



TaxNewsFlash

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Rev. Proc. 2024-19: Guidance on environmental justice solar and wind capacity limitation program for 2024

The IRS today released [Rev. Proc. 2024-19](#) providing procedural and clarifying guidance applicable to the program under section 48(e) to allocate environmental justice solar and wind capacity limitation with respect to certain solar and wind facilities placed in service in connection with low-income communities—established under H.R. 5376 (commonly called the “Inflation Reduction Act of 2022” (IRA))—for the 2024 program year. The program provides an increase of 10% or 20% to the investment tax credit rate available under section 48 for taxpayers (or tax-exempt or government entities) that receive an allocation under the program.

The IRS released [Rev. Proc. 2023-27](#) in August 2023, providing procedural and clarifying guidance applicable to the program (read [TaxNewsFlash](#)). Rev. Proc. 2024-19 provides the process for the program for 2024, and solely with respect to the 2024 program year, supersedes Rev. Proc. 2023-27.

Rev. Proc. 2024-19 provides important clarifying changes to the application, documentation, and lottery procedures applicable to the 2024 program year. In addition, it describes how the capacity limitation for the 2024 program year will be divided across the facility categories described in Treas. Reg. §§ 48(e)(2)(A)(iii) and 1.48(e)-1(b)(2), the Category 1 sub-reservation described in Treas. Reg. § 1.48(e)-1(i)(1), and the additional selection criteria application options described in Treas. Reg. § 1.48(e)-1(h).

Read a related IRS release—[IR-2024-86](#) (March 29, 2024)

Background

The U.S. Treasury Department and IRS launched the program in February 2023 under Notice 2023-17, which provided initial program guidance for potential applicants for allocations of calendar year 2023 capacity limitation. Read [TaxNewsFlash](#)

Treasury and the IRS then published proposed regulations in June 2023, supplementing the guidance provided in Notice 2023-17 to outline the specific application procedures, additional allocation criteria, and applicable definitions, among other information, necessary to submit an application to request an allocation of the capacity limitation for calendar year 2023 under the program. Read [TaxNewsFlash](#)

The proposed regulations were finalized in August 2023, with the [final regulations](#) providing the four project categories under which facilities apply for an allocation, and the increase of either 10% or 20% associated with a project category. Read [TaxNewsFlash](#)

Additionally, the final regulations:

- Clarified that the application period is 30 days (beginning October 19, 2023)
- Defined financial benefits for the two applicable project categories
- Defined energy storage technology installed in connection with the solar or wind facility
- Defined and describe the additional selection criteria for eligible potential applicants
- Adopted the definition of qualified facility provided in the proposed regulations with respect to the classification of a “single facility,” but provided that a single factor or factors are not determinative
- Reminded potential applicants that facilities placed in service prior to an allocation are not eligible
- Provided the disqualification and credit recapture rules specific to the program

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