August 28, 2026

Mr. Rylan Rusk
Assistant Superintendent of Business
Richland County Community Unit School District #1
1100 E Laurel St
Olney, IL, 62450

Subject: §6417 Elective Pay and §48 Energy Investment Tax Credit Opportunity

Dear Mr. Rusk,

Thank you for the opportunity to provide information regarding the potential federal clean energy incentive opportunity for **Richland County Community Unit School District #1**. This letter is intended to provide:

1. Background regarding the Inflation Reduction Act §48 Energy Investment Tax Credit and §6417 Elective Pay
    - Rough Order of Magnitude ("Credit Estimate") of the Tax Credit Opportunity
2. Background regarding alliantgroup and its qualifications
3. alliantgroup's proposed scope of services & fee structure

<u>Background on the §48 Energy Investment Tax Credit and §6417 Elective Pay</u>

The Inflation Reduction Act created IRC §6417, commonly referred to as "Elective Pay" or "Direct Pay," which allows certain tax-exempt and governmental entities to receive qualifying federal energy tax credits in the form of a cash refund from the U.S. Treasury.

Among the credits eligible for Elective Pay is the IRC §48 Energy Investment Tax Credit (ITC), which applies to qualifying energy property, including Solar, Geothermal, Energy Storage, and others.

Based on our discussions, there are two (2) Solar Projects between December 2025 and November-December of 2026 that will qualify for the §48 Energy Investment Tax Credit.

If each project satisfies the applicable statutory and regulatory requirements, the owner may be eligible to receive a substantial Treasury refund through the §6417 Elective Pay process in each fiscal year.

Credit Estimate (Rough Order of Magnitude)

- Based on our preliminary understanding of the projects and their associated costs, the potential Treasury refunds could exceed **$600,000** (subject to detailed engineering, cost, compliance, and tax analysis).

Qualifications of alliantgroup

alliantgroup was organized in 2001 and has served clients nationwide since 2002. The firm has developed specialized expertise in federal tax incentive programs, including energy-related incentives available under the Inflation Reduction Act.

This specialization includes:

- Investment Tax Credit (§48) analysis
- Elective Pay (§6417) filings
- Bonus credit qualification
- Compliance review and documentation
- Credit substantiation
- Treasury refund recovery
- Audit support and defense

The firm's professional staff includes Certified Public Accountants, attorneys, engineers, construction professionals, and several former senior IRS officials.

Notably, alliantgroup's team includes former IRS executives with extensive experience in tax administration, compliance procedures, and federal incentive programs. This institutional knowledge assists clients in understanding filing requirements, documentation standards, and administrative procedures associated with federal tax credit claims.

Over the past two decades, alliantgroup has completed more than 100,000 specialty tax projects representing more than $16 billion in incentives for our clients in the commercial, nonprofit, and governmental sectors.

The evaluation, quantification, documentation, filing, and defense of an Energy Investment Tax Credit claim require expertise across multiple disciplines, including:

- Federal tax law
- Accounting
- Engineering
- Construction and cost documentation
- Prevailing wage and apprenticeship compliance
- Treasury and IRS procedural requirements

Because these disciplines intersect throughout the qualification and filing process, successful execution generally requires a coordinated multidisciplinary approach rather than independent engagements with separate service providers.

Integrated Turnkey Solution
alliantgroup has assembled a multidisciplinary team that includes:

- Tax Attorneys
- Engineering Professionals
- Construction Management Professionals
- Former Senior IRS officials
- Certified Public Accountants

This integrated structure enables the firm to evaluate eligibility, quantify credits, prepare supporting documentation, coordinate engineering analyses, assist with filing requirements, and support the client throughout potential IRS review processes.

Proposed Scope of Services & Fee Structure

The proposed engagement between **Richland County Community Unit School District #1** and alliantgroup would be underwritten by the following terms:

alliantgroup proposes to perform all services required to qualify, quantify, substantiate, document, file, recover, and (if necessary) defend §48 Investment Tax Credits which are treated as overpayments of tax for Public K-12 School Districts under §6417 of the Inflation Reduction Act of 2022, including (but not limited to):

- Section 6417 Elective Pay;
- Investment Tax Credit eligibility;
- Bonus credit opportunities;
- Domestic content requirements;
- Material Procurement Requirements;
    - Foreign Entity of Concern (FEOC) and Prohibited Foreign Entity (PFE)
- Energy community considerations;
- Prevailing wage and apprenticeship requirements;
- Functional interdependence analysis;
- Project aggregation analysis;
- IRS pre-filing registration;
- Required federal filings;
- Energy Property Cost determination
- Tax Credit Calculation
- Develop Supporting Documents
- Documentation and record retention requirements;
- Audit defense (support) in the event of review by Federal (IRS) or state taxing authorities.

alliantgroup Proposed Fee Structure

The professional fees for implementation, filing, and audit defense shall be a fixed price Performance Fee equal to the lesser of: (i) **10% of the credit** or (ii) **$25,000** per project.

Invoice and Payment Timing:

There are **no** deposits, retainers, or front-end payments. Invoices are sent for each fiscal tax year after the delivery of final credit forms and filing paperwork. alliantgroup proposes invoice payment terms as follows: net 90 with an optional 90-day extension, which is granted automatically upon written request.

We believe this structure aligns with the District's best interests by maintaining impartiality and providing a predictable cost structure.

We appreciate the opportunity to provide this information and would be pleased to answer any questions from you, your colleagues, and the School Board.

Respectfully submitted,

Sincerely,

Joseph Kalkstein
Technical Director
alliantgroup, L.P.