

Part III

Administrative, Procedural, and Miscellaneous

26 CFR 601.601: Rules and regulations.
(Also Part I, §§ 45Y, 48E; 1.45Y-5(g).)

Rev. Proc. 2025-14

SECTION 1. PURPOSE

This revenue procedure, issued pursuant to § 45Y(b)(2)(C)(i) of the Internal Revenue Code (Code) and § 1.45Y-5(g)¹, contains in Table 1 of this revenue procedure the annual table (Annual Table) that sets forth the greenhouse gas (GHG) emissions rates for certain types or categories of facilities. Taxpayers must use this Annual Table for the purpose of determining eligibility for a clean electricity production credit determined under § 45Y (§ 45Y credit) or a clean electricity investment tax credit under § 48E (§ 48E credit) for any facility that is of a type or category described in this Annual Table.

¹ Unless otherwise specified, all “Section” or “§” references are to sections of the Code or the Income Tax Regulations (26 CFR part 1).

SECTION 2. BACKGROUND

.01 *Statutory Background.* Sections 13701(a) and 13702(a) of Public Law 117-169, 136 Stat. 1818, 1982-1987 (August 16, 2022), commonly referred to as the Inflation Reduction Act of 2022 (IRA), added §§ 45Y and 48E, respectively, to the Code. Section 45Y(b)(1)(A) and § 48E(b)(3)(A) provide, in part, that a qualified facility must have a GHG emissions rate that is not greater than zero. Section 45Y(b)(2) provides rules for determining GHG emissions rates and § 48E(b)(3)(B)(ii) provides that rules similar to the rules of § 45Y(b)(2) apply for purposes of § 48E.

.02 *Regulations governing GHG emissions rates.* Section 1.45Y-5 provides rules for determining the GHG emissions rate of a facility used for the generation of electricity for purposes of determining a § 45Y credit. Section 1.48E-5(g) provides that the rules provided in § 1.45Y-5(g) regarding this Annual Table apply for purposes of § 48E and § 1.48E-5.

(1) *Additions or Removals of Facilities.* Future Annual Tables may add or remove certain types or categories of facilities, and any such change must be accompanied by an expert analysis, as required in § 1.45Y-5(g)(2). Section 1.45Y-5(g)(2) provides that, in connection with the publication of the Annual Table, the Secretary must publish an accompanying expert analysis that addresses any types or categories of facilities added or removed from the Annual Table, as well as any changes to emissions determinations for any types or categories of facilities in the Annual Table, since its last publication. For facilities that do not produce electricity through combustion or gasification, as described in § 1.45Y-5(b)(7) (Non-C&G Facilities), the applicable technical assessment, described in § 1.45Y-5(c)(1)(ii), will constitute this expert analysis as provided in

§ 1.45Y-5(c)(1),² and for facilities that do produce electricity through combustion or gasification, as described in § 1.45Y-5(d) (C&G Facilities), a lifecycle analysis (LCA) that is compliant with the requirements of § 1.45Y-5(d), (e), and (f) will constitute the expert analysis. This expert analysis must be prepared by one or more of the National Laboratories, in consultation with other Federal agency experts as appropriate, and must address whether the addition or removal of types or categories of facilities from the Annual Table complies with § 45Y(b)(2)(A) and (B) and § 1.45Y-5(g)(2). The Department of the Treasury (Treasury Department) and the Internal Revenue Service (IRS) view the requirement to publish an expert analysis prepared by the National Laboratories of changes to the Annual Table as essential to ensuring public accountability and adherence to sound scientific principles. This requirement would also ensure that the Secretary has a robust record from foremost experts in LCA assessment to inform any changes to the Annual Table. If there are no changes to the Annual Table in a future iteration, the Treasury Department and the IRS will notify taxpayers accordingly.

(2) *Emissions rates greater than zero.* To provide clarity and certainty to taxpayers regarding eligibility, the Treasury Department and the IRS may also include in future Annual Tables the types or categories of facilities that have a GHG emissions rate that is greater than zero and therefore do not meet the definition of a qualified facility with respect to which a taxpayer may claim a credit under §§ 45Y or 48E.

(3) *Timing rule.* Under § 1.45Y-5(g)(1), and except as provided in § 1.45Y-5(h), a

² Section 1.45Y-5(c)(1)(iii) provides an example of such a determination. The Treasury Department and the IRS anticipate that expert analyses for Non-C&G Facilities will be similar to this example.

taxpayer that owns a facility described in the Annual Table on the first day of the taxable year in which the taxpayer's § 45Y credit or § 48E credit is determined with respect to that facility must use the most recent Annual Table published as of that date to determine the facility's GHG emissions rate for the taxable year.

(4) *Reliance on Annual Table.* For purposes of § 45Y, notwithstanding the timing rule provided in § 1.45Y-5(g)(1), § 1.45Y-5(i) provides that taxpayers may rely on the Annual Table in effect as of the date a taxpayer began construction on a facility to determine the facility's GHG emissions rate for any taxable year that is within the 10-year period described in § 45Y(b)(1)(B), provided that the facility continues to operate as a type of facility that is described in the Annual Table for the entire taxable year. For purposes of § 48E, § 1.48E-5(j) provides that taxpayers may rely on the Annual Table in effect as of the date a taxpayer began construction on a facility to determine the facility's GHG emissions rate, provided that the facility continues to operate as a type of facility that is described in the Annual Table for the entire taxable year.

SECTION 3. THE ANNUAL TABLE

.01 *First Annual Table.* Table 1 of this revenue procedure is the first Annual Table and enumerates the following types or categories of facilities with a GHG emissions rate that is not greater than zero, consistent with § 1.45Y-5(c)(2).

- (1) Wind (including small wind properties).
- (2) Hydropower.
- (3) Marine and hydrokinetic.
- (4) Solar (including photovoltaic and concentrated solar power).
- (5) Geothermal (including flash and binary plants).

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(6) Nuclear fission.

(7) Fusion energy.

(8) Waste energy recovery property (WERP) that derives energy from a source described in section 3.01(1) through (7) of this revenue procedure.

.02 *Background on table.* This first Annual Table includes information about the types or categories of facilities that the Secretary has determined have a GHG emissions rate of not greater than zero. The types or categories of facilities listed in this first Annual Table are those listed in § 1.45Y-5(c)(2), which identifies certain types or categories of facilities that are categorically Non-C&G Facilities with a GHG emissions rate that is not greater than zero. Section 1.45Y-5(c)(2) was finalized after the Treasury Department and the IRS considered public comments during the rulemaking process and consulted extensively with scientific and technical experts from across the Federal government.

SECTION 4. EFFECTIVE DATE

This revenue procedure is effective beginning on January 15, 2025, and until the effective date of a subsequent Annual Table.

SECTION 5. DRAFTING INFORMATION

The principal author of this revenue procedure is the Office of the Associate Chief Counsel (Energy, Credits, and Excise Tax). For further information regarding this revenue ruling, contact the Office of the Associate Chief Counsel (Energy Credits and Excise Tax) at (202) 317-6853 (not a toll-free call).

REV. PROC. 2025-14 TABLE 1

GREENHOUSE GAS EMISSIONS RATES

(Effective beginning on January 15, 2025, and until the effective date of a subsequent Annual Table.)

Type or Category of Facility	Greenhouse Gas Emissions Rate
Wind	Not Greater than Zero
Hydropower	Not Greater than Zero
Marine and Hydrokinetic	Not Greater than Zero
Solar	Not Greater than Zero
Geothermal	Not Greater than Zero
Nuclear fission	Not Greater than Zero
Fusion energy	Not Greater than Zero
Waste energy recovery property*	Not Greater than Zero

* Waste energy recovery property that derives energy from a source that is a type or category of facility described in this table.