Domestic Content Credit Increase: New Elective Safe Harbor – Tables and Terminology

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References: Notice 2024-41, §4.02, §4.03, §4.04, and §4.06.

Provided all other requirements in Notice 2023-38 are met, the IRS will accept the classifications and cost percentages noted below for the identified Manufactured Products and Manufactured Product Components for purposes of determining compliance with the Steel or Iron Requirement and calculating the Domestic Cost Percentage.

Reminder: Taxpayers electing to use the New Elective Safe Harbor must apply in its entirety the section of tables (seen below) that are specific to the Applicable Project for which the taxpayer makes such election.

Note: The tables below contain a line item for "Production," which, although listed under the column for Manufactured Product Components (MPC), is not a MPC. Rather, "Production" refers to the production cost of the relevant Manufactured Product and can be included in the total Domestic Cost Percentage *only if* all the Manufactured Product Components of a Manufactured Product are domestically produced. See Notice 2023-38, §3.03(2). The Assigned Cost Percentage attributable to production costs for a particular Manufactured Product may be used if such Manufactured Product contains MPCs not listed below or if entries below are not a part of such Manufactured Product, so long as the remainder of the Manufactured Product Components in Table 1 that are a part of such Manufactured Product are mined, produced, or manufactured in the United States.

To determine Domestic Cost Percentage using these tables:
• Identify the appropriate APC
• Determine if all APCs listed as "Steel/Iron Product" were produced in the United States
• Determine if each MPC listed was manufactured in the United States
• Add up the Assigned Cost Percentages for each listed MPC

This sum is the Domestic Cost Percentage for purposes of the New Elective Safe Harbor

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SOLAR PV TABLE					
APC	**MPC**	**Ground-mount (Tracking)**	**Ground-mount (Fixed)**	**Rooftop (MLPE)**	**Rooftop (String)**
PV Module	Cells	36.9	49.2	21.5	30.8
	Frame/Backrail	5.3	7.0	3.1	4.4
	Front Glass	3.7	4.9	2.2	3.1
	Encapsulant	2.2	3.0	1.3	1.8
	Backsheet/Backglass	3.7	4.9	2.1	3.1
	Junction Box	1.6	2.2	1.0	1.4
	Edge Seals	0.2	0.2	0.1	0.2
	Pottants	0.2	0.2	0.1	0.2
	Adhesives	0.2	0.2	0.1	0.2
	Bus Ribbons	0.4	0.5	0.2	0.3
	Bypass Diodes	0.4	0.5	0.2	0.3
	Production	**11.5**	**15.3**	**6.7**	**9.6**
Inverter	Printed Circuit Board Assemblies	3.0	4.0	16.0[*]	2.5
	Electrical Parts[**]	1.0	1.3	1.6	1.1
	Climate Control	0.7	0.9	-	0.3
	Enclosure	1	1.3	1.6	0.8
	Production	**3.3**	**4.4**	**16.4**	**2.9**
PV Tracker or Non-Steel Roof Racking	Torque tube	9.7	-	-	-
	Fasteners	0.4	-	11.1	16.0
	Slew Drive	2.0	-	-	-
	Dampers	0.4	-	-	-
	Motor	3.1	-	-	-

[*]For purposes of this table, module-level power electronics inverter systems, including either microinverters or direct current (DC) optimizers, are considered an inverter product.

[**]Includes transformers, capacitors, inductors, bus/cables, circuit protection not on printed circuit board (PCB) assemblies.

	Controller	0.9	-	-	-
	Rails	2.0	-	8.6	12.3
	Production	**6.2**	**-**	**6.1**	**8.7**
Steel photovoltaic module racking	-	-	Steel/Iron Product	-	-
Pile or ground screw	-	Steel/Iron Product	Steel/Iron Product	-	-
Steel or iron rebar in foundation	-	Steel/Iron Product	Steel/Iron Product	-	-
Total	**-**	**100**	**100**	**100**	**100**

LAND-BASED WIND TABLE		
APC	**MPC**	**Value**
Wind Turbine	Blades	31.2
	Rotor Hub	9.9
	Nacelle	47.5
	Power Converter	8.9
	Production	**0.9**
Wind Tower Flanges	Material[***]	0.8
	Production	**0.8**
Tower	-	Steel/Iron Product
Steel or iron rebar in foundation	-	Steel/Iron Product
Total	-	**100**

BATTERY ELECTRIC STORAGE SYSTEM (BESS) TABLE			
APC	**MPC**	**Grid-Scale BESS**	**Distributed BESS**
Battery Pack	Cells	38	18.1
	Packaging	3.3	30.1
	Thermal Management System	4.9	9
	Battery Management System	5.2	9
	Production	**21.1**	**27.3**
Inverter	Printed Circuit Board Assemblies	1.7	3.8
	Electrical Parts[****]	0.6	0.4
	Climate Control	0.4	-
	Enclosure	0.6	0.4
	Production	**1.9**	**1.9**
Battery Container/ Housing	Battery Racks and Metal Enclosure	15.8	-
	Production	**6.5**	-
Steel or iron rebar in foundation	-	Steel/Iron Product	-
Total	-	**100**	**100**

[***] Flanges are typically made from single pieces of steel bar or pre-formed steel ingot; therefore the only component of a flange would be the steel material.

[****] Includes transformers, capacitors, inductors, bus/cables, circuit protection not on printed circuit board (PCB) assemblies.

PV Market	Ground-mount (tracker)	Ground-mount (fixed-tilt)	Rooftop (MLPE)	Rooftop (string)
Multiplier	0.57	0.75	0.69	0.99

ACRONYMS
- APC = Applicable Project Component
- MPC = Manufactured Project Component
- PV = Photovoltaic
- BESS = Battery Energy Storage System
- MLPE = Module-Level Power Electronics

TERMINOLOGY
- *Land-based wind* is an energy system using wind turbines to generate electricity on land.
- *Ground-mounted PV (tracker)* is an energy system using photovoltaic solar modules to generate electricity, mounted to a non-pre-existing, non-building structure, which integrates a solar tracker to rotate the solar modules.
- *Ground-mounted PV (fixed-tilt)* is an energy system using solar modules to generate electricity, mounted to a non-pre-existing, non-building structure, where the PV modules are mounted at a fixed angle and orientation.
- *Rooftop PV (MLPE)* is an energy system using PV solar modules to generate electricity, mounted to a building structure, which integrates one or more microinverters or uses a DC-optimized inverter system to convert direct current electricity into alternating current electricity.
- *Rooftop PV (string inverter)* is an energy system using solar modules to generate electricity, mounted to a building structure, which integrates one or more inverters to convert direct current electricity from a string of solar panels into alternating current electricity.
- *Grid-scale BESS* is an energy storage system for electricity generation using battery cells and battery modules, which has a nameplate capacity greater than 1 megawatt-hour.
- *Distributed BESS* is an energy storage system for electricity generation using battery cells and battery modules, which has a nameplate capacity not greater than 1 megawatt-hour.