notice 2024-36: Read [Appendix A \(Eligibility\) and B \(DOE Application Process\)](#)
- Notice 2024-36: [Read Appendix C](#), which lists the Section 48C(e) Energy Communities Census Tracts that taxpayers may rely on to substantiate a tax return position.
- [Additional Guidance Notice 2023-44](#).
- [Initial Guidance Notice 2023-18](#).

Frequently Asked Questions (FAQs)

- [48C FAQs - October 10, 2024](#)
- [48C FAQs - July 3, 2024](#)
- [48C FAQs - June 10, 2024](#)
- [48C FAQs - April 29, 2024](#)
- [Energy Communities Census Tracts FAQs](#) - April 29, 2024
- The Internal Revenue Service provides [frequently asked questions](#) related to the eligibility and application of the credit.
- Section 48 Tax Credit Program Privacy Act and Paperwork Reduction Act [Notice](#)
- Section 48 Tax Credit Program Merit Reviewer Registration Privacy Act [Statement](#)

Additional Resources

- **New!** [48C Round 1 Best Practices document](#)[☞] - DOE has posted a 48C Round 1 Best Practices document to assist potential applicants with understanding why they may have been denied a credit in Round 1 and with addressing common issues to ensure high quality concept papers and applications that comply with § 48C requirements and applicable guidance, as described in IRS Notice 2024-36.
- [48C designated energy communities map](#)[☞] - **NOTE:** The mapping tool may not be relied upon by taxpayers to substantiate a tax return position or for determining whether certain penalties apply and will not be used by the IRS for examination purposes. The mapping tool does not reflect the application of the law to a specific taxpayer's situation, and the applicable Internal Revenue Code provisions ultimately control.
- [Common themes and issues seen in concept papers submitted in § 48C\(e\) round 2](#)[☞] .
- [Common themes and issues seen in concept papers submitted in § 48C\(e\) round 1](#)[☞]
- Refer to [DOE's draft critical materials for energy list](#) and [USGS critical mineral list](#)[☞] for eligibility.
- [Interagency Working Group's landing page on 48C Tax Credit Program](#)[☞]
- Interagency Working Group's Recent Events
 - [Intermountain West § 48C Regional Event](#)[☞]
 - [Central Appalachia § 48C Regional Event](#)[☞]
 - [Illinois Basin § 48C Regional Event](#)[☞]
- Read Treasury's blog: [Anchoring Clean Energy Manufacturing Investments in Coal Country and Beyond | U.S. Department of the Treasury](#)[☞]

Questions

Register at and visit the [48C Portal](#) to access the help center on the navigation bar to view additional resources including the [Applicant User Guide](#)[☞] , and other helpful information. Additional help articles will continue to be added to the Applicant Portal.

Any questions or comments about registration and the concept paper and full application submission process can be submitted to the Department of Energy at 48CQuestions@hq.doe.gov. Department of energy staff cannot provide tax advice.

Round 1 Tax Credit Allocations Announced

The Department of Treasury and DOE have [announced \\$4 Billion in tax credits to build clean energy supply chains](#), drive investments, and lower costs in energy communities.

[48C Round 1 Guidance, FAQs, + Resources](#)



[48C Round 2 Guidance, FAQs, + Resources](#)



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