Renewable Energy Tax Credit Finance Series: Domestic Content Guidance

Under the Inflation Reduction Act of 2022, certain energy facilities can qualify for a 10% bonus tax credit for solar, onshore wind and battery projects that have a minimum amount of domestic content. The IRS in May released new guidance making it easier to determine whether a project qualifies for the bonus credit. In this episode of Tax Credit Tuesday, guest host Brad Elphick, CPA, and Tony Grappone, CPA, dive into the recent domestic content bonus credit guidance for renewable energy projects. They discuss implications for developers, investors and lenders, as well as how Novogradac can provide agreed upon procedures services to help project partners assess whether there are any issues in the way of a facility meeting the domestic content criteria.

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Introduction

[00:00:00] **Brad Elphick, CPA**: Hello, I'm Brad Elphick, and this is Tax Credit Tuesday. I'm your guest host today, and this is the June 11, 2024, podcast. As those of you watching on YouTube can see, I'm here today with my partner, Tony Grappone, and this is the latest installment in our monthly Renewable Energy Tax Credit Finance Series.

That means if you work in renewable energy, or if you're interested in learning more about it, you're in the right place. We launched this series last year to keep you updated on renewable energy tax credit financing news, trends and strategies. And we actually have a playlist of all episodes in this energy series on YouTube.

So I encourage you to check it out on our Novogradac channel. This is actually the ninth episode of that series. And I'll share the relevant links to that playlist in this episode's show notes. But let's now turn to our topic today: the latest guidance on how to qualify for the domestic content bonus credit for renewable energy credits.

What is the domestic content adder? Well, in the Inflation Reduction Act of 2022, it created a 10% bonus tax credit for solar, onshore wind and battery projects that have a minimum amount of domestic content. The IRS, just a few weeks ago, actually on May 16, released new guidance making it easier to determine whether your project qualifies for the bonus credit.

We'll get into that guidance in more detail today, but prior to the recent guidance, developers needed to collect direct cost information from their suppliers. Direct costs included the wages that suppliers would pay to their workers in manufacturing the products, as well as the amounts that suppliers would pay for parts used in manufacturing.

As you can imagine, some manufacturers were a little reluctant to share this information with their customers directly. Instead, some manufacturers have agreed to provide this information confidentially, on a case-by-case basis, to third-party companies like CPA firms. The neutral third-party could then calculate whether a project qualifies for the domestic content adder.

Well, the latest guidance makes that process unnecessary for certain types of technologies. Instead, the new guidance provides a safe harbor for calculating the domestic content percentage. This is good news for developers, investors and lenders. In this episode, Tony and I will talk about domestic content basics and then we'll discuss how the new guidance greatly simplifies the domestic content calculation.

So, as Mike always says, if you're ready, let's get started. Tony, welcome back to Tax Credit Tuesday.

Thanks, Brad. yeah, Brad. Yeah, last time I saw you, you were on here and Mike mentioned how close you were to being the most frequent guest and I think, I think he said that the official count now is that this is your 15th appearance on the podcast.

However, our friend and colleague, Peter Lawrence, who is Novogradac's director of public policy and government relations, is keeping up the pace to protect his slim one-episode lead on you. He and Mike did last week's podcast about the effect the different outcomes of the election may have on community development tax incentives, so he's keeping that lead on you just a little bit.

But, you know, I wanted to mention, since we're keeping track and keeping score, there's one other category, you know, that I don't think anyone else has the lead or has any competition in and that's guest hosting. So, I'm obviously honored to be here today since Mike couldn't join and step in as our first guest host, so thanks for having me on here as well.

And, Tony, you and Mike, I think, have been doing this Renewable Energy Tax Credit Finance Series on a monthly basis for the last year. So, I'm sure our regular listeners already know you very well. But, you know, you are also the chair of our annual Fall Renewable Energy Tax Credit Conference coming up in D.C. and also help lead the Renewable Energy Tax Credit Working Group. Something else you and I have in common as I run the New Markets Tax Credit Working Group. But maybe for our new listeners, could you provide a brief introduction and talk a little bit about some of the ways you serve your clients?

Services

[00:04:30] **Tony Grappone, CPA**: Yeah, sure. Thanks, Brad. So, you know, at Novogradac, I help oversee three different kind of silos of services. I've got a team of folks that specializes in financial statement audit work, another team that specializes in tax return work, and then another group that specializes in transaction advisory related work.

So that's like financial projections, cost segs, and consulting that's kind of related to those core services. So, you know, it's a great role to be in here at the firm. And, you know, if you're an industry participant, and you get some kind of issue that deals with accounting, tax, or related consulting, reach out to me and we've got folks here that can that specialize in each of those areas and we look forward to helping you out.

[00:05:08] **Brad Elphick, CPA**: Thanks for that, Tony. As someone who doesn't do a whole lot with renewable energy, I always appreciate being able to send clients your way as well.

So I know that they fully appreciate all of the expertise you all bring and the services that you all can provide. But let's dive into our topic today, which is domestic content guidance. Let's start with some basic background for our audience. The domestic content bonus was created under the Inflation Reduction Act of 2022.

Can you explain what is that domestic content bonus or adder?

Domestic Content Bonus Overview

[00:05:42] **Tony Grappone, CPA**: Yeah, sure. Thanks, Brad. So, the domestic content adder is essentially a 10% bonus credit adder added to your tax credit percentage for certain types of renewable energy facilities. So if you are, if you're a developer and you're building a renewable energy facility that qualifies for tax credits under Sections 45 or 48, then essentially if you, if the project that you build includes enough domestic content, then you are eligible for a 10% bonus credit adder.

[00:06:12] **Brad Elphick, CPA**: That's great. So what do listeners need to know about qualifying for the domestic content bonus?

[00:06:17] **Tony Grappone, CPA**: Okay, great. So, yeah, when it comes to qualifying for the domestic content adder, I think one thing you need to understand right away is, well, prior to this most recent guidance, there was a, there was another notice from the IRS that came out in May of 2023.

It was a Notice 2023-38, and that was like an initial safe harbor, if you will, of guidance related to domestic content. And one of the things that safe harbor provided for was a list of manufactured products and components for solar storage and land-based wind. And that notice gave a safe harbor to let you know which components of those types of facilities are subject to either the steel and iron rule or the manufactured product and component rule.

Okay. And so if you're a taxpayer and you're looking to meet the domestic content criteria, one thing you need to know right away is all steel and iron needs to be produced entirely within the United States. So the entire manufacturing process has to be done right here in the United States for all steel and iron.

Right now, for any other types of components that don't involve steel or iron, then you fall under this other rule called the manufactured product or component rule test, where you essentially have to make sure a minimum percentage of the cost of those components are sourced or manufactured and produced here in the United States.

And so if you're a taxpayer looking to meet this criteria, it can be a lot of work. One great thing that we'll go into more detail here today is the new IRS safe harbor guidance that came out in May that you alluded to, which is, which will make it a lot easier for certain types of technologies.

But anyway, if you're a taxpayer, one thing that we've learned so far with the domestic content adder is if you're a taxpayer trying to satisfy this criteria, it can really be a lot of work. And so, you know, it's a very valuable incentive. So we think it's worthwhile that you go through the process of documenting that you qualify for it.

But from an administrative standpoint, it can be a lot of effort to sort of pull together all the necessary information to document and prove that you actually satisfy the various criteria.

Domestic Content Bonus Guidance

[00:08:28] **Brad Elphick, CPA**: That's great, and I think we'll talk about ways to do that here in just a little bit. Talking about the guidance that was published on May 16th that streamlined the process for determining whether energy projects have enough domestic content to qualify for the adder, what do you think are the highlights of that guidance?

[00:08:47] **Tony Grappone, CPA**: Yeah, right. So, you know, the biggest highlight there is the guidance added a, what's referred to as Table 1, and in this new Table 1, the IRS provides, they, they provide predetermined percentages that a taxpayer can rely on for purposes of meeting the domestic content percentage.

And so, again, we're not talking about steel and iron, because for steel and iron, 100% of that has to, the entire manufacturing process has to be done here in the United States, but if we're talking about manufactured products and components, this safe harbor provides a table of components for various types of manufactured products, and it tells you if you use, if you buy these components from a U.S. manufacturer, then you're deemed to qualify for these minimum percentages in the safe harbor.

And so, like, for example, with, if you're working on a solar project, then you buy modules, it lists out, you know, I want to say, like, maybe eight to 10 different components that go into a, a solar module. One of those is our cells. Okay. And the safe harbor provides a percentage for cells, which I think is over 36%.

What that basically means is if you buy a solar module from a U.S. manufacturer, and if the cells are also produced in the United States, you're automatically deemed to qualify for at least 36% of your sell cost being attributable to being produced here in the United States. And so because of that, a taxpayer can just rely on that percentage and doesn't have to go through the arduous process of trying to pull together all that duress cost labor that they had to do before the safe harbor notice.

So it's the safe harbor percentages that are attributable to various components that are broken out in that Table 1 of the notice, which is probably the biggest highlight and take away from what was recently issued. And then another takeaway is, is the IRS updated or expanded really the Table 2 and Table 2 outlines the various manufactured products where they provide details in terms of whether or not the components are subject to the steel and iron rule, or the domestic content rule, or the domestic product minimum percentage rule.

And this most recent notice expanded that table to also include hydropower and hydropower pump storage facilities. So those are probably the two biggest takeaways, Brad.

[00:11:12] **Brad Elphick, CPA**: Yeah, you mentioned, for example, on solar that cell, the solar cells could essentially nearly meet the 40% requirement.

Is that what you anticipate most using to try to meet that requirement?

[00:11:26] **Tony Grappone, CPA**: Over time, absolutely. You know, right now, there's still not a lot of, there aren't, there really aren't enough solar module manufacturers in this country to satisfy the full demand for solar modules for projects being built in this country.

But I definitely think, over time, we're already seeing plans for solar module manufacturers where they're building manufacturing facilities so that they can make more modules and develop cells right here in the United States. So I definitely think over time, you're going to see a lot more of the modules used in these facilities come from U.S. manufacturers and the cells as well. So, yeah, absolutely. You know, this like increased tariffs on modules and components that are sourced from certain countries, and those tariffs are, can be significant. And so I think when you factor in the tariff, the increased tariff cost on certain foreign source goods, it really starts to make a strong, compelling argument for buying these products here in the U.S., especially if you can get that 10% bonus credit adder.

[00:12:30] **Brad Elphick, CPA**: Got it. Got it. Now that makes a lot of sense. Now that the guidance has been out, you've talked about, you know, the kind of the reaction to the different components in the safe harbor. Are there any other, you know, consensus emerging about the guidance or other takeaways?

[00:12:47] **Tony Grappone, CPA**: Yeah, good question. So, you know, one, one thing that's interesting is, you know, you alluded to the cells a few minutes ago. Okay. You know, with the cells, they kind of, the IRS gives you this kind of really, like a 36% qualifying percentage that you're deemed to have if you buy your cells from a manufacturer here in the U.S., which again, like you pointed out, pretty much gets you, pretty closely gets you to the required percentage. Now, for a lot of other components, though, the percentages are kind of low. You know, at Novogradac, we've worked with a lot of clients to try to help them document what percentage of goods they're sourcing from the U.S., and what we've found is we've done a lot of that direct cost tracing, and we found that in actuality, a lot of our clients when they buy these other components that are alluded to in the safe harbor notice, we're finding that they actually incur a higher percentage than the safe harbor percentages provided for in the notice.

And so while, so although the domestic content percentage in the safe harbor for cells has been fairly well received, I think most people feel as though the percentages that are provided for on some of these other components might be you know, kind of too low, especially based on what we've seen on real projects that we've had a chance to work on.

So I think that's a big takeaway. And then the other thing I think people need to realize, just know, is that the safe harbor only provides these percentages for three different types of technologies. You know, you get solar module, you get, commercial solar PV, you've got standalone battery storage, and then land-based wind facilities.

And so if you're working on a type of qualifying facility that falls outside those three types of technologies, well, you're still kind of stuck doing the direct cost kind of tracing that was done previously. And I guess my last big takeaway there, Brad, is let's imagine you bought modules from a U.S. manufacturer. However, the cells were, are from a foreign-based company. Then it may be, at that point, it may be difficult to just simply rely on the safe harbor and you may actually be better off going the old way, which is again, kind of working with your suppliers for direct cost data.

Okay. So it seems to me, one of the biggest takeaways is if you're buying your modules from a U.S. manufacturer and the cells are sourced from the U.S., it's sort of a no brainer that your path of least resistance is probably to rely on the safe harbor, but if your cells are not sourced from the U.S., you might be, you might actually find out that you're still better off going through that arduous process of working with your suppliers to get the direct cost data.

[00:15:32] **Brad Elphick, CPA**: That's interesting. So when you're thinking about the safe harbor and you've got this list of all these different percentages, can you pick and choose which ones you, use the safe harbor percentages for and which ones you use the direct cost percentages?

[00:15:47] **Tony Grappone, CPA**: Yeah, right. That's a great question. So unfortunately, no, if you want to use the safe harbor, you have to use the safe harbor in its entirety. So if you're doing a solar, again, I'm sticking with solar because that's where we see the most volume in the industry. If you're working on a solar project, you can't just say, you know what, I want to use, I want to use the safe harbor for some of the solar module components or the inverter components, but I'll use direct costing for the other components. You can't do that. It's either you're using the safe harbor or you're going direct cost. You can't sort of mix and match.

[00:16:18] **Brad Elphick, CPA**: And is there any kind of election to use the safe harbor?

[00:16:21] **Tony Grappone, CPA**: It is an election. It is an election when, you know, when you file your tax return, you have to include certain information about how you satisfy the domestic content criteria and that's where you'd make it clear that you're electing the safe harbor provision.

[00:16:35] **Brad Elphick, CPA**: Got it. Well, no, that's really good information, and I guess this new guidance definitely makes it much easier for the developers to determine whether their projects qualify for the domestic content bonus.

So, now switching to, you know, for developers who do decide to pursue the domestic content bonus, they'll likely need to give their investors and lenders some sort of comfort that their projects will indeed qualify for the adder. And you know, that's something that we at Novogradac can help provide through an agreed upon procedures engagement, otherwise known as an AUP.

Can you describe for our audience what an AUP is and why it's useful in this scenario?

Agreed Upon Procedures

[00:17:14] **Tony Grappone, CPA**: Yeah, sure. So, agreed upon procedures, or as you say, or AUP, is a type of deliverable that CPA firms can issue for certain types of, you know, for these types of purposes, really. So if you're in the industry and you're looking for an AUP, you would only get that from a CPA firm.

Okay. And it's referred to as a type of attestation deliverable, where basically what the CPA firm does is the CPA performs procedures that are really agreed to, you know, by the users of the report. And so who are the users of the report? Well, usually in this case with the domestic content, AUP would probably be, you know, the developer, right?

The developer is the entity or the taxpayer that incurred all the costs. So they're the, they're probably the primary user, but you may have some other users to that report as well. For example, you might have a tax equity investor or a tax credit transfer rebuyer or a lender. And so those might, those are kind of your classic users.

It'd usually be the developer, and either an investor or like a transfer rebuyer. And so those users would agree on what they think the appropriate procedures to perform would be, okay? And they would probably ask us for our thoughts on procedures that might make sense as well. And we can weigh in there in terms of giving them our perspective on what we've seen in the marketplace with other users.

But at the end of the day, it's really one of the nice things about AUPs is the specific procedures performed can really be tailored to suit the engagement needs and to satisfy whatever concerns those specific users have, okay? And so once the parties agree on what procedures should be performed, the CPA firm performs procedures and then at the end of each procedure the CPA firm then kind of lists like a finding or some sort of determination.

And the findings and determinations are really meant to help point out to the users if there's an issue or not. Okay. And so if you kind of, if I, when I see a well-written AUP report, it usually goes through procedures. And whenever you get to the finding, the way the findings, if you get a finding that doesn't reveal any sort of like issue, it tells you that the procedures are sort of being performed with the expectations that were desired.

And so, yeah. Yeah, one thing also just point out about AUPs, it's a lot of times clients come to say, hey, look, could you give us a written guarantee that we meet the domestic content criteria? And, you know, we don't, CPA firms typically don't do that. The AUPs aren't some sort of like written guarantee.

It's not like a financial statement audit opinion when you hire us to audit your financial statements. It's not, we don't express that kind of opinion on the results. Instead, it's very, it's like a very objective sort of black-and-white-style analysis, that really helps the users figure out if the issues that they care about are being addressed in a, like a third-party deliverable.

And so I think they work great for this exercise. Novogradac has been doing AUPs across the tax credit industry for a variety of different purposes for decades. So AUPs are really like a go-to deliverable for these types of purposes. And so it only makes sense that we're doing an AUP for domestic content as well.

[00:20:30] **Brad Elphick, CPA**: Absolutely. And coming from the new markets tax credit world, we do AUPs all the time for different things for investors to rely on to ensure that the investments qualify for new market tax credits. So, as you mentioned, we do this all over the tax credit industry. Mentioning the AUP, obviously, before the safe harbor came out, you were preparing AUPs as it related to this domestic content bonus.

Are you starting to see the investor market kind of coalesce around a set of procedures, so that, you know, essentially, you're starting to see some similarity from AUP to AUP, or is it still a wide variety and some investors want more detailed procedures while others are okay with less procedures?

[00:21:19] **Tony Grappone, CPA**: Yeah. Yeah. So far with domestic content,we haven't really gotten to that point yet where you've got like a standardized template or playbook, if you will. Each deal is sort of its own tailored kind of product, right? Alluding back to prevailing wage and the apprenticeship AUP, that's an AUP where you're seeing a template come together more quickly, and I think the reason why the prevailing wage and apprenticeship AUP is coming together in a template form, standardized approach so quickly is because with PWA, prevailing wage and apprenticeship, with PWA, pretty much every project these days that's being built needs to meet that criteria.

And so everybody needs, you know, pretty much every energy property being built out there needs a third-party report showing that they met the PWA criteria. And as a result, you've got a lot of input from investors, lenders, investors, attorneys, insurance providers, et cetera. And that's helping that sort of template take form.

Does that make sense?

[00:22:24] **Brad Elphick, CPA**: Yep.

[00:22:24] **Tony Grappone, CPA**: Okay. But with domestic content, you know, it's only the facilities that are, you know, sourcing their goods. Sourcing all their products here in the U.S. that actually need a third-party deliverable, okay? And that's still not the majority of deals. And so as a result, we're just not, we haven't really seen that same degree of feedback from industry stakeholders, that's important to sort of get that template in place.

The other thing I'll say is we were starting to make some traction with a bit of a template on the direct cost approach, you know, with tracing all those direct costs, but now with the safe harbor, we're actually kind of retooling our, we're retooling our AUP a bit to have a, to try to offer a bit of a template for solar and battery storage projects and wind projects that are going to rely on the safe harbor. My gut tells me, Brad, you'll see a template for facilities relying on the safe harbor come together quicker than the AUP that still relies on, you know, direct cost tracing.

[00:23:23] **Brad Elphick, CPA**: Yeah, it seems like that. Definitely be the case where you have the cells meeting, you know, 36% of the 40% needed.

Seems like you could get there pretty quickly on some uniformity in the AUP. So, if I'm a developer who's trying to, you know, engage you for this AUP, at what point in the process, or are there multiple points in the process that we should, that we as developers should reach out to you?

[00:23:49] **Tony Grappone, CPA**: Yeah, great.

Let's say you're kind of unsure if you're going to meet, if you're going to meet the criteria, you know, I'd say then reach out to us sooner rather than later, because we can help you analyze your costs and help you figure out if you're going to qualify. You know, if you're buying, if you're a developer that's doing a commercial solar project and you're going to buy modules with U.S.-source cells, well, we can help. You know, chances are you're going to meet the criteria, so you may not feel like you need to reach out to us so soon in the process. But if you're not, if you're not, you know, if you're not, if you don't think you're relying on the safe harbor or whatever, or you're a little bit unsure, I'd say reach out to us sooner rather than later.

We can help you figure out to what degree you're going to, you're going to, how comfortable you're going to be meeting the test. That's one. Another is this, if you're going through the financial closing process with an investor or a tax credit buyer, they like to see before they invest, or give any support to the 10% adder, they like to know if anybody's kicked the tires a bit on how, to what degree you're going to meet the criteria to satisfy the domestic content rules. And so it's good to be able to say, look, we're working with Novogradac. They've already kind of done some analysis. They're not, you know, done maybe or whatever. Maybe there's more to go. But so far, there's thinking that, you know, it's looking like we're sort of meeting the criteria and we feel comfortable with it. So I think this, I think there's something to be said for having us get involved when you're going through your financial closing process. And then obviously at the end of the day, once the facility is placed in service and you're trying to get your final funding from whatever source it is, they're most likely at that point in time, going to need to see some kind of third-party deliverable, indicating to what degree you met the criteria.

And so, yeah, so it's either early on when you do your feasibility analysis, right? If you've got a lot of uncertainty in terms of your ability to qualify, you could reach out to us when you're doing your initial feasibility study or you could reach out to us when you're trying to close on financing.

But at the very latest, it's when you probably place your facility in service and need to get that final funding.

[00:25:46] **Brad Elphick, CPA**: When you're looking at the items in Table 1 that you mentioned, you know, there's a handful of items there. I assume that list is not all inclusive of all of the different components, is that right?

[00:25:58] **Tony Grappone, CPA**: That's right. That's right.

[00:26:00] **Brad Elphick, CPA**: As a developer, and I'm trying to think about, you know, how I'm going to organize this information for you to do that preliminary analysis and then ultimately an AUP, what's the best way to approach kind of, you know, what you can rely on from that table versus what information, additional information I'm going to have to get from my suppliers?

You know, is there a way to understand, you know, I guess, obviously looking at that table is a good place to start, but do you have any other tips you can share with developers about kind of preparing for, you know, the process that you're going to have to go through with your AUP?

[00:26:34] **Tony Grappone, CPA**: Yeah, sure. So, yeah, I mean, I start with a table.

I usually say to a client, send me your construction budget that has kind of your trade item breakdown that lists your major categories and then we just kind of go through this and just have an open conversation. Which of these components do you think you're buying from manufacturers here in the U.S. versus, you know, outside the country?

And then from there, we try to identify components that, you know, or in the safe harbor. And then we just say, look, to what extent can you check the boxes off in the safe harbor? Because if you can, if you think you can easily check enough boxes to get over 40%, then you might want to just kind of focus in that, in those areas to sort of meet the criteria.

Right away, though, you can tell if they're right, you, it really comes back to the cells, you know. So, you know, for solar, you've heard me mention cells multiple times already on this podcast. The cells is a big driver here in terms of whether or not you're relying on the safe harbor or whether or not you're going to be reaching out to suppliers to get all that underlying cost data.

Developer Tips

[00:27:35] **Brad Elphick, CPA**: Got it. Do you have any other tips for developers?

[00:27:38] **Tony Grappone, CPA**: If you're not buying yourselves from, if you're not buying yourselves from a producer here in the States, don't, but you feel like you, you are buying a lot of your stuff from manufacturers in the States, don't give up hope.

These percentages for a lot of these other components in this, in the notice, they seem a little low. You might be surprised when you kind of look under the hood and see the actual underlying cost data. You might be pleasantly surprised by the amount of cost to help bolster that 40% percentage.

So, we'd like, we'd love to help you guys kind of analyze it and figure it out and see if you qualify for that adder.

Wrap-Up

[00:28:11] **Brad Elphick, CPA**: Well, great. Thank you, Tony, for that. And to our listeners, obviously we'll share Tony's contact information in today's show notes. So you can contact him directly with any questions that you have about AUPs or the domestic content bonus.

Also, please reach out to Tony about joining the Renewable Energy Working Group. And as I mentioned earlier, I will include in the show notes links to previous episodes in this Renewable Energy Tax Credit Finance Series. Also, check us out for more information about the Fall Renewable Energy Tax Credit Conference.

We do have on that YouTube channel, as we mentioned, a dedicated playlist with all nine of the episodes so far in this series. And I'm sure Tony will be back in the near future to try to get ahead of Peter Lawrence for another podcast appearance. But we hope that you'll enjoy binge watching the series that's been recorded so far, and I encourage you to share with others on your renewable energy finance teams.

Off-Mike

[00:29:10] **Brad Elphick, CPA**: All right, now let's turn to what is commonly referred to as our Off-Mike Section. And this has turned into a, you know, fun segment where our podcast guests can acknowledge industry colleagues. And Tony, I know that from listening to previous, Tax Credit Tuesday podcasts in this series, you were the genesis for this shout out.

And so what, who is your shout out, for this week?

[00:29:40] **Tony Grappone, CPA**: Okay, before we get into my shout out, I just want to say something. Peter Lawrence, I'm coming for you. Okay? Before I give the shout out, Brad, let me ask you, are you, did I hear it right, you were the first, is this the first time Mike has not hosted the podcast?

[00:29:59] **Brad Elphick, CPA**: That, that is my unofficial count and really it's the only one that I feel like matters. So I'm obviously honored to be the guest host. I don't know how far down the bench he had to go before he got to me. But yeah, I think I'm the first one in all these years that we've been doing Tax Credit Tuesday.

[00:30:15] **Tony Grappone, CPA**: Yeah, that's my impression. I've never heard of another partner, hosting the session other than Mike. So congrats on getting a nod.

[00:30:22] **Brad Elphick, CPA**: Well, you'll have to make sure to put in a good word for me after this one.

[00:30:25] **Tony Grappone, CPA**: I'll do it for sure. All right, cool. So my industry shout out for the week. This is the first time I'm giving the shout out to a Novogradac colleague.

All my shout outs prior to this have been to like, clients or industry colleagues, et cetera. But this week it's going to somebody internally here at the firm. It's going to our partner, Josh Morris. And the reason I'm giving the shout out to Josh is because Josh has really taken the lead at the firm on domestic content AUPs.

And so he's been working hard also, you know, shout out to Nat Eng. So, Josh has been working the domestic content AUPs for a while now, and he's pretty close to that process. Nat helped him develop that as well in consultation with folks like myself, et cetera. And so, but, but Josh has a pretty good mousetrap that he's built for domestic content AUPs. And so, you can feel free to reach out to me or Josh. If you reach out to me, I can, you know, connect you with him and we can work on it in collaboration or reach out to him directly. Yeah. And then, I might even toss in one colleague here as part of a relate--, related to this shout out.

And that is, a guy, you know, Brad, is Forrest Milder. Okay, so Forrest Milder, as you know, is a super talented tax attorney in this, in the tax credit industry, and he is, has as much expertise when it comes to domestic content as anybody I've met before, and so I'm giving Forrest a shout out because what I want to do is I'd like to build on this podcast, Brad, and roll this into a webinar that includes Forrest and Josh. So--

[00:32:02] **Brad Elphick, CPA**: That's a great idea. I think that's, those are good shout outs. Obviously, I agree with all three of those. Josh and Nat at Novogradac, obviously partners of ours. And so, and obviously Forrest, who I feel like has been an expert in everything, every tax credit and everything about tax credits, and so it does not surprise me that he's also a domestic content expert.

So, shout outs to Forrest as well. Well, well, thank you, Tony. Thank you for having me this week. And to our listeners, don't worry, Mike will be back next week, but until then, I'm Brad Elphick. Thanks for listening.

Additional Resources

Email

Tony Grappone

Guidance

2024-41: Domestic Content Bonus Credit Amounts under the Inflation Reduction Act of 2022: Expansion of Applicable Projects for Safe Harbor in Notice 2023-38 and New Elective Safe Harbor to Determine Cost Percentages for Adjusted Percentage Rule

Working Group

Renewable Energy Working Group

Renewable Energy Tax Credit Finance Series

May 7, 2024: Renewable Energy Tax Credit Finance Series: Prevailing Wage and Apprenticeship: Meeting the Criteria

April 9, 2024: Renewable Energy Tax Credit Finance Series: Elective Pay Final Regulations

March 5, 2024: Renewable Energy Tax Credit Finance Series: Legislative and Regulatory Hot Topics

Jan. 23, 2024: The Renewable Energy Tax Credit Finance Series: Structuring Options for Transferring ITCs

Dec. 12, 2023: Renewable Energy Tax Credit Finance Series: Unpacking Sponsor Benefits

Nov. 28, 2023: Renewable Energy Tax Credit Finance Series: Unpacking Investor Benefits

Oct. 17, 2023: Renewable Energy Tax Credit Finance Series: Year-End Financial Reporting Recommended Practices

Sept. 19, 2023: The Renewable Energy Tax Credit Finance Series: RETC Structuring Trends