

# Checklist To Secure Safe Harbor Credits

This checklist will help you execute a transformer-led Safe Harbor strategy and secure your renewable energy tax credits.

## Phase 1: Vet your manufacturing partner

Ensure your manufacturing partner can perform and provide the necessary proof.

- ☐ **Verify Manufacturing Capacity:** Ensure your partner has production capacity to meet the deadline.
- ☐ **Validate Execution Record:** Confirm the manufacturer has proven experience with Safe Harbor projects and IRS documentation.
- ☐ **Assess FEOC Compliance Plan:** Verify their supply chain is transparent and can provide all required FEOC material certificates.

## Phase 2: Execute the binding contract

This document is your most critical line of defense for an IRS audit.

- ☐ **Execute a 'Binding Written Contract':** Sign a non-cancellable agreement that legally obligates you and the supplier.
- ☐ **Include a 'Custom Fabrication Clause':** Contract must state the part is 'engineered-to-order' (ETO) only for your specific project.
- ☐ **Aligning on components:** Align with the manufacturer and legal team on components that constitute the 100+ hours of work.
- ☐ **Include 'Non-Cancellable Terms':** Add substantial financial penalties to the contract to prove your firm's financial commitment.
- ☐ **Lock in a 'Manufacturing Timeline':** Secure production and delivery dates for components well before the end-of-year rush.
- ☐ **Final Legal Review:** Have your tax lawyer confirm the contract meets all specific IRS legal requirements.

## Phase 3: Design, Manufacturing & Audit-Proofing

Build the 'audit-proof case' by meticulously documenting the physical work.

- ☐ **Approve Final Technical Drawings:** Formally approve final custom designs to prove the component is not 'off-the-shelf.'
- ☐ **Align Payment Schedule to Milestones:** Tie all your payments directly to the completion of specific, verifiable manufacturing milestones.
- ☐ **Collect Procurement Documentation:** Get copies of all material POs and certificates to prove their country of origin.
- ☐ **Collect Time-Stamped Visual Evidence:** Get time-stamped photos and videos from the factory floor at every key production milestone.
- ☐ **Collect Granular Work-Hour Logs:** Get detailed work-hour logs from your partner to prove 'significant labor' was performed.
- ☐ **Collect Inspection Reports:** File all pro forma invoices and official inspection reports to validate quality and completion.

## Phase 4: Component Delivery, Traceability & Final Certification

Secures your position and completes your documentation package.

- ☐ **Verify Component Traceability:** Make sure all Safe Harbor components are physically marked with their own unique serial numbers.
- ☐ **Link Serial Numbers:** Update your contract and POs to include these serial numbers for a clear audit trail.
- ☐ **Arrange Secure Storage:** If receiving components early, store them in a secure warehouse and keep all records.
- ☐ **Secure Final 'Physical Work Certificate':** Get the final, signed 'Physical Work Certificate' from your manufacturer certifying work is complete.
- ☐ **Confirm Final Transformer Assembly Slot:** Lock in your manufacturing slot for the final, full transformer assembly and delivery.



# Need a Partner Who Already Has This Process in Place?

Don't leave your tax credits to chance. Ayr Energy has the capacity, experience, and documentation process ready to help you secure your Safe Harbor status before the deadline.

Contact our team today to secure your manufacturing slot.