


U.S. Department of the Treasury, IRS Release 2024 Guidance for Second Year of Program to Spur Clean Energy Investments in Underserved Communities, As Part of Investing in America Agenda

March 29, 2024

Program provides up to 20-percentage point credit boost for projects in low-income communities

WASHINGTON — Today, the U.S. Department of the Treasury and Internal Revenue Service (IRS) issued [procedural guidance](#)  for the 2024 program year of the Low-Income Communities Bonus Credit Program under Section 48(e) of the Internal Revenue Code. Treasury also announced the program would open for applications during the second quarter of 2024.

This groundbreaking program created by President Biden’s Inflation Reduction Act provides a 10 or 20-percentage point boost to the Investment Tax Credit for qualified small solar or wind facilities in low-income communities, on Indian land, as part of affordable housing developments, and benefitting low-income households. The program aims to increase investment in clean energy facilities in low-income communities; encourage new market participants in the clean energy economy; and provide benefits to individuals and communities that have been historically marginalized from economic opportunities and overburdened by environmental impacts.

In the first year of the program the administration received more than 46,000 applications within the first 30 days from communities across the country, signaling robust demand. Today’s announcement will unlock 1.8 gigawatts of additional capacity to help spur further investment. This will advance President Biden’s Investing in America Agenda by lowering energy costs and providing breathing room for hard-working families, investing in good-paying clean energy jobs in low-income communities, and supporting small business growth.

“The first year of implementation saw sky-high demand for solar and wind power investments in underserved communities, and we expect that momentum to continue this year,” **said U.S. Deputy Secretary of the Treasury Wally Adeyemo.** “These investments are creating jobs

and lowering energy costs in communities that have long been held back by lack of investment, as well as providing new opportunities for small businesses in these communities to benefit from the growth of the clean energy economy.”

As provided in previous guidance, the Low-Income Communities Bonus Credit Program annually allocates 1.8 gigawatts of capacity available through a competitive application across four categories of qualified solar or wind facilities with maximum output of less than five megawatts.

In the procedural guidance released today, for the 2024 program year the IRS will initially allocate up to:

- 600 megawatts to facilities located in low-income communities;
- 200 megawatts to facilities located on Indian lands;
- 200 megawatts to facilities that are part of federally-subsidized residential buildings;
- 800 megawatts to facilities where at least 50 percent of the financial benefits of the electricity produced go to households with incomes below 200 percent of the poverty line or below 80 percent of area median gross income.

For the 2024 program year, at least 50% of the capacity of each category will be reserved for projects meeting certain ownership and/or geographic selection criteria as outlined in Treasury and IRS guidance.

The IRS Final Regulations, Frequently Asked Questions, Applicant User Guide and other resources can be found on the DOE [program landing page](#).

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