

Practice Update

IRA Update: Guidance Released for Round 2 of 48C Advanced Energy Project Credit Program

May 2, 2024

By [Sara M. Langan](#)

On April 29, 2024, the IRS and Treasury Department announced the procedures for the second round of federal tax credit allocations for the Advanced Energy Project Credit Program (48C Program) under Internal Revenue Code Section 48C(e) in [Notice 2024-36](#). The announcement includes modified [Appendix A – Eligibility](#), [Appendix B – DOE Application Process](#), and [Appendix C - 48C\(e\) Energy Communities](#), which contain guidance for the Program. Revisions to the Appendices include further clarification and examples of types of property that are eligible or ineligible for the Program. The revisions also include renaming the “Greenhouse Gas Emission Reduction Projects” category from Round 1 to “Industrial Decarbonization Projects” for Round 2 and clarify that eligibility under the program category remains unchanged from Round 1. The other categories include clean energy manufacturing and recycling projects and critical material projects. Treasury and the IRS will determine after Round 2 if an additional allocation round is needed, and clarified that failure to receive an allocation in Round 1 does not prevent an applicant from applying in Round 2.

Below are key dates and amounts for Round 2:

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Key Dates Round 2

	Date
DOE 48C Portal opens for registration and concept paper submission	May 2024, and no later than 05/28/2024
Informational webinar	No later than 05/31/2024
Submission deadline for concept papers	30 calendar days after the 48C Portal opens for registration and concept paper submissions
48C Portal opens for full application submission	Summer 2024
Submission deadline for § 48C(e) applications	Summer/Fall 2024; 50 calendar days after the 48C Portal opens to accept full application submissions at 11:59 pm ET
IRS allocation decision notifications	No later than 01/15/2025

Round 1 & 2 Credit Allocation Amounts

	Round 1	Round 2
Total 48C Credit Allocation	\$4 Billion	\$6 Billion Estimated
Energy Communities Census Tracts	\$1.5 Billion	\$2.5 Billion Estimated

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