

Modification of Notice 2015-4

Notice 2015-51

SECTION 1: PURPOSE

On February 2, 2015, the Treasury Department and IRS published Notice 2015-4, which provides guidance on the energy credit under section 48 of the Internal Revenue Code (Code). Specifically, that notice provides performance and quality standards that small wind energy property must meet to qualify for the energy credit under section 48. Notice 2015-4 is effective for small wind energy property acquired or placed in service (in the case of property constructed, reconstructed, or erected by the taxpayer) after February 2, 2015. This notice modifies Notice 2015-4 by providing a revised effective date for certain small wind energy property that meets the performance and quality standards of International Electrotechnical Commission 61400-1, 61400-12, and 61400-11. Except as otherwise specified in this notice, the guidance provided in Notice 2015-4 continues to apply.

SECTION 2: SMALL WIND ENERGY PROPERTY STANDARDS

.01 Section 3.01 of Notice 2015-4 provides that to qualify as small wind energy property under section 48, the property must use a wind turbine that has a nameplate capacity of not more than 100 kW and meets the performance and quality standards as set forth in either of the following:

(1) American Wind Energy Association Small Wind Turbine Performance and Safety Standard 9.1-2009 (AWEA); or

(2) International Electrotechnical Commission 61400-1, 61400-12, and 61400-11 (IEC).

.02 The performance and quality standards under AWEA apply only to wind turbines having a rotor swept area of 200m² or less. All other wind turbines having a rotor swept area of more than 200m² must meet the performance and quality standards as set forth in IEC.

SECTION 3: MODIFICATION OF NOTICE 2015-4

In response to information that has come to the attention of Treasury and the IRS about the ability of manufacturers of certain property to immediately complete the certification process relating to the performance and quality standards as set forth in IEC, this Notice delays the effective date in Notice 2015-4 with respect to such property. Accordingly, this notice modifies Notice 2015-4 by replacing section 5 of the notice with the following language:

This notice is effective for small wind energy property acquired or placed in service (in the case of property constructed, reconstructed, or erected by the taxpayer) after February 2, 2015, if the small wind energy property uses a wind turbine having a rotor swept area of 200m² or less, and after December 31, 2015, if the small wind energy property uses a wind turbine having a rotor swept area of more than 200m².

SECTION 4: DRAFTING INFORMATION

The principal author of this notice is Martha M. Garcia of the Office of Associate Chief Counsel (Passthroughs and Special Industries). For further information regarding this notice, contact Ms. Garcia on 202-317-6853 (not a toll-free call).