

Part IV - Items of General Interest

Announcement of the Results of 2009-10 Allocation Round of the Qualifying Advanced Coal Project Program and the Qualifying Gasification Project Program

Announcement 2010-56

This announcement discloses the results of the 2009-10 allocation round under the qualifying advanced coal project program of § 48A and the qualifying gasification project program of § 48B of the Internal Revenue Code. This announcement also serves notice to applicants that a 2010-11 allocation round under the qualifying advanced coal project program is currently open pursuant to Notice 2009-24, 2009-16 I.R.B. 817. No allocation round will be conducted under the qualifying gasification project program.

QUALIFYING ADVANCED COAL PROJECT PROGRAM

Section 48A provides a qualifying advanced coal project credit in an amount equal to (1) 20 percent of the qualified investment (as defined in § 48A(b)) for that taxable year in qualifying advanced coal projects (as defined in § 48A(c)(1) and (e)) described in § 48A(d)(3)(B)(i), (2) 15 percent of the qualified investment for that taxable year in qualified advanced coal projects described in § 48A(d)(3)(B)(ii), and (3) 30 percent of the qualified investment for that taxable year in qualifying advanced coal

projects described in § 48A(d)(3)(B)(iii).

On April 20, 2009, the Internal Revenue Service (“Service”) issued Notice 2009-24 to announce an allocation round for the qualifying advanced coal projects described in § 48A(d)(3)(B)(iii) (“the Phase II advanced coal program”) The Service will certify \$1.25 billion of credits to qualifying projects under the Phase II advanced coal program.

Section 48A(d)(5) provides that the Secretary shall, upon making a certification under § 48A(d) or § 48B(d), publicly disclose the identity of the applicant and the amount of the credit certified with respect to such applicant.

Section 10.01 of Notice 2009-24 provides that the Service intends to publish the results of the allocation process, and disclose the following information in the event a qualifying advanced coal project credit under § 48A is allocated to the taxpayer’s project: (a) the name of the taxpayer and (b) the amount of the qualifying advanced coal project credit allocated to the project.

Accordingly, the results of the 2009-10 allocation round under the Phase II advanced coal program are as follows:

| Program | Taxpayer | Amount of Credit Awarded | Total Credit Awarded |
|---------|----------------------------------|--------------------------|----------------------|
| § 48A | | | |
| | Christian County Generation, LLC | \$417,000,000 | |
| | Summit Texas Clean Energy, LLC | \$313,436,000 | |
| | Mississippi Power Company | \$279,000,000 | |
| | | | \$1,009,436,000 |

Based on the results shown above, the available credit amount for 2010-11 allocation round under the Phase II advanced coal program is \$240,564,000, out of which \$103,564,000 is available for advanced coal projects that use sub-bituminous coal as a primary feedstock, and \$138,000,000 is available for advanced coal projects that use lignite as a primary feedstock. No credit amount is available for advanced coal projects that use bituminous coal as a primary feedstock. The allocation round for 2010-11 will be conducted in the manner and under the procedures as provided under Notice 2009-24. Under the notice, the application period for the 2010-11 allocation round begins on March 2, 2010, and ends on March 1, 2011, and the applications must be submitted to the Department of Energy (DOE) on or before October 31, 2010, and to the Service on or before March 2, 2011.

QUALIFYING GASIFICATION PROJECT PROGRAM

Section 48B provides that the qualifying gasification project credit for a taxable year is an amount equal to (1) 20 percent of the qualified investment (as defined in § 48B(b)) for that taxable year in qualifying gasification projects (as defined in § 48B(c)(1)) for which the credit is allocated under § 48B(d)(1)(A), and (2) 30 percent of the qualified investment for that taxable year in qualifying gasification projects for which the credit is allocated under § 48B(d)(1)(B).

On April 20, 2009, the Service issued Notice 2009-23, 2009-16 I.R.B. 802, to announce an allocation round for the qualifying gasification project program described in § 48B(d)(1)(B) (“the Phase II gasification program”) The Service will certify \$250 million of credits to qualifying projects under the Phase II gasification program.

Section 48B(d)(5) provides that the Secretary shall, upon making a certification under § 48B(d), publicly disclose the identity of the applicant and the amount of the credit certified with respect to such applicant.

Section 10.01 of Notice 2009-23 provides that the Service intends to publish the results of the allocation process, and disclose the following return information in the event a qualifying gasification project credit under § 48B is allocated to the taxpayer's project: (a) the name of the taxpayer and (b) the amount of the qualifying gasification project credit allocated to the project.

Accordingly, the results of the 2009-10 allocation round under the Phase II gasification program are as follows:

| Program | Taxpayer | Amount of Credit Awarded | Total Credit Awarded |
|---------|--------------------------------|--------------------------|----------------------|
| § 48B | Faustina Hydrogen Products | \$121,660,000 | |
| | Lake Charles Gasification, LLC | \$128,340,000 | |
| | | | \$250,000,000 |

Because the total credit amount of \$250 million was allocated, the Service will not conduct an allocation round in 2010-11 under the Phase II gasification program.

DRAFTING INFORMATION

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