

U.S. DEPARTMENT OF THE TREASURY

READOUT: U.S. Department of the Treasury Hosts Tribal Consultation on Inflation Reduction Act Provision to Expand Clean Energy Incentives to Tribal Governments

July 18, 2023

WASHINGTON, D.C. –The U.S. Treasury Department yesterday hosted a Tribal Consultation on a key provision of the Inflation Reduction Act that impacts Indian Country. The consultation with nearly 100 Tribal representatives was led by Chief Lynn Malerba, Treasurer of the United States, and focused on a new credit delivery mechanism – elective pay (often called “direct pay”) – that enables Tribal governments to take advantage of clean energy tax credits, expanding the reach of those credits to help build projects more quickly and affordably, which will in turn create good-paying jobs and lower energy costs.

Until the Inflation Reduction Act introduced this new credit delivery mechanism, Tribal governments could not fully benefit from tax credits like those that incentivize clean energy construction. The Inflation Reduction Act also established another mechanism – credit transferability – that expands the range of entities that can benefit from clean energy credits. Treasury issued proposed and [temporary regulations on elective pay and transferability](#) on June 14, 2023.

During the consultation, Tribal commenters expressed excitement about the ability of elective pay to lower the cost of clean energy projects on Tribal land, along with feedback on the process for claiming clean energy credits. The consultations are part of Treasury’s ongoing work to solicit input from Tribal governments to inform its implementation of the Inflation Reduction Act, with previous Tribal Consultations on November 28 and 29, 2022, and June 26, 2023.

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