



# **MAINE AFL-CIO**

**A Union of Unions Standing for Maine Workers**

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## **The following are the comments of the Maine AFL-CIO to the Request for Comments on Elective Payment of Applicable Credits and Transfer of Certain Credits, Notice 2022-50.**

The Maine AFL-CIO is a federation of labor unions from the public and private sectors. We represent 40,000 working men and women in the state of Maine. We work to improve the lives and working conditions of our members and all working people.

We believe that climate change poses serious threats – warming oceans, rising sea levels, extreme weather and more. Unions in Maine have been developing a vision to address accelerating climate change and deepening inequality by creating new union jobs in the clean energy sector. Our comments on this and other sections of the Inflation Reduction Act are based on our work and vision to address climate change and inequality.

From 2009-2011, The American Recovery and Reinvestment Act's Section 1603 Cash Grant program allowed renewable tax credit recipients to elect to receive cash grants in lieu of tax credits. Under the Section 1603 program, the Treasury made payments within 60 days after receiving a completed application from a qualified applicant.<sup>1</sup> Regulations for the Inflation Reduction Act's Elective Payment of Applicable Credits should be similarly structured, but should shorten the 60-day payment window to a 30-day payment window.

In most cases, a public entity or nonprofit organization will require debt financing to cover the high upfront project costs of a renewable project, using the Inflation Reduction Act's Elective Payment provision to pay down a substantial portion of loan principal. Longer wait times for elective payment will cause higher interest costs to accumulate. The Treasury should adopt rules similar to those set by the Bureau of Fiscal Service for prompt payment, which specifies that agencies must pay recipients within 30 days, and that late payments will accrue interest to reflect the costs of delayed payment.<sup>1</sup>

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<sup>1</sup> <https://www.fiscal.treasury.gov/prompt-payment/faqs.html>