The recent Inflation Reduction Act (IRA) offers asset owners and contractors considerable financial incentives for building qualified clean-energy projects. There are two main components to the IRA: apprenticeship utilization and the prevailing wage requirement. If these project requirements are met, the base credit increases from 6% to 30% for each project – and it brings more skilled workers into the industry at a time when they are desperately needed. This is outstanding motivation to get things right!

To be successful, it is critical to understand upfront what workforce data needs to be collected to stay within guidelines of the IRo!

compliance.

Let's break down the data required for each component of the IRA and how to simplify the data capture and reporting elements, so you can fully leverage available incentives.

Apprenticeship Requirement

The law's apprenticeship utilization standards require that, starting in 2022, 10% of total labor hours on an IRA-supported construction site must be completed by qualified apprentices; the requirement increases to 15% by 2024. This requirement applies to all site workers, from owners' reps down to the lowest-tier trade partner.

This aspect of the legislation is valuable on two levels. First, it enables organizations to feel good about the finished product, knowing that well-trained professionals are conducting or overseeing the work conducted. It adds another layer of confidence and professionalism to a job. At the same time, such a requirement ensures that the future workforce receives the

- » **Centralize the data** – In order to gain a complete picture of who is on your project, it starts with a centralized database of workforce data. Having a centralized database avoids the challenges associated with fragmented data coming from multiple trade partners; such data places an unnecessary burden on the project administration team that would have to manually aggregate and normalize the data. It is also key to ensure that this database is updated, that project teams can quickly react if requirements are not being met.

- » **Automate data collection** – Equipping the entire workforce with tools like IoT-based badges and beacons, for example, can greatly simplify the daily collection of worker hours as well as their related certifications and background data (such as details about their apprentice status). By automating the collection process, teams eliminate the need to manually collect data on paper, in a spreadsheet, or via a field app, which is a huge time savings. It also gets rid of the human-error problem, if something is entered incorrectly or someone forgets to enter it at all. Automated tools make sure all data is updated and accessible in real time.

- » **Automate the reporting** – When workforce data – the apprenticeship status data in particular – is stored in one centralized database, it becomes easy to automate the reporting of the exact percentage of the total workforce represented by apprentices.

Prevailing Wage Requirement

Prevailing wage requirements typically accompany federal funding of and assistance for construction projects through the Davis-Bacon Act. The IRA ensures that all clean-energy projects follow the same prevailing wage requirements consistent with other federal projects.

A prevailing wage requirement essentially ensures that workers on any given project are paid the basic hourly rate and benefits paid to other similarly employed workers in the same geography. This ensures fair wages, but like the apprenticeship requirements, the prevailing wage requirements could put an extra burden on project teams to collect and report on the