

November 3, 2022

SUBMITTED ELECTRONICALLY

Internal Revenue Service
CC:PA:LPD:PR (Notice 2022-50)
Room 5203
P.O. Box 5203, Ben Franklin Station
Washington, D.C. 20044

The Honorable Lily L. Batchelder
Assistant Secretary for Tax Policy
Department of Treasury

Mr. William M. Paul
Principal Deputy Chief Counsel and Deputy Chief Counsel
Internal Revenue Service

**Re: Request for Comments on Energy Security Tax Credits for Manufacturing Under Section 45X
(Notice 2022-47)**

Dear Ms. Batchelder and Mr. Paul:

CubicPV appreciates the opportunity to submit its comments with respect to § 45X of the Internal Revenue Code. As the only silicon solar wafer company currently in the United States, CubicPV plans to fill a significant void in the U.S. silicon value chain and reduce the global reliance on silicon wafers produced in China. With the passage of the Inflation Reduction Act (IRA), we have made the U.S. our priority and are quickly moving to apply our world-class knowledge of silicon crystallization and manufacturing to establishing domestic wafer production.

To this end, CubicPV has prioritized the questions within this section that stand to have the most influence on the solar manufacturing industry in the United States and the ability of new domestic market entrants, such as CubicPV, to quickly meet the goals of this transformative law.

Thank you very much for your consideration of our comments.

.01 Elective Payment of Applicable Credits (§ 6417)

(6) With respect to the elections under § 6417(d)(1)(B), (C), or (D):

(b) What factors should the Treasury Department and the IRS consider in determining the time and manner for making the election?

To realize the new manufacturing capacity, the frequency of direct payment will play a key role. As companies, both those with existing capacity and new market entrants, allocate the capital to facilities, cash and working-capital pressure increase, particularly if cash realization of the benefits within § 45X could delay use of the credits by a year or more. More frequent elections would alleviate this pressure and allow for larger investments into the domestic solar industry. A mechanism that allows for quarterly payments, perhaps in connection with estimated tax filings, would provide the quick access to capital necessary for manufacturers working to establish US production while affording the Treasury and IRS more frequent and regular insight into the impact of § 45X.

Additionally, we respectfully request that the Treasury and IRS consider how to account for factory ramp up periods for new manufacturing facilities before they operate at full capacity. This ramp is vital to ensuring safety and operational standards are met. When developing guidance specific to Direct Pay elections, it is important not to penalize manufacturers for this ramp period and to accommodate these products in the first year of the five-year election after the ramp period. The guidance should make clear that a manufacturer can claim section 45X tax credits on eligible components produced and sold during the ramp period before the entity's first full year of credit election.