

November 4, 2022

Submitted electronically via the Federal eRulemaking Portal

Re: Preliminary Comments of the California Energy Storage Alliance on Treasury and Internal Revenue Service (IRS) Notice 2022-50 Requesting Public Comment on Elective Payment of Applicable Credits and Transfer of Certain Credits of the Inflation Reduction Act (IRA) of 2022

To Whom It May Concern:

The California Energy Storage Alliance (CESA) appreciates the opportunity to submit comments on Notice 2022-50 on Elective Payment of Applicable Credits and Transfer of Certain Credits.

CESA is a 501(c)(6) organization representing over 120 member companies across the energy storage industry. CESA member companies span the energy storage ecosystem, involving many technology types, sectors, configurations, and services offered. As the definitive voice of energy storage in California and the largest trade association in the nation focused on grid-connected energy storage, CESA is uniquely positioned to speak to the various issues and questions posed in the Treasury Notices. However, we note that the comments below do not represent any particular view or position of any individual member company.

We appreciate the opportunity to provide these comments and would appreciate the opportunity to discuss them further with you. If you or your staff would like to discuss the contents of these comments, please contact Jin Noh, Policy Director of CESA at 510-296-0420 or jnoh@storagealliance.org, with a copy to Grace Pratt at gpratt@storagealliance.org.

I. INTRODUCTION & SUMMARY.

The IRA represents landmark legislation that will transform the nation's economy and will spur historic levels of investment in clean generation, energy storage, alternative fuels, transportation, and consumer/commercial devices and appliances – all in a national effort to tackle climate change and increase the sustainability and resiliency of the economy. With the IRA touching on so many aspects of the clean energy economy, Treasury and IRS are tasked with many areas of implementation of the IRA's key provisions. As such, in issuing six different notices requesting public comment, Treasury and IRS have expressed their core principles in guiding the implementation process and have quickly moved to solicit public comments.

CESA appreciates the timely action to seek public comment in order to mobilize the various clean energy investments over the medium and long term and provide greater clarity and certainty

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for many investments already underway or planned in the near term. Given the multitude and complexity of many IRA provisions, as well as the likely resourcing constraints faced by the Treasury and the IRS to review and process thousands of public comments, CESA submits these preliminary comments as key areas of clarifications and potential proposals that are important to the grid-connected energy storage industry.

II. ELECTIVE PAYMENT OF APPLICABLE CREDITS AND TRANSFER OF CERTAIN CREDITS.

In Notice 2022-50, Treasury and IRS seek comments and responses to questions on provisions under § 6417 and the elective credit transfer provisions under § 6418 of the Internal Revenue Code. In these comments, CESA seeks the following general clarifications:

- Clarify forms of agreements that can be used to facilitate the transfer of tax credits
- Clarify transferability provisions and the applicability of recapture rules if there is a change in ownership of the project
- Clarify whether a tax-exempt entity can receive tax credits from a developer through the transferability provisions and then receive cash from Treasury by claiming the ITC through direct pay

III. CONCLUSION.

CESA appreciates the opportunity to provide these comments on the Treasury Notices and look forward to collaborating with Treasury in implementing the various provisions of the IRA.

Respectfully submitted,



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