

November 4, 2022

The Honorable Janet Yellen  
Secretary  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue NW  
Washington, DC 20220

RE: Notice 2022-51, Request for Comments on Prevailing Wage, Apprenticeship, Domestic Content, and Energy Communities Requirements

**Dear Secretary Yellen:**

On behalf of the National Association of State Energy Officials (NASEO), we appreciate the U.S. Department of Treasury's rapid action on a number of important energy-related tax provisions included in the Inflation Reduction Act (IRA). NASEO represents the nation's 56 governor-designated State, Territory, and District of Columbia Energy Offices focused on advancing clean, affordable, reliable energy solutions in energy production, distribution, and end-use. Following are NASEO's comments in response to Notice 2022-51, Request for Comments on Prevailing Wage, Apprenticeship, Domestic Content, and Energy Communities Requirements.

**Notice 2022-51** describes the good faith effort exception to employ one or more qualified apprentices from a registered apprenticeship program, noting that section 45(b)(8)(D)ii provides that a taxpayer is considered to have satisfied the requirements if their request from a registered apprenticeship program has been denied or not answered within five business days. It is well-documented that registered apprenticeship systems are already strained and may struggle to meet workforce shortages, particularly in construction<sup>1</sup> and electrician occupations. NASEO appreciates the IRA elements that support investments in apprenticeship pathways, but we are concerned that the availability of tax incentives will outpace the expansion of the qualified apprentice talent pool. One potential "back-up" option in the interim years could be to encourage taxpayers who are unable to access qualified apprentices to use graduates from clean energy workforce development programs offered by state and local energy agencies and workforce development agencies. While these are not registered apprenticeship programs, many of these programs provide high-quality training, earn-and-learn opportunities, and wraparound services for trainees. NASEO recommends that the Internal Revenue Service (IRS) develop a process for states to submit programs for consideration as a back-up option should apprentices be unavailable.

Regarding the 10 percent bonus credit for complying with domestic content criteria, NASEO recommends that IRS engage private sector manufacturers and share information through a

<sup>1</sup> <https://www.abc.org/News-Media/News-Releases/entryid/19486/abc-government-registered-apprenticeship-system-woefully-inadequate-to-meet-constructions-skilled-workforce-shortage>

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publicly available website about the volume, availability, and composition of steel, iron, and other commercially available manufactured products that would be considered to be in compliance.

We hope that the U.S. Treasury is able to address the above issues in favor of maximizing the benefits of clean, domestic energy for all Americans.

Best regards,

A handwritten signature in blue ink, appearing to read 'D. Terry', with a stylized flourish at the end.

David Terry, NASEO Executive Director

cc: State Energy Directors