



TaxNewsFlash

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Renewable electricity production inflation factors, reference prices for 2022

The U.S. Treasury Department and IRS today released for publication in the Federal Register a notice that provides the 2022 inflation adjustment factor and reference prices used in determining the availability of the credit for renewable electricity production under section 45.

Note that for calendar year 2022, the credit period for refined coal production expired.

Subsequently, the IRS and Treasury in May 2022 issued for publication in the Federal Register a [notice of corrections](#) [PDF 301 KB] regarding certain rates and price factors provided in the April 2022 notice. Read [TaxNewsFlash](#)

Credit rates

The [notice](#) [PDF 170 KB] (as originally published in the Federal Register on April 14, 2022, and corrected on May 5, 2022) provides:

- The 2022 credit rate on the sale of electricity produced from wind, closed-loop biomass, and geothermal energy facilities claiming the renewable electricity production credit is 2.6 cents per kilowatt hour (up from 2.5 cents for 2021).
- The credit rate on the sale of electricity produced in open-loop biomass, landfill gas, municipal solid waste, qualified hydropower production, and marine and hydrokinetic renewable energy facilities is 1.3 cents (the same as for 2021).

Reference prices

- The inflation adjustment factor for 2022 for qualified energy resources is 1.7593 (up from 1.6878 for 2021).
- The 2022 reference price for electricity produced from wind is 4.09 cents per kilowatt hour (up from 3.59 cents in 2021).

- The reference prices for facilities producing electricity from closed-loop biomass, open-loop biomass, geothermal energy, small irrigation power, municipal solid waste, qualified hydropower production, and marine and hydrokinetic renewable energy have not been determined for calendar year 2022. According to today's notice, the credit for electricity produced from wind is not phased out for 2022 because the reference prices do not exceed the beginning of the phase-out threshold.

For the 2021 factors and reference prices, read [TaxNewsFlash](#)

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