



Docket: IRS-2026-0364

Submitted Electronically

Internal Revenue Service
Attn: CC:PA:01:PR (Notice 2026-23) Room 5203
P.O. Box 7604
Ben Franklin Station
Washington, D.C. 20044

RE: Combined Heat and Power Alliance Recommendation for the 2026-27 Priority Guidance Plan Pursuant to Notice 2026-23

To the Department of the Treasury and the Internal Revenue Service:

In response to the Department of the Treasury’s request for recommendations to be included in its Priority Guidance Plan, we urge the Department of Treasury (“Treasury”) and the Internal Revenue Service (“IRS”) to make modifying the regulations for Sections 45Y and 48E of the Internal Revenue Code a key priority.

Treasury should issue guidance that adds combined heat and power systems, as defined in Section 45Y(g)(2)(B), to the list of technologies categorically eligible for these credits. This guidance should also confirm that a system-wide, consequential lifecycle assessment framework, consistent with the International Organization for Standardization 14040/44 standard is a correct, legally mandated, and intended standard for evaluating the net lifecycle greenhouse gas emissions of energy projects under IRC §45Y. The Combined Heat and Power Alliance [previously submitted comments](#) to Treasury and IRS further detailing this recommendation.

Directive in Public Law 119-21, the One, Big, Beautiful Bill Act

The One, Big, Beautiful Bill Act (“OBBA”) amended the Sections 45Y and 48E credits, specifically by directing Treasury to utilize “standards developed by the International Organization for Standardization” in determining the eligibility for these credits.¹ To fulfill this directive, Treasury must revise the previous Administration’s regulation for these credits (RIN 1545-BR17). These regulations established a narrow scope of eligibility for these credits,

¹ Internal Revenue Code, 26 U.S.C. §45Y(b)(2)(C), "Clean electricity production credit."



unjustifiably excluding combustion and gasification technologies and impeding the United States' energy production.

Under standards developed by the International Organization for Standardization, combined heat and power systems have net-zero emissions and should therefore be eligible for the Sections 45Y and 48E credits.

We appreciate the opportunity to submit these recommendations for inclusion in the Priority Guidance Plan. We encourage Treasury and the IRS to prioritize amending 45Y and 48E regulations to comply with the statutory framework. We would welcome the opportunity to engage further with Treasury and IRS officials and to provide additional information as guidance projects move forward.

Respectfully,

David Gardiner

Executive Director

Combined Heat and Power Alliance