

# Section 45Y — Operations-Period (O&M) Compliance Checklist

*Maintaining the 5x multiplier on the Clean Electricity Production Credit across the 10-year post-PIS window*

Issued by: SkillSmartVersion: 1.0 • May 2026

For: Renewable owners, O&M leads, and asset managers responsible for in-service §45Y facilitiesCadence: Annual + pre-event

## WHY THIS MATTERS — THE 5x BONUS IS NOT A ONE-TIME EVENT

The Section 45Y Clean Electricity Production Credit is a ten-year, per-MWh credit, and the prevailing-wage and apprenticeship (PWA) requirements that earn the 5x multiplier apply every time the facility is altered or repaired during those ten years. An inverter swap, a module replacement, a blade repair, a transformer change, a battery cell replacement, a repowering event — each is a PWA-covered event. A facility that nailed pre-construction compliance can still lose the bonus through a sloppy year-three repair. This checklist is the ongoing posture review we recommend running annually and before any scheduled alteration or repair work.

## Introduction

SkillSmart has spent the past two years working with partners and clients across IRA and state energy tax credit programs as they've come online. One pattern we've seen consistently: most teams build strong pre-construction compliance programs and then find the 10-year O & M period harder than expected, because every alteration or repair across that decade is itself a PWA-covered event. This checklist captures what we've seen matter most across the operations period — to help teams maintain the 5x multiplier through every inverter swap, blade repair, and capital alteration across the full credit life.

## How to Use This Checklist

- Run the full checklist annually — Q1 of each operating year is the natural cadence.
- Run Sections B, C, D, and E again before any scheduled alteration or repair event.
- Run Section H whenever an asset-lifecycle event occurs (acquisition, divestiture, O&M change, casualty).
- Use the scoring guide at the end to get a directional read on operations-period exposure.

Questions about your operations-period compliance? Let's talk.

Michael Knapp • [mknapp@skillsmart.us](mailto:mknapp@skillsmart.us) • [www.skillsmart.us](http://www.skillsmart.us)  SkillSmart InSight

## A NOTE ON SCOPE

This checklist covers PWA compliance during the operations period — the ten years from placed-in-service date. Pre-construction setup is covered in our companion 45Y Pre-Construction Compliance Checklist. This document does not cover the separate Domestic Content or Energy Communities bonus adders, the §6418 transfer mechanics, the §48E ITC analogue, or the §45Q/§45V/§45U credits.

## Section A. When PWA Applies During Operations

Goal: a clear, written standard for distinguishing routine operations from alteration or repair — and a habit of making that determination at the time of work, not retroactively.

<input type="checkbox"/>	Written policy adopted distinguishing routine operations and maintenance (not PWA-covered) from alteration and repair (PWA-covered). Policy reviewed annually with counsel.
<input type="checkbox"/>	Default rule: when in doubt, treat work as PWA-covered. The downside of over-compliance is small; the downside of under-compliance is loss of the 5x.
<input type="checkbox"/>	Determination recorded at the time of each work order — not after the fact. The work-order system captures the classification and the reasoning.
<input type="checkbox"/>	No reliance on a de minimis exemption assumed. Small or short-duration alteration/repair work involving laborers and mechanics is in scope.
<input type="checkbox"/>	Annual O&M plan reviewed to identify scheduled alteration/repair work and pre-classify each line item. Surprises in the field are minimized.
<input type="checkbox"/>	Decision-support reference available to field supervisors so the classification call can be made consistently across crews and events.

## Section B. O&M Vendor & Contract Management

Goal: every party that performs alteration or repair work on the facility — O&M provider, OEM service teams, warranty contractors, specialty repair firms, lower-tier subs — is onboarded to the PWA program before they show up on site.

<input type="checkbox"/>	All O&M agreements contain PWA flow-down language covering wage rates, apprenticeship, recordkeeping, and cure obligations for alteration and repair work.
<input type="checkbox"/>	OEM service and warranty repair contracts contain the same flow-down language. Warranty repairs are PWA-covered if they involve covered workers on alteration/repair.
<input type="checkbox"/>	Each O&M vendor and known sub is on the compliance program's contractor list. List refreshed at least quarterly during the operations period.

Questions about your operations-period compliance? Let's talk.

Michael Knapp • [mknapp@skillsmart.us](mailto:mknapp@skillsmart.us) • [www.skillsmart.us](http://www.skillsmart.us)  SkillSmart InSight

<input type="checkbox"/>	Vendor PWA orientation completed before the first dispatch. Repeated for new field crew leads as turnover occurs.
<input type="checkbox"/>	Lower-tier sub visibility maintained — second-tier subs on O&M crews are in scope just like primary vendors.
<input type="checkbox"/>	Vendor-change protocol documented: when an O&M provider changes mid-credit-period, compliance evidence and contractor records transfer cleanly and the new vendor is onboarded before assuming responsibility.
<input type="checkbox"/>	Emergency/storm-response contracting protocol: PWA still applies under emergency procurement; pre-qualified emergency vendors have PWA flow-down already in place to avoid scrambling at the worst time.

### Section C. Triggering Events to Plan For

Goal: the operations team has a documented list of common events that trigger PWA so the field knows what to flag — and the asset-management team can plan compliance touchpoints around them.

<input type="checkbox"/>	<p>Trigger-event list maintained and shared with the field, covering at minimum:</p> <ul style="list-style-type: none"> <li>Inverter replacement or major service</li> <li>Module / panel replacement (solar)</li> <li>Blade repair or replacement (wind)</li> <li>Transformer or balance-of-plant (BOP) equipment replacement</li> <li>Battery cell, module, or BMS replacement (storage)</li> <li>Tracker repairs and drive replacements (solar)</li> <li>Repowering events or capacity-altering modifications</li> <li>Storm, fire, or casualty repairs</li> <li>Capital alterations and capacity rerates</li> <li>Major annual outage maintenance crossing the alteration/repair threshold</li> </ul>
<input type="checkbox"/>	Each trigger event activates a documented compliance workflow: re-pull wage determination, notify covered contractors, capture certified payrolls and apprenticeship hours, retain records.
<input type="checkbox"/>	Pre-event compliance check completed before any planned major alteration/repair (recommend 30 days before).
<input type="checkbox"/>	Unplanned-event protocol documented for storm and casualty work where pre-event preparation is not possible.
<input type="checkbox"/>	Post-event compliance close-out: records collected, classifications confirmed, exceptions logged.

### Section D. Records Continuity Across Ten Years

Goal: a continuous, audit-ready records system that survives vendor changes, financing changes, and ownership changes — and that re-baselines compliance data (wage determinations, apprenticeship outreach) at each event rather than relying on stale construction-period data.

**Questions about your operations-period compliance? Let's talk.**

Michael Knapp • [mknapp@skillsmart.us](mailto:mknapp@skillsmart.us) • [www.skillsmart.us](http://www.skillsmart.us)  SkillSmart InSight

<input type="checkbox"/>	Records system maintained continuously across O&M provider changes, refinancings, and ownership changes. The system follows the facility, not the operator.
<input type="checkbox"/>	Wage determinations re-pulled at the time of each alteration or repair event, not relied upon from the original construction period.
<input type="checkbox"/>	Certified payrolls (WH-347 or equivalent) collected from every covered vendor and lower-tier sub for each event.
<input type="checkbox"/>	Apprenticeship hours and journey-to-apprentice ratio records maintained per event, including for short-duration work.
<input type="checkbox"/>	Fringe benefit documentation maintained per event (cash payments vs. bona fide plan contributions).
<input type="checkbox"/>	Records retention plan extends through at least year 13 from PIS (10-year credit period plus 3 years of audit window). Some organizations extend to year 15 for safety.
<input type="checkbox"/>	Annual records-completeness audit performed: spot-check 10–20% of events in the prior year for evidence chain integrity.

## Section E. Apprenticeship in the Operations Period

Goal: the 12.5%/15% apprenticeship labor-hour ratio is applied to alteration and repair work, not just construction — and the practical realities of short-duration episodic work are handled with documented Good Faith Effort.

<input type="checkbox"/>	Apprenticeship labor-hour ratio applied to each alteration/repair event (12.5% for facilities that began construction in 2023; 15% for facilities that began construction in 2024 or later).
<input type="checkbox"/>	Tracking mechanism in place for events that may run only a day or two — short-duration work still counts toward the ratio.
<input type="checkbox"/>	Good Faith Effort process documented for events where apprentices cannot reasonably be sourced (short-notice repairs, specialty trades, emergency response). GFE for each event captured at the time, not retroactively.
<input type="checkbox"/>	Contractor-level participation rule applied to O&M vendors: contractors with 4 or more employees performing covered work must employ at least one apprentice.
<input type="checkbox"/>	Apprenticeship hours captured in the same labor-tracking system as total event hours — not in a separate ledger that risks drift over ten years.
<input type="checkbox"/>	Outreach to Registered Apprenticeship Programs refreshed periodically — at minimum annually — so GFE evidence stays current and credible.

## Section F. Annual & Periodic Compliance Reviews

Goal: a predictable cadence of self-reviews that catches gaps early — long before tax-equity diligence, the next investor reporting cycle, or the IRS does.

**Questions about your operations-period compliance? Let's talk.**

Michael Knapp • [mknapp@skillsmart.us](mailto:mknapp@skillsmart.us) • [www.skillsmart.us](http://www.skillsmart.us)  SkillSmart InSight

<input type="checkbox"/>	Annual compliance review scheduled (Q1 of each operating year). Reviews all events from the prior year for records completeness, classification accuracy, and cure status.
<input type="checkbox"/>	Pre-event compliance check completed before any major scheduled alteration or repair (recommend 30 days before).
<input type="checkbox"/>	Wage determination refresh built into the event workflow — verified at the time of each event, not on a stale calendar.
<input type="checkbox"/>	Cure status review: any pending corrections from the prior year resolved before year-end. No carry-forward of unresolved underpayments.
<input type="checkbox"/>	Field-team retraining or refresher: a brief PWA refresh delivered to O&M field leads annually so personnel turnover doesn't silently erode compliance posture.
<input type="checkbox"/>	Independent review every 2–3 years (third party or internal audit) to test the program against an outside lens.

## Section G. Annual Tax Filing & Certification

Goal: each of the ten years of credit claims is supported by clean, traceable evidence — including the years when no alteration or repair work occurred.

<input type="checkbox"/>	Annual PWA certification language prepared each year, signed by an authorized officer of the taxpayer. Year-one certification is not sufficient for years two through ten.
<input type="checkbox"/>	Documentation handoff package assembled year-by-year for the tax preparer: certified payrolls, apprenticeship records, GFE documentation, cure documentation, and any state-stack records.
<input type="checkbox"/>	“No-event” years documented affirmatively. The absence of alteration/repair activity in a given year is itself a fact worth recording — silence at audit is harder to defend than a documented zero.
<input type="checkbox"/>	Calendar coordination with tax advisor: annual handoff date set; advisor on notice of major events that affected the year.
<input type="checkbox"/>	Records linkage maintained from individual event labor evidence to the specific year's credit claim. Each year stands alone at audit.

## Section H. Asset Lifecycle Events

Goal: the events that most often break operations-period compliance — acquisition, divestiture, refinancing, vendor change, casualty — are handled with documented protocols so a structural change in the facility's ownership or operations does not silently erode the credit.

<input type="checkbox"/>	Acquisition / divestiture transfer protocol: when the facility changes hands, compliance evidence, records, and active certifications transfer cleanly to the new owner. The §45Y credit period runs with the facility.
--------------------------	---

Questions about your operations-period compliance? Let's talk.

Michael Knapp • [mknapp@skillsmart.us](mailto:mknapp@skillsmart.us) • [www.skillsmart.us](http://www.skillsmart.us)  SkillsSmart InSight

<input type="checkbox"/>	Pre-transaction diligence package ready: a buyer or investor can verify operations-period compliance posture quickly. Same package supports tax-equity diligence and §6418 transfers.
<input type="checkbox"/>	Refinancing / tax-equity restructuring protocol: the compliance program meets new investor diligence requirements before close.
<input type="checkbox"/>	O&M vendor change protocol: addressed in Section B, but the asset-management lead owns the transition and confirms records continuity before old vendor demobilizes.
<input type="checkbox"/>	Casualty / emergency repair protocol: PWA still applies; emergency procurement does not waive the requirement. Pre-qualified emergency vendors have PWA flow-down already in place.
<input type="checkbox"/>	Major event / repowering protocol: treat as a new PWA project within the operations period — refresh wage determinations, refresh GFE, treat the work as construction-like for compliance purposes.

## Section I. Risk Transfer & Investor Reporting

Goal: the operations-period compliance posture supports any insurance, transfer, or tax-equity arrangement in place — and is reported to investors on the cadence they require.

<input type="checkbox"/>	Tax-credit insurance status confirmed: if carried at construction, operations-period scope is in force and renewed annually as needed.
<input type="checkbox"/>	§6418 transfer status: if any credits have been transferred, transferee diligence requirements are understood and met across the operations period — not just at year one.
<input type="checkbox"/>	Investor reporting cadence calendared: PWA compliance reported to tax-equity partners on their cadence (typically quarterly or annual).
<input type="checkbox"/>	Audit-defense plan refreshed each year. Personnel turnover at the asset-management level creates response gaps unless owners are explicitly documented.
<input type="checkbox"/>	Decision documented on monitoring model for the operations period: in-house, third-party monitor, or hybrid. The right answer at construction is not necessarily the right answer in year five.

### IF YOU MISSED STEPS DURING CONSTRUCTION

Operations-period compliance is not a substitute for pre-construction setup, but a strong operations program does materially improve audit posture for the rest of the credit period. If construction-period gaps existed, run the companion Pre-Construction Compliance Checklist retroactively, document cure payments for any underpayments, and use the operations-period program from this checklist to ensure the next nine years are clean.

## Self-Assessment Score

Questions about your operations-period compliance? Let's talk.

Michael Knapp • [mknapp@skillsmart.us](mailto:mknapp@skillsmart.us) • [www.skillsmart.us](http://www.skillsmart.us)  SkillSmart InSight

Tally the items you checked across all sections (about 45 in total). Use the bands below as a directional read — they are not a substitute for legal or tax advice.

<input type="checkbox"/>	90%+ checked: Audit-ready operations posture. Maintain the cadence; revisit annually.
<input type="checkbox"/>	75–89%: Strong posture. Address gaps in the lowest-scoring section, particularly Sections B (vendor management) and D (records continuity).
<input type="checkbox"/>	50–74%: Moderate operations-period exposure. The compliance program survived construction but is not fully transitioned to operations. Prioritize Sections A, B, and D.
<input type="checkbox"/>	Below 50%: High risk. The 5x multiplier is materially exposed for any year in which alteration or repair work occurs. Treat as a near-term remediation priority before the next major work event or investor reporting cycle.

## Next Steps

If this surfaced items you weren't sure how to score — or you'd like a second pair of eyes on your operations-period compliance posture — we'd be happy to offer a brief 30-minute review with one of our compliance leads at no cost. We'll walk through the checklist with you and flag what we've seen become a problem on other projects.

**Book a 30-minute review:** <https://calendly.com/mknapp-skillsmart/30min>

**Or email Michael directly:** [mknapp@skillsmart.us](mailto:mknapp@skillsmart.us)

### ABOUT SKILLSMART

SkillsSmart is a wage-compliance system of record purpose-built for prevailing-wage and Davis-Bacon work, federal and state, and built simply enough that you don't need to hire a consultant to run it. For specialty consulting firms running their own monitoring practices, SkillsSmart is the operating system they can run their practice on.

### Disclaimer

*This checklist is intended as an educational and operational tool for asset-management and O&M teams responsible for operations-period compliance under the Section 45Y Clean Electricity Production Credit. It is not legal, tax, or accounting advice. Specific compliance obligations depend on facility location, scope, construction-start date, contractual structure, ownership, and other facts that should be reviewed with qualified counsel and a qualified tax advisor. Regulations and guidance under the Inflation Reduction Act, the One Big Beautiful Bill Act of 2025, and state-level frameworks continue to evolve; verify current rules before relying on any item in this document.*

**Questions about your operations-period compliance? Let's talk.**

Michael Knapp • [mknapp@skillsmart.us](mailto:mknapp@skillsmart.us) • [www.skillsmart.us](http://www.skillsmart.us)  SkillSmart InSight