



The Inflation Reduction Act (IRA) and What It Could Mean for Your Business

INFORMATION GUIDE

The future of clean energy is here. Through the passage of the Inflation Reduction Act, the U.S. is trying to make strides in the space by incentivizing operations to go green.

This guide goes into what the law entails, how you can qualify and more.

What is the Inflation Reduction Act (IRA)?

Signed into law in 2022, the IRA is one of the biggest climate investments in U.S. history —with \$369 billion being poured into clean energy over the course of 10 years. A big part of this program is using tax credits and incentives to help transition businesses and others to clean energy.

We're talking about \$369 billion poured into clean energy and climate programs. That's a serious funding commitment in the form of tax credits and incentives to help get everyone – from huge corporations to regular homeowners – involved in the clean energy transition.





A Few Important Details of Note

TYPES OF TAX CREDITS: The IRA makes significant tax credits available, both Investment Tax Credits (ITC) and Production Tax Credits (PTC).

TIMING MATTERS: Most projects need to start construction before 2032 (the exact deadline depends on what you're doing).

FAIR WAGES AND APPRENTICESHIP: The IRA changes the renewable energy labor landscape with emphasis on prevailing wage and apprenticeship programs. This means you'll need to pay attention to prevailing wage requirements and use qualified apprentices if you want the full credit amount.

LOCATION MATTERS: The IRA boosts investment in economic zones tied to fossil fuel extraction and energy generation. So setting up in a former coal town or low-income area can mean extra incentives.

MADE IN AMERICA: The IRA incentivizes the use of U.S.-manufactured steel and other clean energy components with a domestic content bonus credit.

What Type of Tax Credits Are Available?

There are two types of credits under the IRA. An Investment Tax Credit (ITC) and a Production Tax Credit (PTC).

An ITC credits taxpayers through a percentage reduction in their tax liability for applicable solar properties.

Whereas a PTC credits taxpayers through a percentage reduction in taxes on electricity sold to third parties from applicable renewable facilities.

In order to fully qualify for these tax credits, rules need to be followed in regards to prevailing wages and apprenticeship programs. Let's dive into the details of these programs.



Prevailing Wage and Apprenticeship Requirements

Let's break down these requirements because they're crucial for getting the full tax credits — we're talking about the difference between a base rate of 6% and the full 30% credit for many projects.

PREVAILING REQUIREMENTS

What It Means:

You need to pay workers at least the prevailing wages for their job classification in the area where the project is located.

Who's Covered:

This applies to laborers, mechanics, contractors, operators and subcontractors working on the construction, alteration or repair of the project.

How to Comply:

- Check the [Department of Labor's](#) wage determinations for your area
- Keep detailed payroll records for at least 5 years
- Post wage rates at the job site
- Submit compliance certifications

APPRENTICESHIP REQUIREMENTS

The Basic Rule:

A certain percentage of total labor hours must be performed by qualified apprentices from registered apprenticeship programs.

The Numbers:

For 2024 forward, 15% of hours worked must be by qualified apprentices to qualify for the maximum ITC and PTC amounts.

Good Faith Effort Exception:

If you can't find enough apprentices, you might still qualify if you can prove you tried. This means:

- Requesting apprentices from a registered program
- Waiting 5 business days for a response
- Documenting any rejection or non-response

Apprentice-to-Journey Worker Ratios:

You must maintain the ratio required by the registered apprenticeship program

Building a successful program can be difficult, especially if you've never started or managed one in the past.

That's where RenewableWorks can help.

Why Partner with RenewableWorks for your IRA Projects?

RenewableWorks provides construction services for community, commercial and utility-scale solar projects. Driven by our mission to reduce our nation's carbon footprint and build a more sustainable future, we partner with renewable energy contractors on solar construction projects across the country—supporting every phase of the solar construction process, from land survey and preparation all the way through final commissioning of a new solar site.

EXPERTISE FROM START TO FINISH

RenewableWorks is not only home to a DOL-approved apprenticeship program and certified payroll team, but has experienced audit and recordkeeping teams ready to support our partners. What does that mean for Engineering, Procurement and Construction companies (EPCs) and other renewable energy contractors working on IRA-eligible projects? It means we are leading the industry when it comes to supporting their projects' IRA labor requirements—including labor tracking, reporting and compliance.

ENSURING COMPLIANCE AND REDUCING RISK

From working with our partners to determine accurate employee classifications and corresponding wage determinations to supporting apprentice hour and ratio requirements, we work hard to help them meet their IRA prevailing wage and apprenticeship requirements—and maximize their tax credits. To make it even better, we ensure all compliance efforts are well documented and easy to access, which reduces risk and streamlines operations. The bottom line? RenewableWorks can help you derisk the process and ensure you are compliant with the extensive requirements of the IRA.

But before you choose a partner for your next IRA project, be sure to consider industry tenure and experience. The RenewableWorks team has more than a decade of experience and has supported the construction and installation of over 23GW of new solar. That's what choosing experience looks like.



RenewableWorks by the Numbers

23GW

OF SOLAR INSTALLED
(ENOUGH TO POWER
17,250,000 HOMES!)

10+

YEARS OF TEAM
EXPERIENCE SERVICING
SOLAR PROJECTS

120+

YEARS OF TENURE
IN THE INDUSTRY

20+

PROJECTS IN 2024

12+

IRA ELIGIBLE PROJECTS
IN 2024

1.4K

FULL TIME EMPLOYEES
IN 2024

200

APPRENTICES ENROLLED
IN OUR IN HOUSE PROGRAM
IN 2024

165K+

APPRENTICESHIP HOURS
TO DATE IN 2024