

Speaking Engagements | January 22, 2025

# Navigating the Inflation Reduction Act: Insights on Brownfield Energy Community Credits

## Energy Law Insights

### SPEAKERS

Karlie Clemons Webb | M. Benjamin Cowan

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Join Troutman Pepper Locke Partners Karlie Webb and Ben Cowan as they delve into the complexities of the Inflation Reduction Act, focusing on the Brownfield Energy Community credits. This discussion covers the statutory definitions, IRS safe harbor provisions, and the challenges faced in qualifying sites for these valuable tax incentives. Gain insights into the intricate process of evaluating energy community eligibility and the collaborative efforts required to navigate these new legal landscapes.

#### 1. Introduction and overview

The significance of the Inflation Reduction Act includes the various bonus credits it offers, including prevailing wage, apprenticeship, domestic content, and energy communities.

#### 2. Brownfield energy community credits

Karlie explains the criteria for qualifying for the Brownfield Energy Community credit, including the statutory definition from CERCLA and the IRS Safe Harbor provisions. She discusses the complexities and nuances involved in determining eligibility.

#### 3. Challenges in defining brownfield sites

The difficulties in interpreting terms like “complicated by” and the thresholds for hazardous substances are explored. This includes the lack of clear guidance from the IRS and EPA, and the need for thorough analysis and interpretation.

#### 4. Parcel-by-parcel approach and renewable energy projects

Ben elaborates on the challenges faced by renewable energy projects that consist of multiple parcels. He discusses the IRS’s parcel-by-parcel approach and the uncertainties surrounding the application of nameplate capacity tests.

#### 5. Collaborative efforts and team approach

Karlie and Ben highlight the collaborative efforts within the firm and the importance of teamwork in tackling these new issues. They share their experiences of working closely with tax and environmental teams to evaluate sites for energy community eligibility.

#### 6. Client deliverables and legal opinions

Ben outlines the process of providing initial assessments, legal memos, and legal opinions to clients. He explains the different levels of certainty required for various client needs, from internal use memos to legal opinions for project financing.

The energy sector is currently undergoing seismic change and with that change comes tremendous opportunity. Our energy video series, which features nationally recognized Troutman Pepper partners as they discuss a vast array of unique and complex challenges that face the energy industry.

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