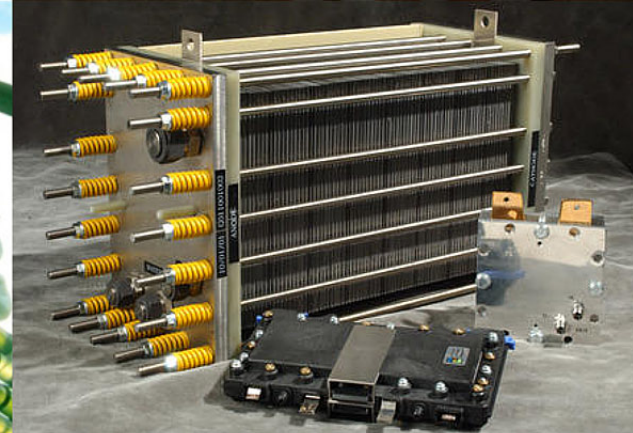


48C Phase II Program

U.S. DEPARTMENT OF
ENERGY

Energy Efficiency &
Renewable Energy



Concept Paper Submission

February 19, 2013

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- Overview of the program
- Timeline for selection
- Parts of the concept paper
- EERE eXCHANGE

Internal Revenue Service (“IRS”) Notice 2013-12

Section 48C of the Internal Revenue Code provided for the qualifying advanced energy property project program and authorized \$2.3 billion of credits. It also directed the Service to review the credits allocated.

The Service has completed this review and has determined that § 48C Phase I credits in the total amount of **\$150,228,397** is available for reallocation under the § 48C Phase II program.

This notice establishes a second phase of the qualifying advanced energy project program (“the § 48C Phase II program”) to distribute the § 48C Phase I credits that are available for re-allocation.

Qualifying Advanced Energy Project

A qualifying advanced energy project is a project that meets the following requirements:

- (1) the project re-equips, expands, or establishes a manufacturing facility for the production of specified advanced energy property or property that, after further manufacture, will become **specified advanced energy property** (SAEP);
- (2) the Service has certified pursuant to § 48C(d)(2) that part or all of the qualified investment in the project is eligible for a credit under § 48C; and
- (3) the project does not produce any property which is used in the refining or blending of any transportation fuel (other than renewable fuels).

Specified Advanced Energy Property (SAEP)

- (1) Property designed for use in the production of energy from the sun, wind, geothermal deposits or other renewable resources;
- (2) Fuel cells, microturbines, or an energy storage system for use with electric or hybrid-electric motor vehicles;
- (3) Electric grids to support the transmission of intermittent sources of renewable energy, including property for the storage of such energy;
- (4) Property designed to capture and sequester carbon dioxide and sequester carbon dioxide emissions;
- (5) Property designed to refine or blend renewable fuels (but not fossil fuels) or to produce energy conservation technologies (including energy-conserving lighting technologies and smart grid technologies);
- (6) New plug-in electric drive motor vehicles, qualified plug-in electric vehicles or components that are designed specifically for use with such vehicles, including electric motors, generators, and power control units; or
- (7) Other property designed to reduce greenhouse gas emissions as may be determined by the Service.

Eligible Property

Eligible property is any property (other than a building or its structural components) that meets the following requirements:

- (1) the property is necessary for the production of specified advanced energy property described in § 48C(c)(1)(A)(i) or section 3.02 of this notice;
- (2) the property is
 - (a) tangible personal property, or
 - (b) other tangible property (not including a building or its structural components) that is used as an integral part of the qualifying advanced energy project; and
- (3) depreciation (or amortization in lieu of depreciation) is allowable with respect to the property.

- Projects must meet three criteria:
 - Manufacture advanced energy products
 - Products must have a reasonable expectation of commercial viability
 - Taxpayer must request 30% of the Qualified Investment, not to exceed \$30 million of credit per project
- Concept Papers that do not clearly demonstrate how the proposed project meets the eligibility requirements will not be reviewed.

- Information on Reviews is in Appendix B of the Notice
- Compliance Review
 - Concept Paper meets all of the requirements outlined in Section 3 of Appendix B
 - All required information submitted
 - All mandatory requirements of the Notice are satisfied
- Merit Review
 - Commercial Viability Scored
 - Market and Product Viability
 - Project Financial Viability
 - Other Viability Factors
 - Exceptional Project Strengths

- Notice
 - February 7, 2013
- Concept Paper Due
 - April 9, 2013
- Invitation for Full Applications
 - June 4, 2013
- Full Applications Due
 - July 23, 2013
- IRS Announces Selection
 - November 15, 2013

- Concept paper submission requires the use of eXCHANGE
- Concept Paper must be submitted electronically via Exchange
- Appendix B of the Notice identifies the requirements and parts of the Concept Paper
- All required data fields must be completed in exchange

- Must be written in English
- 8 ½ x 11 inch paper with one inch margins
- Times New Roman, minimum 11 point font
- Exchange Control number for this submission on every page
- Page numbers in the footer
- Limited to 15 pages
 - Narrative: 10 pages
 - Appendices: 5 pages
 - Excess pages of either category will not be reviewed

Content Requirements

- Executive Summary
- Description of the Advanced Energy Project
- Description of Commercial Viability
- Description of American manufacturing
- Technological Innovation
- Domestic Job Creation
- Project Schedule and Time to Completion
- Impact on Air Pollution and Anthropogenic Emissions of Greenhouse Gases

- **Executive Summary**
 - A brief summary of the project
 - Tax credit requested
 - The potential impact that the proposed project would have on the relevant technology field, as well as on domestic manufacturing
- **Description of Advanced Energy Project**
 - A description of the specified advanced energy property (SAEP) the re-equipped, expanded or new manufacturing facility will produce.

- Description of Commercial Viability
 - The market segment(s) for the manufactured product.
 - Competitiveness of the product.
 - Other viability factors, including: payback period; profitability of investment; and financial assumptions (costs, revenues, discount rate, etc.).
 - Potential for project success.
 - Description of overall corporate health.

- **American Manufacturing**
 - How the facility is sustainable in the United States.
 - How the project adds to regional economic development.
 - The major effects receipt of this tax credit would have on your decision making.
- **Technological Innovation**
 - Identify any unique technological innovations in which the product or process will play a key role.
- **Domestic Job Creation**
 - Enter the number of direct jobs in the data fields in the eXCHANGE system (described in IV-E). Jobs should be listed as full-time equivalent employees directly billable to the project for each calendar year.

- Project Schedule and Time to Completion
 - Identify the date the project is scheduled to be fully operational
- Impact on Air Pollution and Anthropogenic Emissions of Greenhouse Gases
 - Identify any unique contribution(s) the product will make in avoiding or reducing air pollutants and/or anthropogenic emissions of greenhouse gases.

- Get a login
- Navigate to the 48C Concept Paper section of eXCHANGE
- Required Information
- Upload and Submit
- Editing and resubmitting a Concept Paper

- Questions about the content of IRS Notice 2013-00012
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 - Fax – 713-209-3964
- Questions about using EERE eXCHANGE
 - eere-exchangesupport@hq.doe.gov